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**City of Hartford  
Municipal  
Employee's  
Retirement Fund  
(MERF)**

Actuarial Survey (Revised)

July 1, 2005

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February 6, 2007

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# Section I

## Valuation Report

### A. Purpose of the Valuation

The purpose of the valuation is to determine the funded status of the plan as well as the recommended cash contribution for the plan year. The information found in Section II of the report has been developed for this purpose.

The ultimate cost of a pension plan is based primarily on the level of benefits promised by the plan. The pension fund's investment earnings serve to reduce the cost of plan benefits and expenses. Thus,

<i>City's ultimate cost</i>	=	<i>benefits paid</i>	+	<i>expenses incurred</i>	-	<i>investment return</i>	-	<i>employee contributions</i>
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### B. Contribution for 2006-2007 Fiscal Year

The City's contribution rates for the 2006-2007 fiscal year, determined from the July 1, 2005 actuarial valuation, are shown below. Last year's results are shown for comparison purposes.

	2006-2007 Fiscal Year July 1, 2005 Valuation	2005-2006 Fiscal Year July 1, 2004 Valuation
Police	3.36%	8.73%
Firefighters	-4.59%	3.03%
Board of Education	13.35%	15.89%
Municipal Services	30.91%	28.89%*
Library	18.68%	N/A

*\*Includes Library.*

Please see Section II, Exhibit A for the development of these figures.

### C. Funded Status

The MERF fund was in sound financial condition on July 1, 2005. The MERF adjusted value of plan assets of \$987,905,000 (including \$1.5 million receivable from CMERS) was equal to 101.8% of the "pension benefit obligation" of \$970,286,000 as of July 1, 2005. The "pension benefit obligation" is the actuarial present value of credited projected benefits for prior years' service. For active members, the credited projected benefits are based on future salary increases and the ratio of actual service to total service projected at retirement.

## Section I

### Valuation Report

(continued)

#### D. Plan Experience During Period Under Review

Overall, the recommended City contribution rate for the 2006/2007 fiscal year has increased from last year for the Municipal Services group. For the Police, Firefighters, Board of Education and Library groups, the rates have decreased.

Prior to reflecting the change in assumptions effective with the July 1, 2005 actuarial valuation, the contribution rates for all groups, increased from last year. Reasons for this increase include the ad hoc cost of living increase for retirees effective July 1, 2005, a return on the actuarial value of assets that was slightly less than expected, and salary increases that were modestly more than anticipated by our valuation assumption.

The actuarial value of assets earned a return of about 7.7% during the 2004-2005 fiscal year, compared to an expected rate of return of 8.0%. The market value of assets returned 9.1% over the same period.

The active membership of MERF as of July 1, 2005, was 2,448, an increase of 139 from the total of 2,309 last year. Police active membership increased by 9, Firefighters decreased by 7, Board of Education increased by 92, and General Government (including Library) increased by 45. The total covered payroll for all active participants increased by approximately 9% from \$107,808,000 in last year's valuation to \$117,261,000 in this year's valuation.

#### E. Changes Since The Last Valuation

The July 1, 2005 actuarial valuation reflects the changes in assumptions recommended in the 2005 Experience Study. Specifically, changes have been made to the retirement, salary scale, disability, marriage, expense, and mortality assumptions. See the description of actuarial assumptions in Section III for details. These changes decreased the recommended City contribution rate for each of the groups as follows: 10.5% for Police, 9.6% for Firefighters, 2.6% for Board of Education, 5.1% for Municipal Services and 3.2% for Library. It decreased the estimated fiscal year 2006/2007 City contribution by approximately \$7,550,000.

The July 1, 2005 actuarial valuation includes no changes in Plan Provisions from last year. It does, however, reflect the newly negotiated future increases in general wages for the HMEA and Non-Union groups. This change had a minimal impact on plan costs.

**Section I**  
**Valuation Report**  
(continued)

**F. Certification**

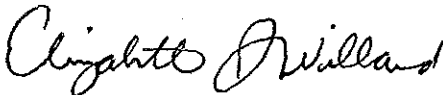
The results of this valuation are based on financial, personnel and payroll data furnished to us by the City and unaudited by us as of July 1, 2005.

In my opinion, and to the best of my knowledge, this Report presents fairly the financial and actuarial position of the City of Hartford Municipal Employees' Retirement Fund (MERF) as of July 1, 2005. The actuarial present values shown have been estimated on the basis of actuarial assumptions which, in my opinion, are appropriate for the purposes of the Report, are reasonable in the aggregate (taking into account the experience of the Plan and reasonable expectations), and, when applied in combination, represent my best estimate of the measure of anticipated experience under the Plan.

I believe that this Report meets the requirements of Public Act No. 77-468, An Act Requiring Periodic Actuarial Evaluation of Municipal Pension Plans.

I am a member of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.

HOOKER & HOLCOMBE, INC.



Elizabeth J. Willard, F.S.A., M.A.A.A.  
Enrolled Actuary

February 6, 2007

**Section II**  
**Supporting Exhibits**

**A. Normal Cost**

	July 1, 2005 Valuation					
	Police	Fire	Board of Ed.	Municipal Services	Library	Total Membership
<b>Active Membership</b>						
Number of Employees	437	347	1,114	485	65	2,448
Annual Payroll (000)	\$28,532	\$23,371	\$38,511	\$23,917	\$2,929	\$117,261
<b>Normal Actuarial Costs</b>						
<b>A. Actuarial Present Value of Future Benefits (000)</b>						
Active Members	\$125,488	\$119,011	\$104,679	\$98,030	\$9,333	\$456,540
Terminated Non-Vested Members	198	188	165	155	15	720
Terminated Vested Members	830	193	1,940	4,267	0	7,230
Retired Members	212,381	164,708	88,557	219,558	12,192	697,395
Old Plans COLA	<u>703</u>	<u>536</u>	<u>901</u>	<u>69</u>	<u>0</u>	<u>2,209</u>
Total	\$339,599	\$284,635	\$196,243	\$322,079	\$21,539	\$1,164,094
<b>B. Valuation Assets (Adjusted Value) (000)*</b>	\$315,284	\$283,109	\$124,509	\$250,085	\$14,919	\$987,905
<b>C. Actuarial Present Value of Future Employee Contributions (000)</b>	\$20,074	\$16,240	\$19,756	\$11,442	\$1,316	\$68,828
<b>D. Actuarial Present Value of Future Normal Costs (A) - (B) - (C) (000)</b>	\$4,241	(\$14,714)	\$51,978	\$60,552	\$5,305	\$107,362
<b>E. Actuarial Present Value of Future Salaries (000)</b>	\$298,553	\$223,759	\$415,035	\$210,887	\$30,353	\$1,178,589
<b>F. Normal Actuarial Costs as Percentage of Payroll</b>						
Pension Benefits (D)/(E)**	1.42%	-6.58%	12.52%	28.71%	17.48%	9.11%
<b>G. Expenses (other than Investment Expenses)</b>	<u>1.94%</u>	<u>1.99%</u>	<u>0.83%</u>	<u>2.20%</u>	<u>1.20%</u>	<u>1.62%</u>
<b>Total Normal Cost Percent Payable by City</b>	<b>3.36%</b>	<b>-4.59%</b>	<b>13.35%</b>	<b>30.91%</b>	<b>18.68%</b>	<b>10.73%</b>

\* Includes \$1.5 million receivable from CMERS.

\*\* Based on \$1,904,000 estimate of expenses (other than investment expenses) allocated by present value of future benefits.

