

ACTUARIAL VALUATION OF THE
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
OF THE STATE OF RHODE ISLAND
AS OF JUNE 30, 1993

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SECTION I - SUMMARY OF THE VALUATION

Contribution Requirements

The contribution rates for fiscal 1996 for each unit in the Municipal Retirement System are set out in Section IV. The rates are split into the normal cost percentage and the past service cost percentage. The past service cost percentage represents the amortization of the unfunded liability. For comparison the rates for the 1994 and 1995 fiscal years are also shown.

The aggregate employer normal cost for all units for general employees is 1.48% of total general employees payroll. The previous year percentage was 1.45% of payroll. The rate has remained steady because there has been only marginal changes in the participant group. The past service cost for general employees (the annual amount required to pay off the unfunded liabilities) decreased from 0.50% in the previous year to 0.47% of payroll. As in the previous valuation, the predominant factor causing the reduction was the favorable investment experience.

The combined employer normal cost for police and fire departments is 4.34% of police and fire payroll, an increase from 4.16% last year. The increase in the normal cost percentage reflects the increase in the average age of plan participants. The past service cost for police and fire departments in aggregate (the annual amount required to pay off the unfunded liabilities) has increased from 0.76% last year to 0.99% of payroll. The increase in past service cost results from the combination of a reduction due to favorable investment experience offset by an increase due to units electing benefit improvements. As noted later in this report, there were 10 police and fire departments which elected benefit improvements since the last valuation.

Please refer to Section IV for a presentation of liabilities and costs for each unit separately.

SECTION I - SUMMARY OF THE VALUATION (Cont'd)

Funded Status

Of the 54 municipalities covering general employees, 8 have unfunded liabilities. Many of the unfunded units were recent participants in the System with prior service credits. The total unfunded liability on the valuation date for all general employees was \$4,529,300.

Of the 33 police and fire departments, 11 had unfunded liabilities. As above most of the units with unfunded liabilities were recent participants in the System with prior service credits or have recently improved the level of benefits offered. The total unfunded liability for all Police and Fire units on the valuation date was \$2,177,400.

The recent change in valuing assets for valuation purposes (effective as of the June 30, 1991 valuation) which recognizes a portion of the unrealized gains or losses in the market value of assets, has reduced or eliminated the unfunded liabilities for many units. (Previously, the book value of assets was used for valuation purposes.)

Recent favorable investment experience has also caused the unfunded liabilities to decrease. The majority of units are overfunded as of the valuation date. Employer contributions (equal to the normal cost) and employee contributions are still made to overfunded units which will most likely maintain the fully funded status of these units in the future.

The value of the System's vested benefits for both general employees and policemen and firemen is approximately \$234.9 million. The market value of assets on June 30, 1993 exceeded this amount by \$202.6 million. Last year the market value of assets exceeded vested benefit liabilities by \$164.5 million. However there are 10 units in total with unfunded vested liabilities. It should be noted that because each unit is individually evaluated the surplus plan assets from one unit may not be used to offset the unfunded liabilities from another unit.

SECTION I - SUMMARY OF THE VALUATION (Cont'd)

Section IV and Exhibit II provide financial details for each unit and also show vested liabilities and benefit obligations for disclosure as required by Governmental Accounting Standards Board Statement No. 5.

Assets of the Retirement System

As of June 30, 1993 the market value of assets for the general employee units was \$373.7 million and for police and fire units the market value of assets was \$63.8 million. Section III presents an income statement and provides a breakdown of the investments of the System into investment categories.

The table below provides a summary for recent plan years of certain key statistics of the performance and transactions of the retirement fund:

	<u>7/1/92 to 6/30/93</u>	<u>7/1/91 to 6/30/92</u>	<u>7/1/90 to 6/30/91</u>
Investment yield*	11.10%	13.50%	7.36%
Market Value of Assets at end of period	\$ 437,549,000	\$ 381,973,000	\$ 334,701,000
Total Contributions	18,022,800	17,305,900	16,995,000
Investment Income	<u>26,711,200</u>	<u>30,910,500</u>	<u>18,243,400</u>
Total Income	44,734,000	48,216,400	35,238,400
Total Benefit Payments	\$ 18,428,600	\$ 17,104,700	\$ 15,780,400
Net Income	\$ 26,305,400	\$ 31,111,700	\$ 19,458,000

*Provided by Wilshire Associates.

SECTION I - SUMMARY OF THE VALUATION (Cont'd)

The investment yields should be compared with the assumed return of 8%. In recent years, the total benefit payments have grown at a faster rate than the contributions to the plan and benefit payments now exceed the level of plan contributions. However the total income to the fund, including investment income, still exceeds the benefit outgo.

Actuarial Method and Assumptions

Exhibit IV describes the actuarial method adopted to calculate the contribution rates for each unit and also describes the actuarial assumptions utilized.

The assumptions remained unaltered since the previous valuation of June 30, 1992.

Participant Data

Section II discusses the participant data in detail and Exhibit III provides charts showing key statistics for each unit's participant data.

We received the participant data from the Retirement System. There were 5,508 current active participants in the general employee units and 703 police and firemen. These figures represent increased participation and result from the fact that there were more new hires than retirements and terminations during the year. The number of current retirees reported was 2,720, up from 2,638 in the previous year.

Changes in the Retirement System

The following units have been included in the valuation of the Municipal Retirement System separately as of June 30, 1993:

	<u>Unit</u>	<u>Date of Split</u>
4060	Barrington Police	7/1/93
4061	Barrington Fire	7/1/93

SECTION I - SUMMARY OF THE VALUATION (Cont'd)

Plan Benefits

Plan provisions are summarized in Exhibit V. In the valuation results, Section IV, we list the benefit structures for each unit separately indicating which units have adopted a COLA benefit or the 20 year police and fire plan.

The following units adopted benefit changes:

	<u>Unit</u>	<u>Benefit Change (Effective Date)</u>
3026	Pawtucket	COLA C (1/1/94)
3033	Tiverton	COLA C (1/1/95)
3059	Bristol Housing	COLA C (1/1/95)
4042	Valley Falls Fire	20 Year Plan (7/1/93)
4060	Barrington Police	20 Year Plan (7/1/93)
4088	Glocester Police	COLA C (1/1/94)
4090	Burrillville Police	COLA C (1/1/94)
4091	Cumberland Police	20 Year Plan (7/1/93)
4095	Cumberland Hill Fire	20 Year Plan (7/1/93)
		COLA C (1/1/94)
4100	Tiogue Fire	COLA C (1/1/94)
4101	North Cumberland Fire	20 Year Plan (7/1/94)
4106	Cumberland Fire	20 Year Plan (7/1/93)

If certain units, prior to fiscal 1996, reach a decision to adopt a new benefit structure, the contribution rates incorporated in this report will be altered accordingly.

SECTION I - SUMMARY OF THE VALUATION (Cont'd)

Smoothed Contribution Rate

Exhibit IV describes the smoothed contribution rate option. The following units are eligible to elect the option for fiscal 1996.

	<u>Unit</u>	<u>Contribution Rate</u>	<u>Smoothed Contribution Rate</u>
3004	Central Falls	18.04%	15.00%
3012	Foster	5.43%	5.27%
3036	Westerly	44.89%	44.15%
3045	Coventry Lighting District	53.44%	37.81%
3046	Hope Valley Fire	24.03%	23.72%
3096	Central Falls Housing	23.26%	18.60%
4095	Cumberland Hill Fire	14.59%	14.13%*

* The smoothed rate is based on the adjusted cost reflecting the benefit improvement.

In determining whether a unit is eligible to elect a smoothed contribution rate, we have calculated whether the difference between the fiscal 1995 cost, adjusted for benefit improvements if any, and the fiscal 1996 cost exceeds 2%. The only exception to this rule applies for units which were eligible for a smoothed rate for fiscal 1995. In those cases we have compared the fiscal 1995 smoothed rate with the fiscal 1996 cost.

SECTION II - EMPLOYEE DATA

Active Employees

A summary of the key employee statistics as of June 30, 1993 is as follows:

	<u>General Employees</u>		<u>Policemen and Firemen</u>	
	<u>June 30, 1993</u>	<u>June 30, 1992</u>	<u>June 30, 1993</u>	<u>June 30, 1992</u>
Number of Covered Employees	5,508	5,422	703	700
Average Annual Salary	\$19,800	\$19,400	\$29,000	\$28,100
Average Age (years)	46.2	46.0	34.7	34.4
Average Service (years)	9.6	8.8	8.4	8.2
Number of Vested Employees	1,909	1,871	219	201
Number of Employees Eligible for Retirement	594	562	57	40

The average annual salary for general employees has remained approximately level. This is a combination of several factors. Average salaries for continuing members increased by 7.0%. However, this increase was offset by the addition of new employees earning less than current members or retirees whom they replaced. The ratio of average salaries of new entrants to the average salaries of terminated employees was approximately 60%.

The average annual salary for policemen and firemen rose by 3.2%. As above however, policemen and firemen employed continuously throughout the year experienced an average pay increase of 6.4% and new hires were paid less than the terminating employees they were replacing.

SECTION II - Employee Data (Cont'd)

Missing data was estimated by using an average for employees with similar available data. For example, a person missing a date of hire, would be given an estimated date of hire based on his date of birth. Active employees missing salaries were given the average salary of employees within the same municipal group. For active general employees there were 27 missing salaries, 176 missing dates of birth, and 188 missing dates of hire. For policemen and firemen there were approximately 9 missing dates of birth and 27 missing hire dates. The impact of missing data varies depending on the individual unit and the data missing from that unit.

