

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM

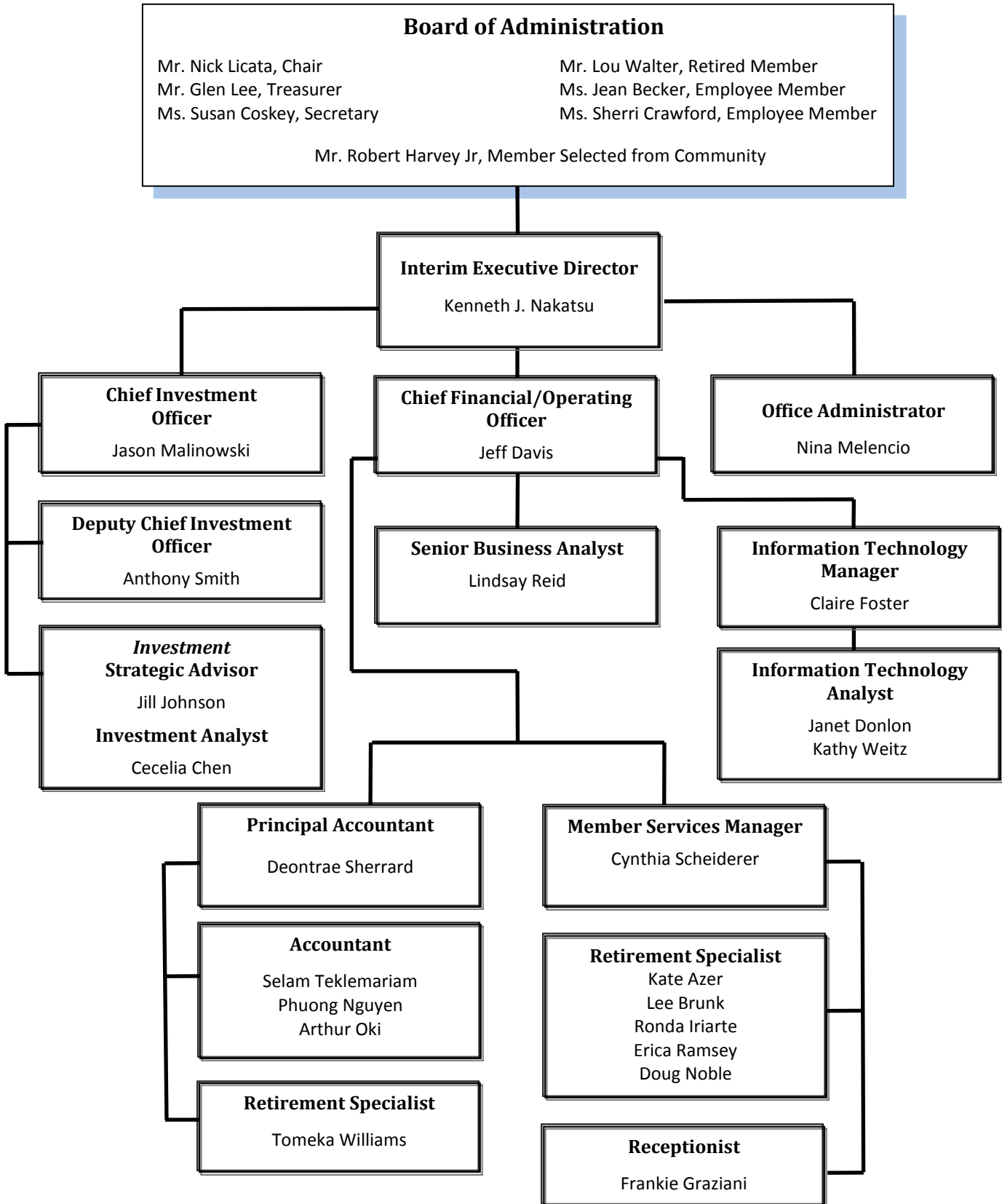
A Pension Trust Fund of the City of Seattle

ANNUAL REPORT

For the Year Ended December 31, 2015

Prepared by: Seattle City Employees' Retirement System Staff
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2015 Organizational Chart





City of Seattle

Seattle City Employees' Retirement System

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To the Honorable Mayor and Seattle City Council
Seattle, Washington

I am pleased to transmit the 2015 Annual Report of the Seattle City Employees' Retirement System. This Annual Report consists of four sections: the Introductory Section contains the Executive Director's letter of transmittal, an organizational chart for the System, and the table of contents for the report; the Financial Section contains the audited financial statements of the System, as well as a letter from the System's certified public accountants; the Actuarial Section contains the independent consulting actuary's opinion, along with related actuarial data and statements; and the Statistical Section includes tables of significant data pertaining to the System operations.

The compilation of this report is the result of the combined effort of the Staff under the leadership of the Retirement Board. The intention is to provide complete and reliable information to assist in management decisions, to present evidence of compliance with legal provisions, and to demonstrate responsible stewardship for the assets contributed by the members and their employers.

The Executive Director and staff have reviewed the internal accounting controls and the financial statements, supporting schedules and statistical tables, and we are of the opinion that they fairly represent the condition of the Retirement System.

The accuracy and completeness of the data contained in this report are the sole responsibility of the management of the Seattle City Employees' Retirement System.

Overview of the Seattle City Employees' Retirement System

The Retirement System was created and established by amendment to the Charter of the City of Seattle (Article XXII – Section 13) submitted to the voters at the municipal election of March 8, 1927. The System, known thereafter as the Seattle City Employees' Retirement System (SCERS), is to provide retirement income to help maintain the quality of life for its former employees. The retirement plan is a defined benefit plan, which means the employee's salary, years of service, and age at the time of retirement are used to determine the amount of retirement benefits. Members of the Retirement System also participate in Social Security.

The Retirement System covers employees of the City of Seattle, the Seattle Public Library, and certain employees of King County and METRO. The Retirement System does not cover law enforcement officers and fire fighter employees. The year ended December 31, 2015, concludes our 88th year of operations.

The City of Seattle also sponsors a voluntary deferred compensation plan which permits employees to make pre-tax contributions up to the federal limits and manage the investment allocation of their contributions. This plan is administered through the Seattle Department of Human Resources and a third party administrator.

Distribution of the 2015 Annual Report

The report will be posted to the System's website. We trust the departments and Retirement System members will find this report both informative and helpful.

We would like to express our gratitude to the staff, the advisors, and to the many other people who have worked so diligently to assure the successful operation of the System.

Respectfully submitted,
BOARD OF ADMINISTRATION,
SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM

A handwritten signature in blue ink, appearing to read "Kenneth J. Nakatsu".

Kenneth J. Nakatsu
Interim Executive Director

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CliftonLarsonAllen

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FINANCIAL
Independent Auditors Report

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
Report of Independent Auditors
and Financial Statements with
Required Supplementary Information
and Additional Information

December 31, 2015 and 2014

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INDEPENDENT AUDITORS' REPORT

Board of Administration
Seattle City Employees' Retirement System
Seattle, Washington

Report on the Financial Statements

We have audited the accompanying financial statements of the Seattle City Employees' Retirement System (SCERS), which comprise the statements of plan net position as of December 31, 2015 and 2014, and the related statements of changes in plan net position for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SCERS as of December 31, 2015 and 2014, and the results of its operations for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of changes in net pension liability and related ratios, employer contributions, and investment returns. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audits of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The additional information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional information, as listed in the table of contents, is fairly stated in all material respects in relation to the financial statements as a whole.



CliftonLarsonAllen LLP

Baltimore, Maryland
July 11, 2016

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2015 and 2014**

This section presents management's discussion and analysis of the Seattle City Employees' Retirement System's (SCERS or the System) financial performance during the years ended December 31, 2015 and 2014. Please read it in conjunction with the accompanying financial statements and the related notes.

The City of Seattle is responsible for establishing and maintaining an internal control structure designed to ensure the protection of assets from loss, theft, or misuse, and to ensure the accounting information generated is adequate to prepare financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, though not absolute, assurance of achieving these objectives.

