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SILVERSTONE GROUP, INCORPORATED

Presented by:

MUNICIPAL FIRE AND POLICE
RETIREMENT SYSTEM OF IOWA
ACTUARIAL VALUATION REPORT
July 1, 2001



November 12, 2001

HUMAN RESOURCE SOLUTIONS
SilverStone Consulting
PROPERTY CASUALTY
RISK SERVICES
SilverStone Risk Services
EMPLOYEE BENEFIT PLANS
SilverStone Benefits

PERSONAL & CONFIDENTIAL

Board of Trustees
Municipal Fire and Police Retirement System of Iowa
2836 104th Street
Des Moines, IA 50322

RE: July 1, 2001 Actuarial Report

Dear Board Members:

We are pleased to submit this actuarial report of the Municipal Fire and Police Retirement System of Iowa. The costs developed and presented in this report are based on asset values as of June 30, 2001, member census data as of July 1, 2001, and current System provisions, all of which were supplied by the Municipal Fire and Police Retirement System of Iowa.

The purposes of the actuarial report are:

1. To determine the normal contribution rate which is payable by the Cities under Chapter 411 of the Code of Iowa;
2. To determine the funded status of the System; and
3. To provide information relating to the disclosure requirements of the Governmental Accounting Standards Board (GASB) Statement No. 25 – Financial Reporting for Defined Benefit Pension Plans.

All costs and liabilities were determined in accordance with generally accepted actuarial principles and procedures. To the best of our knowledge, the information supplied in this report is complete and accurate. The amounts presented in the accompanying report have been determined appropriately according to the actuarial assumptions and methods stated herein, and fully and fairly disclose the actuarial position of the System.

Sincerely,

SILVERSTONE GROUP

Donn B. Jones, FSA
Principal
Member of American Academy
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Enclosure

ME/dm

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REPORT HIGHLIGHTS

This section compares results of the current and prior actuarial valuations. Additional supporting detail is available in other sections of the report. The Table of Contents on the prior page identifies the location of the supporting detail.

	<u>2000</u>	<u>2001</u>	
Cities Recommended Contribution	\$ 27,986,053	\$ 28,223,067	
Normal Contribution Rate	17.00%	17.00%	
Plan Assets			
Market Value	1,241,729,857	1,155,055,872	
Actuarial Value	1,207,467,470	1,262,325,433	
Investment Return			
Market Value	9.1%	-5.7%	
Actuarial Value	10.9%	5.9%	
Actuarial Present Value of Accrued Benefits			
Total Accrued Benefits	1,184,703,909	1,274,408,446	
(Security Ratio)	(105%)	(91%)	
Vested Accrued Benefits	1,092,322,752	1,192,888,451	
(Security Ratio)	(114%)	(97%)	
Annual Participating Payroll	164,674,620	166,087,647	
Annual Pension Benefits			
Service Retirement	26,308,154	30,193,684	
Disabled Retirement	20,116,423	22,111,592	
Vested Retirement	1,193,475	1,330,221	
Beneficiaries	8,372,694	9,009,598	
Total	\$ 55,990,746	\$ 62,645,095	
Number of Members			
Active	3,843	3,789	
Retirees, Disabled & Beneficiaries	3,041	3,170	
Vested Terminated	222	238	
Total Participants	7,106	7,197	

COMMENTS ON THE VALUATION

Cities Recommended Contribution

The recommended contributions for the Retirement System are determined using the Aggregate actuarial cost method as required by Chapter 411 of the Code of Iowa. The same method has been used in prior years to determine the contribution for the Retirement System.

We recommend a contribution of \$28,223,067 be made for the 2001 plan year. This is equal to a contribution rate of 17.00% of payroll. This rate assumes that the State of Iowa will contribute approximately \$2,943,000 for the 2001 plan year.

