

# EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND



## Annual Financial Report *for the fiscal year ending June 30, 1999*

**Honorable Paul J. Tavares, General Treasurer**



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# EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND



**Introductory Section**



*“A retirement system is hereby established and placed under the management of the retirement board for the purpose of providing retirement allowances for employees of the state of Rhode Island under the provisions of Chapters 8 to 10, inclusive, of this title. The retirement system so created shall begin operation as of the first day of July, 1936. It shall have the power and privileges of a corporation, and shall be known as the “employees retirement system of the state of Rhode Island,” and by that name all of its business shall be transacted, all of its funds invested, and all of its cash and securities and other property held.”*

—Section Two of Chapter 2334 of the Public Laws of 1936





The Honorable Lincoln C. Almond  
Governor, State of Rhode Island and Providence Plantations  
State House  
Providence, Rhode Island 02903

Dear Governor Almond:

In accordance with Rhode Island General Laws, 36-8-8 and 45-21-34, enclosed is the Sixty-third Annual Financial Report of the *Employees' Retirement System* and the Forty-second Annual Financial Report of the *Municipal Employees Retirement System* of the State of Rhode Island for transmittal to the General Assembly.

This report also contains an accounting of the State Police Retirement Plan and the Judicial Retirement Plan.

The report covers the fiscal year ending June 30, 1999.

Respectfully submitted,

A handwritten signature in cursive script, reading "Paul J. Tavares".

Paul J. Tavares, General Treasurer and Chairman  
**Employees Retirement Board of Rhode Island**



**Employees Retirement Board (as of January 1, 1999)**

Paul J. Tavares, *Chairperson*  
William B. Finelli, *Vice-Chairperson, Teacher Representative*

Ponzi A. Angelone, *C.L.U., Public Representative*  
Daniel L. Beardsley, *Rhode Island League of Cities and Towns*  
Michael R. Boyce, *Retired Member Representative*  
Leslie E. Clark, *Municipal Representative*  
Senator William Enos, *Senate Finance Committee, Designee*  
Representative Gordon D. Fox, *House Finance Committee, Designee*  
Sandra Murphy Crowe, *Director of Administration, Designee*  
John P. Maguire, *Teacher Representative*  
John Marginson, *Public Representative*  
Linda M. Masse, *State Employee Representative*  
Stephen P. McAllister, *State Budget Director*  
Michael F. O'Keefe, *House Fiscal Advisor*  
Linda C. Riendeau, *State Employee Representative*



*Back Row (left to right): Michael F. O'Keefe, John Marginson, John P. Maguire, Representative Gordon D. Fox, Stephen P. McAllister, Daniel L. Beardsley, William B. Finelli, Michael R. Boyce. Front Row (left to right): Linda M. Masse, Leslie E. Clark, General Treasurer Paul J. Tavares, Sandra Murphy Crowe, Linda C. Riendeau. Absent from photo: Senator William Enos, Ponzi A. Angelone.*

**Employees' Retirement System of Rhode Island Administration (as of January 1, 1999)**

Joann E. Flaminio, *Executive Director*

James M. Reilly, *Assistant Executive Director*

Diane S. Bourne, *Assistant Director-Member Services*

Frank J. Karpinski, *Assistant Director-Finance*

David D. Barricelli, *Board Counsel*

**State Investment Commission (as of January 1, 1999)**

Paul J. Tavares, *Chairperson, General Treasurer*

B. Gen. Jack A. Apperson, *Governor's Appointee*

Robert L. Carl, Jr., PhD, *Department of Administration*

J. Michael Costello, *Governor's Appointee*

Representative Mark B. Heffner, *House Finance Committee Designee*

*Senate Finance Committee Designee*

James M. Seed, *Governor's Appointee*

Joann E. Flaminio, *Executive Director, Non-voting member*

By statute, the State Investment Commission is responsible for the investment of the assets of the Employees Retirement System and the Municipal Employees Retirement System.

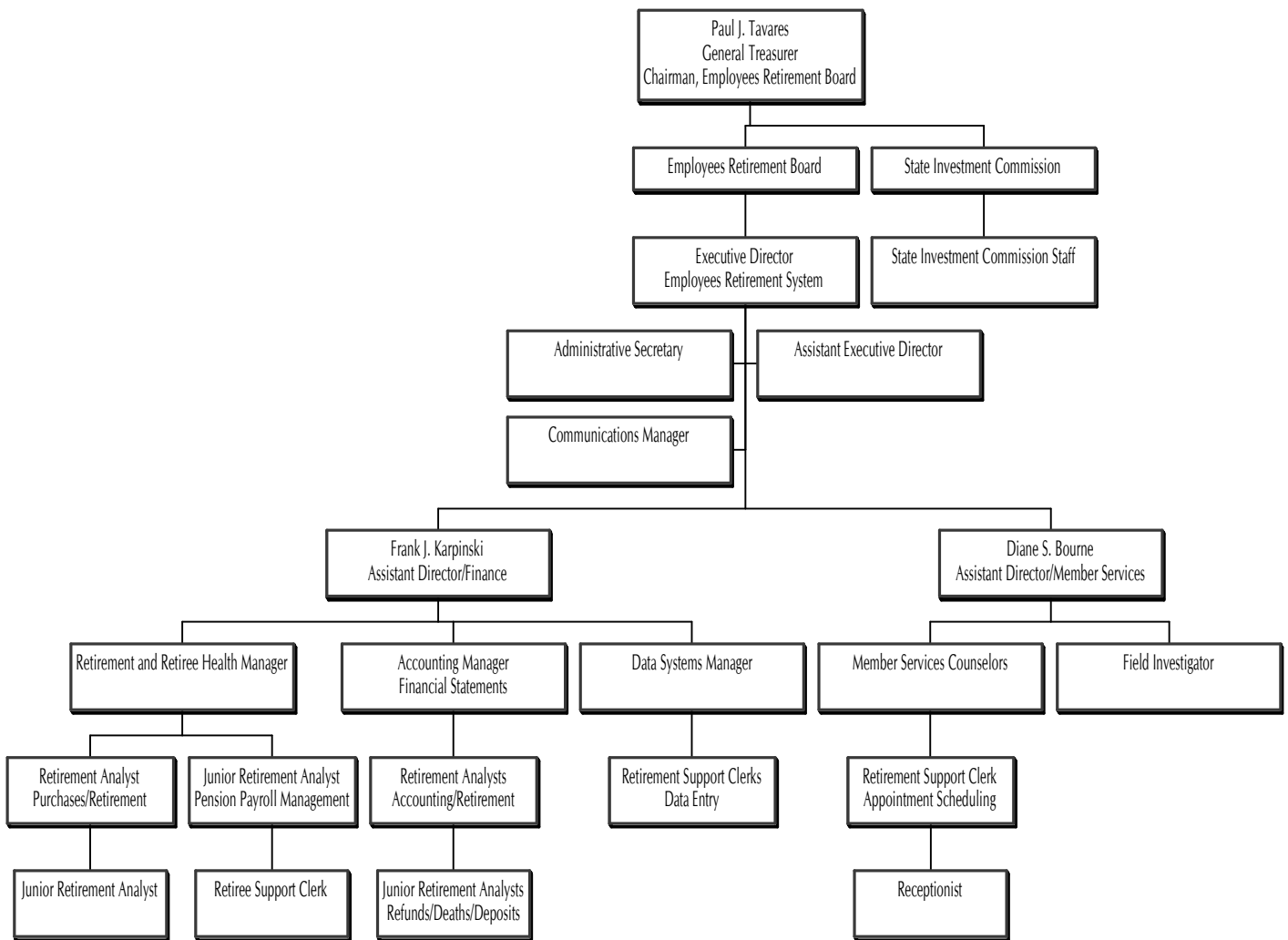
Michael Mello, *Treasury Chief of Staff*

Wilshire Associates, Inc., *Consultant to State Investment Commission*

State Street Bank and Trust, *ERSRI and MERS Custodian Bank*



# Employees Retirement System of Rhode Island Organizational Chart





Dear Governor Almond and Members of the Rhode Island General Assembly:

We are pleased to present to you this Annual Financial Report of the Employees' Retirement System of Rhode Island (ERSRI) and the Municipal Employees Retirement System (MERS) for the fiscal year ending June 30, 1999. As required by R.I.G.L. 36-8-8, this report is intended to provide the Governor, the General Assembly, members and beneficiaries of the system, and the public with current financial information and an overall status report on the operation of the system.

This report also contains financial information on the status of the State Police Retirement Plan and the Judicial Retirement Plan that commenced in 1987 and 1989. To date, there are no members receiving benefits from any of these plans.

The report is divided into three sections. The introductory section presents the system's organization, summaries plan benefits, and provides a review of 1999 retirement legislation. The second section contains the audited financial statements of the following retirement and health plans:

- (1) the Employees Retirement System of Rhode Island which includes the retirement assets of all state employees and public school teachers;
- (2) the Municipal Employees Retirement System which is the municipal retirement plan covering participating municipal units (each unit is valued independently);
- (3) the Judicial Retirement Plan;
- (4) the State Police Retirement Plan.

(At the time of the preparation of the financial statements, the 1999 actuarial valuation had not been completed. Consequently, the notes to the financial statements reflect the 1998 actuarial valuation.)

Watson Wyatt Worldwide serves as the system's actuary. Thus, the report concludes with Watson's June 30, 1999 actuarial valuation of our system.

### **Membership**

As of June 30, 1999, active membership in the Employees' and Municipal Employees' Retirement System totaled 33,634. There are currently 29 judges contributing to the Judicial Retirement Plan and 130 state police contributing to the State Police Retirement Plan. A total of 18,500 retirees and beneficiaries were receiving benefits from the system.

### **Accounting Basis**

The financial statements have been prepared in accordance with generally accepted accounting principles using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when incurred. Dividend income is recorded on the ex-dividend date. Interest income is accrued daily. Finally, investments are recorded at fair market value.

### **Financial Highlights**

The major sources of revenue for all ERSRI plans are employee contributions, employer contributions, and investment earnings. Total revenues for fiscal year 1999 were \$859,535,470. The expenditures of the fund consist primarily of payments made to members and beneficiaries for retirement, disability, death or survivor benefits. In total, benefits payments for fiscal year 1999 were \$341,899,154.

Administrative expenses of the retirement system and the cost of maintaining the retirement system are paid from a restricted receipt account that is used solely to pay such expenses. This account is reimbursed through the transfer of 1.5 % of the investment income from the retirement fund. Any non-encumbered funds at June 30th are transferred back to the retirement fund. Administrative expenses incurred by the system for the year ended June 30, 1999 amounted to \$2,497,419.



## **Funding**

In determining funding progress, ERSRI utilizes the Frozen Entry Age actuarial cost method. The MERS plan utilizes the Entry Age Normal actuarial cost method.

The actuary determines the accrued liability of the Plans, which is a measure of the present value of accrued liabilities estimated to be payable in the future to current retirees, beneficiaries, and employees for service earned to date. The percentage computed by dividing the actuarial value of net assets for benefits by the actuarial accrued liability is generally referred to as the "funding ratio." A higher level of funding indicates a greater degree of overall financial health and stability for the pension fund.

As of June 30, 1999, ERSRI was 81.6% funded for state employees, an increase of 1.0% from the prior year. The funding ratio for teachers for June 30, 1999 was 77.4%, an increase of 1.2% from the prior year. The Judicial Retirement Benefits Trust (JRBT) was 85.2% funded, an increase of 3.6% over the previous year while the State Police Retirement Benefits Trust (SPRBT) was 93.5% funded, an increase of 1.4% over the previous year. The Municipal Employees Retirement System (MERS) prepares separate valuations for each participating unit. Consequently, each unit has its own funding ratio that can be found on pages 77-80 of this report.

## **Investment Services**

ERSRI and MERS assets are invested under the direction and authority of the State Investment Commission (SIC) that meets on a monthly basis. In addition to the General Treasurer who serves as Chairperson, members of the SIC include the Director of the Department of Administration, the Chairpersons of the House and Senate Finance Committees and three members appointed by the Governor. The Executive Director of the retirement system is a non-voting member of the State Investment Commission.

Wilshire Associates of Pittsburgh, Pennsylvania, serves as pension consultant to the State Investment Commission. State Street Bank and Trust serves as the pension fund custodian.

## **Professional Services**

W. Michael Carter of Watson Wyatt Worldwide provides actuarial services to the retirement system while David D. Barricelli of the law firm of Hinckley Allen & Snyder, Providence, Rhode Island serves as retirement board counsel. Private attorneys are hired on a per diem basis to serve as hearing officers for the system on disputed retirement issues.

In addition to Dr. Christopher Ley who serves as the Medical Advisor to the Board's Disability Sub-Committee, the system hires independent physicians who conduct medical exams of the system's disability applicants. Finally, the Auditor General and a team of state auditors conduct an annual financial audit of the entire retirement system.

Disbursements from the fund are processed through the centralized controls of the State Controller, under the supervision of the Department of Administration.

## **Reports to Members**

An annual statement of account for the period ending December 31, 1998 was mailed to each active member in April 1999. The statement provides to each member an accounting of the amount of his/her contributions credited to his/her account along with a summary of this financial report. Active and retired members also receive newsletters and other notices on an ad hoc basis.



## Acknowledgments

The preparation of this report is possible only through the combined efforts of many individuals. We would like to thank Michael Carter and our actuarial team at Watson Wyatt Worldwide, the Office of the Auditor General, and the Office of the Controller. We would especially like to thank Frank Karpinski, Assistant Director of Finance for the Employees' Retirement System, who prepared the financial statements and Lisa Trahan, Communications Coordinator, who helped with the production of the final report.

We welcome your comments on the issuance of this report.

A handwritten signature in black ink, appearing to read "Paul J. Tavares", written over a horizontal line.

General Treasurer Paul J. Tavares, Chairman  
& Members of the Retirement Board  
Employees Retirement System of Rhode Island



## **1999 RETIREMENT LEGISLATION**

1999 was not a year in which significant retirement legislation was passed by the Rhode Island General Assembly. However, those retirement bills that were passed by the General Assembly and signed into law are detailed below.

### **General Assembly Legislation**

*Public Laws 99-344 and 99-356, Refund of Contributions (amends R.I.G.L. 36-10-8)*

#### **Refund of Contributions Paid Without Interest**

This legislation clarifies the retirement system's statute on refund of contributions and policy on a terminating member's refund of contributions. All ERSRI and MERS members receive no interest on a refund of contributions upon termination of membership and employment.

*Public Law 99-487, Teachers' Retirement, Out-of-State Service Time and Private School Teaching Time*

#### **Purchase of Service Credit in Increments**

This law allows ERSRI teacher members to purchase service credit for out-of-state and private teaching time in increments of one year. The law was enacted on July 8, 1999 and became effective upon passage.



**EMPLOYEES RETIREMENT SYSTEM  
OF RHODE ISLAND**



**Financial Section**

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ERNEST A. ALMONTE, CPA, CFE  
Auditor General

State of Rhode Island and Providence Plantations

GENERAL ASSEMBLY

## Office of the Auditor General

1145 Main Street  
Pawtucket, Rhode Island 02860-4807

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(401) 222-2435  
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### INDEPENDENT AUDITOR'S REPORT

#### JOINT COMMITTEE ON LEGISLATIVE SERVICES, GENERAL ASSEMBLY STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS:

We have audited the accompanying statements of plan net assets of the State of Rhode Island and Providence Plantations Employees' Retirement System (the System) as of June 30, 1999 and the related statements of changes in plan net assets for the year then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit.

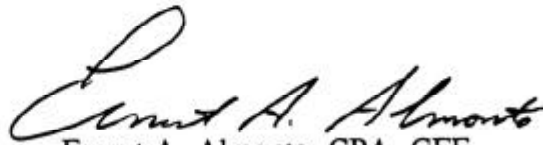
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1(a), the financial statements referred to above present only the plan net assets and changes in plan net assets of the Pension Trust Funds of the State of Rhode Island and Providence Plantations (the State) and are not intended to present fairly the financial position and results of operation of the State, in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the plans within the System as of June 30, 1999, and the changes in plan net assets for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 1, 2000 on our consideration of the System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts.

The Schedules of Funding Progress, the Schedules of Contributions from the Employers and Other Contributing Entity, and the Year 2000 Disclosure on pages 18, 19, and 22 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it. With respect to the Year 2000 Disclosure, we do not provide assurance that the System's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the System does business will become Year 2000 compliant.



Ernest A. Almonte, CPA, CFE  
Auditor General

February 1, 2000



**EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND**  
**STATEMENTS OF PLAN NET ASSETS**  
**JUNE 30, 1999**

|  | <u>ERS</u>              | <u>MERS</u>           | <u>SPRBT</u>        | <u>JRBT</u>         | <i>Total<br/>(Memorandum Only)</i> |
|--|-------------------------|-----------------------|---------------------|---------------------|------------------------------------|
| <b>Assets</b>  |                         |                       |                     |                     |                                    |
| Cash (Note 3)  | \$ -                    | \$ -                  | \$ 124,303          | \$ 115,114          | \$ 239,417                         |
| Receivables  |                         |                       |                     |                     |                                    |
| Member contributions   | 8,158,219               | 1,374,811             | -                   | -                   | 9,533,030                          |
| Employer contributions   | 7,680,212               | 978,554               | -                   | -                   | 8,658,766                          |
| Due from state for teachers  | 6,514,467               | -                     | -                   | -                   | 6,514,467                          |
| Miscellaneous  | 88,209                  | 7,457                 | 708                 | 858                 | 97,232                             |
| Total receivables  | <u>22,441,107</u>       | <u>2,360,822</u>      | <u>708</u>          | <u>858</u>          | <u>24,803,495</u>                  |
| Investments, at fair value (Note 3)  |                         |                       |                     |                     |                                    |
| Equity in Short-Term Investment Fund   | 193,022                 | 1,023                 | -                   | -                   | 194,045                            |
| Equity in Pooled Trust   | 5,683,181,388           | 831,579,819           | 8,508,644           | 5,512,752           | 6,528,782,603                      |
| Plan specific investments  | <u>27,786,464</u>       | <u>-</u>              | <u>-</u>            | <u>-</u>            | <u>27,786,464</u>                  |
| Total investments  | <u>5,711,160,874</u>    | <u>831,580,842</u>    | <u>8,508,644</u>    | <u>5,512,752</u>    | <u>6,556,763,112</u>               |
| Total assets   | 5,733,601,981           | 833,941,664           | 8,633,655           | 5,628,724           | 6,581,806,024                      |
| <b>Liabilities</b>   |                         |                       |                     |                     |                                    |
| Cash overdraft (Note 3)  | 6,785,725               | 1,192,980             | -                   | -                   | 7,978,705                          |
| Accounts and vouchers payable  | 3,613,809               | 528,079               | 5,403               | 3,501               | 4,150,792                          |
| Payable to certain individuals (Note 5)  | <u>653,985</u>          | <u>-</u>              | <u>-</u>            | <u>-</u>            | <u>653,985</u>                     |
| Total liabilities  | <u>11,053,519</u>       | <u>1,721,059</u>      | <u>5,403</u>        | <u>3,501</u>        | <u>12,783,482</u>                  |
| <b>Net assets held in trust for pension benefits (A schedule of funding progress for each plan is presented on page 34.)</b> | <u>\$ 5,722,548,462</u> | <u>\$ 832,220,605</u> | <u>\$ 8,628,252</u> | <u>\$ 5,625,223</u> | <u>\$ 6,569,022,542</u>            |

*See notes to financial statements.*



**EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND**  
**STATEMENTS OF CHANGES IN PLAN NET ASSETS**  
**FISCAL YEAR ENDED JUNE 30, 1999**

|  | ERS                     | MERS                  | SPRBT               | JRBT                | <i>Total<br/>(Memorandum Only)</i> |
|--|-------------------------|-----------------------|---------------------|---------------------|------------------------------------|
| <b>Additions</b>                                     |                         |                       |                     |                     |                                    |
| Contributions  |                         |                       |                     |                     |                                    |
| Member contributions                                 | \$ 106,124,233          | \$ 13,228,854         | \$ 481,640          | \$ 275,348          | \$ 120,110,075                     |
| Employer contributions                               | 92,286,944              | 6,608,642             | 631,386             | 737,414             | 100,264,386                        |
| State contributions for teachers                     | 30,202,943              | -                     | -                   | -                   | 30,202,943                         |
| Interest on service credits purchased                | 1,284,052               | 195,335               | -                   | -                   | 1,479,387                          |
| Service credit transfer payments                     | <u>371,685</u>          | <u>130,425</u>        | -                   | -                   | <u>502,110</u>                     |
| Total contributions                                  | <u>230,269,857</u>      | <u>20,163,256</u>     | <u>1,113,026</u>    | <u>1,012,762</u>    | <u>252,558,901</u>                 |
| Investment income                                    |                         |                       |                     |                     |                                    |
| Net appreciation in fair value of investments        | 376,448,359             | 55,000,236            | 578,364             | 378,385             | 432,405,344                        |
| Interest   | 114,889,899             | 16,511,164            | 156,614             | 98,961              | 131,656,638                        |
| Dividends  | 41,937,237              | 6,132,868             | 58,909              | 37,244              | 48,166,258                         |
| Other investment income                              | <u>14,061,666</u>       | <u>2,056,627</u>      | <u>19,871</u>       | <u>12,594</u>       | <u>16,150,758</u>                  |
|  | 547,337,161             | 79,700,895            | 813,758             | 527,184             | 628,378,998                        |
| Less investment expense                              | <u>18,633,202</u>       | <u>2,724,058</u>      | <u>27,888</u>       | <u>17,281</u>       | <u>21,402,429</u>                  |
| Net investment income                                | <u>528,703,959</u>      | <u>76,976,837</u>     | <u>785,870</u>      | <u>509,903</u>      | <u>606,976,569</u>                 |
| Total additions                                      | <u>758,973,816</u>      | <u>97,140,093</u>     | <u>1,898,896</u>    | <u>1,522,665</u>    | <u>859,535,470</u>                 |
| <b>Deductions</b>                                    |                         |                       |                     |                     |                                    |
| Benefits   |                         |                       |                     |                     |                                    |
| Retirement benefits                                  | 230,830,638             | 25,033,839            | -                   | -                   | 255,864,477                        |
| Cost of living adjustment                            | 54,134,439              | 2,029,134             | -                   | -                   | 56,163,573                         |
| SRA Plus (option)                                    | 14,341,411              | 1,034,693             | -                   | -                   | 15,376,104                         |
| Supplemental benefits                                | 852,299                 | -                     | -                   | -                   | 852,299                            |
| Death benefits post-retirement                       | 2,582,004               | 509,189               | -                   | -                   | 3,091,193                          |
| Death benefits pre-retirement                        | <u>295,380</u>          | <u>82,400</u>         | -                   | -                   | <u>377,780</u>                     |
| Total benefits                                       | 303,036,171             | 28,689,255            | -                   | -                   | 331,725,426                        |
| Refund of contributions                              | 5,485,162               | 1,689,037             | -                   | -                   | 7,174,199                          |
| Administrative expense                               | 2,177,894               | 319,021               | 270                 | 234                 | 2,497,419                          |
| Service credit transfer payments                     | <u>130,425</u>          | <u>371,685</u>        | -                   | -                   | <u>502,110</u>                     |
| Total deductions                                     | <u>310,829,652</u>      | <u>31,068,998</u>     | <u>270</u>          | <u>234</u>          | <u>341,899,154</u>                 |
| <b>Net increase</b>                                  | 448,144,164             | 66,071,095            | 1,898,626           | 1,522,431           | 517,636,316                        |
| <b>Net assets held in trust for pension benefits</b> |                         |                       |                     |                     |                                    |
| Beginning of year                                    | <u>5,274,404,298</u>    | <u>766,149,510</u>    | <u>6,729,626</u>    | <u>4,102,792</u>    | <u>6,051,386,226</u>               |
| End of year  | <u>\$ 5,722,548,462</u> | <u>\$ 832,220,605</u> | <u>\$ 8,628,252</u> | <u>\$ 5,625,223</u> | <u>\$ 6,569,022,542</u>            |

See notes to financial statements.



## NOTES TO FINANCIAL STATEMENTS

### 1. Plan Descriptions

#### (a.) General

The Employees' Retirement System of Rhode Island (the "System") acts as a common investment and administrative agent for pension benefits to be provided for four defined benefit retirement plans as listed below:

| <u>Plan Name</u>                               | <u>Type of Plan</u>                                 |
|--|---|
| Employees' Retirement System (ERS)             | Cost-sharing multiple-employer defined benefit plan |
| Municipal Employees' Retirement System (MERS)  | Agent multiple-employer defined benefit plan        |
| State Police Retirement Benefits Trust (SPRBT) | Single-employer defined benefit plan                |
| Judicial Retirement Benefits Trust (JRBT)      | Single-employer defined benefit plan                |

Although the assets of the plans are commingled for investment purposes, each plan's assets are accounted for separately and may be used only for the payment of benefits to the members of that plan, in accordance with the terms of that plan.

The System's financial statements are included as Pension Trust Funds within the Trust and Agency Funds in the Comprehensive Annual Financial Report of the State of Rhode Island and Providence Plantations.

The System is administered by the State of Rhode Island Retirement Board which consists of 15 members: the general treasurer; the director of administration or his or her designee; the budget officer or his or her designee; the fiscal advisor to the house finance committee or his or her designee; the president of the league of cities and towns or his or her designee; two (2) active State employee members of the retirement system or officials from state employee unions to be elected by active State employees; two (2) active teacher members of the retirement system or officials from a teachers union to be elected by active teachers; one active municipal employee member of the retirement system or an official from a municipal employees union to be elected by active municipal employees; one retired member of the retirement system to be elected by retired members of the System; the chairperson of the house finance committee or his or her designee; the chairperson of the senate finance committee or his or her designee; and two (2) public representatives, one of whom shall be a C.L.U. competent in the area of pension benefits, shall be appointed by the governor and whose term shall be for four (4) years, or until their successors are appointed.

The System's purpose is to provide retirement benefits to state employees, public school teachers, general municipal employees, public safety employees, state police officers and judges.



A summary of membership in the plans as of the June 30, 1997 actuarial valuation is listed below:

|                      | <i>Retirees<br/>and<br/>beneficiaries</i> | <i>Terminated plan<br/>members entitled<br/>to but not yet<br/>receiving benefits</i> | <i>Active<br/>Vested</i> | <i>Active<br/>Non-vested</i> | <i>Total<br/>by Plan</i> |
|----------------------|---|---|--------------------------|------------------------------|--------------------------|
| <b>ERS</b>           |   |   |                          |                              |                          |
| State Employees      | 9,033                                     | 1,759   | 8,523                    | 4,582                        | 23,897                   |
| Teachers             | 5,775                                     | 1,243   | 7,219                    | 5,664                        | 19,901                   |
| <b>MERS</b>          |   |   |                          |                              |                          |
| General Employees    | 3,033                                     | 786   | 2,416                    | 3,369                        | 9,604                    |
| Public Safety        | 224                                       | 34  | 390                      | 541                          | 1,189                    |
| <b>SPRBT</b>         | -   | -   | -                        | 130                          | 130                      |
| <b>JRBT</b>          | -   | -   | -                        | 29                           | 29                       |
| <i>Total by type</i> | 18,065                                    | 3,822   | 18,548                   | 14,315                       | 54,750                   |

**(b.) Membership and Benefit Provisions**

*(1) Employees' Retirement System (ERS)*

The ERS was established under section two of chapter 2334 of the Rhode Island Public Laws of 1936 and placed under the management of the Retirement Board for the purpose of providing retirement allowances for employees of the State of Rhode Island under the provisions of chapters 8 to 10, inclusive, of title 36, and public school teachers under the provisions of chapters 15 to 17, inclusive, of title 16 of the Rhode Island General Laws.

The plan covers most State employees other than certain personnel at the State colleges and university (principally faculty and administrative personnel). Elected officials may become members on an optional basis. Membership in the plan is compulsory for teachers, including superintendents, principals, school nurses, and certain other school officials in the public schools in the cities and towns. Rhode Island Airport Corporation (RIAC) employees hired before July 1, 1993, are also covered and have the same benefits as State employees. Rhode Island Economic Development Corporation (RIEDC) employees who were (1) active contributing members and employees of the Department of Economic Development of the State of Rhode Island before October 31, 1995, and (2) elected to continue membership in the plan are also covered and have the same benefits as State employees.

The plan provides unreduced benefits of 1.7% of earnings for each of the first ten years of service; 1.9% for each of the next ten years; 3.0% per year for each of the next fourteen years; and 2% for the 35th year. Joint and survivor options are available as well as the Service Retirement Allowance (SRA) Plus option that provides for the payment of a larger benefit before the attainment of age sixty-two (62) and a reduced amount thereafter. The reduced amount is equal to the benefit before age sixty-two (62), including cost-of-living increases, minus the member's estimated social security benefit payable at age sixty-two (62). The maximum benefit is 80% of final average earnings after 35 years of service. Such benefits are available to members at least age 60 with 10 years of service, or after 28 years at any age. A different benefit formula applies to State correctional officers who may retire at age 50 if they have 20 years of service. Benefits for all employees are based on the average of the highest three consecutive years' earnings, exclusive of overtime.





On the third January after retirement, a cost-of-living increase of 3% (compounded annually) is provided, independent of actual changes in the consumer price index. The plan also provides non-service-connected disability benefits after five years of service; service-connected disability pensions with no minimum service requirement; vested benefits after ten years of service; survivor's benefits for service-connected death; and certain lump sum death benefits.

The plan also provides benefits to legislators elected to office prior to January 1, 1995, of \$600 for every year served up to a maximum of \$12,000. Such benefits are available to legislators 55 and over with at least 8 years of service or, at any age with 20 or more years of service.

The plan provides a survivor benefit to public school teachers via a "Teachers Survivor Benefits Fund" in lieu of Social Security. Not all school districts participate in the plan. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$9,600; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective city, town, or school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits.

Spouse, parents, family and children benefits are payable following the decease of a member. A spouse shall be entitled to benefits upon attaining the age of sixty (60) years. Children's benefits are payable to the child, including a stepchild or adopted child of a deceased member if the child is unmarried and under the age of eighteen (18) years or twenty-three (23) years and a full time student, and was dependent upon the member at the time of the member's death. Family benefits are provided if at the time of the member's death the surviving spouse has in his or her care a child of the deceased member entitled to child benefits. Parents benefits are payable to the parent or parents of a deceased member if the member did not leave a widow, widower, or child who could ever qualify for monthly benefits on the member's wages and the parent.

The Teachers Survivor Benefits Fund provides benefits based on the highest salary at the time of retirement of the teacher. Benefits are payable in accordance with the following table:

| <u>Highest Annual Salary</u> | <u>Spousal Monthly Minimum Benefit</u> |
|------------------------------|--|
| \$17,000 or less             | \$600                                  |
| \$17,001 to \$25,000         | \$700                                  |
| \$25,001 to \$33,000         | \$800                                  |
| \$33,001 to \$40,000         | \$900                                  |
| \$40,001 and over            | \$1,000                                |

Benefits payable to children and families are equal to the spousal benefit multiplied by the percentage below:

| Parent and 1 Child | Parent and 2 Children | Parent and more than 2 Children | One Child Alone | Two Children Alone | Three or More Children Alone |
|--------------------|-----------------------|---------------------------------|-----------------|--------------------|------------------------------|
| 150%               | 175%                  | 175%                            | 75%             | 150%               | 175%                         |



(2) *Municipal Employees' Retirement System (MERS)*

The MERS was established under section one of chapter 2784 of the Rhode Island Public Laws of 1951 and placed under the management of the Retirement Board for the purpose of providing retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate.

The plan generally provides retirement benefits equal to 2% of a member's final average salary multiplied by the number of years of total service up to a maximum of 75%. Joint and survivor options are available as well as the Service Retirement Allowance (SRA) Plus option that provides for the payment of a larger benefit before the attainment of age sixty-two (62) and a reduced amount thereafter. The reduced amount is equal to the benefit before age sixty-two (62), including cost-of-living increases, minus the member's estimated social security benefit payable at age sixty-two (62). Such benefits are available to members at least age 58 with 10 years of service or after 30 years of service at any age. Police and fire personnel may retire at age 55 if they have 10 years of service or after 25 years of service at any age. An optional cost-of-living provision may be elected for police and fire personnel and general employees. An option may be elected to provide a 20 year service pension with a benefit equal to 2.5% for each year of service up to a maximum of 75% for police and fire personnel. Benefits are based on the average of the highest three consecutive years' earnings, exclusive of overtime.

The plan also provides non-service-connected disability benefits after 5 years of service; service-connected disability pensions with no minimum service requirement; vested benefits after 10 years of service; survivor's benefits; and certain lump sum death benefits. A summary of participating employers is listed below:

|   |            |
|---|------------|
| <b>Municipalities, housing authorities, water and sewer districts</b> | <b>62</b>  |
| <b>Municipal police and fire departments</b>                          | <b>44</b>  |
| <b>Total participating units as of June 30, 1999</b>                  | <b>106</b> |

(3) *State Police Retirement Benefits Trust (SPRBT)*

The State Police Retirement Benefits Trust was established under Rhode Island General Laws 42-28-22.1 and was placed under the management of the Retirement Board for the purpose of providing retirement allowances to State Police.

The plan covers all State Police and Superintendents hired after July 1, 1987.

The plan generally provides retirement benefits equal to 50% of final salary after 20 years of service, plus 3.0% of final salary times service in excess of 20 years through 25 years to a maximum of 65% of final salary. Such benefits are available to members after 20 years of service regardless of age. The Superintendent of the State Police will receive 50% of his/her final salary and may retire after attainment of age 60 and 10 years of service. A cost-of-living adjustment of \$1,500 per annum beginning on January 1st of the year in which a member attains his/her third anniversary of retirement is provided to all members. Benefits are based on the final base salary earned at retirement including longevity increment, holiday pay, clothing allowance and up to 400 overtime hours.

The plan also provides nonservice-connected disability benefits after 10 years of service and service-connected disability pensions with no minimum service requirement.

(4) *Judicial Retirement Benefits Trust (JRBT)*

The Judicial Retirement Benefits Trust was established under Rhode Island General Laws 8-3-16; 8-8-10.1; 28-30-18.1; 31-43-11.1; and was placed under the management of the Retirement Board for the purpose of providing retirement allowances to Justices of the Supreme, Superior, Family, District, Workers Compensation and Administrative Adjudication courts.

The plan covers all Judges appointed after December 31, 1989.



The plan generally provides retirement benefits equal to 75% of the final salary at the time of retirement after 20 years of service or 10 years of service and attainment of age 65. Judges retiring after 20 years of service after age 65 or 15 years of service after age 70 will receive full retirement benefits which is the final salary at time of retirement. On the third January after the date of retirement, a cost-of-living increase amounting to 3% not compounded is provided to Supreme, Superior, Family and District Court Judges, independent of actual changes in the consumer price index. Administrative Adjudication and Workers' Compensation Court Judges, on the third January after the date of retirement, receive a cost-of-living increase amounting to 3% compounded annually.

## 2. Summary of Significant Accounting Policies

These financial statements were prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) has the responsibility for establishing generally accepted accounting principles for defined benefit pension plans established by governmental entities. In accordance with GASB Statement No. 20, in the absence of specific guidance from a GASB pronouncement, pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989 have been followed.

### *Basis of Accounting*

The financial statements of the System are prepared on the accrual basis of accounting. Under this method revenues are recorded when earned and expenses are recorded when incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Dividend income is recorded on the ex-dividend date. Investment transactions are recorded on a trade date basis.

### *Method Used to Value Investments*

Investments are recorded in the financial statements at fair value. Fair value is the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller - that is, other than a forced liquidation sale. The fair value of fixed income and domestic and international stocks are generally based on published market prices and quotations from national security exchanges and securities pricing services. Real estate is primarily valued on appraisals by independent appraisers or as adjusted by the general partner. Other securities and investments that are not traded on a national security exchange are valued by the respective fund manager.

### *Cash and Cash Equivalents*

Cash represents cash held in trust in a financial institution. Cash equivalents are highly liquid investments with a maturity of three months or less at the time of purchase.

### *Foreign Currency Exchange Contracts*

The System may enter into foreign currency exchange contracts to minimize the short-term impact of foreign currency fluctuations on the asset and liability positions of foreign investments. The gains or losses on these contracts are included in income in the period in which the exchange rates change. Gains and losses on contracts which hedge specific foreign currency denominated commitments are deferred and recognized in the period in which the transaction is completed.



*Mortgage-Backed Securities*

The System invests in various mortgage-backed securities, such as collateralized mortgage obligations, interest-only strips, and principal-only strips. They are reported in aggregate as U.S. Government and Agency Securities in the disclosure of custodial credit risk (See Note 3 on Investments). The System may invest in interest-only (IO) and principal-only strips (PO) in part to hedge against a rise in interest rates. Interest-only strips are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to pre-payments by mortgagees, which may result from a decline in interest rates. Principal-only strips receive principal cash flows from the underlying mortgages. In periods of rising interest rates, homeowners tend to make fewer mortgage prepayments. The System held no interest-only strips and principal-only strips at June 30, 1999.

*Memorandum Only - Total Columns*

Total columns on the financial statements are captioned “memorandum only” to indicate that they are presented only to facilitate financial analysis. Data in these columns are not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**3. Cash Deposits and Investments**

**(a.) Cash Deposits and Cash Equivalents**

At June 30, 1999, the carrying amounts of the plans’ cash deposits, including cash overdrafts, are listed below:

|              | <u>ERS</u>     | <u>MERS</u>    | <u>SPRBT</u> | <u>JRBT</u> |
|--------------|----------------|----------------|--------------|-------------|
| Book Balance | \$ (6,785,725) | \$ (1,192,980) | \$ 124,303   | \$ 115,114  |
| Bank Balance | \$ 447,967     | \$ 86,377      | \$ 124,240   | \$ 115,817  |

The bank balances represent the plans’ deposits in short-term trust accounts that are covered by federal depository insurance.

In accordance with Rhode Island General Laws, Chapter 35-10.1, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent of time deposits with maturities greater than sixty days. Any of these institutions that do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent of deposits, regardless of maturity. None of the System’s deposits was required to be collateralized at June 30, 1999.

**(b.) Investments**

The State Investment Commission oversees all investments made by the State of Rhode Island, including those made for the System. Investment managers, engaged by the Commission, at their discretion in accordance with the investment objectives and guidelines for the System make certain investments. The General Treasurer makes certain short-term investments on a daily basis. Rhode Island General Laws, Section 35-10-11 (b) (3) requires that all investments shall be made in securities as would be acquired by prudent persons of discretion and intelligence who are seeking a reasonable income and the preservation of capital.



On July 1, 1992, the State Investment Commission pooled the assets of the ERS with the assets of the MERS for investment purposes only, and assigned units to the plans based on their respective share of market value. On September 29, 1994 and November 1, 1995 the assets of the SPRBT and the JRBT, respectively, were added to the pool for investment purposes only. The custodian bank (State Street Bank) holds most assets of the System in two pooled trusts, Short-term Investment Trust and Pooled Trust. Each plan holds units in the trusts. The number of units held by each plan is a function of each plans' respective contributions to or withdrawals from the trust.