This year there were far fewer missing data items. This reflects the efforts of the Board's staff to improve the quality of data.

Tables 1A and 1B provide a distribution of employees by age and service for general employees and policemen and firemen, respectively.

Retirees and Beneficiaries

The data provided for retirees and beneficiaries included dates of hire and retirement, sex, monthly benefit, type of benefit, and payment option. The more significant statistics for retirees and beneficiaries are summarized as follows:

	<u>June 30, 1993</u>	<u>June 30, 1992</u>
Pensioners		
Number	2,599	2,530
Average Age	69.9	69.6
Average Monthly Benefit	\$ 533	\$ 511
Beneficiaries		
Number	121	108
Average Age	68.9	68.1
Average Monthly Benefit	\$ 406	\$ 388

SECTION II - Employee Data (Cont'd)

The increase in the average monthly benefit can be attributed to the ratio of the average benefits payable to those who died in the past year versus those who retired. This ratio was 55% indicating that the new retirees have almost twice as large a pension as those retirees who died in the past year. The increase in average monthly benefits can also be partly attributed to increases caused by cost of living adjustments.

Table 2 shows distributions for pensions in payment status as of June 30, 1993 by age and pension type. This table also indicates total monthly pension payments by age, average payments by age, and total monthly payments by type.

Exhibit III shows a summary of key data statistics for each municipality as of June 30, 1993 and June 30, 1992.

Table 1A - Distribution of Municipal General Employees in Active Service at June 30, 1993

Years of Service and Average Annual Earnings

<u>Age</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40+</u>	<u>Total</u>
0-19										0
20-24	83 \$15,767	4 16,951								87 15,733
25-29	219 18,105	112 20,925	4 22,384							335 19,099
30-34	198 18,205	186 21,160	49 21,929	8 26,803						441 19,977
35-39	288 15,807	241 20,695	94 25,124	56 23,571	7 20,957					686 19,489
40-44	381 16,776	269 19,615	115 23,715	95 26,655	66 25,358	11 29,073				937 20,193
45-49	220 17,901	370 16,560	129 22,358	78 25,111	52 26,879	25 30,158	3 29,641			877 19,478
50-54	153 17,733	211 19,590	125 20,427	122 22,270	68 23,224	24 29,339	7 26,995	2 27,338		712 20,565
55-59	109 18,972	171 19,210	95 21,503	119 20,814	114 20,820	38 24,813	13 27,954	3 28,059	7 22,450	669 20,613
60-64	65 18,574	139 18,280	78 21,669	88 21,799	63 20,519	37 18,052	6 24,934	1 25,041	9 19,946	486 19,900
65-69	31 18,229	42 16,089	25 19,135	41 25,317	37 18,302	18 17,049	3 14,368	3 16,316	7 47,832	207 19,309
70-74	4 10,377	5 10,557	5 18,672	10 20,015	11 23,563	15 12,934			8 20,452	58 16,891
75+	3 14,273	1 6,128		2 29,505	1 1,500				6 23,154	13 16,576
TOTAL	1,754 17,331	1,751 19,093	719 22,246	619 23,319	419 22,448	168 23,152	32 25,760	9 23,463	37 18,447	5,508 19,839

Table 1B - Distribution of Policemen and Firemen in Active Service at June 30, 1993

Age	<u>Years of Service and Average Annual Earnings</u>									<u>Total</u> 0	
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40+</u>		
0-19											42
20-24	42 22,883										22,883
25-29	119 25,412	60 30,007	1 34,272								180 26,993
30-34	71 25,428	87 29,882	28 32,617								186 28,593
35-39	29 27,252	39 30,090	43 31,412	19 32,305	1 40,223						131 30,294
40-44	13 27,671	5 30,160	17 30,148	17 33,055	15 34,878						67 31,478
45-49	4 27,644	3 34,677	2 27,547	12 31,601	23 33,056	2 34,937	1 50,059				47 32,569
50-54	1 46,351	2 28,660		4 30,878	10 31,133	5 36,157	1 30,263				23 32,590
55-59	2 34,296	1 38,038	1 47,462	2 31,566	6 32,497	3 30,727	1 42,212		2 33,253		18 34,162
60-64	1 30,855			1 21,999	2 31,606		2 35,872	1 42,212			7 32,860
65-69		1 44,591			1 36,035						2 40,313
70-74											
75+											
TOTAL	282 25,521	198 30,143	92 31,667	55 32,065	58 33,263	10 34,284	5 38,855	1 42,212	2 33,253		703 29,043

Table 2 - Distribution of Retirees and Beneficiaries at June 30, 1993

Number of Pensioners and Total Monthly Pensions Paid by Age

Age	Pension Type				Total by Age	Percent of Pensioners/ Average Pension
	Service Retirements	Beneficiaries	Accidental Disabilities	Ordinary Disabilities		
< 30	0	1	1	0	2	0.07%
30-39	\$ 0	\$ 290	\$ 1,575	\$ 0	\$ 1,865	\$ 932
40-49	0	3	3	2	8	0.29%
50-54	0	1,270	4,422	560	6,252	781
55-59	17	4	9	12	42	1.54%
60-64	26,026	3,271	12,562	5,630	47,489	1,130
65-69	36	6	9	17	68	2.50%
70-74	64,179	3,036	7,835	6,930	81,980	1,205
75-79	87	11	10	26	134	4.93%
80-84	105,883	4,738	10,016	10,333	130,970	977
85-89	379	24	12	23	438	16.10%
90-94	273,905	12,132	10,291	6,913	303,241	692
95+	644	26	9	23	702	25.81%
Total	375,244	11,363	7,607	6,642	400,856	571
	582	28	6	16	632	23.24%
	246,740	8,317	3,694	3,724	262,475	415
	336	21	4	5	366	13.46%
	109,849	5,657	1,980	903	118,389	323
	203	14	0	2	219	8.05%
	53,683	4,734	0	417	58,834	268
	76	3	1	1	81	2.98%
	15,437	1,107	459	54	17,057	210
	25	0	0	1	26	0.96%
	4,004	0	0	55	4,059	156
	2	0	0	0	2	0.07%
	334	0	0	0	334	167
Total	2,387	141	64	128	2,720	
	\$ 1,275,284	\$ 55,915	\$ 60,441	\$ 42,161	\$ 1,433,801	\$ 527

SECTION III - PLAN ASSETS

The Fund receives all member and employer contributions. The assets are invested by the State Investment Commission, with the investment earnings being added to the Fund and available for reinvestment. Payments from the Fund are primarily for refunds of employee contributions, lump sum death benefits, and pension payments. Contribution refunds occur when an employee terminates employment before completing 10 years of service and elects to take a refund, or when he or she dies after retirement without having received payments from the Fund equal to his or her total contributions.

As of the July 1, 1991 actuarial valuation, the value of assets utilized to assess the contribution rates, referred to as the actuarial value of assets, was altered from the book value of assets to a market related value of assets. The actuarial value recognizes investment gains and losses, relative to the assumed 8% return, over a three year period, and is developed in Table 3. The actuarial value of assets for each unit is assessed in proportion to the amount of reserves allocated to each unit relative to the total reserves, refer to Table 7.

During fiscal 1993 the investment earnings represented 11.10% of the average market value of assets of the Fund during the fiscal year as reported by Wilshire Associates. The yield for the previous fiscal year was 13.50%.

Table 4 provides a summary of income and expenses for the years ended June 30, 1993 and 1992. For the plan year ended June 30, 1993 the market value of the Municipal Employees' Retirement Fund showed a net increase of \$55,575,575 from \$381,973,321 to \$437,548,896. The increase is represented by net income of \$26,305,408 and unrealized assets gains during the year of \$29,270,167.

SECTION III - PLAN ASSETS (Cont'd)

Table 5 provides a distribution of the assets by category of investment. As of June 30, 1993, the Fund was comprised of 48.1% equities, 35.5% fixed income securities, 6.0% real estate and venture capital, with the balance, 10.4%, held in cash, short term paper, and other highly liquid assets.

The financial statements indicate that 85.4% of the assets are allocated to general employees and 14.6% are for policemen and firemen. There is also a small unallocated reserve for unclaimed benefits.

