

**DALLAS POLICE AND FIRE PENSION SYSTEM**

**ACTUARIAL VALUATION**

**AS OF JANUARY 1, 2001**

**BUCK  
CONSULTANTS**

14911 Quorum Drive, Suite 200  
Dallas, Texas 75240-7534

May 18, 2001

Mr. Richard L. Tettamant  
Administrator  
Dallas Police and Fire Pension System  
2301 N. Akard Street, Suite 200  
Dallas, TX 75201

**Re: Dallas Police and Fire Pension System Actuarial Valuation as of January 1, 2001**

Dear Mr. Tettamant:

We certify that the information contained in this report is accurate and fairly presents the actuarial position of the Dallas Police and Fire Pension System (the System) as of January 1, 2001.

***Actuarial Valuation***

The primary purpose of the valuation report is to determine the adequacy of the current City's contribution rate, to describe the current financial condition of the System, and to analyze changes in the System's condition. In addition, the report provides information required by the City of Dallas in connection with Governmental Accounting Standards Board Statements Number 25 and Number 27.

***Basis for Funding***

The member and City contribution rates are established by statute. The City's and the members' contributions are intended to be sufficient to pay the normal cost and to amortize the System's unfunded actuarial accrued liability.

***Funding Progress***

As of January 1, 2001, the employer contribution rate needed in order to pay the normal cost and fund the Unfunded Actuarial Accrued Liability over 40 years is 23.04%. This amount is slightly more than the 22.53% employer contribution calculated as of January 1, 2000. The current contribution rate covers the normal cost and the amortization of the Unfunded Actuarial Accrued Liability (UAAL) over 17 years.

***Benefit Provisions***

The actuarial valuation reflects the benefit and contribution provisions set forth in the System's statutes. There were three changes in these provisions since the last actuarial valuation that affected the results:

Mr. Richard L. Tettamant  
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1. The minimum retiree benefit was increased to \$2,000 per month from \$1,800 per month. The minimum benefit was increased to \$1,100 per month from \$1,000 per month for a qualified surviving spouse, if there are no qualified surviving children receiving benefits. The minimum benefit was increased to \$1,000 per month from \$900 per month for a qualified surviving spouse, if there are qualified surviving children receiving benefits,
2. The computation pay period was decreased from 60 months to 36 months in calculating average computation pay, and
3. The age and service credits used for calculating the special Qualified Surviving Spouses' percentage were decreased from 80 to 78.

The other changes made to the system had no effect on the valuation results.

### *Assumptions and Methods*

The actuarial assumptions and methods used in the valuation are presented in Schedule C. The only change in assumptions from the previous valuation was the change in mortality tables from the 1983 Group Annuity Mortality for males and females to the 1994 Group Annuity Mortality Table for males and females. This change was made to better reflect expectations about future experience. The assumptions used are individually reasonable and reasonable in the aggregate.

### *Data*

Asset information and member data for retired, active, and inactive members was supplied as of January 1, 2001 by the Administrator. We have not subjected this data to any auditing procedures, but have examined the data for reasonableness and consistency with the prior year's data.

Very truly yours,

Signed (RICHARD A. MACKESEY)

Richard A. Mackesey, F.S.A.  
Principal and Consulting Actuary

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**Summary of Principal Results**

	January 1, 2001	January 1, 2000
<b>Membership</b>		
Active	4,477	4,448
Terminated with deferred benefits	116	103
Retired members and beneficiaries	2,780	2,708
<b>Compensation</b>		
Total	\$ 224,276,366	\$ 213,419,312
Average	\$ 50,095	\$ 47,981
<b>Assets</b>		
Market value	\$ 2,039,741,240	\$ 2,069,704,731
Actuarial value	\$ 2,005,078,546	\$ 1,772,480,669
<b>Valuation Results</b>		
Unfunded actuarial accrued liability	\$ 323,032,766	\$ 322,253,673
Funding period	17	16
40-year funding cost (City)	23.04%	22.53%
Margin	4.46%	4.97%
<b>GASB No. 25</b>		
Actuarial accrued liability (AAL)	\$ 2,328,085,714	\$ 2,094,734,342
Assets (actuarial)	\$ 2,005,078,546	\$ 1,772,480,669
GASB ratio	86.1%	84.6%
Unfunded AAL	\$ 323,007,168	\$ 322,253,673

## Comments on the Valuation

### *Overview*

The current contribution rates are sufficient to keep the System actuarially sound, based on the current membership data, the current financial data, the current benefit provisions and the actuarial assumptions and methods used to determine liabilities and costs.

The overall funding of the Plan remains sound. The funding period increased to 17 years from 16 years. Although there were significant plan amendments this year, they were offset by a gain in the actuarial value of assets. Due to the asset valuation method, there was a gain on the actuarial value of assets even though there was a loss on the market value of assets.

Section 3 shows in more detail the changes to the 40-year funding cost and the funding period based on the current contribution rates.

### *Funding Status*

There are two significant measures of the funding status of the System. The first is the 40-year funding cost. This is the City contribution rate required to pay the normal cost and to amortize the UAAL over a 40-year period. This rate is currently 23.04% compared with the City's actual contribution rate of 27.50% and with the 40-year funding cost in 2000 of 22.53%. Section 3 shows a reconciliation of the changes between the 2000 and 2001 figures.

The other measure is the funding period. This is the length of time in years that will be required to amortize the current UAAL based on the current contribution rate. The current contribution rate is sufficient to pay the normal cost and amortize the UAAL over 17 years.

The UAAL is the excess of the liability assigned to prior years (the actuarial accrued liability) over the value of assets. Section 3 shows a reconciliation of this amount between 2000 and 2001.

### *GASB Statements*

Section 4 provides the information required for reporting under GASB No. 25.

### *Benefit Provisions*

Schedule B summarizes all the benefit provisions of the System. There are no significant benefits which were not taken into account in this valuation. There were three changes in provisions since the previous actuarial valuation as of January 1, 2000. These changes include:

1. The minimum retiree benefit was increased to \$2,000 per month from \$1,800 per month. The minimum benefit was increased to \$1,100 per month from \$1,000 per month for a qualified surviving spouse, if there are no qualified surviving children receiving benefits. The minimum benefit was increased to \$1,000 per month from \$900 per month for a qualified surviving spouse, if there are qualified surviving children receiving benefits,
2. The computation pay period was decreased from 60 months to 36 months in calculating average computation pay, and
3. The age and service credits used for calculating the special Qualified Surviving Spouses' percentage were decreased from 80 to 78.

### *Actuarial Assumptions and Methods*

The actuarial assumptions and methods used in the valuation are presented in Schedule C. The only change in assumptions from the previous valuation was the change in mortality tables from the 1983 Group Annuity Mortality for males and females to the 1994 Group Annuity Mortality Table for males and females. This change was made to better reflect expectations about future experience. The assumptions used are individually reasonable and reasonable in the aggregate.

Schedule D compares the assumptions to the recent experience of the system and describes the adequacy of the assumptions.

### *GASB Statement No. 27*

Under GASB Statement No. 27, which is effective for fiscal years beginning after June 15, 1997, employers must determine a pension expense based on a 40-year amortization of the UAAL. The amortization can assume payroll growth due to inflation, but no membership growth. After a 10-year transition period, the required amortization period will drop to 30 years. If the actual contribution rate is less than the rate required by GASB No. 27, the excess must be expensed. This will result in the employer showing an accrued but unpaid liability for pension benefits on its financial statements.



A City Contribution rate of 23.04% will be required for the City to avoid showing an accrued pension liability on its financial statements for the fiscal year beginning in 2001, assuming no other changes are made. At the current rate of contribution, and assuming no other changes, the City would not be required to show an accrued but unpaid pension liability for the System on its financial statement.

### *Financial Data*

The financial data used in this report was supplied by the System.

Section 5 reconciles the System's assets between 2000 and 2001 and shows the development of the actuarial value of assets (AVA). Rather than using the market value for cost calculations, an adjusted market value, which phases in gains and losses (compared to the assumed investment return rate) over five years, is used. This method is designed to reduce the volatility of the results. The estimated rates of return for 2000 are (1.52)% and 13.04% for the market value of assets and the actuarial value of assets, respectively.

