

ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM  
COMPILED 29<sup>TH</sup> ANNUAL ACTUARIAL VALUATIONS REPORT  
AS OF DECEMBER 31, 2011

# OUTLINE OF CONTENTS

## Report of Compiled Actuarial Valuations of LOPFI

<b>Pages</b>	<b>Items</b>
1	Cover Letter
	<i><b>Financial Principles</b></i>
A-1	Financial Principles and Operational Techniques of LOPFI
A-3	Financing Diagram
A-4	Actuarial Valuation Process
	<i><b>Benefit Provisions &amp; Valuation Data</b></i>
	Summary of Benefits
B-1	Paid Service Members
B-7	Benefit Program 2 Paid Service Members
B-8	Volunteer Service Members
B-11	Covered Groups and Covered Persons
B-35	Participating Group by Type
	<i><b>Valuation Results</b></i>
	Computed Employer Contributions: Summary of Computed Rates
C-1	Paid Service Members
C-3	Volunteer Service Members
C-6	Reported Accrued Assets Available for Benefits
C-7	Development of Funding Value of Retirement System Assets
C-9	Summary of Assets and Accrued Liabilities
C-13	Terminated Vested, Active Inactive and Retired Members Actuarial Accrued Liabilities
C-15	Gain (Loss) Development
C-16	Results for Closed Plans
C-21	Results for Plans With No Active Members
C-22	Comments and Conclusion
	<i><b>Summary of Actuarial Assumptions and Methods</b></i>
D-1	Summary of Assumptions Used for Actuarial Valuations
D-14	Relationship Between Economic Assumptions & Inflation
	<i><b>GASB Disclosures</b></i>
E-1	Schedule of Funding Progress
E-3	Schedule of Employer Contributions
E-4	Comparative Statements

June 22, 2012

The Board of Trustees  
Local Police and Fire Retirement System  
Little Rock, Arkansas

**Submitted in this report** are the compiled results of the **29th annual actuarial valuations** for the Arkansas Local Police and Fire Retirement System (LOPFI). **The date of the valuation** was December 31, 2011. The purpose of the valuation is to measure funding progress in relation to the actuarial cost method, to determine employer contribution rates and to determine actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 25.

This report was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. This report should not be relied on for any purpose other than the purpose described.

**Results of the 2011 actuarial valuations indicate** that aggregate actuarial accrued liabilities are 65% covered by assets. This result includes the 159 local police and fire pension and relief funds which are closed to new hires and for which LOPFI also serves as administrative agent. Continued receipt of computed employer and member contributions will improve this financial condition and allow LOPFI to continue to operate in sound condition in accordance with the actuarial principles of level cost financing.

**LOPFI also administers a number of the relief and pensions funds which were closed** to employees hired after December 31, 1982. A summary of the results of valuations for those groups are shown in Section E of this report.

**The valuations were based upon data** furnished us (beginning in February, 2012) concerning active and retired members and system assets. The cooperation of the Executive Director and the LOPFI staff in furnishing the materials required for these valuations is acknowledged with appreciation. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the data provided by LOPFI staff.


***The actuarial methods and assumptions*** used in making the valuations are shown in Section D of this report. The assumptions are established by the Board after consulting with the actuary. The valuation results summarized in this report involve actuarial calculations that require assumptions about future events. We believe that the assumptions and methods used in this report are reasonable and appropriate for the purpose for which they have been used. However, other assumptions and methods could also be reasonable and could result in materially different results. In addition, because it is not possible or practical to consider every possible contingency, we may use summary information, estimates or simplifications of calculations to facilitate the modeling of future events. We may also exclude factors or data that are deemed to be immaterial.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the economic and demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, this report is complete and accurate and was made in accordance with standards of practice promulgated by the Actuarial Standards Board and in conformance with Title 24 of the Arkansas Code. The actuarial assumptions used for the valuation produce results which, individually and in the aggregate, are reasonable.

One or more of the actuaries submitting this statement are Members of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,



David L. Hoffman



Heidi G. Barry, ASA, MAAA

DLH\HGB\lr

---

**SECTION A**  
FINANCIAL PRINCIPLES

---

# Financial Principles and Operational Techniques of LOPFI

## Local Police and Fire Retirement System

*Promises Made, and To Be Paid For.* As each year is completed, the system in effect hands an "IOU" to each member then acquiring a year of service credit -- the "IOU" says: "The Arkansas Local Police and Fire Retirement System owes you one year's worth of retirement benefits, payments in cash commencing when you qualify for retirement."

The related *key financial questions* are:

*Which generation of taxpayers contributes the money to cover the IOU?*

The present taxpayers, who receive the benefit of the member's present year of service?

*Or the future taxpayers*, who happen to be in Arkansas at the time the IOU becomes a cash demand?

*LOPFI intends that this year's taxpayers contribute the money to cover the IOUs being handed out this year.* By following this principle, *the employer contribution rate will remain approximately level from generation to generation* -- our children and our grandchildren will contribute the same percents of pay we contribute now.

(There are systems which have a design for deferring contributions to future taxpayers lured by a lower contribution rate now and putting aside the fact that the contribution rate must relentlessly grow much greater over decades of time -- consume now, and let your children face your financial pollution after you've retired).

An inevitable by-product of the level-cost design is the accumulation of reserve assets, for decades, and the income produced when the assets are invested. *Invested assets are a by-product and not the objective.* *Investment income* becomes in effect *the third contributor* for benefits to employees, and is interlocked with the contribution amounts required from employees and employers.

Translated to actuarial terminology, this level-cost objective means that the contribution rates must total at least the following:

Normal Cost (the cost of members' service being rendered this year)

... plus ...

Interest on Unfunded Actuarial Accrued Liabilities (unfunded actuarial accrued liabilities are the difference between: liabilities for members' service already rendered; and the accrued assets of the governmental unit in the plan).

***Computing Contributions To Support System Benefits.*** From a given schedule of benefits and from the employee data and asset data furnished, the actuary determines the contribution rates to support the benefits, by means of ***an actuarial valuation and a funding method.***

An actuarial valuation has a number of ingredients such as: the rate of investment return which plan assets will earn; the rates of withdrawal of active members who leave covered employment before qualifying for any monthly benefit; the rates of mortality; the rates of disability; the rates of pay increases; and the assumed age or ages at actual retirement.

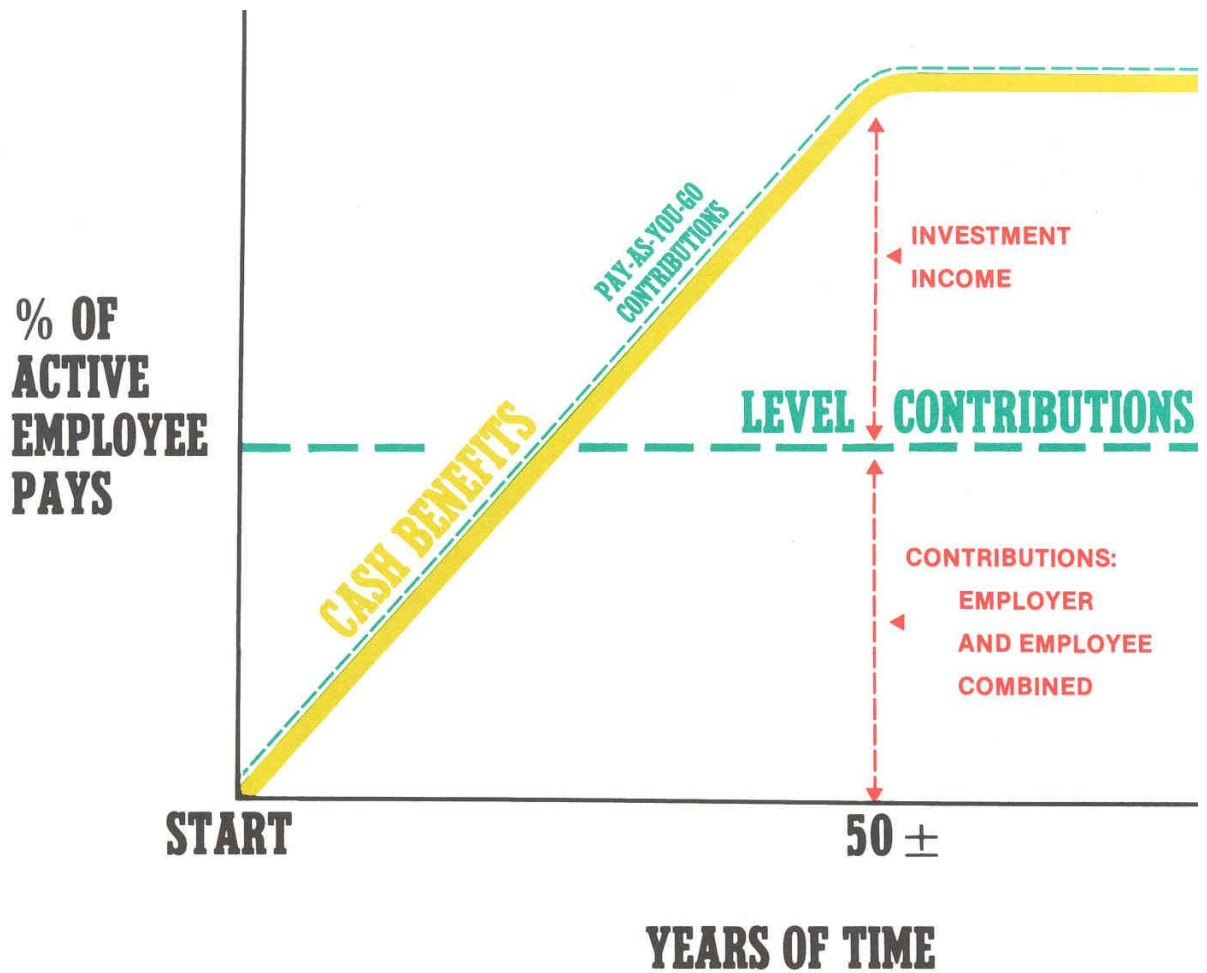
In making an actuarial valuation, the system must assume what the above experience will be for the next year and for decades in the future. Only the subsequent actual experience of the System can indicate the degree of accuracy of the assumptions.

***Reconciling Differences Between Assumed Experience and Actual Experience.*** Once actual experience has occurred and been observed, it will not coincide exactly with assumed experience, regardless of the wisdom of the assumptions and regardless of the skill of the actuary and the calculations made. The future can be predicted with considerable but not complete precision, except that inflation seems to defy reliable prediction.

LOPFI copes with these continually changing differences by having ***annual actuarial valuations,*** separately for each participating paid employer group and in aggregate for participating volunteer employer groups. Each annual actuarial valuation is a complete recalculation of assumed future experience, taking into account all past differences between assumed and actual experience. The result is continually changing employer contribution rates.

***The size of an annual change in a paid plan employer contribution rate is usually less than one percent of payroll (up or down),*** particularly for the larger groups, where happenings to one or two employees have little effect on the group's status.

To avoid causing employer budget problems, LOPFI provides a maximum annual increase of one percent of payroll for any one participating employer (not including the effect of any benefit changes throughout the year).



**CASH BENEFITS LINE.** This relentlessly increasing line is the fundamental reality of retirement plan financing. It happens each time a new benefit is added for future retirements (and happens regardless of the design for contributing for benefits).

**LEVEL CONTRIBUTION LINE.** Determining the level contribution line requires detailed assumptions concerning a variety of experiences in future decades, including:

**Economic Risk Areas**

- Rates of investment return
- Rates of pay increase
- Changes in active member group size

**Non-Economic Risk Areas**

- Ages at actual retirement
- Rates of mortality
- Rates of withdrawal of active members (turnover)
- Rates of disability



## The Actuarial Valuation Process

The *actuarial valuation* is the mathematical process by which the contribution rate is determined, and the flow of activity constituting the valuation may be summarized as follows:

- A. ***Covered people data***, furnished by plan administrator, including:
  - Retired lives now receiving benefits
  - Former employees with vested benefits not yet payable
  - Active employees
- + B. ***Asset data*** (cash & investments), furnished by plan administrator
- + C. ***Assumptions concerning future financial experiences in various risk areas***, which assumptions are established by the Board of Trustees after consulting with the actuary
- + D. ***The funding method*** for determining employer contributions (the long-term, planned pattern for employer contributions)
- + E. ***Mathematically combining the assumptions, the funding method, and the data***
- = F. Determination of:
  - Plan financial position***
  - and/or ***New Employer Contribution Rate***

---

## **SECTION B**

### **BENEFIT PROVISIONS AND VALUATION DATA**

---

**Arkansas Local Police and Fire Retirement System**  
**Brief Summary as of December 31, 2011 of LOPFI Coverage for**  
***PAID SERVICE***

**Benefits and Conditions Evaluated and/or Considered**  
**(Section references are to Arkansas Code of 1987, including**  
**amendments from 2009 General Assembly Session)**

***Voluntary Retirement.*** Section 24-10-604. A member may retire with an age & service annuity after both (i) completing 5 years of credited service, and (ii) attaining his normal retirement age. The normal retirement age is age 60 for a member with less than 20 years credited service, age 55 for a member with at least 20 years credited service or any age for a member with 28 or more years of credited service.

***Compulsory Retirement.*** Section 24-10-605. Established by each employer.

***Paid Service.*** Section 24-10-102(13). Covered employment which is half-time employment or more, and for which a minimum dollar amount is paid. For each calendar month in 1981, the minimum is \$500 for the month. For each later calendar year, the \$500 is indexed for inflation (Consumer Price Index). Accordingly, the monthly minimum during 2011 was \$1,258.

***Volunteer Service.*** Section 24-10-102(14). Covered employment which cannot be classified as Paid Service.

***Final Average Pay.*** Section 24-10-102(16)(A). The average of a member's monthly pay during the period of 36 consecutive months of credited Paid Service producing the highest monthly average, which period is contained within the 120 consecutive months of credited Paid Service immediately preceding retirement. Not applicable to Volunteer Service.

**Age & Service Annuity.** Section 24-10-602. The annuity, payable monthly for life, equals a specified amount multiplied by the member's number of years of credited service. The amount depends upon the conditions related to covered employment:

A. ***Paid Service Not Covered by Social Security.*** For each year of such service, 2.94% of the member's final average pay.

B. ***Paid Service Also Covered by Social Security.*** For each year of such service, 1.94% of the member's final average pay. In addition, there is a temporary annuity equal to 1.0% of the member's final average pay for each year of service, payable to normal Social Security retirement age.

C. At time of retirement, the total of A plus B cannot exceed 100% of final average pay.

**Early Annuity.** Section 24-10-606. A member may retire with an early annuity after both (i) completing 20 years of credited service, and (ii) attaining age 50 or (iii) after completing 25 years of credited paid service. The early annuity amount, payable monthly for life, is computed in the same manner as an age & service annuity, based upon his service and pay record to time of early retirement, but reduced to reflect the fact that his age when payments begin is younger than his normal retirement age. The amount of the reduction is 1/2 of 1% (.005) for each month his age at early retirement is younger than his normal retirement age (age 55 for members with 25 years of credited paid service).

**Vested Termination Annuity.** Section 24-10-611. If a member leaves LOPFI-covered employment (i) before attaining his early retirement age, and (ii) after completing 5 years of credited service, he becomes eligible for a vested termination annuity; provided he lives to his normal retirement age and does not withdraw his accumulated contributions. The vested annuity amount, payable monthly for life from his normal retirement age, is computed in the same manner as an age & service annuity, based upon his service and pay record to time of leaving LOPFI coverage. However, final average pay is increased by one-half of any increase in the inflation index for the period from termination of employment to beginning of annuity payments.

***Non-Duty Disability Annuity.*** Section 24-10-607(a)(1)(A). A member with 5 or more years of credited service who becomes totally and permanently disabled from other than duty-connected causes receives a non-duty disability annuity computed in the same manner as an age & service annuity, based upon his service and pay record to time of disability.

***Duty Disability Annuity.*** Section 24-10-607(c)(1)(A). A member who becomes totally and permanently disabled from duty-connected causes receives a duty disability annuity computed in the same manner as an age & service annuity, based upon his service and pay record to time of disability. The minimum annuity payable is 65% of the member's final average pay.

***Non-Duty Death-in-Service. Paid Member.*** Section 24-10-608(a)(1). Upon the death, from other than duty-connected causes, of a Paid Service member who had completed 5 years of paid service, his eligible surviving dependents receive the following benefits:

(a) The surviving spouse receives an annuity equal to the Option B50 annuity (joint and 50% survivor benefit) computed based upon the deceased member's service (and pay) record to time of death. Minimum of 20% of member's final average pay, or \$125 monthly if greater.

(b) While a spouse benefit is payable, each dependent child under age 18 (age 23 if full time student) receives 10% of member's final average pay, or \$25 monthly if greater. The totals for 4 or more children cannot exceed 30% of final average pay, or \$125 monthly if greater.

(c) While no spouse benefit is payable, each dependent child under age 18 (age 23 if full time student) receives 20% of member's final average pay, or \$25 monthly if greater. The total for 3 or more children cannot exceed 50% of final average pay, or \$125 monthly if greater.

(d) If there is neither spouse nor child at time of member's death, each dependent parent receives 20% of final average pay.

***Duty Death-in-Service.*** Section 24-10-608(b)(1). Upon the death of a Paid Service member from duty-connected causes, regardless of length of service, his eligible surviving dependents receive the same benefits as for Non-Duty Death, except that if credited service at time of death is less than 25 years, credited service is increased to 25 years.

***Benefit Changes After Retirement.*** Section 24-10-612. There is an annual redetermination of monthly benefit amount, beginning the July first following 12 months of retirement. The redetermined amount is 3.0% of the monthly benefit from the preceding July.

***Member Contributions.*** Sections 24-10-404 and 24-10-613. Each member contributes 8.5% of his covered pay if his covered employment is resulting in Paid Service credit and is not covered by Social Security. For other covered employment conditions, each member contributes 2.5% of his covered pay. If a member leaves LOPFI-covered employment before an annuity is payable on his behalf, the member may choose to have his accumulated contributions refunded to him. If he dies, his accumulated contributions are refunded to his designated beneficiary.

***Employer Contributions.*** Section 24-10-405. Each employer contributes the remainder amounts necessary to finance his employees' participation in LOPFI. Contributions to LOPFI are determined based upon level-rate principles, so that contribution rates do not have to increase over decades of time.

***DROP (Deferred Retirement Option Plan).*** Sections 24-10-701 through 24-10-708. Paid service members who have attained age 55 with at least 20 years of service or members with at least 28 years of service may participate. A participant with 28 years of service will receive 75% of his accrued benefit at time of DROP election while in the DROP, payable into the participant's DROP account (which will be credited with 6% interest annually). A participant with less than 28 years of service will receive 72% of his accrued benefit at time of DROP election while in the DROP, payable into the participant's DROP account (which will be credited with 6% interest annually). Employer and employee contributions continue and are used to finance System benefits (i.e., they are not deposited to the participant's DROP account). For additional details please refer to Arkansas Code, Title 24, Chapter 10, Subchapter 7.

**LOPFI**  
**Illustrations of Normal Benefit Amounts**  
**for Sample Combinations of Service & Pay**

***FOR PAID SERVICE WHICH IS NOT COVERED BY  
SOCIAL SECURITY***

**(The Applicable Benefit Program is Years of Paid Service  
times 2.94% of FAP <sup>(1)</sup>)**

<b>Final Average Pay (FAP) <sup>(1)</sup></b>	<b>LOPFI BENEFIT <sup>(2)</sup></b>	
	<b>\$</b>	<b>% of FAP</b>
<u>32 Years of Service <sup>(3)</sup></u>		
\$ 1,800	\$ 1,693	94 %
2,200	2,070	94
2,600	2,446	94
3,000	2,822	94
3,400	3,199	94
<u>28 Years of Service <sup>(3)</sup></u>		
\$ 1,800	\$ 1,482	82 %
2,200	1,811	82
2,600	2,140	82
3,000	2,470	82
3,400	2,799	82
<u>20 Years of Service <sup>(3)</sup></u>		
\$ 1,800	\$ 1,058	59 %
2,200	1,294	59
2,600	1,529	59
3,000	1,764	59
3,400	1,999	59

(1) "Final Average Pay" means the monthly average of an employee's pays during the period of 36 consecutive months when they were highest, contained within his last 120 months of paid service.

(2) Amounts shown are rounded to the nearest dollar; actual amounts will be calculated to the nearest cent.

(3) With 28 or more years of service the employee is eligible for normal retirement. With 20 or more years of service the employee is eligible for normal retirement at age 55. With fewer than 20 years, the eligibility age is 60.

