

January 4, 2006

Retirement Board of the San Francisco
City and County Employees' Retirement System
30 Van Ness Avenue, Suite 3000
San Francisco CA 94102

Dear Honorable Members:

Enclosed is the actuarial valuation of the Retirement System as of July 1, 2005. The report contains recommended City contribution rates for the Fiscal Year commencing July 1, 2006.

This report is based on information provided to us by the System's staff and on draft audited financial statements of the System.

This valuation has been conducted in accordance with generally accepted actuarial principles and financial accounting practices. The actuarial assumptions used in the development of the recommended contribution level have been selected by the Retirement Board, with the concurrence of Towers Perrin, to be individually reasonable (taking into account the experience of the plan and reasonable expectations) and, in combination, offer the actuary's best estimate of anticipated experience under the plan.

We look forward to discussing the valuation results with the Board on January 10, 2006.

Sincerely,



Leslie P. Finertie, FSA
Principal



Tom D. Matthews, FSA
Consultant

LPF/TDM:cl

Enclosures

San Francisco City and County

Employees' Retirement System

Actuarial Valuation as of July 1, 2005

January 2006

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Summary of Valuation Results

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Introduction

This report summarizes financial results of the San Francisco City and County Employees' Retirement System (SFERS) based upon actuarial valuations as of July 1, 2005 and July 1, 2004. In particular, the financial results for July 1, 2005, reflect:

- ▶ Asset return, on an actuarial basis (before changes), during Fiscal Year 2004 - 2005 that was lower than the expected return of 8.00%, although the return on the market value of assets exceeded 8.00%.
- ▶ Pay increases lower than expected.
- ▶ Disability mortality assumption changes approved by the Board following the July 1, 2004 valuation.
- ▶ 2004 Proposition E – New Safety line of duty death benefits. Increases the survivor's benefit from 75% to 100%.
- ▶ 2003 Proposition F – Enhanced early retirement for Miscellaneous members. Included in the valuation are those who elected to retire as of June 30, 2005.
- ▶ Assumption and methodology changes raised in the actuarial audit including:
 - treatment of disability decrements
 - new assumption regarding future reciprocal members
 - use of actual (instead of estimated) credited service in data
 - mid-year decrements for all purposes.
- ▶ Change in asset smoothing method approved by the Board in December 2005 that resulted in a return on actuarial value of assets in excess of the 8% return expected.
- ▶ Supplemental COLA, effective July 1, 2005, as approved by the Board in December 2005.

Highlights of this year's valuation, along with comparable values from the previous eight valuations, are shown in the following table:

**Contribution Rates as a Percentage of Valuation Payroll
Effective as of July 1 of the Following Year (Unless Otherwise Noted)**

	<u>1997 Composite</u>	<u>1998 Composite</u>	<u>1999 Composite</u>	<u>2000 Composite</u>	<u>2001 Composite</u>	<u>2002 Composite</u>	<u>2003 Composite</u>	<u>2004 Composite</u>	<u>2005 Before</u>	<u>2005 After</u>
Normal Cost	12.94%	13.49%	13.00%	14.12%	13.56%	13.97%	15.19%	15.06%	15.11%	16.56%
Amortization of Unfunded Liabilities	(6.76)	(9.30)	(13.07)	(14.10)	(11.21)	(7.32)	(3.63)	(1.41)	2.11	(3.25)
Member Contributions	(7.55)	(7.54)	(7.53)	(7.53)	(7.53)	(7.52)	(7.53)	(7.52)	(7.52)	(7.52)
Expenses	<u>0.45</u>	<u>0.45</u>	<u>0.45</u>	<u>0.45</u>	<u>0.45</u>	<u>0.45</u>	<u>0.45</u>	<u>0.45</u>	<u>0.45</u>	<u>0.45</u>
Net Rate	-0.92%	-2.90%	-7.15%	-7.06%	-4.73%	-0.42%	4.48%	6.58%	10.15%	6.24%
Adjusted Net Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.48%	6.58%	10.15%	6.24%

Major Events Since Prior Valuation

Actuarial Assumptions

The economic actuarial assumptions were reviewed with the Retirement Board in December 2005. At that time, the Retirement Board decided to retain the approved actuarial assumptions used in the prior valuation. Therefore, the economic actuarial assumptions are as follows:

	July 1, 2005	July 1, 2004
Investment yield	8.00%	8.00%
Wage inflation	4.50	4.50
Price inflation (not explicitly used)	3.50	3.50

Demographics

The City's Retirement System had 29,164 active members as of July 1, 2005. This is a 7.9% decrease over the number of active members of 31,651 for the prior year. The current ratio of active to retired members is 1.7 to 1. Valuation payroll decreased 4.8% from 2004 to 2005. The average age of active members is 47.3 years and their average service is 12.5 years as of July 1, 2005, compared to 47.3 years of age and 12.8 years of service for the prior year. Retired members are age 71.7 on average and vested terminated members are age 49.4 on average.

Recent Plan Changes

2004 Proposition E – New Safety line of duty death benefits and 2003 Proposition F – Enhanced early retirement for Miscellaneous members were approved by the voters of San Francisco in November 2004 and November 2003, respectively, and are first recognized in this valuation.

Proposition E increases the survivor's benefit from 75% to 100% for New Plan Police and Fire members.

Proposition F grants an additional three years of age and service to Miscellaneous members electing to retire within the window beginning March 2003 and ending June 30, 2005. The Board of Supervisors approved a one-year extension of the window from July 1, 2005 to June 30, 2006. Proposition F is reflected in this valuation to the extent retirements have occurred as of June 30, 2005.

This valuation and prior valuations have included liabilities for benefits in excess of the Section 415 limits, reflecting the allowed payments under the 415(m) arrangement.

Contribution Rates

The Retirement System's funding policy calls for contributions equal to the sum of the normal cost, calculated using the entry age normal cost method, plus amortization of unfunded actuarial accrued liability over a period not to exceed 20 years. The unfunded liabilities due to net actuarial gains and losses, Supplemental COLAs and assumption method changes are amortized as a level percentage of payroll over a 15-year period beginning with the valuation date. Additional liabilities created due to Charter amendments and Board-approved changes in the credited interest rate on member contribution accounts are amortized as a level percentage of payroll over a 20-year period beginning with the year the amendment is reflected in the valuation. On this basis, recommended contribution rates on a composite basis for Fiscal Year 2006-2007 and actual contribution rates from previous fiscal periods are shown below:

Composite City Contribution Rates Effective as of July 1

Years	Calculated	Actual/Recommended
2000	-7.15%	0.00%
2001	-7.06%	0.00%
2002	-4.73%	0.00%
2003	-0.42%	0.00%
2004	4.48%	4.48%
2005	6.58%	6.58%
2006	6.24% (after changes)	6.24% (after changes)

The change in contribution rates over the past year is primarily due to:

- ▶ The impact of investment gains using the new asset smoothing method to determine the actuarial value of assets (which phases in market gains and losses varying from 8% over a five-year period).
- ▶ Actuarial liability gains due to salary increases less than expected.
- ▶ Cost of plan improvements – Propositions E and F.
- ▶ Cost of the Supplemental COLA.
- ▶ Revised demographic assumptions and methods that overall increased liabilities.

- ▶ Revised treatment of actual (instead of estimated) service due to improved data quality that decreased liabilities.
- ▶ Ongoing shift of Old Plan active members to retired status and their corresponding replacement by New Plan members.

We recommend a composite contribution rate of 6.24% of payroll, as developed in this report, effective for the Fiscal Year beginning July 1, 2006.

The chart on the following page illustrates the change in contribution rates by source for the current year as well as the prior three years.

Reconciliation History of Composite Contribution Rate (as a % of Payroll)

	Valuation as of July 1			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Prior City contribution rate (actual contribution rate may equal 0%)	-4.73%	-0.42%	4.48%	6.58%
Normal operations*	0.24	0.47	0.70	0.43
Liability (gain)/loss	1.19	0.32	-0.36	1.00
Asset (gain)/loss:				
Actual vs. expected cash flow	-0.04	-0.09	-0.02	0.04
Return on assets	1.26	2.19	1.64	2.11
Change in asset method	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>-5.16</u>
Subtotal	1.22	2.10	1.62	-3.01
Interest-crediting rate change	0.03	N/A	-0.23	N/A
Proposition(s)	1.39	N/A	N/A	0.11
Assumption/method change and Supplemental COLA**	<u>0.24</u>	<u>2.01</u>	<u>0.37</u>	<u>1.13</u>
Calculated City contribution rate	-0.42%	4.48%	6.58%	6.24%
Recommended/adopted City contribution rate for following year	0.00%	4.48%	6.58%	6.24%

* Normal operations are the expected change in the contribution rates based on the current assumptions.

** In the current valuation, we included a 3% supplemental COLA, effective July 1, 2005, as approved by the Board in December 2005.

Funded Status – Contribution Basis

The funded status, on a contribution basis, is measured by comparing the actuarial value of assets (AVA) with the actuarial accrued liability (AAL). The actuarial value of assets is a smoothed value that recognizes investment gains and losses over time. The actuarial accrued liability is the funding target, on which the employer contribution rates are based. As the funded percentage for a plan approaches or exceeds 100%, employer contributions to the plan may consist solely of the normal cost plus expenses minus employee contributions.

The plan's funded percentage (actuarial value of assets divided by actuarial accrued liability) is 108% as of July 1, 2005 and 104% as of July 1, 2004. This percentage is based on an actuarial value of assets of \$12.660 billion and an actuarial accrued liability of \$11.766 billion.

Impact of Major Events

The funded percentage increased from 104% in 2004 to 108% in 2005 primarily because the approved change in the asset smoothing method used to develop the actuarial value of assets increased the actuarial value of assets, and the use of client-provided years of service reduced liabilities. The implementation of the actuarial audit changes increased liabilities as did the recognition of plan improvements, the updated disability mortality assumption and the Supplemental COLA, all of which partially offset the above savings.

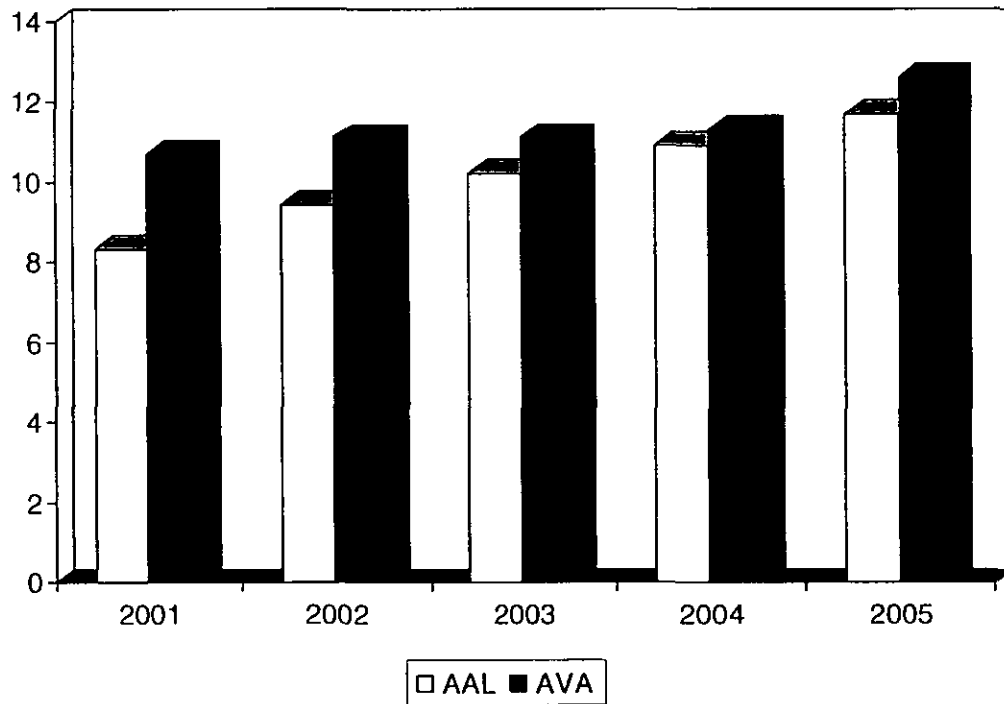
Funded percentages have primarily decreased from 2001 to 2004 due to asset losses, plan improvements, assumption changes and contributions less than the normal cost.

History of Funded Status Contribution Basis				
Year	Interest Rate	Actuarial Accrued Liability (\$ in 000s)	Actuarial Value of Assets (\$ in 000s)	Funded Percentage
2005	8.00%	\$11,765,737	\$12,659,698	108%
2004	8.00%	10,885,455	11,299,997	104
2003	8.00%	10,249,896	11,173,636	109
2002	8.25%	9,415,905	11,102,516	118
2001	8.25%	8,371,843	10,797,024	129

The following chart shows a history of the funded status on a contribution basis:

**Five-Year History of the
Actuarial Accrued Liability and Actuarial Value of Assets**

\$ in Billions



Assumptions

Key economic assumptions used to derive the above actuarial accrued liability include the following:

	2001	2002	2003	2004	2005
Discount rate for normal cost and actuarial accrued liability	8.25%	8.25%	8.00%	8.00%	8.00%
Wage Inflation	4.50%	4.50%	4.50%	4.50	4.50

Funded Status – GASB 25/GASB 27 Basis

The City is required to prepare the plan's financial statements in accordance with Statement Nos. 25 and 27 of the Governmental Accounting Standards Board (GASB 25 and GASB 27).

The actuarial accrued liability (AAL) is compared with the actuarial value of assets (AVA) to arrive at the funded position. This is identical to the funded status on a contribution basis. The entry age normal cost method is used to determine the AAL.

For information regarding GASB 25 and GASB 27, please see pages II-7 to II-10 in the Supplemental Information section.

Actuarial Certification

This report describes the results of an actuarial valuation of San Francisco City and County Employees' Retirement System (SFERS). SFERS retained Towers Perrin to perform this actuarial valuation for the purposes of determining (1) the funding status for the plan as of July 1, 2005; and (2) the contributions to be made during the plan year beginning July 1, 2006. It will also be the basis for financial reporting for the plan year ending June 30, 2007.

The consulting actuaries are members of the Society of Actuaries and other professional actuarial organizations and meet their "General Qualification Standard for Prescribed Statements of Actuarial Opinions" relating to pension plans.

The calculations were made as of June 30, 2005. In preparing the results presented in this report, we have relied upon information provided to us regarding plan provisions, plan participants, and plan assets as of June 30, 2005. While the scope of our engagement did not call for us to perform an audit or independent verification of this information, we have reviewed this information for reasonableness but have not audited it. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information.

The actuarial assumptions and the accounting policies and methods employed in this report have been selected by the plan sponsor, with the concurrence of Towers Perrin.

The funding determination portion of this actuarial valuation has been conducted in accordance with principles of practice prescribed by the Actuarial Standards Board and our understanding of the requirements of the City and County of San Francisco Charter.

The results shown in this report are reasonable actuarial results. However, a different set of results could also be considered reasonable actuarial results, since the Actuarial Standards of Practice describe a "best-estimate range" for each assumption, rather than a single best-estimate value. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

The information contained in this report was prepared for the internal use of SFERS and its auditors in connection with our actuarial valuation of the pension plan. It is not intended nor necessarily suitable for other purposes.

Towers Perrin



Leslie P. Finertie, F.S.A., E.A., M.A.A.A., F.C.A.



Tom D. Matthews, F.S.A., E.A., M.A.A.A.

Towers Perrin
January 2006

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Plan Assets

The market value of assets is provided by the Retirement System and the auditor and is used without further audit.

In determining the contribution rates, the actuarial value of assets is used. The actuarial value of assets is a smoothed value and is intended to reduce the effect of market fluctuations on plan contributions.

The revised actuarial value of assets is calculated under a five-year moving average method. Under this method, the difference between the expected (8%) return based on the prior year actuarial value as compared to the total asset return in any particular year is included in the actuarial value of assets over a five-year period at a rate of 20% per year. For this valuation, the transition to the revised actuarial value of assets methodology starts with the market value as of July 1, 2004. The actuarial value of assets is thus equal to the market value of assets, less (plus) a graded percentage of the total appreciation (depreciation) during the past year. In future valuations, the smoothing method will recognize 20% of the unexpected return for an additional year, until a total of 5 years are included.

The actual return on the actuarial value of assets is allocated between the Police, Fire, and Miscellaneous groups in proportion to their expected return on assets. Expected return on assets is the interest accrued on the actuarial value of assets as of July 1, 2004, plus contributions less disbursements during the 2004-2005 Plan Year at the assumed investment return rate. The actuarial value of assets for each reporting group is then equal to the July 1, 2004 actuarial value of assets, plus contributions less disbursements during the year, plus the allocated actual return as described above. For this year, the actual return reflects the transition to a new smoothing method for the Actuarial Value of Assets.

Change in Asset Values During 2004-2005

	<u>Market Value</u> (\$ in 000s)	<u>Old Method Actuarial Value</u> (\$ in 000s)	<u>New Method Actuarial Value</u> (\$ in 000s)
1. Asset value as of July 1, 2004	\$11,907,358	\$11,299,997	\$11,299,997
2. Members' contributions for 2004-2005:			
(a) Police	14,233	14,233	14,233
(b) Fire	10,690	10,690	10,690
(c) Miscellaneous	<u>139,442</u>	<u>139,442</u>	<u>139,442</u>
(d) total: (a) + (b) + (c)	164,365	164,365	164,365
3. Employers' contributions for 2004-2005:			
(a) Police	8,356	8,356	8,356
(b) Fire	6,185	6,185	6,185
(c) Miscellaneous	<u>69,123</u>	<u>69,123</u>	<u>69,123</u>
(d) total: (a) + (b) + (c)	83,664	83,664	83,664
4. Disbursements for 2004-2005:			
(a) benefit payments	(544,528)	(544,528)	(544,528)
(b) expenses and fees	<u>(10,593)</u>	<u>(10,593)</u>	<u>(10,593)</u>
(c) disbursements for 2004-2005:			
(a) + (b)	(555,121)	(555,121)	(555,121)
5. Investment return for 2004-2005:			
(a) interest and dividends	317,299	N/A	N/A
(b) net appreciation of investments	1,245,926	N/A	N/A
(c) investment expenses	<u>(28,228)</u>	<u>N/A</u>	<u>N/A</u>
(d) investment return for 2004-2005:			
(a) + (b) + (c)	1,534,997	358,518	1,666,793
6. Asset value as of July 1, 2005: (1) + (2)(d) + (3)(d) + (4)(c) + (5)(d)	13,135,263	11,351,423	12,659,698
7. Approximate rate of investment return	13.06%	3.22%	14.95%

Development of Actuarial Value of Assets (Old Method)

	(\$ in 000s)
1. Market value of plan assets as of July 1, 2005	\$13,135,263
2. Realized and unrealized capital gains (losses) for four prior years:	
(a) 2004-2005	1,245,926
(b) 2003-2004	1,470,606
(c) 2002-2003	172,125
(d) 2001-2002	(820,574)
3. Unrecognized realized and unrealized capital gains (losses):	
(a) 2004-2005: 80% of (2)(a)	996,741
(b) 2003-2004: 60% of (2)(b)	882,364
(c) 2002-2003: 40% of (2)(c)	68,850
(d) 2001-2002: 20% of (2)(d)	<u>(164,115)</u>
(e) total: (a) + (b) + (c) + (d)	1,783,840
4. Actuarial value of assets as of July 1, 2005:	
(1) - (3)(e)	11,351,423

Development of Actuarial Value of Assets (New Method)

	(\$ in 000s)
1. Market value of plan assets as of July 1, 2004 (transition starting point)	\$11,907,358
2. Non-investment cash flow in 2004-2005	(307,092)
3. Investment return:	
(a) actual return in 2004-2005	1,534,997
(b) expected 8.0% return in 2004-2005	<u>940,541</u>
(c) above expected return in 2004-2005	594,456
4. Phased-in recognition of above expected return on assets:	
(a) 2004-2005: 20% of (2)(c)	118,891
5. Actuarial value of assets as of July 1, 2005:	
(1) + (2) + (3)(b) + (4)(a)	12,659,698

San Francisco City and County Employees' Retirement System
Composite Rate Development
(\$ in 000s)

Type of Member	July 1, 2005			July 1, 2004
	After All Changes	After Liability Changes	Before Changes	COMPOSITE
Number of Actives	29,164	29,164	30,932	31,651
Annual Salary	2,052,862	2,052,862	2,143,996	2,155,252
Average Annual Salary	70.390	70.390	69.313	68.094
Number of Retirees	20,093	20,093	19,990	19,081
Annual Benefit	607,847	607,847	574,839	505,247
Average Annual Benefit	30.252	30.252	28.756	26.479
Normal Cost %	16.56%	16.56%	15.11%	15.06%
Actuarial Liability:				
Inactive Members *	6,512,298	6,512,298	6,229,461	5,451,996
Active Members	5,253,439	5,253,439	5,547,663	5,433,459
Total	11,765,737	11,765,737	11,777,124	10,885,455
Actuarial Value of Assets	12,659,698	11,351,423	11,351,423	11,299,997
Total Unfunded Actuarial Liability	(893,961)	414,314	425,701	(414,542)
Unfunded Actuarial Liabilities (UAL)	(1,647,317)	(339,042)	(295,434)	(1,149,447)
Remaining Cost of All Propositions	753,356	753,356	721,135	734,905
Total Unfunded Actuarial Liability	(893,961)	414,314	425,701	(414,542)
Funded Status = Assets / Actuarial Liability	107.60%	96.48%	96.39%	103.81%
PVFSAL 2020 (2019)	24,297,129	24,297,129	25,375,769	25,508,996
Contribution Rate:				
Normal Cost %	16.56%	16.56%	15.11%	15.06%
UAL / PVFSAL 2020 (2019)	-6.78%	-1.40%	-1.16%	-4.51%
Rem. Cost of All Props (See detail on next page)	3.53%	3.53%	3.27%	3.10%
Total	13.31%	18.69%	17.22%	13.65%
Less Average Member Rate	7.52%	7.52%	7.52%	7.52%
Plus Expenses	0.45%	0.45%	0.45%	0.45%
Net Rate	6.24%	11.62%	10.15%	6.58%

* Inactive members includes retirees, vested terms and reciprocal members (vested term and reciprocal liability was \$143,113).

