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Confidential

March 3, 2008

Ms. Kathleen E. Palm Devine, Secretary
City of Hartford Pension Commission
Office of the Treasurer
550 Main Street
Hartford, CT 06103

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City of Hartford
Pension Department

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Russell O. Hooker, F.S.A.
1956-1976
Shepherd M. Holcombe, F.S.A.
1969-1989

Re: 2007 MERF Actuarial Survey

Dear Kathleen:

We are pleased to present the Annual Valuation of the City of Hartford Municipal Employees' Retirement Fund for 2007. Eleven additional copies are included for distribution.

Recommended contribution rates are as follows:

	Recommended Fiscal Year 2008-2009 Contribution (2007 MERF Actuarial Survey)	Recommended Fiscal Year 2007-2008 Contribution (2006 MERF Actuarial Survey)
Police	3.65%	2.80%
Firefighters	-5.77%	-5.13%
Board of Education	11.03%	11.48%
Municipal Services	25.19%	30.36%
Library	16.98%	16.99%

The primary reasons for the change in contribution rates are:

- A return on the actuarial value of assets that was higher than expected. This decreased the contribution rates from last year.
- An increase in retiree benefits due to the ad hoc cost of living increase granted to eligible retirees effective July 1, 2007. This increased the contribution rates.

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March 3, 2008
Ms. Kathleen E. Palm Devine
City of Hartford Pension Commission
Re: 2007 MERF Actuarial Survey

As always, I am available to answer any questions you or the Pension Commission may have.

Sincerely,



Elizabeth J. Willard

/mmh
Enclosure

Copy with enclosure: Lorraine T. Shetensky

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

Actuarial Survey

July 1, 2007

Elizabeth J. Willard, F.S.A.
Consulting Actuary

Scott B. Moss, A.S.A.
Pension Analyst

March 3, 2008

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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 service 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 2008-2009 Fiscal Year

The City's contribution rates for the 2008-2009 fiscal year, determined from the July 1, 2007 actuarial valuation, are shown below. Last year's results are shown for comparison purposes.

	Recommended 2008-2009 Fiscal Year Contribution (July 1, 2007 Valuation)	Recommended 2007-2008 Fiscal Year Contribution (July 1, 2006 Valuation)
Police	3.65%	2.80%
Firefighters	-5.77%	-5.13%
Board of Education	11.03%	11.48%
Municipal Services	25.19%	30.36%
Library	16.98%	16.99%

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

C. Funded Status

The MERF's funded status as of July 1, 2007 is summarized below. The actuarial accrued liability is the actuarial present value of projected benefits credited for prior years' service. The assets include the \$5.5 million receivable as of July 1, 2007.

	July 1, 2007
Actuarial Accrued Liability	\$1,090,715,000
Actuarial Value of Assets	<u>1,097,592,000</u>
Funded Status	6,877,000
Funded Percentage	100.6%

Section I
Valuation Report
(continued)

D. Plan Experience During Period Under Review

The recommended City contribution rate for the 2008-2009 fiscal year has decreased from last year for all groups but the Police.

The actuarial value of assets earned a return of about 12.0% during the 2006-2007 fiscal year, compared to an expected rate of return of 8.0%. The market value of assets returned 15.6% over the same period. The decrease in contribution rates from last year is largely the result of investment gains generated from the return on the actuarial value of assets greater than expected.

Changes in the covered population from last year to this year also impacted the plan's contribution requirements. The active membership of the MERF as of July 1, 2007 was 2,571, an increase of 27 from 2,544 last year. The average age of the active population increased from 43.6 to 44.0 during this same period. The total covered payroll increased by approximately 7% from \$124,837,000 to \$133,280,000.

E. Changes Since The Last Valuation

This year's actuarial valuation first reflects the ad hoc cost of living increase granted to eligible retirees effective July 1, 2007. This change increased the contribution rates from last year.

In addition, the valuation reflects changes in plan provisions from last year for the Municipal Lawyer's Association and Local 818. See the Summary of Principal Pension Plan Provisions for additional information. These changes 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, 2007.

