

**City and County of San Francisco
Employees' Retirement System**

**July 1, 2009
Actuarial Valuation**

Produced by [Cheiron](#)

January 2010

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LETTER OF TRANSMITTAL

January 4, 2010

Retirement Board of the City and County of
 San Francisco Employees' Retirement System
 c/o Mr. Gary A. Amelio, Executive Director
 30 Van Ness Avenue, Suite 3000
 San Francisco, CA 94102

Dear Members of the Board:

At your request, we performed the July 1, 2009 actuarial valuation of the City and County of San Francisco Employees' Retirement System (SFERS). The valuation results with respect to SFERS are contained in this report.

The table below presents the key results of the 2009 valuation for the SFERS.

Table I-1		
City and County of San Francisco Employees' Retirement System		
Valuation Date	July 1, 2009	July 1, 2008
Fiscal Year	2010/2011	2009/2010
Unfunded Actuarial Liability/(Surplus)	\$ 493.9 mil.	\$ (582.6) mil.
Funding Ratio (actuarial value of assets)	97.0%	103.8%
Net Employer Contribution Rate	13.56%	9.49%

- *Unfunded Actuarial Liability (UAL)/Surplus:* SFERS' surplus has decreased by \$1,076.5 million. The primary cause of this decrease is the investment experience during the 12 months ended June 30, 2009.
- *Funding Ratio:* The ratio of the actuarial value of assets to actuarial liabilities declined since the last valuation from 103.8% to 97.0%. The actuarial value of assets is smoothed in order to mitigate the impact of investment performance volatility on employer contribution rates. Without the asset smoothing, the ratio of the market value of assets to actuarial liabilities declined from 103.1% to 72.3%.
- *Net Employer Contribution Rate:* Represents the recommended contribution rate to be made by the Employer as a percent of covered payroll. The increase of 4.07% is primarily attributable to the investment experience. Because assets are smoothed and the full investment losses from the last fiscal year have not been recognized yet, the contribution rate is expected to increase for the next four years assuming investment returns are 7.75% per year and all other actuarial assumptions are met.

More details on the plan experience for the past year, including the changes listed above and their impact on these July 1, 2009 valuation results can be found in our report which follows.



We certify that, to the best of our knowledge, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board, and that as Members of the American Academy of Actuaries, we meet the Qualification Standards to render the opinion contained in this report. In preparing our report, we relied without audit, on information supplied by SFERS' staff. This information includes, but is not limited to, plan provisions, employee data, and financial information.

Finally, it's important to note that this valuation, which was prepared using census data and financial information as of July 1, 2009, does not reflect any subsequent changes in the membership profile and the investment markets.

Sincerely,
Cheiron

Gene Kalwarski, FSA, FCA, EA, MAAA
Consulting Actuary

William R. Hallmark, ASA, FCA, EA, MAAA
Consulting Actuary

SECTION I
BOARD SUMMARY

The primary purpose of this actuarial valuation is to report, as of the valuation date, on the following:

- The financial condition of the City and County of San Francisco Employees' Retirement System (SFERS),
- Past and expected trends in the financial condition of SFERS,
- The Employer's contribution rate for the Fiscal Year Ending June 30, 2011, and
- Information required by the Governmental Accounting Standards Board (GASB).

In this Section, we present a summary of the principal valuation results. This includes the basis upon which the July 1, 2009 valuation was completed and an examination of the current financial condition of SFERS. In addition, we present a review of the key historical trends followed by the projected financial outlook for SFERS.

A. Valuation Basis

SFERS funding policy sets employer contributions equal to the sum of normal cost under the Entry Age Normal Cost Method, plus amortization of changes in the unfunded actuarial liabilities due to assumption changes and actuarial gains and losses over 15 year periods, plus amortization of Proposition costs over 20 year periods.

There have been no changes in the actuarial assumptions or methods since the last actuarial valuation report.

Certain airport police have transferred service from CalPERS to SFERS this year. While the service transferred has not been included in the data provided for this valuation, the associated asset transfer has been included in this valuation along with an additional liability equal to the assets transferred.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
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**SECTION I
BOARD SUMMARY**

B. Current Financial Condition of SFERS

On the following pages, we summarize the key results of the July 1, 2009 valuation and how they compare to the results from the July 1, 2008 valuation.

1. SFERS Membership:

As shown in Table I-2 below, total membership in SFERS remained relatively level from 2008 to 2009. Active membership decreased 2.4%, terminated vested membership increased 5.1% and retiree membership increased 4.8%. Total payroll increased by 3.6%, and the average pay per active member increased by 5.9%.

Item	July 1, 2009	July 1, 2008	% Change
Actives	29,919	30,650	-2.4%
Active DROP	56	-	N/A
Terminated Vested	4,986	4,746	5.1%
Disabled	2,669	2,630	1.5%
Retirees	15,868	15,147	4.8%
Beneficiaries	<u>3,757</u>	<u>3,737</u>	<u>0.5%</u>
Total SFERS Members	57,255	56,910	0.6%
Active Member and DROP Payroll	\$2,544,939,324	\$ 2,457,196,188	3.6%
Avg Pay per Active/DROP Members	84,902	80,170	5.9%

2. SFERS Assets and Liabilities:

Table I-3 on the following page presents a comparison between the July 1, 2009 and July 1, 2008 SFERS assets, liabilities, UAL, and funding ratios.

The key results shown in Table I-3 indicate that the total actuarial liability increased 7.4% and the market value of assets decreased by 24.7%. SFERS employs an asset smoothing method which dampens investment market volatility. For this year the smoothed value of assets (called the actuarial value of assets) increased by 0.4%. Finally, SFERS' overall funding (actuarial value of assets less actuarial liabilities) decreased from a surplus of \$0.58 billion to a deficit of \$0.49 billion, resulting in a decrease in the funding ratio from 103.8% to 97.0%. Based on the market value of assets, the funding ratio decreased from 103.1% to 72.3%.

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BOARD SUMMARY**

Table I-3 City and County of San Francisco Employees' Retirement System Assets & Liabilities (in millions)			
Item	July 1, 2009	July 1, 2008	% Change
Actives	\$ 7,377.9	\$ 7,055.2	4.6%
Active DROP	93.0	-	N/A
Terminated Vested	307.7	290.1	6.1%
Disabled	1,624.4	1,493.6	8.8%
Retirees	6,256.4	5,740.1	9.0%
Beneficiaries	<u>839.2</u>	<u>779.8</u>	<u>7.6%</u>
Total Actuarial Accrued Liability	\$ 16,498.6	\$ 15,358.8	7.4%
Market Value Assets*	\$ 11,924.5	\$ 15,832.5	-24.7%
Actuarial Value Assets	16,004.7	15,941.4	0.4%
Unfunded Actuarial Liability	\$ 493.9	\$ (582.6)	-184.8%
Funding Ratio - Actuarial Value	97.0%	103.8%	-6.8%

* The Market Value as of July 1, 2008 differs slightly from last years report due to a change in administrative expenses reported in the final asset statements.

3. Components of Surplus Decrease between July 1, 2008 and July 1, 2009:

As mentioned earlier, the surplus of \$582.6 million became a deficit of \$493.9 million this year, representing a decrease this year of \$1,076.5 million. Table I-4 presents the specific components of this change in the Surplus.

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The key findings in Table I-4 are that the investment experience reduced funding by \$722.7 million, and liability experience losses decreased funding an additional \$235.8 million.

Table I-4	
City and County of San Francisco Employees' Retirement System	
Decrease in Surplus	
Experience	in millions
1. Surplus decrease due to investment loss	\$ (722.7)
2. Surplus decrease due to overall liability loss	(235.8)
3. Surplus increase due to contributions higher than expected	12.5
4. Expected change in Surplus	<u>(130.5)</u>
5. Total change in Surplus	\$ (1,076.5)

4. SFERS Contributions:

Table I-5 shows that the SFERS contribution rate for FY 2011, measured as a percent of membership payroll, increased from 9.49% to 15.04%.

Table I-5			
City and County of San Francisco Employees' Retirement System – Contributions			
Item	July 1, 2009	July 1, 2008	%Change
1. Gross Normal Cost %	18.18%	18.16%	0.02%
2. Member Cost %	<u>7.51%</u>	<u>7.50%</u>	<u>0.01%</u>
3. Employer Normal Cost %	10.67%	10.66%	0.01%
4. Amortization of Remaining UAL %	-3.09%	-7.03%	3.94%
5. Amortization of Propositions UAL %	<u>5.53%</u>	<u>5.41%</u>	<u>0.12%</u>
6. Total Employer Unfunded Liability Cost %	2.44%	-1.62%	4.06%
7. Expenses %	<u>0.45%</u>	<u>0.45%</u>	<u>0.00%</u>
8. Net Employer Contribution Rate: (3 + 6 + 7)	13.56%	9.49%	4.07%

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Table I-6 shows sources for the change in the net employer contribution rate. The contribution rate increase is primarily attributable to the investment experience.

Table I-6 City and County of San Francisco Employees' Retirement System Contribution Reconciliation			
Item	Total	Normal Cost	Amortization
2008 Net Employer Contribution Rate*	9.49%	11.11%	-1.62%
Change due to asset loss	2.41%	0.00%	2.41%
Change due to COLAs more than expected	0.61%	0.00%	0.61%
Change due to retirements	0.42%	0.00%	0.42%
Other	<u>0.63%</u>	<u>0.01%</u>	<u>0.62%</u>
2009 Net Employer Contribution Rate*	13.56%	11.12%	2.44%

* Includes expenses.

In Section IV of this report, we provide more detail on the development of this contribution rate.

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**SECTION I
 BOARD SUMMARY**

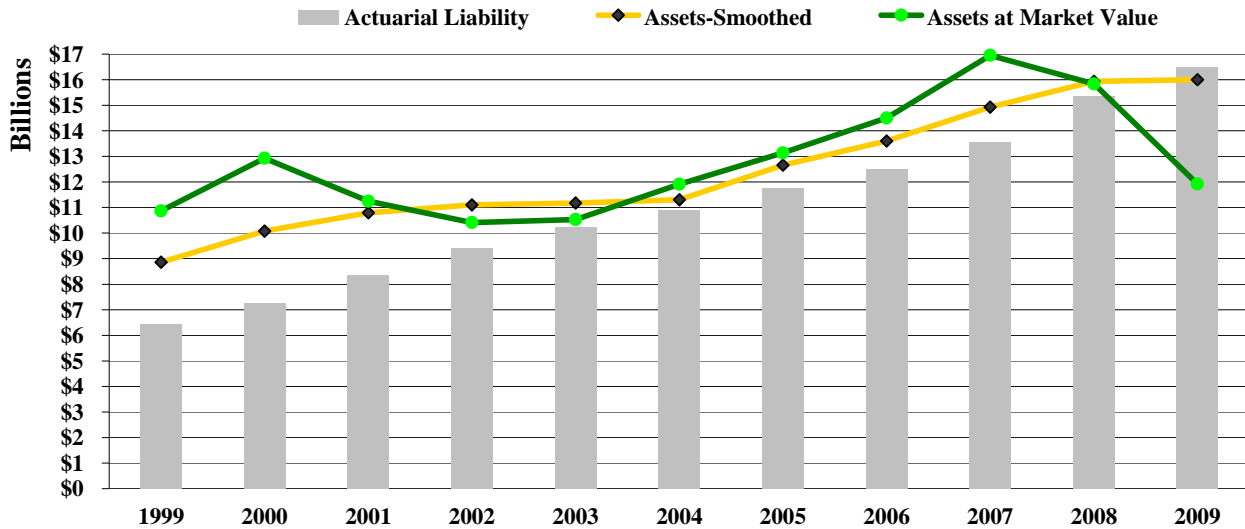
C. Historical Trends

Despite the fact that most of the attention given to the valuation is with respect to the most recently computed unfunded actuarial liability, funding ratio, and SFERS contribution rate, it is important to remember that each valuation is merely a snapshot of the long-term progress of a pension fund. It is more important to judge a current year's valuation result relative to historical trends, as well as trends expected into the future.

In the chart below, we present the historical trends for assets (both market and smoothed) versus actuarial liabilities, and also show the progress of SFERS' funding ratios since 1999.

SFERS- Assets and Liabilities 1999-2009

City and County of San Francisco Employees' Retirement System



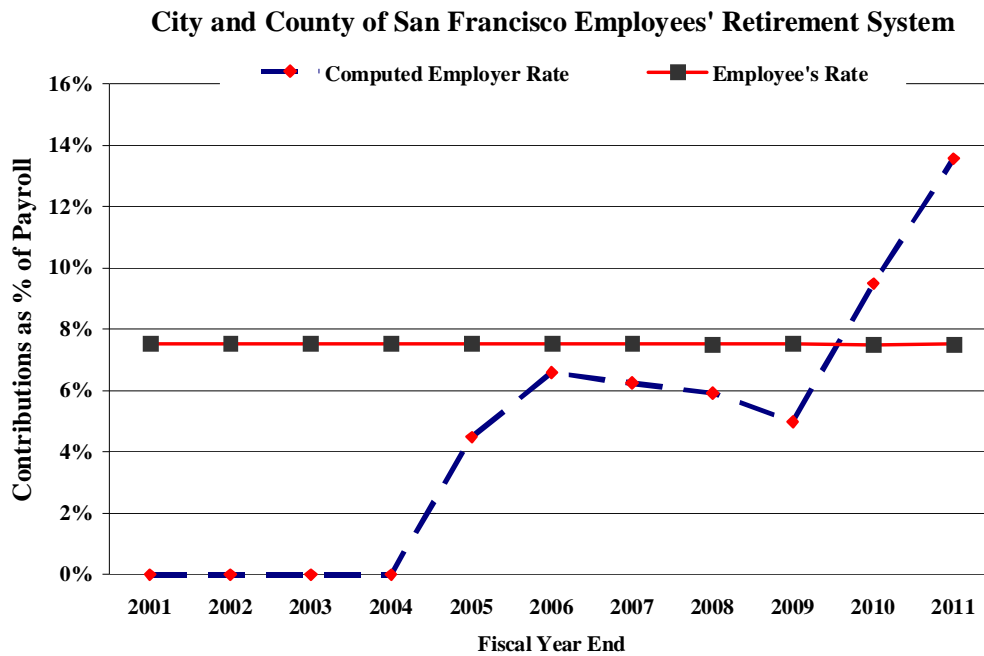
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Funded Ratio	137.8%	138.8%	129.0%	117.9%	109.0%	103.8%	107.6%	108.6%	110.2%	103.8%	97.0%
UAL/(Surplus)	\$ (2.43)	\$ (2.82)	\$ (2.43)	\$ (1.69)	\$ (0.92)	\$ (0.41)	\$ (0.89)	\$ (1.08)	\$ (1.39)	\$ (0.58)	\$ 0.49

The chart above indicates that from 1999 to 2000, SFERS maintained a strong and improving funding ratio. Then from 2000 to 2004, the funding ratio declined but remained in a surplus status with the low point being in 2004 at 103.8%. From 2004 to 2007, the ratio improved, primarily due to strong asset performance. In 2008, the ratio declined slightly primarily due to Proposition B and assumption changes. In 2009, the ratio further declined due primarily to investment experience. Based on the current difference between the market value of assets and the actuarial value of assets, a further decline in the funded status is expected over the next few years.

**SECTION I
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In the chart below, we present the historical trends for SFERS' contribution rates since the Fiscal Year Ending June 30, 2001. All information shown prior to the Fiscal Year Ending June 30, 2010 was calculated by the prior actuary.

Employer and Member Contribution Rates 1999-2009

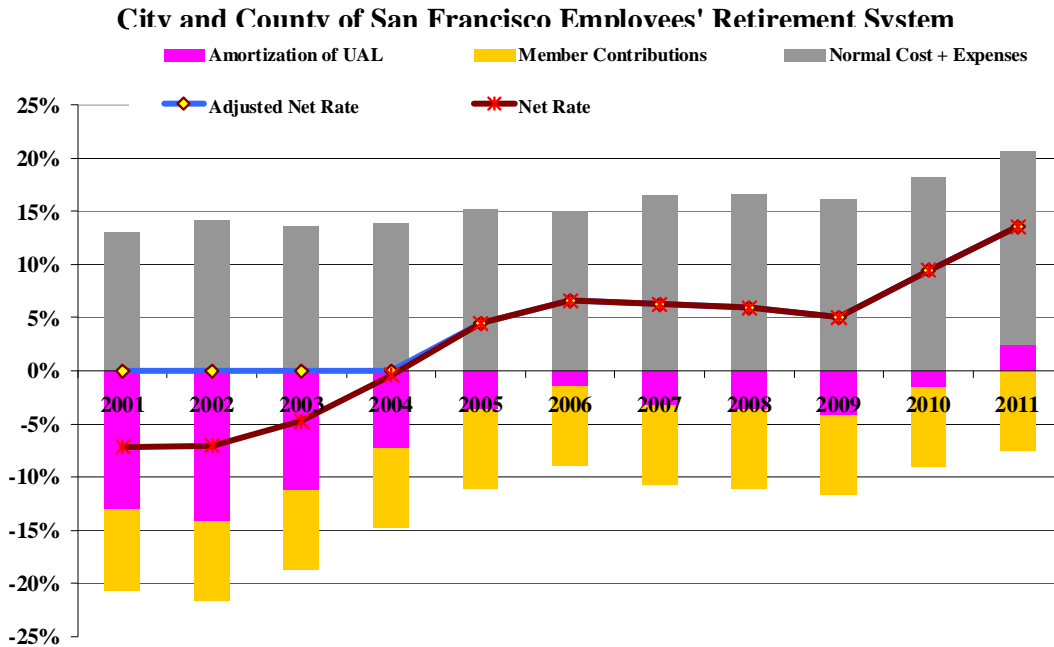


The key information in this chart is the increase in the Employer contribution rate since 2004. The dramatic increase scheduled for the Fiscal Year Ending in 2010 is primarily due to benefit changes under Proposition B. The dramatic increase scheduled for the Fiscal Year Ending in 2011 is primarily due to recent investment experience. Significant employer contribution rate increases are expected for the next few years as the balance of the market value investment losses are recognized under the asset smoothing method.

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In the chart below, we show historical trends of SFERS' contribution rate components since the Fiscal Year Ending June 30, 2001, with a table below it showing the detail of the components of the contribution rates. All information shown prior to the Fiscal Year Ending June 30, 2010 was calculated by the prior actuary.



