City of Cincinnati

Report of the Actuary on the Annual Valuation of the Retirement System for Employees of the City of Cincinnati

Pension Report

Prepared as of December 31, 2008

Cavanaugh Macdonald
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May 12, 2009

Board of Commissioners
Retirement System for Employees of the City of Cincinnati
801 Plum Street
Cincinnati, OH 45202

Members of the Board:

We are pleased to submit the results of the pension actuarial valuation of the Retirement System for Employees of the City of Cincinnati prepared as of December 31, 2008. The purpose of this report is to provide a summary of the funded status of the System as of December 31, 2008, to recommend rates of contribution and to provide accounting information under Governmental Accounting Standards Board Statements No. 25 and 27 (GASB 25 and 27).

On the basis of the valuation, it is recommended that employer contributions to the System be set at a rate of 52.02% of payroll (approximately $80,882,000) for the fiscal year ending December 31, 2010. This includes $3,025,768, or 1.95% of payroll, for the 2007 Early Retirement Incentive Program (ERIP). The promised benefits of the System are included in the calculated contribution rate which is developed using the entry age cost method. Five-year smoothed market value of plan assets is used for the actuarial value of assets. Gains and losses are reflected in the unfunded accrued liability that is being amortized by regular annual contributions within a 15-year period.

Since the previous valuation, no changes were made to the assumptions, methods, or plan provisions.

The valuation has been prepared in accordance with the parameters set forth in Statement Nos. 25 and 27 of the Governmental Accounting Standards Board. The annual required contribution (ARC) for the City under GASB for the fiscal year ending December 31, 2010 is 52.02% of payroll, based on a 15-year period for amortization of the unfunded accrued liability. This includes $3,025,768, or 1.95% of payroll, for fiscal year 2010 to fund the Early Retirement Incentive Program.

This is to certify that the independent consulting actuary is a Member of the American Academy of Actuaries and has experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the System and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System. While not verifying the data at source, the actuary performed tests for consistency and reasonability.

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Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

We trust that the report will meet the approval of the Board and will furnish the desired information concerning the financial condition of the System.

Respectfully submitted,

Edward Koebel

Edward A. Macdonald, ASA, FCA, MAAA
President

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Senior Actuary

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RETIREMENT SYSTEM FOR EMPLOYEES OF THE CITY OF CINCINNATI
REPORT OF THE ACTUARY
ON THE VALUATION
PREPARED AS OF DECEMBER 31, 2008

PENSION REPORT

SECTION I – SUMMARY OF PRINCIPAL RESULTS

1. For convenience of reference, the principal results of the current and preceding valuations are summarized below.

Valuation Date	December 31, 2008	December 31, 2007**
Active members:		
Number*	3,088	2,990
Annualized compensation	$ 155,494,664	$ 148,682,892
Retired members and beneficiaries:		
Number	4,501	4,609
Annual allowances	$ 132,217,042	129,447,924
Number of terminated vested members	148	157
Assets:		
Market Value	$ 1,242,081,000	$ 2,685,339,891
Actuarial Value	1,490,497,200	2,629,891,707
Unfunded actuarial accrued liability	$ 604,265,188	$ 307,453,773
Amortization Period	15 years	15 years
Fiscal Year Ending	**December 31, 2010**	**December 31, 2009**
City annual required contribution rate (ARC):		
Normal	7.85%	14.61%
Accrued liability	42.22	19.71
Sub-total	50.07%	34.32%
ERIP***	1.95	1.58
Total	52.02%	35.90%
Estimated ARC in dollars	$ 80,882,000	$ 53,382,000

*In addition, there are 1,461 part-time employees at December 31, 2008 compared to 1,493 part-time employees at December 31, 2007.

**Results for December 31, 2007 were provided by previous actuary and are shown in total (pension and medical).

***Contributions to the ERIP were set by the previous actuary at $2,353,816 for 2009 and $3,025,768 for 2010.

2. The major benefit and contribution provisions of the System as reflected in the valuation are summarized in Schedule G. There have been no changes since the previous valuation.

3. Schedule E of this report outlines the full set of actuarial assumptions and methods used in the valuation. Schedule C shows the development of the actuarial value of assets. There have been no changes to assumptions or methods since the previous valuation.

4. The entry age actuarial cost method was used to prepare the valuation. Schedule F contains a brief description of the actuarial cost method.

5. Comments on the valuation results as of December 31, 2008 are given in Section IV and further discussion of the contributions is set out in Section V.

