Forty-Ninth
Annual Actuarial Report

OMAHA SCHOOL EMPLOYEES' RETIREMENT SYSTEM

as of September 1, 2000

MILLIMAN & ROBERTSON, INC.
Actuaries and Consultants

A MILLIMAN GLOBAL FIRM
Milliman USA
Consultants and Actuaries

May 30, 2001

Board of Trustees
Omaha School Employees' Retirement System
3215 Cuming
Omaha, Nebraska 68131

Re: Forty-Ninth Annual Actuarial Report

Members of the Board:

Pursuant to our contract with the Omaha School District, we are pleased to submit the Forty-Ninth Annual Actuarial Report of the Omaha School Employees' Retirement System (OSERS). This valuation has been performed as of September 1, 2000 for the plan year ending August 31, 2001.

The actuarial valuation is based upon employee data and assets of the retirement fund furnished by OSERS and upon factors prepared and/or in use by Milliman & Robertson, Inc.

In preparing our report, we relied, without audit, upon the financial statements and membership data furnished us by the District. On the basis of the foregoing, we hereby certify that this report is complete and accurate to the best of our knowledge and belief. The report has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with principles prescribed by the Actuarial Standards Board (ASB) and the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.

In our opinion, the assumptions used in the valuation are reasonably related to the experience of the System. They represent our best estimate of future conditions affecting the System. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions.

Respectfully Submitted,

MILLIMAN & ROBERTSON, INC.

Patrice Beckham

Patrice A. Beckham, F.S.A.
Principal

Brent A. Banister

Brent A. Banister, A.S.A.
Associate Actuary

OMAHA SCHOOL EMPLOYEES' RETIREMENT SYSTEM

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I. CONTRIBUTIONS AND COMMENTS

Contributions

The Nebraska statutes provide that the School District shall contribute the amount necessary, based upon actuarial valuations, to maintain the solvency of the System. The actuarial funding method utilized by the System is a hybrid cost method. The actuarial cost method used each year to recalculate the unfunded past service liability is known as the Entry Age Normal Cost Method. The normal cost portion of the contribution is determined on an aggregate cost method.

This valuation confirms that the System will be adequately funded by the following ratio of School District contributions to expected gross employee contributions as of September 1, 2000:

1.	Present value of expected gross employee contributions for the year	$11,165,297
2.	Present value of recommended School District contributions for the year	$11,165,297
3.	Ratio of present value of School District to expected gross employee contributions item (2) divided by item (1)	100%

Comments

The actuarial valuation as of September 1, 2000 reflects the new medical supplement and other provisions of LB711.

The reserve for contingencies and security valuation was reduced to $40,109 as a result of the net impact of benefit enhancements and the actual experience of the System during the past year. The use of a smoothing method to determine the actuarial value of assets results in approximately $180 million in the gain on the market value of assets (as of September 1, 2000) not yet being recognized. See page 6 for detailed development of the actuarial value of assets.

Based on the results of this valuation, it is our conclusion that the System's goals and the integrity of the funding policies will be well served by the use of 100% as the ratio (of School District contributions to expected gross employee contributions) for determining funding requirements for the System for the fiscal year September 1, 2000 to August 31, 2001.

II. VALUATION RESULTS

As of September 1, 2000

NOTE: PV = PRESENT VALUE

A. Determination of Unfunded Past Service Liability

1.	Unfunded Past Service Liability as of 9/1/99	$	84,425,644
2.	Principal payments made 9/1/99 to 8/31/00	$	1,174,197
3.	Adjustment to reflect entry age normal cost (gains) and losses	$	(47,219,925)
4.	Increase due to benefit provision changes	$	42,447,493
5.	Unfunded Past Service Liability as of 9/1/00 Item 1 - Item 2 + Item 3 + Item 4	$	78,479,015

B. Total Contribution Required as of September 1, 2000

1.	PV of total liabilities as of 9/1/00	$	1,019,994,468
2.	Actuarial value of assets at 9/1/00	$	764,436,759
3.	Unfunded Past Service Liability	$	78,479,015
4.	PV of future Section 79-988.01 contributions	$	7,622,615
5.	PV of future normal cost contributions Item 1 - Item 2 - Item 3 - Item 4	$	169,456,079
6.	PV of future salary to employees	$	1,625,355,971
7.	Expected annual salary of employees during plan year	$	184,179,640

(continued)

II. VALUATION RESULTS

As of September 1, 2000

NOTE: PV = PRESENT VALUE

B. Total Contribution Required (continued)

8.	Normal cost contribution required Item 5 ÷ Item 6 × Item 7	$	19,202,169
9.	Section 79-988.01 Contribution	$	936,558
10.	Unfunded past service liability payment (29 year amortization from 9/1/00)	$	4,369,014
11.	Total contribution required Item 8 + Item 9 + Item 10	$	24,507,741

C. Recommended School District Contributions as of September 1, 2000

1.	Total contribution required	$	24,507,741
2.	Expected gross employee contributions	$	11,165,297
3.	Estimated State contributions (Sections 79-916 and 79-988.01)	$	2,177,146
4.	Recommended school district contributions Item 1 - Item 2 - Item 3	$	11,165,297

(concluded)

III. ACTUARIAL BALANCE SHEET

As of September 1, 2000

ASSETS

Actuarial value of assets	$ 764,436,759
Present value of future Section 79-988.01 state contributions	7,622,615
Present value of contributions for unfunded past service liability	78,479,015
Present value of future normal costs	169,456,079
Total Assets	**$1,019,994,468**

LIABILITIES

Present Value of Future Benefits		
Retired members and beneficiaries		$ 418,025,574
Inactive vested members		6,757,539
Refunds due and unpaid to nonvested members		1,001,637
Active Members		
Retirement benefits	$ 545,533,728	
Termination benefits	14,791,349	
Death benefits	9,772,986	
Disability benefits	9,793,722	
Return of employee contributions	14,277,824	
		$ 594,169,609
Reserve for contingencies and security valuation		$ 40,109
Total Liabilities		**$1,019,994,468**

IV. ACTUARIAL VALUE OF NET ASSETS

As of September 1, 2000

1.	Actuarial value of assets as of September 1, 1999	$ 660,763,772
2.	Actual Contribution/Disbursements	
	a. Contributions	26,638,343
	b. Benefit Payments	35,624,270
	c. Net Change	(8,985,927)
3.	Expected Value of Assets as of September 1, 2000 [(1) x 1.08] + [(2c)(1 + .08/2)]	704,279,510
4.	Market Value of Assets as of September 1, 2000	944,908,507
5.	Difference Between Market and Expected Values (4) - (3)	240,628,997
6.	Actuarial Value of Assets as of September 1, 2000 (3) + [(5) x 25%]	764,436,759