**LOPFI**  
**Illustrations of Normal Benefit Amounts**  
**for Sample Combinations of Service & Pay**

***FOR PAID SERVICE WHICH IS COVERED BY SOCIAL SECURITY***

**(The Applicable Benefit Program is Years of Paid Service times: 1.94% of FAP <sup>(1)</sup> for life, plus 1.0% of FAP <sup>(1)</sup> temporary to full Social Security retirement age)**

Final Average Pay (FAP) <sup>(1)</sup>	LOPFI Benefit <sup>(3)</sup>		Estimated Social Security <sup>(2)</sup>	Estimated Monthly Total		Percent of FAP	
	To SSRA	At SSRA		To SSRA	At SSRA	To SSRA	At SSRA
<b>32 Years of Service <sup>(4)</sup></b>							
\$1,800	\$ 1,693	\$ 1,117	\$ 993	\$ 1,693	\$ 2,110	94 %	117 %
2,200	2,070	1,366	1,154	2,070	2,520	94	115
2,600	2,446	1,614	1,286	2,446	2,900	94	112
3,000	2,822	1,862	1,418	2,822	3,280	94	109
3,400	3,199	2,111	1,550	3,199	3,661	94	108
<b>28 Years of Service <sup>(4)</sup></b>							
\$1,800	\$ 1,482	\$ 978	\$ 993	\$ 1,482	\$ 1,971	82 %	109 %
2,200	1,811	1,195	1,154	1,811	2,349	82	107
2,600	2,140	1,412	1,286	2,140	2,698	82	104
3,000	2,470	1,630	1,418	2,470	3,048	82	102
3,400	2,799	1,847	1,550	2,799	3,397	82	100
<b>20 Years of Service <sup>(4)</sup></b>							
\$1,800	\$ 1,058	\$ 698	\$ 993	\$ 1,058	\$ 1,691	59 %	94 %
2,200	1,294	854	1,154	1,294	2,008	59	91
2,600	1,529	1,009	1,286	1,529	2,295	59	88
3,000	1,764	1,164	1,418	1,764	2,582	59	86
3,400	1,999	1,319	1,550	1,999	2,869	59	84

- (1) "Final Average Pay" means the monthly average of an employee's pays during the period of 36 consecutive months when they were highest, contained within his last 120 months of paid service.
- (2) "Estimated Social Security" means, for an employee covered by Social Security, an employee's estimated OASDI retirement benefit is based upon an estimated "average indexed monthly earnings" for an employee retiring at normal Social Security retirement age (SSRA) in 2012. It does not include any amounts which might be payable to an eligible spouse or children. Final average pay is assumed to be equal to Average Indexed Monthly Earnings. The results assume no Social Security covered earnings after retirement. Note that a member may draw a reduced Social Security benefit as early as age 62.
- (3) Amounts shown are rounded to the nearest dollar; actual amounts will be calculated to the nearest cent.
- (4) With 28 or more years of service the employee is eligible for normal retirement. With 20 or more years of service the employee is eligible for normal retirement at age 55. With fewer than 20 years, the eligibility age is 60.



**Arkansas Local Police and Fire Retirement System**  
**Brief Summary as of December 31, 2011 of LOPFI Coverage for**  
***BENEFIT PROGRAM 2 PAID SERVICE***  
**Benefits and Conditions Evaluated and/or Considered**  
**(Section references are to Arkansas Code of 1987, including**  
**amendments from 2009 General Assembly Session)**

The provisions for Benefit Program 2 employers are the same as those for Benefit Program 1 employers with the following exception:

*Age & Service Annuity.* Section 24-10-602. The annuity, payable monthly for life, equals a specified amount multiplied by the member's number of years of credited service. The amount depends upon the conditions related to covered employment:

*A. Paid Service Not Covered by Social Security.*

- **Paid Service Before Adoption of Benefit Program 2.** For each year of such service, 2.94% of the member's final average pay.
- **Paid Service After Adoption of Benefit Program 2.** For each year of such service, 3.28% of the member's final average pay.
- At time of retirement, the total cannot exceed 100% of final average pay.

*B. Paid Service Also Covered by Social Security.*

- **Paid Service Before Adoption of Benefit Program 2.** For each year of such service, 1.94% of the member's final average pay, plus a temporary annuity equal to 1.0% of the member's final average pay for each year of service, payable to normal Social Security retirement age.
- **Paid Service After Adoption of Benefit Program 2.** For each year of such service, 2.94% of the member's final average pay.
- At time of retirement, the total cannot exceed 100% of final average pay.

**Arkansas LOcal Police and Fire Retirement System  
Brief Summary as of December 31, 2011  
of LOPFI Coverage for *VOLUNTEER SERVICE*  
Benefits and Conditions Evaluated and/or Considered  
(Section references are to Arkansas Code of 1987, including  
amendments from 2009 General Assembly Session)**

*Voluntary Retirement.* Section 24-10-604. A member may retire with an age & service annuity after both (i) completing 5 years of credited service, and (ii) attaining his normal retirement age. The normal retirement age is age 60 for a member with less than 20 years credited service, age 55 for a member with at least 20 years credited service or any age for a member with 28 or more years of credited service.

*Compulsory Retirement.* Section 24-10-605. Established by each employer.

*Paid Service.* Section 24-10-102(13). Covered employment which is half-time employment or more, and for which a minimum dollar amount is paid. For each calendar month in 1981, the minimum is \$500 for the month. For each later calendar year, the \$500 is indexed for inflation (Consumer Price Index). Accordingly, the monthly minimum during 2011 was \$1,258.

*Volunteer Service.* Section 24-10-102(14). Covered employment which cannot be classified as Paid Service.

*Age & Service Annuity.* Section 24-10-102(16)(A). The annuity, payable monthly for life, equals a specified amount multiplied by the member's number of years of credited service. The amount depends upon the conditions related to covered employment:

*Volunteer Service.* For each year of Volunteer Service, \$5.00 monthly, to a maximum of \$200 monthly. Beginning in 2003, each July 1 these amounts are indexed for inflation, for members retiring in the next 12 months. Accordingly, the basic benefit factor reflected in the December 31, 2011 valuations was \$6.17 monthly.

**Early Annuity.** Section 24-10-606. A member may retire with an early annuity after both (i) completing 20 years of credited service, and (ii) attaining age 50. The early annuity amount, payable monthly for life, is computed in the same manner as an age & service annuity, based upon his service record to time of early retirement, but reduced to reflect the fact that his age when payments begin is younger than his normal retirement age. The amount of the reduction is 1/2 of 1% (.005) for each month his age at early retirement is younger than his normal retirement age.

**Vested Termination Annuity.** Section 24-10-611. If a member leaves LOPFI-covered employment (i) before attaining his early retirement age, and (ii) after completing 5 years of credited service, he becomes eligible for a vested termination annuity; provided he lives to his normal retirement age (and does not withdraw any accumulated contributions). The vested annuity amount, payable monthly for life from his normal retirement age, is computed in the same manner as an age & service annuity, based upon his service record to time of leaving LOPFI coverage.

**Non-Duty Disability Annuity.** Section 24-10-607(a)(1)(A). A member with 5 or more years of credited service who becomes totally and permanently disabled from other than duty-connected causes receives a non-duty disability annuity computed in the same manner as an age & service annuity, based upon his service record to time of disability.

**Duty Disability Annuity.** Section 24-10-607(c)(1)(A). A member who becomes totally and permanently disabled from duty-connected causes receives a duty disability annuity computed in the same manner as an age & service annuity, based upon his service and pay record to time of disability. If the member had less than 25 years of service at time of disability, credited service is increased to 25 years.

**Non-Duty Death-in-Service. Volunteer Member.** Section 24-10-609. Upon the death, from other than duty-connected causes, of a Volunteer member who had completed 5 years of volunteer service, or who was eligible for normal retirement, his eligible surviving dependents receive the following benefits:

(a) The surviving spouse receives an annuity equal to the Option B50 annuity (joint and 50% survivor benefit) computed based upon the deceased member's service record to time of death.

(b) Each dependent child under age 18 (age 23 if full time student) receives \$15 monthly. The totals for 3 or more children cannot exceed \$40 monthly.

***Duty Death-in-Service.*** Section 24-10-608(b)(1). Upon the death of a Paid Service member from duty-connected causes, regardless of length of service, his eligible surviving dependents receive the same benefits as for Non-Duty Death, except that if credited service at the time of death is less than 25 years, credited service is increased to 25 years.

***Benefit Changes After Retirement.*** Section 24-10-612. There is an annual redetermination of monthly benefit amount, beginning the July first following 12 months of retirement. The redetermined amount is 3.0% of the monthly benefit from the preceding July.

***Member Contributions.*** For Volunteer Service credit, members do not contribute.

***Employer Contributions.*** Section 24-10-405. Each employer contributes the amounts necessary to finance all employees participation in LOPFI. Contributions to LOPFI are determined based upon level-rate principles, so that contribution rates do not have to increase over decades of time.

**LOPFI Covered Groups and Covered Persons  
(Excluding Local Funds)**

LOPFI Staff	Valuation Groups	Active Members				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/2007	1	8	\$ 415,984	\$51,998	N/A	4.1 %
12/31/2008	1	8	459,432	57,429	10.4 %	0.1
12/31/2009	1	8	487,527	60,941	6.1	2.7
12/31/2010	1	8	514,466	64,308	5.5	1.5
12/31/2011	1	8	543,380	67,923	5.6	3.0

**LOPFI Covered Groups and Covered Persons  
(Excluding Local Funds)**

Paid Police Covered by Social Security	Valuation Groups	Active Members				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/1989	54	457	\$ 7,803,548	\$17,076	4.3 %	4.6 %
12/31/1990	62	517	9,386,818	18,156	6.3	6.1
12/31/1991	73	614	11,618,980	18,923	4.2	3.1
12/31/1992	78	683	13,483,829	19,742	4.3	2.9
12/31/1993	89	806	16,407,154	20,356	3.1	2.7
12/31/1994	98	916	19,373,328	21,150	3.9	2.7
12/31/1995	110	1,053	23,212,618	22,044	4.2	2.5
12/31/1996	117	1,145	26,154,080	22,842	3.6	3.3
12/31/1997	128	1,211	28,971,065	23,923	4.7	1.7
12/31/1998	134	1,346	33,301,863	24,741	3.4	1.6
12/31/1999	141	1,480	38,187,948	25,803	4.3	2.7
12/31/2000	150	1,493	39,080,134	26,176	1.4	3.4
12/31/2001	152	1,497	42,193,903	28,186	7.7	1.6
12/31/2002	158	1,556	46,480,114	29,872	6.0	2.4
12/31/2003	154	1,583	49,757,738	31,433	5.2	1.9
12/31/2004	154	1,583	51,235,812	32,366	3.0	3.3
12/31/2005	154	1,614	53,061,186	32,876	1.6	3.4
12/31/2006	161	1,680	57,466,068	34,206	4.0	2.5
12/31/2007	166	1,787	62,170,244	34,790	1.7	4.1
12/31/2008	163	1,838	66,243,983	36,041	3.6	0.1
12/31/2009	172	1,905	71,687,015	37,631	4.4	2.7
12/31/2010	175	1,906	72,900,413	38,248	1.6	1.5
12/31/2011	176	1,931	74,098,384	38,373	0.3	3.0

**LOPFI Covered Groups and Covered Persons  
(Excluding Local Funds)  
(Continued)**

Paid Police Not Covered by Social Security	Valuation Groups	Active Members				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/1989	14	426	\$ 8,769,222	\$20,585	7.5 %	4.6 %
12/31/1990	14	539	11,392,678	21,137	2.7	6.1
12/31/1991	14	629	13,997,170	22,253	5.3	3.1
12/31/1992	14	693	16,891,924	24,375	9.5	2.9
12/31/1993	14	735	18,643,459	25,365	4.1	2.7
12/31/1994	14	866	22,959,944	26,513	4.5	2.7
12/31/1995	14	1,002	27,042,274	26,988	1.8	2.5
12/31/1996	14	1,087	31,394,960	28,882	7.0	3.3
12/31/1997	14	1,154	35,468,514	30,735	6.4	1.7
12/31/1998	14	1,220	39,052,564	32,010	4.1	1.6
12/31/1999	14	1,257	42,319,350	33,667	5.2	2.7
12/31/2000	15	1,300	45,395,466	34,920	3.7	3.4
12/31/2001	15	1,310	47,997,431	36,639	4.9	1.6
12/31/2002	14	1,309	51,013,420	38,971	6.4	2.4
12/31/2003	14	1,344	54,363,935	40,449	3.8	1.9
12/31/2004	15	1,369	57,397,946	41,927	3.7	3.3
12/31/2005	15	1,410	60,652,180	43,016	2.6	3.4
12/31/2006	14	1,455	64,982,903	44,662	3.8	2.5
12/31/2007	14	1,479	68,484,220	46,304	3.7	4.1
12/31/2008	14	1,507	72,880,723	48,361	4.4	0.1
12/31/2009	14	1,544	77,374,468	50,113	3.6	2.7
12/31/2010	14	1,562	76,993,476	49,292	(1.6)	1.5
12/31/2011	14	1,558	79,332,711	50,920	3.3	3.0

**LOPFI Covered Groups and Covered Persons  
(Excluding Local Funds)  
(Continued)**

Paid Fire Covered by Social Security	Valuation Groups	Active Members				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/1989	3	17	\$ 363,844	\$21,403	6.2 %	4.6 %
12/31/1990	3	22	475,090	21,595	0.9	6.1
12/31/1991	3	23	497,074	21,612	0.1	3.1
12/31/1992	2	23	535,463	23,281	7.7	2.9
12/31/1993	2	24	601,457	25,061	7.6	2.7
12/31/1994	2	22	544,619	24,755	(1.2)	2.7
12/31/1995	2	24	642,998	26,792	8.2	2.5
12/31/1996	2	24	658,401	27,433	2.4	3.3
12/31/1997	2	16	413,344	25,834	(5.8)	1.7
12/31/1998	2	15	427,149	28,477	10.2	1.6
12/31/1999	2	15	443,877	29,592	3.9	2.7
12/31/2000	3	20	550,930	27,547	(6.9)	3.4
12/31/2001	4	34	1,091,894	32,115	16.6	1.6
12/31/2002	5	34	1,236,009	36,353	13.2	2.4
12/31/2003	6	34	1,297,597	38,165	5.0	1.9
12/31/2004	7	58	1,881,084	32,432	(15.0)	3.3
12/31/2005	10	62	2,137,350	34,473	6.3	3.4
12/31/2006	13	71	2,459,152	34,636	0.5	2.5
12/31/2007	19	84	3,224,208	38,383	10.8	4.1
12/31/2008	20	85	3,310,078	38,942	1.5	0.1
12/31/2009	21	90	3,794,410	42,160	8.3	2.7
12/31/2010	23	99	4,092,787	41,341	(1.9)	1.5
12/31/2011	23	104	4,155,015	39,952	(3.4)	3.0



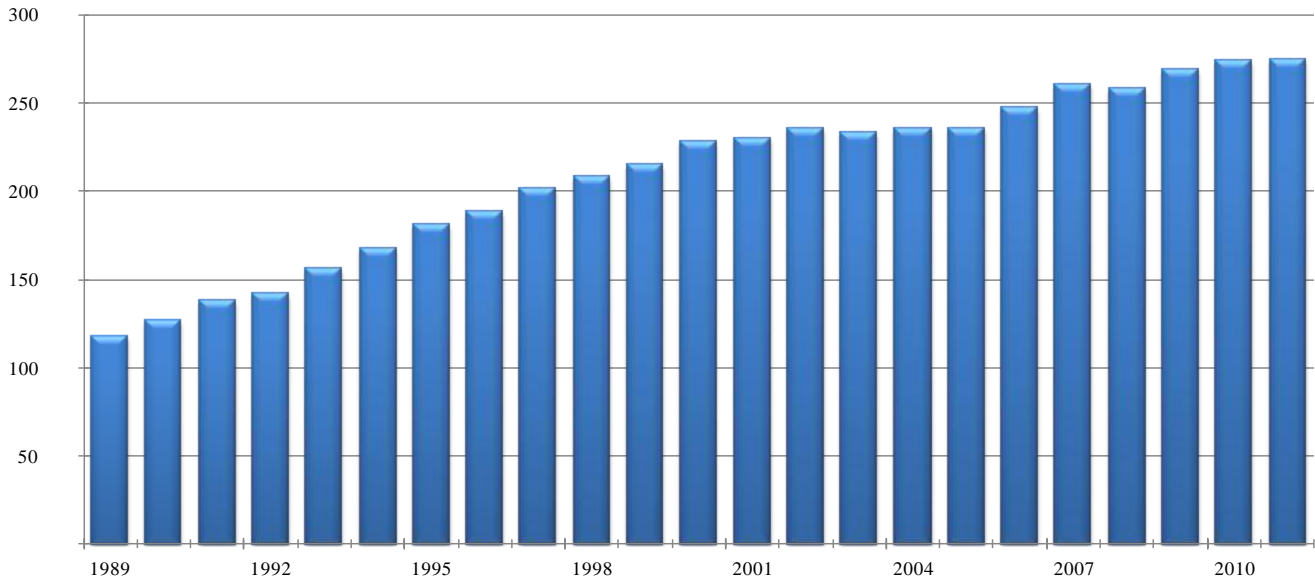
**LOPFI Covered Groups and Covered Persons  
(Excluding Local Funds)  
(Continued)**

Paid Fire Not Covered by Social Security	Valuation Groups	Active Members				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/1989	47	601	\$ 11,449,004	\$19,050	4.4 %	4.6 %
12/31/1990	48	661	13,207,386	19,981	4.9	6.1
12/31/1991	48	741	15,470,155	20,877	4.5	3.1
12/31/1992	48	825	18,328,407	22,216	6.4	2.9
12/31/1993	51	912	21,238,851	23,288	4.8	2.7
12/31/1994	54	1,003	24,431,883	24,359	4.6	2.7
12/31/1995	55	1,115	28,317,948	25,397	4.3	2.5
12/31/1996	55	1,216	32,183,785	26,467	4.2	3.3
12/31/1997	58	1,334	37,011,225	27,745	4.8	1.7
12/31/1998	58	1,417	41,048,974	28,969	4.4	1.6
12/31/1999	58	1,549	47,249,417	30,503	5.3	2.7
12/31/2000	60	1,680	52,268,378	31,112	2.0	3.4
12/31/2001	59	1,732	57,430,283	33,158	6.6	1.6
12/31/2002	59	1,821	64,691,073	35,525	7.1	2.4
12/31/2003	59	1,888	70,635,697	37,413	5.3	1.9
12/31/2004	60	1,956	76,826,671	39,277	5.0	3.3
12/31/2005	57	2,029	81,650,944	40,242	2.5	3.4
12/31/2006	59	2,122	88,041,571	41,490	3.1	2.5
12/31/2007	61	2,245	95,882,874	42,710	2.9	4.1
12/31/2008	60	2,202	98,780,987	44,860	5.0	0.1
12/31/2009	61	2,360	108,383,023	45,925	2.4	2.7
12/31/2010	61	2,374	110,404,238	46,506	1.3	1.5
12/31/2011	61	2,415	114,640,275	47,470	2.1	3.0

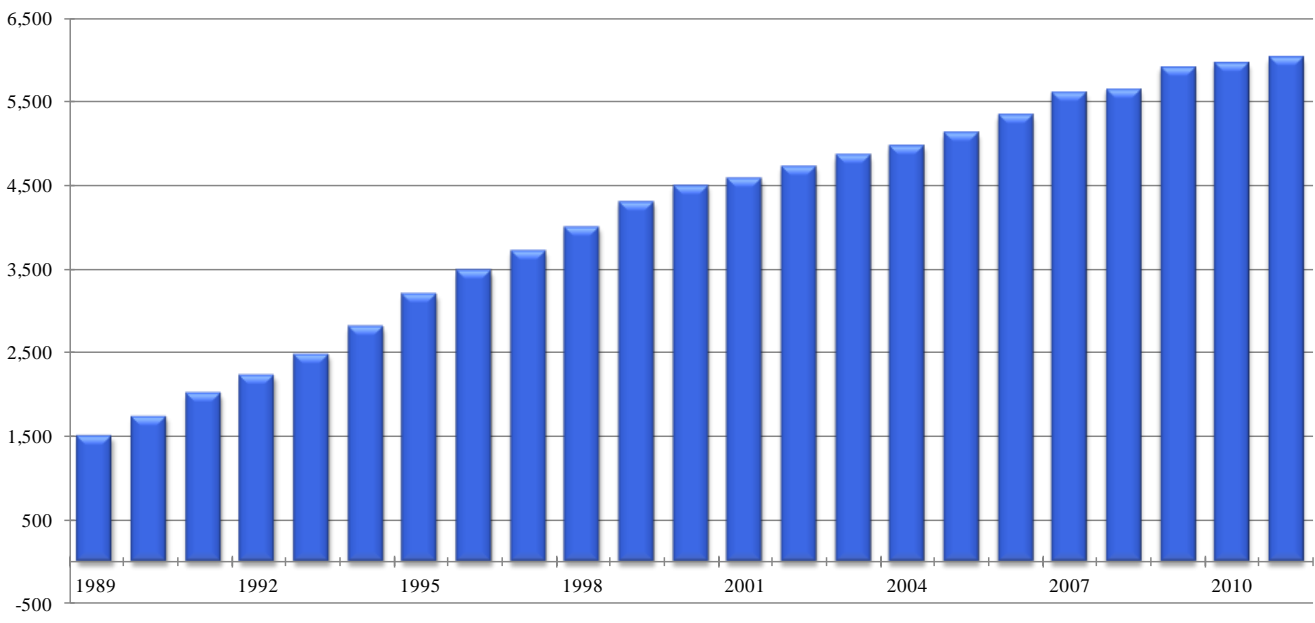
**LOPFI Covered Groups and Covered Persons  
(Excluding Local Funds)  
(Continued)**

	Valuation Groups	Active Members				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/1989	118	1,501	\$ 28,385,618	\$18,911	5.2 %	4.6 %
12/31/1990	127	1,739	34,461,972	19,817	4.8	6.1
12/31/1991	138	2,007	41,583,379	20,719	4.6	3.1
12/31/1992	142	2,224	49,239,623	22,140	6.9	2.9
12/31/1993	156	2,477	56,890,921	22,968	3.7	2.7
12/31/1994	168	2,807	67,309,774	23,979	4.4	2.7
12/31/1995	181	3,194	79,215,838	24,801	3.4	2.5
12/31/1996	188	3,472	90,391,226	26,034	5.0	3.3
12/31/1997	202	3,715	101,864,148	27,420	5.3	1.7
12/31/1998	208	3,998	113,830,550	28,472	3.8	1.6
12/31/1999	215	4,301	128,200,592	29,807	4.7	2.7
12/31/2000	228	4,493	137,294,908	30,558	2.5	3.4
12/31/2001	230	4,573	148,713,511	32,520	6.4	1.6
12/31/2002	236	4,720	163,420,616	34,623	6.5	2.4
12/31/2003	233	4,849	176,054,967	36,307	4.9	1.9
12/31/2004	236	4,966	187,341,513	37,725	3.9	3.3
12/31/2005	236	5,115	197,501,660	38,612	2.4	3.4
12/31/2006	247	5,328	212,949,694	39,968	3.5	2.5
12/31/2007	261	5,603	230,177,530	41,081	2.7	4.1
12/31/2008	258	5,640	241,675,203	42,850	4.3	0.1
12/31/2009	269	5,907	261,726,443	44,308	3.4	2.7
12/31/2010	274	5,949	264,905,380	44,529	0.5	1.5
12/31/2011	275	6,016	272,769,765	45,341	1.8	3.0