### *Membership Statistics*

Data on active members and on retired members was supplied by the Administrator. Growth among active members was relatively flat and growth of the total payroll for active members was moderate during the last year. The active membership increased from 4,448 members as of January 1, 2000 to 4,477 members as of January 1, 2001. The total active payroll increased from \$213,419,312 to \$224,276,366 over the same period, a 5.1% increase. Schedule A shows a summary of the membership data.

### *Experience*

Schedule D compares the actual experience of the system with the actuarial expectations.

**Actuarial Cost, Margin and Funding Period**

	January 1, 2001	January 1, 2000
1. Covered Payroll		
a. Active members excluding DROP	\$ 172,846,171	\$ 169,218,633
b. DROP members	\$ <u>51,430,195</u>	\$ <u>44,200,679</u>
c. Total	\$ 224,276,366	\$ 213,419,312
2. Actuarial value of future pay		
a. Active members excluding DROP	\$ 1,384,464,600	\$ 1,352,835,800
b. DROP members	\$ <u>177,444,400</u>	\$ <u>153,630,700</u>
c. Total	\$ 1,561,909,000	\$ 1,506,466,500
3. Current contribution rates		
a. City	27.50%	27.50%
b. Member	<u>8.50%</u>	<u>8.50%</u>
c. Total	36.00%	36.00%
4. Actuarial present value of future benefits	\$ 2,699,049,306	\$ 2,441,542,786
5. Actuarial present value of future normal costs		
a. Total	\$ 370,963,592	\$ 346,808,444
b. Member (3b x 2a)	\$ 117,679,491	\$ 114,991,043
c. City (5a - 5b)	\$ 253,284,101	\$ 231,817,401
6. Actuarial accrued liability (4 - 5a)	\$ 2,328,085,714	\$ 2,094,734,342
7. Actuarial value of assets	\$ 2,005,078,546	\$ 1,772,480,669
8. Unfunded actuarial accrued liability (UAAL) (6 - 7)	\$ 323,007,168	\$ 322,253,673
9. Normal cost		
a. Normal cost percentage (5a ÷ 2c)	23.75%	23.02%
b. Total normal cost (1c x 9a)	\$ 53,265,637	\$ 49,129,126
c. Member normal cost (1a x 3b)	\$ 14,691,925	\$ 14,383,584
d. City normal cost (9b - 9c)	\$ 38,573,712	\$ 34,745,542
e. City normal rate (9d ÷ [1c x 1.07])	16.07%	15.22%

**Actuarial Cost, Margin and Funding Period**  
(continued)

	<u>January 1, 2001</u>	<u>January 1, 2000</u>
10. 40-year funding cost*		
a. City normal cost rate	16.07%	15.22%
b. Amortization rate	<u>6.97%</u>	<u>7.31%</u>
c. Total	23.04%	22.53%
11. Margin over/(under) 40-year cost* (3a - 10c)	4.46%	4.97%
12. Funding period to amortize UAAL	17	16

\* 40-year funding cost is necessary for accounting purposes only. The actual funding period is calculated each year based on level contributions and is currently 17 years.

**Analysis of Change in UAAL**

1. UAAL as of January 1, 2000	\$ 322,253,673
2. Changes due to:	
a. Expected increase (negative amortization)	\$ (2,463,021)
b. Actual contributions greater than expected	(4,275,669)
c. Liability experience	19,054,052
d. Asset experience	(80,478,698)
e. Assumption change	29,905,737
f. Plan amendments	<u>39,011,094</u>
g. Total changes	\$ 753,495
3. UAAL as of January 1, 2001	\$ 323,007,168

### Analysis of Change in Funding Cost

1. 40-year funding cost* as of January 1, 2000	22.53%
2. Changes due to:	
a. Actual contributions greater than expected	(0.09)
b. Liability experience	(0.09)
c. Asset experience	(2.07)
d. Assumption change	0.96
e. Plan amendments	<u>1.80</u>
f. Total	0.51
3. 40-year funding cost* as of January 1, 2001	23.04%

\* 40-year funding cost is necessary for accounting purposes only. The actual funding period is calculated each year based on level contributions and is currently 17 years.

**Analysis of Change Funding Period**

1. Funding period as of January 1, 2000	16
2. Changes due to:	
a. Passage of time	(1)
b. Actual contributions greater than expected	0
c. Liability experience	0
d. Assumption change	2
e. Plan amendments	4
f. Asset experience	<u>(4)</u>
g. Total	1
3. Funding period as of January 1, 2001	17

**Historical Trend Information**

(As required by GASB #25 - Amounts are in millions of dollars)

	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 1996	999	1,497	498	66.8%	169	294.7%
January 1, 1997	1,137	1,630	493	69.7%	178	277.0%
January 1, 1998	1,307	1,782	475	73.3%	193	246.1%
January 1, 1999	1,503	1,958	455	76.8%	205	222.0%
January 1, 2000	1,772	2,094	322	84.6%	213	151.2%
January 1, 2001	2,005	2,328	323	86.1%	224	144.2%

**GASB #25 Schedule of Employer Contributions  
 for Year Ending December 31, 2000**

<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
27.50% of Pay	100.0%

**Summary of Accumulated Benefits  
(FASB #35)**

**Accumulated Benefits at January 1, 2001**

Vested benefits of participants and beneficiaries currently receiving payments	\$ 967,571,617
Other vested benefits	1,124,815,641
Nonvested benefits	<u>81,527,119</u>
Total benefits	\$ 2,173,914,377

**FASB #35 Reconciliation**

<b>Accumulated benefits at January 1, 2000</b>		\$ 1,963,295,234
Benefits accumulated	\$ 60,031,934	
Interest	163,554,228	
Benefits paid	(79,884,708)	
Assumption change	28,829,899	
Plan amendments	<u>38,087,790</u>	
<b>Total Change</b>		<u>210,619,143</u>
<b>Accumulated benefits at January 1, 2001</b>		\$ 2,173,914,377



**Reconciliation of Fund Assets**

	<u>Year Ending December 31, 2000</u>
1. Value of fund at beginning of year*	\$ 2,069,734,222
2. Contributions	
a. City	66,690,520
b. Member	<u>14,593,058</u>
c. Total	\$81,283,578
3. Benefit payments	(78,662,824)
4. Refunds	(1,221,884)
5. Earnings	(17,487,169)
6. Expenses	(13,904,683)
7. Value of assets at end of year	\$ 2,039,741,240
8. Estimated rate of return	(1.52)%

\* The actual market value of assets as of December 31, 2000 are \$29,491 higher than those reported to us at the time last year's valuation was completed.

**Determination of Excess Earnings To Be Deferred**

	<u>Year Ending December 31, 2000</u>
1. Market value at beginning of year*	\$ 2,069,734,222
2. Net new investments	
a. Contributions	\$ 81,283,578
b. Benefit payments	(78,662,824)
c. Refunds	<u>(1,221,884)</u>
d. Total	\$ 1,398,870
3. Market value at end of year	\$ 2,039,741,240
4. Yield (3 - 1 - 2d)	\$ (31,391,852)
5. Average balance [1 + 1/2(2d)]	2,070,433,657
6. Assumed investment return rate	8.50%
7. Expected net return (5 x 6)	\$ 175,986,861
8. Gains/(losses) subject to deferral (4 - 7)	\$ (207,378,713)

\* The actual market value of assets as of December 31, 2000 are \$29,491 higher than those reported to us at the time last year's valuation was completed.