## Section II

### Supporting Exhibits (continued)

#### B. Estimated Cash Contribution

	Estimated July 1, 2006 - June 30, 2007 Fiscal Year Contribution					
	Police	Fire	Board of Ed	Municipal Services	Library	Total
(1) Annual Adjusted Payroll, July 1, 2005	\$28,532,224	\$23,370,771	\$38,511,053	\$23,917,186	\$2,929,350	\$117,260,584
(2) Total Normal Cost Percent Payable by City	3.36%	-4.59%	13.35%	30.91%	18.68%	
(3) Gross City Contribution: (1) x (2)	958,683	(1,072,718)	5,141,226	7,392,802	547,203	12,967,196
(4) July 1, 2005 Payment for Local 566	0	0	303,918	0	0	303,918
(5) July 1, 2005 Payment for Local 1716	0	0	0	509,126	0	509,126
(6) Old Plans COLA Annual Payment	124,887	107,609	200,001	17,430	0	449,927
(7) Net City Contribution Estimate: (3)-(4)-(5)-(6)	\$833,796	(\$1,180,327)	\$4,637,307	\$6,866,246	\$547,203	\$11,704,225

## Section II

### Supporting Exhibits (continued)

#### C. Actuarial Balance Sheet

	July 1, 2005	July 1, 2004
<b>Actuarial Liabilities</b>		
Present Value of Future Benefits for:		
Active Employees	\$ 456,539,985	\$ 458,452,035
Inactive Members		
• Regular Retirees	612,171,106	604,666,731
• Disability Retirees	59,941,185	61,017,068
• Survivors	25,283,174	27,427,550
• Terminated Non-Vesteds	720,251	1,080,000
• Terminated Vesteds	7,229,678	8,831,311
• Old Plans COLA	<u>2,209,077</u>	<u>4,406,155</u>
TOTAL	\$1,164,094,456	\$1,165,880,850
<b>Source of Funds</b>		
1. Plan Assets	\$ 987,904,541	\$ 966,044,318
2. Present Value of Future Employee Contributions	68,828,126	64,656,286
3. Present Value of Future City Normal Cost Contributions	<u>107,361,789</u>	<u>135,180,246</u>
4. TOTAL = (1) + (2) + (3)	\$1,164,094,456	\$1,165,880,850



## Section II

### Supporting Exhibits (continued)

#### D. Development of Asset Values

The Adjusted Value of assets is used in the determination of plan contributions. It phases in recognition of asset gains and losses. A method of smoothing is used because the Market Value can swing widely from one year to the next, resulting in undesirable fluctuations in pension contributions. The smoothing is accomplished by recognizing asset gains and losses over a four-year period at 25% per year.

Relationship of Adjusted Value to Market Value	
1. Market value 7/1/2005 (without CMERS receivable)	\$1,014,829,007
2. Gains (losses) not recognized in actuarial value 7/1/2005	28,424,466
3. Preliminary adjusted value 7/1/2005: (1)-(2)	986,404,541
4. Preliminary adjusted value as a percentage of market value: (3)+(1)	97.2%
5. CMERS receivable	1,500,000
6. Adjusted value 7/1/2005: (3) + (5)	987,904,541

Recognized Gains and Losses in Adjusted Value					
	2001-2002	2002-2003	2003-2004	2004-2005	Total
1. Gains (losses)	\$(49,416,908)	\$(34,119,614)	\$57,855,924	\$10,701,876	\$14,978,722
2. Recognized as of 7/1/2004	(37,062,681)	(17,059,807)	14,463,981	0	
3. Recognized in current year: 25% of (1)	(12,354,227)	(8,529,904)	14,463,981	2,675,469	\$(3,744,681)
4. Total recognized as of 7/1/2005: (2)+(3)	(49,416,908)	(25,589,711)	28,927,962	2,675,469	
5. Gains (losses) not recognized in actuarial value 7/1/2005: (1)-(4)	0	(8,529,903)	28,927,962	8,026,407	28,424,466

Development of Asset Gain/Loss for 2003-2004 Year	
1. Market value 7/1/2004 (without CMERS receivable)	\$977,022,227
2. Contributions	22,434,221
3. Benefit payments	69,589,379
4. Expenses	1,989,883
5. Expected interest at 8%	76,249,945
6. Expected value 7/1/2005: (1)+(2)-(3)-(4)+(5)	1,004,127,131
7. Market value 7/1/2005 (without CMERS receivable)	1,014,829,007
8. Asset gain/(loss): (7)-(6)	10,701,876

## Section II

### Supporting Exhibits (continued)

#### D. Development of Asset Values

Summary of Fund Activity		
	Market Value	Adjusted Value
1. Beginning Value 7/1/2004		
a. Trust Assets	\$ 977,022,227	\$ 963,044,318
b. CMERS Receivable	<u>3,000,000</u>	<u>3,000,000</u>
c. Total	980,022,227	966,044,318
2. Contributions	22,434,221	22,434,221
3. Disbursements		
a. Benefit Payments	69,589,379	69,589,379
b. Expenses	<u>1,989,883</u>	<u>1,989,883</u>
c. Total	71,579,262	71,579,262
4. Net Investment Income		
a. Net Income	86,951,821	N/A
b. Expected Return	N/A	76,249,945
c. Recognized Gain (Loss)	<u>N/A</u>	<u>(3,744,681)</u>
d. Total	86,951,821	72,505,264
5. Ending Value 7/1/2005		
a. Trust Assets: (1a)+(2)-(3)+(4)	\$1,014,829,007	\$ 986,404,541
b. CMERS Receivable	<u>1,500,000</u>	<u>1,500,000</u>
c. Total	1,016,329,007	987,904,541
6. Approximate rate of return 2004-2005	9.1%	7.7%

## Section II

### Supporting Exhibits (continued)

#### D. Development of Asset Values

Summary of Assets by Investment Manager		
	Cost Basis	Market Value
Treasurer's Account (includes Cash and Accounts Payable)	\$ 16,029,389	\$ 15,282,685
Citibank - Advisory Accounts	841,900,498	998,790,444
Insurance Carrier (Aetna Life)	<u>1,708,295</u>	<u>755,878</u>
<b>Total</b>	\$859,638,182	\$1,014,829,007
Receivable from CMERS	<u>1,500,000</u>	<u>1,500,000</u>
<b>Grand Total</b>	\$861,138,182	\$1,016,329,007

Rate of Return on Market Value of Assets				
Period Ending June 30th	Average Annual Effective Rate of Return			
	1 Year	3 Years	5 Years	10 Years
1996	14.9%			
1997	20.7%			
1998	18.0%	17.8%		
1999	10.4%	16.3%		
2000	8.8%	12.3%	14.5%	
2001	-2.1%	5.6%	10.9%	
2002	-3.1%	1.1%	6.1%	
2003	4.6%	-0.3%	3.6%	
2004	14.6%	5.1%	4.3%	
2005	9.1%	9.4%	4.4%	9.3%

## Section II

### Supporting Exhibits

#### E. Accounting Information

##### GASB Statements No. 25 and 27

The following information is based on the Governmental Accounting Standards Board (GASB) Statement No. 25 on "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and Statement No. 27 on "Accounting for Pensions by State and Local Governmental Employers".

##### Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed	Net Annual Required Contribution *	Miscellaneous **	Net Percentage Contributed
1999	\$8,984,312	100%	\$8,576,940	\$407,372	100%
2000	7,301,471	100%	7,036,870	264,601	100%
2001	759,283	100%	470,000	289,283	100%
2002	332,806	100%	0	332,806	100%
2003	2,463,804	100%	2,196,698	267,106	100%
2004	6,536,149	100%	6,296,790	239,359	100%
2005	9,206,742	100%	9,000,000	206,742	100%

\* City's cash contribution to MERF.