**LOPFI Covered Groups - Paid Service**



**LOPFI Active Member Count - Paid Service**



**LOPFI Covered Groups and Covered Persons  
(Excluding Local Funds)  
(Continued)**

Volunteer Police	Valuation Groups	Active Members				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/1989	4	3	N/A	N/A	N/A	N/A
12/31/1990	1	1				N/A
12/31/1991	2	2				3.1%
12/31/1992	4	5				2.9
12/31/1993	4	5				2.7
12/31/1994	8	10				2.7
12/31/1995	8	9				2.5
12/31/1996	9	10				3.3
12/31/1997	10	14				1.7
12/31/1998	7	8				1.6
12/31/1999	8	10				2.7
12/31/2000	8	9				3.4
12/31/2001	10	16				1.6
12/31/2002	19	49				2.4
12/31/2003	24	55				1.9
12/31/2004	24	55				3.3
12/31/2005	32	70				3.4
12/31/2006	38	91				2.5
12/31/2007	51	118				4.1
12/31/2008	42	123				0.1
12/31/2009	44	139				2.7
12/31/2010	58	174				1.5
12/31/2011	72	230				3.0

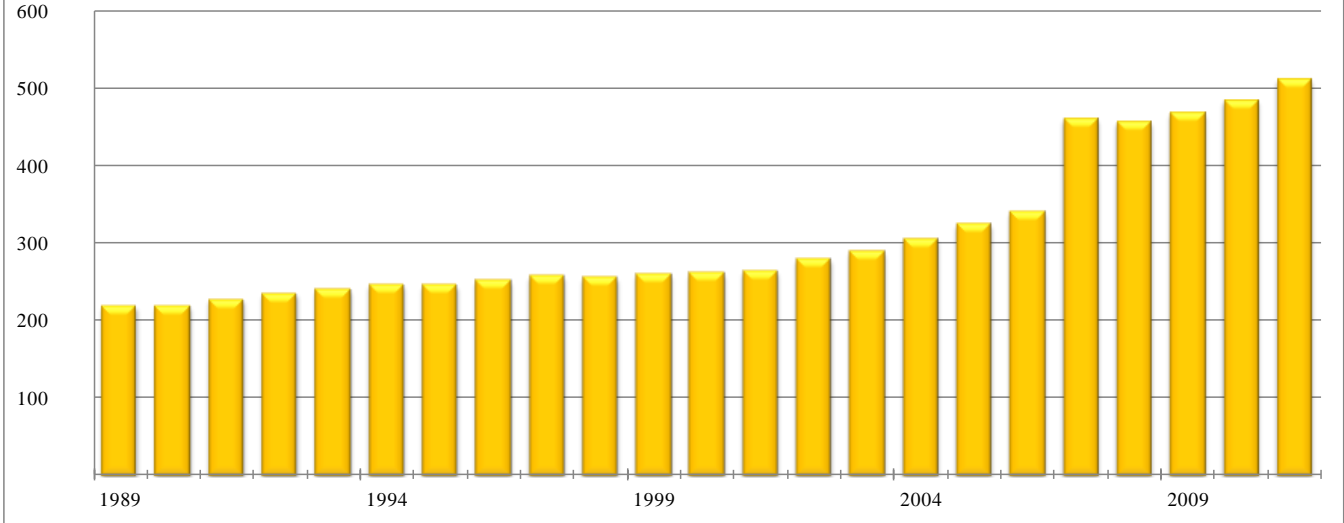
**LOPFI Covered Groups and Covered Persons  
(Excluding Local Funds)  
(Continued)**

Volunteer Fire	Valuation Groups	Active Members				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/1989	215	1,623	N/A	N/A	N/A	N/A
12/31/1990	218	1,823				N/A
12/31/1991	226	2,005				3.1%
12/31/1992	232	2,167				2.9
12/31/1993	237	2,370				2.7
12/31/1994	239	2,452				2.7
12/31/1995	238	2,684				2.5
12/31/1996	243	2,895				3.3
12/31/1997	248	3,063				1.7
12/31/1998	249	3,175				1.6
12/31/1999	253	3,397				2.7
12/31/2000	254	3,481				3.4
12/31/2001	255	3,585				1.6
12/31/2002	261	3,809				2.4
12/31/2003	266	4,033				1.9
12/31/2004	282	4,351				3.3
12/31/2005	293	4,580				3.4
12/31/2006	303	4,814				2.5
12/31/2007	410	6,502				4.1
12/31/2008	415	6,480				0.1
12/31/2009	424	6,412				2.7
12/31/2010	427	6,560				1.5
12/31/2011	440	6,804				3.0

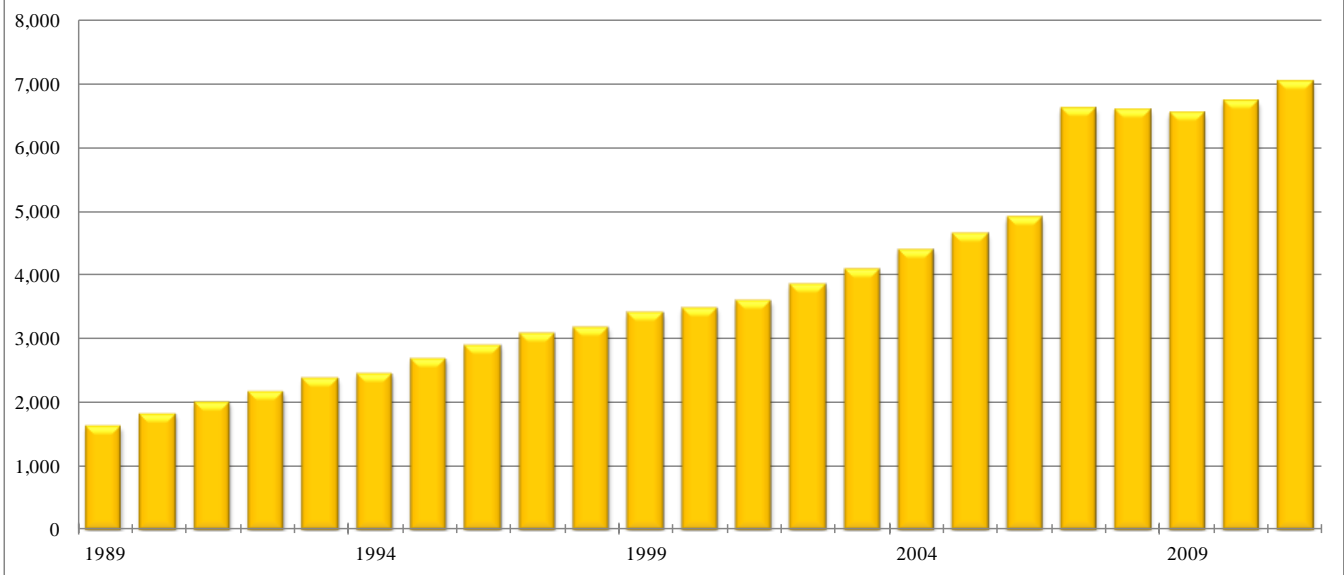
**LOPFI Covered Groups and Covered Persons  
(Excluding Local Funds)  
(Concluded)**

Total Volunteer Police and Fire	Valuation Groups	Active Members				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/1989	219	1,626	N/A	N/A	N/A	N/A
12/31/1990	219	1,824				N/A
12/31/1991	228	2,007				3.1%
12/31/1992	236	2,172				2.9
12/31/1993	241	2,375				2.7
12/31/1994	247	2,462				2.7
12/31/1995	246	2,693				2.5
12/31/1996	252	2,905				3.3
12/31/1997	258	3,077				1.7
12/31/1998	256	3,183				1.6
12/31/1999	261	3,407				2.7
12/31/2000	262	3,490				3.4
12/31/2001	265	3,601				1.6
12/31/2002	280	3,858				2.4
12/31/2003	290	4,088				1.9
12/31/2004	306	4,406				3.3
12/31/2005	325	4,650				3.4
12/31/2006	341	4,905				2.5
12/31/2007	461	6,620				4.1
12/31/2008	457	6,603				0.1
12/31/2009	468	6,551				2.7
12/31/2010	485	6,734				1.5
12/31/2011	512	7,034				3.0

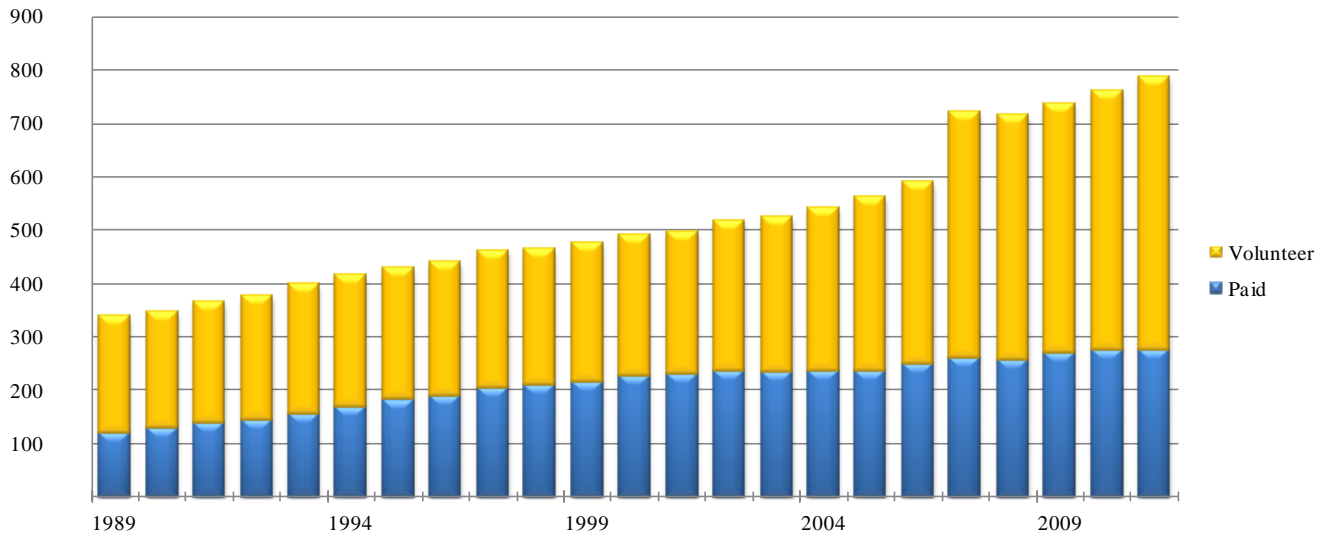
**LOPFI Covered Groups - Volunteer Service**



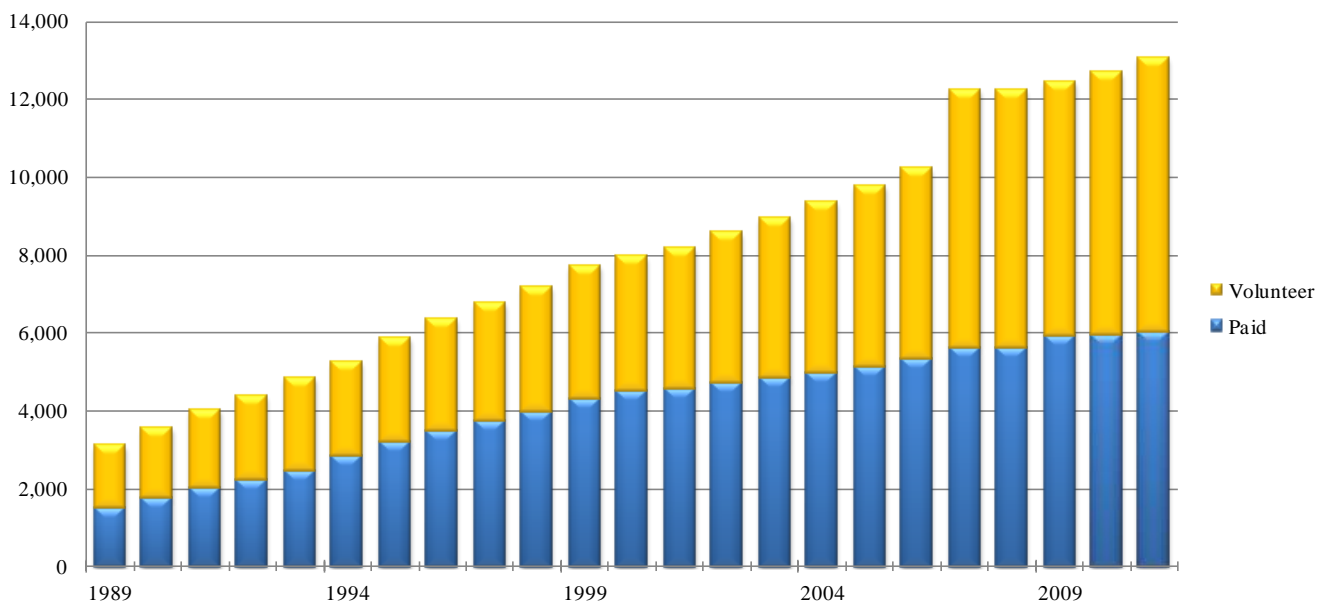
**LOPFI Active Member Count - Volunteer Service**



**LOPFI Covered Groups - Paid and Volunteer Combined**



**LOPFI Active Member Count - Paid and Volunteer Combined**





**LOPFI (Excluding Local Funds)  
Paid Service Active Members – December 31, 2011  
Attained Age and Years of Service**

Attained Age	Years of Service at Valuation Date							Totals*	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Annual Payroll
Under 20	1							1	\$ 15,096
20-24	223	13						236	7,169,944
25-29	547	215	45					807	28,731,224
30-34	364	446	164	64				1,038	42,104,952
35-39	208	282	427	178	61			1,156	52,268,281
40-44	135	167	289	364	142	35		1,132	55,466,525
45-49	55	71	98	218	262	124	20	848	45,037,730
50-54	29	25	47	81	164	135	19	500	26,939,115
55-59	8	31	19	23	51	57	7	196	10,455,986
60-64	6	16	14	9	24	4	3	76	3,449,926
65-69		1	2	6	3	3	1	16	690,421
70+	2	2	1	2	1	1	1	10	440,565
<b>Totals</b>	<b>1,578</b>	<b>1,269</b>	<b>1,106</b>	<b>945</b>	<b>708</b>	<b>359</b>	<b>51</b>	<b>6,016</b>	<b>\$ 272,769,765</b>

\* Includes DROP Participants.

Average Age: 38.9 years

Average Service: 11.7 years

Average Pay: \$45,341

As a comparison, 5,949 paid service members participated in LOPFI on December 31, 2010.

LOPFI Staff is included in the table above.

**LOPFI (Excluding Local Funds)  
 Volunteer Service Active Members – December 31, 2011  
 Attained Age and Years of Service**

Attained Age	Years of Service at Valuation Date							Total Number
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	
Under 20	94							94
20-24	585	54						639
25-29	473	282	58					813
30-34	374	246	185	65				870
35-39	295	219	185	146	48			893
40-44	271	242	187	170	97	38		1,005
45-49	203	182	184	167	116	100	18	970
50-54	141	130	131	129	114	74	27	746
55-59	88	79	111	81	64	45	18	486
60-64	56	55	44	47	31	27	14	274
65-69	46	34	24	11	11	12	4	142
70+	24	33	20	5	5	9	6	102
<b>Totals</b>	<b>2,650</b>	<b>1,556</b>	<b>1,129</b>	<b>821</b>	<b>486</b>	<b>305</b>	<b>87</b>	<b>7,034</b>

Average Age: 40.8 years

Average Service: 9.5 years

As a comparison, 6,734 volunteer service members participated in LOPFI on December 31, 2010.

**Benefit Program 2 Employers  
December 31, 2011  
(Included in Paid Service Schedules)**

<b>Employer</b>	<b>Number of Active Members*</b>	<b>Payroll</b>
Beaver Lake Paid Fire	1	\$ 47,520
Bella Vista Paid Police	26	1,179,125
Bella Vista Paid Fire	37	1,883,190
Fayetteville Paid Police	114	5,747,466
Fayetteville Paid Fire	105	5,533,260
Fort Smith Paid Police	162	7,791,363
Fort Smith Paid Fire	124	6,904,822
Hot Springs Paid Police	99	4,733,160
Hot Springs Paid Fire	72	3,704,705
Marion Paid Police	24	881,590
<b>Total BP2</b>	<b>764</b>	<b>\$ 38,406,201</b>

\* Includes DROP participants, if any.

## Retirants and Beneficiaries\* Added to and Removed From Rolls Comparative Statement

*LOPFI Paid Service*

		Added		Removed		End of Year		% Increase in Annual Allowance	Average	
		No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance		Annual Allowance	% Increase in Allowance
December 31, 2006	Retirement	83	\$ 1,218,719	8	\$ 79,942	398	\$5,696,786	24.98 %	\$14,314	1.44 %
	Survivor of active	32	147,836	-	-	61	303,154	95.18	4,970	(7.21)
	Survivor of retired	6	25,590	24	157,930	22	118,314	(52.80)	5,378	(14.17)
December 31, 2007	Retirement	120	1,834,311	14	210,138	504	7,320,959	28.51	14,526	1.48
	Survivor of active	12	80,577	5	22,320	68	361,411	19.22	5,315	6.94
	Survivor of retired	3	28,971	3	9,917	22	137,368	16.10	6,244	16.10
December 31, 2008	Retirement	120	1,896,855	6	25,908	618	9,191,906	25.56	14,874	2.40
	Survivor of active	7	50,387	-	-	75	411,798	13.94	5,491	3.31
	Survivor of retired	1	4,408	2	8,225	21	133,551	(2.78)	6,360	1.86
December 31, 2009	Retirement	106	2,288,426	13	136,647	711	11,343,685	23.41	15,955	7.27
	Survivor of active	14	106,529	3	13,914	86	504,413	22.49	5,865	6.81
	Survivor of retired	3	26,940	1	4,677	23	155,814	16.67	6,775	6.53
December 31, 2010	Retirement	138	2,819,765	11	144,330	838	14,019,120	23.59	16,729	4.85
	Survivor of active	10	100,894	8	62,685	88	542,622	7.58	6,166	5.13
	Survivor of retired	25	191,680	19	144,024	29	203,470	30.59	7,016	3.56
December 31, 2011	Retirement	193	4,940,414	12	88,382	1,019	18,871,152	34.61	18,519	10.70
	Survivor of active	11	63,152	4	28,540	95	577,234	6.38	6,076	(1.46)
	Survivor of retired	7	66,463	1	6,838	35	263,095	29.30	7,517	7.14

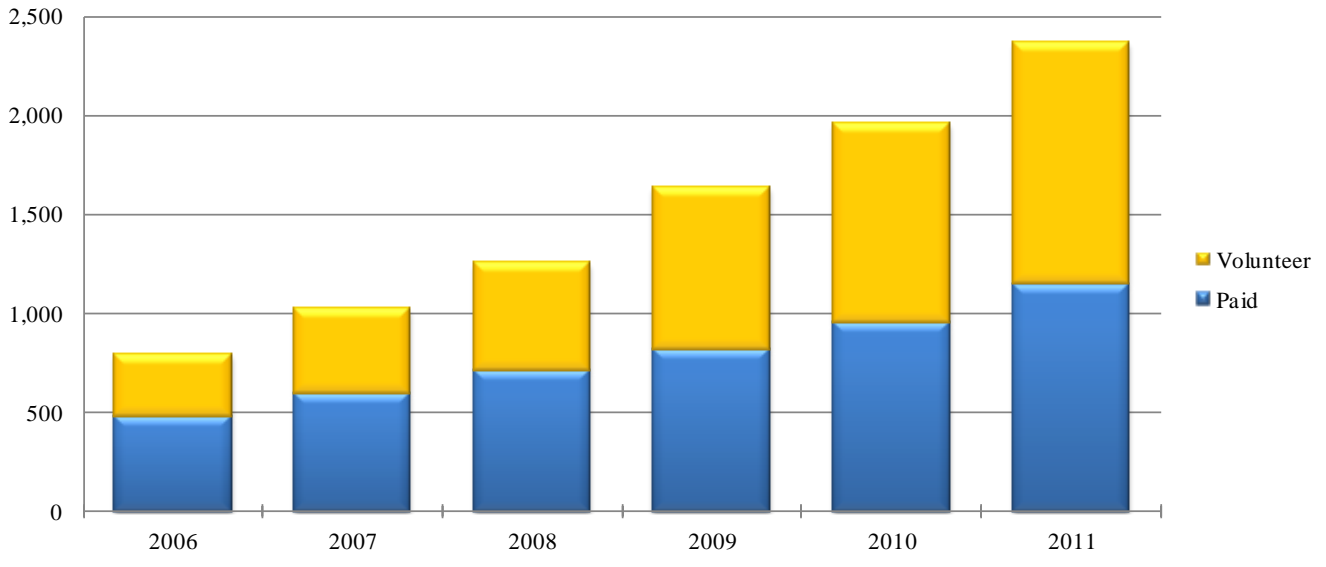
\* Includes DROP members.

