

**MUNICIPAL POLICE EMPLOYEES'
RETIREMENT SYSTEM
JUNE 30, 2002
ACTUARIAL VALUATION**

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October 26, 2002

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, 2002.

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, 2002

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

	<u>June 30, 2002</u>	-----Prior Years-----	
		<u>June 30, 2001</u>	<u>June 30, 2000</u>
I. Membership Census			
1) Retirees	3,438	3,283	3,164
2) Actives	5,924	5,846	5,855
3) DROP	272	237	228
II. Annual Benefits	\$ 61,576,524	\$ 57,471,468	\$ 52,048,248
III. Total Payroll	187,567,901	181,737,834	163,773,101
IV. Valuation Assets	1,189,425,524	1,275,127,921	1,277,548,391
V. Investment Yield			
(To Actuarial Value)	-4.06%	1.71%	7.35%
(Net of mergers)	-4.94%	1.99%	7.44%
VI. Cost to Fund Annual Pension Accruals	38,148,120	37,313,879	34,030,289
(Normal Costs)	20.34%	20.53%	20.78%
VII. Unfunded Actuarial Accrued Liability	195,180,068	-14,071,173	-110,301,247
VIII. Funded Percentage	85.90%	101.12%	109.45%
IX. Funding Requirements to Pay (Mid-year Payments)			
1) Employee Rate	7.50%	7.50%	7.50%
2) Employer Rate ¹	18.50%	9.00%	9.00%
(Current Year)			
Premium Tax Allocation	8,689,205	4,806,272	0
3) Projected Employer Rate ¹	18.25%	9.00%	9.00%
(Next Year)			

The above Funding requirements measure the cost of benefits in effect on June 30, 2002, and do reflect changes due to Acts of the last regular Legislative Session.

¹The governing statutes mandate that the employer rate shall not be less than 9%. The rate is based on the estimated allocation from the Insurance Premium Tax Fund.

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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%
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%
2002	4,806,272	187,567,901	2.56%

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.

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 October 26, 2002

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) increased from a (14.0) million to 195.2 million dollars. 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 6/30/2001	\$ -14,071,173
INCREASES	
Net Amortization Payment	\$ 3,231,157
Retiree COLA	15,056,155
Investment Loss	132,169,892
Experience Loss	<u>59,867,185</u>
Incurring Increases	210,324,389
DECREASES	
Interest on Unfunded Liability	984,982
Employer Contribution Variance	<u>88,166</u>
Incurring Decreases	1,073,148
Unfunded Liability 6/30/2002	\$ 195,180,068

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MPERS

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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.

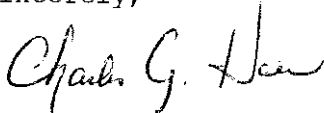
Consideration for Cost-of-Living Increase

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, 2002 the funding target is 1.0, which is greater than the current .8590 funding ratio. Therefore, the Board is not 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/kh

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, 2002</u>		<u>--Prior Year--</u> <u>June 30, 2001</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	\$ 28,756,187	15.33%	\$ 28,066,110	15.44%
b) Disability Benefits	2,608,090	1.39%	2,565,439	1.41%
c) Survivor Benefits	1,514,807	.81%	1,501,788	.83%
d) Voluntary Termination	4,463,036	2.38%	4,436,542	2.44%
e) Expenses	<u>806,000</u>	<u>.43%</u>	<u>744,000</u>	<u>.41%</u>
TOTAL	38,148,120	20.34%	37,313,879	20.53%
II. Actuarial Accrued Liability				
a) Active Members				
1) Retirement Benefits	\$ 548,721,170		\$ 521,079,061	
2) Disability Benefits	19,066,295		18,836,456	
3) Survivor Benefits	10,236,376		10,218,795	
4) Voluntary Termination	<u>1,961,327</u>		<u>1,504,313</u>	
	579,985,168		551,638,625	
b) Retired and Inactive Members				
1) Regular Retirees	480,908,309		441,471,465	
2) Disabled Retirees	33,305,602		32,849,117	
3) Survivors	88,628,142		86,106,468	
4) Vested Deferred & Transfers	9,750,801		8,787,849	
5) Contributions Refunded	2,247,720		1,878,735	
6) DROP Deferred Benefits	139,433,042		90,103,995	
7) DROP Account Balance	<u>50,346,805</u>		<u>48,220,494</u>	
	804,620,421		709,418,123	
c) TOTAL	1,384,605,589		1,261,056,748	

