



**The Report of the
Compiled 39th ANNUAL ACTUARIAL VALUATIONS
Based Upon Data as of February 28, 2007
for the
Participating Employers
of the
MISSOURI LOCAL GOVERNMENT
EMPLOYEES RETIREMENT SYSTEM**

Submitted to

THE BOARD OF TRUSTEES

Missouri Local Government Employees Retirement System

GRS

Gabriel Roeder Smith & Company

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August 22, 2007

The Board of Trustees
Missouri Local Government Employees Retirement System
Jefferson City, Missouri

Submitted in this report are the compiled results of the **39th annual actuarial valuations** for the Missouri Local Government Employees Retirement System, as amended through February 28, 2007.

The date of the valuations was February 28, 2007.

Actuarial valuations of individual participating employers are made for the purposes of (i) revising employer contribution rates and (ii) examining the reserve strength of each separately experience-rated group. These individual valuations are made annually for each employer who was participating as of the valuation date. Such valuations were made for **893 groups (546 employers)**.

Actuarial valuations are also made of retired life benefits being paid from the Benefit Reserve Fund to determine the financial condition of this pooled Fund.

The valuations were based upon data furnished by LAGERS staff concerning members, retirees and beneficiaries.

The financial assumptions used in making the valuations are shown in the Appendix of this report. Assumptions concerning future experience are needed for computing employer contribution rates. As time passes and actual experience develops, assumed and actual experiences are compared. From time to time one or more of the assumptions about the future are changed by the Board after consulting with the actuary. The non-economic assumptions used in performing the 2007 valuations were adopted by the Board in conjunction with a five year experience investigation for the period ending February 28, 2005. The last major changes were to demographic assumptions, which were first used in the 2006 valuations.

Your attention is directed particularly to the Comments on pages 2 and 3, and to the Short Condition Test on page B-6.

Based upon the 2007 valuations, it is our opinion that **LAGERS continues in sound condition in accordance with actuarial principles of level cost financing**. The overall financial condition is strong.

Respectfully submitted,

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COMMENTS ON VALUATION RESULTS

Individual valuations of participating employers. There were 893 new employer contribution rates computed as of February 28, 2007. (Twenty-five groups had no active employees and a dollar contribution was calculated for them. These twenty-five groups are excluded from the totals on this page.) Of the 893 new rates, 536 were decreases from the previous rates, 239 were increases from the previous rates and 118 were unchanged. Further detail is shown in section F. A ten year comparative schedule follows:

Valuation Date	Decreases	Unchanged	Increases	Total
2-28-1998	409	97	205	711
2-28-1999	382	117	232	731
2-29-2000	570	71	106	747
2-28-2001*	605	97	75	777
2-28-2002	326	157	308	791
2-28-2003	202	139	462	803
2-29-2004	314	136	378	828
2-28-2005	300	128	418	846
2-28-2006*	640	27	198	865
2-28-2007	536	118	239	893

* Revised financial assumptions and/or funding method.

Decreases in employer contribution rates are seldom a problem. Increases can be a problem. Decreases in computed employer contribution rates exceeded increases due primarily to better than expected investment return.

Investment return exceeded the assumed rate of return on a market value of assets basis as of February 28, 2007. In addition, scheduled unrecognized investment gains from prior years caused the recognized rate of return on the actuarial value of assets to be greater than the assumed 7.5% rate of return. This had a downward pressure on employer contribution rates. The market value of assets now exceeds the actuarial value of assets by approximately 8%. (Beginning in 2003, the actuarial value of assets is not allowed to deviate from the market value of assets by more than 20%.)

Retired life experience. Financial activities were restructured in 1986. Sufficient reserves continue to provide benefit increases at the 4% maximum average annual rate, subject to inflation caps. The Benefit Reserve Fund funded ratio increased from 110.0% to 110.2% as of February 28, 2007, due to higher than expected investment return offset by scheduled reserve transfers for retirements that occurred during the valuation year. Please refer to page B-11 for detail.

RESERVE STRENGTH OF EACH GROUP BEING SEPARATELY EXPERIENCE-RATED

"Reserve strength" means the portion of accrued liabilities which are covered by accrued assets. The larger the portion covered, the greater the reserve strength. If liabilities become 100% covered by assets, the group is termed "fully funded."

At the time a local government joins LAGERS the reserve strength of that new employer is zero because there are no assets, while liabilities (for past service) have been generated.

Contributions to LAGERS are patterned so that reserve strength increases year by year.

However, this underlying pattern is being modified each year as actual financial experiences occur. Experiences more favorable than assumed cause reserve strength to increase more than planned, while less favorable experiences reduce reserve strength. Like snowflakes, no two groups have identical experiences.

In addition, reserve strength is lowered when a local government adopts a higher benefit formula (larger liabilities for past service are generated).

The hundreds of separately experience-rated groups within LAGERS have considerable differences in reserve strength. These differences are summarized on page B-8.

Financially, LAGERS consists of a large number of diverse groups, not a large number of clones of a single LAGERS average.

SECTION A

FINANCIAL PRINCIPLES

FINANCIAL PRINCIPLES AND OPERATIONAL TECHNIQUES OF LAGERS

Promises Made, and To Be Paid For. As each year is completed, the system in effect hands an "IOU" to each member then acquiring a year of service credit -- the "IOU" says: "The Missouri Local Government Employees Retirement System owes you one year's worth of retirement benefits, payments in cash commencing when you qualify for retirement."

The related *key financial questions* are:

Which generation of taxpayers contributes the money to cover the IOU?

The present taxpayers, who receive the benefit of the member's present year of service?

Or the future taxpayers, who happen to be in Missouri at the time the IOU becomes a cash demand?

LAGERS intends that this year's taxpayers contribute the money to cover the IOUs being handed out this year. By following this principle, ***the employer contribution rate will remain approximately level from generation to generation*** -- our children and our grandchildren will contribute the same percents of pay we contribute now.

(There are systems which have a design for deferring contributions to future taxpayers lured by a lower contribution rate now and putting aside the fact that the contribution rate must relentlessly grow much greater over decades of time -- consume now, and let your children face your ***financial pollution*** after you've retired.)

An inevitable by-product of the level-cost design is the accumulation of reserve assets, for decades, and the income produced when the assets are invested. ***Invested assets are a by-product and not the objective.*** ***Investment income*** becomes in effect ***the third contributor*** for benefits to employees, and is interlocked with the contribution amounts required from employees and employers.

Translated to actuarial terminology, this level-cost objective means that the contribution rates must total at least the following:

Normal Cost (the cost of members' service being rendered this year)

... plus ...

Interest on Unfunded Actuarial Accrued Liabilities (unfunded actuarial accrued liabilities are the difference between: liabilities for members' service already rendered; and the accrued assets of the governmental unit in the plan).

Computing Contributions to Support System Benefits. From a given schedule of benefits and from the employee data and asset data furnished, the actuary determines the contribution rates to support the benefits, by means of *an actuarial valuation and a funding method.*

An actuarial valuation has a number of ingredients such as: the rate of investment return which plan assets will earn; the rates of withdrawal of active members who leave covered employment before qualifying for any monthly benefit; the rates of mortality; the rates of disability; the rates of pay increases; and the assumed age or ages at actual retirement.

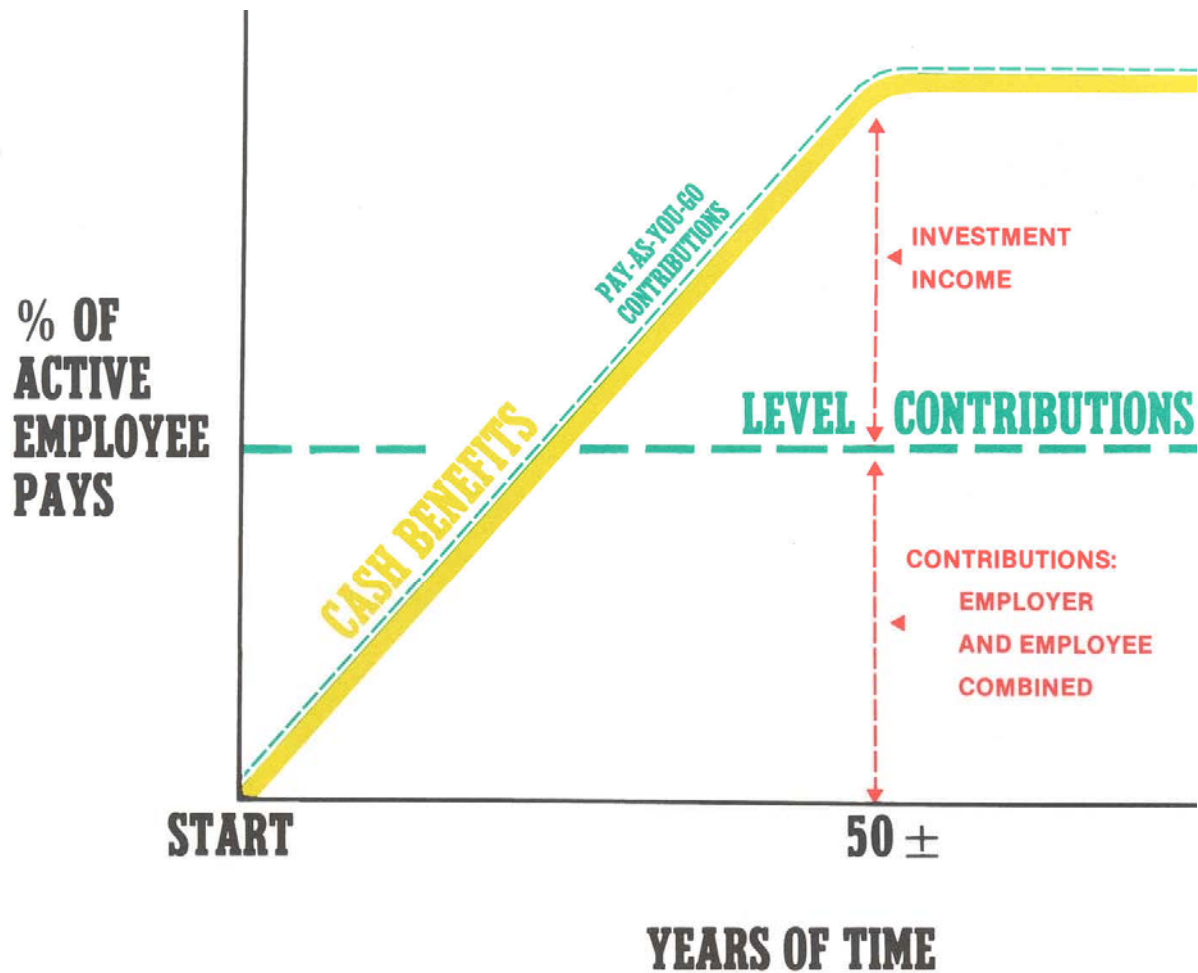
In making an actuarial valuation the system must assume what the above experience will be, for the next year and for decades in the future. Only the subsequent actual experience of the System can indicate the degree of accuracy of the assumptions.

Reconciling Differences Between Assumed Experience and Actual Experience. Once actual experience has occurred and been observed, it will not coincide exactly with assumed experience, regardless of the wisdom of the assumptions and regardless of the skill of the actuary and the calculations made. The future can be predicted with considerable but not complete precision, except that inflation seems to defy reliable prediction.

LAGERS copes with these continually changing differences by having *annual actuarial valuations*, separately for each participating employer group. Each annual actuarial valuation is a complete recalculation of assumed future experience, taking into account all past differences between assumed and actual experience. The result is continually changing employer contribution rates.

Generally, the size of an annual change in an employer rate is less than one percent of payroll (up or down), particularly for the larger groups, where activities of one or two employees have little effect on the group's status. In periods of volatile investment markets, groups with large Employer Accumulation Fund (EAF) balances may experience larger changes in computed rates.

To avoid causing employer budget problems, LAGERS provides a maximum annual increase of one percent of payroll for any one participating employer. Beginning with the February 28, 1999 valuations, the maximum allowed annual decrease in an employer contribution rate is also one percent of payroll, unless it is clear that a larger decrease will likely be long term in nature.



CASH BENEFITS LINE. This relentlessly increasing line is the fundamental reality of retirement plan financing. It happens each time a new benefit is added for future retirements (and happens regardless of the design for contributing for benefits).

LEVEL CONTRIBUTION LINE. Determining the level contribution line requires detailed assumptions concerning a variety of experiences in future decades, including:

Economic Risk Areas

- Rates of investment return
- Rates of pay increase
- Changes in active member group size

Non-Economic Risk Areas

- Ages at actual retirement
- Rates of mortality
- Rates of withdrawal of active members (turnover)
- Rates of disability

THE ACTUARIAL VALUATION PROCESS

The *actuarial valuation* is the mathematical process by which the contribution rate is determined, and the flow of activity constituting the valuation may be summarized as follows:

- A. ***Covered people data***, furnished by plan administrator, including:
 - Retired lives now receiving benefits
 - Former employees with vested benefits not yet payable
 - Active employees

- B. + ***Asset data*** (cash & investments), furnished by plan administrator

- C. + ***Assumptions concerning future financial experiences in various risk areas***, which assumptions are established by the Board of Trustees after consulting with the actuary

- D. + ***The funding method*** for determining employer contributions (the long-term, planned pattern for employer contributions)

- E. + ***Mathematically combining the assumptions, the funding method, and the data***

- F. = Determination of:
 - Plan financial position***
 - and/or ***New Employer Contribution Rate***.

SECTION B

VALUATION RESULTS

CHANGE IN EMPLOYER CONTRIBUTIONS*
BY VALUATION GROUPS FEBRUARY 28, 2007

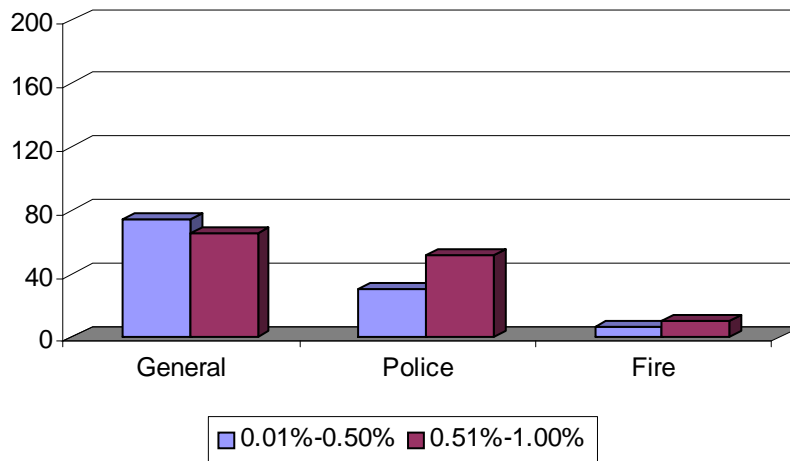
Group	Number of Active Members	Number of Valuation Groups with Indicated Change in Employer Contribution Rate						Totals
		Decreases			Unchanged 0.00%	Increases		
		Over 1.00%	0.51% to 1.00%	0.01% to 0.50%		0.01% to 0.50%	0.51% to 1.00%	
General:	1 - 9	18	39	61	36	24	33	211
	10 - 49	20	41	73	21	36	26	217
	50 & up	<u>12</u>	<u>26</u>	<u>51</u>	<u>9</u>	<u>14</u>	<u>6</u>	<u>118</u>
	Totals	50	106	185	66	74	65	546
Police:	1 - 9	17	26	24	23	14	22	126
	10 - 49	10	20	34	19	14	28	125
	50 & up	<u>1</u>	<u>9</u>	<u>6</u>	—	<u>3</u>	<u>2</u>	<u>21</u>
	Totals	28	55	64	42	31	52	272
Fire:	1 - 9	3	6	10	6	4	4	33
	10 - 49	6	8	9	4	3	6	36
	50 & up	<u>4</u>	<u>1</u>	<u>1</u>	—	—	—	<u>6</u>
	Totals	13	15	20	10	7	10	75
Totals		91	176	269	118	112	127	893

* Includes changes in employer contribution rates due to actual experience, changes in actuarial assumptions and changes in actuarial methods. It does not include changes in employer contribution rates due to benefit program changes.

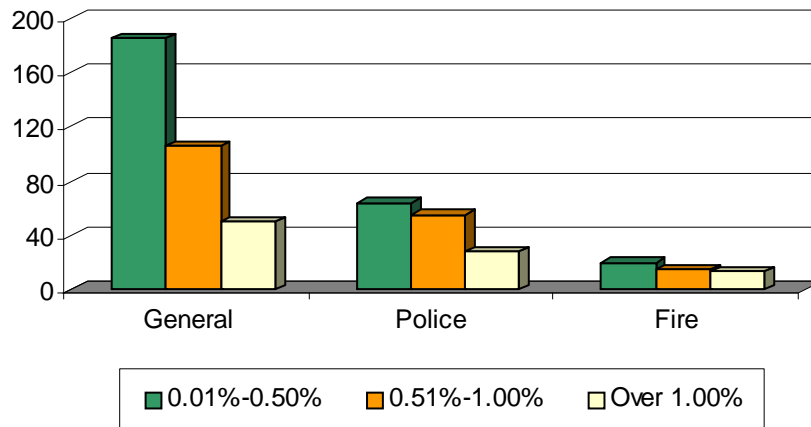
In broad terms, the smaller the group, the greater the chance of a relatively large change in employer rate from one year to the next.

CHANGE IN EMPLOYER CONTRIBUTION RATE* BY VALUATION GROUP

Increases



Decreases



* Includes changes in employer contribution rates due to actual experience, changes in actuarial assumptions and changes in actuarial methods. It does not include changes in employer contribution rates due to benefit program changes.

SCHEDULE OF FUNDING PROGRESS

Each time a new employer joins the System, or an employer adopts a higher level of benefits, unfunded actuarial accrued liabilities are created. The law governing the System requires that these additional obligations be financed systematically over a period of future years.