Note that the contribution rate development for each group is contained in the Detailed Contribution Rate Development section of the Supplemental Information portion of this report.

San Francisco City and County Employees' Retirement System
Composite Rate Development
(\$ in 000s)

Type of Member	July 1, 2005			July 1, 2004
	After All Changes	After Liability Changes	Before Changes	COMPOSITE
Number of Actives	29,164	29,164	30,932	31,651
Annual Salary	2,052,862	2,052,862	2,143,996	2,155,252
Remaining Cost of 1991 Prop A - Misc ERP Window	64,279	64,279	64,279	70,851
Remaining Cost of 1992 Prop F - Retiree Bft Increase	26,602	26,602	26,602	28,714
Remaining Cost of 1994 Prop H - Domestic Partners	16,133	16,133	16,133	16,925
Remaining Cost of 1996 Prop C - Retiree Benefits	37,936	37,936	37,936	39,068
Remaining Cost of 1996 Prop D - New Fire Ret Bfts	15,887	15,887	15,887	16,361
Remaining Cost of 1998 Prop A - New Police Ret Bfts	34,035	34,035	34,035	34,599
Remaining Cost of 1998 Prop C - Paramedics Bfts	7,046	7,046	7,046	7,163
Remaining Cost of 2000 Prop C - New Misc Ret Bfts	268,026	268,026	268,026	269,873
Remaining Cost of 6.25% Credited Interest on Ee Ctbs	11,026	11,026	11,026	11,022
Remaining Cost of 2002 Prop H - Safety Ret Bfts	287,858	287,858	287,858	287,725
Remaining Cost of 5.0% Credited Interest on Ee Ctbs	(47,693)	(47,693)	(47,693)	(47,396)
Liability of 2004 Prop E - New Safety LOD Bfts	14,297	14,297	n/a	n/a
Liability of 2003 Prop F - Misc 3+3 Early Ret Bfts	17,924	17,924	n/a	n/a
Remaining Cost of All Propositions	753,356	753,356	721,135	734,905
PVFSAL 2011	9,328,193	9,328,193	9,806,943	11,381,834
PVFSAL 2012	12,833,454	12,833,454	13,403,179	15,157,043
PVFSAL 2014	15,988,521	15,988,521	16,698,312	18,362,127
PVFSAL 2016	18,942,407	18,942,407	19,783,331	21,362,842
PVFSAL 2018	3,589,503	3,589,503	3,623,308	3,752,640
PVFSAL 2020	20,279,492	20,279,492	21,320,295	22,641,480
PVFSAL 2022	26,721,219	26,721,219	27,907,475	29,264,973
PVFSAL 2024	28,990,738	28,990,738	30,277,747	31,570,472
PVFSAL 2025	30,070,638	30,070,638	n/a	n/a
Contribution Rate:				
Rem. Cost of Prop. A / PVFSAL 2011	0.58%	0.58%	0.55%	0.52%
Rem. Cost of Prop. F / PVFSAL 2012	0.21%	0.21%	0.19%	0.19%
Rem. Cost of Prop. H / PVFSAL 2014	0.10%	0.10%	0.10%	0.09%
Rem. Cost of Prop. C / PVFSAL 2016	0.20%	0.20%	0.19%	0.18%
Rem. Cost of Prop. D / PVFSAL 2016	0.08%	0.08%	0.08%	0.08%
Rem. Cost of Prop. A / PVFSAL 2018	0.16%	0.16%	0.15%	0.14%
Rem. Cost of Prop. C / PVFSAL 2018	0.03%	0.03%	0.03%	0.03%
Rem. Cost of Prop. C / PVFSAL 2020	1.10%	1.10%	1.06%	1.01%
Rem. Cost of 6.25% Cred Int / PVFSAL 2022	0.04%	0.04%	0.04%	0.03%
Rem. Cost of Prop H / PVFSAL 2022	1.08%	1.08%	1.03%	0.98%
Rem. Cost of 5.0% Cred Int / PVFSAL 2024	-0.16%	-0.16%	-0.15%	-0.15%
Liability of Prop E / PVFSAL 2025	0.05%	0.05%	n/a	n/a
Liability of Prop F / PVFSAL 2025	0.06%	0.06%	n/a	n/a
Total for All Propositions	3.53%	3.53%	3.27%	3.10%

Distribution of Normal Cost

Type of Benefit	Percent of Payroll as of July 1, 2005			
	Police	Fire	Miscellaneous	Composite
Service retirement	15.58%	12.22%	10.36%	10.98%
Disability	5.29	13.70	0.99	2.30
Death	0.88	0.86	0.40	0.48
Withdrawal	<u>1.19</u>	<u>1.00</u>	<u>3.13</u>	<u>2.80</u>
Total	22.94%	27.78%	14.88%	16.56%

GASB Statement Nos. 25 and 27

Actuarial calculations under Statement No. 25 of the Governmental Accounting Standards Board (GASB 25) are for purposes of providing the required supplementary information to the financial statements of the plan. Actuarial calculations under Statement No. 27 of the Governmental Accounting Standards Board (GASB 27) are for purposes of providing the required supplementary information and the notes to the financial statements of the employer. The calculations and preliminary disclosures reported in this section have been made on a basis consistent with our understanding of GASB 25 and GASB 27. The employer contributions shown are assumed to be made in the fiscal year starting on the July 1 following the valuation date and ending on the subsequent June 30 to be recognized in the fiscal year including the valuation date, as allowed under GASB.

Schedule of Funding Progress (\$ in 000s)

	Actuarial Valuation Date	
	July 1, 2005	July 1, 2004
	Fiscal Year Ended June 30	
	2007	2006
1. Actuarial value of assets	\$12,659,698	\$11,299,997
2. Actuarial accrued liability (AAL)	11,765,737	10,885,455
3. Unfunded AAL (UAAL): (2) - (1)	(893,961)	(414,542)
4. Funded ratio: (1) ÷ (2)	107.6%	103.8%
5. Covered payroll (valuation payroll as of the actuarial valuation date)	2,052,862	2,155,252
6. UAAL as a percentage of covered payroll: (3) ÷ (5)	(43.5%)	(19.2%)

Schedule of Employer Contributions (\$ in 000s) (GASB continued)

Note that the following results in items 2.f. through 5. are projected estimates and will be revised in a separate report when the actual amount of contributions and actual covered payroll are known for the fiscal year.

	Fiscal Year Ended June 30	
	2007	2006
1. Actuarial valuation date	July 1, 2005	July 1, 2004
2. Annual required contribution (ARC)		
(a) Employer's normal cost (percentage of covered valuation payroll)	9.04%	7.54%
(b) UAAL	\$(893,961)	\$(414,542)
(c) Amortization of UAAL	(57,480)	(20,690)
(d) Amortization of UAAL (percentage of covered payroll)	(2.80%)	(0.96%)
(e) ARC (percentage of covered payroll): (a) + (d)	6.24%	6.58%
(f) Covered payroll	2,052,862	2,155,252
(g) ARC: (e) x (f)	128,099	141,816
3. Employer contributions	128,099	141,816
4. Percentage contributed: (3) ÷ (2)(g)	100%	100%
5. Excess contributions/ contribution deficiencies: (3) - (2)(g)	\$0	\$0

Annual Pension Cost and Net Pension Obligation (\$ in 000s) (GASB continued)

The plan's annual pension cost and net pension obligation to the fund for the current and prior year are projected to be the following. Actual results will be provided when the actual covered payroll and actual contributions are known following the end of the fiscal year:

	Fiscal Year Ended June 30	
	2007	2006
1. Annual required contribution (ARC)	128,099	141,816
2. Interest on net pension obligation	(6,754)	(5,729)
3. Adjustment to annual required contribution	8,237	7,078
4. Annual pension cost (APC): (1) + (2) - (3)	113,108	129,009
5. Contributions made	128,099	141,816
6. Increase (decrease) in net pension obligation: (4) - (5)	(14,991)	(12,807)
7. Net pension obligation beginning of year	(84,425)	(71,618)
8. Net pension obligation end of year: (6) + (7)	\$(99,416)	\$(84,425)

Notes to Trend Data (GASB continued)

	Fiscal Year Ended June 30	
	2007	2006
1. Actuarial valuation date	July 1, 2005	July 1, 2004
2. Actuarial cost method	Entry age	Entry age
3. Amortization method	Level percent, Open	Level percent, Open
4. Remaining amortization period (years)	22.3	33.8
5. Asset valuation method	5-year smoothed market value	5-year smoothed market value
6. Actuarial assumptions:		
(a) Investment rate of return*	8.00%	8.00%
(b) Projected salary increases*	4.5 — 25.5%	4.5 — 25.5%
* Includes wage inflation at	4.5%	4.5%
Cost-of-living adjustment	3.0% for next 1 year, 2% thereafter	3.0% for next 1 year, 2% thereafter

Actuarial Assumptions and Methods

Actuarial Cost Method

▸ Calculation of Normal Cost and Actuarial Accrued Liability

The method used to determine the normal cost and actuarial accrued liability is the entry age normal cost method with funding of the unfunded actuarial accrued liabilities due to net actuarial gains and losses, Supplemental COLAs and assumption changes are amortized as a level percentage of payroll over a 15-year period beginning with the valuation date. Additional liabilities generated by Charter amendments and Board-approved changes in the credited interest rate on member contribution accounts are amortized as a level percentage of payroll over a 20-year period beginning with the year the amendment is reflected in the valuation.

▸ Calculation of Actuarial Value of Assets

Old Method: The actuarial value of assets is calculated as follows:

- (i) the market value on the valuation date, less
- (ii) the following percentages of prior years' realized and unrealized capital gains and losses:
 - 80% of the prior year
 - 60% of the second prior year
 - 40% of the third prior year
 - 20% of the fourth prior year.

New Method: The actuarial value of assets is calculated as follows:

- (i) the market value on the valuation date, less
- (ii) the following percentages of prior years' market gains and losses above (below) the expected (8%) return on the actuarial value of assets:
 - 80% of the prior year
 - 60% of the second prior year
 - 40% of the third prior year
 - 20% of the fourth prior year.

Note that for this valuation, the transition to the new asset smoothing method starts with the market value as of July 1, 2004.

The value, under both methods, is then allocated among Police, Fire and Miscellaneous Plans according to the method described on page II-1.

Economic Assumptions

Investment return/discount rate	8.00%
Inflation element in wage increases	4.50
Consumer Price Index increases	3.50
Expected future growth in number of employees	0.00

Non-Economic Assumptions

		<u>Table</u>
Salary merit increase		I
Rates of refund of contributions after withdrawal for vested terminating members		II
Rates of withdrawal (30% of future vested terminated with deferred benefit assumed to be reciprocal)		III
Active/terminated vested/reciprocal mortality rates (25% of fire and police deaths assumed to be duty deaths)		
– Female	1994 GAM (+0)	
– Male	1994 GAM (+0)	
Active disability rates (service pension calculated if projected to be disabled following service retirement eligibility)		IV
Level of duty disability benefits (if projected to be disabled before service retirement eligibility)		
– Police	55% of pay	
– Fire	60% of pay	
Retirement rates		
– Actives and reciprocals		V
– Vested terminations	First date of eligibility	
Retired life mortality rates		VI
– Female retirees & beneficiaries	1994 GAM (+0)	
– Male retirees & beneficiaries	1994 GAM (+0)	
Disabled life mortality rates		VI
Administrative expense	0.45% of payroll	

- Family Composition (including assumption for Domestic Partners, 1994 Proposition H)

(i) Percentage Married	<u>Old Plan</u>	<u>New Plan</u>
Police and Fire Males	90%	85%
Police and Fire Females	48	42
Miscellaneous Males	80	80
Miscellaneous Females	48	48

- (ii) Age Difference

Wives assumed to be three years younger than husbands (and then spouse assumed to be an additional year younger in order to value continuance to children and dependent parents).

- Salary Tilt at Service Retirement

For those expected to service retire, extra covered wages in the last year before retirement are assumed to be as follows:

	<u>Old Plan</u>	<u>New Plan</u>
Craft Workers	8%	5%
Male Miscellaneous	3	2

- Postretirement Cost-of-Living Adjustments*

Old Plans — Police and Fire, post-7/1/1975 DOR	4.50% per year of prior year benefits
Old Plans — Police and Fire, pre-7/1/1975 DOR	3.00% per year of prior year benefits
Old Plan — Miscellaneous	2.00% per year of initial benefit
New Plans — Police, Fire and Miscellaneous	2.00% per year of initial benefit

* A 3% supplemental COLA was adopted by the Board as of July 1, 2005, and is reflected in this valuation.

Assets

Towers Perrin used audited asset data supplied by the Retirement System and the auditor without further audit. Plan assets are summarized on pages II-1 to II-3.

Member Data

Towers Perrin used member data as supplied by the Retirement System without further audit. To better reflect the System's policy to grant pay and merit increases on July 1, the June 30, 2005 estimated annual earnings are increased by the salary assumption for a full year in the calculation of valuation earnings for all continuing active members. For new members, calculated pay is increased by one-half of the salary assumption.

Beginning with the July 1, 2003 valuation, data for both active and inactive members, including vested terminated employees and reciprocal members, has been cleaned up and supplied in a *different format* from the new payroll system. Beginning with the July 1, 2005 valuation, actual service data provided for active members (instead of estimated service) is used to value future benefits and fund liabilities.

Changes in Assumptions and Methods

The disability mortality assumption, approved by the Board after the July 1, 2004 valuation, as well as the change in the asset smoothing method used to determine the actuarial value of assets and the Supplemental COLA, effective July 1, 2005, both approved by the Board in December 2005, are included in this valuation. Other assumption and methodology changes included the treatment of disability decrements, new assumption regarding future reciprocal members, use of credited service provided in the data, mid-year decrements for all purposes and modification to reflect the basic COLA tied to the Base Gross Payment for Miscellaneous and New Safety. There were no other changes in assumptions and methods since the prior actuarial valuation.

Table I

Salary Merit Increases

<u>Year of Service</u>	<u>Police</u>	<u>Fire</u>	<u>Muni</u>	<u>Craft Workers</u>	<u>Misc. Females</u>	<u>Misc. Males</u>
1	13.5%	21.0%	13.0%	5.0%	5.00%	5.25%
2	5.0	5.0	8.0	2.0	4.00	4.25
3	5.0	5.0	1.0	2.0	4.00	3.50
4	1.0	1.0	0.0	2.0	3.50	3.50
5	1.0	1.0	0.0	1.5	2.50	3.25
6	1.0	1.0	0.0	1.0	2.25	2.75
7	1.0	1.0	0.0	1.0	2.25	2.50
8	1.0	1.0	0.0	0.8	2.00	2.25
9	1.0	1.0	0.0	0.7	1.75	2.25
10	1.0	1.0	0.0	0.7	1.50	2.25
11	1.0	1.0	0.0	0.7	1.00	2.25
12	1.0	1.0	0.0	0.7	1.00	1.75
13	1.0	1.0	0.0	0.7	1.00	1.75
14	1.0	1.0	0.0	0.7	1.00	1.75
15 & over	1.0	1.0	0.0	0.7	0.90	1.00

Table II

Rates of Refund of Contributions after Withdrawal

<u>Age</u>	<u>Old Plans Police & Fire</u>	<u>New Plans Police & Fire</u>	<u>Miscellaneous</u>
Under 25	100%	100%	100%
25	100	80	95
30	90	80	65
35	80	65	60
40	60	50	50
45	40	40	40
50 and above	0	0	0

Table III
Rates of Withdrawal

<u>Years of Service</u>	<u>Police</u>	<u>Fire</u>	<u>Muni</u>	<u>Craft Workers</u>
0	0.1000	0.0400	0.1000	0.0700
1	0.0400	0.0150	0.0250	0.0300
2	0.0200	0.0100	0.0250	0.0300
3	0.0200	0.0100	0.0250	0.0300
4	0.0200	0.0100	0.0250	0.0300
5	0.0100	0.0100	0.0400	0.0300
6	0.0100	0.0300	0.0250	0.0300
7	0.0100	0.0250	0.0250	0.0250
8	0.0100	0.0100	0.0250	0.0250
9	0.0100	0.0100	0.0250	0.0200
10	0.0100	0.0100	0.0250	0.0200
11	0.0100	0.0050	0.0250	0.0150
12	0.0100	0.0050	0.0250	0.0150
13	0.0100	0.0050	0.0250	0.0100
14	0.0100	0.0050	0.0250	0.0100
15	0.0100	0.0050	0.0250	0.0100
16	0.0050	0.0050	0.0250	0.0100
17	0.0050	0.0050	0.0250	0.0100
18	0.0050	0.0020	0.0250	0.0100
19	0.0050	0.0010	0.0250	0.0100
20	0.0050	0.0005	0.0250	0.0100
21	0.0000	0.0000	0.0250	0.0100
22	0.0000	0.0000	0.0000	0.0100
23	0.0000	0.0000	0.0000	0.0000

**Table III
(continued)**

Rates of Withdrawal

<u>Age</u>	<u>Years of Service</u>					
	<u>0</u>		<u>3</u>		<u>5+</u>	
	<u>Misc. Females</u>	<u>Misc. Males</u>	<u>Misc. Females</u>	<u>Misc. Males</u>	<u>Misc. Females</u>	<u>Misc. Males</u>
20	0.1500	0.1500	0.1500	0.1000	0.1000	0.1000
25	0.1500	0.1500	0.0750	0.1000	0.0500	0.0650
30	0.1250	0.1500	0.0750	0.0700	0.0500	0.0650
35	0.1250	0.1000	0.0750	0.0700	0.0300	0.0250
40	0.1000	0.1000	0.0500	0.0500	0.0300	0.0250
45	0.1000	0.1000	0.0250	0.0500	0.0250	0.0250
50	0.1500	0.1000	0.0250	0.0500	0.0250	0.0250
55	0.1500	0.1000	0.0250	0.0250	0.0250	0.0250
60	0.0750	0.2000	0.0250	0.0250	0.0250	0.0250
65	0.0750	0.2000	0.0250	0.0250	0.0250	0.0250
69	0.0750	0.2000	0.0250	0.0250	0.0000	0.0000

Table IV
Active Disability Rates

<u>Age</u>	<u>Police*</u>	<u>Fire*</u>	<u>Muni</u>	<u>Craft Workers</u>	<u>Misc. Females</u>	<u>Misc. Males</u>
20	0.0000	0.0001	0.0000	0.0000	0.0000	0.0000
21	0.0000	0.0001	0.0000	0.0000	0.0000	0.0000
22	0.0001	0.0001	0.0000	0.0000	0.0000	0.0000
23	0.0001	0.0002	0.0000	0.0000	0.0000	0.0000
24	0.0002	0.0002	0.0000	0.0000	0.0000	0.0000
25	0.0002	0.0003	0.0000	0.0000	0.0000	0.0000
26	0.0003	0.0003	0.0000	0.0000	0.0000	0.0000
27	0.0003	0.0004	0.0000	0.0000	0.0000	0.0000
28	0.0004	0.0004	0.0000	0.0000	0.0000	0.0000
29	0.0004	0.0005	0.0000	0.0000	0.0000	0.0000
30	0.0005	0.0006	0.0001	0.0001	0.0002	0.0001
31	0.0006	0.0007	0.0002	0.0002	0.0004	0.0003
32	0.0007	0.0008	0.0003	0.0003	0.0006	0.0005
33	0.0008	0.0009	0.0004	0.0004	0.0008	0.0007
34	0.0009	0.0010	0.0005	0.0005	0.0010	0.0009
35	0.0009	0.0015	0.0006	0.0006	0.0015	0.0012
36	0.0010	0.0020	0.0007	0.0007	0.0017	0.0014
37	0.0010	0.0030	0.0008	0.0008	0.0019	0.0016
38	0.0011	0.0045	0.0009	0.0009	0.0021	0.0018
39	0.0011	0.0060	0.0010	0.0010	0.0023	0.0020
40	0.0012	0.0070	0.0011	0.0012	0.0025	0.0023
41	0.0012	0.0090	0.0012	0.0014	0.0030	0.0026
42	0.0013	0.0100	0.0013	0.0016	0.0033	0.0029
43	0.0013	0.0110	0.0014	0.0018	0.0036	0.0030
44	0.0013	0.0120	0.0015	0.0020	0.0050	0.0031
45	0.0010	0.0050	0.0017	0.0024	0.0060	0.0032
46	0.0010	0.0060	0.0020	0.0027	0.0060	0.0033
47	0.0011	0.0070	0.0023	0.0030	0.0070	0.0034
48	0.0011	0.0080	0.0027	0.0040	0.0070	0.0035
49	0.0012	0.0090	0.0030	0.0050	0.0070	0.0036
50	0.0160	0.0100	0.0080	0.0060	0.0060	0.0037
51	0.0160	0.0150	0.0120	0.0062	0.0065	0.0038
52	0.0180	0.0200	0.0150	0.0065	0.0070	0.0042
53	0.0180	0.0250	0.0180	0.0068	0.0072	0.0047
54	0.0180	0.0350	0.0200	0.0070	0.0075	0.0050
55	0.0300	0.0500	0.0180	0.0200	0.0100	0.0055
56	0.0380	0.0800	0.0150	0.0200	0.0090	0.0060
57	0.0420	0.1000	0.0120	0.0180	0.0080	0.0070
58	0.0460	0.1200	0.0100	0.0150	0.0050	0.0080
59	0.0500	0.1300	0.0005	0.0100	0.0030	0.0090
60	0.0008	0.1300				
61	0.0007	0.1400				
62	0.0005	0.1400				
63	0.0003	0.1500				
64	0.0002	0.1500				
65	0.0000	0.0000				

* For Police and Fire, 100% assumed duty.

