

**District of Columbia
Retirement Board**

**Actuarial Valuation as of October 1, 2005
For Fiscal Year 2007**

Prepared on
February 8, 2006

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Table of Contents

Actuarial Certification	1
Summary of Results	2
Section 1: Summary of Fund Provisions, Member Statistics, and Actuarial Assumptions	11
1.1: Brief Outline of Fund Provisions	12
District of Columbia Retirement Program for Teachers.....	12
Retirement Program for District of Columbia Police Officers and Fire Fighters.....	16
1.2: Participant Data as of October 1, 2005	20
1.3: Actuarial Methods and Assumptions.....	48
Section 2: Asset Information	54
2.1: Current Value of District Assets as of October 1, 2005	55
2.2: Actuarial Value of District Assets as of October 1, 2005	56
Section 3: Actuarial Computations	57
3.1: Computation of Fiscal Year 2007 District Payment.....	58
3.2: Computation of FY 2005 Gain/Loss	59
Total Plan.....	59
Teachers' Retirement Fund Gain/Loss.....	60
Police Officers Retirement Fund Gain/Loss	61
Fire Fighters' Retirement Fund Gain/Loss	62
3.3: Summary of Principal Valuation Results.....	63
Teachers' Retirement Fund	63
Police Officers and Fire Fighters' Retirement Fund (Combined).....	64
Police Officers' Retirement Fund	65
Fire Fighters' Retirement Fund.....	66
3.4: Present Value of Future and Accrued District Benefits	67
3.5: §1-907.02(c) Adjustment to the Fiscal Year 2007 District Payment.....	68
Section 4: Disclosure Information	69
4.1: Schedules of Funding Status and Employer Contributions Required Under GASB Statement No. 25.....	70

**Required Actuarial Certification
Under D.C. Code 1-907
for Fiscal Year 2007
(Dollars in Millions)**

Certification	Code Section	Teachers	Police	Fire	Police/Fire Combined	Total District
FY 2007 Normal Contribution Rate	1-907.03(a)(3)(A)	4.6%	38.0%	32.9%	36.6%	20.9%
Estimated FY 2007 Covered Payroll	NA	\$342.1	\$257.7	\$98.5	\$356.2	\$698.3
FY 2007 District Payment before 1-907.02(c)	NA	\$15.7	\$97.9	\$32.4	\$130.3	\$146.0
FY 2005 Shortfall/Overpayment	1-907.02(c)	(\$1.1)	\$6.3	\$3.5	\$9.8	\$8.7
FY 2007 District Payment	NA	\$14.6	\$104.2	\$35.9	\$140.1	\$154.7
Present Value of Future Benefits	1-907.03(a)(3)(B)	\$1,502.5	\$2,624.4	\$980.9	\$3,605.3	\$5,107.8
Current Value of Assets ¹	1-907.03(a)(3)(C)	\$1,145.6	\$1,424.6	\$553.9	\$1,978.5	\$3,124.1
Actuarial Value of Assets ¹	1-907.03(a)(3)(D)	\$1,104.6	\$1,392.5	\$541.1	\$1,933.6	\$3,038.2


 Edward H. Friend, S.A., E.A.
 12/20/05
 (Date)

¹ These amounts are net of the following benefits payable as of September 30, 2005.
\$12.4 million for Teachers, \$7.2 million for Police, and \$2.1 million for Fire.

Summary of Results

A Brief Summary

This actuarial valuation of the District of Columbia Police Officers and Fire Fighters' Retirement Fund and the District of Columbia Teachers' Retirement Fund (the Funds) has produced an increase in recommended contributions between Fiscal Year 2006 and Fiscal Year 2007. The contribution determined through this valuation is as follows:

<u>Contribution Date</u>	<u>Teachers' Retirement Fund</u>	<u>Police Officers and Fire Fighters' Retirement Fund</u>	<u>Total District Cost</u>
FY 2006	\$15,500,000	\$117,500,000	\$133,000,000
FY 2007	\$14,600,000	\$140,100,000	\$154,700,000

The costs shown above reflect all required adjustments. The total District cost as a percentage of payroll (before adjustments under D.C. Code §1-907.02(c)) increased from 19.4% for Fiscal Year 2006 to 20.9% for Fiscal Year 2007, an increase of 1.5% of active member payroll. The normal contribution rates (before adjustments under D.C. Code §1-907.02(c)) for FY 2007 were 4.6% for Teachers and 36.6% for Police Officers and Fire Fighters.

We have used the District cost as a percentage of **total** payroll in order to show the **net** effects of the various types of gains and losses on District cost. Gains and losses for the individual groups (Teachers, Police, and Fire) are shown in the cost calculations in Section 3. The overall increase in cost was the net result of several factors:

- Demographic experience produced a loss

Actual demographic experience (mortality, disabilities, terminations, and retirements occurring at rates other than expected) combined with data improvement and refinement efforts combined for a net loss. Specific data initiatives included a change in the methodology for determining service and benefit splits for active and terminated participants.

- Salary experience produced a slight loss

The total salary for all plans was slightly lower than expected based on last year's valuation and salary increase assumptions. The change in cost due to the increase in salaries for Police participants however, caused the net effect to be a small increase in total cost both as a dollar amount and as a percentage of payroll.

- New entrants to the Plans produced a loss.

New members continue to enter the Plans and by the end Fiscal Year 2005, there were 943 new entrants and rehired members. As the District's contribution rate for new entrants is greater than the contribution rate for continuing plan members, the District cost increased as a percentage of payroll for each of the plans, particularly for Teachers. Total payroll of the Funds increased by approximately 6%, which further compounded the dollar impact on District cost.

The aggregate effect of non-asset experience was an increase in costs.

- Asset returns produced a gain.

The actuarially-determined rate of return on the value of Funds' assets was 9.2% during FY 2005. This was lower than the return on market value of 13.5%, due to partial deferment of the gain as prescribed by the actuarial smoothing method. The 9.2% return on actuarial value was higher than the 7.25% assumed, producing an actuarial gain that decreased District costs. The asset gains that were deferred will provide a cushion for asset experience during fiscal years 2006 and 2007, meaning that even if assets returns on a market value basis are below the expected 7.25% level, actuarial returns may still create gains or mitigate losses

The gain from the actuarial return partially offset the losses from demographic and salary experience and new members mentioned above. Overall, costs increased from FY 2006 to FY 2007.

More detail is provided below on the gains and losses which occurred since the last valuation.

It is likely that the District contribution will continue to increase in the near future, particularly for the Teachers' Plan. Even assuming that the number of active members remains constant, new members and rehires will continue to generate rate increases each year, until the normal rate for the Plans approach the long-term projected rate. The expected normal rate for the Teachers' Plan based on new entrant costs is still considerably above the current rate.

Purpose of the Report

This Report presents the results of the October 1, 2005 actuarial valuation of the D.C. Police Officers and Fire Fighters' Retirement Fund and the D.C. Teachers' Retirement Fund for the District of Columbia Retirement Board. The purposes of this actuarial valuation are:

- To determine the appropriate contribution to the Funds to be paid by the District in Fiscal Year 2007 in accordance with the Replacement Plan Act;
- To review the experience of the Funds over the past year and to discuss reasons for changes in the Funds costs;
- To discuss and project any emerging trends in Fund costs; and
- To present those items required for disclosure under Statements No. 25 and 27 of the Governmental Accounting Standards Board (GASB).

Organization of the Report

This Report is organized into five sections:

- The Summary contains a presentation of the conclusions of the valuation and a discussion of the reasons for changes since the last valuation. The conclusions and changes are presented separately for each group.

- Section 1 contains an outline of the Funds' provisions on which our calculations are based, statistical data regarding Fund participants, and a summary of the actuarial assumptions used to compute liabilities and costs.
- Section 2 presents information concerning the assets of the Funds. Computation of the actuarial value of the assets is shown.
- Section 3 contains details of the calculation of actuarial liabilities, gains and losses, and District cost.
- Section 4 contains pension plan information required under Statements No. 25 and 27 of the Governmental Accounting Standards Board.

District Normal Cost - Teachers

Since the last actuarial valuation was performed as of October 1, 2004, the Teacher's normal cost has increased as a percentage of active members' payroll, but remained level as a dollar amount. The table below shows a brief summary.

<u>District Normal Cost</u>		
<u>Valuation Date (FY Contribution)</u>	<u>(% Payroll)</u>	<u>(\$ in Millions)</u>
October 1, 2004 (FY 2006)	4.3%	\$15.7
October 1, 2005 (FY 2007)	4.6%	\$15.7

The final results of this October 1, 2005 valuation are presented in Section 3.1 below. Section 3.2 also presents intermediate results that serve to determine the reasons for the change in District cost from October 1, 2004 to October 1, 2005.

Change in District Normal Cost from October 1, 2004 to October 1, 2005 - Teachers

The table below summarizes the impact of actuarial experience and changes in benefits on Plan cost.

<u>Valuation Date</u>	<u>District Normal Cost</u>	
	<u>(% Payroll)</u>	<u>(\$ in Millions)</u>
October 1, 2004*	4.3%	\$15.7
Change Due to Demographic Experience	1.5%	3.1
Change Due to Salary Experience	(1.3)%	(4.8)
Change Due to Asset Experience	(0.7)%	(2.2)
Change Due to New Entrants	0.8%	3.9
October 1, 2005*	4.6%	\$15.7

* Cost before §1-907.02(c) adjustment

An analysis of the costs in the table demonstrates the following:

- Demographic experience was unfavorable from October 1, 2004 to October 1, 2005.

Demographic experience arises from actual death, disability, termination, and retirement experience during the year in comparison with actuarial assumptions. In this case, the effects of data improvement and refinement efforts are also included.

Plan cost increased by 1.5% from October 1, 2004 to October 1, 2005, where the latter figure is based on the Plan's continuing members (i.e., excluding those hired since the prior valuation), expected pay for the continuing members, and expected assets (the amount that would be on hand if the assets earned exactly 7.25% on an actuarial basis during the year between valuations). This increase in Plan cost indicates that actual demographic experience and data improvement efforts during FY 2005 resulted in an actuarial loss of \$3.1 million.

The areas of data improvement and refinement were a) more accurate service calculations, b) an improved method of calculating benefit splits between Federal and District portions, and c) more accurate calculation of benefits for terminate vested participants.

The detailed data concerning changes in membership of the Fund is shown in Section 1.2 of this Report.

- Pay increases in aggregate were lower than expected.

Actuarial gains resulted from pay increases among active members. If all continuing members had received pay increases exactly as assumed, the cost would not have changed. Based on their actual

pay as of October 1, 2005, the Fund's cost for these members increased by 1.3% of payroll indicating an actuarial gain of \$4.8 million. This gain reflects the fact that the Teachers' contract was not finalized by the valuation date, We expect that the next contract will bring retroactive pay increases which will produce actuarial losses that will serve to at least partially offset this year's gains.

- The rate of return on assets was higher than expected.

The return on a market value basis was 13.5%, but only part of this was realized due to the asset smoothing method used by the Fund. Therefore, the actuarially-determined rate of return on the value of Fund assets was 9.2% during FY 2005. This return was higher than the 7.25% assumed return, producing an actuarial gain that decreased costs to the Fund by \$2.2 million, or 0.7% of payroll.

Further information on asset returns can be found in Section 3 of this report.

- New members to the Plan increased costs.

There were 639 new entrants and rehired members in the Teacher's Plan during FY 2005. The long-term cost of these new members is significantly above the current cost of the plan. As a result, the Plan cost moved in the direction of the average new entrant cost, in this case increasing by 0.8% of pay, or \$3.9 million.

Overall, actuarial losses combined with the impact of new entrants slightly outweighed gains during FY 2005, causing the Funds' costs to increase from 4.3% to 4.6% of member payroll. The normal contribution remained level at \$15.7 million.

District Normal Cost – Police Officers

Since the last actuarial valuation was performed as of October 1, 2004, the Police Officers' cost has remained level as a percentage of active members' payroll, but has risen in dollars due to increases in payroll. The table below shows a brief summary.

District Normal Cost		
<u>Valuation Date (FY Contribution)</u>	<u>(% Payroll)</u>	<u>(\$ in Millions)</u>
October 1, 2004 (FY 2006)	38.0%	\$86.3
October 1, 2005 (FY 2007)	38.0%	\$97.9

The final results of this October 1, 2005 valuation are presented in Section 3.1 below. Section 3.2 also presents intermediate results that serve to explain the change in District cost from October 1, 2004 to October 1, 2005.



Change in District Normal Cost from October 1, 2004 to October 1, 2005 – Police Officers

The table below summarizes the impact of actuarial experience and changes in benefits on Plan cost.

<u>Valuation Date</u>	<u>District Normal Cost</u>	
	<u>(% Payroll)</u>	<u>(\$ in Millions)</u>
October 1, 2004*	38.0%	\$86.3
Change Due to Demographic Experience	(0.8)%	2.5
Change Due to Salary Experience	1.3%	5.9
Change Due to Asset Experience	(0.7)%	(1.7)
Change Due to New Entrants	0.2%	4.9
October 1, 2005*	38.0%	\$97.9

* Cost before §1-907.02(c) adjustment

An analysis of the costs in the table reveals the following:

- Demographic experience combined with the effects of data improvement initiatives resulted in a decrease in the normal contribution rate of 0.8%. A higher expected payroll however, caused a \$2.5 million increase in the contribution.

The detailed data concerning changes in membership of the Fund is shown in Section 1.2 of this Report.

- Pay increases in aggregate were higher than expected.

There was a loss due to higher than expected pay increases. An aggregate 13% pay increase for continuing active participants versus a 10% expected increase, resulted in an increase in the normal rate of 1.3% of payroll, an actuarial loss of \$5.9 million. This was primarily due to the recent Police contract which granted retroactive pay increases.

- The rate of return on assets was higher than expected.

As a result of investment gains, the normal cost decreased by 0.7% of payroll, an actuarial gain of \$1.7 million.

- New members to the Plan increased costs.

There were 255 new entrants and rehired members in the Police Officers Plan during FY 2005. The long-term normal rate of these new members is slightly above the current cost of the plan. As

a result, the Plan cost moved in the direction of the average new entrant rate, increasing by 0.2%, or \$4.9 million.

Overall, actuarial losses and the impact of new entrants offset gains during FY 2005, causing the Funds' costs to increase remain level at 38.0% as a percentage of member payroll. The significant increase in total payroll increased the normal contribution from \$86.3 million to \$97.9 million.

District Normal Cost – Fire Fighters

Since the last actuarial valuation was performed as of October 1, 2004, the Fire Fighters' cost has decreased and as a percentage of active members' payroll, but increased in dollars due to higher payroll. The table below shows a brief summary.

District Normal Cost		
<u>Valuation Date (FY Contribution)</u>	<u>(% Payroll)</u>	<u>(\$ in Millions)</u>
October 1, 2004 (FY 2006)	33.7%	\$30.4
October 1, 2005 (FY 2007)	32.9%	\$32.4

The final results of this October 1, 2005 valuation are presented in Section 3.1 below. Section 3.2 also presents intermediate results that serve to explain the change in District cost from October 1, 2004 to October 1, 2005.

Change in District Normal Cost from October 1, 2004 to October 1, 2005 – Fire Fighters

The table below summarizes the impact of actuarial experience and changes in benefits on Plan cost.

District Normal Cost		
<u>Valuation Date</u>	<u>(% Payroll)</u>	<u>(\$ in Millions)</u>
October 1, 2004*	33.7%	\$30.4
Change Due to Demographic Experience	0.1%	2.3
Change Due to Salary Experience	(0.4)%	(0.6)
Change Due to Asset Experience	(0.7)%	(0.6)
Change Due to New Entrants	0.2%	0.9
October 1, 2005*	32.9%	\$32.4

* Cost before §1-907.02(c) adjustment



An analysis of the costs in the table shows the following:

- Demographic experience was slightly unfavorable.

Demographic experience, including the effects of data improvement initiatives, caused an actuarial loss. The effect on cost as a percentage of payroll was a 0.1% increase. The normal contribution rate rose by \$2.3 million.

The detailed data concerning changes in membership of the Fund is shown in Section 1.2 of this Report.

- Pay increases in aggregate were lower than expected.

There was a gain due to pay increases that were lower than expected based on the prior valuation. This decreased cost by 0.4% of payroll, or \$0.6 million.

- The rate of return on assets was higher than expected.

Favorable investment experience resulted in a decrease in the normal cost of 0.7% of payroll, an actuarial gain of \$0.6 million.

- New members to the Plan increased costs.

There were 49 new entrants and rehired members in the Fire Fighters' Plan during FY 2005. The long-term normal rate of these new members is above the current cost of the plan. As a result, the Plan cost moved in the direction of the average new entrant cost, in this case increasing by 0.2% of payroll, or \$0.9 million.

Overall, actuarial gains outweighed losses during FY 2005, causing the Funds' costs to decrease from 33.7% to 32.9% of payroll. Increases in total payroll however, caused an increase in the normal contribution from \$30.4 million to \$32.4 million.

Future Trends - Overall

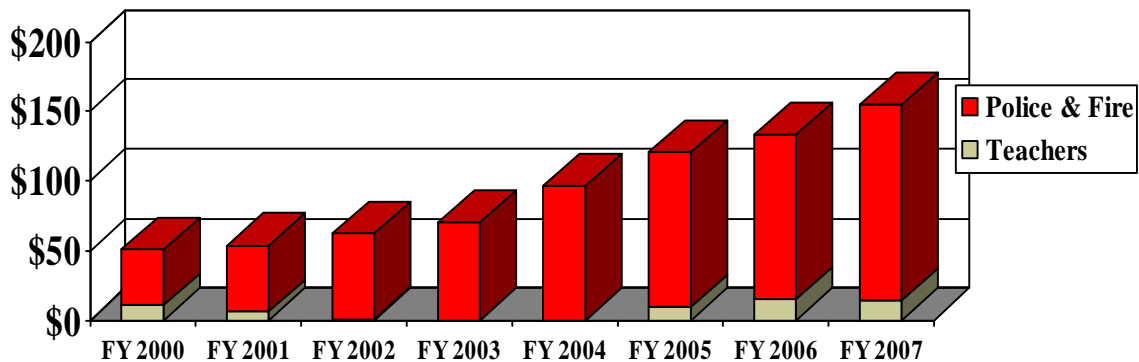
Contribution rates are below their ultimate level as a percentage of payroll due to the history of the Plans. The estimated long-term contribution rates for the current Tier of benefits are 11%, 41% and 39% for the Teachers, Police Officers and Fire Fighters respectively. These rates were calculated as the normal contribution rates for the new entrants to each Plan. Even assuming that the active workforce does not grow, new members will continue to join the plans. For the near future, rate increases are to be expected due to new members.

Teacher members are likely to sign a contract that will make up for pay raises forgone during FY 2005. This would result in salary-related actuarial losses for the October 1, 2006 valuation of the Teachers Plan.

The asset return and inflation rates assumed for this valuation in combination constitute a considerable degree of conservatism. The real rate of return is defined as the nominal rate, less inflation. Thus, a real return of 2.25% is being assumed. To the extent that future real asset returns are in excess of this, there will be actuarial gains. Increasing the real return assumption would result in lower liabilities and costs. It would also decrease the probability of future gains.

Conclusion

The chart below shows the history of the District's required contributions (after adjustment) over the past several years. The District payment has increased as total payroll increases, plan provisions are enhanced, and as the contribution rates begin to approach their projected long-term levels. All dollar amounts are expressed in millions.



This report has been prepared using generally accepted actuarial methods and assumptions. If there are any questions about this report, please feel free to contact us.

Respectfully submitted,

Edward H. Friend, FSA

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Section 1:

**Summary of Fund Provisions,
Member Statistics, and
Actuarial Assumptions**

1.1: Brief Outline of Fund Provisions

District of Columbia Retirement Program for Teachers

Membership

Eligibility

Permanent, temporary, and probationary teachers for the District of Columbia public day schools become members automatically on their date of employment. Other employees covered by the Retirement of Public School Teachers Act – including librarians, principals, and counselors – also become members on their date of employment. Substitute teachers and employees of the Department of School Attendance and Work Permits are not covered. Some former D.C. teachers working at charter schools are eligible to remain in the Program.

Member Contributions

Members hired before November 16, 1996 are required to contribute 7% of annual pay minus any pay received for summer school. Members hired on or after November 16, 1996 contribute 8% of annual pay minus pay received for summer school.

Members can also make voluntary contributions of up to 10% of annual pay towards an annuity in addition to any vested pension.

Interest is not credited to each Member's accumulated contributions.

Service

School Service

One year of school service is granted for each year of employment with the D.C. public day schools.

Credited Service

Service granted or purchased in addition to school service.

Voluntary Retirement

Eligibility

For participants hired before November 16, 1996:

- Age 62 with 5 years of school service;
- Age 60 with 20 years of total service, including 5 years of school service; or
- Age 55 with 30 years of total service, including 5 years of school service.

