

DALLAS POLICE AND FIRE PENSION SYSTEM

ACTUARIAL VALUATION

AS OF JANUARY 1, 2009



May 20, 2009

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, 2009

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, 2009.

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, 2009, the employer contribution rate for GASB 27 purposes to pay the normal cost and fund the Unfunded Actuarial Accrued Liability over 30 years is 30.61%. This amount is more than the 24.81% employer contribution rate calculated as of January 1, 2008. After reflecting the elimination of the Automatic Adjustment for Members hired after December 31, 2006, the current contribution rate covers the normal cost and the amortization of the Unfunded Actuarial Accrued Liability (UAAL) over 33 years.

Benefit Provisions

The actuarial valuation reflects the benefit and contribution provisions set forth in the System's statutes. There are no significant benefits which were not taken into account in this valuation. The valuation is based on the same benefit provisions as the previous valuation.

Assumptions and Methods

The actuarial assumptions and methods used in the valuation are presented in Schedule C. The valuation is based on the same assumptions and methods as the previous valuation.

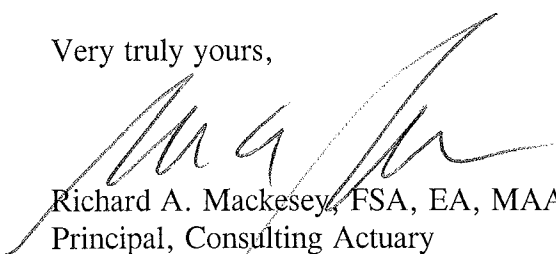
The assumptions used are individually reasonable and reasonable in the aggregate.

Data

Asset information and member data for retired, active, and inactive members was supplied as of January 1, 2009 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.

I am an Enrolled Actuary, a Fellow of the Society of Actuaries, and a Member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Richard A. Mackesey', is written over a large, light-colored scribble or watermark.

Richard A. Mackesey, FSA, EA, MAAA
Principal, Consulting Actuary

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Summary of Principal Results

	January 1, 2009	January 1, 2008
Membership		
Active	5,235	4,909
Terminated with refunds due	45	N/A
Terminated with deferred benefits	151	182
Retired members and beneficiaries	3,375	3,294
Compensation		
Total	\$ 348,106,883	\$ 321,491,941
Average	\$ 66,496	\$ 65,490
Assets		
Market value	\$ 2,533,055,971	\$ 3,390,974,909
Actuarial value	\$ 3,039,667,165	\$ 3,258,627,218
Valuation Results		
Unfunded actuarial accrued liability	\$ 838,429,477	\$ 385,091,924
Funding period	33	14
GASB No. 25		
Actuarial accrued liability (AAL)	\$ 3,878,096,642	\$ 3,643,719,142
Assets (actuarial)	\$ 3,039,667,165	\$ 3,258,627,218
GASB ratio	78.4%	89.4%
Unfunded AAL	\$ 838,429,477	\$ 385,091,924

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 33 years from 14 years. This increase was primarily due to the loss on the actuarial value of assets.

Section 3 shows in more detail the changes to the 30-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 30-year funding cost. This is the City contribution rate required by GASB 27 to pay the normal cost and to amortize the UAAL over a 30-year period. This rate is currently 30.61% compared with the City's actual contribution rate of 27.50% and with the 30-year funding cost in 2008 of 24.81%. Section 3 shows a reconciliation of the changes between the 2008 and 2009 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. After reflecting the elimination of the Automatic Adjustment for Members hired after December 31, 2006, the current contribution rate is sufficient to pay the normal cost and amortize the UAAL over 33 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 2008 and 2009.

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. The valuation is based on the same benefit provisions as the previous valuation.

Actuarial Assumptions and Methods

The actuarial assumptions and methods used in the valuation are presented in Schedule C. The valuation is based on the same assumptions and methods as the previous valuation.

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

Initially, under GASB Statement No. 27, employers were required to determine a pension expense based on a 40-year amortization of the UAAL for fiscal years beginning after June 15, 1996. After the 10-year transition period, the required amortization period is now 30 years. The amortization can assume payroll growth due to inflation, but no membership growth. 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 30.61% will be required for the City to avoid showing an accrued pension liability on its financial statements for the fiscal year beginning in 2009. At the current rate of contribution, and assuming no other changes, the City will be required to show an accrued but unpaid pension liability for the System on its financial statement in the future.

Financial Data

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

Section 5 reconciles the System's assets between 2008 and 2009 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. For the 2005 valuation, the actuarial value of assets was reset to the market value of assets and a five-year phase in of gains and losses will begin with the asset gains and losses that occur after December 31, 2005. For the 2009 valuation, 20% of the asset loss for 2008, 40% of the asset gain for 2007, 60% asset gain for

2006, and 80% of the asset gain for 2005 is reflected in the actuarial value of assets. The estimated rate of return for 2008 is (24.80)% for the market value of assets, and (6.14)% for the actuarial value of assets.