Historic Cost as a Percentage of Pay

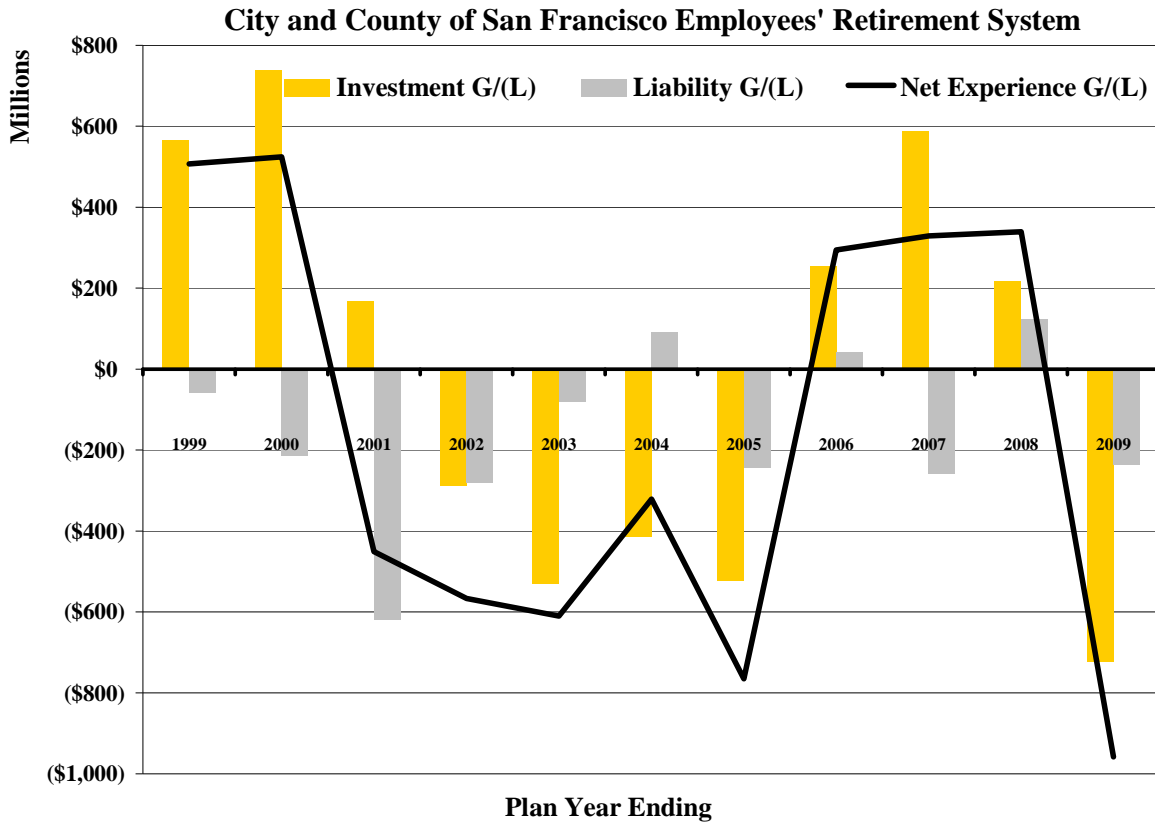
Fiscal Year End	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Normal Cost + Expenses	13.45%	14.57%	14.01%	14.42%	15.64%	15.51%	17.01%	17.05%	16.64%	18.61%	18.63%
Amortization of UAL	-13.07%	-14.10%	-11.21%	-7.32%	-3.63%	-1.41%	-3.25%	-3.63%	-4.13%	-1.62%	2.44%
Member Contributions	-7.53%	-7.53%	-7.53%	-7.52%	-7.53%	-7.52%	-7.52%	-7.51%	-7.52%	-7.50%	-7.51%
Net Rate	-7.15%	-7.06%	-4.73%	-0.42%	4.48%	6.58%	6.24%	5.91%	4.99%	9.49%	13.56%
Adjusted Net Rate	0.00%	0.00%	0.00%	0.00%	4.48%	6.58%	6.24%	5.91%	4.99%	9.49%	13.56%

The key information above is that the amortization of the UAL has changed over the last decade from -13.07% to 2.44% accounting for the majority of the increase in contribution rates. While some of the increase is due to plan changes, the primary cause of the increase is an average annual investment return on the market value of assets of approximately 3.5% compared to an expected return of 8.0% (7.75% after July 1, 2008) as well as changes in assumptions. The normal cost as a percent of payroll has also increased from the Fiscal Year Ending in 2001 to the Fiscal Year Ending in 2011, due to experience, plan changes and assumption changes. The chart demonstrates how the total annual cost is offset by member contribution and amortization of surplus assets (prior to 2011).

**SECTION I
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The next chart below represents the pattern of SFERS' annual gains and losses, broken into the investment and liability components. The chart does not include any changes in the system's assets and liabilities attributable to changes to methods, procedures or assumptions.

SFERS Historical Gain/(Loss) 1999-2009



The key insights from this chart are:

- Investment gains (gold bars) from 1999 through 2001 were offset by investment losses from 2002 through 2005. From 2006 to 2008, there were additional investment gains, but these were offset by investment losses in 2009. Since the actuarial value of assets only recognizes a portion of the recent market losses, additional investment losses on the actuarial value of assets are expected over the next few years.
- On the liability side, there has been a pattern of liability losses, with the exception of gains in 2004, 2006 and 2008. Recent limits on salary increases may produce gains in the near future, but have not had a significant impact on pay through June 30, 2009. When we conduct a formal experience review on all the assumptions, which is scheduled to occur in 2010, we will be able to provide a more detailed explanation for the source of these liability losses.

**SECTION I
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D. Projected Financial Trends

Our analysis of SFERS projected financial trends is an important part of this valuation. In this Section, we present our assessment of the implications of the July 1, 2009 valuation results on the future outlook for SFERS in terms of benefit security (assets over liabilities) and the SFERS expected cost progression.

In the charts that follow, we project SFERS' assets and liabilities, the pay down of UAL, and the Employer contributions as a percent of payroll on two different bases:

- 1) Assuming 7.75% returns each and every year, and
- 2) Assuming returns shown in the table below. These are rates of return that vary each year but over the projection period equals on average the assumed 7.75% return. We do this because SFERS' returns will never be level each and every year.

July 1,	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Return	16.00%	1.00%	9.00%	-10.00%	9.00%	7.00%	25.00%	1.00%	15.00%	8.00%

July 1,	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Return	-9.00%	6.00%	15.00%	4.00%	9.00%	10.00%	15.00%	24.00%	7.00%	0.00%

Please note that the investment returns shown above were selected solely to illustrate the impact of investment volatility on the pattern of funded status and employer contribution rates. They are not intended to be predictive of actual future contribution rates or funded status or even to represent a realistic pattern of investment returns.

SECTION I
 BOARD SUMMARY

Projection Set 1: Assets and Liabilities - SFERS

The two charts below show asset measures (green and gold lines) compared to liabilities (grey bars). At the top of each chart is the progression of SFERS funding ratios. The key insights from these two charts are the projected declines in funded ratios over the next several years, as recent market losses become fully recognized, and how varying investment returns can impact SFERS' funding ratios.

Chart 1: Projection of Assets and Liabilities, 7.75% return each year

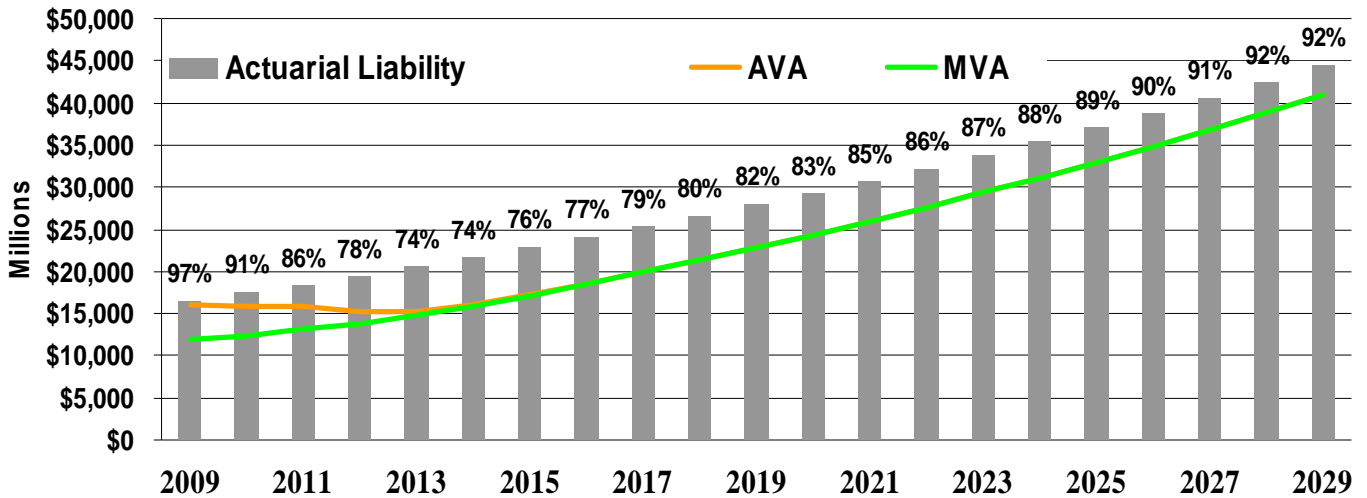
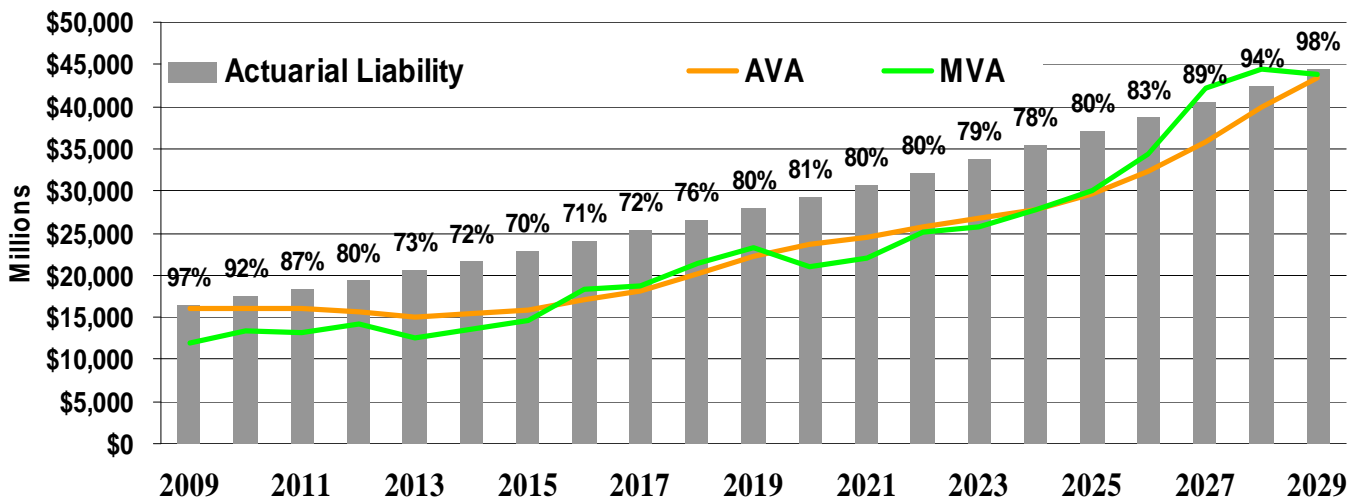


Chart 2: Projection of Assets and Liabilities, varying returns averaging 7.75% overtime



SECTION I
 BOARD SUMMARY

Projection Set 2: Projected Employer Contribution Rate

As seen in the charts below, employer contribution rates are expected to increase significantly over the next several years. In addition, varying returns will also have a significant impact on the pattern and magnitude of actuarially computed employer contribution rates.

Chart 1: 7.75% return each year

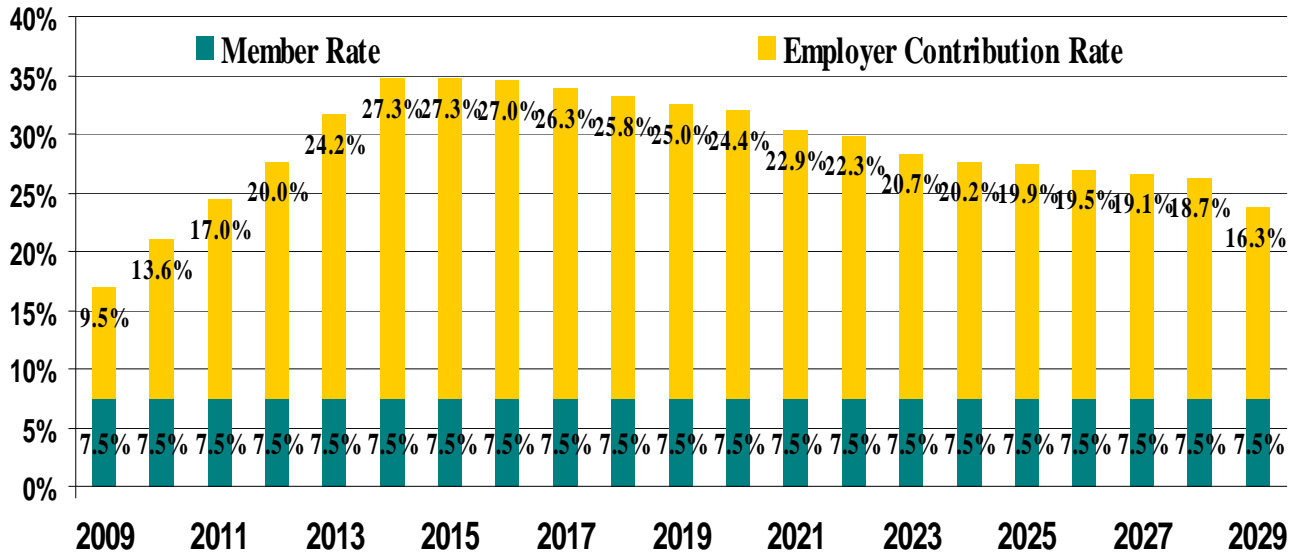
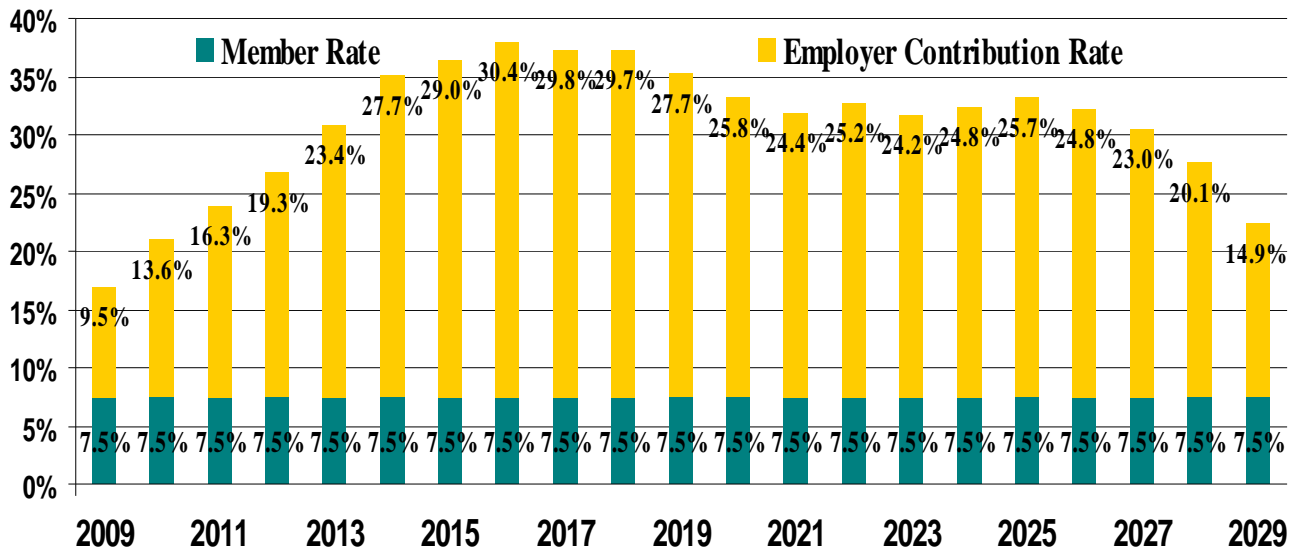


Chart 2: varying returns averaging 7.75% overtime



**SECTION II
ASSETS**

SFERS uses and discloses two different asset measurements which are presented in this section of the report: market value and actuarial value of assets. The market value represents, as of the valuation date, the value of the assets if they were liquidated on that date. The actuarial value of assets is a value that attempts to smooth annual investment return performance over multiple years to reduce the impact of investment volatility on SFERS' contribution rates.

On the following pages we present detailed information on SFERS' assets:

- A. Statement of cash flows during the year by membership group,
- B. Development of the actuarial value of assets,
- C. Discussion of investment performance for the year.

A. Cash Flows

Table II-1				
SFERS – Change in Market Value of Assets July 1, 2008 through June 30, 2009				
(in thousands)				
Item	Police	Fire	Miscellaneous	Total
1. Market Value as of 7/1/2008*	\$3,244,907	\$2,578,794	\$10,008,820	\$15,832,521
2. Additions				
a. Employers' contributions for 2008-2009	12,240	8,535	98,305	119,080
b. Members' contributions for 2008-2009	18,435	13,012	161,386	192,833
c. Airport Police transfer	<u>7,152</u>	<u>-</u>	<u>-</u>	<u>7,152</u>
d. Total Additions: (2a + 2b + 2c)	\$37,827	\$21,547	\$259,691	\$319,065
3. Net Investment Income for 2008-2009	(711,895)	(561,019)	(2,202,185)	(3,475,099)
4. Benefits and Administrative Expenses	(139,194)	(143,283)	(469,530)	(752,007)
5. Net Increase/(Decrease): (2d + 3 + 4)	<u>\$(813,262)</u>	<u>\$(682,755)</u>	<u>\$(2,412,024)</u>	<u>\$(3,908,042)</u>
6. Market Value as of 7/1/2009: (1 + 5)	\$2,431,645	\$1,896,039	\$7,596,796	\$11,924,479

* The Market Value as of July 1, 2008 differs slightly from last years report due to a change in administrative expenses reported in the final asset statements.

B. Actuarial Value of Assets

To determine on-going funding requirements, most pension funds utilize an actuarial value of assets that differs from the market value of assets. The actuarial value of assets is based on averaging or smoothing year-to-year market value returns for purposes of reducing the resulting volatility on contributions.

**SECTION II
ASSETS**

The actuarial value is calculated by recognizing 20% of each of the prior four years of actual investment experience relative to the expected return on the actuarial asset value (7.75% for 2008-2009 and later years and 8.0% for prior years). The expected return on the actuarial value of assets is determined using the Fund's actual cash flows and the actuarial rate of interest. The balance of the actual investment experience is recognized in a similar fashion in future years. (See Appendix B on page 66 for further explanation of the asset valuation method).

Table II-2
SFERS – Development of Actuarial Value of Assets for 7/1/2009
(in thousands)

Item	Police	Fire	Miscellaneous	Total
1. Actuarial Value as of 7/1/2008	\$3,328,139	\$2,625,783	\$9,987,468	\$15,941,390
2. Non-Investment Cash Flow for 2008-2009	(101,368)	(121,736)	(209,838)	(432,942)
3. Expected Return in 2008-2009	254,076	198,869	766,049	1,218,994
4. Expected Actuarial Value as of 7/1/2009: (1 + 2 + 3)	\$3,480,847	\$2,702,915	\$10,543,680	\$16,727,442
5. Actual Return in 2008-2009	(711,895)	(561,019)	(2,202,185)	(3,475,099)
6. Actual Return Above Expected in 2008-2009	(965,971)	(759,888)	(2,968,234)	(4,694,094)
7. Recognition of Returns Above Expected				
a. 2008-2009	(193,194)	(151,978)	(593,647)	(938,819)
b. 2007-2008	(79,814)	(63,574)	(239,560)	(382,947)
c. 2006-2007	72,455	58,212	213,821	344,487
d. 2005-2006	28,694	23,339	83,642	135,676
e. 2004-2005	<u>25,243</u>	<u>20,874</u>	<u>72,774</u>	<u>118,891</u>
f. Total: (7a + 7b + 7c + 7d + 7e)	<u>\$(146,617)</u>	<u>\$(113,126)</u>	<u>\$(462,969)</u>	<u>\$(722,712)</u>
8. Actuarial Value as of 7/1/2009: (4 + 7f)	\$3,334,230	\$2,589,790	\$10,080,710	\$16,004,730

C. Investment Performance

The market value of assets internal rate of return, net of investment expenses, was -22.26% for the year ending July 1, 2009. This is compared to an assumed return of 7.75%.