For participants hired on or after November 16, 1996:

- Age 62 with 5 years of school service;
- Age 60 with 20 years of total service, including 5 years of school service; or
- Any age with 30 years of total service, including 5 years of school service.

Benefit Amount

For participants hired before November 16, 1996:

- 1.5% of high 3-year average pay times service up to 5 years, plus
- 1.75% of average pay times service between 5 and 10 years, plus
- 2.0% of average pay times service over 10 years.

For participants hired on or after November 16, 1996:

- 2.0% of average pay times service.

For all participants, there is a minimum benefit of 1.0% of average pay plus \$25 for each year of service

Involuntary Retirement

Eligibility

Retired involuntarily for reasons other than misconduct or delinquency with:

- 25 years of total service, including 5 years of school service; or
- Age 50 with 20 years of total service, including 5 years of school service.

Benefit Amount

Voluntary Retirement benefit reduced 1/6% per month (2% per year) that date of retirement precedes age 55.

Disability Retirement Benefit

Eligibility

5 years of school service and a physical or mental disability that prevents the member from performing his/her job.

Benefit Amount

Voluntary Retirement benefit subject to a minimum of the lesser of 40% of average pay and the benefit that the member would receive projecting service to age 60.

Lump Sum Death Benefit

Eligibility

Death before completion of 18 months of school service or death without an eligible spouse, child, or parent.

Benefit Amount

Refund of paid contributions

Installment Benefit Payable upon Death – Spouse Only

Eligibility

Death before retirement and married for at least two years or have a child by the marriage.

Benefit Amount

55% of the Voluntary Retirement benefit subject to the minimums specified in the Disability Retirement Benefit.

Installment Benefit Payable upon Death – Spouse and Dependent Children

Eligibility

For the spouse, as described above; for the children, unmarried and under 18, 22 if full-time student, or any child dependent because of a disability incurred before age 18. Death does not have to occur before retirement for the children's benefits.

Benefit Amount

Spouse benefit as described above, plus a benefit per child of the smallest of:

- 60% of average pay divided by the number of eligible children;
- \$5,460 (if hired before January 1, 1980) or \$5,273; or
- \$16,397 (if hired before January 1, 1980) or \$15,817 divided by the number of children,

payable until the children are no longer eligible.

Installment Benefit Payable upon Death – Dependent Children Only

Eligibility

Same as the children's benefit above.

Benefit Amount

Per child, the smallest of:

- 75% of average pay divided by the number of eligible children;
- \$6,651 (if hired before January 1, 1980) or \$6,415; or
- \$19,965 (if hired before January 1, 1980) or \$19,228 divided by the number of children,

payable until the children are no longer eligible.

Installment Benefit Payable upon Death – Surviving Parents Only

Eligibility

Death before retirement and no eligible spouse or children, and parents receive at least one-half of their total income from member.

Benefit Amount

Spouse benefit as described above.

Deferred Vested Benefit

Eligibility

5 years of school service.

Benefit Amount

Voluntary Retirement Benefit beginning at age 62.

Form of Payment Options

Normal Form of Payment

Single Life Annuity.

Joint and 55% Survivor (to Spouse)

The original benefit is reduced by 2.5% of annual pension up to \$3,600, plus 10% of any amount over \$3,600.

Partial Joint and Survivor (to Spouse)

A joint and survivor annuity with a benefit payable to the spouse of between \$1 and 55% of the unreduced retirement benefit. The original benefit is reduced by dividing the amount of the survivor's annuity by 55%, then reducing the original benefit by 2.5% of this amount up to \$3,600, plus 10% of any amount over \$3,600.

Variable Survivor to a person with an "insurable interest"

A joint and 55% survivor annuity with the original benefit reduced 10% plus an additional 5% for each full 5 years, up to 25 years, the survivor is younger, with a total reduction of 40% for any survivor who is 25 or more years younger.

Insurance Option

Benefits may be reduced and the balance used to purchase life insurance.

Cost-of-Living Adjustments

All participants receive an increase each March based on the annual change in the Consumer Price Index (all items – U.S. City average) from December to December. The annual increase is capped at 3% for members hired on or after November 16, 1996.

Retirement Program for District of Columbia Police Officers and Fire Fighters

Membership

Eligibility

All police officers and fire fighters of the District of Columbia automatically become members on their date of employment. Police Cadets are not eligible.

Member Contributions

Members hired before November 10, 1996 are required to contribute 7% of annual salary, including any differential for special assignment, but excluding overtime, longevity, holiday, or military pay. Members hired on or after November 10, 1996 contribute 8% of annual salary, including any differential for special assignment, but excluding overtime, holiday, or military pay.

Interest is not credited to each Member's accumulated contributions.

Service

Departmental Service

Each full year and additional months of employment with either the Metropolitan Police Force or the D.C. Fire Department.

Credited Service

Service granted or purchased in addition to departmental service.

Average Pay

For those hired before February 15, 1980, basic pay for the highest 12 months. For those hired on or after February 15, 1980, basic pay for the highest 36 months divided by three.

Longevity Pay (Police Only)

Members who complete 25 years of active service prior to retirement are entitled to an additional 15% of their basic compensation. Members who complete 30 years of active service are entitled to an additional 20% of their basic pay.

Normal Retirement Benefit

Eligibility

For participants hired before November 10, 1996:

- Age 60; or
- Age 50 with 25 years of departmental service; or
- No age requirement with 20 years of service (only if hired before February 15, 1980.)

For participants hired on or after November 10, 1996:

- Age 60; or
- No age requirement with 25 years of service.

Benefit Amount

For participants hired before November 10, 1996:

- 2.5% of average pay times departmental service up to 25 years (20 years if hired before February 15, 1980), plus
- 3.0% of average pay times departmental service over 25 (or 20) years, plus
- 2.5% of average pay times credited service.

For participants hired on or after November 10, 1996:

- 2.5% of average pay times total service.

For all participants, there is a maximum benefit of 80% of average pay.

Service-Related Disability Retirement Benefit

Eligibility

Disabled as a result of an illness or injury in the line of duty.

Benefit Amount

For participants hired before February 15, 1980 – 2.5% of average pay times total years of service, subject to a minimum benefit of 66-2/3% of average pay and subject to a maximum benefit of 70% of average pay.

For participants hired on or after February 15, 1980 – 70% of final pay times percentage of disability, subject to a minimum benefit of 40% of final pay.

Non-Service-Related Disability Retirement Benefit

Eligibility

5 years of departmental service and a physical or mental disability that prevents the member from performing his/her job.

Benefit Amount

For participants hired before February 15, 1980 – 2.0% of average pay times total years of service, subject to a minimum benefit of 40% of average pay and subject to a maximum benefit of 70% of average pay.

For participants hired on or after February 15, 1980 – 70% of final pay times percentage of disability, subject to a minimum benefit of 30% of final pay.

Lump Sum Death Benefit

Eligibility

Death occurring in the line of duty, not resulting from willful misconduct, an intention to bring about his/her own death, or drunkenness.

Benefit Amount

\$50,000.

Installment Benefit Payable upon Death – Spouse Only, Member Not Killed in Line of Duty after December 29, 1993

Eligibility

Death and, if retired, married for at least one year or have a child by the marriage.

Benefit Amount

40% of the greater of average pay and the salary for step 6 salary class 1 of the D.C. Police and Fireman's Salary Act in effect, adjusted for cost-of-living increases if death occurs after retirement. The benefit cannot exceed the rate of pay at death (or retirement if death occurs after retirement.)

Installment Benefit Payable upon Death – Spouse Only, Member Killed in Line of Duty after December 29, 1993

Eligibility

Death (killed in line of duty).

Benefit Amount

100% of final pay.

Installment Benefit Payable upon Death – Spouse and Dependent Children

Eligibility

For the spouse, as described above; for the children, unmarried and under 18, 22 if full-time student, or any child dependent because of a disability incurred before age 18. Death does not have to occur before retirement for the children's benefits.

Benefit Amount

Spouse benefit as described above, plus, provided death does not occur in the line of duty, a benefit per child of the smallest of:

- 60% of average pay divided by the number of eligible children;
- \$3,198; or
- \$9,435 divided by the number of children, payable until the children are no longer eligible.

Installment Benefit Payable upon Death – Dependent Children Only

Eligibility

Same as the children's benefit above.

Benefit Amount

Per child, 75% of average pay divided by the number of eligible children, adjusted for cost-of-living increases.

Refund of Contributions

Eligibility

Death before retirement and no eligible spouse or children.

Benefit Amount

All contributions will be refunded to a named, or statutorily-designated if none named, beneficiary.

Deferred Vested Benefit

Eligibility

5 years of departmental service.

Benefit Amount

Normal Retirement Benefit beginning at age 55.

Form of Payment Options

Normal Form of Payment

Single Life Annuity.

Additional Survivor Benefit

The original benefit is reduced 10%. This 10% amount is reduced by 5% for each full 5 years the survivor is younger (but not more than 40%) and is added to the survivor's benefit.

Cost-of-Living Adjustments

Employees (not beneficiaries) who retired prior to February 15, 1980, receive the same percentage increase as active employees' salary increases.

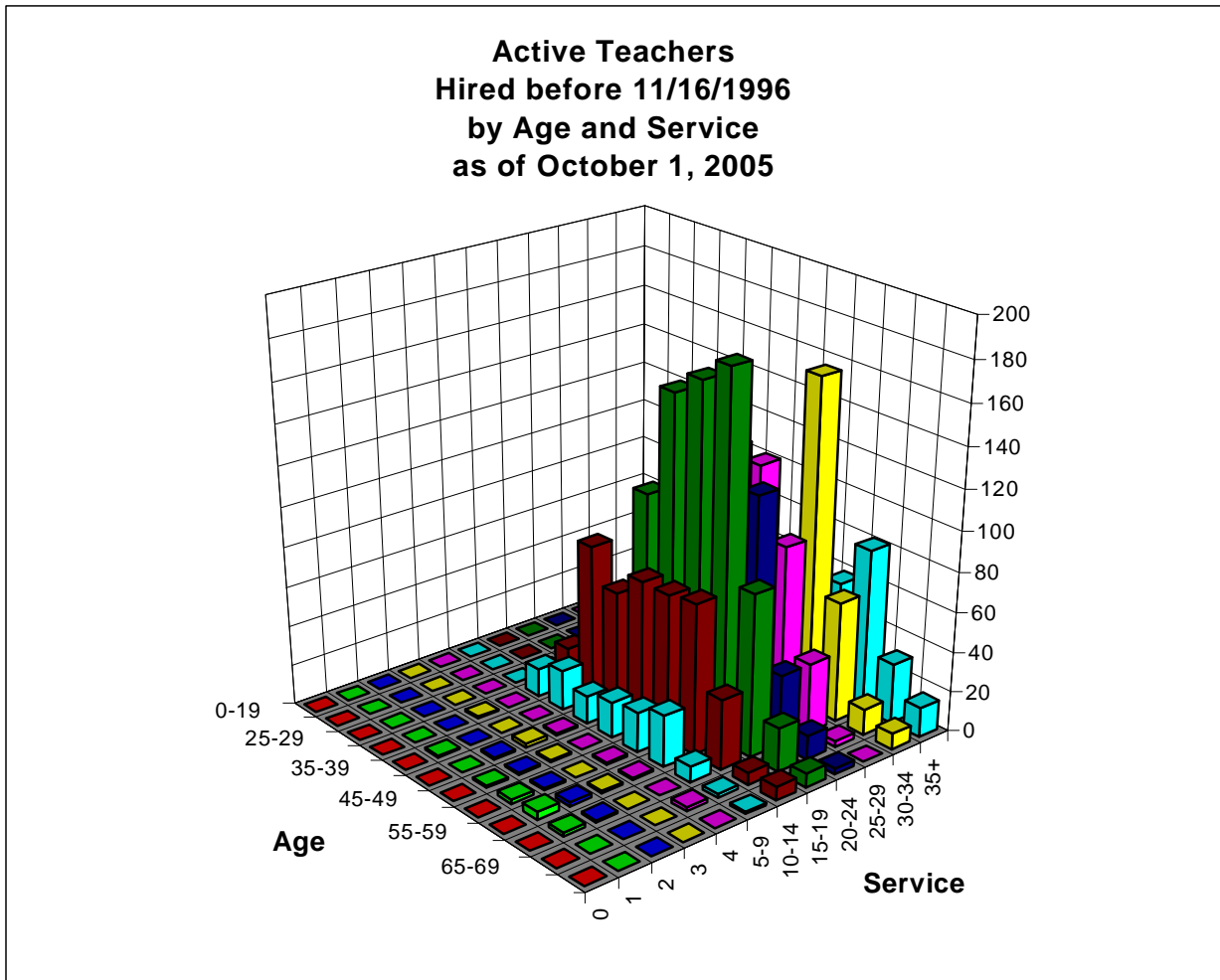
All other retired participants receive an increase each March based on the annual change in the Consumer Price Index (All Urban Consumers) from December to December. The annual increase is capped at 3% for members hired on or after November 10, 1996.

1.2: Participant Data as of October 1, 2005

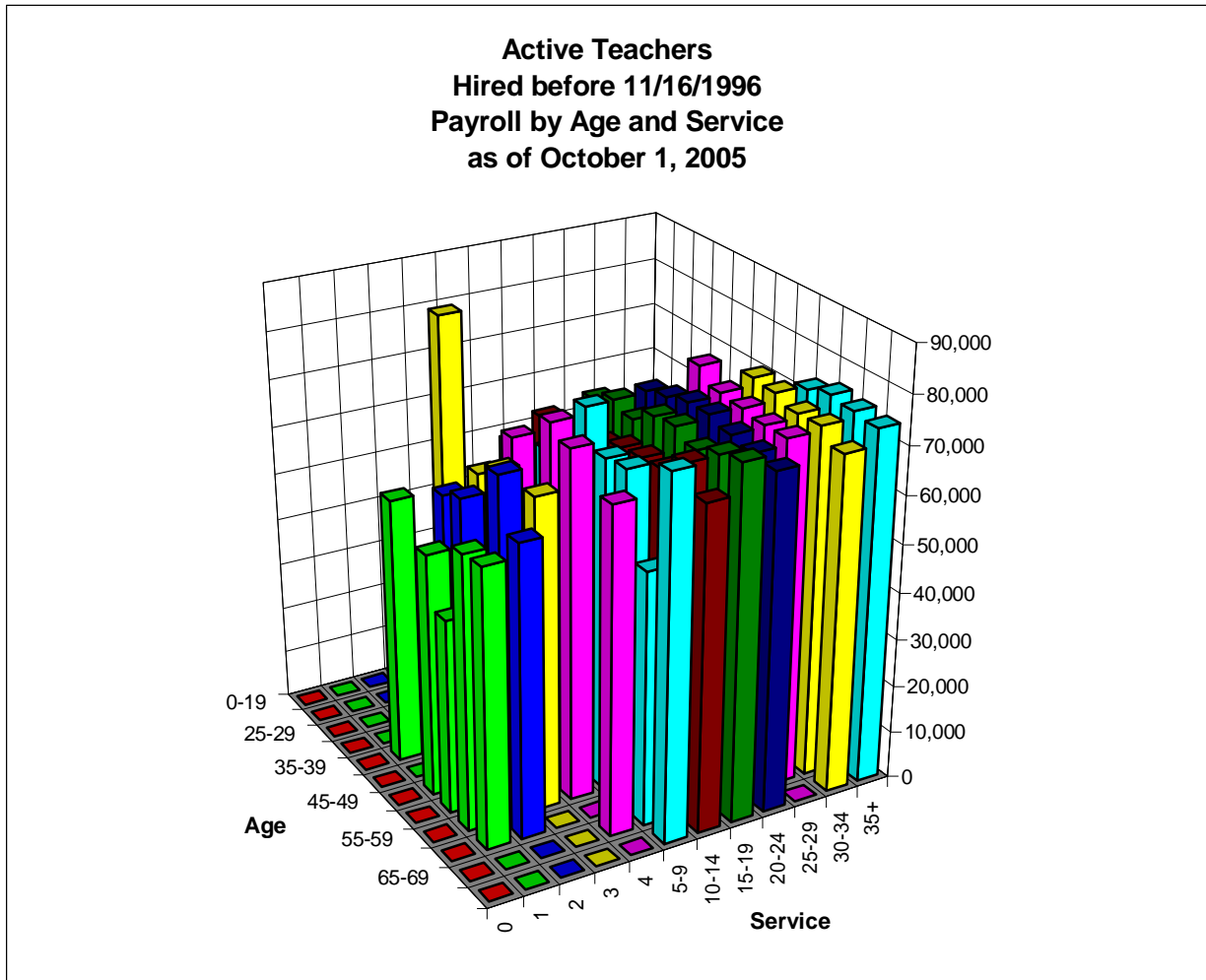
Active Participants	<u>Teachers</u>		<u>Police Officers</u>		<u>Fire Fighters</u>	
Number	5,707		3,741		1,481	
Average Age	45.29		338.51		38.58	
Average Service	11.39		12.19		12.58	
Average Pay	\$60,274		\$62,028		\$61,261	
Inactive Participants						
Service Retired	District	Total*	District	Total*	District	Total*
Number	1,867	4,886	529	3,153	149	932
Average Age	63.05	71.23	54.60	61.40	55.05	64.63
Average Benefit	\$6,548	\$36,900	\$7,314	\$45,303	\$9,607	\$52,784
Beneficiaries						
Number	67	461	138	1,263	38	478
Average Age	45.85	69.39	31.01	65.23	28.72	69.92
Average Benefit	\$3,499	\$16,994	\$3,810	\$22,109	\$3,763	\$23,855
Disabled						
Number	81	466	160	1,258	42	514
Average Age	56.65	70.40	44.62	64.09	51.12	68.66
Average Benefit	\$6,233	\$25,545	\$15,045	\$38,067	\$10,023	\$44,110
Terminated Vested						
Number	381	758	74	213	11	25
Average Age	47.26	56.23	39.86	53.22	45.73	51.46
Average Benefit	\$3,834	\$7,818	\$7,683	\$10,685	\$5,588	\$13,307

* Federal and District payments combined.





Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	1	0	14	19	0	0	0	0	0	34
35-39	0	1	0	0	0	20	78	10	0	0	0	0	109
40-44	0	0	1	2	1	14	61	105	7	0	0	0	191
45-49	0	1	1	1	0	18	73	159	69	16	0	0	338
50-54	0	2	1	0	1	20	73	170	134	121	75	0	597
55-59	0	4	2	1	1	26	75	181	117	87	164	58	716
60-64	0	2	1	0	0	8	35	81	35	35	60	81	338
65-69	0	0	0	0	2	2	6	22	12	3	13	30	90
70+	0	0	0	0	0	1	7	7	3	0	8	15	41
Total	0	10	6	5	5	123	427	735	377	262	320	184	2,454

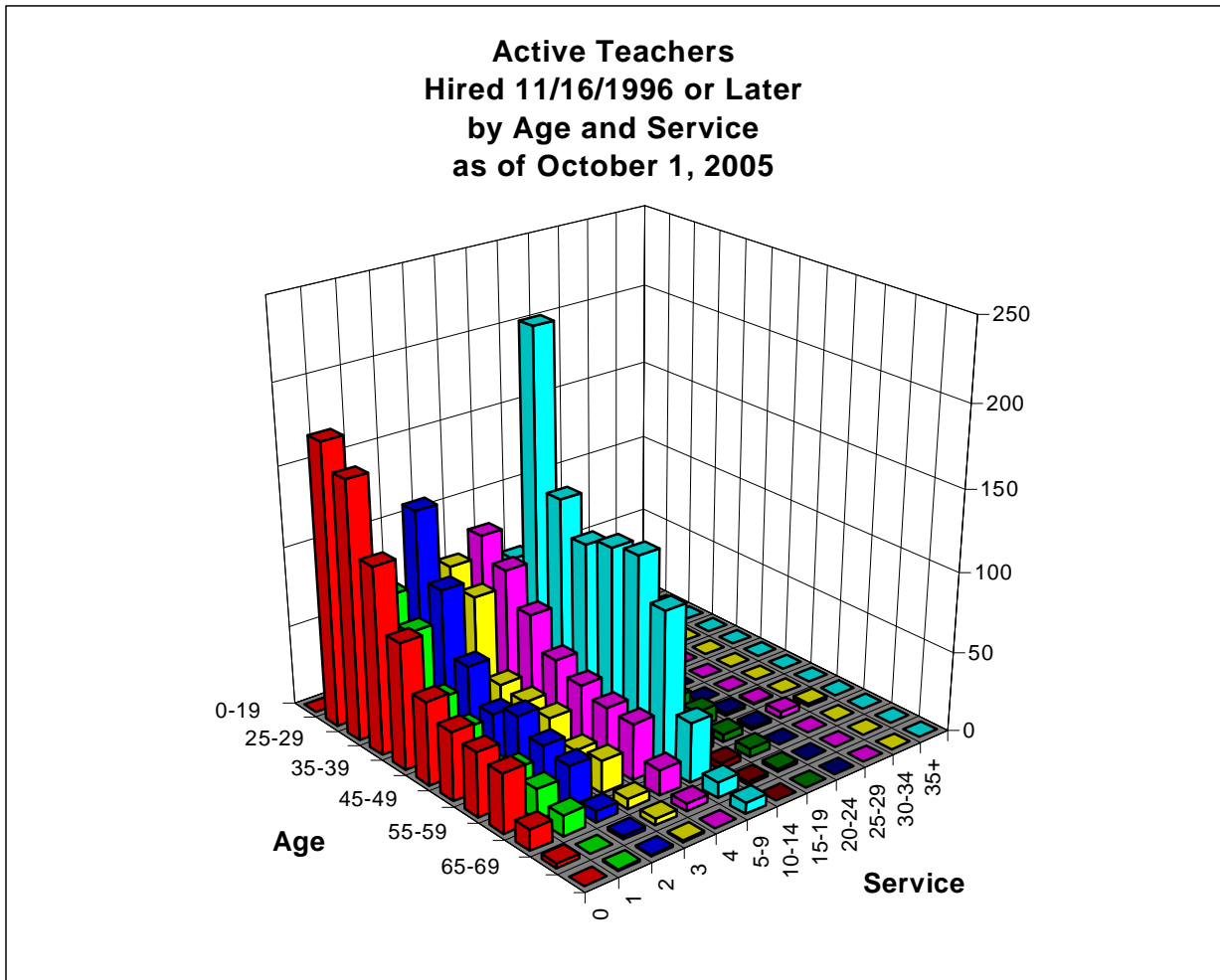


Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	87,871	0	58,726	62,637	0	0	0	0	0	61,769
35-39	0	56,103	0	0	0	58,822	62,605	67,685	0	0	0	0	62,317
40-44	0	0	58,361	61,131	66,905	62,751	65,390	70,108	70,371	0	0	0	67,899
45-49	0	51,030	60,653	64,589	0	68,421	65,170	68,724	71,693	76,708	0	0	68,836
50-54	0	40,809	49,206	0	75,366	76,817	67,171	71,924	73,186	73,671	75,293	0	72,431
55-59	0	57,437	71,116	65,198	72,986	69,392	67,935	72,641	73,426	73,130	74,735	73,856	72,697
60-64	0	58,086	60,943	0	0	70,188	68,461	70,594	72,103	72,383	73,187	75,441	72,224
65-69	0	0	0	0	67,853	53,031	72,465	72,492	71,217	72,533	73,398	74,758	72,672
70+	0	0	0	0	0	75,366	67,762	73,865	70,558	0	70,609	74,042	72,047
Total	0	53,467	61,899	67,984	70,193	66,603	65,863	70,980	72,751	73,492	74,418	74,716	71,038

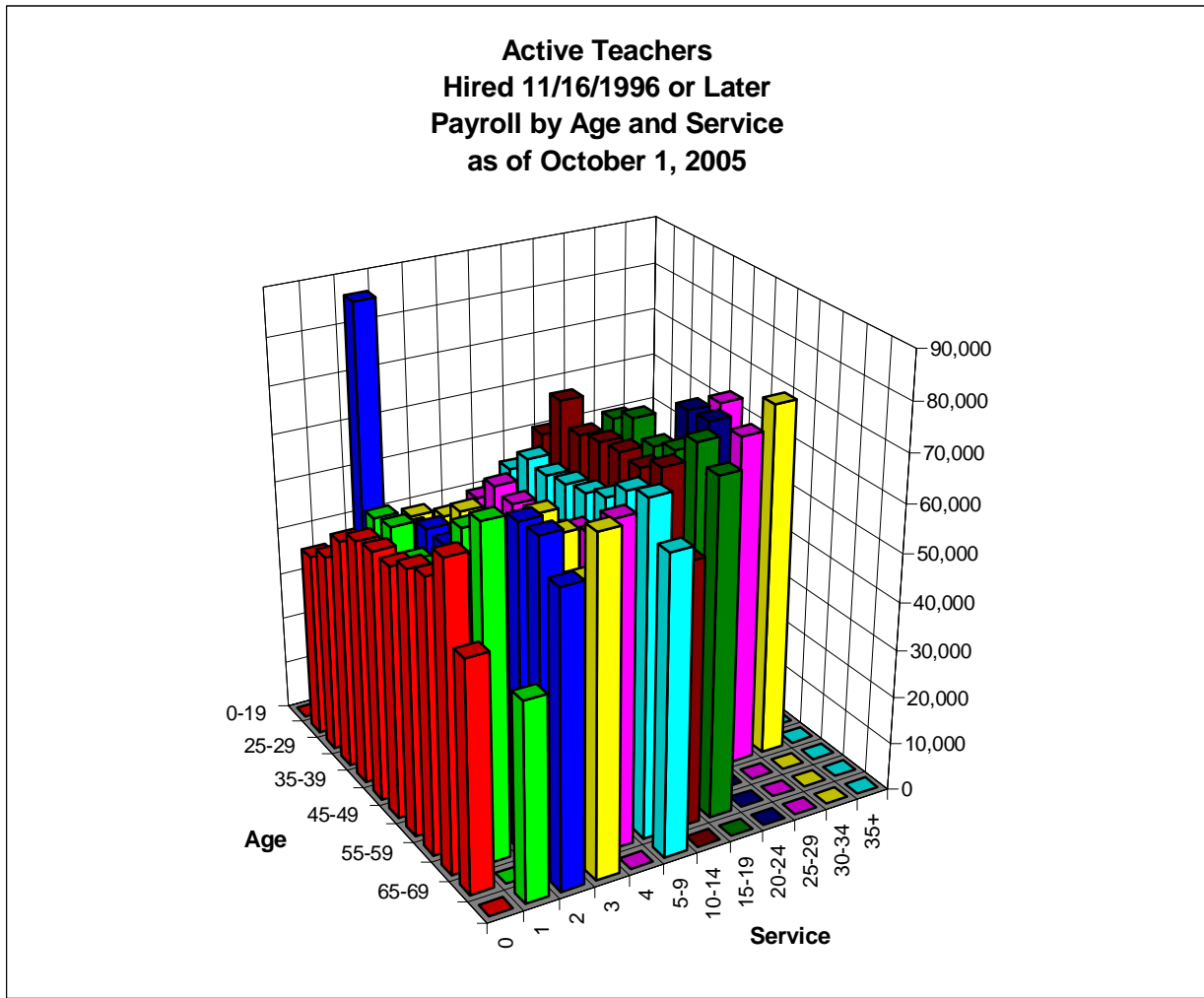
Average Age: 53.82

Average Service: 21.35





Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	1	0	0	0	0	0	0	0	0	0	1
20-24	176	23	28	3	0	0	0	0	0	0	0	0	230
25-29	161	84	130	89	102	81	0	0	0	0	0	0	647
30-34	117	70	89	78	88	229	1	0	0	0	0	0	672
35-39	79	37	50	31	68	133	11	0	0	0	0	0	409
40-44	52	27	29	29	48	113	9	7	0	0	0	0	314
45-49	43	13	37	28	41	119	8	10	0	0	0	0	299
50-54	40	21	28	17	36	122	10	10	2	1	0	0	287
55-59	37	19	25	20	35	97	9	5	2	4	2	0	255
60-64	13	13	7	6	16	37	4	5	0	0	0	0	101
65-69	3	0	2	4	5	10	2	2	0	0	0	0	28
70+	0	1	1	1	0	7	0	0	0	0	0	0	10
Total	721	308	427	306	439	948	54	39	4	5	2	0	3,253

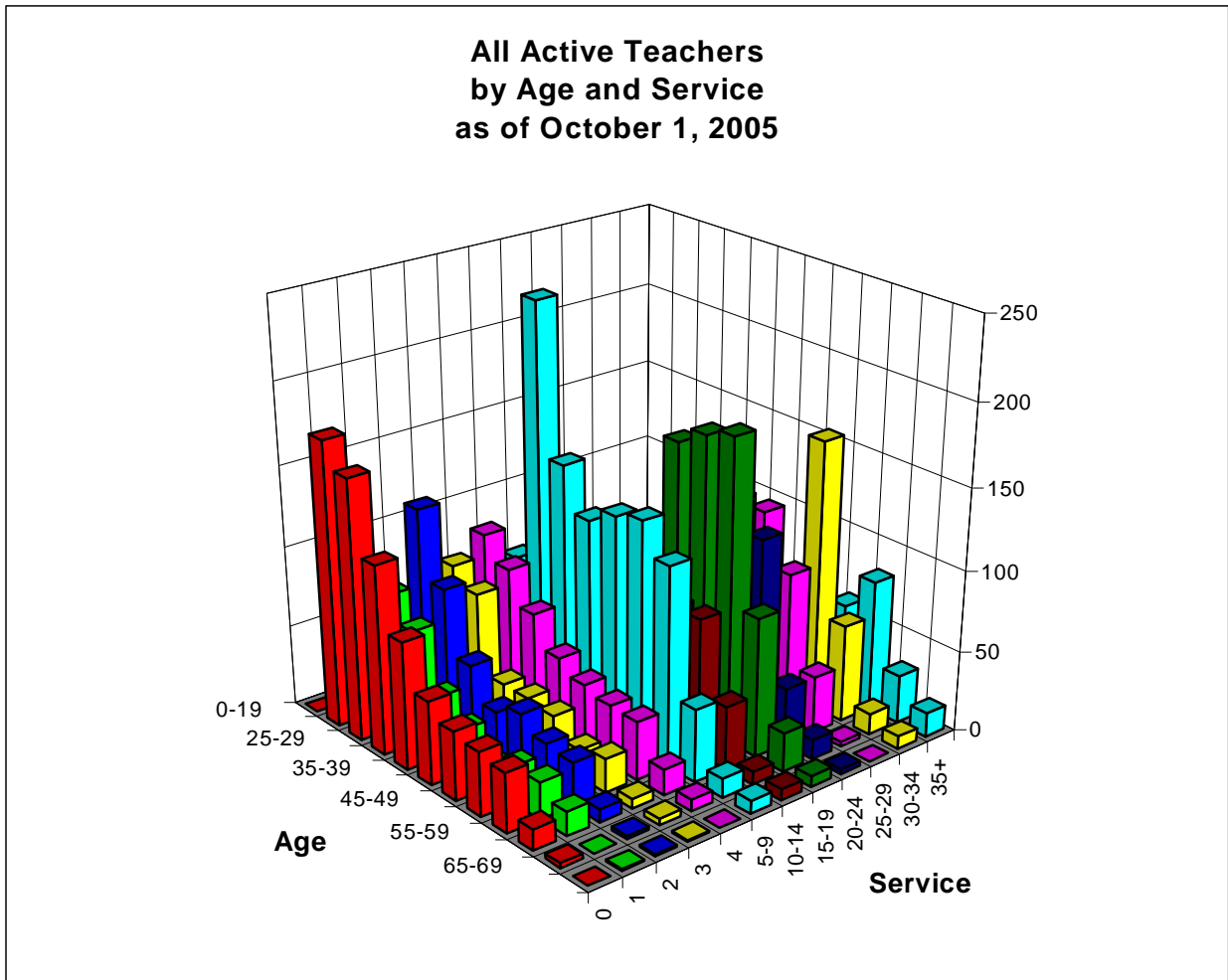


Service	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
Age													
0-19	0	0	86,171	0	0	0	0	0	0	0	0	0	86,171
20-24	38,891	36,631	39,687	42,408	0	0	0	0	0	0	0	0	38,808
25-29	41,898	41,765	41,146	42,177	43,824	48,045	0	0	0	0	0	0	42,841
30-34	48,153	51,293	47,096	48,292	50,443	54,885	60,653	0	0	0	0	0	50,969
35-39	51,292	52,401	50,301	52,240	55,838	59,741	70,154	0	0	0	0	0	55,354
40-44	52,278	48,502	50,274	48,867	55,006	59,154	65,813	67,549	0	0	0	0	55,073
45-49	52,425	50,497	54,605	51,445	53,666	60,252	67,048	70,296	0	0	0	0	56,793
50-54	55,053	53,258	58,497	56,955	54,955	61,290	67,822	67,349	72,986	72,986	0	0	59,070
55-59	56,711	64,232	58,115	63,496	58,481	63,289	67,468	69,321	73,442	68,915	73,785	0	61,770
60-64	63,498	68,468	66,705	62,541	60,668	67,501	70,378	73,666	0	0	0	0	66,097
65-69	47,688	0	67,131	56,755	66,712	69,102	54,811	69,950	0	0	0	0	63,516
70+	0	40,996	60,653	69,063	0	61,706	0	0	0	0	0	0	60,265
Total	46,488	49,078	47,972	49,132	52,110	58,541	67,363	69,337	73,214	69,729	73,785	0	52,154

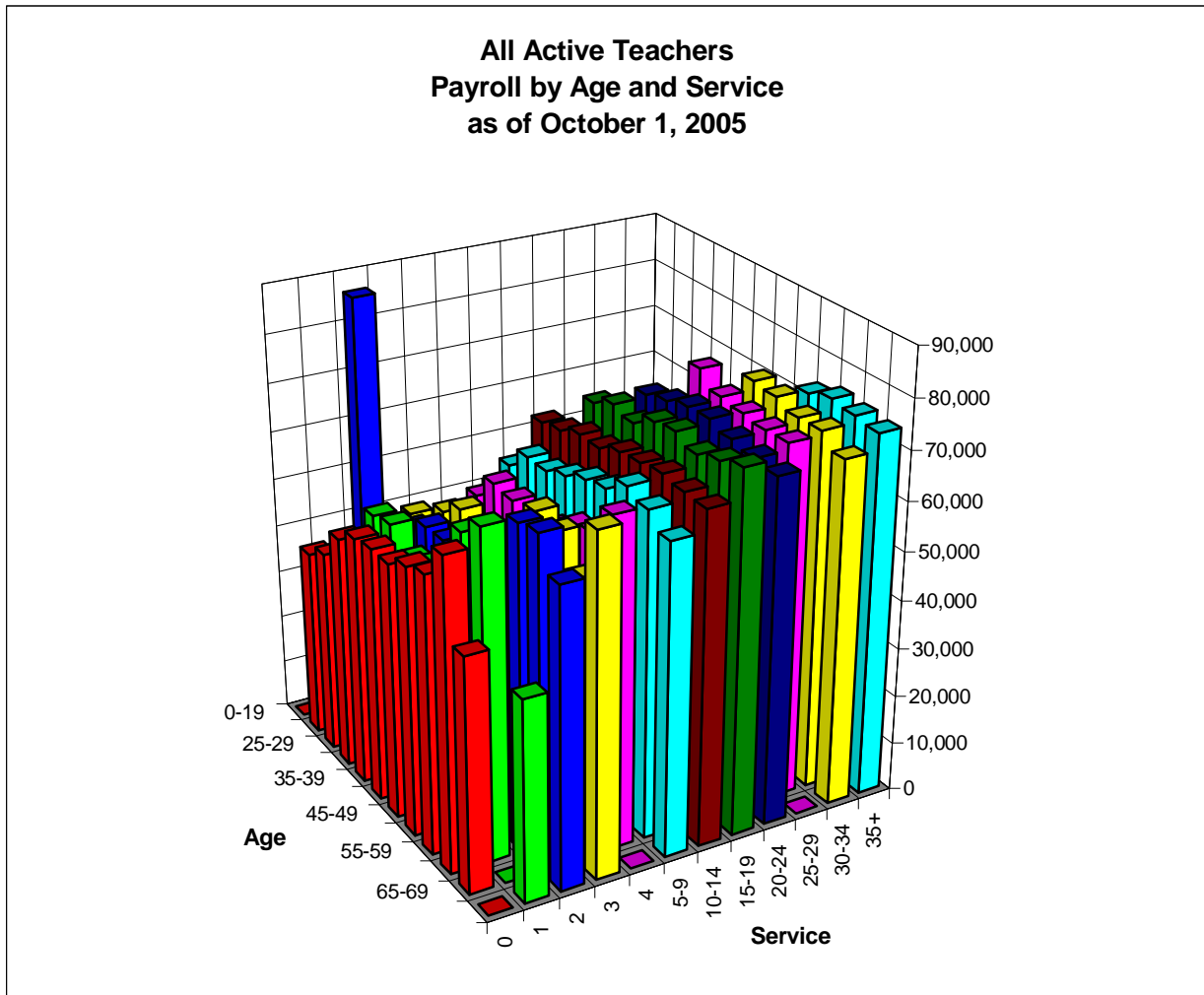
Average Age: 38.85

Average Service: 3.89





Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	1	0	0	0	0	0	0	0	0	0	1
20-24	176	23	28	3	0	0	0	0	0	0	0	0	230
25-29	161	84	130	89	102	81	0	0	0	0	0	0	647
30-34	117	70	89	79	88	243	20	0	0	0	0	0	706
35-39	79	38	50	31	68	153	89	10	0	0	0	0	518
40-44	52	27	30	31	49	127	70	112	7	0	0	0	505
45-49	43	14	38	29	41	137	81	169	69	16	0	0	637
50-54	40	23	29	17	37	142	83	180	136	122	75	0	884
55-59	37	23	27	21	36	123	84	186	119	91	166	58	971
60-64	13	15	8	6	16	45	39	86	35	35	60	81	439
65-69	3	0	2	4	7	12	8	24	12	3	13	30	118
70+	0	1	1	1	0	8	7	7	3	0	8	15	51
Total	721	318	433	311	444	1071	481	774	381	267	322	184	5,707

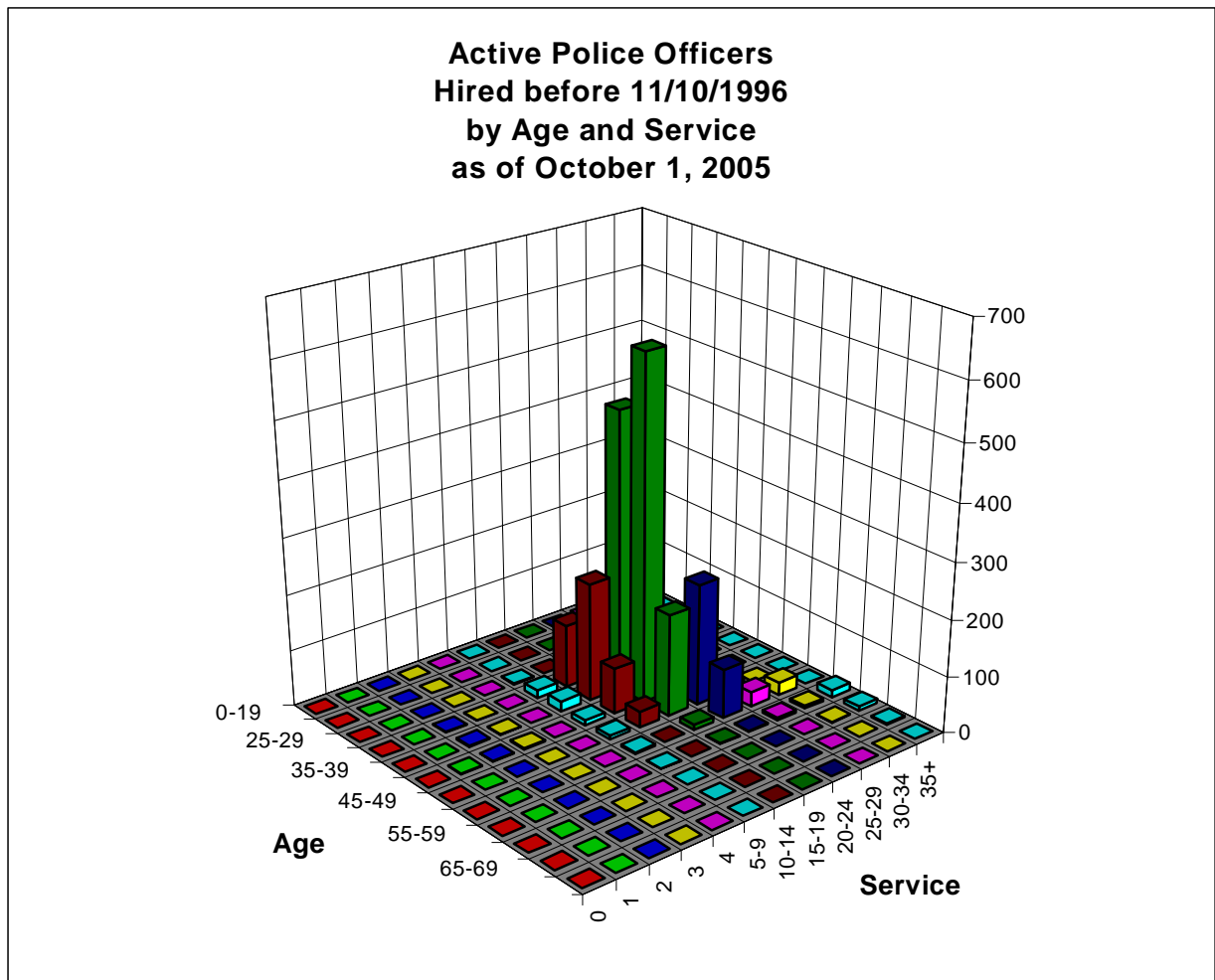


Service	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
Age													
0-19	0	0	86,171	0	0	0	0	0	0	0	0	0	86,171
20-24	38,891	36,631	39,687	42,408	0	0	0	0	0	0	0	0	38,808
25-29	41,898	41,765	41,146	42,177	43,824	48,045	0	0	0	0	0	0	42,841
30-34	48,153	51,293	47,096	48,793	50,443	55,106	62,538	0	0	0	0	0	51,489
35-39	51,292	52,499	50,301	52,240	55,838	59,621	63,538	67,685	0	0	0	0	56,819
40-44	52,278	48,502	50,543	49,658	55,249	59,550	65,444	69,948	70,371	0	0	0	59,924
45-49	52,425	50,535	54,764	51,898	53,666	61,325	65,356	68,817	71,693	76,708	0	0	63,183
50-54	55,053	52,176	58,177	56,955	55,507	63,477	67,249	71,670	73,183	73,665	75,293	0	68,093
55-59	56,711	63,050	59,078	63,577	58,884	64,579	67,885	72,552	73,427	72,944	74,724	73,856	69,827
60-64	63,498	67,084	65,985	62,541	60,668	67,979	68,657	70,773	72,103	72,383	73,187	75,441	70,815
65-69	47,688	0	67,131	56,755	67,038	66,424	68,051	72,280	71,217	72,533	73,398	74,758	70,500
70+	0	40,996	60,653	69,063	0	63,414	67,762	73,865	70,558	0	70,609	74,042	69,737
Total	46,488	49,216	48,165	49,435	52,313	59,467	66,031	70,897	72,756	73,421	74,414	74,716	60,274