**Retirants and Beneficiaries Added to and Removed From Rolls  
Comparative Statement  
(Continued)**

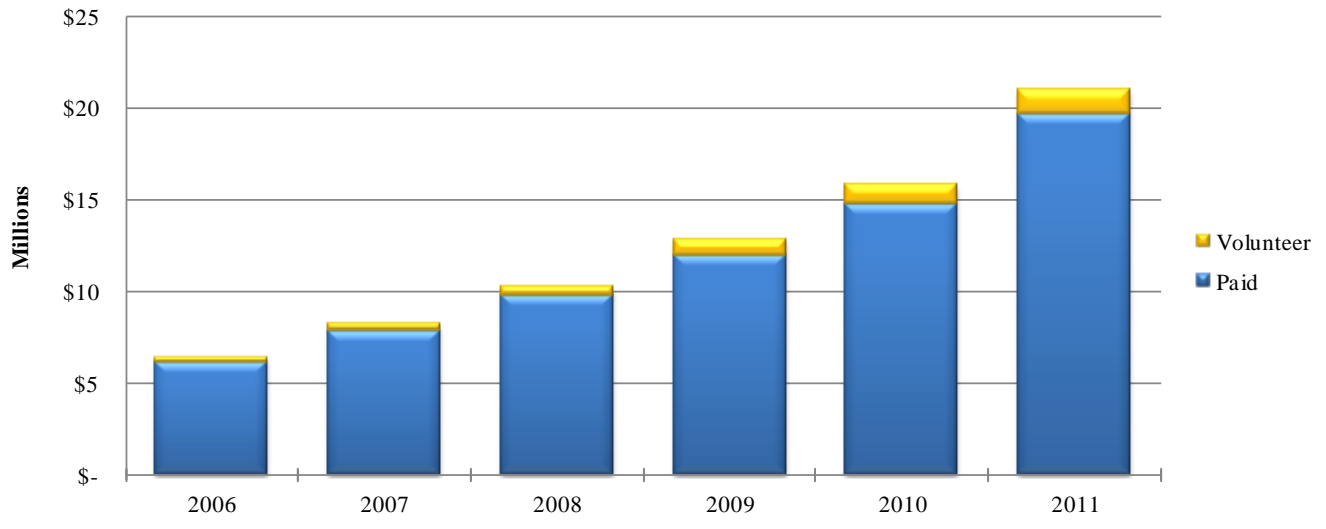
*LOPFI Volunteer Service*

		Added		Removed		End of Year		% Increase in Annual Allowance	Average	
		No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance		Annual Allowance	% Increase in Allowance
December 31, 2006	Retirement	46	\$ 52,227	6	\$ 5,421	273	\$252,441	22.76 %	\$925	4.76 %
	Survivor of active	12	6,173	1	201	27	11,219	113.82	416	26.83
	Survivor of retired	5	3,111	6	2,862	13	7,968	3.23	613	11.25
December 31, 2007	Retirement	105	108,046	12	10,337	366	350,150	38.71	957	3.46
	Survivor of active	14	3,896	-	-	41	15,115	34.73	369	(11.30)
	Survivor of retired	7	3,879	1	689	19	11,158	40.04	587	(4.24)
December 31, 2008	Retirement	106	134,401	9	6,415	463	478,136	36.55	1,033	7.94
	Survivor of active	15	4,235	2	452	54	18,898	25.03	350	(5.15)
	Survivor of retired	6	5,511	1	375	24	16,294	46.03	679	15.67
December 31, 2009	Retirement	272	359,520	14	10,099	721	827,557	73.08	1,148	11.13
	Survivor of active	14	4,482	2	873	66	22,507	19.10	341	(2.57)
	Survivor of retired	13	12,309	4	1,227	33	27,376	68.01	830	22.24
December 31, 2010	Retirement	182	213,270	16	15,511	887	1,025,316	23.90	1,156	0.70
	Survivor of active	12	5,150	3	1,464	75	26,193	16.38	349	2.35
	Survivor of retired	29	25,603	20	15,326	42	37,653	37.54	897	8.07
December 31, 2011	Retirement	195	232,470	18	17,746	1,064	1,240,040	20.94	1,165	0.78
	Survivor of active	21	9,896	-	-	96	36,089	37.78	376	7.74
	Survivor of retired	18	16,523	2	771	58	53,405	41.83	921	2.68

### LOPFI Retirants and Beneficiaries - Member Count



### LOPFI Retirants and Beneficiaries - Total Annual Benefits



**Retirants and Beneficiaries\* Added to and Removed From Rolls  
Comparative Statement  
(Continued)**

*Local Paid Service*

		Added		Removed		End of Year		% Increase in Annual Allowance	Average	
		No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance		Annual Allowance	% Increase in Allowance
December 31, 2006	Retirement	33	\$ 1,030,560	29	\$ 454,338	794	\$15,235,215	3.93 %	\$19,188	3.41 %
	Survivor of active	1	2,643	1	7,513	6	56,407	(7.95)	9,401	(7.95)
	Survivor of retired	34	468,021	31	252,697	212	2,506,067	9.40	11,821	7.86
December 31, 2007	Retirement	20	719,958	18	234,794	796	15,720,379	3.18	19,749	2.92
	Survivor of active		986	2	16,012	4	41,381	(26.64)	10,345	10.04
	Survivor of retired	20	324,366	12	116,168	220	2,714,265	8.31	12,338	4.37
December 31, 2008	Retirement	39	1,076,014	25	384,056	810	16,412,337	4.40	20,262	2.60
	Survivor of active	3	83,382	-	-	7	124,763	201.50	17,823	72.29
	Survivor of retired	18	346,417	22	173,580	216	2,887,102	6.37	13,366	8.33
December 31, 2009	Retirement	10	438,424	22	292,992	798	16,557,769	0.89	20,749	2.40
	Survivor of active	17	227,302	1	1,500	23	350,565	180.98	15,242	(14.48)
	Survivor of retired	20	286,266	29	327,986	207	2,845,382	(1.45)	13,746	2.84
December 31, 2010**	Retirement	118	2,666,918	28	406,946	888	18,817,741	13.65	21,191	2.13
	Survivor of active	-	1,890	-	6,122	23	346,333	(1.21)	15,058	(1.21)
	Survivor of retired	187	2,875,614	154	2,286,964	240	3,434,032	20.69	14,308	4.09
December 31, 2011	Retirement	34	991,101	21	321,147	901	19,487,695	3.56	21,629	2.07
	Survivor of active	3	24,618	2	25,746	24	345,205	(0.33)	14,384	(4.48)
	Survivor of retired	15	287,361	12	139,014	243	3,582,379	4.32	14,742	3.03

\* Includes DROP members.

\*\* Data corrections in 2010.

## Retirants and Beneficiaries Added to and Removed From Rolls Comparative Statement (Concluded)

### Local Volunteer Service

		Added		Removed		End of Year		% Increase in Annual Allowance	Average	
		No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance		Annual Allowance	% Increase in Allowance
December 31, 2006	Retirement	93	\$ 155,365	10	\$ 13,236	376	\$588,938	31.81 %	\$1,566	2.69 %
	Survivor of active		45			1	1,528	3.03	1,528	3.03
	Survivor of retired	21	27,434	2	2,400	99	123,530	25.42	1,248	1.38
December 31, 2007	Retirement	39	65,303	14	22,176	401	632,065	7.32	1,576	0.64
	Survivor of active	1	1,846			2	3,374	120.81	1,687	10.41
	Survivor of retired	24	34,027	2	2,473	121	155,084	25.54	1,282	2.72
December 31, 2008	Retirement	130	240,216	5	7,007	526	865,274	36.90	1,645	4.38
	Survivor of active	3	5,327	-	-	5	8,701	157.89	1,740	3.14
	Survivor of retired	45	63,123	10	12,266	156	205,941	32.79	1,320	2.96
December 31, 2009	Retirement	128	196,439	20	30,294	634	1,031,419	19.20	1,627	(1.09)
	Survivor of active	9	12,556	-	-	14	21,257	144.31	1,518	(12.76)
	Survivor of retired	43	59,514	17	23,031	182	242,424	17.72	1,332	0.91
December 31, 2010*	Retirement	48	87,376	23	34,348	659	1,084,447	5.14	1,646	1.17
	Survivor of active	-	211	-	-	14	21,468	0.99	1,533	0.99
	Survivor of retired	131	181,383	113	151,528	200	272,279	12.32	1,361	2.18
December 31, 2011	Retirement	21	37,674	25	35,673	655	1,086,448	0.18	1,659	0.79
	Survivor of active	-	217	-	-	14	21,685	1.01	1,549	1.04
	Survivor of retired	25	35,876	15	18,322	210	289,833	6.45	1,380	1.40

\* Data corrections in 2010.



**LOPFI (Excluding Local Funds)**  
**Paid Service Retirants and Beneficiaries\* – December 31, 2011**  
**Tabulated by Attained Ages**

Attained Ages	Age & Service Retirants		Disability Retirants		Survivor Beneficiaries	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 10					10	\$ 30,652
10-14					10	33,660
15-19					19	79,291
20-24					2	9,197
25-29						
30-34	2	\$18,464	14	181,562	7	69,758
35-39	3	\$ 30,627	35	722,468	4	36,162
40-44	9	155,776	69	1,518,609	18	135,781
45-49	27	575,496	87	1,986,695	12	72,488
50-54	106	2,487,170	85	1,987,777	9	124,517
55-59	158	3,565,721	36	732,255	10	71,363
60-64	165	2,237,630	34	715,625	21	122,585
65-69	107	983,141	18	330,992	6	41,006
70-74	41	417,633	4	64,449	1	6,976
75-79	15	89,429	3	65,141	1	6,893
80-84	1	4,492				
85-89						
90 & Over						
<b>Totals</b>	<b>634</b>	<b>\$10,565,579</b>	<b>385</b>	<b>\$8,305,573</b>	<b>130</b>	<b>\$840,329</b>

\* Includes DROP members.

**LOPFI (Excluding Local Funds)**  
**Volunteer Service Retirants and Beneficiaries – December 31, 2011**  
**Tabulated by Attained Ages**

Attained Ages	Age & Service Retirants		Disability Retirants		Survivor Beneficiaries	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 10					8	\$ 1,553
10-14					13	2,271
15-19					9	1,603
20-24					1	180
25-29						
30-34	2	\$990	2	\$ 566	4	2,414
35-39	2	\$ 781	7	3,348	5	2,061
40-44	9	3,076	12	5,384	11	5,504
45-49	21	21,615	13	7,465	11	4,605
50-54	68	92,377	16	12,056	14	9,576
55-59	134	194,706	9	7,205	14	8,496
60-64	260	291,283	10	9,615	22	14,454
65-69	211	250,707	3	3,514	11	9,464
70-74	153	177,480	2	1,159	14	13,582
75-79	87	98,695	1	965	10	7,817
80-84	34	46,300			7	5,914
85-89	7	9,422				
90 & Over	1	1,331				
<b>Totals</b>	<b>989</b>	<b>\$1,188,763</b>	<b>75</b>	<b>\$51,277</b>	<b>154</b>	<b>\$89,494</b>

**LOPFI (Closed Plan Members)  
Paid Service Retirants and Beneficiaries\* – December 31, 2011  
Tabulated by Attained Ages**

Attained Ages	Age & Service Retirants		Disability Retirants		Survivor Beneficiaries	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 10						
10-14					1	\$ 1,500
15-19						
20-24					3	14,971
25-29						
30-34						
35-39					1	6,753
40-44						
45-49	5	\$ 60,144				
50-54	54	1,533,640	9	225,919	7	152,217
55-59	161	3,984,311	15	364,512	11	211,330
60-64	164	3,759,215	24	556,870	35	629,607
65-69	152	3,231,679	23	440,153	38	693,797
70-74	124	2,451,528	8	157,446	39	558,643
75-79	73	1,399,600	12	229,075	50	661,730
80-84	47	671,536	5	74,400	48	627,457
85-89	19	290,570	1	12,351	21	227,405
90 & Over	4	36,046	1	8,700	13	142,174
<b>Totals</b>	<b>803</b>	<b>\$17,418,269</b>	<b>98</b>	<b>\$2,069,426</b>	<b>267</b>	<b>\$3,927,584</b>

\* Includes DROP members.

**LOPFI (Closed Plan Members)  
 Volunteer Service Retirants and Beneficiaries – December 31, 2011  
 Tabulated by Attained Ages**

Attained Ages	Age & Service Retirants		Disability Retirants		Survivor Beneficiaries	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 10						
10-14						
15-19						
20-24						
25-29						
30-34						
35-39						
40-44						
45-49	3	\$ 4,200				
50-54	48	87,768	1	\$ 1,200	1	\$ 1,200
55-59	84	135,483	4	4,920	4	5,820
60-64	102	170,961	5	6,240	18	23,400
65-69	122	204,344	3	3,660	26	37,541
70-74	99	174,779	1	1,200	30	43,971
75-79	69	118,389	2	3,000	36	48,759
80-84	60	91,029			48	67,018
85-89	37	52,232			43	57,914
90 & Over	15	27,043			18	25,895
<b>Totals</b>	<b>639</b>	<b>\$1,066,228</b>	<b>16</b>	<b>\$20,220</b>	<b>224</b>	<b>\$311,518</b>

**LOPFI Participating Group By Type**  
**December 31, 2011**

<u>Political Subdivision</u>	<u>POLICE</u>			<u>FIRE</u>			<u>OTHER</u>
	<u>Paid With SS</u>	<u>Paid W/O SS</u>	<u>Volunteer Service</u>	<u>Paid With SS</u>	<u>Paid W/O SS</u>	<u>Volunteer Service</u>	
Alma						X	
Altheimer	X					X	
Altus	X					X	
Amity						X	
Antioch						X	
Appleton Rural						X	
Arch Street FPD #16						X	
Arkadelphia					X	X	
Arkansas City						X	
Ash Flat	X		X		X	X	
Ashdown	X		X			X	
Atkins	X					X	
Augusta	X					X	
Austin	X						
Avoca						X	
Bald Knob	X		X			X	
Barling	X		X	X		X	
Barton-Lexa						X	
Batesville					X	X	
Bauxite	X						
Bay	X		X			X	
Bay Village						X	
BDR FD#1						X	
Bearden						X	
Beaver Lake				X		X	
Beaverfork						X	
Beebe				X		X	
Bella Vista	X			X		X	
Belleville						X	
Benton	X		X		X		
Bentonville	X				X	X	
Bergman						X	
Berryville	X					X	
Bethel Heights	X		X		X		
Big Creek						X	
Bigelow						X	
Bigger-Reyno						X	
Biscoe						X	
Bismarck Fire Pro Association						X	
Black Rock	X		X				
Blytheville	X		X		X		
Bono	X						
Bono FID						X	
Booneville						X	
Boston Mountain						X	
Bradford	X					X	
Bradley	X					X	
Brinkley		X			X	X	
Brookland						X	

**LOPFI Participating Group By Type**  
**December 31, 2011 (Continued)**

<u>Political Subdivision</u>	<u>POLICE</u>			<u>FIRE</u>			<u>OTHER</u>
	<u>Paid With SS</u>	<u>Paid W/O SS</u>	<u>Volunteer Service</u>	<u>Paid With SS</u>	<u>Paid W/O SS</u>	<u>Volunteer Service</u>	
Bruno Fire Protection District						X	
Bryant	X		X		X	X	
Buena Vista						X	
Buford						X	
Bull Shoals	X		X	X		X	
Burnt Ridge						X	
Butterfield						X	
Cabot	X				X	X	
Caddo Valley	X					X	
Cairo						X	
Caldwell						X	
Calico Rock						X	
Calion						X	
Calvert Township						X	
Camden		X			X	X	
Cammack Village	X		X				
Camp						X	
Cane Creek						X	
Capps-Batavia						X	
Caraway	X					X	
Carlisle	X					X	
Carthage						X	
Cash						X	
Cave City	X					X	
Cave Springs	X		X			X	
Center						X	
Center Grove						X	
Centerton	X					X	
Central City	X		X			X	
Chambersville						X	
Charleston						X	
Charlotte						X	
Cherokee Village	X		X	X			
Cherry Hill						X	
Cherry Valley	X					X	
Chidester						X	
Chimes						X	
Choctaw						X	
Cincinnati						X	
Clarendon	X					X	
Clarksville	X					X	
Clinton	X		X	X		X	
Coal Hill	X					X	
Colt						X	
Compton Vol Fire Assoc						X	
Concord	X						
Conway	X				X		
Conway County						X	

**LOPFI Participating Group By Type**  
**December 31, 2011 (Continued)**

<u>Political Subdivision</u>	<u>POLICE</u>			<u>FIRE</u>			<u>OTHER</u>
	<u>Paid</u> <u>With SS</u>	<u>Paid</u> <u>W/O SS</u>	<u>Volunteer</u> <u>Service</u>	<u>Paid</u> <u>With SS</u>	<u>Paid</u> <u>W/O SS</u>	<u>Volunteer</u> <u>Service</u>	
Cooterneck						X	
Cord						X	
Coming	X					X	
Cotter	X					X	
Cotton Plant	X					X	
Cottonwood Rural Fire Assoc						X	
County Line						X	
Cove Rural						X	
Crawfordsville						X	
Crossett	X		X		X	X	
Crystal Fire Protection Distri						X	
Curtis Rural						X	
Dalton						X	
Damascus						X	
Danville						X	
Dardanelle						X	
De Queen	X				X	X	
Deann						X	
Decatur	X					X	
Deer						X	
Dermott	X					X	
Des Arc	X					X	
Desha						X	
Devalls Bluff	X					X	
DeWitt	X					X	
Diaz	X					X	
Dierks	X		X				
District 7 Crawford Co. Volunt						X	
Dodd Mountain						X	
Dover	X		X			X	
Dumas						X	
Dyess						X	
Earle						X	
East Camden	X					X	
El Dorado		X	X		X		
Elaine						X	
Elkins	X		X	X		X	
Elm Springs	X						
Emmet						X	
EMP Rural Fire Association						X	
England						X	
Etowah						X	
Eudora						X	
Eureka Springs	X				X	X	
Evansville						X	
Evening Shade						X	
Fairfield Bay	X					X	
Fairview Fire Protection District						X	

**LOPFI Participating Group By Type**  
**December 31, 2011 (Continued)**

<u>Political Subdivision</u>	<u>POLICE</u>			<u>FIRE</u>			<u>OTHER</u>
	<u>Paid</u> <u>With SS</u>	<u>Paid</u> <u>W/O SS</u>	<u>Volunteer</u> <u>Service</u>	<u>Paid</u> <u>With SS</u>	<u>Paid</u> <u>W/O SS</u>	<u>Volunteer</u> <u>Service</u>	
Farmington	X			X		X	
Fayetteville		X			X		
Fire District #6 Crawford Co						X	
Fisher						X	
Flippin	X				X	X	
Floral						X	
Fordyce						X	
Foreman	X		X			X	
Forrest City	X		X		X	X	
Fort Smith		X			X		
Fox						X	
Frenchport						X	
Friendship			X				
Garland						X	
Gassville	X		X	X		X	
Gentry	X		X			X	
Gillett	X					X	
Glenwood	X		X			X	
Goshen	X		X				
Goshen Fire Dist Assoc						X	
Gosnell						X	
Gould						X	
Grady						X	
Gravel Ridge Fire Protection Dist.					X	X	
Gravette	X					X	
Grayson Fire Assoc						X	
Green Forest	X					X	
Greenbrier						X	
Greenland	X		X				
Greenwood	X				X	X	
Greers Ferry	X					X	
Grover Township						X	
Grubbs						X	
Gum Springs						X	
Gurdon						X	
Hackett	X		X			X	
Hagarville RFD #3						X	
Halley						X	
Hamburg						X	
Hampton	X		X			X	
Hand Cove Fire Prot Dist						X	
Hardin						X	
Hardy	X					X	
Harmon						X	
Harrell						X	
Harrisburg	X					X	
Harrison	X		X		X	X	
Hartford						X	



**LOPFI Participating Group By Type**  
**December 31, 2011 (Continued)**

<u>Political Subdivision</u>	<u>POLICE</u>			<u>FIRE</u>			<u>OTHER</u>
	<u>Paid</u> <u>With SS</u>	<u>Paid</u> <u>W/O SS</u>	<u>Volunteer</u> <u>Service</u>	<u>Paid</u> <u>With SS</u>	<u>Paid</u> <u>W/O SS</u>	<u>Volunteer</u> <u>Service</u>	
Haskell	X					X	
Hazen						X	
Heber Springs	X				X	X	
Hector			X				
Helena-West Helena		X	X		X	X	
Hensley						X	
Hermitage	X					X	
Hickory Creek						X	
Hickory Ridge						X	
Higginson	X		X			X	
Highfill	X			X		X	
Highway 15 South						X	
Highway 286 East						X	
Highway 70 West FPA						X	
Hilltop						X	
Hilltop Fire District# 51						X	
Holiday Island					X	X	
Holland						X	
Hollis						X	
Holly Grove	X		X			X	
Hon						X	
Hope					X	X	
Hopewell Fire District						X	
Horatio						X	
Hot Springs		X			X		
Hot Springs Village	X			X		X	
Hoxie	X		X		X	X	
Hughes						X	
Humphrey	X					X	
Huntington	X					X	
Huntsville	X		X			X	
Huttig						X	
Imboden						X	
Inspiration Point Rural Fire Protecti						X	
Ione Community Fire						X	
Jacksonville	X				X		
Jasper	X					X	
Johnson	X						
Johnson Area				X		X	
Johnson County Rfd #1						X	
Johnson County Rfd #2						X	
Johnson County Rfd #4						X	
Johnson County Rfd #5						X	
Johnson County Rfd #7						X	
Johnson County Rfd #8						X	
Joiner	X					X	
Jonesboro		X			X		
Joplin						X	