On an actuarial value of assets basis, the return for the year ending July 1, 2009 was 3.16%. The difference is largely due to the recognition of deferred gains from 2005, 2006, and 2007 while 80% of the loss for 2009 is deferred to future years. This return produced an overall SFERS investment loss of \$722.7 million for the year ending July 1, 2009.

SECTION III LIABILITIES

In this section, we present detailed information on liabilities for SFERS, including:

- Disclosure of liabilities at July 1, 2008 and July 1, 2009, and
- Statement of changes in the unfunded actuarial liabilities during the year.

A. Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the purpose for which the figures are ultimately used.

- **Present Value of all Future Benefits:** Used for measuring all future SFERS obligations, represents the amount of money needed today to fully pay off all benefits of SFERS both earned as of the valuation date and those to be earned in the future by current plan participants, under the current Plan provisions.
- **Actuarial Liability-Entry Age Normal (EAN):** Used for determining employer contributions and GASB accounting disclosures. This liability is calculated taking the present value of all future benefits and subtracting the present value of future member contributions and future employer normal costs as determined under the EAN actuarial funding method.
- **Present Value of Accrued Benefits:** Disclosed in Section V of this report for accounting statement purposes (FASB 35). This liability represents the present value of future benefits payable to all plan participants if the plan were terminated as of the valuation date, and future accruals and contributions stopped.

Table III-1 on the following page discloses the first two of these liabilities for the current and prior year valuations. By subtracting the actuarial value of assets from the actuarial liability the net surplus or an unfunded actuarial liability (UAL) is determined.

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**SECTION III
LIABILITIES**

Table III-1		
City and County of San Francisco Employees' Retirement System – Total		
(in thousands)		
Item	July 1, 2009	July 1, 2008
Present Value of Future Benefits		
Actives	\$ 12,061,784	\$ 11,621,278
Active DROP	92,990	-
Terminated Vested	307,693	290,154
Disabled	1,624,439	1,493,591
Retirees	6,256,379	5,740,108
Beneficiaries	839,233	779,757
Total SFERS	\$ 21,182,517	\$ 19,924,888
Actuarial Liability		
Total Present Value of Benefits	\$ 21,182,517	\$ 19,924,888
Present Value of Future Normal Costs		
Employer Portion	2,869,583	2,682,394
Employee Portion	1,814,285	1,883,670
Actuarial Liability	\$ 16,498,649	\$ 15,358,824
Actuarial Value of Assets	\$ 16,004,730	\$ 15,941,390
Unfunded Actuarial Liability/(Surplus)	\$ 493,919	\$ (582,566)

Table III-2 shows actuarial liability as of July 1, 2009 for each of the Miscellaneous, Police, and Fire members of SFERS.

Table III-2			
City and County of San Francisco Employees' Retirement System – Split by Group			
(in thousands)			
Item	July 1, 2009	July 1, 2009	July 1, 2009
Present Value of Future Benefits	Police	Fire	Miscellaneous
Actives	\$ 1,898,555	\$ 1,362,498	\$ 8,800,731
Active DROP	92,990	-	-
Terminated Vested	12,523	8,379	286,791
Disabled	484,352	814,185	325,902
Retirees	1,087,583	964,179	4,204,616
Beneficiaries	284,154	235,040	320,039
Total SFERS	\$ 3,860,157	\$ 3,384,281	\$ 13,938,079
Actuarial Liability			
Actives	\$ 1,179,526	\$ 828,138	\$ 5,370,252
Active DROP	92,990	-	-
Terminated Vested	12,523	8,379	286,791
Disabled	484,352	814,185	325,902
Retirees	1,087,583	964,179	4,204,616
Beneficiaries	284,154	235,040	320,039
Total SFERS	\$ 3,141,128	\$ 2,849,921	\$ 10,507,600

**SECTION III
 LIABILITIES**

B. Changes in Unfunded Actuarial Liabilities

The UAL of any retirement plan is expected to change at each subsequent valuation for a variety of reasons. In each valuation, we will report on those elements of change in the UAL that have particular significance or could potentially affect the long-term financial outlook of a retirement plan. Below we present key changes in liabilities since the last valuation.

Table III-3	
SFERS – Development of 2008 Experience Gain/(Loss)	
(in millions)	
Item	Cost
1. Unfunded Actuarial Liability at July 1, 2008	\$(582.6)
2. Middle of year actuarial liability payment	169.2
3. Interest to end of year on 1 and 2	<u>(38.7)</u>
4. Expected Unfunded Actuarial Liability at July 1, 2009 (1+2+3)	\$(452.1)
5. Actual Unfunded Liability at July 1, 2009	\$493.9
6. Difference: (4 - 5)	\$(946.0)
7. Portion of difference (6) due to investment experience	(722.7)
8. Portion of difference (6) due to Old Safety COLAs	(181.7)
9. Portion of difference (6) due to Retirements	(125.6)
10. Portion of difference (6) due to Salaries	126.2
11. Portion of difference (6) due to Contributions more than expected	12.5
12. Portion of difference (6) due to Other Experience	(54.7)

SECTION IV CONTRIBUTIONS

In the process of evaluating the financial condition of any pension plan, the actuary analyzes the assets and liabilities to determine what level (if any) of contributions are needed to achieve and maintain an appropriate funded status of a plan. Typically, the actuarial process will use an actuarial funding method that will result in a pattern of contributions that are both stable and predictable.

The actuarial funding methodology employed is the Entry Age Normal actuarial funding method. Under this method, there are two components to the total contribution: the normal cost, and the unfunded actuarial liability contribution. The normal cost rate is determined by taking the value, as of entry age into the plan, of each member's projected future benefits. This value is then divided by the value, also at entry age, of the each member's expected future salary. The normal cost rate is multiplied by current salary to determine each member's normal cost. Finally, the normal cost is reduced by the member contribution to produce the employer normal cost. The difference between the EAN actuarial liability and the actuarial value of assets is the unfunded actuarial liability. The UAL is made up of unamortized prior Charter amendments, plus the impact of accumulated experience, assumption and method changes and Supplemental COLA costs.

Table IV-1 on the following page shows how the Employer's contribution rate for FY 2011 is developed. The methodology and assumptions used are in full compliance with the parameters set in GASB Statement No. 25 for purposes of determining the annual required contribution (ARC).

Table IV-2 provides the payment schedules to amortize the changes to the actuarial liability as a result of changes to the Charter over 20 years with the net unfunded liability representing the accumulated experience gains/losses, cost of Supplemental COLA or changes in the assumptions or methods over 15 years. All amortizations are determined on a level percent of pay basis which means that for the duration of the amortization schedule the payment amount increases each year at the assumed wage inflation rate of 4.5%. The balance of the unfunded liability this year reflects the increase in actuarial liabilities due to the interest assumption change from 8.0% to 7.75%. As partial offset the finance charge portion of the amortization payments has been reduced as a function of the interest assumption change

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**SECTION IV
CONTRIBUTIONS**

Table IV-1						
City and County of San Francisco Employees' Retirement System						
Development of the Net Employer Contribution Rate as of July 1, 2009 (FY 2010)						
(dollars in millions)						
					July 1, 2009	July 1, 2008
		Police	Fire	Miscellaneous	COMPOSITE	COMPOSITE
1.	Total Normal Cost Rate	24.20%	30.71%	16.40%	18.18%	18.16%
2.	Member Contribution Rate	<u>7.49%</u>	<u>7.49%</u>	<u>7.51%</u>	<u>7.51%</u>	<u>7.50%</u>
3.	Employer Normal Cost Rate (1-2)	16.71%	23.22%	8.89%	10.67%	10.66%
4.	a. UAL - Proposition balance as of 7/1/2009	\$ 211.4	\$ 204.7	\$ 1,002.8	\$ 1,418.9	\$ 1,449.6
	b. Remaining balance of 7/1/2009 UAL	<u>(404.5)</u>	<u>55.4</u>	<u>(575.9)</u>	<u>(925.0)</u>	<u>(2,032.2)</u>
	c. Net UAL - as of 7/1/2009	\$ (193.1)	\$ 260.1	\$ 426.9	\$ 493.9	\$ (582.6)
5.	a. Amortization of 4.a., Proposition UAL	7.86%	11.57%	4.75%	5.53%	5.41%
	b. Amortization of 4.b., Remaining UAL	<u>-13.16%</u>	<u>2.71%</u>	<u>-2.32%</u>	<u>-3.09%</u>	<u>-7.03%</u>
	c. Amortization of Net UAL (5a + 5b)	-5.30%	14.28%	2.43%	2.44%	-1.62%
6.	Expense Load	0.45%	0.45%	0.45%	0.45%	0.45%
7.	Net Employer Contribution Rate (3 + 5c + 6)	11.86%	37.95%	11.77%	13.56%	9.49%

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**SECTION IV
CONTRIBUTIONS**

**Table IV-2
City and County of San Francisco Employees' Retirement System
Development of the Total Propositions Rate as of July 1, 2009 (FY 2011)**

Item	Remaining Period	Police			Fire			Miscellaneous			Total	
		Outstanding Balance	Total Amortization	Total As a % of Pay	Outstanding Balance	Total Amortization	Total As a % of Pay	Outstanding Balance	Total Amortization	Total As a % of Pay	Outstanding Balance	Total Amortization
1991 Prop A - Misc ERP Window	2	\$0	\$0	0.00%	\$0	\$0	0.00%	\$26,625	\$14,030	0.67%	\$26,625	\$14,030
1992 Prop F - Retiree Bft Increase	3	83	30	0.01%	48	17	0.01%	14,100	5,029	0.24%	14,231	5,076
1994 Prop H - Domestic Partners	5	2,941	649	0.25%	3,281	723	0.42%	4,973	1,097	0.05%	11,195	2,469
1996 Prop C - Retiree Benefits	7	165	27	0.01%	66	11	0.01%	30,109	4,885	0.23%	30,340	4,923
1996 Prop D - New Fire Ret Bfts	7	0	0	0.00%	12,635	2,050	1.18%	0	0	0.00%	12,635	2,050
1998 Prop A - New Police Ret Bfts	9	29,470	3,830	1.47%	0	0	0.00%	0	0	0.00%	29,470	3,830
1998 Prop C - Paramedics Bfts	9	0	0	0.00%	6,108	794	0.46%	0	0	0.00%	6,108	794
2000 Prop C - New Misc Ret Bfts	11	0	0	0.00%	0	0	0.00%	247,326	27,074	1.28%	247,326	27,074
6.25% Credited Interest on EE ctrbs	13	75	7	0.00%	18	2	0.00%	10,515	1,002	0.05%	10,609	1,011
2002 Prop H - Safety Ret Bfts	13	133,730	12,748	4.88%	142,168	13,553	7.81%	0	0	0.00%	275,897	26,301
5.0% Credited Interest on EE ctrbs	15	(508)	(43)	-0.02%	(242)	(21)	-0.01%	(46,621)	(3,963)	-0.19%	(47,371)	(4,027)
2004 Prop E - New Safety LOD Bfts	16	5,963	482	0.19%	8,375	677	0.39%	0	0	0.00%	14,339	1,159
2003 Prop F - Misc 3+3 Early Ret Bfts	16	0	0	0.00%	0	0	0.00%	18,039	1,458	0.07%	18,039	1,458
Liability of 2003 Prop F (extended) - Misc 3+3 Early Ret Bfts	17	0	0	0.00%	0	0	0.00%	10,477	808	0.04%	10,477	808
Liability of 2003 Prop F (extended) - Misc 3+3 Early Ret Bfts	18	0	0	0.00%	0	0	0.00%	4,716	348	0.02%	4,716	348
2008 Prop B - New Misc Ret Bfts and Compound COLA	19	<u>39,497</u>	<u>2,803</u>	<u>1.07%</u>	<u>32,230</u>	<u>2,287</u>	<u>1.32%</u>	<u>682,494</u>	<u>48,436</u>	<u>2.30%</u>	<u>754,222</u>	<u>53,527</u>
Total of Propositions		\$211,417	\$20,532	7.86%	\$204,687	\$20,093	11.57%	\$1,002,754	\$100,206	4.75%	\$1,418,858	\$140,831

SECTION V
ACCOUNTING STATEMENT INFORMATION

Statement No. 35 of the Financial Accounting Standards Board (FASB) requires the disclosure of certain information regarding funding status. Statement No. 25 of the Governmental Accounting Standards Board (GASB) establishes standards for disclosure of pension information by public employee retirement systems and governmental employers in notes to financial statements and supplementary information.

The FASB No. 35 Basis disclosure provides a “snap shot” view of how system assets at market value compare to liabilities if contributions stopped and accrued benefit claims had to be satisfied.

The GASB No. 25 Basis disclosure presents the actuarial liability computed for funding purposes to the actuarial value of assets to determine a funded ratio (i.e. the EAN liability).

Both the present value of accrued benefits (FASB No. 35 Basis) and the actuarial liability (GASB No. 25 Basis) are determined assuming that participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions. Liabilities are discounted at the assumed valuation interest rate of 7.75% per annum.

FASB Statement No. 35 specifies that a comparison of the present value of accrued (accumulated) benefits to the market value of the assets as of the valuation date must be provided. GASB Statement No. 25 requires the actuarial liability be compared with the actuarial value of assets for funding purposes. The relevant amounts as of July 1, 2008 and July 1, 2009 are presented in Table V-1.

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

SECTION V
ACCOUNTING STATEMENT INFORMATION

Table V-1			
San Francisco Employees' Retirement System			
(in thousands)			
Item	July 1, 2009	July 1, 2008	% Change
GASB No. 25 Basis			
1. Actuarial Liabilities			
a. Members Currently Receiving Payments	\$ 8,720,050	\$ 8,013,456	8.8%
b. Active DROP Members	92,990	-	N/A
c. Vested Terminated and Inactive Members	307,693	290,154	6.0%
d. Active Members	<u>7,377,916</u>	<u>7,055,214</u>	<u>4.6%</u>
e. Total Actuarial Liability	\$ 16,498,649	\$ 15,358,824	7.4%
2. Actuarial Value of Assets	\$ 16,004,730	\$ 15,941,390	0.4%
3. Unfunded Actuarial Liability	\$ 493,919	\$ (582,566)	-184.8%
4. Ratio of Actuarial Value of Assets to Actuarial Liability (2)/(1)(d)	97.01%	103.79%	-6.8%
FASB No. 35 Basis			
1. Present Value of Benefits Accrued and Vested to Date			
a. Members Currently Receiving Payments	\$ 8,720,050	8,013,456	8.8%
b. Active DROP Members	92,990	-	N/A
c. Vested Terminated and Inactive Members	307,693	290,154	6.0%
d. Active Members	<u>5,565,721</u>	<u>5,479,729</u>	<u>1.6%</u>
d. Total PVAB	\$ 14,686,454	13,783,339	6.6%
2. Assets at Market Value*	\$ 11,924,479	\$ 15,832,521	-24.7%
3. Unfunded Present Value of Accrued Benefits, But Not Less Than Zero	\$ 2,761,975	-	N/A
4. Ratio of Assets to Value of Benefits (2)/(1)(d)	81.19%	114.87%	-33.7%

* The Market Value as of July 1, 2008 differs slightly from last years report due to a change in administrative expenses reported in the final asset statements.

**SECTION V
ACCOUNTING STATEMENT INFORMATION**

Tables V-2 through V-4 are exhibits for use in SFERS' Comprehensive Annual Financial Report (CAFR). The Government Finance Officers Association (GFOA) recommends showing at least 6 years of experience in each of these exhibits. Table V-2 shows the Notes to Required Supplementary Information. Table V-3 presents an analysis of financial experience for the valuation year, and Table V-4 presents the Solvency Test which shows the portion of actuarial liability covered by assets.

**Table V-2
San Francisco Employees' Retirement System
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The information presented in the required supplementary schedules to the Financial Section of the CAFR was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	July 1, 2009
Actuarial funding method	Entry Age Normal
Amortization method	Rolling and Fixed depending upon the source
Equivalent single amortization period	9.2 Years
Asset valuation method	5 year smoothing of return over or under expected returns
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases due to inflation ¹	4.50%
Cost-of-living adjustments	
Old Plans – Police and Fire, post 7/1/75 DOR	4.5% per year
Old Plans – Police and Fire, pre 7/1/75 DOR	3.0% per year
Old Plans – Miscellaneous	2.0% per year
New Plans – Police, Fire, and Miscellaneous	2.0% per year

The actuarial assumptions used have been recommended by the actuary and adopted by SFERS Board based on the most recent review of SFERS' experience, completed in 2009.

The rate of employer contributions to SFERS is composed of the normal cost and amortization of the unfunded actuarial liability. The normal cost is a level percent of payroll cost which, along with the member contributions, will pay for projected benefits at retirement for the average plan participant. The actuarial liability is that portion of the present value of projected benefits that will not be paid by future employer normal costs or member contributions. The difference between this liability and the funds accumulated as of the same date is the unfunded actuarial liability.

¹ Additional merit salary increases of 0.70% to 21.00% based on a participant's years of service and membership group are also assumed. These increases are not used in the amortization of SFERS' UAL.

