

**ACTUARIAL VALUATION OF THE
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
OF THE STATE OF RHODE ISLAND
AS OF JUNE 30, 1995**

REVISED

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SECTION I - SUMMARY OF THE VALUATION

Contribution Requirements

The contribution rates for fiscal 1998 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 1996 and 1997 fiscal years are also shown.

The aggregate employer normal cost for all units for general employees is 1.30% of total general employees payroll. The previous year percentage was 1.36% of payroll. The rate decreased due to a somewhat greater number of actual terminations than expected. The past service cost for general employees (the annual amount required to pay off the unfunded liabilities) decreased slightly from 0.51% in the previous year to 0.47% of payroll. The main factors causing this decrease were favorable investment performance, which reduced the unfunded liabilities to be amortized, and an increase in the value of future payroll over which the unfunded liabilities are amortized.

The combined employer normal cost for police and fire departments is 4.58% of police and fire payroll, a slight increase from 4.36% last year. The past service cost for police and fire departments in aggregate (the annual amount required to pay off the unfunded liabilities) has increased from 0.84% last year to 0.99% of payroll. The increase in past service cost results from the combination of an increase due to units electing benefit improvements offset by a reduction due to favorable investment experience (the actuarial value of assets returned approximately 10.33%). As noted later in this report, there were 4 police and fire departments which elected benefit improvements and 2 new police and fire units with past service liability since the last valuation.

The actual funding percentage for any unit participating in the plan will vary from the above depending on its particular demographics. Each unit's costs and liabilities are independently determined.

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 58 municipalities covering general employees, 21 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 \$5,574,740.

Of the 35 police and fire departments, 12 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 \$2,607,518.

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. Because employer contributions (equal to the normal cost) and employee contributions are still made to overfunded units, the fully funded status of these units will most likely be maintained in the future.

The value of the System's vested benefits for both general employees and policemen and firemen is approximately \$283.4 million. The market value of assets on June 30, 1995 exceeded this amount by approximately \$215.7 million. Last year, the market value of assets exceeded vested benefit liabilities by \$173.9 million. There are 11 units in total with unfunded vested liabilities (on an actuarial value of assets basis). 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, 1995 the market value of assets for the general employee units was \$420.2 million and for police and fire units the market value of assets was \$78.9 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>7/1/94 to</u> <u>6/30/95</u>	<u>7/1/93 to</u> <u>6/30/94</u>	<u>7/1/92 to</u> <u>6/30/93</u>
Investment yield	17.05%	2.20%*	11.10%*
Market Value of Assets at end of period	\$ 499,157,800	\$ 431,990,100	\$ 437,549,000
Total Contributions	15,820,000	14,723,300	18,022,800
Investment Income**	42,282,800	30,727,300	26,711,200
Unrealized Gains/(Losses)	<u>30,856,000</u>	<u>-----</u>	<u>-----</u>
Total Income	\$ 88,958,800	\$ 45,450,600	\$ 44,734,000
Total Benefit Payments	\$ 21,791,100	\$ 19,836,300	\$ 18,428,600
Net Income	\$ 67,167,700	\$ 25,614,300**	\$ 26,305,400**

* Provided by Wilshire Associates.

** Excludes unrealized gains and losses.

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

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, 1994.

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 5,919 current active participants in the general employee units and 723 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 2,901, up from 2,803 in the previous year.

Changes in the Retirement System

The following new units have been included in the valuation of the Municipal Retirement System as of June 30, 1995:

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

	<u>Unit</u>	<u>Entered System</u>
3017	Lincoln	7/1/94
3069	Newport Housing	7/1/95
3077	Tiverton Local 2670A	1/1/96
4108	New Shoreham Police	7/1/95
4109	Warren Fire	7/1/95

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>	
3025	North Smithfield	COLA C	(1/1/96)
3100	Bristol/Warren Schools	COLA B	(1/1/96)
4054	East Greenwich Police	COLA C	(1/1/96)
4061	Barrington Fire	20 year plan	(7/1/95)
4076	North Smithfield Police	COLA C	(1/1/96)
4092	Washington Fire	20 year plan	(7/1/95)

If certain units, prior to fiscal 1998, 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 1998.

	<u>Unit</u>	<u>Contribution Rate</u>	<u>Smoothed Contribution Rate</u>
3004	Central Falls	19.03%	18.42%
3012	Foster	5.64%	4.61%
3017	Lincoln	13.35%	11.84%
3029	Richmond	6.43%	5.82%
3056	Cumberland Housing	4.78%	4.69%
4061	Barrington Police	10.46%	7.13%
4098	Coventry Fire	10.28%	8.29%

In determining whether a unit is eligible to elect a smoothed contribution rate, we have calculated whether the difference between the fiscal 1997 cost, adjusted for benefit improvements, if any, and the fiscal 1998 cost exceeds 2%. The only exception to this rule applies for units which were eligible for a smoothed rate for fiscal 1997. In those cases we have compared the fiscal 1997 smoothed rate with the fiscal 1998 cost.

SECTION II - EMPLOYEE DATA

Active Employees

A summary of the key employee statistics as of June 30, 1995 is as follows:

	<u>General Employees</u>		<u>Policemen and Firemen</u>	
	<u>June 30, 1995</u>	<u>June 30, 1994</u>	<u>June 30, 1995</u>	<u>June 30, 1994</u>
Number of Covered Employees	5,919	5,387	723	656
Average Annual Salary	\$21,500	\$20,900	\$33,300	\$31,200
Average Age (years)	46.9	46.9	35.9	35.2
Average Service (years)	10.4	10.0	9.9	9.1
Number of Vested Employees	2,586	1,992	263	213
Number of Employees Eligible for Retirement	615	615	68	59

The average annual salary for general employees increased by 2.9%. This is due to a combination of several factors. Average salaries for continuing members increased by 8.5%. 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 88%.

The average annual salary for policemen and firemen rose by 6.7%. As above, however, policemen and firemen employed continuously throughout the year experienced an average pay increase of 8.4% and new hires were paid approximately 84% as much as were 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 307 missing salaries, 473 missing dates of birth, and 618 missing dates of hire. For policemen and firemen there were 6 missing salaries, 27 missing dates of birth, and 49 missing hire dates. The impact of missing data varies depending on the individual unit and the data missing from that unit.

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, 1995</u>	<u>June 30, 1994</u>
Pensioners		
Number	2,746	2,661
Average Age	70.4	70.2
Average Monthly Benefit	\$ 591	\$ 562
Beneficiaries		
Number	155	142
Average Age	68.8	69.0
Average Monthly Benefit	\$ 439	\$ 423

SECTION II - Employee Data (Cont'd)

The increase in the average monthly benefit can be attributed in part to the ratio of the average benefits payable to those who died in the past year versus those who retired. This ratio was 42%, indicating that, on the average, the new retirees have over twice as large a pension as those retirees who died in the past year. Furthermore, there were 79% more new pensioners than departing pensioners during the 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, 1995 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, 1995 and June 30, 1994.

Table 1A - Distribution of Municipal General Employees in Active Service at June 30, 1995

Age	Years of Service and Average Annual Earnings										Total			
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+					
0-19	1											1	2,835	
20-24	40	7											47	16,342
25-29	112	146	2										260	21,301
30-34	19,615	22,504	27,878										442	22,225
35-39	119	262	57	4									615	22,399
40-44	19,388	22,659	26,051	23,646									982	21,951
45-49	140	313	89	63	10								1,397	19,420
50-54	18,268	22,372	26,303	26,220	22,275								741	22,990
55-59	231	420	143	108	69	11							675	22,405
60-64	17,733	20,370	24,235	28,918	29,209	27,230							469	22,670
65-69	159	423	581	114	77	41	2						208	20,192
70-74	18,420	20,744	15,039	25,776	30,331	33,226	26,176						64	18,777
75+	78	252	167	116	82	32	14						18	17,915
TOTAL	21,878	20,801	21,411	24,470	26,448	30,767	37,120						2	5,919
	57	167	132	150	103	42	20						2	21,475
	17,953	21,154	23,130	22,356	23,279	24,802	31,236						4	
	33	145	85	71	73	45	14						3	
	18,604	21,804	23,007	22,799	25,032	24,767	21,712						3	
	11	61	41	36	26	22	8						2	
	18,091	19,547	18,834	21,574	21,377	21,000	17,851						2	
	3	8	11	11	11	15	3						2	
	14,751	17,558	17,499	24,539	22,079	17,698	7,385						2	
	7	13,164	19,001	21,843	19,915	30,528	9,815						1	
	984	2,211	1,309	677	452	210	63						2	
	18,594	21,286	19,597	24,745	26,075	26,624	26,751						2	
													11	
													17,868	
													41,757	