**Calculation of Actuarial Value of Assets**

1.	Market value of assets as of January 1, 2001			\$2,039,741,240	
2.	Deferral amounts				
		<u>Year</u>	<u>Total Gain/(Loss)</u>	<u>Percent Deferred</u>	<u>Deferral Amount</u>
a.		2000	\$ (207,378,713)	80%	\$ (165,902,970)
b.		1999	264,873,251	60%	158,923,951
c.		1998	71,755,626	40%	28,702,250
d.		1997	64,697,315	20%	12,939,463
e.		Total			\$ 34,662,694
3.	Preliminary actuarial value of assets (1 - 2e)			2,005,078,546	
4.	80% of Market value			1,631,792,992	
5.	120% of Market value			2,447,689,488	
6.	Actuarial value of assets (3, not less than 4 or more than 5)			2,005,078,546	
7.	Rate of return on actuarial value of assets			13.04%	

**Membership Data**

	<u>January 1, 2001</u>	<u>January 1, 2000</u>
1. Active members (excluding DROP)		
a. Police and Fire		
1. Number	3,669	3,723
2. Covered payroll	\$ 172,846,171	\$ 169,218,633
3. Average annual pay	\$ 47,110	\$ 45,452
4. Average age	37.95	37.92
5. Average service (years)	12.35	12.40
b. Police		
1. Number	2,398	2,450
2. Covered payroll	\$ 111,900,620	\$ 109,804,501
3. Average annual pay	\$ 46,664	\$ 44,818
4. Average age	37.45	37.23
5. Average service (years)	11.82	11.66
c. Fire		
1. Number	1,271	1,273
2. Covered payroll	\$ 60,945,551	\$ 59,414,132
3. Average annual pay	\$ 47,951	\$ 46,673
4. Average age	38.90	39.24
5. Average service (years)	13.34	13.81

**Membership Data**  
 (continued)

	<u>January 1, 2001</u>	<u>January 1, 2000</u>
2. Active members (DROP only)		
a. Police and Fire		
1. Number	808	725
2. Covered payroll	\$ 51,430,195	\$ 44,200,679
3. Average annual pay	\$ 63,651	\$ 60,966
4. Average age	53.41	53.25
5. Average service (years)	27.56	27.17
6. DROP account balance	\$ 105,543,120	\$ 83,624,966
b. Police		
1. Number	439	400
2. Covered payroll	\$ 27,636,713	\$ 24,171,784
3. Average annual pay	\$ 62,954	\$ 60,429
4. Average age	53.37	53.18
5. Average service (years)	26.98	26.57
6. DROP account balance	\$ 52,975,182	\$ 41,135,684
c. Fire		
1. Number	369	325
2. Covered payroll	\$ 23,793,482	\$ 20,028,895
3. Average annual pay	\$ 64,481	\$ 61,627
4. Average age	53.46	53.33
5. Average service (years)	28.24	27.91
6. DROP account balance	\$ 52,567,938	\$ 42,489,282

**Membership Data**  
 (continued)

	<u>January 1, 2001</u>	<u>January 1, 2000</u>
3. Active members (including DROP)		
a. Police and Fire		
1. Number	4,477	4,448
2. Covered payroll	\$ 224,276,366	\$ 213,419,312
3. Average annual pay	\$ 50,095	\$ 47,981
4. Average age	40.74	40.42
5. Average service (years)	15.10	14.80
6. DROP account balance	\$ 105,543,120	\$ 83,624,966
b. Police		
1. Number	2,837	2,850
2. Covered payroll	\$ 139,537,333	\$ 133,976,285
3. Average annual pay	\$ 49,185	\$ 47,009
4. Average age	39.91	39.47
5. Average service (years)	14.17	13.75
6. DROP account balance	\$ 52,975,182	\$ 41,135,684
c. Fire		
1. Number	1,640	1,598
2. Covered payroll	\$ 84,739,033	\$ 79,443,027
3. Average annual pay	\$ 51,670	\$ 49,714
4. Average age	42.18	42.11
5. Average service (years)	16.69	16.68
6. DROP account balance	\$ 52,567,938	\$ 42,489,282

**Membership Data**  
(continued)

	<u>January 1, 2001</u>	<u>January 1, 2000</u>
4. Inactive members		
a. Retired members	2,085	2,035
b. Beneficiaries	695	673
c. Number entitled to deferred benefits	<u>116</u>	<u>103</u>
d. Total number of inactive members	2,896	2,811
e. Total annual benefit	\$ 77,986,732	\$ 71,465,847
f. Average annual benefit	\$ 26,929	\$ 25,424

**Summary of Benefit Provisions  
As of January 1, 2001  
For Actuarial Calculations**

**Group A**

**Definitions**

**Base Pay:** The annualized maximum monthly civil service pay established by the City for a police officer or fire fighter exclusive of any and all other forms of compensation.

**City Service Incentive Pay:** Additional annualized salary granted to Member under the authority of the City Charter.

**Longevity Pay (Service Pay):** Additional annualized salary granted to Member under provisions of Section 141.032, Local Government Code, for each year of service completed by such Member.

**Pension Service:** Time in years (prorated for fractional years) that Member made contributions under the terms of the Combined Pension Plan or under any Pension Plan within the Pension System.

**Pension System:** The Dallas Police and Fire Pension System

**Qualified Surviving Spouse:** The Member's legal spouse at time of death providing the marriage occurred prior to the Member's termination of employment (entering DROP is not considered termination of employment) and continued until the member's death.



Qualified Surviving Children: All surviving unmarried children under 19 years of age (23 for a disabled child) provided they were born or adopted before Member terminated his employment.

Contribution Rates

The Member contribution rate is 6.5%. Members contribute for a maximum of 32 years.

The City's contribution rate is a function of the highest Member contribution rate of any pension plan within the Pension System (currently Group B) as follows:

<u>City</u>	<u>Member</u>
28.5%	9.0%
27.5	8.5
26.0	8.0
24.5	7.5
23.0	7.0
21.5	6.5

Service Retirement Benefits

Annual Normal Retirement Pension

Greater of I or II:

I. Condition for Retirement: Age 50 with 20 years of Pension Service.

Amount of Pension Benefit: 50% of Base Pay, plus 50% of Longevity Pay, plus 50% City Service Incentive Pay. Pension is increased annually to reflect changes in the rate of

Longevity Pay and City Service Incentive Pay based on Member's Pension Service and status at date of retirement.

Member may retire as early as age 45 with 20 years of Pension Service. Pension benefit will be reduced by  $\frac{2}{3}$  of 1% per month of retirement prior to age 50.

II. Condition for Retirement: Age 55 with 20 years of Pension Service.

Amount of Pension Benefit: 3% of Base Pay for each year of Pension Service (maximum of 32 years), plus 50% of Longevity Pay, plus 50% of City Service Incentive Pay. Pension is increased annually by 4% of the original pension benefit.

Member may retire as early as age 50 with 20 years of Pension Service. Pension benefit will be reduced by  $\frac{2}{3}$  of 1% for each month of retirement prior to age 55.

Disability Retirement Benefits

Condition for Retirement: Disability preventing Member from performing his or her duties with his or her department and lasting for a period of not less than 90 days.

Annual Amount of Pension

Greater of I or II:

I. Same as Normal Retirement Pension (I).

II. Depending on Source of Disability

- a. Service Related Disability: 3% of Base Pay for each year of Pension Service (minimum of 20 years, maximum of 32 years), plus 50% of Longevity Pay, plus 50% of City Service Incentive Pay. Benefit is increased annually by 4% of the original amount, or
- b. Non-Service Related Disability: 3% of Base Pay for each year of Pension Service (maximum 32 years), plus 50% of Longevity Pay, plus 50% of City Service Incentive Pay. Benefit is increased annually by 4% of the original amount.

Survivor Benefits

Survivor Benefits for Qualified Surviving Spouse: Death in Active Service: 50% of Service Retirement Pension calculated with a minimum of 20 years of Pension Service.

Survivor Benefits when no Qualified Surviving Spouse: Death in Active Service: 50% of Service Retirement Pension calculated with a minimum of 20 years of Pension Service. The benefit will be paid as a lump sum equal to the value of the lesser of a 10-year benefit or the remainder of the 10-year period if Qualified Surviving Children receive benefit.