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

SECTION V
ACCOUNTING STATEMENT INFORMATION

Table V-3
San Francisco Employees' Retirement System
ANALYSIS OF FINANCIAL EXPERIENCE
Gain (or Loss) in Actuarial Liability During Years Ended July 1
Resulting from Differences Between Assumed Experience
and Actual Experience
(\$ in thousands)

	<i>Gain (or Loss) for Year ending July 1, 2009</i>
Type of Activity	
Investment Income	\$ (722,712)
Combined Liability Experience	<u>(235,783)</u>
Gain (or Loss) During Year from Financial Experience	\$ (958,495)
Non-Recurring Gain (or Loss) Items	<u>12,527</u>
Composite Gain (or Loss) During Year	\$ (945,968)

Table V-4
San Francisco Employees' Retirement System
GASB SOLVENCY TEST
Actuarial Liabilities For
(\$ in thousands)

Valuation Date July 1,	(A)	(B)	(C)	Reported Assets ¹	Portion of Actuarial Liabilities Covered by Reported Assets		
	Active Member Contributions	Retirees And Beneficiaries	Remaining Active Members' Liabilities		(A)	(B)	(C)
2009	\$ 2,528,667	\$ 8,720,050	\$ 5,249,932	\$ 16,004,730	100%	100%	91%
2008 ²	\$ 2,411,027	\$ 8,013,456	\$ 4,934,341	\$ 15,941,390	100%	100%	100%
2007 ³	\$ 2,251,564	\$ 7,423,580	\$ 3,866,243	\$ 14,929,287	100%	100%	100%

1 Actuarial Value of Assets

2 Reflects revised economic assumptions and Prop B changes

3 July 1, 2007 numbers calculated by prior actuary

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION**

**APPENDIX A
MEMBERSHIP INFORMATION**

Table A-1			
City and County of San Francisco Employees' Retirement System			
Active Member Data - Total System			
	July 1, 2009	July 1, 2008	% Change
<u>Total</u>			
Count	29,919	30,650	-2.4%
Average Current Age	47.7	47.4	0.6%
Average Service	12.2	11.9	2.5%
Annual Expected Pensionable Earnings*	\$ 2,537,784,683	\$ 2,457,196,188	3.3%
Average Expected Pensionable Earnings	\$ 84,822	\$ 80,170	5.8%

* Excludes Active DROP member earnings of \$7,154,641

Table A-2			
City and County of San Francisco Employees' Retirement System			
Active Member Data - Police Only			
	July 1, 2009	July 1, 2008	% Change
<u>Total</u>			
Count	2,255	2,243	0.5%
Average Current Age	42.6	43.1	-1.2%
Average Service	14.5	15.1	-4.0%
Annual Expected Pensionable Earnings	\$ 254,053,918	\$ 234,633,311	8.3%
Average Expected Pensionable Earnings	\$ 112,662	\$ 104,607	7.7%
<u>Old</u>			
Count	15	37	-59.5%
Average Current Age	61.5	60.3	2.0%
Average Service	39.0	37.2	4.8%
Annual Expected Pensionable Earnings	\$ 2,349,415	\$ 4,870,374	-51.8%
Average Expected Pensionable Earnings	\$ 156,628	\$ 131,632	19.0%
<u>New</u>			
Count	2,240	2,206	1.5%
Average Current Age	42.5	42.8	-0.7%
Average Service	14.3	14.7	-2.7%
Annual Expected Pensionable Earnings	\$ 251,704,503	229,762,937	9.5%
Average Expected Pensionable Earnings	\$ 112,368	104,154	7.9%

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
MEMBERSHIP INFORMATION**

Table A-3				
City and County of San Francisco Employees' Retirement System				
Active Member Data - Fire Only				
	July 1, 2009	July 1, 2008	% Change	
<u>Total</u>				
Count	1,459	1,529	-4.6%	
Average Current Age	44.1	43.6	1.1%	
Average Service	14.1	13.7	2.9%	
Annual Expected Pensionable Earnings	\$ 173,616,189	\$ 162,975,058	6.5%	
Average Expected Pensionable Earnings	\$ 118,997	\$ 106,589	11.6%	
<u>Old</u>				
Count	11	17	-35.3%	
Average Current Age	62.7	60.9	3.0%	
Average Service	38.1	36.3	5.0%	
Annual Expected Pensionable Earnings	\$ 1,859,686	\$ 2,532,164	-26.6%	
Average Expected Pensionable Earnings	\$ 169,062	\$ 148,951	13.5%	
<u>New</u>				
Count	1,448	1,512	-4.2%	
Average Current Age	44.0	43.4	1.4%	
Average Service	13.9	13.4	3.7%	
Annual Expected Pensionable Earnings	\$ 171,756,503	\$ 160,442,894	7.1%	
Average Expected Pensionable Earnings	\$ 118,616	\$ 106,113	11.8%	

Table A-4				
City and County of San Francisco Employees' Retirement System				
Active Member Data - Miscellaneous Only				
	July 1, 2009	July 1, 2008	% Change	
<u>Total</u>				
Count	26,205	26,878	-2.5%	
Average Current Age	48.3	47.9	0.8%	
Average Service	11.9	11.5	3.5%	
Annual Expected Pensionable Earnings	\$ 2,110,114,576	\$ 2,059,587,819	2.5%	
Average Expected Pensionable Earnings	\$ 80,523	\$ 76,627	5.1%	
<u>Old</u>				
Count	430	598	-28.1%	
Average Current Age	61.4	61.0	0.7%	
Average Service	35.6	34.9	2.0%	
Annual Expected Pensionable Earnings	\$ 39,983,340	\$ 55,268,515	-27.7%	
Average Expected Pensionable Earnings	\$ 92,985	\$ 92,422	0.6%	
<u>New</u>				
Count	25,775	26,280	-1.9%	
Average Current Age	48.1	47.6	1.1%	
Average Service	11.5	11.0	4.5%	
Annual Expected Pensionable Earnings	\$ 2,070,131,236	\$ 2,004,319,304	3.3%	
Average Expected Pensionable Earnings	\$ 80,315	\$ 76,268	5.3%	

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
MEMBERSHIP INFORMATION**

**Table A-5
City and County of San Francisco Employees' Retirement System
Non-Active Member Data - Total System**

	Count			Average Age		
	July 1, 2009	July 1, 2008	%Change	July 1, 2009	July 1, 2008	%Change
Total						
Retired	15,868	15,147	4.8%	70.0	70.0	0.0%
Disabled	2,669	2,630	1.5%	66.5	66.2	0.5%
Beneficiaries	<u>3,757</u>	<u>3,737</u>	0.5%	<u>77.1</u>	<u>76.9</u>	0.3%
Payee Total	22,294	21,514	3.6%	70.7	70.8	-0.1%
Inactives	4,986	4,748	5.0%	47.4	47.9	-1.0%

**Table A-6
City and County of San Francisco Employees' Retirement System
Non-Active Member Data - Total System**

	Total Annual Benefit*			Average Annual Benefit*		
	July 1, 2009	July 1, 2008	%Change	July 1, 2009	July 1, 2008	%Change
Total						
Retired	\$ 546,865,728	\$ 498,014,844	9.8%	\$ 34,463	\$ 32,879	4.8%
Disabled	116,896,285	108,615,485	7.6%	43,798	41,299	6.1%
Beneficiaries	<u>91,267,068</u>	<u>85,211,726</u>	7.1%	<u>24,293</u>	<u>22,802</u>	6.5%
Payee Total	\$ 755,029,081	\$ 691,842,055	9.1%	\$ 33,867	\$ 32,158	5.3%
Inactives**	\$ 136,345,362	\$ 122,649,248	11.2%	\$ 27,346	\$ 25,832	5.9%

* Benefits provided in June 30 valuation data

** For Inactives, total contribution balance with interest is shown

**Table A-7
City and County of San Francisco Employees' Retirement System
Active members in DROP - Total System**

	Count			Annual Benefit at Initial DROP Date		
	July 1, 2009	July 1, 2008	%Change	July 1, 2009	July 1, 2008	%Change
Old Police	14	N/A	N/A	\$ 1,496,621	N/A	N/A
New Police	<u>42</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 4,454,743</u>	<u>N/A</u>	<u>N/A</u>
Total Active DROP	56	N/A	N/A	\$ 5,951,364	N/A	N/A

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION**

**APPENDIX A
MEMBERSHIP INFORMATION**

**Table A-8
City and County of San Francisco Employees' Retirement System
Non-Active Member Data - POLICE**

	Count			Average Age		
	July 1, 2009	July 1, 2008	%Change	July 1, 2009	July 1, 2008	%Change
Total						
Retired	1,065	1,046	1.8%	67.6	67.4	0.3%
Disabled	534	517	3.3%	67.3	67.3	0.0%
Beneficiaries	571	578	-1.2%	76.1	75.7	0.5%
Payee Total	2,170	2,141	1.4%	69.8	69.6	0.3%
Inactives	119	122	-2.5%	42.6	44.4	-4.1%
Old						
Retired	745	768	-3.0%	70.8	70.1	1.0%
Disabled	391	396	-1.3%	71.5	70.9	0.8%
Beneficiaries	533	543	-1.8%	77.5	77.0	0.6%
Payee Total	1,669	1,707	-2.2%	73.1	72.5	0.8%
Inactives	-	-	0.0%	-	-	0.0%
New						
Retired	320	278	15.1%	60.1	60.0	0.2%
Disabled	143	121	18.2%	55.8	55.4	0.7%
Beneficiaries	38	35	8.6%	56.6	55.8	1.4%
Payee Total	501	434	15.4%	58.6	58.4	0.3%
Inactives	119	122	-2.5%	42.6	44.4	-4.1%

**Table A-9
City and County of San Francisco Employees' Retirement System
Non-Active Member Data - POLICE**

	Total Annual Benefit*			Average Annual Benefit*		
	July 1, 2009	July 1, 2008	%Change	July 1, 2009	July 1, 2008	%Change
Total						
Retired	\$ 76,450,470	\$ 70,781,854	8.0%	\$ 71,784	\$ 67,669	6.1%
Disabled	32,216,835	28,917,673	11.4%	60,331	55,934	7.9%
Beneficiaries	27,394,792	25,878,272	5.9%	47,977	44,772	7.2%
Payee Total	\$ 136,062,097	\$ 125,577,799	8.3%	\$ 62,701	\$ 58,654	6.9%
Inactives**	\$ 4,620,163	\$ 4,962,319	-6.9%	\$ 38,825	\$ 40,675	-4.5%
Old						
Retired	\$ 58,479,230	\$ 56,540,773	3.4%	\$ 78,496	\$ 73,621	6.6%
Disabled	23,410,877	22,103,794	5.9%	59,874	55,818	7.3%
Beneficiaries	25,855,450	24,430,797	5.8%	48,509	44,992	7.8%
Payee Total	\$ 107,745,558	\$ 103,075,363	4.5%	\$ 64,557	\$ 60,384	6.9%
Inactives**	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%
New						
Retired	\$ 17,971,240	\$ 14,241,081	26.2%	\$ 56,160	\$ 51,227	9.6%
Disabled	8,805,958	6,813,880	29.2%	61,580	56,313	9.4%
Beneficiaries	1,539,342	1,447,475	6.3%	40,509	41,356	-2.0%
Payee Total	\$ 28,316,540	\$ 22,502,436	25.8%	\$ 56,520	\$ 51,849	9.0%
Inactives**	\$ 4,620,163	\$ 4,962,319	-6.9%	\$ 38,825	\$ 40,675	-4.5%

* Benefits provided in June 30 valuation data

** For Inactives, total contribution balance with interest is shown

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION**

**APPENDIX A
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	Count			Average Age		
	July 1, 2009	July 1, 2008	%Change	July 1, 2009	July 1, 2008	%Change
Total						
Retired	832	789	5.4%	67.1	67.3	-0.3%
Disabled	727	722	0.7%	68.5	68.3	0.3%
Beneficiaries	472	466	1.3%	78.3	78.5	-0.3%
Payee Total	2,031	1,977	2.7%	70.2	70.3	-0.1%
Inactives	60	63	-4.8%	42.3	43.5	-2.8%
Old						
Retired	579	590	-1.9%	70.5	70.0	0.7%
Disabled	572	584	-2.1%	71.5	70.9	0.8%
Beneficiaries	442	444	-0.5%	80.1	79.6	0.6%
Payee Total	1,593	1,618	-1.5%	73.6	73.0	0.8%
Inactives	-	3	-100.0%	-	68.7	-100.0%
New						
Retired	253	199	27.1%	59.4	59.4	0.0%
Disabled	155	138	12.3%	57.6	57.1	0.9%
Beneficiaries	30	22	36.4%	51.3	55.9	-8.2%
Payee Total	438	359	22.0%	58.2	58.3	-0.2%
Inactives	60	60	0.0%	42.3	42.2	0.2%

	Total Annual Benefit*			Average Annual Benefit*		
	July 1, 2009	July 1, 2008	%Change	July 1, 2009	July 1, 2008	%Change
Total						
Retired	\$ 67,910,211	\$ 59,595,538	14.0%	\$ 81,623	\$ 75,533	8.1%
Disabled	53,865,271	50,164,872	7.4%	74,093	69,480	6.6%
Beneficiaries	25,482,548	22,985,499	10.9%	53,988	49,325	9.5%
Payee Total	\$ 147,258,030	\$ 132,745,909	10.9%	\$ 72,505	\$ 67,145	8.0%
Inactives**	\$ 3,321,173	\$ 3,385,072	-1.9%	\$ 55,353	\$ 53,731	3.0%
Old						
Retired	\$ 47,192,060	\$ 44,740,957	5.5%	\$ 81,506	\$ 75,832	7.5%
Disabled	44,178,011	41,994,416	5.2%	77,234	71,908	7.4%
Beneficiaries	24,416,149	22,110,217	10.4%	55,240	49,798	10.9%
Payee Total	\$ 115,786,220	\$ 108,845,590	6.4%	\$ 72,684	\$ 67,272	8.0%
Inactives**	\$ -	\$ 56,964		\$ -	\$ 18,988	
New						
Retired	\$ 20,718,151	\$ 14,854,581	39.5%	\$ 81,890	\$ 74,646	9.7%
Disabled	9,687,260	8,170,456	18.6%	62,498	59,206	5.6%
Beneficiaries	1,066,399	875,283	21.8%	35,547	39,786	-10.7%
Payee Total	\$ 31,471,810	\$ 23,900,319	31.7%	\$ 71,853	\$ 66,575	7.9%
Inactives**	\$ 3,321,173	\$ 3,328,108	-0.2%	\$ 55,353	\$ 55,468	-0.2%

* Benefits provided in June 30 valuation data

** For Inactives, total contribution balance with interest is shown

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION**

**APPENDIX A
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	Count			Average Age		
	July 1, 2009	July 1, 2008	%Change	July 1, 2009	July 1, 2008	%Change
Total						
Retired	13,971	13,312	5.0%	70.3	70.4	-0.1%
Disabled	1,408	1,391	1.2%	65.1	64.8	0.5%
Beneficiaries	2,714	2,693	0.8%	77.1	76.9	0.3%
Payee Total	18,093	17,396	4.0%	70.9	71.0	-0.1%
Inactives	4,807	4,563	5.3%	47.6	48.1	-1.0%
Old						
Retired	6,372	6,481	-1.7%	74.9	74.7	0.3%
Disabled	633	660	-4.1%	72.9	72.2	1.0%
Beneficiaries	2,173	2,198	-1.1%	79.2	79.0	0.3%
Payee Total	9,178	9,339	-1.7%	75.8	75.5	0.4%
Inactives	297	296	0.3%	69.9	68.9	1.5%
New						
Retired	7,599	6,831	11.2%	66.5	66.3	0.3%
Disabled	775	731	6.0%	58.8	58.1	1.2%
Beneficiaries	541	495	9.3%	68.5	67.7	1.2%
Payee Total	8,915	8,057	10.6%	65.9	65.7	0.3%
Inactives	4,510	4,267	5.7%	46.1	46.7	-1.3%

	Total Annual Benefit*			Average Annual Benefit*		
	July 1, 2009	July 1, 2008	%Change	July 1, 2009	July 1, 2008	%Change
Total						
Retired	\$ 402,505,047	\$ 367,637,453	9.5%	\$ 28,810	\$ 27,617	4.3%
Disabled	30,814,179	29,532,939	4.3%	21,885	21,231	3.1%
Beneficiaries	38,389,728	36,347,954	5.6%	14,145	13,497	4.8%
Payee Total	\$ 471,708,954	\$ 433,518,346	8.8%	\$ 26,071	\$ 24,921	4.6%
Inactives**	\$ 128,404,027	\$ 114,301,858	12.3%	\$ 26,712	\$ 25,050	6.6%
Old						
Retired	\$ 237,347,041	\$ 229,925,982	3.2%	\$ 37,248	\$ 35,477	5.0%
Disabled	13,952,730	14,180,139	-1.6%	22,042	21,485	2.6%
Beneficiaries	32,615,824	31,368,843	4.0%	15,010	14,272	5.2%
Payee Total	\$ 283,915,594	\$ 275,474,964	3.1%	\$ 30,934	\$ 29,497	4.9%
Inactives**	\$ 4,925,460	\$ 3,830,615	28.6%	\$ 16,584	\$ 12,941	28.1%
New						
Retired	\$ 165,158,006	\$ 137,711,471	19.9%	\$ 21,734	\$ 20,160	7.8%
Disabled	16,861,450	15,352,800	9.8%	21,757	21,002	3.6%
Beneficiaries	5,773,904	4,979,112	16.0%	10,673	10,059	6.1%
Payee Total	\$ 187,793,359	\$ 158,043,382	18.8%	\$ 21,065	\$ 19,616	7.4%
Inactives**	\$ 123,478,567	\$ 110,471,243	11.8%	\$ 27,379	\$ 25,890	5.8%

* Benefits provided in June 30 valuation data

** For Inactives, total contribution balance with interest is shown

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
MEMBERSHIP INFORMATION**

**Table A-14
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
Total System**

Age	Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	115	171	-	-	-	-	-	-	-	-	-	286
25 to 29	240	939	100	3	-	-	-	-	-	-	-	1,282
30 to 34	259	1,184	631	108	-	-	-	-	-	-	-	2,182
35 to 39	224	1,131	1,088	698	64	1	-	-	-	-	-	3,206
40 to 44	162	950	1,194	1,118	534	100	1	-	-	-	-	4,059
45 to 49	164	832	1,145	1,199	884	523	244	-	-	-	-	4,991
50 to 54	121	661	1,013	983	825	874	763	127	4	-	-	5,371
55 to 59	70	465	755	782	653	845	746	377	93	1	-	4,787
60 to 64	43	207	415	477	407	427	427	241	126	14	-	2,784
65 to 69	7	42	122	121	116	105	81	52	29	16	-	691
70 and up	3	18	33	38	59	54	35	18	9	13	-	280
Total Count	1,408	6,600	6,496	5,527	3,542	2,929	2,297	815	261	44	-	29,919

**Table A-15
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
Total System**

Age	Average Expected Salary										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	\$ 56,695	\$ 71,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,633
25 to 29	68,001	72,902	91,496	77,699	-	-	-	-	-	-	-	73,446
30 to 34	70,351	77,061	83,801	92,924	-	-	-	-	-	-	-	78,999
35 to 39	73,223	80,226	86,435	96,359	114,908	58,163	-	-	-	-	-	86,041
40 to 44	69,760	78,303	83,637	91,539	102,070	99,109	92,104	-	-	-	-	86,819
45 to 49	71,832	78,032	79,604	87,886	96,954	96,543	101,381	-	-	-	-	86,989
50 to 54	69,931	78,245	76,963	81,580	87,019	95,268	105,323	116,633	122,155	-	-	87,331
55 to 59	77,498	75,438	77,092	81,482	86,193	89,828	95,369	100,810	100,945	126,273	-	86,334
60 to 64	69,778	75,333	76,564	80,094	82,707	82,079	86,950	95,332	99,615	93,636	-	83,063
65 to 69	60,947	84,493	74,694	76,439	77,980	79,757	81,815	86,658	95,320	91,614	-	79,770
70 and up	65,694	73,475	70,355	71,988	78,450	76,223	70,132	80,714	82,602	100,164	-	75,980
Avg. Salary	\$ 69,642	\$ 77,160	\$ 81,043	\$ 86,728	\$ 91,185	\$ 91,215	\$ 96,885	\$ 100,309	\$ 99,371	\$ 95,571	-	\$ 84,819