Table 1B - Distribution of Policemen and Firemen in Active Service at June 30, 1995

Age	Years of Service and Average Annual Earnings										Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+			
0-19												0
20-24	8 28,221	2 26,300										10 27,837
25-29	59 30,157	88 32,122	4 29,092									151 31,274
30-34	35 30,873	122 32,973	35 34,693	1 29,326								193 32,885
35-39	8 28,419	85 29,362	65 36,295	22 33,794	3 35,322							183 32,414
40-44	1 30,097	16 30,918	28 34,503	30 36,645	12 39,388	1 42,343						88 35,286
45-49	1 31,260	9 33,505	6 34,863	5 37,569	19 37,687	10 38,329						50 36,583
50-54			3 33,241	5 32,085	10 39,595	7 38,770	3 48,752					28 38,348
55-59		3 41,363	2 47,235	3 40,589	2 33,297	4 34,268	1 46,804					15 39,386
60-64		2 30,059						2 32,212				4 31,136
65-69			1 43,403									1 43,403
70-74												0
75+												0
TOTAL	112 30,128	327 31,738	144 35,435	66 35,488	46 38,200	24 37,438	4 48,265	0	0	0	0	723 33,259

Table 2 - Distribution of Retirees and Beneficiaries at June 30, 1995

Age	Pension Type						Total by Age	Percent of Pensioners/ Average Pension
	Service Retirements	Beneficiaries	Accidental Disabilities	Ordinary Disabilities				
< 30	0	1	0	0	0	1	0.03%	
30-39	\$ 0	\$ 290	\$ 0	\$ 0	\$ 0	290	\$ 290	
40-49	0	3	4	3	10	8,648	\$ 865	
50-54	19	1,415	6,253	980	53	61,511	\$ 1,161	
55-59	28,598	3,932	22,122	6,859	65	85,463	\$ 1,315	
60-64	38	2	8	17	26	136	\$ 4,699	
65-69	66,942	972	9,544	8,005	22	431	\$ 1,182	
70-74	88	12	10	26	25	720	\$ 779	
75-79	131,260	9,381	8,791	11,343	7	446,107	\$ 620	
80-84	372	24	13	22	19	693	\$ 482	
85-89	304,047	13,729	10,700	7,150	7	335,626	\$ 24,822	
90-94	659	29	7	25	7,002	720	\$ 620	
95+	419,381	12,849	6,875	7,002	5,114	333,737	\$ 482	
Total	632	32	10	19	7	435	\$ 368	
	310,968	10,494	7,161	5,114	1,362	160,101	\$ 8,077	
	400	24	4	7	326	66,775	\$ 285	
	149,681	7,021	2,037	1	91	26,160	\$ 287	
	216	15	2	1	29	4,396	\$ 152	
	60,028	5,631	789	0	0	3	\$ 0.10%	
	85	6	0	0	0	635	\$ 212	
	23,880	2,280	0	0	0	2,901	\$ 100%	
	28	0	0	1	1	1,690,220	\$ 583	
	4,339	0	0	57	0			
	3	0	0	0	0			
	635	0	0	0	0			
	2,540	155	73	133				
	1,499,757	67,994	74,270	48,198				

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

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 is shown in Table 7.

During fiscal 1995, the investment earnings represented approximately 17.05% of the average market value of assets of the Fund during the fiscal year. The yield for the previous fiscal year was 2.20% as supplied by Wilshire Associates.

Table 4 provides a summary of income and expenses for the years ended June 30, 1995 and June 30, 1994. For the plan year ended June 30, 1995, the market value of the Municipal Employees' Retirement Fund showed a net increase of \$67,167,700 from \$431,990,100 to \$499,157,800.

SECTION III - PLAN ASSETS (Cont'd)

Table 5 provides a distribution of the assets by category of investment. As of June 30, 1995, the Fund was comprised of 54.1% equities, 33.4% fixed income securities, 3.4% real estate and venture capital, with the balance, 9.1%, held in cash, short term paper, and other highly liquid assets.

Approximately 84.2% of the assets are allocated to general employees and 15.8% are for policemen and firemen.

Table 3 - Calculation of Actuarial Asset Value at June 30, 1995

1.	Actuarial Asset Value at June 30, 1994	\$ 445,342,702
2.	Contributions	
	a. Employees	10,568,025
	b. Employers	4,448,941
	c. Miscellaneous	303,019
	d. Contribution for Newport Housing (New Unit)	<u>500,000</u>
	e. Total	\$ 15,819,985
3.	Disbursements	
	a. Pensions in payment	20,306,466
	b. Death Benefits	597,969
	c. Refund of Employee Contributions	<u>886,632</u>
	d. Total	\$ 21,791,067
4.	Assumed Return at 8.00%	
	a. On Beginning of Year Assets	35,627,416
	b. On Contributions	612,799
	c. On Benefit Payments	<u>(871,643)</u>
	d. Total	\$ 35,368,572
5.	Tentative Actuarial Asset Value June 30, 1995	
	1. + 2.e. - 3.d. + 4.d.	\$ 474,740,192
6.	Market Value June 30, 1995	499,157,766
7.	Excess of Market Value over Tentative Actuarial Asset Value	\$ 24,417,574
8.	Prior Adjustments not Recognized	
	1994 x 2	(22,193,142)
	1993 x 1	<u>8,840,549</u>
	Total	\$ (13,352,593)
9.	Current Year Investment Gain/(Loss)	37,770,167
10.	Current Year Adjustment to be recognized (1/3 of Gain/(Loss))	12,590,056
11.	Cumulative Adjustment	
	1995	12,590,056
	1994	(11,096,571)
	1993	<u>8,840,549</u>
	Total	\$ 10,334,034
12.	Actuarial Asset Value on June 30, 1995	
	5. + 11.	\$ 485,074,226

Table 4
Summary Statement of Income and Expenses

	1995	1994
Employer contributions	\$ 4,448,941	
Member contributions	10,568,025	\$ 5,188,321
Contribution for Newport Housing (New Unit)	<u>500,000</u>	<u>N/A</u>
Total contributions	\$ 15,516,966	\$14,510,503
Net miscellaneous items	303,019	212,753
Net Investment income*	42,282,768	
Unrealized gains/(losses)	<u>30,855,971</u>	<u>30,727,263</u>
Total income available for benefit payments		-----
Benefit payments:		\$45,450,519*
Pension benefits	\$ 88,958,724	
Death benefits	\$ 20,306,466	\$18,489,371
Contribution refunds	597,969	563,990
Total benefit payments	<u>886,632</u>	<u>782,894</u>
Excess of income over expenses	<u>21,791,066</u>	<u>19,836,255</u>
	\$ 67,167,658	\$25,614,264*

* Excludes unrealized gains and losses.

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

Table 5
Composition of Plan Assets at Market Value
June 30, 1995

Cash/Short Term Investments		
Short Term Investment Fund		
Money Market Instruments	\$ 45,414,029	9.1%
Equities - Domestic	227,144,096	45.6%
Equities - International	42,414,737	8.5%
Fixed Income - Government	158,182,781	31.7%
Fixed Income - Foreign	731,681	0.1%
Fixed Income - Corporate	7,966,253	1.6%
Real Estate and		
Venure Capital	16,804,189	3.4%
TOTAL FUND INVESTMENTS	\$ 498,657,766	100.0%
Contribution for Newport Housing (New Unit)	<u>500,000</u>	
Total Fund Investments including		
Newport Housing Contribution	\$ 499,157,766	

SECTION IV - RESULTS OF THE VALUATION

The purpose of the actuarial valuation of the System as of July 1, 1995 is to calculate the contribution requirements for the 1998 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, 1995 for fiscal 1998 are developed as follows:

<u>Item</u>	Fiscal 1998		<u>Previous Year</u>
	<u>Amount</u>	<u>% of Payroll</u>	
1. Participating payroll	\$ 127,108,700	---	---
2. Total normal cost	9,988,000	7.86%	7.91%
3. Employee Contributions	8,340,500	6.56%	6.55%
4. Employer Normal Cost 2. - 3.	1,647,500	1.30%	1.36%
5. Amortization of unfunded actuarial liability	598,400	.47%	.51%
6. Total annual cost = 4. + 5.	2,245,900	1.77%	1.86%
7. Total annual cost payable monthly = 6. plus 1/2 year interest	2,335,700	1.84%	1.94%

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 remained relatively stable, decreasing from 7.91% of payroll to 7.86%.