In an inflationary economy the value of dollars is decreasing. This environment results in employee pays increasing in dollar amounts, retirement benefits increasing in dollar amounts, and then, unfunded actuarial accrued liabilities, all at a time when the actual substance of these items may be decreasing. Looking at just the dollar amounts of unfunded actuarial accrued liabilities can be misleading. Unfunded actuarial accrued liability dollars divided by active employee payroll provides an index which helps understanding. The smaller the ratio of unfunded liabilities to active member payroll, the stronger the System.

Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a % of Covered Payroll
2-28-1998	\$ 1,592,940,530	\$ 1,719,428,702	\$ 126,488,172	92.6%	\$ 667,085,761	19.0%
2-28-1999	1,818,112,722	1,940,840,958	122,728,236	93.7	716,154,828	17.1
2-29-2000	2,129,073,917	2,153,498,866	24,424,949	98.9	757,753,142	3.2
2-28-2001 #	2,395,912,598	2,302,816,630	(93,095,968)	104.0	808,959,292	-
2-28-2002	2,623,610,917	2,613,087,737	(10,523,180)	100.4	875,061,292	-
2-28-2003	2,603,872,640	2,700,198,619	96,325,979	96.4	932,953,679	10.3
2-29-2004	2,808,907,263	2,929,171,779	120,264,516	95.9	989,446,058	12.2
2-28-2005	2,984,489,211	3,139,260,243	154,771,032	95.1	1,031,415,223	15.0
2-28-2006 #	3,224,173,714	3,383,152,937	158,979,223	95.3	1,082,349,535	14.7
2-28-2007	3,557,389,198	3,700,813,660	143,424,462	96.1	1,146,094,426	12.5

Revised actuarial assumptions.

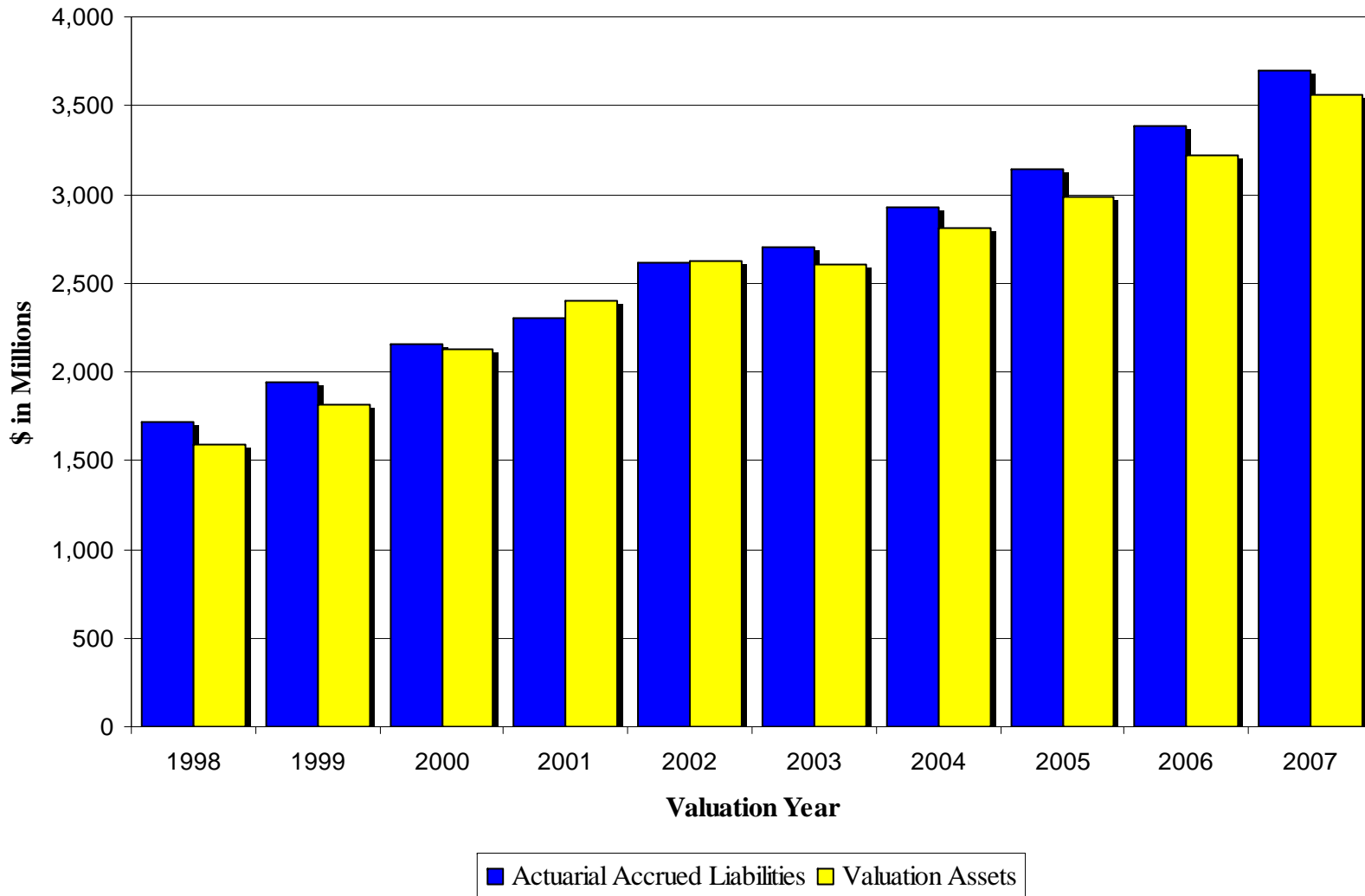
Each employer participating in the System is financially responsible for its own obligation. Accordingly, the aggregate numbers presented on this and the following pages are indicative only of the overall condition of the System and are not indicative of any one employer.

Factors that generally have a downward effect on the funded ratio include:

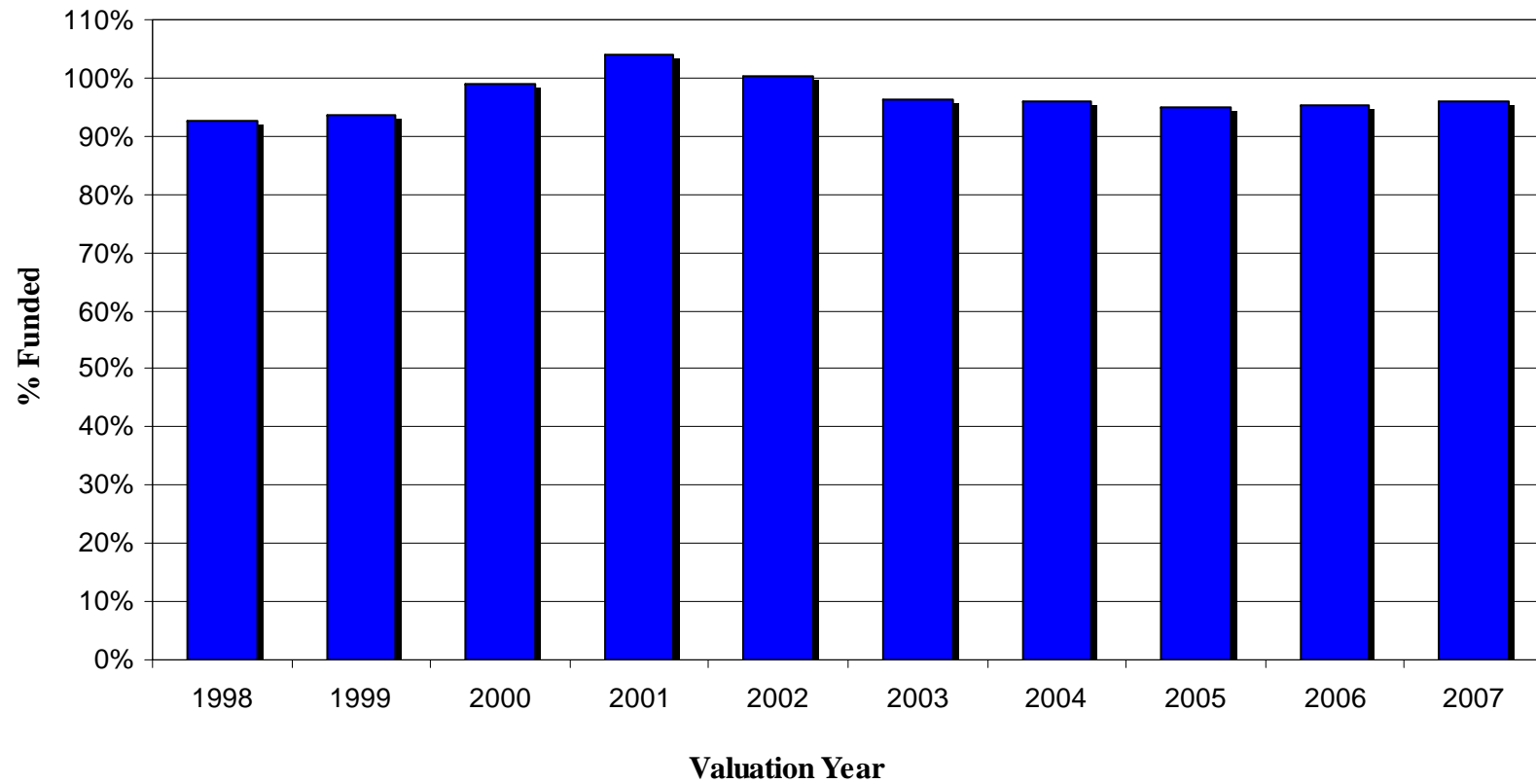
- Employers adopting new benefit programs. For example, before reflecting the benefit changes adopted by political subdivisions during the year, the 2-28-2006 and 2-28-2007 Funded Ratios would have been 95.9% (instead of 95.3%) and 96.8% (instead of 96.1%), respectively.
- New employers joining LAGERS (who at time of joining do not have assets on hand to cover actuarial accrued liabilities associated with past service).
- The planned reduction in funding levels (through reduced employer contributions) for employers that are over 100% funded.

Factors that generally have an upward effect on the funded ratio include scheduled employer contributions and favorable investment experience.

PORTION OF ACTUARIAL ACCRUED LIABILITIES COVERED BY VALUATION ASSETS



VALUATION ASSETS AS A PERCENT OF ACTUARIAL ACCRUED LIABILITIES



SHORT CONDITION TEST

The LAGERS funding objective is to meet long-term benefit promises through contributions that remain approximately level from year to year as a percent of member payroll. If the contributions to the System are level in concept and soundly executed, the System will *pay all promised benefits when due -- the ultimate test of financial soundness*. Testing for level contribution rates is *the* long-term test.

A short condition test is one means of checking a system's progress under its funding program. In a short condition test, the plan's present assets (cash and investments) are compared with the actuarial accrued liabilities for: (1) active member contributions on deposit; (2) future benefits to present retired lives; and (3) service already rendered by active members. In a system that has been following the discipline of level percent of payroll financing, the liabilities for active member contributions on deposit and for future benefits to present retired lives will be fully covered by present assets (except in rare circumstances). In addition, the liabilities for service already rendered by active members will be partially covered by the remainder of present assets. The larger the funded portion of liability 3, the stronger the condition of the system.

The schedule below illustrates the most recent 10 year history of the System's actuarial accrued liabilities and is indicative of the LAGERS policy of following the discipline of level percent of payroll financing.

Comparative Schedule

Valuation Date	Entry Age Accrued Liability For			Actuarial Value of Assets	Portion of Accrued Liability Covered by Assets		
	(1) Active Member Contributions	(2) Retirants and Beneficiaries*	(3) Active Members (Employer Financed Portion)		(1)	(2)	(3)
	2-28-1998	\$ 54,045,521	\$ 650,291,340		\$ 1,015,091,841	\$ 1,592,940,530	100%
2-28-1999	55,329,128	756,345,932	1,129,165,898	1,818,112,722	100	100	89
2-29-2000	57,118,191	867,281,953	1,229,098,722	2,129,073,917	100	100	98
2-28-2001 #	59,548,771	916,644,950	1,326,622,909	2,395,912,598	100	100	107
2-28-2002	62,603,672	1,010,156,078	1,540,327,987	2,623,610,917	100	100	101
2-28-2003	66,742,613	926,249,428	1,707,206,578	2,603,872,640	100	100	94
2-29-2004	70,562,031	1,026,668,962	1,831,940,786	2,808,907,263	100	100	93
2-28-2005	72,252,574	1,098,286,478	1,968,721,191	2,984,489,211	100	100	92
2-28-2006 #	75,835,009	1,199,273,243	2,108,044,685	3,224,173,714	100	100	92
2-28-2007	80,282,208	1,327,231,970	2,293,299,482	3,557,389,198	100	100	94

Revised actuarial assumptions.

* Includes reserve for future benefit increases.

EMPLOYERS ACCUMULATION FUND

The Employers Accumulation Fund assets totaled \$2,134,329,993 as of February 28, 2007 based on the actuarial value of assets. The individual participating Employers Accumulation Fund accrued liabilities (entry age normal cost method) were computed to be \$2,277,754,455 as of that date.

Each time a new employer joins the System, or an employer adopts a higher level of benefit, unfunded accrued liabilities are created. The law governing the System requires that these additional EAF liabilities be financed systematically over a period of future years.

Each employer is financially responsible for its own EAF liabilities. Accordingly, the aggregate numbers presented for the Employers Accumulation Fund are indicative only of overall condition and not indicative of the status of any individual employer.

Aggregate Accrued Liabilities and Actuarial Value of Assets Comparative Statement

Valuation Date	Actuarial Value of Assets	Aggregate Accrued Liabilities	Ratio of Assets to Liabilities*
2-28-1998	\$ 882,637,910	\$1,009,126,082	87.5%
2-28-1999	1,000,606,196	1,123,334,432	89.1
2-29-2000	1,198,046,097	1,222,471,046	98.0
2-28-2001#	1,412,925,554	1,319,829,586	107.1
2-28-2002	1,543,329,341	1,532,806,161	100.7
2-28-2003	1,601,631,161	1,697,957,140	94.3
2-29-2004	1,697,031,492	1,817,296,008	93.4
2-28-2005	1,796,054,158	1,950,825,190	92.1
2-28-2006#	1,926,024,466	2,085,003,689	92.4
2-28-2007	2,134,329,993	2,277,754,455	93.7

Revised actuarial assumptions.

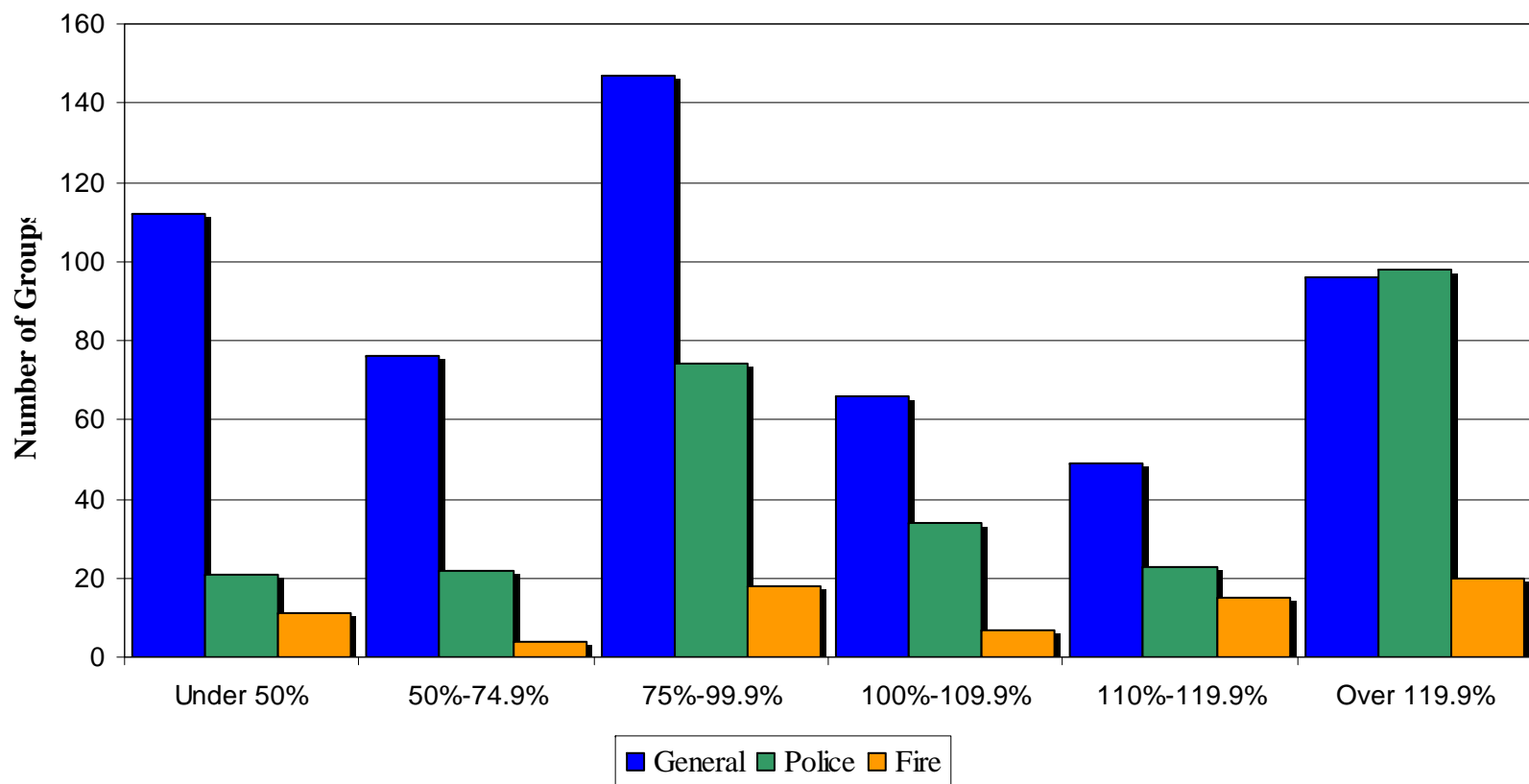
* The larger the ratio of assets to liabilities, the greater the reserve strength of the Employers Accumulation Fund.