SECTION II – MEMBERSHIP DATA

1. Data regarding the membership of the System for use as a basis of the valuation were furnished by the City. The valuation included 3,088 active members with annualized compensation totaling $155,494,664. In addition, there are 1,461 part-time employees.

2. The following table shows the number of retired members in receipt of a benefit and those members with a deferred benefit as of December 31, 2008 together with the amount of their annual retirement benefits payable under the System as of that date.

THE NUMBER AND ANNUAL BENEFITS OF RETIRED MEMBERS AND BENEFICIARIES AS OF DECEMBER 31, 2008

GROUP	NUMBER	ANNUAL RETIREMENT BENEFITS
Participants Receiving Benefits	4,501	$ 132,217,042
Participants with a Deferred Benefit	148	2,375,017
Total	4,649	$ 134,592,059

3. Table 1 in Schedule H shows the distribution by age and years of membership service of the number of active members included in the valuation, while Table 2 shows the number and annual benefits of retired members and beneficiaries included in the valuation, distributed by age.

SECTION III – ASSETS

As of December 31, 2008, the total market value of assets amounted to $1,816,139,000, as reported by the auditor, of which $1,242,081,000 has been allocated for pension purposes. The actuarial value of assets used for the current valuation was $1,490,497,200. Schedule C shows the development of the actuarial value of assets as of December 31, 2008. Schedule D shows a reconciliation of the market value of asset balances from December 31, 2007 to December 31, 2008.

SECTION IV – COMMENTS ON VALUATION

1. Schedule B of this report contains the valuation balance sheet which shows the present and prospective assets and liabilities of the System as of December 31, 2008. The valuation was prepared in accordance with the actuarial assumptions set forth in Schedule E and the actuarial cost method which is described in Schedule F.
2. The valuation balance sheet shows that the System has total prospective liabilities of $2,296,742,171 of which $1,545,034,643 is for the prospective benefits payable on account of present retired members, beneficiaries of deceased members, and terminated members entitled to deferred benefits, and $751,707,528 is for the prospective benefits payable on account of present active members. Against these liabilities, the System has a total present actuarial value of assets of $1,490,497,200 as of December 31, 2008. The difference of $806,244,971 between the total liabilities and the total present assets represents the present value of future contributions.
3. The contributions to the System consist of normal contributions and accrued liability contributions. The valuation indicates that normal contributions at the rate of 14.85% of payroll are required under the entry age method. Of this amount, 7.00% is paid by the members and the remaining 7.85% is required by the City.

4. Prospective normal contributions at the rate of 14.85% have a present value of $201,979,783. When this amount is subtracted from $806,244,971, which is the present value of the total future contributions to be made, there remains $604,265,188 as the amount of unfunded accrued liability contributions. The development of the unfunded accrued liability is shown in Schedule A.

5. Of the $604,265,188, $42,271,108 is due to the Early Retirement Incentive Plan (ERIP) that is being funded with separate contributions by the City. The schedule of ERIP contributions is as follows:

Year	Contribution Amount*
2009*	$2,353,816
2010*	3,025,768
2011*	3,697,720
2012*	4,369,672
2013 **	5,041,624
2014**	5,713,578
2015-2023**	6,177,556

*Determined by the previous actuary in letter dated May 23, 2008 and adjusted for payment timing.

**The schedule that was prepared by the previous actuary has been revised such that the present value of the total payments in the table is equal to the unfunded liability of the ERIP.

SECTION V – CONTRIBUTIONS PAYABLE

1. The contributions consist of a normal contribution and an accrued liability contribution as determined by actuarial valuation.

2. The normal contribution rate is calculated as the level percentage of payroll which, if applied for the average new member during the entire period of his anticipated covered service, would be required to meet the cost of all benefits payable on his behalf. On the basis of the valuation, the normal contribution rate was determined to be 14.85%. Of this amount, 7.00% is paid by the members and the remaining 7.85% is required by the City.

3. A contribution of 50.07% of payroll will liquidate the portion of the unfunded accrued liability not attributed to the ERIP within a 15-year period.

4. An additional contribution is required for the fiscal year ending December 31, 2010 of $3,025,768, or 1.95% of payroll, for the ERIP.

5. The total City contribution rate required for the fiscal year ending December 31, 2010 is, therefore, 52.02% of payroll.

6. The following table summarizes the employer contributions which were determined by the December 31, 2008 valuation and are recommended for use.