Exhibit 1 (Continued)Costs, Liabilities & Contributions

	<u>June 30, 2002</u>	<u>--Prior Year--</u> <u>June 30, 2001</u>
II. Actuarial Accrued Liability		
TOTAL (Preceding page)	\$ 1,384,605,589	\$ 1,261,056,748
III. Valuation Assets	1,189,425,521	1,275,127,921
IV. Unfunded Actuarial Accrued Liabilities - (-Surplus)	195,180,068	-14,071,173
a) Change over prior year	209,251,241	96,230,075
b) Funded Percentage	85.90%	101.12%
V. Employer Contributions		
To Fund current Plan Year ¹		
a) Employer Portion of Normal Cost	24,909,091	24,498,446
b) Amortization Payments	18,866,158	-3,115,229
c) Employer Shortfall Credit	<u>-17,806</u>	<u>-8,448</u>
TOTAL Required Contribution	43,757,443	21,374,769
Estimated Premium Tax Offset	<u>8,689,205</u>	<u>4,806,272</u>
Net Employer Contribution	35,068,238 18.50%	16,568,497 9.00%
VI. Projected Employer Contributions		
To Fund Next Plan Year ¹		
a) Employer Portion of Normal Cost	25,866,815	25,430,929
b) Amortization Payments	18,866,158	-3,115,229
c) Employer Shortfall Credit	<u>-17,806</u>	<u>-8,448</u>
TOTAL Projected Contribution	44,715,167	22,307,252
Estimated Premium Tax Offset	<u>8,700,000</u>	<u>4,806,272</u>
Net Employer Contribution	36,015,167 18.25%	17,500,980 9.00%
VII. Current Payroll	187,567,901	181,737,834
Projected Payroll - Mid Year	190,017,005	184,094,407
Projected Payroll - Next Year	197,322,923	191,101,584

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

The Net Employer Rate is rounded to the nearest .25%, but not less than 9.00%

EXHIBIT 2

FINANCIAL SUMMARY
STATEMENT OF REVENUES AND EXPENSES
FOR FISCAL YEAR ENDING

	<u>June 30, 2002</u>	<u>-----Prior Years-----</u>	
		<u>June 30, 2001</u>	<u>June 30, 2000</u>
<u>OPERATING REVENUES:</u>			
1. Contribution Income			
Member	\$ 14,032,129	\$ 13,838,527	\$ 12,376,419
Employer	16,923,788	16,617,526	14,837,001
2. Other Income			
General Fund/Premium Tax	5,535,258	0	0
Merger Interest	6,739,641	7,047,975	3,927,301
Merger Contributions	0	0	72,283,023
Miscellaneous	609,654	1,797,917	724,827
TOTAL CONTRIBUTIONS	<u>43,840,470</u>	<u>39,301,945</u>	<u>104,148,571</u>
3. Investment Income			
Investments	-67,960,339	-39,669,654	42,768,890
Less, investment expenses	<u>-2,499,292</u>	<u>-2,364,785</u>	<u>-2,229,155</u>
TOTAL INVESTMENT INCOME	<u>-70,459,631</u>	<u>-42,034,439</u>	<u>40,539,735</u>
4. Total Revenues	-26,619,161	-2,732,494	144,688,306
<u>OPERATING EXPENSES:</u>			
1. General Administration	806,266	743,947	668,175
Other Expenses	53,783	40,549	33,401
2. Benefits Paid			
a) Pension Benefits	67,241,501	59,414,407	54,814,794
b) Return of Contrib.	<u>2,767,657</u>	<u>2,689,175</u>	<u>2,027,856</u>
TOTAL BENEFITS PAID	<u>70,009,158</u>	<u>62,103,582</u>	<u>56,842,650</u>
3. Total Expenses	70,869,207	62,888,078	57,544,226
<u>NET INCOME:</u>	-97,488,368	-65,620,572	87,144,080