**EMPLOYERS ACCUMULATION FUND
PORTION OF LIABILITIES COVERED BY ASSETS
BY VALUATION GROUPS FEBRUARY 28, 2007**

Group	Number of Active Members	Number of Valuation Groups with Assets as a Percent of Actuarial Accrued Liabilities						
		Under 50.0%	50.0% - 74.9%	75.0% - 99.9%	100.0% - 109.9%	110.0% - 119.9%	Over 119.9%	Totals*
General:	1 - 9	85	31	41	14	7	33	211
	10 - 49	22	34	65	28	24	44	217
	50 & up	<u>5</u>	<u>11</u>	<u>41</u>	<u>24</u>	<u>18</u>	<u>19</u>	<u>118</u>
	Totals	112	76	147	66	49	96	546
Police:	1 - 9	16	14	29	9	4	54	126
	10 - 49	5	5	34	22	17	42	125
	50 & up	—	<u>3</u>	<u>11</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>21</u>
	Totals	21	22	74	34	23	98	272
Fire:	1 - 9	8	4	9		4	8	33
	10 - 49	2		7	6	9	12	36
	50 & up	<u>1</u>	—	<u>2</u>	<u>1</u>	<u>2</u>	—	<u>6</u>
	Totals	11	4	18	7	15	20	75
Totals*		144	102	239	107	87	214	893

* Not included in this tabulation are 25 groups which presently have no active members.

EMPLOYERS ACCUMULATION FUND PORTION OF LIABILITIES COVERED BY ASSETS



MEMBERS DEPOSIT FUND

The Members Deposit Fund assets for active members totaled \$80,282,208 as of February 28, 2007. The Members Deposit Fund actuarial accrued liabilities are set equal to assets.

Aggregate Actuarial Accrued Liabilities and Actuarial Value of Assets Comparative Statement

Valuation Date	Actuarial Value of Assets	Aggregate Accrued Liabilities	Ratio of Assets to Liabilities
2-28-1998	\$ 54,045,521	\$ 54,045,521	100.0%
2-28-1999	55,329,128	55,329,128	100.0
2-29-2000	57,118,191	57,118,191	100.0
2-28-2001	59,548,771	59,548,771	100.0
2-28-2002	62,603,672	62,603,672	100.0
2-28-2003	66,742,613	66,742,613	100.0
2-29-2004	70,562,031	70,562,031	100.0
2-28-2005	72,252,574	72,252,574	100.0
2-28-2006	75,835,009	75,835,009	100.0
2-28-2007	80,282,208	80,282,208	100.0

BENEFIT RESERVE FUND

The Benefit Reserve Fund assets as of February 28, 2007 totaled \$1,327,231,970 based on the actuarial value of assets. The present value of future benefits was computed to be \$1,203,934,295 as of that date.

When a member retires, there is transferred to the Benefit Reserve Fund a single sum reserve which is expected to cover all future pension benefits; this reserve is calculated based on assumptions about mortality and an assumed annual investment return rate of 4%.

Beginning in 1986, each year LAGERS actual investment return rate is credited to the Benefit Reserve Fund. The excess, if any, of the actual investment return rate over the assumed 4% provides the money from which the Board can grant benefit increases after retirement. Beginning in 1999 the investment return credit is limited if the funded ratio exceeds 140%. Beginning in 2002 the threshold was changed to 125%.

The most recent such benefit increase occurred October 1, 2006 and consisted of an overall increase of 4% or less.

Actuarial Accrued Liabilities and Accrued Assets Comparative Statement

Annual Valuation Date	Pensions Being Paid	Benefit Increase % Last Oct. 1	Investment Return % Last June 30	Present Value of Future Benefits	Reserve for Future Experience	Accrued Liabilities	Actuarial Value of Assets	Ratio of Actuarial Value of Assets to PVFB
2-28-1998	\$41,599,468	4.0%	11.4%	\$467,563,884	\$182,727,456	\$650,291,340	\$650,291,340	139.1%
2-28-1999	46,365,846	4.0	17.0	520,260,156	236,085,776	756,345,932	756,345,932	145.4
2-29-2000	51,921,290	4.0	5.6	583,429,164	283,852,789	867,281,953	867,281,953	148.7
2-28-2001 #	57,989,017	4.0 @	14.4	636,824,117	279,820,833	916,644,950	916,644,950	143.9
2-28-2002	65,001,494	4.0 @	3.1	717,019,826	293,136,252	1,010,156,078	1,010,156,078	140.9
2-28-2003	71,769,505	4.0 @	(15.6)	794,736,064	131,513,364	926,249,428	926,249,428	116.5
2-29-2004	79,465,768	4.0	(5.4)	886,280,744	140,388,218	1,026,668,962	1,026,668,962	115.8
2-28-2005	87,954,992	4.0	11.4	984,095,358	114,191,120	1,098,286,478	1,098,286,478	111.6
2-28-2006 #	97,259,442	4.0	7.5	1,090,639,821	108,633,422	1,199,273,243	1,199,273,243	110.0
2-28-2007	107,261,960	4.0	15.3	1,203,934,295	123,297,675	1,327,231,970	1,327,231,970	110.2

Revised actuarial assumptions.

@ The overall benefit increase % was 4.0% even though individuals received varying benefit increase %'s.

CASUALTY RESERVE FUND

Beginning with the 1989 valuation, at the time a disability benefit becomes payable there is transferred from the Casualty Reserve Fund to the Benefit Reserve Fund the difference between (i) the full employer reserve covering the disability benefit and (ii) the accrued service liability of the Employer Accumulation Fund for the member who became disabled.

Employer contributions to cover the transfers described above are determined on a pooled-group basis (not separately for each financing group). The contribution rates, varying by size of benefit formula, were last changed in 2006.

Benefit Formula	Employer Contribution Rate to the CRF
L-1, LT-4	0.3%
L-3, LT-5, L-7, LT-8	0.4%
L-9, LT-10, L-12, LT-14	0.5%
L-6, L-11	0.6%

If there is a positive balance in the Casualty Reserve Fund at any time, it indicates that cumulative past contributions have fully funded the cumulative past obligations --- similarly, a negative balance would indicate that cumulative past contributions have fallen short of the target.

For actuarial valuation purposes, actuarial accrued liabilities equal the actuarial value of assets.

Actuarial Value of Assets at Valuation Dates Comparative Statement

Valuation Date	Employer L-1 Contributions: Year Ended	Actuarial Value of Assets	Accrued Liabilities	Assets Expressed as Percents of Member Payroll	
				Total	Change
2-28-1998 @	0.5%	\$ 5,965,759	\$ 5,965,759	0.9%	1.6%
2-28-1999	0.5	5,831,466	5,831,466	0.8	-0.1
2-29-2000	0.5	6,627,676	6,627,676	0.9	0.1
2-28-2001	0.5	6,793,323	6,793,323	0.8	-0.1
2-28-2002	0.5	7,521,826	7,521,826	0.9	0.1
2-28-2003	0.5	9,249,438	9,249,438	1.0	0.1
2-29-2004	0.5	14,644,778	14,644,778	1.5	0.5
2-28-2005	0.5	17,896,001	17,896,001	1.7	0.2
2-28-2006	0.3	23,040,996	23,040,996	2.1	0.4
2-28-2007 #	0.3	15,545,027	15,545,027	1.4	-0.7

@ Reflects special \$10 million transfer to the Casualty Reserve Fund.

Reflects special \$10 million transfer from the Casualty Reserve Fund to the Income-Expense Fund.

SECTION C

ASSET DATA USED IN THE VALUATIONS

REPORTED ACCRUED ASSETS AVAILABLE FOR BENEFITS FEBRUARY 28, 2007

Statutory Funds	Reported Assets	Actuarial Value of Assets
Employers Accumulation Fund	\$1,827,386,154	\$2,134,329,993
Members Deposit Fund	80,282,208	80,282,208
Benefit Reserve Fund	1,143,278,465	1,327,231,970
Casualty Reserve Fund	13,390,496	15,545,027
Total	\$3,064,337,323	\$3,557,389,198

The Actuarial Value of Assets is based on market value, but with a 5-year smoothing of the difference between projected investment return, based on the actuarial assumption, and actual market to market returns. The actuarial value of assets is not permitted to deviate from market value by more than 20%. The derivation of the actuarial value of assets (also called the funding value of assets) is shown on pages C-3 and C-4. The funding value adjustment factor is applied to the reported cost value of assets of each employer. The funding value adjustment factor serves two purposes:

- it incorporates the balance in the Income-Expense Fund for actuarial valuation purposes, since it is not allocated until June 30, and
- it converts the reported cost value of assets to the actuarial value of assets.

The Employers Accumulation Fund represents employer contributions accumulated for benefits to or on behalf of present members.

The Members Deposit Fund represents employee contributions accumulated for (1) monthly benefits upon future retirements and (2) refunds upon termination if monthly benefits are not payable.

The Benefit Reserve Fund represents employer and employee reserves held for the monthly benefits being paid to present retired lives.

The Casualty Reserve Fund represents employer contributions accumulated for the added liability incurred when a member becomes a disability retirement.

The Income-Expense Fund represents investment income received less administrative expenses paid. At the end of the system fiscal year interest is paid to the other four Funds from this Fund. The February 28, 2007 balance in the Income-Expense Fund was used for valuation purposes.

INVESTMENT ACTIVITIES

A retirement system acquires and invests assets as the result of following the financial objective of level contribution rates. The Board of Trustees of LAGERS has the responsibility for seeing that the assets are invested effectively and within the limits imposed by law. The Board retains professional money managers to assist in the investment process, and reviews their activities throughout each year.

Presented below is a table showing investment credits to the various Funds of the system for the last 5 years.

Rates of Investment Return Allocated to LAGERS Fund Accounts

Year Ended June 30	Investment Credits as % of Fund Balance				Inflation Loss % (CPI)
	Casualty Reserve Fund A	Member Deposit Fund B	Benefit Reserve Fund C	Employer Accumulation Fund D	
2003	7.5%	4.0%	(5.4)%	(5.9)%	2.1%
2004	7.5	4.0	11.4	11.8	3.2
2005	7.5	4.0	7.5	7.7	2.5
2006	7.5	4.0	15.3	15.9	4.3
2007	7.5	4.0	9.4	9.6	2.7
5 Year Compound Average			7.4%	7.6%	3.0%

- A. Casualty Reserve assets are for the non-accrued service portion of disability benefits to future disabled lives. The investment percent is the rate set for actuarial purposes.
- B. Member Deposit assets are the contributions of present members. The investment percent, set by the Board, affects amounts payable to members who request a refund. The percent does not affect the monthly benefit of a retiring member.
- C. Benefit Reserve assets are for benefits to present retired lives. The investment credit is the remainder of net investment return after crediting the Casualty Reserve assets. This revised allocation of investment credits is intended to provide the resources for additional benefit increases after retirement, and is based upon a 1986 change in the LAGERS law. Beginning in 1999 the investment credit to the Benefit Reserve Fund (BRF) is limited, if the funded ratio of the BRF exceeds 140%. Beginning in 2002 the threshold was changed to 125%. In addition, for the 2002 interest credits the BRF interest credit was further reduced to permit a 0.0% interest credit to the EAF.
- D. Employer Accumulation assets are for benefits to future retired lives including the accrued service portion of disability benefits. The investment credit is the remainder of net investment return after crediting the Casualty Reserve assets, followed by a further adjustment for the investment credit to the Member Deposit assets (and beginning in 1999 for any reallocation of investment credits from the Benefit Reserve Fund). The Employer Accumulation Fund is responsible for covering liability increases resulting from inflation losses. The percentages shown include net realized capital gains on sale of investments (cost value).

DEVELOPMENT OF FUNDING VALUE OF RETIREMENT SYSTEM ASSETS

Year Ending February 28:	2003	2004	2005	2006
A. Actuarial Value Beginning of Year	\$2,616,628,515	\$2,603,834,872	\$2,808,860,773	\$2,984,562,342
B. Market Value End of Year	2,169,862,393	2,831,382,994	3,114,372,296	3,465,462,225
C. Market Value Beginning of Year	2,407,123,169	2,169,862,393	2,831,382,994	3,114,372,296
D. Non-Investment/Administrative Net Cash Flow	19,398,493	14,085,194	8,469,665	7,997,305
E. Investment Income				
E1. Market Total: B-C-D	(256,659,269)	647,435,407	274,519,637	343,092,624
E2. Assumed Rate of Return	7.50%	7.50%	7.50%	7.50%
E3. Amount for Immediate Recognition	196,974,582	195,815,810	210,982,170	224,142,075
E4. Amount for Phased-In Recognition: E1-E2	(453,633,851)	451,619,597	63,537,467	118,950,549
F. Phased-In Recognition of Investment Income				
F1. Current Year: 0.20 x E4	(90,726,770)	90,323,919	12,707,493	23,790,110
F2. First Prior Year	(57,919,822)	(72,768,306)	90,323,919	12,707,493
F3. Second Prior Year	(34,359,284)	(46,455,168)	(72,768,306)	90,323,919
F4. Third Prior Year	64,312,721	(27,558,204)	(46,455,168)	(72,768,306)
F5. Fourth Prior Year	(3,373,648)	51,582,656	(27,558,204)	(46,455,168)
F6. Total Recognized Phase-Ins	(122,066,803)	(4,875,103)	(43,750,266)	7,598,048
G. Actuarial Value End of Year				
G1. Preliminary Actuarial Value End of Year: A+D+E3+F6	\$2,710,934,787	\$2,808,860,773	\$2,984,562,342	\$3,224,299,770
G2. Upper Corridor Limit: 120% x B	2,603,834,872	3,397,659,593	3,737,246,755	4,158,554,670
G3. Lower Corridor Limit: 80% x B	1,735,889,914	2,265,106,395	2,491,497,837	2,772,369,780
G4. Actuarial Value End of Year	\$2,603,834,872	\$2,808,860,773	\$2,984,562,342	\$3,224,299,770
H. Difference Between Market & Actuarial Value	(433,972,479)	22,522,221	129,809,954	241,162,455
I. Ratio of Actuarial Value to Market Value	120.0%	99.2%	95.8%	93.0%
J. Actuarial Value Adjustment Factor (ratio of actuarial value to EAF+MDF+CRF+BRF cost value)	1.1223	1.2708	1.2101	1.2127
K. Recognized Rate of Return	(1.23)%	7.31%	5.94%	7.75%
L. Market Rate of Return	(10.62)%	29.74%	9.68%	11.00%

The asset valuation method recognizes assumed investment income (line E2) fully each year. Differences between actual and expected investment income (line E4) are phased in over a closed 5 year period. If in the future, total investment income (line E1) were always equal to assumed investment income (line E3), Funding Value and Market Value would be identical 4 years after the valuation date (line H).

Note: Asset values on this page differ slightly from asset values reported elsewhere in this report, due to a number of miscellaneous closing entries that are not included in the above amounts and rounding.

DEVELOPMENT OF FUNDING VALUE OF RETIREMENT SYSTEM ASSETS

Year Ending February 28:	2007	2008	2009	2010	2011
A. Actuarial Value Beginning of Year	\$3,224,299,770				
B. Market Value End of Year	3,856,385,431				
C. Market Value Beginning of Year	3,465,462,225				
D. Non-Investment/Administrative Net Cash Flow	8,738,768				
E. Investment Income					
E1. Market Total: B-C-D	382,184,438				
E2. Assumed Rate of Return	7.50%				
E3. Amount for Immediate Recognition	242,150,187				
E4. Amount for Phased-In Recognition: E1-E2	140,034,251				
F. Phased-In Recognition of Investment Income					
F1. Current Year: 0.20 x E4	28,006,850				
F2. First Prior Year	23,790,110	\$ 28,006,850			
F3. Second Prior Year	12,707,493	23,790,110	\$ 28,006,850		
F4. Third Prior Year	90,323,919	12,707,493	23,790,110	\$ 28,006,850	
F5. Fourth Prior Year	(72,768,307)	90,323,921	12,707,495	23,790,111	\$ 28,006,851
F6. Total Recognized Phase-Ins	82,060,065	154,828,374	64,504,455	51,796,961	28,006,851
G. Actuarial Value End of Year					
G1. Preliminary Actuarial Value End of Year: A+D+E3+F6	\$3,557,248,790				
G2. Upper Corridor Limit: 120% x B	\$4,627,662,517				
G3. Lower Corridor Limit: 80% x B	\$3,085,108,345				
G4. Actuarial Value End of Year	\$3,557,248,790				
H. Difference Between Market & Actuarial Value	299,136,641	144,308,267	79,803,812	28,006,851	
I. Ratio of Actuarial Value to Market Value	92.2%				
J. Actuarial Value Adjustment Factor (ratio of actuarial value to EAF+MDF+CRF+BRF cost value)	1.1609				
K. Recognized Rate of Return	10.04%				
L. Market Rate of Return	11.01%				

The asset valuation method recognizes assumed investment income (line E2) fully each year. Differences between actual and expected investment income (line E4) are phased in over a closed 5 year period. If in the future, total investment income (line E1) were always equal to assumed investment income (line E3), Funding Value and Market Value would be identical 4 years after the valuation date (line H).

Note: Asset values on this page differ slightly from asset values reported elsewhere in this report, due to a number of miscellaneous closing entries that are not included in the above amounts and rounding.