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
MEMBERSHIP INFORMATION**

**Table A-16
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
Total Police**

Age	Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	-	37	-	-	-	-	-	-	-	-	-	37
25 to 29	2	201	12	-	-	-	-	-	-	-	-	215
30 to 34	1	120	114	17	-	-	-	-	-	-	-	252
35 to 39	6	77	113	152	12	-	-	-	-	-	-	360
40 to 44	-	32	83	154	124	9	-	-	-	-	-	402
45 to 49	1	6	26	100	93	71	64	-	-	-	-	361
50 to 54	3	3	12	35	42	54	200	40	-	-	-	389
55 to 59	-	2	1	24	12	21	78	40	10	-	-	188
60 to 64	-	1	1	7	4	4	15	4	8	1	-	45
65 to 69	-	-	-	1	-	-	-	2	-	1	-	4
70 and up	-	-	-	-	1	-	-	-	-	1	-	2
Total Count	13	479	362	490	288	159	357	86	18	3	-	2,255

**Table A-17
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
Total Police**

Age	Average Expected Salary Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	\$ -	\$ 126,503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,503
25 to 29	94,427	90,014	193,354	-	-	-	-	-	-	-	-	95,823
30 to 34	94,427	87,965	104,875	161,729	-	-	-	-	-	-	-	100,617
35 to 39	92,338	82,729	104,125	122,079	198,604	-	-	-	-	-	-	110,082
40 to 44	-	87,086	100,530	111,700	122,038	168,215	-	-	-	-	-	111,888
45 to 49	123,900	92,856	98,341	96,848	118,564	136,337	161,597	-	-	-	-	121,804
50 to 54	123,900	66,908	83,297	105,939	96,707	115,435	133,119	161,470	-	-	-	125,084
55 to 59	-	158,928	117,224	113,586	105,270	82,003	107,205	117,391	156,455	-	-	110,471
60 to 64	-	-	109,123	82,942	121,783	66,086	86,243	117,840	153,740	142,450	-	101,746
65 to 69	-	-	-	108,588	-	-	-	131,565	-	101,038	-	118,189
70 and up	-	-	-	-	130,878	-	-	-	-	135,982	-	133,430
Avg. Salary	\$ 102,532	\$ 90,943	\$ 105,439	\$ 112,888	\$ 119,741	\$ 122,099	\$ 130,593	\$ 138,243	\$ 155,248	\$ 126,490	\$ -	\$ 112,622

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
MEMBERSHIP INFORMATION**

**Table A-18
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
Old Police**

Age	Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	
Under 25	-	-	-	-	-	-	-	-	-	-	-
25 to 29	-	-	-	-	-	-	-	-	-	-	-
30 to 34	-	-	-	-	-	-	-	-	-	-	-
35 to 39	-	-	-	-	-	-	-	-	-	-	-
40 to 44	-	-	-	-	-	-	-	-	-	-	-
45 to 49	-	-	-	-	-	-	-	-	-	-	-
50 to 54	-	-	-	-	-	-	-	-	-	-	-
55 to 59	-	-	-	-	-	-	-	-	6	-	6
60 to 64	-	-	-	-	-	-	-	-	6	1	7
65 to 69	-	-	-	-	-	-	-	1	-	-	1
70 and up	-	-	-	-	-	-	-	-	-	1	1
Total Count	-	-	-	-	-	-	-	1	12	2	15

**Table A-19
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
Old Police**

Age	Average Expected Salary										Total
	Years of Service										
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	
Under 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25 to 29	-	-	-	-	-	-	-	-	-	-	-
30 to 34	-	-	-	-	-	-	-	-	-	-	-
35 to 39	-	-	-	-	-	-	-	-	-	-	-
40 to 44	-	-	-	-	-	-	-	-	-	-	-
45 to 49	-	-	-	-	-	-	-	-	-	-	-
50 to 54	-	-	-	-	-	-	-	-	-	-	-
55 to 59	-	-	-	-	-	-	-	-	171,530	-	171,530
60 to 64	-	-	-	-	-	-	-	-	150,891	142,450	149,685
65 to 69	-	-	-	-	-	-	-	136,457	-	-	136,457
70 and up	-	-	-	-	-	-	-	-	-	135,982	135,982
Avg. Salary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,457	\$ 161,210	\$ 139,216	\$ 156,628

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
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**APPENDIX A
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**Table A-20
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
New Police**

Age	Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	-	37	-	-	-	-	-	-	-	-	-	37
25 to 29	2	201	12	-	-	-	-	-	-	-	-	215
30 to 34	1	120	114	17	-	-	-	-	-	-	-	252
35 to 39	6	77	113	152	12	-	-	-	-	-	-	360
40 to 44	-	32	83	154	124	9	-	-	-	-	-	402
45 to 49	1	6	26	100	93	71	64	-	-	-	-	361
50 to 54	3	3	12	35	42	54	200	40	-	-	-	389
55 to 59	-	2	1	24	12	21	78	40	4	-	-	182
60 to 64	-	1	1	7	4	4	15	4	2	-	-	38
65 to 69	-	-	-	1	-	-	-	1	-	1	-	3
70 and up	-	-	-	-	1	-	-	-	-	-	-	1
Total Count	13	479	362	490	288	159	357	85	6	1		2,240

**Table A-21
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
New Police**

Age	Average Expected Salary										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	\$ -	\$ 126,503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,503
25 to 29	94,427	90,014	193,354	-	-	-	-	-	-	-	-	95,823
30 to 34	94,427	87,965	104,875	161,729	-	-	-	-	-	-	-	100,617
35 to 39	92,338	82,729	104,125	122,079	198,604	-	-	-	-	-	-	110,082
40 to 44	-	87,086	100,530	111,700	122,038	168,215	-	-	-	-	-	111,888
45 to 49	123,900	92,856	98,341	96,848	118,564	136,337	161,597	-	-	-	-	121,804
50 to 54	123,900	66,908	83,297	105,939	96,707	115,435	133,119	161,470	-	-	-	125,084
55 to 59	-	158,928	117,224	113,586	105,270	82,003	107,205	117,391	133,843	-	-	108,458
60 to 64	-	-	109,123	82,942	121,783	66,086	86,243	117,840	162,288	-	-	92,915
65 to 69	-	-	-	108,588	-	-	-	126,673	-	101,038	-	112,100
70 and up	-	-	-	-	130,878	-	-	-	-	-	-	130,878
Avg. Salary	\$ 102,532	\$ 90,943	\$ 105,439	\$ 112,888	\$ 119,741	\$ 122,099	\$ 130,593	\$ 138,264	\$ 143,324	\$ 101,038		\$ 112,327

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
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**Table A-22
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
Total Fire**

Age	Years of Service											Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	-	2	-	-	-	-	-	-	-	-	-	2
25 to 29	-	41	17	-	-	-	-	-	-	-	-	58
30 to 34	1	41	48	16	-	-	-	-	-	-	-	106
35 to 39	-	41	100	93	12	-	-	-	-	-	-	246
40 to 44	1	31	93	119	104	11	-	-	-	-	-	359
45 to 49	-	9	52	74	133	35	4	-	-	-	-	307
50 to 54	-	5	22	26	69	40	45	18	-	-	-	225
55 to 59	-	2	2	3	21	23	49	24	5	-	-	129
60 to 64	-	-	1	-	6	1	4	6	2	-	-	20
65 to 69	-	-	-	-	-	1	-	-	2	1	-	4
70 and up	-	-	1	-	-	-	-	-	-	-	2	3
Total Count	2	172	336	331	345	111	102	48	9	3	1,459	

**Table A-23
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
Total Fire**

Age	Average Expected Salary											Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	\$ -	\$ 74,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,783
25 to 29	-	89,421	108,219	-	-	-	-	-	-	-	-	94,931
30 to 34	56,475	98,519	109,444	107,371	-	-	-	-	-	-	-	104,406
35 to 39	-	102,736	111,281	115,483	126,603	-	-	-	-	-	-	112,193
40 to 44	56,475	103,932	109,816	117,417	125,822	127,697	-	-	-	-	-	116,864
45 to 49	-	98,267	114,032	116,187	124,208	129,022	121,375	-	-	-	-	120,303
50 to 54	-	136,965	113,124	116,605	123,133	135,775	140,611	149,969	-	-	-	129,597
55 to 59	-	54,241	109,924	128,424	118,415	130,364	134,071	157,504	147,220	-	-	133,987
60 to 64	-	-	112,081	-	122,137	149,090	129,922	152,336	159,165	-	-	137,301
65 to 69	-	-	-	-	-	124,391	-	-	173,231	184,087	-	163,735
70 and up	-	-	147,005	-	-	-	-	-	-	207,757	-	187,507
Avg. Salary	\$ 56,475	\$ 98,645	\$ 111,105	\$ 116,149	\$ 124,174	\$ 131,741	\$ 136,296	\$ 154,032	\$ 155,655	\$ 199,867	\$ 118,997	

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
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**Table A-24
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
Old Fire**

Age	Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	
Under 25	-	-	-	-	-	-	-	-	-	-	-
25 to 29	-	-	-	-	-	-	-	-	-	-	-
30 to 34	-	-	-	-	-	-	-	-	-	-	-
35 to 39	-	-	-	-	-	-	-	-	-	-	-
40 to 44	-	-	-	-	-	-	-	-	-	-	-
45 to 49	-	-	-	-	-	-	-	-	-	-	-
50 to 54	-	-	-	-	-	-	-	-	-	-	-
55 to 59	-	-	-	-	-	-	-	2	2	-	4
60 to 64	-	-	-	-	-	-	-	1	2	-	3
65 to 69	-	-	-	-	-	-	-	-	1	1	2
70 and up	-	-	-	-	-	-	-	-	-	2	2
Total Count	-	-	-	-	-	-	-	3	5	3	11

**Table A-25
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
Old Fire**

Age	Average Expected Salary										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	
Under 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25 to 29	-	-	-	-	-	-	-	-	-	-	-
30 to 34	-	-	-	-	-	-	-	-	-	-	-
35 to 39	-	-	-	-	-	-	-	-	-	-	-
40 to 44	-	-	-	-	-	-	-	-	-	-	-
45 to 49	-	-	-	-	-	-	-	-	-	-	-
50 to 54	-	-	-	-	-	-	-	-	-	-	-
55 to 59	-	-	-	-	-	-	-	140,793	158,221	-	149,507
60 to 64	-	-	-	-	-	-	-	136,046	159,165	-	151,459
65 to 69	-	-	-	-	-	-	-	-	207,680	184,087	195,884
70 and up	-	-	-	-	-	-	-	-	-	207,757	207,757
Avg. Salary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,211	\$ 168,490	\$ 199,867	\$ 169,062

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
MEMBERSHIP INFORMATION**

**Table A-26
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
New Fire**

Age	Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	-	2	-	-	-	-	-	-	-	-	-	2
25 to 29	-	41	17	-	-	-	-	-	-	-	-	58
30 to 34	1	41	48	16	-	-	-	-	-	-	-	106
35 to 39	-	41	100	93	12	-	-	-	-	-	-	246
40 to 44	1	31	93	119	104	11	-	-	-	-	-	359
45 to 49	-	9	52	74	133	35	4	-	-	-	-	307
50 to 54	-	5	22	26	69	40	45	18	-	-	-	225
55 to 59	-	2	2	3	21	23	49	22	3	-	-	125
60 to 64	-	-	1	-	6	1	4	5	-	-	-	17
65 to 69	-	-	-	-	-	1	-	-	1	-	-	2
70 and up	-	-	1	-	-	-	-	-	-	-	-	1
Total Count	2	172	336	331	345	111	102	45	4	-	-	1,448

**Table A-27
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
New Fire**

Age	Average Expected Salary										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	\$ -	\$ 74,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,783
25 to 29	-	89,421	108,219	-	-	-	-	-	-	-	-	94,931
30 to 34	56,475	98,519	109,444	107,371	-	-	-	-	-	-	-	104,406
35 to 39	-	102,736	111,281	115,483	126,603	-	-	-	-	-	-	112,193
40 to 44	56,475	103,932	109,816	117,417	125,822	127,697	-	-	-	-	-	116,864
45 to 49	-	98,267	114,032	116,187	124,208	129,022	121,375	-	-	-	-	120,303
50 to 54	-	136,965	113,124	116,605	123,133	135,775	140,611	149,969	-	-	-	129,597
55 to 59	-	54,241	109,924	128,424	118,415	130,364	134,071	159,023	139,886	-	-	133,491
60 to 64	-	-	112,081	-	122,137	149,090	129,922	155,594	-	-	-	134,803
65 to 69	-	-	-	-	-	124,391	-	-	138,782	-	-	131,586
70 and up	-	-	147,005	-	-	-	-	-	-	-	-	147,005
Avg. Salary	\$ 56,475	\$ 98,645	\$ 111,105	\$ 116,149	\$ 124,174	\$ 131,741	\$ 136,296	\$ 155,020	\$ 139,610	\$ -	\$ -	\$ 118,616

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
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**Table A-28
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
Total Miscellaneous**

Age	Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	115	132	-	-	-	-	-	-	-	-	-	247
25 to 29	238	697	71	3	-	-	-	-	-	-	-	1,009
30 to 34	257	1,023	469	75	-	-	-	-	-	-	-	1,824
35 to 39	218	1,013	875	453	40	1	-	-	-	-	-	2,600
40 to 44	161	887	1,018	845	306	80	1	-	-	-	-	3,298
45 to 49	163	817	1,067	1,025	658	417	176	-	-	-	-	4,323
50 to 54	118	653	979	922	714	780	518	69	4	-	-	4,757
55 to 59	70	461	752	755	620	801	619	313	78	1	-	4,470
60 to 64	43	206	413	470	397	422	408	231	116	13	-	2,719
65 to 69	7	42	122	120	116	104	81	50	27	14	-	683
70 and up	3	18	32	38	58	54	35	18	9	10	-	275
Total Count	1,393	5,949	5,798	4,706	2,909	2,659	1,838	681	234	38	-	26,205

**Table A-29
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
Total Miscellaneous**

Age	Average Expected Salary Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	\$ 56,695	\$ 56,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,441
25 to 29	67,779	66,996	70,276	77,699	-	-	-	-	-	-	-	67,443
30 to 34	70,311	74,922	76,054	74,246	-	-	-	-	-	-	-	74,536
35 to 39	72,697	79,124	81,311	83,802	86,291	58,163	-	-	-	-	-	80,238
40 to 44	69,843	77,090	79,867	84,220	85,906	87,404	92,104	-	-	-	-	80,493
45 to 49	71,512	77,701	77,469	84,968	88,391	87,042	79,030	-	-	-	-	81,716
50 to 54	68,559	77,847	76,073	79,667	82,959	91,795	91,526	81,944	122,155	-	-	82,245
55 to 59	77,498	75,168	76,951	80,275	84,732	88,870	90,813	94,343	90,863	126,273	-	83,943
60 to 64	69,778	75,699	76,399	80,051	81,718	82,072	86,555	93,462	94,856	89,881	-	82,355
65 to 69	60,947	84,493	74,694	76,171	77,980	79,328	81,815	84,862	89,549	84,336	-	79,053
70 and up	65,694	73,475	67,960	71,988	77,546	76,223	70,132	80,714	82,602	75,063	-	74,346
Avg. Salary	\$ 69,354	\$ 75,429	\$ 77,777	\$ 81,934	\$ 84,446	\$ 87,677	\$ 88,151	\$ 91,732	\$ 92,908	\$ 84,896	-	\$ 80,523

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
MEMBERSHIP INFORMATION**

**Table A-30
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
Old Miscellaneous**

Age	Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	
Under 25	-	-	-	-	-	-	-	-	-	-	-
25 to 29	-	-	-	-	-	-	-	-	-	-	-
30 to 34	-	-	-	-	-	-	-	-	-	-	-
35 to 39	-	-	-	-	-	-	-	-	-	-	-
40 to 44	-	-	-	-	-	-	-	-	-	-	-
45 to 49	-	-	-	-	-	-	-	-	-	-	-
50 to 54	-	-	-	-	-	-	-	6	-	-	6
55 to 59	-	-	-	-	-	-	3	79	71	1	154
60 to 64	-	-	-	-	-	-	12	65	106	13	196
65 to 69	-	-	-	-	-	-	-	10	24	14	48
70 and up	-	-	-	-	-	-	1	6	9	10	26
Total Count	-	-	-	-	-	-	16	166	210	38	430

**Table A-31
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
Old Miscellaneous**

Age	Average Expected Salary										Total
	Years of Service										
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	
Under 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25 to 29	-	-	-	-	-	-	-	-	-	-	-
30 to 34	-	-	-	-	-	-	-	-	-	-	-
35 to 39	-	-	-	-	-	-	-	-	-	-	-
40 to 44	-	-	-	-	-	-	-	-	-	-	-
45 to 49	-	-	-	-	-	-	-	-	-	-	-
50 to 54	-	-	-	-	-	-	-	82,845	-	-	82,845
55 to 59	-	-	-	-	-	-	57,473	97,579	92,552	126,273	94,666
60 to 64	-	-	-	-	-	-	77,793	98,390	96,308	89,881	95,438
65 to 69	-	-	-	-	-	-	-	86,005	90,156	84,336	87,594
70 and up	-	-	-	-	-	-	48,938	75,704	82,602	75,063	76,816
Avg. Salary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,180	\$ 95,876	\$ 93,747	\$ 84,896	\$ 92,985

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
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**Table A-32
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
New Miscellaneous**

Age	Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	115	132	-	-	-	-	-	-	-	-	-	247
25 to 29	238	697	71	3	-	-	-	-	-	-	-	1,009
30 to 34	257	1,023	469	75	-	-	-	-	-	-	-	1,824
35 to 39	218	1,013	875	453	40	1	-	-	-	-	-	2,600
40 to 44	161	887	1,018	845	306	80	1	-	-	-	-	3,298
45 to 49	163	817	1,067	1,025	658	417	176	-	-	-	-	4,323
50 to 54	118	653	979	922	714	780	518	63	4	-	-	4,751
55 to 59	70	461	752	755	620	801	616	234	7	-	-	4,316
60 to 64	43	206	413	470	397	422	396	166	10	-	-	2,523
65 to 69	7	42	122	120	116	104	81	40	3	-	-	635
70 and up	3	18	32	38	58	54	34	12	-	-	-	249
Total Count	1,393	5,949	5,798	4,706	2,909	2,659	1,822	515	24	-	-	25,775

**Table A-33
City and County of San Francisco Employees' Retirement System
Distribution of Active Members as of July 1, 2009
New Miscellaneous**

Age	Average Expected Salary										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	\$ 56,695	\$ 56,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,441
25 to 29	67,779	66,996	70,276	77,699	-	-	-	-	-	-	-	67,443
30 to 34	70,311	74,922	76,054	74,246	-	-	-	-	-	-	-	74,536
35 to 39	72,697	79,124	81,311	83,802	86,291	58,163	-	-	-	-	-	80,238
40 to 44	69,843	77,090	79,867	84,220	85,906	87,404	92,104	-	-	-	-	80,493
45 to 49	71,512	77,701	77,469	84,968	88,391	87,042	79,030	-	-	-	-	81,716
50 to 54	68,559	77,847	76,073	79,667	82,959	91,795	91,526	81,858	122,155	-	-	82,244
55 to 59	77,498	75,168	76,951	80,275	84,732	88,870	90,976	93,251	73,731	-	-	83,561
60 to 64	69,778	75,699	76,399	80,051	81,718	82,072	86,820	91,532	79,464	-	-	81,339
65 to 69	60,947	84,493	74,694	76,171	77,980	79,328	81,815	84,576	84,697	-	-	78,407
70 and up	65,694	73,475	67,960	71,988	77,546	76,223	70,756	83,219	-	-	-	74,088
Avg. Salary	\$ 69,354	\$ 75,429	\$ 77,777	\$ 81,934	\$ 84,446	\$ 87,677	\$ 88,291	\$ 90,396	\$ 85,561	\$ -	\$ -	\$ 80,315