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

<u>ASSETS</u>	<u>June 30, 2002</u>	<u>-----Prior Years-----</u>	
		<u>June 30, 2001</u>	<u>June 30, 2000</u>
1. Short Term Assets			
Cash in Banks	8,468,046	\$ 5,375,351	\$ 249,213
Cash Equivalents	24,881,426	37,779,793	55,500,675
2. Bonds			
Domestic and Foreign	271,086,469	365,656,171	204,485,672
United States Agencies	155,027,594	139,006,025	144,246,975
Mutual Funds	622,000	696,000	134,044,016
3. Equities, Insurance Agreements			
Domestic Stock	436,119,403	419,883,108	454,733,559
Foreign Stocks	110,756,184	118,292,211	164,036,139
4. Other Assets			
Property/Equipment	2,705,491	1,158,091	1,036,317
Real Estate	9,000,000	8,500,000	100,000
Receivables - Payables	1,579,898	-3,215,409	-1,236,347
Receivables - from Mergers	<u>77,977,492</u>	<u>102,581,030</u>	<u>104,136,726</u>
 TOTAL ASSETS			
Market Value	1,098,224,003	1,195,712,371	1,261,332,945
Valued at Cost	1,154,832,959	1,196,308,097	1,180,984,681
 <u>INVESTMENT YIELD:</u>			
To Actuarial Value	-4.06%	1.71%	7.35%
-Net of Mergers	-4.94%	1.99%	7.97%
DROP Account Yield	-5.44%	1.49%	7.47%
Market Value	-5.34%	-3.35%	3.72%
 <u>ACTUARIAL VALUE OF ASSETS:</u>			
TOTAL Assets, less	1,098,224,003	1,195,712,371	1,261,332,945
Change in Unrealized (G/L)			
Plan Year - 2 (wt. 1/4)	-34,878,400	-5,073,427	49,920,269
Plan Year - 1 (wt. 2/4)	-80,943,988	-34,878,400	-5,073,427
Plan Year - (wt. 3/4)	<u>-56,013,232</u>	<u>-80,943,988</u>	<u>-34,878,400</u>
Valuation Assets	1,189,425,521	1,275,127,921	1,277,548,391

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)
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
2002	1,189,425	1,384,605	195,180	85.9	187,568	104.1

The total actuarial accrued liability determined using the Individual Entry Age Normal cost method increased by \$123,548,841 from June 30, 2001 to June 30, 2002. There were no changes in benefit provisions during the year. Retirees received a COLA during the year which increased liabilities \$15,056,155. From sources other than investment experience, there was a net experience loss of \$59,867,185.

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>
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
2002	22,389,583	99.6	22,400,294	22,477,751	99.7	-49,285

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	\$ 22,389,583
(2) Interest on Net Pension Obligation	1,972
(3) Amortization of Net Pension Obligation	-8,739
(4) Accrued Pension Cost (1)+(2)-(3)	22,400,294
(5) Employer Contribution	22,477,751
(6) Increase (-decrease) in Net Pension Obligation	-77,457
(7) Net Pension Obligation Beginning of Year	28,172
(8) Net Pension Obligation End of Year (6)+(7)	49,285

¹Actuarial 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 Year End</u>	<u>Members Contribution</u>	<u>Employer Contribution</u>	<u>Investment Income</u>	<u>Total</u>
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	-34,986,464	-2,732,494
2002	14,032,129	23,068,690	-63,719,980	-26,619,161

Expenses by Type

<u>Fiscal Year End</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Administrative Expenses²</u>	<u>Total</u>
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
2002	67,241,501	2,767,657	860,049	70,869,207

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

²Includes 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:

	---2002---	---2001---
	<u>Census</u>	<u>Census</u>
Active Members	5,792	5,700
Regular Retirees	2,156	2,072
Disability Retirees	220	201
Survivors	982	927
Vested & Reciprocals	80	83
Due Refunds	617	549
DROP Participants	272	237
DROP To Active	<u>132</u>	<u>146</u>
 TOTAL	 10,251	 9,915