Membership Statistics

Data on active members and on retired members was supplied by the Administrator. Active membership and total payroll for active members both grew during the last year. The active membership increased from 4,909 members as of January 1, 2008 to 5,235 members as of January 1, 2009, a 6.6% increase. The total active payroll increased from \$321,491,941 to \$348,106,883 over the same period, a 8.3% 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

	<u>January 1, 2009</u>	<u>January 1, 2008</u>
1. Covered Payroll		
a. Active members excluding DROP	230,430,232	215,828,664
b. DROP members	<u>117,676,651</u>	<u>105,663,277</u>
c. Total	348,106,883	321,491,941
2. Actuarial value of future pay		
a. Active members excluding DROP	2,011,095,100	1,805,865,500
b. DROP members	<u>1,416,929,400</u>	<u>1,309,538,600</u>
c. Total	3,428,024,500	3,115,404,100
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	4,750,685,548	4,460,198,126
5. Actuarial present value of future normal costs		
a. Total	872,588,906	816,478,984
b. Member (3b x 2a)	170,943,084	153,498,571
c. City (5a - 5b)	701,645,822	662,980,413
6. Actuarial accrued liability (4 - 5a)	3,878,096,642	3,643,719,142
7. Actuarial value of assets	3,039,667,165	3,258,627,218
8. Unfunded actuarial accrued liability (UAAL) (6 - 7)	838,429,477	385,091,924
9. Normal cost		
a. Normal cost percentage (5a ÷ 2c)	25.45%	26.21%
b. Total normal cost (1c x 9a)	88,593,202	84,263,038
c. Member normal cost (1a x 3b)	19,586,570	18,345,436
d. City normal cost (9b - 9c)	69,006,632	65,917,602
e. City normal rate (9d ÷ [1c x 1.11])	17.86%	18.47%

Actuarial Cost, Margin and Funding Period

	<u>January 1, 2009</u>	<u>January 1, 2008</u>
10. 30-year funding cost*		
a. City normal cost rate**	17.86%	18.47%
b. Amortization rate	<u>12.75%</u>	<u>6.34%</u>
c. Total	30.61%	24.81%
11. Margin over/(under) 30-year cost*		
(3a - 10c)	(3.11)%	2.69%
12. Funding period to amortize UAAL	33	14

* 30-year funding cost is necessary for accounting purposes only. The actual funding period is calculated each year based on level contributions and reflects the elimination of the Automatic Adjustment for Members hired after December 31, 2006. On this basis, the period is 33 years.

** The city normal cost rate shown is for current active employees only. This rate will decrease over time as more active members become subject to the plan amendment that eliminates the Automatic Adjustment.

Analysis of Change in UAAL

1. UAAL as of January 1, 2008	\$ 385,091,924
2. Changes due to:	
a. Expected increase (negative amortization)	\$ 28,116
b. Actual contributions greater than expected	(4,403,378)
c. Liability experience	(17,983,314)
d. Asset experience	<u>475,696,129</u>
e. Total changes	\$ 453,337,553
3. UAAL as of January 1, 2009	\$ 838,429,477

Analysis of Change in Funding Cost

1. 30-year funding cost* as of January 1, 2008	24.81%
2. Changes due to:	
a. Resetting of amortization from prior year	(0.24)
b. Actual contributions greater than expected	(0.07)
c. Liability experience	(1.12)
d. Asset experience	<u>7.23</u>
e. Total	5.80
3. 30-year funding cost* as of January 1, 2009	30.61%

* 30-year funding cost is necessary for accounting purposes only. The actual funding period is calculated each year based on level contributions and reflects the elimination of the Automatic Adjustment for Members hired after December 31, 2006. On this basis, the period is 33 years.

Analysis of Change in Funding Period

1. Funding period as of January 1, 2008	14
2. Changes due to:	
a. Passage of time	(1)
b. Actual contributions greater than expected	0
c. Liability experience	(1)
d. Assumption Change	0
e. Asset experience	<u>21</u>
f. Total	19
3. Funding period as of January 1, 2009	33

Historical Trend Information

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

	Actuarial Value of <u>Assets</u>	Actuarial Accrued Liability (AAL) <u>Entry Age</u>	Unfunded AAL (UAAL)	Funded <u>Ratio</u>	Covered <u>Payroll</u>	UAAL as a Percentage of Covered <u>Payroll</u>
January 1, 2004	2,286	2,889	603	79.1%	265	227.5%
January 1, 2005	2,485	3,074	589	80.8%	282	208.9%
January 1, 2006	2,700	3,282	582	82.3%	295	197.3%
January 1, 2007	2,962	3,371	409	87.9%	306	133.7%
January 1, 2008	3,259	3,644	385	89.4%	321	119.9%
January 1, 2009	3,040	3,878	838	78.4%	348	240.8%

**GASB #25 Schedule of Employer Contributions
 for Year Ending December 31, 2008**

<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, 2009

Vested benefits of participants and beneficiaries currently receiving payments		\$ 1,813,714,414
Other vested benefits		1,847,692,209
Nonvested benefits		<u>148,129,542</u>
Total benefits		\$ 3,809,536,165

FASB #35 Reconciliation

Accumulated benefits at January 1, 2008		\$ 3,574,009,044
Benefits accumulated	\$ 80,099,626	
Interest	297,860,796	
Benefits paid	(142,433,301)	
Assumption change	0	
Plan amendments	<u>0</u>	
Total Change		<u>235,527,121</u>
Accumulated benefits at January 1, 2009		\$ 3,809,536,165

Reconciliation of Fund Assets

	<u>Year Ending December 31, 2008</u>
1. Value of fund at beginning of year	\$ 3,390,974,909
2. Contributions	
a. City	104,372,723
b. Member	<u>18,638,767</u>
c. Total	\$ 123,011,490
3. Benefit payments (including DROP payments)	(142,075,673)
4. Refunds	(357,628)
5. Earnings	(831,393,103)
6. Expenses	(7,104,024)
7. Value of assets at end of year	\$ 2,533,055,971
8. Estimated rate of return	(24.80)%

Determination of Excess Earnings To Be Deferred

	Year Ending December 31, 2008
1. Market value at beginning of year	\$ 3,390,974,909
2. Net new investments	
a. Contributions	\$ 123,011,490
b. Benefit payments (including DROP payments)	(142,075,673)
c. Refunds	(357,628)
d. Total	\$ (19,421,811)
3. Market value at end of year	\$ 2,533,055,971
4. Yield (3 - 1 - 2d)	\$ (838,497,127)
5. Average balance $[1 + \frac{1}{2} \times (2d)]$	3,381,264,004
6. Assumed investment return rate	8.50%
7. Expected net return (5 x 6)	\$ 287,407,440
8. Gains/(losses) subject to deferral (4 - 7)	\$ (1,125,904,567)