As a department of the City of Seattle, the Seattle City Employees' Retirement System is subject to this internal control structure. In addition, section 4.36.140.D of the Seattle Municipal Code requires the Board of Administration to annually transmit a report of the financial condition of the System to the City Council.

This report is prepared in accordance with the principles of governmental accounting and reporting promulgated by the Governmental Accounting Standards Board (GASB). Investments are stated at fair value, and revenues include the recognition of unrealized gains and losses. The accrual basis of accounting is used to record assets, liabilities, revenues and expenses. Revenue recognition occurs when earned without regard to the date of collection. Expense recognition occurs when the corresponding liabilities are incurred, regardless of payment date. The basis of contributions to the System follows the principles of level cost financing, with current service financed on a current basis. Milliman Consultants and Actuaries, the consulting actuary, evaluates the funding status of the System.

This report contains the following information:

- 1. Basic Financial Statements** including:
 - a. Statements of Plan Net Position
 - b. Statements of Changes in Plan Net Position
 - c. Notes to the Financial Statements

- 2. Required Supplementary Information** including:
 - a. Schedule of Changes in Net Pension Liability and Related Ratios
 - b. Schedule of Employer Contributions
 - c. Schedule of Investment Returns

- 3. Additional Information** including:
 - a. Schedule of Administrative Expenses
 - b. Schedule of Investment Expenses

The basic financial statements are described as follows:

- The Statement of Plan Net Position shows the account balances at year-end and includes the net position available for future benefit payments. The liabilities for future benefit payments are not included in this statement; however, they are shown in the Schedule of Changes in Net Pension Liability and Related Ratios that is included in the Required Supplementary Information.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2015 and 2014**

- The Statement of Changes in Plan Net Position shows the sources and uses of funds during the year and illustrates the change in net position from the previous year.
- The Notes to the Financial Statements are an integral part of the financial statements and include additional detailed information and schedules to provide a better understanding of the financial statements.

The required supplementary information provides historical trends that help to reflect the ongoing plan perspective and the long-term nature of the defined benefit plan.

- The Schedule of Changes in Net Pension Liability and Related Ratios contains actuarial information about the status of the plan.
- The Schedule of Employer Contributions contains historical trend information regarding the value of the total annual contributions the employer must pay and the actual contributions paid by employers in meeting this requirement.
- The Schedule of Investment Returns contains the investment returns realized on the total portfolio for the years since 2014.

Financial Highlights

- Net position decreased by \$10 million (-0.4%) during 2015. The primary driver was net investment income of \$7 million. Net position increased by \$106 million (4.8%) during 2014. The primary driver was a \$117 million increase in investment assets and receivables.
- Revenue additions to net position for 2015 were \$174 million which includes member and employer contributions of \$167 million and revenue from investment activity totaling \$7 million. Revenue additions to net position for 2014 were \$276 million which includes member and employer contributions of \$154 million and revenue from investment activity totaling \$122 million.
- Expenses (deductions from net position) for 2015 increased by \$13.0 million (7.6%) from 2014. This can be primarily attributed to a \$9.1 million increase in retiree benefits. In 2015, the net increase in the number of retirees receiving benefits was 3.4%. Expenses for 2014 increased by \$8.9 million (5.5%) from 2013. This can be primarily attributed to an \$8.8 million increase in retiree benefits. In 2015, the net increase in the number of retirees receiving benefits was 2.9%.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2015 and 2014**

Plan Net Position

The table below provides a summary of assets and current liabilities for the years ended December 31:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Cash, short-term investments and receivables	\$ 170,672,072	\$ 128,978,368	\$ 58,102,260
Investments at fair value	2,154,482,878	2,226,745,449	2,180,184,714
Securities lending collateral	<u>50,952,037</u>	<u>25,231,591</u>	<u>13,595,048</u>
Total assets	<u>2,376,106,987</u>	<u>2,380,955,408</u>	<u>2,251,882,022</u>
Securities lending payable	53,633,431	28,228,622	16,750,032
Other payables	<u>9,452,393</u>	<u>30,023,091</u>	<u>18,223,505</u>
Total liabilities	<u>63,085,824</u>	<u>58,251,713</u>	<u>34,973,537</u>
Total net position	<u>\$ 2,313,021,163</u>	<u>\$ 2,322,703,695</u>	<u>\$ 2,216,908,485</u>

Changes in Plan Net Position

The table below provides a summary of the changes in plan net position and reflects the activities of the fund for the years ended December 31:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Additions:			
Employer contributions	\$ 101,153,403	\$ 89,988,898	\$ 77,073,667
Member contributions	65,779,216	63,969,504	60,342,581
Net investment income and other income	<u>7,083,633</u>	<u>122,510,195</u>	<u>289,817,661</u>
Total additions	<u>174,016,252</u>	<u>276,468,597</u>	<u>427,233,909</u>
Deductions:			
Retiree benefits	159,349,807	150,239,008	141,424,206
Refunds of contributions	16,137,840	15,103,615	15,278,136
Administrative expenses	<u>8,211,137</u>	<u>5,330,764</u>	<u>5,058,356</u>
Total deductions	<u>183,698,784</u>	<u>170,673,387</u>	<u>161,760,698</u>
Net increase (decrease)	<u>\$ (9,682,532)</u>	<u>\$ 105,795,210</u>	<u>\$ 265,473,211</u>

Revenues - Additions to Net Plan Position

- In 2015, employer contributions increased by \$11.2 million (12.4%) compared to 2014. In 2014, employer contributions increased by \$12.9 million (16.8%) compared to 2013.
- Member contributions increased by \$1.8 million (2.8%) compared to 2014. In 2014, member contributions increased by \$3.6 million (6.0%) compared to 2013.
- Net investment income was \$7.1 million in 2015 compared to \$122.5 million in 2014 and \$289.8 million in 2013.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2015 and 2014**

Expenses - Deductions from Net Plan Assets

- Retiree benefits increased in 2015 by \$9.1 million (6.1%) compared to 2014, primarily due to the increased number of members making application for retirement and a mandatory 1.5% COLA (Cost of Living Adjustment). As a comparison, retiree benefits increased \$8.8 million (6.2%) in 2014.
- Refunds of contributions increased in 2015 by \$1.0 million (6.8%) compared to amounts paid in 2014. In 2014, refunds decreased \$0.2 million (-1.1%) compared to amounts paid in 2013.

Changes in Plan Membership

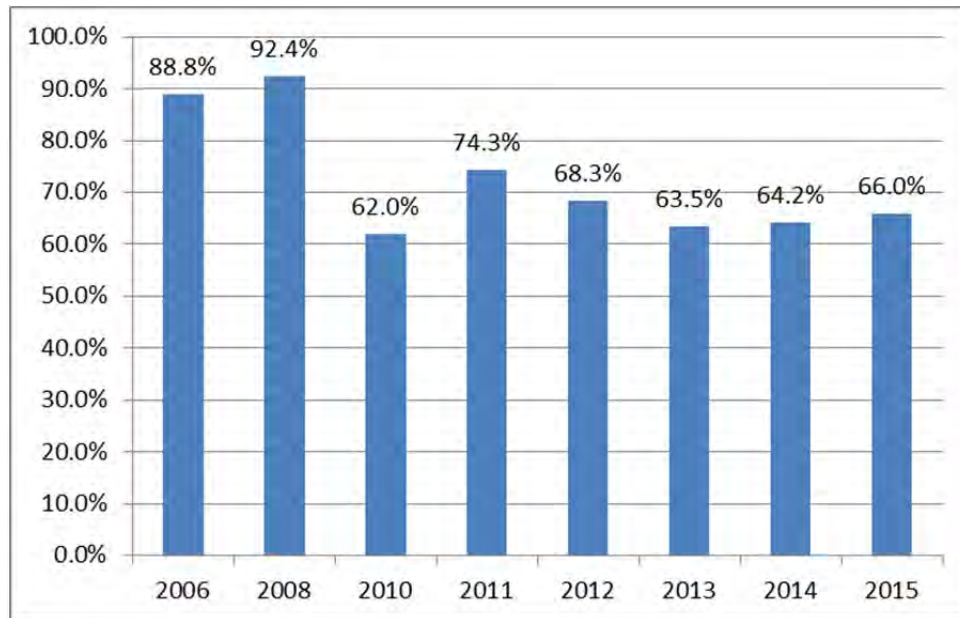
The table below reflects the active membership and retiree changes for the years ended December 31:

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Retirees and beneficiaries receiving benefits	<u>6,223</u>	<u>6,020</u>	3.4%
Current and terminated employees:			
Current employee members	8,882	8,746	1.6%
Terminated members entitled to, but not yet receiving benefits, Vested	1,220	1,188	2.7%
Terminated members not entitled to benefits beyond contributions and accumulated interest, Non-Vested	<u>977</u>	<u>935</u>	4.5%
Total	<u>11,079</u>	<u>10,869</u>	1.9%

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2015 and 2014

Funding Status

Schedule of Funding Progress
Funding Ratio
As of January 1st Valuation Date



With the January 1, 2011 Valuation and the 2007-2010 Experience Study, the Board of Administration adopted a policy of asset smoothing over a 5-year period. The reported funding ratio as of January 1, 2012 reflects that change. Prior to January 1, 2011, all funding ratios were reported on a market basis.