\*\* Funds transferred from State of Connecticut's Connecticut Municipal Employees' Retirement System (CMERS) and Aetna annuity payments.

##### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets *	Actuarial Accrued Liability (AAL) **	Unfunded AAL (UAAL)	Funded Ratio (a÷b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)÷c)
	(a)	(b)	(b-a)			
7/1/1999	\$858,805,000	\$753,379,000	\$(105,426,000)	114.0%	\$110,398,000	-95.5%
7/1/2000	944,652,000	805,453,000	(139,199,000)	117.3%	112,921,000	-123.3%
7/1/2001	978,884,000	865,570,000	(113,314,000)	113.1%	119,609,000	-94.7%
7/1/2002	957,390,000	880,444,000	(76,946,000)	108.7%	117,498,000	-65.5%
7/1/2003	965,389,000	922,258,000	(43,131,000)	104.7%	110,339,000	-39.1%
7/1/2004	963,044,000	967,393,000	4,349,000	99.6%	107,808,000	4.0%
7/1/2005	986,405,000	970,286,000	(16,119,000)	101.7%	117,261,000	-13.7%

\* Excludes receivable from CMERS.

\*\* Liability shown on a PBO basis.

The information required for completion of GASB No. 25 and No. 27 for the fiscal year ending June 30, 2005 was prepared based upon the previous year's actuarial valuation (2004 Actuarial Survey) and additional information for fiscal year 2004-2005. It was contained in a separate report which was sent to the City's auditors, Scully & Wolf, LLP on November 8, 2005.

The information required for completion of GASB No. 25 and No. 27 for the fiscal year ending June 30, 2006 will be prepared based upon the current year's actuarial valuation (2005 Actuarial Survey) and additional information for fiscal year 2005-2006. It will be contained in a separate report and submitted to the City's auditors.

## Section II

### Supporting Exhibits (continued)

#### F. Membership Data

##### Summary – Active Members as of July 1, 2005

	Number	Payroll*	Average Annual Pay*
Police	437	\$ 28,532,224	\$65,291
Firefighters	347	23,370,771	67,351
Board of Education	1,114	38,511,053	34,570
Municipal Services	485	23,917,186	49,314
Library	65	2,929,350	45,067
<b>Total</b>	<b>2,448</b>	<b>\$117,260,584</b>	<b>\$47,901</b>

\*Basic salary, plus overtime, plus Fire private duty pay.

##### Summary – Terminated Non-Vested Members as of July 1, 2005

Number: Unknown  
 Total Monthly Annuities: N/A (all Non-Vested, return of employee contributions pending)

##### Summary – Pensioners as of July 1, 2005

	Service Pensions*		Disability Pensions		Survivor Benefits*		Total	
	Count	Total Monthly Annuities	Count	Total Monthly Annuities	Count	Total Monthly Annuities	Count	Total Monthly Annuities
Police	429	\$1,478,856	65	\$137,302	57	\$53,968	551	1,670,126
Firefighters	295	998,033	129	327,113	94	91,907	518	1,417,053
Board of Ed.	633	762,335	24	13,442	71	23,903	728	799,680
Municipal Svcs.	695	1,747,910	23	16,145	131	89,867	849	1,853,922
Library	51	107,479	0	0	2	660	53	108,139
Vested Deferred	89	88,085	--	--	--	--	89	88,085
<b>TOTAL**</b>	<b>2,192</b>	<b>\$5,182,698</b>	<b>241</b>	<b>\$494,002</b>	<b>355</b>	<b>\$260,305</b>	<b>2,788</b>	<b>\$5,937,005</b>

\* Fourteen pensioners receiving benefits as retirees and as survivors are included in both groups.

\*\* An additional monthly benefit for the July 1, 1987, July 1, 1990, July 1, 1997, July 1, 1999, July 1, 2001, and July 1, 2005, COLA's for the unfunded plans (PBF, FRF, and RAF) is also included in the total liabilities for MERF. Such participants are not included in the counts shown here.

## Section II

### Supporting Exhibits (continued)

#### F. Membership Data

##### Data Reconciliation – Police

Participant Data				
	Active	Terminated Vested	Pensioners*	Total
<b>Total Participants 7/1/2004</b>	428	6	528	962
Adjustments	0	0	+2	+2
Retirements	-25	-2	+27	0
Disabilities	0	0	0	0
Terminations				
Vested	0	0	N/A	0
Non-vested	-17	N/A	N/A	-17
Deaths	0	0	-10	-10
New beneficiaries	N/A	0	+1	+1
Transfer group	+3	0	+3	+6
Rehires	0	0	0	0
New entrants	<u>+48</u>	<u>N/A</u>	<u>N/A</u>	<u>+48</u>
<b>Total Participants 7/1/2005</b>	437	4	551	992
<b>Average Age</b>				
7/1/2004	37.2			
7/1/2005	36.9			
<b>Average Service</b>				
7/1/2004	10.2			
7/1/2005	9.7			
<b>Payroll**</b>				
7/1/2004	\$26,655,414			
7/1/2005	28,532,224			
<b>Total monthly benefits*</b>				
7/1/2004		\$13,676	\$1,519,628	
7/1/2005		7,612	1,670,126	

\* Excludes old plan COLA participants.

\*\* Basic salary plus overtime and private duty pay.

## Section II

### Supporting Exhibits (continued)

#### F. Membership Data

##### Data Reconciliation – Firefighters

Participant Data				
	Active	Terminated Vested	Pensioners*	Total
<b>Total Participants 7/1/2004</b>	<b>354</b>	<b>3</b>	<b>517</b>	<b>874</b>
Adjustments	0	0	+1	+1
Retirements	-9	-1	+10	0
Disabilities	0	0	0	0
Terminations				
Vested	0	0	N/A	0
Non-vested	0	N/A	N/A	0
Deaths	0	0	-9	-9
New beneficiaries	N/A	0	+5	+5
Transfer group	0	0	-6	-6
Rehires	0	0	0	0
New entrants	<u>+2</u>	<u>N/A</u>	<u>N/A</u>	<u>+2</u>
<b>Total Participants 7/1/2005</b>	<b>347</b>	<b>2</b>	<b>518</b>	<b>867</b>
<b>Average Age</b>				
7/1/2004	41.0			
7/1/2005	41.7			
<b>Average Service</b>				
7/1/2004	13.8			
7/1/2005	14.6			
<b>Payroll**</b>				
7/1/2004	\$21,678,826			
7/1/2005	23,370,771			
<b>Total monthly benefits*</b>				
7/1/2004		\$3,760	\$1,360,290	
7/1/2005		1,520	1,417,053	

\* Excludes old plan COLA participants.

\*\* Basic salary plus overtime and private duty pay.

## Section II

### Supporting Exhibits (continued)

#### F. Membership Data

##### Data Reconciliation – Board of Education

Participant Data				
	Active	Terminated Vested	Pensioners*	Total
<b>Total Participants 7/1/2004</b>	<b>1,022</b>	<b>23</b>	<b>744</b>	<b>1,789</b>
Adjustments	0	0	+2	+2
Retirements	-7	-2	+9	0
Disabilities	-1	0	+1	0
Terminations				
Vested	-4	+4	N/A	0
Non-vested	-47	N/A	N/A	-47
Lump Sum	0	0	N/A	0
Deaths	0	0	-38	-38
New beneficiaries	N/A	0	+5	+5
Transfer group	+1	0	+5	+6
Rehires	0	0	0	0
New entrants	<u>+150</u>	<u>N/A</u>	<u>N/A</u>	<u>+150</u>
<b>Total Participants 7/1/2005</b>	<b>1,114</b>	<b>25</b>	<b>728</b>	<b>1,867</b>
<b>Average Age</b>				
7/1/2004	43.9			
7/1/2005	44.2			
<b>Average Service</b>				
7/1/2004	8.6			
7/1/2005	8.8			
<b>Payroll**</b>				
7/1/2004	\$35,418,067			
7/1/2005	38,511,053			
<b>Total monthly benefits*</b>				
7/1/2004		\$22,816	\$773,744	
7/1/2005		23,025	799,680	

\* Excludes old plan COLA participants.