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, 2007. 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

March 3, 2008

Section II
Supporting Exhibits

A. Normal Cost

	July 1, 2007 Valuation					
	Police	Fire	Board of Ed.	Municipal Services	Library	Total Membership
Active Membership						
Number of Employees	444	330	1,167	555	75	2,571
Annual Payroll (000)	\$30,753	\$26,915	\$42,024	\$29,558	\$4,031	\$133,280
Normal Actuarial Costs						
A. Actuarial Present Value of Future Benefits (000)						
Active Members	\$135,267	\$133,802	\$119,901	\$124,085	\$13,101	\$526,156
Terminated Non-Vested Members	142	141	126	131	14	553
Terminated Vested Members	2,478	215	3,605	5,494	88	11,879
Retired Members	234,968	173,711	89,580	228,869	12,114	739,241
Old Plans COLA	<u>718</u>	<u>489</u>	<u>617</u>	<u>59</u>	<u>0</u>	<u>1,882</u>
Total	\$373,572	\$308,357	\$213,828	\$358,637	\$25,317	\$1,279,711
B. Actuarial Value of Assets (000)*	\$347,267	\$309,483	\$145,973	\$277,740	\$17,128	\$1,097,592
C. Actuarial Present Value of Future Employee Contributions (000)	\$21,106	\$18,553	\$22,943	\$15,126	\$1,736	\$79,464
D. Actuarial Present Value of Future Normal Costs (A) - (B) - (C) (000)	\$5,199	(\$19,679)	\$44,912	\$65,771	\$6,453	\$102,656
E. Actuarial Present Value of Future Salaries (000)	\$321,762	\$256,383	\$441,372	\$283,920	\$40,510	\$1,343,948
F. Normal Actuarial Costs as Percentage of Payroll (D)/(E)	1.62%	-7.68%	10.18%	23.17%	15.93%	7.64%
G. Estimated Expenses (other than Investment Expenses) as % Payroll	<u>2.03%</u>	<u>1.91%</u>	<u>0.85%</u>	<u>2.02%</u>	<u>1.05%</u>	<u>1.60%</u>
H. Total Normal Cost Percent Payable by City (F) + (G)	3.65%	-5.77%	11.03%	25.19%	16.98%	9.24%

**Includes \$5,463,745 receivable detailed as follows: sick exchange receivable of \$2,100,449, and City contribution receivables for fiscal year 2006-2007 of \$1,572,500 (paid July 12, 2007), \$1,490,242 (paid October 15, 2007) and \$300,554 outstanding contribution payable.*

Section II
Supporting Exhibits
(continued)

B. Estimated Cash Contribution

The cash contribution for fiscal year 2008-2009 detailed below is estimated based upon payroll data collected for the July 1, 2007 Actuarial Valuation, projected to fiscal year 2008-2009 using the salary increase assumption in the valuation. See the Summary of Actuarial Assumptions section for details. The actual contribution will be based upon actual payroll figures for fiscal year 2008-2009. To illustrate the sensitivity of the cash contribution to changes in payroll, the second table below details the estimated fiscal year 2008-2009 contribution assuming payroll is either 5% higher or 5% lower than this estimate.

	Estimated July 1, 2008 - June 30, 2009 Fiscal Year Contribution					
	Police	Fire	Board of Ed	Municipal Services	Library	Total
(1) Annual Adjusted Payroll, July 1, 2006	\$33,950,294	\$28,706,530	\$45,369,327	\$32,486,414	\$4,495,874	\$145,008,439
(2) Total Normal Cost Percent Payable by City	3.65%	-5.77%	11.03%	25.19%	16.98%	9.24%
(3) Gross City Contribution: (1) x (2)	1,239,186	(1,656,367)	5,004,237	8,183,328	763,399	13,533,783
(4) July 1, 2006 Payment for Local 566	0	0	303,918	0	0	303,918
(5) July 1, 2006 Payment for Local 1716	0	0	0	509,126	0	509,126
(6) Old Plans COLA Annual Payment	149,548	109,030	155,955	17,838	0	432,371
(7) Net City Contribution Estimate: (3)-(4)-(5)-(6)	\$1,089,638	(\$1,765,397)	\$4,544,364	\$7,656,364	\$763,399	\$12,288,368

	2008-2009 Contribution Sensitivity					
	Police	Fire	Board of Ed	Municipal Services	Library	Total
Estimated 2008-2009 Fiscal Year Payroll +5%	\$35,647,809	\$30,141,857	\$47,637,793	\$34,110,735	\$4,720,668	\$152,258,861
Net City Contribution Estimate for 2008-2009	1,151,597	(1,848,215)	4,794,576	8,065,530	801,569	12,965,057
Estimated 2008-2009 Fiscal Year Payroll -5%	32,252,779	27,271,204	43,100,861	30,862,093	4,271,080	137,758,017
Net City Contribution Estimate for 2008-2009	1,027,678	(1,682,578)	4,294,152	7,247,197	725,229	11,611,678

**Developed from the 2006-2007 payroll used in the July 1, 2007 actuarial valuation.*

Section II

Supporting Exhibits (continued)