Actuarial Value of Assets divided by Market Value of Assets as of September 1, 2000. (6) / (4)	80.9%
Market Value of Assets less Actuarial Value of Assets as of September 1, 2000.	$ 180,471,748

V. SUMMARY OF FUND ACTIVITY
(Market Value Basis)

For the Year Ended August 31, 2000

NET ASSETS ON 9/1/99		**$739,419,018**
REVENUE		
	Salary deductions	11,278,246
	School District contributions	11,278,246
	Repayment of withdrawals	817,622
	State annuity receipts	1,110,457
	Sec. 79-988.01 deposit	973,301
	Taxes	53
	Sec. 79-916 deposits	1,180,418
	Other collections	207,653
	Income from investments	23,730,099
	Total Revenue	**$ 50,576,095**
	Net Realized and Unrealized Gain/(Loss)	195,059,588
Total of Revenue and Balance		**$985,054,701**
EXPENDITURES		
	Retirement Annuities	$ 33,295,037
	Refunds to Employees	2,329,233
	Actuarial and Contracted Services	198,414
	Legal Fees	15,081
	Investment Mgmt & Custodial Fees	4,074,343
	Other Expenditures	23,956
	Fiduciary Insurance	24,821
	Salaries	185,309
Total Expenditures		**$ 40,146,194**
NET ASSETS ON 9/1/00		**$944,908,507**

VI. SCHEDULE OF EMPLOYER CONTRIBUTIONS

In Accordance with Statement No. 25 of the Governmental Accounting Standards Board

Fiscal Year Ending	Annual Required Contribution (a)	Total Employer Contribution (b)	Percentage of ARC Contribution (b/a)
08/31/1997	12,663,239	12,663,239	100.0%
08/31/1998	12,816,177	12,816,177	100.0%
08/31/1999	14,703,164	14,703,164	100.0%
08/31/2000	14,750,128	14,750,128	100.0%

Notes to the Required Schedules:

1 The cost method used to determine the ARC is the Entry Age Normal Cost Method.

2 The assets are shown at actuarial value which is a market-related smoothed value.

3 Economic assumptions are:

Inflation: 3.5%
Investment Return: 8.0%
Salary increases: 4% plus merit of 0 to 2.6%
Post-retirement increases: 1.5%

4 The amortization method is an open period, level percentage of payroll.

VII. SCHEDULE OF FUNDING PROGRESS

In Accordance with Statement Nos. 25 and 27 of the Governmental Accounting Standards Board

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a)/c]
09/01/1996	497,174,628	498,638,698	1,464,070	99.71%	155,148,974	0.94%
09/01/1997	552,614,545	629,006,550	76,392,005	87.86%	159,480,000	47.90%
09/01/1998	593,850,065	674,707,945	80,857,880	88.02%	163,389,532	49.49%
09/01/1999	660,763,772	745,189,416	84,425,644	88.67%	172,950,471	48.81%
09/01/2000	764,436,759	842,915,774	78,479,015	90.69%	184,179,640	42.61%

VIII. THREE YEAR TREND INFORMATION

In Accordance with Statement No. 27 of the Governmental Accounting Standards Board

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
08/31/1998	12,816,177	100.00%	0
08/31/1999	14,703,164	100.00%	0
08/31/2000	14,750,128	100.00%	0

Notes to the Schedule:

1 The cost method used to determine the ARC is the Entry Age Normal Cost Method.
2 The assets are shown at actuarial value which is a market-related smoothed value.
3 Economic assumptions are:
   Inflation: 3.5%
   Investment Return: 8.0%
   Salary increases: 4% plus merit of 0 to 2.6%
   Post-retirement increases: 1.5%
4 The amortization method is an open period, level percentage of payroll.

IX. DEVELOPMENT OF THE NET PENSION OBLIGATION

In Accordance with Statement No. 27 of the Governmental Accounting Standards Board

Fiscal Year Ending August 31,	**1998**	**1999**	**2000**	**2001**
Assumptions and Method:				
Interest Rate	8.00%	8.00%	8.00%	8.00%
Amortization Period	11.66 years	16.41 years	16.65 years	29.27 years
Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Annual Pension Cost:				
Annual Required Contribution (ARC)	$ 12,816,177	$ 14,703,164	$ 14,750,128	$ 13,342,444
Interest on NPO	0	0	0	0
Adjustment to ARC	0	0	0	0
Annual Pension Cost	$ 12,816,177	$ 14,703,164	$ 14,750,128	$ 13,342,444
Contribution for the Year:	$ 12,816,177	$ 14,703,164	$ 14,750,128	$ N/A
Net Pension Obligation (NPO):				
NPO at beginning of year	$ 0	$ 0	$ 0	$ N/A
Annual Pension Cost for year	12,816,177	14,703,164	14,750,128	N/A
Contributions for year	(12,816,177)	(14,703,164)	(14,750,128)	N/A
NPO at end of year	$ 0	$ 0	$ 0	$ N/A

X. CALCULATION OF ACTUARIAL GAIN/(LOSS)

The overall actuarial gain/(loss) is comprised of both a liability gain/(loss) and an actuarial asset gain/(loss). Each of these represents the difference between the expected and actual values as of September 1, 2000.

1.	Expected Actuarial Accrued Liability	
	a. Actuarial Accrued Liability as of September 1, 1999	$ 745,189,416
	b. Normal Cost as of September 1, 1999	18,310,767
	c. Benefit payments for Plan Year Ending August 31, 2000	35,624,270
	d. Interest on a., b. and c. to End of Year	59,655,044
	e. Expected Actuarial Accrued Liability Before Benefit Changes	787,530,957
	f. Change in Actuarial Accrued Liability as of September 1, 2000 due to changes in Plan Provisions	42,447,493
	g. Expected Actuarial Accrued Liability as of September 1, 2000	829,978,450
2.	Actuarial Accrued Liability as of September 1, 2000	842,915,774
3.	Liability Gain/(Loss) (1.g.) – (2)	(12,937,324)
4.	Liability Gain/(Loss) as a Percent of Actuarial Accrued Liability	(1.53%)
5.	Expected Actuarial Value of Assets	
	a. Actuarial Value of Assets as of September 1, 2000	660,763,772
	b. Contributions for Plan Year Ending August 31, 2000	26,638,343
	c. Benefit Payments for Plan Year Ending August 31, 2000	35,624,270
	d. Interest on a., b. and c. to End of Year	52,501,665
	e. Expected Actuarial Value of Assets as of September 1, 2000	704,279,510
6.	Actuarial Value of Assets as of September 1, 2000	764,436,759
7.	Asset Gain/(Loss) (6) – (5.e.)	60,157,249
8.	Overall Actuarial Gain/(Loss) (3) + (7)	47,219,925

Actuarial Experience During the Plan Year

The Plan experienced an actuarial gain of $47.2 million during the plan year ended August 31, 2000. The major components of this overall gain are shown below:

Liability Sources	**$Millions**
Salary Increases	$ (3.9)
Deaths	(2.9)
Terminations	0.9
Retirements	(4.7)
Disability	0.0
New Entrants	(0.7)
COLA Adjustments	0.0
Rehires	(1.5)
Data/Method Changes	(0.1)
Total Liability Gain/(Loss)	**$ (12.9)**
Asset Gain/(Loss)	$ 60.1
Net Actuarial Gain/(Loss)	$ 47.2

XI. ANALYSIS OF EXPERIENCE

The purpose of conducting an actuarial valuation of a retirement system is to determine the costs and liabilities for the benefits under the system, to determine the annual level of contribution required to support these benefits and, finally, to analyze the system's overall experience as it compares with the actuarial assumptions used in the valuation. The costs and liabilities of a retirement system depend not only upon the level of benefits provided but also upon factors such as investment return on invested funds, mortality rates for active and retired members, withdrawal rates among active members, rates at which salaries increase, and rates of retirements for ages at which members retire. The actuarial assumptions employed as to these and other contingencies in the current valuation are set forth in Section XIV of this report.

Economic Assumptions

We have estimated the investment return on the adjusted actuarial basis (fund growth from all sources as measured by the actuarial value of assets) to be 17.2%. This return produced an actuarial gain of over $60 million. The amount of the gain is the difference between the actual adjusted actuarial value of assets on September 1, 2000, and the expected actuarial value on that date (where the expected value is based on 8.0% assumed interest rate).

Demographic Assumptions

As the summary in the prior section indicates, overall there was a net actuarial loss during the year from the demographic assumptions. One of the more significant factors was retiree mortality, which produced an actuarial loss last year and should be monitored closely in the future. Other demographic actuarial assumptions which generated a loss were the salary increase assumption and the retirement rates.

The salary increase experience should be interpreted and evaluated in light of the valuation procedures for 1999 which impacted results for both the 1999 valuation and the 2000 valuation. Actual salaries were not available when the 1999 actuarial valuation was completed. Valuation salaries were estimated by projecting 1998 salaries forward one year using the merit/longevity component of the salary increase assumption and actual CPI for the prior twelve month period. The 1999 report showed a gain on salary experience of $4.8 million whereas the 2000 report shows a loss of $3.9 million. The combined experience for the two years is relatively small indicating the current assumption was a good fit for the actual experience for the two year period.

There was a $4.7 million actuarial loss from experience due to retirements for the year ended August 31, 2000. There was also a loss from retirement experience last year, although the amount was less, $1.7 million. Experience should continue to be monitored if subsequent years indicate actuarial losses, although the amounts must be evaluated as a percentage of active liabilities before significant concerns exist.

Membership Statistics

	Active and Leave of Absence	Deferred Vested	Retired and Beneficiaries
Members on 9/1/99	5,864	386	2,314
New Entrants	+ 882	+ 121	+ 208*
Terminations:			
Withdrawals	- 542	- 80	0
Death	- 4	0	- 74**
Retirement	- 176	- 14	0
Back to Active	+ 33	- 33	0
Members on 9/1/00	6,057	380	2,448

* In addition to the retirements from actives, leave of absence, or deferred vested, this new entrant number includes any beneficiaries of actives or retirees who died in the last fiscal year.

** This death number includes any period certain payments ending during the year.

XII. HISTORY

Since 1909, the Omaha School District has maintained a retirement system for its teachers. Since then, systems covering other employees were added. In 1951, the Nebraska Legislature consolidated the existing systems into one new System. Amendments of significance in the Nebraska statutes and federal Social Security Act have occurred from time to time. These changes in order of their occurrence are outlined briefly below:

1951 - New System

Prior to 1951, three separate retirement systems existed. In 1951 the Nebraska Legislature repealed these three separate systems and created the present single System covering all employees. This act provided, however, that a member of a pre-existing system might elect to retain his benefit and contribution rights under one of the former systems in lieu of the new System benefits and contributions. The members who so elected then became known by the following titles for retirement purposes:

(1) Employees covered by the former Omaha Teachers Retirement System were known as "Teachers,"

(2) Employees covered by the former Non-Teaching Employee Retirement System were known as "Non-Teachers,"

(3) Employees covered by the former Cafeteria Employee Retirement System were known as "Cafeteria."

All other employees became members of the new System and received credit for membership service starting September 1, 1951. Benefits as well as contributions under the new System became directly related to a member's compensation by formula. The maximum covered annual compensation under the new System became $5,000, but the maximum for Teachers, Non-Teachers and Cafeteria remained $3,000.

1955 Amendments

On September 24, 1955, Omaha School employees voted to become participants in the federal Social Security program. All Social Security benefits are payable in addition to the System benefits. As a result of Social Security coverage, changes were made in the benefit and contribution formulas of the System effective August 31, 1955. In general, the changes reduced contributions and benefits to 60% of the rates formerly in effect. In addition, the maximum covered compensation was increased from $5,000 to $6,000 except for Teachers, Non-Teachers and Cafeteria which remained at $3,000.

The amount contributed by the School District was also reduced to 60% of the rates in effect prior to the change and the School District's contributions, matching the refunds paid upon the withdrawal or death of employees, were retained in the retirement fund rather than being returned to the School District.

1963 Amendments

Effective September 1, 1963, several changes were made in the new System. The limit on covered compensation for contributions and benefits of members was removed.

The service retirement annuity credit was increased in order to integrate with the modifications in federal Social Security between 1955 and 1963. The disability annuity for members was increased to 100% of the service retirement annuity accrued to date of disability and the restriction as to the number of years for which it was payable was removed. The offset in the benefit formula for the Nebraska State Service Annuity credit was placed on a year-to-year basis for all members, increasing the annuity credit for service after September 1, 1951 for active and retired alike.

The employees who were participating as Teachers, Non-Teachers and Cafeteria began to make contributions and receive benefit credits at the same rates as other members of the System. It should be noted that any employee who retained rights under a pre-existing system still receives credit in accordance with the provisions of the former system if this is more than the credit, after the State service annuity offset, would be under the 1963 amendments.

The contribution rate for employees was changed to integrate with the modifications in Social Security and was no longer subject to revision depending upon the degree of actuarial soundness of the System as had been provided in 1962. The School District became solely responsible for maintaining the solvency of the System on the basis of annual actuarial valuations. The School District again became entitled to refunds equal to the refunds paid upon withdrawal or death of employees.

The restriction prohibiting the crediting of interest on refunds to employees who withdraw from employment during the first ten years of service was removed. Thus, all employees who withdraw after one year or more of service receive interest on their contributions made since September 1, 1951.