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

Police and Fire

The costs for police and fire units computed as of June 30, 1995 for fiscal 1998 are developed as follows:

	Fiscal 1998		Previous
<u>Item</u>	<u>Amount</u>	<u>% of Payroll</u>	<u>Year</u>
1. Participating payroll	\$ 24,068,800	---	---
2. Total normal cost	3,092,600	12.85%	12.55%
3. Employee Contributions	1,990,500	8.27%	8.19%
4. Employer Normal Cost 2. - 3.	1,102,100	4.58%	4.36%
5. Amortization of unfunded actuarial liability	237,800	0.99%	0.84%
6. Total annual cost 4. + 5.	1,339,900	5.57%	5.20%
7. Total annual cost payable monthly = 6. plus 1/2 year interest	1,393,500	5.79%	5.41%

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

The total normal cost percentage for police and fire units increased from 12.55% to 12.85%. This increase is due to benefit improvements adopted by a few units since the last valuation.

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

Exhibit I shows that the total unfunded liability for general employees was \$5,574,740 and for policemen and firemen was \$2,607,518. These figures equal the sum of the individual units' 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:

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

For the entire Retirement System, the "pension benefit obligation" as of June 30, 1995 is \$349,278,400. 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	FISCAL 1998 EMPLOYEE CONTRIBUTION RATE	FISCAL 1998			Total Employer Rates for the Fiscal Years	
		EMPLOYER NORMAL COST	PAST SERVICE COST	TOTAL EMPLOYER RATE	1997	1996
General Employees						
1 Barrington	6.00%	1.45%	0.00%	1.45%	1.56%	1.67%
2 Bristol	B 7.00%	0.48%	0.00%	0.48%	0.46%	0.73%
3 Burrillville	C 7.00%	2.67%	0.00%	2.67%	2.83%	3.33%
4 Central Falls	6.00%	0.34%	18.69%	19.03%	16.42%	18.04%
5 Charlestown	C 7.00%	1.17%	9.73%	10.90%	14.71%	13.67%
7 Cranston	B 7.00%	1.46%	0.00%	1.46%	1.40%	1.60%
8 Cumberland	6.00%	2.32%	0.16%	2.48%	3.11%	3.14%
9 East Greenwich	6.00%	1.07%	0.00%	1.07%	1.33%	1.17%
10 East Providence	B 7.00%	1.99%	0.00%	1.99%	2.13%	2.04%
11 Exeter/West Greenwich	6.00%	3.01%	0.00%	3.01%	3.25%	3.48%
12 Foster	6.00%	1.25%	4.39%	5.64%	2.61%	5.43%
13 Gloucester	6.00%	2.58%	0.00%	2.58%	2.73%	2.80%
14 Hopkinton	6.00%	2.37%	0.00%	2.37%	2.22%	2.32%
15 Jamestown	C 7.00%	0.55%	0.00%	0.55%	0.70%	0.94%
16 Johnston	C 7.00%	1.39%	0.00%	1.39%	1.35%	1.57%
17 Lincoln	2 6.00%	0.77%	12.58%	13.35%	9.84%	9.84%
21 Newport	B 7.00%	0.43%	0.00%	0.43%	0.28%	0.44%
22 New Shoreham	6.00%	1.58%	0.25%	1.83%	2.02%	1.74%
23 North Kingstown	6.00%	1.67%	0.00%	1.67%	1.65%	1.85%
24 North Providence	6.00%	0.84%	0.00%	0.84%	1.16%	0.76%
25 North Smithfield	C 7.00%	3.82%	0.00%	3.82%	3.82%	3.26%
26 Pawtucket	C 7.00%	1.18%	0.00%	1.18%	1.30%	1.38%
29 Richmond	6.00%	1.85%	4.58%	6.43%	4.65%	1.82%
30 Scituate	B 7.00%	2.42%	0.00%	2.42%	2.55%	2.08%
31 Smithfield	6.00%	1.80%	0.00%	1.80%	1.86%	1.98%
32 South Kingstown	6.00%	1.22%	0.00%	1.22%	1.32%	1.52%
33 Tiverton	6.00%	2.24%	0.00%	2.24%	2.75%	3.16%
34 Warren	6.00%	1.63%	0.57%	2.20%	1.19%	1.82%
36 Westerly	6.00%	0.00%	7.30%	7.30%	54.81%	44.89%
37 West Greenwich	6.00%	4.09%	0.88%	4.97%	4.99%	4.44%
39 Woonsocket	6.00%	1.61%	0.00%	1.61%	1.64%	1.82%
40 Chariho School District	6.00%	2.12%	0.00%	2.12%	2.22%	2.28%
41 Foster/Glocester	B 7.00%	4.54%	1.60%	6.14%	5.63%	4.44%
42 Tiogue Fire & Lighting	C 7.00%	3.16%	28.45%	31.61%	31.69%	31.69%
43 Narragansett Housing	6.00%	2.71%	3.23%	5.94%	5.57%	---
45 Coventry Lighting District	6.00%	0.00%	30.66%	30.66%	42.68%	53.44%
46 Hope Valley Fire	C 7.00%	6.86%	11.70%	18.56%	21.65%	24.03%
51 Cranston Housing	6.00%	3.30%	0.00%	3.30%	3.00%	3.11%
52 East Providence Housing	6.00%	3.28%	0.00%	3.28%	3.97%	2.71%
53 Pawtucket Housing	B 7.00%	1.27%	0.00%	1.27%	1.63%	1.57%
56 Cumberland Housing	6.00%	0.87%	3.91%	4.78%	2.69%	2.24%
57 Lincoln Housing	B 7.00%	4.10%	0.00%	4.10%	4.18%	4.66%
59 Bristol Housing	6.00%	2.69%	0.00%	2.69%	2.30%	2.30%
65 Burrillville Housing	6.00%	3.41%	0.00%	3.41%	3.57%	3.71%
66 North Providence Housing	B 7.00%	4.03%	0.00%	4.03%	4.61%	4.31%
67 East Smithfield Water	C 7.00%	3.57%	2.91%	6.48%	13.34%	6.12%
68 Greenville Water	6.00%	0.00%	0.00%	0.00%	0.00%	0.00%
69 Newport Housing	2 6.00%	2.15%	9.31%	11.46%	11.46%	11.46%
71 Warren Housing	6.00%	3.92%	0.00%	3.92%	4.03%	3.71%
72 Johnston Housing	6.00%	0.18%	0.00%	0.18%	2.57%	4.29%
77 Tiverton Local 2670A	C,2 7.00%	3.57%	0.00%	3.57%	5.75%	5.75%
79 Coventry Housing	6.00%	3.68%	0.00%	3.68%	3.84%	4.10%
80 South Kingston Housing	3 ---	---	---	---	---	---
83 West Warwick Housing	6.00%	3.37%	0.00%	3.37%	3.32%	3.29%
84 Smithfield Housing	6.00%	0.01%	0.00%	0.01%	0.00%	0.00%
96 Central Falls Housing	6.00%	3.35%	12.36%	15.71%	20.34%	23.26%
98 Lime Rock Administrative Service	6.00%	0.64%	3.53%	4.17%	0.00%	0.00%
99 Central Falls Schools	6.00%	2.55%	2.16%	4.71%	6.18%	5.84%
100 Bristol/Warren Schools	B 7.00%	3.36%	0.00%	3.36%	3.36%	2.89%