\*\* Basic salary plus overtime and private duty pay.



## Section II

### Supporting Exhibits (continued)

#### F. Membership Data

##### Data Reconciliation – General Government (Municipal Services and Library)

Participant Data				
	Active	Terminated Vested	Pensioners*	Total
<b>Total Participants 7/1/2004</b>	<b>505</b>	<b>57</b>	<b>917</b>	<b>1,479</b>
Adjustments	0	0	+3	+2
Retirements	-9	-4	+13	0
Disabilities	0	0	0	0
Terminations				
Vested	-5	+5	N/A	0
Non-vested	-23	N/A	N/A	-23
Deaths	0	0	-34	-34
New beneficiaries	N/A	0	+5	+5
Transfer group	-4	0	-2	-6
Rehires	0	0	0	0
New entrants	<u>+86</u>	<u>N/A</u>	<u>N/A</u>	<u>+86</u>
<b>Total Participants 7/1/2005</b>	<b>550</b>	<b>58</b>	<b>902</b>	<b>1,509</b>
<b>Average Age</b>				
7/1/2004	47.0			
7/1/2005	47.5			
<b>Average Service</b>				
7/1/2004	9.8			
7/1/2005	11.6			
<b>Payroll**</b>				
7/1/2004	\$24,056,036			
7/1/2005	26,846,536			
<b>Total monthly benefits*</b>				
7/1/2004		\$58,306	\$1,862,874	
7/1/2005		55,928	1,962,061	

\* Excludes old plan COLA participants.

\*\* Basic salary plus overtime and private duty pay.

## Section II

### Supporting Exhibits (continued)

#### F. Membership Data

##### Data Reconciliation – Total

Participant Data				
	Active	Terminated Vested	Pensioners*	Total
<b>Total Participants 7/1/2004</b>	<b>2,309</b>	<b>89</b>	<b>2,706</b>	<b>5,104</b>
Adjustments	0	0	+8	+8
Retirements	-50	-9	+59	0
Disabilities	-1	0	+1	0
Terminations				
Vested	-9	+9	N/A	0
Non-vested	-87	N/A	N/A	-87
Lump Sum	0	0	0	0
Deaths	0	0	-91	-91
New beneficiaries	N/A	0	+16	+16
Transfer group	0	0	0	0
Rehires	0	0	0	0
New entrants	<u>+286</u>	<u>N/A</u>	<u>N/A</u>	<u>+286</u>
<b>Total Participants 7/1/2005</b>	<b>2,448</b>	<b>89</b>	<b>2,699</b>	<b>5,236</b>
<b>Payroll**</b>				
7/1/2004	\$107,808,343			
7/1/2005	117,260,584			
<b>Total monthly benefits</b>				
7/1/2004		\$98,558	\$5,516,536	
7/1/2005		88,085	5,848,920	

\*Excludes old Plan COLA participants.

\*\*Basic salary plus overtime and private duty pay.

City of Hartford MERF - Police

Number of Persons/Average Salary of Persons in Processing Group by Age and Years of Service

July 1, 2005

Attained Age	Completed Years of Credited 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 over		All years			
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.		
Under 25	6	41,447	15	48,781																		21	46,686	
25 to 29	14	41,463	31	50,772	9	65,723																54	50,850	
30 to 34	16	41,637	25	51,336	30	72,355	13	77,836	1	70,477												85	61,207	
35 to 39	7	40,845	27	51,336	38	70,445	34	77,916	27	77,100												133	68,269	
40 to 44	1	40,478	6	46,742	11	71,347	9	73,515	43	74,251	7	77,717										77	71,483	
45 to 49			5	44,760	2	90,915	5	64,473	18	77,746	13	86,518	1	87,043								44	75,891	
50 to 54					3	83,294			1	53,248	10	75,287			1	66,308						15	74,820	
55 to 59					1	31,147			1	88,578	3	72,033	1	58,178								6	65,667	
60 to 64											1	71,357										1	71,357	
65 to 69																								
70 & over																					1	66,455	1	66,455
All ages	44	41,403	109	50,270	94	71,135	61	76,148	91	75,673	34	79,679	2	72,610	1	66,308					1	66,455	437	

City of Hartford MERF - Firefighters

Number of Persons/Average Salary of Persons in Processing Group by Age and Years of Service

July 1, 2005

Attained Age	Completed Years of Credited 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 over		All years	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25			1	46,606																	1	46,606
25 to 29			16	50,654	6	60,960	1	56,695													23	53,605
30 to 34			12	52,477	20	60,727	14	65,766													46	60,108
35 to 39	2	62,554	7	53,365	15	64,227	26	65,361	10	68,140	1	64,134									61	64,049
40 to 44			4	51,654	13	63,379	18	65,087	34	68,592	15	71,270	2	64,659							86	66,658
45 to 49			1	55,646	6	62,902	9	65,832	16	67,151	42	68,952	9	76,678	1	65,594					84	68,472
50 to 54					1	62,023	3	43,512	5	66,079	13	72,218	4	76,597			2	63,830			28	67,708
55 to 59							1	71,319			4	64,623	9	68,417	2	82,584					16	69,421
60 to 64									1	72,636							1	91,766			2	82,201
65 to 69																						
70 & over																						
All ages	2	62,554	41	51,771	61	62,411	72	64,482	66	68,045	75	69,686	24	72,565	3	76,921	3	73,142			347	

City of Hartford MERF - Board of Education

Number of Persons/Average Salary of Persons in Processing Group by Age and Years of Service

July 1, 2005

Attained Age	Completed Years of Credited Service																				All years					
	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 over							
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.				
Under 25	12	20,853	14	25,009	1	19,450																27	22,956			
25 to 29	21	30,609	46	29,909	19	27,518	2	24,490															88	29,437		
30 to 34	10	22,220	35	37,096	57	33,735	12	37,002	1	26,271													115	34,033		
35 to 39	11	31,496	30	33,081	71	39,212	26	38,420	9	32,699	1	54,019												148	36,961	
40 to 44	9	36,073	37	36,082	69	31,929	30	38,746	22	34,024	1	71,745	1	142,904										169	35,434	
45 to 49	9	29,511	36	39,743	74	32,839	37	32,082	19	38,200	7	47,798	2	46,203	1	54,197									185	35,246
50 to 54	10	33,884	29	43,476	58	33,965	36	38,090	28	39,225	14	42,914	7	39,544	3	63,936									185	38,425
55 to 59	4	26,154	18	45,865	24	36,511	20	40,085	20	38,052	16	42,738	9	39,689	9	39,305									120	39,700
60 to 64	6	54,750	10	36,717	16	41,928	10	43,696	9	46,148	2	35,161	6	58,861	2	27,994									61	44,234
65 to 69			5	39,073	3	49,072	1	60,092	1	31,482	1	26,951													11	41,919
70 & over			1	54,205	3	29,159						1	28,066												5	33,950
All ages	92	30,695	261	36,343	395	34,517	174	37,421	109	37,624	43	43,495	25	48,899	15	43,716									1,114	

City of Hartford MERF - Library

Number of Persons/Average Salary of Persons in Processing Group by Age and Years of Service