Funds are accumulated from employer and employee contributions and investment earnings, and are used to pay present and future benefit obligations and administrative expenses. We continue to make a constant effort to achieve a fully funded status, thereby assuring the participants of a financially sound retirement system. In 2015, most active members contributed 10.03% of their salaries to the retirement fund and the City contributed 15.73%.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2015 and 2014**

Investment Activities

One-year returns on asset classes (gross of fees) and comparative benchmarks are presented in the table below for the years ended December 31. These returns are calculated on a time-weighted rate of return basis:

2015 Investment Performance

Total Portfolio	0.3%
Domestic Equities	1.5%
Benchmark: Russell 3000 Index (Blend)	1.2%
International Equities	(3.9%)
Benchmark: MSCI ACWI ex US IM/ND	(4.6%)
Broad Fixed Income	0.3%
Benchmark: Barclays U.S. Universal Index	0.4%
Private Equity	2.6%
Benchmark: ASP Custom Private Equity Index	3.5%
Real Estate	13.5%
Benchmark: Russell NCREIF Property Index	13.9%
Diversifying Strategies	0.2%
Benchmark: HFRI Fund of Funds Comp. Index	(0.3%)
Cash	0.7%
Benchmark: Citigroup 3-Month T-Bills	0.0%

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2015 and 2014**

2015 Investment Performance

Total Portfolio	5.7%
Domestic Equities	13.1%
Benchmark: U.S. Equities Custom Index	10.1%
International Equities	(5.3%)
Benchmark: MSCI ACWI ex US IM/ND	(3.9%)
Fixed Income	5.6%
Benchmark: Barclays U.S. Universal Index	5.6%
Real Return	7.6%
Benchmark: CPI + 3%	3.7%
Private Equity	(2.1%)
Benchmark: ASP Custom Private Equity Index	16.8%
Real Estate	11.2%
Benchmark: Russell NCREIF Property Index	12.4%
Cash	5.8%
Benchmark: Citigroup 3-Month T-Bills	0.0%

The investments of the System are governed primarily by the prudent investor rule. The prudent investor rule, as set forth by the Revised Code of Washington, establishes a standard for all fiduciaries, which includes anyone who has authority with respect to the fund. The System invests retirement funds for the long-term, anticipating both good and poor performing financial markets. The overall investment portfolio is positioned in a diversified manner to maximize return given the System's risk tolerance.

Contacting the Seattle City Employees' Retirement System

If you have questions about this report or need additional information, please contact us by telephone at: 206.386.1293 or by e-mail at: city.retirement@seattle.gov or you may mail your questions to:

Seattle City Employees' Retirement System
720 Third Avenue, Suite 900
Seattle, WA 98104

FINANCIAL STATEMENTS

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF PLAN NET POSITION
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets:		
Cash	\$ 8,943,035	\$ 2,726,099
Short-term investments	<u>143,820,761</u>	<u>108,857,640</u>
Total cash and short-term investments	<u>152,763,796</u>	<u>111,583,739</u>
Receivables:		
Members	3,496,137	2,901,009
Employer	4,787,895	4,203,851
Interest and dividends	3,449,203	4,052,719
Sales proceeds receivable	<u>6,175,041</u>	<u>6,237,050</u>
Total receivables	<u>17,908,276</u>	<u>17,394,629</u>
Investments, at fair value:		
Fixed income	604,985,207	549,377,673
Equity	1,163,805,377	1,334,361,774
Real estate	270,796,297	250,403,585
Alternative investments	<u>114,895,997</u>	<u>92,602,417</u>
Total investments, at fair value	<u>2,154,482,878</u>	<u>2,226,745,449</u>
Securities lending collateral	<u>50,952,037</u>	<u>25,231,591</u>
Total assets	<u>2,376,106,987</u>	<u>2,380,955,408</u>
Liabilities:		
Pensions payable and other	2,004,637	2,286,308
Obligations under securities lending	53,633,431	28,228,622
Investment commitments payable	<u>7,447,756</u>	<u>27,736,783</u>
Total liabilities	<u>63,085,824</u>	<u>58,251,713</u>
Net position held in trust for pension benefits	<u>\$ 2,313,021,163</u>	<u>\$ 2,322,703,695</u>

The accompanying notes are an integral part of these financial statements.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF CHANGES IN PLAN NET POSITION
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Additions:		
Contributions:		
Employer	\$ 101,153,403	\$ 89,988,898
Member	<u>65,779,216</u>	<u>63,969,504</u>
Total contributions	<u>166,932,619</u>	<u>153,958,402</u>
Investment activities:		
Investment income:		
Net change in fair value of investments	(22,933,464)	93,680,606
Interest	11,377,655	11,584,482
Dividends	<u>27,836,456</u>	<u>25,542,523</u>
Net investment income	<u>16,280,647</u>	<u>130,807,611</u>
Securities lending activities:		
Securities lending income	56,694	23,941
Borrowing rebates	<u>674,010</u>	<u>216,063</u>
Total securities lending income	730,704	240,004
Securities lending management fees	<u>(182,660)</u>	<u>(59,989)</u>
Net income from securities lending	<u>548,044</u>	<u>180,015</u>
Investment activity expenses:		
Investment management fees	(9,096,421)	(7,802,096)
Investment consultant fees	(295,000)	(333,389)
Investment custodial fees	<u>(353,637)</u>	<u>(341,946)</u>
Total investment activity expenses	<u>(9,745,058)</u>	<u>(8,477,431)</u>
Net income from investment activities	<u>7,083,633</u>	<u>122,510,195</u>
Total additions	<u>174,016,252</u>	<u>276,468,597</u>
Deductions:		
Benefits	159,349,807	150,239,008
Refunds of contributions	16,137,840	15,103,615
Administrative expenses	<u>8,211,137</u>	<u>5,330,764</u>
Total deductions	<u>183,698,784</u>	<u>170,673,387</u>
Net change	(9,682,532)	105,795,210
Net position held in trust for pension benefits		
Beginning of year	<u>2,322,703,695</u>	<u>2,216,908,485</u>
End of year	<u>\$ 2,313,021,163</u>	<u>\$ 2,322,703,695</u>

The accompanying notes are an integral part of these financial statements.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

Note 1 - Plan Description

The Seattle City Employees' Retirement System (the System) is a multiple employer defined benefit public employee retirement plan, covering employees of the City of Seattle and administered in accordance with Chapter 4.36 of the Seattle Municipal Code. The System is a pension trust fund of the City of Seattle.

The System is administered by the Retirement System Board of Administration (the Board). The Board consists of seven members including the Chair of the Finance Committee of the Seattle City Council, the City of Seattle Finance Director, the City of Seattle Personnel Director, two active members and one retired member of the System who are elected by other system members, and one outside board member who is appointed by the other six board members. Elected and appointed board members serve for three-year terms.

All employees of the City of Seattle are eligible for membership in the System with the exception of uniformed police and fire personnel who are covered under a retirement system administered by the State of Washington. Employees of METRO and the King County Health Department who established membership in the System when these organizations were City of Seattle departments were allowed to continue their System membership (there are currently fewer than 50 members in this category). There are currently 6,223 retirees and beneficiaries receiving benefits, and 8,882 active members of the System. There are 1,220 terminated, vested employees entitled to future benefits.