**LOPFI Participating Group By Type**  
**December 31, 2011 (Continued)**

<u>Political Subdivision</u>	<u>POLICE</u>			<u>FIRE</u>			<u>OTHER</u>
	<u>Paid With SS</u>	<u>Paid W/O SS</u>	<u>Volunteer Service</u>	<u>Paid With SS</u>	<u>Paid W/O SS</u>	<u>Volunteer Service</u>	
Judsonia	X					X	
Junction City						X	
Keiser						X	
Kensett	X		X			X	
Keo						X	
Kibler	X						
Knoxville						X	
Krooked Kreek						X	
Lake City	X					X	
Lake Hamilton				X		X	
Lake Maumelle Area RFD						X	
Lake Village	X					X	
Lakeview		X	X				
Lamar	X					X	
Landis						X	
Lavaca	X		X			X	
Lawson-Urbana						X	
Lazy Acres Vfd						X	
Leachville	X					X	
Lead Hill						X	
Lepanto	X					X	
Leslie						X	
Lewisville	X					X	
Liberty						X	
Lincoln	X			X		X	
Linwood-Moscow						X	
Little Flock	X		X			X	
Little Rock		X			X		
Lockesburg						X	
London Rural						X	
Lone Rock						X	
Lonoke	X					X	
LOPFI Staff							X
Louann						X	
Lowell	X		X		X	X	
Luxora	X					X	
Lynne						X	
Magazine						X	
Magnolia	X		X		X	X	
Malvern	X				X	X	
Mammoth Spring Vol. Fire						X	
Manila	X		X			X	
Mansfield	X					X	
Marble						X	
Marianna	X			X		X	
Marion	X		X	X		X	
Marked Tree	X					X	
Marmaduke	X		X			X	

**LOPFI Participating Group By Type**  
**December 31, 2011 (Continued)**

<u>Political Subdivision</u>	<u>POLICE</u>			<u>FIRE</u>			<u>OTHER</u>
	<u>Paid With SS</u>	<u>Paid W/O SS</u>	<u>Volunteer Service</u>	<u>Paid With SS</u>	<u>Paid W/O SS</u>	<u>Volunteer Service</u>	
Marshall	X					X	
Marvell	X		X			X	
Maumelle		X			X	X	
Mayflower	X			X		X	
Maynard						X	
McCroy	X					X	
McGehee	X				X	X	
McNeil						X	
McRae	X		X			X	
Melbourne						X	
Melrose						X	
Mena					X	X	
Midland						X	
Mineral Springs	X					X	
Monette	X					X	
Monticello					X	X	
Montrose	X					X	
Morning Star						X	
Morning Star FPA				X		X	
Moro						X	
Morrilton						X	
Morrow						X	
Mount Holly						X	
Mount Ida						X	
Mountain Home	X		X		X	X	
Mountain Pine	X						
Mountain View	X		X			X	
Mountainburg	X					X	
Mt Judea Area						X	
Mulberry	X		X			X	
Murfreesboro						X	
Nashville					X	X	
Natural Dam						X	
New Blaine Rural						X	
Newark						X	
Newport	X		X		X	X	
Nob Hill						X	
Norphlet			X			X	
North Crossett						X	
North Little Rock		X			X		
North Pulaski FPD						X	
Northeast Benton Co.						X	
Northeast Greene County Fire District						X	
Northeast Lakeside Vol. Fire						X	
Northeast Saline County Fire D						X	
Northside						X	
Northside						X	
Oak Grove						X	

**LOPFI Participating Group By Type**  
**December 31, 2011 (Continued)**

<u>Political Subdivision</u>	<u>POLICE</u>			<u>FIRE</u>			<u>OTHER</u>
	<u>Paid With SS</u>	<u>Paid W/O SS</u>	<u>Volunteer Service</u>	<u>Paid With SS</u>	<u>Paid W/O SS</u>	<u>Volunteer Service</u>	
Oil Trough						X	
Ola	X		X			X	
Oppelo	X					X	
Osceola	X		X		X	X	
Ouachita Co FD #1						X	
Oxley						X	
Ozark	X		X	X		X	
Pangburn	X					X	
Paragould	X				X	X	
Paris						X	
Parkin						X	
Parks						X	
Parthenon						X	
Patterson	X					X	
Pea Ridge	X					X	
Peel						X	
Perla			X			X	
Perryville	X					X	
Philadelphia						X	
Piggott						X	
Pine Bluff		X	X		X		
Pine Ridge						X	
Pine Village						X	
Pineville						X	
Plainview						X	
Pleasant Plains	X						
Pleasant Plains						X	
Plumerville						X	
Pocahontas	X				X	X	
Ponca						X	
Portland	X					X	
Pottsville	X		X			X	
Prairie Grove	X		X	X		X	
Prescott						X	
Pulaski Co					X	X	
Pyatt Rural Fire & Def Assoc						X	
Ravenden	X					X	
Rector	X					X	
Redfield	X		X			X	
Richwood						X	
Rison	X					X	
Riverdale						X	
Rockport	X						
Rogers	X				X		
Rondo						X	
Rose Bud						X	
Round Mountain						X	
Rudd's Crossing						X	

**LOPFI Participating Group By Type**  
**December 31, 2011 (Continued)**

<u>Political Subdivision</u>	<u>POLICE</u>			<u>FIRE</u>			<u>OTHER</u>
	<u>Paid</u> <u>With SS</u>	<u>Paid</u> <u>W/O SS</u>	<u>Volunteer</u> <u>Service</u>	<u>Paid</u> <u>With SS</u>	<u>Paid</u> <u>W/O SS</u>	<u>Volunteer</u> <u>Service</u>	
Russell						X	
Russellville	X				X		
Salem	X		X			X	
Salem-Saline County						X	
Saratoga						X	
Sardis Fire Protection Distric						X	
Scott						X	
Scranton Rural						X	
SE Jefferson Co						X	
Searcy	X		X		X	X	
Sedgwick Fire Improvement Dist						X	
Shady Grove Fire & Rescue						X	
Shannon Hills	X						
Shannon Hills						X	
Shaw						X	
Sheridan						X	
Sherwood	X						
Siloam Springs	X				X	X	
Sixth District						X	
Smackover	X					X	
Smyrna						X	
Snowball						X	
South Carroll Co Fire Assoc						X	
South Greene County						X	
South Mountain						X	
Southbend						X	
Southside						X	
Sparkman			X			X	
Springdale	X				X		
St. Francis						X	
Stamps	X					X	
Star City	X		X			X	
Stephens						X	
Strawberry						X	
Strickler						X	
Strong						X	
Stuttgart	X				X	X	
Sulphur Springs						X	
Summit						X	
Sunnyland Rural						X	
Sunset Rural						X	
Swifton	X					X	
Taylor						X	
Texarkana		X			X		
Thornton						X	
Tillar						X	
Timbo						X	
Tinsman						X	

**LOPFI Participating Group By Type**  
**December 31, 2011 (Concluded)**

<u>Political Subdivision</u>	<u>POLICE</u>			<u>FIRE</u>			<u>OTHER</u>
	<u>Paid With SS</u>	<u>Paid W/O SS</u>	<u>Volunteer Service</u>	<u>Paid With SS</u>	<u>Paid W/O SS</u>	<u>Volunteer Service</u>	
Tontitown				X		X	
Tracy Area						X	
Trumann	X				X	X	
Tuckerman	X					X	
Tull Fire & Rescue						X	
Turrell						X	
Tyronza	X					X	
Umpire						X	
Valley Springs						X	
Van Buren	X		X		X		
Vandervoort Rural						X	
Vilonia	X					X	
Viola						X	
Wabbaseka						X	
Waldo			X			X	
Waldron	X					X	
Walnut Ridge	X		X		X	X	
Ward	X		X	X		X	
Warren					X	X	
Washington						X	
Water Valley						X	
Wedington						X	
Weiner	X					X	
Wescon						X	
Wesley						X	
West Fork	X					X	
West Memphis	X				X		
West Point						X	
West Pulaski						X	
Western Greene Co Fire						X	
Western Grove						X	
Wheatley	X		X			X	
Wheeler						X	
White Bluff-Rye Hill						X	
White Hall	X		X			X	
Whitehouse						X	
Wickes RVFD #2						X	
Williams Junction						X	
Wilmar						X	
Wilmot						X	
Wilson						X	
Wilton						X	
Woodlawn						X	
Wright-Pastoria						X	
Wynne	X				X	X	
Y-City						X	
Yellville						X	
Zinc						X	

---

**SECTION C**  
VALUATION RESULTS

---

**LOPFI**  
**Average Computed Employer Contribution Rate**  
**For Paid Service Members**

**Computed December 31, 2011**  
**For Plan Year Beginning January 1, 2013**

Contributions	% of Active Payroll #
Normal Cost of Benefits:	
Age and service	16.68%
Casualty	1.72%
Refunds	<u>0.51%</u>
Total	18.91%
Unfunded Accrued Liabilities *	<u>7.57%</u>
Total Contribution Requirement	26.48%
Member portion @	6.85%
Employer portion before application of 24-10-405(h)(1) 1% limit	19.63%
Employer portion after application of 24-10-405(h)(1) 1% limit	18.01%

# Includes DROP participant payroll.

\* Unfunded actuarial accrued liabilities are amortized over a 30 year period.

@ Weighted average, Social Security covered members contribute 2.50% of pay while members not covered by Social Security contribute 8.50% of pay.



**LOPFI**  
**Computed Employer Contributions**  
**For Paid Service Members by Valuation Groups**  
**December 31, 2011**

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll									Totals
		Under 9.00%	9.00% -9.99%	10.00% -10.99%	11.00% -11.99%	12.00% -12.99%	13.00% -13.99%	14.00% -14.99%	15.00% -15.99%	16.00% & Above	
LOPFI Staff	8									1	1
Paid Police:											
W/SS	1,931	3	1	2	2	9	4	10	12	133	176
W/O SS	1,558	-	2	1	1	1	2	2	3	2	14
Paid Fire:											
W/SS	104	-	-	-	-	-	-	-	1	22	23
W/O SS	2,415	-	-	3	3	2	-	5	3	45	61
December 31, 2011	6,016	3	3	6	6	12	6	17	19	203	275
December 31, 2010	5,949	7	6	6	13	6	17	18	27	174	274
December 31, 2009	5,907	8	8	8	5	11	20	17	33	159	269
December 31, 2008 *#	5,640	13	7	4	12	17	17	27	26	135	258
December 31, 2007	5,603	16	7	3	12	16	17	31	23	136	261
December 31, 2006	5,328	13	6	6	7	23	17	30	21	124	247
December 31, 2005	5,115	10	9	6	15	19	14	26	22	115	236
December 31, 2004 #	4,966	13	5	11	14	15	19	22	29	108	236
December 31, 2003 *	4,849	44	10	19	20	31	27	24	13	45	233
December 31, 2002 #	4,720	47	15	15	16	26	29	21	21	46	236
December 31, 2001	4,573	116	10	31	13	14	17	11	4	14	230
December 31, 2000 *#	4,493	81	19	19	15	26	11	14	12	31	228
December 31, 1999	4,301	57	22	37	32	29	14	11	5	8	215

\* After changes in actuarial valuation assumptions.

# After legislated benefit increases.

@ Rules established by Board policy to implement uniform paid service rule applied on and after December 31, 2011. All paid service employer rates increased by the maximum allowed under law.

**LOPFI**  
**Computed Employer Contribution Rate**  
**For Volunteer Service Members**

**Computed December 31, 2011**  
**For Plan Year Beginning January 1, 2013**

Contributions	\$ Per Member Per Month
Normal Cost of Benefits:	
Age and service	\$ 22.27
Casualty	1.77
Refunds	-
Total	<u>24.04</u>
Unfunded Accrued Liabilities *	<u>27.52</u>
Total Contribution Requirement	51.56
Member portion	-
Employer portion	\$ 51.56

\* Unfunded actuarial accrued liabilities were amortized over a 27 year period.

**LOPFI**  
**Computed Employer Contributions**  
**for Volunteer Service Members by Valuation Groups**  
**December 31, 2011**

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Dollars Per Month Per Active Member												Totals	
		Under \$10	From \$10 to \$15	From \$15 to \$20	From \$20 to \$25	From \$25 to \$30	From \$30 to \$35	From \$35 to \$40	From \$40 to \$45	From \$45 to \$50	From \$50 to \$55	From \$55 to \$60	\$60 and Over		
Volunteer Police	230	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	72
Volunteer Fire	6,804	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	440
December 31, 2011	7,034	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	512
December 31, 2010	6,734	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	485
December 31, 2009	6,551	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	468
December 31, 2008 *	6,603	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	457
December 31, 2007	6,620	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	461
December 31, 2006	4,905	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	341
December 31, 2005	4,650	1	2	13	49	96	65	32	23	23	8	3	10	325	
December 31, 2004	4,406	1	1	13	49	109	62	27	15	14	3	2	10	306	
December 31, 2003 *	4,088	2	5	26	80	95	44	11	7	10	3	3	4	290	
December 31, 2002 #	3,858	10	17	54	103	47	22	8	6	4	1	2	6	280	
December 31, 2001 *	3,601	62	114	55	18	7	3	1	-	2	1	1	1	265	
December 31, 2000 #	3,490	79	81	60	16	12	3	4	1	1	1	3	1	262	
December 31, 1999	3,407	69	110	48	14	6	2	3	3	2	-	1	3	261	

\* After changes in actuarial valuation assumptions.

# After legislated benefit increases.

**LOPFI**  
**Computed Employer Contributions**  
**for Volunteer Service Members by Valuation Groups**  
**December 31, 2011**  
**(Continued)**

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Dollars Per Month Per Active Member												Totals
		Under \$4	From \$4 to \$6	From \$6 to \$7	From \$7 to \$8	From \$8 to \$9	From \$9 to \$10	From \$10 to \$11	From \$11 to \$12	From \$12 to \$13	From \$13 to \$14	From \$14 to \$18	\$18 and Over	
December 31, 1998 *#	3,183	19	10	6	7	13	10	19	23	20	41	53	35	256
December 31, 1997	3,077	14	11	7	5	8	11	17	33	19	49	53	31	258
December 31, 1996 *#	2,905	10	11	4	10	11	18	20	32	30	36	46	24	252
December 31, 1995	2,693	28	12	17	26	27	36	20	26	18	11	13	12	246
December 31, 1994	2,462	15	13	14	30	42	31	26	22	16	14	14	10	247
December 31, 1993	2,375	13	14	20	47	33	24	35	14	14	12	7	8	241
December 31, 1992	2,172	8	9	15	37	38	38	29	21	16	10	11	4	236

\* After changes in actuarial valuation assumptions.

# After legislated benefit increases.

**LOPFI**  
**Reported Accrued Assets Available for Benefits**  
**December 31, 2011**

<u>Group Type</u>	<u>No. #</u>	<u>Employer Accumulation Account</u>	<u>Members' Deposit Account</u>	<u>Retirement Reserve Account &amp;</u>	<u>Totals @</u>
LOPFI Staff	1	\$ 412,846	\$ 32,789	\$ -	\$ 445,635
Paid Police W/SS	176	78,606,494	5,410,536		84,017,031
Paid Police W/O SS	14	157,361,927	64,007,499	-	221,369,426
Paid Fire W/SS	23	4,141,025	1,012,189	-	5,153,214
Paid Fire W/O SS	<u>61</u>	<u>233,666,058</u>	<u>89,307,392</u>	-	<u>322,973,450</u>
Subtotal	274	473,775,504	159,737,616	-	633,513,120
Volunteer Police and Fire	512	19,109,683	-	-	19,109,683
Retirants and Beneficiaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,728,190</u>	<u>247,728,190</u>
Totals	787	\$ 493,298,033	\$ 159,770,405	\$ 247,728,190	\$ 900,796,628

**The Employer Accumulation Account** represents employer contributions accumulated for the payment of annuities.

**The Members' Deposit Account** represents employee contributions for (1) monthly annuities upon future retirements and (2) refunds upon termination if a monthly annuity is not payable.

**The Retirement Reserve Account** represents employer and employee contributions accumulated for monthly annuities being paid to present retired lives.

# Number of employers with active participants as of December 31, 2011. Totals include accounts for employers with no active participants as of December 31, 2011.

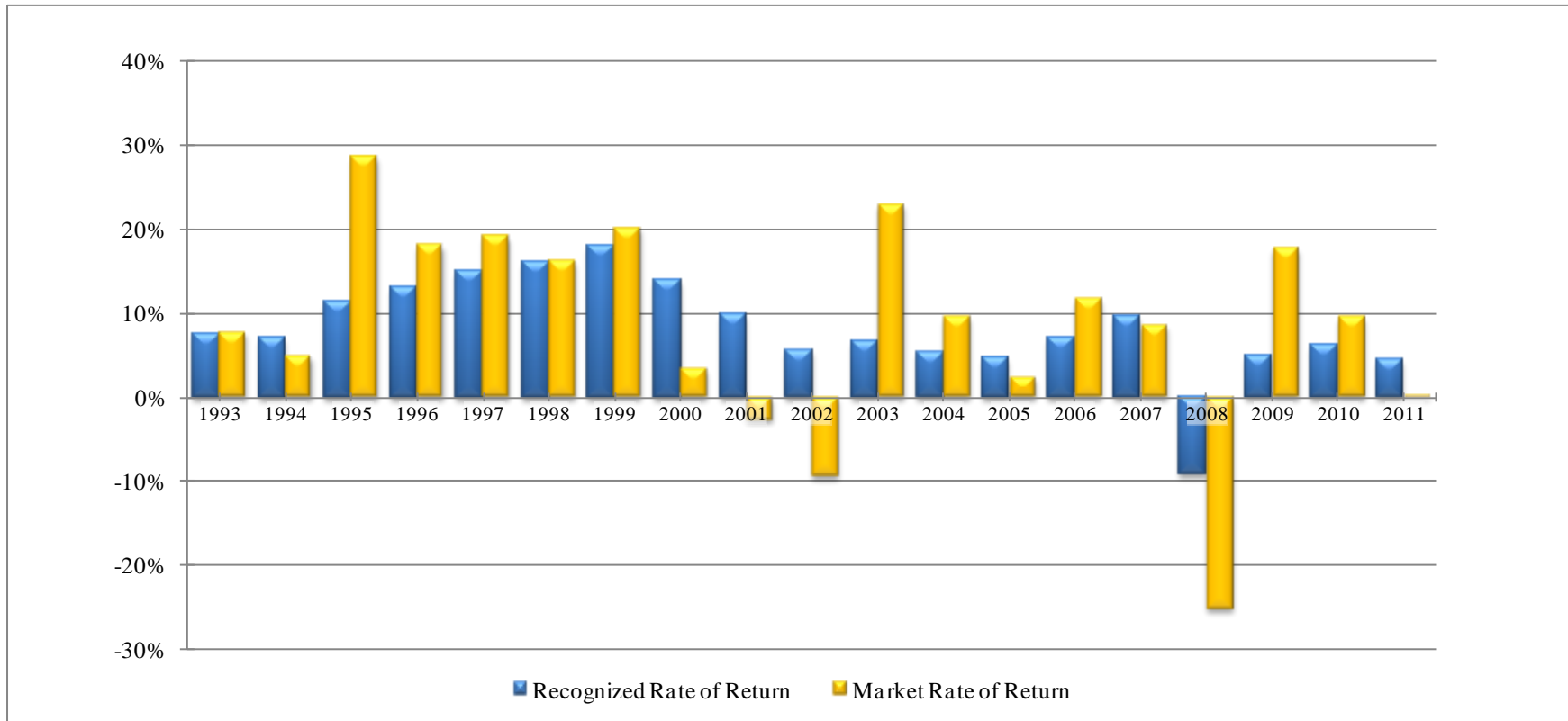
& Includes DROP Reserve Account.

@ Does not include assets of \$98,664,384 invested by LOPFI on behalf of Relief and Pension Funds under LOPFI administration.