CITY ANNUAL REQUIRED CONTRIBUTIONS (ARC)
FOR FISCAL YEAR ENDING DECEMBER 31, 2010

CONTRIBUTION	PERCENTAGE OF ACTIVE MEMBERS' COMPENSATION
Normal	7.85%
Accrued Liability	42.22
Sub-Total	50.07%
ERIP	1.95
Total	52.02%

SECTION VI – ACCOUNTING INFORMATION

1. Governmental Accounting Standards Board Statements 25 and 27 set forth certain items of required supplementary information to be disclosed in the financial statements of the System and the employer. One such item is a distribution of the number of employees by type of membership, as follows:

NUMBER OF ACTIVE AND RETIRED PARTICIPANTS AS OF DECEMBER 31, 2008

GROUP	TOTAL
Retired participants and beneficiaries currently receiving benefits	4,501
Terminated participants and beneficiaries entitled to benefits but not yet receiving benefits	148
Active Participants	
Full-Time	3,088
Part-Time	1,461
Total	9,198

2. Another such item is the schedule of funding progress as shown below.

SCHEDULE OF FUNDING PROGRESS
Dollar Amounts in Thousands

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b – a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b – a) / c)
12/31/2003	$1,555,672	$1,636,805	$81,133	95.0%	$184,407	44.0%
12/31/2004	1,607,444	1,696,645	89,201	94.7	182,575	48.9
12/31/2005	1,654,448	1,767,359	112,911	93.6	175,335	64.4
12/31/2006	1,720,978	1,968,676	247,698	87.4	175,369	141.2
12/31/2007	1,794,406	2,080,923	286,517	86.2	182,396	157.1
12/31/2008	1,490,497	2,094,762	604,265	71.2	164,640*	367.0

All figures prior to December 31, 2008 were reported by the previous actuary except the covered payroll figures which were reported in the City's financial statements.

*Includes $9,145,553 in part-time compensation.

3. Following is the calculation of the annual pension cost and net pension obligation for the fiscal year ending December 31, 2008.

Annual Pension Cost and Net Pension Obligation for Fiscal Year Ending December 31, 2008		
(a)	Employer annual required contribution	$ 38,767,000
(b)	Interest on net pension obligation	1,529,000
(c)	Adjustment to annual required contribution	2,147,000
(d)	Annual pension cost (a) + (b) – (c)	$ 38,149,000
(e)	Employer contributions made for fiscal year ending December 31, 2008	23,969,000
(f)	Increase (decrease) in net pension obligation (d) – (e)	$ 14,180,000
(g)	Net pension obligation beginning of fiscal year	19,110,000*
(h)	Net pension obligation end of fiscal year (f) + (g)	$ 33,290,000

*Reported in the City's financial statements.

TREND INFORMATION
Dollar Amounts in Thousands

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (NPO)
December 31, 2006*	$19,108,000	69%	$19,392,000
December 31, 2007*	16,471,000	102	19,110,000
December 31, 2008	38,149,000	63	33,290,000

*Reported in the City's financial statements.

4. The annual required contribution (ARC) as a percentage of payroll, determined in accordance with the parameters of GASB 25/27, is shown below.

EMPLOYER ANNUAL REQUIRED CONTRIBUTION (ARC)	FISCAL YEAR ENDING DECEMBER 31, 2010
Normal	7.85%
Accrued liability	42.22
Sub-Total	50.07
ERIP	1.95
Total	52.02%

5. Additional information as of December 31, 2008 follows:

Valuation date	12/31/2008
Actuarial cost method	Entry age
Amortization period	Level dollar open
Remaining amortization period	15 years
Asset valuation method	Five-year smoothed market value
Actuarial assumptions:	
Investment rate of return (includes inflation)	8.00%
Projected salary increases (includes inflation)	3.75% - 7.50%
Inflation	3.00%
Cost-of-living adjustments	3.00%

SCHEDULE A

DEVELOPMENT OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY AS OF DECEMBER 31, 2008

(1)	Present value of prospective benefits:		
	(a)	Present active members	$ 751,707,528
	(b)	Present retired members, beneficiaries and former members entitled to deferred vested benefits	1,545,034,643
	(c)	Total	$ 2,296,742,171
(2)	Present value of future normal contributions		201,979,783
(3)	Actuarial accrued liabilities: 1(c) – (2)		$ 2,094,762,388
(4)	Actuarial value of assets		1,490,497,200
(5)	Unfunded actuarial accrued liability (UAAL): (3) – (4)		$ 604,265,188
(6)	Contribution Rate as a % of Payroll		
	(a)	Normal Cost	7.85%
	(b)	UAAL	42.22%
	(c)	Sub-Total	50.07%
	(d)	ERIP	1.95
	(e)	Total	52.02%

