

**MUNICIPAL POLICE EMPLOYEES'
RETIREMENT SYSTEM
JUNE 30, 2001
ACTUARIAL VALUATION**

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October 26, 2001

Board of Trustees
MUNICIPAL POLICE EMPLOYEES'
RETIREMENT SYSTEM

8550 United Plaza Boulevard, Suite 501
Baton Rouge, Louisiana 70809-0200

Gentlemen:

This report presents the results of the actuarial valuation of assets and liabilities, as well as funding requirements, for the Municipal Police Employees' Retirement System as of June 30, 2001.

This report has been prepared in accordance with generally accepted actuarial principles and practices and to the best of my knowledge, fairly reflects the actuarial present value of accrued benefits of the Municipal Police Employees' Retirement System.

In preparing this valuation, I have relied upon the information provided regarding plan provisions, plan membership, plan assets and other matters as detailed in the exhibits of this report. In particular, I have relied upon the statement of assets as audited by Duplantier, Hrapmann, Hogan and Maher, Certified Public Accountants.

The present values shown herein have been estimated on the basis of actuarial method, as specified in Louisiana Revised Statutes Title 11 Section 22(7). The Actuarial Assumptions, which have been approved by the Board of Trustees, are appropriate for the purposes of this valuation, are reasonable in the aggregate, and when applied in combination represents my best estimates of the anticipated experience under the plan.

Board of Trustees

MPERS

October 26, 2001

A brief summary of the more important figures developed in this valuation, with comparable results from previous valuations are as follows:

	<u>June 30, 2001</u>	-----Prior Years-----	
		<u>June 30, 2000</u>	<u>June 30, 1999</u>
I. Membership Census			
1) Retirees	3,283	3,164	3,024
2) Actives	5,846	5,855	5,037
3) DROP	237	228	141
II. Annual Benefits	\$ 57,471,468	\$ 52,048,248	\$ 48,279,019
III. Total Payroll	181,737,834	163,773,101	143,669,670
IV. Valuation Assets	1,275,127,921	1,277,548,391	1,148,895,773
V. Investment Yield			
(To Actuarial Value)	1.71%	7.35%	12.66%
(Net of mergers)	1.99%	7.44%	12.74%
VI. Cost to Fund Annual Pension Accruals (Normal Costs)	37,313,879 20.53%	34,030,289 20.78%	29,570,719 20.58%
VII. Unfunded Actuarial Accrued Liability	-14,071,173	-110,301,247	-110,425,877
VIII. Funded Percentage	101.12%	109.45%	110.63%
IX. Funding Requirements to Pay (Mid-year Payments)			
1) Employee Rate	7.50%	7.50%	7.50%
2) Employer Rate ¹ (Current Year)	9.00%	9.00%	9.00%
Premium Tax Allocation	4,806,272	0	0
3) Projected Employer Rate ¹ (Next Year)	9.00%	9.00%	9.00%
Premium Tax Allocation	5,108,109	0	0

The above Funding requirements measure the cost of benefits in effect on June 30, 2001, and do reflect changes in benefit structure due to Acts of the 2001 Legislative Session.

¹The governing statutes mandate that the employer rate shall not be less than 9%.

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History of Changes in Funding Requirements

It should be noted that in the past the casualty insurance premium has been critical to the successful funding of pension benefits. Previously, employees and employers contributed a combined 14% of payroll each year which is now 6.60% below the actuarial funding requirement. This deficit in funding percentage has, in the past, been supplemented by a portion of the insurance premium taxes collected by the State. This premium income is not fixed as a percentage of payroll unlike the employee and employer contributions. The table below indicates the past relationship between premium tax allocation and membership salary growth:

Tax Revenue as a Percentage of Covered Salary

<u>Year</u>	<u>Tax Revenue</u>	<u>Salary</u>	<u>Percentage</u>
1988	11,413,944	76,057,176	15.01%
1990	1,538,104	86,170,055	1.78%
1995	3,569,803	100,454,990	3.55%
1996	5,005,376	104,741,407	4.78%
1997	1,498,487	123,501,876	1.21%
1998	3,041,136	131,639,692	2.31%
1999	0	143,669,670	0.00%
2000	0	143,669,670	0.00%
2001	0	181,737,834	0.00%

During the early eighties, the percentage of tax revenue to payroll continued to decline. This was largely due to the influx of new members resulting from mergers of non-participating municipalities into the system.

During the 1988 Legislative Session, two bills were enacted which had a tremendous impact on the future funding of the system. The insurance premium tax, which was dedicated by statute, was revoked. As a result of Act 81, the employee contribution rate was raised from 7% to 8% of payroll. Furthermore, Act 81 required the employer to fund the employer portion, raising the employer rate from 7% to approximately 12.0%. The contribution rates were increased to replace the lost revenue provided by the insurance premium tax in order to meet actuarial funding requirements. During the 1990 Legislative Session, the Actuarial Forecast Committee set the employer contribution rate at 11.38%, or 9.00% plus a \$2,236,000 appropriation. However, Governor Roemer vetoed the enabling legislation which resulted in a reversion to the higher 11.38% rate for the municipalities during the 1990-1991 fiscal year.

During the 1991 Legislative Session Act 397 reestablished the employee rate at 7% and the employer rate at 9%. The System would receive the balance of the funding requirement from the insurance premium tax. The excess insurance premium tax, if any, would revert to the general fund. Also, during the 1991 Legislative Session Act 456 added a 25 year at any age retirement benefit.

Board of Trustees
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 October 26, 2001

To offset the cost of the benefit, member contribution rate was increased from 7% to 8%. Members will pay the increased rate for thirty years or until the system becomes 100% funded, whichever occurs first. At that time, the employee contribution rate will decrease to approximately 7.5% which reflects the liquidation of the unfunded accrued liability attributable to Act 456. Since the plan was fully funded as of June 30, 1993, the employee rate declined to 7.5% effective with the Plan Year beginning on July 1, 1994.

Changes in Unfunded Actuarial Liability

During the past fiscal year, the actuarial unfunded accrued liability/(surplus) decreased from a 110.3 million surplus to a 14.0 million dollar surplus. This increase was due primarily to the decline in investment markets.

To clarify the increase in the actuarial unfunded accrued liability, the following gain/loss analysis is presented as follows:

<u>CHANGE IN UNFUNDED LIABILITY (SURPLUS)</u>	
Unfunded Liability 6/30/2000	\$ -110,301,247
INCREASES	
Net Amortization Payment	\$ 13,195,627
Retiree COLA	20,172,787
Investment Loss	67,451,172
Experience Loss	<u>3,196,932</u>
Incurring Increases	104,016,518
DECREASES	
Interest on Unfunded Liability	7,721,087
Employer Contribution Variance	<u>65,357</u>
Incurring Decreases	7,786,444
Unfunded Liability 6/30/2001	\$ -14,071,173

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Exhibit 3 "Pension Accounting and Financial Disclosure" contains disclosure of the accrued liabilities under the Entry Age Normal Actuarial Cost Method required by the Governmental Accounting Board Statement No. 25.

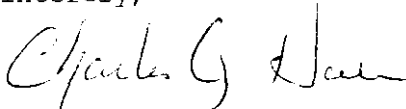
Consideration for Cost-of-Living Increase

The Development of the Target Ratio (see Exhibit 7) makes specific provisions for the determination of whether or not a retirement system is systematically approaching the targeted funding ratio. This is an important consideration for both retired members and members of the Board of Trustees. The Board is specifically prohibited from granting a cost-of-living raise to retirees and survivors by Act 256 of the 1986 regular session unless the system has met the Funding Target.

For the plan year ending June 30, 2001 the funding target is 1.0, which is less than the current 1.01116 funding ratio. Therefore, the Board is permitted to consider granting a cost-of-living increase by statute.

The format of this report was designed with the intent of highlighting the pertinent results of the valuation's funding requirements. Should you have any questions or comments, please do not hesitate to contact me.