**LOPFI**  
**Development of Funding Value of Retirement System Assets**  
**(Including Assets of Pension and Relief Fund Plans Under LOPFI Administration)**

Year Ended December 31:	2005	2006	2007	2008	2009	2010	2011
A. Funding Value Beginning of Year	\$601,798,909	\$653,546,976	\$724,746,827	\$827,546,002	\$788,633,082	\$878,958,364	\$982,154,992
B. Market Value End of Year	636,316,197	736,511,192	833,278,709	657,194,235	827,769,490	955,781,853	1,001,672,848
C. Market Value Beginning of Year	599,204,559	636,316,197	736,511,192	833,278,709	657,194,235	827,769,490	955,781,853
D. Non-Investment Net Cash Flow	22,397,530	24,082,243	31,978,254	39,182,990	49,499,030	46,538,504	43,975,999
E. Investment Income							
E1. Market Total: B - C - D	14,714,108	76,112,752	64,789,263	(215,267,464)	121,076,225	81,473,859	1,914,996
E1(a). Assumed Rate of Return	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
E2. Amount for Immediate Recognition	49,039,814	53,247,048	59,258,876	67,771,000	65,070,608	72,178,209	80,331,439
E3. Amount for Phased-In Recognition E1-E2	(34,325,706)	22,865,704	5,530,387	(283,038,464)	56,005,617	9,295,650	(78,416,443)
F. Phased-In Recognition of Investment Income							
F1. Current Year: 0.20 x E3	(6,865,141)	4,573,141	1,106,077	(56,607,693)	11,201,123	1,859,130	(15,683,289)
F2. First Prior Year	1,319,258	(6,865,141)	4,573,141	1,106,077	(34,259,555)	11,201,123	1,859,130
F3. Second Prior Year	11,428,708	1,319,258	(6,865,141)	4,573,141	1,106,077	(34,259,555)	11,201,123
F4. Third Prior Year	(16,585,404)	11,428,708	1,319,258	(6,865,141)	4,573,141	1,106,077	(34,259,555)
F5. Fourth Prior Year	<u>(8,986,698)</u>	<u>(16,585,406)</u>	<u>11,428,710</u>	<u>1,319,258</u>	<u>(6,865,142)</u>	<u>4,573,140</u>	<u>1,106,079</u>
F6. Total Recognized Investment Gain	(19,689,277)	(6,129,440)	11,562,045	(56,474,358)	(24,244,356)	(15,520,085)	(35,776,512)
G. Funding Value End of Year: A + D + E2 + F6	653,546,976	724,746,827	827,546,002	878,025,634	878,958,364	982,154,992	1,070,685,918
120% Corridor				788,633,082	993,323,388	1,146,938,224	1,202,007,418
80% Corridor				525,755,388	662,215,592	764,625,482	801,338,278
Funding Value End of Year:				788,633,082	878,958,364	982,154,992	1,070,685,918
H. Difference between Market & Funding Value	(17,230,779)	11,764,365	5,732,707	(131,438,847)	(51,188,874)	(26,373,139)	(69,013,070)
I. Recognized Rate of Return	4.79%	7.08%	9.56%	(9.22)%	5.02%	6.28%	4.44%
J. Market Rate of Return	2.41%	11.74%	8.61%	(25.24)%	17.75%	9.57%	0.20%
K. Ratio of Funding Value to Market Value	102.71%	98.40%	99.31%	120.00%	106.18%	102.76%	106.89%

## LOPFI Comparison of Annual Market Rate to Funding Rate



**LOPFI**  
**Summary of Valuation Assets, Actuarial Accrued Liabilities and Average Contribution Rate**  
**Excluding Pension and Relief Funds Under LOPFI Administration**

**Paid Participants**

Valuation Date	Valuation Groups	Active Members	Actuarial Accrued Liabilities	Valuation Assets	Assets/Liabilities*	Average Contribution Rate <sup>1</sup>	Average Contribution Rate <sup>2</sup>
12/31/1995	181	3,194	\$ 72,577,171	\$ 97,412,994	134 %	11.36 %	
12/31/1996 #+	188	3,472	93,046,084	123,339,438	133	10.88	
12/31/1997	202	3,715	111,523,686	153,499,754	138	10.55	
12/31/1998 #+	208	3,998	147,606,801	189,595,998	128	11.35	
12/31/1999	215	4,301	174,627,344	238,203,534	136	10.41	
12/31/2000 +	228	4,493	218,238,282	292,881,609	134	11.51	
12/31/2001 #	230	4,573	199,231,298	339,296,397	170	7.15	
12/31/2002 +	236	4,720	291,184,122	367,122,230	126	10.38	
12/31/2003 #	233	4,849	370,735,495	399,726,460	108	11.09	
12/31/2004 +	236	4,966	470,078,530	429,104,830	91	14.82	
12/31/2005	236	5,115	526,635,441	483,789,282	92	15.04	
12/31/2006	247	5,328	603,842,363	555,752,156	92	15.11	
12/31/2007	261	5,603	699,800,039	644,631,782	92	15.16	15.44 %
12/31/2008 #+	258	5,640	825,417,767	662,380,764	80	15.30	15.69
12/31/2009	269	5,907	946,423,135	622,560,540	66	17.25	18.79
12/31/2010	274	5,949	1,012,194,055	664,246,931	66	17.03	19.21
12/31/2011 ^	275	6,016	1,077,498,958	698,331,958	65	18.01	19.63

\* If this ratio approximates 100%, it indicates that financial activity is operating within an expected range of reasonableness.

# After changes in actuarial valuation assumptions.

+ After legislated benefit increases and board policy changes.

^ Rules established by Board policy to implement uniform paid service rule applied on and after December 31, 2011. All paid service employer rates increased by the maximum allowed under law.

1 With Section 24-10-405(h)(1) cap on rate increases as a result of plan experience.

2 Without Section 24-10-405(h)(1) cap on rate increases as a result of plan experience.



**LOPFI**  
**Summary of Valuation Assets, Actuarial Accrued Liabilities and Average Contribution Rate**  
**Excluding Pension and Relief Funds Under LOPFI Administration (Continued)**

**Volunteer Participants**

<b>Valuation Date</b>	<b>Valuation Groups</b>	<b>Active Members</b>	<b>Actuarial Accrued Liabilities</b>	<b>Valuation Assets</b>	<b>Assets/ Liabilities*</b>	<b>Average Contribution Rate &amp;</b>
12/31/1995	246	2,693	\$ 3,122,936	\$ 3,321,253	106 %	\$ 10.32
12/31/1996 #+	252	2,905	4,202,938	4,143,074	99	13.63
12/31/1997	258	3,077	5,079,848	5,049,479	99	14.36
12/31/1998 #+	256	3,183	6,339,040	6,172,383	97	14.71
12/31/1999	261	3,407	7,421,534	7,804,389	105	14.05
12/31/2000 +	262	3,490	8,554,865	9,638,082	113	14.76
12/31/2001 #	265	3,601	8,814,220	10,923,088	124	14.13
12/31/2002 +	280	3,858	14,587,662	11,956,886	82	24.02
12/31/2003 #	290	4,088	19,207,277	13,069,692	68	27.46
12/31/2004	306	4,406	22,136,019	13,673,013	62	30.72
12/31/2005	325	4,650	26,240,543	16,517,560	63	32.30
12/31/2006	341	4,905	30,139,607	18,430,385	61	33.91
12/31/2007	461	6,620	42,720,023	22,236,583	52	39.15
12/31/2008 #	457	6,603	47,019,246	17,508,921	37	46.14
12/31/2009	468	6,551	48,890,402	17,034,083	35	49.15
12/31/2010	485	6,734	52,068,716	19,655,706	38	49.62
12/31/2011	512	7,034	56,421,727	21,564,055	38	51.56

\* If this ratio approximates 100%, it indicates that financial activity is operating within an expected range of reasonableness.

# After changes in actuarial valuation assumptions.

+ After legislated benefit increases and board policy changes.

& Beginning with the December 31, 2006 valuation, volunteer employers are not separately experience rated for employer contribution rate purposes.

**LOPFI**  
**Summary of Valuation Assets, Actuarial Accrued Liabilities and Average Contribution Rate**  
**Excluding Pension and Relief Funds Under LOPFI Administration (Continued)**

**Retirants and Beneficiaries**

Valuation Date	Valuation Groups	Active Members	Actuarial Accrued Liabilities	Valuation Assets	Assets/ Liabilities*
12/31/1995	-	-	\$ 4,481,762	\$ 5,331,275	119 %
12/31/1996 +	-	-	5,828,171	6,714,604	115
12/31/1997	-	-	8,108,160	8,810,636	109
12/31/1998	-	-	10,027,020	10,962,655	109
12/31/1999	-	-	13,364,856	14,462,943	108
12/31/2000	-	-	16,360,731	16,943,763	104
12/31/2001 #	-	-	19,316,724	19,853,584	103
12/31/2002 +	-	-	28,897,704	27,629,725	96
12/31/2003 #	-	-	38,810,117	39,864,734	103
12/31/2004	-	-	48,878,672	48,455,552	99
12/31/2005	-	-	65,530,656	65,115,240	99
12/31/2006	-	-	79,179,485	80,827,514	102
12/31/2007	-	-	95,286,950	100,568,257	106
12/31/2008 #	-	-	122,445,893	122,445,893	100
12/31/2009	-	-	152,859,019	152,859,019	100
12/31/2010	-	-	189,166,801	189,166,801	100
12/31/2011	-	-	245,094,370	245,094,370	100

\* If this ratio approximates 100%, it indicates that financial activity is operating within an expected range of reasonableness.

# After changes in actuarial valuation assumptions.

+ After legislated benefit increases and board policy changes.

**LOPFI**  
**Summary of Valuation Assets, Actuarial Accrued Liabilities and Average Contribution Rate**  
**Excluding Pension and Relief Funds Under LOPFI Administration (Concluded)**

**TOTAL PLAN**

Valuation Date	Valuation Groups	Active Members	Actuarial Accrued Liabilities	Valuation Assets	Assets/ Liabilities*
12/31/1995	427	5,887	\$ 80,181,869	\$ 106,065,522	132 %
12/31/1996 #+	440	6,377	103,077,193	134,197,116	130
12/31/1997	460	6,792	124,711,694	167,359,869	134
12/31/1998 #+	464	7,181	163,972,861	206,731,036	126
12/31/1999	476	7,708	195,413,734	260,470,866	133
12/31/2000 +	490	7,983	243,153,878	319,463,454	131
12/31/2001 #	495	8,174	227,362,242	370,073,069	163
12/31/2002 +	516	8,578	334,669,488	406,708,841	122
12/31/2003 #	523	8,937	428,752,889	452,660,886	106
12/31/2004 +	542	9,372	541,093,221	491,233,395	91
12/31/2005	561	9,765	618,406,640	565,422,082	91
12/31/2006	588	10,233	713,161,455	655,010,055	92
12/31/2007	722	12,223	837,807,012	767,436,622	92
12/31/2008 #+	715	12,243	994,882,906	802,335,578	81
12/31/2009	737	12,458	1,148,172,556	792,453,642	69
12/31/2010	759	12,683	1,253,429,572	873,069,438	70
12/31/2011	787	13,050	1,379,015,055	964,990,383	70

- \* If this ratio approximates 100%, it indicates that financial activity is operating within an expected range of reasonableness.  
# After changes in actuarial valuation assumptions.  
+ After legislated benefit increases.

## Other Results Associated with the Determination of Employer Contribution Rates

### Terminated Vested Results

The following table contains information regarding terminated vested member data used in the December 31, 2011 valuation. It includes projected benefits and the actuarial accrued liabilities associated with these benefits. The projected benefit reflects our best estimate of the ultimate benefit. The ultimate benefit will be based on the final average pay at termination increased for the total change (one half the change for paid service benefits) in the Consumer Price Index (CPI) for the period from 3 months immediately preceding the date of termination to the CPI for the period 3 months immediately preceding the benefit commencement date.

The December 31, 2011 valuation included 5,113 terminated vested members from 709 political subdivisions.

<u>Service Type</u>	<u>Number</u>	<u>Projected Benefits</u>	<u>Actuarial Accrued Liabilities</u>	<u>Average Age</u>
Paid	2,188	\$ 10,103,959	\$ 46,571,219	41.2
Volunteer	2,925	2,919,976	13,318,310	45.1
Total	5,113	13,023,935	59,889,529	43.4

### Active Inactive Results

Active Inactive refers to members who have terminated service with an employer, but are currently active with a different employer in LOPFI. The following table contains information regarding the active inactive member data used in the December 31, 2011 valuation. It includes the actuarial accrued liabilities associated with the service accrued from the terminated employer.

The December 31, 2011 valuation included 3,089 active inactive members from 575 political subdivisions.

<u>Service Type</u>	<u>Number</u>	<u>Actuarial Accrued Liabilities</u>	<u>Average Age</u>
Paid	1,483	\$ 87,133,067	40.6
Volunteer	1,606	2,907,208	39.1
Total	3,089	90,040,275	39.8

## Other Results Associated with the Determination of Employer Contribution Rates Concluded

### Retired Results

The following table contains information regarding retired member data used in the December 31, 2011 valuation. When a member retires, a reserve transfer is made to the Retirement Reserve Account to fully fund the liabilities associated with the benefit recipient.

The December 31, 2011 valuation included 2,298 retired members from 604 political subdivisions.

<u>Service Type</u>	<u>Number</u>	<u>Annual Benefits</u>	<u>Actuarial Accrued Liabilities</u>	<u>Average Age At Valuation Date</u>	<u>Average Age At Retirement</u>
Paid	1,080	\$ 17,813,465	\$ 229,845,487	54.6	51.6
Volunteer	1,218	1,329,534	15,248,883	62.5	60.7
Total	2,298	19,142,999	245,094,370	58.8	56.4

**Derivation of Actuarial Gain (Loss)  
Year Ended December 31, 2011  
(LOPFI and Local Plans Combined)**

The actuarial gains or losses realized in the operation of the Retirement System provide an experience test. Actual experience will never (except by coincidence) coincide exactly with assumed experience. It is expected that gains and losses will cancel each other over a period of years, but sizable year-to-year fluctuations are common. Detail on the derivation of the actuarial gain (loss) is shown below, along with a year-by-year comparative schedule.

(1)	UAAL at start of year	\$ 537,372,863
(2)	Employer normal cost from last valuation	33,804,927
(3)	Actual employer contributions	61,818,119
(4)	Interest accrual: (1) x .08 + [(2)-(3)] x (.08/2)	41,869,301
(5)	Expected UAAL before changes: (1) + (2) - (3) + (4)	551,228,972
(6)	Change from benefit changes*	3,582,831
(7)	Change from revised actuarial assumptions	-
(8)	Expected UAAL after changes	554,811,803
(9)	Actual UAAL at end of year	583,470,169
(10)	Gain (Loss) (8) - (9)	(28,658,366)
(11)	Gain (Loss) as percent of actuarial accrued liabilities at start of year	\$1,519,527,855 (1.9)%

\* Includes unfunded liability associated with Local Pension Funds added during year.

<b>Valuation Date December 31</b>	<b>Actuarial Gain (Loss) as a Percentage of Beginning Accrued Liabilities</b>
2002	(5.2) %
2003	(1.5)
2004	(5.3)
2005	(3.5)
2006	(0.2)
2007	0.4
2008	(12.8)
2009	(2.9)
2010	(0.7)
2011	(1.9)

**Results for Local Plans under LOPFI Administration  
Paid Service Plans as of December 31, 2011**

<b>Political Subdivision</b>	<b>Actuarial Accrued Liability</b>	<b>Valuation Assets</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>2013 Total Employer Rate*</b>
Bald Knob Paid Police	\$ -	\$ 4,735	\$ (4,735)	15.72%
Barling Paid Fire	281,089	260,151	20,938	22.39%
Bella Vista Paid Fire	4,720,463	2,394,813	2,325,650	29.55%
Benton Paid Police	3,832,028	2,359,345	1,472,683	28.08%
Blytheville Paid Police	3,558,029	2,939,604	618,425	17.35%
Brinkley Paid Police	623,379	620,621	2,758	11.37%
Cabot Paid Police	956,564	2,418,907	(1,462,343)	22.57%
Clarendon Paid Police	308,699	135,594	173,105	31.53%
Clinton Paid Fire	165,281	138,073	27,208	33.92%
Conway Paid Police	9,522,225	4,451,665	5,070,560	35.27%
Conway Paid Fire	10,102,935	5,135,902	4,967,033	26.75%
El Dorado Paid Police	4,787,846	(2,981,440)	7,769,286	32.33%
El Dorado Paid Fire	6,978,332	451,318	6,527,014	48.21%
Forrest City Paid Police	2,076,351	(375,275)	2,451,626	33.69%
Forrest City Paid Fire	2,897,109	2,376,174	520,935	26.91%
Fort Smith Paid Police	23,537,921	7,749,397	15,788,524	30.36%
Fort Smith Paid Fire	33,089,514	16,540,360	16,549,154	40.16%
Heber Springs Paid Police	1,658,448	1,444,927	213,521	24.36%
Helena - West Helena Paid Police	2,245,567	861,304	1,384,263	23.26%
Helena - West Helena Paid Fire	3,392,916	717,388	2,675,528	29.35%
Hot Springs Paid Police	22,070,699	11,648,287	10,422,412	34.42%
Hot Springs Paid Fire	17,539,004	1,416,803	16,122,201	50.12%
Hot Springs Village Paid Fire	605,402	124,187	481,215	24.44%
Hoxie Paid Fire	114,801	83,337	31,464	25.93%
Jonesboro Paid Fire	14,032,714	1,374,313	12,658,401	35.62%
Lonoke Paid Police	48,708	(57,016)	105,724	17.68%
Lowell Paid Police	73,372	(161,229)	234,601	14.21%
Lowell Paid Fire	1,112,077	667,406	444,671	26.67%
Magnolia Paid Police	2,047,734	1,520,823	526,911	23.35%
Magnolia Paid Fire	2,376,210	1,989,616	386,594	24.09%
Malvern Paid Police	1,221,778	1,622,172	(400,394)	16.92%
Marianna Paid Police	746,828	490,809	256,019	22.07%
McCory Paid Police	32,213	(43,689)	75,902	17.82%
McGehee Paid Police	273,350	419,512	(146,162)	11.10%
Mountain Home Paid Fire	3,737,800	2,380,218	1,357,582	29.20%
North Little Rock Paid Police	25,758,405	4,603,140	21,155,265	25.89%
North Little Rock Paid Fire	29,903,498	12,337,640	17,565,858	34.86%
Paragould Paid Police	2,647,116	812,421	1,834,695	26.72%
Paragould Paid Fire	1,808,247	1,313,510	494,737	17.88%
Pocahontas Paid Fire	1,013,708	656,942	356,766	33.03%
Searcy Paid Police	4,779,198	2,605,026	2,174,172	29.88%
Searcy Paid Fire	4,685,511	662,102	4,023,409	30.77%
Stuttgart Paid Police	2,077,286	2,091,407	(14,121)	15.42%
Stuttgart Paid Fire	4,344,930	1,873,964	2,470,966	44.77%
Trumann Paid Fire	464,129	313,782	150,347	21.29%
Van Buren Paid Fire	1,991,417	115,235	1,876,182	23.65%
Walunt Ridge Paid Fire	1,086,778	475,874	610,904	26.34%
Wynne Paid Fire	454,178	221,057	233,121	38.09%

\* The Total Employer Rate is the rate charged on the combined LOPFI and Local Plan payroll.

**Results for Local Plans under LOPFI Administration  
Volunteer Service Plans as of December 31, 2011**

<b>Political Subdivision</b>	<b>Actuarial Accrued Liability</b>	<b>Valuation Assets</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>2013 Total Employer Rate*</b>
Alzheimer Volunteer Fire	\$ 64,781	\$ 30,374	\$ 34,407	\$ 26.34
Arkansas City Volunteer Fire	39,093	(32,248)	71,341	42.59
Atkins Volunteer Fire	210,757	251,738	(40,981)	5.15
Bald Knob Volunteer Fire	236,487	89,680	146,807	69.74
Barling Volunteer Fire	94,679	141,937	(47,258)	5.15
Bay Volunteer Fire	99,264	104,111	(4,847)	5.15
Bearden Volunteer Fire	109,883	127,012	(17,129)	5.15
Bella Vista Volunteer Fire	50,624	13,637	36,987	31.84
Belleville Volunteer Fire	72,326	127,498	(55,172)	5.15
Biscoe Volunteer Fire	102,564	8,748	93,816	72.86
Caddo Valley Volunteer Fire	142,002	131,307	10,695	11.36
Caldwell Volunteer Fire	53,527	93,804	(40,277)	5.15
Calico Rock Volunteer Fire	99,190	115,358	(16,168)	5.15
Calion Volunteer Fire	107,674	122,486	(14,812)	5.15
Cammack Village Volunteer Fir	29,990	64,940	(34,950)	-
Caraway Volunteer Fire	214,891	(155,872)	370,763	107.08
Carthage Volunteer Fire	116,192	94,087	22,105	24.41
Cash Volunteer Fire	12,114	10,074	2,040	8.71
Cave City Volunteer Fire	164,920	(2,523)	167,443	40.96
Chidester Volunteer Fire	62,846	49,214	13,632	13.63
Clinton Volunteer Fire	391,456	376,879	14,577	10.67
Coal Hill Volunteer Fire	89,164	23,185	65,979	30.55
Conway Volunteer Fire	31,387	16,322	15,065	124.50
Cooterneck Volunteer Fire	152,084	(16,105)	168,189	79.85
Cotter Volunteer Fire	55,193	42,282	12,911	12.61
Cotton Plant Volunteer Fire	108,981	82,737	26,244	30.56
Danville Volunteer Fire	124,678	65,498	59,180	20.68
Devalls Bluff Volunteer Fire	167,470	48,826	118,644	62.23
Diaz Volunteer Fire	121,279	57,712	63,567	57.41
Dover Volunteer Fire	113,141	59,059	54,082	34.54
Farmington Volunteer Fire	211,386	198,683	12,703	9.85
Fisher Volunteer Fire	46,042	15,173	30,869	16.29
Forrest City Volunteer Fire	5,245	4,799	446	5.68
Garland Volunteer Fire	52,424	54,829	(2,405)	5.15
Gosnell Volunteer Fire	67,360	8,965	58,395	17.64
Gould Volunteer Fire	59,324	61,418	(2,094)	5.15

\* The Total Employer Rate is the rate charged on the combined LOPFI and Local Plan active member count.