Table V
Retirement Rates

Old Plan Safety Members

<u>If Eligible, Plan Year</u> <u>Beginning July 1</u>	<u>Old Police</u>	<u>Old Fire</u>
2002	0.2000	0.1500
2003	0.0667	0.0500
2004	0.2500	0.2000
2005	0.5000	0.5000
2006	1.0000	1.0000

New Plan Safety and Non-Safety Members

<u>Age</u>	<u>New</u> <u>Police</u>	<u>New Fire</u>	<u>Muni</u>	<u>Craft</u>	<u>Misc.</u> <u>Female</u>	<u>Misc.</u> <u>Male</u>
50	0.0586	0.0200	0.0700	0.0300	0.0300	0.0200
51	0.0300	0.0200	0.0250	0.0200	0.0200	0.0200
52	0.0300	0.0200	0.0250	0.0200	0.0200	0.0200
53	0.0300	0.0200	0.0250	0.0300	0.0200	0.0200
54	0.0300	0.0200	0.0250	0.0300	0.0300	0.0450
55	0.1000	0.1000	0.0600	0.0400	0.0300	0.0450
56	0.1000	0.1000	0.0250	0.0400	0.0500	0.0450
57	0.1200	0.2000	0.0250	0.0400	0.0600	0.0450
58	0.1200	0.2000	0.1500	0.0550	0.0600	0.0450
59	0.1200	0.2000	0.2000	0.0550	0.0600	0.1000
60	0.3500	0.2000	0.2500	0.1500	0.1600	0.1200
61	0.2500	0.4000	0.1500	0.1800	0.1600	0.1400
62	0.2500	0.3500	0.4000	0.3000	0.2000	0.2800
63	0.2500	0.3000	0.1250	0.1800	0.1800	0.2000
64	0.2500	0.3000	0.2000	0.1800	0.2000	0.2000
65	1.0000	1.0000	0.2500	0.1500	0.1500	0.1500
66	1.0000	1.0000	0.2500	0.1500	0.1500	0.1500
67	1.0000	1.0000	0.2500	0.1500	0.1500	0.1500
68	1.0000	1.0000	0.2500	0.1500	0.1500	0.1500
69	1.0000	1.0000	0.2500	0.1500	0.1500	0.1500
70 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Table VI**Retired and Disabled Life Mortality Rates**

Active, Reciprocal, Vested Term and Service Retirees

For Safety, 25% of deaths are assumed eligible for line of duty death benefits

<u>Age</u>	<u>Deaths Per Thousand</u>		<u>Life Expectancy</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50	2.58	1.43	30.7	34.9
55	4.43	2.29	26.2	30.2
60	7.98	4.44	21.9	25.6
65	14.54	8.64	17.9	21.3
70	23.73	13.73	14.3	17.3
75	37.21	22.69	11.2	13.6
80	62.03	39.40	8.4	10.4
85	97.24	67.74	6.2	7.6
90	152.93	116.27	4.5	5.4

Disability Retirees

For Safety, all disabilities are assumed due to line of duty and therefore all death benefits of disabled members are assumed to generate duty death benefits

<u>Age</u>	<u>Deaths Per Thousand</u>				<u>New Life Expectancy</u>			
	<u>Safety</u>		<u>Miscellaneous</u>		<u>Safety</u>		<u>Miscellaneous</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
25	0.5	0.7	7.5	5.4	53.9	50.0	40.4	46.9
30	0.7	1.0	7.7	5.7	49.1	45.2	36.8	43.1
35	1.1	1.5	8.0	6.0	44.3	40.5	33.2	39.3
40	1.7	2.6	8.7	6.3	39.5	35.8	29.5	35.5
45	2.8	3.8	10.6	7.6	34.9	31.3	25.8	31.6
50	4.0	5.4	14.6	10.0	30.5	27.0	22.2	27.8
55	5.9	8.9	21.2	13.4	26.1	22.8	19.0	24.3
60	9.8	14.5	28.7	17.1	22.0	18.9	16.1	21.0
65	16.3	24.0	36.2	21.6	18.2	15.5	13.5	17.8
70	26.1	36.1	46.7	27.1	14.8	12.5	10.9	14.8
75	38.9	53.1	65.5	36.9	11.9	9.8	8.6	11.8
80	57.7	80.9	94.8	55.2	9.4	7.6	6.5	9.1

Plan Provisions

Old System – Police and Fire Members – Charter Sections 8.559 and 8.585

Effective Date

Section 8.559 (Police) and 8.585 (Fire) of the Charter — effective July 1, 1945 and July 1, 1949, respectively, last amended for Proposition H effective November 1994. The interest-crediting rate was changed to 5.0% effective July 1, 2004. In addition, certain death benefits are defined in the *Administrative Code*, Sections 16.29 through 16.98-14.

Membership

Any member of the Police or Fire Department employed prior to November 2, 1976, in a position governed by uniform force entrance requirements.

Contributions

(a) Member

Contribution rates were originally based on the age at entry into the System. The normal rate of contribution of each member was such as would provide, assuming service without interruption, one-third of the service allowance to which the member would be entitled, without automatic continuance to dependents, upon first qualifying as to service and age. Additional contributions of 1% compensation were made to the Cost-of-Living Account.

The member's total contribution rate, basic plus Cost-of-Living, cannot exceed 7% of compensation, and the rate for all ages is now 7% of compensation. Contributions are credited with 5.0% interest per year.

(b) City

The City contributes the remaining amounts necessary to maintain soundness of the Retirement System.

Credited Service

In each fiscal year, a fraction not greater than one, with the numerator equal to the number of months (including fractional months) worked and the denominator equal to ten.

Final Compensation

(a) Duty Death

The monthly base salary, as defined by the salary standardization ordinance, attached to the rank held on the date of death.

(b) All Others

The monthly base salary attached to the rank held on the date of termination, or one rank lower if final rank held for less than one year.

Return of Contributions

If a member completes less than five years of Credited Service and resigns, withdraws, or dies prior to retirement, the accumulated contributions with interest will be refunded.

If a member completes five years or more of Credited Service and resigns or withdraws prior to retirement, the member may choose to:

- (a) Have the contributions plus interest refunded, or
- (b) Leave the accumulated contributions including interest in the retirement fund and receive a retirement benefit, payable at age 50, which is equal to 2.2% of Final Compensation for each year of Credited Service as of the date of termination. The Cost-of-Living adjustments are prorated based on 25 years.

Service Retirement Benefit

Members with 25 years or more of Credited Service who have attained the age of 50 are eligible to retire. Retirement is compulsory at age 65.

The member's Service Retirement allowance is 55% of Final Compensation plus an additional 4% for each year or partial year of Credited Service in excess of 25 years. The maximum allowance is 75% of Final Compensation after all other factors have been applied.

Disability Retirement Benefit

Disability is defined as incapacity to perform the duties of the position held, as determined by a hearing officer. Benefits begin as of the date such incapacity occurred but not before regular salary ceases. Regular salary is usually paid for one year through the Workers' Compensation Plan.

(a) Duty Disability

Members are eligible for benefits regardless of the length of service. The benefit allowance is between 50% and 90% of Final Compensation, depending on the severity of the disability, as determined by the Workers' Compensation Appeals Board. The benefit allowance is recalculated when the member is eligible for Service Retirement by using the salary rate at that time for the rank and on the assumption that Credited Service was earned during the periods of disability, with a minimum of 55% of Final Compensation for anyone reaching age 65 before 25 years of service.

(b) Nonduty Disability

Members with ten years or more of Credited Service are eligible. The benefit is 1.5% of Final Compensation for each year of Credited Service, with a minimum of 33-1/3% and a maximum of 75% of Final Compensation.

Benefits at Death of Member**(a) Death Due to Injury Received In, or Illness Caused By, Performance of Duty**

- (i) If the member is retired for service or is qualified for Service Retirement at the date of death, 100% of the Service Retirement allowance that would have been received if the member had retired on the date of death is paid to the surviving spouse or qualified domestic partner, with a minimum of 55% of Final Compensation.
- (ii) If the member is not qualified for Service Retirement at the date of death, the salary at the date of death is continued to the surviving spouse or qualified domestic partner. The benefit allowance is recalculated when the member would have been eligible for Service Retirement by using the salary rate at that time for the rank and on the assumption that Credited Service was earned until that time, with a minimum of 55% Final Compensation.
- (iii) If the member had retired for disability due to injury received in, or illness caused by, the performance of duty, 100% of the Disability Retirement allowance will be continued to the surviving spouse or qualified domestic

partner, including the adjustment (if applicable) at the date the member would have qualified for Service Retirement.

(b) Death Due to Other Causes

- (i) If the member had retired for service, 75% of the Service Retirement allowance is payable to the surviving spouse or qualified domestic partner.
- (ii) If the member had qualified for Service Retirement but had not retired, 75% of the Service Retirement allowance that would have been received if retirement had been on the date of death is payable to the surviving spouse or qualified domestic partner.
- (iii) If the member had retired for disability from injury or illness not related to performance or duty, 75% of the Disability Retirement allowance is payable to the surviving spouse or qualified domestic partner.
- (iv) If the member had completed 25 years or more of Credited Service but had not attained age 50, 75% of the Service Retirement allowance that would have been received if the member had been 50 years old is payable to the surviving spouse or qualified domestic partner.
- (v) If the member had completed ten years or more of Credited Service, an allowance of 1.5% of Final Compensation for each year of Credited Service, with a minimum of 33-1/3% of Final Compensation, is payable to the surviving spouse or qualified domestic partner.
- (vi) If a member had completed less than ten years of Credited Service or had no qualified spouse or survivor, a lump sum payment of six months' salary immediately before death plus contributions is payable.
- (vii) If the surviving spouse, qualified domestic partner, or other qualified dependent is entitled to a death allowance under any of (i) through (vi), the spouse, qualified domestic partner, dependent, or legal guardian of the dependent may elect to receive the lump sum benefit described in (vi).

In all cases, if there is no surviving spouse or qualified domestic partner, the benefit will be paid collectively to all unmarried children under 18 years of age or, if there are none, to any dependent adult children or, if none, to any dependent parents.

(c) Additional Death Benefit

When the member dies after retirement, a lump sum death benefit equal to \$100 for each completed year of Credited Service, to a maximum of \$3,000, is payable to a spouse or qualified domestic partner.

Cost-of-Living Benefit

Allowances are adjusted on each July 1 by 50% of the actual dollar amount of increase or decrease for the year in salary attached to the rank upon which Final Compensation was determined. However, for members retiring prior to July 1, 1975, allowances are adjusted by 50% of the actual percent increase or decrease for the year in salary attached to the rank upon which Final Compensation was determined. Benefits are never reduced below initial allowance.

However, on a year by year basis, if the cost-of-living adjustment calculated above is less than 3%, the adjustment could be increased to 3% of current benefits provided there are sufficient above-estimate investment earnings.

**Old System – Police and Fire Members (Effective January 1, 2003)
– Charter Sections 8.595 and 8.596**

Effective Date

Sections 8.595 (Police) and 8.596 (Fire) of the Charter, created by 2002 Proposition H— effective January 1, 2003. The interest-crediting rate was changed to 5.0% effective July 1, 2004. In addition, members are subject to provisions in Sections 12.100 to 12.103 and Sections 8.500, 8.510 and 8.520.

Membership

Active members of the Police or Fire Department on January 1, 2003 who were members of the retirement system under Sections 8.559 (Police) or 8.585 (Fire) and filed their election to switch plans by December 31, 2002.

Contributions

(a) Member

The member's total contribution rate is 7% of compensation. Contributions are credited with 5.0% interest per year.

(b) City

The City contributes the remaining amounts necessary to maintain soundness of the Retirement System.

Credited Service

In each fiscal year, a fraction not greater than one, with the numerator equal to the number of months (including fractional months) worked and the denominator equal to ten.

Final Compensation

The monthly base salary attached to the rank held on the date of termination or death before retirement, or one rank lower if final rank held for less than one year.

Return of Contributions

If a member completes less than five years of Credited Service and resigns, withdraws, or dies prior to retirement, the accumulated contributions with interest will be refunded.

If a member completes five years or more of Credited Service and resigns or withdraws prior to retirement, the member may choose to:

- (a) Have the contributions plus interest refunded, or
- (b) Leave the accumulated contributions including interest in the retirement fund and receive a Service Retirement Benefit, payable no earlier than age 50, which is equal to the percent of Final Compensation from the corresponding chart for each year of Credited Service as of the date of termination.

Service Retirement Benefit

Members with 25 years or more of Credited Service who have attained the age of 50 are eligible to retire.

The member's Service Retirement allowance is the percent of Final Compensation from the chart below opposite the member's age at retirement, taken to the preceding quarter year, for each year or partial year of Credited Service. The maximum allowance is 90% of Final Compensation after all other factors have been applied.

<u>Retirement Age</u>	<u>Percent for Each Year of Credited Service</u>
50	2.400
50.25	2.430
50.50	2.460
50.75	2.490
51	2.520
51.25	2.550
51.50	2.580
51.75	2.610
52	2.640
52.25	2.670
52.50	2.700
52.75	2.730
53	2.760
53.25	2.790
53.50	2.820
53.75	2.850
54	2.880
54.25	2.910
54.50	2.940
54.75	2.970
55	3.000

Disability Retirement Benefit

Disability is defined as incapacity to perform the duties of the position held, as determined by a hearing officer. Benefits begin as of the date such incapacity occurred but not before regular salary ceases. Regular salary is usually paid for one year through the Workers' Compensation Plan.

(a) Duty Disability

Members are eligible for benefits regardless of the length of service. The benefit allowance is between 50% and 90% of Final Compensation, depending on the severity of the disability, as determined by the Workers' Compensation Appeals Board. The benefit allowance is recalculated when the member is eligible for Service Retirement by using the salary rate at that time for the rank and on the assumption that Credited Service was earned during the periods of disability, with a minimum of 55% of Final Compensation for anyone reaching age 65 before 25 years of service.

(b) Nonduty Disability

Members with ten years or more of Credited Service are eligible. The benefit is 1.5% of Final Compensation for each year of Credited Service, with a minimum of 33-1/3% of Final Compensation. Members less than 50 years of age with at least 25 years of service are eligible for the Service Retirement Benefit calculated as if they had attained age 50 as of the date of disability.

Benefits at Death of Member

(a) Death Due to Injury Received In, or Illness Caused By, Performance of Duty

- (i) If the member is retired for service or is qualified for Service Retirement at the date of death, 100% of the Service Retirement allowance that would have been received if the member had retired on the date of death is paid to the surviving spouse or qualified domestic partner, with a minimum of 55% of Final Compensation.
- (ii) If the member is not qualified for Service Retirement at the date of death, the salary at the date of death is continued to the surviving spouse or qualified domestic partner. The benefit allowance is recalculated when the member would have been eligible for Service Retirement by using the salary rate at that time for the rank and on the assumption that Credited Service was earned until that time, with a minimum of 55% Final Compensation.

- (iii) If the member had retired for disability due to injury received in, or illness caused by, the performance of duty, 100% of the Disability Retirement allowance will be continued to the surviving spouse or qualified domestic partner, including the adjustment (if applicable) at the date the member would have qualified for Service Retirement.
- (b) Death Due to Other Causes
- (i) If the member had retired for service, 75% of the Service Retirement allowance is payable to the surviving spouse or qualified domestic partner.
 - (ii) If the member had qualified for Service Retirement but had not retired, 75% of the Service Retirement allowance that would have been received if retirement had been on the date of death is payable to the surviving spouse or qualified domestic partner.
 - (iii) If the member had retired for disability from injury or illness not related to performance or duty, 75% of the Disability Retirement allowance is payable to the surviving spouse or qualified domestic partner.
 - (iv) If the member had completed 25 years or more of Credited Service but had not attained age 50, 75% of the Service Retirement allowance that would have been received if the member had been 50 years old is payable to the surviving spouse or qualified domestic partner.
 - (v) If the member had completed ten years or more of Credited Service, an allowance of 1.5% of Final Compensation for each year of Credited Service, with a minimum of 33⅓% of Final Compensation, is payable to the surviving spouse or qualified domestic partner.
 - (vi) If a member had completed less than ten years of Credited Service or had no qualified spouse or survivor, a lump sum payment of six months' salary immediately before death plus contributions is payable.
 - (vii) If the surviving spouse, qualified domestic partner, or other qualified dependent is entitled to a death allowance under any of (i) through (vi), the spouse, qualified domestic partner, dependent, or legal guardian of the dependent may elect to receive the lump sum benefit described in (vi).

In all cases, if there is no surviving spouse or qualified domestic partner, the benefit will be paid collectively to all unmarried children under 18 years of age or, if there are none, to any dependent adult children or, if none, to any dependent parents.

(c) **Additional Death Benefit**

When the member dies after retirement, a lump sum death benefit equal to \$100 for each completed year of Credited Service, to a maximum of \$3,000, is payable to a spouse or qualified domestic partner.

Cost-of-Living Benefit

Allowances are adjusted on each July 1 by 50% of the actual dollar amount of increase or decrease for the year in salary attached to the rank upon which Final Compensation was determined. Benefits are never reduced below the allowance being received on January 1, 2003 or the date the allowance first begins, whichever is later.

However, on a year by year basis, if the cost-of-living adjustment calculated above is less than 3%, the adjustment could be increased to 3% of current benefits provided there are sufficient above-estimate investment earnings.

**New System – Police and Fire Members
- Charter Sections 8.586 and 8.588**

Effective Date

Section 8.586 (Police) and 8.588 (Fire) of Charter — effective November 2, 1976, last amended for Proposition E effective November 2004. The interest-crediting rate was changed to 5.0% effective July 1, 2004.

Membership

Any member of the Police or Fire Department employed on or after November 2, 1976, in a position governed by uniform force entrance requirements. Paramedics are Fire Department employees as a result of February 1998 labor negotiations and 1998 Proposition C.

Contributions

(a) Member

The member's total contribution rate, basic plus Cost-of-Living, is 7.5% of compensation. Contributions are credited with 5.0% interest per year.

(b) City

The City contributes the remaining amounts necessary to maintain soundness of the Retirement System.

Credited Service

In each Fiscal Year, a fraction not greater than one, with the numerator equal to the number of months (including fractional months) worked and the denominator equal to ten.

Average Final Compensation

The average monthly total compensation during the last 12 months of Credited Service.