The Retirement System's total contribution rate remained unchanged at the minimum allowed rate of 17.00%. However, the Retirement System's contribution rate before adjustment to the minimum contribution rate changed as follows:

July 1, 2000 normal contribution rate* 15.36%

• Increase in contribution rate due to fixed state contribution 0.02%

• Plan experience more favorable than assumed (0.30%)

• Asset investments less favorable than assumed 1.12%

• Changes in System provisions 0.00%

• Change in actuarial assumptions 0.54%

Preliminary normal contribution rate 16.74%

• Increase necessary to meet minimum contribution rate 0.26%

July 1, 2001 normal contribution rate 17.00%

* Before adjustment for minimum contribution rate

Actuarial Present Value of Accrued Benefits

The value of plan assets, the present value of vested accrued benefits, and the present value of accrued benefits are displayed and compared in this section of the report. Plan assets are valued at market value. The present value of vested accrued and accrued benefits is based on actuarial assumptions that anticipate the System will continue. Summarizing from this section of the report:

	<u>Values as of</u>	<u>Funded Ratio</u>	
	July 1, 2001	2000	2001
Market Value of Plan Assets	\$1,155,055,872	--	--
Actuarial Present Value:			
Accrued Benefits	1,274,408,446	105%	91%
Vested Accrued Benefits	1,192,888,451	114%	97%
Interest Rate		7.5%	7.5%

Changes in System Provisions

All System provisions remained unchanged from the prior valuation.

Change in Actuarial Assumptions

Beginning with the July 1, 1999 actuarial valuation, mortality improvements represented by published mortality tables will be phased in over the next several years. The July 1, 2001 actuarial valuation reflects an additional one-year step in a plan to complete the phase-in of the 1994 Group Annuity Mortality Table by the July 1, 2010 actuarial valuation. All other actuarial assumptions remained unchanged from the prior valuation.

Mortality Table Assumption Policy

In November 1999, the Board of Trustees adopted a policy to adjust the mortality table consistent with the funding capacities of the sponsoring Cities. A multiple year phase-in to the 1994 Group Annuity Mortality Table is appropriate since the System's actual mortality experience appears to lag the current mortality assumption, i.e., the 1983 Group Annuity Mortality Table is appropriate currently. The phase-in period of the 1994 Group Annuity Mortality Table could range from 6 to 20 years and still reasonably reflect the System's likely experience.

Government Accounting Standards Board Disclosure

Measurements used to evaluate the funding status of the system are based on procedures set forth by GASB (Government Accounting Standards Board). In an effort to enhance the understandability and usefulness of the pension information that is included in the financial reports of pension plans for state and local governments, GASB has issued Statement No. 25—Financial Reporting for Defined Benefit Pension Plans.

GASB Statement No. 25 establishes a financial reporting framework for defined benefit plans. In addition to two required statements regarding plan assets, the statement requires two schedules, the Schedule of Funding Progress and Schedule of Employer Contributions, and accompanying notes disclosing information relative to the funded status of the plan and historical contribution patterns.

- The Schedule of Funding Progress is not required for systems which use the Aggregate Method to determine the Annual Required Contribution (ARC). Since the Retirement System uses the Aggregate Method to determine the ARC, this schedule has not been developed.

- The Schedule of Employer Contributions provides historical information about the Annual Required Contribution (ARC) and the percentage of the ARC that was actually contributed. For the Retirement System, the ARC is equal to the normal contribution rate before any adjustment for minimum contribution rates or state contributions, multiplied by the covered payroll for the year or \$30,729,940 for 2001.

Covered Members

Ages of Active Members — The average age of the active members has decreased. The average age of members included in the valuation was 39.9 for the current year and 40.0 in the prior year.

Service of Active Members — The average service of the active members has decreased. The average service of members included in the valuation was 13.3 for the current year and 13.5 in the prior year.

Participating Compensation and Members — Total participating compensation increased from \$164,674,620 to \$166,087,647, a 0.9% increase. The number of active members decreased from 3,843 to 3,789 in 2001.

Average Annual Compensation — The average compensation of active members is more than the average compensation for the prior year. The average compensation was \$42,851 for 2000 and \$43,834 in 2001.