Calculation of Actuarial Value of Assets

1.	Market value of assets as of January 1, 2009			\$2,533,055,971	
2.	Deferral amounts				
		<u>Year</u>	<u>Total Gain/(Loss)</u>	<u>Percent Deferred</u>	<u>Deferral Amount</u>
a.		2008	\$(1,125,904,567)	80%	\$ (900,723,654)
b.		2007	10,785,809	60%	6,471,485
c.		2006	168,016,769	40%	67,206,708
d.		2005	57,272,457	20%	11,454,491
e.		Total			\$ (815,590,970)
3.	Preliminary actuarial value of assets (1 - 2e)			3,348,646,941	
4.	80% of Market value			2,026,444,777	
5.	120% of Market value			3,039,667,165	
6.	Actuarial value of assets (3, not less than 4 or more than 5)			3,039,667,165	
7.	Rate of return on actuarial value of assets			(6.14)%	

Membership Data

	<u>January 1, 2009</u>	<u>January 1, 2008</u>
1. Active members (excluding DROP)		
a. Police and Fire		
1. Number	3,983	3,725
2. Covered payroll	\$230,430,232	\$215,828,664
3. Average annual pay	\$ 57,853	\$ 57,941
4. Average age	37.02	37.63
5. Average service (years)	10.33	11.14
b. Police		
1. Number	2,774	2,593
2. Covered payroll	\$159,857,887	\$149,560,273
3. Average annual pay	\$ 57,627	\$ 57,678
4. Average age	36.94	37.42
5. Average service (years)	10.21	10.92
c. Fire		
1. Number	1,209	1,132
2. Covered payroll	\$ 70,572,345	\$ 66,268,391
3. Average annual pay	\$ 58,372	\$ 58,541
4. Average age	37.21	38.11
5. Average service (years)	10.60	11.64

Membership Data
 (continued)

	<u>January 1, 2009</u>	<u>January 1, 2008</u>
2. Active members (DROP only)		
a. Police and Fire		
1. Number	1,252	1,184
2. Covered payroll	\$117,676,651	\$105,663,277
3. Average annual pay	\$ 93,991	\$ 89,243
4. Average age	54.27	54.26
5. Average total service (years)	28.58	28.53
6. Average time in DROP (years)	4.51	4.38
7. DROP account balance	\$340,065,656	\$296,459,343
b. Police		
1. Number	673	625
2. Covered payroll	\$ 63,636,248	\$ 56,602,051
3. Average annual pay	\$ 94,556	\$ 90,563
4. Average age	54.04	54.15
5. Average total service (years)	28.09	28.12
6. Average time in DROP (years)	4.20	4.15
7. DROP account balance	\$165,510,776	\$145,084,578
c. Fire		
1. Number	579	559
2. Covered payroll	\$ 54,040,403	\$ 49,061,226
3. Average annual pay	\$ 93,334	\$ 87,766
4. Average age	54.54	54.38
5. Average service (years)	29.15	28.98
6. Average time in DROP (years)	4.87	4.63
7. DROP account balance	\$174,554,880	\$151,374,765

Membership Data
 (continued)

	<u>January 1, 2009</u>	<u>January 1, 2008</u>
3. Active members (including DROP)		
a. Police and Fire		
1. Number	5,235	4,909
2. Covered payroll	\$348,106,883	\$321,491,941
3. Average annual pay	\$ 66,496	\$ 65,490
4. Average age	41.15	41.64
5. Average service (years)	14.69	15.33
6. DROP account balance	\$340,065,656	\$296,459,343
b. Police		
1. Number	3,447	3,218
2. Covered payroll	\$223,494,135	\$206,162,324
3. Average annual pay	\$ 64,837	\$ 64,065
4. Average age	40.28	40.67
5. Average service (years)	13.70	14.26
6. DROP account balance	\$165,510,776	\$145,084,578
c. Fire		
1. Number	1,788	1,691
2. Covered payroll	\$124,612,748	\$115,329,617
3. Average annual pay	\$ 69,694	\$ 68,202
4. Average age	42.82	43.49
5. Average service (years)	16.61	17.37
6. DROP account balance	\$174,554,880	\$151,374,765

Membership Data
 (continued)

	<u>January 1, 2009</u>	<u>January 1, 2008</u>
4. Inactive members eligible for annuity		
a. Retired members	2,508	2,458
b. Beneficiaries	867	836
c. Number entitled to deferred benefits	<u>151</u>	<u>182</u>
d. Total number of inactive members	3,526	3,476
e. Total annual benefit	\$127,349,411	\$121,360,391
f. Average annual benefit	\$ 36,117	\$ 34,914
5. Inactive members with refunds due		
a. Number	45	N/A
b. Accumulated contribution balance	\$ 102,314	N/A

**Summary of Benefit Provisions
As of January 1, 2009
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 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 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.

Survivor Benefits After December 17, 2001: For Members leaving active service after December 17, 2001, a Member may elect to receive an actuarially reduced benefit in order to provide a greater survivor percentage to the qualified spouse. Minimum benefits do not apply.

Minimum Benefits

The minimum benefit is \$2,200 monthly for 20 years of Pension Service at retirement, and \$1,200 monthly for Qualified Surviving Spouses, if there are no Qualified Surviving Children receiving benefits. The minimum benefit is \$1,100 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 & 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 for 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.

Survivor Benefits After December 17, 2001: For Members leaving active service after December 17, 2001, a Member may elect to receive an actuarially reduced benefit in order to provide a greater survivor percentage to the qualified spouse. Minimum benefits do not apply.