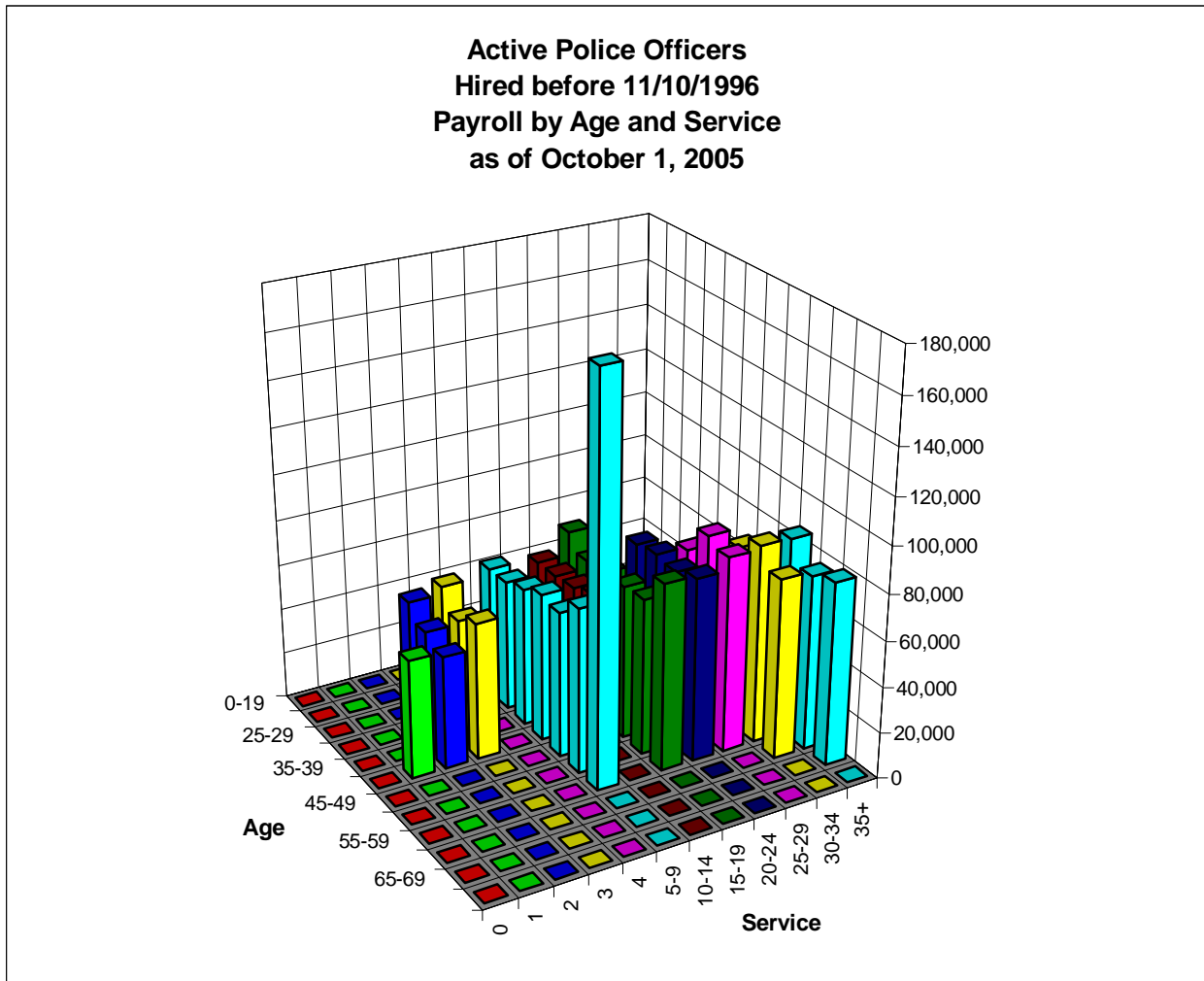
Average Age: 45.29

Average Service: 11.39





Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	1	0	0	0	0	0	0	1
30-34	0	0	1	1	0	13	112	4	0	0	0	0	131
35-39	0	0	2	1	0	18	210	495	0	0	0	0	726
40-44	0	1	1	2	0	9	82	609	112	0	0	0	816
45-49	0	0	0	0	0	7	29	182	216	14	0	0	448
50-54	0	0	0	0	0	3	0	9	88	26	23	0	149
55-59	0	0	0	0	0	1	0	1	2	5	5	13	27
60-64	0	0	0	0	0	0	0	0	0	0	1	8	9
65-69	0	0	0	0	0	0	0	0	0	0	0	2	2
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	4	4	0	52	433	1300	418	45	29	23	2,309

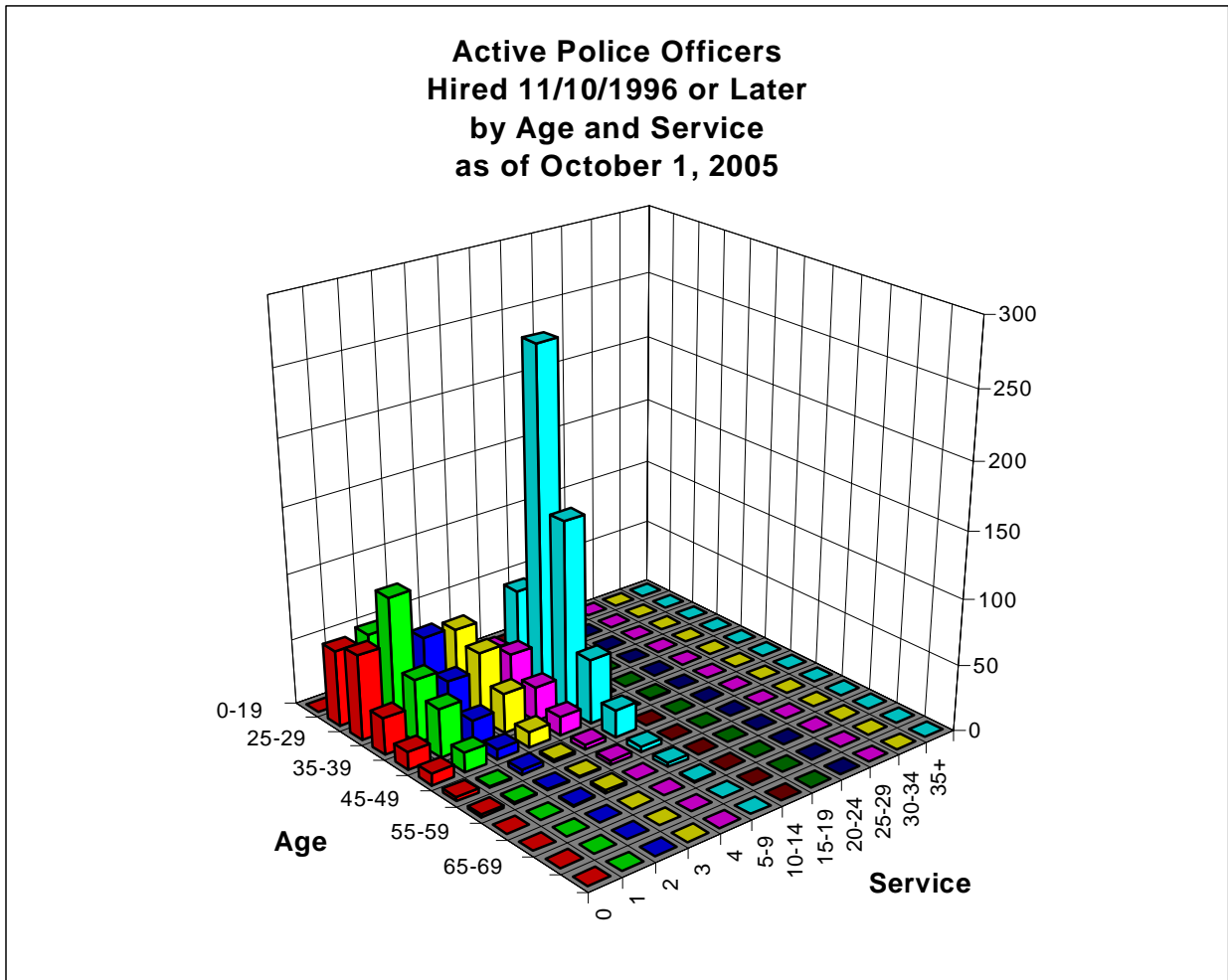


Service	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
Age													
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	57,034	0	0	0	0	0	0	57,034
30-34	0	0	59,896	62,891	0	57,380	62,592	72,657	0	0	0	0	62,364
35-39	0	0	53,414	54,327	0	60,543	63,025	66,004	0	0	0	0	64,956
40-44	0	51,739	49,277	59,896	0	64,697	64,077	67,111	75,935	0	0	0	67,932
45-49	0	0	0	0	0	63,576	67,371	67,269	77,763	76,054	0	0	72,552
50-54	0	0	0	0	0	72,049	0	68,317	76,455	88,224	79,678	0	78,426
55-59	0	0	0	0	0	175,000	0	81,350	79,985	85,337	86,668	86,063	88,710
60-64	0	0	0	0	0	0	0	0	0	0	78,620	76,385	76,633
65-69	0	0	0	0	0	0	0	0	0	0	0	79,985	79,985
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	51,739	54,000	59,253	0	63,677	63,403	66,748	77,008	84,117	80,847	82,168	68,537

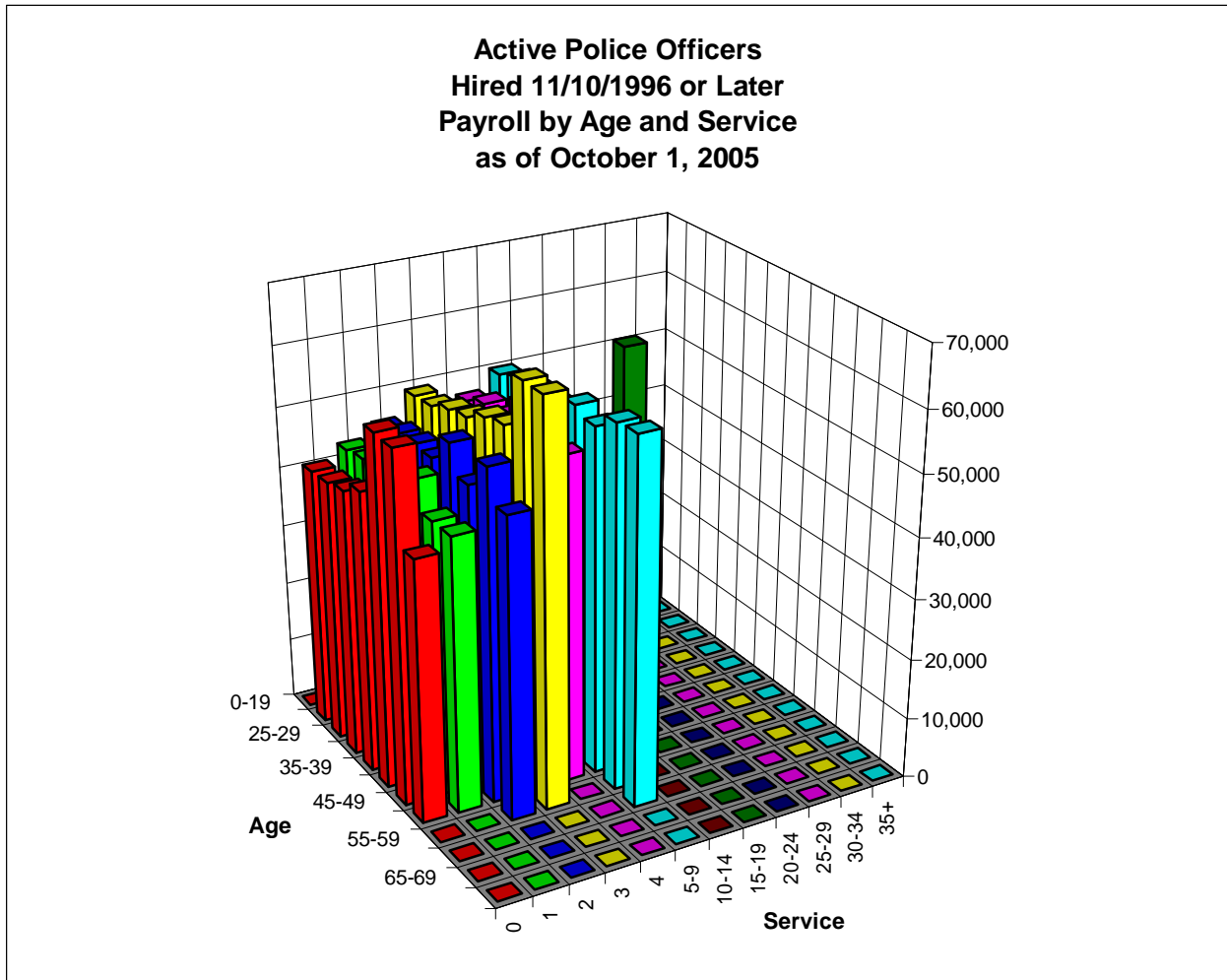
Average Age: 42.23

Average Service: 17.24





Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	58	62	17	3	0	0	0	0	0	0	0	0	140
25-29	65	100	61	59	34	72	0	0	0	0	0	0	391
30-34	28	48	38	51	41	263	0	0	0	0	0	0	469
35-39	14	37	19	30	26	144	0	0	0	0	0	0	270
40-44	9	15	8	12	14	49	0	1	0	0	0	0	108
45-49	3	1	4	2	4	21	0	0	0	0	0	0	35
50-54	2	1	1	1	3	4	0	0	0	0	0	0	12
55-59	0	0	1	2	0	3	0	0	0	0	0	0	6
60-64	0	0	0	0	0	1	0	0	0	0	0	0	1
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	179	264	149	160	122	557	0	1	0	0	0	0	1,432

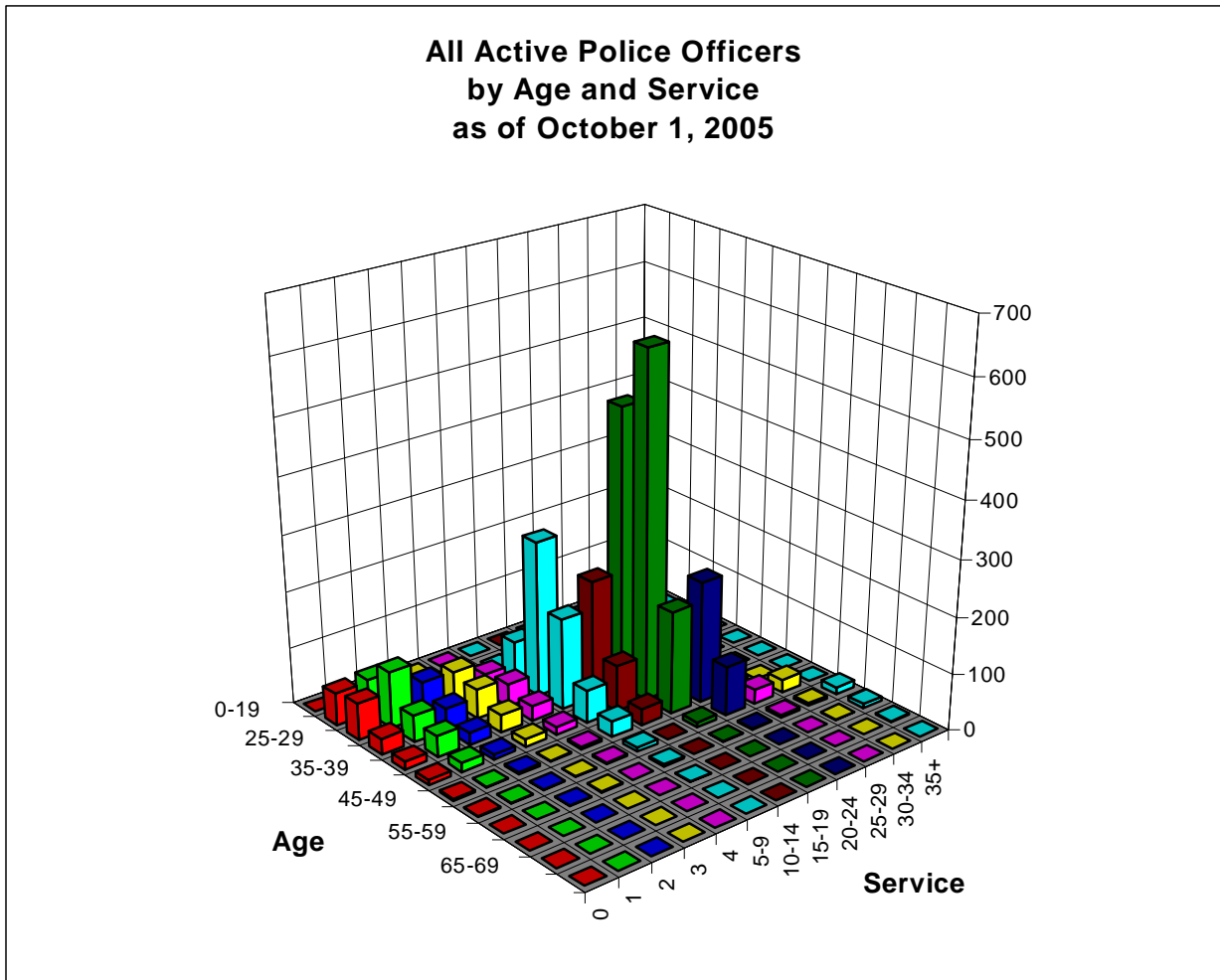


Service	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
Age													
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	42,921	45,207	47,585	51,739	0	0	0	0	0	0	0	0	44,689
25-29	43,259	45,898	48,818	52,065	51,681	54,910	0	0	0	0	0	0	49,008
30-34	44,205	45,711	49,249	53,568	53,286	55,991	0	0	0	0	0	0	53,189
35-39	46,440	47,331	49,138	54,407	53,413	56,064	0	0	0	0	0	0	53,441
40-44	57,752	49,350	53,723	56,393	57,308	55,853	0	62,891	0	0	0	0	55,264
45-49	57,487	45,040	49,306	57,315	56,637	58,052	0	0	0	0	0	0	56,428
50-54	42,895	45,040	54,327	66,034	53,504	56,831	0	0	0	0	0	0	53,252
55-59	0	0	49,277	66,034	0	59,486	0	0	0	0	0	0	59,967
60-64	0	0	0	0	0	59,896	0	0	0	0	0	0	59,896
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	44,509	46,092	49,145	53,629	53,443	55,968	0	62,891	0	0	0	0	51,533