Return of Contributions

If a member completes less than five years of Credited Service and resigns, withdraws, or dies prior to retirement, the accumulated contributions with interest will be refunded.

If a member completes five years or more of Credited Service and resigned or withdraws prior to retirement, the member may choose to:

- (a) Have the contributions plus interest refunded, or
- (b) Leave the accumulated contributions including interest in the retirement fund and receive a retirement benefit, payable at age 50, which is equal to 2% of Average Final Compensation for each year of Credited Service as of the date of termination. The maximum allowance is 50% of Average Final Compensation after all other factors have been applied.

Service Retirement Benefit

Members with 25 years or more of Credited Service who have attained the age of 50 are eligible to retire. Retirement is compulsory at age 65.

The Service Retirement allowance is a graded schedule from 2% of Average Final Compensation times years of Credited Service at age 50 to 2.7% at age 55. The maximum allowance is 75% of Average Final Compensation after all other factors have been applied.

Disability Retirement Benefit

Disability is defined as incapacity to perform the duties of the position held, as determined by a hearing officer. Benefits begin as of the date such incapacity occurred but not before regular salary ceases. Regular salary is usually paid for one year through the Workers' Compensation Plan.

- (a) Duty Disability

Members are eligible for benefits regardless of the length of service. The benefit allowance is between 50% and 90% of Average Final Compensation, depending on the severity of the disability, as determined by the Workers' Compensation Appeals Board. The benefit allowance is recalculated when the member is eligible for Service Retirement by using the salary rate at that time for the rank and on the assumption that Credited Service was earned during the periods of disability, with a minimum of 55% of Average Final Compensation for anyone reaching age 65 before 25 years of service.

- (b) Nonduty Disability

Members with ten years or more of Credited Service are eligible. The benefit is 1.5% of Average Final Compensation for each year of Credited Service, with a minimum of 33-1/3% and a maximum of 75% of Average Final Compensation.

Benefits at Death of Member

- (a) Death Due to Injury Received In, or Illness Caused By, Performance of Duty
 - (i) If the member is retired for service or is qualified for Service Retirement at the date of death, 100% of the Service Retirement allowance that would have been received if the member had retired on the date of death is paid to the surviving spouse or qualified domestic partner, with a minimum of 50% of Average Final Compensation.
 - (ii) If the member is not qualified for Service Retirement at the date of death, the salary at the date of death is continued to the surviving spouse or qualified domestic partner. The benefit allowance is recalculated when the member would have been eligible for Service Retirement by using the salary rate at that time for the rank and on the assumption that Credited Service was earned until that time, with a minimum of 50% of Average Final Compensation.
 - (iii) If the member had retired for disability due to injury received in, or illness cause by, the performance of duty, 100% of the Disability Retirement allowance will be continued to the surviving spouse or qualified domestic partner, including the adjustment (if applicable) at the date the member would have qualified for Service Retirement.

- (b) Death Due to Other Causes
 - (i) If the member had retired for service, 50% of the Service Retirement allowance is payable to the surviving spouse or qualified domestic partner.
 - (ii) If the member had qualified for Service Retirement but had not retired, 50% of the Service Retirement allowance that would have been received if retirement had been on the date of death is payable to the surviving spouse or qualified domestic partner.
 - (iii) If the member had retired for disability from injury or illness not related to the performance of duty, 50% of the Disability Retirement allowance is payable to the surviving spouse or qualified domestic partner.
 - (iv) If the member had completed 25 years or more of Credited Service but had not attained age 50, 50% of the Service Retirement allowance that would have been received if the member had been 50 years old is payable to the surviving spouse or qualified domestic partner.

- (v) If the member had completed ten years or more of Credited Service, an allowance of 1.5% of Average Final Compensation for each year of Credited Service, with a minimum of 33-1/3% of Average Final Compensation, is payable to the surviving spouse or qualified domestic partner.
- (vi) If the member had completed less than ten years of Credited Service or had no qualified spouse or survivor, a lump sum payment of six months' salary immediately before death plus contributions with interest is payable.
- (vii) If the surviving spouse, qualified domestic partner or other qualified dependant is entitled to a death allowance under any of (i) through (iv), the spouse, qualified domestic partner, dependant, or legal guardian of the dependant may elect to receive the lump sum benefit described in (vi).

In all cases, if there is no surviving spouse or qualified domestic partner, the benefit will be paid collectively to all unmarried children under 18 years of age or, if there are none, to any dependant adult children or, if none, to any dependant parents.

(c) **Additional Death Benefit**

When the member dies after retirement, a lump sum death benefit equal to \$100 for each completed year of Credited Service, to a maximum of \$3,000, is payable to a spouse or qualified domestic partner.

Cost-of-Living Benefit

All monthly allowances are increased or decreased on each July 1 by the accumulated change in the Consumer Price Index to the nearest 1% but with a maximum accumulated increase or decrease of 2% per year of the Base Gross Payment. Base Gross Payment is the initial allowance or initial continuance benefit. (Exception: For any recipient as of July 1, 1969 – Base Gross Payment is the adjusted allowance as of July 1, 1968.) Benefits are never reduced below Base Gross Payment.

However, on a year by year basis, the cost-of-living adjustment could be 3% of current benefits provided there are sufficient above-estimate investment earnings.

**New System – Police and Fire Members (Effective January 1, 2003)
– Charter Sections 8.597 and 8.598**

Effective Date

Sections 8.597 (Police) and 8.598 (Fire) of the Charter, created by 2002 Proposition H — effective January 1, 2003, last amended for Proposition E effective November 2004. The interest-crediting rate was changed to 5.0% effective July 1, 2004. In addition, members are subject to provisions in Sections 12.100 to 12.103 and Sections 8.500, 8.510, 8.520 and 8.526.

Membership

Active members of the Police or Fire Department on January 1, 2003 who were members of the retirement system under Sections 8.586 (Police) or 8.588 (Fire) and filed their election to switch plans by December 31, 2002.

Contributions

(a) Member

The member's total contribution rate is 7.5% of compensation. Contributions are credited with 5.0% interest per year.

(b) City

The City contributes the remaining amounts necessary to maintain soundness of the Retirement System.

Credited Service

In each fiscal year, a fraction not greater than one, with the numerator equal to the number of months (including fractional months) worked and the denominator equal to ten.

Final Compensation

The highest average monthly compensation during any one year of Credited Service.

Return of Contributions

If a member completes less than five years of Credited Service and resigns, withdraws, or dies prior to retirement, the accumulated contributions with interest will be refunded.

If a member completes five years or more of Credited Service and resigns or withdraws prior to retirement, the member may choose to:

- (a) Have the contributions plus interest refunded, or
- (b) Leave the accumulated contributions including interest in the retirement fund and receive a Service Retirement Benefit, payable no earlier than age 50, which is equal to the percent of Final Compensation from the corresponding chart for each year of Credited Service as of the date of termination.

Service Retirement Benefit

Members with 25 years or more of Credited Service who have attained the age of 50 are eligible to retire.

The member's Service Retirement allowance is the percent of Final Compensation from the chart below opposite the member's age at retirement, taken to the preceding quarter year, for each year or partial year of Credited Service. The maximum allowance is 90% of Final Compensation after all other factors have been applied.

<u>Retirement Age</u>	<u>Percent for Each Year of Credited Service</u>
50	2.400
50.25	2.430
50.50	2.460
50.75	2.490
51	2.520
51.25	2.550
51.50	2.580
51.75	2.610
52	2.640
52.25	2.670
52.50	2.700
52.75	2.730
53	2.760
53.25	2.790
53.50	2.820
53.75	2.850
54	2.880
54.25	2.910
54.50	2.940
54.75	2.970
55	3.000

Disability Retirement Benefit

Disability is defined as incapacity to perform the duties of the position held, as determined by a hearing officer. Benefits begin as of the date such incapacity occurred but not before regular salary ceases. Regular salary is usually paid for one year through the Workers' Compensation Plan.

(a) Duty Disability

Members are eligible for benefits regardless of the length of service. The benefit allowance is between 50% and 90% of Final Compensation, depending on the severity of the disability, as determined by the Workers' Compensation Appeals Board. The benefit allowance is recalculated when the member is eligible for Service Retirement by using the salary rate at that time for the rank and on the assumption that Credited Service was earned during the periods of disability, with a minimum of 50% of Final Compensation for anyone reaching age 65 before 25 years of service.

(b) Nonduty Disability

Members with ten years or more of Credited Service are eligible. The benefit is 1.5% of Final Compensation for each year of Credited Service, with a minimum of 33-1/3% of Final Compensation. Members less than 50 years of age with at least 25 years of service are eligible for the Service Retirement Benefit calculated as if they had attained age 50 as of the date of disability.

Benefits at Death of Member**(a) Death Due to Injury Received In, or Illness Caused By, Performance of Duty**

- (i)** *If the member is retired for service or is qualified for Service Retirement at the date of death, 100% of the Service Retirement allowance that would have been received if the member had retired on the date of death is paid to the surviving spouse or qualified domestic partner, with a minimum of 50% of Final Compensation.*
- (ii)** *If the member is not qualified for Service Retirement at the date of death, the salary at the date of death is continued to the surviving spouse or qualified domestic partner. The benefit allowance is recalculated when the member would have been eligible for Service Retirement by using the salary rate at that time for the rank and on the assumption that Credited Service was earned until that time, with a minimum of 50% Final Compensation.*

- (iii) If the member had retired for disability due to injury received in, or illness caused by, the performance of duty, 100% of the Disability Retirement allowance will be continued to the surviving spouse or qualified domestic partner, including the adjustment (if applicable) at the date the member would have qualified for Service Retirement.
- (b) Death Due to Other Causes
- (i) If the member had retired for service, 50% of the Service Retirement allowance is payable to the surviving spouse or qualified domestic partner.
 - (ii) If the member had qualified for Service Retirement but had not retired, 50% of the Service Retirement allowance that would have been received if retirement had been on the date of death is payable to the surviving spouse or qualified domestic partner.
 - (iii) If the member had retired for disability from injury or illness not related to performance or duty, 50% of the Disability Retirement allowance is payable to the surviving spouse or qualified domestic partner.
 - (iv) If the member had completed 25 years or more of Credited Service but had not attained age 50, 50% of the Service Retirement allowance that would have been received if the member had been 50 years old is payable to the surviving spouse or qualified domestic partner.
 - (v) If the member had completed ten years or more of Credited Service, an allowance of 1.5% of Final Compensation for each year of Credited Service, with a minimum of 33-1/3% of Final Compensation, is payable to the surviving spouse or qualified domestic partner.
 - (vi) If a member had completed less than ten years of Credited Service or had no qualified spouse or survivor, a lump sum payment of six months' salary immediately before death plus contributions is payable.
 - (vii) If the surviving spouse, qualified domestic partner, or other qualified dependent is entitled to a death allowance under any of (i) through (vi), the spouse, qualified domestic partner, dependent, or legal guardian of the dependent may elect to receive the lump sum benefit described in (vi).

In all cases, if there is no surviving spouse or qualified domestic partner, the benefit will be paid collectively to all unmarried children under 18 years of age or, if there are none, to any dependent adult children or, if none, to any dependent parents.

(c) Additional Death Benefit

When the member dies after retirement, a lump sum death benefit equal to \$100 for each completed year of Credited Service, to a maximum of \$3,000, is payable to a spouse or qualified domestic partner.

Cost-of-Living Benefit

All monthly allowances are increased or decreased on each July 1 by the accumulated change in the Consumer Price Index to the nearest 1% but with a maximum accumulated increase or decrease of 2% per year of the Base Gross Payment. Base Gross Payment is the initial allowance or initial continuance benefit. Benefits are never reduced below Base Gross Payment.

However, on a year by year basis, the cost-of-living adjustment could be 3% of current benefits provided there are sufficient above-estimate investment earnings.

Old System – Miscellaneous Members – Charter Section 8.509

Effective Date

Section 8.509 of Charter — effective July 1, 1947, last amended for Proposition F effective November 2003. The interest-crediting rate was changed to 5.0% effective July 1, 2004.

Membership

Any officer or employee prior to November 2, 1976, and not a member of the Police or Fire Department, and teachers employed prior to June 30, 1972, who did not elect to join the State Teachers' Retirement System, and all Miscellaneous employees of San Francisco school districts.

Contributions

(a) Member

Contribution rates are 8% of total compensation for basic and Cost-of-Living benefits. Contributions are credited with interest at the rate of 5.0% per year.

If the member elects Social Security, the contributions to the System may be reduced by the amount contributed to Social Security (excluding the Medicare portion). Retirement benefits are actuarially reduced.

(b) City

The City contributes the remaining amounts necessary to maintain soundness of the Retirement System.

Prior Service

Service rendered prior to qualification for membership subject to purchase under the terms of Administrative Code Sections 16.29 - 15.9 through 16.29 - 15.12. This is included with membership service for all purposes under the Plan.

Credited Service

In each Fiscal Year, a fraction not greater than one, with the numerator equal to the number of months (including fractional months) worked and the denominator equal to ten. (Exception: For members who retire on a date other than July 1, the fraction denominator, in the year of retirement only, is 12.)

Final Compensation

The average monthly total compensation during the member's highest year of Credited Service.

Return of Contributions

If a member completes less than ten years of Credited Service and resigns, withdraws, or dies prior to retirement, the accumulated contributions with interest will be refunded.

If a member completes ten years or more of Credited Service and resigns or withdraws prior to retirement, the member may choose to:

- (a) Have the contributions plus interest refunded, or
- (b) Leave the accumulated contributions including interest in the retirement fund and receive a retirement benefit, payable at or after age 50, which is equal to twice the actuarial equivalent of the monthly allowance provided by the accumulated contributions.

Service Retirement Benefit

Members with 20 years or more of Credited Service who have attained age 50, or with ten years or more of Credited Service who have attained age 60, are eligible to retire.

The member's Service Retirement allowance is:

- (a) At or after age 60 – 2% of Final Compensation multiplied by the years of Credited Service.
- (b) Before age 60 – a percentage (increasing from 1% at age 50 to 2% at age 60) of Final Compensation multiplied by the years of Credited Service.

The member receives the greater of the vested termination benefit and the Service Retirement Benefit, with a maximum benefit equal to 75% of Final Compensation after all other factors have been applied.

Disability Retirement Benefit

Disability is defined as incapacity to perform the duties of the position held, as determined by a hearing officer.

Members with ten years or more of Credited Service are eligible. The benefit is 1.8% of Final Compensation for each year of Credited Service. If it does not equal 40% of Final Compensation, the benefit is 1.8% of Final Compensation for each year that would have been credited had the member worked to age 60, but the maximum benefit in this case is 40% of Final Compensation.

Preretirement Death Benefit

If the member was not qualified for Service Retirement, a lump sum payment equivalent to six months' earnable salary plus the accumulated contributions with interest is payable. If the death was job related, an additional lump sum equivalent to 12 months' earnable salary is payable.

If the member was qualified for Service Retirement but had not retired, an eligible spouse or qualified domestic partner may elect, instead of the lump sum payment, a benefit of 50% of the Service Retirement allowance that would have been received if retirement had been on the date of death, which is payable to the spouse or qualified domestic partner for life. After the death of the spouse or qualified domestic partner, the benefit is payable to any dependant child/children until attainment of age 18 or until marriage of the child/children. The total benefit paid is at least the lump sum payment.

Postretirement Death Benefit

When the member dies after retirement, a lump sum death benefit equal to \$100 for each completed year of Credited Service, to a maximum of \$3,000, plus 50% of the unmodified retirement allowance, is payable to a qualified survivor.

Cost-of-Living Benefit

Allowances are increased or decreased on each July 1 by the accumulated change in the Consumer Price Index to the nearest 1% but with a maximum accumulated increase or decrease of 2% per year of the Base Gross Payment. Base Gross Payment is the initial allowance or initial continuance benefit. Benefits are never reduced below Base Gross Payment.

However, on a year by year basis, the cost-of-living adjustment could be 3% of current benefits provided there are sufficient above-estimate investment earnings.

**New System – Miscellaneous Members
- Charter Section 8.584**

Effective Date

Section 8.584 of Charter -- effective November 2, 1976, last amended for Proposition F, effective November 2003. The interest-crediting rate was changed to 5.0% effective July 1, 2004.

Membership

Any officer or employee employed after November 1, 1976, and not a member of the Police or Fire Department.

Contributions

(a) Member

Contribution rates are 7.5% of total compensation (excluding overtime pay) for base and Cost-of-Living benefits. Contributions are credited with interest at the rate of 5.0% per year.

If the member elects Social Security, the contributions to the System may be reduced by the amount contributed to Social Security (excluding the Medicare Portion). Retirement benefits are actuarially reduced.

(b) City

The City contributes the remaining amounts necessary to maintain soundness of the Retirement System.

Prior Service

Service rendered prior to qualification for membership subject to purchase under the terms of Administrative Code Section 16.29 - 15.9 through 16.29 - 15.12. This is included with membership service for all purposes under the Plan.

Credited Service

In each Fiscal Year, a fraction not greater than one, with the numerator equal to the number of months (including fractional months) worked and the denominator equal to ten.

Final Compensation

The average total monthly compensation (excluding overtime pay) during the member's highest year of Credited Service.

Return of Contributions

If a member completes less than five years of Credited Service and resigns, withdraws, or dies prior to retirement, the accumulated contributions with interest will be refunded.

If a member completes five years or more of Credited Service and resigns or withdraws prior to retirement, the member may choose to:

- (a) Have the contributions plus interest refunded, or
- (b) Leave the accumulated contributions including interest in the retirement fund and receive a retirement benefit, payable at or after age 50, which is equal to twice the actuarial equivalent of the accumulated contributions.

Service Retirement Benefit

Members with 20 years or more of Credited Service who have attained age 50, or with ten years or more of Credited Service who have attained age 60, are eligible to retire.

The member's Service Retirement allowance is:

- (a) At or after age 60 – 2% of Final Compensation multiplied by the years of Credited Service.
- (b) Before age 60 – a percentage (increasing from 1% at age 50 to 2% at age 60) of Final Compensation multiplied by the years of Credited Service.

The member receives the greater of the vested termination benefit and the Service Retirement Benefit, with a maximum benefit equal to 75% of Final Compensation after all other factors have been applied.

Disability Retirement Benefit

Disability is defined as incapacity to perform the duties of the position held, as determined by a hearing officer.

Members with ten years or more of Credited Service are eligible. The benefit is 1.8% of Final Compensation for each year of Credited Service. If it does not equal 40% of Final Compensation, the benefit is 1.8% of Final Compensation for each year that would have been credited had the member worked to age 60, but the maximum benefit in this case is 40% of Final Compensation.

Preretirement Death Benefit

If the member was not qualified for Service Retirement, a lump sum payment equivalent to six months' earnable salary plus the accumulated contributions with interest is payable. If the death is job related, an additional lump sum equivalent to 12 months' earnable salary is payable.

If the member was qualified for Service Retirement but had not retired, an eligible spouse or qualified domestic partner may elect, instead of the lump sum payment, a benefit of 50% of the Service Retirement allowance that would have been received if retirement had been on the date of death, which is payable to the spouse or qualified domestic partner for life. After the death of the spouse or qualified domestic partner, the benefit is payable to any dependent child/children until attainment of age 18 or until marriage of the child/children. The total benefit paid is at least the lump sum payment.

Postretirement Death Benefit

When the member dies after retirement, a lump sum death benefit equal to \$100 for each completed year of Credited Service, to a maximum of \$3,000, plus 50% of the unmodified retirement allowance, is payable to a qualified survivor.

Cost-of-Living Benefit

Allowances are increased or decreased each July 1 by the accumulated change in the Consumer Price Index to the nearest 1% but with a maximum accumulated increase or decreased of 2% per year of the Base Gross Payment. Base Gross Payment is the initial allowance or initial continuance benefit. Benefits are never reduced below Base Gross Payment.

However, on a year by year basis, the cost-of-living adjustment could be 3% of current benefits provided there are sufficient above-estimate investment earnings.