Post-Retirement 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. New Members hired after December 31, 2006 will not be eligible for an automatic increase.

Minimum Benefits

The minimum benefit for normal retirement is \$2,200 monthly (prorated if less than 20 years at retirement) and \$1,200 monthly for Qualified Surviving Spouses, if there are no Qualified Surviving Children receiving benefits. The minimum benefit is \$1,100 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 ten-year weighted average of the System's actual market return. 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, 2009)**

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	<u>Annual Rate per 1,000 Members</u>							
	<u>Withdrawal</u>		<u>Mortality - Disableds</u>		<u>Mortality - Other</u>		<u>Disability</u>	
	<u>Police</u>	<u>Fire</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Police</u>	<u>Fire</u>
20	47.0	23.0	48.30	26.30	.48	.28	.35	.70
25	47.0	23.0	48.30	26.30	.62	.29	.37	.75
30	35.0	18.0	36.20	23.70	.78	.33	.42	.84
35	25.0	18.0	27.80	21.40	.85	.45	.48	.96
40	25.0	18.0	28.20	20.90	1.00	.65	.57	1.15
45	25.0	18.0	32.20	22.40	1.46	.92	.79	1.58
50	NA	NA	38.30	25.70	2.33	1.31	NA	NA
60	NA	NA	60.30	33.10	7.09	3.86	NA	NA
70	NA	NA	73.90	41.10	21.73	12.71	NA	NA
75	NA	NA	84.20	49.20	34.05	20.38	NA	NA

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

Years of Service	Annual Rate of Salary Increase
0	9.64%
5	9.19
10	7.72
15	5.82
20	4.56
25	4.08
30	4.00

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

Overtime and other non-computation pay are assumed to be 11% of base pay. The city contributes on total pay including non-computation pay. This assumption is based on the revised compensation package adopted by the city council in 2007.

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	2%	48	2%	58	20%
39	2	49	2	59	20
40	2	50	4	60	20
41	2	51	3	61	20
42	2	52	3	62	20
43	2	53	3	63	20
44	2	54	3	64	20
45	2	55	25	65	100
46	2	56	20		
47	2	57	20		

Rates are applied when a 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, set back one year 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. Any active members who satisfy this criteria and have not entered DROP are assumed to never join DROP.

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 Postretirement Cost of Living:

Plan A and Plan B: 4% of original pension annually for eligible Members
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.

The actuarial value of assets is calculated based on the following formula:

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

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.

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.

Terminations Prior to Retirement			
This assumption was last changed as of January 1, 2005 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, 2004 through December 31, 2008 shows that during this period there have been about 18% more terminations than expected.			
January 1, 2004 through December 31, 2008			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Termination Prior to Retirement	453	385	118%

Disability			
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, 2004 through December 31, 2008 shows that during this period there have been about 80% more of disability retirements as expected. Since the actual number of disablements is so small, we do not feel that any change in this assumption is necessary at this time.			
January 1, 2004 through December 31, 2008			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Disability Retirements	18	10	180%

Retirement (Leaving Active Service)			
<p>This assumption was changed as of January 1, 2005 to better reflect the actual experience of the System and to better anticipate future expectations. The ratio of actual retirements to the expected retirements using the new retirement rates for the period January 1, 2004 through December 31, 2008 shows that during this period there have been about 19% less retirements than expected.</p>			
January 1, 2004 through December 31, 2008			
Retirement	<u>Actual</u> 572	<u>Expected</u> 710	<u>Actual/Expected</u> 81%

Death			
<p>This assumption was changed as of January 1, 2007 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, 2007 through December 31, 2008 shows that during this period there have been 6% more deaths than expected. It is generally desirable to have some margin in this assumption for mortality improvement.</p>			
January 1, 2007 through December 31, 2008			
Death	<u>Actual</u> 196	<u>Expected</u> 185	<u>Actual/Expected</u> 106%

Age at DROP			
<p>This assumption has not changed since the implementation of DROP in 1993. The actual age at DROP is virtually the same as the assumed age of 50. We do not feel any change in assumption is necessary at this time since there is no difference in the assumed age at DROP and the actual age at DROP.</p>			
January 1, 1996 through December 31, 2008			
Age at DROP	<u>Actual</u> 49.9	<u>Expected</u> 50.0	<u>Actual/Expected</u> 100%

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.

Inflation			
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, 2008 has been 3.69%. 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, 1948 through December 31, 2008			
Inflation	<u>Actual</u> 3.69%	<u>Expected</u> 4.00%	<u>Actual/Expected</u> 92%

Salary Increases			
The salary increase assumption used to value the liabilities of the System varies by the service of the Member. This assumption was last changed as of January 1, 2007 to reflect the expected change in future pay increases. 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, 2006 through December 31, 2008 follows.			
January 1, 2006 through December 31, 2008			
Valuation Compensation	<u>Actual</u> \$923,390,148	<u>Expected</u> \$925,508,685	<u>Actual/Expected</u> 100%

Long-Term Rate of Return on Plan Assets			
<p>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, 2008 follows.</p>			
<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)
1/1/2001	through	12/31/2001	(7.76)
1/1/2002	through	12/31/2002	(12.26)
1/1/2003	through	12/31/2003	31.65
1/1/2004	through	12/31/2004	13.96
1/1/2005	through	12/31/2005	10.81
1/1/2006	through	12/31/2006	14.64
1/1/2007	through	12/31/2007	8.85
1/1/2008	through	12/31/2008	(24.80)
10/1/1988	through	12/31/2008	8.77%

Effective for years beginning on October 1, 2002 and each October 1 thereafter, the DROP interest rate will be determined at a daily rate based on the arithmetic average of the annual market return on the System's investments for the preceding ten calendar years. However, the rate shall not be more than 25 basis points different from the prior year and shall not be less than 8% nor more than 10%. The ten-year arithmetic average of the annual market return on the System's investments for the preceding ten calendar years is 5.80%. Last year's DROP interest rate was 9.75%. Therefore, the annual DROP interest rate for October 1, 2009 is 9.50%.