Table 6 - Recommended Employer Contribution Rates

MUNICIPALITY		FISCAL 1998		FISCAL 1998			Total Employer Rates for the Fiscal Years	
		EMPLOYEE CONTRIBUTION RATE		EMPLOYER NORMAL COST	PAST SERVICE COST	TOTAL EMPLOYER RATE	1997	1996
Police and Fire								
42	Valley Falls Fire	D	8.00%	4.47%	21.23%	25.70%	29.18%	23.76%
46	Lime Rock Fire	1	7.00%	1.96%	0.00%	1.96%	3.74%	3.74%
47	North Smithfield Voluntary Fire	D	8.00%	5.85%	0.00%	5.85%	5.82%	5.97%
50	East Greenwich Fire	D	8.00%	5.17%	0.00%	5.17%	5.36%	5.39%
54	East Greenwich Police	C,D	9.00%	7.12%	0.00%	7.12%	7.12%	5.24%
55	North Kingstown Fire	D	8.00%	4.81%	0.00%	4.81%	4.68%	4.59%
58	North Providence Fire	D	8.00%	4.62%	0.00%	4.62%	4.40%	4.41%
60	Barrington Police	D	8.00%	4.72%	5.74%	10.46%	5.13%	4.18%
61	Barrington Fire	D	8.00%	4.90%	0.00%	4.90%	4.90%	4.90%
62	Warren Police	C,D	9.00%	6.57%	0.00%	6.57%	6.56%	5.13%
63	South Kingstown Police & Fire	C	8.00%	4.01%	0.00%	4.01%	3.98%	3.68%
64	Primrose Volunteer Fire	B,D	9.00%	7.79%	0.00%	7.79%	7.41%	5.98%
73	Scituate Police	3	---	---	---	---	---	---
76	North Smithfield Police	C,D	9.00%	5.81%	0.00%	5.81%	5.81%	4.22%
77	Tiverton Fire	D	8.00%	3.12%	0.00%	3.12%	3.05%	4.52%
82	Foster Police	D	8.00%	3.18%	0.00%	3.18%	3.26%	3.89%
85	Woonsocket Police	C,D	9.00%	6.31%	0.00%	6.31%	6.24%	6.29%
86	Charlestown Police		7.00%	3.77%	0.00%	3.77%	3.82%	3.78%
87	Hopkinton Police	D	8.00%	3.33%	0.00%	3.33%	3.15%	3.08%
88	Glocester Police	C,D	9.00%	6.13%	0.00%	6.13%	4.92%	8.62%
89	West Greenwich Police/Rescue		7.00%	2.76%	0.00%	2.76%	3.18%	2.85%
90	Burrillville Police	C,D	9.00%	8.39%	0.00%	8.39%	8.96%	8.64%
91	Cumberland Rescue	D	8.00%	4.47%	0.00%	4.47%	4.19%	4.54%
92	Washington Fire	D	8.00%	4.90%	1.38%	6.28%	6.28%	6.28%
93	Woonsocket Fire	C,D,4	9.00%	6.29%	0.00%	6.29%	6.14%	6.36%
94	Bristol Fire		7.00%	6.39%	0.00%	6.39%	6.40%	6.42%
95	Cumberland Hill Fire	C,D	9.00%	6.86%	6.78%	13.64%	12.99%	14.59%
98	Coventry Fire		7.00%	3.07%	7.21%	10.28%	6.29%	7.47%
100	Tiogue Fire		7.00%	2.88%	2.54%	5.42%	7.14%	10.59%
101	North Cumberland	D	8.00%	3.24%	4.13%	7.37%	8.69%	9.40%
102	Central Coventry Fire		7.00%	2.98%	3.55%	6.53%	8.13%	8.92%
103	Hopkins Hill Fire		7.00%	2.52%	0.00%	2.52%	2.63%	2.26%
106	Cumberland Fire	D	8.00%	2.38%	8.96%	11.34%	14.81%	18.99%
107	Lincoln Rescue		7.00%	2.97%	4.10%	7.07%	7.88%	8.83%
108	New Shoreham Police	2	7.00%	4.82%	5.32%	10.14%	10.14%	10.14%
109	Warren Fire	D,2	8.00%	9.81%	17.36%	27.17%	27.17%	27.17%

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 Lime Rock Fire last year.
- 2 - New unit.
- 3 - Closed unit.
- 4 - By special agreement, the Woonsocket Firefighters are currently contributing

Table 7 - Liabilities and Funded Status as of June 30, 1995

<u>MUNICIPALITY</u>	<u>ACTUARIAL VALUE OF ASSETS</u>	<u>TOTAL ACCRUED LIABILITY</u>	<u>VESTED LIABILITY</u>	<u>TOTAL UNFUNDED LIABILITY</u>	<u>UNFUNDED VESTED LIABILITY</u>
General Employees					
1 Barrington	\$13,339,868	\$9,853,335	\$7,054,572	\$0	\$0
2 Bristol B	8,946,856	7,213,307	5,251,564	0	0
3 Burrillville C	9,631,879	7,688,313	5,269,472	0	0
4 Central Falls	909,127	2,984,839	2,260,078	2,075,712	1,350,951
5 Charlestown C	527,564	1,187,967	818,114	660,403	290,550
7 Cranston B	69,031,499	51,636,837	36,111,993	0	0
8 Cumberland	9,243,575	9,297,733	7,099,167	54,158	0
9 East Greenwich	10,026,310	6,683,910	4,937,176	0	0
10 East Providence B	41,136,562	35,437,619	27,118,790	0	0
11 Exeter/West Greenwich	1,933,809	1,352,228	851,976	0	0
12 Foster	1,130,689	1,369,024	920,906	238,335	0
13 Glocester	1,472,554	1,437,149	966,303	0	0
14 Hopkinton	1,372,394	949,791	673,834	0	0
15 Jamestown C	3,153,284	2,634,599	1,600,192	0	0
16 Johnston C	17,274,661	15,106,461	11,088,660	0	0
17 Lincoln 2	33,284	249,647	110,777	216,363	77,493
21 Newport B	26,695,057	25,429,654	17,411,980	0	0
22 New Shoreham	1,212,713	1,235,017	813,699	22,304	0
23 North Kingstown	15,466,260	13,965,460	9,703,911	0	0
24 North Providence	14,016,225	11,669,578	7,752,180	0	0
25 North Smithfield C	6,634,584	4,500,230	3,506,153	0	0
26 Pawtucket C	51,730,947	46,429,476	32,579,728	0	0
29 Richmond	456,394	663,614	384,577	207,220	0
30 Scituate B	4,855,831	4,280,860	2,877,617	0	0
31 Smithfield	10,764,839	7,553,149	5,560,385	0	0
32 South Kingstown	15,007,968	10,992,336	6,751,048	0	0
33 Tiverton	6,055,311	4,200,817	3,512,697	0	0
34 Warren	3,877,664	3,913,653	3,464,194	35,989	0
36 Westerly	793,152	818,023	805,312	24,871	12,160
37 West Greenwich	562,814	594,295	397,429	31,481	0
39 Woonsocket	33,945,123	22,587,108	17,330,310	0	0
40 Chariho School District	3,215,102	3,155,487	1,663,556	0	0
41 Foster/Glocester B	1,504,345	1,619,992	1,018,001	115,647	0
42 Tiogue Fire & Lighting C	12,102	38,903	34,975	26,801	22,873
43 Narragansett Housing	14,244	28,116	7,159	13,872	0
45 Coventry Lighting District	258,341	437,704	348,257	179,363	89,916
46 Hope Valley Fire C	41,167	83,499	57,371	42,332	16,204
51 Cranston Housing	1,300,817	861,890	633,424	0	0
52 East Providence Housing	1,120,764	811,111	650,656	0	0
53 Pawtucket Housing B	4,711,298	2,672,404	2,083,571	0	0
56 Cumberland Housing	567,522	679,256	506,064	111,734	0
57 Lincoln Housing B	749,321	614,566	469,790	0	0
59 Bristol Housing	733,288	432,896	299,046	0	0
65 Burrillville Housing	287,674	127,233	48,479	0	0
66 North Providence Housing B	465,440	309,012	203,225	0	0
67 East Smithfield Water C	213,281	245,113	115,682	31,832	0
68 Greenville Water	442,933	302,602	211,533	0	0
69 Newport Housing 2	500,000	1,020,066	455,674	520,066	0
71 Warren Housing	480,056	325,871	210,271	0	0
72 Johnston Housing	446,581	392,793	308,085	0	0
77 Tiverton Local 2670A C,2	791,011	776,033	285,059	0	0
79 Coventry Housing	480,374	437,144	345,804	0	0
80 South Kingston Housing 3	33,328	27,276	27,276	0	0
83 West Warwick Housing	430,166	361,922	263,922	0	0
84 Smithfield Housing	87,201	80,000	64,103	0	0
96 Central Falls Housing	670,380	1,125,182	963,476	454,802	293,096
98 Lime Rock Administrative Service	21,356	36,468	11,275	15,112	0
99 Central Falls Schools	1,625,354	2,040,584	1,015,503	415,230	0
100 Bristol/Warren Schools B	5,921,663	3,747,683	1,710,798	0	0