The System provides retirement, death, and disability benefits. Retirement benefits vest after five years of credited service, while death and disability benefits vest after ten years of service. Retirement benefits are calculated as 2% multiplied by years of creditable service, multiplied by average salary, based on the highest 24 consecutive months. The benefit is actuarially reduced for early retirement. The System provides post-retirement benefit increase including an automatic 1.5% annual COLA increase and a 65% restoration of purchasing power benefit.

Note 2 - Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting - These financial statements have been prepared with an "economic resources" measurement focus on the accrual basis of accounting in accordance with generally accepted accounting principles, as prescribed by the Government Accounting Standards Board.

Use of Estimates in Preparing Financial Statements - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the System to make estimates and assumptions that affect the reported amounts of assets, liabilities, additions and deductions to net position held in trust for pension benefits and disclosure of contingent assets and liabilities at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

Cash and Short Term Investments - The System classifies cash on deposit in financial institutions and cash on deposit in the City of Seattle's internal cash management pool as cash. The System also recognizes certain short-term highly liquid securities with an original maturity of three months or less as short-term investments.

Method Used to Value Investments - Plan investments are reported at fair value. Fair value is defined as the amount at which an investment could be exchanged in a current arm's length transaction between willing parties in which the parties each act knowledgeably and prudently. All investments are valued based on objective, observable, unadjusted quoted market prices in an active market on the measurement date, if available. In the absence of such data, valuations are based upon those of comparable securities in active markets. For illiquid or hard to value investments such as real estate, private equity, and other private investments, valuations are based upon data provided by the respective investment managers. These private asset valuations are generally based upon estimated current values and/or independent appraisals.

Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments, interest and dividend income earned, less investment expense, plus income from securities lending activities, less deduction for security lending expenses. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Securities and securities transactions are reflected in the financial statements on a trade-date basis. Investments are made in accordance with the Prudent Person Rule as defined by the State of Washington RCW 35.39.060.

Federal Income Tax Status - The System is a qualified plan under section 401(a) of the Internal Revenue Code and is exempt from federal income taxes under section 501(a).

Contributions - Employee and employer contributions are reported in the year they are due to the System.

Benefits and Refunds of Contributions - Benefits and refunds of contributions are recognized when due and payable in accordance with the System's policy.

Reclassifications - Certain 2014 amounts have been reclassified in conformity with the 2015 presentation. These reclassifications had no effect on net position or changes therein.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

Note 3 - Contributions

Member and employer contributions rates are established by the Seattle Municipal Code Chapter 4.36.

The employer contribution rate is determined by the actuarial formula identified as the Entry Age Cost Method. The formula determines the amount of contributions necessary to fund the current service cost, representing the estimated amount necessary to pay for benefits earned by the employees during the current service year and the amount of contributions necessary to pay for prior service costs. Total required contributions, including amounts necessary to pay administrative costs, are determined through annual actuarial valuations.

Actuarially determined contribution rates were 10.03% for most members in 2015 and 2014 and 15.73% and 14.31% for the employers in 2015 and 2014. There are no long-term contracts for contributions outstanding and currently no legally required reserves. See Note 8 for additional information on assumptions used in calculating the actuarially determined contribution rates.

Note 4 - Cash

SCRS' policy for custodial credit risk of deposits is to rely on Federal Deposit Insurance Corporation (FDIC) and Washington Public Deposit Protection Commission (PDPC) insurance. FDIC insures the cash deposits up to \$250,000. As provided by the State of Washington RCW 43.84, the PDPC collateralizes deposits in excess of \$100,000. The bank balances of deposits of a FDIC institution as of the balance sheet date are insured.

Note 5 - Investments

Investment policy - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the SCERS Board by a majority vote of its members. It is the policy of the SCERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2015:

Asset Class	Target Allocation
Equity	
Public Equity	48.0%
Private Equity	9.0%
Fixed Income	
Broad Fixed Income	18.0%
Credit Fixed Income	5.0%
Real Assets	
Real Estate	12.0%
Infrastructure	3.0%
Diversifying Strategies	5.0%
Total	100.0%

Note 5 – Investments (Continued)

Money-weighted rate of return – As of December 31, 2015, the return for the System, based on a money-weighted rate of return methodology was 0.26%.

Short Term Investments - Short term investments include a Short-term Investment Fund (STIF), which is a collective trust that may include certificates of deposit, treasury bills, and mutual funds. The Alternative Investments category currently includes derivatives, hedge funds and private equity funds.

Commingled Funds – The System invests in various commingled funds where it has an ownership interest in a pool of securities alongside other fund holders. For those commingled funds that are anticipated to be held by the System on a long-term basis, the following tables in this Section reflect the System's pro rata ownership of the constituent securities in these commingled funds. The System's investments in commingled funds that are anticipated to be held on a temporary basis are not reflected in this manner.

Custodial Credit Risk – For investments, custodial credit risk is the risk that in the event of the failure of a financial institution or a bank, the System will not be able to recover the value of its deposits or investments that are in the possession of an outside party. The System mitigates custodial credit risk by having its investment securities held by the System's custodian (BNY Mellon) and registered in the System's name. The System's short-term investments are created through daily sweeps of excess cash by the System's custodian, and invested in a vehicle managed by the custodian.

Credit Risk - Credit risk is the risk that an issuer, or other counterparty, to an investment will not fulfill its obligations. The Retirement Board provides each of the System's Broad Fixed Income investment managers with a set of investment guidelines. These guidelines specify eligible investments, minimum diversification standards, and applicable investment restrictions necessary for diversification and risk control. In general, these guidelines require that at least 70 percent of the net asset value of a manager's portfolio be invested in investment-grade securities. Managers do not have authority to depart from their guidelines. A summary of the credit ratings of the System's fixed income investments is provided on pages 22 and 23.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Retirement Board provides each of the System's Broad Fixed Income investment managers with a set of investment guidelines. These guidelines specify eligible investments, minimum diversification standards, and applicable investment restrictions necessary for diversification and risk control. In general, these guidelines require that investments in any one issuer may not exceed 5 percent of the net asset value of a manager's portfolio. Managers do not have authority to depart from their guidelines.

Note 5 – Investments (Continued)

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. Market or interest rate risk is the greatest risk faced by an investor in the debt securities market. The price of a debt security typically moves in the opposite direction of the change in interest rates. The Retirement Board provides each of the System's Broad Fixed Income investment managers with a set of investment guidelines. These guidelines specify eligible investments, minimum diversification standards, and applicable investment restrictions necessary for diversification and risk control. In general, these guidelines require that the weighted average duration of the security holdings of a manager's portfolio not vary from that of the applicable benchmark by more than 20 percent. Managers do not have authority to depart from their guidelines. A summary of the maturities of the System's fixed income investments is provided on pages 20 and 21.

The fixed income portfolio is primarily managed by four external money management firms. Managers have agreed to a set of guidelines that provide ranges and limits for varying types of securities that may be held within the portfolio. A consultant is hired to measure performance and monitor the investment style. The Investment Committee reviews the consultant's results quarterly.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The System's currency risk exposures, or exchange rate risk, primarily reside within the non-U.S. equity and fixed income investment holdings. The System expects these managers to maintain adequately diversified portfolios to limit foreign currency and security risk.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

Note 5 – Investments (Continued)

The System's exposure to foreign currency risk in U.S. dollars as of December 31, 2015, is summarized in the following table.