SCHEDULE B

VALUATION BALANCE SHEET

Present and prospective assets and liabilities as of December 31, 2008:

ACTUARIAL LIABILITIES		
Present value of prospective benefits payable on account of present retired members, beneficiaries of deceased members, and terminated members entitled to deferred benefits		$1,545,034,643
Present value of prospective benefits payable on account of present active members		751,707,528
Total liabilities		$2,296,742,171
PRESENT AND PROSPECTIVE ASSETS		
Actuarial value of assets		$1,490,497,200
Present value of future contributions		
City and Member Normal contributions	$ 201,979,783	
Unfunded accrued liability contributions	604,265,188	
Total prospective contributions		$ 806,244,971
Total assets		$2,296,742,171

SCHEDULE C

DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS

(1)	Actuarial Value of Assets as of December 31, 2007		$ 1,798,307,644
(2)	Market Value of Assets as of December 31, 2008		$ 1,242,081,000
(3)	Market Value of Assets as of December 31, 2007		$ 1,829,301,661
(4)	Net Cash Flow During Plan Year		
	(a)	Contributions	$ 35,812,821
	(b)	Benefit Payments and Net Transfers	134,502,000
	(c)	Administrative Expenses	1,029,000
	(d)	Investment Expenses	3,944,000
	(e)	Net Cash Flow: (a) – (b) – (c) – (d)	$ (103,662,179)
(5)	Investment Income		
	(a)	Market Total: (2) – (3) – (4)(e)	$ (483,558,482)
	(b)	Assumed Rate	8.00%
	(c)	Amount for Immediate Recognition	
	[(3) x (5)(b)] + [[(4)(a) – (4)(b) – (4)(c)] x (5)(b) x 0.5] + (4)(d)		$ 146,299,406
	(d)	Amount for Phased-In Recognition: (5)(a) – (5)(c)	$ (629,857,888)
(6)	Recognized Amounts for Plan Year		
	(a)	Current Year: 0.20 x (5)(d)	$ (125,971,578)
	(b)	First Prior Year	(1,790,053)
	(c)	Second Prior Year	15,035,840
	(d)	Third Prior Year	(5,274,889)
	(e)	Fourth Prior Year	3,594,729
	(f)	Total Recognized Investment Gain/(Loss)	$ (114,405,951)
(7)	Actuarial Value of Assets as of December 31, 2008		
	(1) + (4)(e) + (5)(c) + (6)(f)		$ 1,726,538,920
		80% of Market Value EOY	993,664,800
		120% of Market Value EOY	1,490,497,200
(8)	Final Actuarial Value of Assets as of December 31, 2008		$ 1,490,497,200
(9)	Rate of Return on Actuarial Value		1.54%

SCHEDULE D

ASSET INFORMATION

Receipts		
(1) Contributions		$ 35,813,000
(2) Investment Income		
• Interest and Dividends	$ 49,775,000	
• Net Appreciation (Depreciation) in Fair Value of Investments	(534,948,000)	
• Other Investment Earnings	1,614,000	
• Investment Expenses	(3,944,000)	
Total Investment Income		$(487,503,000)
(3) Total Receipts		$(451,690,000)
Disbursements		
(4) Benefits Paid	$134,502,000	
(5) Administrative Expenses	1,029,000	
(6) Total Disbursements		$135,531,000
(7) Excess of Receipts Over Disbursements: (3) - (6)		$(587,221,000)
Reconciliation of Asset Balances		
(8) Market Value at December 31, 2007		$1,829,302,000
(9) Excess of Receipts Over Disbursements		(587,221,000)
(10)Market Value at December 31, 2008		$1,242,081,000
(11)Estimated Rate of Return on Market Value of Assets		(27.45)%

SCHEDULE E

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

INVESTMENT RATE OF RETURN: 8.00% per year, net of expenses.