Sincerely,



Charles G. Hall, FCA, MAAA, ASA
Actuary

CGH/tt

Enclosure

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EXHIBIT 1
DEVELOPMENT
OF
COSTS, LIABILITIES AND CONTRIBUTIONS

Normal Costs and Accrued Liabilities are calculated in accordance with the Individual entry Age Normal Actuarial Cost Method, and the Actuarial Assumptions outlined in Exhibit 6 based on the Provisions of the Plan as summarized in Exhibit 5.

	<u>June 30, 2001</u>		<u>--Prior Year--</u> <u>June 30, 2000</u>	
	<u>Dollar</u> <u>Amount</u>	<u>% of</u> <u>Salary</u>	<u>Dollar</u> <u>Amount</u>	<u>% of</u> <u>Salary</u>
I. Normal Costs				
(to fund annual pension accruals)				
Active Members with Complete Data				
a) Retirement Benefits	\$ 28,066,110	15.44%	\$ 25,432,261	15.53%
b) Disability Benefits	2,565,439	1.41%	2,332,373	1.43%
c) Survivor Benefits	1,501,788	.83%	1,382,476	.84%
d) Voluntary Termination	4,436,542	2.44%	4,213,179	2.57%
e) Expenses	<u>744,000</u>	<u>.41%</u>	<u>670,000</u>	<u>.41%</u>
TOTAL	37,313,879	20.53%	34,030,289	20.78%
II. Actuarial Accrued Liability				
a) Active Members				
1) Retirement Benefits	\$ 521,079,061		\$ 452,286,370	
2) Disability Benefits	18,836,456		16,454,801	
3) Survivor Benefits	10,218,795		9,028,722	
4) Voluntary Termination	<u>1,504,313</u>		<u>184,505</u>	
	551,638,625		477,954,398	
b) Retired and Inactive Members				
1) Regular Retirees	441,471,465		399,865,268	
2) Disabled Retirees	32,849,117		32,301,615	
3) Survivors	86,106,468		80,414,053	
4) Vested Deferred & Transfers	8,787,849		8,452,746	
5) Contributions Refunded	1,878,735		1,719,460	
6) DROP Deferred Benefits	90,103,995		121,617,845	
7) DROP Account Balance	<u>48,220,494</u>		<u>44,921,761</u>	
	709,418,123		689,292,746	
c) TOTAL	1,261,056,748		1,167,247,144	

Exhibit 1 (Continued)
Costs, Liabilities & Contributions

	<u>June 30, 2001</u>	<u>--Prior Year--</u> <u>June 30, 2000</u>
II. Actuarial Accrued Liability		
TOTAL (Preceding page)	\$ 1,261,056,748	\$ 1,167,247,144
III. Valuation Assets	1,275,127,921	1,277,548,391
IV. Unfunded Actuarial Accrued Liabilities - (-Surplus)	-14,071,173	-110,301,247
a) Change over prior year	96,230,075	124,630
b) Funded Percentage	101.12%	109.45%
V. Employer Contributions		
To Fund current Plan Year ¹		
a) Employer Portion of Normal Cost	24,498,446	22,495,589
b) Amortization Payments	-3,115,229	-12,755,183
c) Employer Shortfall Credit	<u>-8,448</u>	<u>-1,511</u>
TOTAL Required Contribution	21,374,769	9,738,895
	11.61%	5.87%
Premium Tax Allocation	4,806,272	0
VI. Projected Employer Contributions		
To Fund Next Plan Year ¹		
a) Employer Portion of Normal Cost	25,430,929	23,219,233
b) Amortization Payments	-3,115,229	-12,755,183
c) Employer Shortfall Credit	<u>-8,448</u>	<u>-1,513</u>
TOTAL Projected Contribution	22,307,252	10,462,539
	11.67%	6.11%
Premium Tax Allocation	5,108,109	0
VII. Current Payroll	181,737,834	163,773,101
Projected Payroll - Mid Year	184,094,407	165,940,639
Projected Payroll - Next Year	191,101,584	171,278,660

¹ Dollar Amounts reflect estimated payments due mid-year on January 1st.

EXHIBIT 2

FINANCIAL SUMMARY
STATEMENT OF REVENUES AND EXPENSES
FOR FISCAL YEAR ENDING

	<u>June 30, 2001</u>	-----Prior Years-----	
		<u>June 30, 2000</u>	<u>June 30, 1999</u>
<u>OPERATING REVENUES:</u>			
1. Contribution Income			
Member	\$ 13,838,527	\$ 12,376,419	\$ 10,930,972
Employer	16,617,526	14,837,001	13,030,572
2. Other Income			
General Fund/Premium Tax	0	0	0
Merger Interest	7,047,975	3,927,301	1,915,690
LA State Note	0	0	0
Merger Contributions	0	72,283,023	30,248,342
Miscellaneous	<u>1,797,917</u>	<u>724,827</u>	<u>562,787</u>
TOTAL CONTRIBUTIONS	39,301,945	104,148,571	56,688,363
3. Investment Income			
Investments ¹	-39,669,654	42,768,890	99,777,800
Less, investment expenses	<u>-2,364,785</u>	<u>-2,229,155</u>	<u>-2,213,573</u>
TOTAL INVESTMENT INCOME	-42,034,439	40,539,735	97,564,227
4. Total Revenues	-2,732,494	144,688,306	154,252,590
<u>OPERATING EXPENSES:</u>			
1. General Administration	743,947	668,175	692,369
Other Expenses	40,549	33,401	22,387
2. Benefits Paid			
a) Pension Benefits	59,414,407	54,814,794	50,777,251
b) Return of Contrib.	<u>2,689,175</u>	<u>2,027,856</u>	<u>1,752,904</u>
TOTAL BENEFITS PAID	62,103,582	56,842,650	52,530,155
3. Total Expenses	62,888,078	57,544,226	53,244,911
<u>NET INCOME:</u>	-65,620,572	87,144,080	101,007,679

¹ Prior to June 30, 1999, reported realized investment income. A change in Asset Valuation Method now reports realized and unrealized investment income at Market (see Exhibit 6, page 25).

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

ASSETS ¹	June 30, 2001	-----Prior Years-----	
		June 30, 2000	June 30, 1999
1. Short Term Assets			
Cash in Banks	\$ 5,375,351	\$ 249,213	\$ 1,237,631
Cash Equivalents	37,779,793	55,500,675	36,086,679
2. Bonds (at amortized cost) ¹			
Domestic and Foreign	365,656,171	204,485,672	260,264,803
United States Agencies	139,006,025	144,246,975	120,695,840
Mutual Funds	696,000	134,044,016	138,244,512
3. Equities, Insurance Agreements			
Domestic Stock	419,883,108	454,733,559	447,645,786
Foreign Stocks	118,292,211	164,036,139	134,057,053
4. Other Assets			
Property/Equipment	1,158,091	1,036,317	129,564
Mutual Funds	8,500,000	100,000	0
Receivables - Payables	-3,215,409	-1,236,347	2,216,782
Receivables - from Mergers	102,581,030	104,136,726	33,610,227
TOTAL ASSETS			
Market Value	1,195,712,371	1,261,332,945	1,174,188,865
Valued at Cost	1,196,308,097	1,180,984,681	1,058,962,201
INVESTMENT YIELD:			
To Actuarial Value	1.71%	7.35%	12.66%
-Net of Mergers	1.99%	7.97%	12.74%
DROP Account Yield	1.49%	7.47%	12.44%
Market Value	-3.35%	3.72%	9.26%
ACTUARIAL VALUE OF ASSETS:			
TOTAL Assets, less	1,195,712,371	1,261,332,945	1,174,188,865
Change in Unrealized (G/L)			
Plan Year - 2 (wt. 1/4)	-5,073,427	49,920,269	16,552,112
Plan Year - 1 (wt. 2/4)	-34,878,400	-5,073,427	49,920,269
Plan Year - (wt. 3/4)	-80,943,988	-34,878,400	-5,073,427
Valuation Assets	1,275,127,921	1,277,548,391	1,148,895,773

¹Effective June 30, 1999, Assets reported at Market Value. Prior years reported at Cost Value.

