
District of Columbia
Retirement Board
Police Officers and
Fire Fighters'
Retirement Plan
Teachers'
Retirement Plan

Actuarial Valuation
as of October 1, 2007
for Fiscal Year 2009
Contributions



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Actuarial Certification

Required Actuarial Certification Under District of Columbia Code §1-907
 for Fiscal Year 2009 (\$ Millions)

Certification	Code Section	Teachers	Police	Fire	Police/Fire Combined	Total District
FY 2009 Normal Contribution Rate	1-907.03(a)(3)(A)	0.0%	25.3%	26.6%	25.7%	13.2%
Estimated FY 2009 Covered Payroll	NA	\$393.3	\$292.7	\$123.8	\$416.5	\$809.8
FY 2009 District Payment before 1-907.02(c)	NA	\$0.0	\$74.0	\$32.9	\$106.9	\$106.9
FY 2007 Shortfall/Overpayment	1-907.02(c)	\$0.0	(\$2.5)	\$1.6	(\$0.9)	(\$0.9)
FY 2009 District Payment	NA	\$0.0	\$71.5	\$34.5	\$106.0	\$106.0
Present Value of Future Benefits	1-907.03(a)(3)(B)	\$1,509.9	\$2,934.6	\$1,330.6	\$4,265.2	\$5,775.1
Current Value of Assets ¹	1-907.03(a)(3)(C)	\$1,517.2	\$2,062.3	\$798.7	\$2,861.0	\$4,378.2
Actuarial Value of Assets ¹	1-907.03(a)(3)(D)	\$1,396.0	\$1,926.8	\$746.1	\$2,672.9	\$4,068.9

¹ These amounts are net of the following benefits payable as of September 30, 2007.
 \$15.6 million for Teachers, \$9.9 million for Police, and \$3.1 million for Fire.

Actuarial Assumptions

Upon review of recommended economic assumptions, the Board elected to choose assumptions outside of the recommended best-estimate range (shown below), but to increase the assumed real return by ¼% per year towards these recommended rates, subject to annual review. The assumptions selected by the Board to be used for the actuarial valuation as of October 1, 2007 are shown in the rightmost column below:

	<u>Prior Assumption</u>	<u>EFI Recommendation</u>	<u>Current Assumption (10/1/2007)</u>
Inflation:	5.00%	2.50% - 4.00%	5.00%
Real Rate of Return:	2.25%	3.75% - 4.75%	2.50%
Total Rate of Return:	7.25%	6.25% - 8.75%	7.50%



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12/24/2007

(Date)



Introduction

Executive 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 a decrease in recommended contributions between Fiscal Year 2008 and Fiscal Year 2009. The contribution determined through this valuation is as follows:

Table 1: Summary of Contributions

Contribution Date	Teachers' Retirement Fund	Police Officers and Fire Fighters' Retirement Fund	Total District Cost
Fiscal Year 2008	\$6,000,000	\$137,000,000	\$143,000,000
Fiscal Year 2009	\$0	\$106,000,000	\$106,000,000

The contributions shown above reflect all required adjustments. The total District contribution decreased from \$143 million to \$106 million for fiscal year 2009. The normal contribution rates (before adjustments under D.C. Code §1-907.02(c)) for FY 2007 were 0.0% for Teachers and 25.7% for Police Officers and Fire Fighters.

Gains and losses for the individual groups (Teachers, Police, and Fire) are shown in the cost calculations in Section 3. The following represents an analysis of the combined Plan.

The total decrease in contributions was the net result of several factors:

- Overall Demographic experience produced an actuarial loss.

Actual demographic experience (mortality, disabilities, terminations, and retirements occurring at rates other than expected) resulted in a net loss. In the prior valuation, the impact of demographic experience resulted in a gain.

- Salary experience produced a small actuarial loss.

The total salary for continuing active participants in all plans was slightly higher than expected, on average, based on the prior year's demographic information and salary increase assumptions.

- Asset returns produced an actuarial gain.

The actuarially-determined rate of return on the value of Funds' assets was 11.7% during Fiscal Year 2007. This was lower than the return on market value of 16.4%, due to partial deferment of gains as prescribed by the actuarial smoothing method. The return on actuarial value was higher than the previously assumed rate of 7.25%, producing an actuarial gain that decreased District costs. The asset gains that were deferred will provide a cushion for asset experience during the next two fiscal years, meaning that even if assets returns on a market value basis are below expected levels during Fiscal 2008, returns on an actuarial basis may still create gains or somewhat mitigate losses.

This represents the third consecutive year that contribution rates have decreased due to favorable investment experience.

- Changes in actuarial assumptions resulted in a reduction in the contribution rate.

Several changes in demographic and economic assumptions were recommended by EFI based on the recent Experience Study/Assumption Review. The Board elected to adopt all of the recommended demographic assumptions, and to adopt an economic assumption policy which moves gradually (¼% per year, subject to annual review) towards the recommended real return assumption.

Shown below are the prior, recommended, and current economic assumptions:

	Prior Assumption	EFI Recommendation	Current Assumption
Inflation	5.00%	2.50% - 4.00%	5.00%
Real Rate of Return	2.25%	3.75% - 4.75%	2.50%
Total Rate of Return	7.25%	6.25% - 8.75%	7.50%

The assumption changes which had the most significant impact on decreasing Plan costs were the following:

- Increases in assumed termination rates for Teachers and Police members
 - Decreases in assumed disability rates for Police and Fire members
 - An increase in the assumed rate of return from 7.25% to 7.50%
- New entrants to the Plans produced an increase in the contribution rate.

New members continued to enter the Plans during Fiscal Year 2007. There were over one thousand new entrants and rehired members between the three groups. Since the District's contribution rate for new entrants is greater than the contribution rate for continuing plan members, the District cost increased, particularly for Teachers.

More detail is provided below on the changes in contribution rates which occurred since the last valuation.

Purposes of the Report

This Report presents the results of the October 1, 2007 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 the actuarial valuation are:

- To determine the appropriate contribution to the Funds to be paid by the District in Fiscal Year 2009 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 identify and discuss any emerging trends in Fund costs;
- To present those items required for disclosure under Statements No. 25 and 27 of the Governmental Accounting Standards Board (GASB); and
- To determine the funded status of the Fund using the Entry Age Normal actuarial funding method.

District Contribution Rate - Teachers

Since the last actuarial valuation as of October 1, 2006, the Teacher’s contribution rate (before §1-907.02(c) adjustment) has decreased to zero.

Table 2 below shows a reconciliation of the fiscal year 2008 rate and amount to the fiscal year 2009 rate and amount.

Table 2: Change in District Contribution Rate from October 1, 2006 to October 1, 2007 – Teachers

Valuation Date	District Contribution Rate	
	(% Payroll)	(\$ in Millions)
October 1, 2006	2.4%	\$8.1
Change Due to:		
Demographic Experience	1.0%	3.6
Salary Experience	1.1%	4.3
Investment Experience	(2.1%)	(7.4)
New Entrants	0.8%	3.8
Assumption Changes	(3.2%)	(12.4)
Total Change	(2.4%)	(8.1)
October 1, 2007	0.0%	\$0.0

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

- Demographic experience was unfavorable.

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 1.0% from October 1, 2006 to October 1, 2007. This increase in Plan cost indicates that actual demographic experience as well as data improvements and corrections during FY 2007 resulted in an actuarial loss of \$3.6 million.

Detailed information regarding changes in membership of the Fund is shown in Section 1.2 of this Report.

- Pay increases in aggregate were higher than expected.

Total pay for continuing active employees was higher than the pay projected using the prior valuation assumptions. Actuarial liabilities and costs increased as a result.

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

Investment returns produced an actuarial gain that decreased costs to the Fund by \$7.4 million, or 2.1% of payroll.

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

- New members increased the Plan contribution rate.

There were about 600 new entrants and rehired members in the Teacher's Plan during FY 2007. This number has remained relatively constant for the past few years, and reflects the high turnover experience noted above. The long-term cost of these new members is approximately 10% based on current assumptions and Plan provisions. The Plan contribution rate will eventually move in the direction of the average new entrant cost; however, this process could occur very gradually as past gains are recognized.

- Assumption changes resulted in a decrease in the contribution rate.

Due to the recent pattern of high termination rates, and the expected continuation of this pattern, assumed termination rates were increased from the prior valuation. This had the most significant impact on the District contribution rate. An increase in the assumed total return also contributed to the decreased contribution rate.

Overall, actuarial gains and assumption changes outweighed losses, resulting in a contribution rate decrease from 3.2% to 0.0% of member payroll. The normal contribution decreased from \$8.1 million to \$0. A full development of costs and reasons for changes from October 1, 2006 to October 1, 2007 are shown in Sections 3.1 and 3.2 of this report.

District Contribution Rate – Police

Since the last actuarial valuation was performed as of October 1, 2006, the normal contribution rate for the Police Officers has decreased, as has the total contribution amount.

Table 3 below shows a reconciliation of the fiscal year 2008 rate and amount to the fiscal year 2009 rate and amount.

Table 3: Change in District Contribution Rate from October 1, 2006 to October 1, 2007 – Police

Valuation Date	Rate	Amount (Millions)
October 1, 2006	37.7%	\$99.2
Change Due to:		
Demographic Experience	0.8%	7.2
Salary Experience	(0.2%)	(0.9)
Investment Experience	(2.6%)	(7.1)
New Entrants	0.6%	6.2
Assumption Changes	(11.0%)	(30.6)
Total Change	(12.4%)	(25.2)
October 1, 2007	25.3%	\$74.0

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

- Demographic experience was slightly unfavorable.

Demographic experience resulted in an increase in the normal contribution rate of 0.8% of pay, a \$7.2 million increase in the contribution amount. One factor contributing to this loss was the reconciliation of split benefit amounts (Federal versus District amount). Previously, the splits were estimated using available data.

More detailed information regarding changes in membership is shown in Section 1.2 of this Report.

- Pay increases in aggregate were slightly lower than expected.

There was a small gain due to lower than expected pay, resulting in a decrease in the normal rate of 0.2% of payroll, or \$0.9 million.

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

As a result of investment gains, the contribution rate decreased by 2.6% of payroll, or \$7.1 million.

- New members to the Plan increased costs.

There were 265 new entrants and rehired members in the Police Officers Plan during the plan year. The long-term normal contribution rate for 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 0.6%, or \$6.2 million.

- Assumption changes resulted in a decrease in the contribution rate

Due to the recently observed experience of high termination rates among Officers with less than three years of service, assumed termination rates were increased for this segment of the Police population since the prior valuation. The combination of this and a decrease in the assumed rates of disability for males and adjusted retirement rates had the most significant impact on the District contribution rate. An increase in the assumed total return also contributed to the decreased contribution rate.

Overall, actuarial gains and assumption changes greatly outweighed losses and the impact of new entrants, causing the Funds' contribution rate to decrease from 37.7% to 25.3% as a percentage of member payroll. The contribution amount decreased from \$99.2 million to \$74.0 million. A full development of costs and reasons for changes from October 1, 2006 to October 1, 2007 are shown in Sections 3.1 and 3.2 of this report.

District Contribution Rate – Fire

Since the last actuarial valuation was performed as of October 1, 2006, the Fire Fighters' cost has decreased as a percentage of active members' payroll, and remained relatively stable as a dollar amount due to higher payroll.

Table 4 below shows a reconciliation of the fiscal year 2008 rate and amount to the fiscal year 2009 rate and amount.

Table 4: Change in District Contribution Rate from October 1, 2006 to October 1, 2007 – Fire

Valuation Date	District Contribution Rate	
	(% Payroll)	(\$ in Millions)
October 1, 2006 (FY08 Contribution)	31.5%	\$33.2
Change Due to:		
Demographic Experience	(0.4%)	0.2
Salary Experience	(0.2%)	(0.2)
Investment Experience	(2.4%)	(2.6)
New Entrants	2.1%	6.4
Assumption Changes	(4.0%)	(4.1)
Total Change	(4.9%)	(0.3)
October 1, 2007 (FY09 Contribution)	26.6%	\$32.9

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

- Demographic experience was slightly favorable.

Demographic experience, including the effects of data improvement initiatives, resulted in actuarial gains. The effect on cost as a percentage of payroll was a 0.4% decrease. However, an expected increase in payroll caused the contribution amount to increase by \$0.2 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 slightly lower than expected.

There was a gain due to pay increases that were lower than expected based on the prior valuation. This decreased the contribution rate by 0.2% of payroll, or \$0.2 million.

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

Favorable investment experience resulted in a decrease in the Contribution Rate of 2.4% of payroll, an actuarial gain of \$2.6 million.

- New members to the Plan increased costs.

There were 273 new entrants and rehired members in the Fire Fighters' Plan during FY 2007. This is a significantly higher number than in prior years. The long-term normal rate of these new members is higher than 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 2.1% of payroll, or \$6.4 million.

- Assumption changes resulted in a decrease in the contribution rate.

Due to the recently observed experience of low disability rates among Fire Fighters, assumed disability rates were decreased since the prior valuation. This, combined with adjusted retirement rates, had the most significant impact on the District contribution rate. An increase in the assumed total return also contributed to the decreased contribution rate.

Overall, actuarial gains and assumption changes outweighed losses and the impact of new entrants, causing the Funds' costs to decrease from 31.5% to 26.6% as a percentage of member payroll. Increases in total payroll however, caused the contribution amount to decrease only slightly, from \$33.2 million to \$32.9 million. A full development of costs and reasons for changes from October 1, 2006 to October 1, 2007 are shown in Sections 3.1 and 3.2 of this report.

History of Contributions

Figure 1 below shows a history of District contributions to the Funds since fiscal year 2003.

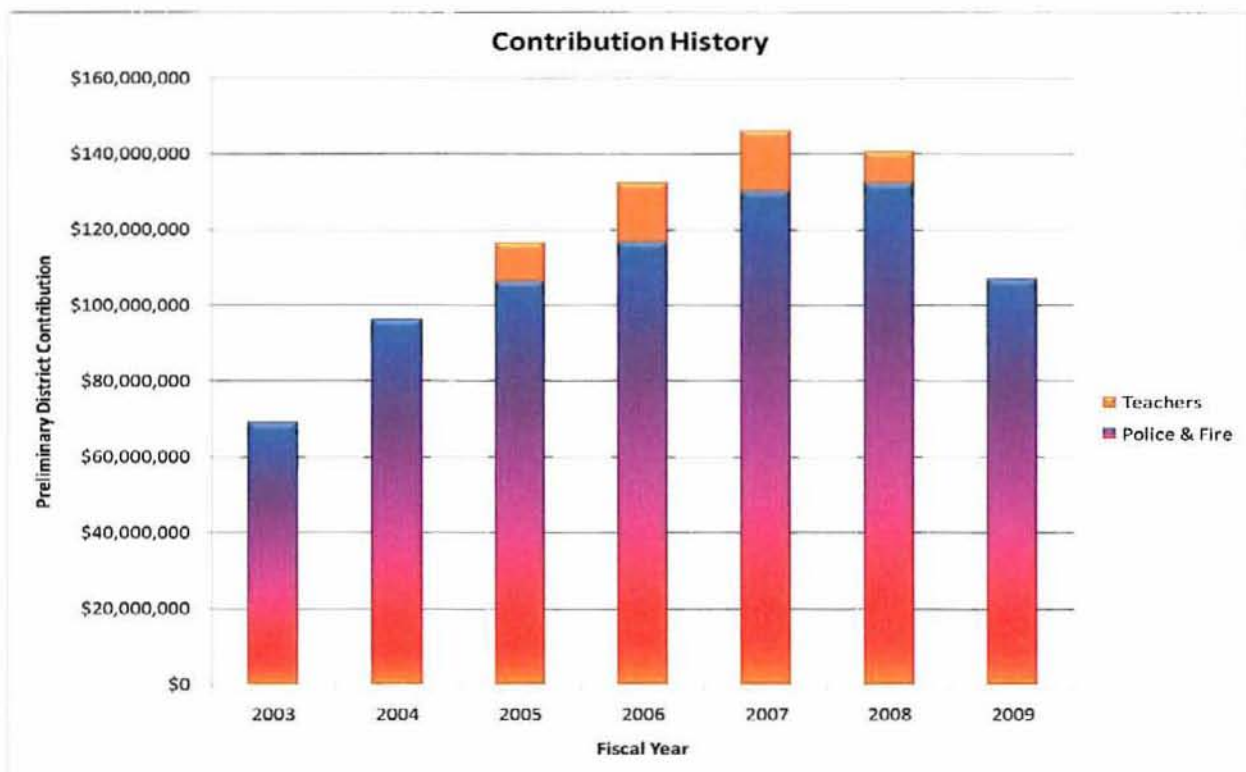


Figure 1: Historical Contribution Amounts

We can see from the graph that contributions had increased steadily from 2003 through 2007 (based on valuations from 2001 through 2005). This is due partly to the normal increase expected due to the annual growth in payroll; however, this would not normally cause such a substantial increase in contributions. Payroll increased by about 15% over this time period, while contributions doubled. One of the primary drivers of this rapid increase was the poor investment returns experienced by the DC

Plans as well as most other U.S. pension plans from 2000 to 2002. Asset smoothing caused the effects of these poor returns to be realized over an extended period of time. Favorable experience, including investment returns, over the past few years has decreased the total contributions to the Funds. This can be seen in Figure 1 from 2007 to 2009.

As of October 1, 2007, there were about \$300 million in unrecognized investment gains, which will be used to offset future losses, so it is possible that even if the Plan's return on investments is lower than expected over the next two years, there may not be a significant increase in contribution amounts. However, asset losses (total returns below expected returns) of \$300 million would eliminate this buffer. As we have seen in the past, this can happen over a short period of time, even one or two years.

Conclusion and Additional Information

The contribution rates developed in this valuation are not necessarily representative of future contribution rates. Rates may increase or decrease due to experience of the Plans, changes in assumptions or Plan provisions, or changes in actuarial cost methods.

Statement Number 50 of the Governmental Accounting Standards Board (GASB) requires disclosure by governments that use the Aggregate actuarial cost method of the funded status and the presentation of a multiyear schedule of funding progress using the Entry Age Normal actuarial cost method as a surrogate. This is because the Aggregate method does not explicitly define an accrued liability. Accordingly, a determination of the funding ratios using the Entry Age Normal actuarial cost method for each plan has been included within this report. The actuarial assumptions (demographic and economic) used for these calculations are the same as were used to determine the required contributions.