**Results for Local Plans under LOPFI Administration  
Volunteer Service Plans as of December 31, 2011  
(Continued)**

<b>Political Subdivision</b>	<b>Actuarial Accrued Liability</b>	<b>Valuation Assets</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>2013 Total Employer Rate*</b>
Grover Township Volunteer Fire	\$ 83,188	\$ 43,877	\$ 39,311	\$ 25.56
Grubbs Volunteer Fire	44,130	32,320	11,810	10.57
Hampton Volunteer Fire	270,272	114,084	156,188	69.56
Hardin Volunteer Fire	99,324	75,940	23,384	41.16
Hardy Volunteer Fire	210,496	209,410	1,086	5.65
Harrisburg Volunteer Fire	80,021	187,558	(107,537)	5.15
Hartford Volunteer Fire	48,285	49,476	(1,191)	5.15
Helena - West Helena Volunteer Fir	139,342	17,001	122,341	106.06
Hermitage Volunteer Fire	109,013	(8,689)	117,702	102.23
Holiday Island Volunteer Fire	21,180	5,283	15,897	20.83
Holly Grove Volunteer Fire	54,435	59,519	(5,084)	5.15
Hot Springs Village Volunteer Fire	71,577	1,938	69,639	18.55
Hoxie Volunteer Fire	42,324	3,466	38,858	24.32
Humphrey Volunteer Fire	28,779	39,154	(10,375)	5.15
Imboden Volunteer Fire	259,682	76,407	183,275	110.96
Jasper Volunteer Fire	140,123	51,531	88,592	69.09
Joiner Volunteer Fire	84,655	50,205	34,450	22.11
Jonesboro Volunteer Fire	17,516	(109,771)	127,287	734.89
Lake City Volunteer Fire	136,010	100,511	35,499	11.98
Lavaca Volunteer Fire	100,750	62,553	38,197	28.68
Lockesburg Volunteer Fire	141,265	94,865	46,400	30.37
Lowell Volunteer Fire	34,619	61,309	(26,690)	5.15
Luxora Volunteer Fire	55,317	147,265	(91,948)	5.15
Magazine Volunteer Fire	148,256	7,723	140,533	86.29
Magnolia Volunteer Fire	159,075	139,770	19,305	22.88
Marshall Volunteer Fire	364,205	(8,388)	372,593	170.62
Marvell Volunteer Fire	171,089	137,666	33,423	24.57
McNeil Volunteer Fire	79,488	87,359	(7,871)	5.15
McRae Volunteer Fire	61,882	6,056	55,826	28.22
Melbourne Volunteer Fire	137,375	(84,248)	221,623	85.12
Monette Volunteer Fire	176,784	14,544	162,240	57.19
Montrose Volunteer Fire	36,600	18,237	18,363	29.39
Moro Volunteer Fire	65,436	40,989	24,447	37.42
Mountain Home Volunteer Fire	106,855	(56,517)	163,372	109.95
Mountain View Volunteer Fire	602,299	266,675	335,624	76.92

\* The Total Employer Rate is the rate charged on the combined LOPFI and Local Plan active member count.

**Results for Local Plans under LOPFI Administration  
Volunteer Service Plans as of December 31, 2011  
(Continued)**

<b>Political Subdivision</b>	<b>Actuarial Accrued Liability</b>	<b>Valuation Assets</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>2013 Total Employer Rate*</b>
Murfreesboro Volunteer. Fire	\$ 188,398	\$ (190,004)	\$ 378,402	\$ 173.20
Norphlet Volunteer Fire	80,816	68,864	11,952	11.66
North Crossett Volunteer Fire	81,799	(48,875)	130,674	59.04
Paragould Volunteer Fire	43,013	(51,565)	94,578	278.17
Parkin Volunteer Fire	149,738	20,065	129,673	62.74
Perla Volunteer Fire	16,351	(18,347)	34,698	347.44
Perryville Volunteer Fire	109,923	110,903	(980)	5.15
Plainview Volunteer Fire	142,054	91,115	50,939	27.34
Plumerville Volunteer Fire	353,016	83,075	269,941	96.83
Pocahontas Volunteer Fire	126,209	73,829	52,380	35.40
Portland Volunteer Fire	175,864	188,686	(12,822)	5.15
Prescott Volunteer Fire	188,328	205,226	(16,898)	5.15
Rison Volunteer Fire	348,211	184,821	163,390	54.80
Russell Volunteer Fire	62,497	18,285	44,212	32.67
Searcy Volunteer Fire	89,950	(173,084)	263,034	764.47
Shannon Hills FD Volunteer Fi	77,576	17,922	59,654	19.50
Sparkman Volunteer Fire	255,750	188,052	67,698	45.11
St. Francis Volunteer Fire	57,683	3,451	54,232	67.77
Strong Volunteer Fire	80,820	91,468	(10,648)	5.15
Stuttgart Volunteer Fire	87,425	37,891	49,534	102.70
Sulphur Springs Volunteer Fire	61,433	31,367	30,066	32.11
Swifton Volunteer Fire	149,871	75,116	74,755	45.86
Thornton Volunteer Fire	244,627	(14,081)	258,708	171.11
Tillar Volunteer Fire	50,784	59,767	(8,983)	5.15
Tracy Area Volunteer Fire	35,435	29,206	6,229	7.94
Trumann Volunteer Fire	66,012	68,646	(2,634)	5.15
Tuckerman Volunteer Fire	89,480	27,698	61,782	26.13
Turrell Volunteer Fire	22,185	(3,900)	26,085	246.17
Tyronza Volunteer Fire	223,663	6,615	217,048	71.10
Vilonia Volunteer Fire	176,030	144,018	32,012	16.98
Viola Volunteer Fire	144,331	(36,663)	180,994	66.62
Wabbeska Volunteer Fire	74,292	(19,103)	93,395	274.76
Waldo Volunteer Fire	60,556	7,727	52,829	29.97
Walnut Ridge Volunteer Fire	355,678	109,187	246,491	106.80
Washington Volunteer Fire	45,367	28,666	16,701	24.43

\* The Total Employer Rate is the rate charged on the combined LOPFI and Local Plan active member count.

**Results for Local Plans under LOPFI Administration  
 Volunteer Service Plans as of December 31, 2011  
 (Concluded)**

<b>Political Subdivision</b>	<b>Actuarial Accrued Liability</b>	<b>Valuation Assets</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>2013 Total Employer Rate*</b>
West Point Volunteer Fire	\$ 70,737	\$ 52,974	\$ 17,763	\$ 29.62
Wheatley Volunteer Fire	82,797	89,534	(6,737)	5.15
Wilmot Volunteer Fire	70,744	85,000	(14,256)	5.15
Wilson Volunteer Fire	139,444	122,817	16,627	19.64
Wynne Volunteer Fire	218,293	231,630	(13,337)	5.15

\* The Total Employer Rate is the rate charged on the combined LOPFI and Local Plan active member count.

## LOPFI Level Dollar Contributions December 31, 2011

### For Employers With Active Members in Other Departments

Department		Actuarial Accrued Liabilities	Funding Value Assets	Unfunded Actuarial Accrued Liabilities (UAAL)	UAAL Amortization Level Dollar Contribution	
Name	Number				Years	\$ Contributions
City of Caddo Valley Paid Fire	268233	\$ 88,764	\$ 46,979	\$ 41,785	13	\$ 5,494
City of Friendship Paid Police	665322	38,696	26,094	12,602	13	1,657
City of Gentry Paid Fire	704832	2,198	2,394	(196)	13	-
City of Hector Paid Police	865622	49,919	84,569	(34,650)	15	-
Town of Highfill Paid Fire	885032	30,047	44,048	(14,001)	15	-
City of Highway 70 West F.P.A. Paid Fire	991132	-	33	(33)	15	-

### For Employers With No Active Members

Department		Actuarial Accrued Liabilities	Funding Value Assets	Unfunded Actuarial Accrued Liabilities (UAAL)	UAAL Amortization Level Dollar Contribution	
Name	Number				Years	\$ Contributions
City of Calion Paid Police	276322	\$ 9,672	\$ 12,317	\$ (2,645)	13	\$ -
City of Chidester Paid Police	338723	11,158	16,218	(5,060)	13	-
City of Cushman Paid Police	431622	26,060	21,726	4,334	13	570
City of Dyess Paid Police	526622	-	9,746	(9,746)	15	-
City of Hartford Paid Police	843522	374,808	28,553	346,255	14	43,647
City of Huttig Paid Police	981422	103,079	53,193	49,886	13	6,559
City of Junction City Paid Police	1061822	77,388	133,402	(56,014)	13	-
City of Mount Ida Paid Police	1448622	50,072	82,486	(32,414)	13	-
City of Newark Paid Police	1497422	527	46,391	(45,864)	13	-
City of Perla Paid Police	1628422	49,742	31,336	18,406	13	2,420
City of Plumerville Paid Police	1655122	-	(25,720)	25,720	14	3,242
City of Strong Paid Police	1843022	121,875	(198,433)	320,308	29	29,832
City of Sulphur Springs Paid Police	1873222	180,213	108,947	71,266	14	8,983
City of Waldo Paid Police	1991722	33,296	74,542	(41,246)	14	-
City of Wilmot Paid Police	2100822	113,461	(212,846)	326,307	29	30,390
City of Yellville Paid Police	2139322	79,167	97,440	(18,273)	13	-

- (1) These results assume contributions begin January 1, 2013 and are applicable in periods where no active members are reported.
- (2) Departments currently with their reported assets exceeding their actuarial accrued liabilities could still be liable for contributions at a later date, depending upon future economic and demographic experience.
- (3) In addition, reports were provided for Cammack Village Volunteer Fire, Conway Volunteer Fire and Jonesboro Volunteer Fire. These are all combined plans with no active members.
- (4) These departments were identified for inclusion in this calculation, by LOPFI Staff.
- (5) New calculations are needed, as of December 31, 2012, for any of these departments that again are without active members.

## Comments and Conclusion

**Comment A:** The December 31, 2011 actuarial valuations establish employer contribution rates for the fiscal year beginning in calendar year 2013. Contribution rates for 275 paid service valuation groups were computed. In addition, Local Relief and Pension Fund groups under LOPFI administration were included to develop combined employer contribution rates for affected employers. The average computed employer contribution rate for paid participants is 18.01% of active payroll. This rate reflects the Board policy of increasing all individual location employer rates by 1% of pay until all or most employer rates can be merged into a single uniform paid service employer rate. The computed uncapped rate for LOPFI paid service employers is 19.63%; increasing from 19.21% a year ago.

To bring the LOPFI paid service rate down to 18.01% (from 19.63%) would require that unfunded actuarial accrued liabilities be amortized over 53 years.

**Comment B:** Due to changes enacted in the 2007 Session of the Arkansas General Assembly, all volunteer service employers participating in LOPFI are charged a uniform rate for the calendar year. For calendar year 2013 that rate is \$51.56 per member per month. This rate was computed as \$49.62 in the prior valuation.

**Comment C:** Overall experience for the year ending December 31, 2011 was unfavorable. Experience losses totaled \$28,658,366 (see page C-15). The source of the loss was primarily the result of lower than assumed return on investments. Experience gains in other economic and demographic experience areas mitigated the investment losses somewhat. The market value rate of return for the year ended December 31, 2011 was 0.20% while the recognized rate of return was 4.44%. The ratio of funding value of assets to market value of assets is currently 106.89%. The scheduled recognition of past market investment losses may provide upward pressure on computed employer contribution rates in the future.

**Comment D:** Actuarial accrued liabilities, including both LOPFI and Local Pension and Relief Funds under LOPFI administration, totaled \$1,654,156,087 while valuation assets totaled \$1,070,685,918. Hence, actuarial accrued liabilities are 65% covered by valuation assets as of December 31, 2011. Excluding the Local Funds, accrued liabilities are 70% covered by valuation assets.

**Comment E:** A five-year experience study is in process. We anticipate strengthening of the mortality assumption to result.

**Recommendation:** We recommend that the section 24-10-405(h)(1) limits be removed (or at least increased). This limit hinders the complete implementation of the single paid service employer rate and may, over the long run, impair the ability to maintain a sound retirement plan.

**Conclusion:** The Retirement System's financial objective is to meet long-term benefit obligations through contributions that remain approximately level from year-to-year as a percent of active member payroll. Continued receipt of these contributions is the best guarantee that the System will be able to pay all promised benefits when due.

---

## **SECTION D**

### **SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

---

**Summary of  
FINANCIAL ASSUMPTIONS USED FOR LOPFI ACTUARIAL VALUATIONS  
Assumptions Adopted by Board of Trustees After Consulting With Actuary**

*The actuarial assumptions used* in making the valuations are shown in this section of the report.

**ECONOMIC ASSUMPTIONS** -----

*The investment return rate* used in making the valuation was 8.0% per year, compounded annually (net after administrative expenses). This rate of return is not the assumed real rate of return. The real rate of return is defined to be the portion of investment return which is more than the wage inflation rate. With a 4.0% recognition of wage inflation, the 8.0% investment return rate translates to an assumed real rate of return of 4.0%.

*Price inflation* was assumed to be 3.0% a year. This assumption was utilized to increase the basic benefit factor for volunteer members.

*Pay increase assumptions* for individual active members are summarized in Schedule A-5. Part of the assumption for each age is for a merit and/or seniority increase, and the other 4.0% recognizes wage inflation.

*Total active member payroll* is assumed to increase 4.0% a year, which is the portion of the individual pay increase assumptions attributable to wage inflation.

*The number of active members* is assumed to continue at the present number for LOPFI plans.

**NON-ECONOMIC ASSUMPTIONS** -----

*The mortality table* used to measure retired life mortality was the RP-2000 Combined Projected to 2007 Table, set forward two years for men. Related values are shown in Schedule A-1. Disability post-retirement mortality was assumed to be the same as standard post-retirement mortality set forward an additional 10 years. For death-in-service mortality, fifty percent of the post-retirement mortality tables were used. Fifty percent of deaths-in-service were assumed to be duty related. There is no margin for future mortality improvements in the rates.

*The probabilities of retirement* for members eligible to retire are shown in Schedule A-3.

*The probabilities of withdrawal from service and death-in-service* are summarized in Schedule A-4, and the *probabilities of disability* are summarized in Schedule A-2.

*An individual entry age actuarial cost method of valuation* was used in determining age & service allowance normal costs and the allocation of actuarial present values between service rendered before and after the valuation date. The entry-age actuarial cost method has the following characteristics:

- (i) the annual normal costs for each individual active member, payable from the member's actual date of employment to the member's projected date of retirement are sufficient to accumulate the actuarial present value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is: (a) a constant percentage of the member's year by year projected covered pay for paid service plans, or (b) an increasing dollar amount for volunteer service plans.

Differences in the past between assumed experience and actual experience ("actuarial gains and losses") are inevitable and become part of accrued liabilities. In LOPFI, cumulative actuarial losses and gains are the same as unfunded (or overfunded) accrued liabilities.

Unfunded accrued liabilities are amortized to produce contribution amounts (principal and interest) which are (a) level percent of payroll contributions over a period of future years for paid service plans, or (b) increasing dollar amounts for volunteer service plans.

For volunteer service plans the contribution rates from the December 31, 2002 valuation were developed based on a \$5.00 per month basic benefit factor. This factor is \$6.17 effective July 1, 2012 and is assumed to increase at the assumed rate of price inflation in future years.

**OTHER TECHNICAL ASSUMPTIONS -----**

*Decrements* are assumed to occur at the middle of the valuation year.

*The probability of being married*, for death-in-service benefits, is assumed to be 90%.

*Members who are eligible to participate in the DROP* are assumed to participate in the DROP program in such a manner that is the most advantageous to them.

*Future service credit* is always assumed to accrue at the rate of 1 year of credit every 12 calendar months. Lower service accrual rates (service breaks or less-than-full-time employment) or higher service accrual rates (addition of military credit or reinstatement of prior service) are reflected as they are reported. Any lower or higher accrual rates may result in small financial gains or losses when reported.

*The form of benefit payment* assumed in the valuation for paid service and volunteer service plans is the Five Year Certain and Life Option. For local plans under LOPFI administration, the assumed form of benefit payment is 100% joint and survivor for police plans and the Life Option for fire plans. For local fire plans under LOPFI administration who have adopted Act 397, the assumed form of benefit payment is 100% joint and survivor.

*Employer contribution dollars* were assumed to be *paid in equal installments* throughout the employer fiscal year.

*Present assets (cash & investments) were used based on a smoothed market value.*

*The data about persons now covered and about present assets* were furnished by the System's administrative staff. Although examined for general reasonableness, the data was not audited by the Actuary.

-----  
Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the economic and demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.



**Illustration of Computed Employer Contributions  
30-Year Open Amortization Period**

**LOPFI Paid Service  
(Based on Projected Future Payroll)**

<b>Year Ended December 31,</b>	<b>Active Payroll</b>	<b>Normal Cost</b>	<b>Payment for Amortization of UAL</b>	<b>Computed Employer Rate</b>	<b>Annual Employer Dollar Contribution</b>
2011	\$ 100,000	12.06%	5.95%	18.01%	\$ 18,010
2012	104,000	12.06%	5.84%	17.90%	18,617
2013	108,160	12.06%	5.73%	17.79%	19,246
2014	112,486	12.06%	5.63%	17.69%	19,898
2015	116,986	12.06%	5.53%	17.59%	20,574
2016	121,665	12.06%	5.43%	17.49%	21,274
2017	126,532	12.06%	5.33%	17.39%	21,999
2018	131,593	12.06%	5.23%	17.29%	22,751
2019	136,857	12.06%	5.13%	17.19%	23,530
2020	142,331	12.06%	5.04%	17.10%	24,337
2021	148,024	12.06%	4.95%	17.01%	25,174
2022	153,945	12.06%	4.86%	16.92%	26,042
2023	160,103	12.06%	4.77%	16.83%	26,942
2024	166,507	12.06%	4.68%	16.74%	27,874
2025	173,168	12.06%	4.59%	16.65%	28,841
2026	180,094	12.06%	4.51%	16.57%	29,843
2027	187,298	12.06%	4.43%	16.49%	30,882
2028	194,790	12.06%	4.35%	16.41%	31,960
2029	202,582	12.06%	4.27%	16.33%	33,077
2030	210,685	12.06%	4.19%	16.25%	34,235

This illustration is not intended to exactly predict future employer contributions but instead is intended to illustrate the general trend of future contributions based upon current benefit structure and assumed future economic and demographic activity. It is unlikely that future contributions will match exactly for any given year those rates shown above.

**Illustration of Computed Employer Contributions  
27-Year Closed Amortization Period**

**LOPFI Volunteer Service  
(Based on Projected Benefit Factors)**

<b>Year Ended December 31,</b>	<b>Basic Benefit Factor@</b>	<b>Active Members</b>	<b>Normal Cost</b>	<b>Payment for Amortization of UAL</b>	<b>Computed Employer Rate</b>	<b>Annual Employer Dollar Contribution</b>
2011	\$ 6.17	10	\$ 27.52	\$ 24.04	\$ 51.56	\$ 6,187
2012	6.36	10	28.35	24.76	53.11	6,373
2013	6.55	10	29.20	25.50	54.70	6,564
2014	6.75	10	30.08	26.27	56.35	6,762
2015	6.95	10	30.98	27.06	58.04	6,965
2016	7.16	10	31.91	27.87	59.78	7,174
2017	7.37	10	32.87	28.71	61.58	7,390
2018	7.59	10	33.86	29.57	63.43	7,612
2019	7.82	10	34.88	30.46	65.34	7,841
2020	8.05	10	35.93	31.37	67.30	8,076
2021	8.29	10	37.01	32.31	69.32	8,318
2022	8.54	10	38.12	33.28	71.40	8,568
2023	8.80	10	39.26	34.28	73.54	8,825
2024	9.06	10	40.44	35.31	75.75	9,090
2025	9.33	10	41.65	36.37	78.02	9,362
2026	9.61	10	42.90	37.46	80.36	9,643
2027	9.90	10	44.19	38.58	82.77	9,932
2028	10.20	10	45.52	39.74	85.26	10,231
2029	10.51	10	46.89	40.93	87.82	10,538
2030	10.83	10	48.30	42.16	90.46	10,855
2031	11.15	10	49.75	43.42	93.17	11,180
2032	11.48	10	51.24	44.72	95.96	11,515
2033	11.82	10	52.78	46.06	98.84	11,861
2034	12.17	10	54.36	47.44	101.80	12,216
2035	12.54	10	55.99	48.86	104.85	12,582
2036	12.92	10	57.67	50.33	108.00	12,960
2037	13.31	10	59.40	51.84	111.24	13,349
2038	13.71	10	61.18	53.40	114.58	13,750

@ Basic benefit factor- \$5.00 per month for each year of service beginning July 1, 2003. Increased by price inflation on July 1, 2004 and every July 1 thereafter. This factor is \$6.17 effective July 1, 2012. For purposes for this illustration, the factor was assumed to increase by 3% a year, compounded.

This illustration is not intended to exactly predict future employer contributions but instead is intended to illustrate the general trend of future contributions based upon current benefit structure and assumed future economic and demographic activity. It is unlikely that future contributions will match exactly for any given year those rates shown above.

**Schedule A-1**  
**Single Life Retirement Values**  
**Based on the RP-2000 Combined Projected to 2007 Table**  
**and 8.0% Interest**  
**(first used for December 31, 2008 valuations)**

<b>Sample Attained Ages</b>	<b>Value at Retirement: \$1.00 Monthly for Life</b>		<b>Future Life Expectancy (years)</b>	
	<b>Men</b>	<b>Women</b>	<b>Men</b>	<b>Women</b>
45	\$140.07	\$143.93	34.35	38.75
50	134.09	139.28	29.63	33.96
55	126.07	132.94	25.03	29.25
60	115.95	124.73	20.64	24.71
65	103.99	114.73	16.60	20.44
70	90.27	103.12	12.94	16.52
75	74.95	89.98	9.69	13.00
80	59.25	75.48	6.97	9.87

<b>Sample Attained Ages</b>	<b>Benefit Increasing 3% Yearly</b>	<b>Portion of Age 55 Lives Still Alive</b>	<b>Sample Attained Ages</b>
55	\$100	100 %	55
60	116	97	60
65	134	91	65
70	156	83	70
75	181	69	75
80	209	50	80

**Schedule A-2**  
**Probabilities of Disability Retirement**  
**(first used for December 31, 2008 valuations)**

**PAID FIREMEN**

<b>Sample Ages</b>	<b>Percent Becoming Disabled within Next Year</b>	
	<b>Non-Duty</b>	<b>Duty</b>
20	0.01 %	0.07 %
25	0.05	0.07
30	0.06	0.10
35	0.06	0.13
40	0.09	0.20
45	0.14	0.31
50	0.24	0.52
55	0.44	0.91
60	0.69	1.36

**PAID POLICEMEN**

<b>Sample Ages</b>	<b>Percent Becoming Disabled within Next Year</b>	
	<b>Non-Duty</b>	<b>Duty</b>
20	0.07 %	0.07 %
25	0.07	0.07
30	0.10	0.10
35	0.13	0.13
40	0.20	0.20
45	0.31	0.31
50	0.52	0.52
55	0.91	0.91
60	1.36	1.36

**Schedule A-2**  
**Probabilities of Disability Retirement (Concluded)**  
**(first used for December 31, 2003 valuations)**

**VOLUNTEER MEMBERS**

<b>Sample Ages</b>	<b>Percent Becoming Disabled within Next Year</b>	
	<b>Non-Duty</b>	<b>Duty</b>
20	0.03 %	0.04 %
25	0.03	0.04
30	0.03	0.04
35	0.03	0.04
40	0.07	0.11
45	0.10	0.15
50	0.18	0.27
55	0.33	0.49
60	0.52	0.78

**Schedule A-3**  
**Probabilities of Retirement for Members Eligible to Retire**  
**(first used for December 31, 2004 valuations)**

**PAID FIREMEN**

Retirement Ages	Percents of Active Members Retiring within Next Year		Years of Service	Percents of Active Members Retiring within Next Year
	Early	Normal		
45	2 %			
46	2			
47	2			
48	2			
49	2			
50	2			
51	2			
52	2			
53	2			
54	2			
55		25 %	28	25 %
56		25	29	25
57		15	30	25
58		15	31	25
59		15	32	35
60		30	33	40
61		10	34	100
62		30		
63		15		
64		15		
65		100		

A member was assumed eligible for retirement after attaining age 55 with 20 years of service or age 60 with 5 years of service or any age with 28 or more years of service. A member was assumed to retire with 100% probability at 34 or more years of service credit.