**TOWERS
PERRIN**
HR SERVICES

Prior Year Rate Development

San Francisco City and County Employees' Retirement System

Actuarial Valuation Results as of July 1, 2004

Type of Member	POLICE			FIRE			MISCELLANEOUS			COMPOSITE
	Old	New	Total	Old	New	Total	Old	New	Total	
Number of Actives	120	2,063	2,183	123	1,540	1,663	1,635	26,170	27,805	31,651
Annual Salary	11,968	175,597	187,565	13,310	133,719	147,029	124,412	1,696,246	1,820,658	\$2,155,252
Average Annual Salary	99,733	85,117	85,921	108,211	86,831	88,412	76,093	64,816	65,480	\$68.09
Number of Retirees	1,810	240	2,050	1,691	165	1,856	10,104	5,071	15,175	19,081
Annual Benefit	83,989	8,902	92,891	89,481	8,282	97,763	237,075	77,518	314,593	\$505,247.00
Average Annual Benefit	46.403	37.092	45.313	52.916	50.194	52.674	23.463	15.287	20.731	\$26.48
Normal Cost %	29.78%	19.14%	19.82%	31.35%	18.94%	20.06%	12.32%	14.30%	14.16%	15.06%
Actuarial Liability:										
Retired Members	1,016,264	115,594	1,131,858	1,066,068	107,262	1,173,330	2,179,975	866,487	3,046,462	5,351,650
Active Members	181,375	595,010	776,385	193,626	344,606	538,232	759,731	3,359,111	4,118,842	5,433,459
Vested and Reciprocal Members	0	939	939	0	375	375	2,380	96,652	99,032	100,346
Total	1,197,639	711,543	1,909,182	1,259,694	452,243	1,711,937	2,942,086	4,322,250	7,264,336	10,885,455
Actuarial Value of Assets	1,784,643	624,866	2,409,509	1,628,276	364,665	1,992,941	3,501,047	3,396,500	6,897,547	11,299,997
Total Unfunded Actuarial Liability	(587,004)	86,677	(500,327)	(368,582)	87,578	(281,004)	(558,961)	925,750	366,789	(414,542)
Unfunded Actuarial Liabilities (UAL)	(650,205)	(28,666)	(678,871)	(478,635)	20,965	(457,670)	(684,372)	671,466	(12,906)	(1,149,447)
Remaining Cost of All Propositions	63,201	115,343	178,544	110,053	66,613	176,666	125,411	254,284	379,695	734,905
Total Unfunded Actuarial Liability	(587,004)	86,677	(500,327)	(368,582)	87,578	(281,004)	(558,961)	925,750	366,789	(414,542)
Funded Status = Assets / Actuarial Liability	149.01%	87.82%	126.21%	129.26%	80.63%	116.41%	119.00%	78.58%	94.95%	103.81%
PVFSAL 2019	20,481	2,199,490	2,219,971	23,034	1,717,165	1,740,199	641,408	20,907,418	21,548,826	25,508,996
Contribution Rate:										
Normal Cost %			19.82%			20.06%			14.16%	15.06%
UAL / PVFSAL 2019			-30.58%			-26.30%			-0.06%	-4.51%
Rem. Cost of All Props (See detail on next page)			7.40%			9.38%			2.16%	3.10%
Total			-3.36%			3.14%			16.26%	13.65%
Less Average Member Rate			7.47%			7.45%			7.53%	7.52%
Plus Expenses			0.45%			0.45%			0.45%	0.45%
Net Rate			-10.38%			-3.86%			9.18%	6.58%

**Prior Year Rate Development
Summary of Propositions**

San Francisco City and County Employees' Retirement System
Actuarial Valuation Results as of July 1, 2004

(\$ in 000s)

Type of Member	POLICE			FIRE			MISCELLANEOUS			COMPOSITE
	Old	New	Total	Old	New	Total	Old	New	Total	
Number of Actives	120	2,063	2,183	123	1,540	1,663	1,635	26,170	27,805	31,651
Annual Salary	11,968	175,597	187,565	13,310	133,719	147,029	124,412	1,696,246	1,820,658	2,155,252
Remaining Cost of 1991 Prop A - Misc ERP Window	0	0	0	0	0	0	60,358	10,493	70,851	70,851
Remaining Cost of 1992 Prop F - Retiree Bft Increase	0	179	179	0	98	98	27,162	1,275	28,437	28,714
Remaining Cost of 1994 Prop H - Domestic Partners	3,682	783	4,465	4,437	537	4,974	4,203	3,283	7,486	16,925
Remaining Cost of 1996 Prop C - Retiree Benefits	0	215	215	0	85	85	37,189	1,579	38,768	39,068
Remaining Cost of 1996 Prop D - New Fire Ret Bfts	0	0	0	0	16,361	16,361	0	0	0	16,361
Remaining Cost of 1998 Prop A - New Police Ret Bfts	0	34,599	34,599	0	0	0	0	0	0	34,599
Remaining Cost of 1998 Prop C - Paramedics Bfts	0	0	0	0	7,163	7,163	0	0	0	7,163
Remaining Cost of 2000 Prop C - New Misc Ret Bfts	0	0	0	0	0	0	0	269,873	269,873	269,873
Remaining Cost of 6.25% Credited Interest on Ee Ctbs	11	67	78	5	17	22	1,215	9,707	10,922	11,022
Remaining Cost of 2002 Prop H - Safety Ret Bfts	59,527	79,992	139,519	105,626	42,580	148,206	0	0	0	287,725
Liability of 5.0% Credited Interest on Ee Ctbs	(19)	(492)	(511)	(15)	(228)	(243)	(4,716)	(41,926)	(46,642)	(47,396)
Remaining Cost of All Propositions	63,201	115,343	178,544	110,053	66,613	176,666	125,411	254,284	379,695	734,905
PVFSAL 2011							527,052	10,854,782	11,381,834	11,381,834
PVFSAL 2012	20,481	1,298,591	1,319,072	23,034	1,010,964	1,033,998	558,665	12,245,308	12,803,973	15,157,043
PVFSAL 2014	20,481	1,577,519	1,598,000	23,034	1,229,612	1,252,646	601,773	14,909,708	15,511,481	18,362,127
PVFSAL 2016	20,481	1,838,662	1,859,143	23,034	1,434,318	1,457,352	626,107	17,420,240	18,046,347	21,362,842
PVFSAL 2018	20,481	2,083,154	2,103,635	23,034	1,625,971	1,649,005				3,752,640
PVFSAL 2020							643,431	21,998,049	22,641,480	22,641,480
PVFSAL 2022	20,481	2,526,361	2,546,842	23,034	1,973,394	1,996,428	645,262	24,076,441	24,721,703	29,264,973
PVFSAL 2024	20,481	2,727,001	2,747,482	23,034	2,130,673	2,153,707	645,691	26,023,592	26,669,283	31,570,472
Contribution Rate:										
Rem. Cost of Prop. A / PVFSAL 2011			0.00%			0.00%			0.62%	0.52%
Rem. Cost of Prop. F / PVFSAL 2012			0.01%			0.01%			0.22%	0.19%
Rem. Cost of Prop. H / PVFSAL 2014			0.28%			0.40%			0.05%	0.09%
Rem. Cost of Prop. C / PVFSAL 2016			0.01%			0.01%			0.21%	0.18%
Rem. Cost of Prop. D / PVFSAL 2016			0.00%			1.12%			0.00%	0.08%
Rem. Cost of Prop. A / PVFSAL 2018			1.64%			0.00%			0.00%	0.14%
Rem. Cost of Prop. C / PVFSAL 2018			0.00%			0.43%			0.00%	0.03%
Rem. Cost of Prop. C / PVFSAL 2020			0.00%			0.00%			1.19%	1.01%
Rem. Cost of 6.25% Cred Int / PVFSAL 2022			0.00%			0.00%			0.04%	0.03%
Rem. Cost of Prop H / PVFSAL 2022			5.48%			7.42%			0.00%	0.98%
Liability of 5.0% Cred Int / PVFSAL 2024			-0.02%			-0.01%			-0.17%	-0.15%
Total for All Propositions			7.40%			9.38%			2.16%	3.10%

Current Year Rate Development

San Francisco City and County Employees' Retirement System
Actuarial Valuation Results as of July 1, 2005

(\$ in 000s)

	POLICE			FIRE			MISCELLANEOUS			COMPOSITE
	Old	New	Total	Old	New	Total	Old	New	Total	
Type of Member										
Number of Actives	97	1,996	2,093	88	1,544	1,632	1,090	24,349	25,439	29,164
Annual Salary	10,292	183,976	194,268	9,954	135,228	145,182	85,884	1,627,528	1,713,412	2,052,862
Average Annual Salary	106,103	92,172	92,818	113,114	87,583	88,960	78,793	66,842	67,354	70,390
Number of Retirees	1,790	289	2,079	1,688	212	1,900	10,127	5,987	16,114	20,093
Annual Benefit	97,711	12,205	109,916	101,555	11,338	112,893	273,904	111,134	385,038	607,847
Average Annual Benefit	54,587	42,232	52,870	60,163	53,481	59,417	27,047	18,563	23,895	30,252
Normal Cost %	33.10%	22.37%	22.94%	37.42%	27.07%	27.78%	15.12%	14.87%	14.88%	16.56%
Actuarial Liability:										
Inactive Members *	1,271,286	155,662	1,426,948	1,312,774	140,661	1,453,435	2,345,320	1,286,595	3,631,915	6,512,298
Active Members	159,558	757,919	917,477	156,764	544,218	700,982	485,050	3,149,930	3,634,980	5,253,439
Total	1,430,844	913,581	2,344,425	1,469,538	684,879	2,154,417	2,830,370	4,436,525	7,266,895	11,765,737
Actuarial Value of Assets	1,955,243	729,642	2,684,885	1,770,871	425,712	2,196,583	3,775,420	4,002,810	7,778,230	12,659,698
Total Unfunded Actuarial Liability	(524,399)	183,939	(340,460)	(301,333)	259,167	(42,166)	(945,050)	433,715	(511,335)	(893,961)
Unfunded Actuarial Liabilities (UAL)	(587,455)	63,235	(524,220)	(411,227)	184,813	(226,414)	(1,067,892)	171,209	(896,683)	(1,647,317)
Remaining Cost of All Propositions	63,056	120,704	183,760	109,894	74,354	184,248	122,842	262,506	385,348	753,356
Total Unfunded Actuarial Liability	(524,399)	183,939	(340,460)	(301,333)	259,167	(42,166)	(945,050)	433,715	(511,335)	(893,961)
Funded Status = Assets / Actuarial Liability	136.65%	79.87%	114.52%	120.51%	62.16%	101.96%	133.39%	90.22%	107.04%	107.60%
PVFSAL 2020	10,292	2,289,012	2,299,304	9,954	1,708,379	1,718,333	418,183	19,861,309	20,279,492	24,297,129
Contribution Rate:										
Normal Cost %			22.94%			27.78%			14.88%	16.56%
UAL / PVFSAL 2020			-22.80%			-13.18%			-4.42%	-6.78%
Rem. Cost of All Props (See detail on next page)			7.67%			10.32%			2.48%	3.53%
Total			7.81%			24.92%			12.94%	13.31%
Less Average Member Rate			7.47%			7.47%			7.53%	7.52%
Plus Expenses			0.45%			0.45%			0.45%	0.45%
Net Rate			0.79%			17.90%			5.86%	6.24%

* Inactive members includes retirees, vested terms and reciprocal members.

**Current Year Rate Development
Summary of Propositions**

San Francisco City and County Employees' Retirement System
Actuarial Valuation Results as of July 1, 2005
(\$ in 000s)

Type of Member	POLICE			FIRE			MISCELLANEOUS			COMPOSITE
	Old	New	Total	Old	New	Total	Old	New	Total	
Number of Actives	97	1,996	2,093	88	1,544	1,632	1,090	24,349	25,439	29,164
Annual Salary	10,292	183,976	194,268	9,954	135,228	145,182	85,884	1,627,528	1,713,412	2,052,862
Remaining Cost of 1991 Prop A - Misc ERP Window	0	0	0	0	0	0	54,760	9,519	64,279	64,279
Remaining Cost of 1992 Prop F - Retiree Bft Increase	0	166	166	0	91	91	25,163	1,182	26,345	26,602
Remaining Cost of 1994 Prop H - Domestic Partners	3,510	746	4,256	4,229	512	4,741	4,007	3,129	7,136	16,133
Remaining Cost of 1996 Prop C - Retiree Benefits	0	208	208	0	82	82	36,112	1,534	37,646	37,936
Remaining Cost of 1996 Prop D - New Fire Ret Bfts	0	0	0	0	15,887	15,887	0	0	0	15,887
Remaining Cost of 1998 Prop A - New Police Ret Bfts	0	34,035	34,035	0	0	0	0	0	0	34,035
Remaining Cost of 1998 Prop C - Paramedics Bfts	0	0	0	0	7,046	7,046	0	0	0	7,046
Remaining Cost of 2000 Prop C - New Misc Ret Bfts	0	0	0	0	0	0	0	268,026	268,026	268,026
Remaining Cost of 6.25% Credited Interest on Ee Ctbs	11	67	78	5	16	21	1,216	9,711	10,927	11,026
Remaining Cost of 2002 Prop H - Safety Ret Bfts	59,554	80,029	139,583	105,675	42,600	148,275	0	0	0	287,858
Remaining Cost of 5.0% Credited Interest on Ee Ctbs	(19)	(495)	(514)	(15)	(229)	(244)	(4,746)	(42,189)	(46,935)	(47,693)
Liability of 2004 Prop E - New Safety LOD Bfts	0	5,948	5,948	0	8,349	8,349	0	0	0	14,297
Liability of 2003 Prop F - Misc 3+3 Early Ret Bfts	0	0	0	0	0	0	6,330	11,594	17,924	17,924
Remaining Cost of All Propositions	63,056	120,704	183,760	109,894	74,354	184,248	122,842	262,506	385,348	753,356
PVFSAL 2011							325,149	9,003,044	9,328,193	9,328,193
PVFSAL 2012	10,292	1,204,173	1,214,465	9,954	897,649	907,603	350,246	10,361,140	10,711,386	12,833,454
PVFSAL 2014	10,292	1,502,745	1,513,037	9,954	1,120,781	1,130,735	384,640	12,960,109	13,344,749	15,988,521
PVFSAL 2016	10,292	1,782,280	1,792,572	9,954	1,329,684	1,339,638	404,238	15,405,959	15,810,197	18,942,407
PVFSAL 2018	10,292	2,043,990	2,054,282	9,954	1,525,267	1,535,221				3,589,503
PVFSAL 2020							418,183	19,861,309	20,279,492	20,279,492
PVFSAL 2022	10,292	2,518,410	2,528,702	9,954	1,879,815	1,889,769	419,626	21,883,122	22,302,748	26,721,219
PVFSAL 2024	10,292	2,733,181	2,743,473	9,954	2,040,319	2,050,273	419,955	23,777,037	24,196,992	28,990,738
PVFSAL 2025	10,292	2,835,375	2,845,667	9,954	2,116,691	2,126,645	419,994	24,678,332	25,098,326	30,070,638
Contribution Rate:										
Rem. Cost of Prop. A / PVFSAL 2011			0.00%			0.00%			0.69%	0.58%
Rem. Cost of Prop. F / PVFSAL 2012			0.01%			0.01%			0.25%	0.21%
Rem. Cost of Prop. H / PVFSAL 2014			0.28%			0.42%			0.05%	0.10%
Rem. Cost of Prop. C / PVFSAL 2016			0.01%			0.01%			0.24%	0.20%
Rem. Cost of Prop. D / PVFSAL 2016			0.00%			1.19%			0.00%	0.08%
Rem. Cost of Prop. A / PVFSAL 2018			1.66%			0.00%			0.00%	0.16%
Rem. Cost of Prop. C / PVFSAL 2018			0.00%			0.46%			0.00%	0.03%
Rem. Cost of Prop. C / PVFSAL 2020			0.00%			0.00%			1.32%	1.10%
Rem. Cost of 6.25% Cred Int / PVFSAL 2022			0.00%			0.00%			0.05%	0.04%
Rem. Cost of Prop H / PVFSAL 2022			5.52%			7.85%			0.00%	1.08%
Rem. Cost of 5.0% Cred Int / PVFSAL 2024			-0.02%			-0.01%			-0.19%	-0.16%
Liability of Prop E / PVFSAL 2025			0.21%			0.39%			0.00%	0.05%
Liability of Prop F / PVFSAL 2025			0.00%			0.00%			0.07%	0.06%
Total for All Propositions			7.67%			10.32%			2.48%	3.53%

Member Data

The valuation was based on member data provided by the Retirement System. Summary information of the member data is shown below. Detailed summaries of the 2005 membership data are on the pages that follow.

Active Members

Data on 29,164 active members are provided this year, a decrease of 7.9% over the prior year. Valuation earnings for 2005- 2006 are \$2,052,862,000, which is 4.8% lower than last year. Key statistics for Police, Fire, and Miscellaneous members as of June 30, 2005 and 2004 are shown below:

	<u>Police</u>		<u>Fire</u>		<u>Miscellaneous</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Number of Actives	2,093	2,183	1,632	1,663	25,439	27,805
Average Age	43.4	43.0	43.5	43.2	47.9	47.9
Average Service	15.6	15.1	14.0	13.8	12.1	12.5
Average Salary	\$92,818	\$85,921	\$88,960	\$88,412	\$67,353	\$65,480

Retired Members

As of June 30, 2005, there were 17,575 members and surviving beneficiaries in payment status. The average benefit was \$2,429 per month. Corresponding information as of 2004, per the prior year's valuation report, showed 19,081 retirees with an average monthly pension of \$2,193. Key statistics for 2005 and 2004, by plan, are shown below:

	<u>Police</u>		<u>Fire</u>		<u>Miscellaneous</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Number of Retirees and Survivors	2,079	2,050	1,900	1,856	16,114	15,175
Average Age	69.3	69.2	70.4	70.6	71.2	71.6
Average Monthly Benefit	\$4,479	\$3,773	\$4,757	\$4,386	\$2,016	\$1,711

Vested and Reciprocal Members

Beginning with the July 1, 2003 valuation, vested and reciprocal members were identified separately. As of June 30, 2005, there were 2,833 vested members and 763 reciprocal members. In the prior year, there were 996 vested members and 728 reciprocal members. Key statistics for 2005 and 2004, by plan, are shown below:

	<u>Police</u>		<u>Fire</u>		<u>Miscellaneous</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Number of Vested Members	84	31	25	12	2,724	953
Average Age	44.8	42.4	44.5	42.3	49.6	46.2
Number of Reciprocal Members	13	17	8	6	742	705
Average Age	39.3	39.5	34.2	33.7	41.2	39.8

**San Francisco Employees' Retirement System July 1, 2005 Valuation
Total All Groups – Active Members**

Age Nearest Birthday		Completed Years of Service									Total
		0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	Over 34		
15 to 24	Count	145	2	0	0	0	0	0	0	0	147
	Total Earnings	7,246,999	114,503	0	0	0	0	0	0	0	7,361,501
	Average Earnings	49,979	57,251	0	0	0	0	0	0	0	50,078
25 to 29	Count	773	160	1	0	0	0	0	0	0	934
	Total Earnings	45,351,157	9,721,729	87,286	0	0	0	0	0	0	55,160,172
	Average Earnings	58,669	60,761	87,286	0	0	0	0	0	0	59,058
30 to 34	Count	1,211	802	135	2	0	0	0	0	0	2,150
	Total Earnings	78,255,925	54,479,959	9,733,438	152,520	0	0	0	0	0	142,621,841
	Average Earnings	64,621	67,930	72,100	76,260	0	0	0	0	0	66,336
35 to 39	Count	1,218	1,370	689	128	4	0	0	0	0	3,409
	Total Earnings	80,174,736	95,066,062	53,270,278	9,243,036	303,013	0	0	0	0	238,057,123
	Average Earnings	65,825	69,391	77,315	72,211	75,753	0	0	0	0	69,832
40 to 44	Count	1,083	1,492	1,000	627	227	1	0	0	0	4,430
	Total Earnings	70,761,439	102,435,270	75,306,600	47,656,857	16,717,088	112,200	0	0	0	312,989,453
	Average Earnings	65,338	68,656	75,307	76,008	73,644	112,200	0	0	0	70,652
45 to 49	Count	892	1,329	918	935	1,039	140	3	0	0	5,256
	Total Earnings	56,256,162	87,248,873	64,863,967	70,378,794	81,850,645	11,979,179	274,816	0	0	372,852,436
	Average Earnings	63,067	65,650	70,658	75,271	78,778	85,566	91,605	0	0	70,938
50 to 54	Count	669	1,078	800	946	1,137	582	220	7	0	5,439
	Total Earnings	42,591,371	72,589,166	55,454,105	69,271,588	87,788,228	50,868,292	18,796,431	616,179	0	397,975,360
	Average Earnings	63,664	67,337	69,318	73,226	77,210	87,403	85,438	88,026	0	73,171
55 to 59	Count	477	767	582	716	864	623	480	103	0	4,612
	Total Earnings	30,395,210	50,796,763	39,977,390	49,317,414	62,630,614	51,129,814	41,836,991	8,344,861	0	334,429,056
	Average Earnings	63,722	66,228	68,690	68,879	72,489	82,070	87,160	81,018	0	72,513
60 to 64	Count	152	295	268	330	332	248	205	118	0	1,948
	Total Earnings	10,197,772	19,808,435	17,337,322	22,210,960	21,876,117	18,976,414	16,850,843	9,630,248	0	136,888,112
	Average Earnings	67,091	67,147	64,692	67,306	65,892	76,518	82,199	81,612	0	70,271
65 to 69	Count	36	96	117	125	97	69	44	46	0	630
	Total Earnings	1,994,374	6,078,914	7,716,056	7,911,640	5,921,450	4,874,917	3,646,646	3,687,770	0	41,831,767
	Average Earnings	55,399	63,322	65,949	63,293	61,046	70,651	82,878	80,169	0	66,400
Over 69	Count	25	15	38	43	39	22	13	14	0	209
	Total Earnings	1,335,881	856,104	2,531,843	2,425,327	2,312,406	1,329,744	880,229	1,023,658	0	12,695,193
	Average Earnings	53,435	57,074	66,627	56,403	59,292	60,443	67,710	73,118	0	60,743
Total	Count	6,681	7,406	4,548	3,852	3,739	1,685	965	288	0	29,164
	Total Earnings	424,561,025	499,195,778	326,278,283	278,568,136	279,399,561	139,270,559	82,285,956	23,302,717	0	2,052,862,015
	Average Earnings	63,548	67,404	71,741	72,318	74,726	82,653	85,270	80,912	0	70,390
		Average Age:				47.3	Average Service:				12.5