Certain investments are not pooled and are held by only one plan (Plan specific investments). As of June 30, 1999, the ERS held investments in bonds issued by the R.I. Housing and Mortgage Finance Corporation having a fair value of \$4,050,373 and the R.I. Industrial Facilities Corporation having a fair value of \$23,000,000. These entities are included as discretely presented proprietary component units in the State of Rhode Island Comprehensive Annual Financial Report.

The System's investments (at fair value) are categorized in the following table to give an indication of the level of risk assumed by the entity at June 30, 1999:

**Category 1** includes insured or registered, or securities held by the System or its agent in the System's name.

**Category 2** includes uninsured and unregistered, with securities held by the counterparty's trust department or agent in the System's name.

**Category 3** includes uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the System's name.



|   | <i>Short-term<br/>Investment Fund</i> | <i>Pooled<br/>Trust</i> | <i>Plan<br/>Specific</i> |
|---|---------------------------------------|-------------------------|--------------------------|
| <i><u>Investments - Category 1</u></i>                            |                                       |                         |                          |
| U.S. Government and Agency Securities                             | \$ -                                  | \$ 1,187,638,500        | \$ -                     |
| Commercial Paper  | -                                     | 116,907,109             | -                        |
| Corporate Bonds and Notes   | -                                     | 653,673,861             | 27,050,373               |
| Foreign Bonds   | -                                     | 33,185,542              | -                        |
| Equity Securities   | -                                     | 3,141,819,132           | -                        |
| Foreign Equity Securities   | -                                     | 687,354,952             | -                        |
| International Unit Investment Trust                               | -                                     | 252,535,913             | -                        |
| Subtotal  | -                                     | 6,073,115,009           | 27,050,373               |
| <i><u>Investments not categorized</u></i>                         |                                       |                         |                          |
| Emerging Markets Mutual Fund                                      | -                                     | 21,997,724              | -                        |
| Real Estate and Venture Capital Limited Partnerships              | -                                     | 233,108,675             | -                        |
| Money Market Mutual Funds   | 192,960                               | 314,833,384             | -                        |
| Subtotal  | 192,960                               | 569,939,783             | -                        |
| Total   | \$ 192,960                            | \$ 6,643,054,792        | \$ 27,050,373            |
| <i><u>Reconciliation to investments on Statements of Plan</u></i> |                                       |                         |                          |
| <i>Net Assets</i>   |                                       |                         |                          |
| Total above   | 192,960                               | 6,643,054,792           | 27,050,373               |
| Net investment payable and receivable                             | 1,085                                 | (126,187,759)           | 736,091                  |
| Foreign Cash *  | -                                     | 9,719,535               | -                        |
| Domestic Cash *   | -                                     | 2,196,035               | -                        |
| Investments on Statements of Plan Net Assets                      | \$ 194,045                            | \$ 6,528,782,603        | \$ 27,786,464            |

\*Deposits at the System's custodian bank, which consist of uncollateralized deposits in foreign banks, are not covered by United States federal depository insurance. The deposits in domestic banks are covered by federal depository insurance.



**(c.) Forward Foreign Currency Contracts**

The System may enter into forward foreign currency contracts. These contracts involve risk in excess of the amount reflected in the System's Statements of Plan Net Assets. The face or contract amount in U.S. dollars reflects the total exposure the System has in that particular currency contract. By policy, no more than 50% of actively managed Foreign Equity securities (at fair value) may be hedged into the base currency (US Dollars). The U.S. dollar value of forward foreign currency contracts is determined using forward currency exchange rates supplied by a quotation service. Losses may arise due to changes in the value of the foreign currency or if the counterparty does not perform under the contract.

**4. Contributions and Reserves**

Contribution requirements for plan members and employers are established pursuant to Rhode Island General Laws. Employers are required to contribute at an actuarially determined rate. Plan member contributions are fixed by statute.

**(a.) Funding Policy**

ERS, SPRBT and JRBT

The funding policy, as set forth in Rhode Island General Laws, Section 36-10-2 provides for actuarially determined periodic contributions to the plans. The Employer's contributions to the plans include: (1) normal cost and (2) a payment required to amortize the unfunded frozen actuarial liability of the plans. The ERS' liability is amortized, as of June 30, 1985, over thirty (30) years in multiples of two hundred and fifteen thousandths of one percent (.215%) starting with one multiple in the fiscal year beginning July 1, 1986, and increasing by one multiple in each successive year until the fiscal year ending June 30, 1989; and amortize the remaining unfunded liability of the system as of June 30, 1988; over twenty-seven (27) years beginning in the fiscal year beginning July 1, 1989, calculated such that each year's total unfunded liability payment increases at the assumed rate of inflation over the prior year's total payment. The unfunded liabilities of the SPRBT and JRBT plans are amortized over a 30-year period beginning July 1, 1992. Any subsequent changes to the unfunded liability due to changes to benefits or actuarial assumptions are amortized over a new 30-year period or over the remaining initial amortization period depending on how large the total change to the unfunded liability for each fiscal year is relative to the existing unfunded liability. The normal cost is determined using the frozen entry age cost method.

MERS

The funding policy, as set forth in Rhode Island General Laws, Section 45-21-42 provides for actuarially determined periodic contributions to the plans. Each employer's contribution to the plans includes normal cost and a payment, where applicable, to amortize the unfunded actuarial liability. The normal cost is determined using the entry age normal cost method. In 1989, the rules regarding the amortizing of the unfunded liability were changed. The new rules provided that the unfunded liability in 1988 will be amortized over the remainder of a 25-year period which commenced on the date the unit joined the plan. Subsequent divergences from the actuarial assumptions are funded over the projected future salaries of active members.



Administrative Expenses

Administrative costs of the System are financed through investment earnings up to a maximum of 1.5% as reported in the audited financial statements for the next preceding fiscal year.

**(b.) Contributions**

The table below displays the contribution rates for the period ending June 30, 1999:

| Plan                    | Employee   | Employer  |
|-------------------------|--|---|
| <b>ERS</b>              |  |   |
| State Employees         | 8.75%  | 9.85%   |
| Teachers                | 9.50%  |   |
| <i>Municipal funded</i> |  | 6.62% (5.63% for towns not participating in the 1990 early retirement incentive)                                    |
| <i>State funded</i>     |  | 4.90% (4.24% for towns not participating in the 1990 early retirement incentive)                                    |
| <b>MERS</b>             |  |   |
| General Employees       | 6.00% (additional 1% with a cost-of-living adjustment)                                       | 62 Municipalities, housing authorities, water and sewer districts contributed various actuarially determined rates. |
| Public Safety           | 7.00% (additional 1% with a cost-of-living adjustment and/or 1% with a 20 year service plan) | 44 Municipal police and fire departments contributed various actuarially determined rates.                          |
| <b>SPRBT</b>            | 8.75%  | 11.43%  |
| <b>JRBT</b>             | 8.75%  | 23.36%  |

**5. Payable to Certain Individuals**

The ERS was involved in federal litigation by certain individuals who were contesting the constitutionality of Section 36-9.1-2, which repealed Section 36-9-33 of the General Laws thereby depriving those individuals of the right to participate in the plan. Pursuant to the statute, the plan was required by January 1, 1995, to return to the employees and employers their contribution with interest at the rate of 8% for the applicable time periods during which the contributions were held by the plan. By agreement between the parties, the plan holds employee and employer contributions pending outcome of the litigation or further agreement between the parties. On March 24, 1999, a judgment was entered whereby Section 36-9-33 was found constitutional as it applied to the plaintiffs by the United States First Circuit Court of Appeals. The U.S. Supreme Court affirmed the First Circuit decision by denying a writ of certiorari on October 12, 1999. The judgment ordered additional payment of interest on contributions to September 1, 1998. As of June 30, 1999 certain individuals have received payments decreasing the payable from \$1,123,087 to \$653,985.





## 6. Year 2000 Disclosure

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely effect the Employees Retirement System of Rhode Island's (ERSRI) operations as early as fiscal year 1999.

ERSRI has completed an inventory of its computer systems and has determined that certain software (telephone system) and personal computers must be upgraded to be Year 2000 compliant. ERSRI has assessed these systems and plans to accomplish remediation by purchasing new, Year 2000 compliant versions of the software and new personal computers where necessary.

ERSRI, through the Treasury, uses external organizations (banks and trust custodians) to make certain payments and invest assets. The external organizations are responsible for any required remediation to these systems. Any costs associated with remediation and testing of these systems will be borne by the external organizations. At June 30, 1999, the System's master custodian reported that its Year 2000 readiness project was in the validation/testing phase, with completion of the project estimated for September 1999. The General Treasurer of the State of Rhode Island has established a task force comprised of private sector information professionals and treasury managers to evaluate the progress of the external organizations' efforts.

ERSRI utilizes the statewide accounting system and two specific accounting systems (retirement contributions and pension payroll) that are critical to conducting its operations. The State's Department of Administration maintains these systems and is also responsible for any required remediation. At June 30, 1999 these systems were in the remediation stage.

Because of the unprecedented nature of the Year 2000 issue, its effect and the success of related remediation efforts will not be determinable until the year 2000 and thereafter. Management cannot assure that ERSRI will be Year 2000 ready, that the ERSRI's remediation efforts will be successful in whole or in part, or that the parties with whom the ERSRI does business will be Year 2000 ready.



**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedules Of Funding Progress**

| Actuarial Valuation Date     | Actuarial Value of Assets (a) | Unfunded Frozen Actuarial Liability (UFAL) (b)      | Frozen Actuarial Liability (c) = (a) + (b) | Funded Ratio (a / c) | Covered Payroll (d) | UFAL as a Percentage of Covered Payroll (b / d)       |
|------------------------------|-------------------------------|---|--|----------------------|---------------------|---|
| <b>ERS (State Employees)</b> |                               |   |  |                      |                     |   |
| 06/30/1998                   | \$ 2,075,619,300              | \$ 500,662,800                                      | \$ 2,576,282,100                           | 80.6%                | \$ 477,319,600      | 104.9%  |
| 06/30/1997                   | 1,810,447,600                 | 502,116,100   | 2,312,563,700                              | 78.3%                | 443,709,300         | 113.2%  |
| 06/30/1996                   | 1,529,403,200                 | 444,814,700   | 1,974,217,900                              | 77.5%                | 452,608,500         | 98.3%   |
| 06/30/1995                   | 1,345,530,000                 | 442,370,600   | 1,787,900,600                              | 75.3%                | 440,574,000         | 100.4%  |
| 06/30/1994                   | 1,234,373,500                 | 438,794,100   | 1,673,167,600                              | 73.8%                | 454,687,000         | 96.5%   |
| 06/30/1993                   | 1,151,128,700                 | 434,225,700   | 1,585,354,400                              | 72.6%                | 444,572,000         | 97.7%   |
| <b>ERS (Teachers)</b>        |                               |   |  |                      |                     |   |
| 06/30/1998                   | \$ 3,045,858,900              | \$ 953,864,000                                      | \$ 3,999,722,800                           | 76.2%                | \$ 636,246,600      | 149.9%  |
| 06/30/1997                   | 2,626,621,500                 | 953,031,000   | 3,579,652,500                              | 73.4%                | 604,076,600         | 157.8%  |
| 06/30/1996                   | 2,181,535,900                 | 767,893,900   | 2,949,429,800                              | 74.0%                | 556,114,500         | 138.1%  |
| 06/30/1995                   | 1,824,102,300                 | 762,202,100   | 2,586,304,400                              | 70.5%                | 507,125,000         | 150.3%  |
| 06/30/1994                   | 1,642,292,300                 | 754,727,900   | 2,397,020,200                              | 68.5%                | 485,325,000         | 155.5%  |
| 06/30/1993                   | 1,492,915,800                 | 745,698,400   | 2,238,614,200                              | 66.7%                | 473,295,000         | 157.6%  |
| <b>SPRBT</b>                 |                               |   |  |                      |                     |   |
| 06/30/1998                   | \$ 6,756,900                  | \$ 581,300  | \$ 7,338,200                               | 92.1%                | \$ 7,211,900        | 8.1%  |
| 06/30/1997                   | 4,861,600                     | 574,300   | 5,435,900                                  | 89.4%                | 5,371,000           | 10.7%   |
| 06/30/1996                   | 3,115,500                     | 560,200   | 3,675,700                                  | 84.8%                | 4,948,800           | 11.3%   |
| 06/30/1995                   | 1,858,800                     | 545,700   | 2,404,500                                  | 77.3%                | 4,751,100           | 11.5%   |
| 06/30/1994                   | 926,300                       | 530,800   | 1,457,100                                  | 63.6%                | 3,060,300           | 17.3  |
| <b>JRBT</b>                  |                               |   |  |                      |                     |   |
| 06/30/1998                   | \$ 4,120,000                  | \$ 928,800  | \$ 5,048,900                               | 81.6%                | \$ 3,040,000        | 30.6%   |
| 06/30/1997                   | 2,607,482                     | 900,845   | 3,508,327                                  | 74.3%                | 2,815,218           | 32.0%   |
| 06/30/1996                   | 1,345,100                     | 40,800  | 1,385,900                                  | 97.1%                | 2,596,900           | 1.6%  |
| 06/30/1995                   | 801,300                       | 39,700  | 841,000                                    | 95.3%                | 2,398,400           | 1.7%  |
| 06/30/1994                   | 462,800                       | 38,500  | 501,300                                    | 92.3%                | 1,521,700           | 2.5%  |
| <b>MERS</b>                  |                               |   |  |                      |                     |   |
| 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) |
| 06/30/1998                   | \$ 737,745,574                | \$ 572,905,862                                      | \$ (164,839,712)                           | 128.8%               | \$ 181,260,006      | (90.9)%   |
| 06/30/1997                   | 667,632,428                   | 502,247,591   | (165,384,837)                              | 132.9%               | 167,527,881         | (98.7)%   |
| 06/30/1996                   | 564,388,311                   | 465,004,064   | (99,384,247)                               | 121.4%               | 153,750,203         | (64.6)%   |
| 06/30/1995                   | 485,074,227                   | 416,731,907   | (68,342,320)                               | 116.4%               | 151,125,008         | (45.2)%   |
| 06/30/1994                   | 445,340,947                   | 369,782,138   | (75,558,809)                               | 120.4%               | 133,213,341         | (56.7)%   |

See notes to required supplementary information



**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedules Of Contributions From The Employers**  
**And Other Contributing Entity**

**ERS**

| Fiscal<br>Year Ended<br>June 30 | State Employees                 |                           | Teachers (State)                |                           | Teachers (Employers)            |                           |
|---------------------------------|---------------------------------|---------------------------|---------------------------------|---------------------------|---------------------------------|---------------------------|
|                                 | Annual Required<br>Contribution | Percentage<br>Contributed | Annual Required<br>Contribution | Percentage<br>Contributed | Annual Required<br>Contribution | Percentage<br>Contributed |
| 1999                            | \$ 48,526,064                   | 100%                      | \$ 30,202,943                   | 100%                      | \$ 42,373,952                   | 100%                      |
| 1998                            | 51,310,092                      | 100%                      | 35,005,382                      | 100%                      | 52,040,574                      | 100%                      |
| 1997                            | 45,403,827                      | 100%                      | 34,871,679                      | 100%                      | 48,945,845                      | 100%                      |
| 1996                            | 42,949,692                      | 100%                      | 30,779,586                      | 100%                      | 47,238,332                      | 100%                      |
| 1995                            | 52,569,291                      | 66%                       | 36,922,896                      | 81%                       | 50,217,729                      | 100%                      |
| 1994                            | 47,586,243                      | 100%                      | 32,746,070                      | 100%                      | 47,098,906                      | 100%                      |

**MERS**

| Fiscal<br>Year Ended<br>June 30 | Annual Required<br>Contribution | Percentage<br>Contributed |
|---------------------------------|---------------------------------|---------------------------|
| 1999                            | \$ 6,608,642                    | 100%                      |
| 1998                            | 5,139,666                       | 100%                      |
| 1997                            | 8,734,795                       | 100%                      |
| 1996                            | 4,600,276                       | 100%                      |
| 1995                            | 4,481,460                       | 100%                      |
| 1994                            | 4,694,650                       | 100%                      |

**SPRBT**

| Fiscal<br>Year Ended<br>June 30 | Annual Required<br>Contribution | Percentage<br>Contributed |
|---------------------------------|---------------------------------|---------------------------|
| 1999                            | \$ 631,386                      | 100%                      |
| 1998                            | 602,630                         | 100%                      |
| 1997                            | 453,621                         | 100%                      |
| 1996                            | 717,874                         | 100%                      |
| 1995                            | 606,150                         | 100%                      |

**JRBT**

| Fiscal<br>Year Ended<br>June 30 | Annual Required<br>Contribution | Percentage<br>Contributed |
|---------------------------------|---------------------------------|---------------------------|
| 1999                            | \$ 737,414                      | 100%                      |
| 1998                            | 744,054                         | 100%                      |
| 1997                            | 618,513                         | 100%                      |
| 1996                            | 260,299                         | 100%                      |
| 1995                            | 155,840                         | 100%                      |

*See notes to required supplementary information*



## NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

### 1. Schedules of Funding Progress

Effective with the June 30, 1998 valuation, the actuarial value of assets was developed using a four-year moving average technique for ERS, SPRBT and JRBT. The MERS actuarial value of assets was developed using a three-year smoothing of the market value of assets.

Effective with the June 30, 1997 valuation, certain actuarial assumptions were changed due to an experience study. Specifically, the actuarial value of assets for ERS, MERS, SPRBT and JRBT was reset to equal the fair market value of assets at June 30, 1997. The investment rate of return was increased from 8.00% to 8.25%. Projected salary increases were changed from a fixed percentage to a sliding scale based on age and service. The inflation assumption was increased to 3.5% from 3.0%.

Effective with the June 30, 1996 valuation, the actuarial value of assets for ERS and MERS was reset to equal the market value of assets at June 30, 1996.

In 1993 the Retirement Board elected to compute future fiscal year costs one extra year in advance to assist the fiscal budget process. Therefore employer costs for fiscal year ending June 30, 2001 is based on the valuation results and data as of June 30, 1998.

The MERS funded ratio is a composite of all units in the plan. The System performs a separate valuation for each unit.

Historical trend information has been presented for all years, which it is available.

### 2. Schedules of Employer Contributions

In the fiscal year ended June 30, 1994, the contributions to MERS reflect a reduction mainly due to a mark-to-market of the assets and change to the salary growth assumption from a graduated scale to a fixed 4.5% annually.

The MERS contributions for the fiscal year ended June 30, 1997 include a \$3,843,955 transfer from a new unit joining the plan.

In the fiscal year ended June 30, 1995, ERS also contributed less than 100% of the required contribution. This is the result of fiscal year 1991 supplemental budget legislation; whereby, the State of Rhode Island (the State) withdrew \$20,788,812 from ERS. The Internal Revenue Service (IRS) determined that this action was in violation of Section 401(a) of the Internal Revenue Code (the Code). On February 4, 1994, the District Director of the IRS approved an agreement between the State and the IRS whereby the State agreed to repay to the ERS by no later than December 31, 1994, \$20,788,812 plus accrued interest at eight percent (8%) compounded monthly retroactive to March 1, 1991. As of December 31, 1994, the State repaid the amount withdrawn plus interest by designating current year contributions as payment of the obligation.

The SPRBT and JRBT made contributions prior to 1995 but such contributions were not based on actuarial valuations.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.



### 3. Actuarial Assumptions and Methods

|   | ERS                               |                                   |  |                                   |                                   |
|---|-----------------------------------|-----------------------------------|--|-----------------------------------|-----------------------------------|
|   | <i>State Employees</i>            | <i>Teachers</i>                   | <b>MERS</b>  | <b>SPRBT</b>                      | <b>JRBT</b>                       |
| Valuation Date                                  | 6/30/98                           | 6/30/98                           | 6/30/98  | 6/30/98                           | 6/30/98                           |
| Actuarial Cost Method                           | Frozen Entry Age                  | Frozen Entry Age                  | Entry Age Normal   | Frozen Entry Age                  | Frozen Entry Age                  |
| Amortization Method                             | Level Percent of Payroll – Closed | Level Percent of Payroll – Closed | <i>Initial base:</i> Level dollar – Closed<br><i>All subsequent changes:</i> Level percent of payroll – Open | Level Percent of Payroll — Closed | Level Percent of Payroll — Closed |
| Equivalent Single Remaining Amortization Period | 17 years                          | 18 years                          | Various  | 24 years                          | 29 years                          |
| Asset Valuation Method                          | 4 Year Moving Average             | 4 Year Moving Average             | 3 Year Smoothing of Market Value   | 4 Year Moving Average             | 4 Year Moving Average             |
| Actuarial Assumptions                           |                                   |                                   |  |                                   |                                   |
| Investment Rate of Return                       | 8.25%                             | 8.25%                             | 8.25%  | 8.25%                             | 8.25%                             |
| Projected Salary Increases                      | 4.75% to 8.75%                    | 4.25% to 13.25%                   | <i>General Employees:</i> 4.75% to 10.75%<br><i>Police &amp; Fire Employees:</i> 5.00% to 15.00%             | 5.00% to 15.00%                   | 5.50%                             |
| Inflation                                       | 3.50%                             | 3.50%                             | 3.50%  | 3.50%                             | 3.50%                             |
| Cost of Living Adjustments                      | 3.0% compounded                   | 3.0% compounded                   | 3.0% Non-compounded  | \$1,500 per annum                 | 3.0% (see Note 1(b)(4))           |



ERNEST A. ALMONTE, CPA, CFE  
Auditor General

State of Rhode Island and Providence Plantations

GENERAL ASSEMBLY

## Office of the Auditor General

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### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

JOINT COMMITTEE ON LEGISLATIVE SERVICES, GENERAL ASSEMBLY  
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS:

We have audited the statements of plan net assets of the State of Rhode Island and Providence Plantations Employees' Retirement System (the System) as of June 30, 1999 and the related statements of changes in plan net assets for the year then ended, and have issued our report thereon dated February 1, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Compliance

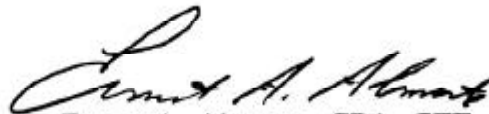
As part of obtaining reasonable assurance about whether the System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we will report to the management of the System in a separate communication.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or

operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we will report to the management of the System in a separate communication.

This report is intended solely for the information and use of the members of the Retirement Board, management, and the Joint Committee on Legislative Services, General Assembly, State of Rhode Island and Providence Plantations and is not intended to be and should not be used by anyone other than these specified parties.

  
Ernest A. Almonte, CPA, CFE  
Auditor General

February 1, 2000

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**EMPLOYEES RETIREMENT SYSTEM  
OF RHODE ISLAND**



**Actuarial Information**

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July 12, 2000

**Watson Wyatt & Company**

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2001 Ross Avenue

Dallas, TX 75201-2989

Telephone 214 530 4200

Fax 214 530 4250

Employees' Retirement System of Rhode Island  
40 Fountain Street, First Floor  
Providence, RI 02903-1854

Dear Members of the Board:

**Subject: Actuarial Valuation as of June 30, 1999**

This is the June 30, 1999 actuarial valuation of the Employees' Retirement System of Rhode Island (ERSRI), as it applies to state employees and teachers. This report describes the current actuarial condition of ERSRI, determines recommended employer contribution rates, and analyzes changes in these contribution rates. Valuations are prepared annually, as of June 30, the last day of the ERSRI plan year. Not covered in this report are the Municipal Employees' Retirement System, the State Police Retirement Benefits Trust, the Judicial Retirement Benefits Trust, or the Teachers Survivors Plan, even though assets for ERSRI and these other programs are commingled for investment purposes.

Under Rhode Island General Laws, the employer contribution rates for state employees and for teachers are certified annually by the Employees' Retirement Board. These rates are determined actuarially, based on the plan provisions in effect as of the valuation date, the actuarial assumptions adopted by the Board, and the methodology set forth in the statutes. The Board's current policy is that the contribution rates determined by a given actuarial valuation become effective two years after the valuation date. For example, the rates determined by this June 30, 1999 actuarial valuation will be applicable for the year beginning July 1, 2001 and ending June 30, 2002.

#### **Financing objectives and funding policy**

The actuarial cost method and the amortization periods are set by statute. The frozen entry age cost method (also called the frozen initial liability method) is mandated. The frozen liability is amortized over a period of 30-years from July 1, 1985. In the case of certain significant changes in plan provisions, assumptions or methodology, a new amortization base is created, and this base is amortized over thirty years from the creation date. More minor changes in provisions, assumptions or methods are included with the existing frozen actuarial liability and amortized over the remaining period. Amortization payments are determined as a level percent of expected payroll. Gains and losses from experience—i.e., from differences between actual experience and the actuarial assumptions—are included in the normal cost.



### **Progress toward realization of financing objectives**

The funded ratio (the ratio of the actuarial value of assets to the frozen actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. For the state employees, the funded ratio increased from 80.6% to 81.6%, while for teachers the ratio increased from 76.2% to 77.4%.

The employer contribution rate increased for state employees, from 7.99% to 8.72%, and for teachers, from 12.01% to 13.18%. The asset gain under the interim 4-year moving average method is completely offset by the return to the smoothing method approved by the Board and incorporating a five year smoothing period. The impact of each item is shown on Table 12.

### **Benefit provisions**

The benefit provisions reflected in this valuation are those which were in effect on June 30, 1999. There were no material changes adopted since the previous actuarial valuation. The benefit provisions are summarized in Appendix B.

### **Assumptions and methods**

The 4-year moving average asset method used in last year's valuation was an interim approach in anticipation of statutory changes to the funding method and amortization period, with an intent to move to the 5-year smoothing method in the 1999 valuation, regardless of the outcome of the legislation. Since the legislation did not pass, this valuation continues to use the same cost method and funding period as used in the 1998 valuation, but changing to a five year smoothing asset method. This smoothing method along with other assumptions and methods are described in Appendix A, and the derivation of the actuarial value of assets using this method is shown on Tables 9A and 9B.

### **Data**

The System's staff supplied member data for retired, active and inactive members as of June 30, 1999. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 1999.

### **Certification**

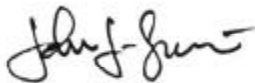
All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Rhode Island state law and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board.

Members of the Board  
July 12, 2000  
Page 3



The undersigned are independent actuaries. All are Members of the Society of Actuaries and Members of the American Academy of Actuaries, and all are experienced in performing valuations for large public retirement systems.

Sincerely,

Handwritten signature of John J. Garrett in black ink.

John J. Garrett, ASA, MAAA  
Actuary

Handwritten signature of C. Leonora Kwan in black ink.

C. Leonora Kwan, ASA, MAAA  
Actuary

Handwritten signature of W. Michael Carter in black ink.

W. Michael Carter, FSA, MAAA  
Vice President

nlb

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**SUMMARY OF ACTUARIAL VALUATION RESULTS  
FOR THE EMPLOYEES' RETIREMENT SYSTEM  
AS OF JUNE 30, 1999**

*State Employees*

| Item   | 1999             | 1998             |
|--|------------------|------------------|
| <b>Membership</b>                            |                  |                  |
| • Number of:                                 |                  |                  |
| - Active members                             | 13,369           | 13,105           |
| - Retirees and beneficiaries                 | 9,067            | 9,033            |
| - Inactive members                           | 1,882            | 1,759            |
| - Total                                      | 24,318           | 23,897           |
| • Payroll supplied by ERSRI                  | \$ 479,020,909   | \$ 458,188,422   |
| <b>Contribution rates</b>                    |                  |                  |
| • Member                                     | 8.75%            | 8.75%            |
| • Employer                                   | 8.72%            | 7.99%            |
| <b>Assets</b>                                |                  |                  |
| • Market value                               | \$ 2,228,766,512 | \$ 2,064,312,134 |
| • Actuarial value                            | 2,201,890,748    | 2,075,619,320    |
| • Return on market value                     | 10.1%            | 16.1%            |
| • Return on actuarial value                  | 14.7%            | 16.5%            |
| • Employer contribution                      | \$ 48,499,917    | \$ 51,308,885    |
| <b>Actuarial Information</b>                 |                  |                  |
| • Normal cost %                              | (1.05%)          | (1.79%)          |
| • Unfunded frozen accrued liability (UFAL)   | \$ 497,589,001   | \$ 500,662,814   |
| • Amortization percentage                    | 9.77%            | 9.78%            |
| • Funding period                             | 16 years         | 17 years         |
| • GASB funded ratio                          | 81.6%            | 80.6%            |
| <b>Projected employer contribution</b>       |                  |                  |
| • Fiscal year ending June 30,                | 2002             | 2001             |
| • Projected payroll (millions)               | \$ 530.1         | \$ 511.3         |
| • Projected employer contribution (millions) | \$ 46.2          | \$ 40.9          |



**SUMMARY OF ACTUARIAL VALUATION RESULTS  
FOR THE EMPLOYEES' RETIREMENT SYSTEM  
AS OF JUNE 30, 1999**

| <b>Item</b>                                  | <b>Teachers</b>  |                  |
|--|------------------|------------------|
|  | <b>1999</b>      | <b>1998</b>      |
| <b>Membership</b>                            |                  |                  |
| • Number of:                                 |                  |                  |
| - Active members                             | 13,282           | 12,883           |
| - Retirees and beneficiaries                 | 6,043            | 5,775            |
| - Inactive members                           | <u>1,286</u>     | <u>1,243</u>     |
| - Total                                      | 20,611           | 19,901           |
| • Payroll supplied by ERSRI                  | \$ 632,777,429   | \$ 598,458,766   |
| <b>Contribution rates</b>                    |                  |                  |
| • Member                                     | 9.50%            | 9.50%            |
| • Employer                                   | 13.18%           | 12.01%           |
| • State share                                | 5.61%            | 5.15%            |
| • Local employer share                       | 7.57%            | 6.86%            |
| <b>Assets</b>                                |                  |                  |
| • Market value                               | \$ 3,303,567,692 | \$ 3,037,612,690 |
| • Actuarial value                            | 3,259,015,814    | 3,045,858,851    |
| • Return on market value                     | 10.1%            | 16.1%            |
| • Return on actuarial value                  | 14.7%            | 16.5%            |
| • Employer contributions                     | \$ 72,516,012    | \$ 86,507,774    |
| <b>Actuarial Information</b>                 |                  |                  |
| • Normal cost %                              | 0.16%            | (1.31%)          |
| • Unfunded frozen accrued liability (UFAL)   | \$ 952,042,896   | \$ 953,863,955   |
| • Amortization percentage                    | 13.02%           | 13.32%           |
| • Funding period                             | 17 years         | 18 years         |
| • GASB funded ratio                          | 77.4%            | 76.2%            |
| <b>Projected employer contribution</b>       |                  |                  |
| • Fiscal year ending June 30,                | 2002             | 2001             |
| • Projected payroll (millions)               | \$ 721.5         | \$ 681.6         |
| • Projected employer contribution (millions) | \$ 95.1          | \$ 81.8          |
| • State share (millions)                     | \$ 40.5          | \$ 35.1          |
| • Local employer share (millions)            | \$ 54.6          | \$ 46.7          |



**Contribution Rates**

The employer contribution rates for ERSRI are determined actuarially. Separate rates are determined for State Employees and for Teachers. The rates determined in this valuation become effective two years after the valuation date, i.e., as of July 1, 2001.

The rate consists of two pieces: the normal cost rate and the amortization rate. Under the Frozen Entry Age actuarial cost method, the actuarial accrued liability determined under the Entry Age cost method as of July 1, 1985, is being amortized over 30 years as a level percent of pay. Certain subsequent changes in provisions or assumptions are also being amortized separately, either over the same period or over a new 30-year period. The sum of these payments, expressed as a percentage of payroll, is the amortization rate. All other liabilities for future benefits are reflected in the normal cost. The normal cost is the percentage of pay which, in combination with the member contributions and current assets, will be needed to fund these other liabilities over the working lifetimes of the current active members.

For the Teachers, the State of Rhode Island pays 40% of the rate, adjusted so that the State pays the entire amortization charges for the 1990/91 and 1991/92 deferrals, and the town or city employing the teacher pays the balance.

|                    | Local | State | Total  |
|--------------------|-------|-------|--------|
| Normal cost        | 0.10% | 0.06% | 0.16%  |
| Deferral           | 0.00% | 0.57% | 0.57%  |
| Other amortization | 7.47% | 4.98% | 12.45% |
| Total              | 7.57% | 5.61% | 13.18% |

Five towns or cities—Burrillville, East Greenwich, Little Compton, New Shoreham, and North Smithfield—did not participate in the 1990 early retirement window for teachers, and an adjusted contribution rate is charged for these:

|                    | Local | State | Total  |
|--------------------|-------|-------|--------|
| Normal cost        | 0.10% | 0.06% | 0.16%  |
| Deferral           | 0.00% | 0.57% | 0.57%  |
| Other amortization | 6.28% | 4.18% | 10.46% |
| Total              | 6.38% | 4.81% | 11.19% |





## SUMMARY OF ACTUARIAL METHODS ASSUMPTIONS

### Valuation Date

The valuation date is June 30th of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

### Actuarial Cost Method

The actuarial valuation uses the Frozen Entry Age actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the frozen liability.

The initial frozen liability was set equal to the unfunded actuarial accrued liability, determined as of June 30, 1985, under the Entry Age Normal actuarial cost method. It is being amortized over a 30-year period from June 30, 1985. The amortization rate is determined as a level percentage of payroll. Payroll is assumed to increase at the payroll growth rate. Whenever the plan provisions or actuarial assumptions are changed, an additional frozen amount is determined, equal to the increase in the actuarial accrued liability under the Entry Age Normal method due to the change. These additional frozen amounts are either treated as new amortization bases, or combined with the initial base, or included in the normal cost calculation, as described below.

The employer normal cost rate is the level percentage of compensation that has an actuarial present value equal to (i) the actuarial present value of all future benefits, less the sum of (ii) the actuarial value of assets, (iii) the sum of the unamortized frozen liability bases, and (iv) the actuarial present value of future member contributions. Gains and losses due to plan experience differing from assumptions are included in the calculation of the employer normal cost rate.

This methodology is required by statute (General Laws Sections 36-10-2 and 36-10-2.1).

Changes to the unfunded liability due to changes to benefits or actuarial assumptions are amortized either over a new 30-year period or over the remaining initial amortization period depending on how large the total change to the unfunded liability is relative to the existing unfunded liability.

The following table illustrates the amortization method:

| <u>Change in Unfunded Liability</u>     | <u>Amortization Period</u>  |
|---|---|
| Less than 1% of existing Unfunded       | No new base set up (existing Unfunded not changed)  |
| Between 1% and 10% of existing Unfunded | The change to Unfunded is amortized over current remaining period i.e., aggregated with existing Unfunded |
| Over 10% of existing Unfunded           | A separate base equal to change in Unfunded is set up and amortized over a new 30 year period             |

The contribution rate determined by this valuation will not be effective until two years later, and the determination of the rate reflects this deferral. It is assumed that there will be no change in the employer normal cost rate due to the deferral, and it is assumed that payments are, on average, made at mid-year.

### Actuarial Value of Assets

The actuarial value of assets is based on the market value of assets with a five-year phase-in of actual investment return in excess of (less than) expected investment income. Expected investment income is determined using the assumed investment return rate and the market value of assets (adjusted for receipts and disbursements during the year). The phase-in begins with the period ending June 30, 1999.



**Actuarial Assumptions**

**Economic Assumptions**

*Investment return:* 8.25% per year, compounded annually, composed of an assumed 3.50% inflation rate and a 4.75% net real rate of return. This rate represents the assumed return, net of all investment and administrative expenses.

*Salary increase rate:* A service-related component, plus a 3.50% inflation component, plus a general increase, as follows:

| <b>State Employees</b> |                           |   |
|------------------------|---------------------------|---|
| Years of Service       | Service-related Component | Total Annual Rate of Increase Including 3.50% Inflation Component and 1.25% General Increase Rate |
| (1)                    | (2)                       | (3)   |
| 0                      | 4.00%                     | 8.75%   |
| 1                      | 3.25                      | 8.00  |
| 2                      | 2.50                      | 7.25  |
| 3                      | 2.25                      | 7.00  |
| 4                      | 2.00                      | 6.75  |
| 5                      | 1.75                      | 6.50  |
| 6                      | 1.50                      | 6.25  |
| 7                      | 1.25                      | 6.00  |
| 8                      | 1.00                      | 5.75  |
| 9                      | 0.75                      | 5.50  |
| 10                     | 0.50                      | 5.25  |
| 11                     | 0.25                      | 5.00  |
| 12                     | 0.25                      | 5.00  |
| 13                     | 0.25                      | 5.00  |
| 14 or more             | 0.00                      | 4.75  |

| <b>Teachers</b>  |                           |   |
|------------------|---------------------------|---|
| Years of Service | Service-related Component | Annual Rate of Increase Including 3.50% Inflation Component and 0.75% General Increase Rate |
| (1)              | (2)                       | (3)   |
| 0                | 9.00%                     | 13.25%  |
| 1                | 7.25                      | 11.50   |
| 2                | 5.75                      | 10.00   |
| 3                | 4.50                      | 8.75  |
| 4                | 3.50                      | 7.75  |
| 5                | 2.75                      | 7.00  |
| 6                | 2.25                      | 6.50  |
| 7                | 1.75                      | 6.00  |
| 8                | 1.50                      | 5.75  |
| 9                | 1.25                      | 5.50  |
| 10               | 1.00                      | 5.25  |
| 11               | 0.75                      | 5.00  |
| 12               | 0.50                      | 4.75  |
| 13               | 0.25                      | 4.50  |
| 14 or more       | 0.00                      | 4.25  |



Salary increases are assumed to occur once a year, on July 1. Therefore the pay used for the period between the valuation date and the first anniversary of the valuation date is equal to the reported pay for the prior year, annualized if necessary, and then increased by the salary increase assumption.

*Payroll growth rate:* In the amortization of the unfunded frozen liability, payroll is assumed to increase 3.50% per year. This increase rate is solely due to the effect of inflation on salaries, with no allowance for future membership growth.

### Demographic Assumptions

*Mortality rates* (for active and retired members):

- Healthy males – Based on the 1994 Uninsured Pensioner mortality table for males. Rates for teachers are set back one year, while rates for all others, including beneficiaries, are set forward one year.
- Healthy females - Based on the 1994 Uninsured Pensioner mortality table for females. Rates for teachers are set back one year, while rates for all others, including beneficiaries, are set forward one year.
- Disabled males - PBGC Table Va for disabled males eligible for Social Security disability benefits.
- Disabled females - PBGC Table VIa for disabled females eligible for Social Security disability benefits.