Currency Type	Equity	Fixed Income	Derivatives	Cash	Total
Australian Dollar	\$ -	\$ -	\$ (14,258)	\$ -	\$ (14,258)
Canadian Dollar	-	-	2,243,101	-	2,243,101
Chinese Yuan Renminbi	-	452,800	(654,510)	-	(201,710)
Danish Krone	-	-	10,484	-	10,484
Euro Currency Unit	-	146	(5,029,941)	349,472	(4,680,323)
Japanese Yen	-	-	-	27,896	27,896
Mexican Peso	-	2,452,170	3,896,662	83,431	6,432,263
Norwegian Krone	-	-	5,649	-	5,649
Polish Zloty	-	1,211,098	27,674	-	1,238,772
Pound Sterling	-	-	-	1,530	1,530
Swedish Krona	-	-	14,893	23,999	38,892
Swiss Franc	-	-	22,757	127,973	150,730
Total	\$ -	\$ 4,116,214	\$ 522,511	\$ 614,301	\$ 5,253,026

The System's exposure to foreign currency risk in U.S. dollars as of December 31, 2014, is summarized in the following table.

Currency Type	Equity	Fixed Income	Derivatives	Cash	Total
Australian Dollar	\$ 1,141,827	\$ -	\$ 4,062,374	\$ 19,059	\$ 5,223,260
Brazil Real	-	(1,476)	(27,623)	-	(29,099)
Canadian Dollar	-	717,850	8,700,730	6,590	9,425,170
Columbian Peso	-	560,553	(555,224)	-	5,329
Danish Krone	2,434,401	2,336,600	(3,303,226)	3,584	1,471,359
Euro Currency Unit	22,713,984	12,006,124	(10,570,506)	155,743	24,305,345
Hong Kong Dollar	6,842,068	-	(4,054,212)	24,289	2,812,145
Hungarian Forint	-	-	5,514	-	5,514
Indian Rupee	-	-	1,158,506	-	1,158,506
Israeli Shekel	-	-	531,078	62	531,140
Japanese Yen	5,325,096	201,102	11,251,909	14,039	16,792,146
Mexican New Peso	-	4,331,428	(1,278,420)	170,947	3,223,955
New Zealand Dollar	-	2,199,187	(1,624,088)	27,934	603,033
Norwegian Krone	8,215,377	-	(6,929,488)	231	1,286,120
Polish Zloty	-	-	2,290	-	2,290
Pound Sterling	23,151,493	17,901,666	(21,728,329)	1,315	19,326,145
Singapore Dollar	1,050,744	-	248,905	2,999	1,302,648
South Korean Won	-	-	2,904	-	2,904
Swedish Krona	2,048,254	759,310	54,935	485	2,862,984
Swiss Franc	6,032,773	-	2,379,905	49,834	8,462,512
Total	\$ 78,956,017	\$ 41,012,344	\$ (21,672,066)	\$ 477,111	\$ 98,773,406

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

Note 5 – Investments (Continued)

Derivatives - Foreign exchange forward contracts are periodically employed by the System to hedge currency risk of investments in foreign currencies. Generally, derivatives are subject both to market and to counterparty risk. The derivatives used by the System typically have no greater risk than their physical counterparts and, in many cases, are offset by exposures elsewhere in the portfolio. Counterparty risk, the risk that the “other party” to a contract will default, is managed by careful screening of counterparties. Derivative securities are priced and accounted for at fair value. Foreign exchange forward contracts are valued at the price at which the transaction could be settled by offsets in the forward markets.

The System’s pending derivative transactions as of December 31, 2015 are summarized in the following table.

<u>Currency Type</u>	<u>Purchases</u>	<u>Unrealized Gain/Loss</u>	<u>Sells</u>	<u>Unrealized Gain/Loss</u>	<u>Total Unrealized Gain/Loss</u>
Australian Dollar	\$ 1,280,126	\$ 538	\$ 1,284,051	\$ (18,722)	\$ (18,184)
Canadian Dollar		-	2,429,638	(186,537)	(186,537)
Chinese Yuan Renminbi	665,480	9,639	1,341	(8)	9,631
Danish Krone		-	12,251	(1,768)	(1,768)
Euro Currency Unit	9,697,048	486,264	4,276,003	(95,160)	391,104
Mexican New Peso	337,557	10,934	4,282,092	(58,807)	(47,873)
Norwegian Krone		-	10,669	(5,020)	(5,020)
Polish Zloty		-	28,831	(1,158)	(1,158)
Swedish Krona		-	15,148	(255)	(255)
Swiss Franc	-	-	23,457	(700)	(700)
Total	<u>\$ 11,980,211</u>	<u>\$ 507,375</u>	<u>\$ 12,363,481</u>	<u>\$ (368,135)</u>	<u>\$ 139,240</u>

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

Note 5 – Investments (Continued)

The System's pending derivative transactions as of December 31, 2014 are summarized in the following table.

<u>Currency Type</u>	<u>Purchases</u>	<u>Unrealized Gain/Loss</u>	<u>Sells</u>	<u>Unrealized Gain/Loss</u>	<u>Total Unrealized Gain/Loss</u>
Australian Dollar	\$ 7,184,808	\$ 14,308	\$ 11,507,361	\$ (274,487)	\$ (260,179)
Brazil Real	89,956	2,408	60,957	(1,032)	1,376
Canadian Dollar	1,201,114	6,422	10,016,444	(121,026)	(114,604)
Columbian Peso	591,210	25,669	12,873	(2,556)	23,113
Danish Krone	3,713,259	108,031	309,197	(7,195)	100,836
Euro Currency Unit	34,931,154	702,124	24,100,289	(441,765)	260,359
Hong Kong Dollar	4,054,998	786	-	-	786
Hungarian Forint	300,858	22,123	303,124	(18,876)	3,247
Indian Rupee	-	-	1,175,662	(17,155)	(17,155)
Israeli Shekel	-	-	535,587	(4,509)	(4,509)
Japanese Yen	15,773,777	74,557	27,145,273	(194,143)	(119,586)
Mexican New Peso	1,354,593	66,262	9,962	(50)	66,212
New Zealand Dollar	3,484,950	(12,763)	1,862,745	10,880	(1,883)
Norwegian Krone	9,085,550	798,836	1,430,071	(72,846)	725,990
Polish Zloty	194,131	11,869	196,132	(11,581)	288
Pound Sterling	39,983,884	65,809	18,129,997	59,747	125,556
Singapore Dollar	-	-	256,200	(7,295)	(7,295)
South Korean Won	228,900	1,100	227,851	2,851	3,951
Swedish Krona	765,917	41,626	831,525	(52,300)	(10,674)
Swiss Franc	300,064	4,936	2,751,374	(76,341)	(71,405)
Total	<u>\$ 123,239,123</u>	<u>\$ 1,934,103</u>	<u>\$ 100,862,624</u>	<u>\$ (1,229,679)</u>	<u>\$ 704,424</u>

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

Note 5 - Investments (Continued)

As of December 31, 2015, the fixed income portfolio of the System had the following investment maturities:

Investment	Fair Value	Investment Maturities (in years)				N/A *
		<1	1 - 5	6 - 10	>10	
Fixed income						
Agencies	\$ 5,910,966	\$ 7,220	\$ 3,942,888	\$ 8,067	\$ 1,952,791	\$ -
Asset Backed Security	24,438,890	-	6,663,897	7,660,687	10,114,306	-
Commingled Funds	117,905,090	-	-	-	-	117,905,090
Corporate Debt	159,045,389	4,141,202	61,694,195	53,989,273	30,427,091	8,793,629
Derivatives	(2,988,640)	(906)	-	99,093	(29,802)	(3,057,025)
Foreign Sovereign	22,840,121	2,724,751	4,736,830	11,777,424	3,601,116	-
Mortgage Backed Security	135,151,524	65,541	8,895,336	6,443,401	119,747,246	-
Municipal	4,913,533	-	309,543	553,242	4,050,747	-
Treasury Notes and Bonds	137,768,334	4,312,083	43,277,402	55,348,603	34,830,246	-
Total Fixed Income	\$ 604,985,207	\$ 11,249,891	\$ 129,520,091	\$ 135,879,790	\$ 204,693,741	\$ 123,641,694

* Note - Amounts primarily relate to commingled funds and therefore a weighted average was not available.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

Note 5 - Investments (Continued)

As of December 31, 2014, the fixed income portfolio of the System had the following investment maturities:

Investment	Fair Value	Investment Maturities (in years)				N/A *
		<1	1 - 5	6 - 10	>10	
Fixed income						
Agencies	\$ 8,157,990	\$ -	\$ 4,964,091	\$ 873,161	\$ 2,320,738	\$ -
Asset Backed Security	23,641,132	-	4,817,574	7,342,792	11,480,766	-
Commingled Funds	17,238,994	-	-	-	-	17,238,994
Corporate Debt	149,153,924	20,535,195	51,085,966	42,274,088	25,551,155	9,707,520
Derivatives	(548,775)	-	(182,444)	18,368	(414,872)	30,173
Foreign Sovereign	59,717,836	506,365	10,555,525	26,155,346	22,500,600	-
Mortgage Backed Security	141,285,782	1,859,825	5,119,027	7,950,971	126,355,959	-
Municipal	4,858,995	-	438,321	426,418	3,994,256	-
Treasury Notes and Bonds	<u>145,871,795</u>	<u>2,302,092</u>	<u>61,983,680</u>	<u>55,429,696</u>	<u>26,356,714</u>	<u>(200,387)</u>
Total Fixed Income	\$ <u>549,377,673</u>	\$ <u>25,203,477</u>	\$ <u>138,781,740</u>	\$ <u>140,470,840</u>	\$ <u>218,145,316</u>	\$ <u>26,776,300</u>

* Note - Amounts primarily relate to commingled funds and therefore a weighted average was not available.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

Note 5 - Investments (Continued)

As of December 31, 2015, the fixed income portfolio of the System had the following investment ratings:

Investment	Fair Value	Ratings							
		AAA	AA	A	BBB	BB	B	CCC& Below	Not Rated
Fixed income									
Agencies	\$ 5,910,966	\$ -	\$ 5,732,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,344
Asset Backed Security	24,438,890	9,737,931	6,415,989	570,546	248,212	851,345	762,242	2,244,988	3,607,637
Commingled Funds	117,905,090								117,905,090
Corporate Debt	159,045,389	1,793,786	7,904,086	35,848,805	68,236,628	21,778,238	8,690,011	3,067,961	11,725,875
Derivatives	(2,988,640)								(2,988,641)
Foreign Sovereign	22,840,121	395,542	2,100,040	8,273,928	3,289,691	2,726,452		161,990	5,892,477
Mortgage Backed Security	135,151,524	971,077	81,410,052	3,413,491	2,181,159	664,631	1,819,896	3,603,369	41,087,850
Municipal	4,913,533	1,222,011	2,096,458	1,106,790	130,405	14,262	57,560		286,047
Treasury Notes and Bonds	<u>137,768,334</u>	<u>-</u>	<u>137,766,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,021</u>
Total Fixed Income	<u>\$ 604,985,207</u>	<u>\$ 14,120,347</u>	<u>\$ 243,425,560</u>	<u>\$ 49,213,560</u>	<u>\$ 74,086,095</u>	<u>\$ 26,034,928</u>	<u>\$ 11,329,709</u>	<u>\$ 9,078,308</u>	<u>\$ 177,696,700</u>

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

Note 5 - Investments (Continued)

As of December 31, 2014, the fixed income portfolio of the System had the following investment ratings:

Investment	Fair Value	Ratings							
		AAA	AA	A	BBB	BB	B	CCC& Below	Not Rated
Fixed income									
Agencies	\$ 8,157,990	\$ -	\$ 7,991,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166,924
Asset Backed Security	23,641,132	8,841,933	6,830,414	679,225	431,045	918,339	1,190,926	1,779,375	2,969,875
Commingled Funds	17,238,994								17,238,994
Corporate Debt	149,153,924	654	9,926,893	56,267,256	52,209,495	11,063,216	5,617,264	1,526,918	12,542,228
Derivatives	(548,775)								(548,775)
Foreign Sovereign	59,717,836	3,815,597	6,166,348	7,304,363	7,049,458	1,406,340			33,975,730
Mortgage Backed Security	141,285,782	2,931,168	90,606,607	3,452,183	3,538,599	530,665	1,937,698	3,560,129	34,728,733
Municipal	4,858,995	905,047	1,863,372	1,828,263	17,995	13,623	42,393		188,303
Treasury Notes and Bonds	145,871,795	-	146,069,966	-	-	-	-	-	(198,172)
Total Fixed Income	\$ 549,377,673	\$ 16,494,399	\$ 269,454,666	\$ 69,531,290	\$ 63,246,592	\$ 13,932,183	\$ 8,788,281	\$ 6,866,422	\$ 101,063,840

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

Note 6 – Securities Lending Transactions

Under the authority of State of Washington RCW 41.28.005 and the Seattle Municipal Code 4.36.130, the System's Board of Administration adopted investment policies that define eligible investments, which include securities lending transactions. Through a custodial agent, the System participates in a securities lending program whereby securities are lent for the purpose of generating additional income to the System. The System lends securities from its investment portfolio on a collateralized basis to third parties, primarily financial institutions. The market value of the required collateral must meet or exceed 102% of the market value of the securities lent, providing a margin against a decline in the market value of the collateral, and is limited to a volume of less than \$75 million. The contractual agreement with the System's custodian provides indemnification in the event the borrower fails to return the securities lent or fails to pay the System income it is due on the securities lent. Cash and U.S. government securities were received as collateral for these loans. The System invests cash collateral received; accordingly, investments made with cash collateral appear as an asset. A corresponding liability is recorded as the System must return the cash collateral to the borrower upon the expiration of the loan. Gross income from securities lending transactions are recorded in the operating statements as well as the various fees paid to the institution that oversees the lending activity.

As of December 31, 2015, the fair value of securities on loan was \$52,498,078. Associated cash collateral totaling \$53,702,631 was received. The fair market value of the reinvested collateral was \$50,952,037 at December 31, 2014, which includes an unrealized loss totaling \$2,681,394.

As of December 31, 2014, the fair value of securities on loan was \$27,013,522. Associated cash collateral totaling \$28,228,622 was received. The fair market value of the reinvested collateral was \$25,231,591 at December 31, 2013, which includes an unrealized loss totaling \$2,997,032.

Note 7 – Commitments

The System has entered into capital commitments to fund partnership interests in certain alternative investments. At December 31, 2015, the System has unfunded commitments of \$309,460,359 to these partnerships.

Note 8 – Net Pension Liability

The components of the net pension liability as of December 31, 2015 were as follows:

Total Pension Liability	\$3,612,173,272
Plan Fiduciary Net Position	<u>2,313,021,163</u>
Net Pension Liability	<u>\$1,299,152,109</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.0%
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This information is an integral part of the accompanying financial statements.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

NOTE 8 – Net Pension Liability (Continued)

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions, applied to all periods including the measurement period:

Investment Rate of Return:	7.50% compounded annually, net of expenses
Salary Increases:	4.00%

* The actuarial assumptions used in the January 1, 2015 valuation, and the mortality tables included in Appendix A of the valuation, were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015 (see discussion of pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	
Public Equity	4.63%
Private Equity	6.25%
Fixed Income	
Broad Fixed Income	0.75%
Credit Fixed Income	3.55%
Real Assets	
Real Estate	3.25%
Infrastructure	3.25%
Diversifying Strategies	3.25%

This information is an integral part of the accompanying financial statements.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

NOTE 8 – Net Pension Liability (Continued)

The above table reflects the expected (30 year) real rate of return for each major asset class. The expected inflation rate is projected at 3.25% for the same time period.

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the participating governmental entity contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods on projected benefit payment to determine the total pension liability.