San Francisco Employees' Retirement System July 1, 2005 Valuation
 Old Plan Police – Active Members

Age Nearest Birthday		Completed Years of Service								
		0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	over 34	Total
15 to 24	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
25 to 29	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
30 to 34	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
35 to 39	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
40 to 44	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
45 to 49	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
50 to 54	Count	0	0	0	0	0	11	31	1	43
	Total Earnings	0	0	0	0	0	1,194,355	3,297,472	109,740	4,601,566
	Average Earnings	0	0	0	0	0	108,578	106,370	109,740	107,013
55 to 59	Count	0	0	0	0	0	5	21	11	37
	Total Earnings	0	0	0	0	0	483,812	2,210,477	1,126,570	3,820,859
	Average Earnings	0	0	0	0	0	96,762	105,261	102,415	103,266
60 to 64	Count	0	0	0	0	0	1	5	4	10
	Total Earnings	0	0	0	0	0	104,948	546,986	475,263	1,127,197
	Average Earnings	0	0	0	0	0	104,948	109,397	118,816	112,720
65 to 69	Count	0	0	0	0	0	1	2	2	5
	Total Earnings	0	0	0	0	0	104,948	200,354	223,748	529,049
	Average Earnings	0	0	0	0	0	104,948	100,177	111,874	105,810
Over 69	Count	0	0	0	0	0	0	0	2	2
	Total Earnings	0	0	0	0	0	0	0	213,801	213,801
	Average Earnings	0	0	0	0	0	0	0	106,900	106,900
Total	Count	0	0	0	0	0	18	59	20	97
	Total Earnings	0	0	0	0	0	1,888,062	6,255,289	2,149,121	10,292,472
	Average Earnings	0	0	0	0	0	104,892	106,022	107,456	106,108
		Average Age: 56.4				Average Service: 33.1				

San Francisco Employees' Retirement System July 1, 2005 Valuation
 New Plan Police - Active Members

Age/Nearest Birthday	Completed Years of Service		Average Age: 42.8		Average Age: 14.7	
	Count	Total Earnings	Count	Total Earnings	Count	Total Earnings
15 to 24	3	226,425	0	0	0	0
25 to 29	78	6,089,324	21	1,780,649	0	0
30 to 34	81	6,324,962	116	9,805,022	0	0
35 to 39	54	4,313,390	116	9,821,746	0	0
40 to 44	30	2,368,605	65	5,552,253	0	0
45 to 49	5	414,278	41	3,657,305	0	0
50 to 54	1	99,804	41	3,969,682	1	84,321
55 to 59	0	0	9	857,980	2	102
60 to 64	0	0	5	486,412	0	0
65 to 69	0	0	0	0	2	383,007
Over 69	0	0	0	0	0	1
Total	252	19,836,789	414	35,931,049	5	1,996
	Count	Total Earnings	Count	Total Earnings	Count	Total Earnings

**San Francisco Employees' Retirement System July 1, 2005 Valuation
Old Plan Fire – Active Members**

Age Nearest Birthday		Completed Years of Service								Total
		0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	Over 34	
15 to 24	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
25 to 29	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
30 to 34	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
35 to 39	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
40 to 44	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
45 to 49	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
50 to 54	Count	0	0	0	0	0	7	28	0	35
	Total Earnings	0	0	0	0	0	774,515	2,996,126	0	3,770,641
	Average Earnings	0	0	0	0	0	110,645	107,004	0	107,733
55 to 59	Count	0	0	0	0	0	9	35	1	45
	Total Earnings	0	0	0	0	0	963,128	4,015,451	136,709	5,115,288
	Average Earnings	0	0	0	0	0	107,014	114,727	136,709	113,673
60 to 64	Count	0	0	0	0	0	0	3	2	5
	Total Earnings	0	0	0	0	0	0	368,772	273,571	642,343
	Average Earnings	0	0	0	0	0	0	122,924	136,785	128,469
65 to 69	Count	0	0	0	0	0	0	1	2	3
	Total Earnings	0	0	0	0	0	0	112,852	313,071	425,923
	Average Earnings	0	0	0	0	0	0	112,852	156,535	141,974
Over 69	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
Total	Count	0	0	0	0	0	16	67	5	88
	Total Earnings	0	0	0	0	0	1,737,644	7,493,201	723,351	9,954,196
	Average Earnings	0	0	0	0	0	108,603	111,839	144,670	113,116
		Average Age: 56.1				Average Service: 31.4				

San Francisco Employees' Retirement System July 1, 2005 Valuation
 New Plan Fire - Active Members

Age/Nearest Birthday	Completed Years of Service															
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65 to 69	Over 69	Total
Count	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Earnings	369,653	0	0	0	0	0	0	0	0	0	0	0	0	0	0	19,984,946
Average Earnings	61,609	0	0	0	0	0	0	0	0	0	0	0	0	0	0	76,571
Count	39	15	0	0	0	0	0	0	0	0	0	0	0	0	0	261
Total Earnings	2,712,940	1,214,322	0	0	0	0	0	0	0	0	0	0	0	0	0	31,960,205
Average Earnings	69,563	80,955	0	0	0	0	0	0	0	0	0	0	0	0	0	82,585
Count	73	82	13	0	0	0	0	0	0	0	0	0	0	0	0	387
Total Earnings	5,562,533	6,701,257	1,134,112	0	0	0	0	0	0	0	0	0	0	0	0	31,241,610
Average Earnings	76,199	81,723	87,239	0	0	0	0	0	0	0	0	0	0	0	0	86,542
Count	75	148	23	0	0	0	0	0	0	0	0	0	0	0	0	194
Total Earnings	5,839,915	12,152,625	9,660,309	2,119,036	0	0	0	0	0	0	0	0	0	0	0	18,538,292
Average Earnings	77,866	82,112	87,030	92,132	0	0	0	0	0	0	0	0	0	0	0	95,558
Count	47	93	132	67	4	0	0	0	0	0	0	0	0	0	0	134
Total Earnings	3,934,614	7,742,389	11,308,003	6,430,621	397,257	0	0	0	0	0	0	0	0	0	0	12,825,919
Average Earnings	83,715	83,251	85,667	95,979	99,314	0	0	0	0	0	0	0	0	0	0	95,716
Count	20	41	70	63	38	13	0	0	0	0	0	0	0	0	0	186
Total Earnings	1,495,237	3,448,231	6,031,256	6,065,030	3,791,219	1,269,939	0	0	0	0	0	0	0	0	0	18,400,556
Average Earnings	74,762	84,103	86,161	96,270	99,769	97,688	0	0	0	0	0	0	0	0	0	98,928
Count	1	5	25	34	67	98	9	0	0	0	0	0	0	0	0	186
Total Earnings	70,053	440,680	2,232,475	3,230,442	6,192,200	9,890,948	957,895	0	0	0	0	0	0	0	0	2,163,279
Average Earnings	70,053	88,136	89,299	95,013	92,421	100,928	106,433	0	0	0	0	0	0	0	0	108,164
Count	0	3	10	6	22	68	11	0	0	0	0	0	0	0	0	20
Total Earnings	0	260,702	875,456	600,503	2,113,001	6,588,189	1,205,384	0	0	0	0	0	0	0	0	112,808
Average Earnings	0	86,901	87,546	100,084	96,046	96,885	109,580	0	0	0	0	0	0	0	0	112,808
Count	0	0	0	1	3	6	0	0	0	0	0	0	0	0	0	1
Total Earnings	0	0	0	92,660	332,242	553,618	92,270	0	0	0	0	0	0	0	0	1,091,327
Average Earnings	0	0	0	92,660	110,747	92,270	92,270	0	0	0	0	0	0	0	0	112,808
Count	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Total Earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	97,862
Average Earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	97,862
Count	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Total Earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Count	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,544
Average Earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	135,227,615
Count	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Total Earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	112,808
Average Earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	112,808
Count	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Total Earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	135,227,615
Average Earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	87,583
Count	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1

San Francisco Employees' Retirement System July 1, 2005 Valuation
 Old Plan Muni – Active Members

Age Nearest Birthday		Completed Years of Service									Total	
		0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	Over 34			
15 to 24	Count	0	0	0	0	0	0	0	0	0	0	
	Total Earnings	0	0	0	0	0	0	0	0	0	0	
	Average Earnings	0	0	0	0	0	0	0	0	0	0	
25 to 29	Count	0	0	0	0	0	0	0	0	0	0	
	Total Earnings	0	0	0	0	0	0	0	0	0	0	
	Average Earnings	0	0	0	0	0	0	0	0	0	0	
30 to 34	Count	0	0	0	0	0	0	0	0	0	0	
	Total Earnings	0	0	0	0	0	0	0	0	0	0	
	Average Earnings	0	0	0	0	0	0	0	0	0	0	
35 to 39	Count	0	0	0	0	0	0	0	0	0	0	
	Total Earnings	0	0	0	0	0	0	0	0	0	0	
	Average Earnings	0	0	0	0	0	0	0	0	0	0	
40 to 44	Count	0	0	0	0	0	0	0	0	0	0	
	Total Earnings	0	0	0	0	0	0	0	0	0	0	
	Average Earnings	0	0	0	0	0	0	0	0	0	0	
45 to 49	Count	0	0	0	0	0	0	0	0	0	0	
	Total Earnings	0	0	0	0	0	0	0	0	0	0	
	Average Earnings	0	0	0	0	0	0	0	0	0	0	
50 to 54	Count	0	0	0	0	0	2	0	0	0	2	
	Total Earnings	0	0	0	0	0	134,283	0	0	0	134,283	
	Average Earnings	0	0	0	0	0	67,142	0	0	0	67,142	
55 to 59	Count	0	0	1	0	1	13	32	10	0	57	
	Total Earnings	0	0	70,142	0	41,800	1,026,093	2,724,409	841,273	0	4,703,718	
	Average Earnings	0	0	70,142	0	41,800	78,930	85,138	84,127	0	82,521	
60 to 64	Count	0	0	0	0	0	5	17	6	0	28	
	Total Earnings	0	0	0	0	0	371,354	1,302,623	511,571	0	2,185,548	
	Average Earnings	0	0	0	0	0	74,271	76,625	85,262	0	78,055	
65 to 69	Count	0	0	0	0	0	0	0	0	0	0	
	Total Earnings	0	0	0	0	0	0	0	0	0	0	
	Average Earnings	0	0	0	0	0	0	0	0	0	0	
Over 69	Count	0	0	0	0	0	0	1	0	0	1	
	Total Earnings	0	0	0	0	0	0	77,085	0	0	77,085	
	Average Earnings	0	0	0	0	0	0	77,085	0	0	77,085	
Total	Count	0	0	1	0	1	20	50	16	0	88	
	Total Earnings	0	0	70,142	0	41,800	1,531,730	4,104,117	1,352,844	0	7,100,633	
	Average Earnings	0	0	70,142	0	41,800	76,586	82,082	84,553	0	80,689	
		Average Age:			58.8			Average Service:			31.9	

**San Francisco Employees' Retirement System July 1, 2005 Valuation
Old Plan Craft – Active Members**

Age/Nearest Birthday		Completed Years of Service									Total
		0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	Over 34		
15 to 24	Count	0	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0	0
25 to 29	Count	0	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0	0
30 to 34	Count	0	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0	0
35 to 39	Count	0	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0	0
40 to 44	Count	0	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0	0
45 to 49	Count	0	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0	0
50 to 54	Count	0	0	0	0	0	1	15	0	0	16
	Total Earnings	0	0	0	0	0	42,080	907,684	0	0	949,764
	Average Earnings	0	0	0	0	0	42,080	60,512	0	0	59,360
55 to 59	Count	0	0	0	0	0	10	41	10	0	61
	Total Earnings	0	0	0	0	0	709,817	3,022,282	775,955	0	4,508,054
	Average Earnings	0	0	0	0	0	70,982	73,714	77,595	0	73,903
60 to 64	Count	0	0	0	0	0	1	11	12	0	24
	Total Earnings	0	0	0	0	0	49,139	906,451	754,308	0	1,709,898
	Average Earnings	0	0	0	0	0	49,139	82,405	62,859	0	71,246
65 to 69	Count	0	0	0	0	0	1	3	4	0	8
	Total Earnings	0	0	0	0	0	64,003	264,826	276,679	0	605,508
	Average Earnings	0	0	0	0	0	64,003	88,275	69,170	0	75,688
Over 69	Count	0	0	0	0	0	0	1	2	0	3
	Total Earnings	0	0	0	0	0	0	51,180	147,671	0	198,852
	Average Earnings	0	0	0	0	0	0	51,180	73,836	0	66,284
Total	Count	0	0	0	0	0	13	71	28	0	112
	Total Earnings	0	0	0	0	0	865,039	5,152,423	1,954,613	0	7,972,075
	Average Earnings	0	0	0	0	0	66,541	72,569	69,808	0	71,179
		Average Age:				58.6	Average Service:			33.1	

San Francisco Employees' Retirement System July 1, 2005 Valuation
 Old Plan Miscellaneous Females – Active Members

Age Nearest Birthday		Completed Years of Service									Total	
		0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	Over 34			
15 to 24	Count	0	0	0	0	0	0	0	0	0	0	
	Total Earnings	0	0	0	0	0	0	0	0	0	0	
	Average Earnings	0	0	0	0	0	0	0	0	0	0	
25 to 29	Count	0	0	0	0	0	0	0	0	0	0	
	Total Earnings	0	0	0	0	0	0	0	0	0	0	
	Average Earnings	0	0	0	0	0	0	0	0	0	0	
30 to 34	Count	0	0	0	0	0	0	0	0	0	0	
	Total Earnings	0	0	0	0	0	0	0	0	0	0	
	Average Earnings	0	0	0	0	0	0	0	0	0	0	
35 to 39	Count	0	0	0	0	0	0	0	0	0	0	
	Total Earnings	0	0	0	0	0	0	0	0	0	0	
	Average Earnings	0	0	0	0	0	0	0	0	0	0	
40 to 44	Count	0	0	0	0	0	0	0	0	0	0	
	Total Earnings	0	0	0	0	0	0	0	0	0	0	
	Average Earnings	0	0	0	0	0	0	0	0	0	0	
45 to 49	Count	0	0	0	0	0	0	2	0	0	2	
	Total Earnings	0	0	0	0	0	0	146,088	0	146,088		
	Average Earnings	0	0	0	0	0	0	73,044	0	73,044		
50 to 54	Count	0	0	0	0	2	21	64	3	90		
	Total Earnings	0	0	0	0	85,432	1,416,332	4,361,552	294,739	6,158,055		
	Average Earnings	0	0	0	0	42,716	67,444	68,149	98,246	68,423		
55 to 59	Count	2	0	0	0	7	43	147	34	233		
	Total Earnings	85,256	0	0	0	494,327	3,467,727	11,422,951	2,284,425	17,754,685		
	Average Earnings	42,628	0	0	0	70,618	80,645	77,707	67,189	76,200		
60 to 64	Count	1	0	0	0	2	13	68	52	136		
	Total Earnings	63,524	0	0	0	105,983	877,902	5,264,221	4,163,233	10,474,862		
	Average Earnings	63,524	0	0	0	52,991	67,531	77,415	80,062	77,021		
65 to 69	Count	1	0	0	0	0	10	16	17	44		
	Total Earnings	43,800	0	0	0	0	757,200	1,065,360	1,395,089	3,261,449		
	Average Earnings	43,800	0	0	0	0	75,720	66,585	82,064	74,124		
Over 69	Count	0	0	0	0	3	1	4	7	15		
	Total Earnings	0	0	0	0	126,480	52,707	231,234	458,622	869,044		
	Average Earnings	0	0	0	0	42,160	52,707	57,809	65,517	57,936		
Total	Count	4	0	0	0	14	88	301	113	520		
	Total Earnings	192,580	0	0	0	812,222	6,571,868	22,491,406	8,596,108	38,664,183		
	Average Earnings	48,145	0	0	0	58,016	74,680	74,722	76,072	74,354		
		Average Age:				58.8				Average Service:		32.2

**San Francisco Employees' Retirement System July 1, 2005 Valuation
Old Plan Miscellaneous Males – Active Members**

Age Nearest Birthday		Completed Years of Service								Total
		0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	Over 34	
15 to 24	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
25 to 29	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
30 to 34	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
35 to 39	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
40 to 44	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
45 to 49	Count	0	0	0	0	0	0	0	0	0
	Total Earnings	0	0	0	0	0	0	0	0	0
	Average Earnings	0	0	0	0	0	0	0	0	0
50 to 54	Count	0	0	0	1	0	9	25	2	37
	Total Earnings	0	0	0	79,908	0	620,848	2,329,496	127,379	3,157,630
	Average Earnings	0	0	0	79,908	0	68,983	93,180	63,689	85,341
55 to 59	Count	0	0	0	0	2	19	117	32	170
	Total Earnings	0	0	0	0	131,975	1,992,865	10,949,203	2,728,153	15,802,196
	Average Earnings	0	0	0	0	65,988	104,888	93,583	85,255	92,954
60 to 64	Count	0	0	0	2	2	13	67	34	118
	Total Earnings	0	0	0	87,481	84,400	1,159,290	5,681,743	2,617,739	9,630,653
	Average Earnings	0	0	0	43,740	42,200	89,176	84,802	76,992	81,616
65 to 69	Count	0	0	0	0	0	5	15	19	39
	Total Earnings	0	0	0	0	0	343,417	1,476,692	1,283,672	3,103,781
	Average Earnings	0	0	0	0	0	68,683	98,446	67,562	79,584
Over 69	Count	0	0	0	0	0	0	4	2	6
	Total Earnings	0	0	0	0	0	0	299,123	153,813	452,936
	Average Earnings	0	0	0	0	0	0	74,781	76,907	75,489
Total	Count	0	0	0	3	4	46	228	89	370
	Total Earnings	0	0	0	167,389	216,375	4,116,420	20,736,256	6,910,756	32,147,197
	Average Earnings	0	0	0	55,796	54,094	89,487	90,948	77,649	86,884
		Average Age:		59.4		Average Service:		32.7		