The Board is also in the process of adopting the Entry Age Normal method as a funding basis. This would cause a change in the way the contribution rates are developed, resulting in a rate that is higher or lower than the rate under the Aggregate method in any given year. This is because under Entry Age Normal, the normal cost (annual benefit cost) is explicitly defined, and amortization period(s) and method would be determined based on the goals and policies of the Board. Either cost method will result in fully funding future benefit payments, so the year to year differences are expected to balance out in the long term.

Currently, a real rate of return (defined as the total return rate, less inflation) of 2.50% is assumed. As described above, the Board has adopted an assumption policy which could increase this rate incrementally (phasing in a higher rate), subject to annual review. Increasing the real return assumption will result in lower liabilities and costs; however, the experience of the Plan over the next few years could serve to increase liabilities and costs, somewhat offsetting the impact of any assumption changes.

A reasonable way to increase the assumed real return would be to decrease the assumed future inflation. Such a change has limited impact compared to an equivalent change in the nominal return assumption, since the retiree COLA is limited for many Plan members to 3% per year.

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

Respectfully submitted,



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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 Member 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 (payable until the children are no longer eligible) equal to the smallest of:

- 60% of average pay divided by the number of eligible children;
- \$5,772 (if hired before January 1, 1980), \$5,580 (if hired between January 1, 1980 and November 15, 1996), or \$5,532; or
- \$17,316 (if hired before January 1, 1980) , \$16,740 (if hired between January 1, 1980 and November 15, 1996), or \$16,596 divided by the number of children

Installment Benefit Payable upon Death – Dependent Children Only

Eligibility

Same as the children's benefit above.

Benefit Amount

Per child (payable until the children are no longer eligible), the smallest of:

- 75% of average pay divided by the number of eligible children;
- \$7,044 (if hired before January 1, 1980) , \$6,792 (if hired between January 1, 1980 and November 15, 1996), or \$6,708; or
- \$21,132 (if hired before January 1, 1980) , \$20,376 (if hired between January 1, 1980 and November 15, 1996), or \$20,124 divided by the number of children

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 limited to 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 Killed Not 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 (payable until the children are no longer eligible) equal to the smallest of:

- 60% of average pay divided by the number of eligible children;
- \$3,396; or
- \$10,188 divided by the number of children

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 Member 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 equalization pay, which is defined as the percentage increase as active employees' salary increases.

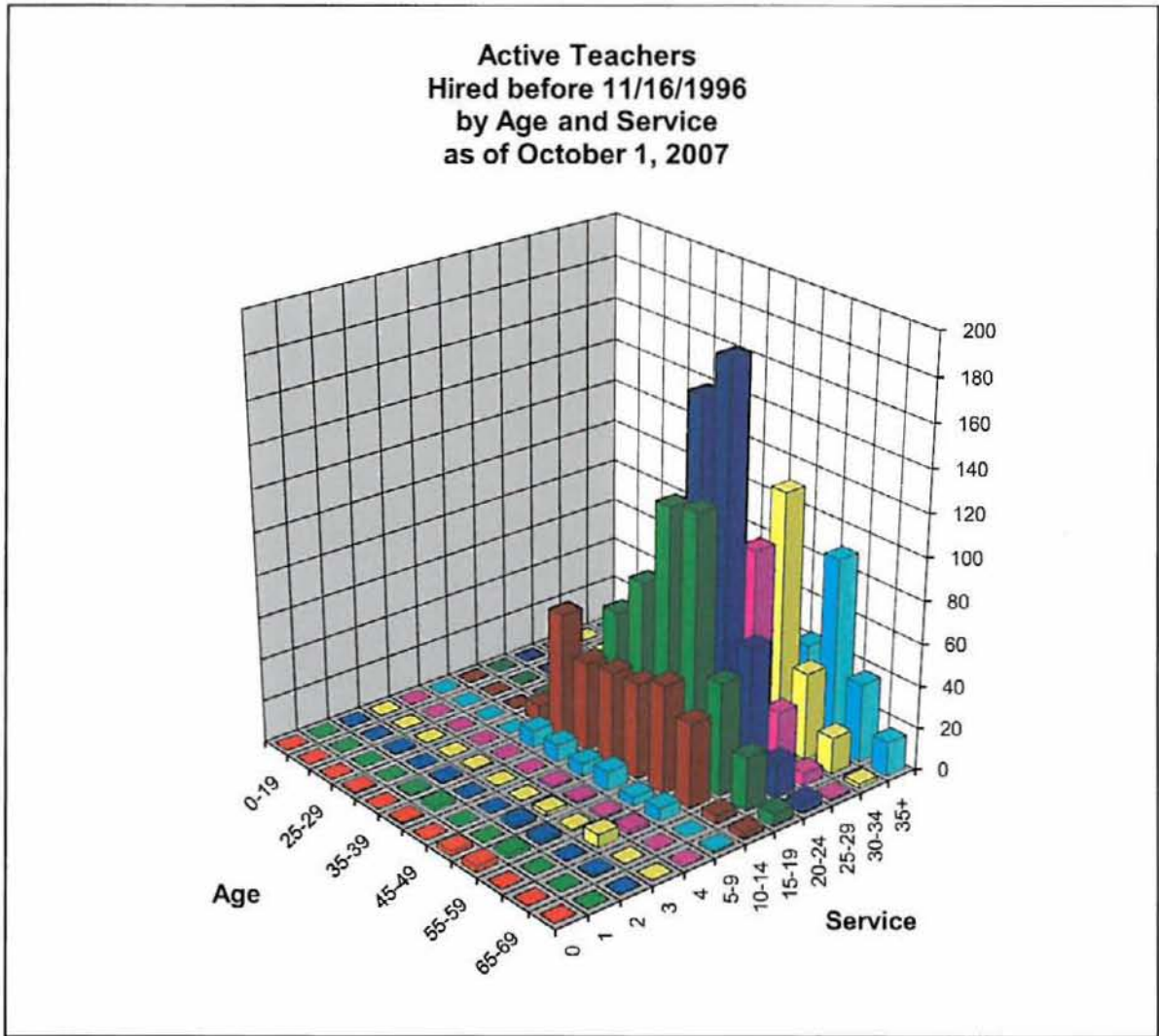
All other retired participants receive an increase each March based on the annual change in the Consumer Price Index (All Urban Consumers) from December to December. The annual increase is limited to a maximum of 3% for members hired on or after November 10, 1996.

1.2: Participant Data as of October 1, 2007

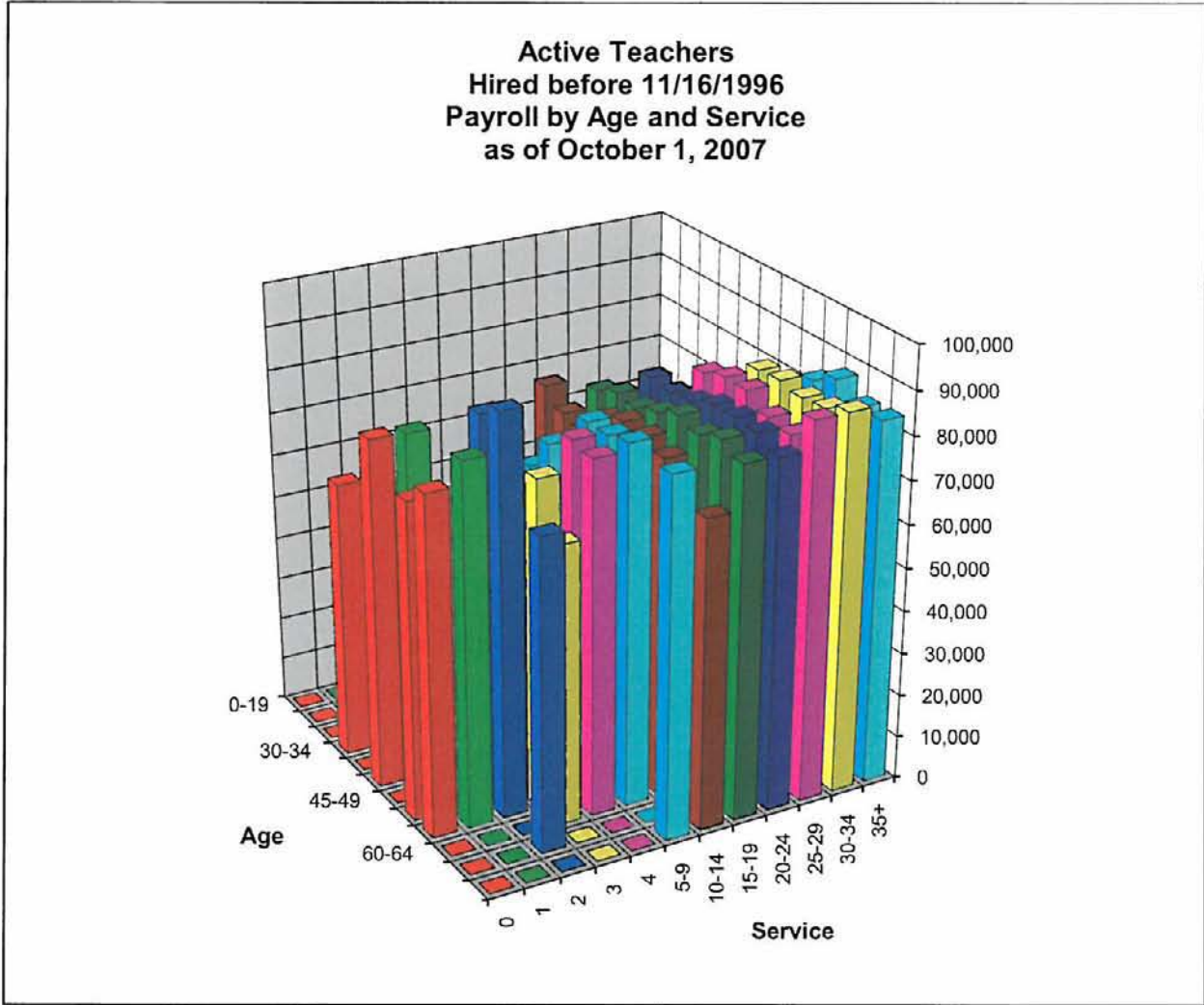
Active Participants	Teachers	Police Officers	Fire Fighters
Number	5,027	3,844	1,706
Average Age	45.6	39.2	37.5
Average Service	11.6	12.7	11.5
Average Pay	\$69,567	\$67,902	\$64,679

Inactive Participants	Teachers		Police Officers		Fire Fighters	
Service Retired	District	Total*	District	Total*	District	Total*
Number	2,192	4,968	598	3,132	210	957
Average Age	64.6	71.8	56.5	63.0	56.9	65.8
Average Benefit	\$9,989	\$39,322	\$12,209	\$48,511	\$16,393	\$57,642
Beneficiaries						
Number	82	452	170	1,295	47	491
Average Age	47.5	69.6	32.3	65.6	30.5	70.0
Average Benefit	\$4,003	\$17,772	\$4,615	\$23,579	\$6,207	\$25,512
Disabled						
Number	90	440	238	1,272	51	493
Average Age	58.2	71.3	45.6	64.1	51.0	69.4
Average Benefit	\$11,314	\$26,780	\$17,313	\$39,918	\$13,133	\$46,513
Terminated Vested						
Number	645	999	61	196	24	38
Average Age	46.0	52.8	42.0	56.2	44.0	49.1
Average Benefit	\$5,279	\$7,861	\$8,514	\$10,652	\$9,601	\$15,292

* 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	1	0	0	0	0	0	0	0	0	0	1
30-34	1	0	0	0	0	0	8	0	0	0	0	0	9
35-39	0	1	1	1	0	8	59	18	0	0	0	0	88
40-44	1	2	0	0	0	8	42	61	31	0	0	0	145
45-49	0	0	0	0	1	6	44	81	89	8	0	0	229
50-54	2	0	2	2	1	9	45	122	167	93	25	0	468
55-59	3	2	2	1	1	4	51	125	188	98	120	43	638
60-64	0	0	0	6	2	6	40	53	64	28	41	90	330
65-69	0	0	1	0	0	0	4	25	17	6	17	37	107
70+	0	0	0	0	0	1	3	6	5	1	2	16	34
Total	7	5	7	10	5	42	296	491	561	234	205	186	2,049

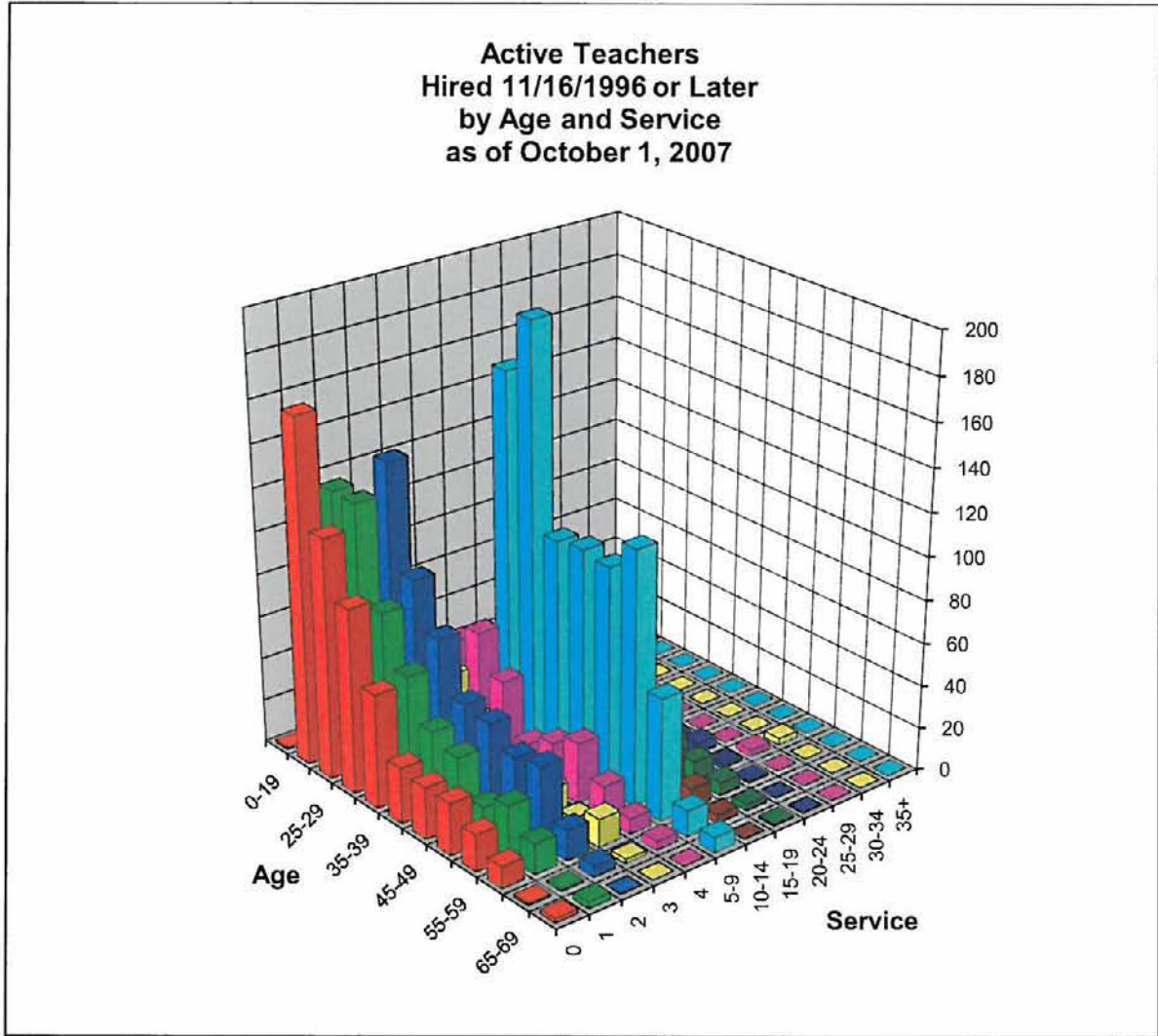


Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	43,386	0	0	0	0	0	0	0	0	0	43,386
30-34	64,347	0	0	0	0	0	77,156	0	0	0	0	0	75,733
35-39	0	64,347	61,848	64,347	0	63,103	73,597	77,204	0	0	0	0	73,037
40-44	80,798	80,376	0	0	0	71,113	72,650	79,469	81,449	0	0	0	77,478
45-49	0	0	0	0	64,337	64,152	78,200	78,935	80,876	83,741	0	0	79,265
50-54	73,526	0	88,832	53,752	64,347	82,093	80,540	80,831	81,677	85,526	85,536	0	82,166
55-59	78,361	83,562	92,312	76,135	82,898	82,121	80,069	83,220	83,687	85,495	86,041	84,377	84,052
60-64	0	0	0	64,681	81,848	83,487	78,444	81,773	83,958	82,353	84,957	87,513	83,524
65-69	0	0	71,874	0	0	0	63,900	83,852	83,557	81,397	85,467	84,063	83,139
70+	0	0	0	0	0	82,898	71,650	81,656	81,142	87,583	87,583	84,129	82,421
Total	75,326	78,445	77,057	63,607	75,056	74,042	76,918	81,090	82,523	84,975	85,730	85,811	81,932