Table 3 - Calculation of Actuarial Asset Value at June 30, 1993

1.	Actuarial Asset Value at June 30, 1992	\$	368,448,830
2.	Contributions		
	a. Employees		8,841,514
	b. Employers		9,005,072
	c. Miscellaneous		<u>176,261</u>
	d. Total	\$	18,022,847
3.	Disbursements		
	a. Pensions in payment		17,029,905
	b. Death Benefits		670,392
	c. Refund of Employee Contributions		<u>728,296</u>
	d. Total	\$	18,428,593
4.	Assumed Return at 8.00%		
	a. On Beginning of Year Assets		29,475,906
	b. On Contributions		720,914
	c. On Benefit Payments		<u>(737,144)</u>
	d. Total	\$	29,459,676
5.	Tentative Actuarial Asset Value June 30, 1993 1. + 2.d. - 3.d. + 4.d.		397,502,760
6.	Market Value June 30, 1993		437,548,896
7.	Excess of Market Value over Tentative Actuarial Asset Value		40,046,136
8.	Prior Adjustments not Recognized		
	1992 x 2		13,524,490
	1991 x 1		<u>0</u>
	Total		13,524,490
9.	Current Year Investment Gain/(Loss)		26,521,646
10.	Current Year Adjustment to be recognized (1/3 of Gain/(Loss))		8,840,549
11.	Cumulative Adjustment		
	1993		8,840,549
	1992		6,762,245
	1991		<u>0</u>
	Total		15,602,794
12.	Actuarial Asset Value on June 30, 1993 5. + 11		413,105,554

Table 4
Summary Statement of Income and Expenses

	1993	1992
Employer contributions	\$ 8,841,514	\$ 8,589,268
Member contributions	9,005,074	<u>8,529,264</u>
Total contributions	\$ 17,846,586	\$ 17,118,532
Net miscellaneous items	176,261	187,371
Investment income:		
Dividends	\$ 4,727,363	\$ 4,834,697
Interest	12,451,175	12,976,086
Capital gains	10,331,874	14,131,407
Net transfers less expenses	<u>(799,231)</u>	<u>(1,031,719)</u>
Net investment income	<u>26,711,181</u>	<u>30,910,471</u>
Total income available for benefit payments	\$ 44,734,028	\$ 48,216,374
Benefit payments:		
Pension benefits	\$ 17,029,905	\$ 15,829,624
Death benefits	670,392	555,678
Contribution refunds	<u>728,323</u>	<u>719,337</u>
Total benefit payments	<u>18,428,620</u>	<u>17,104,639</u>
Excess of income over expenses	\$ <u>26,305,408</u>	\$ <u>31,111,735</u>

Note: Detail figures may not add to totals shown because of rounding.

Table 5
 Composition of Plan Assets at Market Value
 June 30, 1993

Cash/Short Term Investments		
Short Term Investment Fund		
Money Market Instruments	\$ 45,695,081	10.4%
Equities - Domestic	206,150,860	47.1%
Equities - International	4,432,581	1.0%
Fixed Income - Government	137,161,189	31.3%
Fixed Income - Corporate	18,459,973	4.2%
Real Estate	13,387,072	3.1%
Venture Capital	<u>12,262,140</u>	<u>2.9%</u>
TOTAL FUND INVESTMENTS	\$ 437,548,896	100.0%

SECTION IV - RESULTS OF THE VALUATION

The purpose of the actuarial valuation of the System as of July 1, 1993 is to calculate the contribution requirements for the 1996 fiscal year.

The table below sets out the results of the valuation in the aggregate.

General Employees

The costs for general employees computed as of June 30, 1993 for fiscal 1996 are developed as follows:

<u>Item</u>	Fiscal 1996		<u>Previous Year</u>
	<u>Amount</u>	<u>% of Payroll</u>	
1. Participating payroll	\$ 109,273,600	---	
2. Total normal cost	8,755,300	8.01%	7.86%
3. Employee Contributions	7,136,200	6.53%	6.41%
4. Employer Normal Cost 2. - 3.	1,619,100	1.48%	1.45%
5. Amortization of unfunded actuarial liability	511,300	0.47%	0.50%
6. Total annual cost = 4. + 5.	2,130,400	1.95%	1.95%
7. Total annual cost payable monthly = 6. plus 1/2 year interest	2,215,600	2.03%	2.03%

The funding method calculates a normal cost which remains level as a percentage of payroll over each participant's working life. The normal cost for the whole System will remain stable if the average age at entry remains stable. The total normal cost percentage for general employees increased to 8.01%. This result reflects several factors including the fact that a number of municipalities chose to improve benefits to its participants.

SECTION IV - RESULTS OF THE VALUATION (Cont'd)

Police and Fire

The costs for police and fire units computed as of June 30, 1993 for fiscal 1996 are developed as follows:

<u>Item</u>	<u>Fiscal 1996</u>		<u>Previous Year</u>
	<u>Amount</u>	<u>% of Payroll</u>	
1. Participating payroll	\$ 20,417,300	---	
2. Total normal cost	2,545,400	12.47%	12.11%
3. Employee Contributions	1,659,600	8.13%	7.95%
4. Employer Normal Cost 2. - 3.	885,800	4.34%	4.16%
5. Amortization of unfunded actuarial liability	201,500	0.99%	0.76%
6. Total annual cost 4. + 5.	1,087,300	5.33%	4.92%
7. Total annual cost payable monthly = 6. plus 1/2 year interest	1,130,800	5.54%	5.12%

Note: Detail figures may not add to totals shown because of rounding.

The total normal cost percentage for police and fire units increased from 12.11% to 12.47%. This increase is due to the adoption of COLA's and 20-year benefit plans by a number of units since the last year.

SECTION IV - RESULTS OF THE VALUATION (Cont'd)

Exhibit 1 shows that the total unfunded liability for general employees was \$4,529,300 and for policemen and firemen was \$2,177,400. These figures equal the sum of the individual unit's unfunded liabilities with negative unfunded liabilities (i.e. assets exceed liabilities) for certain units set equal to zero.

Table 6 shows the normal cost and past service cost for each unit and also the employer costs produced by the previous two actuarial valuations.

Table 7 shows each unit's reserves, accrued liabilities and vested liabilities. In aggregate the assets cover the value of vested liabilities.

GASB Disclosure Information

Exhibit II provides the pension benefit obligation amounts required for disclosure by the Governmental Accounting Standards Board (GASB) Statement No. 5. Liabilities are shown in the aggregate and for each unit separately.

SECTION IV - RESULTS OF THE VALUATION (Cont'd)

GASB Statement #5 requires the calculation of a standardized measure called the "pension benefit obligation" which is independent of the actuarial funding method. This amount is the actuarial present value of projected benefits prorated by service credited to date. It differs from the "value of vested benefits" due to:

- future salary increases,
- inclusion of non-vested benefit, and
- proration of benefits over projected service.

For the entire Retirement System, the "pension benefit obligation" as of June 30, 1993 is \$284,477,900. Approximately one-half of this amount is attributable to benefits on behalf of active employees and the other half is attributable to the benefits of pensioners and inactive employees not yet receiving benefits.

Table 6 - Recommended Employer Contribution Rates

MUNICIPALITY		EMPLOYEE CONTRIBUTION RATE	FISCAL 1996			Total Employer Rates for the Fiscal Years	
			EMPLOYER NORMAL COST	PAST SERVICE COST	TOTAL EMPLOYER RATE	1995	1994
General Employees							
1	Barrington	6.00%	1.67%	0.00%	1.67%	1.60%	2.01%
2	Bristol	7.00%	0.73%	0.00%	0.73%	0.82%	0.86%
3	Burrillville	7.00%	3.33%	0.00%	3.33%	3.75%	3.81%
4	Central Falls	6.00%	0.75%	17.29%	18.04%	13.00%	15.26%
5	Charlestown	7.00%	1.11%	12.56%	13.67%	14.84%	9.95%
7	Cranston	7.00%	1.60%	0.00%	1.60%	1.54%	1.74%
8	Cumberland	6.00%	3.14%	0.00%	3.14%	3.18%	4.53%
9	East Greenwich	6.00%	1.17%	0.00%	1.17%	1.29%	1.91%
10	East Providence	7.00%	2.04%	0.00%	2.04%	2.19%	4.58%
11	Exeter/West Greenwich	6.00%	3.48%	0.00%	3.48%	3.62%	3.83%
12	Foster	6.00%	1.72%	3.71%	5.43%	3.27%	4.38%
13	Glocester	6.00%	2.80%	0.00%	2.80%	3.32%	3.41%
14	Hopkinton	6.00%	2.32%	0.00%	2.32%	2.31%	1.72%
15	Jamestown	7.00%	0.94%	0.00%	0.94%	1.09%	0.77%
16	Johnston	7.00%	1.57%	0.00%	1.57%	1.99%	2.18%
21	Newport	7.00%	0.44%	0.00%	0.44%	0.45%	1.39%
22	New Shoreham	6.00%	1.74%	0.00%	1.74%	3.21%	3.03%
23	North Kingstown	6.00%	1.85%	0.00%	1.85%	1.75%	1.87%
24	North Providence	6.00%	0.76%	0.00%	0.76%	0.66%	1.72%
25	North Smithfield	6.00%	3.26%	0.00%	3.26%	3.03%	3.03%
26	Pawtucket	7.00%	1.38%	0.00%	1.38%	0.72%	1.34%
29	Richmond	6.00%	1.82%	0.00%	1.82%	1.88%	4.93%
30	Scituate	7.00%	2.08%	0.00%	2.08%	2.24%	2.49%
31	Smithfield	6.00%	1.98%	0.00%	1.98%	2.33%	2.69%
32	South Kingstown	6.00%	1.52%	0.00%	1.52%	1.38%	1.37%
33	Tiverton	7.00%	3.97%	0.00%	3.97%	3.34%	3.34%
34	Warren	6.00%	1.82%	0.00%	1.82%	1.73%	2.11%
36	Westerly	6.00%	0.30%	44.59%	44.89%	42.15%	5.96%
37	West Greenwich	6.00%	4.44%	0.00%	4.44%	4.68%	4.71%
39	Woonsocket	6.00%	1.82%	0.00%	1.82%	1.99%	2.25%
40	Chariho School Dist.	6.00%	2.28%	0.00%	2.28%	2.18%	2.52%
41	Foster/Glocester	6.00%	4.44%	0.00%	4.44%	4.82%	5.93%
44	Southern RI Collaborative	6.00%	0.00%	0.00%	0.00%	0.00%	0.00%
45	Coventry Lighting Dist.	6.00%	0.00%	53.44%	53.44%	63.41%	75.64%
46	Hope Valley Fire	7.00%	6.90%	17.13%	24.03%	22.60%	19.72%
51	Cranston Housing	6.00%	3.11%	0.00%	3.11%	3.49%	3.72%
52	East Providence Housing	6.00%	2.71%	0.00%	2.71%	2.93%	4.12%
53	Pawtucket Housing	6.00%	1.57%	0.00%	1.57%	1.20%	1.44%
56	Cumberland Housing	6.00%	2.24%	0.00%	2.24%	2.51%	2.62%
57	Lincoln Housing	7.00%	4.66%	0.00%	4.66%	5.60%	5.92%
59	Bristol Housing	7.00%	2.34%	0.00%	2.34%	0.77%	2.48%
65	Burrillville Housing	6.00%	3.71%	0.00%	3.71%	3.23%	3.25%
66	North Providence Housing	7.00%	4.31%	0.00%	4.31%	4.84%	3.47%
67	East Smithfield Water	7.00%	6.12%	0.00%	6.12%	6.75%	6.21%
68	Greenville Water	6.00%	0.00%	0.00%	0.00%	0.00%	10.03%
71	Warren Housing	6.00%	3.71%	0.00%	3.71%	1.75%	3.89%
72	Johnston Housing	6.00%	4.29%	0.00%	4.29%	4.87%	3.72%
79	Coventry Housing	6.00%	4.10%	0.00%	4.10%	4.38%	4.28%
83	West Warwick Housing	6.00%	3.29%	0.00%	3.29%	3.11%	3.11%
84	Smithfield Housing	6.00%	0.00%	0.00%	0.00%	0.00%	0.00%
96	Central Falls Housing	6.00%	3.39%	19.87%	23.26%	25.50%	23.80%
98	Lime Rock Administrative Svcs.	6.00%	0.00%	0.00%	0.00%	0.00%	1.58%
99	Central Falls Schools	6.00%	2.90%	2.94%	5.84%	11.04%	
100	Bristol/Warren Schools	6.00%	2.89%	0.00%	2.89%	2.63%	3.15%