ACTUARIAL VALUATION RESULTS

This section of the report provides information concerning the valuation of Retirement System assets and liabilities. The following is a brief description of the exhibits and of how the information is organized.

Retirement System Assets — Retirement System assets are amounts that have accumulated and will be used to meet future benefit obligations. In the Retirement System Assets exhibit, trust fund transactions reported by the system are traced from the prior valuation date to the current valuation date. In addition, the actuarial value of assets is developed based on the prescribed method.

Retirement System Liabilities and Contributions — The recommended annual contribution is defined by the rate of contribution and covered payroll. The rate of contribution is determined by dividing the present value of unfunded future benefits by the present value of future payroll of all members. The Retirement System's contribution rate by statute may not be less than 17% of covered payroll. GASB Statement No. 25 defines a term, the Annual Required Contribution which is equal to the Cities contribution rate multiplied by the covered payroll for the fiscal year.

Present Value of Accrued Benefits — Another objective of preparing the actuarial valuation is to evaluate the funding status of the Retirement System. A comparison of the market value of assets with the present value of accrued benefits is displayed for the current and prior year.

ACTUARIAL VALUATION RESULTS

Retirement System Assets – Market Value

Year Ending June 30, 2001

	Assets at June 30, 2000
	\$1,241,729,857
	<u>Market Value</u>
Receipts:	
	Member Contributions
	27,345,914
	2,942,724
	(65,731,852)
	(2,551,623)
	(2,511,949)
	<u>9,663</u>
	\$ 15,039,155
Disbursements:	
	Pensions Paid to Inactive Members
	\$(59,077,295)
	Termination Withdrawals
	(996,549)
	Administrative Expenses
	(1,011,766)
	Disability Expenses
	(97,395)
	<u>(33,012)</u>
	Total Disbursements
	\$ (61,216,017)
	Total Receipts
	\$ (25,457,968)
	Assets at June 30, 2001
	\$1,155,055,872

ACTUARIAL VALUATION RESULTS
Retirement System Assets – Actuarial Value
Year Ending June 30, 2001

1.	Actuarial Value of Assets at July 1, 2000	\$1,207,467,470
2.	Contributions for 2000 Plan Year (Members, Cities and State)	45,327,793
3.	Benefit distributions and refunds for 2000 plan year	(60,073,844)
4.	Noninvestment Expenses a. Administrative Expenses b. Disability Expenses c. Total	(1,011,766) <u>(97,395)</u> (1,109,161)
5.	Expected return on Assets for year at 7.5%	92,545,917
6.	Asset gains/(losses) for prior four plan years a. 2000 b. 1999 c. 1998 d. 1997 e. Total	(163,364,690) 18,506,450 24,002,929 <u>33,524,344</u> (87,330,967)
7.	Asset gains/(losses) to be recognized, 25% x 6c.	(21,832,742)
8.	Actuarial Value of Assets at July 1, 2001 = 1 + 2 + 3 + 4c + 5 + 7	\$1,262,325,433

ACTUARIAL VALUATION RESULTS

Retirement System Liabilities and Contributions

		<u>2000</u>	<u>2001</u>
		As of July 1	
Present Value of Unfunded Future Benefits			
1.	Actuarial Present Value of all Future Benefits		
	a. Active members	\$ 635,155,948	\$ 634,046,868
	Service retirements	73,572,043	74,342,237
	Ordinary disability	196,918,140	199,074,346
	Accidental disability	22,781,281	23,065,811
	Ordinary death	25,166,384	25,374,584
	Accidental death	19,387,927	19,846,764
	Withdrawal	<u>972,981,723</u>	<u>975,750,610</u>
	Total Active		
	b. Inactive members		
	Members receiving benefits	666,433,361	745,512,070
	Deferred vested terminations	18,574,357	20,742,470
	Refund of member contributions due	<u>143,929</u>	<u>164,409</u>
	Total Inactive	685,151,647	766,418,949
	c. Total Present Value of Future Benefits	1,658,133,370	1,742,169,559
2.	Actuarial Value of Plan Assets	1,207,467,470	1,262,325,433
3.	Actuarial Present Value of Future Member Contributions	158,983,685	161,049,434
4.	Present Value of Unfunded Future Benefits (1) - (2) - (3)	291,682,215	318,794,692
Determination of Preliminary Total Contribution			
5.	Present value of future payroll of all covered members	1,700,360,265	1,722,453,837
6.	Total (Cities plus State) normal contribution (4) ÷ (5)	17.15%	18.51%
7.	Covered payroll	164,623,840	166,018,043
8.	Preliminary total contribution from Cities and State (6) x (7)	28,232,989	30,729,940