EXHIBIT 3

**PENSION ACCOUNTING
AND
FINANCIAL DISCLOSURE**

The Governmental Accounting Standards Board (GASB) was established as an arm of the Financial Accounting Foundation in April, 1984 by amendment to the Foundation's certificate of incorporation and by-laws. GASB's objective is to promulgate standards of financial accounting and reporting relative to the activities and transactions of state and local governmental entities. The following disclosures and statistical tables are in accordance with the GASB's Statement No. 25.

SCHEDULE OF FUNDING PROGRESS

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
1992	627,940	632,192	4,252	99.3	96,853	4.4
1993	696,878	689,591	-7,285	101.1	97,908	-7.4
1994	739,788	736,148	-3,640	100.5	98,106	-3.7
1995	766,365	772,984	6,619	99.1	100,455	6.6
1996	839,234	812,079	-27,156	103.3	104,741	-25.9
1997	929,844	911,662	-18,182	102.0	123,502	-14.7
1998	1,018,384	950,228	-49,974	107.2	131,640	-38.0
1999	1,148,896	1,038,470	-110,426	110.6	143,670	-76.9
2000	1,277,548	1,167,247	-110,301	109.5	163,773	-71.6
2001	1,275,128	1,261,057	-14,071	101.1	181,738	-7.7

The total actuarial accrued liability determined using the Individual Entry Age Normal cost method increased by \$1,275,127,921 from June 30, 2000 to June 30, 2001. There were no changes in benefit provisions during the year. Retirees received a COLA during the year which increased liabilities \$20,172,787. From sources other than investment experience, there was a net experience loss of \$3,196,932.

EXHIBIT 3 (Continued)
Pension Accounting & Financial Disclosure

SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year</u>	<u>Actuarial Required Contribution¹</u>	<u>Percent Contributed</u>	<u>Annual Pension Cost (APC)¹</u>	<u>Actual Contribution¹</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation¹</u>
1992	12,564,328	100.9	12,653,133	12,683,111	100.2	-513,554
1993	12,324,833	98.4	12,381,218	12,126,827	97.9	-301,698
1994	12,007,523	101.9	12,042,891	12,235,639	101.6	-515,564
1995	13,551,208	98.0	13,611,763	13,278,514	97.6	-187,629
1996	15,317,128	98.5	15,343,306	15,089,800	98.3	53,645
1997	12,376,075	99.4	12,381,951	12,299,110	99.3	136,486
1998	15,340,965	101.2	15,344,190	15,517,638	101.1	-36,962
1999	13,568,502	99.3	13,578,983	13,478,928	99.3	63,093
2000	15,362,721	100.1	15,370,370	15,347,513	100.2	85,949
2001	17,123,946	99.6	17,131,525	17,189,303	99.7	28,172

Analysis of the percentage contributed over a period of years will give a relative indication of the funding progress for the liabilities of the Municipal Police Employees' Retirement System.

The difference between the Actuarial Required Contribution and the APC is the amortization payment for the Net pension Obligation (see Exhibit A).

**DEVELOPMENT OF NET
PENSION OBLIGATION:**

(1) Actuarial Required Contribution	\$ 17,123,946
(2) Interest on Net Pension Obligation	6,016
(3) Amortization of Net Pension Obligation	-1,563
(4) Accrued Pension Cost (1)+(2)-(3)	17,131,525
(5) Employer Contribution	17,189,303
(6) Increase (-decrease) in Net Pension Obligation	-57,777
(7) Net Pension Obligation Beginning of Year	85,949
(8) Net Pension Obligation End of Year (6)+(7)	28,172

¹ Actuarial Contributions, the Annual Pension Cost (APC), and the actual employer contribution made have been adjusted with interest at the valuation rate to the end of the fiscal year in accordance with GASB's Statement No. 25.

EXHIBIT 3 (Continued)
Pension Accounting & Financial Disclosure

STATISTICAL DATA

COMPARATIVE SUMMARY OF REVENUES BY SOURCE
AND EXPENSES BY TYPE

Revenues by Source				
<u>Fiscal</u> <u>Year End</u>	<u>Members</u> <u>Contribution</u>	<u>Employer</u> <u>Contribution</u>	<u>Investment</u> <u>Income</u>	<u>Total</u>
1992	7,811,250	14,648,420	50,204,094	72,663,764
1993	8,047,392	18,338,311	68,835,086	95,220,789
1994	7,918,416	13,936,075	52,828,085	74,682,576
1995	7,791,235	12,806,937	43,346,622	63,944,794
1996	8,168,543	14,587,861	73,792,139	96,545,543
1997	8,721,597	11,889,998	102,508,299	123,119,894
1998	9,824,612	15,160,629	90,074,934	115,060,175
1999	10,930,972	43,841,701 ¹	99,479,917	154,252,590
2000	12,376,419	87,844,851 ¹	44,467,036	144,688,306
2001	13,838,527	18,415,443 ¹	-34,986,464	-2,732,494

Expenses by Type

<u>Fiscal</u> <u>Year End</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Administrative</u> <u>Expenses</u> ²	<u>Total</u>
1992	25,241,389	1,127,282	491,852	26,860,523
1993	27,239,227	1,046,316	567,990	28,853,533
1994	31,161,466	1,243,864	514,248	32,921,578
1995	35,893,815	1,761,257	507,430	38,162,502
1996	40,491,226	1,392,630	533,934	42,417,790
1997	42,832,983	1,529,331	658,622	45,020,936
1998	46,854,583	1,529,407	1,489,663	49,873,653
1999	50,777,251	1,752,904	714,756	53,244,911
2000	54,814,794	2,027,856	701,576	57,544,226
2001	59,414,407	2,689,175	784,496	62,888,078

¹ Includes merger contract prepayments of \$30,248,342 in 1999 and \$72,283,023 in 2000.

² Includes other expenses incurred not directly related to the administration of daily operation. (See Exhibit 2).

EXHIBIT 4

CENSUS DATA

The data contained in this valuation is summarized on the following pages with exceptions noted below. The profile depicted in the cellular graphs represents "error-free data", which serves as the basis for determining costs and liabilities. Active members are allocated to cells based upon attained age and years of service. Retirees and Survivors are allocated to cells based upon attained age and years elapsed since retirement or commencement of benefits.

The validity of the results of any actuarial valuation is dependent upon the accuracy of the data base. Prior to processing, suspicious data and data containing errors were purged from the data base and processed separately based on the following error types:

- missing sex code
- missing or invalid date of birth
- missing or invalid date of employment
- missing or invalid salary
- invalid retirement dates

There were no records purged from the data base containing errors or categorized as suspicious data which is a significant reduction when compared to previous years. Suspicious data are not necessarily errors, but data which falls outside the parameters of the editing process for further checking.

Salary data contained in the profiles and valuation report exceed the sums reported by internal audit due to salary annualization. In the valuation process, membership data with fractional service annualizes the salary in the first year of employment.

The following is a summary by participant status of the data submitted for valuation:

	---2001---	---2000---
	<u>Census</u>	<u>Census</u>
Active Members	5,700	5,702
Regular Retirees	2,072	1,970
Disability Retirees	201	205
Survivors	927	910
Vested & Reciprocals	83	79
Due Refunds	549	491
DROP Participants	237	228
DROP To Active	<u>146</u>	<u>153</u>
 TOTAL	 9,915	 9,738