Table 6 - Recommended Employer Contribution Rates

MUNICIPALITY		EMPLOYEE CONTRIBUTION RATE	FISCAL 1996			Total Employer Rates for the Fiscal Years	
			EMPLOYER NORMAL COST	PAST SERVICE COST	TOTAL EMPLOYER RATE	1995	1994
Police and Fire		8.00%	4.68%	19.08%	23.76%		
42 Valley Falls Fire	D	8.00%	4.68%	19.08%	23.76%	18.14%	20.39%
46 Lime Rock Fire	1	7.00%	1.68%	2.06%	3.74%	3.74%	3.74%
47 North Smithfield Vol. Fire	D	8.00%	5.57%	0.40%	5.97%	6.97%	7.38%
50 East Greenwich Fire	D	8.00%	5.39%	0.00%	5.39%	5.46%	5.63%
54 East Greenwich Police	D	8.00%	5.24%	0.00%	5.24%	5.02%	5.73%
55 North Kingstown Fire	D	8.00%	4.59%	0.00%	4.59%	4.69%	4.60%
58 North Providence Police & Fire	D	8.00%	4.41%	0.00%	4.41%	4.60%	5.10%
60 Barrington Police	D	8.00%	4.18%	0.00%	4.18%	2.94%	2.85%
61 Barrington Fire		7.00%	3.11%	0.00%	3.11%	3.17%	3.17%
62 Warren Police	D	8.00%	5.13%	0.00%	5.13%	5.65%	7.10%
63 South Kingstown Police & Fire	C	8.00%	3.68%	0.00%	3.68%	3.69%	2.93%
64 Primrose Volunteer Fire	D	8.00%	5.98%	0.00%	5.98%	5.57%	5.40%
76 North Smithfield Police	D	8.00%	4.22%	0.00%	4.22%	5.54%	5.04%
77 Tiverton Fire	D	8.00%	4.52%	0.00%	4.52%	4.54%	6.06%
82 Foster Police	D	8.00%	3.89%	0.00%	3.89%	3.44%	4.59%
85 Woonsocket Police	C,D	9.00%	6.29%	0.00%	6.29%	6.23%	6.24%
86 Charlestown Police		7.00%	3.78%	0.00%	3.78%	3.96%	4.20%
87 Hopkinton Police	D	8.00%	3.08%	0.00%	3.08%	5.05%	3.05%
88 Glocester Police	C,D	9.00%	8.62%	0.00%	8.62%	6.48%	4.22%
89 West Greenwich Police		7.00%	2.85%	0.00%	2.85%	4.94%	6.71%
90 Burrillville Police	C,D	9.00%	8.64%	0.00%	8.64%	7.00%	9.59%
91 Cumberland Police	D	8.00%	4.54%	0.00%	4.54%	2.80%	2.91%
92 Washington Fire		7.00%	2.92%	0.78%	3.70%	4.54%	5.31%
93 Woonsocket Fire	C,D,2	9.00%	6.02%	0.34%	6.36%	7.11%	9.26%
94 Bristol Fire		7.00%	6.42%	0.00%	6.42%	6.42%	6.42%
95 Cumberland Hill Fire	C,D	9.00%	7.02%	7.57%	14.59%	5.01%	5.88%
98 Coventry Fire		7.00%	2.88%	4.59%	7.47%	10.74%	10.01%
100 Tiogue Fire	C	8.00%	3.88%	6.71%	10.59%	10.31%	11.25%
101 North Cumberland	D	8.00%	3.11%	6.29%	9.40%	8.20%	8.31%
102 Central Coventry Fire		7.00%	3.04%	5.88%	8.92%	10.72%	11.34%
103 Hopkins Hill Fire		7.00%	2.26%	0.00%	2.26%	3.33%	3.13%
106 Cumberland Fire	D	8.00%	4.87%	14.12%	18.99%	12.50%	10.84%
107 Lincoln Rescue		7.00%	2.96%	5.87%	8.83%	9.15%	

NOTES

- 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 - No data was reported for either Souther RI Collaborative or Lime Rock Fire.
 2 - By special agreement, the Woonsocket Firefighters are currently contributing 8.0% of salary; please note that the above employer costs assume an employee contribution of 9.0%.

Table 7 - Liabilities and Funded Status as of June 30, 1993

MUNICIPALITY		ACTUARIAL VALUE OF ASSETS	TOTAL ACCRUED LIABILITY	VESTED LIABILITY	TOTAL UNFUNDED LIABILITY	UNFUNDED VESTED LIABILITY
General Employees						
1 Barrington		\$11,716,649	\$8,276,069	\$6,351,749	\$0	\$0
2 Bristol	B	8,204,390	5,732,237	4,395,297	0	0
3 Burrillville	C	8,068,103	6,011,752	4,263,893	0	0
4 Central Falls		524,100	2,402,679	1,871,938	1,878,579	1,347,838
5 Charlestown	C	176,448	887,722	567,384	711,274	390,936
7 Cranston	B	59,115,456	41,266,877	29,944,095	0	0
8 Cumberland		7,689,187	7,300,679	5,199,153	0	0
9 East Greenwich		8,558,462	5,569,232	4,259,079	0	0
10 East Providence	B	38,188,257	30,587,224	24,274,872	0	0
11 Exeter/West Greenwich		1,426,634	1,008,928	615,165	0	0
12 Foster		976,407	1,165,988	819,099	189,581	0
13 Glocester		1,109,643	957,981	692,666	0	0
14 Hopkinton		1,117,123	681,910	478,881	0	0
15 Jamestown	C	2,655,713	2,058,264	1,347,995	0	0
16 Johnston	C	15,227,088	12,785,603	9,905,220	0	0
21 Newport	B	23,493,605	20,026,971	13,879,196	0	0
22 New Shoreham		913,134	737,762	591,190	0	0
23 North Kingstown		13,511,613	12,305,761	8,766,091	0	0
24 North Providence		11,929,301	9,017,315	6,673,779	0	0
25 North Smithfield		5,611,789	3,477,872	2,820,624	0	0
26 Pawtucket	C	45,690,438	40,217,644	27,568,666	0	0
29 Richmond		339,432	290,535	206,563	0	0
30 Scituate	B	4,123,842	3,398,783	2,369,669	0	0
31 Smithfield		9,086,684	6,134,012	4,665,027	0	0
32 South Kingstown		12,194,990	8,243,719	5,225,518	0	0
33 Tiverton	C	5,908,689	4,625,219	3,562,612	0	0
34 Warren		3,846,023	3,606,908	3,247,914	0	0
36 Westerly		730,428	1,192,063	1,089,715	461,635	359,287
37 West Greenwich		478,936	476,559	392,781	0	0
39 Woonsocket		30,061,475	19,437,684	15,454,705	0	0
40 Charho School Dist.		2,363,055	2,144,247	1,141,180	0	0
41 Foster/Glocester		1,144,411	903,597	538,892	0	0
44 Southern RI Collaborative	1	1,723	0	591	0	0
45 Coventry Lighting Dist.		113,492	391,356	308,413	277,864	194,921
46 Hope Valley Fire	C	9,891	58,763	38,310	48,872	28,419
51 Cranston Housing		1,069,583	724,359	540,280	0	0
52 East Providence Housing		958,885	758,360	607,952	0	0
53 Pawtucket Housing		4,014,175	1,991,990	1,632,483	0	0
56 Cumberland Housing		546,664	535,385	457,637	0	0
57 Lincoln Housing	B	632,850	496,530	399,830	0	0
59 Bristol Housing	C	600,030	465,216	277,939	0	0
65 Burrillville Housing		219,640	80,968	33,218	0	0
66 North Providence Housing	B	361,672	216,184	153,323	0	0
67 East Smithfield Water	C	154,001	150,911	91,186	0	0
68 Greenville Water		359,646	270,024	190,268	0	0
71 Warren Housing		378,367	261,032	169,292	0	0
72 Johnston Housing		381,384	340,524	277,069	0	0
79 Coventry Housing		387,171	330,215	293,345	0	0
83 West Warwick Housing		358,001	289,883	196,690	0	0
84 Smithfield Housing		81,712	66,139	60,410	0	0
96 Central Falls Housing		502,980	999,686	903,535	496,706	400,555
98 Lime Rock Administrative Svcs.		12,524	9,774	2,485	0	0
99 Central Falls Schools		803,230	1,268,003	441,385	464,773	0
100 Bristol/Warren Schools		4,595,502	2,422,294	1,435,374	0	0