**SUMMARY OF CURRENT ASSET INFORMATION
REPORTED FOR VALUATION**

Reported Assets (Including Income/Expense Reserve)

Market Value - February 28, 2007	
Cash & equivalents	\$ 38,297,396
Receivables & accruals	1,444,920
Stocks	2,431,229,419
Bonds & government securities	1,128,088,331
Timber	188,443,448
Commodities	68,881,917
Total Current Assets	\$ 3,856,385,431

Revenues and Expenses

Market Value	Year Ended February 28, 2007
Balance - Beginning of year	\$ 3,465,462,225
Revenues:	
Employees' contributions	7,483,621
Employer contributions	122,102,419
Investment income	392,648,631
Total	<u>522,234,671</u>
Expenditures:	
Benefit payments	119,097,276
Refund of member contributions	1,749,996
Administrative and investment expenses	10,464,193
Total	<u>131,311,465</u>
Balance - End of Year	<u>\$ 3,856,385,431</u>

SECTION D

BENEFIT PROVISIONS CONSIDERED IN THE VALUATION

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
BRIEF SUMMARY OF LAGERS
BENEFITS AND CONDITIONS EVALUATED AND/OR CONSIDERED
THROUGH FEBRUARY 28, 2007
(SECTION REFERENCES ARE TO RSMO)

Voluntary Retirement. Sections 70.645 & 70.600. A member may retire with an age & service allowance after both (i) completing 5 years of credited service, and (ii) attaining the minimum service retirement age.

The minimum service retirement age is age 60 for a general employee and age 55 for a police or fire employee. Optionally, employers may also elect to provide for unreduced benefits for employees whose combination of years of age and years of service equals 80 or more.

Final Average Salary. Section 70.600. The average of a member's monthly compensation during the period of 60 consecutive months (or optionally, 36 consecutive months) of credited service producing the highest monthly average, which period is contained within the 120 consecutive months of credited service immediately preceding retirement.

Age & Service Allowance. Section 70.655. The allowance, payable monthly for life, equals a specified percent of a member's final average salary multiplied by the number of years of credited service. Each employer elects the percent applicable to its members, from the following programs:

L-1 Benefit Program: 1.00% for life

L-3 Benefit Program: 1.25% for life

L-7 Benefit Program: 1.50% for life

LT-4 Benefit Program: 1.00% for life, plus 1.00% to age 62

LT-5 Benefit Program: 1.25% for life, plus 0.75% to age 62

LT-8 Benefit Program: 1.50% for life, plus 0.50% to age 62

LT-4(65) Benefit Program: 1.00% for life, plus 1.00% to age 65

LT-5(65) Benefit Program: 1.25% for life, plus 0.75% to age 65

LT-8(65) Benefit Program: 1.50% for life, plus 0.50% to age 65

L-9 Benefit Program: 1.60% for life

LT-10(65) Benefit Program: 1.60% for life, 0.40% to age 65

L-12 Benefit Program: 1.75% for life

LT-14(65) Benefit Program: 1.75% for life, 0.25% to age 65

L-6 Benefit Program: 2.00% for life

L-11 Benefit Program: 2.50% for life

The only LT benefit programs available for adoption after August 1, 1994 are the LT(65) programs.

Benefit programs L-9 and LT-10(65) are unavailable for adoption after August 1, 2005.

Benefit program L-11 is only available to groups not covered by Social Security.

Subsequent to joining the System the governing body can elect to change benefit programs for the employees, but not more often than once every 2 years.

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
BRIEF SUMMARY OF LAGERS
BENEFITS AND CONDITIONS EVALUATED AND/OR CONSIDERED
THROUGH FEBRUARY 28, 2007
(SECTION REFERENCES ARE TO RSMO)
(CONTINUED)

Early Allowance. Section 70.670. A member may retire with an early allowance after both (i) completing 5 years of credited service, and (ii) attaining age 55 if a general employee or age 50 if a police or fire employee.

The early allowance amount, payable monthly for life, is computed in the same manner as an age & service allowance, based upon the service and earnings record to time of early retirement, but reduced to reflect the fact that the age when payments begin is younger than the minimum service retirement age. The amount of the reduction is 1/2% of 1% (.005) for each month the age at retirement is younger than the minimum service retirement age.

Deferred Allowance. Section 70.675. If a member leaves LAGERS-covered employment (i) before attaining the early retirement age, and (ii) after completing 5 years of credited service, the member becomes eligible for a deferred allowance; provided the former member lives to the minimum service retirement age and does not withdraw the accumulated contributions.

The deferred allowance amount, payable monthly for life from the minimum service retirement age, is computed in the same manner as an age & service allowance, based upon the service and earnings record to time of leaving LAGERS coverage.

Deferred allowances are also payable any time after reaching the early retirement age, with the reduction for early retirement noted on the previous page.

Non-Duty Disability Allowance. Section 70.680. A member with 5 or more years of credited service who becomes totally and permanently disabled from other than duty-connected causes become eligible to receive a non-duty disability allowance computed in the same manner as an age & service allowance, based upon the service & earnings record to time of disability.

Duty Disability Allowance. Section 70.680. A member who becomes totally and permanently disabled from duty-connected causes becomes eligible to receive a duty disability allowance computed in the same manner as an age & service allowance, based upon the earnings record to time of disability but based upon the years of credited service the member would have completed had the member continued in LAGERS-covered employment to age 60.

Death-in-Service. Section 70.661. Upon the death of a member who had completed 5 years of credited service, the eligible surviving dependents receive the following benefits:

- (a) The surviving spouse receives an allowance equal to the Option A allowance (joint and 75% survivor benefit) computed based upon the deceased members' service & earnings record to time of death.
- (b) When no spouse benefit is payable, the dependent children under age 18 (age 23 if they are full-time students) each receive an equal share of 60% of an age & service allowance computed based upon the deceased member's service & earnings record to time of death.

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
BRIEF SUMMARY OF LAGERS
BENEFITS AND CONDITIONS EVALUATED AND/OR CONSIDERED
THROUGH FEBRUARY 28, 2007
(SECTION REFERENCES ARE TO RSMO)
(CONCLUDED)

(c) If the death is determined to be duty related, the 5 year service requirement is waived and the benefit is based on years of credited service the member would have completed had the member continued in LAGERS-covered employment to age 60.

Benefit Changes After Retirement. Section 70.655. For retirements effective after September 28, 1975, there is an annual redetermination of monthly benefit amount, beginning the October first following 12 months of retirement. As of each October first the amount of each eligible benefit is redetermined as follows:

- (a) Subject to the maximum in (b), the redetermined amount is the amount otherwise payable multiplied by: 100% plus up to 4%, as determined by the LAGERS Board of Trustees, for each full year of retirement.
- (b) The redetermined amount may not exceed the amount otherwise payable multiplied by the ratio of the Consumer Price Index for the immediately preceding month of June to the Consumer Price Index for the month of June immediately preceding retirement.

Member Contributions. Sections 70.690 & 70.700. Each member contributes 4% of compensation beginning after completion of sufficient employment of 6 months of credited service.

If a member leaves LAGERS-covered employment before an allowance is payable, the accumulated contributions are refunded to the member. If the member dies, his accumulated contributions are refunded to a designated beneficiary.

The law governing LAGERS also has a provision for the adoption of a non-contributory plan in which the full cost of LAGERS participation is paid by the employer. Adoption of the non-contributory provisions may be done at the time of membership or a later date; however, a change from contributory to non-contributory or vice-versa may not be made more frequently than every 5 years. Under the non-contributory provisions there is no individual account maintained for each employee and no refund of contributions if an employee terminates before being eligible for a benefit.

Employer Contributions. Section 70.730. Each employer contributes the remainder amounts necessary to finance the employees' participation in LAGERS. Contributions to LAGERS are determined based upon level-percent-of-payroll principles, so that contribution rates do not have to increase over decades of time.

BENEFIT PROGRAMS IN EFFECT AS OF FEBRUARY 28, 2007

Benefit programs now available to each employer are:

L-1, since 1967	LT-8(65), since 1994
L-3, since 1975	L-9, since 1995
LT-4, since 1977	LT-10(65) since 1995
LT-4(65), since 1994	L-11, since 2000
LT-5, since 1977	L-12, since 2005
LT-5(65), since 1994	LT-14(65), since 2005
L-6, since 1987	Non-Contributory, since 1983
L-7, since 1988	3 Year Final Average Salary (FAS), since 1984
LT-8, since 1988	Rule of 80, since 1988

The only LT benefit programs that can be adopted after August 1, 1994 are the LT(65) programs. Benefit programs L-9 and LT-10(65) are unavailable for adoption after August 1, 2005. Please see pages D-1 through D-3 for a summary of LAGERS provisions.

When the 2007 actuarial valuations were made, the Benefit Programs evaluated were as follows:

FAS	Groups	Benefit Programs																								Totals
		Non-Contributory												Contributory												
		L-1	L-3	LT-4	LT-5	L-6	L-7	LT-8	L-9	LT-10	L-11	L-12	LT-14	L-1	L-3	LT-4	LT-5	L-6	L-7	LT-8	L-9	LT-10	L-11	L-12	LT-14	
5 yr.	General	47	32	2	6	14	38	10	7	2		2	3	40	28	1		10	11	4	5			1	1	264
	Police	22	15	1	3	9	27	5	4			1		19	15			5	7	2	2			1	1	139
	Fire	<u>3</u>	<u>3</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>8</u>	<u>4</u>	---	---		<u>1</u>	<u>1</u>	<u>3</u>	<u>4</u>	---		<u>1</u>	---	---	---			<u>1</u>	---	<u>34</u>
	Totals	72	50	4	11	25	73	19	11	2		4	4	62	47	1		16	18	6	7			3	2	437
3 yr.	General	13	18		5	37	58	22	12	10	1	10	5	18	17		2	18	27	5	6	2		2	1	289
	Police	6	8		5	16	29	16	10	6		5	3	5	5		2	12	11	3	3			1	1	147
	Fire	<u>1</u>	<u>1</u>		<u>3</u>	<u>6</u>	<u>7</u>	<u>10</u>	<u>3</u>	<u>3</u>	<u>1</u>	<u>1</u>	<u>1</u>	---	<u>1</u>		<u>2</u>	<u>2</u>	<u>3</u>	---	---	---		---	---	<u>45</u>
	Totals	20	27		13	59	94	48	25	19	2	16	9	23	23		6	32	41	8	9	2		3	2	481

The above LT columns include both the LT(62) and LT(65) benefit programs. The table includes 25 groups with no active members.

SECTION E

PARTICIPANT DATA

PARTICIPATING EMPLOYERS EVALUATED FEBRUARY 28, 2007

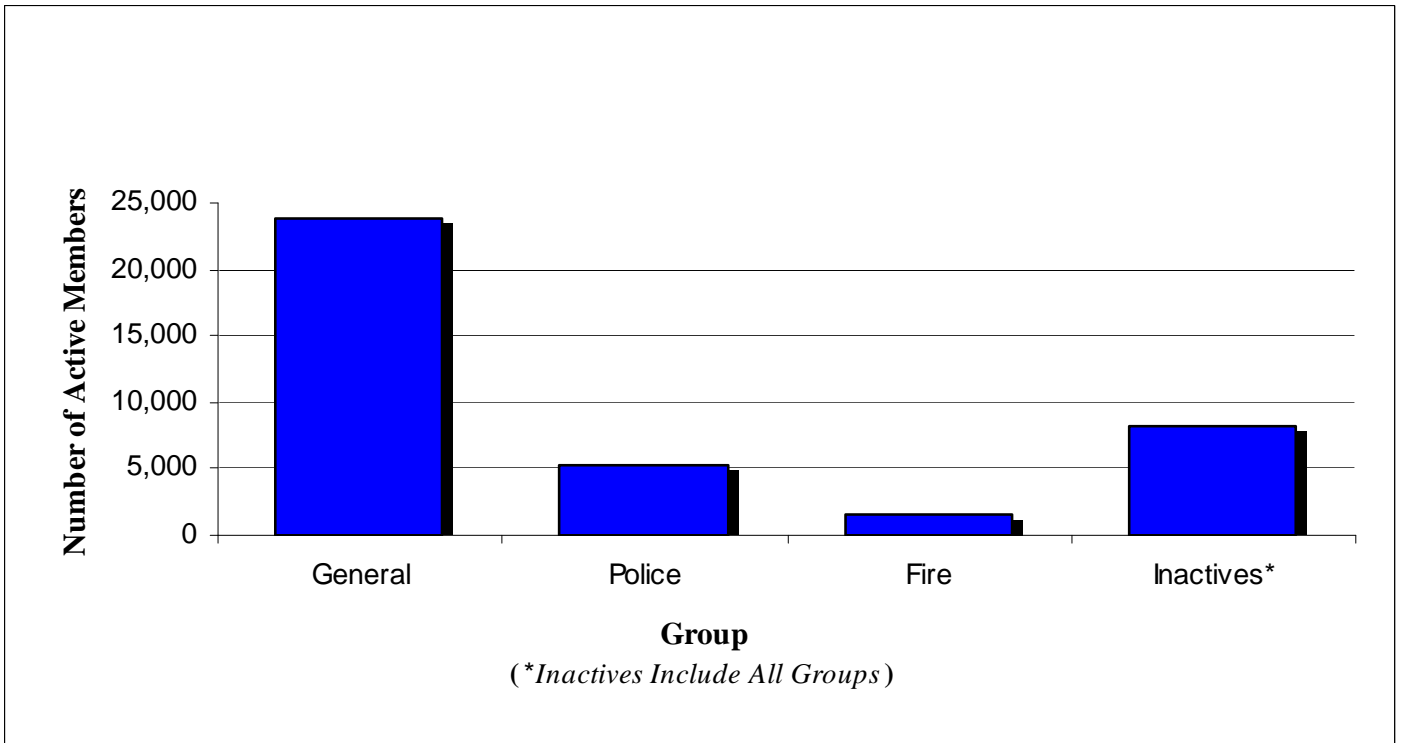
Type of Group	Number of Participating Employers
General Only	257
Fire Only	7
General and Police	214
General and Fire	10
General and Police and Fire	58
Total	546

ACTIVE AND INACTIVE MEMBERS IN VALUATIONS FEBRUARY 28, 2007

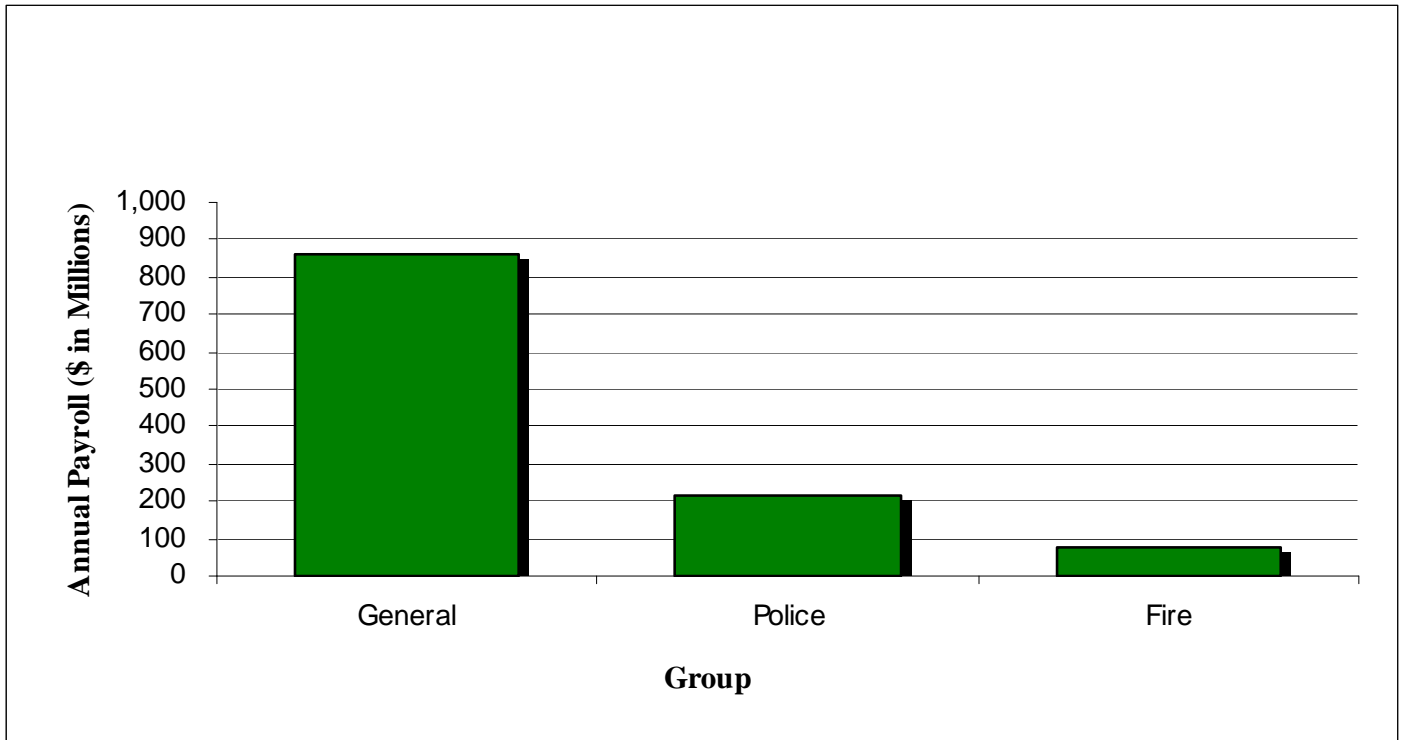
Classification	Number of		Annual Payroll
	Members	Valuation Groups*	
Active Members			
General	23,739	546	\$ 858,668,209
Police	5,217	272	212,796,005
Fire	<u>1,565</u>	<u>75</u>	<u>74,630,212</u>
Total Actives	30,521	893	\$1,146,094,426
Inactive Members	<u>8,216</u>		
Total Members	38,737		

* Each Police group and each Fire group is evaluated separately. Each General group is evaluated separately, but also may be broken into sub-groups for separate financial experience if the employer desires separate employer rates for internal accounting purposes.