July 1, 2005

Attained Age	Completed Years of Credited 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 over		All years	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25					2	38,707															2	38,707
25 to 29			1	34,854	3	39,817															4	38,576
30 to 34	1	34,496	2	35,600	2	41,954	1	34,854	1	37,275											7	37,390
35 to 39	2	32,172	1	57,577	1	34,514	3	35,910	3	37,630	1	40,538									11	37,963
40 to 44			2	35,635	3	61,395			3	35,339	2	46,727									10	45,492
45 to 49			2	46,972	1	33,849	1	33,849	1	35,075	2	37,198									7	38,730
50 to 54	1	47,486	3	69,212	2	55,469	1	58,268	2	54,103	2	38,933									11	55,491
55 to 59			2	34,693	1	78,438	3	52,221	2	76,216			1	56,108							9	57,003
60 to 64					1	68,840					1	34,042									2	51,441
65 to 69													1	64,383							1	64,383
70 & over							1	135,500													1	135,500
All ages	4	36,582	13	46,605	16	49,471	10	52,686	12	45,991	8	40,037	2	60,246							65	

City of Hartford MERF - Municipal Services

Number of Persons/Average Salary of Persons in Processing Group by Age and Years of Service

July 1, 2005

Attained Age	Completed Years of Credited Service																				All years			
	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 over					
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.		
Under 25	3	24,791	2	33,908																		5	28,438	
25 to 29	3	23,923	14	41,078	5	42,736	1	44,379															23	39,344
30 to 34	1	73,806	11	36,644	5	54,073	1	94,415															18	46,759
35 to 39	3	53,987	20	45,659	8	50,291	5	63,955	8	48,970	4	54,718											48	50,164
40 to 44	4	60,879	27	39,665	13	30,207	5	45,223	22	50,727	9	50,990	9	52,381									89	44,715
45 to 49	6	47,017	15	55,953	9	42,647	16	64,084	14	55,557	12	55,245	4	52,636	3	59,095							79	55,179
50 to 54	6	47,311	28	56,907	15	46,656	11	47,507	16	50,379	7	68,458	2	40,401	6	54,484	5	52,982					96	52,683
55 to 59	1	50,434	11	67,417	16	68,386	11	55,768	12	60,844	9	60,583	5	61,967	2	33,783	1	41,296					68	61,672
60 to 64	1	110,324	8	61,039	13	45,545	3	49,661	6	51,594	1	88,063	1	126,085									33	56,467
65 to 69	1	157,606	2	84,781	5	21,123			3	11,957			1	11,957	2	11,957							14	36,038
70 & over	2	10,130			4	18,921			2	11,957	3	56,663								1	11,957		12	25,150
All ages	31	49,355	138	49,727	93	45,487	53	56,510	83	50,495	45	58,294	22	55,030	13	45,821	6	51,035	1	11,957			485	

**City of Hartford MERF - All Groups**  
**Number of Persons/Average Salary of Persons in Processing Group by Age and Years of Service**  
**July 1, 2005**

Attained Age	Completed Years of Credited 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 over		All years		
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	
Under 25	21	27,300	32	37,383	3	32,288																56	33,329
25 to 29	38	34,080	108	40,465	42	43,172	4	37,514														192	39,732
30 to 34	28	35,596	85	43,362	114	49,670	41	61,119	3	44,674												271	47,914
35 to 39	25	39,351	85	43,798	133	51,588	94	61,436	57	62,492	7	53,938										401	53,073
40 to 44	14	43,475	76	39,004	109	40,263	62	51,963	124	60,447	34	65,799	12	61,971								431	50,254
45 to 49	15	36,513	59	44,804	92	37,033	68	46,486	68	59,007	76	67,008	16	67,506	5	59,415						399	50,731
50 to 54	17	39,423	60	51,030	79	39,148	51	40,836	52	46,081	46	61,947	13	51,077	10	58,502	7	56,082				335	47,148
55 to 59	5	31,010	31	52,792	42	49,524	35	46,946	35	49,491	32	53,239	25	55,883	13	45,114	1	41,296				219	50,116
60 to 64	7	62,689	18	47,527	30	44,392	13	45,072	16	49,846	5	52,757	7	68,464	2	27,994	1	91,766				99	49,498
65 to 69	1	157,606	7	52,133	8	31,604	1	60,092	4	16,838	1	26,951	2	38,170	2	11,957						26	39,616
70 & over	2	10,130	1	54,205	7	23,309	1	135,500	2	11,957	4	49,513							2	39,206		19	35,448
All ages	173	37,266	562	43,694	659	44,233	370	52,219	361	56,014	205	62,192	75	59,205	32	48,390	9	58,404	2	39,206	2,448		



## Section II

### Supporting Exhibits (continued)

#### G. IRC Section 415(m) Valuation

The IRC Section 415(m) Fund\* is an unfunded "excess benefit plan" to provide that portion of certain retirees' pension benefits that exceed the limits permitted under Section 415 of the Federal Internal Revenue Code (IRC).

	<u>July 1, 2005</u>	<u>July 1, 2004</u>
1. Number of retirees and beneficiaries receiving benefits	8	6
2. Annual benefits payable	\$ 44,000	\$ 36,000
3. Present value of benefits	\$168,000	\$141,000

The "actives" are funded through MERF. The City provides contributions for the retirees' benefits payable each year, as determined by the Pension Commission.

#### Actuarial Assumptions

The actuarial assumptions used in the 2005 Section 415(m) Fund valuation are as follows:

Mortality Basis:	RP-2000 Healthy Annuitants Table projected by Scale AA to year of valuation plus 10 years (2015 for July 1, 2005 valuation), with no adjustment and separate male and female rates.  Prior valuation: UP-94 projected by Scale AA to year of valuation plus 10 years (2014 for July 1, 2004 valuation), with separate male and female tables.
Termination:	N/A.
Salary Scale:	N/A.
Investment Return:	8.00% per year, net of investment expenses.
Assumed Retirement age:	Immediate as all are retired.
Increases in dollar limit on benefits under IRC Section 415:	3% per year.

#### Benefits

Retiree pension amounts in excess of IRC Section 415 limits. Benefits which do not exceed such amounts are payable from the City's MERF Plan. IRC Section 415 limits are assumed to increase annually and thus decrease the benefits payable from this Plan and increase the portion of the benefits payable from the City's MERF Plan.

*\*Section 415(m) Fund adopted by the Court of Common Council on March 24, 1997.*

## Section III

### Actuarial Cost Methods and Assumptions

#### A. Actuarial Cost Methods

##### Asset Valuation Method – Adjusted Value of Assets

In order to smooth the year-to-year fluctuations in asset values, the asset values are adjusted by phasing in recognition of gains and losses over a four-year period. (Phase-in started July 1, 2003.) Gains and losses are defined as the difference between the actual and the expected return on assets.

The assets held by the insurance companies include the funds on deposit for future purchase of annuities, as well as the reserves and contingency reserves for annuities already purchased which are subject to experience rating.

The adjusted value of assets includes \$1.5 million in funds assumed owed the MERF from the State of Connecticut Municipal Employees' Retirement System (CMERS). The \$1.5 million is the estimated value of assets expected to be transferred from CMERS to this plan for members whose pension benefits were transferred prior to July 1, 2005.

##### Actuarial Funding Method

The "Aggregate Actuarial Cost Method" (first adopted for the 1969 valuation) is used for determining the future rates of contributions needed for funding service retirements. This method is designed to produce stable "percentage-of-payroll" Normal Actuarial Costs over a period of years. This aim will be achieved so long as the emerging experience conforms with the actuarial assumptions.