Table 7 - Liabilities and Funded Status as of June 30, 1995

<u>MUNICIPALITY</u>			<u>ACTUARIAL VALUE OF ASSETS</u>	<u>TOTAL ACCRUED LIABILITY</u>	<u>VESTED LIABILITY</u>	<u>TOTAL UNFUNDED LIABILITY</u>	<u>UNFUNDED VESTED LIABILITY</u>
Police and Fire							
42	Valley Falls Fire	D	491,548	1,251,912	919,140	760,364	427,592
46	Lime Rock Fire	1	128,524	93,440	45,715	0	0
47	North Smithfield Voluntary Fire	D	281,350	236,638	105,533	0	0
50	East Greenwich Fire	D	3,794,799	2,680,579	2,103,506	0	0
54	East Greenwich Police	C,D	5,035,935	3,226,095	2,685,759	0	0
55	North Kingstown Fire	D	11,561,622	9,410,818	7,684,088	0	0
58	North Providence Fire	D	8,934,680	7,135,647	4,491,923	0	0
60	Barrington Police	D	3,807,325	4,255,866	3,515,653	448,541	0
61	Barrington Fire	D	6,302,556	5,510,908	4,314,335	0	0
62	Warren Police	C,D	3,839,144	3,317,423	2,669,220	0	0
63	South Kingstown Police & Fire	C	8,146,927	5,349,814	3,601,636	0	0
64	Primrose Volunteer Fire	B,D	895,888	561,830	329,874	0	0
73	Scituate Police	3	114,304	49,013	49,013	0	0
76	North Smithfield Police	C,D	2,881,251	2,050,662	1,622,646	0	0
77	Tiverton Fire	D	3,642,951	2,675,376	2,115,679	0	0
82	Foster Police	D	742,769	497,721	423,749	0	0
85	Woonsocket Police	C,D	4,676,347	3,634,982	1,711,461	0	0
86	Charlestown Police		887,819	758,237	505,095	0	0
87	Hopkinton Police	D	759,831	465,313	270,837	0	0
88	Glocester Police	C,D	807,316	695,193	332,503	0	0
89	West Greenwich Police/Rescue		488,623	409,917	249,293	0	0
90	Burrillville Police	C,D	2,120,753	1,661,212	1,184,534	0	0
91	Cumberland Rescue	D	586,864	347,543	152,710	0	0
92	Washington Fire	D	270,866	325,447	131,996	54,581	0
93	Woonsocket Fire	C,D,4	2,682,168	2,341,737	942,333	0	0
94	Bristol Fire		45,373	27,634	11,854	0	0
95	Cumberland Hill Fire	C,D	673,352	906,514	481,816	233,162	0
98	Coventry Fire		481,255	761,326	481,421	280,071	166
100	Tiogue Fire		120,728	126,505	65,609	5,777	0
101	North Cumberland	D	489,407	652,953	291,524	163,546	0
102	Central Coventry Fire		341,312	435,629	282,303	94,317	0
103	Hopkins Hill Fire		51,260	39,626	21,569	0	0
106	Cumberland Fire	D	371,738	667,241	406,197	295,503	34,459
107	Lincoln Rescue		219,069	358,252	132,672	139,183	0
108	New Shoreham Police	2	34,667	122,957	22,374	88,290	0
109	Warren Fire	D,2	0	44,184	0	44,184	0

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 Lime Rock Fire last year.
- 2 - New unit.
- 3 - Closed unit.

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 a. of June 30, 1995.

This certificate contains the following attached exhibits:

EXHIBIT I - Actuarial Cost Factors as of June 30, 1995

- A. General employees
- B. Police and firemen

EXHIBIT II - Pension Benefit Obligation

EXHIBIT III - Participant Information

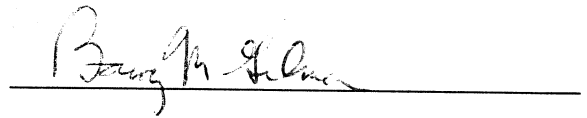
EXHIBIT IV - Actuarial Method and Assumptions

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.



Bernard H. Friedman, A.S.A., M.A.A.A.



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

EXHIBIT I - ACTUARIAL COST FACTORS AS OF JUNE 30, 1995

A. GENERAL EMPLOYEES

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

- a. 5,919 active participants (including 2,586 fully vested) with total annual salaries of \$127,108,725
- b. 655 inactive participants
- c. 2,735 pensioners (including 149 beneficiaries of deceased pensioners and active employees)

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

1. Total normal cost		\$	9,988,000
2. Projected employee contributions			8,340,500
3. Employer normal cost			1,647,500
4. Actuarial liability			
Active employees	\$	196,004,200	
Inactive employees		2,711,200	(a)
Pensioners (including beneficiaries of deceased pensioners and active employees)		138,072,600	
Total			336,788,000
5. Assets (Actuarial Value)			408,363,900
6. Unfunded actuarial liability			5,574,700 (b)
Liability for accrued vested benefits:	\$	239,075,200	(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.

EXHIBIT I - ACTUARIAL COST FACTORS AS OF JUNE 30, 1995 (Cont'd)

B. POLICE AND FIRE

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

- a. 723 active participants (including 263 fully vested) with total annual salaries of \$24,068,800
- b. 22 inactive participants
- c. 166 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		\$	3,092,600
2. Projected employee contributions			1,990,500
3. Employer normal cost			1,102,100
4. Actuarial liability			
Active employees	\$	39,192,800	
Inactive employees		235,000	(a)
Pensioners (including beneficiaries of deceased pensioners and active employees)		23,658,300	
Total			63,086,100
5. Assets (Actuarial Value)			76,710,300
6. Unfunded actuarial liability			2,607,500 (b)
Liability for accrued vested benefits:	\$	44,355,500	(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.

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, 1995.

	<u>Pension Benefit Obligation</u>		
	<u>General Employees</u>	<u>Police and Fire</u>	<u>Total</u>
1. Participants currently receiving benefits and terminated employees not yet receiving benefits	\$ 140,783,800	\$ 23,893,300	\$ 164,677,100
2. Current employees			
Accumulated employee contributions	54,487,000	11,350,900	65,837,900
Employer-financed vested	43,804,300	9,111,300	52,915,600
Employer-financed nonvested	<u>53,740,500</u>	<u>12,683,900</u>	<u>66,424,400</u>
3. Total pension benefit obligation	\$ 292,815,600	\$ 57,039,400	\$ 349,855,000