A member was assumed eligible for a reduced benefit after attaining age 50 with 20 or more years of service or any age with 25 or more years of paid service credit.

The probabilities of retirement shown above represent ultimate termination of employment (whether or not the member participates in the DROP).

**Schedule A-3**  
**Probabilities of Retirement for Members Eligible to Retire (Continued)**  
**(first used for December 31, 2004 valuations)**

**PAID POLICEMEN**

<b>Retirement Ages</b>	<b>Percents of Active Members Retiring within Next Year</b>		<b>Years of Service</b>	<b>Percents of Active Members Retiring within Next Year</b>
	<b>Early</b>	<b>Normal</b>		
45	2 %			
46	2			
47	2			
48	2			
49	2			
50	2			
51	2			
52	2			
53	2			
54	2			
55		25 %	28	25 %
56		25	29	25
57		25	30	25
58		20	31	25
59		20	32	35
60		60	33	40
61		15	34	100
62		30		
63		15		
64		15		
65		100		

A member was assumed eligible for retirement after attaining age 55 with 20 years of service or age 60 with 5 years of service or any age with 28 or more years of service. A member was assumed to retire with 100% probability at 34 or more years of service credit.

A member was assumed eligible for a reduced benefit after attaining age 50 with 20 or more years of service or any age with 25 or more years of paid service credit.

The probabilities of retirement shown above represent ultimate termination of employment (whether or not the member participates in the DROP).

**Schedule A-3**  
**Probabilities of Retirement for Members Eligible to Retire (Concluded)**  
**(first used for December 31, 2003 valuations)**

**VOLUNTEER MEMBERS**

<b>Retirement Ages</b>	<b>Percents of Active Members Retiring within Next Year</b>		
	<b>Early</b>	<b>Normal</b>	
		<b>Fire</b>	<b>Police</b>
48		20 %	20 %
49		20	20
50	2 %	20	20
51	2	20	20
52	2	20	20
53	2	20	20
54	2	20	20
55		20	20
56		20	20
57		10	20
58		10	15
59		10	15
60		30	60
61		10	15
62		30	30
63		15	15
64		15	15
65		40	40
66		50	50
67		60	60
68		70	70
69		80	80
70		100	100

A member was assumed to be eligible for retirement after 28 years of service, attaining age 55 with 20 years of service, or age 60 with 5 years of service.

A member was assumed eligible for a reduced benefit after attaining age 50 with 20 or more years of service.



**Schedule A-4**  
**Rates of Separation (excluding deaths and disability)**  
**From Active Employment Before Retirement**  
**(first used for December 31, 2008 valuations)**

**PAID SERVICE FIREMEN**

Sample Ages	Years of Service	% of Active Members Separating within Next Year
ALL	0	10.00 %
	1	9.00
	2	8.00
	3	7.00
	4	6.00
25	5 & Over	4.40
30		3.80
35		3.10
40		2.50
45		1.80
50		1.00
55		0.50
60		0.00

**PAID SERVICE POLICEMEN**

Sample Ages	Years of Service	% of Active Members Separating within Next Year
ALL	0	20.00 %
	1	18.00
	2	15.00
	3	13.00
	4	11.00
25	5 & Over	9.63
30		8.10
35		6.21
40		4.95
45		3.96
50		3.15
55		0.90
60		0.00

**Schedule A-4 (Concluded)**  
**Rates of Separation (excluding deaths and disability)**  
**From Active Employment Before Retirement**  
**(first used for December 31, 2008 valuations)**

**VOLUNTEER SERVICE MEMBERS**

Sample Ages	Years of Service	% of Active Members Separating within Next Year
ALL	0	23.00 %
	1	21.00
	2	19.00
	3	17.00
	4	15.00
25	5 & Over	11.55
30		10.22
35		9.33
40		8.82
45		8.35
50		6.49
55		4.60
60		3.88

**Schedule A-5**  
**Pay Increase Assumptions**  
**For an Individual Paid Service Member**  
**(first used for December 31, 2008 valuations)**

<b>Sample Ages</b>	<b>Present Pay Resulting in Pay of \$1,000 at Age 60</b>	<b>Pay Increase Assumptions For an Individual Member</b>		
		<b>Merit and Seniority</b>	<b>Base (Economic)</b>	<b>Increase Next Year</b>
20	\$ 84	6.0%	4.0%	10.0%
25	128	5.1%	4.0%	9.1%
30	187	3.2%	4.0%	7.2%
35	264	1.9%	4.0%	5.9%
40	363	1.2%	4.0%	5.2%
45	487	0.9%	4.0%	4.9%
50	635	0.6%	4.0%	4.6%
55	806	0.4%	4.0%	4.4%
60	1,000	0.3%	4.0%	4.3%

Service related salary increases are assumed to occur during the first five years of employment. The first increase is 3.0% in addition to the age related pay increases shown above. In the following years the increases are 2.5%, 2.0%, 1.5% and 1.0%.

# Investment Return and Inflation: Past and Future

## Inflation Distortions

Inflation's impact on investment return is not uniform from year to year. A common expectation for Real Investment Return (the portion of Total Return remaining after Price Inflation) is in the area of 3% to 4% annually.

Over the last 30 years, Real Return exceeded that range on average. However, for parts of the period it was actually negative. It is very difficult to maintain a long-term portfolio allocation during periods of negative real return.

### Annual Investment Return (including Income) expressed as REAL RETURN (Remainder after Price Inflation)

No. Years Ended December	Inflation (CPI)	Cash Equiv. (T Bills)	Bonds (Long Term)		Stocks (S & P 500)	Real Return for Sample Fund		
			US Treasury	Corporate (Sol. Bro.)		A	B	C
1/2007	4.1	0.6	5.6	(1.4)	1.3	1.7	1.5	1.2
1/2008	0.1	1.5	25.8	8.7	(37.1)	(0.6)	(11.5)	(20.1)
1/2009	2.7	(2.5)	(17.1)	0.3	23.2	1.7	8.0	13.1
1/2010	1.5	(1.4)	8.5	10.7	13.4	9.7	10.4	11.0
1/2011	3.0	(2.9)	24.5	14.6	(0.9)	11.2	7.1	3.8
5/1980	9.2	(1.3)	(6.9)	(6.2)	4.3	(2.6)	(0.4)	1.3
5/1985	4.8	5.2	11.5	12.3	9.4	10.7	10.2	9.8
5/1990	4.1	2.6	6.4	6.1	8.6	6.7	7.2	7.6
5/1995	2.8	1.5	10.0	9.1	13.4	10.0	10.8	11.3
5/2000	2.5	2.6	4.9	3.2	15.4	7.7	10.0	11.7
5/2005	2.5	(0.4)	5.1	6.6	(2.0)	3.4	2.0	0.7
5/2010	2.2	0.0	3.3	3.6	0.1	3.1	2.6	2.0
5/2011	2.3	(1.0)	8.2	6.4	(2.5)	4.6	2.7	1.1
<b>30/2011</b>	<b>3.0</b>	<b>1.6</b>	<b>7.8</b>	<b>7.6</b>	<b>7.8</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>

Sample Funds (only three of many reasonable samples)

	A	B	C
Cash: T-Bills	10 %	10 %	10 %
Bonds: US	30	20	10
Bonds: Corp	30	20	15
Stock	30	50	65

For many pension plans, Benefit Increases after Retirement have fallen short of keeping up with inflation. The retired life group has been hurt more than the active life group. The investment return necessary for the indexing of benefits after retirement probably cannot be realized during a period of high inflation.

## Changes in Economic Assumptions within an Economic Environment of Inflation

There is powerful motivation to increase the assumed Investment Return used in actuarial calculations, with or without a related increase in Employee Pay Base, because such an assumption change decreases computed contributions. A contribution rate decrease (i) offers relief for employer budget problems and/or (ii) offers a "no cost" way to provide benefit increases.

The wisdom of Investment Return assumed for the future can be determined only by future events. Will the investment record of the next 30 years be the same as the last 30 years? Will it be like the 5-year period ended in 1980? Better? Worse? What will happen when "Baby Boomers" swell the retired population?



---

## **SECTION E**

### **GOVERNMENTAL ACCOUNTING STANDARD BOARD DISCLOSURES**

---

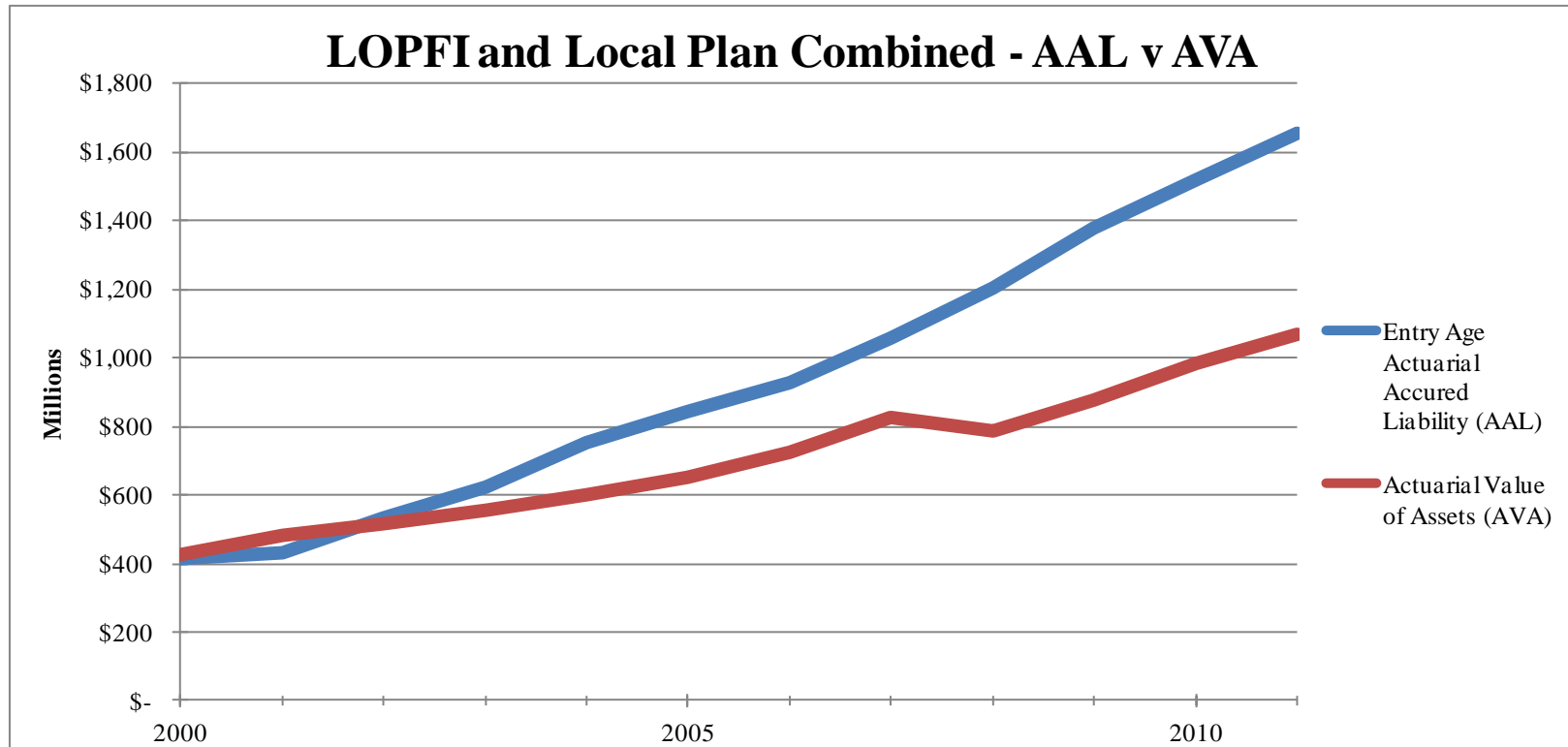
**This information is presented in draft form for review by the System's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the System's financial statements.**

**LOPFI and Local Plan**  
**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Entry Age Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (c) = (b) - (a)</b>	<b>Funded Ratio (d) = (a)/(b)</b>	<b>Annual Valuation Payroll (e)</b>	<b>UAAL as a Percentage of Valuation Payroll (f) = (c)/(e)</b>
12/31/2000 *	\$ 425,122,202	\$ 416,222,207	\$ (8,899,995)	102%	\$ 142,778,723	-%
12/31/2001 +	\$ 481,431,953	\$ 428,840,581	\$ (52,591,372)	112%	\$ 152,883,342	-%
12/31/2002 *	\$ 515,600,263	\$ 534,533,175	\$ 18,932,912	96%	\$ 163,420,616	12%
12/31/2003 +	\$ 553,057,228	\$ 625,021,624	\$ 71,964,396	88%	\$ 178,850,477	40%
12/31/2004 *	\$ 601,798,909	\$ 754,004,285	\$ 152,205,376	80%	\$ 193,670,943	79%
12/31/2005	\$ 653,546,976	\$ 842,926,984	\$ 189,380,008	78%	\$ 207,890,440	91%
12/31/2006	\$ 724,746,827	\$ 927,816,659	\$ 203,069,832	78%	\$ 222,107,556	91%
12/31/2007	\$ 827,546,002	\$ 1,054,599,720	\$ 227,053,718	78%	\$ 235,337,218	96%
12/31/2008 *+	\$ 788,633,082	\$ 1,200,515,663	\$ 411,882,581	66%	\$ 245,775,341	168%
12/31/2009	\$ 878,958,364	\$ 1,379,093,412	\$ 500,135,048	64%	\$ 265,123,993	189%
12/31/2010	\$ 982,154,992	\$ 1,519,527,855	\$ 537,372,863	65%	\$ 268,424,127	200%
12/31/2011	\$ 1,070,685,918	\$ 1,654,156,087	\$ 583,470,169	65%	\$ 275,850,081	212%

+ After changes in actuarial valuation assumptions.  
\* After legislated benefit increases and board policy changes.

## LOPFI and Local Plan Combined - AAL v AVA



**LOPFI and Local Plan**  
**Schedule of Employer Contributions**

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Required</u> <u>Contribution</u>	<u>Percent</u> <u>Contributed</u>
12/31/1995	\$ 11,795,077	100%
12/31/1996	\$ 14,650,814	100%
12/31/1997	\$ 16,402,732	100%
12/31/1998	\$ 18,221,992	100%
12/31/1999	\$ 19,522,826	100%
12/31/2000	\$ 22,321,326	100%
12/31/2001	\$ 22,420,300	100%
12/31/2002	\$ 18,261,057	100%
12/31/2003	\$ 18,712,140	100%
12/31/2004	\$ 26,925,018	100%
12/31/2005	\$ 30,184,341	100%
12/31/2006	\$ 39,758,875	100%
12/31/2007	\$ 43,362,966	100%
12/31/2008	\$ 49,518,628	100%
12/31/2009	\$ 53,051,887	100%
12/31/2010	\$ 58,654,842	100%
12/31/2011	\$ 61,818,119	100%



## Short Condition Test Comparative Statement

### LOPFI Plan

#### *LOPFI Paid Service*

Valuation Date	Actuarial Accrued Liabilities for			Actuarial Value of Assets	Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion		(1)	(2)	(3)
December 31	(1)	(2)	(3)	Assets	(1)	(2)	(3)
1999	\$ 33,169,622	\$ 12,909,768	\$ 141,457,722	\$ 247,098,752	100 %	100 %	142 %
2000	38,648,453	17,159,916	179,589,829	309,386,866	100	100	141
2001	42,169,151	18,706,212	157,062,147	358,552,550	100	100	190
2002 *	52,884,501	28,132,104	238,299,621	394,018,928	100	100	131
2003 +	60,644,400	37,589,290	310,091,095	438,411,941	100	100	110
2004 *	67,066,543	46,771,629	403,011,987	475,622,588	100	100	90
2005 *	78,117,772	62,901,548	448,517,669	546,315,508	100	100	90
2006	87,986,534	76,104,654	515,855,829	633,759,848	100	100	91
2007	95,667,812	90,980,880	675,497,118	740,968,085	100	100	92
2008 +*	107,486,154	116,390,986	717,931,676	778,148,309	100	100	77
2009	126,212,081	142,789,842	820,211,054	765,350,382	100	100	61
2010	142,979,396	176,648,898	869,214,659	840,895,829	100	100	60
2011	159,770,407	229,845,487	917,728,551	928,182,921	100	100	59

#### *LOPFI Volunteer Service*

Valuation Date	Actuarial Accrued Liabilities for			Actuarial Value of Assets	Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion		(1)	(2)	(3)
December 31	(1)	(2)	(3)	Assets	(1)	(2)	(3)
1999	\$ -	\$ 455,088	\$ 7,421,534	\$ 8,232,117	- %	100 %	105 %
2000	-	495,360	8,554,865	10,076,713	-	100	112
2001	-	610,512	8,814,220	11,520,519	-	100	124
2002 *	-	765,612	12,138,097	12,689,913	-	100	98
2003 +	-	1,220,827	19,207,277	14,248,945	-	100	68
2004	-	2,107,043	22,136,019	15,610,807	-	100	61
2005	-	2,629,108	26,240,543	19,106,574	-	100	63
2006	-	3,074,831	30,139,607	21,250,207	-	100	60
2007	-	4,306,070	42,720,023	26,468,537	-	100	52
2008 +	-	6,054,907	47,019,246	24,187,269	-	100	39
2009	-	10,069,177	48,890,402	27,103,260	-	100	35
2010	-	12,517,903	52,068,716	32,173,609	-	100	38
2011	-	15,248,883	56,421,727	36,807,462	-	100	38

+ After changes in actuarial valuation assumptions.

\* After legislated benefit increases and board policy changes.

## Short Condition Test Comparative Statement

### Closed Plan

#### *Local Paid Service*

Valuation Date	Actuarial Accrued Liabilities for			Actuarial Value of Assets	Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion		(1)	(2)	(3)
December 31	(1)	(2)	(3)				
1999	\$ 4,615,167	\$ 108,288,576	\$ 53,678,292	\$ 105,586,494	100 %	93 %	- %
2000	4,163,798	126,783,114	54,516,455	105,186,843	100	80	-
2001	4,682,058	125,820,973	54,734,475	110,983,891	100	84	-
2002 *	5,184,816	135,985,913	59,683,011	108,424,415	100	76	-
2003 +	5,239,318	176,372,120	12,200,655	99,627,902	100	54	-
2004	5,618,009	166,420,994	36,722,211	107,970,936	100	62	-
2005	5,785,163	188,485,578	24,147,182	85,936,612	100	43	-
2006	5,894,420	194,874,926	6,274,855	67,629,449	100	32	-
2007	6,087,324	201,530,961	927,380	58,271,540	100	26	-
2008 +	4,586,196	189,690,459	725,693	(14,784,011)	-	-	-
2009	3,163,233	185,486,259	29,522,904	80,902,787	100	42	-
2010	2,849,033	215,795,003	34,266,295	102,556,180	100	46	-
2011	2,450,310	226,494,886	32,836,591	99,201,212	100	43	-

#### *Local Volunteer Service*

Valuation Date	Actuarial Accrued Liabilities for			Actuarial Value of Assets	Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion		(1)	(2)	(3)
December 31	(1)	(2)	(3)				
1999	\$ 1,492	\$ 1,053,780	\$ 201,268	\$ 196,095	100 %	18 %	- %
2000	1,162	1,182,504	392,143	471,780	100	40	-
2001	834	1,185,540	390,975	374,993	100	32	-
2002 *	-	1,299,876	159,624	467,007	100	36	-
2003 +	998	2,097,817	357,827	768,440	100	37	-
2004	345	3,743,244	406,261	2,594,578	100	69	-
2005	1,966	5,951,007	149,448	2,188,282	100	37	-
2006	2,739	7,312,004	296,260	2,107,323	100	29	-
2007	2,194	8,036,483	208,366	1,837,840	100	23	-
2008 +	2,279	10,495,474	132,593	1,081,515	100	10	-
2009	3,065	12,395,214	350,181	5,601,935	100	45	-
2010	12,433	12,964,889	210,630	6,529,374	100	50	-
2011	16,968	13,046,463	295,814	6,494,323	100	50	-

+ After changes in actuarial valuation assumptions.

\* After legislated benefit increases and board policy changes.