Sensitivity of the net pension liability. The following presents the net pension liability of the System, calculated using the discount rate of 7.50%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
\$1,740,175,209	\$1,299,152,109	\$928,111,691

REQUIRED SUPPLEMENTARY INFORMATION

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Total pension liability		
Service Cost	\$ 100,415,811	\$ 94,017,562
Interest	254,539,867	241,885,785
Benefit changes	-	-
Difference between expected and actual experience	1,983,005	-
Changes of assumptions	-	-
Benefits payments	(159,349,807)	(150,239,208)
Refunds of contributions	(16,137,840)	(15,103,615)
Net change in total pension liability	<u>181,451,036</u>	<u>170,560,524</u>
Total pension liability - beginning	<u>3,430,722,236</u>	<u>3,260,161,712</u>
Total pension liability - ending (a)	<u>3,612,173,272</u>	<u>3,430,722,236</u>
Plan net position		
Contributions - employer	101,153,403	89,988,898
Contributions - member	65,779,216	63,969,504
Net investment income	7,083,633	122,510,395
Benefits payments	(159,349,807)	(150,239,208)
Administrative expense	(8,211,137)	(5,330,764)
Refunds of contributions	(16,137,840)	(15,103,615)
Other	-	-
Net change in plan net position	<u>(9,682,532)</u>	<u>105,795,210</u>
Plan net position - beginning	<u>2,322,703,695</u>	<u>2,216,908,485</u>
Plan net position - ending (b)	<u>2,313,021,163</u>	<u>2,322,703,695</u>
Net pension liability - ending (a) - (b)	<u>\$ 1,299,152,109</u>	<u>\$ 1,108,018,541</u>
Ratio of plan net position to total pension liability – (b) / (a)	64.03%	67.70%
Covered employee payroll	\$ 641,686,504	\$ 630,926,000
Net pension liability as a percentage of covered-employee payroll	202.46%	175.62%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined employer contribution	\$ 100,415,811	\$ 94,017,562	\$ 83,770,119	\$ 67,061,747	\$ 72,346,935	\$ 93,923,454	\$ 46,933,422	\$ 46,245,324	\$ 40,114,562	\$ 37,754,849
Actual employer contributions	101,153,403	89,988,898	77,073,667	62,515,432	50,301,263	45,224,787	46,650,169	45,961,040	40,299,506	37,939,358
Annual contribution deficiency (excess)	(737,592)	4,028,664	6,696,452	4,546,315	22,045,672	48,698,667	283,253	284,284	(184,944)	(184,509)
Covered-employee payroll	641,686,504	630,926,000	597,900,000	567,800,000	557,000,000	563,200,000	580,900,000	572,400,000	501,900,000	472,500,000
Actual contributions as a percentage of covered-employee payroll	15.76%	14.26%	12.89%	11.01%	9.03%	8.03%	8.03%	8.03%	8.03%	8.03%

Notes to Schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, one year prior to the fiscal year in which the contributions will apply.

Methods and Assumptions used to determine contribution rates for fiscal year 2015 are:

Actuarial cost method	Individual Entry Age Normal
Amortization method	Level percent
Remaining amortization period	Closed 30 years as of January 1, 2013 Valuation
Asset valuation method	5 years smoothed, Non-asymptotic
Inflation	3.25%
Salary increases	4.00%, differs slightly from actuarial valuation due to exclusion of 0.50% active membership growth assumption for GASB calculations.
Investment rate of return	7.50%, net of pension plan investment expense, and gross of administrative expenses
Cost of Living Adjustments	As noted in the January 1, 2015 actuarial valuation.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RETURNS

	<u>2015</u>	<u>2014</u>
Total Portfolio	0.26%	5.67%

Note: These returns are calculated on a money-weighted rate of return basis. The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ADDITIONAL INFORMATION

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF ADMINISTRATIVE EXPENSES
Years Ended December 31, 2015 and 2014

	Budget	Actual Expense	
	<u>2015</u>	<u>2015</u>	<u>2014</u>
Personnel Services			
Salaries	\$ 1,821,931	\$ 2,225,744	\$ 1,799,298
Benefits	<u>676,937</u>	<u>761,465</u>	<u>591,828</u>
Total Personnel Services	<u>2,498,868</u>	<u>2,987,209</u>	<u>2,391,126</u>
Maintenance and Operations			
Professional Services	6,879,692	3,232,194	1,132,389
Office rent	220,385	246,358	209,299
Data processing and central costs	1,697,846	1,326,362	1,270,343
Office supplies and other expenses	277,903	301,260	236,716
Postage and telephone	57,720	51,950	45,673
Travel	66,760	55,807	34,004
Training	<u>19,177</u>	<u>9,997</u>	<u>11,214</u>
Total Maintenance and Operations	<u>9,219,483</u>	<u>5,223,928</u>	<u>2,939,638</u>
Total Administrative Expenses	<u>\$ 11,718,351</u>	<u>\$ 8,211,137</u>	<u>\$ 5,330,764</u>

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT EXPENSES
For Year Ended December 31, 2015

Investment Management Fees:

Adams Street	\$ 606,622
AEW Core Property Trust	567,931
Babson Tower Square	21,681
Bison Capital Equity Partners	3,101
BlackRock	201,427
Capital Point Partners	55,799
Capri	3,983
Carlyle Realty	207,525
DFA International	316,089
Dover Street	75,392
Fisher	493,791
Heitman American	520,704
JP Morgan	2,699,082
Nogales Investors	25,631
Oaktree	42,938
Parametric Delta Shift	446,814
PCCP	69,176
PIMCO	850,133
Pugh	187,784
Q-BLK Strategic Partners	286,670
Reams	260,495
RhumbLine	118,054
Russell	295,259
Smith Whiley	24,744
TA Realty Associates	235,334
TCW Crescent	39,367
Western Asset	440,895
Total Investment Management Fees	<u>9,096,421</u>

Performance Measurement:

NEPC LLC	295,000
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Custodial Services:

Bank of New York Mellon	<u>353,637</u>
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Total Investment Expenses 9,745,058

Securities Lending Services:

Bank of New York Mellon	\$ 182,660
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ACTUARIAL

Actuarial Valuation

Seattle City Employees' Retirement System

January 1, 2016 Actuarial Valuation

Prepared by:

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Consulting Actuary

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June 17, 2016

Retirement Board
Seattle City Employees' Retirement System
720 Third Avenue, Suite 900
Seattle, WA 98104

Dear Members of the Board:

As requested, we have prepared an actuarial valuation of the Seattle City Employees' Retirement System (SCERS) as of January 1, 2016. This report reflects the benefit provisions and contribution rates in effect as of January 1, 2016.

Actuarial Certification

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by SCERS staff. This information includes, but is not limited to, statutory provisions, employee data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. It should be noted that the valuation was based on the DRAFT audited financial statements, as the final audited statements were not yet available. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

All costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the System and reasonable expectations), and which, in combination, offer a reasonable estimate of anticipated experience affecting the System. Further, in our opinion, each actuarial assumption used is reasonably related to the experience of the Plan and to reasonable expectations which, in combination, represent our best estimate of anticipated experience under the System.

This valuation report is only an estimate of the System's financial condition as of a single date. It can neither predict the System's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of System benefits, only the timing of System contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix A at the May 8, 2014 meeting.

This work product was prepared solely for SCERS for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for SCERS. Actuarial computations presented for financial reporting in a separate report under GASB Statements No. 67 and 68 are for purposes of assisting SCERS and participating employers in fulfilling their financial accounting requirements. The computations prepared for these two purposes may differ as disclosed in our report. The calculations in the enclosed report have been made on a basis consistent with our understanding of SCERS' funding requirements and goals. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Milliman's work is prepared solely for the internal business use of SCERS. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

- a) SCERS may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
- b) SCERS may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the City of Seattle. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report, along with the information contained in the Comprehensive Annual Financial Report, is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.



We would like to express appreciation to the system staff, including Mr. Jeff Davis, who gave substantial assistance in supplying the data on which this report is based.

Respectfully submitted,

A handwritten signature in black ink that reads "Nick Collier".

Nick J. Collier, ASA, EA, MAAA
Principal and Consulting Actuary

A handwritten signature in black ink that reads "Daniel Wade".

Daniel R. Wade, FSA, EA, MAAA
Principal and Consulting Actuary

A handwritten signature in black ink that reads "Julie D. Smith".