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

Exhibit II - PENSION BENEFIT OBLIGATION

Pension Benefit Obligation as of June 30, 1995 by Plan

<u>MUNICIPALITY</u>		<u>RETIREE AND INACTIVE LIABILITY</u>	<u>ACCUMULATED EMPLOYEE CONTRIBUTIONS</u>	<u>EMPLOYER FINANCED VESTED</u>	<u>EMPLOYER FINANCED NON-VESTED</u>	<u>TOTAL BENEFIT OBLIGATION</u>
General Employees						
1	Barrington	\$4,343,300	\$1,554,700	\$1,156,600	\$1,596,500	\$8,651,100
2	Bristol	3,434,600	1,054,400	762,500	1,013,600	6,265,100
3	Burrillville	2,938,100	1,303,100	1,028,300	1,329,500	6,599,000
4	Central Falls	1,611,200	335,600	313,300	335,400	2,595,500
5	Charlestown	388,000	178,800	251,300	169,000	987,100
7	Cranston	19,628,300	9,003,500	7,480,200	8,413,200	44,525,200
8	Cumberland	4,378,600	1,509,900	1,210,700	1,221,900	8,321,100
9	East Greenwich	2,742,700	1,265,700	928,700	908,600	5,845,700
10	East Providence	19,412,200	4,698,400	3,008,200	4,602,200	31,721,000
11	Exeter/West Greenwich	241,400	342,200	268,300	245,700	1,097,600
12	Foster	631,700	218,200	71,000	216,900	1,137,800
13	Glocester	532,400	334,600	99,200	240,000	1,206,200
14	Hopkinton	375,800	191,300	106,700	147,300	821,100
15	Jamestown	760,900	496,900	342,400	557,700	2,157,900
16	Johnston	6,674,700	1,850,800	2,563,100	2,287,200	13,375,800
17	Lincoln	0	10,500	100,300	85,400	196,200
21	Newport	10,808,500	3,875,200	2,728,400	4,166,300	21,578,400
22	New Shoreham	379,300	282,300	152,100	177,000	990,700
23	North Kingstown	5,448,200	2,438,700	1,817,000	2,278,400	11,982,300
24	North Providence	4,005,300	2,094,400	1,652,500	2,251,500	10,003,700
25	North Smithfield	1,967,800	745,100	793,300	519,700	4,025,900
26	Pawtucket	18,659,600	7,619,600	6,300,500	7,922,600	40,502,300
29	Richmond	125,700	100,300	158,600	152,400	537,000
30	Scituate	1,487,400	693,900	696,300	817,900	3,695,500
31	Smithfield	3,372,300	1,265,800	922,300	1,175,500	6,735,900
32	South Kingstown	2,969,300	2,426,800	1,355,000	2,199,700	8,950,800
33	Tiverton	2,258,300	770,200	484,200	322,700	3,835,400
34	Warren	2,971,500	279,600	213,100	259,400	3,723,600
36	Westerly	642,500	116,500	86,700	(52,100)	793,600
37	West Greenwich	279,900	116,200	1,300	122,500	519,900
39	Woonsocket	11,657,600	3,492,600	2,180,200	2,830,700	20,161,100
40	Chariho School District	474,700	712,500	476,300	818,800	2,482,300
41	Foster/Glocester	405,100	272,400	340,500	384,300	1,402,300
42	Tiogue Fire & Lighting	0	1,700	33,300	(2,500)	32,500
43	Narragansett Housing	0	5,900	1,200	14,000	21,100
45	Coventry Lighting District	0	28,000	320,200	56,600	404,800
46	Hope Valley Fire	0	6,500	50,800	21,000	78,300
51	Cranston Housing	378,500	172,900	82,000	125,200	758,600
52	East Providence Housing	390,500	122,900	137,300	84,300	735,000
53	Pawtucket Housing	1,237,600	561,600	284,300	246,900	2,330,400
56	Cumberland Housing	393,500	61,200	51,300	86,200	592,200
57	Lincoln Housing	300,100	88,800	80,900	105,300	575,100
59	Bristol Housing	116,100	92,100	90,800	74,300	373,300
65	Burrillville Housing	0	39,700	8,800	52,400	100,900
66	North Providence Housing	95,700	79,200	28,400	51,800	255,100
67	East Smithfield Water	36,600	35,500	43,700	86,500	202,300
68	Greenville Water	69,300	71,000	71,200	45,800	257,300
69	Newport Housing	0	0	455,700	360,100	815,800
71	Warren Housing	57,000	70,400	82,800	78,300	288,500
72	Johnston Housing	169,500	46,000	92,600	54,500	362,600
77	Tiverton Local 2670A	0	0	285,100	388,500	673,600
79	Coventry Housing	193,800	69,000	83,100	60,000	405,900
80	South Kingston Housing	27,300	0	0	0	27,300
83	West Warwick Housing	118,300	80,200	65,400	50,700	314,600
84	Smithfield Housing	47,700	15,300	1,100	2,700	66,800
96	Central Falls Housing	858,700	75,100	29,700	96,900	1,060,400
98	Lime Rock Administrative Service	0	6,300	5,000	10,700	22,000
99	Central Falls Schools	278,900	312,700	423,900	590,600	1,606,100
100	Bristol/Warren Schools	9,100	794,300	907,300	1,251,000	2,961,700

Exhibit II - PENSION BENEFIT OBLIGATION

Pension Benefit Obligation as of June 30, 1995 by Plan

<u>MUNICIPALITY</u>		<u>RETIREE AND INACTIVE LIABILITY</u>	<u>ACCUMULATED EMPLOYEE CONTRIBUTIONS</u>	<u>EMPLOYER FINANCED VESTED</u>	<u>EMPLOYER FINANCED NON-VESTED</u>	<u>TOTAL BENEFIT OBLIGATION</u>	
Police and Fire							
42	Valley Falls Fire	D	480,600	91,100	347,500	229,100	1,148,300
46	Lime Rock Fire	1	0	13,400	32,300	28,100	73,800
47	North Smithfield Voluntary Fire	D	100	80,000	25,400	86,900	192,400
50	East Greenwich Fire	D	1,576,800	408,600	118,100	380,400	2,483,900
54	East Greenwich Police	C,D	1,470,800	513,500	701,500	322,100	3,007,900
55	North Kingstown Fire	D	5,357,300	1,381,100	945,800	1,127,800	8,812,000
58	North Providence Fire	D	1,930,200	1,552,100	1,009,600	1,827,100	6,319,000
60	Barrington Police	D	2,514,400	446,000	555,200	533,900	4,049,500
61	Barrington Fire	D	3,721,000	446,300	147,100	913,200	5,227,600
62	Warren Police	C,D	1,677,800	436,300	555,000	420,200	3,089,300
63	South Kingstown Police & Fire	C	1,615,000	1,031,700	954,900	1,236,100	4,837,700
64	Primrose Volunteer Fire	B,D	38,900	118,900	172,100	159,200	489,100
73	Scituate Police	3	49,000	0	0	0	49,000
76	North Smithfield Police	C,D	298,800	440,300	883,500	245,300	1,867,900
77	Tiverton Fire	D	930,900	467,800	717,000	388,200	2,503,900
82	Foster Police	D	328,700	81,400	13,700	40,800	464,600
85	Woonsocket Police	C,D	262,300	1,264,900	184,200	1,191,000	2,902,400
86	Charlestown Police		314,800	190,100	200	179,800	684,900
87	Hopkinton Police	D	0	186,300	84,500	123,800	394,600
88	Glocester Police	C,D	43,400	189,800	99,300	265,300	597,800
89	West Greenwich Police/Rescue		0	93,300	156,000	108,200	357,500
90	Burrillville Police	C,D	953,900	230,600	0	352,700	1,537,200
91	Cumberland Rescue	D	4,800	133,700	14,200	115,900	268,600
92	Washington Fire	D	0	84,100	47,900	131,600	263,600
93	Woonsocket Fire	C,D,4	0	894,900	47,400	880,600	1,822,900
94	Bristol Fire		0	11,900	0	14,500	26,400
95	Cumberland Hill Fire	C,D	0	106,300	375,500	306,500	788,300
98	Coventry Fire		322,100	82,400	76,900	199,800	681,200
100	Tiogue Fire		0	27,800	37,800	39,300	104,900
101	North Cumberland	D	0	109,900	181,600	235,800	527,300
102	Central Coventry Fire		0	76,000	206,300	107,800	390,100
103	Hopkins Hill Fire		1,700	19,900	0	8,800	30,400
106	Cumberland Fire	D	0	74,200	332,000	200,000	606,200
107	Lincoln Rescue		0	66,300	66,400	155,200	287,900
108	New Shoreham Police	2	0	0	22,400	87,000	109,400
109	Warren Fire	D,2	0	0	0	41,900	41,900

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 Lime Rock Fire last year.
- 2 - New unit.
- 3 - Closed unit.