ACTUARIAL VALUATION RESULTS

**Retirement System Liabilities and Contributions
(continued)**

Determination of Cities' Contribution

9. Estimated State Contribution	2,943,000	2,943,000
10. Estimated State Contribution as a percent of payroll (9) ÷ (7)	1.79%	1.77%
11. Preliminary Cities' Contribution (8) – (9)	25,289,989	27,786,940
12. Cities' contribution as a percent of payroll (11) ÷ (7)	15.36%	16.74%
13. Minimum required contribution rate for Cities	17.00%	17.00%
14. Cities' contribution (Greater of 12 or 13) x (7)	\$27,986,053	\$28,223,067

ACTUARIAL VALUATION RESULTS
Actuarial Present Value of Accrued Benefits

		2000	2001
As of July 1			
1.	Present value of vested accrued benefits	\$407,171,105	\$426,469,502
a.	Present value of vested accrued benefits for active members	18,718,286	20,906,879
b.	Present value of benefits for terminated members	666,433,361	745,512,070
c.	Present value of benefits being paid to retirees and beneficiaries	\$1,092,322,752	\$1,192,888,451
Total			
2.	Present value of accrued nonvested benefits	92,381,157	81,519,995
3.	Present value of all accrued benefits (1) + (2)	\$1,184,703,909	\$1,274,408,446
4.	Market value of assets	\$1,241,729,857	\$1,155,055,872
5.	Ratio of market value of assets to the present value of all accrued benefits (4) ÷ (3)	105%	91%
6.	Ratio of market value of assets to the present value of vested accrued benefits (4) ÷ (1)	114%	97%

ACTUARIAL VALUATION RESULTS

Change in Actuarial Present Value of Accrued Benefits

The change in actuarial present value of accrued benefits due to various factors including benefits accumulated, the passage of time, benefits paid, changes in assumptions and changes in System provisions is displayed below.

Actuarial present value of accrued benefits on July 1, 2000

\$1,184,703,909

Change in present value of accrued benefits from July 1, 2000 to July 1, 2001 due to:

- Additional benefits accumulated
- Interest due to passage of time
- Benefits paid
- Change in assumptions
- Changes in System provisions

\$	55,982,292	86,640,750	(60,073,844)	7,155,339	<u>0</u>
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Actuarial present value of accrued benefits on July 1, 2001

\$1,274,408,446

SYSTEM EXPERIENCE

During the plan year July 1, 2000 to June 30, 2001, actual experience differed from that expected by the actuarial assumptions, as summarized below.

Decrement Type	Expected	Actual
Actives		
Service Retirement	58	97
Accidental Disability	32	51
Ordinary Disability	14	8
Accidental Death	5	2
Ordinary Death	7	3
Inactives		
Beneficiary Death	34	26
Disabled Death	33	18
Retirement Death	51	40
Vested Termination Death	1	0
Withdrawal	79	103

SUMMARY OF ACTUARIAL ASSUMPTIONS

Interest Rate

7.5%

Salary Increase Rate

Rates varying based on age. Annual rates at sample ages are displayed below:

Age	Rate
20	12.59%
25	8.67%
30	5.95%
35 or Over	4.50%

Mortality Rates
 Pre-retirement Mortality
 • Ordinary

Rates varying by age – Sample rates:

Age	Rate
20	0.06%
25	0.07
30	0.08
35	0.12
40	0.16
45	0.20
50	0.29
55	0.38
60	0.56
65	0.75

• Accidental

Rates varying by age – Sample rates:

Age	Rate
20	0.11%
25	0.07
30	0.06
35	0.06
40	0.06
45	0.09
50	0.24
55	0.47
60	0.75
65	1.38

SUMMARY OF ACTUARIAL ASSUMPTIONS

Post-retirement Mortality

- Ordinary

A weighting equal to 9/12 of the 1971 Group Annuity Mortality Table, Male and Female and 3/12 of the 1994 Group Annuity Mortality Table, Male and Female.

- Disabled

A weighting equal to 9/12 of the 1971 Group Annuity Mortality Table – Male, set forward six years and 3/12 of the 1994 Group Annuity Mortality Table - Male, set forward six years.

Disability Rates

- Ordinary

Rates varying by age – Sample rates:

Age	Rate
20	0.12%
25	0.12
30	0.12
35	0.15
40	0.24
45	0.37
50	0.59
55	1.09
60	2.08
65	3.39

- Accidental

Rates varying by age – Sample rates:

Age	Rate
20	0.11%
25	0.11
30	0.11
35	0.11
40	0.30
45	0.68
50	1.31
55	2.97
60	6.19
65	7.09

SUMMARY OF ACTUARIAL ASSUMPTIONS

Turnover Rates Rates varying by age - Sample rates:

Age	Rate
20	7.11%
25	5.81
30	4.51
35	2.71
40	1.08
45	0.20
50	0.20
55	0.00
60	0.00
65	0.00

Retirement Age Rates varying by age - Sample rates:

Age	Rate
55 - 56	35 %
57 - 60	25
61	30
62	35
63	40
64	45
65	100 %

SUMMARY OF ACTUARIAL ASSUMPTIONS

Administrative Expenses	None assumed.
Percentage Married	85%
Spouses' Age	Wives are three years younger than husbands.
Number of Children	2.5 per couple.
Participating Payroll	Actual annualized earnable compensation reported for prior year increased to the current plan year based on the System's assumed salary increase rate.

SUMMARY OF ACTUARIAL METHODS

Actuarial Cost Method

The Aggregate Actuarial Cost Method was used to determine recommended contributions. Using this method, the present value of benefits to be funded by future contributions is determined by subtracting the actuarial value of plan assets and the actuarial present value of future member contributions from the actuarial present value of projected benefits. This result, the present value of unfunded future benefits, is divided by the present value of future salaries of active members included in the valuation to determine a normal cost accrual rate. The normal cost accrual rate is multiplied by the total of current annual salaries of members in the valuation to determine the recommended contribution.

Using the Aggregate Method, gains and losses that arise due to actual experience are not directly determined and recognized each year. Gains and losses are included in the present value of unfunded future benefits and affect the normal cost accrual rate. As a result, gains and losses are spread over the remaining period to retirement of members in the valuation and are recognized as a portion of future annual contributions.

Actuarial Asset Valuation Method

The preliminary actuarial value is equal to the prior year's actuarial value (starting with the market value as of July 1, 1992) adjusted for contributions, disbursements and expected return on investments. The preliminary value is then increased by 25% of any investment gains or (losses) during the four prior plan years.

SUMMARY OF SYSTEM PROVISIONS

The System was first established, effective January 1, 1992, by Chapter 411 of the Code of Iowa by combining each city's fire retirement system and police retirement system into a single statewide retirement system for fire fighters and police officers. Plan amendments through July 1, 2001 are reflected in this summary.

Participation Each person who becomes a permanent full-time police officer or fire fighter in a participating city.

Membership Service From date of employment to date of separation from employment.

Earnable Compensation The annual compensation which a member receives for services rendered as a police officer or fire fighter in the course of employment with a participating City, except for amounts received for overtime, meal or travel expenses, uniform allowances, fringe benefits, severance pay, mandatory deferred compensation, and accumulated sick leave or vacation pay.