SALARY INCREASES: Salary increases are assumed to vary by service. Representative rates based on 2006 experience study prepared by Mercer are as follows:

Service	Annual Increase
0	7.5%
5	5.0
10	4.5
20	4.5
30	4.0

SEPARATIONS FROM ACTIVE SERVICE: For death rates, the Uninsured Pensioner 1994 Mortality Table projected to 2009 was used. Representative values of the assumed annual rates of separation from active service are as follows:

	Annual Rate of				
	Withdrawal*	Disability	Death		Retirement**
Age			Male	Female	
20	6.50%	0.05%	.041%	.024%	
25	6.00	0.06	.061	.025	
30	3.75	0.07	.080	.032	
35	2.00	0.10	.085	.044	
40	1.75	0.14	.102	.061	
45	1.75	0.21	.140	.082	30.00%
50	1.50	0.33	.211	.119	30.00
55	1.50	0.55	.357	.219	30.00
60	1.50		.673	.443	30.00
65	1.50		1.265	.861	25.00
70	1.50		2.034	1.369	100.00

* The following withdrawal assumption is used during the first three years of service:

Service	Annual Rate
1	20.00%
2	6.50
3	6.50

** Of those eligible for reduced early retirement, 23% are assumed to retire each year.

DEATHS AFTER RETIREMENT: The Uninsured Pensioner 1994 Mortality Table projected to 2009 is used for the period after retirement and for dependent beneficiaries. The PBGC Disabled Mortality Table is used for the period after disability.

PERCENT MARRIED: 75% of male members and 25% of female members are assumed to be married with the male three years older than his spouse.

ASSETS: Actuarial value, as developed in Schedule C. The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected market value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between market value and expected market value.

VALUATION METHOD: Entry age actuarial cost method. See Schedule F for a brief description of this method.

SCHEDULE F

ACTUARIAL COST METHOD

1. The valuation is prepared on the projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future (currently 8.00%), of each member's expected benefits at retirement or death is determined, based on age, service and sex. The calculations take into account the probability of a member's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his terminating with a service, disability or survivor's benefit. The present value of the expected benefits payable on account of the active members is added to the present value of the expected future payments to retired members and beneficiaries to obtain the present value of all expected benefits payable from the System on account of the present group of members and beneficiaries.

2. The employer contributions required to support the benefits of the System are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution.

3. The normal contribution is determined using the entry age actuarial cost method. Under this method, a calculation is made to determine the level percentage of payroll which, if applied for the average new member during the entire period of his anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his behalf.

4. The unfunded accrued liability is determined by subtracting the present value of prospective employer normal contributions and member contributions, together with the current actuarial value of assets held, from the present value of expected benefits to be paid from the System.

SCHEDULE G

SUMMARY OF MAIN SYSTEM PROVISIONS AS INTERPRETED FOR VALUATION PURPOSES

Eligibility

All active employees of the City except for the following:

- Members of the State Police and Fireman's Disability and Pension Fund.
- Employees who are members of PERS, STRS, or the Public School Employees Retirement System.
- Employees hired after June 1, 1961, who work in the building crafts.
- Elected officials.
- Employees hired after June 30, 1979 as participants in programs under CETA.

Benefit Formula Multiplier

For members hired on or after July 12, 1998, benefit is calculated using the 2.50% multiplier. Members hired prior to July 12, 1998 were given a one-time irrevocable option to choose either the 2.22% or 2.50% formula.

Average Highest Compensation

Average of the highest three consecutive years of compensation.

The average highest compensation used in the calculation of benefits depends on which benefit formula applies to the member. The formula that uses the 2.22% multiplier includes overtime compensation and the lump sum payment for unused vacation, unused sick-pay, etc. The formula that uses the 2.50% multiplier formula does not include overtime or the lump sum payment.

Years of Service

Years or fractional years of full-time service rendered to the plan sponsor.

Normal Retirement Benefit

Eligibility

Age 60 and 5 years of service or 30 years of service.

Benefit

a) An annuity provided by the number equal in value to the member's contributions with interest at the time of retirement.

b) A pension which together with the annuity produces a total annual retirement allowance equal to 2.50% or 2.22% (whichever is applicable) of the member's average highest compensation multiplied by the number of years of service.

c) For members with credit for service rendered prior to the establishment of the System, an additional pension of 2.50% or 2.22% (whichever is applicable) of the member's average highest compensation multiplied by the number of years of prior service.

In no event shall the retirement allowance be less than $4.00 per month multiplied by the member's years of credited service not in excess of 25 years.

In no event shall the retirement allowance be greater than that permitted by Section 415 of the Internal Revenue Code.

Advanced Retirement Benefit

Eligibility: Age 55 and 25 years of service.

Benefit: Normal retirement benefit reduced according to the following table:

Age at Retirement	% Reduction
55	38.14%
56	32.14
57	25.44
58	17.94
59	9.50
60	0.00

Disability Retirement Benefit

Eligibility: 5 years of service (immediate if service related).