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

MUNICIPAL POLICE SYSTEM
ALL ACTIVE MEMBERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2001

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	14	10	1	0	0	0	0	0	0	25 :
:	88701	205573	36695	0	0	0	0	0	0	330969 :
[20 - 24) :	144	184	0	0	0	0	0	0	0	328 :
:	1473897	4568026	0	0	0	0	0	0	0	6041923 :
[25 - 29) :	182	784	74	0	0	0	0	0	0	1040 :
:	2119978	20953332	2182766	0	0	0	0	0	0	25256076 :
[30 - 34) :	108	473	468	192	7	0	0	0	0	1248 :
:	1179025	12545167	14273511	6444561	308926	0	0	0	0	34751191 :
[35 - 39) :	56	248	201	308	186	5	0	0	0	1004 :
:	496549	6409882	6136558	10594689	7321734	231626	0	0	0	31191038 :
[40 - 44) :	35	138	99	163	273	224	4	0	0	936 :
:	349129	3411623	2930106	5577026	10649302	9425166	210046	0	0	32552398 :
[45 - 49) :	17	65	73	101	151	284	35	0	0	726 :
:	140698	1573452	2041589	3237709	5714923	12253601	1661581	0	0	26623553 :
[50 - 54) :	7	34	39	42	85	61	29	4	0	301 :
:	111344	755345	1166460	1311155	3110385	2609846	1367589	213994	0	10646118 :
[55 - 59) :	0	5	11	18	27	9	3	1	0	74 :
:	0	83997	309213	492854	935385	425305	129194	72101	0	2448049 :
[60 - 64) :	0	0	0	4	9	2	0	0	0	15 :
:	0	0	0	177234	288267	72662	0	0	0	538163 :
[65 - 69) :	0	0	1	0	0	1	0	0	0	2 :
:	0	0	38942	0	0	7200	0	0	0	46142 :
[70 - 74) :	0	0	0	0	0	1	0	0	0	1 :
:	0	0	0	0	0	4800	0	0	0	4800 :
Total :	563	1941	967	828	738	587	71	5	0	5700 :
Total :	5959321	50506398	29115840	27835228	28328922	25030207	3368410	286095	0	170430421 :

AVERAGES : Attained Age 36.87
Service Years 9.07
Active Salary 29,900

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

MUNICIPAL POLICE SYSTEM
ACTIVE MALE MEMBERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2001

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	11	6	0	0	0	0	0	0	0	17 :
:	66816	127909	0	0	0	0	0	0	0	194725 :
:										:
[20 - 24) :	91	151	0	0	0	0	0	0	0	242 :
:	973205	3830408	0	0	0	0	0	0	0	4803613 :
:										:
[25 - 29) :	134	641	64	0	0	0	0	0	0	839 :
:	1654666	17398848	1908617	0	0	0	0	0	0	20962130 :
:										:
[30 - 34) :	80	384	411	173	6	0	0	0	0	1054 :
:	922796	10484295	12665370	5835650	267510	0	0	0	0	30175621 :
:										:
[35 - 39) :	34	150	196	268	163	4	0	0	0	815 :
:	328704	3978582	5952788	9315798	6451123	193029	0	0	0	26220024 :
:										:
[40 - 44) :	23	79	72	128	232	190	4	0	0	728 :
:	202966	2057160	2214003	4456375	9103872	8090137	210046	0	0	26334559 :
:										:
[45 - 49) :	6	38	53	81	121	243	33	0	0	575 :
:	45763	956163	1534965	2612228	4537467	10590330	1557110	0	0	21834027 :
:										:
[50 - 54) :	5	18	31	35	66	50	24	4	0	233 :
:	83553	406360	994392	1106814	2424185	2133281	1134124	213994	0	8496703 :
:										:
[55 - 59) :	0	2	7	8	21	4	3	1	0	46 :
:	0	32816	203607	276109	757597	168939	129194	72101	0	1640363 :
:										:
[60 - 64) :	0	0	0	4	5	2	0	0	0	11 :
:	0	0	0	177234	171133	72662	0	0	0	421029 :
:										:
[65 - 69) :	0	0	1	0	0	1	0	0	0	2 :
:	0	0	38942	0	0	7200	0	0	0	46142 :
:										:
[70 - 74) :	0	0	0	0	0	1	0	0	0	1 :
:	0	0	0	0	0	4800	0	0	0	4800 :
:										:
Total :	384	1469	835	697	614	495	64	5	0	4563 :
Total :	4278469	39272540	25512684	23780207	23712887	21260378	3030474	286095	0	141133735 :

AVERAGES : Attained Age 36.76
Service Years 9.47
Active Salary 30,930

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

MUNICIPAL POLICE SYSTEM
ACTIVE FEMALE MEMBERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2001

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	0	4	1	0	0	0	0	0	0	5 :
:	0	77664	36695	0	0	0	0	0	0	114359 :
:										:
[20 - 24) :	56	33	0	0	0	0	0	0	0	89 :
:	522577	737618	0	0	0	0	0	0	0	1260195 :
:										:
[25 - 29) :	48	138	15	0	0	0	0	0	0	201 :
:	465312	3422146	406488	0	0	0	0	0	0	4293946 :
:										:
[30 - 34) :	28	95	51	19	1	0	0	0	0	194 :
:	256229	2259259	1409755	608911	41416	0	0	0	0	4575570 :
:										:
[35 - 39) :	22	64	39	40	23	1	0	0	0	189 :
:	167845	1477696	1137374	1278892	870611	38597	0	0	0	4971015 :
:										:
[40 - 44) :	12	57	29	35	41	34	0	0	0	208 :
:	146163	1294407	776159	1120651	1545430	1335030	0	0	0	6217840 :
:										:
[45 - 49) :	11	24	23	20	30	41	2	0	0	151 :
:	94935	500110	623803	625481	1177456	1663271	104471	0	0	4789527 :
:										:
[50 - 54) :	2	16	8	7	19	11	5	0	0	68 :
:	27791	348985	172068	204341	686200	476565	233465	0	0	2149415 :
:										:
[55 - 59) :	0	3	4	10	6	5	0	0	0	28 :
:	0	51181	105606	216745	177788	256366	0	0	0	807686 :
:										:
[60 - 64) :	0	0	0	0	4	0	0	0	0	4 :
:	0	0	0	0	117134	0	0	0	0	117134 :
:										:
[65 - 69) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[70 - 74) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
Total :	179	434	170	131	124	92	7	0	0	1137 :
Total :	1680852	10169066	4667948	4055021	4616035	3769829	337936	0	0	29296687 :

AVERAGES : Attained Age 37.31
Service Years 7.44
Active Salary 25,767

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

MUNICIPAL POLICE SYSTEM
ACTIVE AFTER DROP

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY
DROP BENEFITS

VALUATION DATE 6/30/2001

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total :
[0 - 34) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										
[35 - 39) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										
[40 - 44) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										
[45 - 49) :	11	8	0	0	0	0	0	0	0	19 :
:	436326	407720	0	0	0	0	0	0	0	844046 :
:	314592	251088	0	0	0	0	0	0	0	565680 :
:										
[50 - 54) :	23	15	12	14	5	6	0	0	0	75 :
:	611980	715560	517236	764731	240196	308271	0	0	0	3157974 :
:	612144	408252	314604	435984	136080	162276	0	0	0	2069340 :
:										
[55 - 59) :	5	3	6	7	7	8	0	0	0	36 :
:	125936	118786	256275	300150	320331	314534	0	0	0	1436012 :
:	103236	69468	150396	160056	170676	176688	0	0	0	830520 :
:										
[60 - 64) :	0	0	1	0	4	2	1	0	0	8 :
:	0	0	40463	0	150042	76062	35569	0	0	302136 :
:	0	0	22092	0	96444	33228	13932	0	0	165696 :
:										
[65 - 69) :	1	0	0	0	0	0	3	0	0	4 :
:	19235	0	0	0	0	0	163630	0	0	182865 :
:	8676	0	0	0	0	0	61848	0	0	70524 :
:										
[70 - 74) :	1	1	0	0	0	0	2	0	0	4 :
:	19495	22162	0	0	0	0	95178	0	0	136835 :
:	11736	9252	0	0	0	0	58764	0	0	79752 :
:										
Total :	41	27	19	21	16	16	6	0	0	146 :
Total :	1212972	1264228	813974	1064881	710569	698867	294377	0	0	6059868 :
Total :	1050384	738060	487092	596040	403200	372192	134544	0	0	3781512 :

AVERAGES : Attained Age 54.65
Post Drop Years 2.87
Active Salary 41,506
Annual Benefit 25,901

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

MUNICIPAL POLICE SYSTEM
REGULAR RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2001