C. Actuarial Balance Sheet

	July 1, 2007	July 1, 2006
Actuarial Liabilities		
Present Value of Future Benefits for:		
Active Employees	\$ 526,156,210	\$ 495,911,768
Inactive Members		
• Regular Retirees	650,628,312	618,582,326
• Disability Retirees	59,721,631	58,147,662
• Survivors	28,890,929	28,162,751
• Terminated Non-Vesteds	553,450	553,450
• Terminated Vesteds	11,878,972	8,272,358
• Old Plans COLA	<u>1,881,941</u>	<u>1,827,314</u>
TOTAL	\$1,279,711,445	\$1,211,457,629
Source of Funds		
1. Actuarial Value of Assets*	\$1,097,591,809	\$1,028,513,283
2. Present Value of Future Employee Contributions	79,463,974	75,614,602
3. Present Value of Future City Normal Cost Contributions	<u>102,655,062</u>	<u>107,329,744</u>
4. TOTAL = (1) + (2) + (3)	\$1,279,711,445	\$1,211,457,629

**Includes receivables of \$5,463,745 as of July 1, 2007 and \$7,022,224 as of July 1, 2006.*

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 Actuarial Value to Market Value		
1. Market value 7/1/2007	\$	1,156,369,970
2. Gain / (loss) not recognized in actuarial value 7/1/2007		64,241,906
3. Preliminary actuarial value 7/1/2007: (1)-(2)		1,092,128,064
4. Preliminary actuarial value as a percentage of market value: (3)÷(1)		94.4%
5. Gain / (loss) recognized for corridor min/max		N/A
6. Actuarial value 7/1/2007 after corridor min/max: (3)+(5)		1,092,128,064
7. Actuarial value as a percentage of market value: (6)÷(1)		94.4%

Development of Asset Gain / (Loss) for 2006-2007 Plan Year		
1. Market value 7/1/2006	\$	1,046,393,156
2. Contributions		27,254,955
3. Benefit payments		74,606,418
4. Administrative expenses		2,028,837
5. Expected return at 8.00%		81,790,467
6. Expected value 7/1/2007: (1)+(2)-(3)-(4)+(5)		1,078,803,323
7. Market value 7/1/2007		1,156,369,970
8. Asset gain / (loss) for -1 Plan Year: (7)-(6)		77,566,647

Recognition of Gain / (Loss) in Actuarial Value					
Year	(a) Gain / (loss)	(b) Recognized as of 7/1/2006	(c) Recognized in current year: 25% of (a)	(d) Total recognized as of 7/1/2007: (b)+(c)	(e) Not recognized as of 7/1/2007: (a)-(d)
2003-2004	\$ 57,855,924	\$ 43,391,943	\$ 14,463,981	\$ 57,855,924	\$ 0
2004-2005	10,701,876	5,350,938	2,675,469	8,026,407	2,675,469
2005-2006	6,782,904	1,695,726	1,695,726	3,391,452	3,391,452
2006-2007	77,566,647	0	<u>19,391,662</u>	19,391,662	<u>58,174,985</u>
Total			38,226,838		64,241,906

Section II

Supporting Exhibits (continued)

D. Development of Asset Values

Summary of Fund Activity		
	Market Value	Actuarial Value
1. Beginning Value 7/1/2006		
a. Trust Assets	\$1,046,393,156	\$1,021,491,059
b. Receivable	<u>7,022,224</u>	<u>7,022,224</u>
c. Total	1,053,415,380	1,028,513,283
2. Contributions made during 2006-2007 fiscal year		
	27,254,955	27,254,955
3. Disbursements		
a. Benefit Payments	74,606,418	74,606,418
b. Expenses	<u>2,028,837</u>	<u>2,028,837</u>
c. Total	76,635,255	76,635,255
4. Net Investment Income		
a. Net Income	159,357,114	N/A
b. Expected Return	N/A	81,790,467
c. Recognized Gain (Loss)	<u>N/A</u>	<u>38,226,838</u>
d. Total	159,357,114	120,017,305
5. Ending Value 7/1/2007		
a. Trust Assets: (1a)+(2)-(3)+(4)	1,156,369,970	1,092,128,064
b. Receivable	<u>5,463,745</u>	<u>5,463,745</u>
c. Total	1,161,833,715	1,097,591,809
6. Approximate rate of return 2006-2007		
	15.6%	12.0%

Section II
Supporting Exhibits
 (continued)

D. Development of Asset Values

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
1998	18.0%			
1999	10.4%	16.3%		
2000	8.8%	12.3%		
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%	
2006	8.7%	10.8%	6.6%	
2007	15.6%	11.1%	10.4%	8.3%

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". It represents a summary of information detailed further within the MERF's annual GASB report. The exhibits are provided for information purposes only here.