Table 7 - Liabilities and Funded Status as of June 30, 1993

MUNICIPALITY		ACTUARIAL VALUE OF ASSETS	TOTAL ACCRUED LIABILITY	VESTED LIABILITY	TOTAL UNFUNDED LIABILITY	UNFUNDED VESTED LIABILITY
Police and Fire		\$248,226	\$972,228	\$658,616	\$724,002	\$410,390
42 Valley Falls Fire	D	111,668	9,033	21,131	0	0
46 Lime Rock Fire	1	143,217	155,065	63,435	11,848	0
47 North Smithfield Vol. Fire	D	3,258,155	2,187,291	1,813,011	0	0
50 East Greenwich Fire	D	4,204,858	2,568,933	1,951,467	0	0
54 East Greenwich Police	D					
		10,157,345	8,338,008	6,860,540	0	0
55 North Kingstown Fire	D	6,659,358	5,212,793	3,207,177	0	0
58 North Providence Police & Fire	D	3,786,272	3,586,715	3,083,998	0	0
60 Barrington Police	D	5,728,913	3,086,231	2,825,132	0	0
61 Barrington Fire		3,247,992	2,420,747	1,855,525	0	0
62 Warren Police	D					
		6,545,480	4,394,355	3,018,359	0	0
63 South Kingstown Police & Fire	C	673,690	286,174	173,620	0	0
64 Primrose Volunteer Fire	D	2,203,746	1,374,596	1,015,109	0	0
76 North Smithfield Police	D	2,918,215	2,108,000	1,688,185	0	0
77 Tiverton Fire	D	606,313	418,701	255,900	0	0
82 Foster Police	D					
		2,870,674	2,345,762	1,067,472	0	0
85 Woonsocket Police	C,D	659,762	595,437	454,391	0	0
86 Charlestown Police		514,587	308,237	150,145	0	0
87 Hopkinton Police	D	536,518	421,675	165,263	0	0
88 Gloucester Police	C,D	325,980	303,922	179,528	0	0
89 West Greenwich Police						
		1,623,680	921,752	661,106	0	0
90 Burrillville Police	C,D	382,320	160,807	88,922	0	0
91 Cumberland Police	D	150,758	153,882	61,292	3,124	0
92 Washington Fire		1,272,840	1,346,450	499,833	73,610	0
93 Woonsocket Fire	C,D	25,470	11,881	6,675	0	0
94 Bristol Fire						
		392,349	633,658	304,598	241,309	0
95 Cumberland Hill Fire	C,D	273,554	369,592	171,493	96,038	0
98 Coventry Fire		54,427	125,370	52,371	70,943	0
100 Tiogue Fire	C	241,075	507,602	192,577	266,527	0
101 North Cumberland	D	145,074	275,940	185,749	130,866	40,675
102 Central Coventry Fire						
		23,374	20,383	11,131	0	0
103 Hopkins Hill Fire		90,196	462,908	302,325	372,712	212,129
106 Cumberland Fire	D	54,321	240,721	56,270	186,400	1,949
107 Lincoln Rescue						

NOTES

- 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 - No data was reported for either Southern RI Collaborative or Lime Rock Fire.
- 2 - The above exhibit does not include the liabilities in respect of the closed South Kingstown Housing and Scituate Police units.

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

CERTIFICATE OF ACTUARIAL VALUATION

This is to certify that we have prepared an actuarial valuation of the plan as of June 30, 1993.

This certificate contains the following attached exhibits:

EXHIBIT I - Actuarial Cost Factors as of June 30, 1993

- A. General employees
- B. Police and firemen

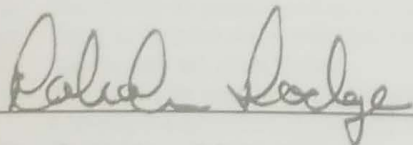
EXHIBIT II - Pension Benefit Obligation

EXHIBIT III - Participant Information

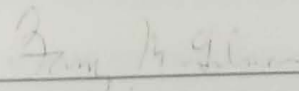
EXHIBIT IV - Actuarial Method and Assumptions

EXHIBIT V - Summary of Plan Provisions

To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate (except as noted in Exhibit I) and in our opinion the assumptions used in the aggregate (a) are reasonably related to the experience of the plan and to reasonable expectations and (b) represent our best estimate of anticipated experience under the plan.



Malcolm C. Hodge, F.F.A., A.S.A.
Associate



Barry M. Gilman, F.S.A., M.A.A.A.
Principal

EXHIBIT I - ACTUARIAL COST FACTORS AS OF JUNE 30, 1993

A. GENERAL EMPLOYEES

The valuation was made with respect to the following data supplied to us by the Retirement Board:

- a. 5,508 active participants (including 1,909 fully vested) with total annual salaries of \$109,273,600)
- b. 849 inactive participants
- c. 2,567 pensioners (including 115 beneficiaries of deceased pensioners and active employees)

The cost factors as of the valuation date are as follows:

1. Total normal cost		\$	8,755,300
2. Projected employee contributions			7,136,200
3. Employer normal cost			1,619,100
4. Actuarial liability			
Active employees	\$	151,492,500	
Inactive employees		2,584,000	(a)
Pensioners (including beneficiaries of deceased pensioners and active employees)		121,009,300	
Total			275,085,800
5. Assets (Actuarial Value)			352,794,300
6. Unfunded actuarial liability			4,529,300 (b)
Liability for accrued vested benefits:	\$	201,720,100	(c)

- (a) The liability for inactive participants is equal to their outstanding contributions.
- (b) Equal to the sum of the individual municipalities unfunded liabilities with negative unfunded liabilities for certain units set equal to zero.
- (c) The liability for accrued vested benefits is based on the same retirement age assumptions as are costs, following the procedure required by Statement No. 5 of the Governmental Accounting Standards Board.
- (d) Detail figures may not add to totals shown because of rounding.
- (e) The assets and liabilities of the closed South Kingston Housing unit are included above, but are not shown in table 7.

EXHIBIT I - ACTUARIAL COST FACTORS AS OF JUNE 30, 1992 (Cont'd)

B. POLICE AND FIRE

The valuation was made with respect to the following data supplied to us by the Retirement Board:

- a. 703 active participants (including 219 fully vested) with total annual salaries of \$20,417,300)
- b. 28 inactive participants
- c. 153 pensioners (including 6 beneficiaries of deceased pensioners and active employees)

The cost factors as of the valuation date are as follows:

1. Total normal cost		\$	2,545,400
2. Projected employee contributions			1,659,600
3. Employer normal cost			885,800
4. Actuarial liability			
Active employees	\$	28,890,900	
Inactive employees		234,200	(a)
Pensioners (including beneficiaries of deceased pensioners and active employees)		17,251,200	
Total			46,376,300
5. Assets (Actuarial Value)			60,311,300
6. Unfunded actuarial liability			2,177,400 (b)
Liability for accrued vested benefits:	\$	33,153,700	(c)

- (a) The liability for inactive employees is equal to their outstanding contributions.
- (b) Equal to the sum of the individual municipalities unfunded liabilities with negative unfunded liabilities for certain units set equal to zero.
- (c) The liability for accrued vested benefits is based on the same retirement age assumptions as are costs, following the procedure required by Statement No. 5 of the Governmental Accounting Standards Board.
- (d) Detail figures may not add to totals shown because of rounding.
- (e) The assets and liabilities of the closed Scituate Police unit are included above, but are not shown in table 7.

EXHIBIT II - PENSION BENEFIT OBLIGATION

The value of the pension benefit obligation required for disclosure by Statement No. 5 of the Governmental Accounting Standards Board is shown below as of June 30, 1993.

	Pension Benefit Obligation		
	<u>General Employees</u>	<u>Police and Fire</u>	<u>Total</u>
1. Participants currently receiving benefits and terminated employees not yet receiving benefits	\$ 123,593,300	\$ 17,485,400	\$ 141,078,700
2. Current employees			
Accumulated employee contributions	44,964,500	8,442,100	53,406,600
Employer-financed vested	33,161,300	7,226,200	40,387,500
Employer-financed nonvested	<u>40,657,800</u>	<u>8,947,300</u>	<u>49,605,100</u>
3. Total pension benefit obligation	\$ 242,376,900	\$ 42,101,000	\$ 284,477,900

Note: Detail figures may not add to totals shown because of rounding.