Asset Projection

<u>Year</u>	<u>Market Value of Assets at Beginning of Year</u>	<u>Expected Contributions During Year</u>	<u>Expected Benefit Payments During Year</u>	<u>Expected Investment Income During Year*</u>	<u>Market Value of Assets at End of Year</u>
2009	\$2,533,055,971	\$128,300,000	\$171,800,000	\$213,500,000	\$2,703,100,000
2010	2,703,100,000	133,500,000	193,200,000	227,200,000	2,870,600,000
2011	2,870,600,000	138,800,000	216,400,000	240,700,000	3,033,700,000
2012	3,033,700,000	144,400,000	241,700,000	253,700,000	3,190,100,000
2013	3,190,100,000	150,100,000	269,600,000	266,100,000	3,336,700,000
2014	3,336,700,000	156,100,000	299,400,000	277,500,000	3,470,900,000
2015	3,470,900,000	162,400,000	332,400,000	287,800,000	3,588,700,000
2016	3,588,700,000	168,900,000	367,800,000	296,600,000	3,686,400,000
2017	3,686,400,000	175,600,000	406,000,000	303,600,000	3,759,600,000
2018	3,759,600,000	182,700,000	445,500,000	308,400,000	3,805,200,000
2019	3,805,200,000	190,000,000	437,500,000	312,900,000	3,870,600,000
2020	3,870,600,000	197,600,000	416,700,000	319,700,000	3,971,200,000
2021	3,971,200,000	205,500,000	437,600,000	327,700,000	4,066,800,000
2022	4,066,800,000	213,700,000	458,200,000	335,300,000	4,157,600,000
2023	4,157,600,000	222,200,000	477,900,000	342,500,000	4,244,400,000

* Assuming an 8.5% return on the market value of assets, net of expenses.

TABLE 1

THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE
(excluding DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE
AS OF JANUARY 1, 2009

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	98	42,479	95	44,642	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	135	42,581	299	45,947	59	51,903	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	53	42,410	152	46,051	205	53,921	58	58,000	1	50,070	0	0	0	0	0	0	0	0	0	0
35 to 39	30	42,756	76	46,290	155	54,320	185	62,175	68	69,082	0	0	0	0	0	0	0	0	0	0
40 to 44	15	42,162	27	54,102	50	54,755	97	62,443	292	70,062	90	74,558	0	0	0	0	0	0	0	0
45 to 49	6	42,967	9	46,808	21	55,609	39	64,969	141	69,754	182	75,262	78	76,125	0	0	0	0	0	0
50 to 54	0	0	3	44,664	3	54,087	4	64,812	14	70,228	4	71,343	13	72,060	3	71,600	0	0	0	0
55 to 59	1	41,690	2	48,488	3	65,995	0	0	0	0	1	65,847	3	66,786	1	79,046	0	0	0	0
60 to 64	0	0	1	81,844	1	52,359	0	0	1	69,979	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, 2009

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	49	41,990	20	43,682	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	57	42,121	92	45,584	18	52,520	1	53,567	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	33	41,921	79	47,104	124	55,338	29	58,618	1	54,139	0	0	0	0	0	0	0	0	0	0
35 to 39	4	42,700	29	46,441	91	55,740	93	63,068	31	69,679	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	12	47,118	30	54,145	41	62,011	67	70,142	49	76,280	1	75,063	0	0	0	0	0	0
45 to 49	1	41,690	9	48,496	6	56,007	14	63,892	51	70,385	127	74,668	37	75,662	0	0	0	0	0	0
50 to 54	0	0	1	44,961	0	0	0	0	3	69,877	2	84,727	3	76,426	0	0	0	0	0	0
55 to 59	1	41,690	1	44,962	0	0	0	0	1	72,201	0	0	0	0	1	74,370	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	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, 2009

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	147	42,316	115	44,475	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	192	42,445	391	45,861	77	52,047	1	53,567	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	86	42,222	231	46,411	329	54,455	87	58,206	2	52,105	0	0	0	0	0	0	0	0	0	0
35 to 39	34	42,749	105	46,332	246	54,846	278	62,474	99	69,269	0	0	0	0	0	0	0	0	0	0
40 to 44	15	42,162	39	51,953	80	54,526	138	62,315	359	70,077	139	75,165	1	75,063	0	0	0	0	0	0
45 to 49	7	42,784	18	47,652	27	55,698	53	64,685	192	69,922	309	75,018	115	75,976	0	0	0	0	0	0
50 to 54	0	0	4	44,738	3	54,087	4	64,812	17	70,166	6	75,804	16	72,879	3	71,600	0	0	0	0
55 to 59	2	41,690	3	47,313	3	65,995	0	0	1	72,201	1	65,847	3	66,786	2	76,708	0	0	0	0
60 to 64	0	0	1	81,844	1	52,359	0	0	1	69,979	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, 2009