MEMBERSHIP PROFILE
 CATEGORIZED BY AGE AND YEARS EMPLOYED

MUNICIPAL POLICE SYSTEM
 ALL ACTIVE MEMBERS

CELLS DEPICT - MEMBER COUNT
 TOTAL SALARY

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	0	3	0	1	0	0	0	0	0	4 :
:	0	93115	0	38609	0	0	0	0	0	131724 :
:										:
[20 - 24) :	209	193	2	0	0	0	0	0	0	404 :
:	1718254	4668454	63676	0	0	0	0	0	0	6450384 :
:										:
[25 - 29) :	226	656	128	3	0	0	0	0	0	1013 :
:	2400104	18039297	3787066	118200	0	0	0	0	0	24344667 :
:										:
[30 - 34) :	111	552	375	207	5	0	0	0	0	1250 :
:	1273598	15197012	11834417	7183889	216634	0	0	0	0	35705550 :
:										:
[35 - 39) :	68	204	262	342	151	7	0	0	0	1034 :
:	746283	5420942	7990645	11855529	6202709	321144	0	0	0	32537253 :
:										:
[40 - 44) :	34	124	115	173	252	220	3	0	0	921 :
:	350217	3134488	3436646	6039993	9909003	9424816	143389	0	0	32438552 :
:										:
[45 - 49) :	28	72	71	104	145	290	73	0	0	783 :
:	277098	1759030	2070165	3402026	5629779	12614019	3566398	0	0	29318515 :
:										:
[50 - 54) :	6	28	44	45	74	56	36	5	0	294 :
:	56963	676208	1190993	1504745	2701335	2448712	1832499	266037	0	10677492 :
:										:
[55 - 59) :	0	5	10	21	16	14	7	1	0	74 :
:	0	108572	264031	608147	568595	583401	358245	24048	0	2515039 :
:										:
[60 - 64) :	0	0	1	2	6	5	0	0	0	14 :
:	0	0	17784	100251	198208	174924	0	0	0	491167 :
:										:
[65 - 69) :	0	0	0	0	0	1	0	0	0	1 :
:	0	0	0	0	0	7200	0	0	0	7200 :
:										:
[70 - 74) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
Total :	682	1837	1008	898	649	593	119	6	0	5792 :
Total :	6822517	49097119	30655423	30851389	25426263	25574216	5900531	290085	0	174617542 :

AVERAGES : Attained Age 36.82
 Service Years 9.05
 Active Salary 30,148

MEMBERSHIP PROFILE
 CATEGORIZED BY AGE AND YEARS EMPLOYED

MUNICIPAL POLICE SYSTEM
 ACTIVE MALE MEMBERS

CELLS DEPICT - MEMBER COUNT
 TOTAL SALARY

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	0	2	0	0	0	0	0	0	0	2 :
:	0	62126	0	0	0	0	0	0	0	62126 :
:										:
[20 - 24) :	150	144	0	0	0	0	0	0	0	294 :
:	1278300	3580700	0	0	0	0	0	0	0	4859000 :
:										:
[25 - 29) :	172	556	67	2	0	0	0	0	0	797 :
:	1893963	15766412	2000149	86303	0	0	0	0	0	19746826 :
:										:
[30 - 34) :	89	459	313	188	5	0	0	0	0	1054 :
:	1065358	12982530	9986954	6553188	216634	0	0	0	0	30804664 :
:										:
[35 - 39) :	48	125	236	293	133	7	0	0	0	842 :
:	539246	3471565	7231779	10279452	5474443	321144	0	0	0	27317629 :
:										:
[40 - 44) :	23	55	94	145	218	183	2	0	0	720 :
:	238619	1432231	2883666	5094330	8659217	7933848	101776	0	0	26343687 :
:										:
[45 - 49) :	16	44	51	75	112	248	68	0	0	614 :
:	163571	1157976	1541743	2465028	4349684	10939821	3267325	0	0	23885147 :
:										:
[50 - 54) :	3	13	33	38	58	48	29	5	0	227 :
:	24739	317761	959290	1281623	2125128	2087980	1474512	266037	0	8537070 :
:										:
[55 - 59) :	0	0	10	10	11	11	3	1	0	46 :
:	0	0	273296	330004	391302	432032	161516	24048	0	1612198 :
:										:
[60 - 64) :	0	0	0	2	5	3	0	0	0	10 :
:	0	0	0	100251	171585	129140	0	0	0	400976 :
:										:
[65 - 69) :	0	0	0	0	0	1	0	0	0	1 :
:	0	0	0	0	0	7200	0	0	0	7200 :
:										:
[70 - 74) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
Total :	501	1398	804	753	542	501	102	6	0	4607 :
Total :	5203796	38771301	24876876	26190179	21387993	21851164	5005129	290085	0	143576523 :