Using this method, an actuarial valuation was made of the actuarial present value of all future pension benefits for active members (including survivor benefits, disability benefits, and refunds of employee contributions). The actuarial present value needed for future payments to present pensioners and deferred vested pensioners and survivors was subtracted from the Valuation Assets (Adjusted Value) to determine the current Valuation Assets (Adjusted Value) available for future benefits for active members. The latter figure was subtracted from the actuarial present value of future benefits for active members in order to determine the remaining actuarial present value to be funded by future contributions. Finally, the net remainder was divided by the actuarial present value of all future salaries, and the total Normal Actuarial Costs for future contributions was determined as a level percentage of future annual payrolls.

Since the MERF fund includes several classifications of members who have different provisions for benefits and contributions, it was necessary to apply this method by separate actuarial valuations for Police, Firefighters, Board of Education, Municipal Services, and Library participants.

## Section III

### Actuarial Cost Methods and Assumptions

(continued)

#### B. Actuarial Assumptions

The actuarial assumptions used in the 2005 MERF valuation are as follows:

##### Mortality Basis:

For Police, Fire, Board of Education Corridor Supervisors and Building and Grounds Supervisors:

- Pre-retirement: RP2000 Employees Table – male and female rates, projected by Scale AA to valuation date plus 17 years with occupational (i.e., non-office worker, blue collar) adjustment.
- Post-retirement: RP2000 Healthy Annuitants Table – male and female rates, projected by Scale AA to valuation date plus 8 years with occupational (i.e., non-office worker, blue collar) adjustment. No adjustment reflected for assumed future beneficiaries.
- Disability: RP2000 Disabled Table – male and female rates.

For All Other Groups:

- Pre-retirement: RP2000 Employees Table – male and female rates, projected by Scale AA to valuation date plus 17 years with no adjustment.
- Post-retirement: RP2000 Healthy Annuitants Table – male and female rates, projected by Scale AA to valuation date plus 8 years with no adjustment.
- Disability: RP2000 Disabled Table – male and female rates.

Prior valuation: UP-94 projected by Scale AA to year of valuation plus 10 years (2014 for July 1, 2004 valuation), with separate male and female tables.

### Section III

## Actuarial Cost Methods and Assumptions (continued)

Termination:

#### Yearly Rates of Employee Termination

<u>Age</u>	<u>Non-Uniformed</u>	<u>Uniformed</u>
20	10.0%	5.0%
25	7.0%	2.0%
30	5.0%	2.0%
35	4.0%	2.0%
40+	0.0%	0.0%

Salary Scale:

3% for inflationary salary increases plus a percentage for promotion or merit increases. For Police under age 45, overtime limited to less than or equal to 20% of base pay.

#### Yearly Rates of Increases for Promotion or Merit

<u>Age</u>	<u>Police</u>	<u>Fire</u>	<u>Bd of Ed</u>	<u>Munic. Svc. &amp; Lib.</u>
25	4.0%	2.5%	4.0%	6.0%
30	3.5%	2.5%	4.0%	4.7%
35	2.2%	1.6%	2.1%	3.1%
40	1.2%	1.1%	1.0%	2.0%
Over 40	1.0%	1.0%	1.0%	2.0%

Prior valuation:

#### Yearly Rates of Increases for Promotion or Merit

<u>Age</u>	<u>Police</u>	<u>Firefighters</u>	<u>Non-Uniformed</u>
25 and under	6.0%	5.0%	4.0%
30	3.5%	2.5%	4.0%
35	2.2%	1.6%	2.1%
40	1.2%	1.1%	1.0%
Over 40	1.0%	1.0%	1.0%

Salaries are adjusted for groups in negotiations by 3% per year for the period of each open contract, and non-bargaining groups by 3% per year for one full fiscal year from the measurement date. Any wage increases negotiated beyond the valuation date have been reflected in our projections.\*

\* *The following future salary increases have been negotiated as of this valuation:*

• HMEA:	1/1/2006	1.00%
	7/1/2006	1.00%
	1/1/2007	1.00%

### Section III

#### Actuarial Cost Methods and Assumptions (continued)

• Fire:	1/1/2006	1.25%
	7/1/2006	1.25%
	1/1/2007	1.25%
	7/1/2007	2.00%
• Police:	7/1/2006	3.00%
	7/1/2007	3.00%
	7/1/2008	2.00%
	1/1/2009	1.00%
	7/1/2009	3.00%
• Nonunion:	1/1/2006	1.00%

Investment Return: 8.00% per year, net of investment expenses.

Assumed Retirement Age: Retirement Rates:

<u>Service</u>	<u>Police</u>	<u>Fire</u>	<u>Mun. Svc. &amp; Lib.</u>
20	20%	5%	10%
21	15%	1%	5%
22	5%	1%	5%
23	5%	1%	10%
24	20%	10%	15%
25	30%	30%	15%
26-27	5%	5%	10%
28	10%	5%	15%
29	25%	20%	15%
30	100%	20%	100%
31-34	n/a	5%	n/a
35	n/a	100%	n/a

(maximum of age 65)

<u>Age</u>	<u>Bd of Ed</u>
55	15%
56	10%
57-59	5%
60	30%
61	5%
62	20%
63-64	10%
65	100%

### Section III

## Actuarial Cost Methods and Assumptions

(continued)

Prior valuation:

Board of Education: Age 61.

General Government: Earlier of age 53 with 25 years service and age 62 with 10 years service.

All Police: Age 48 with 20 years service. Maximum retirement age of 65.

Firefighters: Age 53 with 25 years service. Maximum retirement age of 65.

For both Uniformed and Non-Uniformed who have reached Assumed Retirement Age, retirement after one year.

Social Security:

Future tax wage bases are developed by projecting the 2005 base of \$90,000 forward at 4% per year.

Marital Status at Retirement:

Non-Uniformed:

Males - 80% married, spouse 3 years younger.  
Females - 60% married, spouse same age.

Uniformed:

All - 80% married, spouse 2 years younger.

Prior valuation:

Non-Uniformed:

Males - 82% married, spouse 3 years younger.  
Females - 40% married, spouse same age.

Uniformed:

All - 90% married, spouse 2 years younger.

### Section III

## Actuarial Cost Methods and Assumptions

(continued)

#### Disability:

Disability benefits were explicitly valued using the DP85 Class 1 Male and Female Disability Incidence Rate Table increased three times for the Police and Firefighter groups, two times for the Board of Education groups and with no increase for the Municipal Services and Library groups.

*DP85 Class 1 Disability Incidence Table:  
Sample male and female rates*

<u>Age</u>	<u>Male</u>	<u>Female</u>
15	0.021%	0.023%
20	0.029%	0.030%
25	0.038%	0.047%
30	0.048%	0.080%
35	0.069%	0.136%
40	0.117%	0.211%
45	0.202%	0.323%
50	0.358%	0.533%
55	0.722%	0.952%
60	1.256%	1.159%
65	1.753%	1.358%

#### Prior valuation:

Based on study of actual experience. The amount considered is the cost of establishing a reserve for the temporary annuity payable until normal retirement date.

#### Expenses other than Investment Expenses:

An explicit dollar amount was included in the development of the normal cost percentage equal to an estimate of expenses (other than investment expenses) for the upcoming year. The estimate was developed based on an average of actual expenses over the last four years. For the 2005 valuation, \$1,904,000 was used.

#### Prior valuation:

All actuarial present values of future benefits have been increased by 2.50% to cover expenses other than investment expenses.

### Section III

#### Actuarial Cost Methods and Assumptions

(continued)

Sick Exchange: Four years are exchanged by all actives if provision available. For Firefighters hired prior to July 1, 2003, six years are exchanged.