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	98	42,479	95	44,642	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	135	42,581	299	45,947	59	51,903	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	53	42,410	152	46,051	205	53,921	58	58,000	1	50,070	0	0	0	0	0	0	0	0	0	0
35 to 39	30	42,756	76	46,290	155	54,320	185	62,175	68	69,082	0	0	0	0	0	0	0	0	0	0
40 to 44	15	42,162	27	54,102	50	54,755	97	62,443	292	70,062	95	75,526	0	0	0	0	0	0	0	0
45 to 49	6	42,967	9	46,808	21	55,609	40	65,413	143	70,076	221	78,063	120	86,994	0	0	0	0	0	0
50 to 54	0	0	3	44,664	5	56,947	7	73,752	34	77,329	82	89,852	158	92,778	77	100,172	8	87,671	0	0
55 to 59	1	41,690	2	48,488	3	65,995	1	71,041	11	87,610	31	95,215	38	88,090	70	97,597	48	91,952	0	0
60 to 64	0	0	1	81,844	1	52,359	0	0	1	69,979	6	83,791	10	92,007	10	93,128	23	97,040	7	88,669
65 to 69	0	0	0	0	0	0	0	0	0	0	1	84,520	1	76,769	2	107,810	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, 2009

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	49	41,990	20	43,682	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	57	42,121	92	45,584	18	52,520	1	53,567	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	33	41,921	79	47,104	124	55,338	29	58,618	1	54,139	0	0	0	0	0	0	0	0	0	0
35 to 39	4	42,700	29	46,441	91	55,740	93	63,068	31	69,679	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	12	47,118	30	54,145	41	62,011	67	70,142	52	77,187	1	75,063	0	0	0	0	0	0
45 to 49	1	41,690	9	48,496	6	56,007	15	62,412	51	70,385	166	79,283	53	81,701	1	76,282	0	0	0	0
50 to 54	0	0	1	44,961	0	0	1	66,463	15	80,558	67	91,235	118	91,926	65	97,537	0	0	0	0
55 to 59	1	41,690	1	44,962	1	78,588	1	91,188	6	79,533	10	95,737	40	87,860	92	93,134	62	94,303	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	1	80,511	0	0	18	95,780	22	90,672	3	164,577
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	113,372	1	101,616	4	117,265
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	106,861

TABLE 2

THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE
(including DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE
AS OF JANUARY 1, 2009

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	147	42,316	115	44,475	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	192	42,445	391	45,861	77	52,047	1	53,567	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	86	42,222	231	46,411	329	54,455	87	58,206	2	52,105	0	0	0	0	0	0	0	0	0	0
35 to 39	34	42,749	105	46,332	246	54,846	278	62,474	99	69,269	0	0	0	0	0	0	0	0	0	0
40 to 44	15	42,162	39	51,953	80	54,526	138	62,315	359	70,077	147	76,113	1	75,063	0	0	0	0	0	0
45 to 49	7	42,784	18	47,652	27	55,698	55	64,595	194	70,157	387	78,587	173	85,372	1	76,282	0	0	0	0
50 to 54	0	0	4	44,738	5	56,947	8	72,841	49	78,317	149	90,474	276	92,414	142	98,966	8	87,671	0	0
55 to 59	2	41,690	3	47,313	4	69,144	2	81,115	17	84,759	41	95,342	78	87,972	162	95,062	110	93,277	0	0
60 to 64	0	0	1	81,844	1	52,359	0	0	1	69,979	7	83,323	10	92,007	28	94,833	45	93,927	10	111,441
65 to 69	0	0	0	0	0	0	0	0	0	0	1	84,520	1	76,769	3	109,664	1	101,616	4	117,265
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	106,861

TABLE 3

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF RETIRED MEMBERS
BY AGE AS OF JANUARY 1, 2009

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
44	1	\$ 31,597	\$ 31,597
45	1	30,099	30,099
46	9	187,135	20,793
47	6	151,982	25,330
48	8	237,212	29,652
49	16	467,252	29,203
50	16	630,789	39,424
51	15	533,943	35,596
52	20	598,631	29,932
53	23	914,303	39,752
54	25	1,123,816	44,953
55	35	1,529,104	43,689
56	49	2,746,218	56,045
57	77	4,060,053	52,728
58	65	3,183,748	48,981
59	104	5,376,212	51,694
60	113	5,179,591	45,837
61	145	6,615,531	45,624
62	138	6,428,635	46,584
63	96	4,308,580	44,881
64	84	3,644,519	43,387
65	90	4,229,936	46,999
66	113	5,061,709	44,794
67	69	3,303,001	47,870
68	96	4,314,608	44,944
69	76	3,626,787	47,721
70	87	4,097,214	47,094
71	70	3,331,503	47,593
72	61	2,608,739	42,766
73	57	2,443,021	42,860
74	60	2,423,981	40,400
75	59	2,249,921	38,134
76	58	2,490,987	42,948
77	58	2,087,163	35,986

TABLE 3

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF RETIRED MEMBERS
BY AGE AS OF JANUARY 1, 2009
CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
78	53	\$ 1,901,016	\$ 35,868
79	48	1,700,122	35,419
80	44	1,622,661	36,879
81	33	1,248,192	37,824
82	23	808,038	35,132
83	20	677,845	33,892
84	26	927,421	35,670
85	22	796,528	36,206
86	9	325,692	36,188
87	9	299,130	33,237
88	12	443,412	36,951
89	11	372,533	33,867
90	1	33,916	33,916
91	4	128,925	32,231
92	1	33,792	33,792
93	1	33,842	33,842
TOTAL	2,317	\$ 101,600,585	\$ 43,850
POLICE	1,357	\$ 57,149,636	\$ 42,115
FIRE	960	\$ 44,450,949	\$ 46,303

TABLE 4

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF DISABLED MEMBERS
BY AGE AS OF JANUARY 1, 2009