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total :
[0 - 39) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[40 - 44) :	1	1	1	0	0	0	0	0	0	3 :
:	14772	12912	7788	0	0	0	0	0	0	35472 :
:										:
[45 - 49) :	26	19	7	3	8	6	0	0	0	69 :
:	828972	477348	191364	76092	123948	87780	0	0	0	1785504 :
:										:
[50 - 54) :	71	41	54	51	56	84	13	8	0	378 :
:	2195148	1041012	1384020	1315812	1438104	2254788	336312	120432	0	10085628 :
:										:
[55 - 59) :	41	32	43	33	44	262	12	34	25	526 :
:	985908	662580	912060	654792	952860	6877308	310428	448344	306864	12111144 :
:										:
[60 - 64) :	5	6	4	7	16	94	136	30	71	369 :
:	86688	106164	61476	127512	283188	2416548	3452640	631824	941196	8107236 :
:										:
[65 - 69) :	3	2	4	1	11	26	67	65	111	290 :
:	46692	16284	47436	18264	190920	536340	1836096	1561824	1539372	5793228 :
:										:
[70 - 74) :	2	0	2	0	1	11	30	43	103	192 :
:	47856	0	77100	0	27084	226680	718416	927192	1532172	3556500 :
:										:
[75 - 79) :	1	0	0	0	0	2	14	17	120	154 :
:	6240	0	0	0	0	52080	350388	516060	1761600	2686368 :
:										:
[80 - 84) :	0	0	0	0	0	0	1	4	60	65 :
:	0	0	0	0	0	0	29484	72480	870480	972444 :
:										:
[85 - 89) :	0	0	0	0	0	0	0	0	20	20 :
:	0	0	0	0	0	0	0	0	227748	227748 :
:										:
[90 - 99) :	0	0	0	0	0	0	0	1	5	6 :
:	0	0	0	0	0	0	0	27588	40080	67668 :
:										:
Total :	150	101	115	95	136	485	273	202	515	2072 :
Total :	4212276	2316300	2681244	2192472	3016104	12451524	7033764	4305744	7219512	45428940 :

AVERAGES : Attained Age 62.66
Years Retired 12.33
Annual Benefit 21,925

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

MUNICIPAL POLICE SYSTEM
DISABILITY RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2001

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total :
[0 - 39) :	2	4	2	3	3	5	2	0	0	21 :
:	22812	34152	24852	30228	26280	50748	14676	0	0	203748 :
:										
[40 - 44) :	2	5	4	2	4	6	1	0	0	24 :
:	25836	65280	65844	33240	44124	77232	8136	0	0	319692 :
:										
[45 - 49) :	3	3	2	3	1	18	9	3	0	42 :
:	51180	47700	42048	54468	12612	255372	124404	34572	0	622356 :
:										
[50 - 54) :	0	2	2	4	0	13	13	9	2	45 :
:	0	26688	36672	53268	0	210096	153972	115068	23484	619248 :
:										
[55 - 59) :	0	0	1	0	2	4	5	5	9	26 :
:	0	0	20124	0	20340	34236	77172	61032	111048	323952 :
:										
[60 - 64) :	0	0	1	0	0	2	0	3	7	13 :
:	0	0	8556	0	0	13800	0	50064	94476	166896 :
:										
[65 - 69) :	0	0	0	0	0	0	2	1	15	18 :
:	0	0	0	0	0	0	22080	27900	192696	242676 :
:										
[70 - 74) :	0	0	0	0	0	0	0	1	8	9 :
:	0	0	0	0	0	0	0	13212	75720	88932 :
:										
[75 - 79) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										
[80 - 84) :	0	0	0	0	0	0	0	0	3	3 :
:	0	0	0	0	0	0	0	0	32124	32124 :
:										
[85 - 89) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										
[90 - 99) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										
Total :	7	14	12	12	10	48	32	22	44	201 :
Total :	99828	173820	198096	171204	103356	641484	400440	301848	529548	2619624 :

AVERAGES : Attained Age 52.56
Years Retired 12.39
Annual Benefit 13,033

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

MUNICIPAL POLICE SYSTEM
SURVIVOR BENEFITS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2001

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total :
[0 - 39) :	3	6	10	4	11	40	23	4	6	107 :
:	35532	56352	67800	26076	57972	193764	156024	32376	20124	646020 :
[40 - 44) :	0	1	1	5	1	20	3	3	2	36 :
:	0	17604	14580	50160	13080	163692	23832	27972	11184	322104 :
[45 - 49) :	0	1	4	1	8	17	5	7	3	46 :
:	0	15204	20088	10872	56556	107928	43428	83640	19680	357396 :
[50 - 54) :	1	1	0	10	9	18	11	4	9	63 :
:	13032	4476	0	114504	89388	239928	167628	50100	72744	751800 :
[55 - 59) :	0	1	1	0	1	20	9	13	22	67 :
:	0	13476	10572	0	15180	412368	170820	149376	194472	966264 :
[60 - 64) :	0	0	0	1	1	12	8	12	37	71 :
:	0	0	0	13044	14100	194544	129708	150864	312384	814644 :
[65 - 69) :	2	0	0	2	2	4	11	29	69	119 :
:	9600	0	0	20028	34776	26748	169092	404364	607428	1272036 :
[70 - 74) :	2	0	1	0	1	4	12	18	73	111 :
:	9600	0	6300	0	10872	69972	267096	229140	668988	1261968 :
[75 - 79) :	2	0	0	0	0	0	5	16	113	136 :
:	9600	0	0	0	0	0	73320	283560	1044072	1410552 :
[80 - 84) :	0	0	0	1	0	2	0	11	89	103 :
:	0	0	0	5292	0	20988	0	158940	817056	1002276 :
[85 - 89) :	0	0	0	0	0	0	1	4	40	45 :
:	0	0	0	0	0	0	6648	40380	360096	407124 :
[90 - 99) :	0	0	0	0	0	0	0	0	23	23 :
:	0	0	0	0	0	0	0	0	210720	210720 :
Total :	10	10	17	24	34	137	88	121	486	927 :
Total :	77364	107112	119340	239976	291924	1429932	1207596	1610712	4338948	9422904 :

AVERAGES : Attained Age 64.08
Years Retired 20.14
Annual Benefit 10,165

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

MUNICIPAL POLICE SYSTEM
DROP PARTICIPANTS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2001

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total :
[0 - 39) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[40 - 44) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[45 - 49) :	27	52	9	0	0	0	0	0	0	88 :
:	881388	1906560	265644	0	0	0	0	0	0	3053592 :
:										:
[50 - 54) :	35	60	22	0	0	0	0	0	0	117 :
:	1146540	1971624	665004	0	0	0	0	0	0	3783168 :
:										:
[55 - 59) :	5	10	9	0	0	0	0	0	0	24 :
:	123288	282180	228732	0	0	0	0	0	0	634200 :
:										:
[60 - 64) :	0	3	2	0	0	0	0	0	0	5 :
:	0	56736	14460	0	0	0	0	0	0	71196 :
:										:
[65 - 69) :	0	1	2	0	0	0	0	0	0	3 :
:	0	29040	46824	0	0	0	0	0	0	75864 :
:										:
[70 - 74) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[75 - 79) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[80 - 84) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[85 - 89) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[90 - 99) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
Total :	67	126	44	0	0	0	0	0	0	237 :
Total :	2151216	4246140	1220664	0	0	0	0	0	0	7618020 :

AVERAGES : Attained Age 51.41
Years Retired 1.37
Annual Benefit 32,144

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

MUNICIPAL POLICE SYSTEM
TERM-VESTED/RECIPROCAL

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2001

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	0	0	0	0	0	0	0	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	0	0	0	0	0	0	0 :
:										:
[25 - 29) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[30 - 34) :	0	0	0	2	0	0	0	0	0	2 :
:	0	0	0	16993	0	0	0	0	0	16993 :
:										:
[35 - 39) :	0	0	0	4	0	1	0	0	0	5 :
:	0	0	0	37554	0	13333	0	0	0	50887 :
:										:
[40 - 44) :	0	0	0	4	5	5	0	0	0	14 :
:	0	0	0	43368	64149	112465	0	0	0	219982 :
:										:
[45 - 49) :	0	0	0	2	10	13	0	0	0	25 :
:	0	0	0	18428	156360	283382	0	0	0	458170 :
:										:
[50 - 54) :	0	0	0	8	28	0	0	0	0	36 :
:	0	0	0	85644	363823	0	0	0	0	449467 :
:										:
[55 - 59) :	0	0	0	0	1	0	0	0	0	1 :
:	0	0	0	0	14004	0	0	0	0	14004 :
:										:
[60 - 64) :	0	0	0	0	0	0	0	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	0	0	0	0	0	0	0 :
:										:
[70 - 74) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
Total :	0	0	0	20	44	19	0	0	0	83 :
Total :	0	0	0	201987	598336	409180	0	0	0	1209503 :

AVERAGES : Attained Age 48.57
Service Years 16.79
Annual Benefit 14,572

EXHIBIT 5

SUMMARY OF THE MUNICIPAL POLICE EMPLOYEES'
RETIREMENT SYSTEM PLAN PROVISIONS

EFFECTIVE DATE:

July 1, 1973; last amendment date - July 1, 1999.