1965 Amendments

Effective September 1, 1965, a pre-retirement survivor's annuity was added to the System for long-service employees. This change gave an employee with 25 or more years of service protection at death approximately equivalent in value to the vesting which already existed at termination of employment for an employee with the same period of service.

Effective January 1, 1966, the Social Security tax base was increased from $4,800 to $6,600 per year. This change became effective in the System's contribution and benefit formulas as of September 1, 1966.

1967 Amendments

The 77th Session of the Nebraska Legislature enacted LB 494 which amended the Nebraska School Retirement System, effective October 23, 1967. A major change was the increase in the State service annuity credit from $1.50 to $3.00 per month for each year of credited service after July 1, 1968 and the removal of the 35 year limitation on credited State service. For the purpose of determining the new State service annuity offset in calculating the net Omaha annuity, the additional $1.50 per month for each year of service after July 1, 1968 is not applicable, but removal of the 35 year limitation does apply. This means that the State service annuity offset is still determined on the basis of $1.50 per month for each year of service. The increase in the State service annuity offset by virtue of eliminating the 35 year limitation represents a lower cost to the Omaha System for those members having more than 35 years of State service by age 65.

Another change with regard to the State service annuity was the manner in which the funds are transferred from the State to the Omaha System to pay these annuities. For retirements occurring after the effective date of the amendments (October 23, 1967), the State transfers the commuted value (equivalent single sum) of the individual State service annuity to the Omaha System and then the payment of the monthly annuity to the retired member is the School District's responsibility.

In 1967 the eligibility provisions for the pre-retirement survivors' annuity and the vested retirement rights were changed, reducing the service required from 25 years to 20 years and thereby granting these options to a larger number of employees.

Effective January 1, 1968, the federal Social Security taxable wage base was increased from $6,600 to $7,800 per year. This change became effective in the System's contribution and benefit formulas as of September 1, 1968.

1969 Amendments

The 80th Session of the Nebraska Legislature enacted LB 530 which amended the System effective August 11, 1969. The provisions of this bill improved the benefit structure of the System in two ways. The membership annuity credits (credits after 9/1/51) were increased approximately 10% and the Social Security wage base was "frozen" at the $7,800 level for purposes of calculating benefit credits and employee contributions.

By freezing the Social Security base, benefit credits and employee contributions for service after September 1, 1969 will not be reduced by virtue of future increases in the Social Security wage base. The System benefits will remain integrated with the Social Security program at the level provided by the $7,800 base.

1972 Amendments

During 1972, the Nebraska Legislature enacted LB 1116 which amended the System. These amendments were to become effective for retirements occurring on or after September 1, 1972. The provisions of this bill improved the benefit structure of the System and liberalized the eligibility condition for qualification upon termination for the deferred vested retirement benefit.

The benefits of the System were improved by increasing the membership annuity credits (credits after 9/1/51) by approximately 20% over those in existence on September 1, 1971.

In order to be eligible upon resignation to elect a deferred vested service annuity, the years of creditable service was reduced from 20 years to 15 years.

1973 Amendments

The 1973 Session of the Nebraska Legislature enacted LB 445 which created increases in the State service annuity of the Nebraska School Retirement System. LB 445 provides for (a) a State service annuity credit of $3.00 per month for each year of creditable service for all emeritus members and for all full time school employees who retire on or after July 1, 1973 and (b) for increases in the State service annuity for members who retired prior to July 1, 1973 based upon the difference between the Consumers Price Index on the date of retirement and July 1, 1973.

1976 Amendments

The 1976 Session of the Nebraska Legislature enacted LB 994 which increased the membership annuity credits (credits after 9/1/51) by 20%.

The members' contributions were increased to 2.90% of compensation up to $7,800 per year plus 5.25% of salary in excess of that amount.

1979 Amendments

The 1979 Session of the Nebraska Legislature changed the mandatory retirement date from age 65 to age 70. Late retirement benefits are actuarially increased from what would have been payable at the normal retirement date.

1982 Amendments

The 1982 Session of the Nebraska Legislature enacted LB 131 which made considerable changes to the System. LB 131 was approved by the Governor on February 19, 1982.

The most major revision in the System was to change the previous primary benefit formula from the step rate formula based on each year of salary to a final average compensation formula. The primary benefit formula became 1.5% of final average compensation for each year of creditable service not in excess of 30. Final average compensation was then defined to be 1/36 of the total compensation received during the three fiscal years of highest compensation. Also, the creditable service not in excess of 30 years was allowed to continue to accrue after the fiscal year in which the employee attains age 65. In addition, the State service annuity offset of $1.50 per year of creditable service was removed with respect to the final average compensation formula. The prior provisions of the System were retained as a minimum benefit, recognizing creditable service for those provisions through the earlier of the date of retirement or August 31, 1983.

Another major revision in the System was to change the step rate formula for employee contributions to a level 4.90% of compensation. In addition, the provision entitling the School

District to receive refunds of its own contributions equal to the contributions refunded to employees was removed.

The early retirement date was liberalized. Previously an employee needed to have either 35 years of creditable service or to have attained age 60 with 25 years of creditable service. Now an employee can retire early if he has at least 10 years of creditable service and has attained age 55.

The actuarial equivalent of the annuity payable at the end of the fiscal year in which the employee attains age 65 was changed in the following two ways:

1. for employees retiring before age 62, the monthly formula retirement annuity is a reduced amount based on the actuarial equivalent of the annuity deferred to the employee's 62nd birthday. If retirement is at age 62 or later, there is no actuarial reduction. Previously there was an actuarial reduction, based on the benefit deferred to age 65, for any retirement before age 65.

2. For employees retiring on or after age 65, the monthly formula retirement annuity is to be based on total years of creditable service (not in excess of 30) and the employee's entire compensation history at date of retirement. Consequently, for retirements after the fiscal year in which the employee attains age 65 there is <u>no</u> longer an actuarial increase from the benefit available at the normal retirement date.

The eligibility provision to elect a deferred vested service annuity upon resignation was changed from 15 years of creditable service to 10 years.

1983 Amendments

The 1983 Session of the Nebraska Legislature enacted LB 488 which created benefit increases effective September 1, 1983 for members having retired before February 21, 1982. The amount of benefit increase was limited to the smaller of:

1. The percentage increase in the Consumer Price Index for all Urban consumers from the effective date of retirement to June 30, 1983 applied to benefits being paid and

2. The sum of $1.50 per month for each year of creditable service and $1.00 per month for each completed year of retirement from the effective date of retirement to June 30, 1983, actuarially adjusted for joint and survivor elections.

1985 Amendments

The 1985 Session of the Nebraska Legislature enacted LB 215 which removed the 30 year limit on years of service used in the benefit formula, provided for vesting after five years of service rather than ten years, and reduced the eligibility period for disability from ten years of service to five years of service.

LP215 also provided for the employer "pick up" of employee contribution under IRC 414(h), thereby allowing employee contributions to be made on a pre-tax basis.