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
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**Table A-35
City and County of San Francisco Employees' Retirement System
Retirees, Disabled, and Beneficiaries by Attained Age and Benefit Effective Date
Total Police**

Benefit Effective	Age										Total
	Under 50	50 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 to 84	85 to 89	90 and up	
pre-1990	2	4	13	34	50	80	147	163	101	55	649
1990	1	2	-	4	1	18	11	4	4	-	45
1991	-	1	2	2	7	19	7	4	2	1	45
1992	-	1	1	1	14	12	7	3	1	1	41
1993	-	-	2	3	16	9	2	2	3	3	40
1994	-	2	1	2	18	11	9	4	2	1	50
1995	-	-	1	5	34	13	5	2	5	2	67
1996	-	1	1	18	15	5	4	7	5	2	58
1997	-	2	1	15	25	12	3	4	3	1	66
1998	1	3	5	15	9	14	8	2	1	3	61
1999	1	1	2	17	11	8	2	6	2	1	51
2000	1	5	10	37	18	8	4	8	6	1	98
2001	3	3	11	33	26	7	11	7	1	-	102
2002	3	2	11	31	12	7	4	4	4	2	80
2003	-	4	21	43	20	13	3	8	-	2	114
2004	3	5	27	37	15	5	3	6	5	1	107
2005	2	7	27	30	12	10	4	4	2	1	99
2006	7	10	32	20	6	5	6	3	6	2	97
2007	4	13	38	19	7	4	9	7	4	1	106
2008	7	19	38	20	4	5	4	2	2	3	104
2009	3	18	39	10	7	3	-	5	5	-	90
Total	38	103	283	396	327	268	253	255	164	83	2,170

Average Age at Retirement/Disability 51.6
Average Current Age 69.6
Average Annual Pension \$ 62,701

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
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**Table A-36
City and County of San Francisco Employees' Retirement System
Retirees, Disabled, and Beneficiaries by Attained Age and Benefit Effective Date
Old Police**

Benefit Effective	Age										Total
	Under 50	50 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 to 84	85 to 89	90 and up	
pre-1990	2	1	8	31	47	76	140	163	101	55	624
1990	-	-	-	1	1	17	11	4	4	-	38
1991	-	1	1	2	6	19	7	4	2	1	43
1992	-	-	-	1	13	12	7	3	1	1	38
1993	-	-	-	1	13	9	2	2	3	3	33
1994	-	-	-	1	15	11	8	4	2	1	42
1995	-	-	1	4	29	11	5	2	5	2	59
1996	-	-	1	10	12	4	4	6	5	1	43
1997	-	1	-	11	23	11	3	4	3	1	57
1998	-	1	2	13	8	12	8	2	1	3	50
1999	-	-	2	16	8	7	2	6	2	1	44
2000	-	2	4	26	12	5	4	8	6	1	68
2001	1	-	8	27	21	5	11	7	1	-	81
2002	1	-	4	24	11	6	4	4	4	2	60
2003	-	3	9	35	17	12	3	8	-	2	89
2004	-	1	16	25	10	5	3	6	5	1	72
2005	-	-	12	13	9	10	4	4	2	1	55
2006	-	-	14	13	2	4	6	3	6	2	50
2007	1	2	14	11	4	4	9	7	4	1	57
2008	-	1	9	9	3	5	4	2	2	3	38
2009	-	1	4	3	7	3	-	5	5	-	28
Total	5	14	109	277	271	248	245	254	164	82	1,669

Average Age at Retirement/Disability 51.6
Average Current Age 73.1
Average Annual Pension \$ 64,557

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
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**Table A-37
City and County of San Francisco Employees' Retirement System
Retirees, Disabled, and Beneficiaries by Attained Age and Benefit Effective Date
New Police**

Benefit Effective	Age										Total
	Under 50	50 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 to 84	85 to 89	90 and up	
pre-1990	-	3	5	3	3	4	7	-	-	-	25
1990	1	2	-	3	-	1	-	-	-	-	7
1991	-	-	1	-	1	-	-	-	-	-	2
1992	-	1	1	-	1	-	-	-	-	-	3
1993	-	-	2	2	3	-	-	-	-	-	7
1994	-	2	1	1	3	-	1	-	-	-	8
1995	-	-	-	1	5	2	-	-	-	-	8
1996	-	1	-	8	3	1	-	1	-	1	15
1997	-	1	1	4	2	1	-	-	-	-	9
1998	1	2	3	2	1	2	-	-	-	-	11
1999	1	1	-	1	3	1	-	-	-	-	7
2000	1	3	6	11	6	3	-	-	-	-	30
2001	2	3	3	6	5	2	-	-	-	-	21
2002	2	2	7	7	1	1	-	-	-	-	20
2003	-	1	12	8	3	1	-	-	-	-	25
2004	3	4	11	12	5	-	-	-	-	-	35
2005	2	7	15	17	3	-	-	-	-	-	44
2006	7	10	18	7	4	1	-	-	-	-	47
2007	3	11	24	8	3	-	-	-	-	-	49
2008	7	18	29	11	1	-	-	-	-	-	66
2009	3	17	35	7	-	-	-	-	-	-	62
Total	33	89	174	119	56	20	8	1	-	1	501

Average Age at Retirement/Disability 51.6
Average Current Age 58.2
Average Annual Pension \$ 56,520

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
MEMBERSHIP INFORMATION**

**Table A-39
City and County of San Francisco Employees' Retirement System
Retirees, Disabled, and Beneficiaries by Attained Age and Benefit Effective Date
Old Fire**

Benefit Effective	Age										Total
	Under 50	50 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 to 84	85 to 89	90 and up	
pre-1990	-	-	-	6	23	29	71	131	132	73	465
1990	-	-	-	2	3	17	16	4	2	5	49
1991	-	-	1	2	7	9	8	5	3	4	39
1992	-	-	-	2	11	14	7	4	2	3	43
1993	-	-	1	1	14	10	10	4	5	3	48
1994	-	-	1	4	8	11	7	2	2	1	36
1995	-	-	1	2	22	16	4	2	5	1	53
1996	-	1	2	7	12	13	4	5	3	2	49
1997	1	-	1	3	21	8	3	6	-	3	46
1998	1	-	1	14	24	15	7	2	6	3	73
1999	-	-	4	12	24	12	1	2	4	-	59
2000	-	1	2	18	17	6	4	2	1	2	53
2001	1	1	1	34	25	14	2	2	4	3	87
2002	-	-	6	15	18	5	2	4	4	2	56
2003	2	1	9	57	32	1	4	4	2	3	115
2004	-	-	7	47	16	-	-	4	3	2	79
2005	-	1	13	24	10	2	5	6	1	2	64
2006	1	-	30	14	6	3	3	7	3	3	70
2007	-	2	12	9	2	-	2	10	3	1	41
2008	-	-	5	7	-	3	6	7	8	1	37
2009	-	1	3	4	3	4	4	8	1	3	31
Total	6	8	100	284	298	192	170	221	194	120	1,593

Average Age at Retirement/Disability 54.4
Average Current Age 73.6
Average Annual Pension \$ 72,684

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
MEMBERSHIP INFORMATION**

**Table A-40
City and County of San Francisco Employees' Retirement System
Retirees, Disabled, and Beneficiaries by Attained Age and Benefit Effective Date
New Fire**

Benefit Effective	Age										Total
	Under 50	50 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 to 84	85 to 89	90 and up	
pre-1990	-	-	3	-	2	2	1	-	-	-	8
1990	-	-	-	-	2	-	-	-	-	-	2
1991	-	-	-	-	2	1	-	1	-	1	5
1992	-	-	-	1	1	-	-	1	-	-	3
1993	-	-	-	1	-	-	-	-	-	-	1
1994	-	1	2	-	1	-	-	-	-	-	4
1995	-	-	-	1	-	1	-	-	-	-	2
1996	-	-	-	1	-	2	-	-	-	-	3
1997	1	1	-	1	-	2	-	-	-	-	5
1998	1	1	2	1	5	-	-	-	-	-	10
1999	-	-	-	1	-	1	-	-	-	-	2
2000	-	2	1	4	6	2	-	-	-	-	15
2001	3	3	2	6	6	1	-	-	-	-	21
2002	2	2	1	5	5	-	-	-	-	-	15
2003	5	6	4	13	10	1	-	-	-	-	39
2004	2	5	8	12	-	1	-	-	-	-	28
2005	5	5	12	12	2	-	-	-	-	-	36
2006	2	7	14	13	4	-	-	-	-	-	40
2007	8	8	46	22	-	-	-	-	-	-	84
2008	2	5	24	16	1	-	-	-	-	-	48
2009	3	14	42	8	-	-	-	-	-	-	67
Total	34	60	161	118	47	14	1	2	-	1	438

Average Age at Retirement/Disability 52.9
Average Current Age 58.2
Average Annual Pension \$ 71,853

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
MEMBERSHIP INFORMATION**

**Table A-41
City and County of San Francisco Employees' Retirement System
Retirees, Disabled, and Beneficiaries by Attained Age and Benefit Effective Date
Total Miscellaneous**

Benefit Effective	Age										Total
	Under 50	50 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 to 84	85 to 89	90 and up	
pre-1990	-	1	9	22	80	147	283	636	849	552	2,579
1990	-	1	2	9	11	48	77	154	55	13	370
1991	2	-	1	3	16	50	80	139	46	12	349
1992	-	1	5	7	131	332	516	316	97	16	1,421
1993	-	2	2	8	32	31	35	32	21	11	174
1994	1	4	6	14	60	47	63	55	23	12	285
1995	1	4	7	20	68	66	99	58	25	17	365
1996	5	3	11	54	65	110	130	63	20	14	475
1997	4	4	13	57	105	119	126	38	30	11	507
1998	2	13	19	93	133	193	130	43	30	15	671
1999	-	7	18	100	122	185	123	40	21	21	637
2000	4	6	35	123	130	188	130	40	14	10	680
2001	7	14	67	155	225	257	108	42	28	10	913
2002	7	14	83	139	264	211	72	36	25	13	864
2003	8	23	135	180	260	171	72	27	16	12	904
2004	15	18	168	206	292	173	60	40	35	7	1,014
2005	13	56	264	325	385	175	70	34	26	12	1,360
2006	13	114	210	311	272	109	37	33	24	7	1,130
2007	16	123	209	358	293	98	38	42	22	5	1,204
2008	15	148	180	285	150	54	29	33	30	9	933
2009	17	174	234	421	219	76	44	30	26	11	1,252
Total	130	730	1,678	2,890	3,313	2,840	2,322	1,931	1,463	790	18,087

Average Age at Retirement/Disability 58.9
Average Current Age 70.9
Average Annual Pension \$ 26,073

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
MEMBERSHIP INFORMATION**

**Table A-42
City and County of San Francisco Employees' Retirement System
Retirees, Disabled, and Beneficiaries by Attained Age and Benefit Effective Date
Old Miscellaneous**

Benefit Effective	Age										Total
	Under 50	50 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 to 84	85 to 89	90 and up	
pre-1990	-	1	9	16	77	133	272	602	799	543	2,452
1990	-	1	2	5	10	38	64	136	37	11	304
1991	2	-	1	2	10	33	69	110	33	11	271
1992	-	1	2	6	116	312	415	215	59	12	1,138
1993	-	-	1	3	21	18	25	20	19	9	116
1994	1	1	3	9	35	34	43	35	19	12	192
1995	-	-	3	7	40	49	63	23	20	16	221
1996	2	1	-	23	39	73	65	33	17	13	266
1997	-	-	1	19	59	79	48	19	22	11	258
1998	1	3	5	31	86	135	48	16	25	14	364
1999	-	2	9	32	67	97	45	26	14	17	309
2000	2	-	9	32	75	91	60	24	13	9	315
2001	2	4	10	52	125	106	30	24	21	10	384
2002	1	4	11	51	141	73	23	21	20	13	358
2003	3	4	24	70	118	50	31	17	12	12	341
2004	-	2	21	79	104	47	22	27	31	6	339
2005	1	3	34	101	140	42	24	19	23	12	399
2006	2	2	27	123	75	27	23	22	22	7	330
2007	3	4	33	108	67	31	25	31	19	5	326
2008	1	1	18	74	31	16	16	22	25	8	212
2009	7	1	28	108	49	18	23	16	24	9	283
Total	28	35	251	951	1,485	1,502	1,434	1,458	1,274	760	9,178

Average Age at Retirement/Disability 59.0
Average Current Age 75.8
Average Annual Pension \$ 30,934

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

**APPENDIX A
MEMBERSHIP INFORMATION**

**Table A-43
City and County of San Francisco Employees' Retirement System
Retirees, Disabled, and Beneficiaries by Attained Age and Benefit Effective Date
New Miscellaneous**

Benefit Effective	Age										Total
	Under 50	50 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 to 84	85 to 89	90 and up	
pre-1990	-	-	-	6	3	14	11	34	50	9	127
1990	-	-	-	4	1	10	13	18	18	2	66
1991	-	-	-	1	6	17	11	29	13	1	78
1992	-	-	3	1	15	20	101	101	38	4	283
1993	-	2	1	5	11	13	10	12	2	2	58
1994	-	3	3	5	25	13	20	20	4	-	93
1995	1	4	4	13	28	17	36	35	5	1	144
1996	3	2	11	31	26	37	65	30	3	1	209
1997	4	4	12	38	46	40	78	19	8	-	249
1998	1	10	14	62	47	58	82	27	5	1	307
1999	-	5	9	68	55	88	78	14	7	4	328
2000	2	6	26	91	55	97	70	16	1	1	365
2001	5	10	57	103	100	151	78	18	7	-	529
2002	6	10	72	88	123	138	49	15	5	-	506
2003	5	19	111	110	142	121	41	10	4	-	563
2004	15	16	147	127	188	126	38	13	4	1	675
2005	12	53	230	224	245	133	46	15	3	-	961
2006	11	112	183	188	197	82	14	11	2	-	800
2007	13	119	176	250	226	67	13	11	3	-	878
2008	14	147	162	211	119	38	13	11	5	1	721
2009	10	173	206	313	170	58	21	14	2	2	969
Total	102	695	1,427	1,939	1,828	1,338	888	473	189	30	8,909

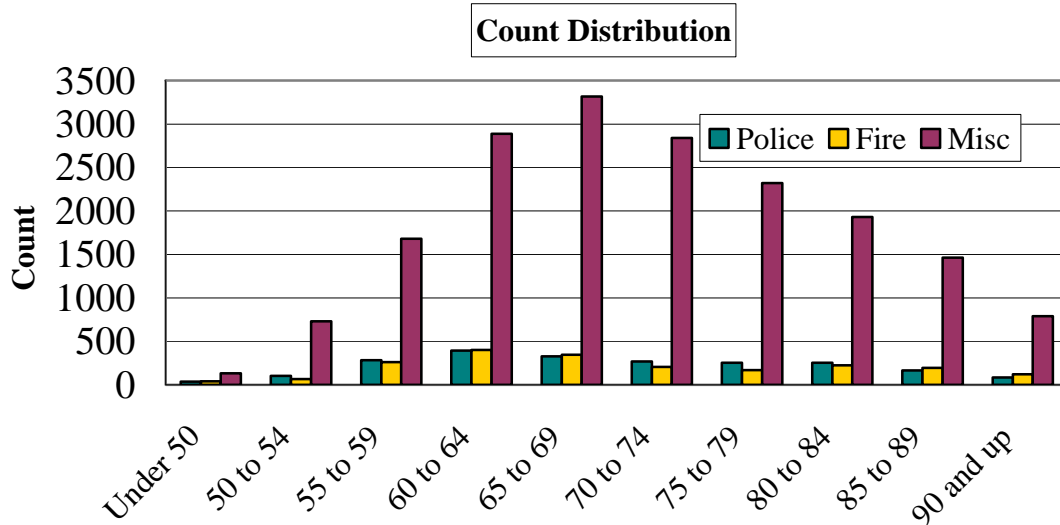
Average Age at Retirement/Disability 58.9
Average Current Age 65.9
Average Annual Pension \$ 21,065

APPENDIX A
 MEMBERSHIP INFORMATION

Table A-44
City and County of SFERS
Distribution of Retirees, Disabled Members,
and Beneficiaries as of July 1, 2009

Age	Count			Total
	Police	Fire	Misc	
Under 50	38	40	131	209
50 to 54	103	68	730	901
55 to 59	283	261	1,681	2,225
60 to 64	396	402	2,890	3,688
65 to 69	327	345	3,314	3,986
70 to 74	268	206	2,841	3,315
75 to 79	253	171	2,322	2,746
80 to 84	255	223	1,931	2,409
85 to 89	164	194	1,463	1,821
90 and up	83	121	790	994
Total	2,170	2,031	18,093	22,294

Chart A-1



CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2009 ACTUARIAL VALUATION

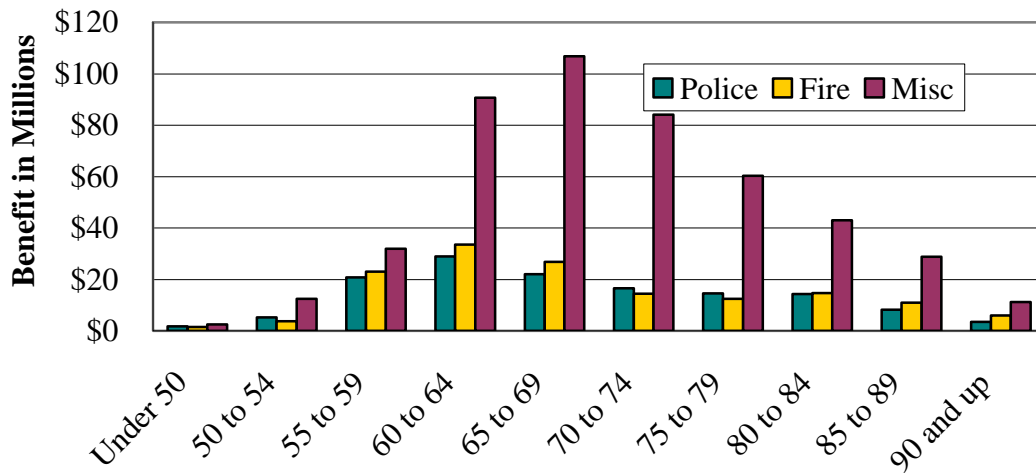
**APPENDIX A
MEMBERSHIP INFORMATION**

**Table A-45
City and County of SFERS
Distribution of Retirees, Disabled Members,
and Beneficiaries as of July 1, 2009**

Age	Annual Benefit			
	Police	Fire	Misc	Total
Under 50	\$ 1,713,831	\$ 1,507,813	\$ 2,477,067	\$ 5,698,712
50 to 54	5,269,084	3,771,642	12,432,430	21,473,156
55 to 59	20,848,621	23,104,636	31,954,811	75,908,068
60 to 64	28,932,411	33,503,828	90,665,043	153,101,282
65 to 69	22,081,558	26,759,865	106,732,154	155,573,578
70 to 74	16,609,969	14,399,238	84,163,395	115,172,602
75 to 79	14,528,343	12,510,540	60,279,335	87,318,217
80 to 84	14,370,898	14,764,073	43,026,794	72,161,765
85 to 89	8,271,113	10,962,412	28,787,315	48,020,840
90 and up	3,436,268	5,973,982	11,190,610	20,600,861
Total	\$ 136,062,097	\$ 147,258,030	\$471,708,954	755,029,081