AVERAGES : Attained Age 36.75
 Service Years 9.48
 Active Salary 31,165

MEMBERSHIP PROFILE
 CATEGORIZED BY AGE AND YEARS EMPLOYED

MUNICIPAL POLICE SYSTEM
 ACTIVE FEMALE MEMBERS

CELLS DEPICT - MEMBER COUNT
 TOTAL SALARY

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	0	1	0	1	0	0	0	0	0	2 :
:	0	30989	0	38609	0	0	0	0	0	69598 :
:										:
[20 - 24) :	59	51	0	0	0	0	0	0	0	110 :
:	439954	1151430	0	0	0	0	0	0	0	1591384 :
:										:
[25 - 29) :	54	140	21	1	0	0	0	0	0	216 :
:	506141	3514440	545362	31897	0	0	0	0	0	4597840 :
:										:
[30 - 34) :	22	115	40	19	0	0	0	0	0	196 :
:	208240	2907411	1154533	630701	0	0	0	0	0	4900885 :
:										:
[35 - 39) :	20	68	37	49	18	0	0	0	0	192 :
:	207037	1591987	1116256	1576077	728266	0	0	0	0	5219623 :
:										:
[40 - 44) :	11	59	31	28	34	37	1	0	0	201 :
:	111598	1387255	867982	945663	1249786	1490968	41613	0	0	6094865 :
:										:
[45 - 49) :	12	24	24	29	33	42	5	0	0	169 :
:	113527	525075	604401	936998	1280095	1674198	299073	0	0	5433367 :
:										:
[50 - 54) :	3	15	11	7	16	8	7	0	0	67 :
:	32224	341072	249078	223122	576207	360732	357987	0	0	2140422 :
:										:
[55 - 59) :	0	4	1	11	5	3	4	0	0	28 :
:	0	84091	15216	278143	177293	151369	196729	0	0	902841 :
:										:
[60 - 64) :	0	0	1	0	1	2	0	0	0	4 :
:	0	0	17784	0	26623	45784	0	0	0	90191 :
:										:
[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 :	181	477	166	145	107	92	17	0	0	1185 :
Total :	1618721	11533750	4570612	4661210	4038270	3723051	895402	0	0	31041016 :

AVERAGES : Attained Age 37.10
 Service Years 7.38
 Active Salary 26,195

MEMBERSHIP PROFILE
 CATEGORIZED BY AGE AND YEARS EMPLOYED

MUNICIPAL POLICE SYSTEM
 ACTIVE AFTER DROP

CELLS DEPICT - MEMBER COUNT
 TOTAL SALARY
 DROP BENEFITS

VALUATION DATE 6/30/2002

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) :	7	6	2	0	0	0	0	0	0	15 :
:	137563	313843	107730	0	0	0	0	0	0	559136 :
:	240840	212172	55104	0	0	0	0	0	0	508116 :
:										:
[50 - 54) :	15	15	5	8	7	5	0	0	0	55 :
:	351995	800444	209693	367971	377712	261382	0	0	0	2369197 :
:	471972	455100	116916	210576	216228	135372	0	0	0	1606164 :
:										:
[55 - 59) :	7	9	3	4	7	12	0	0	0	42 :
:	180255	429612	125935	169764	325653	507215	0	0	0	1738434 :
:	190752	248484	65040	95856	179568	293208	0	0	0	1072908 :
:										:
[60 - 64) :	0	0	1	1	0	8	0	0	0	10 :
:	0	0	38551	41192	0	311432	0	0	0	391175 :
:	0	0	21132	22092	0	168756	0	0	0	211980 :
:										:
[65 - 69) :	1	1	0	0	0	0	4	0	0	6 :
:	50456	25264	0	0	0	0	202805	0	0	278525 :
:	31476	8676	0	0	0	0	75780	0	0	115932 :
:										:
[70 - 74) :	0	1	1	0	0	0	1	1	0	4 :
:	0	19495	23797	0	0	0	47760	48315	0	139367 :
:	0	11736	9252	0	0	0	32916	25848	0	79752 :
:										:
Total :	30	32	12	13	14	25	5	1	0	132 :
Total :	720269	1588658	505706	578927	703365	1080029	250565	48315	0	5475834 :
Total :	935040	936168	267444	328524	395796	597336	108696	25848	0	3594852 :