Contributions

Members

The following percentages of Earnable Compensation:

Effective Date	Percentage
October 16, 1992	6.10%
July 1, 1993	7.10
July 1, 1994	8.10
January 1, 1995	8.35
July 1, 1995	9.35

The amount actuarially determined necessary to fund the benefits in accordance with accepted actuarial principles but not less than 17% of the Earnable Compensation of the active members.

The annual appropriation from the State of Iowa to fund benefits is about \$2,943,000 a year.

SUMMARY OF SYSTEM PROVISIONS

The average Earnable Compensation of the member during the three years of service the member earned their highest salary as a police officer or fire fighter.

Average Final Compensation

After age 55 and completion of 22 years of service.

Eligibility

Monthly annuity equal to 66.0% of Average Final Compensation plus 2.0% of Average Final

Compensation for each year of service in excess of 22 years (up to 8 additional years). The maximum benefit is 82.0% of Average Final Compensation.

Benefit

Service Retirement Benefit

At least 4 years of service upon termination of

Eligibility

membership before age 55, or at least 4, but less than 22 years of service upon termination of membership after age 55.

Termination Benefit

Monthly annuity payable at age 55 or current age, if

Benefit

later, equal to 66.0% of Average Final Compensation plus 2.0% of Average Final Compensation for each year of service in excess of 22 years (up to 8 additional years), if any, times a ratio equal to service at termination divided by 22 (ratio not to exceed 1.0).

Effective July 1, 1990, members who terminate service, other than by death or disability, can elect to withdraw their accumulated contributions with interest in lieu of any benefits to which the member may be entitled to from the System.

SUMMARY OF SYSTEM PROVISIONS

Ordinary Disability Benefit

Eligibility

Any age and any length of service.

Benefit

Monthly annuity payable upon disability equal to either (a) or (b) below, but no less than (c):

- (a) If service at disability is greater than or equal to 5, 50% of Average Final Compensation; or
- (b) If service at disability is less than 5, 25% of Average Final Compensation;

(c) The benefit determined using the Service Retirement formula based on service and Average Final Compensation at the date of disability.

Accidental Disability Benefit

Eligibility

Any age and any length of service.

Benefit

A monthly annuity equal to 60% of Average Final Compensation but no less than the benefit determined using the Service Retirement formula based on service and Average Final Compensation at the date of disability.

Ordinary Death Benefit

Eligibility

For members in service: any age and any length of service.

For member not in service: 4 years of service.

Benefit

Upon death of the member, either (a) or (b) below:
 (a) A lump sum equal to 50% of Earnable Compensation during the last year of employment; or

SUMMARY OF SYSTEM PROVISIONS

(b) A monthly annuity equal to 40% of average final compensation but not less than 20% of the earnable compensation of an active member having the highest grade in the rank of a police patrol officer or fire fighter (whichever is applicable). For a member not in service, the monthly annuity is payable on the date the member would have reached age 55, except if there is a dependent child, it is paid immediately upon death of the member.

For each dependent child, an additional benefit equal to 6% of the Earnable Compensation of an active member having the highest grade in the rank of a police patrol officer or fire fighter (whichever is applicable). This benefit is payable until the child reaches age 18 or 22 or payable for life if the child is disabled.

Accidental Death Benefit

Eligibility

Death from causes sustained in the line of duty.

Benefit

A monthly annuity equal to 50% of Average Final Compensation payable to surviving spouse, dependent child or dependent parents. In addition, a lump sum of \$100,000 is payable to the surviving spouse, dependent child or dependent parents if death is due to a traumatic personal injury incurred in the line of duty.

For each dependent child, an additional benefit equal to 6% of the Earnable Compensation of the active member having the highest grade in the rank of a police patrol officer or fire fighter (whichever is applicable).

Death After Retirement

Eligibility

Death of member while receiving a service (basic benefit only), ordinary, accidental or vested (basis benefit only) retirement.