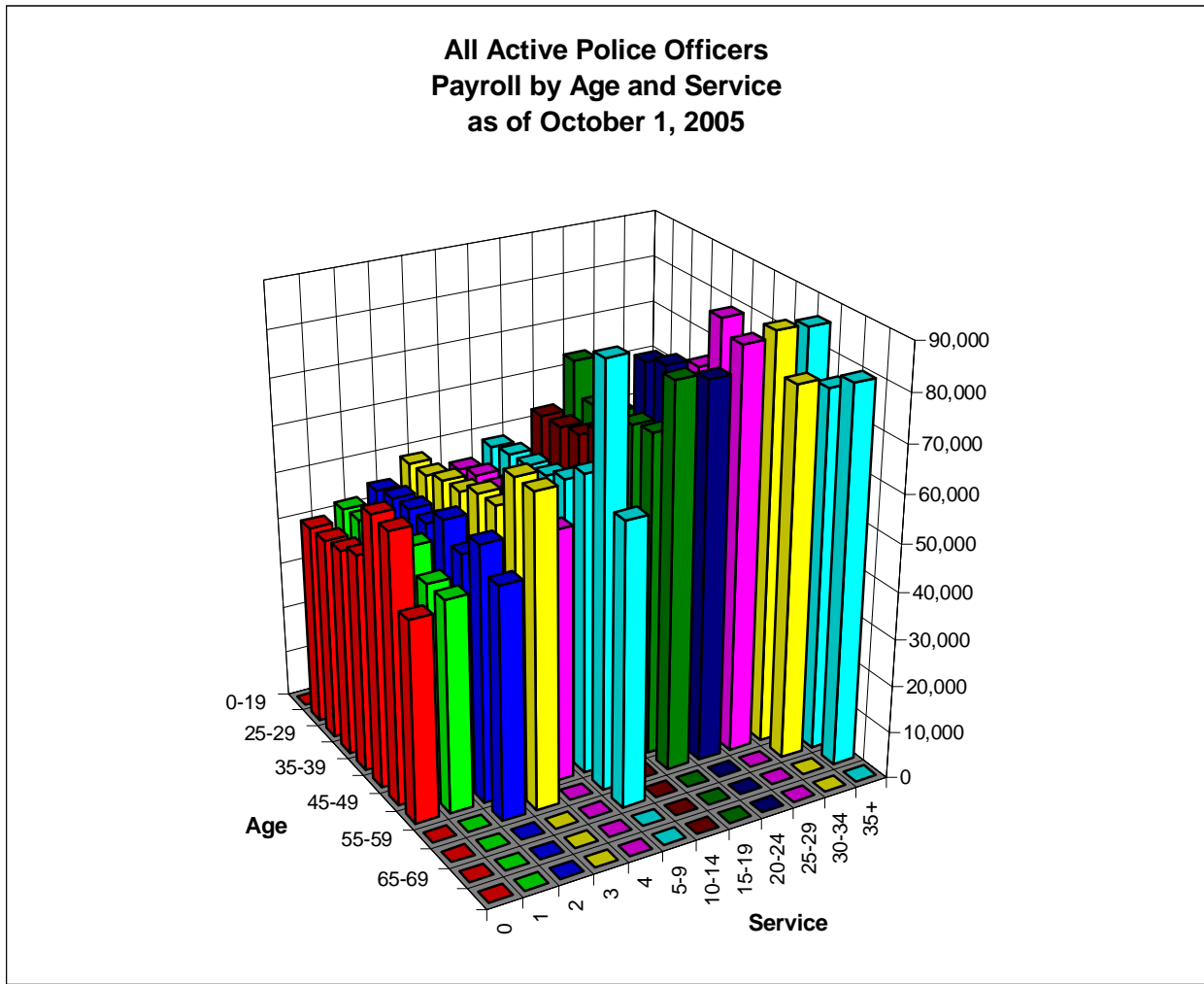
Average Age: 32.51

Average Service: 4.05





Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	58	62	17	3	0	0	0	0	0	0	0	0	140
25-29	65	100	61	59	34	73	0	0	0	0	0	0	392
30-34	28	48	39	52	41	276	112	4	0	0	0	0	600
35-39	14	37	21	31	26	162	210	495	0	0	0	0	996
40-44	9	16	9	14	14	58	82	610	112	0	0	0	924
45-49	3	1	4	2	4	28	29	182	216	14	0	0	483
50-54	2	1	1	1	3	7	0	9	88	26	23	0	161
55-59	0	0	1	2	0	4	0	1	2	5	5	13	33
60-64	0	0	0	0	0	1	0	0	0	0	1	8	10
65-69	0	0	0	0	0	0	0	0	0	0	0	2	2
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	179	265	153	164	122	609	433	1301	418	45	29	23	3,741

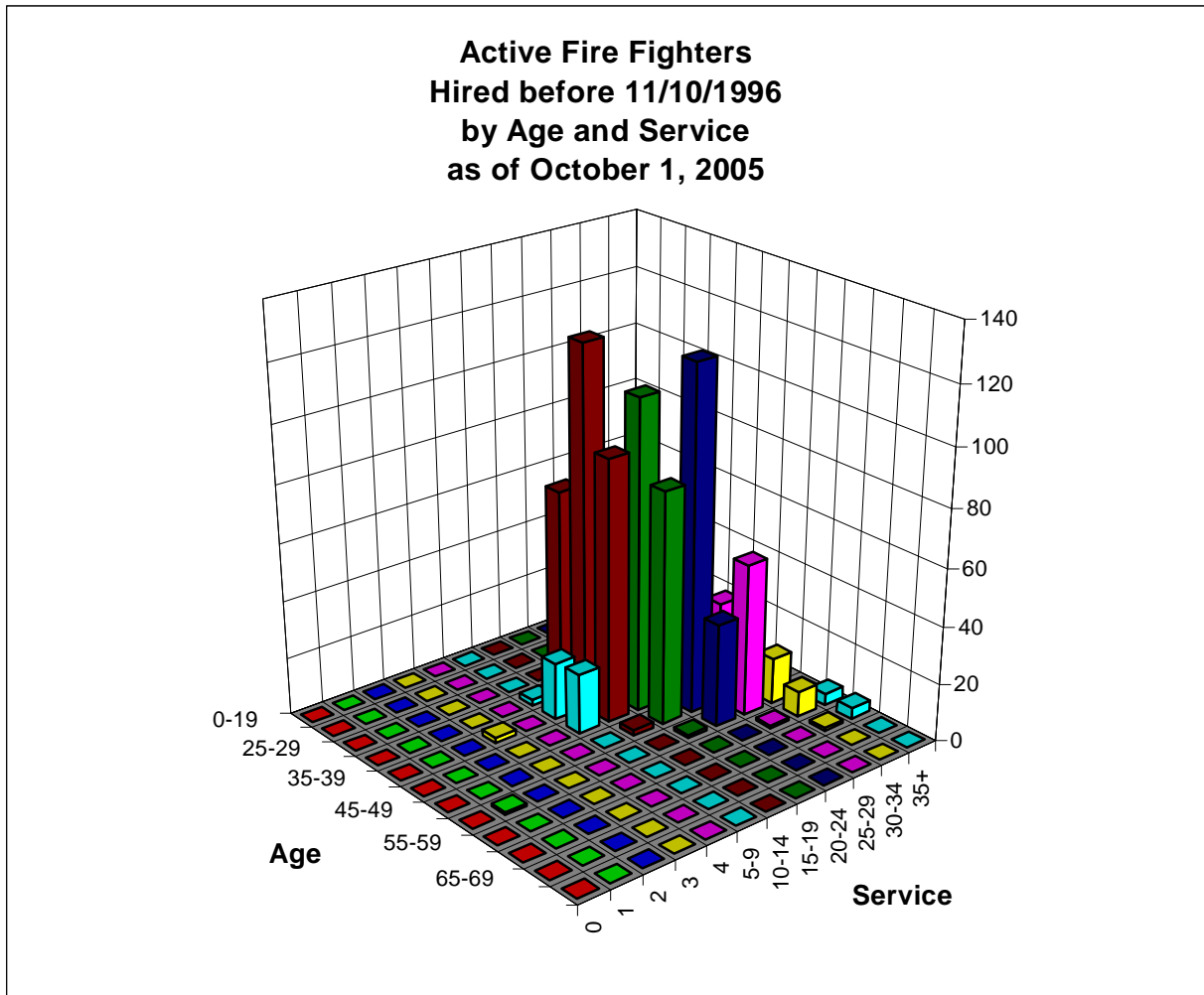


Service	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
Age													
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	42,921	45,207	47,585	51,739	0	0	0	0	0	0	0	0	44,689
25-29	43,259	45,898	48,818	52,065	51,681	54,939	0	0	0	0	0	0	49,028
30-34	44,205	45,711	49,522	53,747	53,286	56,056	62,592	72,657	0	0	0	0	55,192
35-39	46,440	47,331	49,545	54,404	53,413	56,562	63,025	66,004	0	0	0	0	61,835
40-44	57,752	49,499	53,229	56,894	57,308	57,226	64,077	67,104	75,935	0	0	0	66,452
45-49	57,487	45,040	49,306	57,315	56,637	59,433	67,371	67,269	77,763	76,054	0	0	71,384
50-54	42,895	45,040	54,327	66,034	53,504	63,353	0	68,317	76,455	88,224	79,678	0	76,550
55-59	0	0	49,277	66,034	0	88,365	0	81,350	79,985	85,337	86,668	86,063	83,484
60-64	0	0	0	0	0	59,896	0	0	0	0	78,620	76,385	74,960
65-69	0	0	0	0	0	0	0	0	0	0	0	79,985	79,985
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	44,509	46,113	49,271	53,766	53,443	56,626	63,403	66,745	77,008	84,117	80,847	82,168	62,028

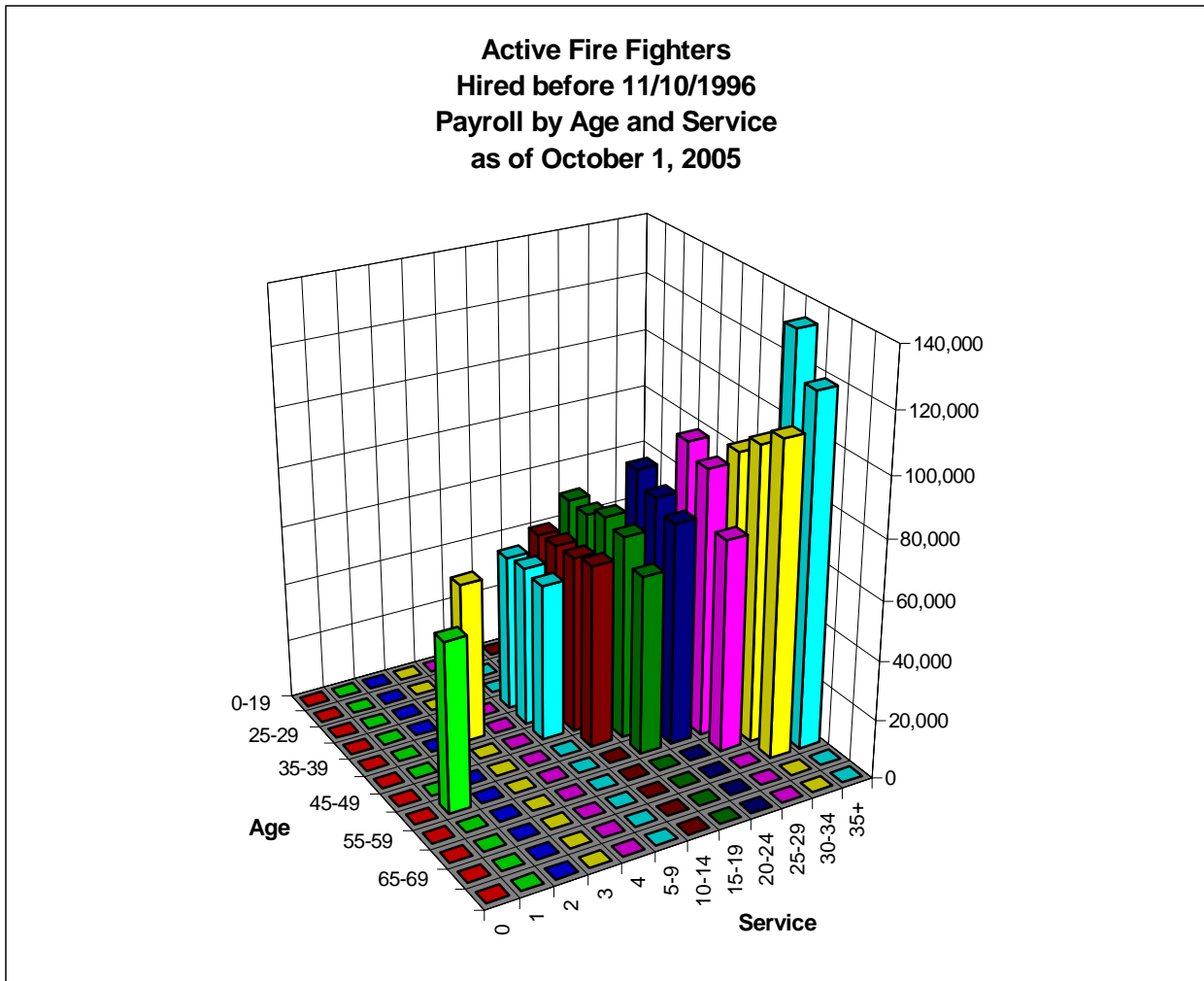
Average Age: 38.51

Average Service: 12.19





Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	2	72	12	0	0	0	0	86
35-39	0	0	0	2	0	20	125	51	0	0	0	0	198
40-44	0	0	0	0	0	21	91	108	35	0	0	0	255
45-49	0	0	0	0	0	0	2	81	120	35	0	0	238
50-54	0	1	0	0	0	0	0	1	36	53	16	0	107
55-59	0	0	0	0	0	0	0	0	0	1	9	4	14
60-64	0	0	0	0	0	0	0	0	0	0	1	4	5
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	0	2	0	43	290	253	191	89	26	8	903

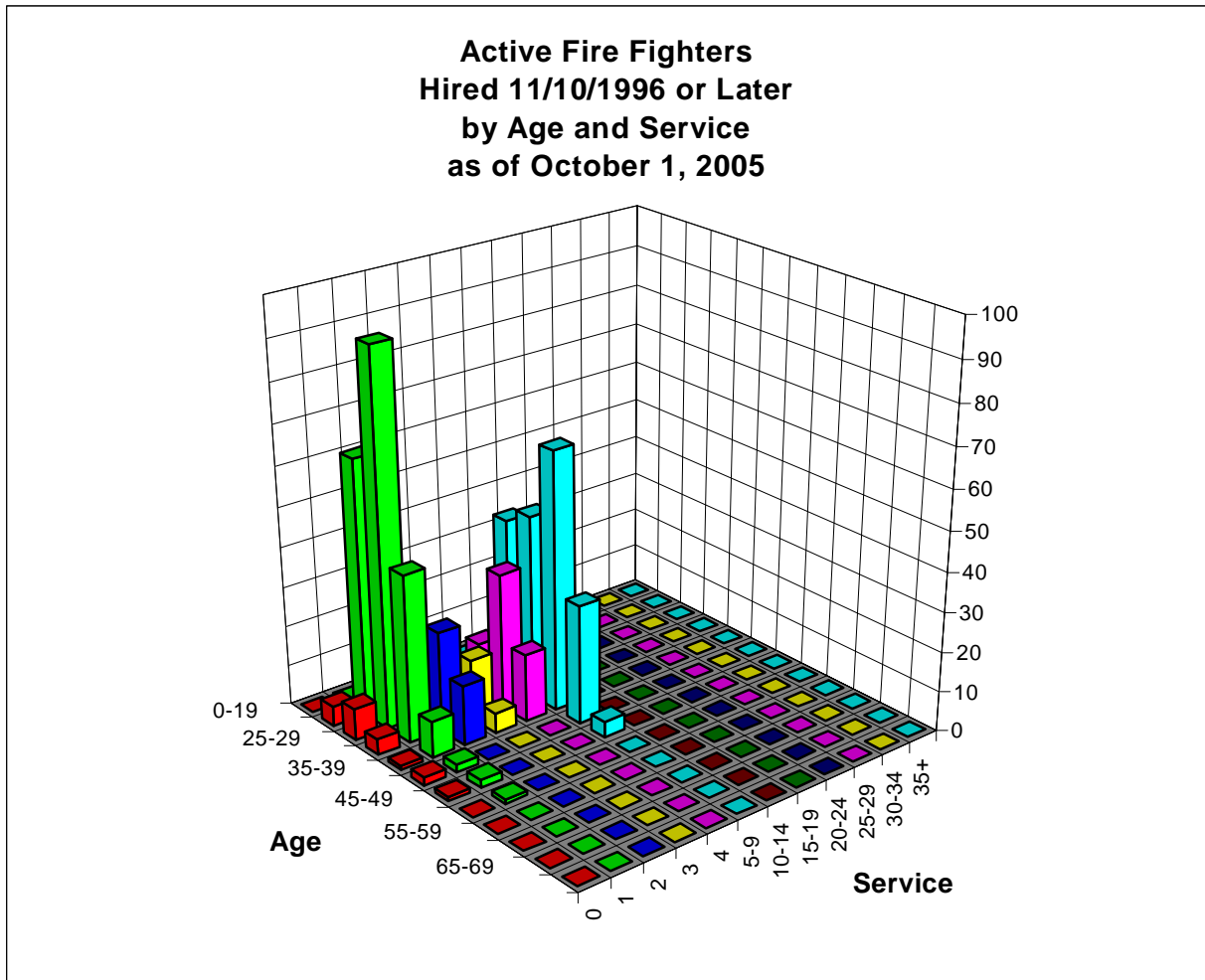


Service	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
Age													
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	53,043	58,157	67,458	0	0	0	0	59,336
35-39	0	0	0	54,477	0	54,265	59,279	67,094	0	0	0	0	60,737
40-44	0	0	0	0	0	53,302	59,931	70,996	84,137	0	0	0	67,394
45-49	0	0	0	0	0	0	62,099	69,029	79,303	95,290	0	0	78,013
50-54	0	57,221	0	0	0	0	0	60,639	75,411	90,698	93,646	0	85,402
55-59	0	0	0	0	0	0	0	0	0	72,069	100,368	134,284	108,037
60-64	0	0	0	0	0	0	0	0	0	0	106,429	119,053	116,528
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	57,221	0	54,477	0	53,738	59,224	69,371	79,455	92,295	96,465	126,669	71,002

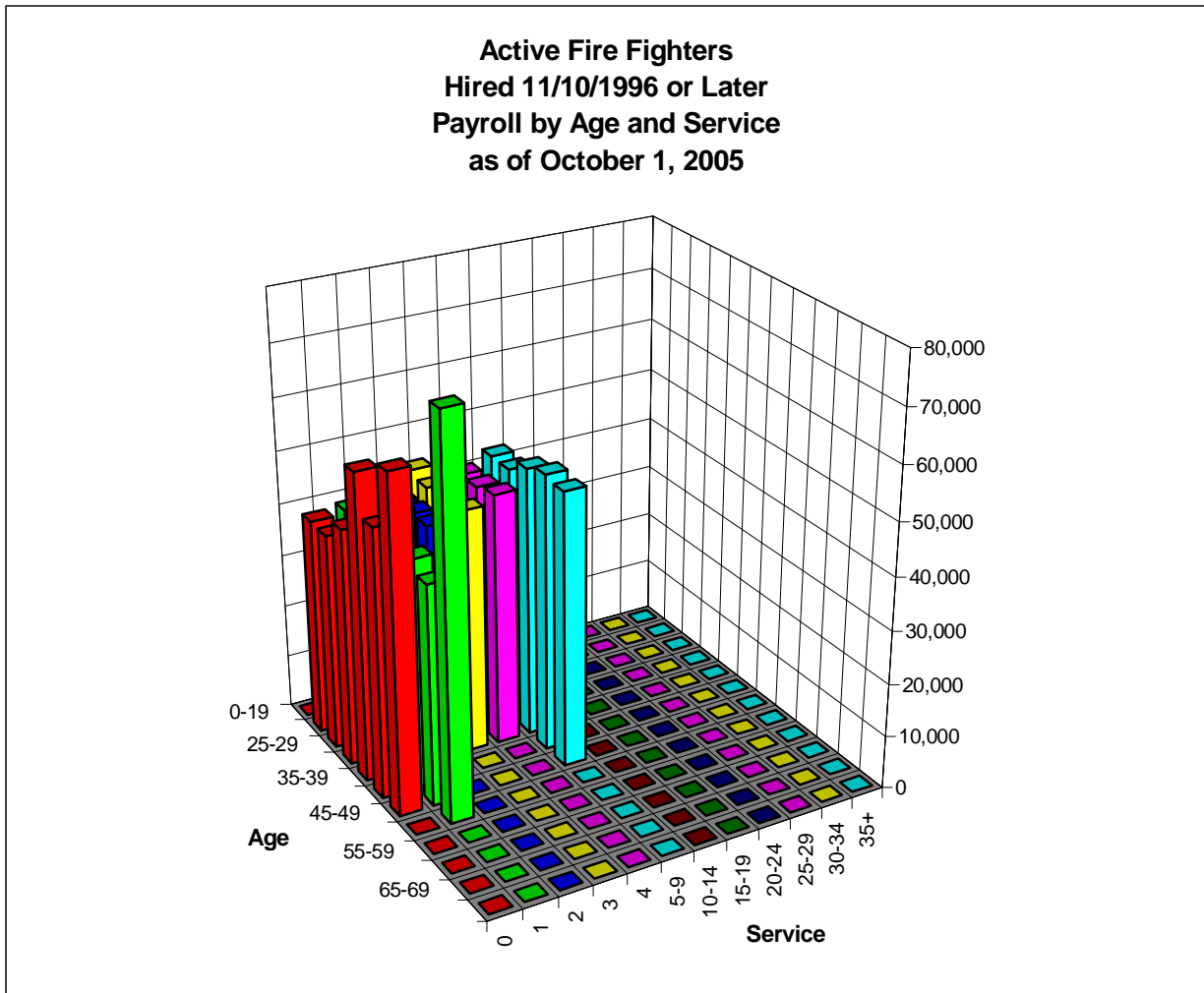
Average Age: 43.22

Average Service: 18.30





Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	5	64	8	6	0	0	0	0	0	0	0	0	83
25-29	8	93	12	7	13	42	0	0	0	0	0	0	175
30-34	4	42	25	15	34	46	0	0	0	0	0	0	166
35-39	1	9	15	5	17	65	0	0	0	0	0	0	112
40-44	2	2	0	0	0	30	0	0	0	0	0	0	34
45-49	1	2	0	0	0	4	0	0	0	0	0	0	7
50-54	0	1	0	0	0	0	0	0	0	0	0	0	1
55-59	0	0	0	0	0	0	0	0	0	0	0	0	0
60-64	0	0	0	0	0	0	0	0	0	0	0	0	0
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	21	213	60	33	64	187	0	0	0	0	0	0	578