Unisex factors are now being used for determining early retirement reductions and actuarial equivalents for joint and survivor optional benefits.

1986 Amendments

The 1985 Session of the Nebraska Legislature enacted LB 1048 which granted increases in benefits for most retirees to reflect cost-of-living increases over the last several years. The increases ranged up to a maximum of 10.5%.

1987 Amendments

A "window of opportunity" was created for the buy-in or buy-back of service credits for participants qualifying for that right.

1989 Amendments

LB 237 was enacted by the 1989 Session of the Nebraska Legislature and provided: annual benefit accruals of 1.65% of final average compensation (up from 1.50%), unreduced benefits if a member retires with 35 or more years of service, a five year certain and life thereafter annuity as the normal form of benefit (instead of just a life annuity), employee contributions of 5.8% of pay (up from 4.9%), and increased benefits to retirees (the increases ranged up to 9.0%). There were some other changes as a result of this bill, but none that had a direct actuarial cost impact.

1992 Amendments

The 1992 Session of the Nebraska Legislature enacted LB 1001 which increased annual benefit accruals from 1.65% of final average compensation to 1.70%, and increased benefits to retirees (3% increase per year of retirement, not exceeding 9% total increase), a change in the preretirement joint and survivor option to allow it to become effective automatically after 20 years of service, and allowed employees to “buy-in” their time with other public school systems by means of a tax-deferred rollover of their refund from that System.

1995 Amendments

The 1995 Session of the Nebraska Legislature enacted LB505 which increased annual benefit accruals from 1.70% to 1.80% of final average compensation. It also provided for unreduced retirement benefits when the sum of age and service equals or exceeds 85 (still maintaining the age 55 minimum), and reduced early retirement reductions to .25% per month prior to age 62. Early retirement at 84, 83, or 82 points is also allowed with a maximum reduction of 3%, 6% and 9% respectively. Employee contributions were increased to 6.3% of pay. The bill also provided for a one time increase to current retirees of 3% per year since retirement (not to exceed 9%), or if larger, 90% restoration of the purchasing power of their original pension. There are other changes resulting from this bill, which are not included since they did not have a direct actuarial impact. One change with no actuarial impact but worth noting is the provision for employer “pick up” of employee contributions to the System used to buy in outside service, pursuant to Section 414(h) of the Internal Revenue Code.

1998 Amendments

The 1998 Session of the Nebraska Legislature enacted LB497 which increased annual benefit accruals from 1.80% to 1.85% of final average compensation. The bill also provided for a one time increase to current retirees of 3% per year since retirement (not to exceed 9%) and provides an annual automatic cost of living adjustment, not greater than 1.5%, beginning January 1, 2000.

2000 Amendments and Cost of Living Adjustment

The 2000 session of the Nebraska Legislature enacted LB155 which increased accruals from 1.85% to 2.00% of final average compensation.

Pursuant to LB497, the OSERS Board and the Omaha School District Board authorized a 1.5% discretionary COLA beginning January 1, 2000 in addition to the automatic COLA.

2001 Amendments and Cost of Living Adjustment

The 2001 session of the Nebraska Legislature enacted LB711 which provided that certain members who previously left employment due to pregnancy could purchase their “lost” service. It also provided a post-retirement supplemental benefit to assist with medical costs. The supplement commences 10 years after retirement, beginning at $10 per month for each year retired and increasing by $10 each year. For retirees with less than twenty years of service, the benefit is reduced proportionately.

Additionally, the OSERS Board and the Omaha School Board authorized a discretionary COLA to restore full purchasing power, beginning January 1, 2001, in addition to the automatic COLA.

XIII. SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS

(Based on Latest Amendments Outlined in Section VII.)

Contributions

Employee Contributions: Employees contribute 6.30% of compensation. Such contributions are payable each year while employed. Contributions accumulated with interest are refundable at resignation unless the vested retirement benefit has been elected and at death unless the pre-retirement survivor's benefit has been elected.

State Contribution: The State contributes annually an amount equal to .7% of the members' compensation plus a level payment of $973,301.

School District Contribution: The School District contributes the amount necessary to maintain the solvency of the System.

Interest Credited on Refunds: Contributions made prior to September 1, 1951 and refunded at withdrawal or death are not credited with interest. Contributions after September 1, 1951 are credited with interest at the rate declared annually by the Board of Education upon the recommendation of the Board of Trustees.

Benefits

General: The System provides annuities upon retirement from service or disability and upon death to designated survivors.

The service annuity formula is the greater of:

1. 2.00% per year of creditable service times the final average compensation, or

2. the minimum formulas as summarized on the next page of this report (for service to August 31, 1983).

Final average compensation is defined as 1/36 of the total compensation received during the three fiscal years of highest compensation.

The disability annuity, the pre-retirement survivor annuity and the vested retirement right are summarized in the following sections.

Benefits in pay status are subject to an annual cost of living adjustment of 1.5% beginning January 1, 2000. Effective October 3, 2001, a medical cost of living adjustment is payable to retired members. Such amount will commence 10 years after retirement and shall be an amount equal to $10 per month for each year retired, prorated for years of service less than 20.

Retirement Annuities: To begin receiving a retirement annuity the employee must have left the employment of the School district, selected a retirement date and

(a) remained employed until his or her 65th birthday and completed at least five years of creditable Omaha service,

or

(b) have 10 years of creditable service (with at least five of those years being creditable Omaha service) and attained age 55.

If an employee begins receiving an annuity after age 62 or when age and service equals or exceeds 85, there is no adjustment for the retirement annuity. If, however, an employee begins receiving an annuity before age 62, such annuity shall be reduced by .25% for each month prior to age 62, provided that if 84 points have been achieved the reduction is limited to 3%, if 83 points, 6%, and 82 points, 9%.

Disability Retirement Annuities: Each employee who becomes totally disabled and who has completed five or more years of creditable Omaha service is entitled to a disability retirement annuity equal to the amount of service annuity earned to date of disability. The disability retirement annuity is payable each month until the earlier of the following events:

1. disability ceases,

2. the disabled employee reaches age 65.

If the disabled employee reaches age 65, he is then entitled to the retirement allowance without reduction for amounts paid on account of disability, without credit for service during the period of disability.

Pre-Retirement Survivor Annuities: Upon the death of a member who has completed 20 or more years of creditable service and who has not retired, a pre-retirement survivor annuity shall be paid to the member's primary beneficiary. The survivor must be a spouse or one other person age 55 or over at the time of the member's death. The survivor annuity is the actuarial equivalent of the member's annuity accrued to the date of death, determined on the basis of the member's and beneficiary's attained ages on said date. The survivor annuity is payable in lieu of a refund of the member's accumulated contributions. However, a member may elect out of the survivor annuity and specify that such a refund be paid in lieu of the annuity. An election out of the pre-retirement survivor annuity is entirely independent of the election of a joint and survivor option at retirement. Within 60 days after the member's death, the beneficiary may request a refund of the member's accumulated contributions instead of the annuity; provided, however, that the member may direct the System to pay only an annuity.