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed	Actual Contribution Received by MERF	Miscellaneous *	Net Percentage Contributed
2002	\$ 332,806	100%	\$ 0	\$ 332,806	100%
2003	2,463,804	100%	2,196,698	267,106	100%
2004**	6,717,025	97%	6,296,790	239,359	94%
2005**	9,336,898	99%	9,000,000	206,742	96%
2006**	17,033,102	70%	11,765,350	183,037	69%
2007	14,328,866	115%	16,317,266***	163,749	114%

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

** Revised.

*** 2006-2007 fiscal year contribution includes contributions paid for prior fiscal years during the 2006-2007 fiscal year as follows: FY 00-01 \$117,500, FY 02-03 \$2,198, FY 03-04 \$180,876, FY 04-05 \$130,156, FY 05-06 \$5,084,715. After the June 30, 2006 GASB reporting period closed, two contributions of \$1,572,500 and \$1,490,242 were made to the Plan for the 2006-2007 fiscal year. These amounts are not included in the \$16,317,266 fiscal year 2006-2007 contribution listed above. They will be included in the 2007-2008 fiscal year contributions listed in the June 30, 2008 GASB report.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets * (a)	Actuarial Accrued Liability (AAL) ** (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a÷b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)÷c
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%
7/1/2006	1,021,491,000***	1,002,848,000	(18,643,000)	101.9%	124,837,000	-14.9%
7/1/2007	1,092,128,000***	1,090,715,000	(1,413,000)	100.1%	133,280,000	-1.1%

* Excludes receivable from CMERS (applicable for 7/1/2002-7/1/2005 only; no longer applicable 7/1/2006+).

** Liability shown determined using the projected unit credit cost method 7/1/2002-7/1/2006 and the entry age normal cost method as of 7/1/2007.

***Excludes estimated City contribution receivable of \$5,463,745 as of July 1, 2007 and \$7,022,224 as of July 1, 2006.

Section II

Supporting Exhibits (continued)

F. Membership Data

Summary – Active Members as of July 1, 2007

	Number	Payroll*	Average Annual Pay*
Police	444	\$ 30,753,128	\$69,263
Firefighters	330	26,914,748	81,560
Board of Education	1,167	42,023,727	36,010
Municipal Services	555	29,557,984	53,258
Library	75	4,030,640	53,742
Total	2,571	\$133,280,227	\$51,840

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

Summary – Pensioners as of July 1, 2007

	Service Pensions*		Disability Pensions		Survivor Benefits*		Total	
	Count	Total Monthly Annuities	Count	Total Monthly Annuities	Count	Total Monthly Annuities	Count	Total Monthly Annuities
Police	445	\$1,661,005	65	\$144,059	60	\$60,906	570	\$1,865,970
Firefighters	297	1,074,185	124	331,518	106	113,840	527	1,519,543
Board of Ed.	612	781,948	23	13,078	75	29,984	710	825,010
Municipal Svcs.	703	1,853,690	17	12,328	128	90,886	848	1,956,904
Library	51	108,310	0	0	3	1,657	54	109,967
Vested Deferred	108	116,287	--	--	--	--	108	116,287
TOTAL**	2,216	\$5,595,425	229	\$500,983	372	\$297,273	2,817	\$6,393,681

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

** Additional monthly benefits for the July 1, 1987, July 1, 1990, July 1, 1997, July 1, 1999, July 1, 2001, July 1, 2005, and July 1, 2007 COLA's for the unfunded plans (PBF, FRF, and RAF) are 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
Total Participants 7/1/2006	428	4	560	992
Adjustments	0	+1	0	+1
Retirements	-11	-1	+12	0
Disabilities	0	0	0	0
Terminations				
Vested	-2	+2	N/A	0
Non-vested	-9	N/A	N/A	-9
Deaths	-1	0	-9	-10
New beneficiaries	N/A	0	+7	+7
Transfer group	0	0	0	0
Rehires	0	0	0	0
New entrants	<u>+39</u>	<u>N/A</u>	<u>N/A</u>	<u>+39</u>
Total Participants 7/1/2007	444	6	570	1,020
Average Age				
7/1/2006	37.4			
7/1/2007	37.5			
Average Service				
7/1/2006	10.0			
7/1/2007	9.9			
Payroll**				
7/1/2006	\$29,623,885			
7/1/2007	30,753,128			
Total monthly benefits*				
7/1/2006		\$7,612	\$1,729,985	
7/1/2007		18,297	1,865,970	

* Excludes old plan COLA participants.