373,466,797 63,882,139

Exhibit II - PENSION BENEFIT OBLIGATION (Cont'd)

Pension Benefit Obligation as of June 30, 1993 by Plan

MUNICIPALITY		RETIREE AND INACTIVE LIABILITY	ACCUMULATED EMPLOYEE CONTRIBUTIONS	EMPLOYER FINANCED VESTED	EMPLOYER FINANCED NON-VESTED	TOTAL BENEFIT OBLIGATION
General Employees						
1 Barrington		\$4,341,600	\$1,277,900	\$732,200	\$1,075,100	\$7,426,800
2 Bristol	B	3,090,200	879,000	426,100	652,400	5,047,700
3 Burrillville	C	2,481,700	1,084,400	697,800	1,007,000	5,270,900
4 Central Falls		1,398,100	227,100	246,700	251,600	2,123,500
5 Charlestown	C	314,300	72,300	180,800	176,100	743,500
7 Cranston	B	15,713,200	7,514,100	6,716,800	5,874,400	35,818,500
8 Cumberland		3,257,000	1,194,300	747,800	1,321,800	6,520,900
9 East Greenwich		2,310,900	1,074,000	874,100	655,400	4,914,400
10 East Providence	B	17,689,200	3,821,800	2,763,800	3,433,300	27,708,100
11 Exeter/West Greenwich		241,200	236,500	137,400	225,700	840,800
12 Foster		566,600	193,200	59,300	180,200	999,300
13 Glocester		467,700	225,000	0	136,100	828,800
14 Hopkinton		295,200	150,200	33,500	111,000	589,900
15 Jamestown	C	646,000	395,000	307,000	351,200	1,699,200
16 Johnston	C	5,456,100	1,744,400	2,704,800	1,606,600	11,511,900
21 Newport	B	8,566,800	3,303,000	2,009,400	3,167,200	17,046,400
22 New Shoreham		262,300	199,300	129,600	17,000	608,200
23 North Kingstown		5,398,300	2,027,800	1,340,100	1,918,300	10,684,500
24 North Providence		3,326,500	1,830,800	1,516,500	1,262,000	7,935,800
25 North Smithfield		1,836,500	596,400	387,700	346,800	3,167,400
26 Pawtucket	C	17,751,500	6,275,500	3,541,700	7,926,700	35,495,400
29 Richmond		137,400	66,700	2,500	36,500	243,100
30 Scituate	B	1,180,300	566,800	622,500	600,700	2,970,300
31 Smithfield		2,478,500	1,145,900	1,040,600	848,000	5,513,000
32 South Kingstown		2,261,200	1,959,500	1,004,800	1,552,600	6,778,100
33 Tiverton	C	2,291,100	616,500	655,000	629,400	4,192,000
34 Warren		2,883,600	221,300	143,000	202,300	3,450,200
36 Westerly		832,600	101,400	155,700	66,400	1,156,100
37 West Greenwich		307,800	85,000	0	43,400	436,200
39 Woonsocket		10,778,900	3,064,200	1,611,600	2,107,900	17,562,600
40 Chariho School Dist.		382,500	504,700	254,000	538,000	1,679,200
41 Foster/Glocester		324,800	214,000	0	261,800	800,600
44 Southern RI Collaborative	1	0	0	0	0	0
45 Coventry Lighting Dist.		0	15,400	293,000	50,900	359,300
46 Hope Valley Fire	C	0	1,600	36,700	15,900	54,200
51 Cranston Housing		398,200	118,400	23,700	101,900	642,200
52 East Providence Housing		382,400	113,100	112,500	93,800	701,800
53 Pawtucket Housing		1,118,100	444,700	69,600	142,100	1,774,500
56 Cumberland Housing		402,500	52,600	2,500	32,300	489,900
57 Lincoln Housing	B	295,400	60,700	43,700	69,600	469,400
59 Bristol Housing	C	120,900	69,400	87,600	115,200	393,100
65 Burrillville Housing		0	30,400	2,800	29,400	62,600
66 North Providence Housing	B	26,400	76,700	50,200	25,500	178,800
67 East Smithfield Water	C	39,100	19,900	32,200	42,400	133,600
68 Greenville Water		0	77,100	113,100	37,400	227,600
71 Warren Housing		59,100	53,400	56,800	57,100	226,400
72 Johnston Housing		178,500	29,200	69,400	40,100	317,200
79 Coventry Housing		201,300	40,000	52,000	20,500	313,800
83 West Warwick Housing		99,200	61,000	36,500	51,100	247,800
84 Smithfield Housing		50,500	9,900	0	0	60,400
96 Central Falls Housing		759,000	49,600	94,900	57,100	960,600
98 Lime Rock Administrative Svcs.		0	2,500	0	1,900	4,400
99 Central Falls Schools		5,800	148,400	287,200	527,900	969,300
100 Bristol/Warren Schools		158,800	622,500	654,100	564,300	1,999,700

Exhibit II - PENSION BENEFIT OBLIGATION (Cont'd)

Pension Benefit Obligation as of June 30, 1993 by Plan

MUNICIPALITY		RETIREE AND INACTIVE LIABILITY	ACCUMULATED EMPLOYEE CONTRIBUTIONS	EMPLOYER FINANCED VESTED	EMPLOYER FINANCED NON-VESTED	TOTAL BENEFIT OBLIGATION
Police and Fire		\$155,300	\$46,500	\$456,800	\$212,400	\$871,000
42 Valley Falls Fire	D	0	12,100	0	64,900	77,000
46 Lime Rock Fire	1	100	41,300	22,000	59,700	123,100
47 North Smithfield Vol. Fire	D	1,469,200	299,800	44,000	247,800	2,060,800
50 East Greenwich Fire	D	1,130,200	441,700	379,600	425,000	2,376,500
54 East Greenwich Police	D					
		4,854,700	1,134,600	871,200	949,900	7,810,400
55 North Kingstown Fire	D	982,300	1,126,700	1,098,100	1,444,500	4,651,600
58 North Providence Police & Fire	D	1,890,700	485,600	707,800	295,700	3,379,800
60 Barrington Police	D	2,247,200	546,500	31,400	113,600	2,938,700
61 Barrington Fire		1,148,600	407,900	299,000	384,900	2,240,400
62 Warren Police	D					
		1,254,800	821,800	941,800	950,800	3,969,200
63 South Kingstown Police & Fire	C	21,500	82,300	69,800	71,900	245,500
64 Primrose Volunteer Fire	D	310,400	301,800	402,800	238,000	1,253,000
76 North Smithfield Police	D	641,900	393,300	653,000	279,600	1,967,800
77 Tiverton Fire	D	105,000	94,700	56,100	112,400	368,200
82 Foster Police	D					
		235,200	764,200	68,100	805,600	1,873,100
85 Woonsocket Police	C,D	329,800	124,600	0	99,000	553,400
86 Charlestown Police		14,200	125,800	10,100	117,900	268,000
87 Hopkinton Police	D	44,900	120,400	0	197,300	362,600
88 Gloucester Police	C,D	5,300	58,900	115,300	83,800	263,300
89 West Greenwich Police						
		501,800	136,100	23,200	193,900	855,000
90 Burrillville Police	C,D	10,800	78,100	0	37,600	126,500
91 Cumberland Police	D	0	49,300	11,900	61,500	122,700
92 Washington Fire		0	484,300	15,500	535,100	1,034,900
93 Woonsocket Fire	C,D	0	6,700	0	5,100	11,800
94 Bristol Fire						
		0	57,000	247,600	238,100	542,700
95 Cumberland Hill Fire	C,D	68,600	45,600	57,300	138,800	310,300
98 Coventry Fire		200	13,300	38,900	50,200	102,600
100 Tiogue Fire	C	0	50,900	141,700	211,700	404,300
101 North Cumberland	D	300	30,600	154,800	62,600	248,300
102 Central Coventry Fire						
		1,700	9,500	0	4,600	15,800
103 Hopkins Hill Fire		0	31,100	271,200	118,000	420,300
106 Cumberland Fire	D	0	19,100	37,200	135,400	191,700
107 Lincoln Rescue						

NOTES

- 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 - No data was reported for either Southern RI Collaborative or Lime Rock Fire.
- 2 - The above exhibit does not include the liabilities in respect of the closed South Kingstown Housing and Scituate Police units.