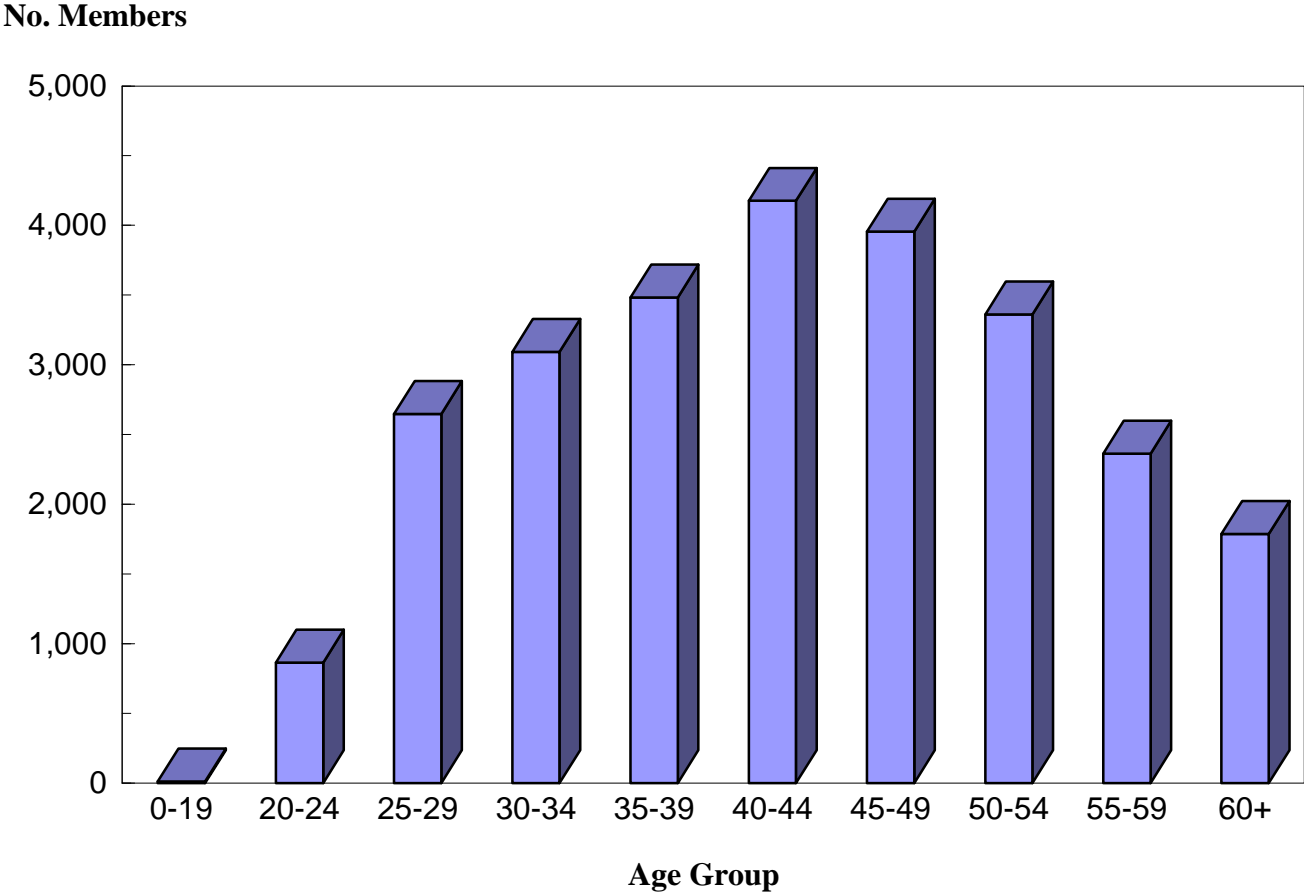
ACTIVE MEMBERS BY GROUP



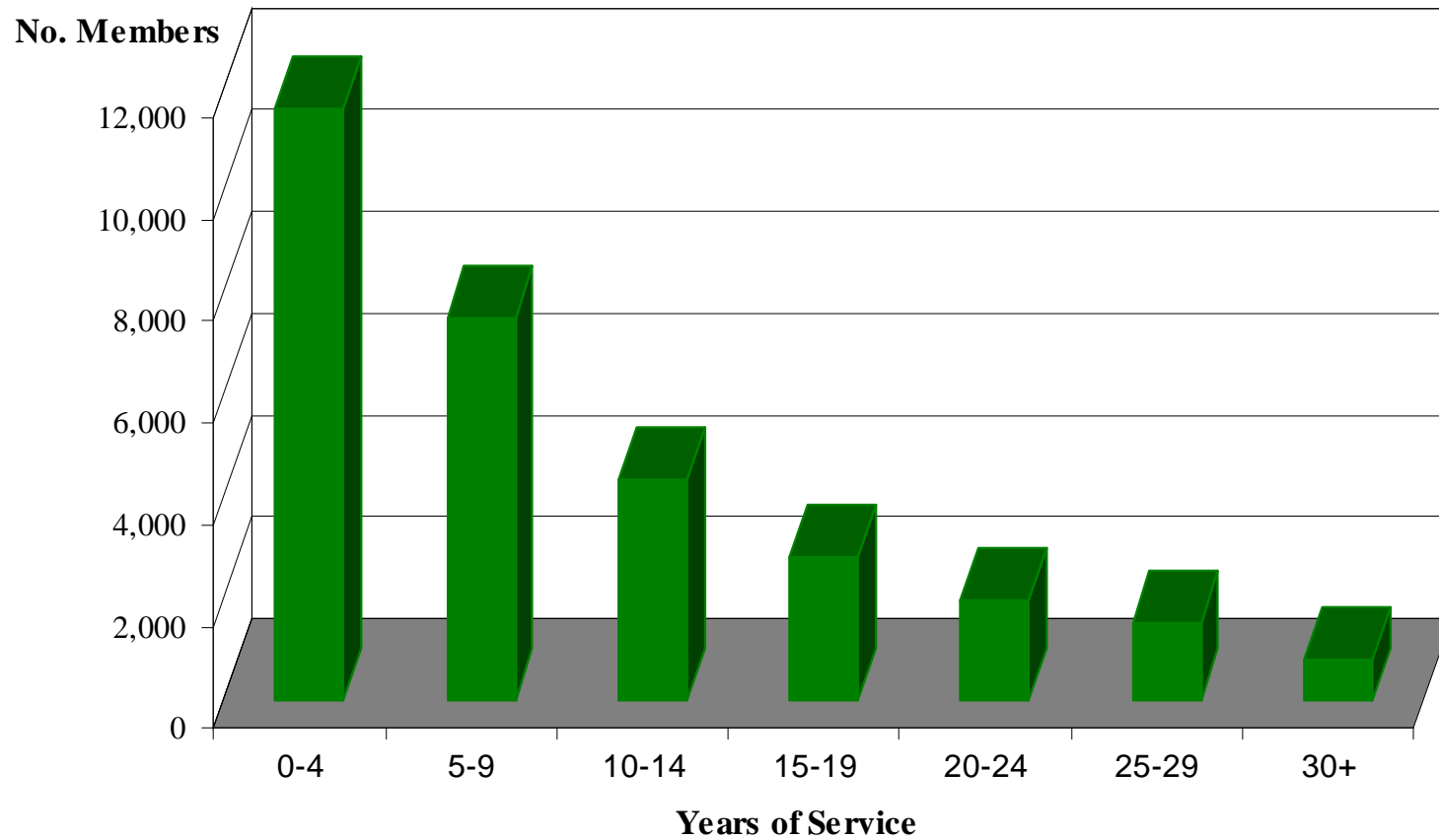
ANNUAL PAYROLL BY GROUP



**DISTRIBUTION OF ACTIVE MEMBERS
BY AGE
FEBRUARY 28, 2007**



**DISTRIBUTION OF ACTIVE MEMBERS
BY SERVICE
FEBRUARY 28, 2007**



GENERAL MEMBERS - MEN
ACTIVE AS OF FEBRUARY 28, 2007
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
Under 20	6							6	\$ 124,430
20-24	458	8						466	11,724,897
25-29	740	257	4					1,001	31,360,458
30-34	644	402	117	3				1,166	42,267,493
35-39	601	462	292	81	3			1,439	57,074,007
40-44	556	441	271	265	122	7		1,662	69,062,217
45-49	568	487	348	264	264	215	14	2,160	89,584,730
50-54	487	410	295	248	222	300	135	2,097	89,608,315
55-59	368	330	245	214	195	193	169	1,714	74,728,643
60	66	62	48	28	30	27	38	299	13,305,347
61	56	46	28	23	22	20	17	212	8,022,112
62	38	38	33	26	18	15	19	187	7,499,246
63	31	33	29	26	19	14	17	169	6,952,894
64	31	34	16	16	10	10	11	128	4,806,627
65	23	24	14	12	2	3	8	86	3,410,328
66	15	13	7	4	5	6	5	55	2,369,757
67	11	15	4	4	4	2	2	42	1,532,988
68	10	9	8	5	4	0	2	38	1,031,894
69	6	12	8	4	2	4	0	36	1,451,701
70 & Over	19	34	27	11	13	5	10	119	3,984,732
Totals	4,734	3,117	1,794	1,234	935	821	447	13,082	\$519,902,816

While not used in the financial computations, the following *group averages* are computed and shown because of their general interest.

Age: 45.4 years
Service: 10.4 years
Annual Pay: \$39,742

GENERAL MEMBERS - WOMEN
ACTIVE AS OF FEBRUARY 28, 2007
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
Under 20	3							3	\$ 53,606
20-24	276	6						282	6,386,537
25-29	686	146	1					833	22,651,103
30-34	558	305	60	3				926	27,605,689
35-39	568	415	188	49	1			1,221	39,312,003
40-44	571	380	209	143	59	4		1,366	43,922,127
45-49	543	461	302	170	107	77	4	1,664	55,711,980
50-54	472	452	318	201	127	117	38	1,725	57,866,882
55-59	358	348	273	214	119	73	70	1,455	48,474,440
60	58	73	43	43	34	24	18	293	9,500,748
61	44	46	28	33	12	10	8	181	5,811,610
62	28	40	27	18	13	10	4	140	4,399,620
63	25	41	28	9	16	14	7	140	4,358,285
64	16	34	18	16	16	6	6	112	3,434,068
65	12	17	24	8	9	2	9	81	2,463,326
66	4	15	14	9	9	6	5	62	1,836,420
67	9	11	12	5	2	4	1	44	1,345,904
68	4	4	2	3	1	3	2	19	564,234
69	5	7	7	2	2	2	0	25	736,172
70 & Over	5	18	21	16	11	3	11	85	2,330,639
Totals	4,245	2,819	1,575	942	538	355	183	10,657	\$338,765,393

While not used in the financial computations, the following *group averages* are computed and shown because of their general interest.

Age: 45.7 years
Service: 8.9 years
Annual Pay: \$31,788

**POLICE MEMBERS
ACTIVE AS OF FEBRUARY 28, 2007
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
Under 20	1							1	\$ 24,133
20-24	199	0						199	5,813,981
25-29	639	107	0					746	24,747,360
30-34	510	413	52	0				975	36,141,661
35-39	341	352	272	44	0			1,009	41,455,904
40-44	176	144	140	156	32	0		648	28,369,170
45-49	102	72	83	97	120	38	0	512	24,057,496
50-54	87	68	84	74	117	102	23	555	26,487,328
55-59	62	52	43	44	55	43	40	339	15,663,395
60	14	12	12	9	3	2	8	60	2,638,770
61	8	6	4	13	4	7	3	45	1,962,339
62	6	9	5	5	4	2	5	36	1,595,780
63	4	6	6	3	1	1	3	24	1,099,889
64	2	4	7	3	2	1	2	21	922,951
65	2	3	2	2	1	0	2	12	573,100
66	1	1	1	1	0	0	3	7	283,728
67	1	0	3	1	1	0	1	7	276,305
68	1	1	3	2	1	1	0	9	311,306
69	0	0	1	0	0	0	0	1	54,066
70 & Over	0	3	5	2	0	1	0	11	317,343
Totals	2,156	1,253	723	456	341	198	90	5,217	\$212,796,005

While not used in the financial computations, the following *group averages* are computed and shown because of their general interest.

Age: 39.7 years
Service: 9.0 years
Annual Pay: \$40,789

FIRE MEMBERS
ACTIVE AS OF FEBRUARY 28, 2007
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
20-24	51	0						51	\$ 1,546,006
25-29	114	23	0					137	5,045,315
30-34	137	89	26	0				252	10,546,174
35-39	106	115	86	24	1			332	15,004,802
40-44	36	45	66	71	23	0		241	12,133,161
45-49	14	26	27	45	64	19	2	197	10,643,573
50-54	6	14	17	30	48	68	25	208	11,640,927
55-59	6	6	16	13	13	28	30	112	6,202,480
60	1	0	0	0	1	1	11	14	817,177
61	1	0	1	0	0	0	3	5	245,510
62	0	0	1	0	1	0	3	5	246,953
63	1	0	1	0	0	0	0	2	114,941
64	0	0	0	1	0	1	1	3	164,356
65	0	0	0	0	0	0	0	0	0
66	0	0	0	0	0	0	0	0	0
67	0	1	0	1	1	0	0	3	164,952
68	0	0	0	0	0	1	0	1	33,370
69	0	0	0	0	0	0	0	0	0
70 & Over	1	1	0	0	0	0	0	2	80,515
Totals	474	320	241	185	152	118	75	1,565	\$74,630,212

While not used in the financial computations, the following *group averages* are computed and shown because of their general interest.

Age: 40.8 years
Service: 12.0 years
Annual Pay: \$47,687

**PARTICIPATING EMPLOYERS AND MEMBERS IN VALUATIONS
10 YEAR COMPARATIVE STATEMENT**

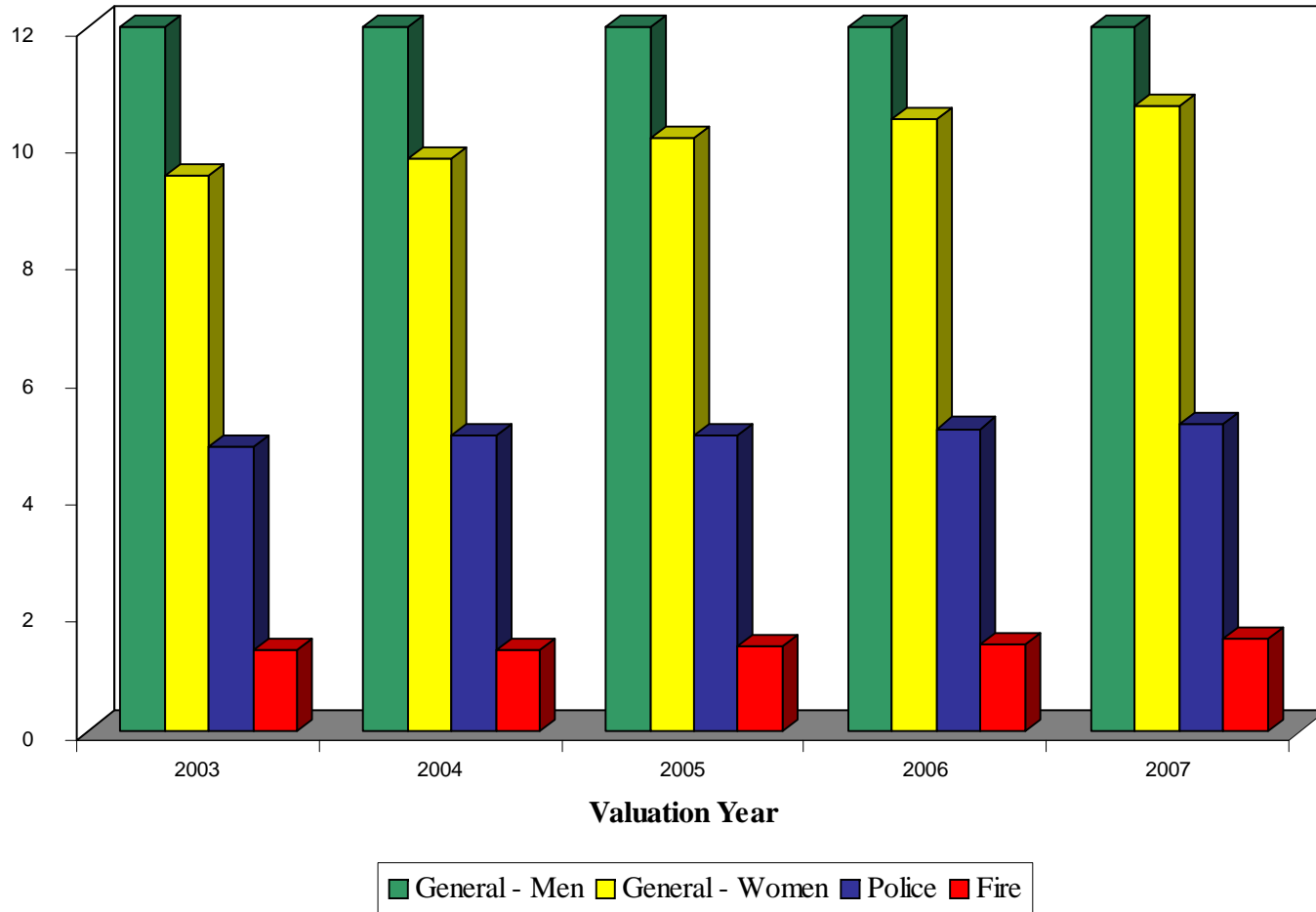
Valuation Date	Number of		Active Members				Inflation Increase % (C.P.I.)
	Participating Employers	Valuation Groups	Number	Annual Payroll	Average Pay	% Increase	
2-28-1998	415	711	24,767	\$667,085,761	\$26,934	2.7%	1.4%
2-28-1999	432	731	25,391	716,154,828	28,205	4.7	1.6
2-29-2000	443	747	25,747	757,753,142	29,431	4.3	3.2
2-28-2001	463	777	26,423	808,959,105	30,616	4.0	3.5
2-28-2002	477	791	27,328	875,061,292	32,021	4.6	1.1
2-28-2003	486	803	27,809	932,953,679	33,549	4.8	3.0
2-29-2004	499	828	28,761	989,446,058	34,402	2.5	1.7
2-28-2005	514	846	29,281	1,031,415,223	35,225	2.4	3.0
2-28-2006	527	865	29,940	1,082,349,535	36,151	2.6	3.6
2-28-2007	546	893	30,521	1,146,094,426	37,551	3.9	2.4
			10 Year Compound Average			3.6%	2.4%