** Basic salary plus overtime and private duty pay.

HOOKER & HOLCOMBE, INC.
BENEFIT CONSULTANTS AND ACTUARIES

Section II

Supporting Exhibits (continued)

F. Membership Data

Data Reconciliation – Firefighters

Participant Data				
	Active	Terminated Vested	Pensioners*	Total
Total Participants 7/1/2006	339	1	524	864
Adjustments	0	+2	0	+2
Retirements	-10	0	+10	0
Disabilities	0	0	0	0
Terminations				
Vested	0	0	N/A	0
Non-vested	-1	N/A	N/A	-1
Deaths	0	0	-16	-16
New beneficiaries	N/A	0	+9	+9
Transfer group	0	0	0	0
Rehires	0	0	0	0
New entrants	<u>+2</u>	<u>N/A</u>	<u>N/A</u>	<u>+2</u>
Total Participants 7/1/2007	330	3	527	860
Average Age				
7/1/2006	42.4			
7/1/2007	43.1			
Average Service				
7/1/2006	15.1			
7/1/2007	15.9			
Payroll**				
7/1/2006	\$25,299,020			
7/1/2007	26,914,748			
Total monthly benefits*				
7/1/2006		\$ 773	\$1,441,916	
7/1/2007		2,291	1,519,543	

* 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
Total Participants 7/1/2006	1,187	35	709	1,931
Adjustments	0	+2	0	-+2
Retirements	-7	-10	+17	0
Disabilities	0	0	0	0
Terminations				
Vested	-10	+10	N/A	0
Non-vested	-106	N/A	N/A	-106
Lump Sum	0	0	N/A	0
Deaths	-2	0	-21	-23
New beneficiaries	N/A	0	+5	+5
Transfer group	0	0	0	0
Rehires	0	0	0	0
New entrants	<u>+105</u>	<u>N/A</u>	<u>N/A</u>	<u>+105</u>
Total Participants 7/1/2007	1,167	37	710	1,914
Average Age				
7/1/2006	44.0			
7/1/2007	44.7			
Average Service				
7/1/2006	8.6			
7/1/2007	9.1			
Payroll**				
7/1/2006	\$39,458,781			
7/1/2007	42,023,727			
Total monthly benefits*				
7/1/2006		\$33,488	\$795,656	
7/1/2007		34,596	825,010	

* Excludes old plan COLA participants.

** Basic salary plus overtime and private duty pay.

HOOKER & HOLCOMBE, INC.
BENEFIT CONSULTANTS AND ACTUARIES

Section II

Supporting Exhibits (continued)

F. Membership Data

Data Reconciliation – Municipal Services

Participant Data				
	Active	Terminated Vested	Pensioners*	Total
Total Participants 7/1/2006	517	57	849	1,423
Adjustments	0	+2	0	+2
Retirements	-18	-2	+20	0
Disabilities	0	0	0	0
Terminations				
Vested	-4	+4	N/A	0
Non-vested	-12	N/A	N/A	-12
Deaths	0	-1	-29	-30
New beneficiaries	N/A	0	+8	+8
Transfer group	0	0	0	0
Rehires	0	0	0	0
New entrants	<u>+72</u>	<u>N/A</u>	<u>N/A</u>	<u>+72</u>
Total Participants 7/1/2007	555	60	848	1,463
Average Age				
7/1/2006	48.2			
7/1/2007	48.3			
Average Service				
7/1/2006	10.6			
7/1/2007	10.1			
Payroll**				
7/1/2006	\$26,867,996			
7/1/2007	29,557,984			
Total monthly benefits*				
7/1/2006		\$51,830	\$1,874,411	
7/1/2007		59,856	1,956,904	

* Excludes old plan COLA participants.

** Basic salary plus overtime and private duty pay.

HOOKER & HOLCOMBE, INC.
BENEFIT CONSULTANTS AND ACTUARIES

Section II
Supporting Exhibits
(continued)

F. Membership Data

Data Reconciliation – Library

Participant Data				
	Active	Terminated Vested	Pensioners*	Total
Total Participants 7/1/2006	73	0	53	126
Adjustments	0	+2	0	+2
Retirements	-1	0	+1	0
Disabilities	0	0	0	0
Terminations				
Vested	0	0	N/A	0
Non-vested	-3	N/A	N/A	-3
Deaths	0	0	0	0
New beneficiaries	N/A	0	0	0
Transfer group	0	0	0	0
Rehires	0	0	0	0
New entrants	<u>+6</u>	<u>N/A</u>	<u>N/A</u>	<u>+6</u>
Total Participants 7/1/2007	75	2	54	131
Average Age				
7/1/2006	44.7			
7/1/2007	45.0			
Average Service				
7/1/2006	10.8			
7/1/2007	11.3			
Payroll**				
7/1/2006	\$3,586,852			
7/1/2007	4,030,640			
Total monthly benefits*				
7/1/2006		\$ 0	\$107,098	
7/1/2007		1,247	109,967	

*Excludes old Plan COLA participants.