If the member (not retired) has less than 20 years of creditable service, or the beneficiary does not meet the requirements stated above, a refund of the member's accumulated contributions shall be paid.

Vested Retirement Right: Each employee who has completed five or more years of creditable Omaha service is eligible upon resignation to elect a deferred vested service annuity, first payable as an unreduced amount at age 65, in lieu of a refund of his accumulated contributions. With ten or more years of total creditable service (including at least five years of creditable Omaha service), the deferred vested service annuity could commence, unreduced, at age 62. If benefits start before age 62 (but not earlier than attained age 55), the benefit shall then be reduced as described above.

XIV. ACTUARIAL ASSUMPTIONS AND VALUATION METHODS

The valuation assumptions and methods used in conducting the current actuarial valuation are as follows:

Actuarial Assumptions

Interest Rate: 8.0% per annum, compounded annually, net of expenses.

Mortality Rates: 1994 Group Annuity Table for males.

1994 Group Annuity Table for females.

Illustrative rates of mortality are as follows:

	Annual Deaths per 100 Members	
Age	Male	Female
20	0.05	0.03
25	0.07	0.03
30	0.08	0.04
35	0.09	0.05
40	0.11	0.07
45	0.16	0.10
50	0.26	0.14
55	0.44	0.23
60	0.80	0.44
65	1.45	0.86
70	2.37	1.37
75	3.72	2.27
80	6.20	3.94

For disabled retirees these rates are set forward ten years.

Disability Rates: Illustrative rates of disability are as follows:

Annual Disabilities per 100 Members			
Age	Number	Age	Number
20	0.03	40	0.06
25	0.04	45	0.08
30	0.04	50	0.12
35	0.05	55	0.20
		60	0.42

Withdrawal Rates:
(prior to retirement eligibility):

Illustrative rates of withdrawal are as follows:

Certificated:

Annual Withdrawals per 100 Members (first five years)

Age	Male	Female
20	12.0	10.5
25	12.0	10.5
30	12.0	10.5
35	12.0	7.0
40	9.0	6.0
45	4.0	6.0
50	4.0	6.0
55	4.0	3.5
60 & above	4.0	3.5

Annual Withdrawals per 100 Members (after five years)

Age	Male	Female
20	8.0	10.5
25	8.0	10.5
30	5.5	7.8
35	2.5	4.2
40	1.4	2.1
45	1.2	1.9
50	1.0	1.3
55	0.8	0.8
60 & above	0.8	0.8

Classified:

Annual Withdrawals per 100 Members (first five years)

Age	Male	Female
20	25.0	30.0
25	25.0	28.5
30	20.5	21.0
35	13.0	16.0
40	10.0	11.0
45	10.0	17.0
50	10.0	7.0
55	10.0	7.0
60 & above	10.0	7.0

Annual Withdrawals per 100 Members (after five years)

Age	Male	Female
20	10.0	25.0
25	10.0	25.0
30	9.7	20.8
35	4.4	11.8
40	2.4	6.5
45	2.1	5.1
50	1.7	4.2
55	1.4	3.0
60 & above	1.4	3.0

Retirement Rates:

Early retirement rates are assumed to occur according to the schedule illustrated below:

Annual Retirements per 100 Eligible Members

Age 55	20.0	Points 84	35.0
56-59	10.0	83	20.0
60	5.0	82	10.0
61	20.0		

Unreduced (age 62 or 85 points) retirement rates are assumed to occur according to the schedule illustrated below:

Annual Retirements Per 100 Eligible Members

	1st yr Eligible.	Ultimate
Age 55-56	35.0	30.0
57-59	30.0	30.0
60-62	35.0	30.0
63-64	35.0	25.0
65	50.0	50.0
66	50.0	80.0
67-68	50.0	50.0
69	100.0	100.0

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Salary Scale: Salaries are assumed to increase according to the schedule illustrated below:

Certificated:

Age	Annual Salary Increase
20	5.6%
25	5.6
30	5.6
35	5.6
40	5.6
45	5.0
50	4.6
55	4.3
60	4.1
65	4.0
70	4.0

Classified:

Age	Annual Salary Increase
20	4.7%
25	4.7
30	4.7
35	4.7
40	4.7
45	4.7
50	4.5
55	4.3
60	4.1
65	4.0
70	4.0

Pre-Retirement Survivor Annuity: It is assumed that females are three years younger than males, and that the percent of members married varies by age and sex.

Valuation of Assets: Assets are valued at expected value at the valuation date plus 25% of the difference between the market value and expected value. As a starting point for implementation of this asset valuation method, the actuarial value of assets as of September 1, 1996 was set equal to the market value.

Refunds to Members:	The probability of withdrawing contributions rather than taking a deferred vested benefit assumed to follow the schedule below:

Age	Probability of Withdrawal
41	100%
42	90%
43	80%
49	10%
50 and over	0%

Interest Rate Credited on Employee Contributions:	7.00% annually, compounded.
Price Increases (CPI):	3.50% annually, compounded
Totally Payroll Growth:	4.00% annually, compounded

Valuation Methods

The present value of future benefits and the present value of future contributions were determined for each employee by use of the service tables and rates. Using the Entry Age Normal Cost Method (with the Unfunded Accrued Liability recalculated each year), a past service liability was re-established as of the valuation date. An aggregate funding method approach uses the present value of future normal costs to determine the total normal cost. The School District's contributions consist of a payment on the unfunded past service liability and the District's share of the normal costs.

The present value of future benefits and future contributions as determined by the calculations for all employees, together with the current assets, reserves and liabilities of the System, are summarized in the valuation balance sheet on page 5 of this report.