SUMMARY OF SYSTEM PROVISIONS

Benefit
 To surviving spouse, 50% of the gross monthly benefit of the retired member but not less than 20% of Earnable Compensation of an active member having the highest grade in the rank of a police patrol officer or fire fighter (whichever is applicable).
 For each dependent child, an additional benefit equal to 6% of the Earnable Compensation of the active member having the highest grade in the rank of a police patrol officer or fire fighter (whichever is applicable).

Annual Escalator Benefit Eligibility

All retired members, except for vested retirements, and for beneficiaries, except for beneficiaries of vested retirements.

Benefit

The monthly pension benefit is increased each July 1 by the sum of (a) plus (b) below:
 (a) The previous monthly benefit multiplied by 1.5%, and
 (b) An additional dollar amount from the table below based on the number of years the member has been retired.

Years of Retirement	Amount
Less than 5	\$15
5 - 9	20
10 - 14	25
15 - 19	30
20 or More	35

Normal Form of Benefit

Married
 Single
 Joint and 50% Survivor Annuity.
 Life Only Annuity.

SUMMARY OF SYSTEM MEMBERS

July 1

	<u>2000</u>	<u>2001</u>
Active Members		
Number	3,843	3,789
Average Attained Age	40.0	39.9
Average Past Service	13.5	13.3
Total Annual Compensation	\$164,674,620	\$166,087,647
Average Annual Compensation	42,851	43,834
Non-Active Members in Pay Status		
Number	3,041	3,170
Average Age (excluding children)	67.0	66.9
Total Annual Benefits	\$55,990,746	\$62,645,095
Average Annual Benefit	18,412	19,762
Non-Active Members with Deferred Benefits		
Number*	222	238
Average Age	45.5	45.3
Total Annual Benefits	\$2,787,578	\$3,102,822
Average Annual Benefit	12,557	13,037

* Excludes 59 and 64 terminated nonvested members who have not yet received a refund of contributions for 2000 and 2001 respectively.

SUMMARY OF SYSTEM MEMBERS

Reconciliation of Participant Counts

	Active	Terminated	In Pay Status		Total
		Vested	Beneficiaries	Disables	Retirees
Number as of July 1, 2000	3,843	222	846	919	1,276
Change due to:					
New hires and rehires	218	(2)	0	0	0
Terminations	(61)*	41	0	0	0
Retirement	(97)	(13)	0	0	110
Disability	(59)	0	0	59	0
Death without Beneficiary	(2)	0	(26)	(7)	(14)
Death with Beneficiary	(3)	0	50	(11)	(26)
Refund Paid Out	(50)**	(10)	0	0	0
Benefit Aged Out	0	0	(7)	0	0
Other	0	0	1	0	0
Number as of July 1, 2001	3,789	238	864	960	1,346
					7,197

* Six of the Terminations are from new hires during the period July 1, 2000 to June 30, 2001.

** Two of the Refunds Paid Out are from new hires during the period July 1, 2000 to June 30, 2001.

SUMMARY OF SYSTEM MEMBERS

Active Members — As of July 1, 2001

Age	Years of Service									Total	Average Annual Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+			
Under 25	149	0	0	0	0	0	0	0	0	149	\$34,536
25-29	413	82	0	0	0	0	0	0	0	495	\$37,287
30-34	292	302	103	0	0	0	0	0	0	697	\$39,781
35-39	113	162	258	84	0	0	0	0	0	617	\$42,614
40-44	46	77	133	152	151	4	0	0	0	563	\$45,893
45-49	11	24	77	102	270	144	0	0	0	628	\$48,404
50-54	2	8	22	34	97	250	114	1	1	528	\$50,141
55-59	0	1	1	7	12	33	35	7	7	96	\$51,284
60+	0	0	1	1	1	0	6	7	7	16	\$51,932
Total	1,026	656	595	380	531	431	155	15	15	3,789	
Average Annual Salary	\$36,226	\$41,835	\$44,112	\$46,999	\$49,539	\$50,866	\$53,818	\$53,272			\$43,834