Chart A-2

Benefit Distribution



APPENDIX A
MEMBERSHIP INFORMATION

Data Assumptions and Methods

In preparing our data, we relied without audit on information supplied by the SFERS staff. This information includes, but is not limited to, plan provisions, employee data, and financial information. Our methodology for obtaining the data used for the valuation is based upon the following assumptions and practices:

- Service for members on the “Active” data file was calculated using the field “Yrs Svc”. Service buyback that has been paid for is included in the “Yrs Svc” field. Service buyback that is under contract, but not paid in full, as of the valuation date will be assumed to be paid in full and this service will be reflected in the projected benefit. An adjusted date of hire is retroactively calculated from the valuation date.
- Valuation Salary will be “Covered Pay” for members hired before the beginning of the previous plan year and “Calculated Pay”, which is an annualized pay rate, for new hires. A minimum of \$45,000 is used for all active members. Then an increase of 4.5% based on the wage increase assumption is applied.
- For accounts having duplicate records based on Social Security Number in the “Active” data file, the records are added together for fields “Cvd Pay”, “Contribs”, “Interest”, “Shortage”, “Short Int” and “Yrs Svc”. The other data in the record is determined by the record which is considered open (“Plan Stat” = “O”) with the most recent “Membership Date”.
- Records on the “Active” data file are considered to be Active if they have a status of “AM” which means active, no “Job End Date” or the “Job End Date” is after 6/30/2008, and do not have a retiree record and their “Cvd Pay” is greater than \$0.
- Records on the “Active” data file are considered to be Inactive if they have a status of “VM”, which means vested or they have a status of “AM” but their “Job End Date” is prior to 6/30/2009, or their “Cvd Pay” is \$0.
- Records on the “Retiree” file are considered in pay status if their benefit is not suspended or terminated.
- Members may retire and receive benefits from multiple Plans (e.g. - a police officer can have two benefits, one for the service during the academy training which is considered the Miscellaneous group and a second benefit for all other service as a police officer). We will value each member’s blended benefit individually. This will result in the counts being slightly higher than actual counts due to people having more than one benefit payable from multiple plans.
- We assume any member found in last year’s “Retiree” file and not in this year’s file has deceased without a beneficiary and should be removed from the valuation data.
- We assume all deceased members with payments continuing to a beneficiary have already been accounted for in the “Retiree” file.

**APPENDIX B
 ACTUARIAL ASSUMPTIONS AND METHODS**

A. Actuarial Assumptions

1. Investment Return Assumption

SFERS' assets are assumed to earn 7.75% net of investment expenses.

2. Inflation

Wage inflation: 4.50% compounded annually

Consumer Price Inflation: 3.5% compounded annually

3. Interest Credited to Member Contributions

5.00%, compounded annually.

4. Salary Increase Rate

Wage inflation component 4.50%

The additional merit component:

Years of Service	Police	Fire	Muni Drivers	Craft	Misc. Females	Misc. Males
1	13.50%	21.00%	13.00%	5.00%	5.00%	5.25%
2	5.00	5.00	8.00	2.00	4.00	4.25
3	5.00	5.00	1.00	2.00	4.00	3.50
4	1.00	1.00	0.00	2.00	3.50	3.50
5	1.00	1.00	0.00	1.50	2.50	3.25
6	1.00	1.00	0.00	1.00	2.25	2.75
7	1.00	1.00	0.00	1.00	2.25	2.50
8	1.00	1.00	0.00	0.80	2.00	2.25
9	1.00	1.00	0.00	0.70	1.75	2.25
10	1.00	1.00	0.00	0.70	1.50	2.25
11	1.00	1.00	0.00	0.70	1.00	2.25
12	1.00	1.00	0.00	0.70	1.00	1.75
13	1.00	1.00	0.00	0.70	1.00	1.75
14	1.00	1.00	0.00	0.70	1.00	1.75
15 & over	1.00	1.00	0.00	0.70	0.90	1.00

**APPENDIX B
 ACTUARIAL ASSUMPTIONS AND METHODS**

Extra covered wages in the last year before service retirement are assumed to be as follows:

	Old Plan	New Plan
Craft Workers	8.0%	5.0%
Male Miscellaneous	3.0%	2.0%

5. Administrative Expense Assumption

There is a 0.45% of Payroll assumption included in the normal costs rates for administrative expenses.

6. Cost-of-Living Increase in Benefits*

Old Plans - Police and Fire, post-7/1/75 DOR 4.50% per year
 Old Plans - Police and Fire, pre-7/1/75 DOR 3.00% per year
 Old Plans - Miscellaneous 2.00% per year
 New Plans - Police, Fire and Miscellaneous 2.00% per year

* No supplemental COLA was adopted by the Board as of July 1, 2009.

7. Member Refunds

The rates of refund of contributions for terminated vested members are presented in Table B-2 below.

Age	Police & Fire	Police & Fire	Miscellaneous
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 & over	0	0	0

**APPENDIX B
 ACTUARIAL ASSUMPTIONS AND METHODS**

8. Family Composition

Percentage married (including assumption for Domestic Partners, 1994 Proposition H) is shown in the following Table B-3. Wives are assumed to be three years younger than husbands (and then the spouse is assumed to be an additional year younger in order to value continuance to children and dependent parents).

	Old Plan	New Plan
Police and Fire Males	90%	85%
Police and Fire Females	48	42
Miscellaneous Males	80	80
Miscellaneous Females	48	48

9. Rates of Withdrawal/Termination

Sample rates of withdrawal/termination are show in the following Table B-4.

Years of Service	Police	Fire	Muni Drivers	Craft Workers
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

**APPENDIX B
 ACTUARIAL ASSUMPTIONS AND METHODS**

Sample rates of withdrawal/termination by age and service for Miscellaneous members are shown in the following Table B-5.

Service	0		3		5+	
	Females	Males	Females	Males	Females	Males
20	15.00%	15.00%	15.00%	10.00%	10.00%	10.00%
25	15.00	15.00	7.50	10.00	5.00	6.50
30	12.50	15.00	7.50	7.00	5.00	6.50
35	12.50	10.00	7.50	7.00	3.00	2.50
40	10.00	10.00	5.00	5.00	3.00	2.50
45	10.00	10.00	2.50	5.00	2.50	2.50
50	15.00	10.00	2.50	5.00	2.50	2.50
55	15.00	10.00	2.50	2.50	2.50	2.50
60	7.50	20.00	2.50	2.50	2.50	2.50
65	7.50	20.00	2.50	2.50	2.50	2.50
69	7.50	20.00	2.50	2.50	0.00	0.00

30% of terminating employees are assumed to subsequently work for a reciprocal employer and receive 4.50% pay increases per year.

**APPENDIX B
 ACTUARIAL ASSUMPTIONS AND METHODS**

10. Rates of Disability

Sample disability rates of active participants are provided in Table B-6.

Age	Police	Fire	Muni Drivers	Craft	Misc. Females	Misc. Males
20	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%
25	0.02	0.03	0.00	0.00	0.00	0.00
30	0.05	0.06	0.01	0.01	0.02	0.01
35	0.09	0.15	0.06	0.06	0.15	0.12
40	0.12	0.70	0.11	0.12	0.25	0.23
45	0.10	0.50	0.17	0.24	0.60	0.32
50	1.60	1.00	0.80	0.60	0.60	0.37
55	3.00	5.00	1.80	2.00	1.00	0.55
60	0.08	13.00	0.00	0.00	0.00	0.00
65	0.00	0.00	0.00	0.00	0.00	0.00

Level of duty disability benefits (if projected to be disabled before service retirement eligibility)	
Police	55% of pay
Fire	60% of pay

APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS

11. Rates of Mortality for Healthy Lives

Mortality rates for actives, retirees, beneficiaries, terminated vested and reciprocals are based on the sex distinct 1994 Group Annuity Mortality Tables with no set back. 25% of safety deaths are assumed to be service related. Table B-7 provides a sample of these rates.

Age	Male	Female
25	0.066%	0.029%
30	0.080	0.035
35	0.085	0.048
40	0.107	0.071
45	0.158	0.097
50	0.258	0.143
55	0.044	0.023
60	0.080	0.044
65	0.145	0.086
70	0.237	0.137
75	0.372	0.227
80	0.6203	0.394

**APPENDIX B
 ACTUARIAL ASSUMPTIONS AND METHODS**

12. Rates of Mortality for Retired Disabled Lives

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. Table B-8 provides a sample of the mortality rates for members with disability retirement.

Age	Police and Fire		All Miscellaneous	
	Male	Female	Male	Female
25	0.05%	0.07%	0.75%	0.54%
30	0.07	0.10	0.77	0.57
35	0.11	0.15	0.80	0.60
40	0.17	0.26	0.87	0.63
45	0.28	0.38	1.06	0.76
50	0.40	0.54	1.46	1.00
55	0.59	0.89	2.12	1.34
60	0.98	1.45	2.87	1.71
65	1.63	2.40	3.62	2.16
70	2.61	3.61	4.67	2.71
75	3.89	5.31	6.55	3.69
80	5.77	8.09	9.48	5.52

**APPENDIX B
 ACTUARIAL ASSUMPTIONS AND METHODS**

13. Rates of Retirement

Rates of retirement are based on age according to the following Table B-9. Old safety plan members are assumed to retire immediately.

Table B-9						
Rates of Retirement by Age						
Age	New Police	New Fire	Muni Drivers*	Craft*	Misc. Females*	Misc. Males*
50	0.0300	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	0.1000	0.0275	0.0300	0.0225
59	0.1200	0.2000	0.1500	0.0275	0.0300	0.0500
60	0.3500	0.2000	0.2000	0.1000	0.1100	0.0700
61	0.2500	0.4000	0.1000	0.1300	0.1100	0.0900
62	0.2500	0.3500	0.3500	0.2500	0.1500	0.2300
63	0.2500	0.3000	0.0750	0.1300	0.1300	0.1500
64	0.2500	0.3000	0.1500	0.1300	0.1500	0.1500
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

* Participants who reach age 65 and hit the maximum benefit percentage are assumed to retire immediately.

**APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS**

14. Deferred Retirement Option Program (DROP)

Effective July 1, 2008 new police plan members may be eligible to enter a DROP. Based on the current plan design and lack of experience data it is assumed for this valuation that the introduction of the DROP will have no impact on the retirement rates for this group of participants.

15. Deferred Member Benefit

The benefit was estimated based on information provided by SFERS staff. The data used to value the estimated deferred benefit were date of birth, date of hire, date of termination, and last pay. Based on the data provided, service credit, highest average salary, and deferred retirement age were estimated. The estimates were used to compute the retirement benefit, upon which the liabilities are based. For those members without sufficient data or service, accumulated member contribution balances, with interest, were used as the actuarial accrued liability.

16. Other

The contribution requirements and benefit values of a plan are calculated by applying actuarial assumptions to the benefit provisions and member information, using the actuarial funding methods described in the following section.

Actual experience of SFERS will not coincide exactly with assumed experiences, regardless of the choice of the assumptions, the skill of the actuary or the precision of the many calculations made. Each valuation provides a complete recalculation of assumed future experience and takes into account all past differences between assumed and actual experience. The result is a continual series of adjustments to the computed contribution rate. From time to time it becomes appropriate to modify one or more of the assumptions, to reflect experience trends, but not random year-to-year fluctuations.

**APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS**

B. Actuarial Methods

1. Actuarial Funding Method

The Entry Age Normal actuarial funding method was used for active employees, whereby the normal cost is computed as the level annual percentage of pay required to fund the retirement benefits between each member's date of hire and assumed retirement. The actuarial liability is the difference between the present value of future benefits and the present value of future normal cost. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

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 first reflected in the valuation.

2. Asset Valuation Method

For the purposes of determining the Employer's contribution to SFERS, we use an actuarial value of assets. The asset adjustment method dampens the volatility in asset values that could occur because of the fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process. Assets are assumed to be used exclusively for the provision of retirement benefits and expenses.

The actuarial value is calculated by recognizing 20% of each of the prior four years of actual investment experience relative the expected return (7.75% for 2008-2009 and 8.0% for prior years) on the actuarial asset value. The expected return on market assets is determined using the Fund's actual cash flows and the actuarial rate of interest. The balance of the actual investment experience is recognized in a similar fashion in future years.

This asset smoothing method started with the market value as of July 1, 2004.

**APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS**

3. Changes Since Last Valuation

Certain airport police have transferred service from CalPERS to SFERS. While the service transferred has not been included in the data provided for this valuation, the associated asset transfer has been included in this valuation along with an additional liability equal to the assets transferred.

There have been no changes in actuarial assumptions or methods since the July 1, 2008 actuarial valuation.

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APPENDIX C
SUMMARY OF PLAN PROVISIONS

I. Police and Fire Members – Charter Sections 8.559 and 8.595 (Police) and 8.585 and 8.596 (Fire)

1. Membership Requirement

Charter Sections 8.559 and 8.585: Police Officers and Firefighters who became members before November 2, 1976 and retired on or before December 31, 2002 without electing membership in another Section.

Charter Sections 8.595 and 8.596: Active members on November 5, 2002 in Section 8.559 (Police) or Section 8.585 (Fire) who elected to switch to Section 8.595 (Police) or Section 8.596 (Fire) by December 31, 2002.

2. Final Compensation

Monthly salary earnable at the final rank held at termination date, or monthly salary at next lower rank if final rank held for less than one year.

3. Credited Service

One year of service credit is given for each fiscal year with 10 or more full months worked. A partial year (fraction with the numerator equal to months including partial months, and the denominator equal to 10) is given for each fiscal year with less than 10 full months worked.

4. Member Contributions

a. Member:

7.0% of salary, excluding overtime and most premium pay. These contributions are credited with interest at 5.0% per year, compounded annually.

b. Employer:

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

5. Service Retirement

Eligibility

Age 50 with 25 years of credited service.

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SUMMARY OF PLAN PROVISIONS

Benefit - Member

Charter Sections 8.559 and 8.585: 55% of Final Compensation plus an additional 4% of Final Compensation for each year of credited service in excess of 25 years, subject to a maximum of 75% of Final Compensation.

Charter Sections 8.595 and 8.596: A specified percent of Final Compensation based on the member's age at retirement (factors shown in Table C-1 below) for each year of credited service, subject to a maximum of 90% of Final Compensation.

Table C-1	
City and County of San Francisco Employees' Retirement System	
Sections 8.595 (Police) and 8.596 (Fire) – Service Retirement Factors	
Retirement Age	Retirement Factors
50	2.40%
51	2.52%
52	2.64%
53	2.76%
54	2.88%
55 or above	3.00%

Benefit - Survivor

75% of the service retirement benefit paid to a qualified survivor.

6. Non-Industrial Disability

Eligibility

10 years of credited service.

Benefit - Member

At least 10 but less than 25 years of credited service:

1.5% of Final Compensation for each year of credited service between 10 and 25 years, subject to a minimum of 33.3% and a maximum of 75% of Final Compensation for Charter Sections 8.559 and 8.585 or 90% of Final Compensation for Charter Sections 8.595 and 8.596.

At least 25 years of credited service:

Service retirement benefit determined at date of disability.

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SUMMARY OF PLAN PROVISIONS

Benefit - Survivor

75% of the disability retirement benefit paid to a qualified survivor.

7. Industrial Disability

Eligibility

No age or service requirement.

Benefit - Member

If Not Eligible for Service Retirement:

Final Compensation times a percentage of disability, subject to a minimum of 50% and a maximum of 90%, as determined by the Workers' Compensation Appeals Board. Once the member becomes eligible for service retirement, assuming that member earned service and salary increases during the period of disability, the benefit is recalculated using the service and salary rate for the current rank held. The recalculated benefit is based on a minimum of 55% of Final Compensation.

If Eligible for Service Retirement:

Service retirement benefit determined at date of disability, but not less than 55% of Final Compensation.

Benefit - Survivor

If Not Eligible for Service Retirement:

100% of the disability retirement benefit paid to a qualified survivor. Once the member would have become eligible for service retirement, assuming that member earned service and salary increases from the date of disability to the eligible service retirement date, the benefit is recalculated at 100% of the service retirement benefit, using the service and salary at the eligible service retirement date, not less than 55% of Final Compensation.

If Eligible for Service Retirement:

100% of the disability retirement benefit paid to a qualified survivor, not less than 55% of Final Compensation.

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8. Death while an Active Employee

If Death is due to a Non-Work-Related Cause:

- a. Less than 10 Years of Credited Service, or No Qualified Survivor – Lump sum benefit equal to the accumulated refund of all employee contributions with interest, plus six months salary to a designated beneficiary.
- b. At least 10 but less than 25 years of Credited Service – Monthly continuation allowance to a qualified survivor equal to the non-industrial disability benefit the member would have been entitled to on the date of death, subject to a minimum of 33.3% of compensation at the time of death.
- c. At Least 25 Years of Credited Service but Less than Age 50 – Monthly continuation allowance to a qualified survivor equal to 75% of the monthly service retirement benefit the member would have received had the member been age 50 and retired on the date of death.
- d. Eligible for Service Retirement – Monthly continuation allowance to a qualified survivor equal to 75% of the monthly service retirement benefit the member would have received had the member been retired on the date of death.

If Death is due to a Work-Related Cause:

- a. No Qualified Survivor – Lump sum benefit equal to the accumulated refund of all employee contributions with interest, plus six months salary to a designated beneficiary. If the death is of a violent nature, an additional lump sum equivalent benefit equal to 12 months salary is payable.
- b. Qualified Survivor and Not Eligible for Service Retirement – Monthly continuation allowance to a qualified survivor equal to the salary at the date of death. Once the member would have become eligible for service retirement, assuming that member earned service and salary increases from the date of death to the eligible service retirement date, the benefit is recalculated at 100% of the service retirement benefit, using the service and salary at the eligible service retirement date, such allowance shall not be less than 55% of Final Compensation.
- c. Qualified Survivor and Eligible for Service Retirement – Monthly continuation allowance to a qualified survivor equal to 100% of the monthly service retirement benefit the member would have received had the member been retired on the date of death, but such allowance shall not be less than 55% of Final Compensation.

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SUMMARY OF PLAN PROVISIONS

9. Withdrawal Benefits

Less than five years of credited service:

Lump sum benefit equal to the accumulated employee contributions with interest.

Five or more years of credited service:

The member may choose one of the following:

a. Lump sum benefit equal to the accumulated employee contributions with interest.

b. **Charter Sections 8.559 and 8.585:** Retirement benefit first payable at age 50 equal to 55% of Final Compensation at termination, multiplied by a service fraction, the numerator being the credited service of the member at termination, and a denominator of 25.