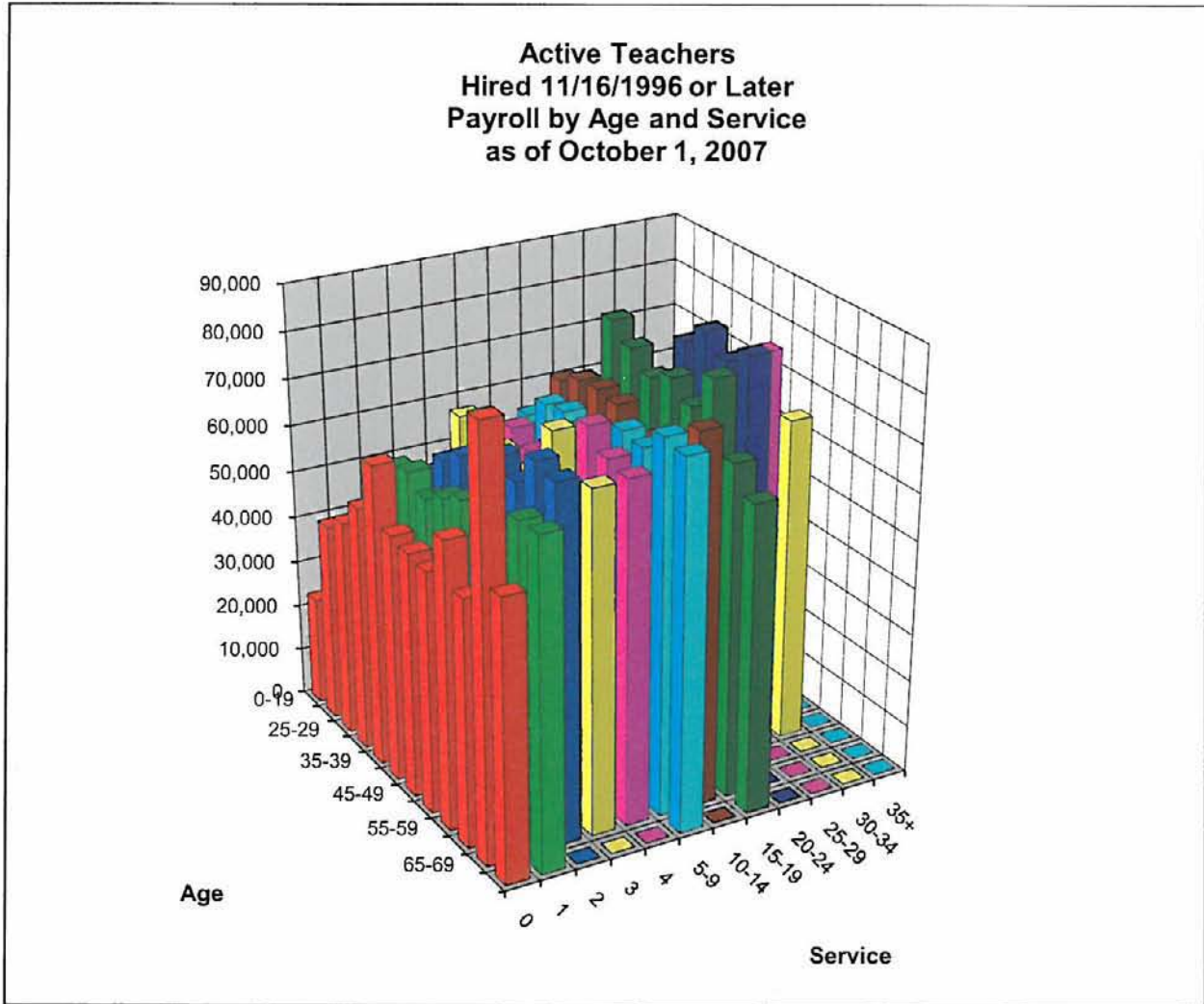
Average Age: 54.8

Average Service: 22.1





Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	1	0	0	0	0	0	0	0	0	0	0	0	1
20-24	161	123	28	1	0	0	0	0	0	0	0	0	313
25-29	112	123	137	18	44	39	0	0	0	0	0	0	473
30-34	86	79	89	39	54	170	10	0	0	0	0	0	527
35-39	53	56	68	25	37	197	23	3	0	0	0	0	462
40-44	26	37	44	14	14	104	12	3	0	0	0	0	254
45-49	24	32	42	12	21	106	19	11	2	0	0	0	269
50-54	24	16	33	12	28	104	19	11	5	0	0	0	252
55-59	17	24	36	6	15	118	18	9	2	3	3	0	251
60-64	10	14	14	13	7	57	9	6	1	0	0	0	131
65-69	1	1	5	2	4	12	4	3	0	0	0	0	32
70+	2	3	0	0	0	7	0	1	0	0	0	0	13
Total	517	508	496	142	224	914	114	47	10	3	3	0	2,978

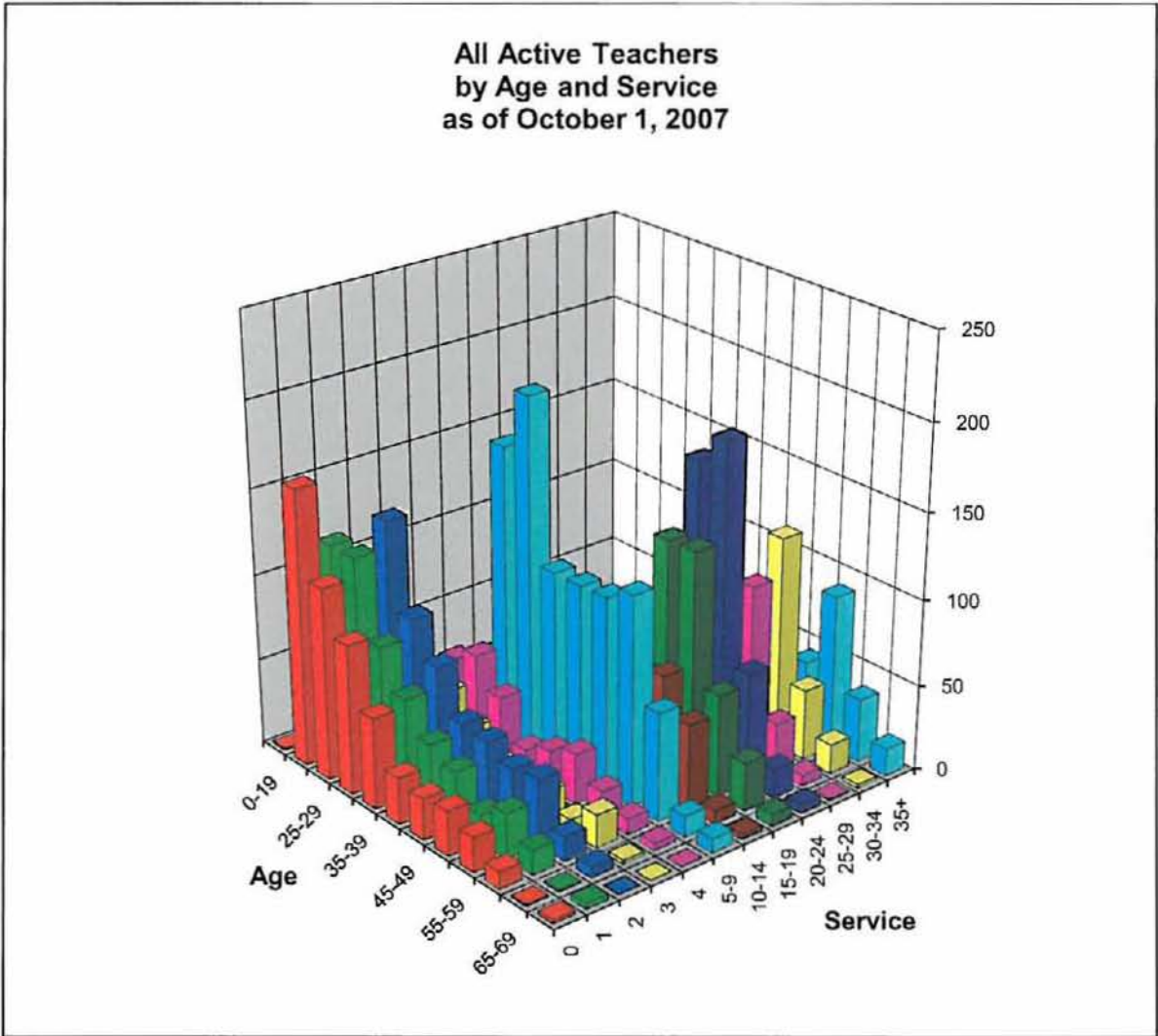


Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	23,152	0	0	0	0	0	0	0	0	0	0	0	23,152
20-24	42,578	43,103	45,738	44,988	0	0	0	0	0	0	0	0	43,075
25-29	46,296	47,584	47,689	50,788	53,288	55,505	0	0	0	0	0	0	48,615
30-34	52,443	59,460	56,660	67,125	62,255	64,502	70,254	0	0	0	0	0	60,527
35-39	64,288	61,375	62,109	69,617	65,885	69,232	72,904	84,043	0	0	0	0	66,696
40-44	52,616	58,609	65,836	65,482	63,448	70,379	73,586	80,673	0	0	0	0	65,680
45-49	51,964	61,615	63,407	58,957	67,672	69,735	73,056	77,054	82,898	0	0	0	66,185
50-54	51,371	64,142	71,376	67,355	68,940	69,959	68,018	79,530	87,523	0	0	0	68,388
55-59	60,809	71,212	68,934	77,575	77,029	74,551	71,605	76,335	83,910	84,273	68,918	0	72,692
60-64	52,237	62,249	75,958	66,057	73,172	73,831	73,252	84,455	87,583	0	0	0	70,917
65-69	89,541	68,869	74,661	71,844	72,123	78,681	78,362	70,331	0	0	0	0	76,016
70+	58,914	69,170	0	0	0	77,690	0	65,111	0	0	0	0	71,868
Total	49,501	53,764	58,294	64,914	64,018	69,200	71,968	78,434	85,881	84,273	68,918	0	61,059

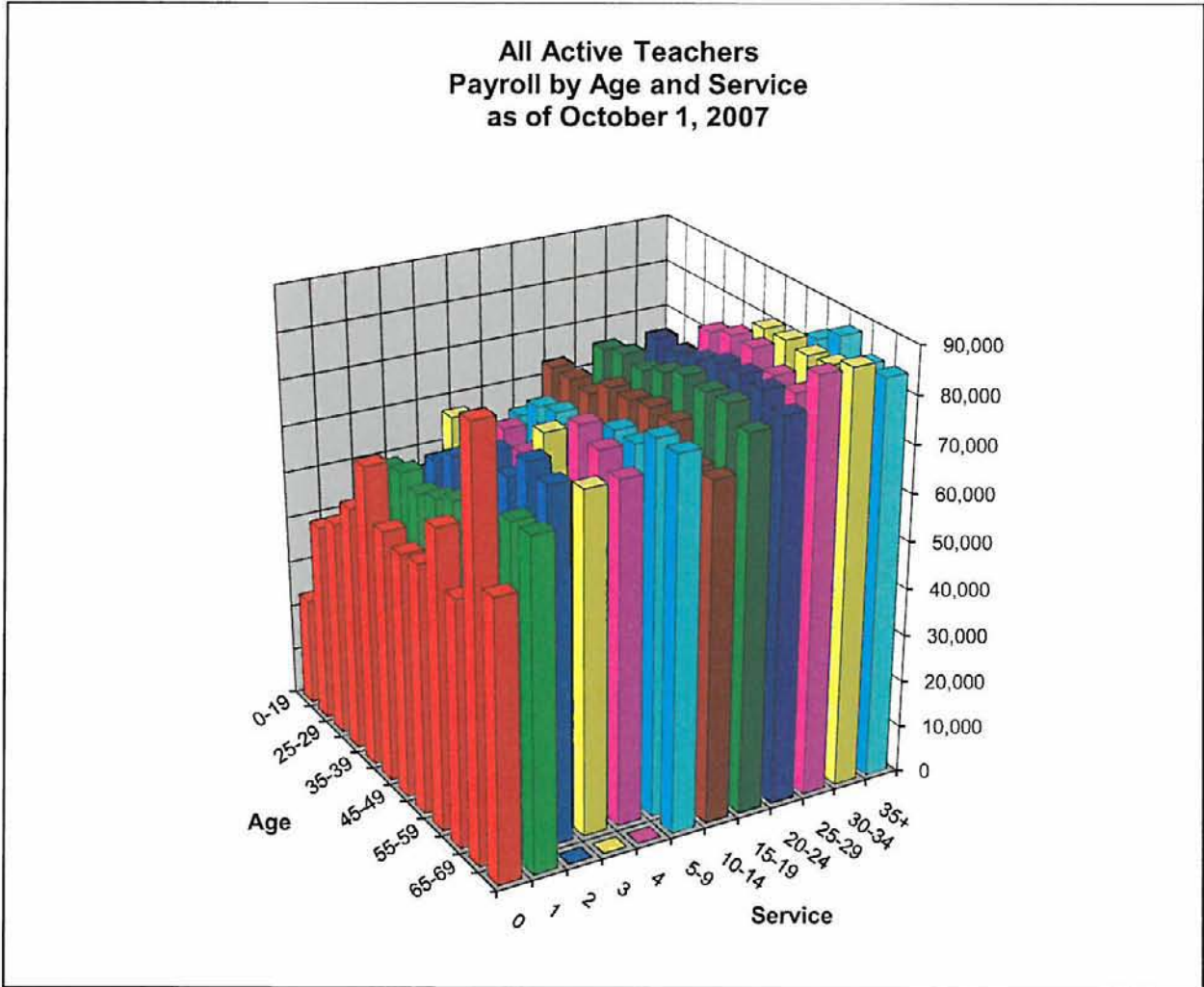
Average Age: 39.3

Average Service: 4.4





Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	1	0	0	0	0	0	0	0	0	0	0	0	1
20-24	161	123	28	1	0	0	0	0	0	0	0	0	313
25-29	112	123	138	18	44	39	0	0	0	0	0	0	474
30-34	87	79	89	39	54	170	18	0	0	0	0	0	536
35-39	53	57	69	26	37	205	82	21	0	0	0	0	550
40-44	27	39	44	14	14	112	54	64	31	0	0	0	399
45-49	24	32	42	12	22	112	63	92	91	8	0	0	498
50-54	26	16	35	14	29	113	64	133	172	93	25	0	720
55-59	20	26	38	7	16	122	69	134	190	101	123	43	889
60-64	10	14	14	19	9	63	49	59	65	28	41	90	461
65-69	1	1	6	2	4	12	8	28	17	6	17	37	139
70+	2	3	0	0	0	8	3	7	5	1	2	16	47
Total	523	513	503	152	229	956	410	538	571	237	208	186	5,027

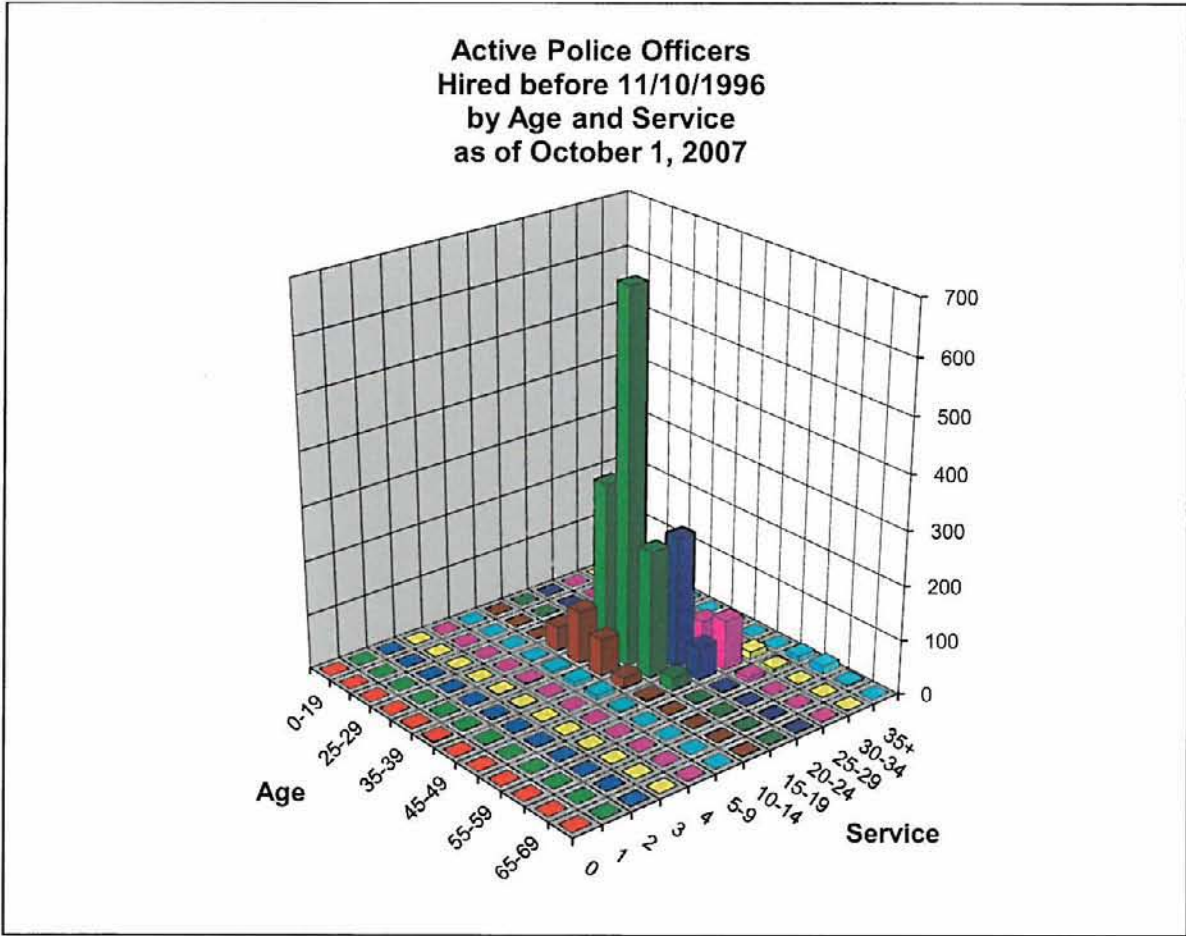


Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	23,152	0	0	0	0	0	0	0	0	0	0	0	23,152
20-24	42,578	43,103	45,738	44,988	0	0	0	0	0	0	0	0	43,075
25-29	46,296	47,584	47,658	50,788	53,288	55,505	0	0	0	0	0	0	48,604
30-34	52,580	59,460	56,660	67,125	62,255	64,502	73,322	0	0	0	0	0	60,782
35-39	64,288	61,427	62,105	69,414	65,885	68,993	73,403	78,181	0	0	0	0	67,710
40-44	53,660	59,725	65,836	65,482	63,448	70,431	72,858	79,525	81,449	0	0	0	69,968
45-49	51,964	61,615	63,407	58,957	67,520	69,436	76,649	78,710	80,920	83,741	0	0	72,200
50-54	53,075	64,142	72,373	65,412	68,782	70,925	76,823	80,723	81,847	85,526	85,536	0	77,343
55-59	63,442	72,162	70,164	77,369	77,396	74,799	77,861	82,758	83,689	85,459	85,623	84,377	80,845
60-64	52,237	62,249	75,958	65,622	75,100	74,751	77,490	82,046	84,014	82,353	84,957	87,513	79,942
65-69	89,541	68,869	74,197	71,844	72,123	78,681	71,131	82,403	83,557	81,397	85,467	84,063	81,499
70+	58,914	69,170	0	0	0	78,341	71,650	79,292	81,142	87,583	87,583	84,129	79,502
Total	49,846	54,005	58,555	64,828	64,259	69,413	75,542	80,858	82,582	84,966	85,488	85,811	69,567