**San Francisco Employees' Retirement System July 1, 2005 Valuation
New Plan Muni – Active Members**

Age/Nearest Birthday		Completed Years of Service								Total			
		0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	Over 34				
15 to 24	Count	0	0	0	0	0	0	0	0	0			
	Total Earnings	0	0	0	0	0	0	0	0	0			
	Average Earnings	0	0	0	0	0	0	0	0	0			
25 to 29	Count	6	0	0	0	0	0	0	0	6			
	Total Earnings	317,551	0	0	0	0	0	0	0	317,551			
	Average Earnings	52,925	0	0	0	0	0	0	0	52,925			
30 to 34	Count	101	28	0	0	0	0	0	0	129			
	Total Earnings	5,492,811	1,558,005	0	0	0	0	0	0	7,050,816			
	Average Earnings	54,384	55,643	0	0	0	0	0	0	54,657			
35 to 39	Count	128	117	5	0	0	0	0	0	250			
	Total Earnings	7,118,015	6,567,947	294,420	0	0	0	0	0	13,980,383			
	Average Earnings	55,609	56,136	58,884	0	0	0	0	0	55,922			
40 to 44	Count	137	178	58	9	2	0	0	0	384			
	Total Earnings	7,529,161	9,693,163	3,242,616	507,345	123,973	0	0	0	21,096,259			
	Average Earnings	54,957	54,456	55,907	56,372	61,987	0	0	0	54,938			
45 to 49	Count	135	164	87	34	8	0	0	0	428			
	Total Earnings	7,457,429	9,023,219	4,753,723	1,884,068	455,838	0	0	0	23,574,278			
	Average Earnings	55,240	55,020	54,640	55,414	56,980	0	0	0	55,080			
50 to 54	Count	98	125	95	54	58	8	1	0	439			
	Total Earnings	5,331,156	6,953,804	5,130,634	3,033,267	3,403,905	455,483	57,771	0	24,366,021			
	Average Earnings	54,400	55,630	54,007	56,172	58,688	56,935	57,771	0	55,503			
55 to 59	Count	44	73	60	48	77	65	2	0	369			
	Total Earnings	2,446,391	4,011,573	3,257,266	2,658,371	4,359,601	3,763,372	122,021	0	20,618,595			
	Average Earnings	55,600	54,953	54,288	55,383	56,618	57,898	61,011	0	55,877			
60 to 64	Count	10	21	13	13	37	22	0	0	116			
	Total Earnings	546,952	1,111,727	707,887	672,050	2,071,071	1,301,804	0	0	6,411,489			
	Average Earnings	54,695	52,939	54,453	51,696	55,975	59,173	0	0	55,271			
65 to 69	Count	6	2	2	9	7	4	0	0	30			
	Total Earnings	281,967	83,600	115,489	500,118	423,953	249,855	0	0	1,654,981			
	Average Earnings	46,994	41,800	57,744	55,569	60,565	62,464	0	0	55,166			
Over 69	Count	1	1	0	1	2	0	0	0	5			
	Total Earnings	41,800	57,792	0	57,285	120,332	0	0	0	277,208			
	Average Earnings	41,800	57,792	0	57,285	60,166	0	0	0	55,442			
Total	Count	666	709	320	168	191	99	3	0	2,156			
	Total Earnings	36,563,234	39,060,829	17,502,036	9,312,504	10,958,672	5,770,514	179,793	0	119,347,581			
	Average Earnings	54,900	55,093	54,694	55,432	57,375	58,288	59,931	0	55,356			
		Average Age:				47.8				Average Service:		9.8	

San Francisco Employees' Retirement System July 1, 2005 Valuation
New Plan Craft - Active Members

Age/Nearest Birthday	Count	Total Earnings	Average Earnings	Count	Total Earnings	Average Earnings	Count	Total Earnings	Average Earnings	Count	Total Earnings	Average Earnings
15 to 24	28	1,298,906	46,390	0	0	0	0	0	0	0	0	0
25 to 29	15	3,214,804	858,201	0	0	0	0	0	0	0	0	0
30 to 34	65	3,782,386	3,988,517	482,210	74,365	1	0	0	0	0	0	0
35 to 39	120	5,661,662	7,694,489	2,247,626	860,333	11	90,372	0	0	0	0	0
40 to 44	109	6,622,983	11,916,493	5,186,590	4,066,409	60	2,803,725	112,200	0	0	0	0
45 to 49	109	6,936,732	15,134,467	7,379,884	7,922,684	118	1,650,911	112,200	0	0	0	0
50 to 54	97	6,229,893	11,648,504	8,114,356	10,354,645	147	3,770,029	156,494	0	0	0	0
55 to 59	56	3,997,656	7,427,733	5,703,120	5,892,060	86	6,584,750	640,730	141,658	40,165,849	574	69,389
60 to 64	19	1,154,649	3,513,956	2,326,448	2,666,115	33	3,141,037	71,192	70,829	40,165,849	574	69,389
65 to 69	2	111,354	1,384,023	1,334,783	440,091	18	1,015,419	50,878	0	0	0	0
Over 69	2	108,351	105,708	105,708	620,479	4	78,109	50,878	0	0	0	0
Total	641	38,519,378	63,566,383	32,880,725	48,001,644	672	16,445,383	1,284,153	141,658	233,401,074	3,466	67,340

TOWERS
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San Francisco Employees' Retirement System July 1, 2005 Valuation
 New Plan Miscellaneous Females - Active Members

Age Nearest Birthday	Completed Years of Service		Average Age:		Average Age:		Average Service:	
	15 to 24	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59
Count	68	1	0	0	0	0	0	0
Total Earnings	3,355,468	65,301	0	0	0	0	0	0
Average Earnings	49,345	65,301	0	0	0	0	0	0
Count	358	60	1	0	0	0	0	0
Total Earnings	19,932,987	3,263,661	87,286	0	0	0	0	0
Average Earnings	55,679	54,394	87,286	0	0	0	0	0
Count	561	324	40	1	0	0	0	0
Total Earnings	36,336,424	19,876,171	2,238,630	78,154	0	0	0	0
Average Earnings	64,771	61,346	55,966	78,154	0	0	0	0
Count	521	551	200	58	2	0	0	0
Total Earnings	33,116,444	36,272,482	3,525,810	102,618	0	0	0	0
Average Earnings	63,563	65,830	60,790	51,309	0	0	0	0
Count	428	590	332	254	98	0	0	0
Total Earnings	26,673,828	39,340,113	22,362,436	17,033,878	6,519,520	66,526	0	0
Average Earnings	62,322	66,678	67,357	67,063	66,526	0	0	0
Count	352	529	383	426	345	55	0	0
Total Earnings	21,770,778	33,078,074	26,140,945	30,597,533	24,584,040	3,858,926	0	0
Average Earnings	61,849	62,529	68,253	71,825	70,162	70,162	0	0
Count	282	430	337	423	410	146	16	0
Total Earnings	17,856,530	27,712,437	23,064,432	30,604,622	30,560,633	10,885,445	1,104,679	0
Average Earnings	63,321	64,448	68,440	72,351	74,538	74,558	69,042	0
Count	207	318	268	340	328	136	27	1
Total Earnings	12,812,417	20,321,587	18,340,657	22,318,983	23,421,254	10,076,906	2,034,337	64,409
Average Earnings	61,896	63,904	68,435	65,644	71,406	74,095	75,346	64,409
Count	66	113	128	144	132	76	11	3
Total Earnings	4,517,384	7,210,886	7,910,361	9,358,864	8,363,153	5,855,598	835,666	292,771
Average Earnings	68,445	63,813	61,800	64,992	63,509	77,047	75,970	97,590
Count	13	34	56	58	42	18	5	0
Total Earnings	704,171	2,023,742	3,321,002	3,317,488	2,369,608	1,111,346	409,406	13,256,764
Average Earnings	54,167	59,522	59,304	57,198	56,419	61,741	81,881	13,256,764
Count	6	4	12	20	15	9	2	0
Total Earnings	375,229	253,498	653,019	976,194	741,159	476,238	146,793	3,671,880
Average Earnings	62,538	63,374	54,418	48,810	49,411	52,915	73,396	49,751
Count	6	4	12	20	15	9	2	1
Total Earnings	177,451,660	189,418,009	117,143,250	117,811,527	96,681,985	32,264,459	4,530,881	735,708,702
Average Earnings	2,862	2,954	1,757	1,724	1,372	440	61	5
Count	62,003	64,123	66,672	68,336	70,468	73,328	74,277	81,386
Total	11,175	11,175	11,175	11,175	11,175	11,175	11,175	11,175

**San Francisco Employees' Retirement System July 1, 2005 Valuation
New Plan Miscellaneous Males – Active Members**

Age Nearest Birthday		Completed Years of Service									Total	
		0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	Over 34			
15 to 24	Count	40	1	0	0	0	0	0	0	0	41	
	Total Earnings	1,996,546	49,202	0	0	0	0	0	0	0	2,045,747	
	Average Earnings	49,914	49,202	0	0	0	0	0	0	0	49,896	
25 to 29	Count	234	49	0	0	0	0	0	0	0	283	
	Total Earnings	13,083,551	2,604,896	0	0	0	0	0	0	0	15,688,447	
	Average Earnings	55,913	53,161	0	0	0	0	0	0	0	55,436	
30 to 34	Count	328	187	22	0	0	0	0	0	0	537	
	Total Earnings	20,756,809	12,550,986	1,417,305	0	0	0	0	0	0	34,725,100	
	Average Earnings	63,283	67,118	64,423	0	0	0	0	0	0	64,665	
35 to 39	Count	346	318	143	23	1	0	0	0	0	831	
	Total Earnings	24,125,309	22,556,716	10,179,611	1,516,221	110,023	0	0	0	0	58,487,881	
	Average Earnings	69,726	70,933	71,186	65,923	110,023	0	0	0	0	70,383	
40 to 44	Count	332	387	264	151	39	0	0	0	0	1,173	
	Total Earnings	23,632,247	28,190,859	20,827,006	11,323,410	2,464,248	0	0	0	0	86,437,770	
	Average Earnings	71,181	72,845	78,890	74,989	63,186	0	0	0	0	73,689	
45 to 49	Count	271	320	224	236	221	11	0	0	0	1,283	
	Total Earnings	18,181,706	22,907,576	16,373,268	18,506,311	15,820,383	935,801	0	0	0	92,725,045	
	Average Earnings	67,091	71,586	73,095	78,417	71,585	85,073	0	0	0	72,272	
50 to 54	Count	190	302	209	262	271	90	9	0	0	1,333	
	Total Earnings	13,003,934	21,864,060	15,259,689	19,587,255	20,605,598	7,439,917	570,105	0	0	98,330,558	
	Average Earnings	68,442	72,398	73,013	74,761	76,035	82,666	63,345	0	0	73,766	
55 to 59	Count	168	251	154	234	244	139	29	0	0	1,219	
	Total Earnings	11,653,491	17,917,188	10,919,205	17,641,341	17,767,688	12,635,461	2,548,569	0	0	91,082,941	
	Average Earnings	69,366	71,383	70,904	75,390	72,818	90,903	87,882	0	0	74,719	
60 to 64	Count	56	105	93	130	94	67	17	4	0	566	
	Total Earnings	3,915,263	7,485,455	6,299,404	9,244,911	6,582,751	5,174,850	1,508,332	428,984	0	40,639,948	
	Average Earnings	69,915	71,290	67,736	71,115	70,029	77,237	88,725	107,246	0	71,802	
65 to 69	Count	14	41	40	52	35	15	1	0	0	198	
	Total Earnings	853,082	2,587,550	2,853,797	3,653,943	2,288,205	1,034,357	66,278	0	0	13,337,211	
	Average Earnings	60,934	63,111	71,345	70,268	65,377	68,957	66,278	0	0	67,360	
Over 69	Count	16	10	23	18	10	10	1	0	0	88	
	Total Earnings	810,501	544,814	1,699,467	1,106,798	703,956	629,763	74,814	0	0	5,570,114	
	Average Earnings	50,656	54,481	73,890	61,489	70,396	62,976	74,814	0	0	63,297	
Total	Count	1,995	1,971	1,172	1,106	915	332	57	4	0	7,552	
	Total Earnings	132,012,439	139,259,302	85,828,752	82,580,189	66,342,851	27,850,148	4,768,097	428,984	0	539,070,762	
	Average Earnings	66,172	70,654	73,233	74,666	72,506	83,886	83,651	107,246	0	71,381	
		Average Age:			47.6			Average Service:			11.1	

San Francisco Employees' Retirement System July 1, 2005 Valuation
Total All Groups – Vested and Retired Members

Age Nearest Birthday		Vested	Retired and Beneficiary	Disabled
25 to 29	Count	46	18	0
	Total Benefit	264,209	446,858	0
	Average Benefit	5,744	24,825	0
30 to 34	Count	126	4	1
	Total Benefit	2,883,493	152,896	37,106
	Average Benefit	22,885	38,224	37,106
35 to 39	Count	339	12	4
	Total Benefit	14,479,938	119,252	151,277
	Average Benefit	42,714	9,938	37,819
40 to 44	Count	460	16	29
	Total Benefit	26,535,987	374,738	901,200
	Average Benefit	57,687	23,421	31,076
45 to 49	Count	598	70	89
	Total Benefit	50,568,410	1,403,398	2,734,792
	Average Benefit	84,563	20,049	30,728
50 to 54	Count	449	656	217
	Total Benefit	33,636,715	14,354,418	6,602,556
	Average Benefit	74,915	21,882	30,427
55 to 59	Count	383	1,670	439
	Total Benefit	21,422,702	55,827,012	17,928,914
	Average Benefit	55,934	33,429	40,840
60 to 64	Count	194	2,451	499
	Total Benefit	7,545,016	92,313,867	21,156,850
	Average Benefit	38,892	37,664	42,398
65 to 69	Count	86	2,918	362
	Total Benefit	1,166,523	98,256,018	14,677,407
	Average Benefit	13,564	33,672	40,545
70 to 74	Count	55	2,691	269
	Total Benefit	1,015,924	80,523,721	9,994,715
	Average Benefit	18,471	29,923	37,155
75 to 79	Count	41	2,556	263
	Total Benefit	488,961	71,132,351	9,638,736
	Average Benefit	11,926	27,830	36,649
Over 79	Count	56	4,513	346
	Total Benefit	699,421	97,358,835	11,760,287
	Average Benefit	12,490	21,573	33,989
Total	Count	2,833	17,575	2,518
	Total Benefit	160,707,297	512,263,364	95,583,840
	Average Benefit	56,727	29,147	37,960
Average Age		49.4	71.7	65.9

**San Francisco Employees' Retirement System July 1, 2005 Valuation
Old Plan Police – Vested and Retired Members**

Age Nearest Birthday		Vested	Retired and Beneficiary	Disabled
25 to 29	Count	0	2	0
	Total Benefit	0	120,241	0
	Average Benefit	0	60,120	0
30 to 34	Count	0	1	0
	Total Benefit	0	45,667	0
	Average Benefit	0	45,667	0
35 to 39	Count	0	0	1
	Total Benefit	0	0	52,630
	Average Benefit	0	0	52,630
40 to 44	Count	0	1	0
	Total Benefit	0	51,909	0
	Average Benefit	0	51,909	0
45 to 49	Count	0	10	0
	Total Benefit	0	291,050	0
	Average Benefit	0	29,105	0
50 to 54	Count	0	30	7
	Total Benefit	0	1,982,334	446,273
	Average Benefit	0	66,078	63,753
55 to 59	Count	0	177	61
	Total Benefit	0	13,006,394	3,836,336
	Average Benefit	0	73,482	62,891
60 to 64	Count	0	190	76
	Total Benefit	0	12,877,975	4,498,188
	Average Benefit	0	67,779	59,187
65 to 69	Count	0	182	63
	Total Benefit	0	11,170,868	3,157,130
	Average Benefit	0	61,378	50,113
70 to 74	Count	0	182	64
	Total Benefit	0	9,946,198	2,876,258
	Average Benefit	0	54,649	44,942
75 to 79	Count	0	233	72
	Total Benefit	0	12,211,911	3,102,586
	Average Benefit	0	52,412	43,091
Over 79	Count	0	374	64
	Total Benefit	0	15,296,116	2,740,731
	Average Benefit	0	40,899	42,824
Total	Count	0	1,382	408
	Total Benefit	0	77,000,663	20,710,131
	Average Benefit	0	55,717	50,760
Average Age		0	71.8	69.5

**San Francisco Employees' Retirement System July 1, 2005 Valuation
New Plan Police – Vested and Retired Members**

Age Nearest Birthday		Vested	Retired and Beneficiary	Disabled
25 to 29	Count	2	2	0
	Total Benefit	20,481	91,142	0
	Average Benefit	10,240	45,571	0
30 to 34	Count	7	1	1
	Total Benefit	278,872	81,935	37,106
	Average Benefit	39,839	81,935	37,106
35 to 39	Count	16	0	0
	Total Benefit	938,240	0	0
	Average Benefit	58,640	0	0
40 to 44	Count	13	3	5
	Total Benefit	880,258	137,442	156,328
	Average Benefit	67,712	45,814	31,266
45 to 49	Count	19	7	16
	Total Benefit	2,677,503	300,437	663,036
	Average Benefit	140,921	42,920	41,440
50 to 54	Count	18	37	28
	Total Benefit	1,052,811	1,545,892	1,210,635
	Average Benefit	58,489	41,781	43,237
55 to 59	Count	6	68	20
	Total Benefit	121,104	2,955,157	1,021,149
	Average Benefit	20,184	43,458	51,057
60 to 64	Count	3	56	5
	Total Benefit	11,056	2,417,355	191,610
	Average Benefit	3,685	43,167	38,322
65 to 69	Count	0	25	2
	Total Benefit	0	913,509	96,734
	Average Benefit	0	36,540	48,367
70 to 74	Count	0	9	1
	Total Benefit	0	291,326	55,499
	Average Benefit	0	32,370	55,499
75 to 79	Count	0	2	0
	Total Benefit	0	30,583	0
	Average Benefit	0	15,291	0
Over 79	Count	0	1	0
	Total Benefit	0	8,001	0
	Average Benefit	0	8,001	0
Total	Count	84	211	78
	Total Benefit	5,980,325	8,772,781	3,432,096
	Average Benefit	71,194	41,577	44,001
Average Age		44.8	58.6	52.7

**San Francisco Employees' Retirement System July 1, 2005 Valuation
Old Plan Fire – Vested and Retired Members**

Age Nearest Birthday		Vested	Retired and Beneficiary	Disabled
25 to 29	Count	0	1	0
	Total Benefit	0	53,049	0
	Average Benefit	0	53,049	0
30 to 34	Count	0	0	0
	Total Benefit	0	0	0
	Average Benefit	0	0	0
35 to 39	Count	0	1	0
	Total Benefit	0	3,401	0
	Average Benefit	0	3,401	0
40 to 44	Count	0	3	0
	Total Benefit	0	108,615	0
	Average Benefit	0	36,205	0
45 to 49	Count	0	3	0
	Total Benefit	0	95,424	0
	Average Benefit	0	31,808	0
50 to 54	Count	0	22	4
	Total Benefit	0	981,624	288,251
	Average Benefit	0	44,619	72,063
55 to 59	Count	1	150	75
	Total Benefit	1,392	11,215,685	5,623,614
	Average Benefit	1,392	74,771	74,982
60 to 64	Count	1	160	130
	Total Benefit	1,581	11,669,904	9,311,218
	Average Benefit	1,581	72,937	71,625
65 to 69	Count	0	101	108
	Total Benefit	0	6,341,400	7,205,942
	Average Benefit	0	62,786	66,722
70 to 74	Count	0	106	67
	Total Benefit	0	6,188,242	4,567,034
	Average Benefit	0	58,380	68,165
75 to 79	Count	0	157	73
	Total Benefit	0	8,850,747	4,669,228
	Average Benefit	0	56,374	63,962
Over 79	Count	0	397	130
	Total Benefit	0	17,612,403	6,769,164
	Average Benefit	0	44,364	52,070
Total	Count	2	1,101	587
	Total Benefit	2,974	63,120,493	38,434,450
	Average Benefit	1,487	57,330	65,476
Average Age		59.5	73.1	70.2

**San Francisco Employees' Retirement System July 1, 2005 Valuation
New Plan Fire – Vested and Retired Members**

Age Nearest Birthday		Vested	Retired and Beneficiary	Disabled
25 to 29	Count	0	2	0
	Total Benefit	0	48,301	0
	Average Benefit	0	24,151	0
30 to 34	Count	0	0	0
	Total Benefit	0	0	0
	Average Benefit	0	0	0
35 to 39	Count	5	0	1
	Total Benefit	203,921	0	44,322
	Average Benefit	40,784	0	44,322
40 to 44	Count	12	0	5
	Total Benefit	889,526	0	233,652
	Average Benefit	74,127	0	46,730
45 to 49	Count	5	5	18
	Total Benefit	661,250	197,861	875,845
	Average Benefit	132,250	39,572	48,658
50 to 54	Count	0	16	19
	Total Benefit	0	874,298	937,594
	Average Benefit	0	54,644	49,347
55 to 59	Count	1	47	15
	Total Benefit	18,056	3,028,178	893,554
	Average Benefit	18,056	64,429	59,570
60 to 64	Count	0	33	22
	Total Benefit	0	1,909,435	1,180,178
	Average Benefit	0	57,862	53,644
65 to 69	Count	0	15	9
	Total Benefit	0	607,143	398,044
	Average Benefit	0	40,476	44,227
70 to 74	Count	0	2	0
	Total Benefit	0	47,743	0
	Average Benefit	0	23,872	0
75 to 79	Count	0	1	0
	Total Benefit	0	41,351	0
	Average Benefit	0	41,351	0
Over 79	Count	0	2	0
	Total Benefit	0	20,942	0
	Average Benefit	0	10,471	0
Total	Count	23	123	89
	Total Benefit	1,772,754	6,775,252	4,563,190
	Average Benefit	77,076	55,083	51,272
Average Age		43.2	58.9	54.9