Sample rates are shown below:

| Age | Expected Deaths per 100 Lives   |                                   |                             |                               |                   |                     |
|-----|---------------------------------|-----------------------------------|-----------------------------|-------------------------------|-------------------|---------------------|
|     | Healthy Males<br>(Non-teachers) | Healthy Females<br>(Non-teachers) | Healthy Males<br>(Teachers) | Healthy Females<br>(Teachers) | Disabled<br>Males | Disabled<br>Females |
| (1) | (2)                             | (3)                               | (4)                         | (5)                           | (6)               | (7)                 |
| 25  | 0.08                            | 0.03                              | 0.07                        | 0.03                          | 4.83              | 2.63                |
| 30  | 0.09                            | 0.04                              | 0.08                        | 0.04                          | 3.62              | 2.37                |
| 35  | 0.09                            | 0.06                              | 0.09                        | 0.05                          | 2.78              | 2.14                |
| 40  | 0.12                            | 0.08                              | 0.11                        | 0.07                          | 2.82              | 2.09                |
| 45  | 0.19                            | 0.11                              | 0.16                        | 0.10                          | 3.22              | 2.24                |
| 50  | 0.31                            | 0.17                              | 0.25                        | 0.14                          | 3.83              | 2.57                |
| 55  | 0.53                            | 0.28                              | 0.43                        | 0.22                          | 4.82              | 2.95                |
| 60  | 0.97                            | 0.55                              | 0.76                        | 0.42                          | 6.03              | 3.31                |
| 65  | 1.75                            | 1.04                              | 1.39                        | 0.82                          | 6.78              | 3.70                |
| 70  | 2.79                            | 1.61                              | 2.34                        | 1.37                          | 7.39              | 4.11                |
| 75  | 4.39                            | 2.72                              | 3.66                        | 2.19                          | 8.42              | 4.92                |
| 80  | 7.38                            | 4.73                              | 6.01                        | 3.80                          | 11.28             | 7.46                |



*Disability rates:* Disability is assumed to occur in accordance with the following table, with 35% of disability being occupational.

| Expected Disabilities per 100 Lives |       |          |
|-------------------------------------|-------|----------|
| Age                                 | State | Teachers |
| (1)                                 | (2)   | (3)      |
| 25                                  | .05   | .02      |
| 30                                  | .06   | .03      |
| 35                                  | .08   | .04      |
| 40                                  | .11   | .06      |
| 45                                  | .18   | .09      |
| 50                                  | .31   | .15      |
| 55                                  | .51   | .25      |
| 60                                  | .71   | .35      |
| 65                                  | .00   | .00      |

*Termination rates* (for causes other than death, disability or retirement):

Termination rates are a function of the member's sex, age and service. Termination rates are not applied after a member becomes eligible for a retirement benefit. Rates at selected ages are shown:

| Active Male Members - State Employees |                  |        |        |        |        |        |
|---------------------------------------|------------------|--------|--------|--------|--------|--------|
| Age                                   | Years of Service |        |        |        |        |        |
|                                       | 0                | 1      | 2      | 3      | 4      | 5+     |
| 20                                    | 0.3610           | 0.2686 | 0.2050 | 0.1671 | 0.1468 | 0.0932 |
| 25                                    | 0.3438           | 0.2483 | 0.1797 | 0.1339 | 0.1127 | 0.0660 |
| 30                                    | 0.3310           | 0.2161 | 0.1441 | 0.0970 | 0.0824 | 0.0495 |
| 35                                    | 0.3379           | 0.2064 | 0.1214 | 0.0729 | 0.0624 | 0.0438 |
| 40                                    | 0.3618           | 0.2153 | 0.1095 | 0.0592 | 0.0520 | 0.0503 |
| 45                                    | 0.3990           | 0.2428 | 0.1103 | 0.0564 | 0.0514 | 0.0696 |
| 50                                    | 0.4469           | 0.2891 | 0.1249 | 0.0645 | 0.0606 | 0.1016 |
| 55                                    | 0.5036           | 0.3540 | 0.1536 | 0.0832 | 0.0793 | 0.1451 |
| 60                                    | 0.5688           | 0.4371 | 0.1965 | 0.1122 | 0.1074 | 0.1999 |
| 65                                    | 0.6421           | 0.5391 | 0.2548 | 0.1529 | 0.1458 | 0.0000 |
| 70                                    | 0.0000           | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |



## Termination rates (continued)

| <b>Active Female Members - State Employees</b> |                  |        |        |        |        |        |
|--|------------------|--------|--------|--------|--------|--------|
| Age  | Years of Service |        |        |        |        |        |
|  | 0                | 1      | 2      | 3      | 4      | 5+     |
| 20   | 0.3082           | 0.2069 | 0.1681 | 0.1567 | 0.1354 | 0.1282 |
| 25   | 0.2346           | 0.1696 | 0.1429 | 0.1283 | 0.1111 | 0.0916 |
| 30   | 0.1865           | 0.1459 | 0.1237 | 0.1068 | 0.0931 | 0.0671 |
| 35   | 0.1620           | 0.1348 | 0.1117 | 0.0936 | 0.0830 | 0.0554 |
| 40   | 0.1572           | 0.1343 | 0.1089 | 0.0915 | 0.0833 | 0.0574 |
| 45   | 0.1684           | 0.1427 | 0.1169 | 0.1023 | 0.0958 | 0.0734 |
| 50   | 0.1927           | 0.1589 | 0.1391 | 0.1322 | 0.1251 | 0.1046 |
| 55   | 0.2286           | 0.1802 | 0.1636 | 0.1547 | 0.1412 | 0.1151 |
| 60   | 0.2515           | 0.1974 | 0.1778 | 0.1677 | 0.1537 | 0.1256 |
| 65   | 0.2743           | 0.2151 | 0.1936 | 0.1824 | 0.1667 | 0.0000 |
| 70   | 0.0000           | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |

| <b>Active Male Members - Teachers</b> |                  |        |        |        |        |        |
|---------------------------------------|------------------|--------|--------|--------|--------|--------|
| Age                                   | Years of Service |        |        |        |        |        |
|                                       | 0                | 1      | 2      | 3      | 4      | 5+     |
| 20                                    | 0.0883           | 0.0421 | 0.0360 | 0.0308 | 0.0276 | 0.0203 |
| 25                                    | 0.0718           | 0.0360 | 0.0324 | 0.0300 | 0.0269 | 0.0143 |
| 30                                    | 0.0614           | 0.0312 | 0.0309 | 0.0312 | 0.0284 | 0.0100 |
| 35                                    | 0.0458           | 0.0321 | 0.0319 | 0.0304 | 0.0271 | 0.0115 |
| 40                                    | 0.0431           | 0.0373 | 0.0354 | 0.0334 | 0.0315 | 0.0211 |
| 45                                    | 0.0660           | 0.0498 | 0.0471 | 0.0417 | 0.0392 | 0.0368 |
| 50                                    | 0.1067           | 0.0759 | 0.0658 | 0.0521 | 0.0491 | 0.0577 |
| 55                                    | 0.1653           | 0.1107 | 0.0914 | 0.0663 | 0.0623 | 0.0834 |
| 60                                    | 0.2419           | 0.1472 | 0.1128 | 0.0763 | 0.0698 | 0.0917 |
| 65                                    | 0.2660           | 0.1596 | 0.1222 | 0.0834 | 0.0765 | 0.1009 |
| 70                                    | 0.2927           | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |



Termination rates (continued)

| Active Female Members - Teachers |                  |        |        |        |        |        |
|----------------------------------|------------------|--------|--------|--------|--------|--------|
| Age                              | Years of Service |        |        |        |        |        |
|                                  | 0                | 1      | 2      | 3      | 4      | 5+     |
| 20                               | 0.0787           | 0.0603 | 0.0551 | 0.0525 | 0.0503 | 0.0565 |
| 25                               | 0.0709           | 0.0546 | 0.0511 | 0.0503 | 0.0501 | 0.0340 |
| 30                               | 0.0491           | 0.0463 | 0.0437 | 0.0425 | 0.0415 | 0.0159 |
| 35                               | 0.0381           | 0.0379 | 0.0376 | 0.0379 | 0.0380 | 0.0105 |
| 40                               | 0.0435           | 0.0413 | 0.0395 | 0.0392 | 0.0357 | 0.0133 |
| 45                               | 0.0509           | 0.0452 | 0.0435 | 0.0369 | 0.0322 | 0.0247 |
| 50                               | 0.0781           | 0.0710 | 0.0552 | 0.0321 | 0.0280 | 0.0429 |
| 55                               | 0.1199           | 0.1096 | 0.0729 | 0.0254 | 0.0219 | 0.0673 |
| 60                               | 0.1769           | 0.1527 | 0.0936 | 0.0263 | 0.0249 | 0.0815 |
| 65                               | 0.2141           | 0.1647 | 0.1083 | 0.0308 | 0.0281 | 0.0000 |
| 70                               | 0.0000           | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |



*Retirement rates:* Separate male and female rates, based on age. Sample rates are shown below:

| <b>Expected Retirements per 100 Lives</b> |                 |         |          |         |
|---|-----------------|---------|----------|---------|
| Age                                       | State Employees |         | Teachers |         |
|   | Males           | Females | Males    | Females |
| (1)                                       | (2)             | (3)     | (4)      | (5)     |
| 45  | 10              | 10      | 10       | 5       |
| 46  | 10              | 10      | 10       | 5       |
| 47  | 10              | 10      | 10       | 5       |
| 48  | 10              | 10      | 10       | 5       |
| 49  | 10              | 10      | 10       | 5       |
| 50  | 10              | 10      | 11       | 6       |
| 51  | 11              | 11      | 12       | 7       |
| 52  | 12              | 12      | 13       | 8       |
| 53  | 13              | 13      | 14       | 9       |
| 54  | 14              | 14      | 15       | 10      |
| 55  | 16              | 15      | 16       | 12      |
| 56  | 18              | 16      | 17       | 14      |
| 57  | 20              | 17      | 18       | 16      |
| 58  | 22              | 18      | 19       | 18      |
| 59  | 24              | 19      | 20       | 20      |
| 60  | 35              | 40      | 40       | 30      |
| 61  | 15              | 15      | 15       | 20      |
| 62  | 35              | 40      | 45       | 25      |
| 63  | 25              | 25      | 15       | 20      |
| 64  | 20              | 20      | 25       | 25      |
| 65  | 35              | 40      | 50       | 40      |
| 66  | 20              | 20      | 25       | 25      |
| 67  | 20              | 20      | 25       | 25      |
| 68  | 20              | 20      | 25       | 25      |
| 69  | 20              | 20      | 25       | 25      |
| 70  | 100             | 100     | 100      | 100     |



### **Other Assumptions**

*Percent married:* 100% of employees are assumed to be married.

*Age difference:* Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.

*Percent electing annuity on death (when eligible):* All of the spouses of vested, married participants are assumed to elect an annuity.

*Percent electing deferred termination benefit:* Vested terminating members are assumed to elect a refund or a deferred benefit, whichever is more valuable at the time of termination.

*Assumed age for commencement of deferred benefits:* Members electing to receive a deferred benefit are assumed to commence receipt at the first age at which unreduced benefits are available.

*Administrative expenses:* The assumed investment return rate represents the anticipated net return after payment of all investment and administrative expenses.

*Inactive members:* Liabilities for inactive members were approximated as a multiple of their member contribution account balances. For nonvested members, the multiple was one, and for vested inactive members, the multiple was between three and eight, depending on age and service.

### **Participant Data**

Participant data was supplied on magnetic tape for active and inactive members and for members and beneficiaries receiving benefits.

The data for an active members included birthdate, sex, equated date of hire, salary and employee contribution account balance. For retired members and beneficiaries, the data included date of birth, sex, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and a form of payment code.

Salary supplied for the current year was based on the earnings for the June preceding the valuation date. This salary was adjusted by the salary increase rate for one year.

Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.





## SUMMARY OF BENEFIT PROVISIONS

*Effective Date and Authority:* The Employees' Retirement System of Rhode Island (ERSRI) became effective on July 1, 1936 for state employees and on July 1, 1949 for teachers. Benefits for state employees are described in Rhode Island General Laws, Title 36, Chapters 8-10, and benefits for teachers are described in Rhode Island General Laws, Title 16, Chapters 15-17.

*Plan Year:* A twelve-month period ending June 30th.

*Administration:* ERSRI is administered by the Employees' Retirement Board. However, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy.

*Type of Plan:* ERSRI is a qualified governmental defined benefit retirement plan. Separate contribution rates are determined for state employees and for teachers. For Governmental Accounting Standards Board purposes, it is a cost-sharing multiple employer plan.

*Eligibility:* Most Rhode Island state employees and certified public school teachers participate in ERSRI. State police officers, state judges, and teachers and administrators in the public colleges and universities are covered by their own separate systems, and are therefore excluded. Certain elected state officials are excluded unless they make an election to join ERSRI. Superintendents, principals, business agents and other administrators participate as teachers. Non-certified public school employees, such as teacher's aides, janitors, secretaries, and bus drivers, cannot participate in ERSRI, although they may be covered by the Municipal Employees Retirement System (MERS) or a separate plan maintained by the town or city. Eligible employees become members at their date of employment.

*Employee Contributions:* State employees generally contribute 8.75% of their salary per year, although members of the General Assembly who elect to participate contribute 30.0% of salary per year. Teachers contribute 9.50% per year. The state "picks up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h). At their option, the city or town employing a teacher may also pick up their members' contributions.

*Salary:* Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

*Employer Contributions:* For state employees, the state contributes an actuarially determined percentage of the member's salary. For teachers, the state contributes 40% of the employer contribution rate and the city, town or other local employer contributes the remaining 60%. (This basic 40-60 split is further adjusted, since the state bears the cost of repaying certain amounts taken from the trust in the early 1990's.) Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation.

*Service:* Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods, such as time spent teaching at a public school in another state, by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

*Final Average Compensation (FAC):* The average of the member's highest three consecutive annual salaries. Monthly benefits are based on one-twelfth of this amount.



*Retirement*

**Eligibility:** All members are eligible for retirement on or after age 60 if they have credit for 10 years of service, or at any age if they have credit for 28 years of service. Correctional officers are also eligible for retirement if they have reached age 50 and have credit for 20 years of service. Members of the General Assembly who elect to participate may be eligible for retirement if they have reached age 55 and have credit for 8 years of service, or at any age if they have credit for 20 years of service.

**Monthly Benefit:** For most state employees and for all teachers, the retirement benefit is a percentage of the member’s monthly FAC. This percentage is a function of the member’s service, determined using the following schedule:

| For Service In:               | Years   | Benefit Percentage Earned |
|-------------------------------|---------|---------------------------|
| The first 10 years of service | 1 – 10  | 1.7% per year             |
| The next 10 years of service  | 11 – 20 | 1.9% per year             |
| The next 14 years of service  | 21 – 34 | 3.0% per year             |
| The next 1 year of service    | 35      | 2.0% per year             |

The maximum benefit is 80% of FAC.

Correctional Officers receive a benefit computed under a different formula:

| For Service In:               | Years  | Benefit Percentage Earned |
|-------------------------------|--------|---------------------------|
| The first 30 years of service | 1 – 30 | 2.0% per year             |
| The next 1 year of service    | 31     | 6.0% per year             |
| The next 1 year of service    | 32     | 5.0% per year             |
| The next 1 year of service    | 33     | 4.0% per year             |
| The next 1 year of service    | 34     | 3.0% per year             |
| The next 14 years of service  | 35     | 2.0% per year             |

The maximum benefit for correctional officers is also 80% of FAC.

Finally, members of the General Assembly who elect to participate receive \$50 per month for each year of service, up to a maximum benefit of \$1,000 per month, i.e., a maximum of 20 years of service.

**Payment Form:** Benefits are paid as a monthly life annuity. Optional forms of payment are available; see below.

**Death Benefit:** After retirement, death benefits are based on the form of annuity elected. If no option is elected, i.e., if payments are made as a life annuity, there is a minimum death benefit equal to the sum of the member’s contributions without interest, less the sum of the monthly benefit payments made before the member’s death. In addition, a lump-sum death benefit is payable upon the death of any retired member, regardless of option elected. This lump sum is equal to a percentage of the lump-sum death benefit that was available to the member at the time of retirement. The percentage is 100% in the first year of retirement, 75% in the second year, 50% in the third year, and 25% in the fourth and subsequent years of retirement. However, in no event will the lump sum death benefit be less than \$4,000.



### *Disability Retirement*

**Eligibility:** A member is eligible provided he/she has credit for at least five years of service or if the disability is work-related.

**Ordinary Disability Benefit:** The benefit payable under the retirement formula, using FAC and service at the time of disability, but not less than 10 years of service.

**Occupational Disability Benefit:** An annual annuity equal to two-thirds of salary at the time of disability.

**Payment Form:** The disability benefit commences immediately upon the member's retirement. Benefits cease upon recovery or reemployment. Disability benefits are payable as a monthly life annuity with a guarantee that, at the member's death, the sum of the member's contributions plus interest as of the date of retirement will be paid in a lump-sum to the member's beneficiary. All alternative forms of payment except for the Social Security Option are permitted in the case of disability retirement.

### *Deferred Termination Benefit*

**Eligibility:** A member with at least ten years of service (eight years for members of the general Assembly) is vested. A vested member who does not withdraw his/her contributions from the fund is eligible for a deferred termination benefit.

**Monthly Benefit:** The monthly benefit is based on the retirement formula described above. Both FAC and service are determined at the time the member leaves active employment. Benefits may commence at age 60 or at such earlier age that the member has met the requirements for a retirement benefit.

**Payment Form:** The same as for Retirement above.

**Death Benefit before Retirement:** A member who dies after leaving active service but before retiring is entitled to receive a benefit as described below in Death Benefit of Active or Inactive Members.

**Death Benefit after Retirement:** The same as for Retirement above.

### *Withdrawal (Refund) Benefit*

**Eligibility:** All members leaving covered employment with less than ten years of service are eligible. Optionally, vested members (those with ten or more years of service) may withdraw their accumulated contributions in lieu of the deferred benefits otherwise due.

**Benefit:** The member who withdraws receives a lump-sum payment of equal to the sum of his/her employee contributions. No interest is credited on these contributions.

### *Death Benefit of Active or Inactive Members*

**Eligibility:** Death must have occurred while an active or an inactive, non-retired member.

**Basic Benefit:** Upon the death of a nonvested member, or upon the death of an inactive, vested member, or upon the death of an active, unmarried member, a refund of the member's contributions (without interest) is paid. Upon the death of a vested, married, active member, the spouse may elect (i) the refund benefit described above, or (ii) a life annuity paid to the spouse or beneficiary. The amount of the annuity is equal to the amount which would have been paid had the member retired at the time of his death and elected the Joint and 100% Survivor option. If the member was not eligible for retirement, the annuity benefit is reduced 6% per year from the date at which the member would have been eligible had he or she remained in service.

**Lump-sum Benefit:** \$800 per year of service, with a maximum benefit of \$16,000 and a minimum of \$4,000.

**Accidental Duty-related Death Benefit:** If a member dies as the result of an accident while in the course of his or her duties, in lieu of the above benefits the member's spouse may elect to receive (i) a refund of all contributions made (including interest), and (ii) an annual life annuity equal to 50% of the member's salary at the time of death. The annuity benefit stops when the spouse remarries or dies, although it may be continued to any children under age 18 or to any dependent parents.



*Optional Forms of Payment:* In addition to a life annuity, ERSRI offers members these optional forms of payment on an actuarially equivalent basis:

Option 1 (Joint and 100% Survivor): A life annuity payable while either the participant or his beneficiary is alive.

Option 2 (Joint and 50% Survivor): A life annuity payable to the member while both the member and beneficiary are alive, reducing to 50% of this amount if the member predeceases the beneficiary.

Social Security Option: An annuity paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

Actuarial equivalence is based on tables adopted by the Employees' Retirement Board.

*Post-retirement Benefit Increase:* Members receive a 3% compound increase in their retirement benefit each year, beginning in January of the year in which the member reaches the third anniversary of retirement. This increase is not tied in any way to actual increases in the cost of living.



**SUMMARY OF PLAN NET ASSETS**

***(Assets at Market or Fair Value)***

| Item  | June 30, 1999     | June 30, 1998     |
|---|-------------------|-------------------|
| (1)   | (2)               | (3)               |
| <b>A. Total ERSRI assets</b>  |                   |                   |
| 1. Cash and cash equivalents  | \$ -              | \$ 4,283,574      |
| 2. Receivables:   |                   |                   |
| a. Employer and member contributions  | \$ 15,838,431     | \$ 17,760,291     |
| b. Due from state for teachers  | 6,514,467         | 13,188,125        |
| c. Net investment income and other  | <u>88,209</u>     | <u>630</u>        |
| d. Total receivables  | \$ 22,441,107     | \$ 30,949,046     |
| 3. Investments  |                   |                   |
| a. Short-term investment fund   | \$ 193,022        | \$ 206,144        |
| b. Pooled trust   | 5,683,181,388     | 5,216,429,038     |
| c. Plan specific investments  | <u>27,786,464</u> | <u>28,133,502</u> |
| d. Total  | \$ 5,711,160,874  | \$ 5,244,768,684  |
| 4. Total assets   | \$ 5,733,601,981  | \$ 5,280,001,304  |
| 5. Liabilities  |                   |                   |
| a. Cash Overdraft   | \$ 6,785,725      | \$ -              |
| b. Benefits payable   | \$ 653,985        | \$ 1,123,087      |
| c. Accounts and vouches payable   | <u>3,613,809</u>  | <u>4,473,919</u>  |
| d. Total liabilities  | \$ 11,053,519     | \$ 5,597,006      |
| 6. Total market value of assets available for benefits<br>Total (Item 4 - Item 5) | \$ 5,722,548,462  | \$ 5,274,404,298  |
| <b>B. Breakdown</b>   |                   |                   |
| 1. State employees  | \$ 2,228,766,512  | \$ 2,064,312,134  |
| 2. Teachers   | 3,303,567,692     | 3,037,612,690     |
| 3. Teachers' survivors benefits   | 190,214,258       | 172,479,474       |
| 4. Reserve for certain employees  | <u>-</u>          | <u>-</u>          |
| 5. Total  | \$ 5,722,548,462  | \$ 5,274,404,298  |



**RECONCILIATION OF PLAN NET ASSETS**

| Item  | Year Ending 06/30/1999 |                  |
|---|------------------------|------------------|
|   | State Employees        | Teachers         |
| (1)   | (2)                    | (3)              |
| 1. Market value of assets at beginning of year                        | \$ 2,064,312,134       | \$ 3,037,612,690 |
| Reserve for certain employees   | -                      | -                |
| Adjusted market value of assets at BOY                                | \$ 2,064,312,134       | \$ 3,037,612,690 |
| 2. Contributions  |                        |                  |
| a. Members  | \$ 42,905,342          | \$ 61,907,050    |
| b. Legislative  | -                      | -                |
| c. State  | 48,499,917             | 30,202,943       |
| d. Local employers  | -                      | 42,313,069       |
| e. Service purchases  | 912,066                | 962,985          |
| f. Total  | \$ 92,317,325          | \$ 135,386,047   |
| 3. Investment earnings, net of investment and administrative expenses | \$ 202,337,766         | \$ 304,694,874   |
| 4. Expenditures for the year  |                        |                  |
| a. Benefit payments   | \$ (95,289,225)        | \$ (132,855,338) |
| b. Cost-of-living adjustments   | (25,027,828)           | (29,106,611)     |
| c. Post-retirement death benefits                                     | (1,829,803)            | (747,380)        |
| d. Pre-retirement death benefits                                      | (232,180)              | (63,200)         |
| e. Social security supplements  | (4,103,194)            | (10,238,217)     |
| f. Supplemental pensions  | (250,520)              | (601,779)        |
| g. Refunds  | (3,960,427)            | (1,117,594)      |
| h. Total expenditures   | \$ (130,693,177)       | \$ (174,730,119) |
| 5. Transfers and other adjustments                                    | \$ 492,464             | \$ 604,200       |
| 6. Market value of assets at end of year                              | \$ 2,228,766,512       | \$ 3,303,567,692 |



### ANALYSIS OF CHANGE IN EMPLOYER COST

| Basis                                  | State Employees | Teachers |
|--|-----------------|----------|
| (1)                                    | (2)             | (3)      |
| 1. Employer fiscal 2001 cost           | 7.99%           | 12.01%   |
| 2. Impact of changes, gains and losses |                 |          |
| a. Liability experience (gain)/loss    | 0.56%           | 1.22%    |
| b. Asset experience (gain)/loss        | (4.52%)         | (3.42%)  |
| c. Assumption changes                  | N/A             | N/A      |
| d. Asset Method Change                 | 4.69%           | 3.37%    |
| e. Changes in provisions               | N/A             | N/A      |
| f. Total                               | 0.73%           | 1.17%    |
| 3. Employer fiscal 2002 cost           | 8.72%           | 13.18%   |

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# MUNICIPAL EMPLOYEES RETIREMENT SYSTEM



Actuarial Information

*“It is the express intention of the legislature by the passage of this chapter to provide an actuarially financed retirement system for municipal employees, properly integrated with the federal Social Security Act, to the end that adequate benefits may be established for the employees of any municipality who become superannuated or other incapacitated while in service, and whereby the employees may be assisted in accumulating reserves for themselves and their dependents to satisfactorily meet the conditions incident to old age, death, disability, and termination of the employees, in the interest of maintaining and promoting efficiency and economy in the administration of government.”*

—Section One of Chapter 2784 of the Public Laws of 1951



June 14, 2000

**Watson Wyatt & Company**

Suite 4200

2001 Ross Avenue

Dallas, TX 75201-2989

Telephone 214 530 4200

Fax 214 530 4250

Municipal Employees' Retirement System  
40 Fountain Street, First Floor  
Providence, RI 02903-1854

Dear Members of the Board:

**Subject: Actuarial Valuation as of June 30, 1999**

This is the June 30, 1999 actuarial valuation of the Municipal Employees' Retirement System (MERS). Separate liabilities and contribution rates are determined for each of the participating units. Valuations are prepared annually as of June 30, the last day of the plan year.

Under Rhode Island General Laws, the employer contribution rates for the units participating within MERS are certified annually by the Employees' Retirement Board. These rates are determined actuarially, based on the plan provisions in effect as of the valuation date and the actuarial assumptions and methodology adopted by the Board. The Board's current policy is that the contribution rates determined by a given actuarial valuation become effective two years after the valuation date. For example, the rates determined by this June 30, 1999 actuarial valuation will be applicable for the year beginning July 1, 2001 and ending June 30, 2002.

**Financing objectives and funding policy**

The actuarial cost method and the amortization periods are set by board policy. The entry age cost method is used. (This method is different from the frozen entry age method specified by statute for the other Rhode Island retirement systems: the Employees' Retirement System of Rhode Island, the Judicial Retirement Benefit Trust, and the State Police Retirement Benefit Trust.) Each MERS unit contributes the employer normal cost plus an amount required to amortize the unfunded actuarial accrued liability (UAAL). The amortization cost is actually the sum of two pieces: (i) the initial UAAL at the adoption of MERS (or from June 30, 1988, if later), is amortized in level payments over a 25-year closed period, and (ii) any subsequent gains, losses or other changes are amortized as a level percentage of the payroll for current active members. This approach should produce relatively level contribution rates over time.



### **Progress toward realization of financing objectives**

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The funded ratio of the average unit in MERS is nearly 127%.

In addition, the employer contribution rates decreased or remained level for most units. Of the 107 participating units, only 20 had rate increases. The employer required contribution rate remained unchanged, as compared to last year's valuation rate, for the average General Employee Unit and increased from 5.41% to 5.68% of covered payroll for the average Police & Fire Unit.

### **Benefit provisions**

The benefit provisions reflected in this valuation are those which were in effect on June 30, 1999. There were no material changes adopted since the previous actuarial valuation. The benefit provisions are summarized in Appendix B.

### **Assumptions and methods**

The actuarial assumptions and methods utilized in this year's valuation remain unchanged from the prior year's valuation. These assumptions and method are described in Appendix A.

### **Data**

The System's staff supplied member data for retired, active and inactive members as of June 30, 1999. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 1999.

### **Certification**

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Rhode Island state law and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board.

Members of the Board  
June 14, 2000  
Page 3



The undersigned are independent actuaries. All are Members of the Society of Actuaries and Members of the American Academy of Actuaries, and all are experienced in performing valuations for large public retirement systems.

Sincerely,

A handwritten signature in cursive script, appearing to read 'John J. Garrett'.

John J. Garrett, ASA, MAAA  
Actuary

A handwritten signature in cursive script, appearing to read 'W. Michael Carter'.

W. Michael Carter, FSA, MAAA  
Vice President

nlb

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## **GASB 25 AND FUNDING PROGRESS**

Accounting requirements for MERS are set by Governmental Accounting Standards Board Statement No. 25 (GASB 25). *The Schedule of Funding Progress* tables on pages 77-80 show a historical summary of the funded ratios and other information for MERS as of June 30, 1999.

GASB 25 requires that plans calculate an Annual Required Contribution (ARC), and, if actual contributions received are less than the ARC, this must be disclosed. The ARC must be calculated in accordance with certain parameters. In particular, it must include a payment to amortize the unfunded actuarial accrued liability. This amortization payment eventually will have to be computed using a funding period no greater than 30 years, but a 40-year maximum amortization period may be used during a ten-year transition period. Further, the amortization payment included in the ARC may be computed as a level amount, or it may be computed as an amount that increases with payroll. However, if payments are computed on a level percent of payroll approach, the payroll growth assumption may not anticipate future membership growth.

For MERS, the calculated contribution rate shown in the *Contribution Rates* tables on pages 71-73 is the ARC. The *Equivalent Single Amortization Period* tables on pages 81-83 demonstrate that the average amortization period is less than the maximum period allowed under GASB for all MERS units.

## **CONTRIBUTION RATES**

The employer contribution rates for MERS are determined actuarially. The rates determined in this valuation become effective two years after the valuation date, i.e., as of July 1, 2001.

The rate consists of two pieces: the normal cost rate and the amortization rate. The actuarial accrued liability is divided into two pieces: The unamortized initial base, and the balance. The balance is the accumulation of all subsequent experience gains/losses, changes in plan provisions, changes in actuarial assumptions, etc. The unamortized initial base is amortized as level payments over the 25-year period from June 30, 1988 (or the date the unit joined MERS, if later). The balance is amortized as a level percentage of pay for the current group of active participants.

The *Contribution Rates* tables on pages 71-73 show the member contribution rate, the employer normal cost rate, amortization rate and the total employer contribution rate. These rates are applicable to the fiscal year ending June 30, 2002. The *Comparison of Employer Contribution Rates* tables on pages 74-76 compare the total employer contribution rate with those rates determined in the two prior actuarial valuations. Finally, the *Schedules of Funding Progress* on pages 77-80 show the components used to determine the employer contribution rate in dollar amounts.



**CONTRIBUTION RATES**  
**FOR FISCAL YEAR ENDING JUNE 30, 2002**

| Unit<br>Number                | Unit                       | Code(s) | Member<br>Rate | Employer Rate           |                      |         |
|-------------------------------|----------------------------|---------|----------------|-------------------------|----------------------|---------|
|                               |                            |         |                | Employer<br>Normal Cost | Amortization<br>Rate | Total   |
| (1)                           | (2)                        | (3)     | (4)            | (5)                     | (6)                  | (7)     |
| <b>General Employee Units</b> |                            |         |                |                         |                      |         |
| 3001                          | Barrington                 |         | 6.00%          | 3.78%                   | (22.42%)             | 0.00%   |
| 3002                          | Bristol                    | B       | 7.00%          | 3.32%                   | (13.38%)             | 0.00%   |
| 3003                          | Burrillville               | C       | 7.00%          | 4.69%                   | (19.87%)             | 0.00%   |
| 3004                          | Central Falls              |         | 6.00%          | 2.62%                   | 8.65%                | 11.27%  |
| 3005                          | Charlestown                | C       | 7.00%          | 3.65%                   | 3.80%                | 7.45%   |
| 3007                          | Cranston                   | B       | 7.00%          | 4.26%                   | (19.32%)             | 0.00%   |
| 3008                          | Cumberland                 |         | 6.00%          | 3.41%                   | (2.58%)              | 0.83%   |
| 3009                          | East Greenwich             |         | 6.00%          | 3.09%                   | (29.49%)             | 0.00%   |
| 3010                          | East Providence            | B       | 7.00%          | 4.09%                   | (0.69%)              | 3.40%   |
| 3011                          | Exeter/West Greenwich      | B       | 7.00%          | 5.31%                   | (0.53%)              | 4.78%   |
| 3012                          | Foster                     |         | 6.00%          | 3.79%                   | (1.26%)              | 2.53%   |
| 3013                          | Glocester                  | C       | 7.00%          | 4.50%                   | 0.81%                | 5.31%   |
| 3014                          | Hopkinton                  | C       | 7.00%          | 4.56%                   | (18.24%)             | 0.00%   |
| 3015                          | Jamestown                  | C       | 7.00%          | 4.34%                   | (5.55%)              | 0.00%   |
| 3016                          | Johnston                   | C       | 7.00%          | 4.19%                   | (11.08%)             | 0.00%   |
| 3017                          | Lincoln                    |         | 6.00%          | 3.70%                   | 0.12%                | 3.82%   |
| 3021                          | Newport                    | B       | 7.00%          | 3.57%                   | (3.25%)              | 0.32%   |
| 3022                          | New Shoreham               | B       | 7.00%          | 4.16%                   | (1.75%)              | 2.41%   |
| 3023                          | North Kingstown            | C       | 7.00%          | 4.47%                   | (4.74%)              | 0.00%   |
| 3024                          | North Providence           |         | 6.00%          | 2.75%                   | (18.42%)             | 0.00%   |
| 3025                          | North Smithfield           | B       | 7.00%          | 5.04%                   | (25.79%)             | 0.00%   |
| 3026                          | Pawtucket                  | C       | 7.00%          | 3.63%                   | (9.91%)              | 0.00%   |
| 3027                          | Union Fire District        |         | 6.00%          | 2.64%                   | 4.12%                | 6.76%   |
| 3029                          | Richmond                   |         | 6.00%          | 3.74%                   | (6.93%)              | 0.00%   |
| 3030                          | Scituate                   | B       | 7.00%          | 4.63%                   | (9.09%)              | 0.00%   |
| 3031                          | Smithfield                 |         | 6.00%          | 3.51%                   | (24.56%)             | 0.00%   |
| 3032                          | South Kingstown            |         | 6.00%          | 3.34%                   | (18.94%)             | 0.00%   |
| 3033                          | Tiverton                   |         | 6.00%          | 3.37%                   | (38.61%)             | 0.00%   |
| 3034                          | Warren                     | C       | 7.00%          | 3.74%                   | (2.33%)              | 1.41%   |
| 3036                          | Westerly                   |         | 6.00%          | 1.79%                   | 224.37%              | 226.16% |
| 3037                          | West Greenwich             |         | 6.00%          | 3.85%                   | (3.35%)              | 0.50%   |
| 3039                          | Woonsocket                 | B       | 7.00%          | 4.14%                   | (26.37%)             | 0.00%   |
| 3040                          | Chariho School District    |         | 6.00%          | 3.55%                   | (5.21%)              | 0.00%   |
| 3041                          | Foster/Glocester           | B       | 7.00%          | 4.97%                   | 4.24%                | 9.21%   |
| 3042                          | Tiogue Fire & Lighting     | C       | 7.00%          | 2.70%                   | 13.32%               | 16.02%  |
| 3043                          | Narragansett Housing       |         | 6.00%          | 2.70%                   | (2.30%)              | 0.40%   |
| 3045                          | Coventry Lighting District | C       | 7.00%          | (0.33%)                 | (20.39%)             | 0.00%   |
| 3046                          | Hope Valley Fire           | C       | 7.00%          | 5.65%                   | (38.41%)             | 0.00%   |
| 3050                          | East Greenwich Housing     | C       | 7.00%          | —                       | 17.65%               | 21.97%  |
| 3051                          | Cranston Housing           | C       | 7.00%          | 4.87%                   | (18.35%)             | 0.00%   |



**CONTRIBUTION RATES  
FOR FISCAL YEAR ENDING JUNE 30, 2002**

| Unit<br>Number                         | Unit                              | Code(s) | Member<br>Rate | Employer Rate           |                      |              |
|--|-----------------------------------|---------|----------------|-------------------------|----------------------|--------------|
|  |                                   |         |                | Employer<br>Normal Cost | Amortization<br>Rate | Total        |
| (1)                                    | (2)                               | (3)     | (4)            | (5)                     | (6)                  | (7)          |
| <b>General Employee Units</b>          |                                   |         |                |                         |                      |              |
| 3052                                   | East Providence Housing           | B       | 7.00%          | 5.08%                   | (14.09%)             | 0.00%        |
| 3053                                   | Pawtucket Housing                 | B       | 7.00%          | 3.74%                   | (27.92%)             | 0.00%        |
| 3056                                   | Cumberland Housing                | C       | 7.00%          | 4.92%                   | (10.97%)             | 0.00%        |
| 3057                                   | Lincoln Housing                   | B       | 7.00%          | 6.68%                   | (25.01%)             | 0.00%        |
| 3059                                   | Bristol Housing                   |         | 6.00%          | 3.06%                   | (50.52%)             | 0.00%        |
| 3065                                   | Burrillville Housing              |         | 6.00%          | 4.02%                   | (40.34%)             | 0.00%        |
| 3066                                   | North Providence Housing          | B       | 7.00%          | 3.97%                   | (7.96%)              | 0.00%        |
| 3067                                   | East Smithfield Water             | C       | 7.00%          | 5.23%                   | (30.09%)             | 0.00%        |
| 3068                                   | Greenville Water                  |         | 6.00%          | 1.92%                   | (20.78%)             | 0.00%        |
| 3069                                   | Newport Housing                   | C       | 7.00%          | 5.55%                   | (17.52%)             | 0.00%        |
| 3071                                   | Warren Housing                    | B       | 7.00%          | 5.47%                   | (37.17%)             | 0.00%        |
| 3072                                   | Johnston Housing                  |         | 6.00%          | 1.24%                   | (37.72%)             | 0.00%        |
| 3077                                   | Tiverton Local 2670A              | C       | 7.00%          | 5.23%                   | (12.04%)             | 0.00%        |
| 3078                                   | Barrington DPW                    | C       | 7.00%          | 2.31%                   | (26.70%)             | 0.00%        |
| 3079                                   | Coventry Housing                  |         | 6.00%          | 3.87%                   | (10.09%)             | 0.00%        |
| 3080                                   | South Kingstown Housing           | C,3     | 7.00%          | —                       | —                    | —            |
| 3083                                   | West Warwick Housing              | B       | 7.00%          | 5.18%                   | (9.06%)              | 0.00%        |
| 3084                                   | Smithfield Housing                |         | 6.00%          | 2.76%                   | (2.63%)              | 0.13%        |
| 3096                                   | Central Falls Housing             |         | 6.00%          | 4.13%                   | (1.81%)              | 2.32%        |
| 3098                                   | Lime Rock Administrative Services |         | 6.00%          | 3.43%                   | (2.55%)              | 0.88%        |
| 3099                                   | Central Falls Schools             | C       | 7.00%          | 4.93%                   | (1.92%)              | 3.01%        |
| 3100                                   | Bristol/Warren Schools            | B       | 7.00%          | 5.36%                   | (11.67%)             | 0.00%        |
| <b>General Employee Units Averages</b> |                                   |         | <b>6.61%</b>   | <b>3.95%</b>            | <b>(12.77%)</b>      | <b>0.00%</b> |
| <b>Police &amp; Fire Units</b>         |                                   |         |                |                         |                      |              |
| 4029                                   | Richmond Police                   |         | 7.00%          | 6.34%                   | (0.40%)              | 5.94%        |
| 4042                                   | Valley Falls Fire                 | D       | 8.00%          | 9.60%                   | 12.28%               | 21.88%       |
| 4046                                   | Lime Rock Fire                    | 3       | —              | —                       | —                    | —            |
| 4047                                   | North Smithfield Voluntary Fire   | D       | 8.00%          | 10.62%                  | (8.88%)              | 1.74%        |
| 4050                                   | East Greenwich Fire               | C,D     | 9.00%          | 12.21%                  | (7.47%)              | 4.74%        |
| 4054                                   | East Greenwich Police             | C,D     | 9.00%          | 12.28%                  | (18.81%)             | 0.00%        |
| 4055                                   | North Kingstown Fire              | C,D     | 9.00%          | 11.90%                  | (9.94%)              | 1.96%        |
| 4056                                   | North Kingstown Police            | C,D     | 9.00%          | 11.95%                  | (13.70%)             | 0.00%        |
| 4057                                   | Harris Fire                       | C       | 8.00%          | 6.85%                   | 4.20%                | 11.05%       |
| 4058                                   | North Providence Fire             | D       | 8.00%          | 8.75%                   | (8.93%)              | 0.00%        |
| 4059                                   | Barrington Fire (25)              | C       | 7.00%          | 9.89%                   | (1.00%)              | 8.89%        |
| 4060                                   | Barrington Police                 | D       | 8.00%          | 8.40%                   | 2.04%                | 10.44%       |
| 4061                                   | Barrington Fire (20)              | C,D     | 9.00%          | 10.47%                  | (51.41%)             | 0.00%        |
| 4062                                   | Warren Police                     | C,D     | 9.00%          | 11.35%                  | 2.06%                | 13.41%       |
| 4063                                   | South Kingstown Police            | C,1     | 9.00%          | 7.76%                   | (32.99%)             | 0.00%        |