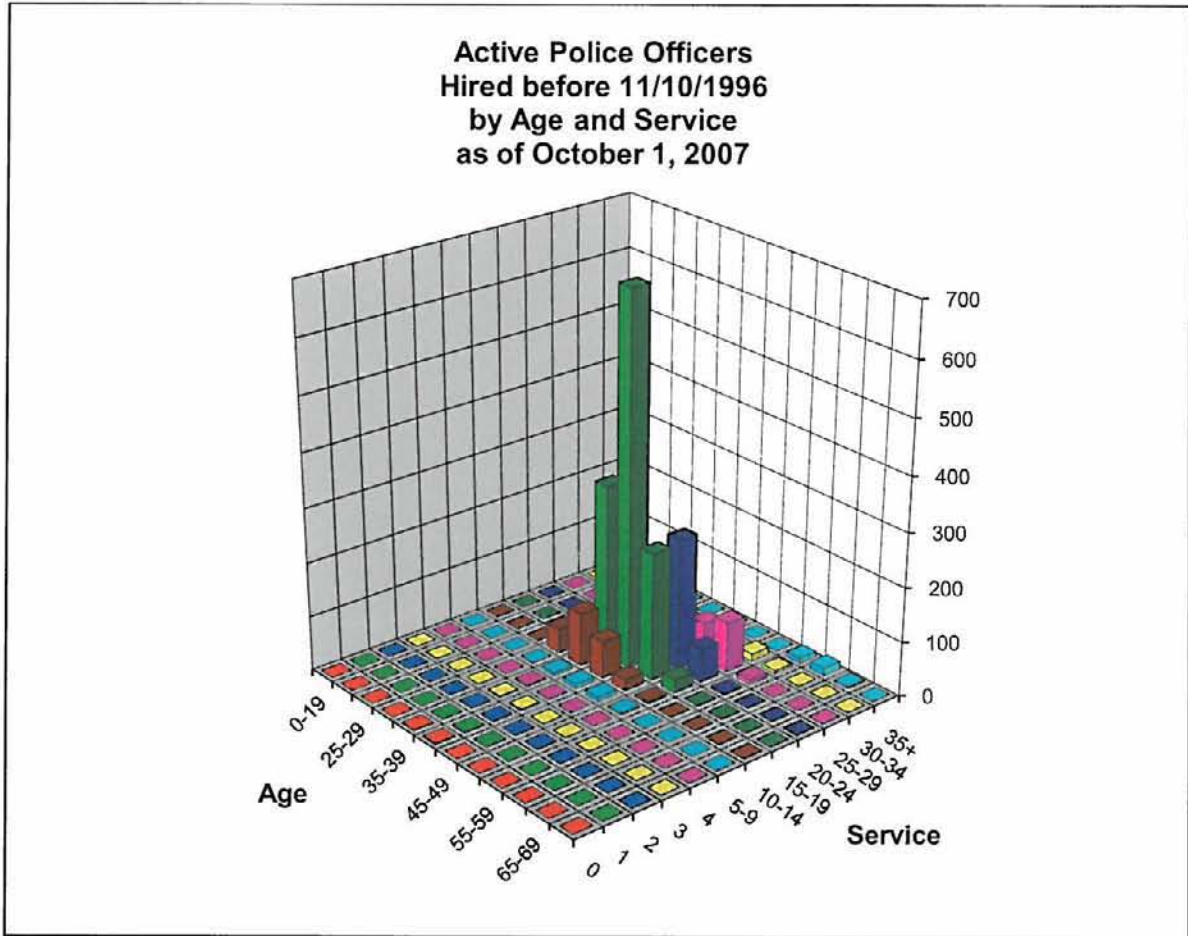
Average Age: 45.6

Average Service: 11.6





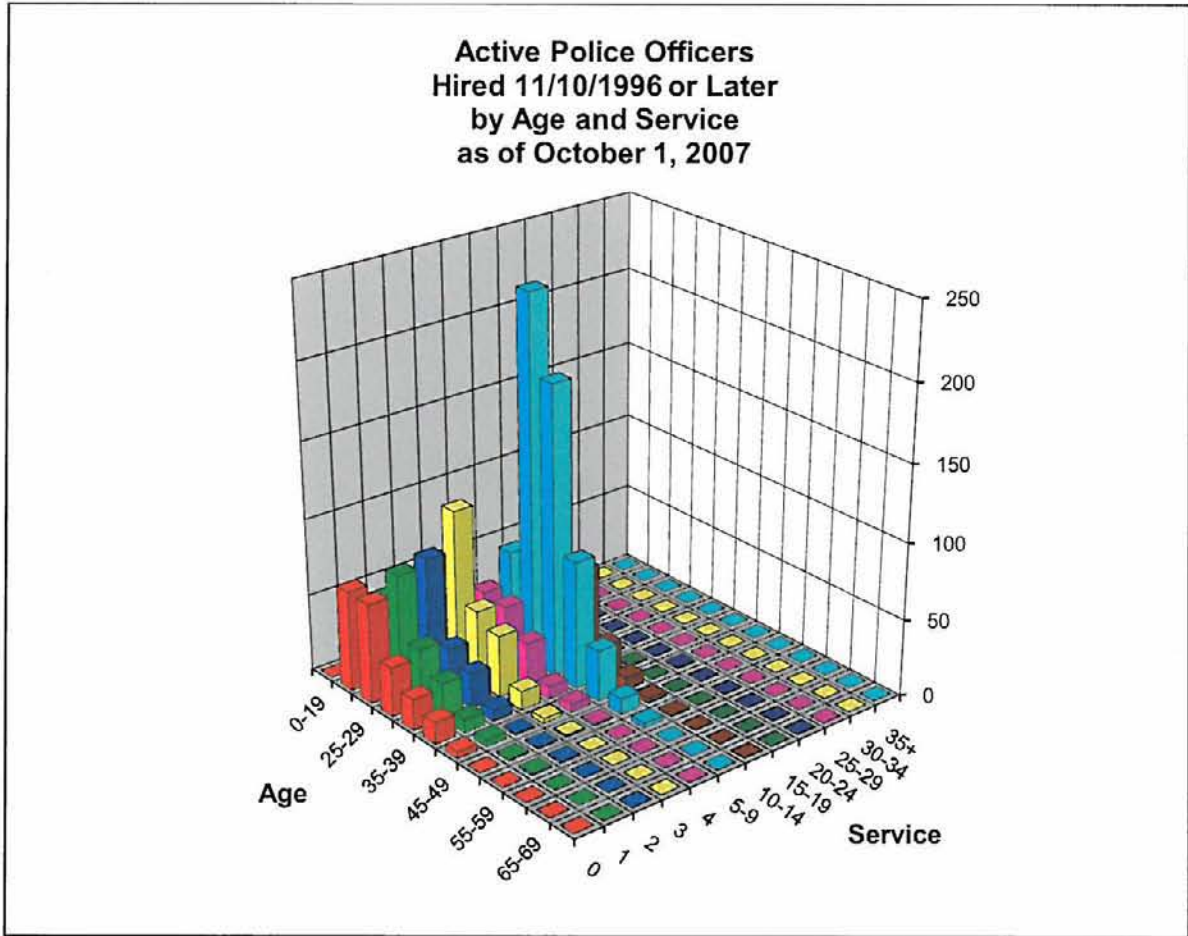
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	1	45	0	0	0	0	0	46
35-39	1	1	1	1	2	5	97	316	0	0	0	0	424
40-44	2	1	1	1	1	8	68	683	100	0	0	0	865
45-49	0	1	1	0	0	8	20	235	243	67	0	0	575
50-54	0	0	1	0	0	3	4	24	61	91	13	0	197
55-59	0	0	0	0	0	0	0	1	3	8	5	9	26
60-64	0	0	0	0	0	0	0	1	0	0	0	14	15
65-69	0	0	0	0	0	0	0	0	0	0	0	3	3
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	3	3	4	2	3	25	234	1,260	407	166	18	26	2,151



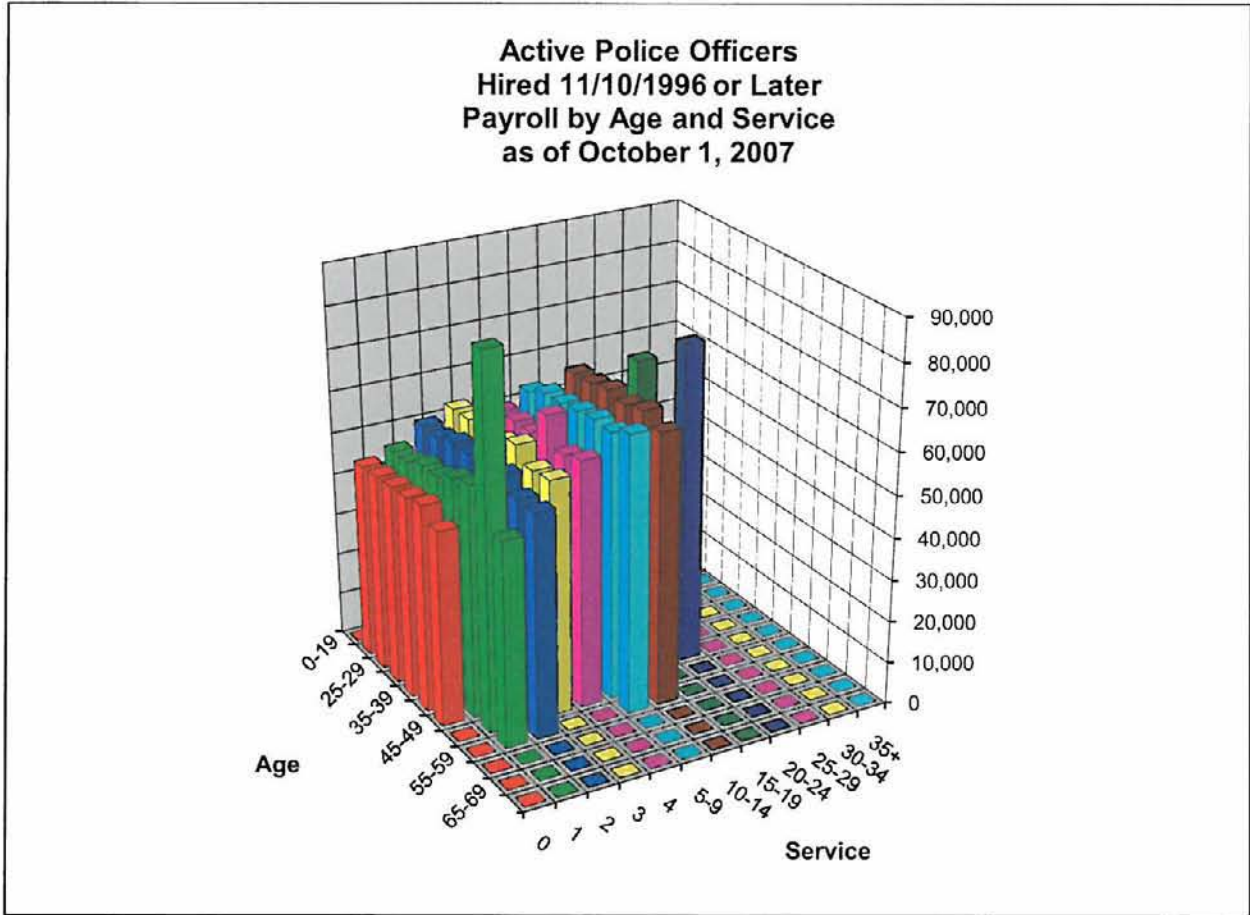
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	76,009	70,282	0	0	0	0	0	70,407
35-39	68,023	64,784	68,023	71,423	62,742	71,476	70,438	72,899	0	0	0	0	72,226
40-44	71,223	64,784	71,423	58,760	55,961	72,130	70,629	75,053	79,106	0	0	0	75,081
45-49	0	64,784	71,423	0	0	71,973	75,164	73,773	82,743	85,896	0	0	78,980
50-54	0	0	72,924	0	0	73,804	81,144	73,781	80,718	87,693	82,250	0	83,060
55-59	0	0	0	0	0	0	0	74,994	80,838	89,437	82,919	88,890	86,447
60-64	0	0	0	0	0	0	0	93,759	0	0	0	81,762	82,562
65-69	0	0	0	0	0	0	0	0	0	0	0	87,004	87,004
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	70,156	64,784	70,948	65,092	60,482	72,305	71,050	74,265	81,532	87,052	82,436	84,834	76,397

Average Age: 44.0

Average Service: 18.9



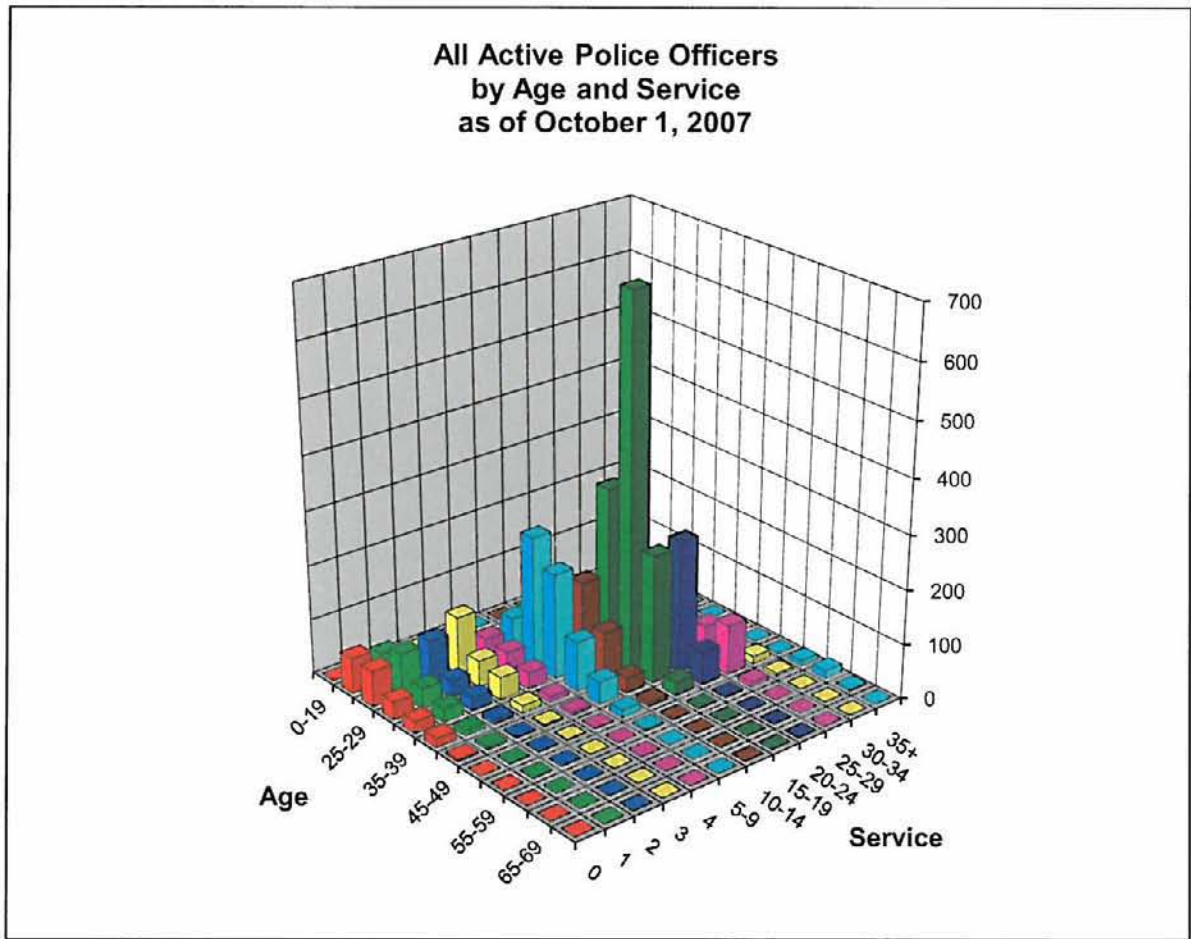
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	65	53	21	8	1	0	0	0	0	0	0	0	148
25-29	65	77	81	106	46	66	0	0	0	0	0	0	441
30-34	32	37	30	48	44	239	53	0	0	0	0	0	483
35-39	20	23	22	40	28	189	63	0	0	0	0	0	385
40-44	14	8	7	12	8	83	21	1	0	0	0	0	154
45-49	4	4	1	3	5	33	8	0	1	0	0	0	59
50-54	0	1	1	1	1	10	3	0	0	0	0	0	17
55-59	0	1	1	0	0	3	1	0	0	0	0	0	6
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	200	204	164	218	133	623	149	1	1	0	0	0	1,693