Survivor Benefits After Retirement: The Qualifying Surviving Spouse shall receive 50% of any benefits paid to the Member. The percentage is increased if the Qualified Surviving Spouse has attained age 55, there are no Qualified Surviving Children who are eligible for death benefits, the member retired after age 55 with 20 years of Pension Service or the Member's age plus Pension Service at retirement was at least 78 and the Member was receiving a benefit based on the former Plan A formulas.

Survivor Benefits After Retirement or Termination for a Non-Qualifying Surviving Spouse: The Surviving Spouse shall receive 50% of any benefits paid to the Member. However, the Member's benefit will be reduced for this coverage.

Survivor Benefits for Qualified Surviving Children: An amount equal to the amount paid to the Qualified Surviving Spouse divided among the Qualified Surviving Children. Amount paid as long as one or more children continue to qualify.

#### Minimum Benefits

The minimum benefit is \$2,000 monthly for 20 years of Pension Service at retirement, and \$1,100 monthly for Qualified Surviving Spouses, if there are no Qualified Surviving Children receiving benefits. The minimum benefit is \$1,000 monthly for Qualified Surviving Children and Qualified Surviving Spouses if Qualified Surviving Children are receiving benefits. This minimum does not affect the base benefit. The benefit will not increase until the base retirement benefit with annual increases exceeds the minimum.

#### Benefit Supplement

If a Member retires with 20 years of Pension Service or if a Member is receiving a service related disability the Member or the Member's Qualified Surviving Spouse is entitled to receive the greater of \$75 or 3% of the monthly benefit payable to the member when the Member or the Qualified Surviving Spouse attains age 55. This supplement is also available for both the Member or the Member's Non-Qualifying Surviving Spouse for a member who has elected a reduced benefit to obtain coverage for a Non-Qualifying Surviving Spouse.

**Group B**

**Definitions**

Computation Pay: The annualized monthly rate of pay for the highest civil service rank held by a Member plus Educational Incentive Pay plus Longevity Pay plus City Service Incentive Pay.

Average Computation Pay: Computation Pay averaged over 36 months.

City Service Incentive Pay: Additional annualized salary granted to Member under the authority of the City Charter.

Longevity Pay: Additional annualized salary granted to Members under a provision of Section 141.032, Local Government Code, for each year of service completed by such Member.

Pension Service: The period, in years, months, and days, during which the Member made contributions under the terms of the Combined Plan or any Pension Plan within the Pension System.

Qualified Surviving Spouse: The Member's legal spouse at the time of death providing the marriage occurred prior to the Member's termination of employment (entering DROP is not considered termination of employment).

Pension System: The Dallas Police and Fire Pension System.

Qualified Surviving Children: All surviving unmarried children under 19 years of age (23 for a disabled child) provided they were born or adopted before the Member terminated his employment.

Educational Incentive Pay: Additional annualized salary granted to reward completion of college credits.

Contribution Rates

The City's contribution percentage is a function of the Member's contribution percentage as shown below:

<u>City</u>	<u>Member</u>
28.5%	9.0%
27.5	8.5
26.0	8.0
24.5	7.5
23.0	7.0
21.5	6.5

The Member contribution rate is currently 8.50%. Members contribute for a maximum of 32 years.

Service Retirement Benefits

Annual Normal Retirement Pension

Condition for Retirement: Attainment of age 50 and five years of Pension Service.

Amount for Allowance: 3% of Average Computation Pay for each year of Pension Service to a maximum of 32 such years.

Early Retirement Pension

Condition for Retirement:

- a. Attainment of age 45 and five years of Pension Service.

Amount of Pension: 3% of Average Computation Pay for each year of Pension Service reduced 2/3 of 1% for each month by which retirement precedes age 50.

- b. 20 years of Pension Service

Amount of Pension: 20 & Out multiplier of Average Compensation Pay for each year of Pension Service.

<u>Age</u>	<u>20 &amp; Out Multiplier</u>
50 & above	3.00%
49	3.00% reduced by 2/3 of 1% for each month prior to age 50
48	2.75%
47	2.50
46	2.25
45 & below	2.00

Special Rule for Members of former Old Plan or Plan A

Group B Members who formerly were Members of either the former Old Plan or Plan A may elect to receive Group A benefits and receive a reimbursement of the additional contributions paid under Group B provisions in excess of the contributions that would have been made under Group A.

Disability Retirement Benefits

Service-Related Disability

Condition for Retirement: Disability preventing the Member from performing his or her duties with his or her department and lasting for a period of not less than 90 days.

Amount of Pension: 60% plus 3% for each year of Pension Service (maximum of 32 years) over 20, of Average Computation Pay.

Non-Service Related Disability

Condition for Retirement: Disability preventing the Member from performing his or her duties with his or her department and lasting for a period of not less than 90 days.

Amount of Pension: 3% of Average Computation Pay for each year of Pension Service (maximum 32 years).

Survivor Benefits

Survivor Benefits for Qualified Surviving Spouse: Death in Active Service: 1.50% of the Member's Average Computation Pay for each year of Pension Service with a minimum of 20 such years and a maximum of 32 such years.

Survivor Benefits when no Qualified Surviving Spouse: Death in Active Service: 50% of Service Retirement Pension calculated with a minimum of 20 years of Pension Service. The benefit will be paid as a lump sum equal to the value of the lesser of a 10-year benefit or the remainder of the 10-year period if Qualifying Surviving Children receive benefit.



Survivor Benefits After Retirement: The Qualified Surviving Spouse shall receive 50% of any benefits paid to the Member. The percentage is increased if the Qualified Surviving Spouse has attained age 55, there are no Qualified Surviving Children who are eligible for death benefits and the Member retired after age 55 with 20 years of Pension Service or if the Member's age plus Pension Service at retirement was at least 78.

Survivor Benefits After Retirement or Termination for a Non-Qualifying Surviving Spouse: The Surviving Spouse shall receive 50% of any benefits paid to the Member. However, the Member's benefit will be reduced for this coverage.

Survivor Benefits for Qualified Surviving Children: An amount equal to the amount paid to a Qualified Surviving Spouse is divided among the Qualified Surviving Children and continues to be paid as long as one or more of the children continue to qualify.

#### Post-Retirement Cost of Living Adjustments

Annually, on the first day of October, benefits in pay status will be increased by an amount equal to 4% of the original pension amount.

#### Minimum Benefits

The minimum benefit for normal retirement is \$2,000 monthly (prorated if less than 20 years at retirement) and \$1,100 monthly for Qualified Surviving Spouses, if there are no Qualified Surviving Children receiving benefits. The minimum benefit is \$1,000 monthly for Qualified Surviving Children and Qualified Surviving Spouses if Qualified Surviving Children are receiving benefits. This benefit does not affect the base benefit. The benefit will not increase until the base retirement benefit with annual increases exceeds the minimum.

*Benefit Supplement*

If a Member retires with 20 years of Pension Service or if a Member is receiving a service related disability the Member or the Member's Qualified Surviving Spouse is entitled to receive the greater of \$75 or 3% of the monthly benefit payable to the Member when the Member or the Qualified Surviving Spouse attains age 55. This supplement is also available for both the Member or the Member's Non-Qualifying Surviving Spouse for a member who has elected a reduced benefit to obtain coverage for a Non-Qualifying Surviving Spouse.

*Deferred Retirement Option Plan*

As of January 1, 1993, at normal retirement age, a member may elect to enter the Deferred Retirement Option Plan (DROP). As of January 1, 1999, a member may also elect to enter DROP after 20 years of Pension Service. Retirement benefits will be calculated as if the Member retired on that date. Employee contributions made under the Combined Pension Plan will cease as will accruals under the Combined Pension Plan. Each month, the retirement benefit will be accumulated in an account earning interest based on a five-year weighted average of the 30-year U.S. Treasury bond rates. Upon termination of employment, the Member will have the balance in account in addition to the monthly benefit payable as though the Member retired at the date the Member entered DROP.

**Statement of Actuarial Methods and Assumptions  
 (Effective as of January 1, 2001)**

**Investment Return:** 8.50% per annum, compounded annually, net all expenses including administrative expenses. This rate reflects an underlying inflation rate of 4.00% and a real rate of return of 4.50%.