**CONTRIBUTION RATES  
FOR FISCAL YEAR ENDING JUNE 30, 2002**

| Unit Number                             | Unit                         | Code(s) | Member Rate  | Employer Rate        |                   |              |
|---|------------------------------|---------|--------------|----------------------|-------------------|--------------|
|   |                              |         |              | Employer Normal Cost | Amortization Rate | Total        |
| (1)                                     | (2)                          | (3)     | (4)          | (5)                  | (6)               | (7)          |
| <b>Police &amp; Fire Units</b>          |                              |         |              |                      |                   |              |
| 4064                                    | Primrose Volunteer Fire      | B,D     | 9.00%        | 10.16%               | (21.99%)          | 0.00%        |
| 4073                                    | Scituate Police              | 3       | —            | —                    | —                 | —            |
| 4076                                    | North Smithfield Police      | C,D     | 9.00%        | 12.65%               | (9.09%)           | 3.56%        |
| 4077                                    | Tiverton Fire                | D       | 8.00%        | 8.81%                | (24.04%)          | 0.00%        |
| 4082                                    | Foster Police                | D       | 8.00%        | 9.71%                | (18.53%)          | 0.00%        |
| 4085                                    | Woonsocket Police            | C,D     | 9.00%        | 12.88%               | (3.70%)           | 9.18%        |
| 4086                                    | Charlestown Police           | C,D     | 9.00%        | 9.62%                | 10.05%            | 19.67%       |
| 4087                                    | Hopkinton Police             | C,D     | 9.00%        | 13.24%               | (7.90%)           | 5.34%        |
| 4088                                    | Glocester Police             | C,D     | 9.00%        | 10.89%               | (1.70%)           | 9.19%        |
| 4089                                    | West Greenwich Police/Rescue | D       | 8.00%        | 8.68%                | 0.88%             | 9.56%        |
| 4090                                    | Burrillville Police          | C,D     | 9.00%        | 13.19%               | 2.44%             | 15.63%       |
| 4091                                    | Cumberland Rescue            | C,D     | 9.00%        | 12.92%               | (2.00%)           | 10.92%       |
| 4092                                    | Washington Fire              | D       | 8.00%        | 10.41%               | (3.33%)           | 7.08%        |
| 4093                                    | Woonsocket Fire              | C,D     | 9.00%        | 13.23%               | (2.32%)           | 10.91%       |
| 4094                                    | Bristol Fire                 |         | 7.00%        | 7.23%                | (12.91%)          | 0.00%        |
| 4095                                    | Cumberland Hill Fire         | C,D     | 9.00%        | 5.00%                | 5.67%             | 10.67%       |
| 4096                                    | Bristol Police               | C,D     | 9.00%        | 13.70%               | 0.95%             | 14.65%       |
| 4098                                    | Coventry Fire                | D       | 8.00%        | 9.58%                | 7.81%             | 17.39%       |
| 4099                                    | South Kingstown EMT          | C,D     | 9.00%        | 13.96%               | (1.59%)           | 12.37%       |
| 4100                                    | Tiogue Fire                  |         | 7.00%        | 5.77%                | 11.47%            | 17.24%       |
| 4101                                    | North Cumberland             | D       | 8.00%        | 9.74%                | 4.48%             | 14.22%       |
| 4102                                    | Central Coventry Fire        | D       | 8.00%        | 9.42%                | 3.06%             | 12.48%       |
| 4103                                    | Hopkins Hill Fire            | D       | 8.00%        | 10.01%               | (2.08%)           | 7.93%        |
| 4104                                    | Cranston Police              | C,D,4   | 10.00%       | 18.21%               | 2.91%             | 21.12%       |
| 4105                                    | Cranston Fire                | C,D,4   | 10.00%       | 14.51%               | 6.67%             | 21.18%       |
| 4106                                    | Cumberland Fire              | B,D     | 9.00%        | 11.29%               | 8.75%             | 20.04%       |
| 4107                                    | Lincoln Rescue               |         | 7.00%        | 5.55%                | (2.43%)           | 3.12%        |
| 4108                                    | New Shoreham Police          | B       | 8.00%        | 7.01%                | 3.20%             | 10.21%       |
| 4109                                    | Warren Fire                  | D       | 8.00%        | 11.33%               | 34.39%            | 45.72%       |
| <b>Police &amp; Fire Units Averages</b> |                              |         | <b>7.99%</b> | <b>11.59%</b>        | <b>(5.95%)</b>    | <b>5.61%</b> |
| <b>All MERS Units Averages</b>          |                              |         | <b>7.36%</b> | <b>5.46%</b>         | <b>(11.42%)</b>   | <b>0.00%</b> |

B - Municipality has adopted COLA Plan B.

C - Municipality has adopted COLA Plan C.

D - Municipality has adopted the "20-year" optional Police & Fire Plan.

1 - S.Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 1999 valuation.

3 - Closed unit.

4 - Cranston Fire and Police are contributing 10% due to special plan provision.



**COMPARISON OF EMPLOYER CONTRIBUTION RATES**

| Unit Number                   | Unit                       | Code(s) | June 30, 1999<br>Actuarial<br>Valuation<br>for FY 2002 | June 30, 1998<br>Actuarial<br>Valuation<br>for FY 2001 | June 30, 1997<br>Actuarial<br>Valuation<br>for FY 2000 |
|-------------------------------|----------------------------|---------|--|--|--|
| (1)                           | (2)                        | (3)     | (4)  | (5)  | (6)  |
| <b>General Employee Units</b> |                            |         |  |  |  |
| 3001                          | Barrington                 |         | 0.00%  | 0.00%  | 0.00%  |
| 3002                          | Bristol                    | B       | 0.00%  | 0.00%  | 0.00%  |
| 3003                          | Burrillville               | C       | 0.00%  | 0.00%  | 0.00%  |
| 3004                          | Central Falls              |         | 11.27%   | 13.20%   | 14.94%   |
| 3005                          | Charlestown                | C       | 7.45%  | 8.76%  | 8.69%  |
| 3007                          | Cranston                   | B       | 0.00%  | 0.00%  | 0.00%  |
| 3008                          | Cumberland                 |         | 0.83%  | 1.28%  | 0.00%  |
| 3009                          | East Greenwich             |         | 0.00%  | 0.00%  | 0.00%  |
| 3010                          | East Providence            | B       | 3.40%  | 2.51%  | 1.12%  |
| 3011                          | Exeter/West Greenwich      | B       | 4.78%  | 0.00%  | 0.00%  |
| 3012                          | Foster                     |         | 2.53%  | 3.33%  | 5.34%  |
| 3013                          | Glocester                  | C       | 5.31%  | 6.43%  | 2.37%  |
| 3014                          | Hopkinton                  | C       | 0.00%  | 0.00%  | 0.00%  |
| 3015                          | Jamestown                  | C       | 0.00%  | 0.00%  | 0.00%  |
| 3016                          | Johnston                   | C       | 0.00%  | 0.00%  | 0.00%  |
| 3017                          | Lincoln                    |         | 3.82%  | 6.06%  | 6.11%  |
| 3021                          | Newport                    | B       | 0.32%  | 0.82%  | 0.00%  |
| 3022                          | New Shoreham               | B       | 2.41%  | 0.77%  | 0.00%  |
| 3023                          | North Kingstown            | C       | 0.00%  | 0.36%  | 0.00%  |
| 3024                          | North Providence           |         | 0.00%  | 0.00%  | 0.00%  |
| 3025                          | North Smithfield           | B       | 0.00%  | 0.00%  | 0.00%  |
| 3026                          | Pawtucket                  | C       | 0.00%  | 0.00%  | 0.00%  |
| 3027                          | Union Fire District        |         | 6.76%  | 6.79%  | 5.49%  |
| 3029                          | Richmond                   |         | 0.00%  | 0.00%  | 2.01%  |
| 3030                          | Scituate                   | B       | 0.00%  | 0.00%  | 0.00%  |
| 3031                          | Smithfield                 |         | 0.00%  | 0.00%  | 0.00%  |
| 3032                          | South Kingstown            |         | 0.00%  | 0.00%  | 0.00%  |
| 3033                          | Tiverton                   |         | 0.00%  | 0.00%  | 0.00%  |
| 3034                          | Warren                     | C       | 1.41%  | 1.23%  | 0.00%  |
| 3036                          | Westerly                   |         | 226.16%  | 140.27%  | 114.69%  |
| 3037                          | West Greenwich             |         | 0.50%  | 4.21%  | 0.00%  |
| 3039                          | Woonsocket                 | B       | 0.00%  | 0.00%  | 0.00%  |
| 3040                          | Chariho School District    |         | 0.00%  | 0.00%  | 0.00%  |
| 3041                          | Foster/Glocester           | B       | 9.21%  | 10.10%   | 7.48%  |
| 3042                          | Tiogue Fire & Lighting     | C       | 16.02%   | 13.63%   | 60.43%   |
| 3043                          | Narragansett Housing       |         | 0.40%  | 1.36%  | 0.85%  |
| 3045                          | Coventry Lighting District | C       | 0.00%  | 0.00%  | 0.00%  |
| 3046                          | Hope Valley Fire           | C       | 0.00%  | 0.00%  | 0.00%  |
| 3050                          | East Greenwich Housing     | C       | 21.97%   | 14.84%   | N/A  |
| 3051                          | Cranston Housing           | C       | 0.00%  | 0.00%  | 0.00%  |



## COMPARISON OF EMPLOYER CONTRIBUTION RATES

| Unit Number                           | Unit                      | Code(s) | June 30, 1999                         | June 30, 1998                         | June 30, 1997                         |
|---------------------------------------|---------------------------|---------|---------------------------------------|---------------------------------------|---------------------------------------|
|                                       |                           |         | Actuarial<br>Valuation<br>for FY 2002 | Actuarial<br>Valuation<br>for FY 2001 | Actuarial<br>Valuation<br>for FY 2000 |
| (1)                                   | (2)                       | (3)     | (4)                                   | (5)                                   | (6)                                   |
| <b>General Employee Units</b>         |                           |         |                                       |                                       |                                       |
| 3052                                  | East Providence Housing   | B       | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 3053                                  | Pawtucket Housing         | B       | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 3056                                  | Cumberland Housing        | C       | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 3057                                  | Lincoln Housing           | B       | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 3059                                  | Bristol Housing           |         | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 3065                                  | Burrillville Housing      |         | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 3066                                  | North Providence Housing  | B       | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 3067                                  | East Smithfield Water     | C       | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 3068                                  | Greenville Water          |         | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 3069                                  | Newport Housing           | C       | 0.00%                                 | 0.00%                                 | 6.95%                                 |
| 3071                                  | Warren Housing            | B       | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 3072                                  | Johnston Housing          |         | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 3077                                  | Tiverton Local 2670A      | C       | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 3078                                  | Barrington DPW            | C       | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 3079                                  | Coventry Housing          |         | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 3080                                  | South Kingstown Housing   | C,3     | —                                     | —                                     | —                                     |
| 3083                                  | West Warwick Housing      | B       | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 3084                                  | Smithfield Housing        |         | 0.13%                                 | 0.83%                                 | 1.45%                                 |
| 3096                                  | Central Falls Housing     |         | 2.32%                                 | 3.97%                                 | 7.48%                                 |
| 3098                                  | Lime Rock Admin. Services |         | 0.88%                                 | 1.91%                                 | 2.74%                                 |
| 3099                                  | Central Falls Schools     | C       | 3.01%                                 | 4.60%                                 | 1.63%                                 |
| 3100                                  | Bristol/Warren Schools    | B       | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| <b>General Employee Units Average</b> |                           |         | <b>0.00%</b>                          | <b>0.00%</b>                          | <b>0.00%</b>                          |
| <b>Police &amp; Fire Units</b>        |                           |         |                                       |                                       |                                       |
| 4029                                  | Richmond Police           |         | 5.94%                                 | 5.57%                                 | 5.57%                                 |
| 4042                                  | Valley Falls Fire         | D       | 21.88%                                | 23.72%                                | 31.25%                                |
| 4046                                  | Lime Rock Fire            | 3       | —                                     | —                                     | —                                     |
| 4047                                  | N. Smithfield Vol. Fire   | D       | 1.74%                                 | 0.00%                                 | 8.85%                                 |
| 4050                                  | East Greenwich Fire       | C,D     | 4.74%                                 | 4.94%                                 | 7.74%                                 |
| 4054                                  | East Greenwich Police     | C,D     | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 4055                                  | North Kingstown Fire      | C,D     | 1.96%                                 | 0.00%                                 | 0.00%                                 |
| 4056                                  | North Kingstown Police    | C,D     | 0.00%                                 | 0.00%                                 | 1.64%                                 |
| 4057                                  | Harris Fire               | C       | 11.05%                                | 12.36%                                | 15.23%                                |
| 4058                                  | North Providence Fire     | D       | 0.00%                                 | 1.03%                                 | 3.15%                                 |
| 4059                                  | Barrington Fire (25)      | C       | 8.89%                                 | 4.65%                                 | 5.29%                                 |
| 4060                                  | Barrington Police         | D       | 10.44%                                | 2.48%                                 | 11.77%                                |
| 4061                                  | Barrington Fire (20)      | C,D     | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 4062                                  | Warren Police             | C,D     | 13.41%                                | 13.46%                                | 9.35%                                 |
| 4063                                  | South Kingstown Police    | C,1     | 0.00%                                 | 0.00%                                 | 0.00%                                 |
| 4064                                  | Primrose Volunteer Fire   | B,D     | 0.00%                                 | 0.00%                                 | 0.00%                                 |



**COMPARISON OF EMPLOYER CONTRIBUTION RATES**

| Unit Number                            | Unit                     | Code(s) | June 30, 1999<br>Actuarial<br>Valuation<br>for FY 2002 | June 30, 1998<br>Actuarial<br>Valuation<br>for FY 2001 | June 30, 1997<br>Actuarial<br>Valuation<br>for FY 2000 |
|--|--------------------------|---------|--|--|--|
| (1)                                    | (2)                      | (3)     | (4)  | (5)  | (6)  |
| <b>General Employee Units</b>          |                          |         |  |  |  |
| 4073                                   | Scituate Police          | 3       | —  | —  | —  |
| 4076                                   | North Smithfield Police  | C,D     | 3.56%  | 0.54%  | 0.84%  |
| 4077                                   | Tiverton Fire            | D       | 0.00%  | 0.00%  | 0.00%  |
| 4082                                   | Foster Police            | D       | 0.00%  | 0.00%  | 0.00%  |
| 4085                                   | Woonsocket Police        | C,D     | 9.18%  | 9.95%  | 10.82%   |
| 4086                                   | Charlestown Police       | C,D     | 19.67%   | 24.67%   | 18.10%   |
| 4087                                   | Hopkinton Police         | C,D     | 5.34%  | 7.54%  | 3.11%  |
| 4088                                   | Glocester Police         | C,D     | 9.19%  | 10.12%   | 7.97%  |
| 4089                                   | W. Greenwich Police/Rsq. | D       | 9.56%  | 13.20%   | 8.58%  |
| 4090                                   | Burrillville Police      | C,D     | 15.63%   | 16.14%   | 9.56%  |
| 4091                                   | Cumberland Rescue        | C,D     | 10.92%   | 4.69%  | 3.28%  |
| 4092                                   | Washington Fire          | D       | 7.08%  | 9.10%  | 10.40%   |
| 4093                                   | Woonsocket Fire          | C,D     | 10.91%   | 12.01%   | 11.44%   |
| 4094                                   | Bristol Fire             |         | 0.00%  | 0.00%  | 0.00%  |
| 4095                                   | Cumberland Hill Fire     | C,D     | 10.67%   | 17.19%   | 22.11%   |
| 4096                                   | Bristol Police           | C,D     | 14.65%   | 36.96%   | —  |
| 4098                                   | Coventry Fire            | D       | 17.39%   | 0.80%  | 2.34%  |
| 4099                                   | South Kingstown EMT      | C,D     | 12.37%   | 13.53%   | 11.48%   |
| 4100                                   | Tiogue Fire              |         | 17.24%   | 17.30%   | 3.32%  |
| 4101                                   | North Cumberland         | D       | 14.22%   | 15.53%   | 16.18%   |
| 4102                                   | Central Coventry Fire    | D       | 12.48%   | 11.44%   | 13.32%   |
| 4103                                   | Hopkins Hill Fire        | D       | 7.93%  | 4.89%  | 2.46%  |
| 4104                                   | Cranston Police          | C,D,4   | 21.12%   | 16.51%   | 15.99%   |
| 4105                                   | Cranston Fire            | C,D,4   | 21.18%   | 19.32%   | 17.08%   |
| 4106                                   | Cumberland Fire          | B,D     | 20.04%   | 2.55%  | 10.13%   |
| 4107                                   | Lincoln Rescue           |         | 3.12%  | 3.53%  | 6.21%  |
| 4108                                   | New Shoreham Police      | B       | 10.21%   | 10.45%   | 11.16%   |
| 4109                                   | Warren Fire              | D       | 45.72%   | 48.30%   | 30.32%   |
| <b>Police &amp; Fire Units Average</b> |                          |         | <b>5.61%</b>   | <b>5.41%</b>   | <b>5.53%</b>   |
| <b>All MERS UNITS AVERAGE</b>          |                          |         | <b>0.00%</b>   | <b>0.00%</b>   | <b>0.00%</b>   |

B - Municipality has adopted COLA Plan B

C - Municipality has adopted COLA Plan C

D - Municipality has adopted the "20-year" optional Police & Fire Plan

1 - S.Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 1999 valuation.

3 - Closed unit.

4 - Cranston Fire and Police are contributing 10% due to special plan provision.



**SCHEDULE OF FUNDING PROGRESS**

| Unit Number                   | Unit                  | Code(s) | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (UAAL) (5) - (4) | Funded Ratio (4)/(5) | Annual Covered Payroll | UAAL as % of Payroll (6)/(8) |
|-------------------------------|-----------------------|---------|---------------------------------|-----------------------------------|---|----------------------|------------------------|------------------------------|
| (1)                           | (2)                   | (3)     | (4)                             | (5)                               | (6)   | (7)                  | (8)                    | (9)                          |
| <b>General Employee Units</b> |                       |         |                                 |                                   |   |                      |                        |                              |
| 3001                          | Barrington            |         | 16,715,085                      | 10,775,803                        | (5,939,282)   | 155.1%               | 3,574,434              | (166.2%)                     |
| 3002                          | Bristol               | B       | 13,080,913                      | 10,227,688                        | (2,853,225)   | 127.9%               | 2,527,325              | (112.9%)                     |
| 3003                          | Burrillville          | C       | 16,335,578                      | 10,675,302                        | (5,660,276)   | 153.0%               | 3,614,331              | (156.6%)                     |
| 3004                          | Central Falls         |         | 2,459,125                       | 3,600,127                         | 1,141,002   | 68.3%                | 1,497,659              | 76.2%                        |
| 3005                          | Charlestown           | C       | 1,759,873                       | 2,112,310                         | 352,437   | 83.3%                | 1,023,725              | 34.4%                        |
| 3007                          | Cranston              | B       | 108,128,119                     | 79,036,901                        | (29,091,218)  | 136.8%               | 19,517,064             | (149.1%)                     |
| 3008                          | Cumberland            |         | 14,405,497                      | 13,389,806                        | (1,015,691)   | 107.6%               | 5,158,649              | (19.7%)                      |
| 3009                          | East Greenwich        |         | 16,668,471                      | 8,710,330                         | (7,958,141)   | 191.4%               | 3,542,419              | (224.7%)                     |
| 3010                          | East Providence       | B       | 56,278,157                      | 55,601,631                        | (676,526)   | 101.2%               | 12,513,440             | (5.4%)                       |
| 3011                          | Exeter/West Greenwich | B       | 3,560,029                       | 3,494,652                         | (65,377)  | 101.9%               | 1,481,117              | (4.4%)                       |
| 3012                          | Foster                |         | 1,773,420                       | 1,649,068                         | (124,352)   | 107.5%               | 712,958                | (17.4%)                      |
| 3013                          | Glocester             | C       | 2,875,185                       | 2,969,160                         | 93,975  | 96.8%                | 1,402,235              | 6.7%                         |
| 3014                          | Hopkinton             | C       | 2,210,514                       | 1,269,181                         | (941,333)   | 174.2%               | 658,930                | (142.9%)                     |
| 3015                          | Jamestown             | C       | 5,302,624                       | 4,472,349                         | (830,275)   | 118.6%               | 1,760,689              | (47.2%)                      |
| 3016                          | Johnston              | C       | 25,991,677                      | 20,838,716                        | (5,152,961)   | 124.7%               | 5,913,301              | (87.1%)                      |
| 3017                          | Lincoln               |         | 524,106                         | 528,953                           | 4,847   | 99.1%                | 528,972                | 0.9%                         |
| 3021                          | Newport               | B       | 39,390,120                      | 37,096,146                        | (2,293,974)   | 106.2%               | 8,862,637              | (25.9%)                      |
| 3022                          | New Shoreham          | B       | 2,165,842                       | 1,996,248                         | (169,594)   | 108.5%               | 1,181,478              | (14.4%)                      |
| 3023                          | North Kingstown       | C       | 25,314,429                      | 22,464,464                        | (2,849,965)   | 112.7%               | 7,821,072              | (36.4%)                      |
| 3024                          | North Providence      |         | 22,111,777                      | 14,019,034                        | (8,092,743)   | 157.7%               | 5,420,229              | (149.3%)                     |
| 3025                          | North Smithfield      | B       | 10,832,014                      | 6,368,006                         | (4,464,008)   | 170.1%               | 2,234,098              | (199.8%)                     |
| 3026                          | Pawtucket             | C       | 78,716,631                      | 65,939,548                        | (12,777,083)  | 119.4%               | 17,029,741             | (75.0%)                      |
| 3027                          | Union Fire District   |         | 81,638                          | 104,685                           | 23,047  | 78.0%                | 79,903                 | 28.8%                        |
| 3029                          | Richmond              |         | 925,097                         | 687,915                           | (237,182)   | 134.5%               | 449,143                | (52.8%)                      |
| 3030                          | Scituate              | B       | 7,778,478                       | 6,495,970                         | (1,282,508)   | 119.7%               | 1,868,873              | (68.6%)                      |
| 3031                          | Smithfield            |         | 17,035,318                      | 9,447,098                         | (7,588,220)   | 180.3%               | 4,064,110              | (186.7%)                     |
| 3032                          | South Kingstown       |         | 26,725,103                      | 15,384,884                        | (11,340,219)  | 173.7%               | 7,463,234              | (151.9%)                     |
| 3033                          | Tiverton              |         | 9,047,710                       | 5,064,630                         | (3,983,080)   | 178.6%               | 1,547,688              | (257.4%)                     |
| 3034                          | Warren                | C       | 4,883,216                       | 4,681,408                         | (201,808)   | 104.3%               | 1,062,393              | (19.0%)                      |
| 3036                          | Westerly              |         | 718,958                         | 1,197,123                         | 478,165   | 60.1%                | 47,623                 | 1004.1%                      |
| 3037                          | West Greenwich        |         | 1,059,419                       | 923,444                           | (135,975)   | 114.7%               | 547,216                | (24.8%)                      |



**SCHEDULE OF FUNDING PROGRESS**

| Unit                                   | Unit                              | Code (s) | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (UAAL) (5) - (4) | Funded Ratio (4)/(5) | Annual Covered Payroll (8) | UAAL as % of Payroll (6)/(8) |
|--|-----------------------------------|----------|---------------------------------|-----------------------------------|---|----------------------|----------------------------|------------------------------|
| (1)                                    | (2)                               | (3)      | (4)                             | (5)                               | (6)   | (7)                  | (8)                        | (9)                          |
| 3039                                   | Woonsocket                        | B        | 52,843,213                      | 32,579,705                        | (20,263,508)  | 162.2%               | 9,768,166                  | (207.4%)                     |
| 3040                                   | Charlho School District           | B        | 6,287,437                       | 5,045,650                         | (1,241,787)   | 124.6%               | 2,897,280                  | (42.9%)                      |
| 3041                                   | Foster/Glocester                  | B        | 2,665,139                       | 2,934,360                         | 269,221   | 90.8%                | 908,076                    | 29.6%                        |
| 3042                                   | Tiogue Fire & Lighting            | C        | 31,212                          | 42,659                            | 11,447  | 73.2%                | 7,827                      | 146.3%                       |
| 3043                                   | Narragansett Housing              | C        | 91,435                          | 72,266                            | (19,169)  | 126.5%               | 89,917                     | (21.3%)                      |
| 3045                                   | Coventry Lighting District        | C        | 845,318                         | 733,942                           | (111,376)   | 115.2%               | 183,718                    | (60.6%)                      |
| 3046                                   | Hope Valley Fire                  | C        | 148,357                         | 144,528                           | (3,829)   | 102.6%               | 40,494                     | (9.5%)                       |
| 3050                                   | East Greenwich Housing            | C        | 50,272                          | 275,678                           | 225,406   | 18.2%                | 149,739                    | 150.5%                       |
| 3051                                   | Cranston Housing                  | C        | 2,374,859                       | 1,539,242                         | (835,617)   | 154.3%               | 576,292                    | (145.0%)                     |
| 3052                                   | East Providence Housing           | B        | 1,916,595                       | 1,457,631                         | (458,964)   | 131.5%               | 480,150                    | (95.6%)                      |
| 3053                                   | Pawtucket Housing                 | B        | 8,033,840                       | 4,375,859                         | (3,657,981)   | 183.6%               | 1,646,282                  | (222.2%)                     |
| 3056                                   | Cumberland Housing                | C        | 813,730                         | 549,745                           | (263,985)   | 148.0%               | 297,754                    | (88.7%)                      |
| 3057                                   | Lincoln Housing                   | B        | 1,238,641                       | 863,293                           | (375,348)   | 143.5%               | 241,524                    | (155.4%)                     |
| 3059                                   | Bristol Housing                   | C        | 1,331,989                       | 644,229                           | (687,760)   | 206.8%               | 228,367                    | (301.2%)                     |
| 3065                                   | Burrillville Housing              | C        | 577,981                         | 271,608                           | (306,373)   | 212.8%               | 115,302                    | (265.7%)                     |
| 3066                                   | North Providence Housing          | B        | 866,687                         | 738,647                           | (128,040)   | 117.3%               | 220,664                    | (58.0%)                      |
| 3067                                   | East Smithfield Water             | C        | 518,142                         | 269,156                           | (248,986)   | 192.5%               | 161,115                    | (154.5%)                     |
| 3068                                   | Greenville Water                  | C        | 672,300                         | 345,360                           | (326,940)   | 194.7%               | 170,385                    | (191.9%)                     |
| 3069                                   | Newport Housing                   | C        | 4,662,157                       | 2,927,844                         | (1,734,313)   | 159.2%               | 1,338,147                  | (129.6%)                     |
| 3071                                   | Warren Housing                    | B        | 924,517                         | 586,652                           | (337,865)   | 157.6%               | 184,552                    | (183.1%)                     |
| 3072                                   | Johnston Housing                  | C        | 745,794                         | 427,293                           | (318,501)   | 174.5%               | 170,752                    | (186.5%)                     |
| 3077                                   | Tiverton Local 2670A              | C        | 2,142,249                       | 1,628,257                         | (513,992)   | 131.6%               | 660,551                    | (77.8%)                      |
| 3078                                   | Barrington DPW                    | C        | 4,699,690                       | 2,642,070                         | (2,057,620)   | 177.9%               | 967,963                    | (212.6%)                     |
| 3079                                   | Coventry Housing                  | C        | 715,216                         | 480,606                           | (234,610)   | 148.8%               | 254,594                    | (92.2%)                      |
| 3080                                   | South Kingstown Housing           | C,3      | 37,135                          | 25,012                            | (12,123)  | 148.5%               | 0                          | -                            |
| 3083                                   | West Warwick Housing              | B        | 748,368                         | 603,172                           | (145,196)   | 124.1%               | 203,390                    | (71.4%)                      |
| 3084                                   | Smithfield Housing                | C        | 144,361                         | 124,038                           | (20,323)  | 116.4%               | 72,128                     | (28.2%)                      |
| 3096                                   | Central Falls Housing             | C        | 1,280,971                       | 1,265,405                         | (15,566)  | 101.2%               | 410,369                    | (3.8%)                       |
| 3098                                   | Lime Rock Administrative Services | C        | 64,160                          | 51,021                            | (13,139)  | 125.8%               | 48,116                     | (27.3%)                      |
| 3099                                   | Central Falls Schools             | C        | 4,459,452                       | 4,119,743                         | (339,709)   | 108.2%               | 2,532,324                  | (13.4%)                      |
| 3100                                   | Bristol/Warren Schools            | B        | 10,981,490                      | 7,855,014                         | (3,126,476)   | 139.8%               | 3,202,055                  | (97.6%)                      |
| <b>General Employee Units Subtotal</b> |                                   |          | \$ 647,766,830                  | \$ 496,842,265                    | \$ (150,924,565)                                      | 130.4%               | \$ 153,334,679             | (98.4%)                      |



**SCHEDULE OF FUNDING PROGRESS**

| Unit Number                    | Unit                       | Code(s) | Actuarial Value of Assets (AVA) | Actuarial Liability (AAL) | Actuarial Unfunded Accrued Liability (UAAAL) (5) - (4) | Funded Ratio (4)/(5) | Annual Covered Payroll | UAAAL as % of Payroll (6)/(8) |
|--------------------------------|----------------------------|---------|---------------------------------|---------------------------|--|----------------------|------------------------|-------------------------------|
| (1)                            | (2)                        | (3)     | (4)                             | (5)                       | (6)  | (7)                  | (8)                    | (9)                           |
| <b>Police &amp; Fire Units</b> |                            |         |                                 |                           |  |                      |                        |                               |
| 4029                           | Richmond Police            |         | 130,749                         | 119,439                   | (11,310)   | 109.5%               | 194,316                | (5.8%)                        |
| 4042                           | Valley Falls Fire          | D       | 1,352,054                       | 1,852,378                 | 500,324  | 73.0%                | 430,475                | 116.2%                        |
| 4046                           | Lime Rock Fire             | 3       | 26,283                          | 0                         | (26,283)   | -                    | 0                      | -                             |
| 4047                           | North Smithfield Vol. Fire | D       | 773,610                         | 517,574                   | (256,036)  | 149.5%               | 307,309                | (83.3%)                       |
| 4050                           | East Greenwich Fire        | C,D     | 6,236,868                       | 5,510,561                 | (726,307)  | 113.2%               | 1,072,343              | (67.7%)                       |
| 4054                           | East Greenwich Police      | C,D     | 8,675,387                       | 6,358,412                 | (2,316,975)  | 136.4%               | 1,194,980              | (193.9%)                      |
| 4055                           | North Kingstown Fire       | C,D     | 18,415,354                      | 16,040,147                | (2,375,207)  | 114.8%               | 2,601,921              | (91.3%)                       |
| 4056                           | North Kingstown Police     | C,D     | 10,957,682                      | 8,577,243                 | (2,380,439)  | 127.8%               | 1,808,463              | (131.6%)                      |
| 4057                           | Harris Fire                | C       | 83,501                          | 120,657                   | 37,156   | 69.2%                | 64,655                 | 57.5%                         |
| 4058                           | North Providence Fire      | D       | 17,400,002                      | 13,826,338                | (3,573,664)  | 125.8%               | 4,111,832              | (86.9%)                       |
| 4059                           | Barrington Fire (25)       | C       | 106,104                         | 78,994                    | (27,110)   | 134.3%               | 188,710                | (14.4%)                       |
| 4060                           | Barrington Police          | D       | 5,523,443                       | 5,736,005                 | 212,562  | 96.3%                | 1,061,293              | 20.0%                         |
| 4061                           | Barrington Fire (20)       | C,D     | 8,693,801                       | 6,671,269                 | (2,022,532)  | 130.3%               | 665,066                | (304.1%)                      |
| 4062                           | Warren Police              | C,D     | 5,708,740                       | 5,890,839                 | 182,099  | 96.9%                | 890,839                | 20.4%                         |
| 4063                           | South Kingstown Police     | C,1     | 14,796,222                      | 10,651,599                | (4,144,623)  | 138.9%               | 1,844,325              | (224.7%)                      |
| 4064                           | Primrose Volunteer Fire    | B,D     | 1,780,815                       | 1,277,142                 | (503,673)  | 139.4%               | 307,801                | (163.6%)                      |
| 4073                           | Scituate Police            | 3       | 158,322                         | 36,721                    | (121,601)  | 431.1%               | 0                      | -                             |
| 4076                           | North Smithfield Police    | C,D     | 5,058,096                       | 4,421,762                 | (636,334)  | 114.4%               | 801,838                | (79.4%)                       |
| 4077                           | Tiverton Fire              | D       | 6,175,469                       | 4,308,496                 | (1,866,973)  | 143.3%               | 820,564                | (227.5%)                      |
| 4082                           | Foster Police              | D       | 1,303,253                       | 910,748                   | (392,505)  | 143.1%               | 258,670                | (151.7%)                      |
| 4085                           | Woonsocket Police          | C,D     | 11,688,011                      | 10,098,054                | (1,589,957)  | 115.7%               | 3,819,703              | (41.6%)                       |
| 4086                           | Charlestown Police         | C,D     | 2,033,841                       | 2,585,248                 | 551,407  | 78.7%                | 601,948                | 91.6%                         |
| 4087                           | Hopkinton Police           | C,D     | 1,630,735                       | 1,282,926                 | (347,809)  | 127.1%               | 435,588                | (79.8%)                       |
| 4088                           | Glocester Police           | C,D     | 1,861,266                       | 1,769,968                 | (91,298)   | 105.2%               | 567,734                | (16.1%)                       |
| 4089                           | W. Greenwich Police/Rsq.   | D       | 990,792                         | 1,015,258                 | 24,466   | 97.6%                | 269,362                | 9.1%                          |
| 4090                           | Burrillville Police        | C,D     | 3,720,823                       | 3,956,155                 | 235,332  | 94.1%                | 860,971                | 27.3%                         |
| 4091                           | Cumberland Rescue          | C,D     | 1,427,143                       | 1,324,859                 | (102,284)  | 107.7%               | 462,067                | (22.1%)                       |
| 4092                           | Washington Fire            | D       | 781,443                         | 677,533                   | (103,910)  | 115.3%               | 334,519                | (31.1%)                       |
| 4093                           | Woonsocket Fire            | C,D     | 7,769,439                       | 6,890,201                 | (879,238)  | 112.8%               | 3,241,886              | (27.1%)                       |
| 4094                           | Bristol Fire               |         | 124,171                         | 72,902                    | (51,269)   | 170.3%               | 48,640                 | (105.4%)                      |
| 4095                           | Cumberland Hill Fire       | C,D     | 1,765,278                       | 1,874,750                 | 109,472  | 94.2%                | 362,983                | 30.2%                         |



**SCHEDULE OF FUNDING PROGRESS**

| Unit Number                             | Unit                  | Code(s) | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (UAAL) (5) - (4) | Funded Ratio (4)/(5) | Annual Covered Payroll | UAAL as % of Payroll (6)/(8) |
|---|-----------------------|---------|---------------------------------|-----------------------------------|---|----------------------|------------------------|------------------------------|
| (1)                                     | (2)                   | (3)     | (4)                             | (5)                               | (6)   | (7)                  | (8)                    | (9)                          |
| <b>Police &amp; Fire Units</b>          |                       |         |                                 |                                   |   |                      |                        |                              |
| 4096                                    | Bristol Police        | C,D     | 81,470                          | 110,815                           | 29,345  | 73.5%                | 199,040                | 14.7%                        |
| 4098                                    | Coventry Fire         | D       | 1,016,399                       | 1,272,140                         | 255,741   | 79.9%                | 363,929                | 70.3%                        |
| 4099                                    | South Kingstown EMT   | C,D     | 428,880                         | 349,297                           | (79,583)  | 122.8%               | 370,357                | (21.5%)                      |
| 4100                                    | Tiogue Fire           |         | 190,637                         | 315,712                           | 125,075   | 60.4%                | 97,744                 | 128.0%                       |
| 4101                                    | North Cumberland      | D       | 1,153,314                       | 1,343,075                         | 189,761   | 85.9%                | 460,268                | 41.2%                        |
| 4102                                    | Central Coventry Fire | D       | 952,354                         | 1,037,130                         | 84,776  | 91.8%                | 391,390                | 21.7%                        |
| 4103                                    | Hopkins Hill Fire     | D       | 145,977                         | 114,327                           | (31,650)  | 127.7%               | 118,460                | (26.7%)                      |
| 4104                                    | Cranston Police       | C,D,4   | 1,455,149                       | 2,288,741                         | 833,592   | 63.6%                | 1,983,988              | 42.0%                        |
| 4105                                    | Cranston Fire         | C,D,4   | 2,807,769                       | 5,264,150                         | 2,456,381   | 53.3%                | 3,223,210              | 76.2%                        |
| 4106                                    | Cumberland Fire       | B,D     | 1,215,089                       | 1,480,616                         | 265,527   | 82.1%                | 330,544                | 80.3%                        |
| 4107                                    | Lincoln Rescue        |         | 788,795                         | 538,661                           | (250,134)   | 146.4%               | 523,205                | (47.8%)                      |
| 4108                                    | New Shoreham Police   | B       | 242,300                         | 311,189                           | 68,889  | 77.9%                | 163,524                | 42.1%                        |
| 4109                                    | Warren Fire           | D       | 99,600                          | 141,183                           | 41,583  | 70.5%                | 43,407                 | 95.8%                        |
| <b>Police &amp; Fire Units Subtotal</b> |                       |         | <b>\$ 157,726,432</b>           | <b>\$ 139,021,214</b>             | <b>(18,705,218)</b>                                   | <b>113.5%</b>        | <b>\$ 37,899,867</b>   | <b>(49.4%)</b>               |
| <b>All MERS Units Total</b>             |                       |         | <b>\$ 805,362,513</b>           | <b>\$ 635,744,040</b>             | <b>(169,618,473)</b>                                  | <b>126.7%</b>        | <b>\$ 191,040,230</b>  | <b>(88.8%)</b>               |

B - Municipality has adopted COLA Plan B

C - Municipality has adopted COLA Plan C

D - Municipality has adopted the "20-year" optional Police & Fire Plan

1 - S.Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 1999 valuation.