EMPLOYEE:

Any full-time police officer, empowered to make arrests, employed by a municipality of the State and engaged in law enforcement, earning at least \$375/month excluding state supplemental pay, or an elected Chief of Police whose salary is at least \$100.00 per month, and any employee of this System. City or Ward Marshals, elected Councilmen and Mayors excluded.

EMPLOYER:

Any municipality in the State which employs a full-time police officer, empowered to make arrests, or which has an elected Chief of Police whose salary is at least \$100.00 per month; and Municipal Police Employees' Retirement System.

MEMBERSHIP:

1. Persons who were members on 9/7/77 must remain members and persons hired on or after 9/9/77 must become members as a condition of employment, if under age 50; providing they do not have to pay social security. (Act 141 of 1983).
2. Persons who transferred from another police retirement system in 1973 and 1974 under R.S. 42:697 as it read at that time. (Act 46 of 1972).
3. Persons who transferred from another police retirement system in 1975 and 1976 under R.S. 42:697 as it read at that time. (Act 548 of 1975).
4. Persons who became members under R.S. 42:697 and are having credit/or will have credit "recognized" between this system and another system or systems. (Act 416 of 1976 AMENDED by Act 344 of 1978 and Act 103 of 1979).
5. Persons who became members because of a merger agreement entered into between a local police pension fund and this retirement system.
6. Employees, employed by any municipality or parish of this state which has its employees covered under the federal Social Security program, may elect not to be or become a member. Any member who elects not to be a member shall be refunded his employee contributions received by the system, without interest. (Act 32 of 1984).

EXHIBIT 5 (Continued)
Plan Provisions

CREDITABLE SERVICE:

As follows:

1. Prior Service - service credit which was not credited in any other retirement system and for which a prior service certificate was issued.
2. Membership Service - service as a member for which the system received contribution. Qualifying cadet service may be purchased per Act 215 of 1992.

NOTE:

- a. No prior service credit to be given for employee who becomes member after July 31, 1976; extended to 1/1/77 for employee who is required to pay Social Security contributions.
- b. Credit for military service up to July 1, 1973 given, not to exceed 4 years, provided employee pays employee and employer contributions that would have been required based on rate of pay when first hired as police officer, plus 6% compound interest.

EMPLOYEE CONTRIBUTIONS:

7% of earnable compensation. (Over 30 years of service, no contributions required). 8% effective July 1, 1989; 7.5% effective July 1, 1994.

EMPLOYER CONTRIBUTIONS:

Municipality Rate set at 9%; balance to be determined by the Actuarial Forecast Committee and to be funded from dedicated Insurance Premium Taxes (Act 397 of 1991).

EARNABLE COMPENSATION:

Full amount of regular salary earned by an employee for a given month, including State supplemental pay, but excluding overtime pay.

AVERAGE FINAL COMPENSATION:

Average annual earned compensation of an employee for any period of highest 36 successive or joined month's earnable compensation.

NORMAL RETIREMENT:

The average compensation of a member for purposes of computing benefits cannot increase more than 25% per year. (Effective 1/1/87 Act 367 of 1986)

ELIGIBILITY:

20 years of service and age 50 or 12 years of service and age 55 or 25 years of service at any age; member of the System for one year.

EXHIBIT 5 (Continued)
Plan Provisions

BENEFIT:

3 1/3% of average final compensation times years of creditable service (not to exceed 100% of final salary).

ANNUITY FORM:

An annuity payable for the lifetime of the member.

EARLY RETIREMENT:

ELIGIBILITY:

20 years of service regardless of attained age.

BENEFIT:

3 1/3% of Average Final Compensation times creditable service actuarially reduced for retirement prior to age 50.

DISABILITY BENEFITS:

Prior to Act 223 of 1980:

ELIGIBILITY:

1. Service-related disability:
 - a. Age 50
 - b. Less than 5 years of service
2. Non-service-related disability:
 - a. Age 50
 - b. 5 years of creditable service and ineligible for retirement.

BENEFIT:

1.
 - a. Retirement allowance
 - b. 60% of salary at time of disability
2.
 - a. Retirement allowance
 - b. 75% of benefit earned to date

After Act 223 of 1980:

ELIGIBILITY:

1. Total and permanent disability in the line of duty, or after 5 years service, unable to engage in any gainful employment.
2. Total and permanent disability from performing the duties of a police officer, able to engage in gainful employment.

EXHIBIT 5 (Continued)

Plan Provisions

BENEFIT:

1. 60% of Average Final Compensation.
2. 30% of Average Final Compensation.

NOTE:

Upon reaching retirement age, disability Pensioner receives greater of disability benefit or accrued benefit earned to date of disability.

After Act 81 of 1985:

ELIGIBILITY:

Any member may retire due to total and permanent disability, with at least five (5) years of creditable service, unless injuries were sustained in the performance of official duty.

BENEFIT:

3% of Average Final Compensation multiplied by years of creditable service, but not less than 40% nor more than 60% of Average Final Compensation.

NOTE:

Upon reaching age, disability pensioner receives greater of disability benefit or accrued benefit earned to date of disability.

EARLY REDUCED RETIREMENT:

ELIGIBILITY:

20 years of Service Credit regardless of attained age.

BENEFIT:

Normal retirement benefit, based upon service accrued to date, actuarially reduced from the earliest date member would be eligible if employment had continued to the earliest normal retirement date.

DEATH BENEFITS:

Prior to Act 377 of 1980:

ELIGIBILITY:

1. Death in line of duty.
2. Death not in line of duty.
3. Death before retirement and after completion of one-year membership, and after meeting other eligibility requirements for retirement.

EXHIBIT 5 (Continued)
Plan Provisions

BENEFIT:

1. Widow's benefit of 2/3 of final pay.
2. Widow's benefit of greater of \$200.00 per month or \$20.00 times years of service payable to widow's death or remarriage (unless remarriage occurs after age 55).
3. Automatic Option 2 for widow. Death benefit payable to surviving spouse of member on disability retirement: \$200/month.

NOTE:

Surviving minor children receive benefit of \$75/month per child (not to exceed \$150.00/month) payable to age 18, except for retarded children and those who go directly to college after high school (maximum extension, four years).

After Act 337 of 1980:

ELIGIBILITY:

1. Death of active contributing member or disability retiree.
2. Death of member eligible for retirement, except for the one year of membership requirement.

BENEFIT:

1. Surviving spouse receives the retirement benefit the member had earned to his date of death, but not less than 40% and not more than 60% of the member's Average Final Compensation. Benefit ceases upon widow's death or remarriage, unless member was killed in the line of duty or the spouse attains age 55.
2. Automatic Option 2 for widow or shall be paid benefits as provided above in (1), whichever is greater.

NOTE:

Surviving minor children with surviving spouse receive benefits equal to the greater of 10% of average compensation or \$200 per month per child payable to age 18, except for retarded children and those who go directly to college after high school (maximum extension, four years).

Surviving minor children with no surviving spouse receive benefits equal to 30% of average compensation with an aggregate limit of 60% of average compensation. If only one surviving minor child, benefits equal 40% of average compensation.