EXHIBIT III - PARTICIPANT INFORMATION

Active Employees as of June 30, 1993

Active Employees as of June 30, 1992

MUNICIPALITY	NUMBER	AVERAGE AGE	AVERAGE SERVICE	AVERAGE SALARY	NUMBER	AVERAGE AGE	AVERAGE SERVICE	AVERAGE SALARY
General Employees	129	47.4	10.7	\$22,000	130	47.2	10.4	\$22,000
1 Barrington	76	43.1	10.3	22,500	80	42.1	9.5	22,300
2 Bristol	133	47.1	8.5	20,100	142	47.0	7.9	18,200
3 Burrillville	50	41.4	8.1	22,200	62	43.3	8.1	21,000
4 Central Falls	27	39.0	6.3	22,400	21	39.1	6.5	22,600
5 Charlestown								
7 Cranston	791	46.1	10.1	19,400	776	46.0	9.7	19,900
8 Cumberland	230	48.2	6.9	19,200	229	47.9	6.1	19,000
9 East Greenwich	131	46.3	9.4	19,200	133	46.7	9.5	18,700
10 East Providence	399	46.8	9.1	22,600	402	46.6	8.4	22,600
11 Exeter/West Greenwich	49	449.0	6.4	16,700	43	45.9	6.0	15,800
12 Foster	39	43.6	7.7	15,000	38	42.8	6.6	16,000
13 Glocester	54	43.9	4.6	16,900	57	43.9	4.1	15,200
14 Hopkinton	24	43.4	6.2	20,300	23	43.2	5.4	20,600
15 Jamestown	41	42.5	9.5	24,200	44	42.0	8.6	23,600
16 Johnston	203	48.7	10.6	19,300	221	48.1	9.4	18,700
21 Newport	312	44.2	10.9	22,200	312	44.2	10.5	21,800
22 New Shoreham	34	43.0	6.4	20,800	34	40.6	6.9	24,500
23 North Kingstown	301	46.2	8.6	19,300	219	45.6	8.5	22,100
24 North Providence	250	47.1	10.7	16,700	245	46.5	10.1	17,300
25 North Smithfield	73	47.8	8.3	19,800	76	46.1	7.6	19,800
26 Pawtucket	648	46.6	10.8	20,500	641	46.2	10.2	15,400
29 Richmond	18	40.0	3.9	20,100	18	39.0	2.9	18,700
30 Scituate	77	49.3	9.3	16,800	75	47.9	8.7	15,700
31 Smithfield	121	48.6	10.0	22,700	126	47.3	8.4	21,500
32 South Kingstown	269	44.2	8.5	18,900	265	44.0	8.1	19,600
33 Tiverton	77	49.1	8.7	21,400	82	48.6	7.9	19,400
34 Warren	29	45.9	9.0	20,600	32	47.4	10.7	21,600
36 Westerly	4	57.7	16.3	40,400	5	56.8	16.0	31,200
37 West Greenwich	19	47.0	3.9	17,600	21	45.5	3.3	17,100
39 Woonsocket	379	46.6	8.8	19,100	371	46.7	8.7	19,100
40 Chariho School Dist.	113	43.7	6.5	16,900	115	42.6	5.6	15,900
41 Foster/Glocester	42	47.6	6.0	16,800	40	48.1	5.5	16,800
44 Southern RI Collaborative	0	0.0	0.0	0	1	29.1	2.8	12,800
45 Coventry Lighting Dist.	3	57.3	26.5	31,100	3	56.3	25.5	29,100
46 Hope Valley Fire	1	57.8	10.9	28,900	1	56.8	9.9	31,300
51 Cranston Housing	15	46.1	6.8	25,200	15	47.0	6.5	24,700
52 East Providence Housing	13	48.7	7.5	25,300	13	48.9	7.3	22,100
53 Pawtucket Housing	42	43.4	7.3	24,500	39	42.8	6.9	26,100
56 Cumberland Housing	8	43.7	6.3	26,100	9	44.9	5.0	24,800
57 Lincoln Housing	8	43.8	6.4	22,700	8	47.3	5.8	20,900
59 Bristol Housing	8	44.4	9.7	22,000	8	45.9	9.2	22,700
65 Burrillville Housing	2	50.1	10.2	29,600	2	49.1	10.2	28,400
66 North Providence Housing	7	46.0	8.2	21,200	7	47.5	7.3	22,900
67 East Smithfield Water	4	48.6	9.7	13,400	2	49.4	9.6	33,500
68 Greenville Water	4	52.0	15.1	35,000	4	51.0	13.9	33,000
71 Warren Housing	6	49.6	8.6	22,100	6	52.9	11.4	22,000
72 Johnston Housing	6	45.6	7.2	20,200	5	49.8	7.5	20,200
79 Coventry Housing	4	50.1	8.3	24,300	5	50.3	8.3	22,400
83 West Warwick Housing	7	47.7	9.0	22,200	6	47.4	9.3	23,200
84 Smithfield Housing	2	36.3	4.8	22,000	2	35.3	3.8	18,100
96 Central Falls Housing	11	46.8	6.4	23,800	13	46.8	11.5	25,700
98 Lime Rock Administrative Svcs.	1	33.5	5.3	23,800	1	32.5	4.3	20,400
99 Central Falls Schools	96	44.0	6.3	15,100	74	45.1	6.6	15,700
100 Bristol/Warren Schools	118	46.7	7.8	15,500	120	48.2	9.5	18,200

EXHIBIT III - PARTICIPANT INFORMATION

Active Employees as of June 30, 1993

Active Employees as of June 30, 1992

MUNICIPALITY	NUMBER	AVERAGE AGE	AVERAGE SERVICE	AVERAGE SALARY	NUMBER	AVERAGE AGE	AVERAGE SERVICE	AVERAGE SALARY
Police and Fire	13	39.3	14.6	\$26,400	13	38.3	13.6	\$25,300
42 Valley Falls Fire	0	0.0	0.0	\$0	5	30.9	8.9	23,200
46 Lime Rock Fire	1	33.4	4.9	22,300	9	31.8	4.4	24,300
47 North Smithfield Vol. Fire	24	33.1	6.1	32,500	24	32.1	4.9	30,000
50 East Greenwich Fire	27	36.5	10.3	28,500	28	37.9	11.0	29,200
54 East Greenwich Police								
55 North Kingstown Fire	68	35.8	10.6	29,400	69	35.3	9.8	29,400
58 North Providence Police & Fire	92	35.2	8.7	33,300	93	35.0	8.2	29,700
60 Barrington Police	24	37.9	13.3	32,000	57	37.8	12.1	28,800
61 Barrington Fire	24	36.6	10.5	29,600	—	—	—	—
62 Warren Police	21	37.0	11.2	32,400	21	37.2	10.3	30,400
63 South Kingstown Police & Fire	43	38.6	13.6	33,200	43	37.6	12.5	32,800
64 Primrose Volunteer Fire	6	37.3	10.2	25,400	7	34.3	8.2	25,200
76 North Smithfield Police	19	37.7	10.5	30,900	17	37.8	10.4	30,900
77 Tiverton Fire	27	39.1	11.0	26,900	27	38.1	10.0	25,700
82 Foster Police	6	35.6	12.4	28,200	8	33.1	10.7	22,800
85 Woonsocket Police	76	29.8	5.1	30,000	73	28.8	4.2	26,900
86 Charlestown Police	15	34.3	5.4	26,500	14	34.8	5.9	25,700
87 Hopkinton Police	10	34.1	5.9	31,600	10	33.1	4.6	28,300
88 Gloucester Police	13	37.2	5.6	26,500	13	36.2	4.6	25,000
89 West Greenwich Police	7	38.3	12.5	27,000	8	36.5	10.4	25,000
90 Burrillville Police	18	39.1	5.1	25,700	17	39.0	3.8	27,400
91 Cumberland Police	12	28.8	4.1	25,000	12	27.3	2.7	26,200
92 Washington Fire	9	31.2	5.9	24,000	8	30.9	5.4	25,500
93 Woonsocket Fire	68	29.0	4.3	24,500	52	28.5	4.3	27,600
94 Bristol Fire	1	43.9	3.0	32,100	1	42.9	2.0	31,700
95 Cumberland Hill Fire	10	38.0	11.9	26,200	10	37.0	10.9	26,200
98 Coventry Fire	9	35.8	10.3	27,000	8	35.3	10.5	27,400
100 Tiogue Fire	4	33.2	6.9	25,600	6	38.1	8.7	18,100
101 North Cumberland	14	32.0	10.0	26,100	14	31.1	9.4	26,300
102 Central Coventry Fire	10	33.4	6.9	24,200	8	32.6	7.3	27,700
103 Hopkins Hill Fire	4	27.3	2.7	17,000	4	26.2	2.1	18,800
106 Cumberland Fire	9	40.6	9.7	27,800	9	39.6	8.7	26,000
107 Lincoln Rescue	11	33.1	7.4	27,200	12	32.1	6.3	26,200

NOTES

1 - No data was reported for either Southern RI Collaborative or Lime Rock Fire.

EXHIBIT III - PARTICIPANT INFORMATION (Cont'd)

Retirees and Beneficiaries

MUNICIPALITY	NUMBER	AVERAGE AGE	AVERAGE MONTHLY BENEFIT
General Employees	108	72.1	\$398
1 Barrington	76	70.2	441
2 Bristol	48	70.1	531
3 Burrillville	21	62.9	605
4 Central Falls	3	64.5	836
5 Charlestown			
	358	71.7	465
7 Cranston	65	67.2	485
8 Cumberland	56	69.2	417
9 East Greenwich	263	68.3	812
10 East Providence	7	66.8	292
11 Exeter/West Greenwich			
	10	68.3	586
12 Foster	6	65.2	661
13 Gloucester	8	72.1	351
14 Hopkinton	16	70.3	430
15 Jamestown	99	69.0	516
16 Johnston			
	160	71.2	569
21 Newport	6	64.6	350
22 New Shoreham	98	69.8	545
23 North Kingstown	96	70.4	330
24 North Providence	52	70.1	317
25 North Smithfield			
	384	71.3	465
26 Pawtucket	5	67.9	380
29 Richmond	38	71.6	345
30 Scituate	58	70.6	413
31 Smithfield	67	72.4	328
32 South Kingstown			
	50	69.5	446
33 Tiverton	53	68.8	512
34 Warren	13	72.1	647
36 Westerly	5	69.5	602
37 West Greenwich	250	70.8	430
39 Woonsocket			
	8	65.7	434
40 Chariho School Dist.	7	65.9	403
41 Foster/Glocester			
44 Southern RI Collaborative			
45 Coventry Lighting Dist.			
46 Hope Valley Fire			
	8	70.9	1,998
51 Cranston Housing	9	73.5	430
52 East Providence Housing	23	70.9	467
53 Pawtucket Housing	6	63.8	600
56 Cumberland Housing	4	69.8	658
57 Lincoln Housing			
	2	65.8	555
59 Bristol Housing			
65 Burrillville Housing			
66 North Providence Housing	1	75.5	239
67 East Smithfield Water	1	76.6	523
68 Greenville Water			
	1	77.1	478
71 Warren Housing	3	70.5	562
72 Johnston Housing	5	64.7	337
79 Coventry Housing	1	69.5	947
83 West Warwick Housing	1	69.5	574
84 Smithfield Housing			
	5	63.7	1,208
96 Central Falls Housing			
98 Lime Rock Administrative Svcs.			
99 Central Falls Schools			
100 Bristol/Warren Schools	2	60.4	