3 - Closed unit.

4 - Cranston Fire and Police are contributing 10% due to special plan provision.





## EQUIVALENT SINGLE AMORTIZATION PERIOD

| Unit Number<br>(1)            | Unit<br>(2)                | Code(s)<br>(3) | Employer Contribution Rate<br>(4) | Amortization Period<br>(5) |
|-------------------------------|----------------------------|----------------|-----------------------------------|----------------------------|
| <b>General Employee Units</b> |                            |                |                                   |                            |
| 3001                          | Barrington                 |                | 0.00%                             | 9                          |
| 3002                          | Bristol                    | B              | 0.00%                             | 10                         |
| 3003                          | Burrillville               | C              | 0.00%                             | 9                          |
| 3004                          | Central Falls              |                | 11.27%                            | 10                         |
| 3005                          | Charlestown                | C              | 7.45%                             | 11                         |
| 3007                          | Cranston                   | B              | 0.00%                             | 9                          |
| 3008                          | Cumberland                 |                | 0.83%                             | 9                          |
| 3009                          | East Greenwich             |                | 0.00%                             | 9                          |
| 3010                          | East Providence            | B              | 3.40%                             | 9                          |
| 3011                          | Exeter/West Greenwich      | B              | 4.78%                             | 10                         |
| 3012                          | Foster                     |                | 2.53%                             | 20                         |
| 3013                          | Glocester                  | C              | 5.31%                             | 10                         |
| 3014                          | Hopkinton                  | C              | 0.00%                             | 9                          |
| 3015                          | Jamestown                  | C              | 0.00%                             | 10                         |
| 3016                          | Johnston                   | C              | 0.00%                             | 9                          |
| 3017                          | Lincoln                    |                | 3.82%                             | 9                          |
| 3021                          | Newport                    | B              | 0.32%                             | 9                          |
| 3022                          | New Shoreham               | B              | 2.41%                             | 10                         |
| 3023                          | North Kingstown            | C              | 0.00%                             | 9                          |
| 3024                          | North Providence           |                | 0.00%                             | 9                          |
| 3025                          | North Smithfield           | B              | 0.00%                             | 9                          |
| 3026                          | Pawtucket                  | C              | 0.00%                             | 9                          |
| 3027                          | Union Fire District        |                | 6.76%                             | 8                          |
| 3029                          | Richmond                   |                | 0.00%                             | 9                          |
| 3030                          | Scituate                   | B              | 0.00%                             | 9                          |
| 3031                          | Smithfield                 |                | 0.00%                             | 9                          |
| 3032                          | South Kingstown            |                | 0.00%                             | 9                          |
| 3033                          | Tiverton                   |                | 0.00%                             | 7                          |
| 3034                          | Warren                     | C              | 1.41%                             | 9                          |
| 3036                          | Westerly                   |                | 226.16%                           | 5                          |
| 3037                          | West Greenwich             |                | 0.50%                             | 8                          |
| 3039                          | Woonsocket                 | B              | 0.00%                             | 9                          |
| 3040                          | Chariho School District    |                | 0.00%                             | 10                         |
| 3041                          | Foster/Glocester           | B              | 9.21%                             | 8                          |
| 3042                          | Tiogue Fire & Lighting     | C              | 16.02%                            | 14                         |
| 3043                          | Narragansett Housing       |                | 0.40%                             | 11                         |
| 3045                          | Coventry Lighting District | C              | 0.00%                             | 3                          |
| 3046                          | Hope Valley Fire           | C              | 0.00%                             | —                          |
| 3050                          | East Greenwich Housing     | C              | 21.97%                            | 10                         |
| 3051                          | Cranston Housing           | C              | 0.00%                             | 9                          |
| 3052                          | East Providence Housing    | B              | 0.00%                             | 8                          |
| 3053                          | Pawtucket Housing          | B              | 0.00%                             | 9                          |



**EQUIVALENT SINGLE AMORTIZATION PERIOD**

| Unit Number<br>(1)                    | Unit<br>(2)                       | Code(s)<br>(3) | Employer Contribution Rate<br>(4) | Amortization Period<br>(5) |
|---------------------------------------|-----------------------------------|----------------|-----------------------------------|----------------------------|
| <b>General Employee Units</b>         |                                   |                |                                   |                            |
| 3056                                  | Cumberland Housing                | C              | 0.00%                             | 9                          |
| 3057                                  | Lincoln Housing                   | B              | 0.00%                             | 7                          |
| 3059                                  | Bristol Housing                   |                | 0.00%                             | 6                          |
| 3065                                  | Burrillville Housing              |                | 0.00%                             | 7                          |
| 3066                                  | North Providence Housing          | B              | 0.00%                             | 8                          |
| 3067                                  | East Smithfield Water             | C              | 0.00%                             | 5                          |
| 3068                                  | Greenville Water                  |                | 0.00%                             | 11                         |
| 3069                                  | Newport Housing                   | C              | 0.00%                             | 8                          |
| 3071                                  | Warren Housing                    | B              | 0.00%                             | 5                          |
| 3072                                  | Johnston Housing                  |                | 0.00%                             | 5                          |
| 3077                                  | Tiverton Local 2670A              | C              | 0.00%                             | 7                          |
| 3078                                  | Barrington DPW                    | C              | 0.00%                             | 9                          |
| 3079                                  | Coventry Housing                  |                | 0.00%                             | 11                         |
| 3080                                  | South Kingstown Housing           | C,3            | —                                 | —                          |
| 3083                                  | West Warwick Housing              | B              | 0.00%                             | 9                          |
| 3084                                  | Smithfield Housing                |                | 0.13%                             | 13                         |
| 3096                                  | Central Falls Housing             |                | 2.32%                             | 2                          |
| 3098                                  | Lime Rock Administrative Services |                | 0.88%                             | 13                         |
| 3099                                  | Central Falls Schools             | C              | 3.01%                             | 8                          |
| 3100                                  | Bristol/Warren Schools            | B              | 0.00%                             | 10                         |
| <b>General Employee Units Average</b> |                                   |                | <b>0.00%</b>                      | <b>9</b>                   |
| <b>Police &amp; Fire Units</b>        |                                   |                |                                   |                            |
| 4029                                  | Richmond Police                   |                | 5.94%                             | 21                         |
| 4042                                  | Valley Falls Fire                 | D              | 21.88%                            | 11                         |
| 4046                                  | Lime Rock Fire                    | 3              | —                                 | —                          |
| 4047                                  | North Smithfield Voluntary Fire   | D              | 1.74%                             | 11                         |
| 4050                                  | East Greenwich Fire               | C,D            | 4.74%                             | 11                         |
| 4054                                  | East Greenwich Police             | C,D            | 0.00%                             | 13                         |
| 4055                                  | North Kingstown Fire              | C,D            | 1.96%                             | 11                         |
| 4056                                  | North Kingstown Police            | C,D            | 0.00%                             | 12                         |
| 4057                                  | Harris Fire                       | C              | 11.05%                            | 19                         |
| 4058                                  | North Providence Fire             | D              | 0.00%                             | 12                         |
| 4059                                  | Barrington Fire (25)              | C              | 8.89%                             | 21                         |
| 4060                                  | Barrington Police                 | D              | 10.44%                            | 12                         |
| 4061                                  | Barrington Fire (20)              | C,D            | 0.00%                             | 6                          |
| 4062                                  | Warren Police                     | C,D            | 13.41%                            | 12                         |
| 4063                                  | South Kingstown Police            | C,1            | 0.00%                             | 8                          |
| 4064                                  | Primrose Volunteer Fire           | B,D            | 0.00%                             | 8                          |
| 4073                                  | Scituate Police                   | 3              | —                                 | —                          |
| 4076                                  | North Smithfield Police           | C,D            | 3.56%                             | 10                         |
| 4077                                  | Tiverton Fire                     | D              | 0.00%                             | 11                         |
| 4082                                  | Foster Police                     | D              | 0.00%                             | 10                         |



## EQUIVALENT SINGLE AMORTIZATION PERIOD

| Unit Number<br>(1)                     | Unit<br>(2)                  | Code (s)<br>(3) | Employer Contribution Rate<br>(4) | Amortization Period<br>(5) |
|--|------------------------------|-----------------|-----------------------------------|----------------------------|
| <b>Police &amp; Fire Units</b>         |                              |                 |                                   |                            |
| 4085                                   | Woonsocket Police            | C,D             | 9.18%                             | 14                         |
| 4086                                   | Charlestown Police           | C,D             | 19.67%                            | 11                         |
| 4087                                   | Hopkinton Police             | C,D             | 5.34%                             | 12                         |
| 4088                                   | Glocester Police             | C,D             | 9.19%                             | 11                         |
| 4089                                   | West Greenwich Police/Rescue | D               | 9.56%                             | 13                         |
| 4090                                   | Burrillville Police          | C,D             | 15.63%                            | 14                         |
| 4091                                   | Cumberland Rescue            | C,D             | 10.92%                            | 14                         |
| 4092                                   | Washington Fire              | D               | 7.08%                             | 11                         |
| 4093                                   | Woonsocket Fire              | C,D             | 10.91%                            | 15                         |
| 4094                                   | Bristol Fire                 |                 | 0.00%                             | 9                          |
| 4095                                   | Cumberland Hill Fire         | C,D             | 10.67%                            | 6                          |
| 4096                                   | Bristol Police               | C,D             | 14.65%                            | 24                         |
| 4098                                   | Coventry Fire                | D               | 17.39%                            | 11                         |
| 4099                                   | South Kingstown EMT          | C,D             | 12.37%                            | 19                         |
| 4100                                   | Tiogue Fire                  |                 | 17.24%                            | 14                         |
| 4101                                   | North Cumberland             | D               | 14.22%                            | 11                         |
| 4102                                   | Central Coventry Fire        | D               | 12.48%                            | 8                          |
| 4103                                   | Hopkins Hill Fire            | D               | 7.93%                             | 18                         |
| 4104                                   | Cranston Police              | C,D,4           | 21.12%                            | 21                         |
| 4105                                   | Cranston Fire                | C,D,4           | 21.18%                            | 15                         |
| 4106                                   | Cumberland Fire              | B,D             | 20.04%                            | 11                         |
| 4107                                   | Lincoln Rescue               |                 | 3.12%                             | 40                         |
| 4108                                   | New Shoreham Police          | B               | 10.21%                            | 18                         |
| 4109                                   | Warren Fire                  | D               | 45.72%                            | 3                          |
| <b>Police &amp; Fire Units Average</b> |                              |                 | <b>5.61%</b>                      | <b>10</b>                  |
| <b><i>All MERS UNITS AVERAGE</i></b>   |                              |                 | <b><i>0.00%</i></b>               | <b><i>9</i></b>            |

B - Municipality has adopted COLA Plan B

C - Municipality has adopted COLA Plan C

D - Municipality has adopted the "20-year" optional Police & Fire Plan

1 - S.Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 1999 valuation.

3 - Closed unit.

4 - Cranston Fire and Police are contributing 10% due to special plan provision.



## MUNICIPAL RESERVES

| <i><u>Unit</u></i>                | <i><u>Code</u></i> | <i><u>Members<br/>Contribution<br/>Reserve</u></i> | <i><u>Employers<br/>Accumulation<br/>Reserve</u></i> | <i><u>Retirement<br/>Reserve</u></i> | <i><u>Total Reserve</u></i> |
|-----------------------------------|--------------------|--|--|--------------------------------------|-----------------------------|
| Town Of Barrington                | 3001               | 1,666,131.24                                       | -5,590,933.51  | 17,420,755.16                        | 13,495,952.90               |
| Town Of Bristol                   | 3002               | 1,458,157.71                                       | -1,890,663.80  | 10,994,186.38                        | 10,561,680.28               |
| Town Of Burrillville              | 3003               | 2,063,342.86                                       | -372,450.46  | 11,498,642.18                        | 13,189,534.59               |
| Town Of Central Falls             | 3004               | 547,526.55   | -476,504.57  | 1,914,503.70                         | 1,985,525.68                |
| Town Of Charlestown               | 3005               | 395,660.20   | 129,575.62   | 895,706.29                           | 1,420,942.11                |
| City Of Cranston                  | 3007               | 11,466,699.35                                      | -12,591,849.43                                       | 88,429,042.11                        | 87,303,892.03               |
| Town Of Cumberland                | 3008               | 2,002,516.03                                       | -2,293,385.04  | 11,922,033.63                        | 11,631,164.62               |
| Town Of East Greenwich            | 3009               | 1,761,949.46                                       | -1,886,880.14  | 13,583,246.43                        | 13,458,315.75               |
| City Of East Providence           | 3010               | 6,546,617.33                                       | -15,542,321.48                                       | 54,435,338.09                        | 45,439,633.95               |
| Town Of Exeter/West Greenwich     | 3011               | 525,310.49   | -8,177.11  | 2,357,274.82                         | 2,874,408.19                |
| Town Of Foster                    | 3012               | 345,036.76   | -324,593.79  | 1,411,436.84                         | 1,431,879.81                |
| Town Of Glocester                 | 3013               | 582,876.97   | -354,229.62  | 2,092,810.37                         | 2,321,457.72                |
| Town Of Hopkinton                 | 3014               | 240,567.30   | -157,352.50  | 1,701,579.34                         | 1,784,794.14                |
| Town Of Jamestown                 | 3015               | 724,870.30   | -1,199,885.66  | 4,756,415.30                         | 4,281,399.95                |
| Town Of Johnston                  | 3016               | 2,926,619.67                                       | -5,429,657.56  | 23,489,017.80                        | 20,985,979.91               |
| Town Of Lincoln                   | 3017               | 123,741.06   | 160,881.56   | 138,546.45                           | 423,169.08                  |
| City Of Newport                   | 3021               | 5,504,576.78                                       | -7,699,192.92  | 33,998,653.82                        | 31,804,037.68               |
| Town Of New Shoreham              | 3022               | 356,803.33   | -263,011.01  | 1,654,933.89                         | 1,748,726.20                |
| Town Of North Kingstown           | 3023               | 3,472,223.44                                       | -5,044,749.29  | 22,011,688.21                        | 20,439,162.36               |
| City Of North Providence          | 3024               | 2,533,699.08                                       | -4,208,020.71  | 19,527,625.42                        | 17,853,303.79               |
| Town Of North Smithfield          | 3025               | 957,595.26   | -1,122,449.56  | 8,910,747.47                         | 8,745,893.17                |
| City Of Pawtucket                 | 3026               | 10,055,297.83                                      | -15,753,004.02                                       | 69,254,423.16                        | 63,556,716.97               |
| Union Fire District               | 3027               | 28,967.79  | 19,691.58  | 17,256.45                            | 65,915.82                   |
| Town Of Richmond                  | 3029               | 160,867.06   | 121,948.37   | 464,118.68                           | 746,934.11                  |
| Town Of Scituate                  | 3030               | 945,626.22   | -338,802.08  | 5,673,608.88                         | 6,280,433.01                |
| Town Of Smithfield                | 3031               | 1,649,535.32                                       | -2,181,792.38  | 14,286,769.24                        | 13,754,512.18               |
| Town Of South Kingstown           | 3032               | 3,476,417.14                                       | -2,212,774.39  | 20,314,514.40                        | 21,578,157.15               |
| Town Of Tiverton                  | 3033               | 744,122.55   | -1,553,591.97  | 8,114,695.09                         | 7,305,225.67                |
| Town Of Warren                    | 3034               | 422,455.70   | -2,494,833.88  | 6,015,143.04                         | 3,942,764.86                |
| Town Of Westerly                  | 3036               | 74,379.34  | -36,813.98   | 542,929.24                           | 580,494.60                  |
| Town Of West Greenwich            | 3037               | 203,808.52   | -16,841.32   | 668,420.26                           | 855,387.46                  |
| Town Of Woonsocket                | 3039               | 4,434,623.51                                       | -8,511,671.09  | 46,743,268.01                        | 42,666,220.43               |
| Chariho Regional School District  | 3040               | 1,183,541.66                                       | 15,969.50  | 3,877,038.47                         | 5,076,549.64                |
| Foster-Glocester School District  | 3041               | 434,010.27   | -104,522.39  | 1,822,376.53                         | 2,151,864.41                |
| Tiogue Fire/ Lighting             | 3042               | 2,500.33   | -11,998.64   | 34,698.89                            | 25,200.58                   |
| Narragansett Housing Authority    | 3043               | 25,030.73  | 20,488.05  | 28,307.21                            | 73,825.99                   |
| Coventry Fire/Lighting District   | 3045               | 68,480.96  | 298,873.96   | 315,164.44                           | 682,519.36                  |
| Hope Valley/Wyoming Fire District | 3046               | 17,331.91  | 50,642.71  | 51,810.35                            | 119,784.97                  |
| East Greenwich Hsg. Authority     | 3050               | 12,625.30  | 15,452.38  | 12,512.65                            | 40,590.33                   |
| Cranston Housing Authority        | 3051               | 288,869.64   | -146,979.25  | 1,775,598.27                         | 1,917,488.66                |
| East Providence Hsg. Authority    | 3052               | 204,751.26   | -213,922.21  | 1,556,651.96                         | 1,547,481.00                |
| Pawtucket Housing Authority       | 3053               | 902,314.46   | -628,183.21  | 6,212,483.80                         | 6,486,615.05                |
| Cumberland Housing Authority      | 3056               | 94,754.71  | -220,167.37  | 782,428.00                           | 657,015.34                  |



## MUNICIPAL RESERVES

| <i>Unit</i>                         | <i>Code</i> | <i>Members<br/>Contribution<br/>Reserve</i> | <i>Employers<br/>Accumulation<br/>Reserve</i> | <i>Retirement<br/>Reserve</i> | <i>Total Reserve</i> |
|-------------------------------------|-------------|---|---|-------------------------------|----------------------|
| Lincoln Housing Authority           | 3057        | 127,029.18                                  | -55,101.10                                    | 928,164.63                    | 1,000,092.71         |
| Bristol Housing Authority           | 3059        | 142,162.78                                  | 26,374.79                                     | 906,925.57                    | 1,075,463.14         |
| Burrillville Housing Authority      | 3065        | 63,068.27                                   | 29,555.33                                     | 374,045.07                    | 466,668.67           |
| North Providence Hsg. Authority     | 3066        | 107,409.23                                  | 46,000.69                                     | 546,363.27                    | 699,773.19           |
| East Smithfield Water District      | 3067        | 74,551.85                                   | 93,161.26                                     | 250,640.89                    | 418,354.00           |
| Greenville Water District           | 3068        | 61,312.78                                   | -63,079.68                                    | 544,589.76                    | 542,822.86           |
| Newport Housing Authority           | 3069        | 1,838,315.09                                | 81,472.25                                     | 1,844,492.26                  | 3,764,279.59         |
| Warren Housing Authority            | 3071        | 108,677.99                                  | 70,914.19                                     | 566,873.24                    | 746,465.42           |
| Johnston Housing Authority          | 3072        | 88,997.08                                   | -44,604.21                                    | 557,770.18                    | 602,163.05           |
| Tiverton Local 2670A                | 3077        | 312,708.90                                  | 579,965.58                                    | 837,002.35                    | 1,729,676.83         |
| Barrington DPW                      | 3078        | 593,668.92                                  | 2,155,033.59                                  | 1,045,881.18                  | 3,794,583.69         |
| Coventry Housing Authority          | 3079        | 53,592.19                                   | -204,702.62                                   | 728,584.45                    | 577,474.02           |
| South Kingstown Hsg. Authority      | 3080        | 0.00  | -14,125.77                                    | 44,109.03                     | 29,983.26            |
| West Warwick Housing Authority      | 3083        | 112,980.87                                  | 9,975.63                                      | 481,284.40                    | 604,240.90           |
| Smithfield Housing Authority        | 3084        | 37,735.81                                   | -37,643.52                                    | 116,466.66                    | 116,558.95           |
| Central Falls Housing Authority     | 3096        | 141,935.84                                  | -28,789.42                                    | 921,124.65                    | 1,034,271.07         |
| Limerock Administrative Services    | 3098        | 16,912.94                                   | 11,005.63                                     | 23,885.12                     | 51,803.69            |
| Central Falls Regional School       | 3099        | 792,213.25                                  | 725,776.05                                    | 2,082,623.42                  | 3,600,612.72         |
| Bristol/Warren School Department    | 3100        | 1,253,916.45                                | -1,836,499.65                                 | 9,449,165.11                  | 8,866,581.91         |
| Richmond Police                     | 4029        | 45,853.31                                   | 40,081.38                                     | 19,633.91                     | 105,568.60           |
| Valley Falls Fire District          | 4042        | 200,176.48                                  | 59,689.50                                     | 831,798.02                    | 1,091,664.00         |
| Limerock Fire District              | 4046        | 0.00  | -57,631.76                                    | 78,853.16                     | 21,221.40            |
| North Smithfield Vol. Fire District | 4047        | 164,279.67                                  | 159,130.73                                    | 301,211.42                    | 624,621.82           |
| East Greenwich Fire District        | 4050        | 677,126.61                                  | -1,514,569.12                                 | 5,873,162.12                  | 5,035,719.61         |
| East Greenwich Police Department    | 4054        | 750,156.14                                  | -931,190.58                                   | 7,185,642.38                  | 7,004,607.94         |
| North Kingstown Fire Department     | 4055        | 1,817,306.11                                | -3,858,588.95                                 | 16,910,052.33                 | 14,868,769.49        |
| North Kingstown Police Dept.        | 4056        | 1,452,465.03                                | 2,516,312.23                                  | 4,878,581.55                  | 8,847,358.81         |
| Harris Fire & Lighting District     | 4057        | 17,948.40                                   | 32,092.76                                     | 17,378.90                     | 67,420.06            |
| North Providence Fire Department    | 4058        | 2,730,290.73                                | -58,385.60                                    | 11,377,057.84                 | 14,048,962.97        |
| Barrington Fire (25 Year Plan)      | 4059        | 45,068.32                                   | 19,012.12                                     | 21,588.93                     | 85,669.37            |
| Barrington Police                   | 4060        | 601,532.27                                  | -2,881,367.94                                 | 6,739,527.63                  | 4,459,691.96         |
| Barrington Fire Department          | 4061        | 582,445.56                                  | -2,190,809.68                                 | 8,627,839.21                  | 7,019,475.09         |
| Warren Police Department            | 4062        | 517,899.57                                  | -1,745,698.43                                 | 5,837,101.32                  | 4,609,302.46         |
| South Kingstown Police              | 4063        | 1,637,614.61                                | -374,370.21                                   | 10,683,395.94                 | 11,946,640.34        |
| Primrose Volunteer Fire Dept.       | 4064        | 166,506.69                                  | 233,853.14                                    | 1,037,490.68                  | 1,437,850.51         |
| Scituate Police                     | 4073        | 0.00  | 0.00  | 127,830.72                    | 127,830.72           |
| North Smithfield PoliceDept.        | 4076        | 459,161.28                                  | -922,274.00                                   | 4,547,077.77                  | 4,083,965.05         |
| Tiverton Fire Department            | 4077        | 652,146.03                                  | -585,500.38                                   | 4,919,499.71                  | 4,986,145.36         |
| Foster Police                       | 4082        | 152,213.95                                  | -85,867.99                                    | 985,915.85                    | 1,052,261.81         |
| Woonsocket Police                   | 4085        | 2,314,706.41                                | 1,403,765.00                                  | 5,718,563.81                  | 9,437,035.22         |
| Charlestown Police Department       | 4086        | 366,257.29                                  | -261,963.47                                   | 1,537,853.27                  | 1,642,147.09         |
| Hopkinton Police                    | 4087        | 262,612.75                                  | 188,970.22                                    | 865,091.66                    | 1,316,674.63         |
| Glocester Police Department         | 4088        | 330,691.17                                  | 247,013.36                                    | 925,103.18                    | 1,502,807.71         |



| <b>MUNICIPAL RESERVES</b>        |                    |                            |                            |                          |                             |              |
|----------------------------------|--------------------|----------------------------|----------------------------|--------------------------|-----------------------------|--------------|
| <b><u>Unit</u></b>               | <b><u>Code</u></b> | <b><u>Members</u></b>      | <b><u>Employers</u></b>    | <b><u>Retirement</u></b> | <b><u>Total Reserve</u></b> |              |
|                                  |                    | <b><u>Contribution</u></b> | <b><u>Accumulation</u></b> |                          |                             |              |
|                                  |                    | <b><u>Reserve</u></b>      | <b><u>Reserve</u></b>      | <b><u>Reserve</u></b>    |                             |              |
| West Greenwich Police and RSQ    | 4089               | 134,439.54                 | -119,121.19                | 784,658.62               |                             | 799,976.97   |
| Burrillville Police Department   | 4090               | 464,177.75                 | -575,351.38                | 3,115,409.20             |                             | 3,004,235.57 |
| Cumberland Rescue                | 4091               | 235,454.72                 | 55,053.21                  | 861,783.69               |                             | 1,152,291.62 |
| Washington Fire Department       | 4092               | 144,412.72                 | 184,375.10                 | 302,157.91               |                             | 630,945.73   |
| Woonsocket Fire Department       | 4093               | 1,846,177.03               | 1,512,895.93               | 2,914,062.13             |                             | 6,273,135.09 |
| Bristol Fire Department          | 4094               | 24,130.89                  | 27,311.14                  | 48,815.19                |                             | 100,257.22   |
| Cumberland Hill Fire Department  | 4095               | 227,729.41                 | 485,790.27                 | 711,785.78               |                             | 1,425,305.46 |
| Bristol Police                   | 4096               | 23,182.64                  | 30,363.24                  | 12,233.88                |                             | 65,779.76    |
| Coventry Fire Department         | 4098               | 152,743.63                 | -57,577.76                 | 725,486.59               |                             | 820,652.46   |
| South Kingstown EMT              | 4099               | 110,906.62                 | 131,296.86                 | 104,079.14               |                             | 346,282.62   |
| Tiogue Fire Department           | 4100               | 28,000.28                  | -264,503.03                | 390,424.96               |                             | 153,922.21   |
| North Cumberland Fire Dept.      | 4101               | 199,210.94                 | -174,208.00                | 906,196.39               |                             | 931,199.33   |
| Central Coventry Fire Department | 4102               | 151,104.25                 | -193,123.47                | 810,960.47               |                             | 768,941.25   |
| Hopkins Hill Fire Department     | 4103               | 34,161.09                  | 26,791.09                  | 56,911.52                |                             | 117,863.70   |
| Cranston Fire Department         | 4104               | 525,603.07                 | 378,102.48                 | 271,198.19               |                             | 1,174,903.74 |
| Cranston Police Department       | 4105               | 1,133,290.34               | 624,878.94                 | 508,856.09               |                             | 2,267,025.37 |
| Cumberland Fire Department       | 4106               | 170,141.93                 | -51,922.31                 | 862,857.34               |                             | 981,076.96   |
| Lincoln Rescue                   | 4107               | 150,966.48                 | 208,332.06                 | 277,583.41               |                             | 636,881.95   |
| New Shoreham Police              | 4108               | 77,603.67                  | 45,543.62                  | 72,488.50                |                             | 195,635.79   |
| Warren Fire                      | 4109               | 12,681.40                  | 41,844.08                  | 25,893.03                |                             | 80,418.51    |



## SUMMARY OF ACTUARIAL METHODS ASSUMPTIONS

### Valuation Date

The valuation date is June 30th of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

### Actuarial Cost Method

The actuarial valuation uses the Entry Age Normal actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial accrued liability.

The employer normal cost rate is the total normal cost rate, less the member contribution rate. The total normal cost rate is the level percentage-of-pay contribution which would theoretically pay for all benefits if it had been made each year from the inception of the plan and if there had never been any changes of benefits, any changes of assumptions or methods, or any experience gains or losses. The normal costs are determined on an individual basis.

The actuarial accrued liability is the difference between the actuarial present value of all future benefits and the actuarial present value of future normal costs. It is the amount to which the normal costs would have accumulated under the assumptions described in the preceding paragraph. The unfunded actuarial accrued liability (UAAL) is the difference between the actuarial accrued liability and the actuarial value of assets.

The UAAL is amortized in two separate pieces. First, the UAAL as of June 30, 1988 is amortized in level (not increasing with payroll) amounts. The amortization period is 25 years from the point the unit joined the system. Units that joined the system after June 30, 1988 have their initial liability amortized over 25 years from the time they join. The remainder of the UAAL is funded by a level percentage-of-pay contribution spread over future salaries of current active members. These two amortization payments are added, and then divided by payroll to determine the amortization rate.

The contribution rate determined by this valuation will not be effective until two years later. However, the calculated contribution rate is used without adjustment for the deferral period. Employer contributions are assumed to be made at the middle of the year.

### Actuarial Value of Assets

The actuarial value of assets is determined using a three-year smoothing of the market value assets. This method determines the difference between actual investment returns (net of investment-related and administrative expenses) and expected returns (based on the 8.25% assumed rate of return) as of the valuation date. One-third of this difference is then recognized in the current valuation's actuarial value of assets and likewise in each of the two subsequent valuations.



**Actuarial Assumptions**

**Economic Assumptions**

*Investment return:* 8.25% per year, compounded annually, composed of an assumed 3.50% inflation rate and a 4.75% net real rate of return. This rate represents the assumed return, net of all investment and administrative expenses.

*Salary increase rate:* A service-related component, plus a 3.50% inflation component, plus a general increase, as follows:

| <b>General Employees</b> |                           |   |
|--------------------------|---------------------------|---|
| Years of Service         | Service-related Component | Total Annual Rate of Increase Including 3.50% Inflation Component and 1.25% General Increase Rate |
| (1)                      | (2)                       | (3)   |
| 0                        | 6.00%                     | 10.75%  |
| 1                        | 2.00                      | 6.75  |
| 2                        | 1.75                      | 6.50  |
| 3                        | 1.50                      | 6.25  |
| 4                        | 1.25                      | 6.00  |
| 5                        | 1.00                      | 5.75  |
| 6                        | 0.75                      | 5.50  |
| 7                        | 0.50                      | 5.25  |
| 8                        | 0.25                      | 5.00  |
| 9 or more                | 0.00                      | 4.75  |

| <b>Police &amp; Fire</b> |                           |   |
|--------------------------|---------------------------|---|
| Years of Service         | Service-related Component | Total Annual Rate of Increase Including 3.50% Inflation Component and 1.50% General Increase Rate |
| (1)                      | (2)                       | (3)   |
| 0                        | 10.00%                    | 15.00%  |
| 1                        | 3.50                      | 8.50  |
| 2                        | 2.00                      | 7.00  |
| 3                        | 1.00                      | 6.00  |
| 4 or more                | 0.00                      | 5.00  |

Salary increases are assumed to occur once a year, on July 1. Therefore the pay used for the period between the valuation date and the first anniversary of the valuation date is equal to the reported pay for the prior year, annualized if necessary, and then increased by the salary increase assumption.

*Payroll growth rate:* In the amortization of the portion of the unfunded accrued liability due to changes, gains and losses since inception, payroll is assumed to increase 3.50% per year. This increase rate is solely due to the effect of inflation on salaries, with no allowance for future membership growth.





**Demographic Assumptions**

*Mortality rates* (for active and retired members):

- Healthy males – Based on the 1994 Uninsured Pensioner mortality table for males. Rates are set forward one year.
- Healthy females - Based on the 1994 Uninsured Pensioner mortality table for females. Rates are set forward one year.
- Disabled males - PBGC Table Va for disabled males eligible for Social Security disability benefits.
- Disabled females - PBGC Table VIa for disabled females eligible for Social Security disability benefits.

Sample rates are shown below:

| Age | Healthy Males | Healthy Females | Disabled Males | Disabled Females |
|-----|---------------|-----------------|----------------|------------------|
| (1) | (2)           | (3)             | (4)            | (5)              |
| 25  | 0.08          | 0.03            | 4.83           | 2.63             |
| 30  | 0.09          | 0.04            | 3.62           | 2.37             |
| 35  | 0.09          | 0.06            | 2.78           | 2.14             |
| 40  | 0.12          | 0.08            | 2.82           | 2.09             |
| 45  | 0.19          | 0.11            | 3.22           | 2.24             |
| 50  | 0.31          | 0.17            | 3.83           | 2.57             |
| 55  | 0.53          | 0.28            | 4.82           | 2.95             |
| 60  | 0.97          | 0.55            | 6.03           | 3.31             |
| 65  | 1.75          | 1.04            | 6.78           | 3.70             |
| 70  | 2.79          | 1.61            | 7.39           | 4.11             |
| 75  | 4.39          | 2.72            | 8.42           | 4.92             |
| 80  | 7.38          | 4.73            | 11.28          | 7.46             |

*Disability rates:* Disability is assumed to occur in accordance with the following table with 35% of disabilities for general employees and 50% for police and fire considered occupational.

| Age | General | Police & Fire |
|-----|---------|---------------|
| (1) | (2)     | (3)           |
| 25  | 0.05    | 0.17          |
| 30  | 0.06    | 0.22          |
| 35  | 0.08    | 0.29          |
| 40  | 0.11    | 0.44          |
| 45  | 0.18    | 0.72          |
| 50  | 0.31    | 1.21          |
| 55  | 0.51    | 0.00          |
| 60  | 0.71    | 0.00          |
| 65  | 0.00    | 0.00          |



*Termination rates (for causes other than death, disability or retirement):*

Termination rates are a function of the member's sex, age and service. Termination rates are not applied after a member becomes eligible for a retirement benefit. For police and firemen, no withdrawal rates are assumed. Rates at selected ages are shown:

Active Male Members - General Employees

| Age | Years of Service |        |        |        |        |        |
|-----|------------------|--------|--------|--------|--------|--------|
|     | 0                | 1      | 2      | 3      | 4      | 5+     |
| 20  | 0.3100           | 0.2071 | 0.1447 | 0.1151 | 0.1014 | 0.0617 |
| 25  | 0.2059           | 0.1365 | 0.1001 | 0.0854 | 0.0848 | 0.0526 |
| 30  | 0.1283           | 0.0865 | 0.0684 | 0.0638 | 0.0706 | 0.0452 |
| 35  | 0.0765           | 0.0565 | 0.0499 | 0.0504 | 0.0585 | 0.0404 |
| 40  | 0.0489           | 0.0453 | 0.0450 | 0.0459 | 0.0486 | 0.0414 |
| 45  | 0.0441           | 0.0515 | 0.0538 | 0.0508 | 0.0413 | 0.0522 |
| 50  | 0.0604           | 0.0740 | 0.0764 | 0.0655 | 0.0371 | 0.0768 |
| 55  | 0.0973           | 0.1124 | 0.1128 | 0.0900 | 0.0360 | 0.1172 |
| 60  | 0.1542           | 0.1664 | 0.1629 | 0.1243 | 0.0383 | 0.1742 |
| 65  | 0.2311           | 0.2362 | 0.2276 | 0.1695 | 0.0442 | 0.0000 |
| 70  | 0.0000           | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |

Active Female Members - General Employees

| Age | Years of Service |        |        |        |        |        |
|-----|------------------|--------|--------|--------|--------|--------|
|     | 0                | 1      | 2      | 3      | 4      | 5+     |
| 20  | 0.1894           | 0.1513 | 0.1236 | 0.0998 | 0.0850 | 0.0947 |
| 25  | 0.1531           | 0.1223 | 0.0976 | 0.0761 | 0.0650 | 0.0621 |
| 30  | 0.1284           | 0.0998 | 0.0784 | 0.0598 | 0.0517 | 0.0383 |
| 35  | 0.1072           | 0.0841 | 0.0663 | 0.0513 | 0.0455 | 0.0242 |
| 40  | 0.0946           | 0.0753 | 0.0616 | 0.0509 | 0.0466 | 0.0217 |
| 45  | 0.0909           | 0.0737 | 0.0645 | 0.0587 | 0.0553 | 0.0342 |
| 50  | 0.0966           | 0.0802 | 0.0769 | 0.0777 | 0.0737 | 0.0643 |
| 55  | 0.1087           | 0.0927 | 0.0910 | 0.0915 | 0.0834 | 0.0707 |
| 60  | 0.1196           | 0.1014 | 0.0988 | 0.0991 | 0.0908 | 0.0772 |
| 65  | 0.1305           | 0.1105 | 0.1076 | 0.1077 | 0.0985 | 0.0000 |
| 70  | 0.0000           | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |



*Retirement rates:* For general employees, separate male and female rates, based on age, as shown below. Police and Firemen are assumed to retire at the later of age 60 and completion of 10 years of service, or at the later of the age 55 and completion of 25 years of service, if earlier. For police and fire departments electing the optional plan paying unreduced benefits after 20 years of service, employees are assumed to retire at the later of age 55 and completion of 10 years of service, or at the later of age 50 and completion of 20 years of service, if earlier.

| Expected Retirements per 100 Lives<br>General Employees |      |        |
|---|------|--------|
| Age   | Male | Female |
| 45  | 8    | 8      |
| 46  | 8    | 8      |
| 47  | 8    | 8      |
| 48  | 8    | 8      |
| 49  | 8    | 8      |
| 50  | 8    | 8      |
| 51  | 8    | 8      |
| 52  | 8    | 8      |
| 53  | 8    | 8      |
| 54  | 10   | 10     |
| 55  | 12   | 12     |
| 56  | 14   | 14     |
| 57  | 16   | 16     |
| 58  | 18   | 18     |
| 59  | 20   | 20     |
| 60  | 25   | 25     |
| 61  | 15   | 15     |
| 62  | 35   | 25     |
| 63  | 25   | 15     |
| 64  | 25   | 15     |
| 65  | 70   | 40     |
| 66  | 20   | 20     |
| 67  | 20   | 20     |
| 68  | 20   | 20     |
| 69  | 20   | 20     |
| 70  | 100  | 100    |

### Other Assumptions

*Percent married:* 100% of employees are assumed to be married.