EXHIBIT III - PARTICIPANT INFORMATION

Active Employees as of June 30, 1995

Active Employees as of June 30, 1994

<u>MUNICIPALITY</u>		<u>NUMBER</u>	<u>AVERAGE AGE</u>	<u>AVERAGE SERVICE</u>	<u>AVERAGE SALARY</u>	<u>NUMBER</u>	<u>AVERAGE AGE</u>	<u>AVERAGE SERVICE</u>	<u>AVERAGE SALARY</u>
General Employees									
1	Barrington	153	47.2	11.3	\$23,820	129	47.2	10.6	\$22,800
2	Bristol	B 86	45.4	12.4	24,226	82	44.1	11.9	23,500
3	Burrillville	C 143	47.6	10.3	21,034	144	47.4	9.3	21,700
4	Central Falls	47	42.9	10.6	24,783	53	42.3	9.1	25,800
5	Charlestown	C 30	39.9	7.3	24,233	25	43.1	7.7	24,600
7	Cranston	B 812	46.9	10.9	22,115	823	47.1	11.0	20,900
8	Cumberland	210	48.8	8.7	20,543	201	48.8	7.7	19,600
9	East Greenwich	132	47.4	11.0	20,420	124	47.1	10.1	20,500
10	East Providence	B 418	47.0	10.0	24,736	389	47.3	9.5	23,500
11	Exeter/West Greenwich	59	46.0	7.8	17,156	51	45.1	6.8	19,700
12	Foster	37	44.2	9.4	16,837	39	47.2	9.2	16,900
13	Glocester	58	45.5	8.2	19,056	51	44.4	5.8	17,900
14	Hopkinton	25	46.3	8.8	20,984	29	44.7	8.1	21,800
15	Jamestown	C 45	43.8	10.5	26,972	43	42.7	9.5	25,400
16	Johnston	C 223	48.8	11.5	19,305	220	48.8	10.8	19,500
17	Lincoln	2 9	43.0	9.0	22,322	8	38.1	6.1	33,300
21	Newport	B 351	45.2	11.6	23,475	335	45.3	11.4	23,400
22	New Shoreham	42	44.1	8.2	22,610	42	43.1	7.2	26,200
23	North Kingstown	301	47.4	10.3	20,503	206	46.9	9.8	22,900
24	North Providence	290	47.2	11.3	18,329	197	49.2	11.5	15,300
25	North Smithfield	C 79	48.7	9.6	20,115	73	48.5	9.8	20,900
26	Pawtucket	C 673	47.1	11.6	22,140	614	47.4	11.4	21,500
29	Richmond	23	45.5	8.5	21,294	21	42.4	6.7	20,000
30	Scituate	B 94	49.2	10.3	16,778	79	50.4	10.1	16,200
31	Smithfield	128	47.6	10.1	24,899	126	49.3	10.5	23,700
32	South Kingstown	287	45.6	10.0	21,032	258	45.2	9.1	20,100
33	Tiverton	61	49.5	11.0	21,939	71	50.6	9.8	22,500
34	Warren	32	47.0	10.1	23,149	30	46.3	10.3	21,500
36	Westerly	3	59.0	16.8	31,558	3	59.4	9.3	27,200
37	West Greenwich	21	48.0	6.8	18,763	20	47.4	5.1	19,100
39	Woonsocket	431	46.9	9.5	19,269	385	47.0	9.5	18,900
40	Chariho School District	117	45.4	8.7	19,305	110	44.3	7.5	18,100
41	Foster/Glocester	B 47	48.6	8.1	19,044	42	48.2	6.6	17,900
42	Tiogue Fire & Lighting	C 2	53.0	17.4	5,939	1	46.3	12.8	5,700
43	Narragansett Housing	3	46.9	6.6	16,817	2	46.2	3.4	19,500
45	Coventry Lighting District	3	59.3	28.5	36,768	3	58.3	27.5	33,800
46	Hope Valley Fire	C 1	59.8	14.5	34,709	1	58.8	13.5	32,100
51	Cranston Housing	15	48.0	8.3	29,241	15	45.7	7.1	26,300
52	East Providence Housing	12	47.9	8.6	27,464	9	47.3	6.5	24,300
53	Pawtucket Housing	B 43	43.5	8.4	27,597	43	43.0	7.4	26,200
56	Cumberland Housing	13	42.3	9.0	23,389	7	46.0	7.5	27,100
57	Lincoln Housing	B 8	45.8	8.4	27,907	8	44.8	7.4	25,400
59	Bristol Housing	8	47.8	10.0	24,087	8	46.8	9.6	23,900
65	Burrillville Housing	3	48.2	9.0	28,809	3	47.2	7.5	21,600
66	North Providence Housing	B 9	43.5	6.8	23,226	7	44.6	7.0	24,200
67	East Smithfield Water	C 4	49.0	11.3	28,539	5	48.0	11.1	25,900
68	Greenville Water	3	49.4	17.4	34,518	3	48.4	16.2	38,000
69	Newport Housing	2 21	47.1	10.1	30,700	---	---	---	---
71	Warren Housing	6	51.6	10.8	24,265	5	52.0	11.2	23,600
72	Johnston Housing	6	47.6	9.2	25,741	5	43.0	6.5	18,700
77	Tiverton Local 2670A	C,2 19	53.3	10.1	23,276	---	---	---	---
79	Coventry Housing	8	52.3	7.4	26,731	8	51.0	5.3	21,800
80	South Kingston Housing	3 ---	---	---	---	---	---	---	---
83	West Warwick Housing	7	49.7	11.0	22,365	7	48.7	10.0	26,300
84	Smithfield Housing	3	41.0	8.0	16,987	1	31.1	5.3	24,100
96	Central Falls Housing	15	46.9	6.2	25,469	13	48.4	6.4	26,800
98	Lime Rock Administrative Services	2	41.0	8.8	20,048	1	34.5	6.3	25,100
99	Central Falls Schools	102	44.5	7.8	16,599	96	44.7	7.4	16,100
100	Bristol/Warren Schools	B 134	47.4	9.6	17,431	121	46.5	8.6	15,700

EXHIBIT III - PARTICIPANT INFORMATION

Active Employees as of June 30, 1995

Active Employees as of June 30, 1994

MUNICIPALITY		Active Employees as of June 30, 1995				Active Employees as of June 30, 1994				
		NUMBER	AVERAGE AGE	AVERAGE SERVICE	AVERAGE SALARY	NUMBER	AVERAGE AGE	AVERAGE SERVICE	AVERAGE SALARY	
Police and Fire										
42	Valley Falls Fire	D	11	39.3	14.9	29,666	10	38.8	14.8	\$27,300
46	Lime Rock Fire	1	5	33.9	12.1	14,458	---	---	---	---
47	North Smithfield Voluntary Fire	D	9	35.4	6.9	26,546	9	34.4	5.9	25,300
50	East Greenwich Fire	D	24	35.1	8.5	36,528	22	34.5	7.4	36,100
54	East Greenwich Police	C,D	23	37.4	11.3	30,445	23	35.2	9.5	30,000
55	North Kingstown Fire	D	67	37.0	11.3	32,563	63	36.1	10.7	30,100
58	North Providence Fire	D	89	36.1	10.0	38,645	81	36.3	9.4	39,200
60	Barrington Police	D	25	38.9	12.9	28,674	22	37.4	11.4	29,900
61	Barrington Fire	D	22	38.2	12.0	43,607	20	38.0	11.5	16,200
62	Warren Police	C,D	19	37.6	12.3	34,817	21	37.0	11.8	32,300
63	South Kingstown Police & Fire	C	42	40.1	15.2	36,819	39	39.3	14.5	34,600
64	Primrose Volunteer Fire	B,D	7	38.7	12.4	27,881	7	37.0	11.4	29,300
73	Scituate Police	3	---	---	---	---	---	---	---	---
76	North Smithfield Police	C,D	18	39.8	13.4	34,374	16	39.3	12.2	44,600
77	Tiverton Fire	D	27	40.1	12.2	30,307	25	39.5	11.5	29,800
82	Foster Police	D	4	32.2	10.5	31,052	6	33.1	11.0	27,700
85	Woonsocket Police	C,D	83	31.4	6.6	34,723	74	30.3	5.7	32,000
86	Charlestown Police		17	35.6	6.7	33,037	19	34.6	5.7	28,800
87	Hopkinton Police	D	11	36.4	8.3	33,616	9	36.0	7.1	34,300
88	Glocester Police	C,D	15	38.7	7.8	27,977	12	36.7	7.2	30,700
89	West Greenwich Police/Rescue		8	39.5	13.8	29,192	7	39.8	12.4	27,300
90	Burrillville Police	C,D	20	36.0	6.3	30,669	13	38.5	5.3	35,400
91	Cumberland Rescue	D	15	31.0	6.1	28,854	14	29.2	4.9	25,800
92	Washington Fire	D	10	33.4	8.0	27,142	8	33.2	7.1	28,400
93	Woonsocket Fire	C,D,4	72	30.8	6.1	32,647	63	29.8	5.1	29,800
94	Bristol Fire		1	45.9	5.0	43,535	1	44.9	4.0	37,600
95	Cumberland Hill Fire	C,D	10	40.0	14.0	31,074	10	39.0	12.9	24,700
98	Coventry Fire		12	36.9	11.0	28,029	12	34.4	10.9	23,500
100	Tiogogue Fire		4	35.2	8.9	25,641	5	38.9	10.3	27,700
101	North Cumberland	D	14	34.0	11.9	28,634	13	33.4	11.0	28,100
102	Central Coventry Fire		10	35.4	9.4	33,781	8	36.8	9.1	27,300
103	Hopkins Hill Fire		4	29.3	4.7	21,103	3	28.9	3.2	11,900
106	Cumberland Fire	D	9	42.6	11.7	36,300	9	41.6	10.7	23,200
107	Lincoln Rescue		12	35.1	9.4	28,831	12	33.7	8.4	27,800
108	New Shoreham Police	2	3	40.4	7.3	44,667	---	---	---	---
109	Warren Fire	D,2	1	48.4	7.0	35,000	---	---	---	---

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 Lime Rock Fire last year.
- 2 - New unit.
- 3 - Closed unit.