AVERAGES : Attained Age 55.56
 Post Drop Years 3.27
 Active Salary 41,484
 Annual Benefit 27,234

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

MUNICIPAL POLICE SYSTEM
REGULAR RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2002

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	1	0	0	0	0	0	1 :
:	0	0	0	7788	0	0	0	0	0	7788 :
:										:
[45 - 49) :	13	14	21	8	5	9	0	0	0	70 :
:	314544	424104	603516	216744	134760	132828	0	0	0	1826496 :
:										:
[50 - 54) :	18	47	25	45	40	153	8	1	0	337 :
:	432588	1511472	634140	1206396	1047636	4293936	193212	12204	0	9331584 :
:										:
[55 - 59) :	20	24	21	41	45	324	72	15	37	599 :
:	326616	487332	374568	896988	969420	8575476	2199288	265044	457272	14552004 :
:										:
[60 - 64) :	2	5	5	5	6	85	195	15	79	397 :
:	8676	92388	114744	68364	82908	1758408	5501364	323676	1143948	9094476 :
:										:
[65 - 69) :	0	3	2	4	1	28	50	82	118	288 :
:	0	34824	16728	60504	23076	449880	1254240	2218356	1854492	5912100 :
:										:
[70 - 74) :	0	1	0	1	1	9	21	52	126	211 :
:	0	8868	0	30648	18756	169608	450168	1318092	2081928	4078068 :
:										:
[75 - 79) :	0	1	0	0	0	1	11	23	119	155 :
:	0	6240	0	0	0	35004	230220	691416	1886292	2849172 :
:										:
[80 - 84) :	0	0	0	0	0	0	0	5	66	71 :
:	0	0	0	0	0	0	0	148188	1010352	1158540 :
:										:
[85 - 89) :	0	0	0	0	0	0	0	0	23	23 :
:	0	0	0	0	0	0	0	0	243960	243960 :
:										:
[90 - 99) :	0	0	0	0	0	0	0	1	3	4 :
:	0	0	0	0	0	0	0	28332	18336	46668 :
:										:
Total :	53	95	74	105	98	609	357	194	571	2156 :
Total :	1082424	2565228	1743696	2487432	2276556	15415140	9828492	5005308	8696580	49100856 :

AVERAGES : Attained Age 62.80
Years Retired 13.07
Annual Benefit 22,774

MEMBERSHIP PROFILE
 CATEGORIZED BY AGE AND YEARS RETIRED

MUNICIPAL POLICE SYSTEM
 DISABILITY RETIREES

CELLS DEPICT - MEMBER COUNT
 TOTAL BENEFITS

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total :
[0 - 39) :	5	2	4	2	3	7	2	0	0	25 :
:	64596	22812	12936	25536	20124	57504	32880	0	0	236388 :
:	:	:	:	:	:	:	:	:	:	:
[40 - 44) :	3	2	6	5	1	8	5	1	0	31 :
:	51084	25836	69864	67620	19320	71784	8352	0	0	313860 :
:	:	:	:	:	:	:	:	:	:	:
[45 - 49) :	1	2	1	2	5	18	11	5	0	45 :
:	18276	42504	11700	46572	92112	240660	98532	41052	0	591408 :
:	:	:	:	:	:	:	:	:	:	:
[50 - 54) :	1	1	1	3	2	10	16	7	4	45 :
:	4992	8676	14016	50196	20988	136728	212064	76764	48984	573408 :
:	:	:	:	:	:	:	:	:	:	:
[55 - 59) :	1	0	0	1	1	4	6	3	10	26 :
:	8652	0	0	20664	19788	40860	82248	40056	126768	339036 :
:	:	:	:	:	:	:	:	:	:	:
[60 - 64) :	0	0	0	1	0	4	2	2	9	18 :
:	0	0	0	8844	0	20304	35388	35244	140652	240432 :
:	:	:	:	:	:	:	:	:	:	:
[65 - 69) :	0	0	0	0	0	0	0	3	12	15 :
:	0	0	0	0	0	0	0	51312	165984	217296 :
:	:	:	:	:	:	:	:	:	:	:
[70 - 74) :	0	0	0	0	0	0	0	0	11	11 :
:	0	0	0	0	0	0	0	0	115764	115764 :
:	:	:	:	:	:	:	:	:	:	:
[75 - 79) :	0	0	0	0	0	0	0	0	1	1 :
:	0	0	0	0	0	0	0	0	10068	10068 :
:	:	:	:	:	:	:	:	:	:	:
[80 - 84) :	0	0	0	0	0	0	0	0	3	3 :
:	0	0	0	0	0	0	0	0	32988	32988 :
:	:	:	:	:	:	:	:	:	:	:
[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 :	11	7	12	14	12	51	42	21	50	220 :
Total :	147600	99828	108516	219432	172332	567840	469464	244428	641208	2670648 :