**Basic salary plus overtime and private duty pay.

HOOKER & HOLCOMBE, INC.
BENEFIT CONSULTANTS AND ACTUARIES

Section II
Supporting Exhibits
(continued)

F. Membership Data

Data Reconciliation – Total

Participant Data				
	Active	Terminated Vested	Pensioners*	Total
Total Participants 7/1/2006	2,544	97	2,695	5,336
Adjustments	0	+9	0	+9
Retirements	-47	-13	+60	0
Disabilities	0	0	0	0
Terminations				
Vested	-16	+16	N/A	0
Non-vested	-131	N/A	N/A	-131
Lump Sum	0	0	0	0
Deaths	-3	-1	-75	-79
New beneficiaries	N/A	0	+29	+29
Transfer group	0	0	0	0
Rehires	0	0	0	0
New entrants	<u>+224</u>	<u>N/A</u>	<u>N/A</u>	<u>+224</u>
Total Participants 7/1/2007	2,571	108	2,709	5,388
Payroll**				
7/1/2006	\$124,836,534			
7/1/2007	133,280,227			
Total monthly benefits				
7/1/2006		\$ 93,703	\$5,949,066	
7/1/2007		116,287	6,277,394	

**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, 2007

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.	No.	Avg. Comp.	
Under 25	7	41,759	8	53,532																		15	48,486
25 to 29	16	41,533	35	57,122	11	69,568	1	69,844														63	55,538
30 to 34	4	42,851	36	57,582	24	70,824	6	79,376														70	63,149
35 to 39	7	41,346	27	56,359	17	73,935	54	82,807	16	83,675	1	74,034										122	73,381
40 to 44	4	40,456	10	57,103	13	70,511	34	79,633	32	81,536	9	74,910										102	74,906
45 to 49	1	37,299	4	63,386	2	62,737	4	88,584	17	80,867	11	85,173	3	95,239								42	80,191
50 to 54			2	50,856			5	83,584	3	65,072	6	96,191	4	74,038								20	79,407
55 to 59									1	89,690	3	93,554	3	69,023								7	82,489
60 to 64					1	34,639																1	34,639
65 to 69											1	80,533										1	80,533
70 & over																				1	68,270	1	68,270
All ages	39	41,448	122	56,955	68	70,569	104	81,707	69	81,270	31	84,628	10	78,894						1	68,270	444	

City of Hartford MERF - Firefighters

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

July 1, 2007

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																						
25 to 29			7	61,022	4	68,204	1	60,219													12	63,349
30 to 34			6	61,156	23	67,073	11	71,426													40	67,383
35 to 39			8	65,884	13	68,976	28	71,216	4	72,461											53	69,955
40 to 44			2	62,465	11	67,828	28	72,955	15	72,622	15	74,132	1	84,504							72	72,217
45 to 49	1	66,830	1	60,219	6	67,705	15	72,292	10	73,839	32	76,964	17	76,871							82	74,704
50 to 54					1	66,873	6	69,375	1	69,621	17	74,209	27	77,249							52	75,001
55 to 59								1	79,867	1	69,649	5	71,853	7	80,568			2	69,621		16	75,750
60 to 64											1	66,873					1	108,960			2	87,917
65 to 69																	1	103,036			1	103,036
70 & over																						
All ages	1	66,830	24	62,763	58	67,783	90	71,813	31	72,801	70	75,179	52	77,712			4	87,809			330	

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, 2007

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	13	25,544	14	23,992	3	30,546															30	25,327
25 to 29	13	28,392	63	32,025	20	33,439															96	31,828
30 to 34	13	32,742	40	34,930	35	39,528	14	35,055													102	36,246
35 to 39	11	26,584	36	33,293	59	38,378	28	40,861	13	37,141	1	26,578									148	36,546
40 to 44	13	29,780	48	30,875	71	38,544	37	41,513	17	39,831	6	51,726									192	37,131
45 to 49	11	26,347	31	39,955	50	37,827	53	34,332	19	37,914	9	36,098	2	58,983							175	36,586
50 to 54	6	28,438	32	35,635	58	39,553	35	37,695	22	34,220	17	45,142	9	60,996	1	32,608					180	39,034
55 to 59	4	31,170	20	40,184	30	35,941	25	39,853	23	43,249	27	45,043	6	37,388	4	36,007	4	50,557			143	40,450
60 to 64	4	24,473	15	40,065	18	44,473	17	48,065	10	41,895	7	57,177	9	48,052	1	40,416	1	31,411			82	44,390
65 to 69			3	30,074	5	40,047	1	54,558	2	34,455					1	26,889					12	36,735
70 & over					4	56,351	2	47,717			1	28,702									7	49,935
All ages	88	28,258	302	34,123	353	38,625	212	39,024	106	38,828	68	45,211	26	50,913	7	34,849	5	46,728			1,167	