DROP balances are assumed to earn 9.00% per annum.

**Separations Before Normal Retirement:** Representative values of the assumed annual rates of withdrawal, death, and disability are as follows:

Age	Annual Rate per 1,000 Members							
	Withdrawal		Mortality - Disableds		Mortality - Other		Disability	
	Police	Fire	Male	Female	Male	Female	Police	Fire
20	43.0	21.0	48.30	26.30	.51	.28	.35	.70
25	43.0	21.0	48.30	26.30	.66	.29	.37	.75
30	32.0	16.0	36.20	23.70	.80	.35	.42	.84
35	23.0	16.0	27.80	21.40	.85	.48	.48	.96
40	23.0	16.0	28.20	20.90	1.07	.71	.57	1.15
45	23.0	16.0	32.20	22.40	1.58	.97	.79	1.58
50	NA	NA	38.30	25.70	2.58	1.43	NA	NA
60	NA	NA	60.30	33.10	7.98	4.44	NA	NA
70	NA	NA	73.90	41.10	23.73	13.73	NA	NA
75	NA	NA	84.20	49.20	37.21	22.69	NA	NA

**Salary Increases:** Representative values of the assumed annual rates of future salary increase attributable to seniority and promotion are as follows:

Age	Annual Rate of Salary Increase
20	10.00%
30	5.23
40	4.57
50	4.37
60	4.33

Total payroll is assumed to increase 4.00% per year. New hires are assumed to replace terminations.

Overtime is assumed to be 7% of base pay. The city contributes on total pay including overtime. This assumption is consistent with past experience and the city's budget.

**Retirement Rates:** The percentage of population assumed to retire at various ages is as follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
38	15%	48	15%	58	20%
39	15	49	15	59	30
40	15	50	20	60	40
41	15	51	15	61	50
42	15	52	15	62	60
43	15	53	15	63	70
44	15	54	15	64	80
45	15	55	20	65	100
46	15	56	20		
47	15	57	20		

Rates are only applied when member is eligible to retire. That is, age 50 with five years or 20 years for Plan B, age 55 with 20 years for Plan A, and age 50 with 20 years for Old Plan.

**Postretirement Mortality:** According to the 1994 Group Annuity Mortality Table for males and females.

***DROP Election:*** Members are assumed to elect DROP at age 50 with five years for Plan B, age 55 with 20 years for Plan A, and age 50 with 20 years for Old Plan.

***Spouses:*** 80% of active members are assumed to be married with the male three years older than the female. The age of the youngest child is assumed to be one year.

***Assumption as to Choice of Plan Provisions:*** Those Members eligible to elect between Plan B and the Old Plan are assumed to elect in a manner which maximizes the benefit they receive.

***Assumed Post Retirement Cost of Living:***

Plan A and Plan B: 4% of original pension annually

Old Plan: 4% compounded annually

***Future Expenses:*** All expenses, investment and administration, are paid from the Fund. The 8.50% assumed rate of return is net of these expenses.

***Valuation Method:*** The method used to determine Normal Cost and Accrued Actuarial Liability is the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, an annual Normal Cost is determined for each covered active Member which is the contribution required to provide all the projected pension benefits assuming this contribution is payable over a period ending on the date of retirement (separation from active service) and expressed as a level percentage of compensation. The Actuarial Accrued Liability is determined as the excess of the total present value of all pension benefits over the total present value of future Normal Costs. The Unfunded Actuarial Accrued Liability as of the valuation date is determined as the excess of the Actuarial Accrued Liability over the assets of the Fund.

The Normal Cost and Accrued Actuarial Liability are derived by making certain assumptions as to the rates of interest, mortality, turnover, etc., which are assumed to reflect experience for many years into the future. Since actual experience will differ from the assumptions, the costs determined must be regarded as estimates of the true costs of the Plan. The effects of any actuarial gains or losses are immediately reflected in the Unfunded Actuarial Accrued Liability and the Normal Cost.

*Actuarial Value of Assets:* The actuarial value of assets is calculated based on the following formula:

$$\begin{aligned} MV - (4/5) \times G/(L)_1 - (3/5) \times G/(L)_2 \\ - (2/5) \times G/(L)_3 - (1/5) \times G/(L)_4 \end{aligned}$$

where:

MV = the market value of assets as of the valuation date

$G/(L)_i$  = the asset gain or (loss) (i.e., actual return on assets less expected return on assets) for the i-th year preceding the valuation date.

This method was phased in beginning January 1, 1995. Asset gains or losses prior to January 1, 1994, are fully reflected in the calculation of the Actuarial Value of Assets. In no event is the actuarial value of assets less than 80% nor more than 120% of the market value of assets.

**Comparison of Actual Experience  
 and Actuarial Expectations**

**Demographic Assumptions**

The demographic assumptions used to value the liabilities of the System are used to estimate the timing and duration of the member contributions and benefit payments of the System. The main demographic assumptions used to value the liabilities of the System consist of termination prior to retirement, disability, retirement, death and DROP age. A comparison of the actual experience of the System to each of these assumptions follows.

<b>Terminations Prior to Retirement</b>			
This assumption was last changed as of January 1, 1999 to better reflect the actual experience of the System and to better anticipate future expectations. The ratio of actual terminations prior to retirement to the expected terminations prior to retirement for the period January 1, 1998 through December 31, 2000 shows that during this period there have been about 19% more terminations than expected. Since the difference in assumed terminations and actual terminations is small and the period over which this assumption has been measured is short, we do not feel that any change in this assumption is necessary at this time.			
January 1, 1998 through December 31, 2000			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Termination Prior to Retirement	265	222	119%

<b>Disability</b>			
This assumption was last changed as of January 1, 1999 to better reflect the actual experience of the System and to better anticipate future expectations. The ratio of actual disability retirements to the expected disability retirements for the period January 1, 1998 through December 31, 2000 shows that during this period there have been about 22% less disability retirements than expected. Since the difference in assumed disability retirements and actual disability retirements is small and the period over which this assumption has been measured is short, we do not feel that any change in this assumption is necessary at this time.			
January 1, 1998 through December 31, 2000			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Disability Retirements	7	9	78%

**Retirement (Leaving Active Service)**

This assumption was last changed as of January 1, 1993 to better reflect the actual experience of the System and to better anticipate future expectations. Since we changed our valuation programs as of January 1, 2000 to differentiate between leaving active service and entering DROP, we can measure this assumption explicitly. The ratio of actual retirements to the expected retirements for the period January 1, 1999 through December 31, 2000 shows that during this period there have been about 9% less retirements than expected. We do not feel that any change in this assumption is necessary at this time, since this difference in assumed retirements and actual retirements is small, the period over which this assumption has been measured is short, and this assumption has very little effect on the liabilities of the System (due to the fact that we assume all Members DROP when first eligible for unreduced benefits).

January 1, 1999 through December 31, 2000

	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Retirement	450	492	91%

**Death**

This assumption was last changed as of January 1, 2001 to better reflect the actual experience of the System and to better anticipate future expectations. The ratio of actual deaths to the expected deaths for the period January 1, 2000 through December 31, 2000 shows that during this period there have been about 34% less deaths than expected. The experience this year was extremely unusual when compared to the past. We feel that the new table will match experience more closely in the future.

January 1, 2000 through December 31, 2000

	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Death	50	76	66%



Age at DROP			
<p>This assumption has not changed since the implementation of DROP in 1993. The actual age at DROP is only slightly higher than the assumed age of 50. We do not feel that any change or assumption is necessary at this time since the difference in the assumed age at DROP and the actual age at DROP is very small.</p>			
January 1, 1996 through December 31, 2000			
Age at DROP	<u>Actual</u> 50.3	<u>Expected</u> 50.0	<u>Actual/Expected</u> 101%

### Economic Assumptions

The economic assumptions used to value the liabilities of the System are used to estimate the amount and cost of the benefit payments of the System. Economic assumptions are generally based on a building block approach with the inflation rate used as the initial basis. For example, in setting the long-term rate of return, the expected inflation rate is added to the expected real-rate of return to determine the nominal rate of return. This nominal rate of return is then used to determine the present value of future benefit payment amounts. The main economic assumptions used to value the liabilities of the System consist of inflation, long-term rate of return and salary increase rate. A discussion of these assumptions follows.