Military and Prior Service  
Buy-backs:

When a decision to buy-back service occurs, date of hire is adjusted accordingly.

Additional Liabilities:

COLAs:

Included in this valuation is the liability for the Cost of Living Adjustments (COLAs) effective July 1, 1987, July 1, 1990, July 1, 1997, July 1, 1999, July 1, 2001 and July 1, 2005 for both the MERF and the unfunded "Old Plans" (PBF, FRF, and RAF).

Local 1716:

Included in this valuation is the obligation for Local 1716 members who transferred to State MERF B on July 1, 1987.

29-year amortization payments (split between the City administration and the pension fund) commenced July 1, 1987 for this obligation. As of July 1, 2005, the City payment will be \$509,126 (\$4,026,000 on a present value basis) and the pension fund payment will be \$462,336 (\$3,656,000 on a present value basis).

Local 566:

Included in this valuation is the obligation for Local 566 (included merged Local 1303) members who transferred to State MERF B on August 1, 1988.

30-year amortization payments (split between the City administration and the pension fund) commenced August 1, 1988 for this obligation. As of July 1, 2005, the City payment will be \$303,918 (\$2,775,000 on a present value basis) and the pension fund payment will be \$276,288 (\$2,523,000 on a present value basis).



## Section IV

### Hartford MERF - Summary of Principal Provisions of Pension Plan July 1, 2005

#### PROVISIONS FOR:

#### Retirement Pensions:

#### POLICE OFFICERS AND FIREFIGHTERS

Firefighters hired before July 1, 2003: 2.80% of Final Average Pay (rate of weekly pay immediately preceding retirement times 52, plus for firefighters who work a 42 hour week, holiday pay) multiplied by years of service up to 25 plus 2.0% for years over 25.

Firefighters hired after June 30, 2003: 2.5% of Final Average Pay (rate of weekly pay immediately preceding retirement times 52, plus for firefighters who work a 42 hour week, holiday pay) multiplied by years of service up to 20 plus 2% of Final Average Pay for years of service over 20.

Sworn Police Officers hired before July 1, 1999: 2.65% of Final Average Pay for highest 3 of last 5 years multiplied by years of service up to 20 plus 3% for year 21 plus a decreasing percentage for years over 21. Final Average Pay includes a provision for over-time and private duty pay.

Sworn Police Officers hired after June 30, 1999: 2.5% of Final Average Pay for highest 3 of last 5 years times years of service up to 20 plus 2% for years of service- over 20.

#### BOARD OF EDUCATION MEMBERS

2% (2.5% for HSSSA and HESP) of Final Average Pay for highest 5 of last 10 years times years of service, with maximum benefit of 70% of Final Average Pay. Final Average Pay for HFSHP, HESP, HSSSA, and Local 2221, Hartford Federation of Paraprofessionals are based on highest 3 out of last 5 years. Benefit for Local 2221 is 2.5% of Final Average Pay multiplied by years of service up to 20 plus 2% of Final Average Pay for years of service over 20 (maximum of 10 years).

#### MUNICIPAL SERVICES & LIBRARY MEMBERS

For Library, HMEA hired after July 1, 2003, CHPEA hired after October 1, 1997, 2% of Final Average Pay for highest 2 of last 5 years times years of service with a maximum benefit of 70% of Final Average Pay. For Library with 5-year option, Final Average Pay is highest 5 of last 10 years.

For CHPEA hired before October 1, 1997 who retire from the unit, MLA, and Nonbargaining, 2.5% of Final Average Pay for highest 2 of last 5 years times years of service. Maximum benefit of 70% of Final Average Pay for MLA and CHPEA, 80% for Nonbargaining. For Nonbargaining with 5-year option, Final Average Pay is highest 5 of last 10 years.

For HMEA hired before July 1, 2003, 2.75% of Final Average Pay for highest 2 of last 5 years times years of service with a maximum benefit of 70% of Final Average Pay.

For SCGA, 2% of Final Average Pay for highest 5 of last 10 years reduced by 1% of average Social Security covered earnings for all years included in computation of Social Security primary benefits. Maximum benefit of 100% of Final Average Pay.

**PROVISIONS FOR:**

**POLICE OFFICERS AND FIREFIGHTERS**

**BOARD OF EDUCATION MEMBERS**

**MUNICIPAL SERVICES & LIBRARY MEMBERS**

**Retirement Pensions:**

Non-Sworn Police Officers: 2.5% of Final Average Pay for highest 3 of last 5 years times years of service, with maximum benefit of 80% of Final Average Pay.

Sworn Police Officers have a maximum benefit of 70% of Final Average Pay. For Sworn Police Officers hired before July 1, 1999 increase maximum benefit to 80% of Final Average Pay with sick exchange provision. Firefighters have a maximum benefit of 80% of Final Average Pay (85% with sick exchange if hired prior to July 1, 2003).

Assistant Police Chief, Police Chief, Assistant Fire Chief and Fire Chief: Same as Non-Bargaining.

**Normal Form of Benefit:**

For unmarried members: life annuity.  
For married members: surviving spouse benefit of 25% of member's final year's earnings, if non-service connected death, and 50% of member's final year's earnings, if service connected death. Minimum of 50% of pension benefit for firefighters for non-service connected death.

For married Non-Sworn Police Officers: life annuity with 50% to survivor.

For unmarried members: life annuity.  
For married members: life annuity with 50% to survivor.

For unmarried members: life annuity.  
For married members: life annuity with 50% to survivor.

PROVISIONS FOR:

POLICE OFFICERS AND  
FIREFIGHTERS

Normal Retirement Age  
and Service Requirement:

Firefighters hired before July 1, 2003 and Sworn Police Officers hired before July 1, 1999: Full benefits after 20 years of continuous service.

Sworn Police Officers hired after June 30, 1999: Full benefits after 25 years of service.

Firefighters hired after June 30, 2003: 25 years of continuous service.

Non-Sworn Police Officers: Full benefits after 20 years of service, or age 60 plus 5 years of continuous service, or after 15 years of service, if contributions are left in the MERF for 5 more years before retirement.

BOARD OF EDUCATION MEMBERS

Age 60 plus 10 years of service (continuous service for Local 2221). Members are also eligible at age 55 with 25 years of service.

MUNICIPAL SERVICES & LIBRARY  
MEMBERS

For MLA, earlier of (1) age 60 plus 10 years of continuous service or (2) 20 years of continuous service. For SCGA, earlier of (1) age 60 plus 5 years of continuous service or (2) age 55 with 25 years of continuous service.

For Nonbargaining, earlier of (1) age 60 plus 5 years of continuous service or (2) 20 years of service, or (3) after 20 years of service if participant leaves after 15 years of service and contributions are left in the MERF for 5 years before retirement.

For CHPEA, earlier of (1) age 60 plus 5 years of continuous service or (2) 20 years of aggregate service if hired before October 1, 1997, 25 years of aggregate service if hired October 1, 1997 – June 23, 2003, age 55 with 25 years of aggregate service if hired after June 23, 2003.

For HMEA earlier of (1) age 60 plus 5 years of continuous service or (2) 20 years of continuous service if hired before July 1, 2003, age 55 with 25 years of continuous service if hired after July 1, 2003.

For Library, earlier of (1) age 60 plus 5 years of continuous service or (2) 25 years of continuous service.

**PROVISIONS FOR:**

**POLICE OFFICERS AND  
FIREFIGHTERS**

**BOARD OF EDUCATION MEMBERS**

**MUNICIPAL SERVICES & LIBRARY  
MEMBERS**

**Optional Early  
Retirement:**

Sworn Police Officers: Age 50 with 10 years of continuous service, actuarially reduced for years prior to Normal Retirement Age. Non-Sworn Police Officers: Age 55 with 5 years of continuous service, reduced at 4% per whole year prior to age 60.