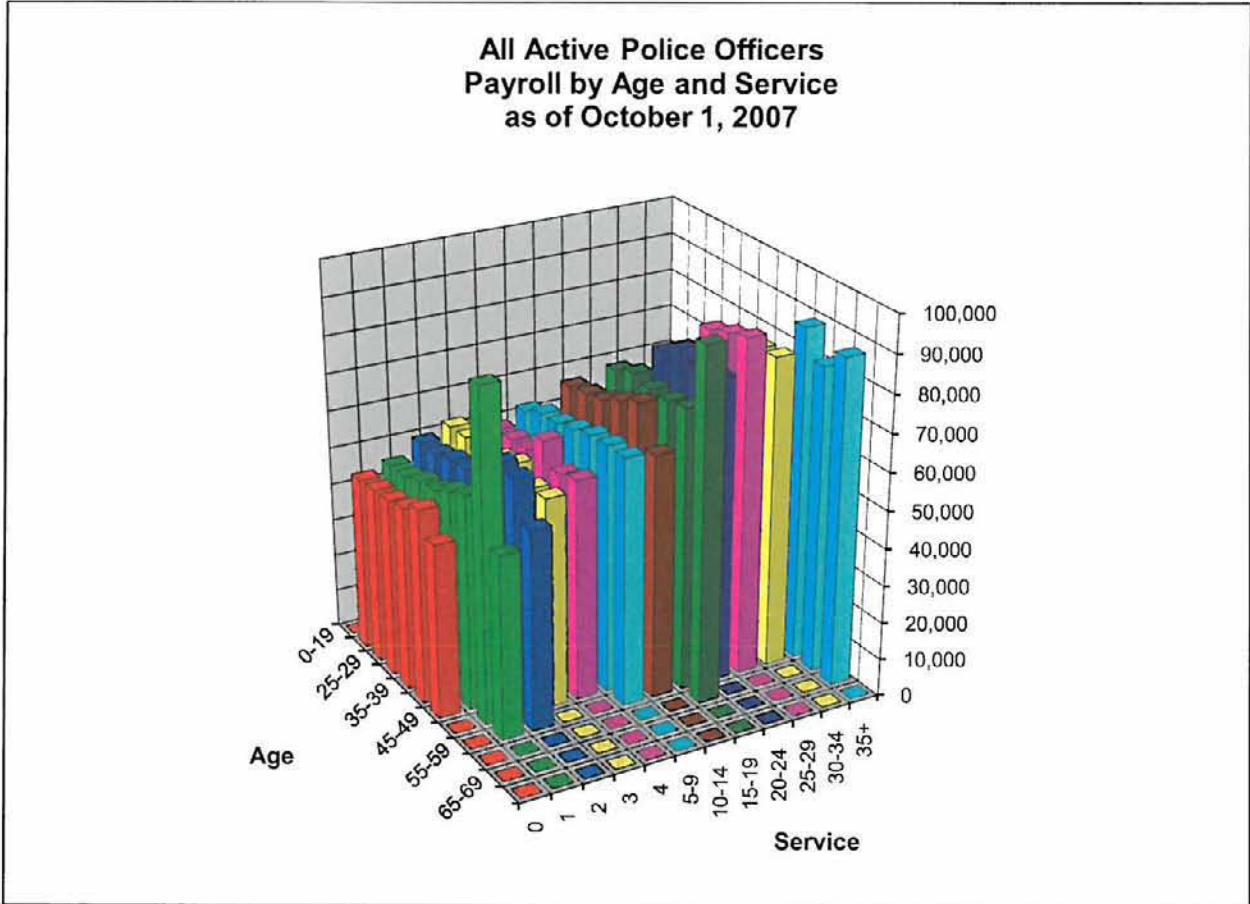
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	46,541	48,586	53,056	55,628	55,961	0	0	0	0	0	0	0	48,753
25-29	47,145	48,890	53,093	55,897	56,179	59,429	0	0	0	0	0	0	53,427
30-34	47,624	50,886	54,794	56,208	56,609	61,711	64,907	0	0	0	0	0	58,858
35-39	48,129	51,246	54,887	56,111	56,782	62,032	65,181	0	0	0	0	0	59,775
40-44	49,328	53,725	53,298	58,361	63,521	62,929	66,391	71,423	0	0	0	0	60,979
45-49	46,395	55,379	55,961	55,209	57,106	63,713	65,555	0	76,494	0	0	0	61,317
50-54	0	87,988	53,298	55,961	58,760	63,557	66,961	0	0	0	0	0	64,262
55-59	0	48,715	53,298	0	0	65,965	64,784	0	0	0	0	0	60,782
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	47,262	49,946	53,669	56,121	56,942	61,885	65,307	71,423	76,494	0	0	0	57,108

Average Age: 33.2

Average Service: 4.9



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	65	53	21	8	1	0	0	0	0	0	0	0	148
25-29	65	77	81	106	46	66	0	0	0	0	0	0	441
30-34	32	37	30	48	44	240	98	0	0	0	0	0	529
35-39	21	24	23	41	30	194	160	316	0	0	0	0	809
40-44	16	9	8	13	9	91	89	684	100	0	0	0	1,019
45-49	4	5	2	3	5	41	28	235	244	67	0	0	634
50-54	0	1	2	1	1	13	7	24	61	91	13	0	214
55-59	0	1	1	0	0	3	1	1	3	8	5	9	32
60-64	0	0	0	0	0	0	0	1	0	0	0	14	15
65-69	0	0	0	0	0	0	0	0	0	0	0	3	3
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	203	207	168	220	136	648	383	1,261	408	166	18	26	3,844

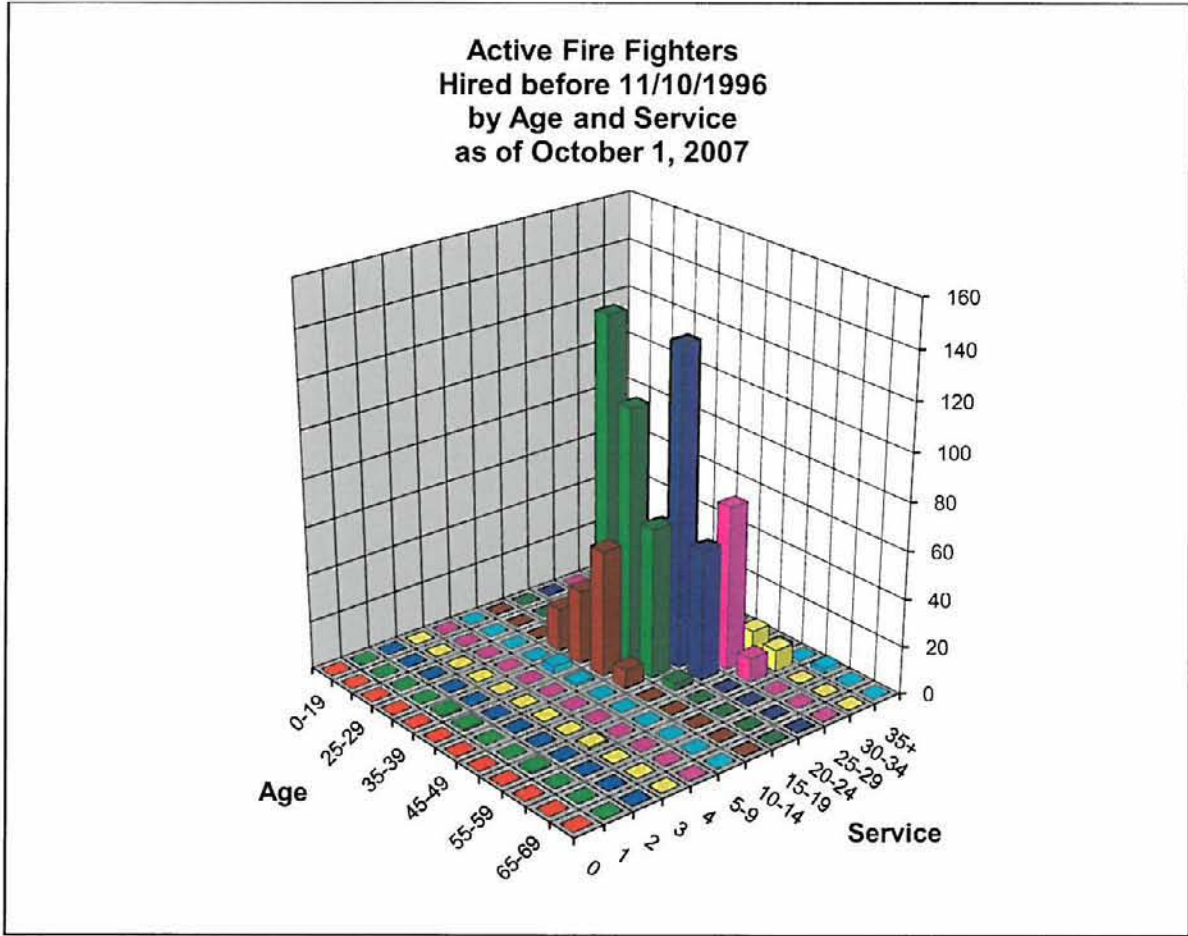


Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	46,541	48,586	53,056	55,628	55,961	0	0	0	0	0	0	0	48,753
25-29	47,145	48,890	53,093	55,897	56,179	59,429	0	0	0	0	0	0	53,427
30-34	47,624	50,886	54,794	56,208	56,609	61,771	67,375	0	0	0	0	0	59,862
35-39	49,076	51,810	55,458	56,484	57,179	62,275	68,368	72,899	0	0	0	0	66,301
40-44	52,065	54,954	55,564	58,392	62,681	63,738	69,629	75,048	79,106	0	0	0	72,950
45-49	46,395	57,260	63,692	55,209	57,106	65,325	72,419	73,773	82,717	85,896	0	0	77,336
50-54	0	87,988	63,111	55,961	58,760	65,922	75,066	73,781	80,718	87,693	82,250	0	81,566
55-59	0	48,715	53,298	0	0	65,965	64,784	74,994	80,838	89,437	82,919	88,890	81,634
60-64	0	0	0	0	0	0	0	93,759	0	0	0	81,762	82,562
65-69	0	0	0	0	0	0	0	0	0	0	0	87,004	87,004
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	47,600	50,161	54,080	56,203	57,021	62,287	68,816	74,262	81,519	87,052	82,436	84,834	67,902

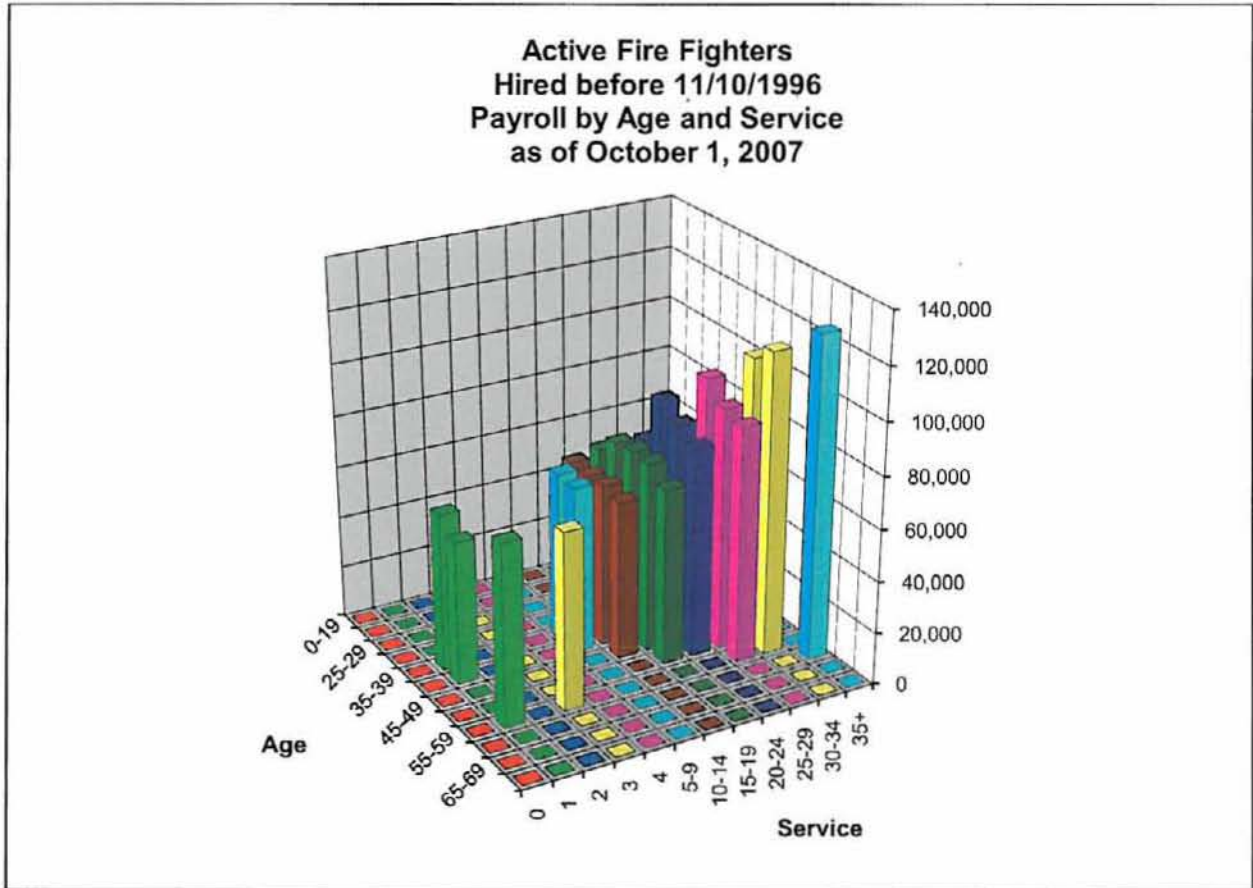
Average Age: 39.2

Average Service: 12.7





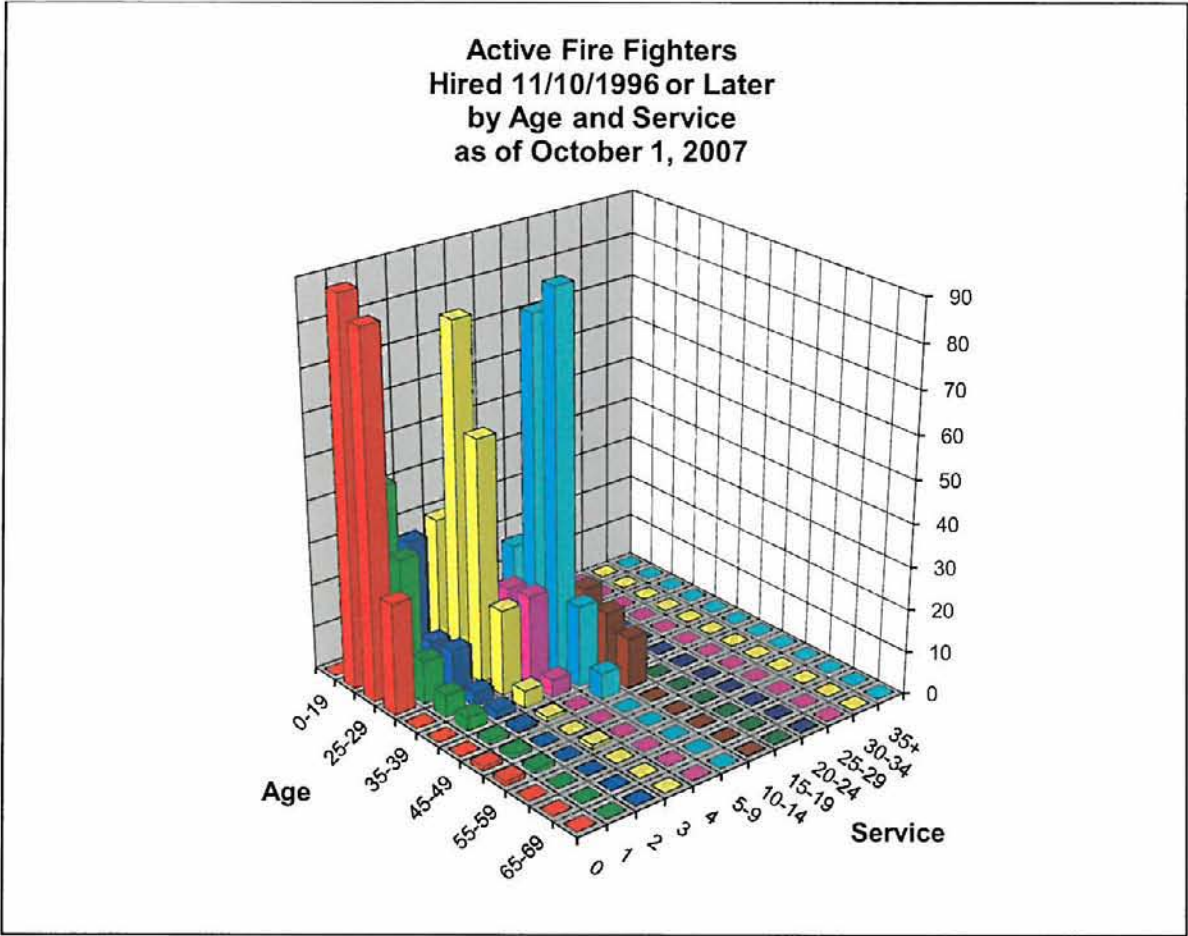
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	18	12	0	0	0	0	30
35-39	0	1	0	0	0	3	31	141	1	0	0	0	177
40-44	0	1	0	0	0	1	53	108	55	0	0	0	218
45-49	0	0	0	0	0	0	8	63	134	36	0	0	241
50-54	0	0	0	0	0	0	0	3	55	69	12	0	139
55-59	0	1	0	1	0	0	0	0	0	10	9	0	21
60-64	0	0	0	0	0	0	0	0	0	0	0	2	2
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	3	0	1	0	4	110	327	245	115	21	2	828