APPENDIX

The schedules on the following pages contain statistical information on Omaha School Employees, retired and active, as of the valuation date. The schedules presented are as follows:

Schedule I -	Active Employees with Annual Salaries and Accumulated Contributions
Schedule II -	Monthly Service Annuities Being Paid to Retired Employees and Beneficiaries
Schedule III-	Deferred Monthly Annuities to be Paid to Terminated Vested Employees

SCHEDULE I

ACTIVE PARTICIPANTS AS OF SEPTEMBER 1, 2000

Age	Number of Members	Total Annual Salaries	Accumulated Employee Contributions
	MALE		
20	3	98,958	1,668
21	5	83,638	3,596
22	5	101,417	4,078
23	13	327,250	5,713
24	24	621,858	13,448
25	35	882,328	70,768
26	26	697,594	77,381
27	29	745,776	92,163
28	35	984,974	111,124
29	32	841,393	150,649
30	36	1,054,811	244,080
31	31	945,959	159,627
32	34	885,595	223,972
33	27	768,992	182,190
34	33	946,935	290,024
35	26	813,211	336,230
36	39	1,131,047	514,400
37	28	864,795	381,496
38	37	1,192,202	662,218
39	38	1,198,146	681,060
40	40	1,285,637	671,893
41	37	1,084,008	516,708
42	25	806,369	487,026
43	34	1,006,901	591,313
44	38	1,205,039	760,495
45	48	1,564,454	1,458,541
46	48	1,594,622	1,518,808
47	65	2,474,548	2,385,947
48	49	1,833,675	1,896,439
49	49	2,047,107	2,131,413
50	54	2,321,121	2,820,373
51	67	2,805,237	3,386,634
52	71	2,993,450	3,800,000
53	69	3,239,484	4,220,355
54	51	2,392,412	3,022,728
55	38	1,642,981	2,151,203
56	43	1,839,952	2,005,348
57	32	1,025,637	1,041,903
58	26	818,845	781,251
59	24	806,468	812,453
60	19	476,842	364,697
61	20	644,140	729,992
62	16	443,642	404,284
63	20	516,012	342,394
64	13	381,649	331,321
65	15	391,144	307,873
66	7	134,762	63,685
67	5	119,354	130,565
68	5	82,911	61,850
69	3	40,802	9,482
70	6	119,117	59,773
71	5	63,328	20,283
72	4	65,506	28,362
74	5	73,706	32,171
75	1	14,572	4,439
76	3	39,484	14,507
77	1	16,573	5,101
80	1	15,301	8,930
Totals	1,593	53,613,671	43,586,425

SCHEDULE I

ACTIVE PARTICIPANTS AS OF SEPTEMBER 1, 2000

Age Nearest Birthday	Number of Members	Total Annual Salaries	Accumulated Employee Contributions
	FEMALE		
18	1	9,612	0
19	3	39,519	1,400
20	3	30,779	376
21	8	107,518	3,525
22	27	536,163	4,360
23	65	1,642,353	34,316
24	94	2,428,615	87,328
25	99	2,511,222	169,952
26	114	2,988,511	259,686
27	88	2,237,931	278,014
28	100	2,690,002	380,924
29	95	2,572,899	447,312
30	101	2,810,649	589,431
31	97	2,616,237	697,384
32	92	2,631,322	831,382
33	80	2,216,291	641,247
34	87	2,463,716	868,568
35	81	2,261,444	917,258
36	76	2,166,445	865,685
37	78	2,253,672	1,083,352
38	83	2,307,347	1,222,665
39	97	2,778,175	1,588,658
40	111	3,090,689	1,737,423
41	122	3,383,875	1,865,035
42	113	2,990,568	1,710,973
43	123	3,306,156	2,157,913
44	135	3,856,562	2,532,036
45	119	3,838,431	3,038,044
46	124	3,502,322	2,574,649
47	174	5,399,436	4,370,520
48	137	4,187,296	3,086,619
49	188	6,525,197	6,084,598
50	190	6,614,564	6,478,484
51	163	5,675,189	5,977,548
52	191	6,620,073	6,709,923
53	151	5,535,740	6,304,135
54	175	6,089,320	6,961,469
55	105	3,428,069	3,813,744
56	74	2,368,059	2,638,232
57	81	2,578,337	2,800,343
58	74	2,328,224	2,556,950
59	68	1,709,695	1,762,617
60	63	1,554,483	1,515,811
61	55	1,250,328	1,260,034
62	38	900,459	868,323
63	34	856,717	982,151
64	22	428,388	484,694
65	12	229,903	203,275
66	7	93,728	98,715
67	14	247,588	151,814
68	7	124,540	150,341
69	7	79,985	69,963
70	5	94,089	103,756
71	1	14,572	658
72	3	41,890	46,230
73	2	57,983	59,725
74	3	33,678	40,259
75	1	11,095	20,368
78	2	32,966	40,407
79	1	10,702	273
Totals	4,464	131,391,318	92,230,875

SCHEDULE II

MONTHLY SERVICE ANNUITIES BEING PAID TO
RETIRED EMPLOYEES AND BENEFICIARIES
AS OF SEPTEMBER 1, 2000

Age Nearest Birthday	Number Of Members	Prior Service	Membership Service	State Service	Total
			MALE		
53	2	0.00	3,782.43	78.84	3,861.27
54	1	0.00	1,081.01	0.00	1,081.01
55	11	0.00	34,303.67	456.12	34,759.79
56	27	0.00	71,316.49	1,268.42	72,584.91
57	33	0.00	82,083.15	1,287.57	83,370.72
58	33	0.00	80,772.68	1,069.17	81,841.85
59	25	0.00	52,201.75	435.55	52,637.30
60	29	0.00	70,431.06	1,178.64	71,609.70
61	25	0.00	50,162.46	1,755.05	51,917.51
62	29	0.00	60,322.49	2,207.44	62,529.93
63	31	0.00	51,757.54	1,979.53	53,737.07
64	37	0.00	68,493.18	2,587.50	71,080.68
65	27	0.00	41,048.02	1,680.23	42,728.25
66	30	0.00	62,380.84	2,493.52	64,874.36
67	29	0.00	47,395.11	2,162.18	49,557.29
68	33	0.00	43,714.14	1,930.60	45,644.74
69	25	0.00	30,168.92	1,334.01	31,502.93
70	33	0.00	48,925.55	2,303.32	51,228.87
71	22	0.00	33,866.60	1,537.07	35,403.67
72	20	0.00	28,065.85	1,305.65	29,371.50
73	31	2.14	36,183.49	1,817.27	38,002.90
74	27	4.28	36,973.67	1,748.99	38,726.94
75	24	0.00	32,264.84	1,464.90	33,729.74
76	29	10.70	38,385.48	1,943.64	40,339.82
77	19	6.42	16,551.61	972.17	17,530.20
78	22	6.28	23,704.27	1,377.02	25,087.57
79	18	20.36	20,823.81	1,068.03	21,912.20
80	23	12.00	18,082.33	1,222.43	19,316.76
81	10	6.42	7,802.08	526.97	8,335.47
82	12	26.00	10,193.54	686.14	10,905.68
83	11	12.85	5,573.79	493.45	6,080.09
84	7	24.79	3,945.99	556.44	4,527.22
85	9	50.35	3,678.95	456.43	4,185.73
86	6	27.85	4,257.61	458.50	4,743.96
87	10	39.85	5,996.86	671.09	6,707.80
88	8	59.06	4,927.65	509.21	5,495.92
89	5	57.57	2,452.18	374.00	2,883.75
90	1	3.37	403.36	85.52	492.25
91	1	0.00	247.76	56.00	303.76
92	1	0.00	122.85	24.50	147.35
94	2	0.00	758.46	119.00	877.46
95	2	53.57	1,001.54	206.50	1,261.61
96	1	23.57	476.65	105.00	605.22
Totals	781	447.43	1,237,081.71	45,993.61	1,283,522.75