City of Hartford MERF - Municipal Services

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

July 1, 2007

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	4	29,275	6	32,924																	10	31,100
25 to 29	5	45,954	14	38,813	6	54,076	1	40,219													26	43,762
30 to 34	9	52,039	14	46,306	7	55,900	4	49,843													34	50,215
35 to 39	8	58,765	12	50,440	13	75,487	4	63,590	4	56,205	1	48,289									42	61,529
40 to 44	7	55,235	17	60,230	17	52,280	8	59,523	20	55,427	7	59,894	2	58,296							78	56,665
45 to 49	10	66,965	24	62,841	16	41,254	15	54,897	14	50,679	10	62,386	6	73,171							95	57,197
50 to 54	8	50,911	31	61,476	17	48,158	13	72,559	18	60,927	13	58,966	7	67,069	1	57,461	1	45,396			109	59,730
55 to 59	5	76,724	11	67,845	13	51,241	13	67,514	14	54,554	9	73,023	8	54,913	1	13,074					74	61,447
60 to 64	2	60,896	9	57,260	14	55,762	11	78,115	8	51,306	4	74,599	2	100,520			1	55,962			51	63,587
65 to 69	1	69,188	3	128,998	5	32,250	6	21,757	1	71,961	2	34,424			1	13,074	1	13,074			20	45,747
70 & over			5	15,624	1	16,232	4	20,425	2	13,074	2	13,074	2	82,750							16	24,616
All ages	59	55,444	146	55,884	109	52,191	79	59,317	81	54,468	48	60,595	27	67,813	3	27,869	3	38,144			555	

City of Hartford MERF - Library

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

July 1, 2007

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	3	38,417			1	41,907															4	40,162
25 to 29	1	47,667	3	39,637	2	40,939	1	43,676													7	41,734
30 to 34			3	52,842	1	64,792			1	41,116											5	52,887
35 to 39			2	45,946	1	42,804	2	40,760	4	45,308											9	44,161
40 to 44			1	42,974	1	43,737	3	52,561	1	40,404	4	42,772									10	45,589
45 to 49	2	47,474	2	49,826	4	60,439			2	42,715	2	62,339	1	40,325							13	52,830
50 to 54			2	73,453	5	79,669			1	40,325	2	70,804	1	32,603							11	69,072
55 to 59			2	65,148	2	41,086	1	76,681	1	43,519	1	95,776	2	55,873							9	60,021
60 to 64							3	74,636	1	91,217	1	40,325									5	71,090
65 to 69													1	76,681							1	76,681
70 & over							1	161,387													1	161,387
All ages	6	45,258	15	52,611	17	58,670	11	67,714	11	47,568	10	57,348	5	52,271							75	

City of Hartford MERF - All Groups

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

July 1, 2007

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	27	30,453	28	34,346	4	33,386															59	32,500
25 to 29	35	37,459	122	41,855	43	49,144	4	53,489													204	42,865
30 to 34	26	40,977	99	46,908	90	56,467	35	55,774	1	41,116											251	50,934
35 to 39	26	40,460	85	46,406	103	52,835	116	68,497	41	61,403	3	49,634									374	56,285
40 to 44	24	38,984	78	41,601	113	47,185	110	62,910	85	64,995	41	65,534	3	67,032							454	54,725
45 to 49	25	46,342	62	50,971	78	42,626	87	46,917	62	58,523	64	69,893	29	75,512							407	54,095
50 to 54	14	41,280	67	49,174	81	44,172	59	52,487	45	47,882	55	63,896	48	71,519	2	45,034	1	45,396			372	53,185
55 to 59	9	56,478	33	50,917	45	40,589	40	50,764	40	49,034	45	57,980	26	59,478	5	31,420	6	56,911			249	50,848
60 to 64	6	36,614	24	46,513	33	48,964	31	61,299	19	48,454	13	61,988	11	57,592	1	40,416	3	65,444			141	52,828
65 to 69	1	69,188	6	79,536	10	36,149	7	26,443	3	46,957	3	49,794	1	76,681	2	19,982	2	58,055			35	46,171
70 & over			5	15,624	5	48,327	7	48,360	2	13,074	3	18,283	2	82,750					1	68,270	25	38,922
All ages	193	39,999	609	45,498	605	48,018	496	57,792	298	56,763	227	63,623	120	68,717	10	32,755	12	58,276	1	68,270	2,571	

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, 2007</u>	<u>July 1, 2006</u>
1. Number of retirees and beneficiaries receiving benefits	6	6
2. Annual benefits payable	\$ 67,000	\$ 44,000
3. Present value of benefits	\$260,000	\$167,000

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 2007 Section 415(m) Fund valuation are as follows:

Mortality Basis:	RP-2000 Healthy Annuitants Table projected by Scale AA to year of valuation plus 8 years (2015 for July 1, 2007 valuation), with no adjustment and separate male and female rates.
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.