EXHIBIT III - PARTICIPANT INFORMATION (Cont'd)

Retirees and Beneficiaries

MUNICIPALITY	NUMBER	AVERAGE AGE	AVERAGE MONTHLY BENEFIT
Police and Fire			
42 Valley Falls Fire	1	65.8	\$1,615
46 Lime Rock Fire			
47 North Smithfield Vol. Fire			
50 East Greenwich Fire	10	64.6	1,218
54 East Greenwich Police	10	67.7	1,075
55 North Kingstown Fire	36	62.1	1,155
58 North Providence Police & Fire	9	65.9	980
60 Barrington Police	17	61.4	973
61 Barrington Fire	22	62.2	921
62 Warren Police	14	62.9	730
63 South Kingstown Police & Fire	12	57.9	873
64 Primrose Volunteer Fire	1	79.1	304
76 North Smithfield Police	2	57.8	1,362
77 Tiverton Fire	9	65.3	698
82 Foster Police	1	57.4	731
85 Woonsocket Police	1	36.7	1,625
86 Charlestown Police	2	34.7	1,081
87 Hopkinton Police			
88 Gloucester Police	1	57.1	378
89 West Greenwich Police			
90 Burrillville Police	3	48.4	1,273
91 Cumberland Police			
92 Washington Fire			
93 Woonsocket Fire			
94 Bristol Fire			
95 Cumberland Hill Fire			
98 Coventry Fire	1	52.9	549
100 Tiogue Fire			
101 North Cumberland			
102 Central Coventry Fire			
103 Hopkins Hill Fire			
106 Cumberland Fire			
107 Lincoln Rescue			

NOTE: The above exhibit does not include the inactive participants of the closed South Kingstown Housing and Scituate Police units.

EXHIBIT IV - ACTUARIAL METHOD AND ASSUMPTIONS

a. Actuarial Funding Method

Actuarial Funding Method - Entry age normal cost method has been utilized. This method spreads the cost of benefits to be provided to an individual participant as a level percentage of pay from his or her date of employment to the assumed date of retirement.

Due to experience gains and losses or amendments to the benefits, accrued liabilities will not exactly equal the value of assets. The difference between the accrued liabilities and assets is called the unfunded liability. In 1988 the rules regarding amortizing the unfunded liability were changed. Under the new rules the existing unfunded liability in 1988 was amortized over the remainder of a 25 year period which commenced on the date the unit joined the System. Subsequent divergences from the actuarial assumptions are to be funded over the projected future salaries of active members.

Smoothed Contribution Rate - Due to large fluctuations in the contribution rates of certain municipalities, the Retirement Board elected to adopt a procedure which would allow a unit the option of paying a smoothed contribution rate. The smoothed contribution rate equals the previous fiscal year's contribution rate plus the greater of 2% or one eighth of the increase in contribution rate (plus the cost of any benefit improvements).

EXHIBIT IV - ACTUARIAL METHOD AND ASSUMPTIONS (Cont'd)

b. Actuarial Assumptions Concerning Future Events

Mortality - 1971 Group Annuity Mortality Table with Mortality for disabled persons set equal to the age 65 mortality under 1971 Group Annuity Mortality Table.

Age	Sample Rates		Expected Future Lifetime	
	Mortality Males	Mortality Females	Males	Females
20	.050%	.026%	55.3 yrs.	61.6 yrs.
25	.062	.035	50.4	56.7
30	.080	.047	45.6	51.8
35	.112	.065	40.8	47.0
40	.163	.094	36.1	42.1
45	.292	.140	31.4	37.4
50	.529	.215	26.9	32.6
55	.852	.326	22.8	28.0
60	1.312	.549	18.8	23.5
65	2.126	.956	15.2	19.3
70	3.611	1.648	11.9	15.3

Investment Return - 8.0%, compounded annually.

Salary Increases - Salaries will increase at a rate of 4.5%, compounded annually.

Retirement Age - Municipal employees are assumed to retire at the later of age 65 or completion of the service requirements. Police and Firemen are assumed to retire at the later of age 60 or completion of the service requirements. 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 57 and completion of 10 years of service.

Disability - Disability is assumed to occur in accordance with the following table with 15% of disabilities being occupational for municipal employees and 50% of disabilities being occupational for police and firemen.

EXHIBIT IV - ACTUARIAL METHOD AND ASSUMPTIONS (Cont'd)

Disability - Sample Rates

<u>Municipal Employees</u>		<u>Police and Firemen</u>	
<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	.06%	20	.12%
25	.09	25	.17
30	.11	30	.22
35	.15	35	.29
40	.22	40	.44
45	.36	45	.72
50	.61	50	1.21
55	1.01	55	--
60	--	60	--

Withdrawal - Termination of service for reasons other than death, retirement, or disability will be in accordance with the following tables. For police and firemen no withdrawal for reasons other than death, disability, or retirement is assumed.

Sample Withdrawal Rates

<u>Age</u>	<u>Municipal Employees</u>
20	21.20%
25	15.80%
30	11.60%
35	8.40%
40	6.20%
45	4.20%
50	2.60%
55	--
60	--

Cost of Living Adjustments - 3%, not compound, beginning on the January 1st following a participant's retirement if the municipal group elects this optional benefit provision.

EXHIBIT IV - ACTUARIAL METHOD AND ASSUMPTIONS (Cont'd)

Actuarial Value of Assets - The actuarial value of assets spreads investment gains and losses relative to the assumed return of 8%, over a three year period.

Estimation of Unknown Employee Characteristics - Missing dates for participants are estimated using a band-type averaging method assigning band grouped average dates to those individuals with missing dates of birth or hire. For example, an employee missing a date of hire is given an estimated date of hire based on the average of known dates of hire for persons in his age band. For Employees who are missing salaries, their salaries are estimated by the average salaries for those employees in the same municipal group whose data is complete.

EXHIBIT V - SUMMARY OF PLAN PROVISIONS (Cont'd)

EARLY RETIREMENT

Age and Service Requirement

Early retirement is only available to policemen and firemen under the normal plan.

Amount of Retirement Benefits

Regular pension accrued, reduced by 6% for each year of age less than 55.

DISABILITY BENEFIT

Non-occupational

Service Requirement: 5 years

Amount of Benefit: Regular pension benefit based on service to disability and final average salary at time of disability, payable immediately. The minimum benefit is 20% of final average salary.

Occupational

There is no age or service requirements for the occupational disability benefit.

Amount of Benefit: Two thirds of final salary at time of disability, payable immediately.

VESTING

Employees are vested in their retirement benefits on completion of 10 years of service.

EXHIBIT V - SUMMARY OF PLAN PROVISIONS (Cont'd)

PRE-RETIREMENT DEATH
BENEFITS

Lump Sum Benefit

There are no age or service requirements for this benefit.

Amount of Benefit:

- (a) \$800 per year of service with a minimum of \$4,000 and a maximum of \$16,000, plus
- (b) Refund of employee contributions.

Joint and Survivor Benefit (optional)

Service Requirement: 10 years.

Amount of Benefit: Benefit employee would have received had he/she retired the day before he/she died and chosen the 100% joint and survivor option.

Police and Firemen's Survivor Benefit

There is no age of service requirement for this benefit.

Amount of Benefit:

- (a) 30% of final average salary to spouse plus 10% to each child under age 18, plus
- (b) refund of employee contributions.

EXHIBIT V - SUMMARY OF PLAN PROVISIONS (Cont'd)

PRE-RETIREMENT DEATH
BENEFITS (Cont'd)

Occupational Death Benefit

This benefit has no age or service requirement.

Amount of benefit:

- (a) 50% of salary to spouse or children of employees under age 18, less workmen's compensation. Police and firemen also receive 10% for each child under 18 to a maximum of 66-2/3%.
 - (b) refund of employee contributions.
-

POST-RETIREMENT
DEATH BENEFITS

Lump sum in the amount of:

- (a) 100% of employee contributions less benefits paid, plus
 - (b) Pre-retirement death benefit, reduced 25% per year of retirement, with a minimum of \$4,000.
-

EMPLOYEE CONTRIBUTIONS

Municipal Employees: 6% until maximum benefit (75% of final average salary) is accrued. Increased to 7% with post-retirement cost-of-living increase.

Policemen and Firemen: 7% until maximum benefit (75% of final average salary) is accrued. Increased to 8% with post-retirement cost-of-living increase. Increased by 1% for 20 year service plan.

EXHIBIT V - SUMMARY OF PLAN PROVISIONS (Cont'd)

AVAILABLE BENEFIT OPTIONS Joint and Survivor: Actuarially Equivalent Benefit paying either 100% or 50%, depending on option selected, of retirement benefit to surviving beneficiary.

Social Security: Pays an increased benefit until age 62 and a reduced benefit thereafter to provide a level benefit when Social Security payments are accounted for.

POST-RETIREMENT
COST OF LIVING
ADJUSTMENT

Retirees' benefits are adjusted annually by 3%, not compounded, to allow for increases in cost of living if their municipal group adopts this benefit provision.