*Age difference:* Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.

*Percent electing annuity on death (when eligible):* All of the spouses of vested, married participants are assumed to elect an annuity.

*Percent electing deferred termination benefit:* Vested terminating members are assumed to elect a refund or a deferred benefit, whichever is more valuable at the time of termination.



*Assumed age for commencement of deferred benefits:* Members electing to receive a deferred benefit are assumed to commence receipt at the first age at which unreduced benefits are available.

*Administrative expenses:* The assumed investment return rate represents the anticipated net return after payment of all investment and administrative expenses.

*Inactive members:* Liabilities for inactive members were approximated as a multiple of their member contribution account balances. For nonvested members, the multiple was one, and for vested inactive members, the multiple was between three and eight, depending on age and service.

### **Participant Data**

Participant data was supplied on magnetic tape for active and inactive members and for members and beneficiaries receiving benefits.

The data for an active members included birthdate, sex, equated date of hire, salary and employee contribution account balance. For retired members and beneficiaries, the data included date of birth, sex, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and a form of payment code.

Salary supplied for the current year was based on the earnings for the June preceding the valuation date. This salary was adjusted by the salary increase rate for one year.

Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.



## SUMMARY OF BENEFIT PROVISIONS

*Authority:* The Municipal Employees' Retirement System (MERS) covers employees of certain participating Rhode Island municipalities and other local governmental units, such as housing authorities, water districts, etc. Benefits are described in Rhode Island General Laws, Title 45, Chapters 19, 19.1, 21, 21.1, 21.2, and 21.3.

*Plan Year:* A twelve-month period ending June 30<sup>th</sup>.

*Administration:* MERS is administered by the Employees' Retirement Board. However, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy.

*Type of Plan:* MERS is a qualified governmental defined benefit retirement plan. Separate contribution rates are determined for each participating governmental unit. For Governmental Accounting Standards Board purposes, it is an agent multiple-employer plan.

*Eligibility:* General employees, police officers and firefighters employed by electing municipalities participate in MERS. Teachers and administrators are covered by the separate Employees' Retirement System of Rhode Island, but other school employees may be covered by MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be classified as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be classified as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a separate unit from the general employees, with separate contribution rates applicable.

*Employee Contributions:* General employees contribute 6.00% of their salary per year, and police officers and firefighters contribute 7.00%. In addition, if the municipality has elected one of the optional cost of living provisions, an additional member contribution of 1.00% of salary is required. If a municipality elects the optional 20-year retirement provision for its police officers and/or its firefighters, an additional contribution of 1.00% of salary will be required from these members. The municipality, at its election, may choose to "pick up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h).

*Salary:* Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

*Employer Contributions:* Each participating unit's contribution rate is determined actuarially. Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation.

*Service:* Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

*Final Average Compensation (FAC):* The average of the member's highest three consecutive annual salaries. Monthly benefits are based on one-twelfth of this amount.

### *Retirement*

*Eligibility:* General employees are eligible for retirement on or after age 58 if they have credit for 10 or more years of service, or at any age if they have credit for at least 30 years of service. Members designated as police officers or firefighters may retire at or after age 55 with credit for at least 10 years of service, or at any age with credit for 25 or more years of service. Members may retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elects to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member may retire at any age with 20 or more years of service.



Monthly Benefit: 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum). If the optional 20-year retirement provisions are adopted by the municipality, the benefit is 2.50% of the member's monthly FAC for each year of service, up to 30 years (75% of FAC maximum). If a police officer or firefighter not covered by the 20-year retirement provision retires before age 55 with at least 20, but less than 25, years of service, benefits are reduced 0.5% per month that the member's age at retirement is less than 55.

Payment Form: Benefits are paid as a monthly life annuity. Optional forms of payment are available; see below.

Death benefit: After retirement, death benefits are based on the form of annuity elected. If no option is elected, i.e., if payments are made as a life annuity, there is a minimum death benefit equal to the sum of the member's contributions without interest, less the sum of the monthly benefit payments made before the member's death. In addition, a lump-sum death benefit is payable upon the death of any retired member, regardless of option elected. This lump sum is equal to a percentage of the lump-sum death benefit that was available to the member at the time of retirement. The percentage is 100% in the first year of retirement, 75% in the second year, 50% in the third year, and 25% in the fourth and subsequent years of retirement. However, in no event will the lump sum death benefit be less than \$4,000.

### *Disability Retirement*

Eligibility: A member is eligible provided he/she has credit for at least five years of service or if the disability is work-related.

Ordinary Disability Benefit: The benefit payable under the retirement formula, using FAC and service at the time of disability, but not less than 10 years of service.

Occupational Disability Benefit: An annual annuity equal to two-thirds of salary at the time of disability.

Payment Form: The disability benefit commences immediately upon the member's retirement. Benefits cease upon recovery or reemployment. Disability benefits are payable as a monthly life annuity with a guarantee that, at the member's death, the sum of the member's contributions plus interest as of the date of retirement will be paid in a lump-sum to the member's beneficiary. All alternative forms of payment except for the Social Security Option are permitted in the case of disability retirement.

### *Deferred Termination Benefit*

Eligibility: A member with at least ten years of service is vested. A vested member who does not withdraw his/her contributions from the fund is eligible for a deferred termination benefit.

Monthly Benefit: The monthly benefit is based on the retirement formula described above. Both FAC and service are determined at the time the member leaves active employment. Benefits may commence at age 58 or at such earlier age that the member has met the requirements for a retirement benefit.

Payment Form: The same as for Retirement above.

Death Benefit before Retirement: A member who dies after leaving active service but before retiring is entitled to receive a benefit as described below in Death Benefit of Active or Inactive Members.

Death Benefit after Retirement: The same as for Retirement above.

### *Withdrawal (Refund) Benefit*

Eligibility: All members leaving covered employment with less than ten years of service are eligible. Optionally, vested members (those with ten or more years of service) may withdraw their accumulated contributions in lieu of the deferred benefits otherwise due.

Benefit: The member who withdraws receives a lump-sum payment of equal to the sum of his/her employee contributions. No interest is credited on these contributions.



### *Death Benefit of Active or Inactive Members*

**Eligibility:** Death must have occurred while an active member or while an inactive, non-retired member. The basic benefit plus the lump-sum benefit are paid on behalf of an active, general employee, and the special police/fire benefit and the lump-sum benefit are paid on behalf of an active police officer or firefighter. If the death was due to accidental, duty-related causes, the accidental death benefit is paid regardless of whether the employee is a general employee, a police officer, or a firefighter. Inactive members receive a refund of their accumulated contributions without interest.

**Basic Benefit:** Upon the death of a nonvested member, or upon the death of a vested, inactive member, or upon the death of an active, unmarried member, a refund of the member's contributions (without interest) is paid. Upon the death of a vested, married, active member, the spouse may elect (i) the refund benefit described above, or (ii) a life annuity paid to the spouse or beneficiary. The amount of the annuity is equal to the amount which would have been paid had the member retired at the time of his death and elected the Joint and 100% Survivor option. If the member was not eligible for retirement, the annuity benefit is reduced 6% per year from the date at which the member would have been eligible had he or she remained in service.

**Lump-sum Benefit:** \$800 per year of service, with a maximum benefit of \$16,000 and a minimum of \$4,000.

**Special Police/Fire Death Benefit:** In lieu of the basic benefit above, if a police officer or firefighter dies while an active member, an annuity of 30% of the member's salary will be paid to the member's spouse, for life or until remarriage. Children's benefits may also be payable.

**Accidental Duty-related Death Benefit:** If a member dies as the result of an accident while in the course of his or her duties, in lieu of the above benefits the member's spouse may elect to receive (i) a refund of all contributions made (including interest), and (ii) an annual life annuity equal to 50% of the member's salary at the time of death. The annuity benefit stops when the spouse remarries or dies, although it may be continued to any children under age 18 or to any dependent parents.

**Optional Forms of Payment:** In addition to a life annuity, MERS offers members these optional forms of payment on an actuarially equivalent basis:

**Option 1 (Joint and 100% Survivor):** A life annuity payable while either the participant or his beneficiary is alive.

**Option 2 (Joint and 50% Survivor):** A life annuity payable to the member while both the member and beneficiary are alive, reducing to 50% of this amount if the member predeceases the beneficiary.

**Social Security Option:** An annuity paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

Actuarial equivalence is based on tables adopted by the Employees' Retirement Board.

**Post-retirement Benefit Increase:** Members employed by municipalities who elect one of the optional COLA provisions receive an increase equal to 3% of the original retirement benefit each year, beginning January 1 following the member's retirement. This increase is not tied in any way to actual increases in the cost of living, and increases are not compounded. When a municipality elects coverage, it may elect either COLA C (covering only current and future active members and excluding members already retired) or COLA B (covering current retired members as well as current and future active members).

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**STATE POLICE  
RETIREMENT BENEFITS TRUST**



**Actuarial Information**

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July 12, 2000

Board of Trustees  
State Police Retirement Benefits Trust  
40 Fountain Street, First Floor  
Providence, RI 02903-1854

Dear Members of the Board:

**Subject: Actuarial Valuation as of June 30, 1999**

This is the June 30, 1999 actuarial valuation of the State Police Retirement Benefits Trust (SPRBT). This report describes the current actuarial condition of the SPRBT, determines the recommended employer contribution rate, and analyzes changes in the contribution rate. Valuations are prepared annually, as of June 30, the last day of the SPRBT plan year. Benefits for state police officers hired before July 1, 1987 are funded by the state from general assets, on a pay-as-you-go basis, and are not included in this valuation.

Under Rhode Island General Laws, the employer contribution rate for state police is certified annually by the Employees' Retirement Board. This rate is determined actuarially, based on the plan provisions in effect as of the valuation date and the actuarial assumptions and methods adopted by the Board. The Board's current policy is that the contribution rate determined by a given actuarial valuation becomes effective two years after the valuation date. For example, the rate determined by the June 30, 1999 actuarial valuation will be applicable for the year beginning July 1, 2001 and ending June 30, 2002.

**Financing objectives and funding policy**

The actuarial cost method and the amortization periods are set by statute. The frozen entry age cost method is mandated. The frozen liability is amortized over a period of 30 years from July 1, 1992. In the case of certain significant changes in plan provisions, assumptions or methodology, a new amortization base is created, and this base is amortized over 30 years from the creation date. More minor changes in provisions, assumptions or methods are included with the existing frozen actuarial liability and amortized over the remaining period. Amortization payments are determined as a level percent of expected payroll. Gains and losses from experience—i.e., from differences between actual experience and the actuarial assumptions—are included in the normal cost. This should produce relatively level contribution rates over time.

**Progress toward realization of financing objectives**

The funded ratio (the ratio of the actuarial value of assets to the frozen actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The funded ratio, as can be seen on Table 4, increased from 92.1% to 93.5%. The employer contribution rate increased from 25.89% to 27.67%. This increase was due to net unfavorable actuarial experience over the 12 months preceding the valuation date. The analysis of the changes in employer costs is set forth in Table 12.

**Watson Wyatt & Company**

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2001 Ross Avenue  
Dallas, TX 75201-2989  
Telephone 214 530 4200  
Fax 214 530 4250



### **Benefit provisions**

The benefit provisions reflected in this valuation are those which were in effect on June 30, 1999. There were no material changes adopted since the previous actuarial valuation. The benefit provisions are summarized in Appendix B.

### **Assumptions and methods**

The 4-year moving average asset method used in last year's valuation was an interim approach in anticipation of statutory changes to the funding method and amortization period, with an intent to move to the 5-year smoothing method in the 1999 valuation, regardless of the outcome of the legislation. Since the legislation did not pass, this valuation continues to use the same cost method and funding period as used in the 1998 valuation, but changing to a five year smoothing asset method. This smoothing method along with other assumptions and methods are described in Appendix A, and the derivation of the actuarial value of assets using this method is shown on Table 9.

### **Data**

The System's staff supplied member data for active members as of June 30, 1999. (There were no retirees or inactive members.) We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 1999.

### **Certification**

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Rhode Island state law and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board. The undersigned are independent actuaries. All are Members of the Society of Actuaries and Members of the American Academy of Actuaries, and all are experienced in performing valuations for large public retirement systems.

Sincerely,

John J. Garrett, ASA, MAAA  
Actuary

C. Leonora Kwan, ASA, MAAA  
Actuary

W. Michael Carter, FSA, MAAA  
Vice President

nlb



**SUMMARY OF ACTUARIAL VALUATION RESULTS**  
**FOR THE STATE POLICE RETIREMENT BENEFIT TRUST**  
*As of June 30, 1999*

| Item                                       | 1999         | 1998         |
|--|--------------|--------------|
| <b>Membership</b>                          |              |              |
| • Number of                                |              |              |
| - Active members                           | 130          | 130          |
| - Retirees and beneficiaries               | -            | -            |
| - Vested terminations                      | -            | -            |
| - Total                                    | 130          | 130          |
| • Payroll                                  | \$ 7,502,433 | \$ 7,211,874 |
| <b>Contribution rates</b>                  |              |              |
| • Member                                   | 8.75%        | 8.75%        |
| • State                                    | 27.67%       | 25.89%       |
| <b>Assets</b>                              |              |              |
| • Market value                             | \$ 8,628,252 | \$ 6,729,626 |
| • Actuarial value                          | 8,480,657    | 6,756,892    |
| • Return on market value                   | 10.1%        | 16.1%        |
| • Return on actuarial value                | 14.7%        | 16.5%        |
| • Employer contribution                    | \$ 631,386   | \$ 602,630   |
| <b>Actuarial Information</b>               |              |              |
| • Normal cost %                            | 26.92%       | 25.14%       |
| • Unfunded frozen accrued liability (UFAL) | \$ 587,349   | \$ 581,269   |
| • Unfunded cost percentage                 | 0.75%        | 0.75%        |
| • Funding period                           | 23 years     | 24 years     |
| • GASB funded ratio                        | 93.5%        | 92.1%        |
| <b>Projected employer contribution</b>     |              |              |
| • Fiscal year ending June 30,              | 2002         | 2001         |
| • Projected payroll                        | 6,510,266    | 6,319,640    |
| • Projected employer contribution          | \$ 1,801,415 | \$ 1,635,956 |



**SUMMARY OF ACTUARIAL METHODS ASSUMPTIONS**

**Valuation Date**

The valuation date is June 30th of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

**Actuarial Cost Method**

The actuarial valuation uses the Frozen Entry Age actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the frozen liability.

The initial frozen liability was set equal to the unfunded actuarial accrued liability, determined as of June 30, 1992, under the Entry Age Normal actuarial cost method. It is being amortized over a 30-year period from June 30, 1992. The amortization rate is determined as a level percentage of payroll. Payroll is assumed to increase at the payroll growth rate. Whenever the plan provisions or actuarial assumptions are changed, an additional frozen amount is determined, equal to the increase in the actuarial accrued liability under the Entry Age Normal method due to the change. These additional frozen amounts are either treated as new amortization bases, or combined with the initial base, or included in the normal cost calculation, as described below.

The employer normal cost rate is the level percentage of compensation that has an actuarial present value equal to (i) the actuarial present value of all future benefits, less the sum of (ii) the actuarial value of assets, (iii) the sum of the unamortized frozen liability bases, and (iv) the actuarial present value of future member contributions. Gains and losses due to plan experience differing from assumptions are included in the calculation of the employer normal cost rate.

Changes to the unfunded liability due to changes to benefits or actuarial assumptions are amortized either over a new 30-year period or over the remaining initial amortization period depending on how large the total change to the unfunded liability is relative to the existing unfunded liability.

The following table illustrates the amortization method:

| <b>Change in Unfunded Liability</b>     | <b>Amortization Period</b>   |
|---|--|
| Less than 1% of existing Unfunded       | No new base set up (existing Unfunded not changed)   |
| Between 1% and 10% of existing Unfunded | The change to Unfunded is amortized over current remaining period, i.e., aggregated with existing Unfunded |
| Over 10% of existing Unfunded           | A separate base equal to change in Unfunded is set up and amortized over a new 30 year period              |

The contribution rate determined by this valuation will not be effective until two-years later, and the determination of the rate reflects this deferral. It is assumed that there will be no change in the employer normal cost rate due to the deferral, and it is assumed that payments are, on average, made at mid-year.

**Actuarial Value of Assets**

The actuarial value of assets is based on the market value of assets with a five-year phase-in of actual investment return in excess of (less than) expected investment income. Expected investment income is determined using the assumed investment return rate and the market value of assets (adjusted for receipts and disbursements during the year). The phase-in begins with the period ending June 30, 1999.



## Actuarial Assumptions

### Economic Assumptions

*Investment return:* 8.25% per year, compounded annually, composed of an assumed 3.50% inflation rate and a 4.75% net real rate of return. This rate represents the assumed return, net of all investment and administrative expenses.

*Salary increase rate:* Salaries are assumed to increase at the rates shown below. These rates include an inflationary increase of 3.50%, a general increase of 1.50%, and a service-related increase as shown.

| Years of Service | Service-related Component | Total Annual Rate of Increase Including 3.50% Inflation Component and 1.50% General Increase Rate |
|------------------|---------------------------|---|
| (1)              | (2)                       | (3)   |
| 0                | 10.00%                    | 15.00%  |
| 1                | 3.50                      | 8.50  |
| 2                | 2.00                      | 7.00  |
| 3                | 1.00                      | 6.00  |
| 4 or more        | 0.00                      | 5.00  |

Salary increases are assumed to occur once a year, on July 1. Therefore the pay used for the period between the valuation date and the first anniversary of the valuation date is equal to the reported pay for the prior year, increased by the salary increase assumption.

*Payroll growth rate:* In the amortization of the unfunded frozen liability, payroll is assumed to increase 3.50% per year. This assumption includes no allowance for future membership growth.

### Demographic Assumptions

#### *Mortality rates*

- Healthy males – Based on the 1994 Uninsured Pensioner mortality table for males. Rates are set forward one year.
- Healthy females - Based on the 1994 Uninsured Pensioner mortality table for females. Rates are set forward one year.
- Disabled males - PBGC Table Va for disabled males eligible for Social Security disability benefits.
- Disabled females - PBGC Table VIa for disabled females eligible for Social Security disability benefits.

*Disability rates* – Rates are applied, with 50% of disabilities considered occupational:

| Age | Rate  |
|-----|-------|
| (1) | (2)   |
| 20  | 0.12% |
| 25  | 0.17  |
| 30  | 0.22  |
| 35  | 0.29  |
| 40  | 0.44  |
| 45  | 0.72  |
| 50  | 1.21  |



*Termination rates* - None

*Retirement rates* – State police are assumed to retire after completion of 25 years of service, or if earlier, after reaching age 50 and completing 21 years of service.

**Other Assumptions**

*Percent married:* 85% of employees are assumed to be married.

*Age difference:* Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.

*Administrative expenses:* The assumed investment return rate represents the anticipated net return after payment of all investment and administrative expenses.

**Participant Data**

Participant data was supplied on a listing for active members. The data for an active member included birthdate, sex, equated date of hire, salary and employee contribution account balance. There are currently no retirees or beneficiaries.





## SUMMARY OF BENEFIT PROVISIONS

*Effective Date and Authority:* The State Police Retirement Benefits Plan (SPRBP) became effective on July 1, 1989 for state police officers originally hired on or after July 1, 1987. Benefits are described in Rhode Island General Laws, Title 42, Chapter 28.

*Plan Year:* A twelve-month period ending June 30th.

*Administration:* The State Police Retirement Benefits Plan is administered by the Employees' Retirement Board. However, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy. Assets are commingled for investment purposes with those of the Employees' Retirement System of Rhode Island and various other plans and programs.

*Type of Plan:* The State Police Retirement Benefits Plan is a qualified governmental defined benefit retirement plan. For Governmental Accounting Standards Board purposes, it is a single-employer plan.

*Eligibility:* All state police officers, and the Superintendent of State Police, hired on or after July 1, 1987, participate in this plan. Benefits for state police officers hired before July 1, 1987 are being paid by the state from the general assets of the state, on a pay-as-you-go basis. Eligible employees become members at their date of employment.

*Salary for Contribution Purposes:* Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

*Employee Contributions:* State police officers contribute 8.75% of their salary per year. The state "picks up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h).

*Employer Contributions:* The state contributes an actuarially determined percentage of the member's annual salary. Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation.

*Service:* Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

*Final Salary (Salary for Benefit Purposes):* Benefits are determined using a different, more expansive, definition of salary than is used for determining member and employer contributions. Final Salary includes base pay, longevity increases, 400 hours of overtime pay, holiday pay and the member's clothing allowance. For members who work more than 25 years, the Final Salary shall not be more than the Final Salary in the 25th year. In determining monthly benefits, Final Salary is expressed as a monthly amount.

### Retirement

*Eligibility:* All members are eligible for retirement at any age after completion of 20 years of service. (The Superintendent of State Police may retire on or after age 60 if he has credit for 10 years of service.)

*Monthly Benefit:* 50% of Final Salary, plus 3% of Final Salary for each year of service in excess of 20. (The Superintendent of State Police receives a benefit of 50% of Final Salary.) The maximum benefit is 65% of FAC.

*Payment Form:* Benefits are paid as a monthly life annuity. There are no optional forms of payment available.



Death benefit: After the death of a retired member, if the member was married, a benefit will be paid to the spouse equal to 2.00% of the member's Final Salary for each year of service. There is a minimum benefit of 25% of Final Salary. Benefits are increased one-third for each dependent child. The maximum benefit is 50% of Final Salary. Benefits may not begin before the spouse is age 40, and benefits stop upon the spouse's death or remarriage.

#### *Disability Retirement*

Eligibility: A member is eligible provided he/she has credit for at least ten years of service or if the disability is work-related.

Ordinary Disability Benefit: 2.00% of Final Salary for each year of service, but not less than 25% of Final Salary.

Occupational Disability Benefit: 75% of Final Salary.

Payment Form: The disability benefit commences immediately upon the member's retirement. Benefits cease upon recovery or reemployment. Disability benefits are payable as a monthly life annuity. The same provisions that apply upon the death of a retired member apply upon the death of a disabled member.

#### *Refunds*

Eligibility: All members leaving covered employment prior to eligibility for other benefits.

Benefit: A lump-sum payment equal to the sum of his/her employee contributions. No interest is credited on these contributions.

#### *Death Benefit of Active Members*

Eligibility: Death must have occurred from a service-related cause, or the member must have 10 or more years of service.

Ordinary Benefit: After the death of an active member, if the member was married, a benefit will be paid to the spouse equal to 2.00% of the member's Final Salary for each year of service. There is a minimum benefit of 25% of Final Salary. Benefits are increased one-third for each dependent child. The maximum benefit is 50% of Final Salary. Benefits may not begin before the spouse is age 40, and benefits stop upon the spouse's death or remarriage.

Duty-related Death Benefit: 75% of Final Salary, paid to the spouse or other dependent relative. Benefits cease when the spouse or other relatives die or are no longer dependent.

*Post-retirement Benefit Increase:* Members receive an increase of \$1,500 per year (\$125.00 per month) beginning on the January 1 next following the third anniversary date of the retirement, and in every year thereafter. The increase applies to service retirement, disability retirement and death benefits. This increase is not tied in any way to actual increases in the cost of living.



### SUMMARY OF PLAN NET ASSETS

(Assets at Market or Fair Value)

| Item<br>(1)   | June 30, 1999<br>(2) | June 30, 1998<br>(3) |
|---|----------------------|----------------------|
| 1. Cash and cash equivalents  | \$ 124,303           | \$ 136,082           |
| 2. Receivables:   |                      |                      |
| a. Employer and member contributions  | \$ -                 | \$ -                 |
| b. Due from state for teachers  | \$ -                 | \$ -                 |
| c. Net investment income and other  | <u>708</u>           | <u>-</u>             |
| d. Total receivables  | \$ 708               | \$ -                 |
| 3. Investments  |                      |                      |
| a. Pooled trust   | \$ 8,508,644         | \$ 6,599,204         |
| b. Plan specific investments  | <u>0</u>             | <u>0</u>             |
| c. Total  | \$ 8,508,644         | \$ 6,599,204         |
| 4. Total assets   | \$ 8,633,655         | \$ 6,735,286         |
| 5. Liabilities  |                      |                      |
| a. Benefits payable   | \$ -                 | \$ -                 |
| b. Accounts and vouches payable   | <u>5,403</u>         | <u>5,660</u>         |
| c. Total liabilities  | \$ 5,403             | \$ 5,660             |
| 6. Total market value of assets available for benefits<br>Total (Item 4 - Item 5) | \$ 8,628,252         | \$ 6,729,626         |



**RECONCILIATION OF PLAN NET ASSETS**

|   | <u>June 30, 1999</u> | <u>June 30, 1998</u> |
|---|----------------------|----------------------|
| 1. Market value of assets as of beginning of year                     | \$ 6,729,626         | \$ 4,861,569         |
| 2. Contributions  |                      |                      |
| a. Members  | \$ 481,640           | \$ 416,513           |
| b. State  | 631,386              | 602,630              |
| c. Service purchases  | -                    | -                    |
| d. Total  | <u>\$ 1,113,026</u>  | <u>\$ 1,019,143</u>  |
| 3. Investment earnings, net of investment and administrative expenses | \$ 785,600           | \$ 856,222           |
| 4. Expenditures for the year  |                      |                      |
| a. Benefit payments   | \$ -                 | \$ -                 |
| b. Cost-of-living adjustments   | -                    | -                    |
| c. Post-retirement death benefits                                     | -                    | -                    |
| d. Pre-retirement death benefits                                      | -                    | -                    |
| e. Social security supplements  | -                    | -                    |
| f. Supplemental pensions  | -                    | -                    |
| g. Refunds  | -                    | (7,308)              |
| h. Total expenditures   | <u>\$ -</u>          | <u>\$ (7,308)</u>    |
| 5. Transfers and other adjustments                                    | \$ -                 | \$ -                 |
| 6. Market value of assets at end of year                              | \$ 8,628,252         | \$ 6,729,626         |

**ANALYSIS OF CHANGE IN EMPLOYER COST**

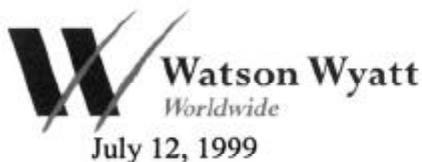
| <u>Basis</u>                           | <u>Employer Cost</u> |
|--|----------------------|
| 1. Employer fiscal 2001 cost           | 25.89%               |
| 2. Impact of changes, gains and losses |                      |
| a. Liability experience (gain)/loss    | 1.79%                |
| b. Asset experience (gain)/loss        | (0.63%)              |
| c. Asset method change                 | 0.62%                |
| d. Changes in provisions               | N/A                  |
| e. Total                               | <u>1.78%</u>         |
| 3. Employer fiscal 2002 cost           | 27.67%               |

**JUDICIAL  
RETIREMENT BENEFITS TRUST**



**Actuarial Information**

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July 12, 1999

Board of Trustees  
Judicial Retirement Benefits Trust  
40 Fountain Street, First Floor  
Providence, RI 02903-1854

Watson Wyatt & Company

Suite 4200  
2001 Ross Avenue  
Dallas, TX 75201-2989  
Telephone 214 530 4200  
Fax 214 530 4250

Dear Members of the Board:

**Subject: Actuarial Valuation as of June 30, 1999**

This is the June 30, 1999 actuarial valuation of the Judicial Retirement Benefits Trust (JRBT). This report describes the current actuarial condition of the JRBT, determines the recommended employer contribution rate, and analyzes changes in the contribution rate. Valuations are prepared annually, as of June 30, the last day of the JRBT plan year. Benefits for state judges hired before January 1, 1990 are funded by the state from general assets, on a pay-as-you-go basis, and are not included in this valuation.

Under Rhode Island General Laws, the employer contribution rate for Judges is certified annually by the Employees' Retirement Board. This rate is determined actuarially, based on the plan provisions in effect as of the valuation date and the actuarial assumptions and methods adopted by the Board. The Board's current policy is that the contribution rate determined by a given actuarial valuation becomes effective two years after the valuation date. For example, the rate determined by the June 30, 1999 actuarial valuation will be applicable for the year beginning July 1, 2001 and ending June 30, 2002.

#### **Financing objectives and funding policy**

The actuarial cost method and the amortization periods are set by statute. The frozen entry age cost method is mandated. The frozen liability is amortized over a period of 30 years from July 1, 1992. In the case of certain significant changes in plan provisions, assumptions or methodology, a new amortization base is created, and this base is amortized over 30 years from the creation date. More minor changes in provisions, assumptions or methods are included with the existing frozen actuarial liability and amortized over the remaining period. Amortization payments are determined as a level percent of expected payroll. Gains and losses from experience—i.e., from differences between actual experience and the actuarial assumptions—are included in the normal cost. This should produce relatively level contribution rates over time.

#### **Progress toward realization of financing objectives**

The funded ratio (the ratio of the actuarial value of assets to the frozen actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The funded ratio, as can be seen on Table 4, increased from 81.6% to 85.2%. The employer contribution rate increased from 31.09% to 31.58%. This increase was due to net unfavorable actuarial experience over the 12 months preceding the valuation date. The analysis of the changes in employer costs is set forth on Table 12.



### **Benefit provisions**

The benefit provisions reflected in this valuation are those which were in effect on June 30, 1999. There were no material changes adopted since the previous actuarial valuation. The benefit provisions are summarized in Appendix B.

### **Assumptions and methods**

The 4-year moving average asset method used in last year's valuation was an interim approach in anticipation of statutory changes to the funding method and amortization period, with an intent to move to the 5-year smoothing method in the 1999 valuation, regardless of the outcome of the legislation. Since the legislation did not pass, this valuation continues to use the same cost method and funding period as used in the 1998 valuation, but changing to a five year smoothing asset method. This smoothing method along with other assumptions and methods are described in Appendix A and the derivation of the actuarial value of assets using this method is shown on Table 9.

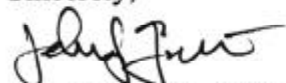
### **Data**

The System's staff supplied member data for active members as of June 30, 1999. (There were no retired or inactive members.) We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 1999.

### **Certification**

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Rhode Island state law and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board. The undersigned are independent actuaries. All are Members of the Society of Actuaries and Members of the American Academy of Actuaries, and all are experienced in performing valuations for large public retirement systems.

Sincerely,



John J. Garrett, ASA, MAAA  
Actuary



C. Leonora Kwan, ASA, MAAA  
Actuary



W. Michael Carter, FSA, MAAA  
Vice President





**SUMMARY OF ACTUARIAL VALUATION RESULTS FOR THE JUDICIAL RETIREMENT BENEFIT TRUST**

*As of June 30, 1999*

| Item                                       | 1998         | 1998         |
|--|--------------|--------------|
| <b>Membership</b>                          |              |              |
| • Number of:                               |              |              |
| - Active members                           | 29           | 29           |
| - Retirees and beneficiaries               | -            | -            |
| - Inactive members                         | -            | -            |
| - Total                                    | <u>29</u>    | <u>29</u>    |
| • Payroll supplied by ERSRI                | \$ 3,169,183 | \$ 3,039,957 |
| <b>Contribution rates</b>                  |              |              |
| • Member                                   | 8.75%        | 8.75%        |
| • State                                    | 31.58%       | 31.09%       |
| <b>Assets</b>                              |              |              |
| • Market value                             | \$ 5,625,223 | \$ 4,102,792 |
| • Actuarial value                          | 5,521,693    | 4,120,032    |
| • Return on market value                   | 10.1%        | 16.1%        |
| • Return on actuarial value                | 14.7%        | 16.5%        |
| • Employer contribution                    | \$ 737,414   | \$ 744,054   |
| <b>Actuarial Information</b>               |              |              |
| • Normal cost %                            | 30.02%       | 29.55%       |
| • Unfunded frozen accrued liability (UFAL) | \$ 956,560   | \$ 928,823   |
| • Amortization percentage                  | 1.56%        | 1.54%        |
| • Funding period                           | 28 years     | 29 years     |
| • GASB funded ratio                        | 85.2%        | 81.6%        |
| <b>Projected employer contribution</b>     |              |              |
| • Fiscal year ending June 30,              | 2002         | 2001         |
| • Projected payroll                        | 3,721,386    | 3,569,643    |
| • Projected employer contribution          | \$ 1,175,298 | \$ 1,109,937 |



**SUMMARY OF ACTUARIAL METHODS ASSUMPTIONS**

**Valuation Date**

The valuation date is June 30th of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

**Actuarial Cost Method**

The actuarial valuation uses the Frozen Entry Age actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the frozen liability.

The initial frozen liability was set equal to the unfunded actuarial accrued liability, determined as of June 30, 1992, under the Entry Age Normal actuarial cost method. It is being amortized over a 30-year period from June 30, 1992. The amortization rate is determined as a level percentage of payroll. Payroll is assumed to increase at the payroll growth rate. Whenever the plan provisions or actuarial assumptions are changed, an additional frozen amount is determined, equal to the increase in the actuarial accrued liability under the Entry Age Normal method due to the change. These additional frozen amounts are either treated as new amortization bases, or combined with the initial base, or included in the normal cost calculation, as described below.

The employer normal cost rate is the level percentage of compensation that has an actuarial present value equal to (i) the actuarial present value of all future benefits, less the sum of (ii) the actuarial value of assets, (iii) the sum of the unamortized frozen liability bases, and (iv) the actuarial present value of future member contributions. Gains and losses due to plan experience differing from assumptions are included in the calculation of the employer normal cost rate.

Changes to the unfunded liability due to changes to benefits or actuarial assumptions are amortized either over a new 30-year period or over the remaining initial amortization period depending on how large the total change to the unfunded liability is relative to the existing unfunded liability.

The following table illustrates the amortization method:

| Change in Unfunded Liability            | Amortization Period  |
|---|--|
| Less than 1% of existing Unfunded       | No new base set up (existing Unfunded not changed)   |
| Between 1% and 10% of existing Unfunded | The change to Unfunded is amortized over current remaining period, i.e., aggregated with existing Unfunded |
| Over 10% of existing Unfunded           | A separate base equal to change in Unfunded is set up and amortized over a new 30 year period              |

The contribution rate determined by this valuation will not be effective until two-years later, and the determination of the rate reflects this deferral. It is assumed that there will be no change in the employer normal cost rate due to the deferral, and it is assumed that payments are, on average, made at mid-year.

**Actuarial Value of Assets**

The actuarial value of assets is based on the market value of assets with a five-year phase-in of actual investment return in excess of (less than) expected investment income. Expected investment income is determined using the assumed investment return rate and the market value of assets (adjusted for receipts and disbursements during the year). The phase-in begins with the period ending June 30, 1999.



## Actuarial Assumptions

### Economic Assumptions

*Investment return:* 8.25% per year, compounded annually, composed of an assumed 3.50% inflation rate and a 4.75% net real rate of return. This rate represents the assumed return, net of all investment and administrative expenses.

*Salary increase rate:* Salaries are assumed to increase at 5.5% per year.

Salary increases are assumed to occur once a year, on July 1. Therefore the pay used for the period between the valuation date and the first anniversary of the valuation date is equal to the reported pay for the prior year, increased by the salary increase assumption.

*Payroll growth rate:* In the amortization of the unfunded frozen liability, payroll is assumed to increase 5.50% per year. This assumption includes no allowance for future membership growth.

### Demographic Assumptions

#### *Mortality rates*

- Healthy males – Based on the 1994 Uninsured Pensioner mortality table for males. Rates are set forward one year.
- Healthy females - Based on the 1994 Uninsured Pensioner mortality table for females. Rates are set forward one year.

*Disability rates:* None.

*Termination rates:* None.

*Retirement rates:* Judges are assumed to retire when eligible for an unreduced retirement benefit (age 65 with 20 years of service, or age 70 with 15 years of service). Judges who have not reached eligibility for an unreduced retirement benefit by age 75 are assumed to terminate at 75 and receive either a reduced retirement benefit, if eligible, or a refund.

### Other Assumptions

*Percent married:* 85% of employees are assumed to be married.

*Age difference:* Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.

*Administrative expenses:* The assumed investment return rate represents the anticipated net return after payment of all investment and administrative expenses.

### Participant Data

Participant data was supplied on a listing for active members. The data for active members included birthdate, sex, equated date of hire, salary and employee contribution account balance. There are currently no retirees or beneficiaries.



## SUMMARY OF BENEFIT PROVISIONS

*Effective Date and Authority:* The Judicial Retirement Fund (JRF) became effective on January 1, 1990 for judges hired on or after that date. Benefits are described in Rhode Island General Laws, Title 8, Chapters 3, 8, and 16, Title 28, Chapter 30, and Title 31, Chapter 43.

*Plan Year:* A twelve-month period ending June 30th.

*Administration:* The Judicial Retirement Fund is administered by the Employees' Retirement Board. However, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy. Assets are commingled for investment purposes with those of the Employees' Retirement System of Rhode Island and various other plans and programs.

*Type of Plan:* The Judicial Retirement Fund is a qualified governmental defined benefit retirement plan. For Governmental Accounting Standards Board purposes, it is a single-employer plan.

*Eligibility:* All judges or justices of the supreme court, a superior court, a district court, a family court, an administrative adjudication court or a workers' compensation court participate in this plan if they were hired on or after January 1, 1990. (These are referred to collectively as state judges.) Benefits for state judges hired before January 1, 1990 are being paid by the state from the general assets of the state, on a pay-as-you-go basis. Eligible state judges become members at their date of employment.

*Salary:* Contributions are based on the judge's salary. Benefits are based on the judge's salary at the time of retirement.

*Employee Contributions:* State judges contribute 8.75% of their salary per year. The state "picks up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h).

*Employer Contributions:* The state contributes an actuarially determined percentage of the member's annual salary. Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation.

### *Full Retirement*

*Eligibility:* All judges are eligible for unreduced retirement at or after age 65 if the judge has served for 20 years, or at or after age 70 after 15 years of service.

*Monthly Benefit:* 100% of the judge's salary at retirement.

*Payment Form:* Benefits are paid as a monthly life annuity. There are no optional forms of payment available.

*Death Benefit:* After the death of a retired member, if the member was married, 50% of the retiree's benefit is paid to the surviving spouse for life (or until remarriage).

### *Reduced Retirement*

*Eligibility:* A judge is eligible for a reduced retirement benefit at age 65 if the judge has served for 10 years, or at any age after 20 years of service.

*Reduced Retirement Benefit:* 75% of the judge's salary at retirement.

*Payment Form:* Same as for Full Retirement.

*Death Benefit:* Same as for Full Retirement.



### *Refunds*

**Eligibility:** All judges leaving covered employment for a reason other than death or retirement.

**Benefit:** A lump-sum payment equal to the sum of his/her employee contributions. No interest is credited on these contributions.