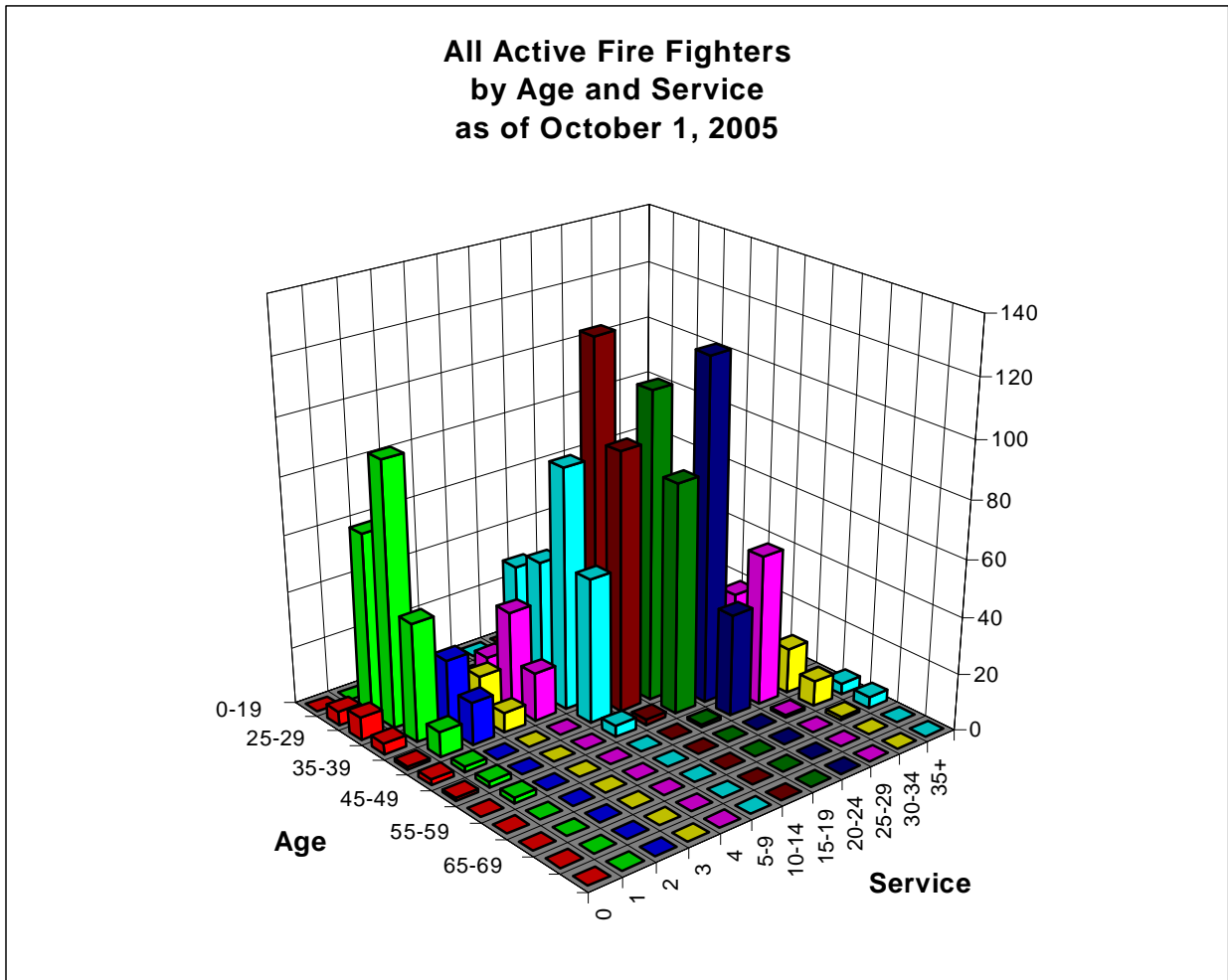


Service	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
Age													
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	40,959	41,721	43,570	46,284	0	0	0	0	0	0	0	0	42,183
25-29	40,959	42,637	44,235	45,523	46,442	48,595	0	0	0	0	0	0	44,498
30-34	44,850	42,247	44,645	46,857	46,694	48,510	0	0	0	0	0	0	45,734
35-39	57,751	48,969	45,109	46,284	47,741	51,109	0	0	0	0	0	0	49,466
40-44	50,585	43,212	0	0	0	52,551	0	0	0	0	0	0	51,886
45-49	62,790	41,574	0	0	0	52,019	0	0	0	0	0	0	50,573
50-54	0	74,425	0	0	0	0	0	0	0	0	0	0	74,425
55-59	0	0	0	0	0	0	0	0	0	0	0	0	0
60-64	0	0	0	0	0	0	0	0	0	0	0	0	0
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	44,456	42,697	44,536	46,383	46,921	50,156	0	0	0	0	0	0	46,043

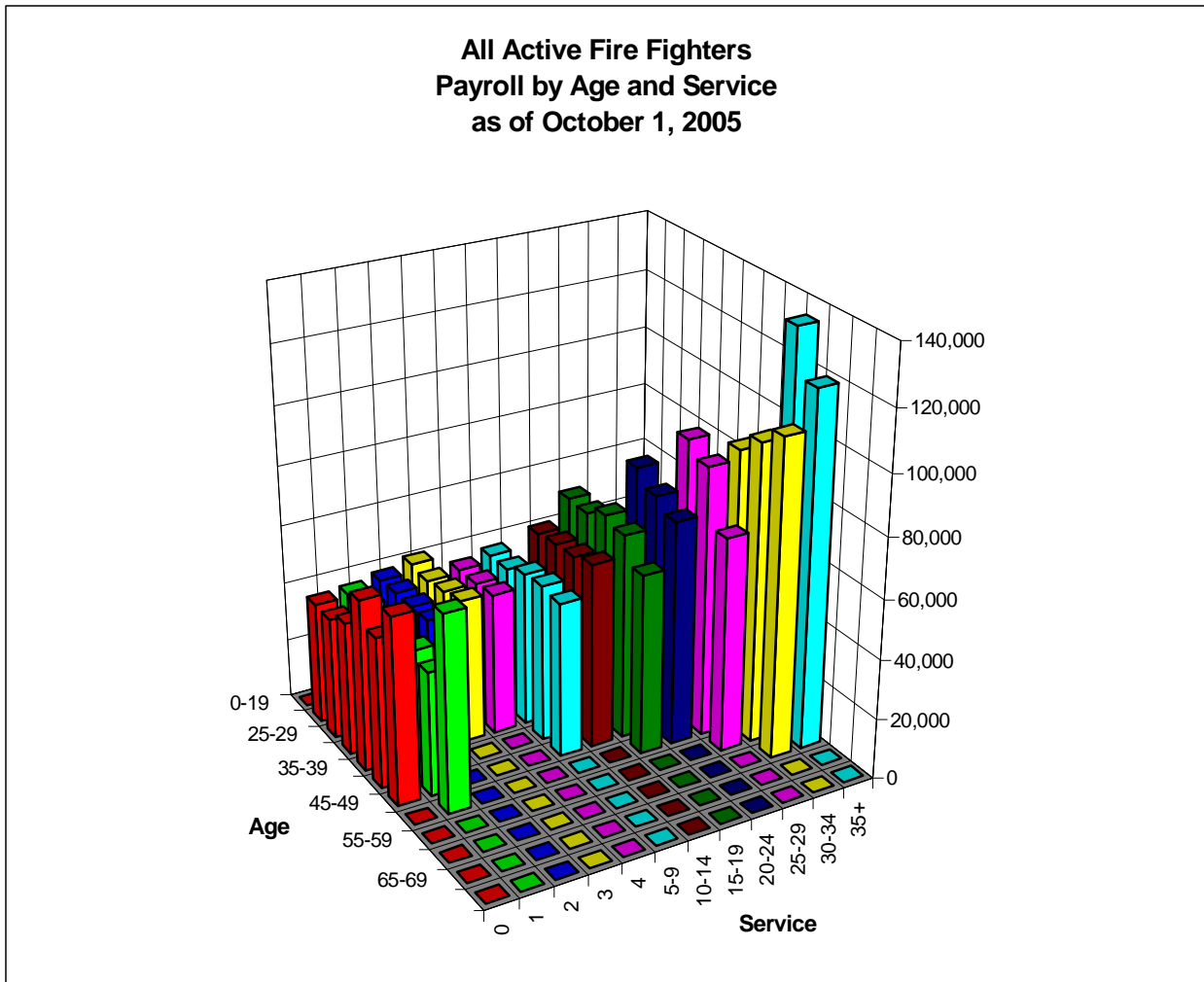
Average Age: 31.32

Average Service: 3.64





Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	5	64	8	6	0	0	0	0	0	0	0	0	83
25-29	8	93	12	7	13	42	0	0	0	0	0	0	175
30-34	4	42	25	15	34	48	72	12	0	0	0	0	252
35-39	1	9	15	7	17	85	125	51	0	0	0	0	310
40-44	2	2	0	0	0	51	91	108	35	0	0	0	289
45-49	1	2	0	0	0	4	2	81	120	35	0	0	245
50-54	0	2	0	0	0	0	0	1	36	53	16	0	108
55-59	0	0	0	0	0	0	0	0	0	1	9	4	14
60-64	0	0	0	0	0	0	0	0	0	0	1	4	5
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	21	214	60	35	64	230	290	253	191	89	26	8	1,481



Service	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
Age													
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	40,959	41,721	43,570	46,284	0	0	0	0	0	0	0	0	42,183
25-29	40,959	42,637	44,235	45,523	46,442	48,595	0	0	0	0	0	0	44,498
30-34	44,850	42,247	44,645	46,857	46,694	48,699	58,157	67,458	0	0	0	0	50,376
35-39	57,751	48,969	45,109	48,625	47,741	51,852	59,279	67,094	0	0	0	0	56,665
40-44	50,585	43,212	0	0	0	52,860	59,931	70,996	84,137	0	0	0	65,569
45-49	62,790	41,574	0	0	0	52,019	62,099	69,029	79,303	95,290	0	0	77,229
50-54	0	65,823	0	0	0	0	0	60,639	75,411	90,698	93,646	0	85,300
55-59	0	0	0	0	0	0	0	0	0	72,069	100,368	134,284	108,037
60-64	0	0	0	0	0	0	0	0	0	0	106,429	119,053	116,528
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	44,456	42,765	44,536	46,846	46,921	50,826	59,224	69,371	79,455	92,295	96,465	126,669	61,261

Average Age: 38.58

Average Service: 12.58



Inactive Teachers

Service Retirees

	<u>District Count</u>	<u>Average District Benefit</u>	<u>Total Count</u>	<u>Combined District and Fed Benefit</u>
Under 35	0	\$0	0	\$0
35-39	0	\$0	1	\$47,232
40-44	0	\$0	0	\$0
45-49	0	\$0	0	\$0
50-54	8	\$7,525	8	\$34,811
55-59	491	\$8,974	523	\$40,369
60-64	828	\$6,119	1,016	\$38,035
65-69	396	\$5,044	902	\$36,880
70-74	113	\$5,046	867	\$36,677
75-79	25	\$3,889	652	\$34,159
80-84	6	\$4,689	420	\$34,514
85-89	0	\$0	277	\$35,666
90-94	0	\$0	152	\$37,649
95-99	0	\$0	59	\$38,991
100 and over	0	\$0	9	\$53,236
Total	1,867	\$6,548	4,886	\$36,901

Beneficiaries

	<u>District Count</u>	<u>Average District Benefit</u>	<u>Total Count</u>	<u>Combined District and Fed Benefit</u>
Under 19	15	\$2,575	29	\$5,156
20-24	4	\$2,049	11	\$5,379
25-29	0	\$0	0	\$0
30-34	0	\$0	1	\$5,460
35-39	0	\$0	1	\$5,460
40-44	1	\$9,561	3	\$8,720
45-49	8	\$4,357	12	\$14,050
50-54	7	\$4,147	11	\$14,744
55-59	15	\$4,235	32	\$15,264
60-64	8	\$1,998	42	\$14,711
65-69	5	\$2,042	45	\$17,452
70-74	3	\$6,918	60	\$17,187
75-79	1	\$3,671	63	\$18,359
80-84	0	\$0	58	\$17,918
85-89	0	\$0	48	\$20,175
90-94	0	\$0	30	\$29,526
95-99	0	\$0	11	\$18,629
100 and over	0	\$0	4	\$19,992
Total	67	\$3,499	461	\$16,994

**Inactive Teachers
 Disabled**

	<u>District Count</u>	<u>Average District Benefit</u>	<u>Total Count</u>	<u>Combined District and Fed Benefit</u>
Under 25	0	\$0	0	\$0
25-29	0	\$0	0	\$0
30-34	1	\$8,620	1	\$18,252
35-39	1	\$17,645	1	\$19,812
40-44	1	\$7,093	5	\$18,878
45-49	4	\$9,255	7	\$21,293
50-54	16	\$7,780	21	\$25,385
55-59	38	\$6,421	74	\$23,274
60-64	16	\$3,568	62	\$22,964
65-69	4	\$2,241	58	\$24,001
70-74	0	\$0	57	\$24,065
75-79	0	\$0	71	\$25,461
80-84	0	\$0	60	\$30,979
85-89	0	\$0	27	\$33,974
90-94	0	\$0	19	\$26,279
95-99	0	\$0	2	\$39,312
100 and over	0	\$0	1	\$18,058
Total	81	\$6,233	466	\$25,545

Terminated Vested

	<u>District Count</u>	<u>Average District Benefit</u>	<u>Total Count</u>	<u>Combined District and Fed Benefit</u>
Under 25	0	\$0	1	\$5,483
25-29	3	\$4,160	3	\$4,160
30-34	45	\$4,679	45	\$5,125
35-39	63	\$3,015	71	\$4,556
40-44	52	\$3,403	66	\$5,481
45-49	55	\$3,912	69	\$8,220
50-54	72	\$4,187	101	\$9,259
55-59	49	\$4,121	125	\$8,315
60-64	30	\$3,595	84	\$8,610
65-69	9	\$3,868	89	\$9,416
70-74	2	\$3,982	25	\$8,691
75-79	1	\$1,582	15	\$5,255
80-84	0	\$0	28	\$10,133
85-89	0	\$0	14	\$9,519
90-94	0	\$0	17	\$7,789
95-99	0	\$0	5	\$8,687
100 and over	0	\$0	0	\$0
Total	381	\$3,834	758	\$7,818

**Inactive Police Officers
 Service Retirees**

	<u>District Count</u>	<u>Average District Benefit</u>	<u>Total Count</u>	<u>Combined District and Fed Benefit</u>
Under 35	0	\$0	0	\$0
35-39	0	\$0	0	\$0
40-44	0	\$0	0	\$0
45-49	54	\$11,664	59	\$51,038
50-54	243	\$8,241	484	\$45,226
55-59	189	\$5,481	1,073	\$43,293
60-64	41	\$4,606	702	\$44,114
65-69	2	\$6,079	441	\$43,593
70-74	0	\$0	213	\$48,583
75-79	0	\$0	117	\$58,737
80-84	0	\$0	42	\$63,022
85-89	0	\$0	16	\$70,480
90-94	0	\$0	5	\$49,730
95-99	0	\$0	1	\$49,596
100 and over	0	\$0	0	\$0
Total	529	\$7,314	3,153	\$45,303

Beneficiaries

	<u>District Count</u>	<u>Average District Benefit</u>	<u>Total Count</u>	<u>Combined District and Fed Benefit</u>
Under 19	65	\$1,435	85	\$4,911
20-24	8	\$1,108	18	\$9,955
25-29	0	\$0	0	\$0
30-34	3	\$10,259	5	\$14,959
35-39	11	\$11,908	18	\$21,735
40-44	10	\$8,893	17	\$21,569
45-49	12	\$5,620	43	\$18,510
50-54	15	\$4,275	97	\$20,467
55-59	4	\$2,852	143	\$21,279
60-64	6	\$3,068	134	\$22,223
65-69	1	\$8,255	136	\$24,021
70-74	0	\$0	121	\$24,967
75-79	1	\$2,319	135	\$24,774
80-84	2	\$485	128	\$25,773
85-89	0	\$0	108	\$25,266
90-94	0	\$0	52	\$27,436
95-99	0	\$0	19	\$25,780
100 and over	0	\$0	4	\$28,950
Total	138	\$3,810	1,263	\$22,109

**Inactive Police Officers
 Disabled**

	<u>District Count</u>	<u>Average District Benefit</u>	<u>Total Count</u>	<u>Combined District and Fed Benefit</u>
Under 25	0	\$0	0	\$0
25-29	0	\$0	0	\$0
30-34	6	\$17,518	6	\$24,052
35-39	40	\$19,493	47	\$24,954
40-44	41	\$17,614	52	\$24,710
45-49	34	\$15,438	71	\$27,578
50-54	31	\$7,947	135	\$34,438
55-59	5	\$3,558	193	\$34,879
60-64	3	\$3,708	179	\$36,268
65-69	0	\$0	145	\$39,323
70-74	0	\$0	120	\$42,369
75-79	0	\$0	153	\$45,195
80-84	0	\$0	94	\$47,617
85-89	0	\$0	39	\$45,940
90-94	0	\$0	22	\$59,578
95-99	0	\$0	2	\$88,140
100 and over	0	\$0	0	\$0
Total	160	\$15,045	1,258	\$38,067

Terminated Vested

	<u>District Count</u>	<u>Average District Benefit</u>	<u>Total Count</u>	<u>Combined District and Fed Benefit</u>
Under 25	0	\$0	0	\$0
25-29	5	\$5,966	5	\$5,966
30-34	5	\$9,090	5	\$11,781
35-39	28	\$6,061	31	\$11,040
40-44	26	\$9,105	26	\$19,456
45-49	8	\$9,064	13	\$17,976
50-54	2	\$7,145	27	\$6,919
55-59	0	\$0	49	\$5,347
60-64	0	\$0	20	\$6,764
65-69	0	\$0	16	\$12,392
70-74	0	\$0	13	\$13,460
75-79	0	\$0	6	\$18,892
80-84	0	\$0	1	\$15,389
85-89	0	\$0	0	\$0
90-94	0	\$0	1	\$19,380
95-99	0	\$0	0	\$0
100 and over	0	\$0	0	\$0
Total	74	\$7,683	213	\$10,685