EXHIBIT 5 (Continued)
Plan Provisions

VESTING:

ELIGIBILITY:

1. Member who terminates employment after one year as member of the System before attaining age 50 with 20 years of creditable service.
2. Member who terminates employment after one year as member of the System before attaining age 55, with 12 years of creditable service.
3. Member who terminates, receives refund, and returns must complete 3 additional years service in order to repay refund with 5% compound interest.

BENEFIT:

1. Deferred retirement benefit payable at age 50.
2. Deferred retirement benefit payable at age 55.

NOTE:

Terminated vested member shall be covered by survivor benefit provision.

OPTIONAL FORMS OF BENEFIT:

1. Balance of value of annuity to beneficiary if death before receiving value of annuity at time of retirement.
2. 100% survivor's benefits - reduced retirement benefit continued to beneficiary at member's death.
3. 50% survivor's benefits - 50% of reduced retirement benefit continued to beneficiary at member's death.
4. Initial Benefit Option - maximum benefit actuarially reduced for partial lump sum equal to not more than 36 months of maximum monthly pension.
5. Other benefits of equal actuarial value, upon approval of Board.

COST OF LIVING INCREASE:

The Board of Trustees is authorized to provide a cost of living increase for retirees not to exceed 3% of the original benefit for each year of retirement and an additional 2% for retirees age 65 and over, provided the system has reached its Funding Target.

EXHIBIT 5 (Continued)
Plan Provisions

DEFERRED RETIREMENT OPTION PLAN:
(Act 475 of 1984)

Instead of terminating employees and accepting a service retirement allowance, any member who has met the following eligibility requirements may elect to participate in the Deferred Retirement Option Plan (DROP) and defer receipt of benefits.

ELIGIBILITY:

Twenty (20) years of creditable service (including reciprocal service) and eligible to receive a normal service retirement allowance.

BENEFIT:

Duration of participation is specified and does not exceed three (3) years, effective July 1, 1992.

Upon termination of employment at the end of or prior to the end of the specified period of participation, a participant will receive, at his option:

- (1) lump sum payment (equal to the payments to the account);
- (2) a true annuity based upon his account; or
- (3) any other method of payment if approved by the board of trustees. Monthly benefits being paid into the fund during participation will begin being paid to the retiree.

If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance shall be paid to the beneficiary, or if none, to his estate; in addition, normal survivor benefits payable to survivors of retirees shall be payable.

If employment is not terminated at the end of the specified period of participation, then:

- (1) payment into account shall cease;
- (2) payment from account shall not be made until employment is terminated; and
- (3) the participant shall resume active contributing membership in the system.

Then, upon termination of employment, the benefit payments indicated above shall be paid. The participant shall receive an additional retirement benefit based on additional service rendered since termination of participation in the fund, usually the normal method of computation of benefit subject to the following:

EXHIBIT 5 (Continued)
Plan Provisions

- (1) If additional service was less than 36 months, average compensation figure used to calculate additional benefit shall be that used to calculate original benefit.
- (2) If additional service was 36 or more months, the average compensation figure used to calculate the additional benefit shall be based on compensation during the period of additional service.

NOTE:

DROP Accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis.

EXHIBIT 6

ACTUARIAL COST METHODS AND ASSUMPTIONS

COST METHOD:

The individual "Entry Age Normal" cost method was used to calculate the funding requirements of the retirement system. Under this cost method, the actuarial present value of projected benefits of each individual included in the valuation is allocated on a level basis as percentage of payroll for each participant between entry age and assumed retirement age(s). That portion of the actuarial present value attributable to current year benefit accruals is called the Normal Cost. The actuarial present value of future benefits in excess of the actuarial present value of future normal costs is called the actuarial accrued liability.

ACCOUNTING DISCLOSURE:

The Governmental Accounting Standards Board Statement No. 25 requires disclosure of certain Actuarial Liabilities for Public Employee Retirement Systems. The disclosures illustrated in Exhibit 3 were developed using the Entry Age Normal cost method. The statement of assets provided by the independent auditors was a copy of the final draft prior to publication. Should the statement of assets received differ from the final audit report, a revised actuarial statement will be issued, but only to the extent that any difference in reporting affects the employer's Premium Tax Allocation or the yield to the Actuarial Value of Assets.

MORTALITY ASSUMPTIONS:

Pre-retirement deaths and post-retirement life expectancies were projected in accordance with the experience of the 1971 Sex Distinct Group Annuity Mortality Table.

DISABILITY ASSUMPTION:

Rates of total and permanent disability were projected by age in accordance with the Eleventh Actuarial Valuation of the Railroad Retirement System. For mortality after disability, rates were on the Eleventh Actuarial Valuation of the Railroad Retirement System for occupational disabilities. As an approximation of the Railroad Retirement tables, an age set-up of the 1971 GAM table was used equal to 1/2 the rate at disability and the rate at age 82.

RETIREMENT ASSUMPTION:

Retirement without reduction in benefits can occur at any given age after satisfying the service eligibility requirements. Absent from the plan is a traditional "Normal Retirement Age". Since the age and service requirements are varied, the frequency of retirements will depend on the exposure plus intangibles such as health, economy, Social Security and other work patterns. Retirement rates were projected based on the 1981-1986 Experience Study for the Municipal and State Police Retirement Plan.

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

TERMINATION ASSUMPTIONS:

Voluntary termination or withdrawal rates are the same as those used in prior valuations. During the first five years of employment, the probability of voluntarily terminating is a multiple of the attained age rate as follows:

1st year	3.33x
2nd year	2.50x
3rd year	2.00x
4th year	1.60x
5th year	1.25x

Furthermore, for members terminating with twelve (12) or more years of service it is assumed that 80% will not withdraw their accumulated employee contributions.

SALARY GROWTH:

The rate of annual salary growth is based on Technical Paper #16 "Present Value of Estimated Lifetime Earnings", for Clerical and Kindred Workers published by the U.S. Department of Commerce. The table's original source data was derived from the 1960 Census.

It is further assumed that these rates are increased by 2% during the first ten (10) years of employment.

FAMILY STATISTICS:

The composition of the Family was based on Age-Specific Fertility Rates from the 1983 Vital Statistics of the United States. 80% of the membership was assumed to be married with the wife assumed to be three (3) years younger than the husband. Sample rates are as follows:

<u>Age at Death</u>	<u>Number of Minor Chn.</u>	<u>Years for Youngest Child to Attain Majority</u>
25	1.3	17
30	1.8	15
35	2.2	13
40	2.1	10
45	1.7	8
50	1.2	4

REMARRIAGE:

Annuities payable to the spouse which cease upon death or remarriage were taken from "A Technical Note for the Construction of Widow's Annuities." The Remarriage and Mortality rates used to develop these annuities were based on the graduated rates from "Mortality and Remarriage Experience for Widow's Beneficiaries under OASDI.

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

ASSUMPTION FOR INCOMPLETE DATA:

Records identified as containing suspicious data or errors in data were assumed to possess the same characteristics of "good data" in the same cohort.

INVESTMENT EARNINGS:

An effective annual rate of 7%, net expenses.

ASSET VALUATION:

For the Plan Year ending prior to June 30, 1999 equities are valued at a four year weighted average. The computation of the actuarial value of assets is the sum of the bonds at amortized cost, less a weighted average of unrealized losses or (gains) in the market value of equities, plus the market value of equities.

Effective June 30, 1999 the Board of Trustees approved a change in the Asset Valuation Method. The Actuarial Value of Assets is the market value of assets adjusted for a four year weighted average in the unrealized gain or loss in the value of all assets. This value is determined in accordance with Reg.1.412(c) (2)-1-(6) & (7) of the Internal Revenue Service Code and is subject to the Corridor Limits defined therein.

As a result of the change in the Asset Valuation Method, the reporting of realized income has been changed to realized, plus unrealized income for valuations beginning on June 30, 1999 and thereafter.

ADMINISTRATIVE EXPENSES:

These expenses are included in Normal Cost and are assumed to be \$744,000 per year. Investment Expenses are not included in Normal Cost but are treated as a direct offset to investment income. The Employer portion of the Normal Cost includes an allocation for administrative expenses.

COST OF LIVING:

Past retirement cost of living increases are paid from interest earnings in excess of the assumed Investment Earning for actuarial valuation purposes. The liability for cost of living raises already granted is included in the retirees reserve.