AVERAGES : Attained Age 52.24
 Years Retired 12.41
 Annual Benefit 12,139

MEMBERSHIP PROFILE
 CATEGORIZED BY AGE AND YEARS RETIRED

MUNICIPAL POLICE SYSTEM
 SURVIVOR BENEFITS

CELLS DEPICT - MEMBER COUNT
 TOTAL BENEFITS

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total :
[0 - 39) :	3	5	4	9	4	44	30	13	9	121 :
:	15192	35124	30960	52500	16032	210888	123420	45876	19812	549804 :
[40 - 44) :	1	0	1	1	3	19	4	3	1	33 :
:	17712	0	18624	17184	17016	111300	51372	23940	3156	260304 :
[45 - 49) :	1	4	3	4	4	20	7	6	5	54 :
:	20232	53448	46416	20640	45696	121896	58056	80760	40548	487692 :
[50 - 54) :	0	1	4	1	6	27	8	6	9	62 :
:	0	13032	55008	16668	61920	245412	99168	74988	66504	632700 :
[55 - 59) :	1	1	1	1	5	24	11	9	25	78 :
:	7704	0	18084	10860	55680	416796	216576	133632	222540	1081872 :
[60 - 64) :	2	0	0	0	1	11	16	9	34	73 :
:	19140	0	0	0	13392	224616	253608	134448	304452	949656 :
[65 - 69) :	0	1	0	1	1	9	9	22	65	108 :
:	0	30276	0	14976	11124	92724	179760	288672	572868	1190400 :
[70 - 74) :	0	3	0	1	0	5	12	24	83	128 :
:	0	14400	0	6468	0	62136	161832	372264	814884	1431984 :
[75 - 79) :	0	3	0	0	0	1	3	21	110	138 :
:	0	14400	0	0	0	27600	33564	381252	1048200	1505016 :
[80 - 84) :	0	2	0	0	1	0	2	3	99	107 :
:	0	0	0	0	5436	0	19404	46704	916140	987684 :
[85 - 89) :	0	0	0	0	0	1	0	5	49	55 :
:	0	0	0	0	0	6516	0	59112	445908	511536 :
[90 - 99) :	0	0	0	0	0	0	0	0	25	25 :
:	0	0	0	0	0	0	0	0	216372	216372 :
Total :	8	20	13	18	25	161	102	121	514	982 :
Total :	79980	160680	169092	139296	226296	1519884	1196760	1641648	4671384	9805020 :

AVERAGES : Attained Age 63.90
 Years Retired 20.14
 Annual Benefit 9,985

MEMBERSHIP PROFILE
 CATEGORIZED BY AGE AND YEARS RETIRED

MUNICIPAL POLICE SYSTEM
 DROP PARTICIPANTS

CELLS DEPICT - MEMBER COUNT
 TOTAL BENEFITS

VALUATION DATE 6/30/2002

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) :	21	19	37	0	0	0	0	0	0	77 :
:	768708	613656	1392552	0	0	0	0	0	0	2774916 :
:										:
[50 - 54) :	39	42	62	0	0	0	0	0	0	143 :
:	1226004	1310016	2038764	0	0	0	0	0	0	4574784 :
:										:
[55 - 59) :	20	4	12	0	0	0	0	0	0	36 :
:	424968	123420	360036	0	0	0	0	0	0	908424 :
:										:
[60 - 64) :	8	1	3	0	0	0	0	0	0	12 :
:	131796	17136	44424	0	0	0	0	0	0	193356 :
:										:
[65 - 69) :	2	0	1	0	0	0	0	0	0	3 :
:	25140	0	29040	0	0	0	0	0	0	54180 :
:										:
[70 - 74) :	1	0	0	0	0	0	0	0	0	1 :
:	2508	0	0	0	0	0	0	0	0	2508 :
:										:
[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 :	91	66	115	0	0	0	0	0	0	272 :
Total :	2579124	2064228	3864816	0	0	0	0	0	0	8508168 :