<b>Inflation</b>			
The inflation assumption used to value the liabilities of the System is 4%. This assumption was last changed as of January 1, 1999 to better anticipate future expectations. The average annual inflation rate (as measured by CPI-U) over the 60 years ending December 31, 2000 has been 4.29%. We feel that given the history of inflation rates and reasonable expectations of the future that the 4% inflation rate assumption is reasonable.			
January 1, 1940 through December 31, 2000			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Inflation	4.29%	4.00%	107%

<b>Salary Increases</b>			
The salary increase assumption used to value the liabilities of the System varies by the age of the Member. This assumption was last changed as of January 1, 1999 to reflect the change in the inflation rate. Based on our expectations of future promotional and merit salary increases and the assumed rate of inflation, we feel that the current salary increase rates are reasonable. A summary of the actual valuation earnings to the expected valuation earnings over the period January 1, 1998 through December 31, 2000 follows.			
January 1, 1998 through December 31, 2000			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Valuation Compensation	\$568,501,175	\$562,942,987	101%

**Long-Term Rate of Return on Plan Assets**

The long-term rate of return on plan assets used to value the liabilities of the System is 8.5%. This assumption was last changed as of January 1, 1999 to better anticipate future expectations and to reflect the change in the inflation rate. Based on the asset allocation policy, expectations of future real rates of return and the expected administrative expenses of the System, we feel that an 8.5% long-term rate of return is reasonable. A summary of the nominal rates of return over the period October 1, 1988 through December 31, 2000 follows.

<u>Period</u>			<u>Annualized Rate of Return</u>
10/1/1988	through	9/30/1989	25.40%
10/1/1989	through	9/30/1990	(6.53)
10/1/1990	through	12/31/1991	20.73
1/1/1992	through	12/31/1992	2.94
1/1/1993	through	12/31/1993	14.06
1/1/1994	through	12/31/1994	2.78
1/1/1995	through	12/31/1995	24.33
1/1/1996	through	12/31/1996	16.69
1/1/1997	through	12/31/1997	13.84
1/1/1998	through	12/31/1998	13.68
1/1/1999	through	12/31/1999	24.39
1/1/2000	through	12/31/2000	(1.52)
10/1/1988	through	12/31/2000	12.22%

TABLE 1

THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE  
(excluding DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE  
AS OF JANUARY 1, 2001

POLICE

ATTAINED AGE	YEARS OF SERVICE																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp
Under 25	36	32,129	38	32,935	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	51	32,129	195	34,755	55	38,873	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	25	32,129	109	35,542	248	40,906	150	44,658	3	43,772	0	0	0	0	0	0	0	0	0	0
35 to 39	6	32,129	25	37,175	121	41,764	310	47,122	120	54,227	0	0	0	0	0	0	0	0	0	0
40 to 44	3	32,129	8	42,152	33	41,212	127	48,348	237	57,194	90	59,522	0	0	0	0	0	0	0	0
45 to 49	0	0	4	39,360	7	43,761	43	49,214	72	56,230	144	59,015	94	60,312	2	61,600	0	0	0	0
50 to 54	0	0	2	41,979	4	51,579	9	47,383	6	57,559	2	60,123	11	57,417	2	52,277	0	0	0	0
55 to 59	0	0	0	0	0	0	1	50,682	2	55,312	0	0	1	48,362	1	56,872	0	0	0	0
60 to 64	0	0	0	0	0	0	1	46,013	0	0	0	0	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 1

THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE  
(excluding DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE  
AS OF JANUARY 1, 2001  
CONTINUED

FIRE

ATTAINED AGE	YEARS OF SERVICE																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp
Under 25	28	32,129	20	32,281	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	25	32,129	104	33,906	24	39,672	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	12	32,129	49	34,605	69	40,105	30	46,677	1	51,949	0	0	0	0	0	0	0	0	0	0
35 to 39	7	32,129	10	35,869	59	41,259	110	48,527	99	53,448	0	0	0	0	0	0	0	0	0	0
40 to 44	1	32,129	3	36,146	24	42,767	59	49,080	159	54,680	61	56,990	0	0	0	0	0	0	0	0
45 to 49	1	113,029	0	0	6	45,389	19	47,693	72	54,934	116	57,725	74	58,805	3	64,670	0	0	0	0
50 to 54	0	0	1	32,129	2	52,046	3	56,481	4	50,849	5	59,470	9	56,830	2	65,641	0	0	0	0
55 to 59	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
60 to 64	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

TABLE 1

THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE  
(excluding DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE  
AS OF JANUARY 1, 2001  
CONTINUED

POLICE AND FIRE

ATTAINED AGE	YEARS OF SERVICE																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp
Under 25	64	32,129	58	32,710	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	76	32,129	299	34,460	79	39,116	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	37	32,129	158	35,251	317	40,731	180	44,995	4	45,816	0	0	0	0	0	0	0	0	0	0
35 to 39	13	32,129	35	36,802	180	41,598	420	47,490	219	53,875	0	0	0	0	0	0	0	0	0	0
40 to 44	4	32,129	11	40,514	57	41,867	186	48,580	396	56,185	151	58,499	0	0	0	0	0	0	0	0
45 to 49	1	113,029	4	39,360	13	44,512	62	48,747	144	55,582	260	58,440	168	59,648	5	63,442	0	0	0	0
50 to 54	0	0	3	38,695	6	51,735	12	49,658	10	54,875	7	59,657	20	57,153	4	58,959	0	0	0	0
55 to 59	0	0	0	0	0	0	1	50,682	2	55,312	0	0	1	48,362	1	56,872	0	0	0	0
60 to 64	0	0	0	0	0	0	1	46,013	0	0	0	0	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 2

THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE  
(including DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE  
AS OF JANUARY 1, 2001

POLICE

ATTAINED AGE	YEARS OF SERVICE																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp
Under 25	36	32,129	38	32,935	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	51	32,129	195	34,755	55	38,873	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	25	32,129	109	35,542	248	40,906	150	44,658	3	43,772	0	0	0	0	0	0	0	0	0	0
35 to 39	6	32,129	25	37,175	121	41,764	310	47,122	120	54,227	0	0	0	0	0	0	0	0	0	0
40 to 44	3	32,129	8	42,152	33	41,212	127	48,348	237	57,194	91	59,492	0	0	0	0	0	0	0	0
45 to 49	0	0	4	39,360	7	43,761	43	49,214	72	56,230	151	59,122	102	60,682	2	61,600	0	0	0	0
50 to 54	0	0	2	41,979	4	51,579	20	51,868	32	61,927	68	63,233	155	62,935	82	63,485	0	0	0	0
55 to 59	0	0	0	0	1	61,427	4	57,939	4	49,165	12	64,431	27	61,118	32	62,359	7	64,099	0	0
60 to 64	0	0	0	0	0	0	2	55,064	0	0	1	58,992	4	69,039	3	60,745	2	63,918	0	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	1	67,379	1	58,608	0	0	1	52,889
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 2

THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE  
(including DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE  
AS OF JANUARY 1, 2001  
CONTINUED

FIRE

ATTAINED AGE	YEARS OF SERVICE																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp
Under 25	28	32,129	20	32,281	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	25	32,129	104	33,906	24	39,672	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	12	32,129	49	34,605	69	40,105	30	46,677	1	51,949	0	0	0	0	0	0	0	0	0	0
35 to 39	7	32,129	10	35,869	59	41,259	110	48,527	99	53,448	0	0	0	0	0	0	0	0	0	0
40 to 44	1	32,129	3	36,146	24	42,767	59	49,080	159	54,680	62	57,183	0	0	0	0	0	0	0	0
45 to 49	1	113,029	0	0	6	45,389	19	47,693	72	54,934	120	57,726	88	59,070	4	69,935	0	0	0	0
50 to 54	0	0	1	32,129	2	52,046	5	54,175	12	61,261	66	59,986	147	64,193	54	65,656	2	82,163	0	0
55 to 59	0	0	0	0	0	0	1	57,430	0	0	0	0	33	64,640	11	64,007	26	71,636	1	69,362
60 to 64	0	0	0	0	0	0	0	0	0	0	0	1	56,107	5	66,928	5	60,193	3	81,577	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