Charter Sections 8.595 and 8.596: A specified percent of Final Compensation based on the member's age at retirement (factors shown in Table C-1 below) for each year of credited service, subject to a maximum of 90% of Final Compensation.

Cost-of-living adjustments are prorated if the member's accrued service is less than 25 years. COLA will be multiplied by a fraction where the denominator is 25 and the numerator is equal to service at date of termination.

10. Additional Post-retirement Death Benefit

A death benefit payable as a lump sum equal to \$100 for each full year of credited service, subject to a maximum of \$3,000, will be paid to a qualified survivor upon the member's death.

11. Post-retirement Cost-of-Living Benefit

Basic

Monthly benefits are adjusted by 50% of the actual dollar increase or decrease in the salary rank or position the member's Final Compensation used to calculate the monthly benefit was based on. A member's monthly benefit will never decrease below its original amount.

Supplemental

Effective July 1 of each fiscal year, if there are sufficient "excess" investment earnings on the Retirement fund for the previous fiscal year-end, the adjustment could be increased to 3.5% of that member's current monthly benefit less the amount of the Basic COLA above. If "excess" earnings are insufficient to fund a 3.5% increase, then to the extent of "excess" earnings, benefits are increased in increments of .5% up to a maximum of 3.5%.

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SUMMARY OF PLAN PROVISIONS

II. Police and Fire Members – Charter Sections 8.586 and 8.597 (Police) and 8.588 and 8.598 (Fire)

1. Membership Requirement

Charter Sections 8.586 and 8.588: Police Officers and Firefighters who became members on or after November 2, 1976.

Charter Sections 8.597 and 8.598: Active members on January 1, 2003 in Section 8.586 (Police) or Section 8.588 (Fire) who had elected to switch to Section 8.597 (Police) or Section 8.598 (Fire) by December 31, 2002; or new members becoming active on or after January 1, 2003 in Section 8.597 (Police) or Section 8.598 (Fire).

2. Final Compensation

Average monthly total compensation earnable during any 12 months of credited service which average compensation is the highest.

(Pre 1998 – 3 year average of monthly compensation)

3. Credited Service

One year of service credit is given for each fiscal year with 10 or more full months worked. A partial year (fraction with the numerator equal to months including partial months, and the denominator equal to 10) is given for each fiscal year with less than 10 full months worked.

4. Member Contributions

a. Member:

7.5% of salary, excluding overtime and most premium pay. These contributions are credited with interest at 5.0% per year, compounded annually.

b. Employer:

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

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5. Service Retirement

Eligibility

Age 50 with 5 years of credited service. (*Pre 1998 – 50 with 25 years of credited service*)

Benefit – Member

Charter Sections 8.586 and 8.588: The monthly service retirement benefit is the greater of i) and ii) below, subject to a maximum of 75% of Final Compensation (*Pre 1998 – 70%*)

- i) 2% of Final Compensation for each of the first 25 years of service plus an additional 3% of Average Compensation for each year of credited service in excess of 25 years; (*Pre 1998 – benefit is calculated under i) only*);
- ii) A specified percent of Final Compensation based on the member’s age at retirement (factors shown in Table C-2 below) for each year of credited service.

Table C-2	
City and County of San Francisco Employees’ Retirement System	
Sections 8.586 (Police) and 8.588 (Fire) – Service Retirement Factors	
Retirement Age	Retirement Factors
50	2.00%
51	2.14%
52	2.28%
53	2.42%
54	2.56%
55 or above	2.70%

**APPENDIX C
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Charter Sections 8.597 and 8.598: A specified percent of Final Compensation based on the member’s age at retirement (factors shown in Table C-3 below) for each year of credited service, subject to a maximum of 90% of Final Compensation.

Table C-3 City and County of San Francisco Employees’ Retirement System Sections 8.597 (Police) and 8.598 (Fire) - Service Retirement Factors	
Retirement Age	Retirement Factors
50	2.40%
51	2.52%
52	2.64%
53	2.76%
54	2.88%
55 or above	3.00%

Benefit - Survivor

50% of the service retirement benefit paid to a qualified survivor.

6. Non-Industrial Disability

Eligibility

10 years of credited service.

Benefit – Member

1.5% of Average Compensation for each year of credited service, subject to a minimum of 33.3% of 75% of Final Compensation for Charter Sections 8.586 and 8.588 or 90% of Final Compensation for Charter Sections 8.597 and 8.598.

Benefit - Survivor

50% of the disability retirement benefit paid to a qualified survivor

7. Industrial Disability

Eligibility

No age or service requirement.

Benefit – Member

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Less than age 50 with 25 Years of Service:

Final Compensation times a percentage of disability, subject to a minimum of 50% and a maximum of 90%, as determined by the Workers' Compensation Appeals Board. Once the member becomes eligible for service retirement, assuming that member earned service and salary increases during the period of disability, the benefit is recalculated using the service and salary rate for the current rank held. The recalculated benefit is based on a minimum of 50% of Final Compensation (not to exceed 90% of Final Compensation for Charter Sections 8.597 and 8.598).

Age 50 with 25 Years of Service:

The service retirement allowance, but not less than 50% of Final Compensation.

Benefit - Survivor

75% of the disability retirement benefit paid to a qualified survivor

8. Death while an Active Employee

If Death is Due to a Non-Work-Related Cause:

- a. Less than 10 Years of Credited Service, or No Qualified Survivor – Lump sum benefit equal to the accumulated refund of all employee contributions with interest, plus six months salary to a designated beneficiary.
- b. At least 10 but less than 25 years of Credited Service – Monthly continuation allowance to a qualified survivor equal to the non-industrial disability benefit the member would have been entitled to on the date of death, subject to a minimum of 33.3% of Average Compensation at the time of death.
- c. At Least 25 Years of Credited Service but Less than Age 50 – Monthly continuation allowance to a qualified survivor equal to 50% of the monthly service retirement benefit the member would have received had the member been age 50 and retired on the date of death.
- d. Age 50 with 25 Years of Credited Service – Monthly continuation allowance to a qualified survivor equal to 50% of the monthly service retirement benefit the member would have received had the member been retired on the date of death.

If Death is Due to a Work-Related Cause:

- a. No Qualified Survivor – Lump sum benefit equal to the accumulated refund of all employee contributions with interest, plus six months salary to a designated beneficiary. For Charter Sections 8.586 and 8.588, if the death is of a violent nature, an additional lump sum equivalent benefit equal to 12 months salary is payable.

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- b. Qualified Survivor and Less than Age 50 with 25 Years of Service – Monthly continuation allowance to a qualified survivor equal to 100% (*Pre 1998* – 75%) of Final Compensation at the date of death. Once the member would have completed 25 years of service and attained age 50, assuming that member earned service and salary increases from the date of death to the eligible service retirement date, the benefit is recalculated at 100% of the service retirement benefit, using the service and salary at the eligible service retirement date. Such allowance shall not be less than 50% of Final Compensation (For Chapter Sections 8.597 and 8.598, not to exceed 90% of Final Compensation).
- c. Qualified Survivor and Age 50 with 25 Years of Service – Monthly continuation allowance to a qualified survivor equal to 100% (*Pre 1998* – 75%) of the monthly service retirement benefit the member would have received had the member been retired on the date of death, not less than 50% of Final Compensation.

9. Withdrawal Benefits

Less than five years of credited service:

Lump sum benefit equal to the accumulated employee contributions with interest.

Five or more years of credited service:

The member may choose one of the following:

- a. Lump sum benefit equal to the accumulated refund all of employee contributions with interest.
- b. **Charter Sections 8.586 and 8.588:** Retirement benefit first payable at age 50 equal to 2% of Final Compensation at termination for each year of credited service of the member at the date of termination.

Charter Sections 8.597 and 8.598: A specified percent of Final Compensation at termination based on the member's age at retirement (factors shown in Table C-3 above) for each year of credited service, subject to a maximum of 90% of Final Compensation, payable at age 50.

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10. Additional Post-retirement Death Benefit

A death benefit payable as a lump sum equal to \$100 for each full year of credited service, subject to a maximum of \$3,000, will be paid to a qualified survivor upon the member's death.

11. Post-retirement Cost-of-Living Benefit

Basic

Monthly benefits are increased or decreased each July 1 by a maximum of 2% per year of the initial monthly benefit. A member's monthly benefit will never decrease below its original amount. Effective July 1, 2009, monthly benefits are increased or decreased by a maximum of 2% of the prior year's monthly benefit.

Supplemental

Effective July 1 of each fiscal year, if there are sufficient "excess" investment earnings on the Retirement fund for the previous fiscal year-end, the adjustment could be increased to 3.5% of that member's current monthly benefit less the amount of the Basic COLA above. If "excess" earnings are insufficient to fund a 3.5% increase, then to the extent of "excess" earnings, benefits are increased in increments of .5% up to a maximum of 3.5%.

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III. Deferred Retirement Option Program (DROP) – Charter Section A8.900

Effective Date – July 1, 2008 through June 30, 2011

Section 8.900 – effective July 1, 2008 through June 30, 2011. DROP sunsets on June 30, 2011 unless the Board of Supervisors votes to renew for up to three more years.

1. Membership Requirement

Active, full duty sworn officers occupying one of the eligible ranks; Police Officer, Sergeant, Inspector, Lieutenant, or Captain.

2. Eligibility

Age 50 with 25 years of credited service as a sworn member, including any service as a member of the San Francisco Airport Police. To participate, the member must agree to terminate employment through retirement at the end of their participation in DROP. No member shall be eligible for a promotion during their participant in DROP.

3. Length of DROP period

Once a member enters DROP, participation continues until either termination of employment the maximum DROP participation period has been reached.

Rank	Maximum DROP Period
Police Officer	36 months
Sergeant/Inspector	24 months
Lieutenant/Captain	12 months

4. DROP Benefit

DROP Account Balance

The service pension, which is calculated based on age, compensation and length of service as of their date of entry into the Program, is credited monthly into a DROP Account including any Basic or Supplemental Cost of Living Adjustments. The DROP Account is also credited on a monthly basis with interest at an annual effective rate of 4% throughout the member's DROP period.

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Retirement Benefit

At the end of the DROP period, a lump sum distribution of the DROP Account Balance will be made and monthly retirement benefits will commence based on the initial DROP benefit calculated based on age, compensation and service at the date of entry into DROP including any cost of living adjustments to which the member would otherwise be entitled.

5. Employee Contributions while in DROP

The member still makes employee contributions into the retirement system which are deemed contributions to the general assets of SFERS, and shall not be part of the member's DROP Account.

6. Effect of Disability on DROP participation

Duty Related Disability

The Member will receive an industrial disability benefit as though the participant was never enrolled in DROP. Service, compensation, and age at the time of disability will be used to calculate the disability benefit. The DROP Account will be waived.

Non-Duty Related Disability

Member will terminate participation in DROP and is paid the balance in their DROP Account. They will begin receiving a monthly payment equal to the service retirement benefit determined as of the DROP entry date including any cost of living adjustments to which the member would otherwise be entitled.

7. Effect of Member Death on DROP participation

Duty Related Death

The member's qualified surviving spouse, domestic partner or other qualified dependent will receive a death allowance as though the participant was never enrolled in DROP. Service, compensation, and age at the time of death will be used to calculate the benefit. The DROP Account will be waived. The qualified spouse, domestic partner or qualified dependent may elect to receive a non-work related death benefit specific below instead.

Non-Duty Related Death

Participation in DROP is terminated and the balance in the Member's DROP Account is paid to the Member's beneficiary. In addition, any qualified survivor will begin receiving a post-retirement continuation allowance determined on the basis of beneficiary elections made by the member at the time of entry into DROP including any cost of living adjustments to which the Member would otherwise be entitled.

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IV. Miscellaneous Members – Charter Sections 8.509 & 8.587

1. Membership Requirement

Charter Section 8.509

Employees and Officers, other than Police Officers or Firefighters, who became members before November 2, 1976 and continued as a member without interruption.

Charter Section 8.587

Active Employees and Officers, other than Police Officers or Firefighters, who were members under Section A8.584, and members under A8.587 whose accumulated contributions were in the retirement fund on November 7, 2000 and were not retired. After November 7, 2000, all full time employees, certified Civil Service employees, or temporary employees who work more than 1,040 hours in any 12-month period; excluding all Police Officers and Firefighters.

2. Average Final Compensation

Average monthly compensation earned during any year of credited service which average compensation is the highest.

3. Credited Service

One year of service credit is given for each fiscal year with 10 or more full months worked. A partial year (fraction with the numerator equal to months including partial months, and the denominator equal to 10) is given for each fiscal year with less than 10 full months worked. (Exception: for Charter 8.509 members, in the year of retirement, the denominator in the fraction is equal to 12).

4. Member Contributions

a. Member:

Charter 8.509

8.0% of salary.

Charter 8.587

7.5% of salary, excluding overtime and most premium pay.

Member contributions are credited with interest at 5.0% per year, compounded annually.

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).

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Retirement benefits are actuarially reduced by the shortage, which is the difference between contributions paid at the 8%/7.5% rate and contributions actually paid, plus plan interest.

b. Employer:

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

5. Service Retirement

Eligibility

Age 50 with 20 years of credited service, or age 60 with 10 years of credited service.

Benefit - Member

The monthly service retirement benefit is the greater of i) and ii) below, subject to a maximum of 75% of Average Final Compensation.

- i) A specified percent of Average Final Compensation based on the member's age at retirement (factors shown in Table C-4 below) for each year of credited service, effective January 11, 2009.

Table C-4 City and County of San Francisco Employees' Retirement System Section 8.509 Member Service Retirement Factors			
Retirement Age	Retirement Factors	Retirement Age	Retirement Factors
50	1.0%	57	1.7%
51	1.1%	58	1.8%
52	1.2%	59	1.9%
53	1.3%	60	2.1%
54	1.4%	61	2.2%
55	1.5%	62 or above	2.3%
56	1.6%		

- ii) The actuarial equivalent of twice the member's accumulated contributions with interest.

Benefit - Survivor

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50% of the service retirement benefit paid to a qualified survivor.

6. Disability

Eligibility

10 years of credited service.

Benefit - Member

1.8% of Average Final Compensation for each year of credited service, maximum of 75% of Average Final Compensation. If the benefit is less than 40% of Average Final Compensation, additional credited service had the member worked to age 60 can be added to the current credited service, in order to adjust the benefit to 40% of Average Final Compensation.

Benefit - Survivor

50% of the disability retirement benefit paid to a qualified survivor.

7. Death while an Active Employee

If Not Eligible for Service Retirement:

Lump sum benefit equal to the accumulated refund of all employee contributions with interest, plus six months salary to a designated beneficiary. If the death is of a violent nature and job-related, an additional lump sum equivalent benefit equal to 12 months salary is payable.

If Eligible for Service Retirement:

A qualified spouse may elect i) or ii) below:

- i) Lump sum benefit equal to the accumulated refund of all employee contributions with interest, plus six months salary to a designated beneficiary.
- ii) A benefit equal to 50% of the service retirement benefit the member would have received had the member retired for service on the date of death.

8. Withdrawal Benefits

Charter 8.509 members with less than ten years of credited service or less than \$1,000 in accumulated contributions and Charter 8.587 members with less than five years of credited service:

Lump sum benefit equal to the accumulated employee contributions with interest.

**APPENDIX C
SUMMARY OF PLAN PROVISIONS**

Charter 8.509 members with ten or more years of credited service or accumulated contributions exceeding \$1,000 and Charter 8.587 members with five or more years of credited service:

The member may choose one of the following:

- i) Lump sum benefit equal to the accumulated refund all of employee contributions with interest.
- ii) A deferred retirement benefit payable on or after age 50 equal to the actuarial equivalent of twice the member's accumulated contributions with interest as of the retirement date.

9. Additional Post-retirement Death Benefit

A death benefit payable as a lump sum equal to \$100 for each full year of credited service, subject to a maximum of \$3,000, will be paid to a qualified survivor upon the member's death.

10. Post-retirement Cost-of-Living Benefit

Basic

Monthly benefits are adjusted each July 1 by the accumulated change in the Consumer Price Index to the nearest 1%, with a maximum increase or decrease of 2% per year of the prior year's monthly benefit. A member's monthly benefit will never decrease below its original amount.

Supplemental

Effective July 1 of each fiscal year, if there are sufficient "excess" investment earnings on the Retirement fund for the previous fiscal year-end, the adjustment could be increased to 3.5% of that member's current monthly benefit less the amount of the Basic COLA above. If "excess" earnings are insufficient to fund a 3.5% increase, then to the extent of "excess" earnings, benefits are increased in increments of .5% up to a maximum of 3.5%.

Note: The summary of major plan provisions is designed to outline principal plan benefits. If the SFERS staff should find the plan summary not in accordance with the actual provisions, the actuary should immediately be alerted so the proper provisions are valued.

**APPENDIX D
GLOSSARY OF TERMS**

1. Actuarial Liability

The Actuarial Liability is the difference between the present value of all future system benefits and the present value of total future normal costs. This is also referred to by some actuaries as the “accrued liability” or “actuarial liability”.

2. Actuarial Assumptions

Estimates of future experience with respect to rates of mortality, disability, turnover, retirement rate or rates of investment income and salary increases. Actuarial assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

3. Accrued Service

Service credited under the System which was rendered before the date of the actuarial valuation.

4. Actuarial Equivalent

A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.

5. Actuarial Funding Method

A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of a retirement system benefit between future normal cost and actuarial accrued liability. Sometimes referred to as the “actuarial funding method”.

6. Actuarial Gain (Loss)

The difference between actual experience and actuarial assumption anticipated experience during the period between two actuarial valuation dates.

7. Actuarial Present Value

The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment.

**APPENDIX D
GLOSSARY OF TERMS**

8. Amortization

Paying off an interest-discounted amount with periodic payments of interest and principal— as opposed to paying off with a lump sum payment.

9. Annual Required Contribution (ARC) under GASB 25

The Governmental Accounting Standards Board (GASB) Statement No. 25 defines the Plan Sponsor's "Annual Required Contribution" (ARC) that must be disclosed annually. The SFERS Employer computed contribution rate for FY 2010 meets the parameters of GASB 25.

10. Normal Cost

The actuarial present value of retirement system benefits allocated to the current year by the actuarial funding method.

11. Set back/Set forward

Set back is a period of years that a standard published table (i.e. mortality) is referenced backwards in age. For instance, if the set back period is 2 years and the participant's age is currently 40, then the table value for age 38 is used from the standard published table. It is the opposite for set forward. A system would use set backs or set forwards to compensate for mortality experience in their work force.

12. Unfunded Actuarial Liability (UAL)

The unfunded actuarial liability represents the difference between actuarial liability and valuation assets. This value is sometimes referred to as "unfunded actuarial accrued liability".

Most retirement systems have unfunded actuarial liabilities. They typically arise each time new benefits are added and each time experience losses are realized.

The existence of unfunded actuarial accrued liability is not in itself an indicator of poor funding. Also, unfunded actuarial liabilities do not represent a debt that is payable today. What is important is the ability of the plan sponsor to amortize the unfunded actuarial liability and the trend in its amount (after due allowance for devaluation of the dollar).