**San Francisco Employees' Retirement System July 1, 2005 Valuation
Old Plan Muni – Vested and Retired Members**

Age Nearest Birthday		Vested	Retired and Beneficiary	Disabled
25 to 29	Count	0	0	0
	Total Benefit	0	0	0
	Average Benefit	0	0	0
30 to 34	Count	0	0	0
	Total Benefit	0	0	0
	Average Benefit	0	0	0
35 to 39	Count	0	2	0
	Total Benefit	0	16,667	0
	Average Benefit	0	8,334	0
40 to 44	Count	0	1	0
	Total Benefit	0	10,076	0
	Average Benefit	0	10,076	0
45 to 49	Count	0	8	0
	Total Benefit	0	85,433	0
	Average Benefit	0	10,679	0
50 to 54	Count	0	15	1
	Total Benefit	0	252,104	24,388
	Average Benefit	0	16,807	24,388
55 to 59	Count	1	49	17
	Total Benefit	385,690	1,165,289	546,570
	Average Benefit	385,690	23,781	32,151
60 to 64	Count	1	145	47
	Total Benefit	162,119	6,617,268	1,395,404
	Average Benefit	162,119	45,636	29,689
65 to 69	Count	0	189	49
	Total Benefit	0	8,818,751	1,171,463
	Average Benefit	0	46,660	23,907
70 to 74	Count	1	126	41
	Total Benefit	116,663	4,006,423	815,263
	Average Benefit	116,663	31,797	19,884
75 to 79	Count	0	108	14
	Total Benefit	0	2,693,116	277,610
	Average Benefit	0	24,936	19,829
Over 79	Count	0	166	19
	Total Benefit	0	2,956,851	349,759
	Average Benefit	0	17,812	18,408
Total	Count	3	809	188
	Total Benefit	664,473	26,621,979	4,580,457
	Average Benefit	221,491	32,907	24,364
Average Age		63.7	70.7	68.3

**San Francisco Employees' Retirement System July 1, 2005 Valuation
Old Plan Craft – Vested and Retired Members**

Age Nearest Birthday		Vested	Retired and Beneficiary	Disabled
25 to 29	Count	0	0	0
	Total Benefit	0	0	0
	Average Benefit	0	0	0
30 to 34	Count	0	0	0
	Total Benefit	0	0	0
	Average Benefit	0	0	0
35 to 39	Count	0	0	0
	Total Benefit	0	0	0
	Average Benefit	0	0	0
40 to 44	Count	0	0	0
	Total Benefit	0	0	0
	Average Benefit	0	0	0
45 to 49	Count	0	1	0
	Total Benefit	0	10,790	0
	Average Benefit	0	10,790	0
50 to 54	Count	0	2	1
	Total Benefit	0	95,109	47,338
	Average Benefit	0	47,554	47,338
55 to 59	Count	0	37	8
	Total Benefit	0	1,252,966	255,844
	Average Benefit	0	33,864	31,981
60 to 64	Count	0	98	13
	Total Benefit	0	4,328,787	376,668
	Average Benefit	0	44,171	28,974
65 to 69	Count	0	127	14
	Total Benefit	0	5,947,811	436,147
	Average Benefit	0	46,833	31,153
70 to 74	Count	0	149	21
	Total Benefit	0	6,235,793	456,397
	Average Benefit	0	41,851	21,733
75 to 79	Count	1	155	19
	Total Benefit	81,650	5,595,813	350,332
	Average Benefit	81,650	36,102	18,439
Over 79	Count	0	335	21
	Total Benefit	0	9,517,016	447,498
	Average Benefit	0	28,409	21,309
Total	Count	1	904	97
	Total Benefit	81,650	32,984,085	2,370,224
	Average Benefit	81,650	36,487	24,435
Average Age		75	75.2	72

San Francisco Employees' Retirement System July 1, 2005 Valuation
 Old Plan Miscellaneous Females – Vested and Retired Members

Age: Nearest Birthday		Vested	Retired and Beneficiary	Disabled
25 to 29	Count	0	1	0
	Total Benefit	0	14,658	0
	Average Benefit	0	14,658	0
30 to 34	Count	0	0	0
	Total Benefit	0	0	0
	Average Benefit	0	0	0
35 to 39	Count	0	4	0
	Total Benefit	0	43,140	0
	Average Benefit	0	10,785	0
40 to 44	Count	0	3	0
	Total Benefit	0	25,282	0
	Average Benefit	0	8,427	0
45 to 49	Count	1	8	0
	Total Benefit	854	117,241	0
	Average Benefit	854	14,655	0
50 to 54	Count	9	48	6
	Total Benefit	362,601	921,660	187,428
	Average Benefit	40,289	19,201	31,238
55 to 59	Count	38	164	25
	Total Benefit	1,697,065	4,374,421	737,764
	Average Benefit	44,660	26,673	29,511
60 to 64	Count	48	454	45
	Total Benefit	1,449,439	15,563,744	1,153,758
	Average Benefit	30,197	34,281	25,639
65 to 69	Count	17	581	29
	Total Benefit	278,027	18,506,574	574,522
	Average Benefit	16,355	31,853	19,811
70 to 74	Count	16	627	29
	Total Benefit	564,885	16,209,139	465,352
	Average Benefit	35,305	25,852	16,047
75 to 79	Count	12	756	55
	Total Benefit	93,310	15,642,846	747,570
	Average Benefit	7,776	20,692	13,592
Over 79	Count	18	1,993	84
	Total Benefit	355,715	27,306,659	995,882
	Average Benefit	19,762	13,701	11,856
Total	Count	159	4,639	273
	Total Benefit	4,801,896	98,725,362	4,862,276
	Average Benefit	30,201	21,282	17,811
Average Age		65.1	76.6	73.1

**San Francisco Employees' Retirement System July 1, 2005 Valuation
Old Plan Miscellaneous Males – Vested and Retired Members**

Age Nearest Birthday		Vested	Retired and Beneficiary	Disabled
25 to 29	Count	0	4	0
	Total Benefit	0	48,472	0
	Average Benefit	0	12,118	0
30 to 34	Count	0	1	0
	Total Benefit	0	5,730	0
	Average Benefit	0	5,730	0
35 to 39	Count	0	0	0
	Total Benefit	0	0	0
	Average Benefit	0	0	0
40 to 44	Count	0	0	0
	Total Benefit	0	0	0
	Average Benefit	0	0	0
45 to 49	Count	1	0	0
	Total Benefit	2,786	0	0
	Average Benefit	2,786	0	0
50 to 54	Count	12	25	5
	Total Benefit	524,401	278,731	112,109
	Average Benefit	43,700	11,149	22,422
55 to 59	Count	35	155	25
	Total Benefit	938,901	3,846,766	735,978
	Average Benefit	26,826	24,818	29,439
60 to 64	Count	29	336	42
	Total Benefit	1,801,540	14,968,864	1,028,217
	Average Benefit	62,122	44,550	24,481
65 to 69	Count	18	519	47
	Total Benefit	144,957	21,168,628	1,040,978
	Average Benefit	8,053	40,787	22,148
70 to 74	Count	14	541	33
	Total Benefit	139,250	20,984,019	606,459
	Average Benefit	9,946	38,787	18,378
75 to 79	Count	10	544	28
	Total Benefit	98,977	17,471,485	468,813
	Average Benefit	9,898	32,117	16,743
Over 79	Count	25	884	28
	Total Benefit	181,909	20,537,270	457,254
	Average Benefit	7,276	23,232	16,330
Total	Count	144	3,009	208
	Total Benefit	3,832,721	99,309,965	4,449,807
	Average Benefit	26,616	33,004	21,393
Average Age		66.4	74	68.9

San Francisco Employees' Retirement System July 1, 2005 Valuation
New Plan Muni – Vested and Retired Members

Age Nearest Birthday		Vested	Retired and Beneficiary	Disabled
25 to 29	Count	0	0	0
	Total Benefit	0	0	0
	Average Benefit	0	0	0
30 to 34	Count	5	0	0
	Total Benefit	20,296	0	0
	Average Benefit	4,059	0	0
35 to 39	Count	5	0	0
	Total Benefit	14,753	0	0
	Average Benefit	2,951	0	0
40 to 44	Count	25	0	0
	Total Benefit	314,689	0	0
	Average Benefit	12,588	0	0
45 to 49	Count	33	5	2
	Total Benefit	777,446	44,720	35,295
	Average Benefit	23,559	8,944	17,648
50 to 54	Count	33	43	15
	Total Benefit	1,068,648	515,625	309,246
	Average Benefit	32,383	11,991	20,616
55 to 59	Count	23	78	37
	Total Benefit	717,052	1,188,397	657,689
	Average Benefit	31,176	15,236	17,775
60 to 64	Count	11	70	23
	Total Benefit	164,458	1,562,946	360,481
	Average Benefit	14,951	22,328	15,673
65 to 69	Count	6	88	7
	Total Benefit	3,560	1,548,402	106,936
	Average Benefit	593	17,595	15,277
70 to 74	Count	1	62	4
	Total Benefit	3,824	1,054,400	48,871
	Average Benefit	3,824	17,006	12,218
75 to 79	Count	2	20	0
	Total Benefit	1,171	303,134	0
	Average Benefit	585	15,157	0
Over 79	Count	0	8	0
	Total Benefit	0	96,538	0
	Average Benefit	0	12,067	0
Total	Count	144	374	88
	Total Benefit	3,085,895	6,314,163	1,518,519
	Average Benefit	21,430	16,883	17,256
Average Age		50.5	63.7	58.7

**San Francisco Employees' Retirement System July 1, 2005 Valuation
New Plan Craft – Vested and Retired Members**

Age Nearest Birthday		Vested	Retired and Beneficiary	Disabled
25 to 29	Count	0	0	0
	Total Benefit	0	0	0
	Average Benefit	0	0	0
30 to 34	Count	5	0	0
	Total Benefit	57,967	0	0
	Average Benefit	11,593	0	0
35 to 39	Count	14	0	1
	Total Benefit	861,821	0	26,718
	Average Benefit	61,559	0	26,718
40 to 44	Count	24	1	5
	Total Benefit	1,777,329	4,520	103,204
	Average Benefit	74,055	4,520	20,641
45 to 49	Count	42	2	9
	Total Benefit	4,028,076	9,495	192,036
	Average Benefit	95,907	4,748	21,337
50 to 54	Count	18	33	20
	Total Benefit	1,679,886	632,954	472,444
	Average Benefit	93,327	19,180	23,622
55 to 59	Count	9	87	30
	Total Benefit	718,094	1,929,390	658,298
	Average Benefit	79,788	22,177	21,943
60 to 64	Count	8	117	28
	Total Benefit	398,128	3,153,976	509,325
	Average Benefit	49,766	26,957	18,190
65 to 69	Count	2	152	7
	Total Benefit	631	3,921,861	123,167
	Average Benefit	315	25,802	17,595
70 to 74	Count	1	146	1
	Total Benefit	3,585	3,138,534	12,132
	Average Benefit	3,585	21,497	12,132
75 to 79	Count	2	81	0
	Total Benefit	94,655	1,291,216	0
	Average Benefit	47,327	15,941	0
Over 79	Count	2	54	0
	Total Benefit	2,781	835,580	0
	Average Benefit	1,391	15,474	0
Total	Count	127	673	101
	Total Benefit	9,622,952	14,917,526	2,097,324
	Average Benefit	75,771	22,166	20,766
Average Age		48.4	67.7	56.2

**San Francisco Employees' Retirement System July 1, 2005 Valuation
New Plan Miscellaneous Females – Vested and Retired Members**

Age Nearest Birthday		Vested	Retired and Beneficiary	Disabled
25 to 29	Count	22	5	0
	Total Benefit	111,871	63,939	0
	Average Benefit	5,085	12,788	0
30 to 34	Count	72	1	0
	Total Benefit	1,797,789	19,563	0
	Average Benefit	24,969	19,563	0
35 to 39	Count	165	4	0
	Total Benefit	7,445,468	47,912	0
	Average Benefit	45,124	11,978	0
40 to 44	Count	220	4	10
	Total Benefit	13,786,545	36,893	299,887
	Average Benefit	62,666	9,223	29,989
45 to 49	Count	295	15	29
	Total Benefit	26,735,555	157,059	632,623
	Average Benefit	90,629	10,471	21,815
50 to 54	Count	215	223	70
	Total Benefit	17,792,429	3,656,902	1,634,025
	Average Benefit	82,755	16,399	23,343
55 to 59	Count	142	373	72
	Total Benefit	8,186,166	6,693,645	1,701,565
	Average Benefit	57,649	17,945	23,633
60 to 64	Count	44	483	49
	Total Benefit	1,508,455	10,231,768	826,180
	Average Benefit	34,283	21,184	16,861
65 to 69	Count	16	583	21
	Total Benefit	105,252	11,610,895	287,022
	Average Benefit	6,578	19,916	13,668
70 to 74	Count	14	441	6
	Total Benefit	99,916	6,886,523	59,347
	Average Benefit	7,137	15,616	9,891
75 to 79	Count	10	301	1
	Total Benefit	111,561	3,759,805	7,130
	Average Benefit	11,156	12,491	7,130
Over 79	Count	6	191	0
	Total Benefit	102,108	1,847,195	0
	Average Benefit	17,018	9,671	0
Total	Count	1,221	2,624	258
	Total Benefit	77,783,114	45,012,099	5,447,779
	Average Benefit	63,704	17,154	21,115
Average Age		47	66.3	56.1

**San Francisco Employees' Retirement System July 1, 2005 Valuation
New Plan Miscellaneous Males – Vested and Retired Members**

Age Nearest Birthday		Vested	Retired and Beneficiary	Disabled
25 to 29	Count	22	1	0
	Total Benefit	131,858	7,056	0
	Average Benefit	5,994	7,056	0
30 to 34	Count	37	0	0
	Total Benefit	728,570	0	0
	Average Benefit	19,691	0	0
35 to 39	Count	134	1	1
	Total Benefit	5,015,735	8,133	27,607
	Average Benefit	37,431	8,133	27,607
40 to 44	Count	166	0	4
	Total Benefit	8,887,640	0	108,129
	Average Benefit	53,540	0	27,032
45 to 49	Count	202	6	15
	Total Benefit	15,684,940	93,887	335,956
	Average Benefit	77,648	15,648	22,397
50 to 54	Count	144	162	41
	Total Benefit	11,155,939	2,617,186	932,825
	Average Benefit	77,472	16,155	22,752
55 to 59	Count	127	285	54
	Total Benefit	8,639,182	5,170,723	1,260,555
	Average Benefit	68,025	18,143	23,344
60 to 64	Count	49	309	19
	Total Benefit	2,048,237	7,011,843	325,623
	Average Benefit	41,801	22,692	17,138
65 to 69	Count	27	356	6
	Total Benefit	634,097	7,700,176	79,321
	Average Benefit	23,485	21,630	13,220
70 to 74	Count	8	300	2
	Total Benefit	87,801	5,535,381	32,103
	Average Benefit	10,975	18,451	16,051
75 to 79	Count	4	198	1
	Total Benefit	7,637	3,240,345	15,467
	Average Benefit	1,909	16,365	15,467
Over 79	Count	5	108	0
	Total Benefit	56,907	1,324,265	0
	Average Benefit	11,381	12,262	0
Total	Count	925	1,726	143
	Total Benefit	53,078,542	32,708,995	3,117,586
	Average Benefit	57,382	18,951	21,801
Average Age		47.7	65.9	55.4



**TOWERS
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HR SERVICES

San Francisco City & County Employees' Retirement System

Actuarial Report for Plan Year Beginning July 1, 2005

January 10, 2006

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Overview

- Valuation date of July 1, 2005
- Valuation provides basis for:
 - Measuring actuarial liabilities
 - Measuring the value of benefits accruing during fiscal year
 - *Measuring assets*
 - Determining contributions for fiscal year July 1, 2006 through June 30, 2007
 - Determining funded status at valuation date
 - Complying with legal and accounting requirements
- Calculation projects expected events for 60 to 80 years in the future

Changes Since 2004

- Demographic assumption/method changes
 - Updated disability mortality assumption from experience study
 - Future reciprocals anticipated from actives who terminate in the future
 - Use of actual credited service
 - Treatment of disability decrements
 - Mid-year decrements
- Additional experience from last year
 - Asset loss on prior Actuarial Value of Asset (AVA) smoothing method
 - Lower than expected pay increases
 - Large increase in Miscellaneous retirements
- Plan Provisions same as last year, except for:
 - 2004 Prop E—New Safety Line of Duty death
 - 2003 Prop F—Incentive recognized if in data as of June 30, 2005
 - Supplemental COLA of 3% as of July 1, 2005
- Change in asset valuation method to smooth total return greater than or less than 8% expected on AVA. Transition approach used July 1, 2004 market value

Active Member Data

	<u>July 1, 2004</u>	<u>July 1, 2005</u>	<u>Change</u>
■ Number of Actives			
■ Police	2,183	2,093	-4.1%
■ Firefighter	1,663	1,632	-1.9%
■ Miscellaneous/Other	27,805	25,439	-8.5%
■ Average Age	47.3	47.3	+0.0 yrs.
■ Average Service	12.8	12.5	-0.3 yrs.
■ Payroll (\$billions)	\$2.155	\$2.053	-4.7%
■ Average Salary	\$68,094	\$70,390	+3.4%

Retired Member Data

	<u>July 1, 2004</u>	<u>July 1, 2005</u>	<u>Change</u>
■ Number of Retired & Survivors			
■ Police	2,050	2,079	+1.4%
■ Firefighter	1,856	1,900	+2.4%
■ Miscellaneous/Other	15,175	16,414	+6.2%
■ Average Age	71.2	70.9	-0.3 yrs.
■ Average Monthly Benefit	\$2,193	\$2,530	+15.0%

Summary of Results

Funded Status (\$millions)	<u>July 1, 2004</u>	<u>July 1, 2005</u>	
		<u>Before Changes</u>	<u>After Changes</u>
■ Market Value of Assets	\$11,907	\$13,135	\$13,135
■ Actuarial Value of Assets	\$11,300	\$11,351	\$12,660
■ Actuarial Accrued Liability	\$10,885	\$11,777	\$11,766
■ Funded Ratio	104%	96%	108%
Contribution Development (as % of payroll)			
■ Normal Cost	15.06%	15.11%	16.56%
■ Amortization of UAAL			
■ Gains/Losses	(4.51%)	(1.16%)	(6.78%)
■ Charter Amendments/Propositions	3.10%	3.27%	3.53%
■ Member Contributions	(7.52%)	(7.52%)	(7.52%)
■ Expenses	<u>0.45%</u>	<u>0.45%</u>	<u>0.45%</u>
■ Total	6.58%	10.15%	6.24%

Distributions of Normal Cost

Type of Benefit	Percent of Payroll as of July 1, 2005			
	Police	Fire	Miscellaneous	Composite
Service retirement	15.58%	12.22%	10.36%	10.98%
Disability	5.29	13.70	0.99	2.30
Death	0.88	0.86	0.40	0.48
Withdrawal	<u>1.19</u>	<u>1.00</u>	<u>3.13</u>	<u>2.80</u>
Total	22.94%	27.78%	14.88%	16.56%

Reconciliation of Contribution Rate (as a % of Payroll)

	Valuation as of July 1, 2005
July 1, 2004 contribution rate	6.58%
Normal operations	0.43
Liability (gain)/loss	1.00
Asset (gain)/loss:	
■ Actual vs. expected cash flow	0.04
■ Return on assets	2.11
■ Change in asset method	<u>-5.16</u>
■ Subtotal	-3.01
Propositions	0.11
Assumption/method changes and Supplemental COLA	<u>1.13</u>
Recommended/adopted City contribution rate for following year	6.24%

Reconciliation of Unfunded Actuarial Accrued Liability Information from Last Year to This Year (\$'s millions)

■ Unfunded/(surplus) Actuarial Accrued Liability (UAAL) on July 1, 2004	\$(414.5)
■ Normal cost	324.6
■ Contributions	(248.0)
■ Interest (on above)	(17.1)
■ Liability (gain)/loss	248.5
■ Asset (gain)/loss on prior method	532.2
■ July 1, 2005 UAAL before changes	425.7
■ Change in asset valuation method	(1,308.3)
■ Liability assumption, method, data changes and Supplemental COLA	(43.6)
■ Propositions	32.2
■ July 1, 2005 UAAL with all changes	(894.0)

Summary and Future Developments

- Plan remains overfunded
- Data clean-up more than offsets net increases in the Actuarial Accrued Liability due to assumption, method and design changes
- 6.24% City contribution recommended for 2006/2007 recognizes continued overfunded status
- Deferred asset gains to be smoothed in over five years expected to decrease recommended contributions by up to 0.5% of payroll per year for the next couple of years, assuming experience matches assumptions, market value of assets earn 8% and ignoring any changes in design, assumptions or methods
- Disregarding past propositions, long-term expected City contributions of about 9.5% of payroll (normal cost plus expenses minus member contributions)—assuming no design, assumption or method changes and experience matches assumptions