TABLE 2

THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE  
(including DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE  
AS OF JANUARY 1, 2001  
CONTINUED

POLICE AND FIRE

ATTAINED AGE	YEARS OF SERVICE																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp
Under 25	64	32,129	58	32,710	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	76	32,129	299	34,460	79	39,116	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	37	32,129	158	35,251	317	40,731	180	44,995	4	45,816	0	0	0	0	0	0	0	0	0	0
35 to 39	13	32,129	35	36,802	180	41,598	420	47,490	219	53,875	0	0	0	0	0	0	0	0	0	0
40 to 44	4	32,129	11	40,514	57	41,867	186	48,580	396	56,185	153	58,556	0	0	0	0	0	0	0	0
45 to 49	1	113,029	4	39,360	13	44,512	62	48,747	144	55,582	271	58,504	190	59,935	6	67,156	0	0	0	0
50 to 54	0	0	3	38,695	6	51,735	25	52,330	44	61,746	134	61,634	302	63,547	136	64,347	2	82,163	0	0
55 to 59	0	0	0	0	1	61,427	5	57,837	4	49,165	12	64,431	60	63,055	43	62,780	33	70,037	1	69,362
60 to 64	0	0	0	0	0	0	2	55,064	0	0	1	58,992	5	66,452	8	64,609	7	61,257	3	81,577
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	1	67,379	1	58,608	0	0	1	52,889
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 3

THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCE OF RETIRED MEMBERS  
BY AGE AS OF JANUARY 1, 2001

## POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
40	1	\$ 4,271	\$ 4,271
45	2	32,474	16,237
46	2	32,042	16,021
47	5	91,385	18,277
48	3	44,944	14,981
49	6	150,439	25,073
50	16	444,172	27,761
51	22	571,169	25,962
52	31	846,651	27,311
53	48	1,402,226	29,213
54	47	1,482,070	31,533
55	55	1,697,566	30,865
56	57	1,760,221	30,881
57	73	2,625,047	35,960
58	86	3,090,234	35,933
59	64	2,380,065	37,189
60	99	3,495,625	35,309
61	85	3,172,922	37,328
62	92	3,551,089	38,599
63	79	3,054,950	38,670
64	64	2,254,150	35,221
65	72	2,388,834	33,178
66	72	2,293,139	31,849
67	75	2,314,170	30,856
68	74	2,428,719	32,821
69	73	2,057,913	28,191
70	73	2,157,412	29,554
71	69	1,910,877	27,694
72	62	1,740,272	28,069
73	51	1,525,244	29,907
74	37	1,102,747	29,804
75	40	1,159,868	28,997
76	43	1,232,269	28,657
77	30	871,126	29,038

TABLE 3

THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCE OF RETIRED MEMBERS  
BY AGE AS OF JANUARY 1, 2001  
CONTINUED

## POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
78	20	\$ 528,786	\$ 26,439
79	21	553,468	26,356
80	24	674,014	28,084
81	24	656,199	27,342
82	9	249,180	27,687
83	14	368,278	26,306
84	11	318,840	28,985
85	4	104,244	26,061
86	3	79,416	26,472
87	3	82,655	27,552
88	2	53,765	26,883
89	2	53,391	26,696
90	2	51,324	25,662
91	1	26,376	26,376
93	4	105,744	26,436
95	1	24,900	24,900
TOTAL	1,853	\$ 59,296,882	\$ 32,000
POLICE	1,063	\$ 32,059,875	\$ 30,160
FIRE	790	\$ 27,237,007	\$ 34,477

TABLE 4

THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCE OF DISABLED MEMBERS  
BY AGE AS OF JANUARY 1, 2001

## POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
36	1	\$ 24,000	\$ 24,000
37	2	48,000	24,000
38	2	48,000	24,000
39	2	40,363	20,182
40	3	72,852	24,284
41	1	25,179	25,179
43	3	75,273	25,091
44	4	102,369	25,592
45	2	38,709	19,355
46	5	130,618	26,124
47	2	52,297	26,149
48	1	28,943	28,943
49	5	152,078	30,416
50	6	170,485	28,414
51	6	212,688	35,448
52	6	158,549	26,425
53	7	206,659	29,523
54	4	86,729	21,682
55	2	34,241	17,121
56	6	168,216	28,036
57	2	62,972	31,486
58	5	181,924	36,385
59	3	74,811	24,937
60	8	252,608	31,576
61	13	486,033	37,387
62	8	282,274	35,284
63	8	257,623	32,203
64	8	211,730	26,466
65	5	171,721	34,344
66	7	243,083	34,726
67	5	134,516	26,903
68	4	119,108	29,777
69	8	241,210	30,151
70	7	254,293	36,328

TABLE 4

THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCE OF DISABLED MEMBERS  
BY AGE AS OF JANUARY 1, 2001  
CONTINUED

## POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
71	8	\$ 223,035	\$ 27,879
72	4	117,863	29,466
73	4	105,408	26,352
74	7	183,816	26,259
75	8	210,036	26,255
76	6	168,151	28,025
77	4	104,148	26,037
78	9	225,861	25,096
79	5	128,808	25,762
80	2	52,704	26,352
81	2	56,025	28,013
82	1	24,900	24,900
83	4	101,100	25,275
84	1	26,184	26,184
86	1	26,352	26,352
87	2	52,983	26,492
88	1	26,376	26,376
91	1	26,472	26,472
97	1	26,472	26,472
TOTAL	232	\$ 6,736,848	\$ 29,038
POLICE	84	\$ 2,182,654	\$ 25,984
FIRE	148	\$ 4,554,194	\$ 30,772

TABLE 5

THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCE OF BENEFICIARIES  
BY AGE AS OF JANUARY 1, 2001

## POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
1	1	\$ 4,042	\$ 4,042
3	1	4,042	4,042
6	1	12,000	12,000
8	1	6,359	6,359
9	2	16,042	8,021
10	2	16,148	8,074
11	4	33,776	8,444
12	2	30,078	15,039
13	2	18,761	9,381
14	1	3,026	3,026
15	6	51,418	8,570
16	2	30,178	15,089
17	7	72,219	10,317
18	4	32,609	8,152
19	6	49,827	8,305
20	4	37,790	9,448
27	1	12,654	12,654
29	1	17,915	17,915
30	1	12,125	12,125
31	2	26,585	13,293
33	1	12,000	12,000
34	2	25,200	12,600
35	1	12,000	12,000
36	1	13,200	13,200
39	1	12,618	12,618
40	2	24,719	12,360
41	2	30,078	15,039
42	2	25,926	12,963
43	3	37,200	12,400
44	3	39,724	13,241
45	3	43,223	14,408
46	4	54,236	13,559
47	5	76,764	15,353
48	3	45,151	15,050

TABLE 5

THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCE OF BENEFICIARIES  
BY AGE AS OF JANUARY 1, 2001  
CONTINUED

## POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
49	4	\$ 52,986	\$ 13,247
50	4	57,668	14,417
51	5	67,403	13,481
52	12	167,268	13,939
53	7	96,755	13,822
54	15	219,405	14,627
55	10	170,805	17,081
56	5	76,458	15,292
57	12	226,119	18,843
58	8	162,030	20,254
59	10	148,831	14,883
60	6	93,309	15,552
61	15	275,550	18,370
62	17	285,432	16,790
63	15	306,541	20,436
64	13	264,937	20,380
65	12	201,164	16,764
66	15	241,476	16,098
67	14	199,562	14,254
68	14	230,502	16,464
69	15	229,548	15,303
70	23	334,724	14,553
71	19	264,300	13,911
72	22	351,042	15,956
73	22	343,738	15,624
74	22	333,220	15,146
75	13	207,114	15,932
76	28	397,268	14,188
77	24	361,449	15,060
78	20	317,701	15,885
79	18	269,228	14,957
80	13	182,623	14,048
81	18	252,900	14,050
82	22	311,927	14,179