ACTIVE MEMBERS IN VALUATIONS - GROUP AVERAGES
(AVERAGES NOT USED IN VALUATIONS; COMPUTED AND SHOWN BECAUSE OF
GENERAL INFORMATION VALUE)

Group	Valuation at 2-28	No. of Members	----- Group Averages -----		Annual Payroll Average	Change	Inflation Increase % (C.P.I)
			Completed Years Age	Service			
General - Men	1998	10,955	43.8	10.2	\$ 28,943	+2.2%	+1.4%
	1999	11,109	44.0	10.3	30,325	+4.8	+1.6
	2000	11,250	44.2	10.2	31,583	+4.1	+3.2
	2001	11,576	44.4	10.2	32,769	+3.8	+3.5
	2002	11,895	44.5	10.2	34,171	+4.3	+1.1
	2003	12,138	44.7	10.2	35,744	+4.6	+3.0
	2004	12,556	44.9	10.2	36,412	+1.9	+1.7
	2005	12,701	45.1	10.3	37,124	+2.0	+3.0
	2006	12,882	45.3	10.3	38,112	+2.7	+3.6
2007	13,082	45.4	10.4	39,742	+4.3	+2.4	
General - Women	1998	8,227	43.2	7.8	22,412	+3.1	+1.4
	1999	8,491	43.3	7.9	23,406	+4.4	+1.6
	2000	8,543	43.7	8.0	24,551	+4.9	+3.2
	2001	8,793	44.1	8.0	25,716	+4.7	+3.5
	2002	9,260	44.3	8.0	26,924	+4.7	+1.1
	2003	9,461	44.6	8.2	28,220	+4.8	+3.0
	2004	9,765	45.0	8.4	29,222	+3.6	+1.7
	2005	10,108	45.1	8.6	30,001	+2.7	+3.0
	2006	10,444	45.5	8.7	30,751	+2.5	+3.6
2007	10,657	45.7	8.9	31,788	+3.4	+2.4	
Police	1998	4,330	38.7	7.8	28,545	+4.5	+1.4
	1999	4,492	38.6	7.9	29,926	+4.8	+1.6
	2000	4,654	38.8	8.0	30,996	+3.6	+3.2
	2001	4,720	38.8	8.0	32,307	+4.2	+3.5
	2002	4,831	38.9	8.1	34,034	+5.3	+1.1
	2003	4,841	39.0	8.3	35,822	+5.3	+3.0
	2004	5,049	39.4	8.4	36,895	+3.0	+1.7
	2005	5,041	39.5	8.6	38,074	+3.2	+3.0
	2006	5,150	39.6	8.7	39,159	+2.8	+3.6
2007	5,217	39.7	9.0	40,789	+4.2	+2.4	
Fire	1998	1,255	39.4	11.7	33,491	+2.3	+1.4
	1999	1,299	39.6	11.7	35,490	+6.0	+1.6
	2000	1,300	39.6	11.8	37,275	+5.0	+3.2
	2001	1,334	39.8	11.9	38,242	+2.6	+3.5
	2002	1,342	40.1	12.1	40,876	+6.9	+1.1
	2003	1,369	40.4	12.2	42,873	+4.9	+3.0
	2004	1,391	40.4	12.1	43,582	+1.7	+1.7
	2005	1,431	40.6	12.2	45,230	+3.8	+3.0
	2006	1,464	40.9	12.3	46,835	+3.5	+3.6
2007	1,565	40.8	12.0	47,687	+1.8	+2.4	

ACTIVE MEMBERS 2003-2007

Members (Thousands)



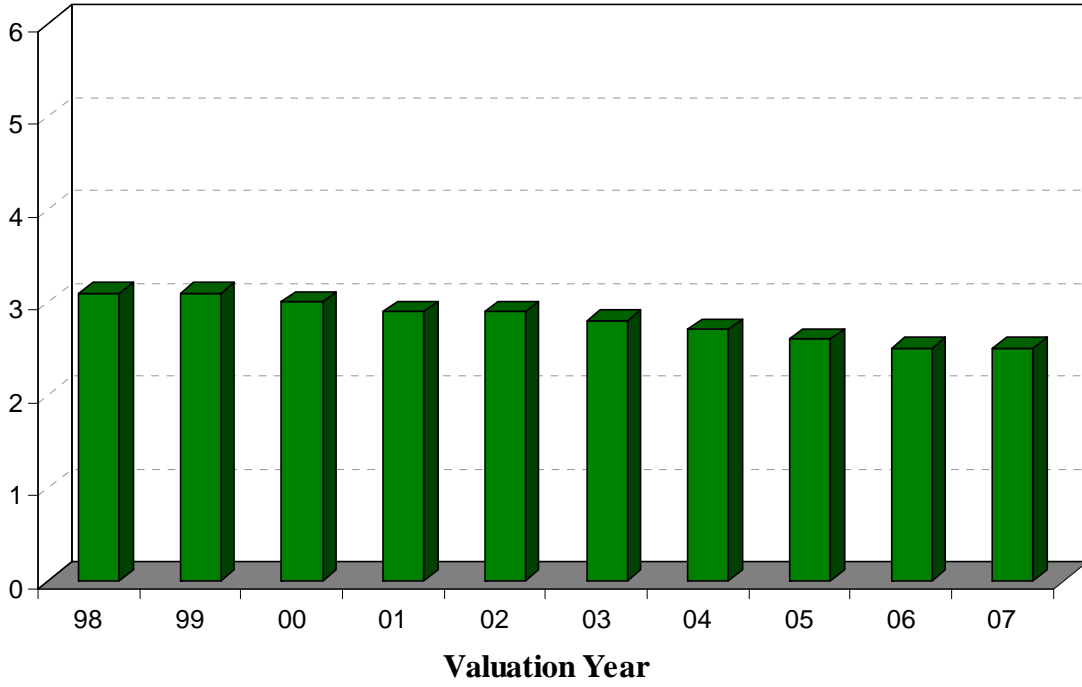
**RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS
10 YEAR COMPARATIVE STATEMENT**

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of Year		% Incr. in Annual Allowances	Average Annual Allowances	Retired Lives in Relation to Active Members	
	No.	Annual Allowances*	No.	Annual Allowances	No.	Annual Allowances			Active Members Per Benefit Recipient	Allowances as Percents of Active Payroll
2-28-1998	741	\$ 6,251,387	315	\$ 1,411,336	7,887	\$41,599,468	13.2%	\$5,274	3.1	6.2%
2-28-1999	748	6,620,521	339	1,854,143	8,296	46,365,846	11.5	5,589	3.1	6.5
2-29-2000	769	7,394,519	371	1,839,075	8,694	51,921,290	12.0	5,972	3.0	6.9
2-28-2001	816	8,094,550	330	2,026,823	8,782	52,433,573	11.7	5,971	2.9	7.2
2-28-2002	806	9,203,832	385	2,191,355	9,601	65,001,494	12.1	6,770	2.9	7.4
2-28-2003	870	9,313,332	364	2,545,321	10,107	71,769,505	10.4	7,101	2.8	7.7
2-29-2004	898	10,540,515	399	2,844,252	10,606	79,465,768	10.7	7,493	2.7	8.0
2-28-2005	1,073	11,939,122	447	3,449,898	11,232	87,954,992	10.7	7,831	2.6	8.5
2-28-2006	976	12,115,168	421	2,810,718	11,787	97,259,442	10.6	8,251	2.5	9.0
2-28-2007	1,060	13,753,477	441	3,750,959	12,406	107,261,960	10.3	8,646	2.5	9.4

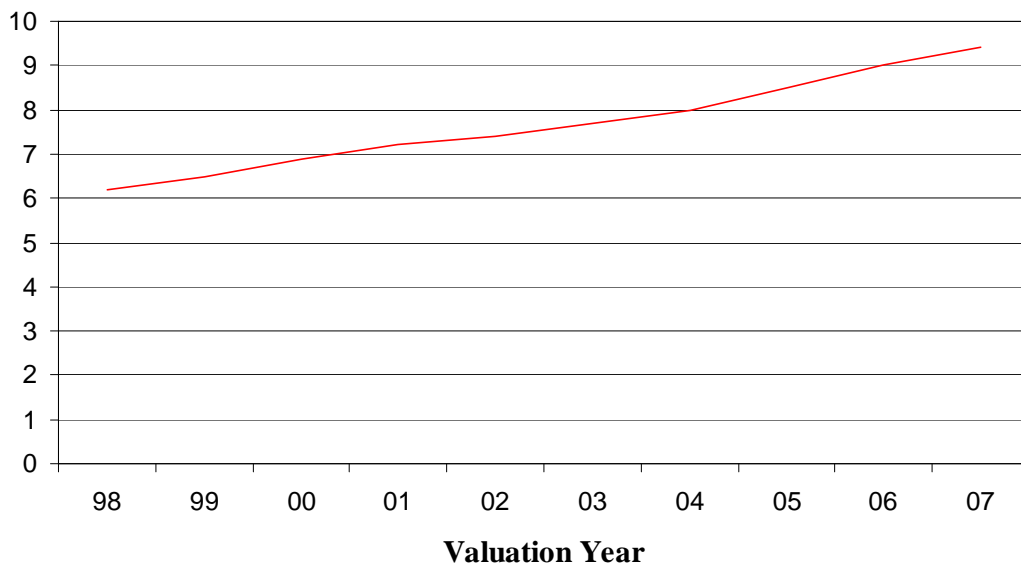
* Includes post-retirement adjustments.

RETIRANTS AND BENEFICIARIES COMPARATIVE DATA

Active Members Per Benefit Recipient



Allowances as % of Active Pay



**RETIRANTS AND BENEFICIARIES ON ROLLS FEBRUARY 28, 2007
BY DISBURSING FUND AND TYPE OF BENEFIT BEING PAID**

Type of Benefit	Number	Annual Allowances
Service Early & Deferred		
Life Option	5,698	\$48,282,985
Option A	1,775	17,859,915
Option B	1,152	15,527,293
Option C	1,119	8,220,318
Beneficiary Receiving	<u>979</u>	<u>4,859,899</u>
Totals	10,723	94,750,410
Duty Disability		
Life Option	264	3,565,752
Option A	100	1,117,504
Option B	46	595,788
Option C	<u>34</u>	<u>414,775</u>
Totals	444	5,693,819
Non-Duty Disability		
Life Option	242	1,670,657
Option A	104	788,891
Option B	45	406,236
Option C	<u>67</u>	<u>412,040</u>
Totals	458	3,277,824
Beneficiary Receiving	<u>187</u>	<u>850,988</u>
Total Disability	1,089	9,822,631
Death-In-Service		
Spouse Receiving	556	2,606,951
Children Receiving	<u>38</u>	<u>81,968</u>
Totals	594	2,688,919
Totals	12,406	\$107,261,960

SECTION F

COMPUTED EMPLOYER CONTRIBUTIONS:
SUMMARY OF COMPUTED INDIVIDUAL RATES

COMPUTED EMPLOYER CONTRIBUTIONS: NON-CONTRIBUTORY PLANS
5 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program L-1									
General:	1-9	2	7	5	9	2	2	1	28
	10-49	8	5	3	1	1			18
	50 & up	—	—	—	1	—	—	—	1
	Totals	10	12	8	11	3	2	1	47
Police:	1-9	3	7	3		1		2	16
	10-49	5				1			6
	50 & up	—	—	—		—		—	—
	Totals	8	7	3		2		2	22
Fire:	1-9	1							1
	10-49	1			1				2
	50 & up	—			—				—
	Totals	2			1				3
Totals:		20	19	11	12	5	2	3	72
Benefit Program L-3									
General:	1-9	5	1	2	2	2	4		16
	10-49	6		3	3		1		13
	50 & up	3	—	—	—	—	—		3
	Totals	14	1	5	5	2	5		32
Police:	1-9	5		1	1	1	1	1	10
	10-49	2			2	1			5
	50 & up	—		—	—	—	—	—	—
	Totals	7		1	3	2	1	1	15
Fire:	1-9	1				1			2
	10-49				1				1
	50 & up	—			—	—			—
	Totals	1			1	1			3
Totals		22	1	6	9	5	6	1	50

* Dollar contribution rates for groups presently without active members.

COMPUTED EMPLOYER CONTRIBUTIONS: NON-CONTRIBUTORY PLANS
5 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONTINUED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program LT-4 (62 or 65)									
General:	1-9			1					1
	10-49					1			1
	50 & up			—		—			—
	Totals			1		1			2
Police:	1-9				1				1
	10-49								
	50 & up				—				—
	Totals				1				1
Fire:	1-9						1		1
	10-49								
	50 & up						—		—
	Totals						1		1
Totals:			1	1	1	1		4	
Benefit Program LT-5 (62 or 65)									
General:	1-9		1	2					3
	10-49								
	50 & up	$\frac{1}{1}$	$\frac{1}{2}$	—		$\frac{1}{1}$			$\frac{3}{6}$
	Totals	1	2	2		1			6
Police:	1-9	1							1
	10-49		1	1					2
	50 & up	—	—	—					—
	Totals	1	1	1					3
Fire:	1-9								
	10-49				1	1			2
	50 & up				—	—			—
	Totals				1	1			2
Totals		2	3	3	1	2		11	

* Dollar contribution rates for groups presently without active members.

The above totals include both the LT(62) and LT(65) benefit programs. Of the 4 LT-4 benefit programs, 0 are LT-4(62) and 4 are LT-4(65). Of the 11 LT-5 benefit programs, 1 is LT-5(62) and 10 are LT-5(65).

COMPUTED EMPLOYER CONTRIBUTIONS: NON-CONTRIBUTORY PLANS
5 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONTINUED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program L-6									
General:	1-9	1					1		2
	10-49						8		8
	50 & up	—				$\frac{2}{2}$	$\frac{2}{2}$		$\frac{4}{4}$
	Totals	1				2	11		14
Police:	1-9								
	10-49	1				2	4		7
	50 & up	—				—	$\frac{2}{2}$		$\frac{2}{2}$
	Totals	1				2	6		9
Fire:	1-9						1		1
	10-49								
	50 & up						$\frac{1}{1}$		$\frac{1}{1}$
	Totals						2		2
Totals:		2				4	19		25
Benefit Program L-7									
General:	1-9	2		3	1	2	5		13
	10-49	1	4	4	1	1	3		14
	50 & up	$\frac{1}{1}$	$\frac{2}{2}$	$\frac{4}{4}$	$\frac{3}{3}$	$\frac{1}{1}$	—		$\frac{11}{11}$
	Totals	4	6	11	5	4	8		38
Police:	1-9	4	1	1	1	1	1	1	10
	10-49	4	5	3	4	1			17
	50 & up	—	—	—	—	—	—	—	—
	Totals	8	6	4	5	2	1	1	27
Fire:	1-9					2	1		3
	10-49	1	3	1					5
	50 & up	—	—	—		—	—		—
	Totals	1	3	1		2	1		8
Totals		13	15	16	10	8	10	1	73

* Dollar contribution rates for groups presently without active members.

COMPUTED EMPLOYER CONTRIBUTIONS: NON-CONTRIBUTORY PLANS
5 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONTINUED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							Totals
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	
Benefit Program LT-8 (62 or 65)									
General:	1-9	1			1	1	1		4
	10-49					1	1		2
	50 & up	—	$\frac{1}{1}$	$\frac{2}{2}$	$\frac{1}{2}$	—	—		$\frac{4}{2}$
	Totals	1	$\frac{1}{1}$	$\frac{2}{2}$	$\frac{2}{2}$	2	2		10
Police:	1-9			1			1		2
	10-49			2					2
	50 & up			—		$\frac{1}{1}$	—		$\frac{1}{1}$
	Totals			3		1	1		5
Fire:	1-9						1		1
	10-49			1	2				3
	50 & up			—	—		—		—
	Totals			1	2		1		4
Totals:		1	1	6	4	3	4		19
Benefit Program L-9									
General:	1-9	3							3
	10-49					3	1		4
	50 & up	—				—	—		—
	Totals	3				3	1		7
Police:	1-9		1	1					2
	10-49	1		1					2
	50 & up	—	—	—					—
	Totals	1	1	2					4
Fire:	1-9								
	10-49								
	50 & up								
	Totals								0
Totals		4	1	2		3	1		11

* Dollar contribution rates for groups presently without active members.

The above totals include both the LT(62) and LT(65) benefit programs. Of the 19 LT-8 benefit programs, 6 are LT-8(62) and 13 are LT-8(65).

COMPUTED EMPLOYER CONTRIBUTIONS: NON-CONTRIBUTORY PLANS
5 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONTINUED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program LT-10(65)									
General:	1-9			1			1		2
	10-49								
	50 & up			—			—		—
	Totals			1			1		2
Police:	1-9								
	10-49								
	50 & up								—
	Totals								0
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals:			1			1		2	
Benefit Program L-11									
General:	1-9								
	10-49								
	50 & up								—
	Totals								0
Police:	1-9								
	10-49								
	50 & up								—
	Totals								0
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals:								0	

* Dollar contribution rates for groups presently without active members.

COMPUTED EMPLOYER CONTRIBUTIONS: NON-CONTRIBUTORY PLANS
5 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONCLUDED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program L-12									
General:	1-9								
	10-49								
	50 & up			$\frac{1}{1}$			$\frac{1}{1}$		$\frac{2}{2}$
	Totals			1			1		2
Police:	1-9								
	10-49	1							1
	50 & up	—							—
	Totals	1							1
Fire:	1-9								
	10-49	1							1
	50 & up	—							—
	Totals	1							1
Totals:		2		1			1		4
Benefit Program LT-14(65)									
General:	1-9			1					1
	10-49								
	50 & up			—	$\frac{1}{1}$		$\frac{1}{1}$		$\frac{2}{3}$
	Totals			1	1		1		3
Police:	1-9								
	10-49								
	50 & up								—
	Totals								0
Fire:	1-9						1		1
	10-49								
	50 & up						—		—
	Totals						1		1
Totals:			1	1		2		4	

* Dollar contribution rates for groups presently without active members.