ACTUARIAL TABLES AND RATES

Age	- Death Rates -		Remarriage Rates	Termination Rates	Disability Rates	Retirement Rates	Salary Scale	Age
	Male	Female						
20	.00050	.00026	.09350	.11000	.00110	.00000	1.08000	20
21	.00052	.00028	.09152	.10400	.00110	.00000	1.07500	21
22	.00054	.00029	.08954	.09800	.00110	.00000	1.07100	22
23	.00057	.00031	.08757	.09200	.00110	.00000	1.06700	23
24	.00059	.00033	.08569	.08600	.00110	.00000	1.06400	24
25	.00062	.00035	.08402	.08000	.00110	.00000	1.06100	25
26	.00065	.00037	.08225	.07600	.00110	.00000	1.05800	26
27	.00068	.00039	.08028	.07200	.00110	.00000	1.05500	27
28	.00072	.00041	.07802	.06800	.00110	.00000	1.05300	28
29	.00076	.00044	.07556	.06400	.00110	.00000	1.05100	29
30	.00081	.00047	.07281	.06000	.00200	.00000	1.05000	30
31	.00086	.00050	.06976	.05600	.00200	.00000	1.04800	31
32	.00092	.00053	.06652	.05200	.00200	.00000	1.04700	32
33	.00098	.00057	.06308	.04800	.00230	.00000	1.04600	33
34	.00105	.00061	.05945	.04400	.00230	.00000	1.04400	34
35	.00112	.00065	.05582	.04000	.00260	.00000	1.04300	35
36	.00120	.00070	.05230	.03600	.00260	.00000	1.04200	36
37	.00130	.00075	.04890	.03200	.00290	.00000	1.04100	37
38	.00140	.00081	.04570	.02800	.00320	.42000	1.04000	38
39	.00151	.00087	.04271	.02400	.00360	.42000	1.03900	39
40	.00163	.00094	.03993	.02000	.00400	.42000	1.03800	40
41	.00179	.00101	.03769	.01800	.00400	.42000	1.03700	41
42	.00200	.00109	.03480	.01600	.00400	.42000	1.03600	42
43	.00226	.00119	.03256	.01400	.00400	.42000	1.03500	43
44	.00257	.00129	.03037	.01200	.00420	.42000	1.03400	44
45	.00292	.00140	.02822	.01000	.00420	.42000	1.03300	45
46	.00332	.00152	.02632	.01000	.00450	.42000	1.03200	46
47	.00375	.00165	.02455	.01000	.00500	.42000	1.03100	47
48	.00423	.00180	.02303	.01000	.00570	.42000	1.03100	48
49	.00474	.00197	.02154	.01000	.00640	.42000	1.03000	49
50	.00528	.00215	.02019	.01000	.00730	.42000	1.03000	50
51	.00587	.00232	.01889	.01000	.00830	.26380	1.03000	51
52	.00648	.00252	.01808	.01000	.00940	.24280	1.03000	52
53	.00713	.00274	.01733	.01000	.01080	.31510	1.03000	53
54	.00781	.00298	.01671	.01000	.01240	.20750	1.03000	54
55	.00852	.00326	.01622	.01000	.01400	.34260	1.03000	55
56	.00926	.00357	.01596	.01000	.01580	.22130	1.03000	56
57	.01004	.00395	.01584	.01000	.01780	.23120	1.03000	57
58	.01089	.00439	.01589	.01000	.01990	.21390	1.03000	58
59	.01192	.00490	.01622	.01000	.02220	.24240	1.03000	59
60	.01312	.00549	.01682	.01000	.02480	.36010	1.03000	60
61	.01444	.00616	.01764	.01000	.02920	.29270	1.03000	61
62	.01586	.00690	.01906	.01000	.03450	.62020	1.03000	62
63	.01741	.00771	.02061	.01000	.03400	.23120	1.03000	63
64	.01919	.00861	.02239	.01000	.03000	.30740	1.03000	64
65	.02126	.00956	.02446	.01000	.00000	.22220	1.03000	65
66	.02364	.01057	.02684	.01000	.00000	.31450	1.03000	66
67	.02632	.01162	.02952	.01000	.00000	.89550	1.03000	67
68	.02919	.01288	.03209	.01000	.00000	.99990	1.03000	68
69	.03244	.01446	.03504	.01000	.00000	.99990	1.03000	69

**EXHIBIT 7
DEVELOPMENT OF TARGET RATIO**

Funded Ratio of the System as of the 1986 fiscal year end93194

Number of fiscal years elapsed since the 1986 fiscal year end
multiplied by one-thirtieth of the difference between one hundred
percent and the Initial Funded Ratio.03403

Changes in Funded Ratio after the 1986 fiscal year end:

<u>Date of Change</u>	<u>Change in funded Ratio</u>
<u>6/30/87</u>	<u>-.08841</u>
<u>6/30/88</u>	<u>.12270</u>
<u>6/30/91</u>	<u>-.00911</u>
<u>6/30/93</u>	<u>.01350</u>
<u>6/30/96</u>	<u>.01671</u>
<u>6/30/99</u>	<u>.00572</u>

Total Change in Funded Ratio06111

Number of fiscal years elapsed since the date of each change
multiplied by one-thirtieth of the amount of such change in
funded ratio and of opposite arithmetic sign of such change:

<u>Date of Change</u>	<u>Amortization of Change</u>
<u>6/30/87</u>	<u>.04126</u>
<u>6/30/88</u>	<u>-.05317</u>
<u>6/30/91</u>	<u>.00304</u>
<u>6/30/93</u>	<u>-.00360</u>
<u>6/30/96</u>	<u>-.00279</u>
<u>6/30/99</u>	<u>-.00038</u>

Total Amortization of Changes -.01564

Target Ratio as of the end of the just completed fiscal year. 1.00000

Actual Funded Ratio of the system as of the just completed fiscal year. . . 1.01116

This system has met the target ratio required to grant a cost-of-living
increase to current benefit recipients.

EXHIBIT A

AMORTIZATION OF UNFUNDED
ACTUARIAL ACCRUED LIABILITY
JUNE 30, 2001

<u>DATE</u> <u>6/30</u>	<u>DESCRIPTION</u>	<u>AMTZ.</u> <u>METHOD</u>	<u>AMTZ.</u> <u>PERIOD</u>	<u>INITIAL</u> <u>LIABILITY</u>	<u>YEARS</u> <u>REMAIN</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>MID-YEAR</u> <u>PAYMENT</u>
1996	Change in Liability	L	15	-27,209,779	10	-20,982,862	-2,888,113
1997	Change in Liability	L	15	7,807,987	11	6,428,426	828,759
1998	Change in Liability	L	15	-50,648,475	12	-44,168,725	-5,375,954
1999	Change in Liability	L	15	-45,292,161	13	-41,561,225	-4,807,422
2000	Change in Liability	L	15	-4,827,975	14	-4,635,848	-512,453
2001	Change in Liability	L	15	90,820,890	15	<u>90,820,890</u>	<u>9,639,954</u>
TOTAL OUTSTANDING BALANCE						-14,099,344	-3,115,229
EMPLOYER'S SHORTFALL BALANCE							
1992	Contribution Variance	L	15	-513,554	6	-268,764	-54,510
1993	Contribution Variance	L	15	191,419	7	113,265	20,318
1994	Contribution Variance	L	15	-228,116	8	-149,570	-24,213
1995	Contribution Variance	L	15	303,610	9	217,184	32,226
1996	Contribution Variance	L	15	227,328	10	175,304	24,129
1997	Contribution Variance	L	15	76,966	11	63,367	8,169
1998	Contribution Variance	L	15	-176,672	12	-154,069	-18,752
1999	Contribution Variance	L	15	89,574	13	82,195	9,508
2000	Contribution Variance	L	15	15,208	14	14,603	1,614
2001	Contribution Variance	L	15	-65,357	15	<u>-65,357</u>	<u>-6,937</u>
TOTAL EMPLOYER CREDIT						28,171	-8,447
TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY						-14,071,173	