At age 55 with 10 years of service (continuous service for Local 2221), reduced at 4% per whole year prior to age 60.

For MLA, age 55 with 10 years of continuous service. For all others, age 55 with 5 years of continuous service. Benefit reduced at 4% per whole year prior to age 60 (prorate for partial years for HMEFA and CHPEA). For SCG members, reduction is 2% per whole year and fraction of a year prior to age 60.

Firefighters: Age 50 with 5 years of continuous service, actuarially reduced or reduced at 2% per year (prorated for fractional years) prior to Normal Retirement Age.

**Vesting of Earned  
Deferred  
Pension:**

Sworn Police Officers: After 10 years of continuous service.

After 10 years of continuous service. Payments begin no earlier than age 55.

For MLA, 10 years of continuous service. For all others, 5 years of continuous service. Payments begin no earlier than age 55.

Firefighters and Non-Sworn Police Officers: After 5 years of continuous service.

**Benefits to Survivors:  
(Death of Active Member  
Prior to Retirement)**

Surviving Spouse: 25% of final year's earnings (50% if service connected death), payable until death or remarriage. Minimum of 50% of pension benefit for Firefighters for non-service connected death. Surviving Child: \$100 per month for first child, \$50 for each additional child (10% of final year's earnings if service connected death, or 15% if no surviving spouse). Total benefit, including Worker's Compensation, cannot exceed 100% of current pay rate for Member's rank. Non-Sworn Police Officers: Same as General Government members.

Member must meet qualifications for vesting. Surviving Spouse: 50% of pension which Member is receiving or would be entitled to when retired, payments beginning no earlier than date of Member's 55th birthday. Surviving Spouse benefits are payable until death or remarriage.

**PROVISIONS FOR:**

**POLICE OFFICERS AND FIREFIGHTERS**

**BOARD OF EDUCATION  
MEMBERS**

**MUNICIPAL SERVICES & LIBRARY  
MEMBERS**

**Refund of Contributions upon Discontinuance of Employment or at Death (Non-Vested Members):**  
(May be taken in lieu of earned deferred pension by vested members)

Refund of total contributions, without interest.

Termination: Refund of total contributions, with 3% interest compounded annually.  
Death: Refund of total contributions with interest preretirement and without interest postretirement.

**Pensions for Permanent, Total Disability - Service Requirements:**

5 years of continuous service, but no requirement if disability is service connected as defined in Worker's Compensation Act.

10 years of continuous service, except no requirement if disability is service connected as defined in Worker's Compensation Act.

Non-Sworn Police Officers: Same as General Government members.

**Amount of Total Disability Pension:**  
(Payable so long as total disability continues.)

Retirement Pension with minimum of 25% of "final average pay." If disability is service connected, the pension equals 100% of the Member's final annual pay less Worker's Compensation benefits.

Retirement Pension using Final Average Pay for last 10 years. If disability is service connected, amount not less than 50% of Member's final annual pay at time of disability. Maximum benefit of 2/3 of 10-year Final Average Pay less Social Security benefit. Minimum benefit of \$30 per month. All service connected disability benefits are offset by benefits payable by Worker's Compensation (exception: no offset for \$30 minimum).

Non-Sworn Police Officers: Same as General Government members.

**Pensions for Permanent Partial Disability:**  
(Where earnings capacity is reduced by at least 10%.)

Ten years of continuous service, but no service requirement if disability is service connected. Same as disability pension with reduction for less than 15 years of service. If service connected, pension equals 50% of final annual pay (regular 20 year pension for Firefighters) if 15 years of service, with reductions for less than 15 years of service. If at least 20 years of service, pension equals retirement pension.

10 years of continuous service, except no requirement if disability is service connected as defined in Worker's Compensation Act. Retirement Pension using Final Average Pay for last 10 years (with offset for Worker's Compensation benefits if service-related disability), subject to a minimum pension of \$10 monthly. If the disability is service connected, benefit not less than 50% of the reduction in earnings with offset for Worker's Compensation benefits. For service connected disability, the maximum benefit is 2/3 of 10 year final average pay less Worker's Compensation and Social Security benefits. For non-service connected disability, the maximum is 2/3 of 10 year final average pay less Social Security benefits, or 1-2/3% of the reduction in income times years of service.

Non-Sworn Police Officers: Same as General Government members.

**PROVISIONS FOR:**

**Member's Contribution Rate of Total Earnings:**  
**(City pays full balance of costs to fund MERF benefits; also Members and City pay taxes for those covered by Social Security.)**

**POLICE OFFICERS AND FIREFIGHTERS**

Firefighters and Sworn Police Officers hired before July 1, 1999: 8%.

*Sworn Police Officers hired after June 30, 1999: 6.5%.*

Non-Sworn Police Officers: 4% on earnings taxed for Social Security and 7% on excess.

**BOARD OF EDUCATION MEMBERS**

4% on earnings taxed for Social Security and 7% on excess. For HESP, 8.41% and 11.41%, respectively. For HSSSA, 8.75% and 11.75%, respectively.

**MUNICIPAL SERVICES & LIBRARY MEMBERS**

For Library and Nonbargaining, 4% on earnings taxed by Social Security and 7% on excess if 5 year Final Average Pay option elected. With 2 year option, 5% and 8%, respectively.

For MLA, HMEA hired after July 1, 2003, and CHPEA hired after October 1, 1997, 5% on earnings taxed by Social Security and 8% on excess. For CHPEA hired before October 1, 1997, 6.5% and 9.5%, respectively. For HMEA hired before July 1, 2003, 7.8% on all earnings.

For SCGA, 3% on earnings taxed by Social Security and 6% on excess.

Assistant Police Chief, Police Chief, Assistant Fire Chief and Fire Chief: Same as Non-Bargaining.

**Note 1** Any Member (other than a Police Officer or Firefighter) who was a Member before January 1, 1958 is guaranteed a minimum total benefit, including Social Security based on earnings from the City, equal to the pension the Member would have received under the terms of the MERF plan in existence prior to the enactment of the 1957 Special Act No. 347. Also, several active Members who transferred to MERF on or after July 1, 1968 from the City's Retirement Allowance Fund are entitled to a pension determined by the RAF provisions if it is greater than that based on the MERF provisions.

**Note 2** Section 2-166 of the Municipal Code provides a minimum benefit of \$155 monthly for all pensions granted by reason of service or for service-connected disability, and for joint annuitants under elected options, except members for whom Social Security taxes have been paid and anyone for whom more than half of the total pension is paid by the Metropolitan District.

**Note 3** All members (other than SCG) may purchase up to 4 years of pension credit for military service. Pension credit is at the following rates of Final Average Pay per year purchased:

HMEA members hired before July 1, 2003	2.75%
Sworn Police Officers, Firefighters, CHPEA members hired before October 1, 1997, HSSSA, HESP, Non-bargaining (including Assistant Police Chief, Police Chief, Assistant Fire Chief, and Fire Chief), Non-Sworn Police Officers, and MLA	2.50%
Other (including CHPEA members hired after September 30, 1997, HMEA members hired after July 1, 2003)	2.00%

**Note 4** All members (other than Sworn Police Officers hired after July 1, 1999, all Board of Education members, CHPEA hired after October 1, 1997, HMEA hired after July 1, 2003, Library, and SCG) may exchange accumulated sick leave upon retirement for up to 4 years (6 years for Firefighters hired prior to July 1, 2003) of pension service time. Additional pension service time may be purchased from accumulated sick leave at the rate of twenty days of accumulated sick leave for each year of pension service time.

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