COMPUTED EMPLOYER CONTRIBUTIONS: CONTRIBUTORY PLANS
5 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program L-1									
General:	1-9	11	5	7	3	1	1		28
	10-49	8	1	2					11
	50 & up	<u>1</u>	—	—	—	—	—		<u>1</u>
	Totals	20	6	9	3	1	1		40
Police:	1-9	8	5	1	1			2	17
	10-49		2						2
	50 & up	—	—	—	—			—	—
	Totals	8	7	1	1			2	19
Fire:	1-9		1	1	1				3
	10-49								
	50 & up		—	—	—				—
	Totals		1	1	1				3
Totals:		28	14	11	5	1	1	2	62
Benefit Program L-3									
General:	1-9	3	4	6	2				15
	10-49	6	5		1				12
	50 & up	<u>1</u>	—	—	—				<u>1</u>
	Totals	10	9	6	3				28
Police:	1-9	4	2					2	8
	10-49	6	1						7
	50 & up	—	—					—	—
	Totals	10	3					2	15
Fire:	1-9	1		1	1			1	4
	10-49								
	50 & up	—		—	—			—	—
	Totals	1		1	1			1	4
Totals		21	12	7	4			3	47

* Dollar contribution rates for groups presently without active members.

COMPUTED EMPLOYER CONTRIBUTIONS: CONTRIBUTORY PLANS
5 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONTINUED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program LT-4 (62 or 65)									
General:	1-9						1		1
	10-49								
	50 & up						—		—
	Totals						1		1
Police:	1-9								
	10-49								
	50 & up								—
	Totals								0
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals:						1		1	
Benefit Program LT-5 (62 or 65)									
General:	1-9								
	10-49								
	50 & up								—
	Totals								0
Police:	1-9								
	10-49								
	50 & up								—
	Totals								0
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals								0	

* Dollar contribution rates for groups presently without active members.

The above totals include both the LT(62) and LT(65) benefit programs. Of the 1 LT-4 benefit program, 0 are LT-4(62) and 1 is LT-4(65).

COMPUTED EMPLOYER CONTRIBUTIONS: CONTRIBUTORY PLANS
5 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONTINUED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program L-6									
General:	1-9								
	10-49	2	1		1	3			7
	50 & up	—	<u>1</u>		<u>2</u>	—			<u>3</u>
	Totals	2	2		3	3			10
Police:	1-9			1					1
	10-49	2	1						3
	50 & up	—	—	—	<u>1</u>				<u>1</u>
	Totals	2	1	1	1				5
Fire:	1-9	1							1
	10-49								
	50 & up	—							—
	Totals	1							1
Totals:		5	3	1	4	3			16
Benefit Program L-7									
General:	1-9	1	1				2		4
	10-49	4	2		1				7
	50 & up	—	—		—		—		—
	Totals	5	3		1		2		11
Police:	1-9	4		2					6
	10-49	1							1
	50 & up	—		—					—
	Totals	5		2					7
Fire:	1-9								
	10-49								
	50 & up								
	Totals								0
Totals		10	3	2	1		2		18

* Dollar contribution rates for groups presently without active members.

COMPUTED EMPLOYER CONTRIBUTIONS: CONTRIBUTORY PLANS
5 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONTINUED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program LT-8 (62 or 65)									
General:	1-9				1				1
	10-49	2	1						3
	50 & up	—	—		—				—
	Totals	2	1		1				4
Police:	1-9	2							2
	10-49								
	50 & up	—							—
	Totals	2							2
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals:		4	1		1				6
Benefit Program L-9									
General:	1-9	1					1		2
	10-49	2		1					3
	50 & up	—		—			—		—
	Totals	3		1			1		5
Police:	1-9	1						1	2
	10-49								
	50 & up	—					—		—
	Totals	1					1		2
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals		4		1			1	1	7

* Dollar contribution rates for groups presently without active members.

The above totals include both the LT(62) and LT(65) benefit programs. Of the 6 LT-8 benefit programs, 2 are LT-8(62) and 4 are LT-8(65).

COMPUTED EMPLOYER CONTRIBUTIONS: CONTRIBUTORY PLANS
5 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONTINUED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program LT-10(65)									
General:	1-9								
	10-49								
	50 & up								—
	Totals								0
Police:	1-9								
	10-49								
	50 & up								—
	Totals								0
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals:									0
Benefit Program L-11									
General:	1-9								
	10-49								
	50 & up								—
	Totals								0
Police:	1-9								
	10-49								
	50 & up								—
	Totals								0
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals:									0

* Dollar contribution rates for groups presently without active members.

COMPUTED EMPLOYER CONTRIBUTIONS: CONTRIBUTORY PLANS
5 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONCLUDED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program L-12									
General:	1-9								
	10-49	1							1
	50 & up	—							—
	Totals	1							1
Police:	1-9	1							1
	10-49								
	50 & up	—							—
	Totals	1							1
Fire:	1-9			1					1
	10-49								
	50 & up			—					—
	Totals			1					1
Totals:		2		1					3
Benefit Program LT-14(65)									
General:	1-9								
	10-49				1				1
	50 & up				—				—
	Totals				1				1
Police:	1-9	1							1
	10-49								
	50 & up	—							—
	Totals	1							1
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals:		1		1					2

* Dollar contribution rates for groups presently without active members.

COMPUTED EMPLOYER CONTRIBUTIONS: NON-CONTRIBUTORY PLANS
3 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program L-1									
General:	1-9	1	1	1	3		1	1	8
	10-49	2	2	1					5
	50 & up	—	—	—	—		—	—	—
	Totals	3	3	2	3		1	1	13
Police:	1-9	3	2			1			6
	10-49								
	50 & up	—	—			—			—
	Totals	3	2			1			6
Fire:	1-9						1		1
	10-49								
	50 & up						—		—
	Totals						1		1
Totals:		6	5	2	3	1	2	1	20
Benefit Program L-3									
General:	1-9	2		1		1	4		8
	10-49	1	3	1		1	2		8
	50 & up	2	—	—		—	—		2
	Totals	5	3	2		2	6		18
Police:	1-9	2	1		3		1		7
	10-49					1			1
	50 & up	—	—		—	—	—		—
	Totals	2	1		3	1	1		8
Fire:	1-9				1				1
	10-49								
	50 & up				—				—
	Totals				1				1
Totals		7	4	2	4	3	7		27

* Dollar contribution rates for groups presently without active members.

COMPUTED EMPLOYER CONTRIBUTIONS: NON-CONTRIBUTORY PLANS
3 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONTINUED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program LT-4 (62 or 65)									
General:	1-9								
	10-49								
	50 & up								—
	Totals								0
Police:	1-9								
	10-49								
	50 & up								—
	Totals								0
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals:									0
Benefit Program LT-5 (62 or 65)									
General:	1-9						1		1
	10-49	1	1	1					3
	50 & up	$\frac{1}{1}$	—	—			—		$\frac{1}{1}$
	Totals	2	1	1			1		5
Police:	1-9	1					1		2
	10-49	1	1						2
	50 & up	$\frac{1}{1}$	—				—		$\frac{1}{1}$
	Totals	3	1				1		5
Fire:	1-9	1							1
	10-49	1	1						2
	50 & up	—	—						—
	Totals	2	1						3
Totals		7	3	1			2		13

* Dollar contribution rates for groups presently without active members.

The above totals include both the LT(62) and LT(65) benefit programs. Of the 13 LT-5 benefit programs, 7 are LT-5(62) and 6 are LT-5(65).

COMPUTED EMPLOYER CONTRIBUTIONS: NON-CONTRIBUTORY PLANS
3 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONTINUED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program L-6									
General:	1-9			2		1	2	1	6
	10-49	1		1	1	2	11		16
	50 & up	—		<u>1</u>	<u>1</u>	<u>1</u>	<u>12</u>	—	<u>15</u>
	Totals	1		4	2	4	25	1	37
Police:	1-9	2					1		3
	10-49	1		1	2	3	3		10
	50 & up	—		—	—	—	<u>3</u>		<u>3</u>
	Totals	3		1	2	3	7		16
Fire:	1-9	1					1	1	3
	10-49						1		1
	50 & up	—					<u>2</u>	—	<u>2</u>
	Totals	1					4	1	6
Totals:		5		5	4	7	36	2	59
Benefit Program L-7									
General:	1-9		1		1	1	9	2	14
	10-49	5	6	5	4	3	2		25
	50 & up	<u>2</u>	<u>4</u>	<u>8</u>	<u>2</u>	<u>2</u>	<u>1</u>	—	<u>19</u>
	Totals	7	11	13	7	6	12	2	58
Police:	1-9	3			2		1	1	7
	10-49	6	1	6	4	2			19
	50 & up	—	<u>2</u>	<u>1</u>	—	—	—	—	<u>3</u>
	Totals	9	3	7	6	2	1	1	29
Fire:	1-9	1							1
	10-49	1		2	2		1		6
	50 & up	—		—	—		—		—
	Totals	2		2	2		1		7
Totals		18	14	22	15	8	14	3	94

* Dollar contribution rates for groups presently without active members.

COMPUTED EMPLOYER CONTRIBUTIONS: NON-CONTRIBUTORY PLANS
3 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONTINUED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program LT-8 (62 or 65)									
General:	1-9						1		1
	10-49		2	3	1	1	2		9
	50 & up		<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	—		<u>12</u>
	Totals		5	6	4	4	3		22
Police:	1-9					1	2	1	4
	10-49	2	5			1			8
	50 & up	—	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	—	—	<u>4</u>
	Totals	2	6	1	1	3	2	1	16
Fire:	1-9				1				1
	10-49	2		1	1	1	1		6
	50 & up	—		<u>1</u>	<u>1</u>	<u>1</u>	—		<u>3</u>
	Totals	2		2	3	2	1		10
Totals:		4	11	9	8	9	6	1	48
Benefit Program L-9									
General:	1-9				1		1		2
	10-49			1	1				2
	50 & up	<u>1</u>		<u>3</u>	<u>2</u>	<u>1</u>	<u>1</u>		<u>8</u>
	Totals	1		4	4	1	2		12
Police:	1-9			2	1	1			4
	10-49	1	1	1					3
	50 & up	—	—	—	<u>2</u>	<u>1</u>			<u>3</u>
	Totals	1	1	3	3	2			10
Fire:	1-9	1							1
	10-49				1	1			2
	50 & up	—			—	—			—
	Totals	1			1	1			3
Totals		3	1	7	8	4	2		25

* Dollar contribution rates for groups presently without active members.

The above totals include both the LT(62) and LT(65) benefit programs. Of the 48 LT-8 benefit programs, 3 are LT-8(62) and 45 are LT-8(65).

COMPUTED EMPLOYER CONTRIBUTIONS: NON-CONTRIBUTORY PLANS
3 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONTINUED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program LT-10(65)									
General:	1-9						2		2
	10-49	1			2	1	1		5
	50 & up	—			<u>1</u>	<u>2</u>	—		<u>3</u>
	Totals	1			3	3	3		10
Police:	1-9								
	10-49	2			1	2	1		6
	50 & up	—			—	—	—		—
	Totals	2			1	2	1		6
Fire:	1-9				1				1
	10-49						2		2
	50 & up				—		—		—
	Totals				1		2		3
Totals:		3			5	5	6		19
Benefit Program L-11									
General:	1-9						1		1
	10-49								
	50 & up						—		—
	Totals						1		1
Police:	1-9								
	10-49								
	50 & up								—
	Totals								0
Fire:	1-9								
	10-49						1		1
	50 & up						—		—
	Totals						1		1
Totals:						2		2	

* Dollar contribution rates for groups presently without active members.

COMPUTED EMPLOYER CONTRIBUTIONS: NON-CONTRIBUTORY PLANS
3 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONCLUDED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program L-12									
General:	1-9			1			1		2
	10-49				2		1		3
	50 & up			$\frac{1}{2}$	$\frac{2}{4}$	$\frac{2}{2}$	—		$\frac{5}{10}$
	Totals			2	4	2	2		10
Police:	1-9			1		1			2
	10-49	1			1				2
	50 & up	—		—	—	$\frac{1}{2}$			$\frac{1}{5}$
	Totals	1		1	1	2			5
Fire:	1-9						1		1
	10-49								
	50 & up						—		—
	Totals						1		1
Totals:		1		3	5	4	3		16
Benefit Program LT-14(65)									
General:	1-9								
	10-49		1	1			2		4
	50 & up		—	$\frac{1}{2}$			—		$\frac{1}{5}$
	Totals		1	2			2		5
Police:	1-9	1				1			2
	10-49					1			1
	50 & up	—				—			—
	Totals	1				2			3
Fire:	1-9					1			1
	10-49								
	50 & up					—			—
	Totals					1			1
Totals:		1	1	2		3	2		9

* Dollar contribution rates for groups presently without active members.

COMPUTED EMPLOYER CONTRIBUTIONS: CONTRIBUTORY PLANS
3 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program L-1									
General:	1-9	5	4	3	1	1		1	15
	10-49	2		1					3
	50 & up	—	—	—	—	—		—	—
	Totals	7	4	4	1	1		1	18
Police:	1-9	2	1	1					4
	10-49		1						1
	50 & up	—	—	—					—
	Totals	2	2	1					5
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals:		9	6	5	1	1		1	23
Benefit Program L-3									
General:	1-9	3	2		4	1			10
	10-49	4	1						5
	50 & up	2	—		—	—			2
	Totals	9	3		4	1			17
Police:	1-9	2	1						3
	10-49	2							2
	50 & up	—	—						—
	Totals	4	1						5
Fire:	1-9		1						1
	10-49								
	50 & up		—						—
	Totals		1						1
Totals		13	5		4	1			23

** Dollar contribution rates for groups presently without active members.*

COMPUTED EMPLOYER CONTRIBUTIONS: CONTRIBUTORY PLANS
3 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONTINUED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program LT-4 (62 or 65)									
General:	1-9								
	10-49								
	50 & up								—
	Totals								0
Police:	1-9								
	10-49								
	50 & up								—
	Totals								0
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals:									0
Benefit Program LT-5 (62 or 65)									
General:	1-9	1							1
	10-49	1							1
	50 & up	—							—
	Totals	2							2
Police:	1-9		1				1		2
	10-49								
	50 & up		—				—		—
	Totals		1				1		2
Fire:	1-9			1	1				2
	10-49								
	50 & up			—	—				—
	Totals			1	1				2
Totals		2	1	1	1		1		6

* Dollar contribution rates for groups presently without active members.

The above totals include both the LT(62) and LT(65) benefit programs. Of the 6 LT-5 benefit programs, 0 are LT-5(62) and 6 are LT-5(65).

COMPUTED EMPLOYER CONTRIBUTIONS: CONTRIBUTORY PLANS
3 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONTINUED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program L-6									
General:	1-9		2	1	1	1	1	1	7
	10-49	1			2				3
	50 & up	—	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	—	<u>8</u>
	Totals	1	4	3	5	2	2	1	18
Police:	1-9	1		1		1	1		4
	10-49	1	2	2	1				6
	50 & up	—	—	<u>1</u>	—	<u>1</u>	—		<u>2</u>
	Totals	2	2	4	1	2	1		12
Fire:	1-9								
	10-49				2				2
	50 & up				—				—
	Totals				2				2
Totals:		3	6	7	8	4	3	1	32
Benefit Program L-7									
General:	1-9	2	3	1	1	2	3		12
	10-49	3	3	3	1		1		11
	50 & up	<u>4</u>	—	—	—	—	—		<u>4</u>
	Totals	9	6	4	2	2	4		27
Police:	1-9	4	1					1	6
	10-49	4	1						5
	50 & up	—	—					—	—
	Totals	8	2					1	11
Fire:	1-9						1	2	3
	10-49								
	50 & up						—	—	—
	Totals						1	2	3
Totals		17	8	4	2	2	5	3	41

* Dollar contribution rates for groups presently without active members.

COMPUTED EMPLOYER CONTRIBUTIONS: CONTRIBUTORY PLANS
3 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONTINUED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program LT-8 (62 or 65)									
General:	1-9	1	1						2
	10-49					1			1
	50 & up	<u>1</u>	—		<u>1</u>	—			<u>2</u>
	Totals	2	1		1	1			5
Police:	1-9							1	1
	10-49	1	1						2
	50 & up	—	—					—	—
	Totals	1	1					1	3
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals:		3	2		1	1		1	8
Benefit Program L-9									
General:	1-9	1							1
	10-49	3	2						5
	50 & up	—	—						—
	Totals	4	2						6
Police:	1-9	1						1	2
	10-49	1							1
	50 & up	—						—	—
	Totals	2						1	3
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals		6	2					1	9

* Dollar contribution rates for groups presently without active members.

The above totals include both the LT(62) and LT(65) benefit programs. Of the 8 LT-8 benefit programs, 4 are LT-8(62) and 4 are LT-8(65).

COMPUTED EMPLOYER CONTRIBUTIONS: CONTRIBUTORY PLANS
3 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONTINUED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program LT-10(65)									
General:	1-9						1		1
	10-49		1						1
	50 & up		—				—		—
	Totals		1				1		2
Police:	1-9								
	10-49								
	50 & up								—
	Totals								0
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals:		1				1		2	
Benefit Program L-11									
General:	1-9								
	10-49								
	50 & up								—
	Totals								0
Police:	1-9								
	10-49								
	50 & up								—
	Totals								0
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals:								0	

* Dollar contribution rates for groups presently without active members.

COMPUTED EMPLOYER CONTRIBUTIONS: CONTRIBUTORY PLANS
3 YEAR FINAL AVERAGE SALARY
BY VALUATION GROUPS FEBRUARY 28, 2007
(CONCLUDED)

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll							
		Under 5.00%	5.00% -6.99%	7.00% -8.99%	9.00% -10.99	11.00% -12.99	Over 12.99%	Other*	Totals
Benefit Program L-12									
General:	1-9								
	10-49				1				1
	50 & up				<u>1</u>				<u>1</u>
	Totals				2				2
Police:	1-9			1					1
	10-49								
	50 & up			—					—
	Totals			1					1
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals:			1	2					3
Benefit Program LT-14(65)									
General:	1-9								
	10-49			1					1
	50 & up			—					—
	Totals			1					1
Police:	1-9								
	10-49				1				1
	50 & up				—				—
	Totals				1				1
Fire:	1-9								
	10-49								
	50 & up								—
	Totals								0
Totals:			1	1					2

* Dollar contribution rates for groups presently without active members.