EXHIBIT III - PARTICIPANT INFORMATION (Cont'd)

MUNICIPALITY	Retirees and Beneficiaries As of June 30, 1995			Retirees and Beneficiaries As of June 30, 1994		
	NUMBER	AVERAGE AGE	AVERAGE MONTHLY BENEFIT	NUMBER	AVERAGE AGE	AVERAGE MONTHLY BENEFIT
General Employees						
1 Barrington	104	72.3	427	109	72.1	\$420
2 Bristol	74	71.4	472	75	70.9	468
3 Burrillville	57	70.3	537	52	70.5	554
4 Central Falls	25	64.0	562	22	64.1	564
5 Charlestown	4	65.8	803	3	65.5	860
7 Cranston	396	71.4	542	372	72.0	494
8 Cumberland	81	68.1	503	74	67.6	484
9 East Greenwich	59	69.9	454	60	69.8	424
10 East Providence	268	68.7	882	268	68.1	854
11 Exeter/West Greenwich	7	68.8	291	7	67.8	292
12 Foster	12	68.4	621	9	69.0	548
13 Gloucester	8	63.2	572	8	64.9	640
14 Hopkinton	8	71.0	421	8	73.1	351
15 Jamestown	17	70.5	502	17	69.5	499
16 Johnston	112	70.1	598	103	69.8	542
17 Lincoln	---	---	---	---	---	---
21 Newport	175	71.2	650	165	71.6	609
22 New Shoreham	8	65.3	400	8	64.3	401
23 North Kingstown	99	70.9	551	98	69.8	570
24 North Providence	107	71.4	363	103	70.9	359
25 North Smithfield	55	71.2	335	53	70.8	325
26 Pawtucket	391	72.1	496	389	71.9	482
29 Richmond	6	68.6	203	6	67.6	204
30 Scituate	38	72.8	422	38	71.8	412
31 Smithfield	69	71.5	489	59	71.3	426
32 South Kingstown	71	72.3	399	70	72.3	372
33 Tiverton	51	71.1	425	50	70.5	429
34 Warren	55	70.3	518	53	69.8	510
36 Westerly	10	73.2	718	11	72.6	738
37 West Greenwich	5	71.5	600	5	70.5	602
39 Woonsocket	259	71.3	465	259	70.8	455
40 Chariho School District	11	65.5	408	9	66.3	442
41 Foster/Glocester	9	65.1	524	8	66.1	446
42 Tiogue Fire & Lighting	---	---	---	---	---	---
43 Narragansett Housing	---	---	---	---	---	---
45 Coventry Lighting District	---	---	---	---	---	---
46 Hope Valley Fire	---	---	---	---	---	---
51 Cranston Housing	8	72.8	437	8	71.9	2,203
52 East Providence Housing	10	74.1	395	8	75.3	363
53 Pawtucket Housing	24	73.0	515	24	72.0	501
56 Cumberland Housing	6	65.8	599	6	64.8	600
57 Lincoln Housing	4	71.8	692	4	70.8	676
59 Bristol Housing	2	67.8	553	2	66.8	555
65 Burrillville Housing	---	---	---	---	---	---
66 North Providence Housing	3	67.6	279	2	70.9	295
67 East Smithfield Water	1	78.6	521	1	77.6	523
68 Greenville Water	1	68.0	749	1	67.0	751
69 Newport Housing	---	---	---	---	---	---
71 Warren Housing	1	79.1	476	1	78.1	478
72 Johnston Housing	3	72.5	560	3	71.5	562
77 Tiverton Local 2670A	---	---	---	---	---	---
79 Coventry Housing	5	66.7	337	5	65.7	337
80 South Kingston Housing	1	74.4	246	1	73.4	246
83 West Warwick Housing	2	65.8	570	2	64.8	572
84 Smithfield Housing	1	71.5	572	1	70.5	574
96 Central Falls Housing	7	63.1	1,027	6	62.0	1,104
98 Lime Rock Administrative Service	---	---	---	---	---	---
99 Central Falls Schools	5	64.2	473	3	62.9	544
100 Bristol/Warren Schools	---	---	---	---	---	---

EXHIBIT III - PARTICIPANT INFORMATION (Cont'd)

MUNICIPALITY		Retirees and Beneficiaries As of June 30, 1995			Retirees and Beneficiaries As of June 30, 1994			
		NUMBER	AVERAGE AGE	AVERAGE MONTHLY BENEFIT	NUMBER	AVERAGE AGE	AVERAGE MONTHLY BENEFIT	
Police and Fire								
42	Valley Falls Fire	D	3	57.6	1,437	3	56.6	\$1,426
46	Lime Rock Fire	1	---	---	---	---	---	---
47	North Smithfield Voluntary Fire	D	---	---	---	---	---	---
50	East Greenwich Fire	D	11	65.6	1,243	11	64.6	1,246
54	East Greenwich Police	C,D	10	65.2	1,332	9	66.8	1,319
55	North Kingstown Fire	D	34	61.3	1,348	34	61.5	1,310
58	North Providence Fire	D	10	64.4	1,706	7	64.0	1,532
60	Barrington Police	D	18	60.9	1,201	17	60.7	1,177
61	Barrington Fire	D	27	60.7	1,208	27	59.7	1,211
62	Warren Police	C,D	14	62.1	1,065	13	61.6	937
63	South Kingstown Police & Fire	C	12	59.8	1,120	10	60.2	958
64	Primrose Volunteer Fire	B,D	1	81.1	312	1	80.1	304
73	Scituate Police	3	1	66.0	497	1	65.0	497
76	North Smithfield Police	C,D	2	59.8	1,359	2	58.8	1,362
77	Tiverton Fire	D	10	66.4	877	9	67.5	773
82	Foster Police	D	2	54.4	1,203	1	58.4	731
85	Woonsocket Police	C,D	1	38.7	1,710	1	37.7	1,670
86	Charlestown Police		2	36.7	1,078	2	35.7	1,081
87	Hopkinton Police	D	---	---	---	---	---	---
88	Glocester Police	C,D	1	59.1	377	1	58.1	378
89	West Greenwich Police/Rescue		---	---	---	---	---	---
90	Burrillville Police	C,D	5	55.7	1,666	4	52.7	1,440
91	Cumberland Rescue	D	---	---	---	---	---	---
92	Washington Fire	D	---	---	---	---	---	---
93	Woonsocket Fire	C,D,4	---	---	---	---	---	---
94	Bristol Fire		---	---	---	---	---	---
95	Cumberland Hill Fire	C,D	---	---	---	---	---	---
98	Coventry Fire		2	44.5	1,146	1	53.9	549
100	Tiogue Fire		---	---	---	---	---	---
101	North Cumberland	D	---	---	---	---	---	---
102	Central Coventry Fire		---	---	---	---	---	---
103	Hopkins Hill Fire		---	---	---	---	---	---
106	Cumberland Fire	D	---	---	---	---	---	---
107	Lincoln Rescue		---	---	---	---	---	---
108	New Shoreham Police	2	---	---	---	---	---	---
109	Warren Fire	D,2	---	---	---	---	---	---

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 Lime Rock Fire last year.
- 2 - New unit.
- 3 - Closed unit.

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.

<u>Age</u>	<u>Sample Rates</u>		<u>Expected Future Lifetime</u>	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
20	.050%	.026%	55.3 yrs.	61.6 yrs.
25	.062	.035	50.4	56.7
30	.081	.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	1.41	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 compounded, 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.