SUMMARY OF SYSTEM MEMBERS
Inactive Members — As of July 1, 2001

Service Retirees			
Age	Number	Total Annual Benefit	Average Annual Benefit
55 - 59	198	\$ 6,767,731	\$34,180
60 - 64	271	7,968,329	29,403
65 - 69	210	5,086,039	24,219
70 - 74	209	4,524,282	21,647
75 - 79	173	3,279,421	18,956
80 - 84	93	1,572,243	16,906
Over 84	62	995,639	16,059
Total	1,216	\$30,193,684	\$24,830
Vested Retirees			
Age	Number	Total Annual Benefit	Average Annual Benefit
55 - 59	40	\$ 610,276	\$15,257
60 - 64	30	300,943	10,031
65 - 69	34	297,677	8,755
70 - 74	14	78,359	5,597
75 - 79	5	15,572	3,114
80 - 84	4	20,284	5,071
Over 84	3	7,110	2,370
Total	130	\$1,330,221	\$10,232

**SUMMARY OF SYSTEM MEMBERS
Inactive Members — As of July 1, 2001**

Accidental Disability			
Age	Number	Total Annual Benefit	Average Annual Benefit
Under 40	13	\$ 307,600	\$23,662
40 - 44	37	840,442	22,715
45 - 49	61	1,400,912	22,966
50 - 54	108	2,625,526	24,310
55 - 59	172	4,448,068	25,861
60 - 64	148	3,683,337	24,887
65 - 69	109	2,546,743	23,365
70 - 74	67	1,480,805	22,102
75 - 79	44	948,906	21,566
80 - 84	25	503,333	20,133
Over 84	16	321,794	20,112
Total	800	\$19,107,466	\$23,884
Ordinary Disability			
Age	Number	Total Annual Benefit	Average Annual Benefit
Under 40	5	\$ 91,228	\$18,246
40 - 44	9	179,347	19,927
45 - 49	17	309,439	18,202
50 - 54	32	631,115	19,722
55 - 59	28	631,668	22,560
60 - 64	24	471,239	19,635
65 - 69	21	332,088	15,814
70 - 74	10	150,362	15,036
75 - 79	9	139,442	15,494
80 - 84	3	36,919	12,306
Over 84	2	31,279	15,640
Total	160	\$3,004,126	\$18,776

SUMMARY OF SYSTEM MEMBERS
Inactive Members — As of July 1, 2001

Beneficiaries (Spouse)

Age	Number	Total Annual Benefit	Average Annual Benefit
Under 40	12	\$ 182,326	\$15,194
40 - 44	10	117,851	11,785
45 - 49	29	402,413	13,876
50 - 54	33	452,027	13,698
55 - 59	36	438,199	12,172
60 - 64	93	1,049,793	11,288
65 - 69	70	792,671	11,324
70 - 74	110	1,207,123	10,974
75 - 79	118	1,237,395	10,486
80 - 84	139	1,428,085	10,274
Over 84	<u>145</u>	<u>1,465,934</u>	<u>10,110</u>
Total	795	\$8,773,817	\$11,036

Beneficiaries (Children)

Age	Number	Total Annual Benefit	Average Annual Benefit
Under 3	1	\$ 2,379	\$ 2,379
3 - 5	2	5,538	2,769
6 - 8	1	2,379	2,379
9 - 11	2	5,850	2,925
12 - 14	7	22,929	3,276
15 - 17	14	51,682	3,692
18 - 20	25	83,031	3,321
Over 20	<u>17</u>	<u>61,993</u>	<u>3,647</u>
Total	69	\$235,781	\$ 3,417

SUMMARY OF SYSTEM MEMBERS
Inactive Members — As of July 1, 2001

		Terminated Vested	
	Age	Number	Total Annual Benefit
	Under 40	49	\$ 368,321
	40 - 44	49	595,937
	45 - 49	62	932,866
	50 - 54	78	1,205,698
	Over 54	0	0
	Total	238	\$3,102,822

			\$ 7,517
			12,162
			15,046
			15,458

			0
			Average Annual Benefit
			\$13,037