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
32	1	\$ 28,581	\$ 28,581
33	1	20,599	20,599
36	2	64,387	32,194
37	1	35,281	35,281
38	1	23,948	23,948
40	2	63,488	31,744
41	4	133,714	33,429
42	1	30,686	30,686
43	1	36,536	36,536
44	2	61,385	30,693
45	4	127,468	31,867
46	3	93,852	31,284
47	2	51,793	25,897
48	3	84,819	28,273
49	2	75,054	37,527
51	2	63,839	31,920
52	4	119,882	29,971
53	3	89,806	29,935
54	5	157,529	31,506
55	2	62,832	31,416
56	1	34,313	34,313
57	6	232,846	38,808
58	6	216,608	36,101
59	6	278,811	46,469
60	6	201,787	33,631
61	7	269,813	38,545
62	4	109,646	27,412
63	2	44,378	22,189
64	6	206,108	34,351
65	2	78,105	39,053
66	4	165,585	41,396
67	2	62,716	31,358
68	7	289,836	41,405
69	12	546,522	45,544

TABLE 4

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF DISABLED MEMBERS
BY AGE AS OF JANUARY 1, 2009
CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
70	6	\$ 250,247	\$ 41,708
71	5	188,089	37,618
72	5	155,759	31,152
73	4	172,996	43,249
74	5	201,343	40,269
75	4	134,675	33,669
76	4	142,977	35,744
77	3	96,985	32,328
78	5	225,751	45,150
79	5	175,108	35,022
80	3	111,127	37,042
81	2	67,560	33,780
82	5	168,690	33,738
83	3	101,525	33,842
84	5	179,799	35,960
85	2	61,216	30,608
86	3	94,452	31,484
87	2	61,167	30,584
88	2	67,584	33,792
91	1	33,372	33,372
TOTAL	191	\$ 6,852,975	\$ 35,879
POLICE	72	\$ 2,258,183	\$ 31,364
FIRE	119	\$ 4,594,792	\$ 38,612

TABLE 5

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF BENEFICIARIES
BY AGE AS OF JANUARY 1, 2009

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
5	1	\$ 5,105	\$ 5,105
6	1	4,576	4,576
8	2	25,696	12,848
9	3	22,683	7,561
10	4	35,552	8,888
11	6	39,035	6,506
12	7	43,273	6,182
14	4	40,159	10,040
15	3	52,002	17,334
16	4	39,501	9,875
17	9	132,051	14,672
18	3	69,746	23,249
19	4	80,563	20,141
25	1	13,200	13,200
34	1	13,200	13,200
35	2	30,871	15,436
37	3	51,207	17,069
38	2	34,743	17,372
39	3	36,717	12,239
40	1	15,966	15,966
41	3	49,906	16,635
42	3	45,959	15,320
43	1	14,400	14,400
44	3	48,592	16,197
46	2	71,771	35,886
47	4	68,910	17,228
48	10	214,268	21,427
49	7	129,919	18,560
50	5	99,574	19,915
51	5	100,238	20,048
52	5	65,579	13,116
53	8	176,187	22,023
54	12	226,657	18,888

TABLE 5

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF BENEFICIARIES
BY AGE AS OF JANUARY 1, 2009
CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
55	9	\$ 214,264	\$ 23,807
56	7	156,274	22,325
57	13	253,902	19,531
58	14	370,152	26,439
59	15	276,890	18,459
60	21	469,839	22,373
61	17	412,144	24,244
62	26	520,416	20,016
63	17	341,146	20,067
64	12	230,764	19,230
65	22	529,370	24,062
66	17	374,680	22,040
67	19	430,074	22,635
68	21	374,512	17,834
69	31	714,963	23,063
70	22	514,364	23,380
71	22	618,084	28,095
72	18	408,633	22,702
73	24	499,588	20,816
74	29	561,023	19,346
75	20	343,635	17,182
76	28	505,765	18,063
77	21	450,473	21,451
78	23	404,030	17,567
79	19	322,592	16,979
80	32	617,681	19,303
81	25	440,254	17,610
82	30	617,603	20,587
83	17	319,009	18,765
84	26	446,757	17,183
85	23	455,543	19,806
86	16	308,036	19,252
87	16	296,815	18,551
88	9	154,968	17,219

TABLE 5

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF BENEFICIARIES
BY AGE AS OF JANUARY 1, 2009
CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
89	13	\$ 224,606	\$ 17,277
90	12	202,233	16,853
91	8	133,836	16,730
92	6	100,056	16,676
93	5	129,535	25,907
94	5	84,878	16,976
95	1	17,201	17,201
96	2	32,604	16,302
97	1	17,364	17,364
99	1	17,364	17,364
TOTAL	867	\$ 17,011,726	\$ 19,621
POLICE	488	\$ 9,388,783	\$ 19,239
FIRE	379	\$ 7,622,943	\$ 20,113

TABLE 6

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF RETIRED MEMBERS,
DISABLED MEMBERS AND BENEFICIARIES
BY AGE AS OF JANUARY 1, 2009

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
5	1	\$ 5,105	\$ 5,105
6	1	4,576	4,576
8	2	25,696	12,848
9	3	22,683	7,561
10	4	35,552	8,888
11	6	39,035	6,506
12	7	43,273	6,182
14	4	40,159	10,040
15	3	52,002	17,334
16	4	39,501	9,875
17	9	132,051	14,672
18	3	69,746	23,249
19	4	80,563	20,141
25	1	13,200	13,200
32	1	28,581	28,581
33	1	20,599	20,599
34	1	13,200	13,200
35	2	30,871	15,436
36	2	64,387	32,194
37	4	86,488	21,622
38	3	58,691	19,564
39	3	36,717	12,239
40	3	79,454	26,485
41	7	183,620	26,231
42	4	76,645	19,161
43	2	50,936	25,468
44	6	141,574	23,596
45	5	157,567	31,513
46	14	352,758	25,197
47	12	272,685	22,724
48	21	536,299	25,538
49	25	672,225	26,889
50	21	730,363	34,779