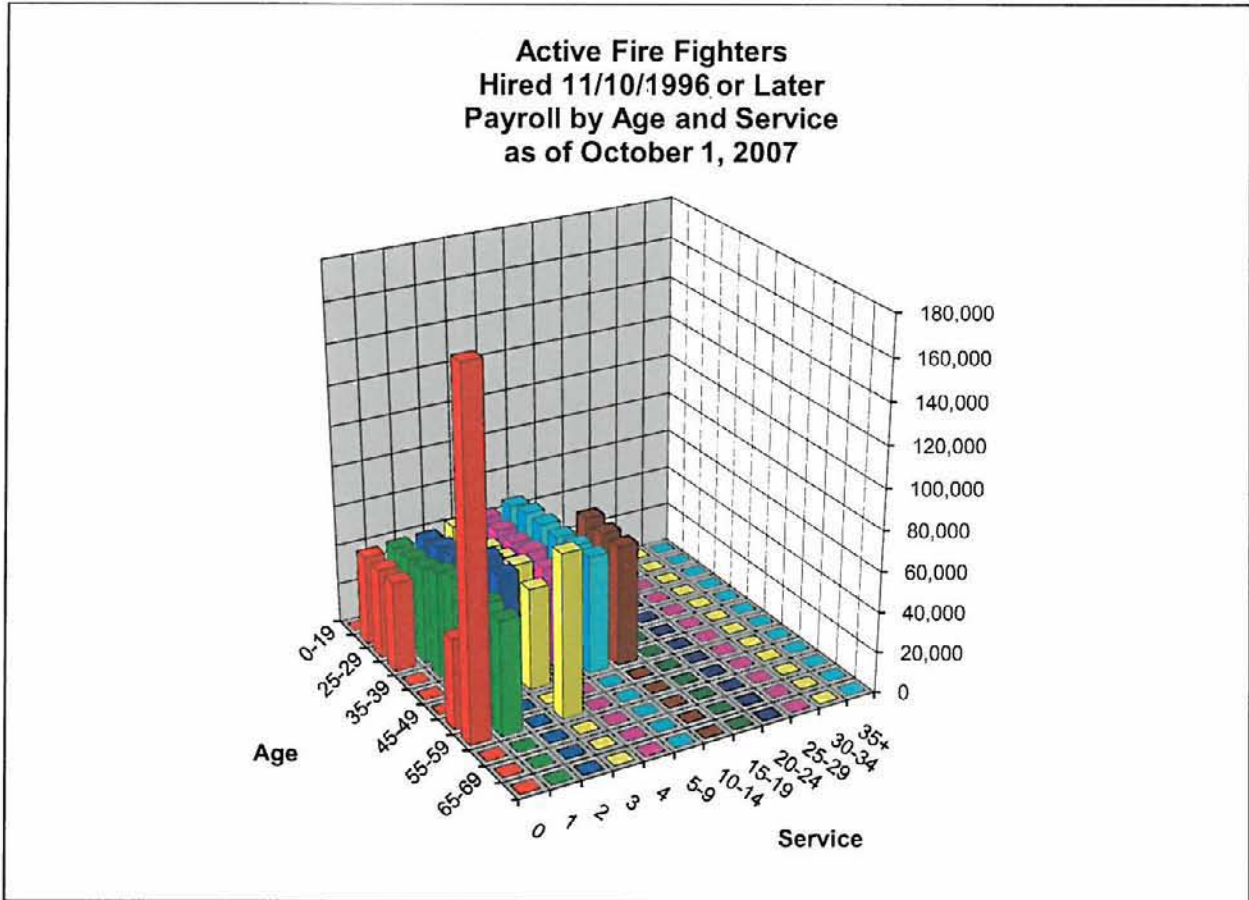
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	62,892	65,486	0	0	0	0	63,930
35-39	0	60,694	0	0	0	65,586	62,122	72,449	71,172	0	0	0	70,450
40-44	0	55,066	0	0	0	64,680	62,892	73,603	90,879	0	0	0	75,232
45-49	0	0	0	0	0	0	61,357	73,569	85,765	100,805	0	0	84,013
50-54	0	0	0	0	0	0	0	68,269	81,489	93,676	110,096	0	89,723
55-59	0	69,998	0	68,269	0	0	0	0	0	91,142	116,443	0	99,889
60-64	0	0	0	0	0	0	0	0	0	0	0	124,578	124,578
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	61,919	0	68,269	0	65,360	62,563	72,752	85,894	95,687	112,816	124,578	79,533

Average Age: 44.6

Average Service: 19.5



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	90	45	30	33	7	3	0	0	0	0	0	0	208
25-29	85	31	9	81	6	25	0	0	0	0	0	0	237
30-34	26	10	10	57	20	81	0	0	0	0	0	0	204
35-39	0	5	3	20	21	89	18	0	0	0	0	0	156
40-44	0	3	2	4	4	19	15	0	0	0	0	0	47
45-49	0	1	1	1	0	6	12	0	0	0	0	0	21
50-54	1	1	0	0	0	0	0	0	0	0	0	0	2
55-59	1	1	0	1	0	0	0	0	0	0	0	0	3
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	203	97	55	197	58	223	45	0	0	0	0	0	878

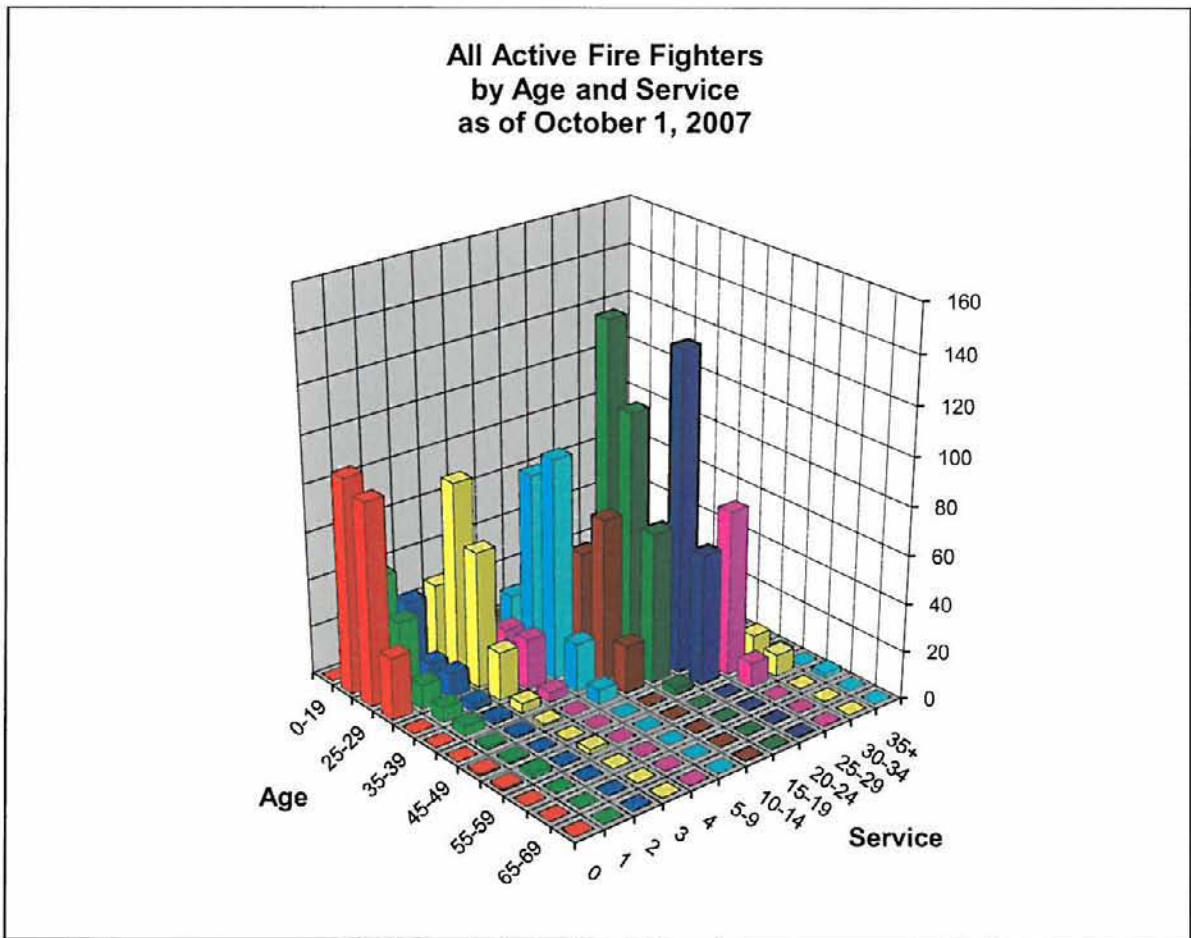


Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	44,399	45,551	46,000	49,187	50,060	52,866	0	0	0	0	0	0	45,951
25-29	44,353	46,230	48,337	50,443	50,060	55,243	0	0	0	0	0	0	48,124
30-34	44,523	47,801	49,883	50,612	50,060	55,671	0	0	0	0	0	0	51,617
35-39	0	52,542	58,182	52,032	52,043	55,500	61,602	0	0	0	0	0	55,251
40-44	0	57,149	62,243	55,377	50,060	57,506	60,312	0	0	0	0	0	57,765
45-49	0	63,796	60,694	50,060	0	58,552	60,072	0	0	0	0	0	59,368
50-54	44,301	57,591	0	0	0	0	0	0	0	0	0	0	50,946
55-59	176,550	56,264	0	80,498	0	0	0	0	0	0	0	0	104,437
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	45,046	47,142	48,611	50,694	50,778	55,751	60,764	0	0	0	0	0	50,671

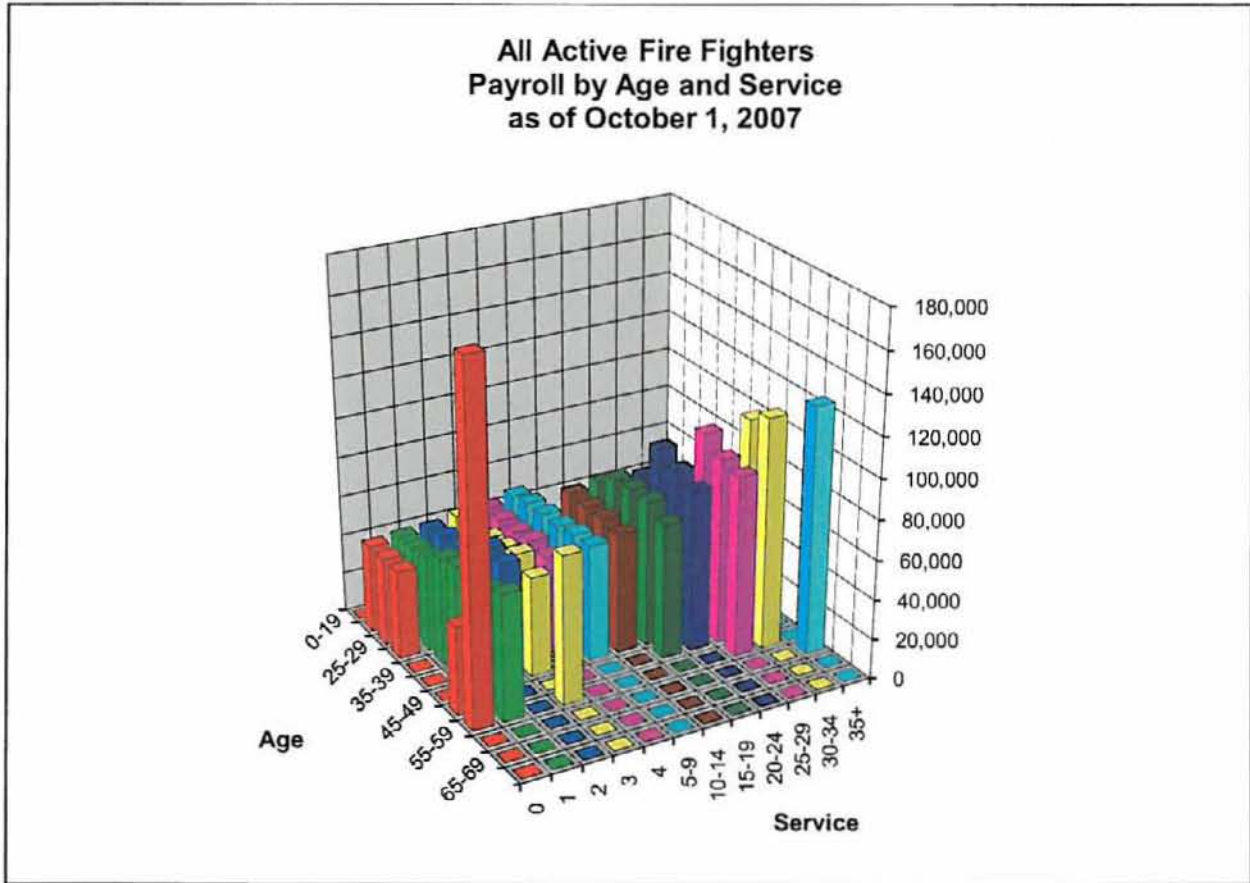
Average Age: 30.7

Average Service: 3.9





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	90	45	30	33	7	3	0	0	0	0	0	0	208
25-29	85	31	9	81	6	25	0	0	0	0	0	0	237
30-34	26	10	10	57	20	81	18	12	0	0	0	0	234
35-39	0	6	3	20	21	92	49	141	1	0	0	0	333
40-44	0	4	2	4	4	20	68	108	55	0	0	0	265
45-49	0	1	1	1	0	6	20	63	134	36	0	0	262
50-54	1	1	0	0	0	0	0	3	55	69	12	0	141
55-59	1	2	0	2	0	0	0	0	0	10	9	0	24
60-64	0	0	0	0	0	0	0	0	0	0	0	2	2
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	203	100	55	198	58	227	155	327	245	115	21	2	1,706



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	44,399	45,551	46,000	49,187	50,060	52,866	0	0	0	0	0	0	45,951
25-29	44,353	46,230	48,337	50,443	50,060	55,243	0	0	0	0	0	0	48,124
30-34	44,523	47,801	49,883	50,612	50,060	55,671	62,892	65,486	0	0	0	0	53,196
35-39	0	53,901	58,182	52,032	52,043	55,829	61,931	72,449	71,172	0	0	0	63,330
40-44	0	56,628	62,243	55,377	50,060	57,865	62,323	73,603	90,879	0	0	0	72,134
45-49	0	63,796	60,694	50,060	0	58,552	60,586	73,569	85,765	100,805	0	0	82,038
50-54	44,301	57,591	0	0	0	0	0	68,269	81,489	93,676	110,096	0	89,173
55-59	176,550	63,131	0	74,384	0	0	0	0	0	91,142	116,443	0	100,458
60-64	0	0	0	0	0	0	0	0	0	0	0	124,578	124,578
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	45,046	47,585	48,611	50,782	50,778	55,920	62,041	72,752	85,894	95,687	112,816	124,578	64,679

Average Age: 37.5

Average Service: 11.5

Inactive Teachers

Retirees	District Count	Average District Benefit	Total Count	Combined District and Fed Benefit
Under 35	0	\$0	0	\$0
35-39	0	\$0	1	\$50,016
40-44	0	\$0	0	\$0
45-49	0	\$0	0	\$0
50-54	1	\$8,332	2	\$29,358
55-59	306	\$13,597	312	\$44,263
60-64	1,018	\$10,244	1,125	\$41,336
65-69	573	\$8,550	955	\$38,785
70-74	223	\$8,173	880	\$39,622
75-79	57	\$8,213	706	\$37,169
80-84	13	\$7,926	471	\$35,785
85-89	1	\$4,974	299	\$37,626
90-94	0	0	138	\$39,186
95-99	0	0	66	\$39,379
<u>100 and over</u>	0	0	13	\$51,415
Total	2,192	\$9,989	4,968	\$39,322

Beneficiaries	District Count	Average District Benefit	Total Count	Combined District and Fed Benefit
Under 35	23	\$3,406	36	\$5,713
35-39	0	\$0	2	\$5,772
40-44	1	\$9,795	2	\$7,908
45-49	5	\$6,366	8	\$13,590
50-54	9	\$3,821	13	\$15,631
55-59	17	\$4,216	29	\$15,496
60-64	15	\$3,895	46	\$15,795
65-69	8	\$2,788	53	\$17,083
70-74	3	\$4,996	56	\$17,878
75-79	1	\$6,521	66	\$19,913
80-84	0	\$0	60	\$19,633
85-89	0	\$0	42	\$22,108
90-94	0	\$0	28	\$25,609
95-99	0	\$0	9	\$25,345
<u>100 and over</u>	0	\$0	2	\$19,746
Total	82	\$4,003	452	\$17,772

Disabled	District Count	Average District Benefit	Total Count	Combined District and Fed Benefit
Under 35	0	\$0	0	\$0
35-39	2	\$18,324	2	\$20,154
40-44	1	\$14,676	1	\$21,024
45-49	3	\$19,672	8	\$22,089
50-54	14	\$15,266	17	\$25,614
55-59	38	\$11,543	51	\$25,126
60-64	25	\$8,760	74	\$24,143
65-69	6	\$4,905	57	\$25,142
70-74	1	\$7,155	55	\$25,395
75-79	0	\$0	54	\$25,890
80-84	0	\$0	53	\$29,197
85-89	0	\$0	43	\$35,588
90-94	0	\$0	22	\$30,068
95-99	0	\$0	2	\$27,714
<u>100 and over</u>	0	\$0	1	\$19,120
Total	90	\$11,314	440	\$26,780

Terminated Vested	District Count	Average District Benefit	Total Count	Combined District and Fed Benefit
Under 35	122	\$4,992	122	\$5,015
35-39	111	\$4,875	111	\$5,690
40-44	66	\$5,257	82	\$6,481
45-49	99	\$5,228	112	\$7,310
50-54	88	\$5,424	159	\$9,656
55-59	89	\$5,757	146	\$8,905
60-64	50	\$6,044	122	\$9,328
65-69	14	\$5,499	33	\$10,390
70-74	3	\$1,715	24	\$7,477
75-79	2	\$5,196	18	\$8,076
80-84	1	\$5,825	22	\$7,905
85-89	0	\$0	22	\$10,952
90-94	0	\$0	14	\$7,034
95-99	0	\$0	12	\$8,794
<u>100 and over</u>	0	\$0	0	\$0
Total	645	\$5,279	999	\$7,861

Inactive Police Officers

Retirees	District Count	Average District Benefit	Total Count	Combined District and Fed Benefit
Under 35	0	\$0	0	\$0
35-39	1	\$23,052	1	\$23,052
40-44	0	\$0	0	\$0
45-49	1	\$26,681	1	\$63,360
50-54	225	\$15,440	301	\$53,277
55-59	264	\$11,457	861	\$46,546
60-64	94	\$6,991	951	\$46,394
65-69	12	\$7,613	518	\$46,762
70-74	1	\$3,816	282	\$48,651
75-79	0	\$0	126	\$58,560
80-84	0	\$0	61	\$67,378
85-89	0	\$0	21	\$82,009
90-94	0	\$0	6	\$50,324
95-99	0	\$0	3	\$54,400
<u>100 and over</u>	0	\$0	0	\$0
Total	598	\$12,209	3,132	\$48,511