Certain only payouts					
	23	0.00	20,037.27	657.35	20,694.62

SCHEDULE II

MONTHLY SERVICE ANNUITIES BEING PAID TO RETIRED EMPLOYEES AND BENEFICIARIES AS OF SEPTEMBER 1, 2000

Age Nearest Birthday	Number Of Members	Prior Service	Membership Service	State Service	Total
			FEMALE		
50	1	0.00	204.31	0.00	204.31
51	1	0.00	2,448.94	0.00	2,448.94
52	2	0.00	2,285.96	24.15	2,310.11
53	2	0.00	3,869.49	88.41	3,957.90
54	2	0.00	2,620.31	150.80	2,771.11
55	10	0.00	22,894.09	261.78	23,155.87
56	37	0.00	80,149.14	1,368.48	81,517.62
57	45	0.00	85,004.84	1,774.31	86,779.15
58	45	0.00	81,614.34	1,384.38	82,998.72
59	38	0.00	62,165.06	652.46	62,817.52
60	43	0.00	75,557.66	1,245.39	76,803.05
61	41	0.00	54,211.85	2,199.57	56,411.42
62	61	0.00	95,364.95	3,707.53	99,072.48
63	55	0.00	79,865.40	3,644.72	83,510.12
64	68	0.00	104,771.13	4,995.01	109,766.14
65	65	0.00	74,351.01	3,894.68	78,245.69
66	70	0.00	82,067.49	4,515.83	86,583.32
67	69	0.00	64,277.78	4,481.27	68,759.05
68	64	0.00	60,711.18	4,020.09	64,731.27
69	81	0.00	86,899.47	5,169.23	92,068.70
70	50	0.00	60,583.92	3,451.88	64,035.80
71	50	8.00	45,235.30	2,917.44	48,160.74
72	50	4.28	45,562.75	3,042.70	48,609.73
73	60	17.12	66,709.16	4,100.64	70,826.92
74	55	10.70	51,784.97	3,377.16	55,172.83
75	49	0.00	38,243.13	2,432.97	40,676.10
76	60	44.99	58,560.03	3,716.93	62,321.95
77	33	19.28	25,389.83	1,832.31	27,241.42
78	42	2.14	39,676.87	2,557.67	42,236.68
79	45	21.42	33,401.31	2,674.18	36,096.91
80	38	139.40	31,725.05	2,560.24	34,424.69
81	36	74.99	30,477.79	2,488.87	33,041.65
82	22	0.00	16,322.75	1,350.35	17,673.10
83	25	66.42	19,754.96	1,759.37	21,580.75
84	30	112.93	15,331.75	1,992.34	17,437.02
85	25	95.94	13,857.92	1,876.26	15,830.12
86	27	49.28	14,130.77	1,835.53	16,015.58
87	30	222.84	18,597.90	2,280.49	21,101.23
88	16	75.00	7,877.00	1,004.50	8,956.50
89	15	38.57	8,040.18	1,034.25	9,113.00
90	15	164.70	6,793.19	1,192.19	8,150.08
91	13	182.14	4,480.12	854.10	5,516.36
92	12	108.84	5,841.56	862.25	6,812.65
93	9	145.71	4,721.35	773.50	5,640.56
94	11	273.98	5,857.74	1,177.75	7,309.47
95	3	93.28	984.02	380.70	1,458.00
96	9	254.99	3,395.19	786.61	4,436.79
97	6	170.78	2,038.35	442.75	2,651.88
98	2	50.00	288.60	155.75	494.35
99	2	50.00	446.66	203.00	699.66
100	3	12.85	915.72	85.22	1,013.79
102	1	42.00	349.12	0.00	391.12
Totals	1,644	2,552.57	1,798,709.36	98,777.99	1,900,039.92

SCHEDULE III

DEFERRED VESTED PARTICIPANTS AS OF SEPTEMBER 1, 2000

Age Nearest Birthday	Number of Members	Total Monthly Annuity	Accumulated Employee Contributions
	MALE		
31	1	271.21	13,093
32	2	624.78	10,352
33	3	1,618.20	47,335
34	3	771.71	19,342
35	1	543.04	0
36	2	792.05	19,142
37	6	2,525.01	61,668
38	1	238.83	10,021
39	2	1,290.31	33,891
40	3	554.07	9,044
41	3	1,080.93	18,094
42	1	233.21	10,759
43	2	1,038.33	43,615
45	3	1,251.61	28,838
46	3	2,266.75	50,581
47	1	94.13	3,911
48	2	917.19	32,030
49	1	1,870.37	45,007
50	4	3,943.73	62,142
51	1	1,908.77	44,383
52	1	1,114.03	24,070
53	5	3,258.17	80,768
55	5	4,703.56	128,619
56	3	2,671.48	32,690
57	3	1,228.12	33,509
59	1	1,462.56	21,095
60	1	127.77	5,577
62	1	142.35	0
63	2	399.15	13,407
Totals	67	38,941.42	902,983

SCHEDULE III

DEFERRED VESTED PARTICIPANTS AS OF SEPTEMBER 1, 2000

Age Nearest Birthday	Number of Members	Total Monthly Annuity	Accumulated Employee Contributions
		FEMALE	
28	3	753.81	8,367
29	6	1,045.56	29,714
30	4	1,062.22	21,821
31	17	4,226.24	122,819
32	13	3,659.67	108,947
33	9	2,834.00	48,551
34	14	4,814.50	132,962
35	14	4,530.84	124,618
36	12	4,581.05	100,107
37	8	2,501.34	79,849
38	13	3,459.14	94,764
39	5	1,777.63	72,011
40	11	5,443.06	132,078
41	5	3,256.49	47,101
42	8	2,954.98	99,638
43	12	4,432.86	130,073
44	10	2,066.23	67,166
45	7	2,297.11	67,332
46	10	4,259.12	92,830
47	16	7,317.50	115,752
48	17	8,472.27	226,335
49	15	4,066.06	49,746
50	12	4,407.14	109,661
51	8	3,258.25	70,073
52	9	6,203.75	114,592
53	6	1,978.35	41,079
54	7	3,003.04	49,612
55	6	4,288.66	100,325
56	8	2,996.69	83,621
57	4	2,716.93	32,377
58	8	2,612.44	42,848
59	2	207.44	9,782
60	2	1,306.47	8,099
61	1	166.95	7,641
62	4	1,146.67	3,319
63	3	384.39	4,069
64	3	571.96	6,822
66	1	122.17	8,154
Totals	313	115,182.99	2,664,655