AVERAGES : Attained Age 52.39
 Years Retired 1.53
 Annual Benefit 31,280

MEMBERSHIP PROFILE
 CATEGORIZED BY AGE AND YEARS EMPLOYED

MUNICIPAL POLICE SYSTEM
 TERM-VESTED/RECIPROCAL

CELLS DEPICT - MEMBER COUNT
 TOTAL BENEFITS

VALUATION DATE 6/30/2002

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	17893	0	0	0	0	0	17893 :
:										:
[35 - 39) :	0	0	0	5	1	1	0	0	0	7 :
:	0	0	0	46194	10573	13333	0	0	0	70100 :
:										:
[40 - 44) :	0	0	0	5	2	9	0	0	0	16 :
:	0	0	0	50751	21660	152899	0	0	0	225310 :
:										:
[45 - 49) :	0	0	0	2	14	10	0	0	0	26 :
:	0	0	0	20052	201610	224357	0	0	0	446019 :
:										:
[50 - 54) :	0	0	0	8	20	0	0	0	0	28 :
:	0	0	0	82428	257520	0	0	0	0	339948 :
:										:
[55 - 59) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[60 - 64) :	0	0	1	0	0	0	0	0	0	1 :
:	0	0	1656	0	0	0	0	0	0	1656 :
:										:
[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	1	22	37	20	0	0	0	80 :
Total :	0	0	1656	217318	491363	390589	0	0	0	1100926 :

AVERAGES : Attained Age 47.51
 Service Years 16.62
 Annual Benefit 13,762

EXHIBIT 5

SUMMARY OF THE MUNICIPAL POLICE EMPLOYEES'
RETIREMENT SYSTEM PLAN PROVISIONS

EFFECTIVE DATE:

July 1, 1973; last amendment date - July 1, 2001.

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 \$806,000 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.03630

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>.04421</u>
<u>6/30/88</u>	<u>-.05726</u>
<u>6/30/91</u>	<u>.00334</u>
<u>6/30/93</u>	<u>-.00405</u>
<u>6/30/96</u>	<u>-.00334</u>
<u>6/30/99</u>	<u>-.00057</u>

Total Amortization of Changes -.01767

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. . . 0.85904

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, 2002

<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	9	-19,464,175	-2,888,113
1997	Change in Liability	L	15	7,807,987	10	6,021,141	828,759
1998	Change in Liability	L	15	-50,648,475	11	-41,699,605	-5,375,954
1999	Change in Liability	L	15	-45,292,161	12	-39,497,675	-4,807,422
2000	Change in Liability	L	15	-4,827,975	13	-4,430,271	-512,453
2001	Change in Liability	L	15	90,820,890	14	87,206,707	9,639,954
2002	Change in Liability	L	15	207,093,231	15	<u>207,093,231</u>	<u>21,981,387</u>
TOTAL OUTSTANDING BALANCE						195,229,353	18,866,158

EXHIBIT A (Continued)
 Amortization of Unfunded
 Actuarial Accrued Liability

EMPLOYER'S SHORTFALL BALANCE

<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>
1992	Contribution Variance	L	15	-513,554	5	-231,192	-54,510
1993	Contribution Variance	L	15	191,419	6	100,177	20,318
1994	Contribution Variance	L	15	-228,116	7	-134,980	-24,213
1995	Contribution Variance	L	15	303,610	8	199,052	32,226
1996	Contribution Variance	L	15	227,328	9	162,616	24,129
1997	Contribution Variance	L	15	76,966	10	59,352	8,169
1998	Contribution Variance	L	15	-176,672	11	-145,457	-18,752
1999	Contribution Variance	L	15	89,574	12	78,114	9,508
2000	Contribution Variance	L	15	15,208	13	13,955	1,614
2001	Contribution Variance	L	15	-65,357	14	-62,756	-6,937
2002	Contribution Variance	L	15	-88,166	15	<u>-88,166</u>	<u>-9,358</u>
TOTAL EMPLOYER CREDIT						-49,285	-17,806
TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY						195,180,068	