Beneficiaries	District Count	Average District Benefit	Total Count	Combined District and Fed Benefit
Under 35	88	\$2,469	102	\$5,967
35-39	16	\$14,657	20	\$23,569
40-44	9	\$6,986	13	\$22,844
45-49	14	\$9,076	34	\$21,702
50-54	19	\$2,989	89	\$21,787
55-59	14	\$3,973	155	\$22,489
60-64	9	\$3,281	160	\$23,902
65-69	0	\$0	135	\$24,616
70-74	0	\$0	149	\$26,974
75-79	1	\$924	131	\$26,389
80-84	0	\$0	126	\$26,571
85-89	0	\$0	102	\$27,239
90-94	0	\$0	61	\$28,339
95-99	0	\$0	16	\$27,215
<u>100 and over</u>	0	\$0	2	\$40,404
Total	170	\$4,615	1,295	\$23,579

Disabled	District Count	Average District Benefit	Total Count	Combined District and Fed Benefit
Under 35	9	\$22,623	9	\$24,133
35-39	36	\$21,030	40	\$26,855
40-44	73	\$19,243	79	\$27,635
45-49	56	\$17,392	85	\$28,027
50-54	45	\$14,331	103	\$35,658
55-59	15	\$6,274	169	\$37,362
60-64	4	\$10,541	207	\$37,374
65-69	0	\$0	138	\$41,217
70-74	0	\$0	128	\$44,580
75-79	0	\$0	127	\$47,255
80-84	0	\$0	121	\$51,432
85-89	0	\$0	41	\$50,758
90-94	0	\$0	22	\$56,913
95-99	0	\$0	3	\$81,084
<u>100 and over</u>	0	\$0	0	\$0
Total	238	\$17,313	1,272	\$39,918

Terminated Vested	District Count	Average District Benefit	Total Count	Combined District and Fed Benefit
Under 35	6	\$7,695	6	\$7,695
35-39	17	\$7,711	18	\$12,773
40-44	17	\$7,713	18	\$14,971
45-49	18	\$8,234	22	\$16,280
50-54	3	\$20,931	12	\$17,309
55-59	0	\$0	46	\$4,551
60-64	0	\$0	31	\$5,527
65-69	0	\$0	14	\$11,696
70-74	0	\$0	19	\$13,721
75-79	0	\$0	7	\$17,831
80-84	0	\$0	2	\$13,544
85-89	0	\$0	0	\$0
90-94	0	\$0	1	\$19,380
95-99	0	\$0	0	\$0
<u>100 and over</u>	0	\$0	0	\$0
Total	61	\$8,514	196	\$10,652

Inactive Fire Fighters

Retirees	District Count	Average District Benefit	Total Count	Combined District and Fed Benefit
Under 35	0	\$0	0	\$0
35-39	0	\$0	0	\$0
40-44	0	\$0	0	\$0
45-49	1	\$23,423	1	\$65,748
50-54	73	\$19,874	81	\$60,973
55-59	93	\$15,929	143	\$61,961
60-64	39	\$11,442	235	\$55,689
65-69	4	\$10,181	246	\$54,232
70-74	0	\$0	131	\$53,357
75-79	0	\$0	70	\$61,166
80-84	0	\$0	33	\$72,126
85-89	0	\$0	14	\$74,194
90-94	0	\$0	2	\$62,424
95-99	0	\$0	1	\$55,416
<u>100 and over</u>	0	\$0	0	\$0
Total	210	\$16,393	957	\$57,642

Beneficiaries	District Count	Average District Benefit	Total Count	Combined District and Fed Benefit
Under 35	28	\$4,788	31	\$8,657
35-39	1	\$15,740	2	\$23,094
40-44	2	\$12,891	5	\$23,244
45-49	1	\$936	9	\$17,931
50-54	6	\$4,633	15	\$20,643
55-59	7	\$3,267	27	\$22,185
60-64	1	\$21,216	41	\$24,003
65-69	0	\$0	72	\$24,593
70-74	1	\$43,306	52	\$28,187
75-79	0	\$0	75	\$27,332
80-84	0	\$0	74	\$28,738
85-89	0	\$0	57	\$29,456
90-94	0	\$0	23	\$31,026
95-99	0	\$0	7	\$30,771
<u>100 and over</u>	0	\$0	1	\$20,820
Total	47	\$6,207	491	\$25,513

Disabled	District Count	Average District Benefit	Total Count	Combined District and Fed Benefit
Under 35	1	\$20,844	1	\$20,844
35-39	3	\$21,204	3	\$24,300
40-44	6	\$18,513	6	\$28,100
45-49	8	\$18,041	13	\$26,180
50-54	16	\$15,487	36	\$37,048
55-59	15	\$5,386	45	\$43,201
60-64	2	\$677	66	\$43,412
65-69	0	\$0	95	\$46,996
70-74	0	\$0	64	\$44,477
75-79	0	\$0	61	\$49,189
80-84	0	\$0	48	\$56,963
85-89	0	\$0	39	\$55,609
90-94	0	\$0	15	\$60,695
95-99	0	\$0	1	\$60,336
<u>100 and over</u>	0	\$0	0	\$0
Total	51	\$13,133	493	\$46,513

Terminated Vested	District Count	Average District Benefit	Total Count	Combined District and Fed Benefit
Under 35	3	\$12,041	3	\$15,377
35-39	2	\$12,641	3	\$15,067
40-44	8	\$7,856	9	\$11,727
45-49	4	\$13,212	4	\$28,014
50-54	7	\$7,618	11	\$18,210
55-59	0	\$0	2	\$3,319
60-64	0	\$0	3	\$9,749
65-69	0	\$0	1	\$7,660
70-74	0	\$0	2	\$14,151
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
<u>100 and over</u>	0	\$0	0	\$0
Total	24	\$9,601	38	\$15,292

**Changes in Plan Membership
 Teachers**

	Actives	Non-Vested Terminations Due Refunds	Vested Terminations	Disabled	Retired	Benefic- iaries	Total Participants
October 1, 2006	5,088	3,854	981	455	4,907	457	15,742
New Entrants	578	-	-	-	-	-	578
Rehires	102	(49)	(22)	-	-	-	31
Disabilities	(4)	-	(3)	7	-	-	0
Retirements	(182)	-	(25)	-	207	-	0
Vested Terminations	(175)	-	175	-	-	-	0
Died, With Beneficiaries' Benefit Payable	(6)	-	-	(3)	(15)	25	1
Died, Without Beneficiary, and Other Terminations	(299)	296	(3)	(19)	(133)	-	(158)
Transfers	-	-	-	-	-	-	0
Refund of Contributions	(83)	(229)	(82)	-	-	-	(394)
Beneficiary Deaths	-	-	-	-	-	(35)	(35)
Domestic Relations Orders	-	-	-	-	-	-	0
Data Corrections/Not Reported	8	(10)	(22)	-	2	5	(17)
October 1, 2007	5,027*	3,862	999	440	4,968	452	15,748

* Includes members assumed to be on leave of absence.

Changes in Plan Membership Police Officers

	Actives	Non-Vested	Vested			Beneficiaries	Total Participants
		Terminations Due Refunds	Terminations	Disabled	Retired		
October 1, 2006	3,747	581	215	1,283	3,135	1,309	10,270
New Entrants	251	-	-	-	-	-	251
Rehires	28	(9)	(5)	-	-	-	14
Disabilities	(21)	-	(1)	22	-	-	0
Retirements	(36)	-	(1)	-	37	-	0
Vested Terminations	(11)	-	11	-	-	-	0
Died, With Beneficiaries' Benefit Payable	(4)	-	-	(16)	(17)	42	5
Died, Without Beneficiary, and Other Terminations	(37)	34	(1)	(16)	(25)	-	(45)
Transfers	-	-	-	-	-	-	0
Refund of Contributions	(73)	(24)	(23)	-	-	-	(120)
Beneficiary Deaths	-	-	-	-	-	(81)	(81)
Domestic Relations Orders	-	-	-	-	-	6	6
Data Corrections/Not Reported	-	6	1	(1)	2	19	27
October 1, 2007	3,844	588	196	1,272	3,132	1,295	10,327

**Changes in Plan Membership
 Fire Fighters**

	Actives	Non-Vested Terminations Due Refunds	Vested Terminations	Disabled	Retired	Benefic- iaries	Total Participants
October 1, 2006	1,509	210	29	500	933	491	3,672
New Entrants	273	-	-	-	-	-	273
Rehires	1	-	(1)	-	-	-	0
Disabilities	(6)	-	-	6	-	-	0
Retirements	(34)	-	-	-	34	-	0
Vested Terminations	(14)	-	14	-	-	-	0
Died, With Beneficiaries' Benefit Payable	(1)	-	-	(7)	(9)	17	0
Died, Without Beneficiary, and Other Terminations	(13)	13	-	(6)	(1)	-	(7)
Transfers	-	-	-	-	-	-	0
Refund of Contributions	(9)	(13)	(4)	-	-	-	(26)
Beneficiary Deaths	-	-	-	-	-	(22)	(22)
Domestic Relations Orders	-	-	-	-	-	2	2
Data Corrections/Not Reported	-	1	-	-	-	3	4
October 1, 2007	1,706	211	38	493	957	491	3,896

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.

Board Assumption Policy

Upon review of the economic assumptions recommended by EFI, the Board elected to choose assumptions outside of the recommended best-estimate range (shown below), but to increase the assumed real return by ¼% per year towards these recommended rates, subject to annual review. The recommended assumptions represent our best estimate of the future experience of the Funds.

The assumptions selected by the Board to be used for the actuarial valuation as of October 1, 2007 are shown in the rightmost column below:

	Prior Assumption	EFI Recommendation	Current Assumption
Inflation	5.00%	2.50% - 4.00%	5.00%
Real Rate of Return	2.25%	3.75% - 4.75%	2.50%
Total Rate of Return	7.25%	6.25% - 8.75%	7.50%

Actuarial Assumptions

An actuarial experience study was conducted covering the period from October 1, 2002 through September 30, 2006. Any changes adopted based on this study are noted below.

Valuation Date	All assets and liabilities are computed as of October 1, 2007.
Rate of Return	The annual rate of return on all Fund assets is assumed to be 7.50%, net of investment and administrative expenses. For the prior valuation, the assumed return was 7.25%, net of 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. Based on the 2002-2006 experience study, changes were made to the assumed rates for Teacher and Police members.

Service	Teachers		Police		Fire
	Prior Rate	Current Rate	Prior Rate	Current Rate	Rate
0	4.0%	4.0%	5.0%	5.0%	2.5%
5	4.0%	4.0%	3.6%	3.6%	2.5%
10	3.0%	3.0%	2.6%	2.6%	2.5%
15	2.0%	0.5%	2.3%	2.3%	2.5%
20	1.0%	0.2%	2.0%	2.5%	2.5%
30	0.4%	0.2%	0.5%	0.5%	2.5%

Allowances have also been made for special increases in Compensation prior to termination or retirement. For Police Officers, an additional increase of 5% is given for the Base Retention Differential after 20 years of service. Police Officers are assumed to receive a longevity increase of 10% of step 1 pay after 20 years of service, and additional increases of 5% after 25 and 30 years of service. However, longevity pay increases are not included in Officers pensionable compensation unless the Member has at least 25 years of service. Fire Fighters are assumed to receive retention incentives of 5%, 10%, 15%, and 20% applied to individual base pay after 15, 20, 25, and 30 years of service, respectively.

Retired Member Mortality

Rates of mortality for retired Teachers are given by the 1994 Uninsured Pension (UP94) Tables (sex distinct) with generational improvement using Projection Scale AA.

Rates of mortality for retired Police Officers and Fire Fighters are given by the 1994 Uninsured Pension (UP94) Tables (sex

distinct) with generational improvement using Projection Scale AA, with a two-year age set forward.

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. Rates of mortality for active female Teachers are given by the 1994 Uninsured Pension (UP94) Female Table with generational improvement using Projection Scale AA. In the prior valuation, there were one-year age set forwards applied to the active members – these set forwards are not used in the current valuation.

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. One-fourth of all Police Officer and Fire Fighter active deaths are assumed to occur in the line of duty.

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 are as follows:

Age	Teachers		Police/Fire	
	Male	Female	Male	Female
30	2.4000%	2.4000%	0.9033%	0.5616%
40	2.4000%	2.4000%	0.9033%	0.5616%
50	2.4545%	2.4000%	0.9033%	0.5616%
60	2.5910%	2.4000%	1.3029%	0.8310%
70	3.8006%	2.4000%	2.6405%	1.7147%
80	7.2111%	4.1413%	6.4974%	4.2282%
90	13.1554%	10.0013%	15.6801%	12.2128%



Service Retirement

Retirement is assumed to occur in accordance with the tables below. Assumed rates have changed since the prior valuation.

Age	Teachers – Prior Rates	
	First Year Eligible	All Other Years
50-55	20%	20%
56	40%	20%
57	60%	20%
58	60%	20%
59	60%	20%
60-69	20%	20%
70+	100%	100%

Age	Teachers – Current Rates	
	Normal Retirement	Involuntary Retirement
50 -54	10%	0.5%
55	35%	8%
56-59	25%	8%
60-62	25%	N/A
63-70	20%	N/A
71-74	25%	N/A
75+	100%	N/A

Age	Prior Rates	
	Police	Fire
40	7.5%	2%
41	10%	3%
42	12%	4%
43	15%	5%
44	15%	5%
45	15%	6%
46	15%	7%
47	17%	8%
48	19%	9%
49	21%	11%
50	23%	13%
51	25%	15%
52	25%	20%
53	25%	25%
54	30%	30%
55	40%	35%
56-59	50%	35%
60+	100%	100%

Service Retirement (continued)

Age	Police Current Rates	Service	Fire Current Rates
40-49	15%	25-29	12%
50-59	22%	30-34	25%
60+	100%	35+	Age based rates shown above

It is assumed that 50% of Police members will retire after 31 years of service. Previously, this rate was 100%.

Disability

Separate rates of disability are assumed among Teachers, Police Officers and Fire Fighters. Rates have changed for Police and Fire members since the prior valuation.

Below are sample rates:

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

Age	Current Rates			
	Police		Fire	Teachers
	Male	Female		
25	0.2192%	0.4383%	0.1447%	0.0300%
30	0.2875%	0.5750%	0.1898%	0.0572%
35	0.4250%	0.8500%	0.2805%	0.0932%
40	0.6250%	1.2500%	0.4125%	0.1292%
45	0.9817%	1.9633%	0.6479%	0.2040%
50	1.6250%	3.2500%	1.0725%	0.3212%
55	2.8875%	5.7750%	1.9058%	0.5520%
60	4.1250%	8.2500%	2.7225%	0.5700%

For Police Officers and Fire Fighters, it is assumed that 75% of the disabilities are due to accidents in the line of duty. In the

prior valuation, it was assumed that 50% of disabilities were 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. Rates for all groups have changed since the prior valuation.

Withdrawal rates are not applied to Members eligible for service retirement.

Age	Prior Rates		
	Police	Fire	Teachers
20	12.13%	1.60%	25.00%
25	6.57%	1.60%	23.00%
30	4.23%	1.60%	16.00%
35	2.32%	1.60%	11.00%
40	1.33%	1.60%	6.80%
45	1.03%	1.60%	4.80%
50	0.00%	0.00%	3.60%
55	0.00%	0.00%	0.00%
60	0.00%	0.00%	0.00%

Age	Police – Current Rates			
	<3 Years Service Male	<3 Years Service Female	3+ Years Service Male	3+ Years Service Female
20-24	10.0%	8.0%	6.00%	2.50%
25-29	10.0%	8.0%	6.00%	2.50%
30-34	10.0%	8.0%	3.50%	2.00%
35-39	10.0%	8.0%	2.00%	2.00%
40-44	10.0%	8.0%	1.75%	1.75%
45-49	10.0%	8.0%	1.50%	1.50%
50-54	10.0%	8.0%	1.25%	1.25%
55-59	10.0%	8.0%	1.00%	1.00%
60+	10.0%	8.0%	0.00%	0.00%

Withdrawal (continued)

Age	Fire – Current Rates	
	<2 Years Service	2+ Years Service
20-24	9.0%	2.80%
25-29	9.0%	1.87%
30-34	9.0%	1.24%
35-39	9.0%	0.83%
40-44	9.0%	0.55%
45-49	9.0%	0.37%
50-54	9.0%	0.25%
55-59	9.0%	0.00%
60+	9.0%	0.00%

Age	Teachers – Current Rates		
	0-3 Years Service	4-9 Years Service	10+ Years Service
20-24	25.00%	18.00%	N/A
25-29	23.50%	16.00%	N/A
30-34	22.00%	14.00%	3.50%
35-39	20.50%	12.00%	3.50%
40-44	19.00%	10.00%	3.50%
45-49	17.50%	8.00%	3.50%
50-54	16.00%	8.00%	3.50%
55-59	14.50%	8.00%	3.50%
60-64	13.00%	8.00%	3.50%
65+	0.00%	0.00%	0.00%

For all members with less than 5 years of service, terminations are assumed to result in the withdrawal of contributions, with no further benefits payable. For those terminated with at least 5 years of service, 20% of Police/Fire members and 65% of Teachers are assumed to receive a deferred vested benefit, with the remaining members are assumed to receive a refund of accumulated contributions.

In the prior valuation, it was assumed that all terminating Police and Fire members would receive a refund of contributions, and all terminated Teachers who were vested would receive a deferred benefit.

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 the Plan's actuarial 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, but was reviewed for reasonableness.

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

- Data for charter school teachers with Plan benefits is not available. To account for this group, 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 estimated based on their service and pay history as available.
- 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. To account for this, an average amount of prior service of 0.4 years based on a prior study is assumed for all Police and Fire members which determined this to be the average amount of military service for Plan members.

Section 2:

Asset Information



2.1: Current Value of District Assets as of October 1, 2007

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.