**Inactive Fire Fighters
 Service Retirees**

	<u>District Count</u>	<u>Average District Benefit</u>	<u>Total Count</u>	<u>Combined District and Fed Benefit</u>
Under 35	0	\$0	0	\$0
35-39	0	\$0	0	\$0
40-44	0	\$0	0	\$0
45-49	12	\$12,692	12	\$49,992
50-54	61	\$12,023	83	\$51,831
55-59	63	\$7,995	169	\$54,024
60-64	12	\$3,217	250	\$50,495
65-69	1	\$3,419	208	\$51,281
70-74	0	\$0	109	\$49,903
75-79	0	\$0	64	\$63,412
80-84	0	\$0	24	\$60,359
85-89	0	\$0	10	\$70,368
90-94	0	\$0	3	\$74,016
95-99	0	\$0	0	\$0
100 and over	0	\$0	0	\$0
Total	149	\$9,607	932	\$52,784

Beneficiaries

	<u>District Count</u>	<u>Average District Benefit</u>	<u>Total Count</u>	<u>Combined District and Fed Benefit</u>
Under 19	21	\$4,337	27	\$6,371
20-24	3	\$1,348	4	\$2,997
25-29	0	\$0	1	\$26,724
30-34	1	\$12,972	1	\$19,944
35-39	0	\$0	0	\$0
40-44	0	\$0	7	\$18,974
45-49	1	\$807	9	\$15,116
50-54	6	\$3,201	17	\$18,289
55-59	3	\$2,983	32	\$21,872
60-64	0	\$0	44	\$23,583
65-69	2	\$1,930	56	\$24,190
70-74	0	\$0	45	\$25,427
75-79	1	\$2,097	80	\$26,407
80-84	0	\$0	61	\$27,293
85-89	0	\$0	63	\$28,008
90-94	0	\$0	21	\$25,331
95-99	0	\$0	8	\$29,525
100 and over	0	\$0	2	\$22,872
Total	38	\$3,763	478	\$23,855

**Inactive Fire Fighters
 Disabled**

	<u>District Count</u>	<u>Average District Benefit</u>	<u>Total Count</u>	<u>Combined District and Fed Benefit</u>
Under 25	0	\$0	0	\$0
25-29	0	\$0	0	\$0
30-34	0	\$0	0	\$0
35-39	4	\$19,748	4	\$23,664
40-44	2	\$16,522	2	\$26,892
45-49	9	\$14,100	17	\$27,575
50-54	18	\$8,512	47	\$37,236
55-59	8	\$3,569	56	\$41,321
60-64	1	\$246	73	\$41,223
65-69	0	\$0	91	\$43,573
70-74	0	\$0	57	\$42,416
75-79	0	\$0	67	\$49,056
80-84	0	\$0	50	\$51,032
85-89	0	\$0	41	\$53,362
90-94	0	\$0	9	\$63,663
95-99	0	\$0	0	\$0
100 and over	0	\$0	0	\$0
Total	42	\$10,023	514	\$44,110

Terminated Vested

	<u>District Count</u>	<u>Average District Benefit</u>	<u>Total Count</u>	<u>Combined District and Fed Benefit</u>
Under 25	0	\$0	0	\$0
25-29	0	\$0	0	\$0
30-34	2	\$4,281	0	\$0
35-39	2	\$3,737	3	\$7,025
40-44	4	\$4,451	3	\$10,721
45-49	3	\$9,209	6	\$13,085
50-54	0	\$0	5	\$25,814
55-59	0	\$0	2	\$3,319
60-64	0	\$0	4	\$9,227
65-69	0	\$0	1	\$17,230
70-74	0	\$0	1	\$11,072
75-79	0	\$0	0	\$0
80-84	0	\$0	0	\$0
85-89	0	\$0	0	\$0
90-94	0	\$0	0	\$0
95-99	0	\$0	0	\$0
100 and over	0	\$0	0	\$0
Total	11	\$5,588	25	\$13,307

**Changes in Plan Membership
 Teachers**

	Actives	Non-Vested Terminations Due Refunds	Vested Terminations	Disabled	Retired	Beneficiaries	Total Participants
October 1, 2004	5,564	3,795	191	475	4,802	454	15,281
New Entrants	639	-	-	-	-	-	639
Rehires	247	(176)	(19)	-	-	-	52
Disabilities	(13)	(2)	(1)	15	-	-	(1)
Retirements	(187)	(12)	(18)	-	217	-	0
Vested Terminations	(117)	(166)	283	-	-	-	0
Died, With Beneficiaries' Benefit Payable	(1)	-	-	(3)	(17)	22	1
Died, Without Beneficiary, and Other Terminations	-	-	-	-	-	-	0
Transfers	(264)	264	-	(22)	(126)	-	(148)
Refund of Contributions	(164)	(163)	(70)	-	-	-	(397)
Beneficiary Deaths	-	-	-	-	-	(17)	(17)
Domestic Relations Orders	-	-	-	-	-	-	0
Data Corrections/Not Reported	3	(270)	392	1	10	2	138
October 1, 2005	5,707*	3,270	758	466	4,886	461	15,548

* Includes 445 members assumed to be on leave of absence.

**Changes in Plan Membership
 Police Officers**

	Actives	Non-Vested Terminations Due Refunds	Vested Terminations	Disabled	Retired	Beneficiaries	Total Participants
October 1, 2004	3,726	646	23	1,278	3,149	1,272	10,094
New Entrants	255	-	-	-	-	-	255
Rehires	13	(2)	(1)	-	-	-	10
Disabilities	(20)	-	(2)	22	(1)	-	(1)
Retirements	(43)	(1)	-	-	44	-	0
Vested Terminations	(41)	(24)	65	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	(22)	(20)	42	0
Died, Without Beneficiary, and Other Terminations	-	-	-	-	-	-	0
Transfers	(58)	58	-	(21)	(20)	-	(41)
Refund of Contributions	(92)	(32)	(15)	-	-	-	(139)
Beneficiary Deaths	-	-	-	-	-	(71)	(71)
Domestic Relations Orders	-	-	-	-	-	10	10
Data Corrections/Not Reported	1	(116)	143	1	1	10	40
October 1, 2005	3,741	529	213	1,258	3,153	1,263	10,157

**Changes in Plan Membership
 Fire Fighters**

	Actives	Non-Vested Terminations Due Refunds	Vested Terminations	Disabled	Retired	Beneficiaries	Total Participants
October 1, 2004	1,460	210	2	532	926	495	3,625
New Entrants	49	-	-	-	-	-	49
Rehires	8	(5)	-	-	-	-	3
Disabilities	(4)	-	-	4	-	-	0
Retirements	(16)	-	-	-	16	-	0
Vested Terminations	(2)	-	2	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	(9)	(7)	16	0
Died, Without Beneficiary, and Other Terminations	-	-	-	-	-	-	0
Transfers	(7)	7	-	(13)	(5)	-	(18)
Refund of Contributions	(9)	(5)	(2)	-	-	-	(16)
Beneficiary Deaths	-	-	-	-	-	(36)	(36)
Domestic Relations Orders	-	-	-	-	-	3	3
Data Corrections/Not Reported	2	(19)	23	-	2	-	8
October 1, 2005	1,481	188	25	514	932	478	3,618

1.3: Actuarial Methods and Assumptions

Actuarial Funding Method

The funding method required by the “Replacement Plan Act” is the aggregate funding method. Under this Method, the District must contribute the level percent of pay that – combined with the actuarial value of assets, expected investment earnings, and future employee contributions – will pay for the benefits of the current participants by the time the current workforce leaves employment.

Actuarial Assumptions

Valuation Date All assets and liabilities are computed as of October 1, 2005.

Rate of Return The annual rate of return on all Fund assets is assumed to be 7.25%, net of investment and administrative expenses.

Cost of Living The cost of living as measured by the Consumer Price Index (CPI) will increase at the rate of 5.00% per year.

Increases in Pay Assumed pay increases for active Members consist of increases due to cost of living adjustments and promotion and increases due to longevity and retention incentives. Cost of living increases are assumed to result in a general wage increase of 5.0% for all employees. Sample rates for the increases due to promotions are given in the table below. Rates for the longevity and retention incentives are given separately.

	<u>Service</u>	<u>Teachers</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
	0	4.000%	5.000%	2.500%
	5	4.000%	3.563%	2.500%
	10	3.000%	2.584%	2.500%
	15	2.000%	2.314%	2.500%
	20	1.000%	2.000%	2.500%
	25	0.159%	1.100%	2.500%
	30	0.393%	0.500%	2.500%
	35	0.331%	0.000%	2.500%
	40	0.270%	0.000%	0.000%

Active Member Mortality

Rates of mortality for active male Teachers are given by the 1994 Uninsured Pension (UP94) Male Table with generational improvement using Projection Scale AA, with a one-year age set forward. Rates of mortality for active female Teachers are given by the 1994 Uninsured Pension (UP94) Female Table with generational improvement using Projection Scale AA, with a one-year age set forward.

Rates of mortality for active male Police Officers and Fire Fighters are given by the 1994 Uninsured Pension (UP94) Male Table with generational improvement using Projection Scale AA, with a three-year age set forward. Rates of mortality for active female Police Officers and Fire Fighters are given by the 1994 Uninsured Pension (UP94) Female Table with generational improvement using Projection Scale AA, with a three-year age set forward.

To value the pre-retirement death benefit for Police Officers and Fire Fighters, the benefit form for all retirements (normal or disabled) is assumed to be a 54.2% Joint and Survivor annuity for all participants.

25% of all Police Officer and Fire Fighter active deaths are assumed to occur in the line of duty.

Retired Member Mortality

Rates of mortality for retired male Teachers are given by the 1994 Uninsured Pension (UP94) Male Table with generational improvement using Projection Scale AA. Rates of mortality for active female Teachers are given by the 1994 Uninsured Pension (UP94) Female Table with generational improvement using Projection Scale AA.

Rates of mortality for active male Police Officers and Fire Fighters are given by the 1994 Uninsured Pension (UP94) Male Table with generational improvement using Projection Scale AA, with a two-year age set forward. Rates of mortality for active female Police Officers and Fire Fighters are given by the 1994 Uninsured Pension (UP94) Female Table with generational improvement using Projection Scale AA, with a two-year age set forward.

Disabled Member Mortality

Rates of mortality among disabled Members are specified for male and female members; separate tables are used for Teachers and for Public Safety disabled members. Sample rates for Teachers are as follows:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	2.4000%	2.4000%
30	2.4000%	2.4000%
40	2.4000%	2.4000%
50	2.4545%	2.4000%
60	2.5910%	2.4000%
70	3.8006%	2.4000%
80	7.2111%	4.1413%
90	13.1554%	10.0013%

Sample rates for Police Officers and Fire Fighters are as follows:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.9033%	0.5616%
30	0.9033%	0.5616%
40	0.9033%	0.5616%
50	0.9033%	0.5616%
60	1.3029%	0.8310%
70	2.6405%	1.7147%
80	6.4974%	4.2282%
90	15.6801%	12.2128%

Service Retirement

Retirement is assumed to occur among Teachers in accordance with the table below:

<u>Age</u>	<u>First Year Eligible</u>	<u>Subsequent Years</u>
50	20%	20%
51	20%	20%
52	20%	20%
53	20%	20%
54	20%	20%
55	20%	20%
56	40%	20%
57	60%	20%
58	60%	20%
59	60%	20%
60	20%	20%
61	20%	20%
62	20%	20%
63	20%	20%
64	20%	20%
65	20%	20%



66	20%	20%
67	20%	20%
68	20%	20%
69	20%	20%
70	100%	100%

For Police Officers and Fire Fighters, the following rates of retirement are assumed.

<u>Age</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
40	7.5%	2.0%
41	10.0%	3.0%
42	12.0%	4.0%
43	15.0%	5.0%
44	15.0%	5.0%
45	15.0%	6.0%
46	15.0%	7.0%
47	17.0%	8.0%
48	19.0%	9.0%
49	21.0%	11.0%
50	23.0%	13.0%
51	25.0%	15.0%
52	25.0%	20.0%
53	25.0%	25.0%
54	30.0%	30.0%
55	40.0%	35.0%
56	50.0%	35.0%
57	50.0%	35.0%
58	50.0%	35.0%
59	50.0%	35.0%
60	100%	100%

It is assumed that all Police Officers and Fire Fighters retire after 31 years of service.

Disability

Separate rates of disability are assumed among Teachers, Police Officers and Fire Fighters, with rates for both sexes combined. Below are sample rates:

<u>Age</u>	<u>Teachers</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
25	0.0300%	0.4383%	0.2893%
30	0.0572%	0.5750%	0.3795%
35	0.0932%	0.8500%	0.5610%
40	0.1292%	1.2500%	0.8250%
45	0.2040%	1.9633%	1.2958%
50	0.3212%	3.2500%	2.1450%
55	0.5520%	5.7750%	3.8115%
60	0.5700%	8.2500%	5.4450%
65	0.0000%	8.2500%	5.4450%

For Police Officers and Fire Fighters, it is assumed that 50% of the disabilities are due to accidents in the line of duty. The benefit amount for some members is defined to be based on the “% of disability.” For all Police Officer and Fire Fighter disabilities, the “% of disability” is assumed to be 100%.

Withdrawal

Separate rates of withdrawal/termination are assumed among Teachers, Police Officers, and Fire Fighters, with rates for both sexes combined. Withdrawal rates are not applied to Members eligible for service retirement.

<u>Age</u>	<u>Teachers</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
20	25.00%	12.13%	1.60%
25	23.00%	6.57%	1.60%
30	16.00%	4.23%	1.60%
35	11.00%	2.32%	1.60%
40	6.80%	1.33%	1.60%
45	4.80%	1.03%	1.60%
50	3.60%	0.00%	0.00%
55	0.00%	0.00%	0.00%
60	0.00%	0.00%	0.00%

For Police and Fire Fighters, all terminations are assumed to result in the withdrawal of contributions, with no further benefits payable. For Teachers with more than 5 years of service, terminated employees are expected to receive a deferred vested benefit. Teachers with less than 5 years of service receive a refund of accumulated contributions.

Pay for Benefits	Allowances have been made for special increases in Compensation prior to termination or retirement. For Police Officers, an additional increase of 5.0% is given for the Base Retention Differential after 20 years of service. Also, Police Officers are assumed to receive a longevity increase of 15.0% after 25 years of service, and an additional 5.0% after 30 years of service. Fire Fighters are assumed to receive retention incentives of 5.0%, 10.0%, and 15.0% applied to base pay after 15, 20, and 25 years of service, respectively. Beginning with the October 1, 2004 valuation, Fire Fighters are assumed to receive an additional 5.0% after 30 years of service.
Family Composition	64% of Teachers and 80% of Police Officers and Fire Fighters are assumed to be married. Male spouses are assumed to be three years older than their wives. Active employees are assumed to have one dependent child aged 10.
Employment Status	No future transfers among member groups are assumed.

Actuarial Value of Plan Assets

The actuarial value of District assets is a modified market-related value. The actuarial value of assets method approved by the Board is defined as the expected actuarial value of assets (assuming a 7.25% rate of return) plus 1/3 of the difference between the expected and actual market value of assets. There is then a final adjustment made for the effect of the adjustment pursuant to D.C. Code §1-907.02(c). This adjustment is explained and developed in Section 3.5.

The detailed calculation of the actuarial value of District assets is shown in Section 2.5.

Participant Data

Data on active and inactive Members and their beneficiaries as of the valuation date was supplied by the Office of Pay and Retirement Services on electronic media. As is usual in studies of this type, Member data was neither verified nor audited.

Certain assumptions were made with respect to information provided by the District of Columbia:

- Charter school teachers data is not available, so the active liabilities and payroll were increased by 1.5%
- The data is incomplete with respect to former members who have a deferred vested benefit. Thus, benefits for these individuals are based on their service and pay history as available.
- For Teachers, we have begun to track vested members who terminate and do not receive a refund of contributions. Our database of terminations will improve as we accumulate more experience.
- Benefit Service has been determined based on employee contribution history.
- Benefit Splits between Federal and District have been estimated for terminated vested participants with missing benefit amounts based on employee contribution history.
- It is assumed that all Fire and Police members with prior military service will purchase this service.

Section 2:
Asset Information

2.1: Current Value of District Assets as of October 1, 2005

The allocation of benefit payments and investment income between police and fire are approximations based on the most recent information available from the District of Columbia and the D.C. Retirement Board.

All \$ amounts in millions.

	Teachers	Police	Fire	Police & Fire	Total Fund
(1) Current Value of Assets as of October 1, 2004 ¹	\$994.7	\$1,164.7	\$456.5	\$1,621.2	\$2,615.9
(2) FY 2005 District Contributions	\$9.2	\$84.6	\$27.5	\$ 112.1	\$ 121.3
(3) FY 2005 Employee Contributions	\$25.7	\$17.7	\$6.7	\$ 24.4	\$ 50.1
(4) FY 2005 Actual Benefit Payments ²	\$(8.5)	\$(4.1)	\$(0.2)	\$(4.3)	\$(12.8)
(5) FY 2005 Investment Earnings	\$136.9	\$168.9	\$65.5	\$ 234.4	\$ 371.3
(6) Actual Current Value of Assets as of October 1, 2005	\$1,158.0	\$1,431.8	\$556.0	\$1,987.8	\$3,145.8
(7) Benefits Payable for FY 2005	\$(12.4)	\$(7.2)	\$(2.1)	\$(9.3)	\$(21.7)
(8) Final Current Value of Assets as of October 1, 2005	\$1,145.6	\$1,424.6	\$553.9	\$1,978.5	\$3,124.1
(9) Approximate Rate of Return					13.5%

¹ The current value of assets as of October 1, 2004 was equal to the market value less estimated benefits payable of \$8.6 million for the Teachers, \$5.8 million for the Police Officers, and \$1.8 million for the Fire Fighters.

² The fund paid \$16.2 million in benefits which was already reflected as benefits payable.

2.2: Actuarial Value of District Assets as of October 1, 2005

The current actuarial value of assets method approved by the Board is defined as the expected actuarial value of assets (assuming a 7.25% return on the previous year's AVA) plus 1/3 of the difference between the expected and actual current value of assets. There is then a final adjustment made for the effect of the adjustment pursuant to D.C. Code §1-907.02(c).

All \$ amounts in millions.

	Teachers	Police	Fire	Police & Fire	Total Fund
(1) Actuarial Value of Assets as of October 1, 2004	\$998.7	\$1,183.4	\$462.0	\$1,645.4	\$2,644.1
(2) FY 2005 District Contributions	\$9.2	\$84.6	\$27.5	\$ 112.1	\$ 121.3
(3) FY 2005 Employee Contributions	\$25.7	\$17.7	\$6.7	\$ 24.4	\$ 50.1
(4) FY 2005 Estimated Benefit Payments	\$(20.9)	\$(11.3)	\$(2.3)	\$(13.6)	\$(34.5)
(5) FY 2005 Expected Investment Earnings	\$73.2	\$92.3	\$35.6	\$ 127.9	\$ 201.1
(6) Expected Actuarial Value of Assets as of October 1, 2005	\$1,085.9	\$1,366.7	\$529.5	\$1,896.2	\$2,982.1
(7) Final Current Value of Assets as of October 1, 2005	\$1,145.6	\$1,424.6	\$553.9	\$1,978.5	\$3,124.1
(8) Smoothed Value of Assets as of October 1, 2005 [(6) + 1/3 x (7 - 6)]	\$1,105.8	\$1,386.0	\$537.6	\$1,923.6	\$3,029.4
(9) Present Value of D.C. Code §1-907.02(c) Adjustment	\$(1.2)	\$6.5	\$3.5	\$10.0	\$8.8
(10) Final Actuarial Value of Assets as of October 1, 2005 [(8) + (9)]	\$1,104.6	\$1,392.5	\$541.1	\$1,933.6	\$3,038.2
(10) Approximate Rate of Return (on AVA)	9.3%	9.1%	9.1%	9.1%	9.2%

Section 3:
Actuarial Computations

3.1: Computation of Fiscal Year 2007 District Payment

This table shows the development of the fiscal year 2007 District payment. It represents the values used for the Required Actuarial Certification under D.C. Code §1-907. All \$ amounts in millions.

	Teachers	Police	Fire	Total
(1) Present Value of Future District Benefits	\$1,502.5	\$2,624.4	\$980.9	\$5,107.8
(2) Actuarial Value of Assets (Section 3.2)	\$1,104.6	\$1,392.5	\$541.1	\$3,038.2
(3) Present Value of Future Employee Contributions	\$247.4	\$202.2	\$81.9	\$531.5
(4) Present Value of Future Normal Costs [(1) – (2) – (3), not less than \$0]	\$150.5	\$1,029.7	\$357.9	\$1,538.1
(5) Present Value Future Payroll	\$3,306.7	\$2,709.1	\$1,086.9	\$7,102.7
(6) Normal Contribution Rate [(4) ÷ (5)]	4.6%	38.0%	32.9%	n/a
(7) Projected FY 2007 Payroll	\$342.1	\$257.7	\$98.5	\$698.3
(8) Projected FY 2007 Payment Before §1-907.02(c) [(6) x (7)]	\$15.7	\$97.9	\$32.4	\$146.0
(9) D.C. Code §1-907.02(c) Adjustment (Section 3.3)	\$(1.1)	\$6.3	\$3.5	\$8.7
(10) FY 2007 Payment [(8) + (9), not less than \$0]	\$14.6	\$104.2	\$35.9	\$154.7

3.2: Computation of FY 2005 Gain/Loss

Total Plan

This table shows the development of the gains & losses for the FY 2007 payment. All \$ amounts in millions
 Changes are due to (in order): non-salary based demographics, salary changes, asset returns and new entrants.