Benefit: 90% of normal retirement benefit at disability date but not less than the smaller of:

(1) 25% of average highest compensation

(2) 90% of the retirement benefit member would have become entitled to had he continued in service to age 60 without further change in average highest compensation.

Deferred Vested Retirement Benefit

Eligibility: 5 years of service

Benefit: Normal retirement benefit beginning at age 60.

Preretirement Death Benefit	Refund of contributions with interest. In addition, if member has at least 18 months of service: (1) Lump sum equal to 50% of compensation received by member in the 12 months prior to death. (2) Survivor Benefits according to type of survivors.
Postretirement Death Benefit	(1) Lump sum \$7,500. (2) If no Joint and Survivor Option is selected, balance of member contributions not received back in retirement benefit payments prior to death.
Optional Forms of Benefit	(1) Joint and 100% Survivor Payment (2) Joint and 50% Survivor Payment (3) 66 2/3% Joint and Survivor Payment (4) 80% Joint and Survivor Payment
Postretirement Increases	3% compounded annually commencing one year after retirement.
Contributions	
By Members:	Each member, commencing January 1, 1978, contributes at a rate of 7% of the salary used to compute retirement benefits until his retirement.
By Employers:	The sponsoring employer makes annual contributions based on members' salaries so that, when members become eligible for benefits, reserves will have been accumulated adequate to provide the pension and other benefits payable by the plan on account of creditable service.
2007 Early Retirement Window	City employees who have 28 years or more of service credit prior to January 1, 2008 were eligible. Those electing to retire prior to January 1, 2008 were credited with two more years of service.

SCHEDULE H

TABLE 1

SCHEDULE OF ACTIVE MEMBERS BY AGE AND SERVICE AS OF DECEMBER 31, 2008

	Completed Years of Service							
Age	0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30+	Total
Under 20	4							4
Avg Pay	30,260							30,260
20 - 24	42	2						44
Avg Pay	35,021	31,955						34,882
25 - 29	123	46	1					170
Avg Pay	36,777	43,621	66,567					38,805
30 - 34	95	82	27	2				206
Avg Pay	40,844	45,437	49,773	39,624				43,830
35 - 39	104	114	61	49	4			332
Avg Pay	46,692	47,518	46,131	52,028	52,512			47,730
40 - 44	70	97	77	162	76			482
Avg Pay	44,097	45,038	53,926	53,409	53,885			50,530
45 - 49	67	89	83	187	184	61		671
Avg Pay	41,869	47,701	49,247	53,096	57,656	56,889		52,378
50 - 54	47	67	66	129	148	124	16	597
Avg Pay	56,653	45,079	48,214	50,763	54,225	62,639	59,264	53,860
55 - 59	23	50	35	99	104	59	19	389
Avg Pay	48,657	47,662	51,885	51,292	51,631	61,388	58,536	52,699
60 - 64	14	22	12	40	39	7	11	145
Avg Pay	79,620	45,655	50,126	52,807	49,990	38,619	63,194	53,434
65 - 69		3	7	8	6	6	5	35
Avg Pay		43,860	56,149	51,887	71,011	40,882	61,566	54,826
70 & Over			2	3	2		6	13
Avg Pay			38,064	39,036	37,226		46,119	41,877
Total	589	572	371	679	563	257	57	**3,088**
Avg Pay	43,532	46,096	49,954	52,254	54,634	59,825	58,598	**50,354**

Average Age 46.44 Average Service 14.24

TABLE 2

SCHEDULE OF RETIRED MEMBERS AND BENEFICIARIES
AS OF DECEMBER 31, 2008

Attained Age	Number of Members	Total Annual Benefits	Average Annual Benefit
39 & Under	5	$ 62,935	$ 12,587
40 - 44	14	130,297	9,307
45 - 49	47	1,088,387	23,157
50 - 54	255	9,245,717	36,258
55 - 59	612	24,129,576	39,427
60 - 64	746	26,454,534	35,462
65 - 69	579	17,661,671	30,504
70 - 74	643	17,668,874	27,479
75 - 79	566	14,749,627	26,059
80 - 84	513	11,191,794	21,816
85 - 89	351	6,960,257	19,830
90 - 94	114	2,000,114	17,545
95 - 99	49	739,128	15,084
100 & Over	7	134,130	19,161
Total	**4,501**	**$ 132,217,042**	**$ 29,375**

In addition, there are 148 deferred vested employees and beneficiaries entitled to deferred annual benefits totaling $2,375,017.