### *Death Benefit of Active Members*

**Eligibility:** Death must have occurred from a service-related cause, or the member must have 10 or more years of service.

**Spouse's Benefit:** After the death of an active member, if the member was married, a benefit will be paid to the spouse until his/her death or remarriage. The benefit is equal to 25% of the judge's salary at death if the member had less than seven years of service. If the judge had at least seven but less than 15 years of service, the benefit is equal to 1/3 of the judge's salary at death. If the judge had at least 15 years of service or if the judge was eligible for retirement, the spouse receives 50% of the judge's salary at death. Benefits are payable until the spouse's death or remarriage. Benefits may be paid to any minor children after the death of the spouse.

**Post-retirement Benefit Increase:** Members receive an increase equal to 3.00% of the original benefit each year, beginning in January of the year in which the member reaches the third anniversary of retirement. The increase applies to both retirement and death benefits. This increase is not tied in any way to actual increases in the cost of living. (Judges of the administrative adjudication courts receive a compound 3.00% increase, rather than a simple 3.00% increase.)

**SUMMARY OF PLAN NET ASSETS***(Assets at Market or Fair Value)*

| Item  | June 30, 1999 | June 30, 1998 |
|---|---------------|---------------|
| (1)   | (2)           | (3)           |
| 1. Cash and cash equivalents  | \$ 115,114    | \$ 120,138    |
| 2. Receivables:   |               |               |
| a. Employer and member contributions  | \$ -          | \$ -          |
| b. Due from state for teachers  | -             | -             |
| c. Net investment income and other  | 858           | -             |
| d. Total receivables  | <u>\$ 858</u> | <u>\$ -</u>   |
| 3. Investments  |               |               |
| a. Pooled trust   | \$ 5,512,752  | \$ 3,986,072  |
| b. Plan specific investments  | <u>0</u>      | <u>0</u>      |
| c. Total  | \$ 5,512,752  | \$ 3,986,072  |
| 4. Total assets   | \$ 5,628,724  | \$ 4,106,210  |
| 5. Liabilities  |               |               |
| a. Benefits payable   | \$ -          | \$ -          |
| b. Accounts and vouches payable   | <u>3,501</u>  | <u>3,418</u>  |
| c. Total liabilities  | \$ 3,501      | \$ 3,418      |
| 6. Total market value of assets available for benefits<br>Total (Item 4 - Item 5) | \$ 5,625,223  | \$ 4,102,792  |



### RECONCILIATION OF PLAN NET ASSETS

|   | June 30, 1999 | June 30, 1998 |
|---|---------------|---------------|
| 1. Market value of assets as of beginning of year                     | \$ 4,102,792  | \$ 2,607,482  |
| 2. Contributions  |               |               |
| a. Members  | \$ 275,348    | \$ 256,924    |
| b. State  | 737,414       | 744,054       |
| c. Service purchases  | -             | -             |
| d. Total  | \$ 1,012,762  | \$ 1,000,978  |
| 3. Investment earnings, net of investment and administrative expenses | \$ 509,669    | \$ 494,332    |
| 4. Expenditures for the year  |               |               |
| a. Benefit payments   | \$ -          | \$ -          |
| b. Cost-of-living adjustments   | -             | -             |
| c. Post-retirement death benefits                                     | -             | -             |
| d. Pre-retirement death benefits                                      | -             | -             |
| e. Social security supplements  | -             | -             |
| f. Supplemental pensions  | -             | -             |
| g. Refunds  | -             | -             |
| h. Total expenditures   | \$ -          | \$ -          |
| 5. Transfers and other adjustments                                    | \$ -          | \$ -          |
| 6. Market value of assets at end of year                              | \$ 5,625,223  | \$ 4,102,792  |



**ANALYSIS OF CHANGE IN EMPLOYER COST**

| Basis                                  | Employer Cost |
|--|---------------|
| 1. Employer fiscal 2001 cost           | 31.09%        |
| 2. Impact of changes, gains and losses |               |
| a. Liability experience (gain)/loss    | 0.51%         |
| b. Asset experience (gain)/loss        | (0.85%)       |
| c. Asset method change                 | 0.83%         |
| d. Changes in provisions               | N/A           |
| e. Total                               | 0.49%         |
| 3. Employer fiscal 2002 cost           | 31.58%        |



# EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND



Statistical Information

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DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND BY YEARS OF SERVICE (TEACHERS)

AS OF 06/30/1999

YEARS OF CREDITED SERVICE

| Attained Age | 0     |              | 1     |              | 2     |              | 3     |              | 4     |              | 5-9   |              | 10-14 |              | 15-19 |              | 20-24 |              | 25-29 |              | 30-34 |              | 35-39 |              | 40 & Over |              | Total |              |        |          |
|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-----------|--------------|-------|--------------|--------|----------|
|              | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count     | & Avg. Comp. | Count | & Avg. Comp. |        |          |
| Under 25     | 135   | \$22,496     | 61    | \$28,211     | 13    | \$30,474     | 1     | \$37,892     | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0         | \$0          | 0     | \$24,723     | 210    | \$24,723 |
| 25-29        | 247   | \$25,272     | 209   | \$30,224     | 210   | \$31,711     | 172   | \$34,491     | 113   | \$36,252     | 127   | \$39,111     | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0         | \$0          | 0     | \$31,739     | 1,078  | \$31,739 |
| 30-34        | 173   | \$27,430     | 129   | \$32,376     | 92    | \$34,714     | 122   | \$35,911     | 114   | \$38,004     | 593   | \$44,340     | 106   | \$50,340     | 6     | \$43,163     | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0         | \$0          | 0     | \$39,489     | 1,335  | \$39,489 |
| 35-39        | 128   | \$26,076     | 96    | \$33,382     | 68    | \$38,547     | 70    | \$38,800     | 64    | \$40,444     | 347   | \$46,919     | 365   | \$51,093     | 59    | \$51,091     | 2     | \$50,004     | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0         | \$0          | 0     | \$43,797     | 1,199  | \$43,797 |
| 40-44        | 133   | \$27,973     | 113   | \$34,759     | 77    | \$39,010     | 80    | \$39,057     | 64    | \$42,867     | 388   | \$48,190     | 314   | \$52,684     | 257   | \$51,723     | 202   | \$52,905     | 10    | \$54,722     | 10    | \$54,722     | 0     | \$0          | 0         | \$0          | 0     | \$46,573     | 1,638  | \$46,573 |
| 45-49        | 153   | \$28,063     | 92    | \$42,263     | 92    | \$40,540     | 112   | \$43,363     | 87    | \$44,863     | 516   | \$49,213     | 420   | \$52,726     | 239   | \$52,839     | 645   | \$54,227     | 883   | \$54,573     | 883   | \$54,573     | 31    | \$54,114     | 0         | \$0          | 0     | \$3,270      | 3,270  | \$50,667 |
| 50-54        | 66    | \$35,048     | 47    | \$45,835     | 48    | \$46,958     | 46    | \$46,257     | 53    | \$46,350     | 262   | \$50,987     | 295   | \$52,894     | 221   | \$54,328     | 235   | \$55,223     | 1,177 | \$55,508     | 1,177 | \$55,508     | 572   | \$56,264     | 11        | \$55,459     | 0     | \$53,867     | 3,033  | \$53,867 |
| 55-59        | 15    | \$39,613     | 23    | \$51,156     | 16    | \$52,707     | 12    | \$46,700     | 15    | \$51,547     | 113   | \$50,780     | 141   | \$51,682     | 87    | \$53,835     | 123   | \$54,216     | 193   | \$55,499     | 193   | \$55,499     | 301   | \$57,522     | 62        | \$58,480     | 5     | \$54,347     | 1,106  | \$54,474 |
| 60-64        | 4     | \$37,837     | 4     | \$51,215     | 4     | \$44,798     | 3     | \$47,662     | 5     | \$53,977     | 31    | \$50,851     | 36    | \$53,020     | 40    | \$54,764     | 35    | \$54,758     | 63    | \$56,328     | 63    | \$56,328     | 40    | \$57,258     | 17        | \$58,480     | 9     | \$54,517     | 291    | \$54,733 |
| 65-69        | 1     | \$50,683     | 1     | \$51,281     | 1     | \$67,900     | 0     | \$0          | 1     | \$46,027     | 7     | \$50,474     | 9     | \$52,998     | 7     | \$52,987     | 9     | \$53,651     | 29    | \$55,948     | 29    | \$55,948     | 10    | \$55,254     | 6         | \$56,264     | 4     | \$54,990     | 85     | \$54,990 |
| 70 & Over    | 0     | \$0          | 0     | \$0          | 0     | \$0          | 1     | \$38,623     | 1     | \$41,124     | 2     | \$47,262     | 3     | \$52,164     | 3     | \$52,885     | 4     | \$54,188     | 11    | \$55,168     | 11    | \$55,168     | 5     | \$56,623     | 1         | \$58,665     | 6     | \$56,434     | 37     | \$56,434 |
| Total        | 1,055 | \$27,001     | 775   | \$34,609     | 621   | \$36,953     | 619   | \$38,623     | 517   | \$41,124     | 2,386 | \$47,262     | 1,689 | \$52,164     | 919   | \$52,885     | 1,255 | \$54,188     | 2,366 | \$55,168     | 2,366 | \$55,168     | 959   | \$56,623     | 97        | \$58,665     | 24    | \$56,434     | 13,282 | \$56,434 |



## MEMBERSHIP DATA (TEACHERS)

|                                    | June 30, 1999  | June 30, 1998  |
|------------------------------------|----------------|----------------|
|                                    | (1)            | (2)            |
| 1. Active members                  |                |                |
| a. Number                          | 13,282         | 12,883         |
| b. Number vested                   | 7,313          | 7,219          |
| c. Total payroll supplied by ERSRI | \$ 632,777,429 | \$ 598,458,766 |
| d. Average salary                  | \$ 47,642      | \$ 46,453      |
| e. Average age                     | 45.0           | 45.0           |
| f. Average service                 | 14.6           | 14.9           |
| 2. Inactive members                |                |                |
| a. Number                          | 1,286          | 1,243          |
| 3. Service retirees                |                |                |
| a. Number                          | 5,564          | 5,318          |
| b. Total annual benefits           | \$ 164,910,545 | \$ 150,028,420 |
| c. Average annual benefit          | \$ 29,639      | \$ 28,211      |
| d. Average age                     | 68.7           | 69.2           |
| 4. Disabled retirees               |                |                |
| a. Number                          | 206            | 208            |
| b. Total annual benefits           | \$ 3,837,136   | \$ 3,658,861   |
| c. Average annual benefit          | \$ 18,627      | \$ 17,591      |
| d. Average age                     | 62.2           | 61.9           |
| 5. Beneficiaries and spouses       |                |                |
| a. Number                          | 273            | 249            |
| b. Total annual benefits           | \$ 4,276,243   | \$ 3,758,653   |
| c. Average annual benefit          | \$ 15,664      | \$ 15,095      |
| d. Average age                     | 69.9           | 69.4           |



DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND BY YEARS OF SERVICE (STATE EMPLOYEES)

AS OF 06/30/1999

YEARS OF CREDITED SERVICE

| Attained Age | 0     |              | 1     |              | 2     |              | 3      |              | 4     |              | 5-9   |              | 10-14 |              | 15-19 |              | 20-24 |              | 25-29 |              | 30-34 |              | 35-39 |              | 40 & Over |              | Total    |              |          |          |
|--------------|-------|--------------|-------|--------------|-------|--------------|--------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-----------|--------------|----------|--------------|----------|----------|
|              | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count  | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count | & Avg. Comp. | Count     | & Avg. Comp. | Count    | & Avg. Comp. |          |          |
| Under 25     | 97    | \$9,909      | 24    | \$25,191     | 16    | \$26,733     | 16,667 | \$16,667     | 1     | \$23,756     | 2     | \$23,448     | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0         | \$0          | 0        | \$14,758     | 141      | \$14,758 |
| 25-29        | 175   | \$13,584     | 103   | \$27,622     | 73    | \$26,991     | 27,663 | \$27,663     | 45    | \$30,498     | 150   | \$30,776     | 16    | \$25,915     | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0         | \$0          | 0        | \$24,395     | 597      | \$24,395 |
| 30-34        | 146   | \$14,413     | 95    | \$27,417     | 79    | \$28,457     | 33,657 | \$33,657     | 59    | \$31,406     | 477   | \$33,113     | 295   | \$31,116     | 28    | \$29,077     | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0         | \$0          | 0        | \$29,507     | 1,225    | \$29,507 |
| 35-39        | 112   | \$14,090     | 78    | \$29,427     | 71    | \$32,367     | 35,847 | \$35,847     | 43    | \$38,197     | 390   | \$33,449     | 561   | \$34,907     | 310   | \$35,116     | 54    | \$32,922     | 0     | \$0          | 0     | \$0          | 0     | \$0          | 0         | \$0          | 0        | \$32,855     | 1,648    | \$32,855 |
| 40-44        | 154   | \$14,498     | 80    | \$29,770     | 45    | \$33,209     | 30,384 | \$30,384     | 53    | \$40,602     | 393   | \$34,352     | 515   | \$36,184     | 458   | \$38,473     | 513   | \$36,548     | 79    | \$43,457     | 79    | \$35,608     | 0     | \$0          | 0         | \$0          | 0        | \$35,694     | 2,320    | \$35,694 |
| 45-49        | 107   | \$13,651     | 73    | \$31,032     | 37    | \$28,878     | 31,453 | \$31,453     | 34    | \$36,369     | 314   | \$36,734     | 461   | \$36,901     | 364   | \$39,220     | 597   | \$43,457     | 434   | \$41,177     | 434   | \$41,177     | 35    | \$40,493     | 0         | \$0          | \$38,228 | 2,485        | \$38,228 |          |
| 50-54        | 63    | \$15,418     | 51    | \$29,863     | 32    | \$35,059     | 35,456 | \$35,456     | 36    | \$40,243     | 286   | \$34,691     | 379   | \$35,642     | 328   | \$39,075     | 429   | \$43,544     | 452   | \$50,309     | 452   | \$50,309     | 178   | \$49,607     | 7         | \$46,018     | 0        | \$40,940     | 2,266    | \$40,940 |
| 55-59        | 24    | \$12,665     | 22    | \$25,626     | 14    | \$33,731     | 42,568 | \$42,568     | 21    | \$40,131     | 162   | \$33,959     | 282   | \$33,005     | 294   | \$38,147     | 244   | \$40,064     | 234   | \$43,073     | 234   | \$43,073     | 115   | \$41,208     | 26        | \$41,208     | 4        | \$38,058     | 1,457    | \$38,058 |
| 60-64        | 14    | \$11,722     | 8     | \$35,585     | 1     | \$22,357     | 40,451 | \$40,451     | 9     | \$35,170     | 85    | \$31,455     | 164   | \$34,339     | 158   | \$35,496     | 158   | \$38,269     | 138   | \$39,388     | 138   | \$39,388     | 46    | \$41,902     | 16        | \$50,568     | 10       | \$42,303     | 813      | \$42,303 |
| 65-69        | 2     | \$7,545      | 4     | \$26,481     | 1     | \$13,990     | 23,648 | \$23,648     | 1     | \$27,841     | 28    | \$33,158     | 62    | \$30,334     | 56    | \$35,497     | 54    | \$37,141     | 33    | \$45,093     | 33    | \$45,093     | 13    | \$48,079     | 4         | \$57,069     | 11       | \$37,061     | 270      | \$37,061 |
| 70 & Over    | 1     | \$38,827     | 3     | \$38,817     | 5     | \$17,518     | 0      | \$0          | 2     | \$57,429     | 12    | \$49,354     | 23    | \$38,686     | 27    | \$36,600     | 38    | \$35,991     | 18    | \$39,271     | 18    | \$39,271     | 9     | \$45,095     | 5         | \$56,269     | 4        | \$49,655     | 147      | \$49,655 |
| Total        | 895   | \$13,640     | 541   | \$28,817     | 374   | \$30,014     | 33,123 | \$33,123     | 304   | \$36,286     | 2,299 | \$33,995     | 2,758 | \$34,823     | 2,023 | \$37,673     | 2,087 | \$40,415     | 1,388 | \$44,042     | 1,388 | \$44,042     | 396   | \$47,323     | 58        | \$46,763     | 29       | \$49,733     | 13,369   | \$49,733 |



## MEMBERSHIP DATA (STATE EMPLOYEES)

|                                    | June 30, 1999<br>(1) | June 30, 1998<br>(2) |
|------------------------------------|----------------------|----------------------|
| 1. Active members                  |                      |                      |
| a. Number                          | 13,369               | 13,105               |
| b. Number vested                   | 8,762                | 8,523                |
| c. Total payroll supplied by ERSRI | \$ 476,020,909       | \$ 458,188,422       |
| d. Average salary                  | \$ 35,606            | \$ 34,963            |
| e. Average age                     | 46.4                 | 46.4                 |
| f. Average service                 | 14.4                 | 14.4                 |
| 2. Inactive members                |                      |                      |
| a. Number                          | 1,882                | 1,759                |
| 3. Service retirees                |                      |                      |
| a. Number                          | 7,559                | 7,587                |
| b. Total annual benefits           | \$ 110,616,627       | \$ 106,068,165       |
| c. Average annual benefit          | \$ 14,634            | \$ 13,980            |
| d. Average age                     | 72.9                 | 72.9                 |
| 4. Disabled retirees               |                      |                      |
| a. Number                          | 574                  | 563                  |
| b. Total annual benefits           | \$ 6,132,478         | \$ 5,581,074         |
| c. Average annual benefit          | \$ 10,684            | \$ 9,913             |
| d. Average age                     | 62.7                 | 63.1                 |
| 5. Beneficiaries and spouses       |                      |                      |
| a. Number                          | 934                  | 883                  |
| b. Total annual benefits           | \$ 9,909,827         | \$ 8,919,238         |
| c. Average annual benefit          | \$ 10,610            | \$ 10,101            |
| d. Average age                     | 73.3                 | 73.1                 |



### HISTORICAL SUMMARY OF ACTIVE MEMBER DATA

| Valuation<br>as of<br>June 30,<br>(1) | Active Members |                            | Covered Payroll                 |                            | Average Salary   |                            | Average<br>Age<br>(8) | Average<br>Service<br>(9) |
|---------------------------------------|----------------|----------------------------|---------------------------------|----------------------------|------------------|----------------------------|-----------------------|---------------------------|
|                                       | Number<br>(2)  | Percent<br>Increase<br>(3) | Amount in<br>\$ Millions<br>(4) | Percent<br>Increase<br>(5) | \$ Amount<br>(6) | Percent<br>Increase<br>(7) |                       |                           |
| <b>State Employees</b>                |                |                            |                                 |                            |                  |                            |                       |                           |
| 1995                                  | 13,550         | —                          | \$451                           | —                          | 33,300           | —                          | 45.1                  | 13.0                      |
| 1996                                  | 12,976         | (4.2%)                     | 453                             | 0.4%                       | 34,900           | 4.8%                       | 45.5                  | 13.7                      |
| 1997                                  | 12,865         | (0.9%)                     | 426                             | (6.0%)                     | 33,103           | (5.1%)                     | 45.7                  | 14.0                      |
| 1998                                  | 13,105         | 1.9%                       | 458                             | 7.6%                       | 34,963           | 5.6%                       | 46.4                  | 14.4                      |
| 1999                                  | 13,369         | 2.0%                       | 476                             | 3.9%                       | 35,606           | 1.8%                       | 46.4                  | 14.4                      |
| <b>Teachers</b>                       |                |                            |                                 |                            |                  |                            |                       |                           |
| 1995                                  | 12,079         | —                          | \$496                           | —                          | 41,100           | —                          | 44.8                  | 15.9                      |
| 1996                                  | 12,391         | 2.6%                       | 544                             | 9.6%                       | 43,900           | 6.8%                       | 44.9                  | 15.5                      |
| 1997                                  | 12,681         | 2.3%                       | 573                             | 5.4%                       | 45,193           | 2.9%                       | 45.1                  | 15.1                      |
| 1998                                  | 12,883         | 1.6%                       | 598                             | 4.4%                       | 46,453           | 2.8%                       | 45.0                  | 14.9                      |
| 1999                                  | 13,282         | 3.1%                       | 633                             | 5.7%                       | 47,642           | 2.6%                       | 45.0                  | 14.6                      |



ACTIVE MEMBER STATISTICS

| Unit Number                   | Unit                       | Code(s) | Active Employees as of June 30, 1999 |          |              |             | Active Employees as of June 30, 1998 |          |              |             |
|-------------------------------|----------------------------|---------|--------------------------------------|----------|--------------|-------------|--------------------------------------|----------|--------------|-------------|
|                               |                            |         | Number                               | Avg. Age | Avg. Service | Avg. Salary | Number                               | Avg. Age | Avg. Service | Avg. Salary |
| (1)                           | (2)                        | (3)     | (4)                                  | (5)      | (6)          | (7)         | (8)                                  | (9)      | (10)         | (11)        |
| <b>General Employee Units</b> |                            |         |                                      |          |              |             |                                      |          |              |             |
| 3001                          | Barrington                 |         | 128                                  | 48.7     | 10.0         | \$26,116    | 127                                  | 48.2     | 9.7          | \$25,654    |
| 3002                          | Bristol                    | B       | 88                                   | 44.0     | 10.5         | 25,496      | 79                                   | 44.4     | 11.0         | 26,464      |
| 3003                          | Burrillville               | C       | 139                                  | 48.0     | 10.8         | 24,216      | 136                                  | 47.5     | 10.5         | 23,521      |
| 3004                          | Central Falls              |         | 50                                   | 43.1     | 9.7          | 28,120      | 48                                   | 42.1     | 9.1          | 26,996      |
| 3005                          | Charlestown                | C       | 34                                   | 40.7     | 8.0          | 27,665      | 31                                   | 39.3     | 7.8          | 29,698      |
| 3007                          | Cranston                   | B       | 789                                  | 48.2     | 10.1         | 22,533      | 778                                  | 48.2     | 10.4         | 23,087      |
| 3008                          | Cumberland                 |         | 220                                  | 48.3     | 9.1          | 20,927      | 218                                  | 48.5     | 9.4          | 20,789      |
| 3009                          | East Greenwich             |         | 148                                  | 47.5     | 9.9          | 22,205      | 138                                  | 47.9     | 10.2         | 22,525      |
| 3010                          | East Providence            | B       | 412                                  | 47.1     | 9.6          | 28,086      | 393                                  | 47.0     | 9.9          | 27,250      |
| 3011                          | Exeter/West Greenwich      | B       | 67                                   | 47.2     | 8.5          | 20,433      | 58                                   | 47.7     | 9.6          | 20,102      |
| 3012                          | Foster                     |         | 38                                   | 46.4     | 7.8          | 17,471      | 40                                   | 46.2     | 6.9          | 16,581      |
| 3013                          | Glocester                  | C       | 64                                   | 47.0     | 8.7          | 20,428      | 62                                   | 46.1     | 8.1          | 19,701      |
| 3014                          | Hopkinton                  | C       | 27                                   | 47.4     | 6.4          | 22,191      | 24                                   | 48.5     | 7.0          | 21,071      |
| 3015                          | Jamestown                  | C       | 59                                   | 44.4     | 7.2          | 26,650      | 56                                   | 44.8     | 8.2          | 27,790      |
| 3016                          | Johnston                   | C       | 240                                  | 47.5     | 9.2          | 21,964      | 225                                  | 47.8     | 9.8          | 21,103      |
| 3017                          | Lincoln                    |         | 15                                   | 45.8     | 6.0          | 32,814      | 14                                   | 45.4     | 5.4          | 30,209      |
| 3021                          | Newport                    | B       | 309                                  | 47.0     | 12.3         | 26,968      | 306                                  | 46.7     | 12.2         | 26,274      |
| 3022                          | New Shoreham               | B       | 42                                   | 46.0     | 6.7          | 25,046      | 37                                   | 46.6     | 7.9          | 26,488      |
| 3023                          | North Kingstown            | C       | 326                                  | 47.9     | 10.5         | 22,455      | 315                                  | 48.0     | 10.5         | 22,120      |
| 3024                          | North Providence           |         | 242                                  | 46.3     | 8.8          | 20,607      | 232                                  | 46.6     | 9.0          | 20,648      |
| 3025                          | North Smithfield           | B       | 94                                   | 47.2     | 7.4          | 21,518      | 81                                   | 47.8     | 8.2          | 20,768      |
| 3026                          | Pawtucket                  | C       | 651                                  | 47.3     | 11.7         | 24,242      | 624                                  | 47.5     | 11.9         | 23,999      |
| 3027                          | Union Fire District        |         | 3                                    | 52.0     | 9.7          | 25,250      | 3                                    | 51.0     | 8.7          | 20,769      |
| 3029                          | Richmond                   |         | 19                                   | 47.0     | 8.1          | 21,393      | 18                                   | 46.9     | 7.7          | 21,901      |
| 3030                          | Scituate                   | B       | 92                                   | 48.5     | 8.0          | 18,437      | 86                                   | 49.2     | 8.7          | 17,840      |
| 3031                          | Smithfield                 |         | 136                                  | 48.4     | 8.8          | 27,017      | 126                                  | 47.6     | 8.7          | 26,036      |
| 3032                          | South Kingstown            |         | 304                                  | 47.1     | 9.4          | 22,957      | 291                                  | 46.5     | 9.4          | 21,330      |
| 3033                          | Tiverton                   |         | 59                                   | 50.9     | 11.3         | 24,216      | 56                                   | 50.9     | 12.2         | 23,981      |
| 3034                          | Warren                     | C       | 37                                   | 45.6     | 8.6          | 26,308      | 37                                   | 46.1     | 9.4          | 27,544      |
| 3036                          | Westerly                   |         | 1                                    | 48.0     | 16.0         | 45,464      | 2                                    | 60.5     | 18.5         | 40,302      |
| 3037                          | West Greenwich             |         | 21                                   | 48.2     | 10.6         | 24,745      | 21                                   | 47.2     | 9.6          | 22,444      |
| 3039                          | Woonsocket                 | B       | 429                                  | 47.0     | 9.0          | 20,777      | 414                                  | 46.7     | 9.0          | 20,585      |
| 3040                          | Chariho School District    |         | 132                                  | 46.1     | 9.6          | 20,738      | 126                                  | 45.6     | 9.0          | 20,017      |
| 3041                          | Foster/Glocester           | B       | 43                                   | 49.8     | 10.0         | 19,966      | 45                                   | 49.6     | 9.3          | 19,454      |
| 3042                          | Tiogue Fire & Lighting     | C       | 1                                    | 35.0     | 2.0          | 7,350       | 2                                    | 42.0     | 9.0          | 14,340      |
| 3043                          | Narragansett Housing       |         | 3                                    | 45.0     | 6.7          | 28,383      | 3                                    | 44.0     | 5.7          | 28,000      |
| 3045                          | Coventry Lighting District | C       | 5                                    | 53.8     | 21.6         | 34,966      | 5                                    | 52.8     | 20.6         | 33,871      |
| 3046                          | Hope Valley Fire           | C       | 1                                    | 64.0     | 20.0         | 38,658      | 1                                    | 63.0     | 19.0         | 36,482      |
| 3050                          | East Greenwich Housing     | C       | 5                                    | 39.6     | 8.4          | 28,401      | —                                    | —        | —            | —           |
| 3051                          | Cranston Housing           | C       | 17                                   | 46.9     | 8.6          | 30,080      | 17                                   | 49.6     | 10.4         | 31,954      |





**ACTIVE MEMBER STATISTICS**

| Unit                              |                          | Code(s) | Active Employees<br>as of June 30, 1999 |             |              |                 | Active Employees<br>as of June 30, 1998 |             |              |                 |
|-----------------------------------|--------------------------|---------|---|-------------|--------------|-----------------|---|-------------|--------------|-----------------|
| Number                            | Unit                     |         | Number                                  | Avg. Age    | Avg. Service | Avg. Salary     | Number                                  | Avg. Age    | Avg. Service | Avg. Salary     |
| (1)                               | (2)                      | (3)     | (4)                                     | (5)         | (6)          | (7)             | (8)                                     | (9)         | (10)         | (11)            |
| <b>General Employee Units</b>     |                          |         |   |             |              |                 |   |             |              |                 |
| 3052                              | East Providence Housing  | B       | 14                                      | 50.6        | 10.2         | \$32,487        | 16                                      | 49.2        | 9.6          | \$29,109        |
| 3053                              | Pawtucket Housing        | B       | 44                                      | 46.0        | 10.7         | 35,521          | 44                                      | 45.2        | 9.9          | 34,512          |
| 3056                              | Cumberland Housing       | C       | 10                                      | 45.8        | 4.7          | 28,018          | 11                                      | 43.5        | 3.7          | 25,352          |
| 3057                              | Lincoln Housing          | B       | 8                                       | 52.6        | 6.4          | 23,116          | 7                                       | 54.1        | 10.7         | 29,800          |
| 3059                              | Bristol Housing          |         | 8                                       | 52.0        | 14.0         | 27,199          | 8                                       | 51.0        | 13.0         | 26,125          |
| 3065                              | Burrillville Housing     |         | 4                                       | 49.0        | 12.5         | 27,410          | 4                                       | 48.0        | 11.5         | 25,515          |
| 3066                              | North Providence Housing | B       | 7                                       | 47.6        | 11.0         | 28,774          | 6                                       | 48.7        | 11.7         | 27,730          |
| 3067                              | East Smithfield Water    | C       | 4                                       | 54.8        | 8.8          | 38,210          | 4                                       | 53.8        | 7.8          | 36,278          |
| 3068                              | Greenville Water         |         | 4                                       | 42.0        | 10.0         | 40,206          | 4                                       | 41.0        | 9.0          | 38,309          |
| 3069                              | Newport Housing          | C       | 42                                      | 49.2        | 8.0          | 29,544          | 44                                      | 49.1        | 12.3         | 26,499          |
| 3071                              | Warren Housing           | B       | 6                                       | 55.7        | 14.5         | 29,316          | 6                                       | 54.7        | 13.5         | 27,848          |
| 3072                              | Johnston Housing         |         | 6                                       | 51.7        | 10.8         | 27,086          | 6                                       | 50.7        | 9.8          | 28,053          |
| 3077                              | Tiverton Local 2670A     | C       | 22                                      | 51.7        | 11.4         | 28,514          | 20                                      | 50.9        | 9.7          | 23,562          |
| 3078                              | Barrington DPW           | C       | 28                                      | 45.3        | 15.2         | 32,848          | 28                                      | 44.3        | 14.3         | 28,099          |
| 3079                              | Coventry Housing         |         | 9                                       | 44.1        | 4.7          | 23,718          | 6                                       | 46.8        | 5.8          | 18,713          |
| 3080                              | South Kingstown Hsg.     | C,3     | —                                       | —           | —            | —               | —                                       | —           | —            | —               |
| 3083                              | West Warwick Housing     | B       | 7                                       | 47.9        | 9.3          | 26,570          | 7                                       | 49.7        | 12.1         | 27,594          |
| 3084                              | Smithfield Housing       |         | 3                                       | 40.0        | 9.3          | 22,925          | 3                                       | 39.0        | 8.3          | 20,184          |
| 3096                              | Central Falls Housing    |         | 12                                      | 50.5        | 7.8          | 32,455          | 14                                      | 50.6        | 6.7          | 30,409          |
| 3098                              | Lime Rock Admin. Svcs.   |         | 2                                       | 43.5        | 8.0          | 22,864          | 2                                       | 42.5        | 7.0          | 21,928          |
| 3099                              | Central Falls Schools    | C       | 124                                     | 46.7        | 8.5          | 18,653          | 120                                     | 45.8        | 8.3          | 18,153          |
| 3100                              | Bristol/Warren Schools   | B       | 149                                     | 46.5        | 7.9          | 19,903          | 150                                     | 46.7        | 7.9          | 19,368          |
| <b>All General Employee Units</b> |                          |         | <b>6,003</b>                            | <b>47.3</b> | <b>9.8</b>   | <b>\$23,524</b> | <b>5,785</b>                            | <b>47.3</b> | <b>10.0</b>  | <b>\$23,145</b> |
| <b>Police &amp; Fire Units</b>    |                          |         |   |             |              |                 |   |             |              |                 |
| 4029                              | Richmond Police          |         | 7                                       | 35.7        | 4.4          | \$26,033        | —                                       | —           | —            | \$ —            |
| 4042                              | Valley Falls Fire        | D       | 12                                      | 36.0        | 9.5          | 33,900          | 12                                      | 35.0        | 8.5          | 32,032          |
| 4046                              | Lime Rock Fire           | 3       | —                                       | —           | —            | —               | —                                       | —           | —            | —               |
| 4047                              | N. Smithfield Vol. Fire  | D       | 9                                       | 39.4        | 8.8          | 32,520          | 8                                       | 37.0        | 7.9          | 26,083          |
| 4050                              | East Greenwich Fire      | C,D     | 25                                      | 39.2        | 11.5         | 40,582          | 24                                      | 39.0        | 11.8         | 40,199          |
| 4054                              | East Greenwich Police    | C,D     | 30                                      | 37.4        | 11.1         | 40,069          | 28                                      | 36.1        | 9.9          | 37,882          |
| 4055                              | North Kingstown Fire     | C,D     | 74                                      | 38.2        | 12.3         | 32,299          | 64                                      | 40.6        | 14.9         | 35,948          |
| 4056                              | North Kingstown Police   | C,D     | 48                                      | 37.3        | 12.0         | 36,022          | 47                                      | 36.7        | 11.7         | 34,515          |
| 4057                              | Harris Fire              | C       | 2                                       | 34.5        | 11.0         | 30,789          | 2                                       | 33.5        | 10.0         | 29,892          |
| 4058                              | North Providence Fire    | D       | 97                                      | 37.7        | 12.1         | 40,295          | 98                                      | 37.2        | 11.1         | 39,001          |
| 4059                              | Barrington Fire (25)     | C       | 5                                       | 31.8        | 2.6          | 35,086          | 5                                       | 30.8        | 1.6          | 21,648          |
| 4060                              | Barrington Police        | D       | 23                                      | 38.7        | 11.9         | 44,733          | 22                                      | 36.4        | 11.3         | 33,504          |
| 4061                              | Barrington Fire (20)     | C,D     | 16                                      | 43.2        | 17.4         | 39,588          | 16                                      | 42.2        | 16.4         | 38,349          |
| 4062                              | Warren Police            | C,D     | 21                                      | 35.9        | 10.1         | 40,096          | 21                                      | 34.9        | 9.0          | 36,671          |
| 4063                              | South Kingstown Police   | C,1     | 43                                      | 41.6        | 16.6         | 40,385          | 42                                      | 41.0        | 16.1         | 38,906          |



| ACTIVE MEMBER STATISTICS                |                         |         |              |             |                 |                 |   |             |                 |                 |
|---|-------------------------|---------|--------------|-------------|-----------------|-----------------|---|-------------|-----------------|-----------------|
| Active Employees<br>as of June 30, 1999 |                         |         |              |             |                 |                 | Active Employees<br>as of June 30, 1998 |             |                 |                 |
| Unit<br>Number                          | Unit                    | Code(s) | Number       | Avg.<br>Age | Avg.<br>Service | Avg.<br>Salary  | Number                                  | Avg.<br>Age | Avg.<br>Service | Avg.<br>Salary  |
| (1)                                     | (2)                     | (3)     | (4)          | (5)         | (6)             | (7)             | (8)                                     | (9)         | (10)            | (11)            |
| <b>Police &amp; Fire Units</b>          |                         |         |              |             |                 |                 |   |             |                 |                 |
| 4064                                    | Primrose Volunteer Fire | B,D     | 8            | 41.0        | 13.4            | \$35,365        | 8                                       | 39.0        | 12.5            | \$26,748        |
| 4073                                    | Scituate Police         | 3       | —            | —           | —               | —               | —                                       | —           | —               | —               |
| 4076                                    | North Smithfield Police | C,D     | 19           | 41.8        | 11.5            | 39,909          | 18                                      | 42.1        | 11.3            | 36,993          |
| 4077                                    | Tiverton Fire           | D       | 24           | 37.8        | 11.3            | 32,128          | 25                                      | 38.6        | 12.3            | 33,763          |
| 4082                                    | Foster Police           | D       | 7            | 41.3        | 10.9            | 35,117          | 7                                       | 40.4        | 9.9             | 32,970          |
| 4085                                    | Woonsocket Police       | C,D     | 93           | 35.0        | 9.4             | 38,050          | 90                                      | 34.1        | 8.9             | 36,449          |
| 4086                                    | Charlestown Police      | C,D     | 15           | 37.9        | 11.5            | 37,341          | 17                                      | 38.6        | 11.7            | 38,806          |
| 4087                                    | Hopkinton Police        | C,D     | 12           | 36.3        | 10.0            | 34,248          | 12                                      | 35.4        | 9.0             | 30,972          |
| 4088                                    | Glocester Police        | C,D     | 15           | 38.3        | 10.5            | 35,821          | 14                                      | 36.3        | 9.5             | 33,806          |
| 4089                                    | W. Greenwich Police/RSQ | D       | 8            | 36.3        | 12.0            | 31,860          | 8                                       | 35.4        | 11.0            | 34,576          |
| 4090                                    | Burrillville Police     | C,D     | 21           | 35.3        | 9.1             | 38,848          | 22                                      | 34.4        | 8.0             | 32,382          |
| 4091                                    | Cumberland Rescue       | C,D     | 14           | 35.5        | 9.5             | 30,767          | 14                                      | 36.5        | 9.9             | 32,292          |
| 4092                                    | Washington Fire         | D       | 9            | 38.2        | 9.1             | 34,533          | 8                                       | 37.1        | 9.1             | 33,417          |
| 4093                                    | Woonsocket Fire         | C,D     | 84           | 34.3        | 8.2             | 36,180          | 82                                      | 33.6        | 7.5             | 34,607          |
| 4094                                    | Bristol Fire            |         | 1            | 50.0        | 11.0            | 46,324          | 1                                       | 49.0        | 10.0            | 45,024          |
| 4095                                    | Cumberland Hill Fire    | C,D     | 10           | 44.0        | 18.1            | 34,570          | 10                                      | 43.0        | 17.1            | 33,242          |
| 4096                                    | Bristol Police          | C,D     | 6            | 29.3        | 2.7             | 24,509          | —                                       | —           | —               | —               |
| 4098                                    | Coventry Fire           | D       | 11           | 37.5        | 11.9            | 29,017          | 10                                      | 39.0        | 13.5            | 32,649          |
| 4099                                    | South Kingstown EMT     | C,D     | 13           | 32.2        | 3.8             | 26,545          | 12                                      | 30.8        | 3.1             | 25,927          |
| 4100                                    | Tiogue Fire             |         | 4            | 33.8        | 4.8             | 19,455          | 3                                       | 33.7        | 5.3             | 23,508          |
| 4101                                    | North Cumberland        | D       | 14           | 38.2        | 8.7             | 29,976          | 14                                      | 36.8        | 9.5             | 27,961          |
| 4102                                    | Central Coventry Fire   | D       | 12           | 34.3        | 6.4             | 28,758          | 12                                      | 36.8        | 8.4             | 32,005          |
| 4103                                    | Hopkins Hill Fire       | D       | 4            | 33.3        | 5.0             | 27,211          | 3                                       | 33.7        | 5.3             | 25,492          |
| 4104                                    | Cranston Police         | C,D,4   | 54           | 34.6        | 4.1             | 38,895          | 45                                      | 31.4        | 3.8             | 42,128          |
| 4105                                    | Cranston Fire           | C,D,4   | 79           | 37.6        | 6.4             | 43,010          | 76                                      | 37.0        | 5.6             | 42,651          |
| 4106                                    | Cumberland Fire         | B,D     | 10           | 40.7        | 10.4            | 29,943          | 11                                      | 44.0        | 12.3            | 29,628          |
| 4107                                    | Lincoln Rescue          |         | 16           | 33.9        | 7.1             | 30,277          | 16                                      | 33.1        | 6.3             | 28,786          |
| 4108                                    | New Shoreham Police     | B       | 4            | 36.0        | 9.3             | 35,383          | 3                                       | 38.3        | 11.0            | 40,983          |
| 4109                                    | Warren Fire             | D       | 1            | 52.0        | 14.0            | 41,340          | 1                                       | 51.0        | 13.0            | 39,237          |
| <b>All Police &amp; Fire Units</b>      |                         |         | <b>980</b>   | <b>37.1</b> | <b>10.0</b>     | <b>\$36,918</b> | <b>931</b>                              | <b>36.7</b> | <b>9.9</b>      | <b>\$36,086</b> |
| <b>All MERS Units</b>                   |                         |         | <b>6,983</b> | <b>45.9</b> | <b>9.8</b>      | <b>\$25,403</b> | <b>6,716</b>                            | <b>45.8</b> | <b>10.0</b>     | <b>\$24,939</b> |

B - Municipality has adopted COLA Plan B

C - Municipality has adopted COLA Plan C

D - Municipality has adopted the "20-year" optional Police & Fire Plan

1 - S.Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 1999 valuation.