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 2007 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.

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. & 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%

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 groups have future salary increases that have been negotiated and are reflected in this valuation:*

- CHPEA
- Police
- Local 2221
- BOE Health Professionals (Local 1018A/B)
- BOE Paraprofessionals (Local 2221)
- BOE Secretaries (Local 108C)
- MLA

Section III

Actuarial Cost Methods and Assumptions

(continued)

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. & 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%

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 2006 base of \$97,500 forward at 4% per year.

Section III

Actuarial Cost Methods and Assumptions (continued)

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.

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%

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 2007 valuation, \$2,133,549 was used. Estimated expenses were then allocated to the various groups by the present value of future benefits and expressed as a percentage of payroll.

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, July 1, 2005, and July 1, 2007 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, 2007, the City payment will be \$509,126 (\$3,435,000 on a present value basis) and the pension fund payment will be \$462,336 (\$3,119,000 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, 2007, the City payment will be \$303,918 (\$2,474,000 on a present value basis) and the pension fund payment will be \$276,288 (\$2,248,000 on a present value basis).

Section IV

Hartford MERF - Summary of Principal Provisions of Pension Plan July 1, 2007

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 HFSHP, 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).

Effective July 1, 2008 for Local 818, employees hired prior to March 1, 2007 will get 2.5% of Final Average Pay (for each year of service) and employees hired after March 1, 2007 will get 2.0%. Final Average Pay is the highest 3 of the 7 years. Maximum benefit is 70% of pay.

MUNICIPAL SERVICES & LIBRARY MEMBERS

For Library and MLA hired on or after July 1, 2006, HMEA hired after July 1, 2003, CHPEA hired after June 23, 2003, 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 on or before June 23, 2003, MLA hired before July 1, 2006, 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 CHPEA, 80% for Nonbargaining and MLA. 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:

Normal Retirement Age and Service Requirement:

POLICE OFFICERS AND FIREFIGHTERS

Firefighters 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 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 until would have had 20 years of service.

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. Local 818 employees hired prior to March 1, 2007 may retire after 20 years of service, regardless of age.

MUNICIPAL SERVICES & LIBRARY MEMBERS

For SCGA and MLA hired on or after July 1, 2006, earlier of (1) age 60 plus 5 years of continuous service or (2) age 55 with 25 years of continuous service.

For Nonbargaining and MLA hired prior to July 1, 2006, 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 until would have had 20 years of service.

For CHPEA, earlier of (1) age 60 plus 5 years of continuous service or (2) 20 years of aggregate service if hired on or before 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 non union, earlier of (1) age 60 plus 5 years of continuous service or (2) 25 years of continuous service.

For Library union, (1) age 60 plus 10 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 Local 818, reduction is adjusted for partial years.

For Library union, 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 HMEA 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 Library union, 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.

MUNICIPAL SERVICES & LIBRARY MEMBERS

PROVISIONS FOR:

POLICE OFFICERS AND FIREFIGHTERS

BOARD OF EDUCATION 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.

If non service connected, same as above, but no 50% Final Average Pay minimum and minimum benefit equals \$10 per month instead of \$30 per month.

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 retirement pension with reduction for less than 15 years of service. If non-service connected, retirement pension, subject to a minimum equal to 25% of Final Average Pay. This minimum is reduced by earnings if less than 15 years of service at time of disability. If service connected, pension equals 50% of final annual pay (regular 20 year pension for Firefighters) if 15 years of service, with reductions for earnings if 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 (non-service connected), or \$30 (service connected). 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.
Assistant Police Chief, Police Chief, Assistant Fire Chief and Fire Chief: Same as Non-Bargaining.

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. For HFSHP 10.14% and 13.14%, respectively.
For Local 818, 5.2% up to Social Security Wage Base and 8.2% of the excess. If hired on or after March 1, 2007, 7.1% and 10.1%, 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 June 30, 2003, 5% on earnings taxed by Social Security and 8% on excess. For CHPEA hired on or before June 30, 2003, 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.

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 on or before June 23, 2003, HFSHP, Local 818 hired prior to March 1, 2007, HSSSA, HESP, Non-bargaining (including Assistant Police Chief, Police Chief, Assistant Fire Chief, and Fire Chief), Non-Sworn Police Officers, and MLA hired prior to July 1, 2006	2.50%
Other (including CHPEA members hired after June 23, 2003, HMEA members hired prior to July 1, 2003, MLA hired on or after July 1, 2006, and Local 818 hired on or after March 1, 2007)	2.00%

Note 4 All members (other than Sworn Police Officers hired after July 1, 1999, all Board of Education members, CHPEA hired after June 23, 2003, HMEA hired on or after July 1, 2003, Library, SCG and MLA hired on or after July 1, 2006) 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.