SECTION G

APPENDIX

**SUMMARY OF
ASSUMPTIONS USED FOR LAGERS ACTUARIAL VALUATIONS
ASSUMPTIONS ADOPTED BY LAGERS BOARD AFTER CONSULTING WITH
ACTUARY**

The actuarial assumptions used in making the valuations are shown in this Appendix of the report.

ECONOMIC ASSUMPTIONS -----

The investment return rate used in making the valuations was 7.5% per year, compounded annually (net after administrative expenses). The real rate of return is the portion of total investment return which is more than the wage inflation rate. Considering wage inflation recognition of 4.0%, the 7.5% investment return rate translates to an assumed real rate of return of 3.5%. No specific price inflation assumption is required to perform the valuations. However, a price inflation assumption on the order of 3.0% to 3.5% would be consistent with the other economic assumptions. Adopted 2001.

Pay increase assumptions for individual active members are shown for sample ages on pages G-4 and G-5. Part of the assumption for each age is for merit and/or seniority increase, and the other 4.0% recognizes inflation. Adopted 2006.

The active member payroll is assumed to increase 4.0% annually, which is the portion of the individual pay increase assumptions attributable to inflation. Adopted 1987.

Post-retirement increases are assumed to be 2.88%, compounded annually.

The number of active members per employer is assumed to continue at the present number. Adopted 1967.

NON-ECONOMIC ASSUMPTIONS -----

The mortality table, for post-retirement mortality, used in evaluating allowances to be paid was the 1971 Group Annuity Mortality Table projected to 2000, set back 1 year for men and 7 years for women. The disability post-retirement rates were equal to the standard rates set forward 10 years. Related values are shown on page G-3. Adopted 2001.

The probabilities of age and service retirement are shown on page G-3. Adopted 2006.

The probabilities of withdrawal from service and death-in-service are shown for sample ages on pages G-4 and G-5. It is assumed that all contributory members terminating before age 40 or with less than 10 years of service, and a percentage (General: 30%, Police-Fire: 20%) of contributory members terminating after age 40 with 10 or more years service, withdraw their contributions and forfeit any vested employer-financed benefit. The mortality table used to evaluate mortality among active members was the RP-2000 Combined Healthy Table. It was assumed that 50% of pre-retirement deaths would be duty related. Adopted 2006.

An individual entry age normal cost method of valuation was used in determining age & service allowance normal costs and the allocation of actuarial present values between service rendered before and after the valuation date. The entry age normal cost method has the following characteristics:

- (i) the annual normal costs for each individual active member, payable from the member's actual date of employment to the member's projected date of retirement are sufficient to accumulate the actuarial present value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Unfunded accrued liabilities are amortized by level (principal & interest) percent of payroll contributions. Except for amortization of the liabilities associated with the Non-Contributory Refund provision, the minimum amortization period is 15 years. Adopted 1987.

Contribution rates for disability retirement are determined using a modified terminal funding method. Contribution rates are periodically adjusted based on the trend of the balance of the Casualty Reserve Fund (CRF). The funding objective is to have assets in the CRF sufficient to cover the portion of the present value of future benefits for future disability retired lives not covered by past normal cost contributions for the disabled member. Adopted 1967.

Future service credit is always assumed to accrue at the rate of 1 year of credit every 12 calendar months. Lower service accrual rates (service breaks or less-than-full-time employment) or higher service accrual rates (addition of military credit or reinstatement of prior service) are reflected as they are reported. Any lower or higher accrual rates may result in small financial gains or losses when reported. Adopted 1967.

The form of benefit payment assumed in the valuation is the Life Option. However, for members with accumulated member contributions, the residual refund available upon an early death after retirement is approximated by assuming pension payments are made for at least 3 years. Adopted 1967.

Employer contribution dollars were assumed to be *paid in equal installments* throughout the employer fiscal year. Adopted 1967.

The Funding Value of Assets recognize assumed investment return fully each year. Differences between actual and assumed investment return are phased in over a closed 5-year period. Funding value is not permitted to deviate from market value by more than 20%. Adopted 1995 and 2003, respectively.

The data about persons now covered and about present assets were furnished by the System's administrative staff. Although examined for general reasonableness, the data was not audited by the Actuary.

The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (M.A.A.A.).

SINGLE LIFE RETIREMENT VALUES
(1971 GROUP ANNUITY MORTALITY TABLE PROJECTED TO 2000,
SETBACK 1 YEAR FOR MEN AND 7 YEARS FOR WOMEN, & I = 7.5%)

Sample Attained Ages	Present Value of \$1.00			
	Monthly Increasing for Life		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	\$185.17	\$202.01	29.17	34.67
55	169.34	188.14	24.82	30.06
60	151.70	172.64	20.70	25.67
65	132.43	155.38	16.82	21.50
70	112.65	136.38	13.32	17.57
75	94.06	116.56	10.36	13.99
80	76.84	97.68	7.83	10.91

**PERCENT OF ELIGIBLE ACTIVE MEMBERS RETIRING
WITHIN THE NEXT YEAR**

Ages	Without Rule of 80 Eligibility				With Rule of 80 Eligibility			
	General*		Police*	Fire*	General		Police	Fire
	Men	Women			Men	Women		
50			3%	3%	20%	20%	25%	25%
51			3	3	15	20	25	25
52			3	3	15	20	20	25
53			3	3	15	20	20	25
54			3	3	15	20	20	25
55	2%	3%	10	20	15	20	20	25
56	2	3	10	20	15	15	20	25
57	2	3	10	10	15	15	10	10
58	2	3	10	10	15	15	25	15
59	2	3	10	15	15	15	20	10
60	10	10	10	20	20	25	30	20
61	10	10	10	15	20	20	25	15
62	25	20	30	30	35	20	30	45
63	25	20	15	25	35	20	25	35
64	20	15	20	30	35	20	50	70
65	25	20	100	100	35	30	100	100
66	25	20			35	35		
67	20	20			35	30		
68	20	20			25	25		
69	20	15			35	35		
70	100	100			100	100		

* First 5 years of retirement pattern only apply to early retirement.

GENERAL - MEN
SEPARATIONS FROM ACTIVE EMPLOYMENT
BEFORE AGE & SERVICE RETIREMENT
& INDIVIDUAL PAY INCREASE ASSUMPTIONS

Sample Ages	Years of Service	Percent of Active Members Separating within the Next Year		Pay Increase Assumptions for an Individual Employee		
		Death	Other	Merit & Seniority	Base (Economy)	Increase Next Year
ALL	0		19.00%			
	1		16.00			
	2		12.00			
	3		10.00			
	4		8.00			
25	5 & Over	0.04%	7.70	3.3%	4.0%	7.3%
30		0.04	6.80	2.5	4.0	6.5
35		0.08	5.40	2.0	4.0	6.0
40		0.11	4.20	1.5	4.0	5.5
45		0.15	3.50	1.0	4.0	5.0
50		0.21	3.00	0.6	4.0	4.6
55		0.36	2.30	0.4	4.0	4.4
60		0.67	1.20	0.3	4.0	4.3
65		1.27	0.00	0.0	4.0	4.0

GENERAL - WOMEN
SEPARATIONS FROM ACTIVE EMPLOYMENT
BEFORE AGE & SERVICE RETIREMENT
& INDIVIDUAL PAY INCREASE ASSUMPTIONS

Sample Ages	Years of Service	Percent of Active Members Separating within the Next Year		Pay Increase Assumptions for an Individual Employee		
		Death	Other	Merit & Seniority	Base (Economy)	Increase Next Year
ALL	0		21.00%			
	1		19.00			
	2		15.00			
	3		12.00			
	4		11.00			
25	5 & Over	0.02%	11.00	3.3%	4.0%	7.3%
30		0.03	9.60	2.5	4.0	6.5
35		0.05	7.90	2.0	4.0	6.0
40		0.07	6.60	1.5	4.0	5.5
45		0.11	5.00	1.0	4.0	5.0
50		0.17	4.30	0.6	4.0	4.6
55		0.27	3.00	0.4	4.0	4.4
60		0.51	1.40	0.3	4.0	4.3
65		0.97	0.00	0.0	4.0	4.0

POLICE
SEPARATIONS FROM ACTIVE EMPLOYMENT
BEFORE AGE & SERVICE RETIREMENT
& INDIVIDUAL PAY INCREASE ASSUMPTIONS

Sample Ages	Years of Service	Percent of Active Members Separating within the Next Year		Pay Increase Assumptions for an Individual Employee		
		Death	Other	Merit & Seniority	Base (Economy)	Increase Next Year
ALL	0		18.50%			
	1		16.50			
	2		14.50			
	3		12.50			
	4		11.00			
25	5 & Over	0.04%	10.70	3.3%	4.0%	7.3%
30		0.04	9.00	2.5	4.0	6.5
35		0.08	6.90	2.0	4.0	6.0
40		0.11	5.50	1.5	4.0	5.5
45		0.15	4.40	1.0	4.0	5.0
50		0.21	3.50	0.6	4.0	4.6
55		0.36	1.00	0.4	4.0	4.4

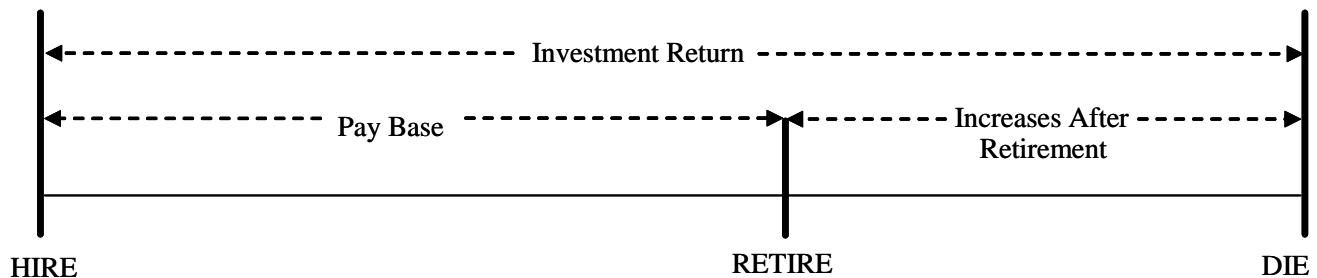
FIRE
SEPARATIONS FROM ACTIVE EMPLOYMENT
BEFORE AGE & SERVICE RETIREMENT
& INDIVIDUAL PAY INCREASE ASSUMPTIONS

Sample Ages	Years of Service	Percent of Active Members Separating within the Next Year		Pay Increase Assumptions for an Individual Employee		
		Death	Other	Merit & Seniority	Base (Economy)	Increase Next Year
ALL	0		8.00%			
	1		7.00			
	2		6.00			
	3		6.00			
	4		5.00			
25	5 & Over	0.04%	4.40	5.1%	4.0%	9.1%
30		0.04	3.80	3.2	4.0	7.2
35		0.08	3.10	1.9	4.0	5.9
40		0.11	2.50	1.2	4.0	5.2
45		0.15	1.80	0.9	4.0	4.9
50		0.21	1.00	0.6	4.0	4.6
55		0.36	0.50	0.4	4.0	4.4

MISCELLANEOUS AND TECHNICAL ASSUMPTIONS

Expenses	Assumed investment return is net of administrative and investment expenses.
Marriage Assumption	90% of male and 90% of female participants are assumed to be married for purposes of death-in-service and death after retirement benefits. Male spouse are assumed to be three years older than female spouses for active member valuation purposes.
Pay Increase Timing	Beginning of year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
Decrement Timing	Decrements of all types are assumed to occur mid-year.
Eligibility Testing	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Benefit Service	Exact fractional service on the decrement date is used to determine the amount of benefit payable.
Decrement Relativity	Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
Incidence of Contributions	Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
Decrement Operation	The mortality decrement does not operate during the first 5 years of service. The withdrawal decrement does not operate during retirement eligibility.

RELATIONSHIP OF ECONOMIC ASSUMPTIONS IN COMPUTING CONTRIBUTIONS TO A RETIREMENT SYSTEM



Investment Return

An increase in this assumption reduces computed contributions. The assumption operates over all parts of an employee's lifetime.

Pay Base

An increase in this assumption increases computed contributions. However, a 1% increase in this assumption, coupled with a 1% increase in Investment Return reduces computed contributions. This is because the Pay Base assumption operates only over an employee's working lifetime, while the Investment Return assumption operates over the employee's entire lifetime, and therefore has a greater effect.

Increases After Retirement

An increase in this element increases computed contributions.

If Investment Return, Pay Base, and Increases After Retirement are each increased by equal amounts, computed contributions remain the same (except in plans using Final Average Pay as a factor in computing benefits; the multi-year average used for Final Average Pay causes computed contributions to decrease slightly).

If Investment Return and Pay Base are increased by equal amounts, with no change in Increases After Retirement, computed contributions decrease – sometimes significantly. The decreases represent the projected devaluation of an employee's benefits following retirement.

INVESTMENT RETURN AND INFLATION: PAST AND FUTURE

Inflation Distortions

Inflation's impact on investment return is not uniform from year to year. A common expectation for Real Investment Return (the portion of Total Return remaining after Inflation) is in the area of 3% to 4% annually.

Over the last 30 years, Real Return exceeded that range on average. However, for parts of the period it was actually negative. It is very difficult to maintain a long-term portfolio allocation during periods of negative real return.

**Annual Investment Return (including Income) expressed as REAL
RETURN (Remainder after Inflation)**

No. Years Ended December	Inflation (CPI)	Cash Equiv. (T Bills)	Bonds (Long Term)		Stocks (S & P 500)	Real Return for Sample Fund		
			US Treasury	Corporate (Sol. Bro)		A	B	C
1/2002	2.4%	(0.7)%	15.0%	13.6%	(23.9)%	1.4%	(6.3)%	(12.1)%
1/2003	1.9	(0.9)	(0.4)	3.3	26.3	8.6	13.6	17.5
1/2004	3.3	(2.0)	5.0	5.2	7.4	5.0	5.5	5.8
1/2005	3.4	(0.4)	4.3	2.4	1.5	2.4	2.0	1.7
1/2006	2.5	2.2	(1.3)	0.7	13.0	3.9	6.6	8.7
5/1975	6.9	(1.0)	(0.7)	(0.8)	(3.5)	(1.2)	(1.7)	(2.1)
5/1980	9.2	(1.3)	(6.9)	(6.2)	4.3	(2.6)	(0.4)	1.3
5/1985	4.8	5.2	11.5	12.3	9.4	10.7	10.2	9.8
5/1990	4.1	2.6	6.4	6.1	8.6	6.7	7.2	7.6
5/1995	2.8	1.5	10.0	9.1	13.4	10.0	10.8	11.3
5/2000	2.5	2.6	4.9	3.2	15.4	7.7	10.0	11.7
5/2006	2.7	(0.4)	4.4	5.0	3.4	4.3	4.1	3.8
30/2006	4.2%	1.7%	4.6%	4.6%	8.0%	5.7%	6.3%	6.8%

**Sample Funds
(Only three of many reasonable samples)**

	A	B	C
Cash: T-Bills	10 %	10 %	10 %
Bonds: US	30	20	10
Bonds: Corp	30	20	15
Stock	30	50	65

For many pension plans, Benefit Increases after Retirement have fallen short of keeping up with inflation. The retired life group has been hurt more than the active life group. The investment return necessary for the indexing of benefits after retirement probably cannot be realized during a period of high inflation.

Changes in Economic Assumptions within an Economic Environment of Inflation

There is powerful motivation to increase the assumed Investment Return used in actuarial calculations, with or without a related increase in Employee Pay Base, because such an assumption change decreases computed contributions. A contribution rate decrease (i) offers relief for employer budget problems and/or (ii) offers a "no cost" way to provide benefit increases.

The wisdom of Investment Return assumed for the future can be determined only by future events. Will the investment record of the next 30 years be the same as the last 30 Years? Will it be like the 5-year period ended in 1980? Better? Worse? What will happen when "Baby Boomers" begin to swell the retired population?



LAGERS RETAINER ACTUARIAL FEES 10 YEAR COMPARATIVE STATEMENT

Valuation Date As of	Number of Valuation Groups	Annual Actuarial Fees (nearest \$1)	Consumer Price Index (1967 is 100)	Average Fee per Group	
				Unadjusted Dollars	1967* Dollars
2-28-1998	711	\$164,711	484.900	\$232	\$48
2-28-1999	731	166,991	492.900	228	46
2-29-2000	747	169,995	508.700	228	45
2-28-2001	777	174,985	526.700	225	43
2-28-2002	791	180,971	532.700	229	43
2-28-2003	803	183,775	548.500	229	42
2-29-2004	828	188,812	557.900	228	41
2-28-2005	846	192,294	574.500	227	40
2-28-2006	865	198,378	595.200	229	38
2-28-2007	893	205,631	609.594	230	38

* A goal for LAGERS during the initial design activity in 1966 and 1967 was that the actuarial retainer fee be approximately \$100 annually per valuation group - - - an amount substantially less than the amount the municipality would pay if it arranged independently for an actuarial valuation of comparable quality.

August 22, 2007

Mr. William R. Schwartz
Executive Secretary
Missouri Local Government
Employees Retirement System
701 West Main Street
Jefferson City, Missouri 65101

Dear Bill:

Please find enclosed 15 copies of the ***Compiled Report of the February 28, 2007 valuations*** for the participating employers of the Missouri Local Government Employees Retirement System.

Sincerely,

Mita D. Drazilov

MDD:JAK:rmg
Enclosures

cc: Ms. Anita Brand, (Williams-Keepers, LLC)



**MISSOURI LOCAL GOVERNMENT EMPLOYEES
RETIREMENT SYSTEM**

Compiled 39th Annual Actuarial Valuations
As of February 28, 2007