3 - Closed unit.

4 - Cranston Fire and Police are contributing 10% due to special plan provision.



**DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND BY YEARS OF SERVICE (POLICE & FIRE)**

**AS OF 06/30/1999**

| Attained Age       | Years of Credited Service |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    | Total              |                    |                 |
|--------------------|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------|
|                    | 0                         | 1                  | 2                  | 3                  | 4                  | 5-9                | 10-14              | 15-19              | 20-24              | 25-29              | 30-34              |                    | 35-39              | 40 & Over       |
| Count & Avg. Comp. | Count & Avg. Comp.        | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. |                 |
| Under 25           | 7<br>\$11,054             | 8<br>\$28,811      | 4<br>\$33,664      | 5<br>\$37,448      | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 24<br>\$26,240  |
| 25-29              | 30<br>\$15,390            | 36<br>\$29,524     | 16<br>\$33,991     | 24<br>\$37,526     | 9<br>\$39,365      | 42<br>\$36,629     | 1<br>\$42,910      | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 158<br>\$31,042 |
| 30-34              | 9<br>\$14,952             | 13<br>\$30,865     | 13<br>\$34,242     | 20<br>\$38,223     | 8<br>\$36,606      | 116<br>\$38,559    | 65<br>\$38,520     | 3<br>\$36,396      | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 247<br>\$36,940 |
| 35-39              | 10<br>\$16,003            | 10<br>\$29,919     | 5<br>\$35,554      | 6<br>\$34,575      | 8<br>\$35,805      | 90<br>\$39,661     | 103<br>\$38,980    | 32<br>\$42,051     | 5<br>\$43,892      | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 269<br>\$38,217 |
| 40-44              | 0<br>\$0                  | 1<br>\$31,506      | 0<br>\$0           | 1<br>\$37,384      | 3<br>\$43,226      | 26<br>\$38,362     | 38<br>\$39,119     | 47<br>\$41,105     | 26<br>\$42,850     | 1<br>\$53,618      | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 143<br>\$40,434 |
| 45-49              | 0<br>\$0                  | 1<br>\$22,719      | 2<br>\$41,826      | 1<br>\$25,967      | 2<br>\$32,095      | 8<br>\$35,838      | 5<br>\$40,382      | 17<br>\$38,257     | 22<br>\$42,462     | 15<br>\$45,334     | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 73<br>\$40,407  |
| 50-54              | 0<br>\$0                  | 2<br>\$49,944      | 0<br>\$0           | 2<br>\$45,470      | 0<br>\$0           | 3<br>\$31,392      | 4<br>\$36,940      | 2<br>\$40,023      | 6<br>\$41,951      | 7<br>\$46,157      | 3<br>\$41,359      | 1<br>\$36,650      | 0<br>\$0           | 30<br>\$41,611  |
| 55-59              | 0<br>\$0                  | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 1<br>\$30,875      | 0<br>\$0           | 0<br>\$0           | 2<br>\$42,128      | 4<br>\$41,662      | 3<br>\$33,818      | 2<br>\$36,650      | 0<br>\$0           | 12<br>\$38,045  |
| 60-64              | 6<br>\$15,159             | 1<br>\$38,943      | 4<br>\$38,503      | 1<br>\$36,065      | 1<br>\$40,028      | 2<br>\$37,890      | 4<br>\$41,659      | 3<br>\$43,434      | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 1<br>\$35,152      | 0<br>\$0           | 23<br>\$33,386  |
| 65-69              | 0<br>\$0                  | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 1<br>\$1           | 1<br>\$1        |
| 70 & Over          | 0<br>\$0                  | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0        |
| Total              | 62<br>\$14,913            | 72<br>\$30,373     | 44<br>\$34,980     | 60<br>\$37,502     | 31<br>\$37,660     | 287<br>\$38,449    | 221<br>\$38,893    | 104<br>\$40,841    | 61<br>\$42,683     | 27<br>\$45,310     | 6<br>\$37,589      | 4<br>\$36,276      | 1<br>\$36,650      | 980<br>\$36,918 |



**DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND BY YEARS OF SERVICE (GENERAL EMPLOYEES)**

**AS OF 06/30/1999**

| Attained Age | Years of Credited Service |                    |                    |                    |                    |                    |                    |                    |                    |                    | Total Count        | Total & Avg. Comp. |                    |                   |
|--------------|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
|              | 0                         | 1                  | 2                  | 3                  | 4                  | 5-9                | 10-14              | 15-19              | 20-24              | 25-29              |                    |                    | 30-34              | 35-39             |
|              | Count & Avg. Comp.        | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. | Count & Avg. Comp. |                   |
| Under 25     | 27<br>\$9,961             | 16<br>\$19,560     | 8<br>\$21,249      | 1<br>\$20,215      | 6<br>\$23,976      | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 58<br>\$15,792    |
| 25-29        | 49<br>\$11,488            | 30<br>\$20,729     | 31<br>\$25,071     | 20<br>\$23,451     | 20<br>\$22,081     | 44<br>\$23,988     | 4<br>\$27,869      | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 198<br>\$20,402   |
| 30-34        | 63<br>\$11,644            | 37<br>\$22,274     | 30<br>\$19,606     | 41<br>\$24,554     | 26<br>\$26,387     | 161<br>\$27,113    | 96<br>\$28,177     | 3<br>\$21,727      | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 457<br>\$24,013   |
| 35-39        | 100<br>\$9,698            | 90<br>\$17,731     | 51<br>\$19,626     | 61<br>\$22,131     | 56<br>\$21,937     | 160<br>\$25,929    | 155<br>\$27,713    | 38<br>\$30,511     | 3<br>\$33,544      | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 714<br>\$22,198   |
| 40-44        | 99<br>\$12,120            | 98<br>\$16,975     | 78<br>\$16,949     | 83<br>\$21,939     | 78<br>\$20,011     | 261<br>\$22,914    | 187<br>\$26,468    | 82<br>\$31,745     | 53<br>\$30,241     | 3<br>\$29,155      | 0<br>\$0           | 0<br>\$0           | 0<br>\$0           | 1,022<br>\$22,300 |
| 45-49        | 104<br>\$11,402           | 72<br>\$20,803     | 68<br>\$19,442     | 59<br>\$20,575     | 71<br>\$20,896     | 296<br>\$23,967    | 237<br>\$24,746    | 116<br>\$30,803    | 92<br>\$31,970     | 59<br>\$32,205     | 7<br>\$37,515      | 0<br>\$0           | 0<br>\$0           | 1,181<br>\$23,996 |
| 50-54        | 51<br>\$10,037            | 57<br>\$20,633     | 43<br>\$20,159     | 47<br>\$22,873     | 44<br>\$22,861     | 229<br>\$23,911    | 253<br>\$24,573    | 125<br>\$27,848    | 65<br>\$32,561     | 56<br>\$38,794     | 15<br>\$40,301     | 1<br>\$44,418      | 0<br>\$0           | 986<br>\$25,099   |
| 55-59        | 33<br>\$10,826            | 29<br>\$18,358     | 24<br>\$18,790     | 13<br>\$22,453     | 35<br>\$22,883     | 144<br>\$24,812    | 172<br>\$24,201    | 101<br>\$25,470    | 106<br>\$29,916    | 72<br>\$28,920     | 16<br>\$32,914     | 3<br>\$28,384      | 1<br>\$28,393      | 749<br>\$24,880   |
| 60-64        | 10<br>\$11,427            | 16<br>\$19,372     | 10<br>\$18,619     | 8<br>\$23,781      | 15<br>\$23,744     | 78<br>\$24,264     | 98<br>\$24,793     | 65<br>\$26,468     | 57<br>\$25,185     | 42<br>\$26,832     | 6<br>\$35,266      | 2<br>\$32,093      | 1<br>\$32,163      | 408<br>\$24,681   |
| 65-69        | 2<br>\$10,853             | 5<br>\$7,222       | 2<br>\$9,576       | 5<br>\$17,609      | 0<br>\$0           | 30<br>\$23,648     | 46<br>\$22,912     | 16<br>\$25,680     | 17<br>\$21,493     | 12<br>\$21,417     | 4<br>\$9,247       | 3<br>\$33,609      | 1<br>\$23,100      | 143<br>\$21,836   |
| 70 & Over    | 2<br>\$4,658              | 1<br>\$12,693      | 1<br>\$15,908      | 0<br>\$0           | 1<br>\$23,212      | 15<br>\$17,856     | 20<br>\$19,817     | 9<br>\$23,344      | 17<br>\$20,574     | 8<br>\$21,630      | 8<br>\$17,850      | 1<br>\$8,956       | 4<br>\$29,681      | 87<br>\$19,870    |
| Total        | 540<br>\$10,991           | 451<br>\$19,032    | 346<br>\$19,420    | 338<br>\$22,266    | 352<br>\$21,962    | 1,418<br>\$24,374  | 1,268<br>\$25,383  | 555<br>\$28,461    | 410<br>\$29,471    | 252<br>\$30,949    | 56<br>\$31,877     | 10<br>\$30,354     | 7<br>\$28,911      | 6,003<br>\$23,524 |



**RETIRED MEMBER STATISTICS**

| Unit                          |                            | Retirees and Beneficiaries<br>As of June 30, 1999 |        |                |                               | Retirees and Beneficiaries<br>As of June 30, 1998 |                |                               |
|-------------------------------|----------------------------|---|--------|----------------|-------------------------------|---|----------------|-------------------------------|
| Number                        | Unit                       | Code(s)   | Number | Average<br>Age | Average<br>Monthly<br>Benefit | Number  | Average<br>Age | Average<br>Monthly<br>Benefit |
| (1)                           | (2)                        | (3)   | (4)    | (5)            | (6)                           | (7)   | (8)            | (9)                           |
| <b>General Employee Units</b> |                            |   |        |                |                               |   |                |                               |
| 3001                          | Barrington                 |   | 104    | 73.6           | \$499                         | 108   | 73.5           | \$474                         |
| 3002                          | Bristol                    | B   | 82     | 73.0           | 623                           | 83  | 72.5           | 571                           |
| 3003                          | Burrillville               | C   | 65     | 71.9           | 567                           | 61  | 72.1           | 562                           |
| 3004                          | Central Falls              |   | 27     | 66.7           | 604                           | 27  | 66.4           | 642                           |
| 3005                          | Charlestown                | C   | 5      | 68.6           | 1,067                         | 4   | 66.5           | 1,189                         |
| 3007                          | Cranston                   | B   | 460    | 71.5           | 761                           | 433   | 71.6           | 679                           |
| 3008                          | Cumberland                 |   | 116    | 70.0           | 572                           | 106   | 69.7           | 565                           |
| 3009                          | East Greenwich             |   | 65     | 72.5           | 465                           | 64  | 71.5           | 460                           |
| 3010                          | East Providence            | B   | 301    | 69.8           | 963                           | 294   | 69.6           | 936                           |
| 3011                          | Exeter/West Greenwich      | B   | 14     | 68.1           | 744                           | 12  | 68.0           | 631                           |
| 3012                          | Foster                     |   | 16     | 70.8           | 509                           | 17  | 69.6           | 511                           |
| 3013                          | Glocester                  | C   | 10     | 65.0           | 767                           | 10  | 64.0           | 763                           |
| 3014                          | Hopkinton                  | C   | 10     | 69.1           | 533                           | 9   | 68.8           | 611                           |
| 3015                          | Jamestown                  | C   | 21     | 68.1           | 950                           | 19  | 69.8           | 773                           |
| 3016                          | Johnston                   | C   | 138    | 71.6           | 665                           | 130   | 71.3           | 671                           |
| 3017                          | Lincoln                    |   | —      | —              | —                             | —   | —              | —                             |
| 3021                          | Newport                    | B   | 180    | 72.4           | 835                           | 184   | 72.3           | 790                           |
| 3022                          | New Shoreham               | B   | 7      | 66.3           | 857                           | 6   | 67.0           | 477                           |
| 3023                          | North Kingstown            | C   | 119    | 71.3           | 629                           | 112   | 71.5           | 585                           |
| 3024                          | North Providence           |   | 134    | 71.6           | 510                           | 132   | 71.6           | 494                           |
| 3025                          | North Smithfield           | B   | 65     | 72.7           | 444                           | 63  | 72.5           | 413                           |
| 3026                          | Pawtucket                  | C   | 415    | 72.2           | 640                           | 409   | 72.1           | 608                           |
| 3027                          | Union Fire District        |   | —      | —              | —                             | —   | —              | —                             |
| 3029                          | Richmond                   |   | 6      | 72.7           | 204                           | 6   | 71.7           | 203                           |
| 3030                          | Scituate                   | B   | 46     | 72.7           | 605                           | 43  | 73.0           | 499                           |
| 3031                          | Smithfield                 |   | 82     | 71.9           | 545                           | 81  | 71.9           | 541                           |
| 3032                          | South Kingstown            |   | 81     | 73.2           | 510                           | 79  | 73.2           | 493                           |
| 3033                          | Tiverton                   |   | 53     | 72.5           | 500                           | 50  | 72.7           | 459                           |
| 3034                          | Warren                     | C   | 54     | 72.4           | 587                           | 52  | 71.6           | 554                           |
| 3036                          | Westerly                   |   | 13     | 74.6           | 880                           | 12  | 73.6           | 863                           |
| 3037                          | West Greenwich             |   | 3      | 76.0           | 516                           | 4   | 74.0           | 681                           |
| 3039                          | Woonsocket                 | B   | 285    | 72.3           | 498                           | 282   | 72.0           | 483                           |
| 3040                          | Chariho School District    |   | 16     | 66.0           | 704                           | 15  | 65.3           | 709                           |
| 3041                          | Foster/Glocester           | B   | 16     | 66.5           | 673                           | 13  | 66.2           | 777                           |
| 3042                          | Tiogou Fire & Lighting     | C   | 1      | 63.0           | 288                           | 1   | 62.0           | 280                           |
| 3043                          | Narragansett Housing       |   | —      | —              | —                             | —   | —              | —                             |
| 3045                          | Coventry Lighting District | C   | —      | —              | —                             | —   | —              | —                             |
| 3046                          | Hope Valley Fire           | C   | —      | —              | —                             | —   | —              | —                             |
| 3050                          | East Greenwich Housing     | C   | —      | —              | —                             | —   | —              | —                             |
| 3051                          | Cranston Housing           | C   | 9      | 69.6           | 575                           | 8   | 72.6           | 476                           |



| RETIRED MEMBER STATISTICS         |                                |         |              |             |                         | Retirees and Beneficiaries |             |                         |
|-----------------------------------|--------------------------------|---------|--------------|-------------|-------------------------|----------------------------|-------------|-------------------------|
| Retirees and Beneficiaries        |                                |         |              |             |                         | Retirees and Beneficiaries |             |                         |
| As of June 30, 1999               |                                |         |              |             |                         | As of June 30, 1998        |             |                         |
| Unit                              | Unit                           | Code(s) | Number       | Average Age | Average Monthly Benefit | Number                     | Average Age | Average Monthly Benefit |
| (1)                               | (2)                            | (3)     | (4)          | (5)         | (6)                     | (7)                        | (8)         | (9)                     |
| <b>General Employee Units</b>     |                                |         |              |             |                         |                            |             |                         |
| 3052                              | East Providence Housing        | B       | 10           | 75.2        | \$502                   | 10                         | 77.1        | \$418                   |
| 3053                              | Pawtucket Housing              | B       | 20           | 75.7        | 601                     | 22                         | 75.5        | 610                     |
| 3056                              | Cumberland Housing             | C       | 5            | 69.8        | 700                     | 5                          | 68.8        | 700                     |
| 3057                              | Lincoln Housing                | B       | 4            | 74.0        | 959                     | 3                          | 75.3        | 803                     |
| 3059                              | Bristol Housing                |         | 2            | 72.0        | 553                     | 2                          | 71.0        | 553                     |
| 3065                              | Burrillville Housing           |         | —            | —           | —                       | —                          | —           | —                       |
| 3066                              | North Providence Housing       | B       | 3            | 71.7        | 312                     | 3                          | 70.7        | 304                     |
| 3067                              | East Smithfield Water          | C       | —            | —           | —                       | —                          | —           | —                       |
| 3068                              | Greenville Water               |         | 1            | 72.0        | 749                     | 1                          | 71.0        | 749                     |
| 3069                              | Newport Housing                | C       | 7            | 57.7        | 1,443                   | 3                          | 54.3        | 1,030                   |
| 3071                              | Warren Housing                 | B       | 1            | 83.0        | 476                     | 1                          | 82.0        | 476                     |
| 3072                              | Johnston Housing               |         | 3            | 76.7        | 560                     | 3                          | 75.7        | 560                     |
| 3077                              | Tiverton Local 2670A           | C       | 3            | 66.7        | 570                     | 2                          | 67.0        | 627                     |
| 3078                              | Barrington DPW                 | C       | 1            | 62.0        | 1,442                   | —                          | —           | —                       |
| 3079                              | Coventry Housing               |         | 6            | 69.5        | 434                     | 6                          | 69.0        | 588                     |
| 3080                              | South Kingstown Housing        | C,3     | 1            | 78.0        | 246                     | 1                          | 77.0        | 246                     |
| 3083                              | West Warwick Housing           | B       | 3            | 69.0        | 700                     | 2                          | 68.5        | 570                     |
| 3084                              | Smithfield Housing             |         | 1            | 76.0        | 572                     | 1                          | 75.0        | 572                     |
| 3096                              | Central Falls Housing          |         | 8            | 67.0        | 966                     | 7                          | 66.3        | 1,027                   |
| 3098                              | Lime Rock Administrative Svcs. |         | —            | —           | —                       | —                          | —           | —                       |
| 3099                              | Central Falls Schools          | C       | 7            | 65.1        | 454                     | 6                          | 65.7        | 444                     |
| 3100                              | Bristol/Warren Schools         | B       | 34           | 63.9        | 807                     | 26                         | 63.7        | 866                     |
| <b>All General Employee Units</b> |                                |         | <b>3,139</b> | <b>71.5</b> | <b>\$7,942</b>          | <b>3,033</b>               | <b>71.4</b> | <b>\$7,519</b>          |
| <b>Police and Fire Units</b>      |                                |         |              |             |                         |                            |             |                         |
| 4029                              | Richmond Police                |         | —            | —           | \$ —                    | —                          | —           | \$ —                    |
| 4042                              | Valley Falls Fire              | D       | 5            | 54.2        | 1,505                   | 5                          | 53.2        | 1,463                   |
| 4046                              | Lime Rock Fire                 | 3       | —            | —           | —                       | —                          | —           | —                       |
| 4047                              | North Smithfield Vol. Fire     | D       | —            | —           | —                       | —                          | —           | —                       |
| 4050                              | East Greenwich Fire            | C,D     | 14           | 65.8        | 1,427                   | 13                         | 65.7        | 1,373                   |
| 4054                              | East Greenwich Police          | C,D     | 14           | 63.8        | 1,505                   | 14                         | 62.8        | 1,488                   |
| 4055                              | North Kingstown Fire           | C,D     | 43           | 64.4        | 1,320                   | 38                         | 65.5        | 1,201                   |
| 4056                              | North Kingstown Police         | C,D     | 7            | 50.7        | 2,213                   | 5                          | 49.0        | 2,116                   |
| 4057                              | Harris Fire                    | C       | —            | —           | —                       | —                          | —           | —                       |
| 4058                              | North Providence Fire          | D       | 20           | 61.3        | 1,734                   | 17                         | 63.0        | 1,638                   |
| 4059                              | Barrington Fire (25)           | C       | —            | —           | —                       | —                          | —           | —                       |
| 4060                              | Barrington Police              | D       | 22           | 63.0        | 1,220                   | 21                         | 62.5        | 1,145                   |
| 4061                              | Barrington Fire                | C,D     | 29           | 63.9        | 1,127                   | 29                         | 63.4        | 1,130                   |
| 4062                              | Warren Police                  | C,D     | 21           | 62.5        | 1,232                   | 20                         | 62.4        | 1,251                   |
| 4063                              | South Kingstown Police         | C,1     | 17           | 60.8        | 1,258                   | 17                         | 61.2        | 1,111                   |



| RETIRED MEMBER STATISTICS          |                            |         |              |             |                         | Retirees and Beneficiaries |             |                         |
|------------------------------------|----------------------------|---------|--------------|-------------|-------------------------|----------------------------|-------------|-------------------------|
| As of June 30, 1999                |                            |         |              |             |                         | As of June 30, 1998        |             |                         |
| Unit Number                        | Unit                       | Code(s) | Number       | Average Age | Average Monthly Benefit | Number                     | Average Age | Average Monthly Benefit |
| (1)                                | (2)                        | (3)     | (4)          | (5)         | (6)                     | (7)                        | (8)         | (9)                     |
| <b>Police and Fire Units</b>       |                            |         |              |             |                         |                            |             |                         |
| 4064                               | Primrose Volunteer Fire    | B,D     | 1            | 85.0        | \$349                   | 1                          | 84.0        | \$339                   |
| 4073                               | Scituate Police            | 3       | 1            | 70.0        | 497                     | 1                          | 69.0        | 497                     |
| 4076                               | North Smithfield Police    | C,D     | 8            | 58.8        | 1,688                   | 7                          | 58.9        | 1,628                   |
| 4077                               | Tiverton Fire              | D       | 15           | 61.8        | 1,036                   | 12                         | 64.8        | 983                     |
| 4082                               | Foster Police              | D       | 2            | 58.0        | 1,203                   | 2                          | 57.0        | 1,203                   |
| 4085                               | Woonsocket Police          | C,D     | 3            | 39.0        | 1,953                   | 2                          | 39.0        | 1,801                   |
| 4086                               | Charlestown Police         | C,D     | 3            | 41.3        | 1,760                   | 2                          | 39.5        | 1,078                   |
| 4087                               | Hopkinton Police           | C,D     | 1            | 72.0        | 951                     | 1                          | 71.0        | 925                     |
| 4088                               | Glocester Police           | C,D     | 2            | 64.0        | 740                     | 2                          | 63.0        | 725                     |
| 4089                               | W. Greenwich Police/Rescue | D       | 2            | 59.5        | 1,575                   | 2                          | 58.5        | 1,575                   |
| 4090                               | Burrillville Police        | C,D     | 8            | 56.0        | 1,879                   | 8                          | 56.5        | 1,905                   |
| 4091                               | Cumberland Rescue          | C,D     | 2            | 41.0        | 852                     | —                          | —           | —                       |
| 4092                               | Washington Fire            | D       | —            | —           | —                       | —                          | —           | —                       |
| 4093                               | Woonsocket Fire            | C,D     | 1            | 39.0        | 2,154                   | 1                          | 38.0        | 2,093                   |
| 4094                               | Bristol Fire               | —       | —            | —           | —                       | —                          | —           | —                       |
| 4095                               | Cumberland Hill Fire       | C,D     | —            | —           | —                       | —                          | —           | —                       |
| 4096                               | Bristol Police             | C,D     | —            | —           | —                       | —                          | —           | —                       |
| 4098                               | Coventry Fire              | D       | 2            | 26.5        | 1,192                   | —                          | —           | —                       |
| 4099                               | South Kingstown EMT        | C,D     | —            | —           | —                       | —                          | —           | —                       |
| 4100                               | Tiogue Fire                | —       | 1            | 46.0        | 2,528                   | 1                          | 45.0        | 2,528                   |
| 4101                               | North Cumberland           | D       | 3            | 39.0        | 1,440                   | 2                          | 42.5        | 1,935                   |
| 4102                               | Central Coventry Fire      | D       | 2            | 58.5        | 2,187                   | 1                          | 53.0        | 1,763                   |
| 4103                               | Hopkins Hill Fire          | D       | —            | —           | —                       | —                          | —           | —                       |
| 4104                               | Cranston Police            | C,D,4   | —            | —           | —                       | —                          | —           | —                       |
| 4105                               | Cranston Fire              | C,D,4   | —            | —           | —                       | —                          | —           | —                       |
| 4106                               | Cumberland Fire            | B,D     | 2            | 62.0        | 1,872                   | —                          | —           | —                       |
| 4107                               | Lincoln Rescue             | —       | —            | —           | —                       | —                          | —           | —                       |
| 4108                               | New Shoreham Police        | B       | —            | —           | —                       | —                          | —           | —                       |
| 4109                               | Warren Fire                | D       | —            | —           | —                       | —                          | —           | —                       |
| <b>All Police &amp; Fire Units</b> |                            |         | <b>251</b>   | <b>60.9</b> | <b>\$16,614</b>         | <b>224</b>                 | <b>61.8</b> | <b>\$15,750</b>         |
| <b>All MERS Units</b>              |                            |         | <b>3,390</b> | <b>70.7</b> | <b>\$8,584</b>          | <b>3,257</b>               | <b>70.8</b> | <b>\$8,085</b>          |

B - Municipality has adopted COLA Plan B.

C - Municipality has adopted COLA Plan C.

D - Municipality has adopted the "20-year" optional Police & Fire Plan.

1 - S.Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 1999 valuation.

3 - Closed unit.

4 - Cranston Fire and Police are contributing 10% due to special plan provision.



**DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND BY YEARS OF SERVICE (STATE POLICE)**

**AS OF 06/30/1999**

Years of Credited Service

| Attained Age | Years of Credited Service   |                              |                        |                        |                              |                              |                        |                        |                        |                        | Total Count            | Total Count & Avg. Comp. |                        |                               |                        |                        |
|--------------|-----------------------------|------------------------------|------------------------|------------------------|------------------------------|------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|--------------------------|------------------------|-------------------------------|------------------------|------------------------|
|              | 0                           | 1                            | 2                      | 3                      | 4                            | 5-9                          | 10-14                  | 15-19                  | 20-24                  | 25-29                  |                        |                          | 30-34                  | 35-39                         | 40 & Over              |                        |
|              | Count & Avg. Comp.          | Count & Avg. Comp.           | Count & Avg. Comp.     | Count & Avg. Comp.     | Count & Avg. Comp.           | Count & Avg. Comp.           | Count & Avg. Comp.     | Count & Avg. Comp.     | Count & Avg. Comp.     | Count & Avg. Comp.     | Count & Avg. Comp.     | Count & Avg. Comp.       | Count & Avg. Comp.     |                               |                        |                        |
| Under 25     | 0<br>\$0                    | 0<br>\$0                     | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                     | 0<br>\$0                     | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                 | 0<br>\$0               | 0<br>\$0                      | 0<br>\$0               | 0<br>\$0               |
| 25-29        | 0<br>\$0                    | 16<br>\$51,075               | 0<br>\$0               | 0<br>\$0               | 5<br>\$59,978                | 3<br>\$59,419                | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                 | 0<br>\$0               | 24<br>\$53,973                | 0<br>\$0               | 0<br>\$0               |
| 30-34        | 1<br>\$59,419               | 14<br>\$51,155               | 0<br>\$0               | 0<br>\$0               | 19<br>\$59,445               | 38<br>\$59,419               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                 | 0<br>\$0               | 72<br>\$57,819                | 0<br>\$0               | 0<br>\$0               |
| 35-39        | 0<br>\$0                    | 3<br>\$50,519                | 0<br>\$0               | 0<br>\$0               | 6<br>\$59,419                | 19<br>\$59,098               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                 | 0<br>\$0               | 28<br>\$58,247                | 0<br>\$0               | 0<br>\$0               |
| 40-44        | 0<br>\$0                    | 1<br>\$59,419                | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                     | 4<br>\$58,592                | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                 | 0<br>\$0               | 5<br>\$58,757                 | 0<br>\$0               | 0<br>\$0               |
| 45-49        | 0<br>\$0                    | 0<br>\$0                     | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                     | 0<br>\$0                     | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                 | 0<br>\$0               | 0<br>\$0                      | 0<br>\$0               | 0<br>\$0               |
| 50-54        | 0<br>\$0                    | 0<br>\$0                     | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                     | 0<br>\$0                     | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                 | 0<br>\$0               | 0<br>\$0                      | 0<br>\$0               | 0<br>\$0               |
| 55-59        | 0<br>\$0                    | 0<br>\$0                     | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                     | 0<br>\$0                     | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                 | 0<br>\$0               | 0<br>\$0                      | 0<br>\$0               | 0<br>\$0               |
| 60-64        | 0<br>\$0                    | 0<br>\$0                     | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                     | 1<br>\$119,402               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                 | 0<br>\$0               | 1<br>\$119,402                | 0<br>\$0               | 0<br>\$0               |
| 65-69        | 0<br>\$0                    | 0<br>\$0                     | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                     | 0<br>\$0                     | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                 | 0<br>\$0               | 0<br>\$0                      | 0<br>\$0               | 0<br>\$0               |
| 70 & Over    | 0<br>\$0                    | 0<br>\$0                     | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                     | 0<br>\$0                     | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0               | 0<br>\$0                 | 0<br>\$0               | 0<br>\$0                      | 0<br>\$0               | 0<br>\$0               |
| <b>Total</b> | <b>1</b><br><b>\$59,419</b> | <b>34</b><br><b>\$51,304</b> | <b>0</b><br><b>\$0</b> | <b>0</b><br><b>\$0</b> | <b>30</b><br><b>\$59,529</b> | <b>65</b><br><b>\$60,197</b> | <b>0</b><br><b>\$0</b> | <b>0</b><br><b>\$0</b> | <b>0</b><br><b>\$0</b> | <b>0</b><br><b>\$0</b> | <b>0</b><br><b>\$0</b> | <b>0</b><br><b>\$0</b>   | <b>0</b><br><b>\$0</b> | <b>130</b><br><b>\$57,711</b> | <b>0</b><br><b>\$0</b> | <b>0</b><br><b>\$0</b> |





**MEMBERSHIP DATA (STATE POLICE)**

|   | June 30, 1999<br>(1) | June 30, 1998<br>(2) |
|---|----------------------|----------------------|
| 1. Active members                                 |                      |                      |
| a. Number   | 130                  | 130                  |
| b. Number vested                                  | 0                    | 0                    |
| c. Total payroll supplied by State (for benefits) | \$ 7,502,433         | \$ 7,211,874         |
| d. Average salary                                 | \$ 57,711            | \$ 55,476            |
| e. Average age                                    | 33.3                 | 32.2                 |
| f. Average service                                | 5.4                  | 4.4                  |
| 2. Inactive members                               |                      |                      |
| a. Number   | 0                    | 0                    |
| 3. Service retirees                               |                      |                      |
| a. Number   | 0                    | 0                    |
| b. Total annual benefits                          | \$ -                 | \$ -                 |
| c. Average annual benefit                         | N/A                  | N/A                  |
| d. Average age                                    | N/A                  | N/A                  |
| 4. Disabled retirees                              |                      |                      |
| a. Number   | 0                    | 0                    |
| b. Total annual benefits                          | \$ -                 | \$ -                 |
| c. Average annual benefit                         | N/A                  | N/A                  |
| d. Average age                                    | N/A                  | N/A                  |
| 5. Beneficiaries and spouses                      |                      |                      |
| a. Number   | 0                    | 0                    |

**HISTORICAL SUMMARY OF ACTIVE MEMBER DATA**

| Valuation<br>as of<br>June 30, | Active Members |                     | Covered Payroll          |                     | Average Salary |                     | Average<br>Age | Average<br>Service |
|--------------------------------|----------------|---------------------|--------------------------|---------------------|----------------|---------------------|----------------|--------------------|
|                                | Number         | Percent<br>Increase | Amount in<br>\$ Millions | Percent<br>Increase | \$ Amount      | Percent<br>Increase |                |                    |
| (1)                            | (2)            | (3)                 | (4)                      | (5)                 | (6)            | (7)                 | (8)            | (9)                |
| 1996                           | 97             | —                   | 4,948,746                | —                   | 51,018         | —                   | 31.1           | 3.8                |
| 1997                           | 96             | (1.0)               | 5,370,985                | 8.5                 | 55,948         | 9.7%                | 32.2           | 4.8                |
| 1998                           | 130            | 35.4                | 7,211,874                | 34.3                | 55,476         | (0.8%)              | 32.3           | 4.4                |
| 1999                           | 130            | 0.00                | 7,502,433                | 4.0                 | 57,711         | 4.0                 | 33.3           | 5.4                |



DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND BY YEARS OF SERVICE (JUDGES)

AS OF 06/30/1999

YEARS OF CREDITED SERVICE

| Attained Age | 0     |              | 1         |              | 2         |              | 3         |              | 4         |              | 5-9       |              | 10-14     |              | 15-19     |              | 20-24     |              | 25-29     |              | 30-34     |              | 35-39     |              | 40 & Over |              | Total     |              |           |           |
|--------------|-------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|-----------|
|              | Count | & Avg. Comp. | Count     | & Avg. Comp. | Count     | & Avg. Comp. | Count     | & Avg. Comp. | Count     | & Avg. Comp. | Count     | & Avg. Comp. | Count     | & Avg. Comp. | Count     | & Avg. Comp. | Count     | & Avg. Comp. | Count     | & Avg. Comp. | Count     | & Avg. Comp. | Count     | & Avg. Comp. | Count     | & Avg. Comp. | Count     | & Avg. Comp. |           |           |
| Under 25     | 0     | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0       |
| 25-29        | 0     | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0       |
| 30-34        | 0     | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0       |
| 35-39        | 0     | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0       |
| 40-44        | 0     | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0       |
| 45-49        | 0     | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0       |
| 50-54        | 0     | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0       |
| 55-59        | 0     | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0       |
| 60-64        | 0     | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0       |
| 65-69        | 0     | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0       |
| 70 & Over    | 0     | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0          | 0         | \$0       |
| Total        | 0     | \$0          | 1         | \$101,609    | 1         | \$108,373    | 2         | \$108,925    | 8         | \$107,671    | 17        | \$110,587    | 17        | \$113,533    | 3         | \$113,533    | 3         | \$113,533    | 3         | \$113,533    | 4         | \$112,779    | 4         | \$112,779    | 4         | \$112,779    | 4         | \$112,779    | 4         | \$112,779 |
|              | \$0   | \$0          | \$101,609 | \$108,373    | \$108,925 | \$107,671    | \$110,587 | \$113,533    | \$113,533 | \$113,533    | \$112,779 | \$112,779    | \$112,779 | \$112,779    | \$112,779 | \$112,779    | \$112,779 | \$112,779    | \$112,779 | \$112,779    | \$112,779 | \$112,779    | \$112,779 | \$112,779    | \$112,779 | \$112,779    | \$112,779 | \$112,779    | \$112,779 | \$112,779 |



**MEMBERSHIP DATA (JUDGES)**

|                                    | June 30, 1999<br>(1) | June 30, 1998<br>(2) |
|------------------------------------|----------------------|----------------------|
| 1. Active members                  |                      |                      |
| a. Number                          | 29                   | 29                   |
| b. Number vested                   | 0                    | 0                    |
| c. Total payroll supplied by State | \$ 3,169,183         | \$ 3,039,957         |
| d. Average salary                  | \$ 109,282           | \$ 104,826           |
| e. Average age                     | 55.0                 | 54.0                 |
| f. Average service                 | 5.9                  | 4.9                  |
| 2. Inactive members                |                      |                      |
| a. Number                          | 0                    | 0                    |
| 3. Service retirees                |                      |                      |
| a. Number                          | 0                    | 0                    |
| b. Total annual benefits           | \$ -                 | \$ -                 |
| c. Average annual benefit          | N/A                  | N/A                  |
| d. Average age                     | N/A                  | N/A                  |
| 4. Disabled retirees               |                      |                      |
| a. Number                          | 0                    | 0                    |
| b. Total annual benefits           | \$ -                 | \$ -                 |
| c. Average annual benefit          | N/A                  | N/A                  |
| d. Average age                     | N/A                  | N/A                  |
| 5. Beneficiaries and spouses       |                      |                      |
| a. Number                          | 0                    | 0                    |

**HISTORICAL SUMMARY OF ACTIVE MEMBER DATA**

| Valuation<br>as of<br>June 30, | Active Members |                     | Covered Payroll          |                     | Average Salary |                     | Average<br>Age | Average<br>Service |
|--------------------------------|----------------|---------------------|--------------------------|---------------------|----------------|---------------------|----------------|--------------------|
|                                | Number         | Percent<br>Increase | Amount in<br>\$ Millions | Percent<br>Increase | \$ Amount      | Percent<br>Increase |                |                    |
| (1)                            | (2)            | (3)                 | (4)                      | (5)                 | (6)            | (7)                 | (8)            | (9)                |
| 1996                           | 27             | —                   | 2,596,860                | —                   | 96,180         | —                   | 51.5           | 3.2                |
| 1997                           | 28             | 3.7                 | 2,815,218                | 8.4                 | 100,544        | 4.5                 | 53.0           | 4.1                |
| 1998                           | 29             | 3.6                 | 3,039,957                | 8.0                 | 104,826        | 4.3                 | 54.0           | 4.9                |
| 1999                           | 29             | 0.00                | 3,169,183                | 4.3                 | 109,282        | 4.3                 | 55.0           | 5.9                |

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