TABLE 5

THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCE OF BENEFICIARIES  
BY AGE AS OF JANUARY 1, 2001  
CONTINUED

## POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
83	12	\$ 166,500	\$ 13,875
84	14	196,439	14,031
85	16	238,500	14,906
86	12	171,242	14,270
87	11	154,826	14,075
88	7	97,500	13,929
89	10	137,400	13,740
90	9	125,700	13,967
91	7	98,700	14,100
92	5	70,500	14,100
93	2	28,200	14,100
94	2	28,200	14,100
95	2	28,200	14,100
96	2	27,300	13,650
97	4	52,800	13,200
98	2	28,200	14,100
99	1	14,100	14,100
100	1	14,100	14,100
TOTAL	695	\$ 10,319,023	\$ 14,848
POLICE	364	\$ 5,163,998	\$ 14,187
FIRE	331	\$ 5,155,025	\$ 15,574



TABLE 6

THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCE OF RETIRED MEMBERS,  
DISABLED MEMBERS AND BENEFICIARIES  
BY AGE AS OF JANUARY 1, 2001

## POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
1	1	\$ 4,042	\$ 4,042
3	1	4,042	4,042
6	1	12,000	12,000
8	1	6,359	6,359
9	2	16,042	8,021
10	2	16,148	8,074
11	4	33,776	8,444
12	2	30,078	15,039
13	2	18,761	9,381
14	1	3,026	3,026
15	6	51,418	8,570
16	2	30,178	15,089
17	7	72,219	10,317
18	4	32,609	8,152
19	6	49,827	8,305
20	4	37,790	9,448
27	1	12,654	12,654
29	1	17,915	17,915
30	1	12,125	12,125
31	2	26,585	13,293
33	1	12,000	12,000
34	2	25,200	12,600
35	1	12,000	12,000
36	2	37,200	18,600
37	2	48,000	24,000
38	2	48,000	24,000
39	3	52,981	17,660
40	6	101,842	16,974
41	3	55,257	18,419
42	2	25,926	12,963
43	6	112,473	18,746
44	7	142,093	20,299
45	7	114,406	16,344

TABLE 6

THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCE OF RETIRED MEMBERS,  
DISABLED MEMBERS AND BENEFICIARIES  
BY AGE AS OF JANUARY 1, 2001  
CONTINUED

## POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
46	11	\$ 216,896	\$ 19,718
47	12	220,446	18,371
48	7	119,038	17,005
49	15	355,503	23,700
50	26	672,325	25,859
51	33	851,260	25,796
52	49	1,172,468	23,928
53	62	1,705,640	27,510
54	66	1,788,204	27,094
55	67	1,902,612	28,397
56	68	2,004,895	29,484
57	87	2,914,138	33,496
58	99	3,434,188	34,689
59	77	2,603,707	33,814
60	113	3,841,542	33,996
61	113	3,934,505	34,819
62	117	4,118,795	35,203
63	102	3,619,114	35,482
64	85	2,730,817	32,127
65	89	2,761,719	31,031
66	94	2,777,698	29,550
67	94	2,648,248	28,173
68	92	2,778,329	30,199
69	96	2,528,671	26,340
70	103	2,746,429	26,664
71	96	2,398,212	24,981
72	88	2,209,177	25,104
73	77	1,974,390	25,641
74	66	1,619,783	24,542
75	61	1,577,018	25,853
76	77	1,797,688	23,347
77	58	1,336,723	23,047
78	49	1,072,348	21,885

TABLE 6

THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCE OF RETIRED MEMBERS,  
DISABLED MEMBERS AND BENEFICIARIES  
BY AGE AS OF JANUARY 1, 2001  
CONTINUED

## POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
79	44	\$ 951,504	\$ 21,625
80	39	909,341	23,316
81	44	965,124	21,935
82	32	586,007	18,313
83	30	635,878	21,196
84	26	541,463	20,826
85	20	342,744	17,137
86	16	277,010	17,313
87	16	290,464	18,154
88	10	177,641	17,764
89	12	190,791	15,899
90	11	177,024	16,093
91	9	151,548	16,839
92	5	70,500	14,100
93	6	133,944	22,324
94	2	28,200	14,100
95	3	53,100	17,700
96	2	27,300	13,650
97	5	79,272	15,854
98	2	28,200	14,100
99	1	14,100	14,100
100	1	14,100	14,100
TOTAL	2,780	\$ 76,352,753	\$ 27,465
POLICE	1,511	\$ 39,406,527	\$ 26,080
FIRE	1,269	\$ 36,946,226	\$ 29,114

TABLE 7

THE NUMBER AND FUTURE ANNUAL  
ALLOWANCE OF TERMINATED MEMBERS  
ENTITLED TO A FUTURE BENEFIT  
BY AGE AS OF JANUARY 1, 2001

## POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
30	1	\$ 6,558	\$ 6,558
31	3	18,069	6,023
32	4	25,672	6,418
33	4	39,500	9,875
34	5	40,345	8,069
35	8	81,663	10,208
36	1	8,663	8,663
37	5	42,646	8,529
38	6	78,266	13,044
39	8	95,605	11,951
40	9	126,955	14,106
41	4	54,938	13,735
42	7	118,341	16,906
43	7	101,416	14,488
44	10	112,740	11,274
45	5	105,817	21,163
46	9	237,027	26,336
47	8	134,364	16,796
48	2	45,494	22,747
49	6	85,498	14,250
50	4	74,402	18,601
TOTAL	116	\$ 1,633,979	\$ 14,086
POLICE	86	\$ 1,176,111	\$ 13,676
FIRE	30	\$ 457,868	\$ 15,262

TABLE 8

THE NUMBER, ANNUAL RETIREMENT  
ALLOWANCE AND ACCOUNT BALANCE  
OF DROP MEMBERS  
BY AGE AS OF JANUARY 1, 2001

POLICE AND FIRE  
DROP

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT	ACCOUNT BALANCE	AVERAGE ACCOUNT BALANCE
41	1	\$ 17,580	\$ 17,580	\$ 16,207	\$ 16,207
44	1	18,018	18,018	35,560	35,560
45	1	18,404	18,404	36,322	36,322
47	1	19,772	19,772	40,808	40,808
48	8	309,943	38,743	171,450	21,431
49	24	883,412	36,809	870,582	36,274
50	108	4,298,294	39,799	2,413,286	22,345
51	127	5,069,116	39,914	6,631,365	52,215
52	126	4,650,783	36,911	11,493,326	91,217
53	137	5,011,010	36,577	17,330,126	126,497
54	93	3,548,575	38,157	16,079,362	172,896
55	45	1,715,560	38,124	9,494,524	210,989
56	38	1,486,042	39,106	9,905,974	260,684
57	38	1,473,498	38,776	11,269,677	296,570
58	24	958,225	39,926	8,284,752	345,198
59	8	336,550	42,069	2,715,915	339,489
60	9	356,219	39,580	2,734,371	303,819
61	7	283,183	40,455	2,397,625	342,518
62	1	16,527	16,527	80,317	80,317
63	4	182,542	45,636	1,680,903	420,226
64	4	191,315	47,829	994,804	248,701
65	2	80,577	40,289	553,680	276,840
66	1	31,956	31,956	312,184	312,184
TOTAL	808	\$ 30,957,101	\$ 38,313	\$ 105,543,120	\$ 130,623
POLICE	439	\$ 16,457,102	\$ 37,488	\$ 52,975,182	\$ 120,672
FIRE	369	\$ 14,499,999	\$ 39,295	\$ 52,567,938	\$ 142,461