	\$ millions	Teachers	Police	Fire	Police & Fire	Total Fund
(1)	Current Value of Assets as of October 1, 2006 ¹	\$1,284.4	\$1,662.5	\$645.7	\$2,308.2	\$3,592.6
(2)	FY 2007 District Contributions	\$14.6	\$104.2	\$35.9	\$ 140.1	\$ 154.7
(3)	FY 2007 Employee Contributions	\$27.0	\$19.4	\$8.0	\$ 27.4	\$ 54.4
(4)	FY 2007 Actual Benefit Payments ²	\$(8.7)	\$(4.4)	\$(1.4)	\$(5.8)	\$(14.5)
(5)	FY 2007 Investment Earnings	\$217.7	\$288.8	\$111.5	\$ 400.3	\$ 618.0
(6)	Actual Current Value of Assets as of October 1, 2007	\$1,535.0	\$2,070.5	\$799.7	\$2,870.2	\$4,405.2
(7)	Benefits Payable for FY 2007	\$(15.6)	\$(9.9)	\$(3.1)	\$(13.0)	\$(28.6)
(8)	Present Value of D.C. Code §1-907.02(c) Adjustment	\$(2.2)	\$1.7	\$2.1	\$3.8	\$1.6
(9)	Final Current Value of Assets as of October 1, 2007	\$1,517.2	\$2,062.3	\$798.7	\$2,861.0	\$4,378.2
(10)	Approximate Rate of Return					16.4%

¹ The current value of assets as of October 1, 2006 was equal to the market value less estimated benefits payable of \$15.9 million for the Teachers, \$10.1 million for the Police Officers, and \$2.9 million for the Fire Fighters.

² The fund paid \$28.9 million in benefits which was already reflected as benefits payable.

2.2: Actuarial Value of District Assets as of October 1, 2007

The current actuarial value of assets method approved by the Board is the expected actuarial value of assets (assuming a 7.25% return on the previous year's AVA) plus one-third 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).

	\$ millions	Teachers	Police	Fire	Police & Fire	Total Fund
(1)	Actuarial Value of Assets as of October 1, 2006	\$1,230.0	\$1,622.5	\$630.1	\$2,252.6	\$3,482.6
(2)	FY 2007 District Contributions	\$14.6	\$104.2	\$35.9	\$ 140.1	\$ 154.7
(3)	FY 2007 Employee Contributions	\$27.0	\$19.4	\$8.0	\$ 27.4	\$ 54.4
(4)	FY 2007 Estimated Benefit Payments	\$(24.3)	\$(14.3)	\$(4.5)	\$(18.8)	\$(43.1)
(5)	FY 2007 Expected Investment Earnings	\$90.3	\$125.6	\$48.2	\$ 173.8	\$ 264.1
(6)	Expected Actuarial Value of Assets as of October 1, 2007	\$1,337.6	\$1,857.4	\$717.7	\$2,575.1	\$3,912.7
(7)	Final Current Value of Assets as of October 1, 2007 [without D.C. Code §1-907.02(c) Adjustment]	\$1,519.4	\$2,060.6	\$796.6	\$2,857.2	\$4,376.6
(8)	Smoothed Value of Assets as of October 1, 2007 [(6) + 1/3 x (7 - 6)]	\$1,398.2	\$1,925.1	\$744.0	\$2,669.1	\$4,067.3
(9)	Present Value of D.C. Code §1-907.02(c) Adjustment	\$(2.2)	\$1.7	\$2.1	\$3.8	\$1.6
(10)	Final Actuarial Value of Assets as of October 1, 2007 [(8) + (9)]	\$1,396.0	\$1,926.8	\$746.1	\$2,672.9	\$4,068.9
(11)	Approximate Rate of Return (on AVA)	12.2%	11.5%	11.5%	11.5%	11.7%

Section 3:

Actuarial Computations

3.1: Computation of Fiscal Year 2009 District Payment

This table shows the development of the fiscal year 2009 District payment. It represents the values used in the Required Actuarial Certification under D.C. Code §1-907.

	\$ millions	Teachers	Police	Fire	Total
(1)	Present Value of Future District Benefits	\$1,509.9	\$2,934.6	\$1,330.6	\$5,775.1
(2)	Actuarial Value of Assets (Section 3.2)	\$1,396.0	\$1,926.8	\$746.1	\$4,068.9
(3)	Present Value of Future Employee Contributions	\$198.8	\$224.7	\$126.2	\$ 549.7
(4)	Present Value of Future Normal Costs [(1) – (2) – (3), not less than \$0]	\$ 0.0	\$ 783.1	\$ 458.3	\$1,241.4
(5)	Present Value Future Payroll	\$2,708.7	\$3,095.8	\$1,725.3	\$7,529.8
(6)	Normal Contribution Rate [(4) ÷ (5)]	0.0%	25.3%	26.6%	n/a
(7)	Projected FY 2009 Payroll	\$393.3	\$292.7	\$123.8	\$ 809.8
(8)	Projected FY 2009 Payment Before §1-907.02(c) [(6) x (7)]	\$0.0	\$74.0	\$32.9	\$ 106.9
(9)	D.C. Code §1-907.02(c) Adjustment (Section 3.3)	\$(0.1)	\$(2.5)	\$1.6	\$(0.9)
(10)	FY 2009 Payment [(8) + (9), not less than \$0]	\$0.0	\$71.5	\$34.5	\$ 106.0

3.2: Computation of Gain/Loss from Prior Valuation

Teachers' Retirement Plan

	\$ millions	Prior Year Results	Continuing Members Only			With New Entrants	With Changes in Assumptions (Current Year Results)
			With FY07 Demographic Experience	With FY07 Salary Experience	With FY07 Investment Experience		
(1)	Present Value of Future District Benefits	\$ 1,530.1	\$ 1,642.4	\$ 1,684.3	\$ 1,684.3	\$ 1,742.3	\$ 1,509.9
(2)	Actuarial Value of Assets	1,230.0	1,335.4	1,335.4	1,396.0	1,396.0	1,396.0
(3)	Present Value of Future Employee Contributions	<u>228.8</u>	<u>212.2</u>	<u>219.2</u>	<u>219.2</u>	<u>243.1</u>	<u>198.8</u>
(4)	Present Value of Future Normal Costs	71.3	94.8	129.7	69.1	103.2	0.0
(5)	Present Value Future Payroll	3,008.0	2,792.5	2,886.2	2,886.2	3,185.1	2,708.7
(6)	Normal Contribution Rate	2.4%	3.4%	4.5%	2.4%	3.2%	0.0%
(7)	Projected Payroll	\$ 338.4	\$ 344.5	\$ 356.4	\$ 356.4	\$ 388.9	\$ 393.3
(8)	Projected Contribution before Adjustments	8.1	11.7	16.0	8.6	12.4	0.0
	Change in Contribution Rate		1.0%	1.1%	(2.1%)	0.8%	(3.2%)
	Change in Contribution Amount		\$ 3.6	\$ 4.3	(\$ 7.4)	\$ 3.8	(\$ 12.4)

Police Officers and Fire Fighters' Retirement Plan

	\$ millions	Prior Year Results	Continuing Members Only			With New Entrants	With Changes in Assumptions (Current Year Results)
			With FY07 Demographic Experience	With FY07 Salary Experience	With FY07 Investment Experience		
(1)	Present Value of Future District Benefits	\$ 3,904.4	\$ 4,232.4	\$ 4,225.7	\$ 4,225.7	\$ 4,456.0	\$ 4,265.2
(2)	Actuarial Value of Assets	2,252.6	2,578.9	2,578.9	2,672.9	2,672.9	2,672.9
(3)	Present Value of Future Employee Contributions	<u>285.5</u>	<u>283.4</u>	<u>283.8</u>	<u>283.8</u>	<u>321.2</u>	<u>350.9</u>
(4)	Present Value of Future Normal Costs	1,366.3	1,370.1	1,363.0	1,269.0	1,461.9	1,241.4
(5)	Present Value Future Payroll	3,808.6	3,774.4	3,778.4	3,778.4	4,246.6	4,821.1
(6)	Normal Contribution Rate	35.9%	36.3%	36.1%	33.6%	34.4%	25.8%
(7)	Projected Payroll	\$ 368.6	\$ 383.8	\$ 383.0	\$ 383.0	\$ 408.9	\$ 416.4
(8)	Projected Contribution before Adjustments	132.4	139.8	138.7	129.0	141.6	106.9
	Change in Contribution Rate		0.4%	(0.2%)	(2.5%)	0.8%	(8.6%)
	Change in Contribution Amount		\$ 7.4	(\$ 1.1)	(\$ 9.7)	\$ 12.6	(\$ 34.7)

3.3: Summary of Principal Valuation Results

Teachers Retirement Plan

Participant Data			
(\$ millions)	October 1, 2007	October 1, 2006	Change
Active Members			
Hired Prior to November 16, 1996	2,049	2,219	(7.7)%
Hired After November 16, 1996	2,978	2,869	3.8%
Total Active	5,027	5,088	(1.2)%
Retired Members, Beneficiaries and Terminated Vested (Post June 30, 1997)	3,016	2,789	8.1%
Total Participants	8,043	7,877	2.1%
Annual Salaries of Active Members	\$349.9	\$322.3	8.6%
Annual Retirement Benefits for Retirees & Beneficiaries (Post June 30, 1997)	\$23.9	\$15.9	50.3%
Assets and Liabilities			
Present Value of Future District Benefits	\$1,509.9	\$1,530.1	(1.3)%
District Assets for Valuation Purposes (Actuarial Value)	1,396.0	1,230.0	13.5%
Present Value of Future Employee Contributions	198.8	228.8	(13.1)%
Present Value of Future District Contributions	0.0	71.3	(100.0)%
Present Value of Future Salaries	2,708.7	3,008.0	(10.0)%
Current Value of District Assets (Market Value)	1,517.2	1,284.4	18.1%
Contribution Results			
	FY 2009	FY 2008	Change
Normal Contribution Rate	0.0%	2.4%	(100.0)%
Projected Payroll	\$393.3	\$338.4	16.2%
District Payment Before Adjustment	\$0.0	\$8.1	(100.0)%
District Payment After Adjustment	\$0.0	\$6.0	(100.0)%

Police Officers Retirement Plan

Participant Data			
(\$ millions)			
	October 1, 2007	October 1, 2006	Change
Active Members			
Hired Prior to February 15, 1980	62	72	(13.9)%
Hired Between February 15, 1980 and November 10, 1996	2,089	2,138	(2.3)%
Hired After November 10, 1996	1,693	1,537	10.1%
Total Active	3,844	3,747	2.6%
Retired Members, Beneficiaries and Terminated Vested (Post June 30, 1997)	1,076	1,201	(10.4)%
Total Participants	4,920	4,948	(0.6)%
Annual Salaries of Active Members	\$261.0	\$250.6	4.2%
Annual Retirement Benefits for Retirees & Beneficiaries (Post June 30, 1997)	\$14.5	\$10.1	43.6%
Assets and Liabilities			
Present Value of Future District Benefits	\$2,934.6	\$2,830.0	3.7%
District Assets for Valuation Purposes (Actuarial Value)	1,926.8	1,622.5	18.8%
Present Value of Future Employee Contributions	224.6	200.1	12.2%
Present Value of Future District Contributions	783.1	1,007.4	(22.3)%
Present Value of Future Salaries	3,095.8	2,671.3	15.9%
Current Value of District Assets (Market Value)	2,062.3	1,662.5	24.0%
Contribution Results			
	FY 2009	FY 2008	Change
Normal Contribution Rate	25.3%	37.7%	(32.9)%
Projected Payroll	\$292.7	\$263.2	11.2%
District Payment Before Adjustment	\$74.0	\$99.2	(25.4)%
District Payment After Adjustment	\$71.5	\$103.2	(30.7)%

Fire Fighters Retirement Plan

Participant Data			
(\$ millions)	October 1, 2007	October 1, 2006	Change
Active Members			
Hired Prior to February 15, 1980	58	86	(32.6)%
Hired Between February 15, 1980 and November 10, 1996	770	795	(3.1)%
Hired After November 10, 1996	878	628	39.8%
Total Active	1,706	1,509	13.1%
Retired Members, Beneficiaries and Terminated Vested (Post June 30, 1997)	283	274	3.3%
Total Participants	1,989	1,783	11.6%
Annual Salaries of Active Members	\$110.3	\$100.4	9.9%
Annual Retirement Benefits for Retirees & Beneficiaries (Post June 30, 1997)	\$4.8	\$2.9	65.5%
Assets and Liabilities			
Present Value of Future District Benefits	\$1,330.6	\$1,074.3	23.9%
District Assets for Valuation Purposes (Actuarial Value)	746.1	630.1	18.4%
Present Value of Future Employee Contributions	126.2	85.5	47.6%
Present Value of Future District Contributions	458.3	358.7	27.8%
Present Value of Future Salaries	1,725.3	1,137.3	51.7%
Current Value of District Assets (Market Value)	798.7	645.7	23.7%
Contribution Results			
	FY 2009	FY 2008	Change
Normal Contribution Rate	26.6%	31.5%	(15.6)%
Projected Payroll	\$123.8	\$105.5	17.3%
District Payment Before Adjustment	32.9	33.2	(0.9)%
District Payment After Adjustment	34.5	33.8	2.1%

3.4: Accrued Liabilities under the Entry Age Normal Method

The Governmental Accounting Standards Board (GASB) has recently announced issuance of Statement No. 50, which amends Statements 25 and 27. The revisions require that plan sponsors that use the aggregate actuarial cost method disclose the funded status and present a multiyear schedule of funding progress using the entry age actuarial cost method as a surrogate. This is because the Aggregate method does not explicitly define an accrued liability.

The table below shows the present value of the future District benefits, as well as the value of the District benefits accrued based on past service computed under the Entry Age Normal method, which assigns total liabilities to past service (accrued liabilities), current service (normal cost), and future service (future normal costs). The actuarial assumptions (demographic and economic) used for the calculations in the table below are the same as were used to determine the required contributions. These assumptions are described in detail in Section 1.3, and summarized in Section 4.1 of this report.

		Present Value of Future District Benefits as of October 1, 2007			
	(\$ millions)	Teachers	Police	Fire	Total
Active Present Value of Future District Benefits		\$1,092.4	\$2,640.7	\$1,236.6	\$4,969.7
Inactive Present Value of Future District Benefits					
	Retirees	360.6	148.7	69.4	578.7
	Disabled Employees	19.7	125.6	18.1	163.4
	Beneficiaries (including QDRO)	4.9	14.4	4.0	23.3
	Terminated	<u>32.3</u>	<u>5.2</u>	<u>2.5</u>	<u>40.0</u>
	Total Inactive	417.5	293.9	94.0	805.4
Total Present Value of Future District Benefits		\$1,509.9	\$2,934.6	\$1,330.6	\$5,775.1
		Accrued Liabilities for District Benefits as of October 1, 2006			
Active Accrued Liability		\$833.8	\$1,648.9	\$610.5	\$3,093.2
Inactive Accrued Liability		417.5	293.9	94.0	805.4
Total Accrued Liability (AL)		\$ 1,251.3	\$ 1,942.8	\$ 704.5	\$3,898.6
Actuarial Value of Assets (AVA)		\$1,396.0	\$1,926.8	\$746.1	\$4,068.9
Market Value of Assets (MVA)		\$1,517.2	\$2,062.3	\$798.7	\$4,378.2
AVA Funding Ratio (AVA/AL)		111.6%	99.2%	99.9%	104.4%
MVA Funding Ratio (MVA/AL)		121.3%	106.1%	102.4%	112.3%



3.5: §1-907.02(c) Adjustment to the Fiscal Year 2009 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 2009 District payment is calculated by taking the actual fiscal year 2007 covered payroll for each employee class (which is provided by the District) and multiplying by the corresponding fiscal year 2007 normal contribution rates, which were determined as of October 1, 2005. This result is the fiscal year 2007 contribution that was required to be made by the District. The required contribution is then compared to the actual fiscal year 2007 contribution paid by the District. The difference between the required and actual contributions is the preliminary D.C. Code §1-907.02(c) adjustment.

For fiscal year 2008, none of the groups had a carryover balance (i.e. unrecognized amount); however, for fiscal year 2009, the Teachers' Plan will have a \$0.1 million carryover which will be used to reduce contributions in future years (see below).

	\$ millions	Teachers	Police	Fire
(1)	Actual FY 2007 Covered Payroll	\$338.8	\$251.1	\$103.3
(2)	FY 2007 Normal Contribution Rate	4.6%	38.0%	32.9%
(3)	Actual FY 2007 Contribution Required	\$15.6	\$95.4	\$34.0
(4)	Actual FY 2007 Contribution Paid	\$15.7	\$97.9	\$32.4
(5)	Preliminary D.C. Code §1-907.02(c) Adjustment to FY 2009 Payment [(3) – (4)]	\$(0.1)	\$(2.5)	\$1.6
(6)	FY 2008 Unrecognized Amount	\$0.0	\$0.0	\$0.0
(7)	Final D.C. Code §1-907.02(c) Adjustment to FY 2009 Payment [(5) + (6) if applicable]	\$(0.1)	\$(2.5)	\$1.6
(8)	Applicable Adjustment	\$ 0.0	\$(2.5)	\$1.6
(9)	Carryover Adjustment [(7)-(8)]	\$(0.1)	\$0.0	\$0.0

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, 27, and 50 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.

The District of Columbia Retirement Board uses the Aggregate actuarial cost method, which does not result in the calculation of an unfunded accrued liability. The recently implemented GASB Statement No. 50 requires funds using the Aggregate method to disclose funding status information based on Entry Age Normal (EAN) calculations. The numbers shown below have been determined based on this actuarial cost method.

Schedule of Funding Status (\$ Millions)						
Actuarial Valuation Date	Actuarial Value of Assets	EAN Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percent of Payroll
10/1/2006	\$3,482.6	\$3,565.0	\$82.4	97.7%	\$673.4	12.2%
10/1/2007	4,068.9	3,898.6	(170.3)	104.4%	771.2	(22.1%)

Schedule of Employer Contributions (\$ millions)						
Year Ending	Teachers' Retirement Fund		Police Officers and Fire Fighters' Retirement Fund		Total Fund	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
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%
9/30/2006	15.7	100%	116.7	100%	132.4	100%
9/30/2007	15.7	100%	130.3	100%	146.0	100%

The table below summarizes certain information about this actuarial report.

Valuation date	October 1, 2007
Actuarial cost method for Contributions	Aggregate
Actuarial cost method for Accrued Liabilities	Entry Age Normal
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*	7.50%
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)