TABLE 6

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF RETIRED MEMBERS,
DISABLED MEMBERS AND BENEFICIARIES
BY AGE AS OF JANUARY 1, 2009
CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
51	22	\$ 698,020	\$ 31,728
52	29	784,092	27,038
53	34	1,180,296	34,715
54	42	1,508,002	35,905
55	46	1,806,200	39,265
56	57	2,936,805	51,523
57	96	4,546,801	47,363
58	85	3,770,508	44,359
59	125	5,931,913	47,455
60	140	5,851,217	41,794
61	169	7,297,488	43,180
62	168	7,058,697	42,016
63	115	4,694,104	40,818
64	102	4,081,391	40,014
65	114	4,837,411	42,433
66	134	5,601,974	41,806
67	90	3,795,791	42,175
68	124	4,978,956	40,153
69	119	4,888,272	41,078
70	115	4,861,825	42,277
71	97	4,137,676	42,656
72	84	3,173,131	37,775
73	85	3,115,605	36,654
74	94	3,186,347	33,897
75	83	2,728,231	32,870
76	90	3,139,729	34,886
77	82	2,634,621	32,130
78	81	2,530,797	31,244
79	72	2,197,822	30,525
80	79	2,351,469	29,765
81	60	1,756,006	29,267
82	58	1,594,331	27,488
83	40	1,098,379	27,459
84	57	1,553,977	27,263

TABLE 6

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF RETIRED MEMBERS,
DISABLED MEMBERS AND BENEFICIARIES
BY AGE AS OF JANUARY 1, 2009
CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
85	47	\$ 1,313,287	\$ 27,942
86	28	728,180	26,006
87	27	657,112	24,337
88	23	665,964	28,955
89	24	597,139	24,881
90	13	236,149	18,165
91	13	296,133	22,779
92	7	133,848	19,121
93	6	163,377	27,230
94	5	84,878	16,976
95	1	17,201	17,201
96	2	32,604	16,302
97	1	17,364	17,364
99	1	17,364	17,364
TOTAL	3,375	\$ 125,465,286	\$ 37,175
POLICE	1,917	\$ 68,796,602	\$ 35,888
FIRE	1,458	\$ 56,668,684	\$ 38,867

TABLE 7

THE NUMBER AND FUTURE ANNUAL
ALLOWANCE OF TERMINATED MEMBERS
ENTITLED TO A FUTURE BENEFIT
BY AGE AS OF JANUARY 1, 2009

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
25	1	\$ 232	\$ 232
29	1	4,694	4,694
30	1	7,845	7,845
31	4	25,666	6,417
32	4	24,995	6,249
33	3	16,862	5,621
34	3	27,466	9,155
35	4	43,820	10,955
36	5	41,098	8,220
37	5	40,918	8,184
38	9	95,092	10,566
39	13	123,054	9,466
40	8	111,390	13,924
41	8	134,016	16,752
42	6	56,232	9,372
43	14	170,397	12,171
44	9	180,103	20,011
45	9	131,374	14,597
46	12	210,764	17,564
47	8	84,127	10,516
48	9	145,986	16,221
49	5	88,929	17,786
50	3	41,114	13,705
51	3	21,766	7,255
53	1	11,095	11,095
54	1	18,825	18,825
55	1	21,260	21,260
59	1	4,997	4,997
TOTAL	151	\$ 1,884,117	\$ 12,478
POLICE	123	\$ 1,585,307	\$ 12,889
FIRE	28	\$ 298,810	\$ 10,672

TABLE 8

THE NUMBER, ANNUAL RETIREMENT
ALLOWANCE AND ACCOUNT BALANCE
OF DROP MEMBERS
BY AGE AS OF JANUARY 1, 2009

POLICE AND FIRE
DROP

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT	ACCOUNT BALANCE	AVERAGE ACCOUNT BALANCE
41	1	\$ 28,805	\$ 28,805	\$ 9,620	\$ 9,620
42	2	55,784	27,892	46,861	23,431
43	2	58,464	29,232	80,037	40,019
44	3	96,745	32,248	259,026	86,342
45	4	112,879	28,220	215,748	53,937
46	5	162,158	32,432	213,391	42,678
47	7	245,172	35,025	223,808	31,973
48	28	1,317,364	47,049	773,553	27,627
49	65	2,959,282	45,527	3,330,252	51,235
50	113	5,944,711	52,608	6,557,715	58,033
51	122	6,420,838	52,630	9,379,512	76,881
52	130	6,792,834	52,253	16,331,211	125,625
53	95	5,082,792	53,503	17,124,770	180,261
54	117	6,233,499	53,278	29,058,820	248,366
55	96	5,009,569	52,183	28,314,959	294,947
56	90	4,919,457	54,661	33,461,163	371,791
57	97	5,208,083	53,692	41,285,841	425,627
58	83	4,043,806	48,721	36,675,663	441,875
59	60	2,894,314	48,239	31,159,576	519,326
60	39	1,718,304	44,059	19,668,844	504,329
61	35	1,598,300	45,666	22,625,015	646,429
62	25	1,007,419	40,297	15,173,784	606,951
63	13	624,884	48,068	9,857,135	758,241
64	8	394,849	49,356	6,848,044	856,006
65	8	358,509	44,814	6,754,427	844,303
66	2	125,669	62,835	2,832,389	1,416,195
69	1	33,450	33,450	802,762	802,762
73	1	92,759	92,759	1,001,730	1,001,730
TOTAL	1,252	\$ 63,540,699	\$ 50,751	\$ 340,065,656	\$ 271,618
POLICE	673	\$ 34,001,360	\$ 50,522	\$ 165,510,776	\$ 245,930
FIRE	579	\$ 29,539,339	\$ 51,018	\$ 174,554,880	\$ 301,476