	2004 Results	2005 Results, Returning Members, Expected Salaries, Expected Assets	2005 Results, Returning Members, Actual Salaries, Expected Assets	2005 Results, Returning Members, Actual Salaries, Actual Assets	2005 Results, All Members, Actual Salaries, Actual Assets
(1) Present Value of Future District Benefits	\$4,549.1	\$4,930.0	\$4,933.8	\$4,933.8	\$5,107.8
(2) Actuarial Value of Assets	2,644.1	2,990.8	2,990.8	3,038.2	3,038.2
(3) Present Value of Future Employee Contributions	<u>490.3</u>	<u>492.7</u>	<u>487.0</u>	<u>487.0</u>	<u>531.6</u>
(4) Present Value of Future Normal Costs	\$1,414.7	\$1,446.5	\$1,456.0	\$1,408.6	\$1,538.0
(5) Present Value Future Payroll	\$6,606.5	\$6,625.2	\$6,547.9	\$6,547.9	\$7,102.7
(6) Normal Contribution Rate	19.4%	21.3%	21.6%	20.9%	20.9%
(7) Projected FY 2007 Payroll	\$681.4	\$659.3	\$653.4	\$653.4	\$698.4
(8) Projected FY 2007 Payment before Adjustments	\$132.4	\$140.3	\$140.8	\$136.3	\$146.0
(9) (Gain)/Loss (% of payroll)	N/A	1.9%	0.3%	(0.7)%	0.0%
(10) (Gain)/Loss (\$ Amount)	N/A	\$7.9	\$0.5	\$(4.5)	\$9.7

Teachers' Retirement Fund Gain/Loss

This table shows the development of the gains & losses for the Teachers' FY 2007 payment. All \$ amounts in millions.
 Changes are due to (in order): non-salary based demographics, salary changes, asset returns and new entrants.

	2004 Results	2005 Results, Returning Members, Expected Salaries, Expected Assets	2005 Results, Returning Members, Actual Salaries, Expected Assets	2005 Results, Returning Members, Actual Salaries, Actual Assets	2005 Results, All Members, Actual Salaries, Actual Assets
(1) Present Value of Future District Benefits	\$1,361.8	\$1,499.2	\$1,439.6	\$1,439.6	\$1,502.5
(2) Actuarial Value of Assets	998.7	1,084.7	1,084.7	1,104.6	1,104.6
(3) Present Value of Future Employee Contributions	<u>230.3</u>	<u>232.5</u>	<u>221.2</u>	<u>221.2</u>	<u>247.4</u>
(4) Present Value of Future Normal Costs	\$132.7	\$182.0	\$133.7	\$113.8	\$150.5
(5) Present Value Future Payroll	\$3,119.1	\$3,129.1	\$2,978.1	\$2,978.1	\$3,306.7
(6) Normal Contribution Rate	4.3%	5.8%	4.5%	3.8%	4.6%
(7) Projected FY 2007 Payroll	\$364.1	\$323.7	\$311.1	\$311.1	\$342.1
(8) Projected FY 2007 Payment before Adjustments	\$15.7	\$18.8	\$14.0	\$11.8	\$15.7
(9) (Gain)/Loss (% of payroll)	N/A	1.5%	(1.3)%	(0.7)%	0.8%
(10) (Gain)/Loss (\$ Amount)	N/A	\$3.1	\$(4.8)	\$(2.2)	\$3.9

Police Officers Retirement Fund Gain/Loss

This table shows the development of the gains & losses for the Police Officers' FY 2007 payment. All \$ amounts in millions.
 Changes are due to (in order): non-salary based demographics, salary changes, asset returns and new entrants.

	2004 Results	2005 Results, Returning Members, Expected Salaries, Expected Assets	2005 Results, Returning Members, Actual Salaries, Expected Assets	2005 Results, Returning Members, Actual Salaries, Actual Assets	2005 Results, All Members, Actual Salaries, Actual Assets
(1) Present Value of Future District Benefits	\$2,304.5	\$2,466.3	\$2,534.5	\$2,534.5	\$2,624.4
(2) Actuarial Value of Assets	1,183.4	1,373.1	1,373.1	1,392.5	1,392.5
(3) Present Value of Future Employee Contributions	<u>183.4</u>	<u>181.7</u>	<u>187.5</u>	<u>187.5</u>	<u>202.2</u>
(4) Present Value of Future Normal Costs	\$937.7	\$911.5	\$973.9	\$954.5	\$1,029.7
(5) Present Value Future Payroll	\$2,465.1	\$2,450.5	\$2,527.7	\$2,527.7	\$2,709.1
(6) Normal Contribution Rate	38.0%	37.2%	38.5%	37.8%	38.0%
(7) Projected FY 2007 Payroll	\$227.1	\$238.8	\$246.0	\$246.0	\$257.7
(8) Projected FY 2007 Payment before Adjustments	\$86.3	\$88.8	\$94.7	\$93.0	\$97.9
(9) (Gain)/Loss (% of payroll)	N/A	(0.8)%	1.3%	(0.7)%	0.2%
(10) (Gain)/Loss (\$ Amount)	N/A	\$2.5	\$5.9	\$(1.7)	\$4.9

Fire Fighters' Retirement Fund Gain/Loss

This table shows the development of the gains & losses for the Fire Fighters' FY 2007 payment. All \$ amounts in millions.
 Changes are due to (in order): non-salary based demographics, salary changes, asset returns and new entrants.

	2004 Results	2005 Results, Returning Members, Expected Salaries, Expected Assets	2005 Results, Returning Members, Actual Salaries, Expected Assets	2005 Results, Returning Members, Actual Salaries, Actual Assets	2005 Results, All Members, Actual Salaries, Actual Assets
(1) Present Value of Future District Benefits	\$882.8	\$964.5	\$959.6	\$959.6	\$980.9
(2) Actuarial Value of Assets	462.0	533.0	533.0	541.1	541.1
(3) Present Value of Future Employee Contributions	<u>76.5</u>	<u>78.5</u>	<u>78.2</u>	<u>78.2</u>	<u>81.9</u>
(4) Present Value of Future Normal Costs	\$344.3	\$353.0	\$348.4	\$340.3	\$357.9
(5) Present Value Future Payroll	\$1,022.3	\$1,045.7	\$1,042.1	\$1,042.1	\$1,086.9
(6) Normal Contribution Rate	33.7%	33.8%	33.4%	32.7%	32.9%
(7) Projected FY 2007 Payroll	\$90.2	\$96.8	\$96.2	\$96.2	\$98.6
(8) Projected FY 2007 Payment before Adjustments	\$30.4	\$32.7	\$32.1	\$31.5	\$32.4
(9) (Gain)/Loss (% of payroll)	N/A	0.1%	(0.4)%	(0.7)%	0.2%
(10) (Gain)/Loss (\$ Amount)	N/A	\$2.3	\$(0.6)	\$(0.6)	\$0.9

3.3: Summary of Principal Valuation Results

Teachers' Retirement Fund (\$ in millions)

	<u>Participant Data</u>		<u>Change in</u>	
	<u>October 1, 2005</u>	<u>October 1, 2004</u>	<u>Value</u>	<u>%</u>
Active Members*				
Hired Prior to November 16, 1996	2,454	2,819	(365)	(12.9)%
Hired After November 16, 1996	3,253	2,745	508	18.5%
Total	5,707	5,564	143	2.6%
Retired Members, Beneficiaries and Terminated Vested (Post June 30, 1997)	2,397	1,986	411	20.7%
Total Participants	8,104	7,550	554	7.3%
Annual Salaries of Active Members (excluding those on Leave of Absence)	\$325.8	\$338.9	\$(13.1)	(3.9)%
Annual Retirement Benefits for Retirees & Beneficiaries (Post June 30, 1997)	\$14.3	\$11.3	\$ 3.0	26.5%

Assets and Liabilities

Present Value of Future District Benefits	\$1,502.5	\$1,361.8	\$ 140.7	10.3%
District Assets for Valuation Purposes (Actuarial Value)	1,104.6	998.7	105.9	10.6%
Present Value of Future Employee Contributions	247.4	230.3	17.1	7.4%
Present Value of Future District Contributions	150.5	132.7	17.8	13.4%
Present Value of Future Salaries	3,306.7	3,119.1	187.6	6.0%
Current Value of District Assets (Market Value)	1,145.6	994.7	150.9	15.2%

Contribution Results

	FY 2007	FY 2006		
Normal Contribution Rate	4.6%	4.3%	0.3%	7.0%
Projected Payroll	\$342.1	\$364.1	\$(22.0)	(6.0)%
District Payment Before Adjustment	\$15.7	\$15.7	\$ 0.0	0.0%
District Payment After Adjustment	\$14.6	\$15.5	\$(0.9)	(5.8)%

* Includes 445 members assumed to be on leave of absence.

Police Officers and Fire Fighters' Retirement Fund (Combined)
 (\$ in millions)

	<u>Participant Data</u>		<u>Change in</u>	
	October 1, 2005	October 1, 2004	<u>Value</u>	<u>%</u>
Active Members				
Hired Prior to February 15, 1980	201	299	(98)	(32.8)%
Hired Between February 15, 1980 and November 10, 1996	3,011	3,078	(67)	(2.2)%
Hired After November 10, 1996	2,010	1,809	201	11.1%
Total	5,222	5,186	36	0.7%
Retired Members, Beneficiaries and Terminated Vested (Post June 30, 1997)	1,141	1,004	137	13.6%
Total Participants	6,363	6,190	173	2.8%
Annual Salaries of Active Members	\$339.3	\$287.9	\$ 51.4	17.9%
Annual Retirement Benefits for Retirees & Beneficiaries (Post June 30, 1997)	\$10.4	\$8.0	\$ 2.4	30.0%

<u>Assets and Liabilities</u>				
Present Value of Future District Benefits	\$3,605.3	\$3,187.4	\$ 417.9	13.1%
District Assets for Valuation Purposes (Actuarial Value)	1,933.6	1,645.4	288.2	17.5%
Present Value of Future Employee Contributions	284.1	260.0	24.1	9.3%
Present Value of Future District Contributions	1,387.6	1,282.0	105.6	8.2%
Present Value of Future Salaries	3,796.0	3,487.4	308.6	8.8%
Current Value of District Assets (Market Value)	1,978.5	1,621.2	357.3	22.0%

<u>Contribution Results</u>				
	FY 2007	FY 2006		
Normal Contribution Rate	36.6%	36.8%	(0.2)%	(0.5)%
Projected Payroll	\$356.3	\$317.3	\$ 39.0	12.3%
District Payment Before Adjustment	\$130.3	\$116.7	\$ 13.6	11.7%
District Payment After Adjustment	\$140.1	\$117.5	\$ 22.6	19.2%

Police Officers' Retirement Fund
 (\$ in millions)

	<u>Participant Data</u>		<u>Change in</u>	
	October 1, 2005	October 1, 2004	<u>Value</u>	<u>%</u>
Active Members				
Hired Prior to February 15, 1980	97	146	(49)	(33.6)%
Hired Between February 15, 1980 and November 10, 1996	2,212	2,264	(52)	(2.3)%
Hired After November 10, 1996	1,432	1,316	116	8.8%
Total	3,741	3,726	15	0.4%
Retired Members, Beneficiaries and Terminated Vested (Post June 30, 1997)	901	774	127	16.4%
Total Participants	4,642	4,500	142	3.2%
Annual Salaries of Active Members	\$245.4	\$206.9	\$ 38.5	18.6%
Annual Retirement Benefits for Retirees & Beneficiaries (Post June 30, 1997)	\$8.1	\$6.2	\$ 1.9	30.6%

Assets and Liabilities

Present Value of Future District Benefits	\$2,624.4	\$2,304.5	\$ 319.9	13.9%
District Assets for Valuation Purposes (Actuarial Value)	1,392.5	1,183.4	209.1	17.7%
Present Value of Future Employee Contributions	202.2	183.4	18.8	10.3%
Present Value of Future District Contributions	1,029.7	937.7	92.0	9.8%
Present Value of Future Salaries	2,709.1	2,465.1	244.0	9.9%
Current Value of District Assets (Market Value)	1,424.6	1,164.7	259.9	22.3%

Contribution Results

	FY 2007	FY 2006		
Normal Contribution Rate	38.0%	38.0%	0.0%	0.0%
Projected Payroll	\$257.7	\$227.1	\$ 30.6	13.5%
District Payment Before Adjustment	\$97.9	\$86.3	\$ 11.6	13.4%
District Payment After Adjustment	\$104.2	\$86.9	\$ 17.3	19.9%

Fire Fighters' Retirement Fund
(\$ in millions)

	<u>Participant Data</u>		<u>Change in</u>	
	October 1, 2005	October 1, 2004	<u>Value</u>	<u>%</u>
Active Members				
Hired Prior to February 15, 1980	104	153	(49)	(32.0)%
Hired Between February 15, 1980 and November 10, 1996	799	814	(15)	(1.8)%
Hired After November 10, 1996	578	493	85	17.2%
Total	1,481	1,460	21	1.4%
Retired Members, Beneficiaries and Terminated Vested (Post June 30, 1997)	240	230	10	4.3%
Total Participants	1,721	1,690	31	1.8%
Annual Salaries of Active Members	\$93.9	\$81.1	\$ 12.8	15.8%
Annual Retirement Benefits for Retirees & Beneficiaries (Post June 30, 1997)	\$2.3	\$1.8	\$ 0.5	27.8%

Assets and Liabilities

Present Value of Future District Benefits	\$980.9	\$882.8	\$ 98.1	11.1%
District Assets for Valuation Purposes (Actuarial Value)	541.1	462.0	79.1	17.1%
Present Value of Future Employee Contributions	81.9	76.5	5.4	7.1%
Present Value of Future District Contributions	357.9	344.3	13.6	4.0%
Present Value of Future Salaries	1,086.9	1,022.3	64.6	6.3%
Current Value of District Assets (Market Value)	553.9	456.5	97.4	21.3%

Contribution Results

	FY 2007	FY 2006		
Normal Contribution Rate	32.9%	33.7%	(0.8)%	(2.4)%
Projected Payroll	\$98.5	\$90.2	\$ 8.3	9.2%
District Payment Before Adjustment	32.4	30.4	\$ 2.0	6.6%
District Payment After Adjustment	35.9	30.6	\$ 5.3	17.3%

3.4: Present Value of Future and Accrued District Benefits

The table below shows the present value of the future District benefits, as well as the value of the District benefits already accrued.

The present value of future benefits represents the total lump sum value as of the valuation date that would be sufficient to pay for all future benefits of current participants and beneficiaries considering expected future salary increases, service credits, employment termination, mortality, and cost of living adjustments.

The present value of accrued benefits represents the total lump sum value as of the valuation date that would be sufficient to pay for all benefits accrued to the valuation date if all participants terminated or if the Funds were terminated. The fact that plan assets exceed these liabilities does not constitute "overfunding". Under the Aggregate Funding Method, liabilities accruing each year are not paid for as earned in that year. Rather, future expected benefits for all participants are funded as a level percentage of payroll during the anticipated working life of active participants. The value of the annual accrual increases with age and service, therefore assets are expected to exceed liabilities.

All \$ amounts in millions.

	Teachers	Police	Fire	Total
Present Value of Future District Benefits as of October 1, 2005				
Active Present Value of Future District Benefits	\$1,243.8	\$2,440.7	\$933.7	\$4,618.2
Inactive Present Value of Future District Benefits				
Retirees	219.3	86.7	31.5	337.5
Disabled Employees	17.9	82.5	13.2	113.6
Beneficiaries	3.9	9.9	1.7	15.5
Terminated Vested	<u>17.6</u>	<u>4.6</u>	<u>0.8</u>	<u>23.0</u>
Total Inactive	258.7	183.7	47.2	489.6
Total Present Value of Future District Benefits	1,502.5	2,624.4	980.9	5,107.8
Present Value of Accrued District Benefits as of October 1, 2005				
Active Present Value of Accrued District Benefits	\$384.7	\$370.2	\$188.5	\$768.4
Inactive Present Value of Accrued District Benefits	258.7	183.7	47.2	489.6
Total Present Value of Accrued District Benefits	643.4	553.9	235.7	1,258.0

3.5: §1-907.02(c) Adjustment to the Fiscal Year 2007 District Payment

Beginning in fiscal year 2001, the District payment was adjusted pursuant to D.C. Code §1-907.02(c). this section stipulates that "... the enrolled actuary shall determine whether the amount appropriated for the applicable fiscal year resulted in an overpayment or a shortfall based upon the actual covered payroll."

The D.C. Code §1-907.02(c) adjustment to the fiscal year 2007 District payment is calculated by taking the actual fiscal year 2005 covered payroll for each employee class (which is provided by the District) and then multiplying by the fiscal year 2005 normal contribution rates for each employee class, which were certified in the October 1, 2003 actuarial valuation report. This result gives the fiscal year 2005 contribution that was required to be made by the District. The required contribution is then compared to the fiscal year 2005 contribution that was actually paid by the District. The difference between the required and actual contributions is the preliminary D.C. Code §1-907.02(c) adjustment.

All \$ amounts in millions.

	Teachers	Police	Fire
(1) Actual FY 2005 Covered Payroll	\$324.6	\$239.6	\$91.3
(2) FY 2005 Normal Contribution Rate	2.8%	36.3%	31.8%
(3) Actual FY 2005 Contribution Required	\$9.1	\$87.0	\$29.0
(4) Actual FY 2005 Contribution Paid	\$10.2	\$80.7	\$25.5
(5) Preliminary D.C. Code §1-907.02(c) Adjustment to FY 2007 Payment [(3) - (4)]	\$(1.1)	\$6.3	\$3.5
(6) FY 2006 Unrecognized Amount	\$0.0	\$0.0	\$0.0
(7) Final D.C. Code §1-907.02(c) Adjustment to FY 2007 Payment [(5) + (6)]	\$(1.1)	\$6.3	\$3.5

Section 4:
Disclosure Information

4.1: Schedules of Funding Status and Employer Contributions Required Under GASB Statement No. 25

The Governmental Accounting Standards Board (GASB) Statements No. 25 and 27 relate to the disclosure of pension liabilities shown in public employers' financial statements. For accounting periods beginning after June 15, 1996, information required under these statements must be prepared for public employers who seek compliance with generally accepted accounting principles (GAAP) on behalf of their public employee retirement systems.

GASB Statement No. 25 requires preparation of schedules of funding status and employer contributions, as well as the disclosure of plan provisions, actuarial assumptions, and other information.

The required schedules are shown below. In each case, we have relied upon information from our files and contained in the reports of other actuaries employed by the District in completing the schedules. While we have no reason to believe that this information is inaccurate, we strongly recommend that employer personnel verify the schedules below before they are included in the District's financial statements.

Schedule of Funding Status (Dollar Amounts in Millions)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percent of Payroll
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The District of Columbia Retirement Board uses the aggregate actuarial cost method and is therefore not required to disclose a schedule of funding progress.

**Schedule of Employer Contributions
 (\$ in Millions)**

<u>Year Ending</u>	<u>Teachers' Retirement Fund</u>		<u>Police Officers and Fire Fighters' Retirement Fund</u>		<u>Total Fund</u>	
	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
9/30/1998	\$9.6	100%	\$47.7	100%	\$57.3	100%
9/30/1999	\$12.8	145%	\$35.1	100%	\$47.9	112%
9/30/2000	\$10.7	100%	\$39.9	100%	\$50.6	100%
9/30/2001	\$6.6	100%	\$47.0	100%	\$53.6	100%
9/30/2002	\$1.0	100%	\$61.4	100%	\$62.4	100%
9/30/2003	\$0.0	100%	\$69.8	100%	\$69.8	100%
9/30/2004	\$2.9	100%	\$95.5	100%	\$98.4	100%
9/30/2005	\$10.2	100%	\$106.2	100%	\$116.4	100%

The table below summarizes certain information about this actuarial report.

Valuation date	October 1, 2005
Actuarial cost method	Aggregate
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	Actuarial value: 1/3 Excess earnings subtracted from expected actuarial value.
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	5.4% - 9.0% for Teachers, 5.5% - 10.0% for Police Officers and Fire Fighters
*Includes inflation at	5.0%
Cost of living adjustments	5.0% (COLA limited to 3.0% for those hired after November 10, 1996)