Julie D. Smith, FSA, EA, MAAA
Actuary

NJC/DRW/JDS/nlo

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Section 1 Summary of the Findings



Overview

	January 1, 2016	January 1, 2015
Total Actuarial Contribution Rate	25.32%	25.26%
Funding Ratio	66.5%	66.0%

We are pleased to present the results of the January 1, 2016 actuarial valuation. This valuation determines the minimum actuarially required employer contribution rate payable beginning January 1, 2017 based on the Board's funding policy. Several key points of the valuation are summarized as follows:

- Investment Returns:** For the year ending December 31, 2015, the SCERS assets returned around 0.1% on a market basis (net of investment expenses), a rate of return less than the assumed rate. From January 1, 2015 to December 31, 2015, the SCERS assets were assumed to earn 7.50%. The result is an actuarial loss on assets for the 2015 year. Note that only one-fifth of this loss will be recognized in the current year Actuarial Value of Assets (AVA), due to the asset smoothing method; see Section 3 of this report for details. Currently, a net asset loss is being deferred in the AVA; this implies that, if all actuarial assumptions are met in future years, the minimum actuarially required contribution rate is expected to increase in future years.
- City Contribution Rate:** The minimum actuarially required contribution rate has increased from the prior valuation, from 25.26% to 25.32% of payroll. Since the employees contribute a fixed 10.03% of pay, the minimum actuarially required employer contribution rate has increased from 15.23% of pay to 15.29%.

The most significant factor causing this increase was the recognition of asset losses from prior years. See the section below titled "Analysis of Change" for more details.

- Funding Progress:** On the basis of the January 1, 2015 actuarial valuation, the Funding Ratio (which is measured as the AVA divided by the Actuarial Accrued liability) was 66.0%. Based on the January 1, 2016 valuation, the Funding Ratio has increased to 66.5%. The most significant factor causing this increase was the Unfunded Actuarial Accrued Liability (UAAL) amortization payment made by the City during the prior year. Note that these Funding Ratios are calculated using the AVA; Funding Ratio results based on the Market Value of Assets (MVA) are shown in Table 1 at the end of this section.

**Overview
(continued)**

- **Funding Policy:** In August 2013, the Seattle City Council passed a resolution to formally close the period over which any SCERS UAAL will be amortized. This resolution stipulated that the 30-year amortization period would be closed as of the January 1, 2013 actuarial valuation. The result is that, for purposes of the January 1, 2016 valuation calculation, a 27-year remaining closed period is in effect.

The effect of closing the UAAL amortization period is that the total SCERS UAAL is projected to be fully paid off over the next 27 years from the January 1, 2016 valuation date.

**Minimum Actuarially
Required Contribution
Rate**

Based on the actuarial valuation of the benefits in effect under the SCERS as of January 1, 2016, the total minimum actuarially required contribution rate increased from 25.26% to 25.32% for the year beginning January 1, 2017.

The current contribution rates for the death benefit program are projected to be sufficient to finance the \$2,000 death benefit.

Based on a fixed member contribution rate of 10.03%, this means the City's contribution rate may be increased from 15.23% to 15.29% effective January 1, 2017. This reflects the City's commitment to fund at least the minimum actuarially required contribution rate, which is based on a 27-year amortization of the UAAL beginning January 1, 2016. A greater City contribution rate would result in a shorter amortization of the UAAL, if all actuarial assumptions are met.

It should be noted that the recommended 25.32% of pay is calculated based on the AVA; see Section 3 of this report for details. This AVA is currently deferring a net actuarial asset loss of \$84.1 million under the asset smoothing method. This means that if no actuarial gains or losses occur in the future, the minimum actuarially required contribution rate would increase over the next several years as the deferred asset losses are phased into the AVA.

**Minimum Actuarially
 Required Contribution
 Rate
 (continued)**

We have performed a five-year projection of the contribution rates if 7.50% was returned on the Market Value of Assets in each future year (and assuming that no other actuarial gains or losses occur and there are no other changes to assumptions or benefit provisions). This projection shows the expected impact of recognizing the currently deferred asset gains and losses over time. The result is ultimately an increase in the contribution rate over the next several years.

It is likely that the Market Value of Assets will not return an annual average of exactly 7.50% over all future years. To show the potential impact of volatility in asset returns on the contribution rate, we have performed a projection of the contribution rates at the 5th and 95th percentile expected returns (thereby yielding a 90% asset-return-based confidence interval for the specified rates). These projections are shown in the chart below.

Projected Total Actuarial Required Contribution Rate		
Contribution Year*	Assuming 7.50% Future Returns	90% Asset Return Confidence Interval
2017	25.32%	25.32% - 25.32%
2018	25.28%	24.56% - 25.99%
2019	25.40%	23.87% - 26.98%
2020	25.78%	23.24% - 28.47%
2021	26.10%	22.36% - 30.14%
2022	26.10%	20.95% - 31.73%

* Contribution year lags valuation year by one year. For example: Contribution Year 2017 is based on the 2016 valuation results, amortized over 27 years beginning in 2016, if the increase takes place in 2017.

	Compounded Average Return for Period	
	Percentile	
	95th	5th
1-Year Period	-11.5%	26.6%
2-Year Period	-6.7%	20.1%
3-Year Period	-4.5%	17.4%
4-Year Period	-3.2%	15.8%
5-Year Period	-2.3%	14.7%

The 90% confidence interval results are based on the 5th and 95th percentile compounded returns for one-, two-, three-, four- and five-year periods. Since actuarial assets are used, deferred gains or losses would continue to decrease or increase the minimum actuarially required contribution rate after these dates.

See Section 8 of this report for a detailed discussion of the projected contribution rates.

Funding Valuation

This report provides information relevant to the funding of SCERS. Information for financial reporting purposes will be provided in a separate GASB 67 and 68 Disclosure report.

Funding Progress

On the basis of the January 1, 2015 actuarial valuation, the Funding Ratio was 66.0%. Based on the January 1, 2016 valuation, the Funding Ratio is 66.5%. The increase in the Funding Ratio is due mainly to the UAAL payment made by the City in 2015. See Section 3 of this report for a full discussion.

See the following section titled Analysis of Change for more details.

Analysis of Change

The following chart shows the sources of change in the actuarial contribution rate and the funding ratio between the prior and current actuarial valuations.

Sources of Change	Actuarial Contrib. Rate	Funding Ratio
January 1, 2015 Actuarial Valuation	25.26 %	66.0 %
Expected Valuation-to-Valuation Change	-	1.0 %
Asset Gain/Loss on Actuarial Value	0.18 %	(0.6)%
Salary/Membership Growth Different Than Expected	(0.08)%	(0.1)%
Changes in Assumptions	-	-
Other	(0.04)%	0.2 %
Total Change	0.06 %	0.5 %
January 1, 2016 Actuarial Valuation	25.32 %	66.5 %

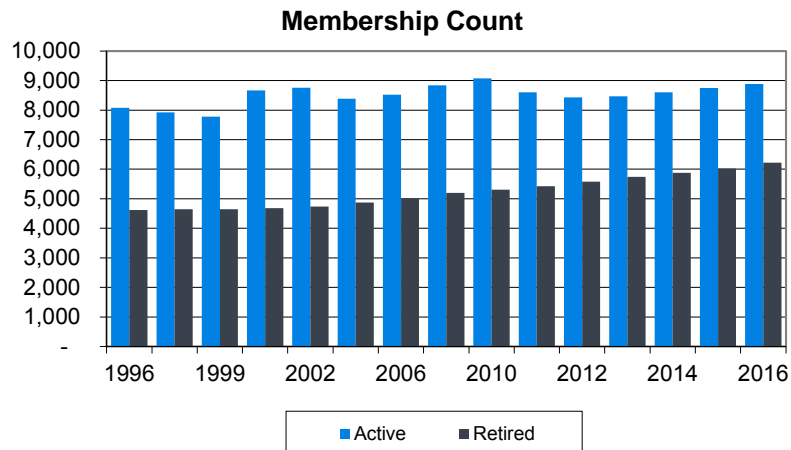
Contingent COLA Benefits

The Seattle Municipal Code allows for an increase in the cost-of-living adjustment (COLA) available to current and future retired members. Currently, the Floor COLA (also referred to as a Restoration of Purchasing Power COLA) is at the 65% level. The enhanced COLA benefit (70% Floor COLA) does not become effective until the System attains at least a 100% funding level.

Since it is unknown when this benefit will become effective, especially given the current funded status of the System, we have not included the valuation of these potential benefit changes (i.e., the increase in the ROPP COLA to the 70% level) in this valuation. See Appendix A of this report for further details.

Membership Information

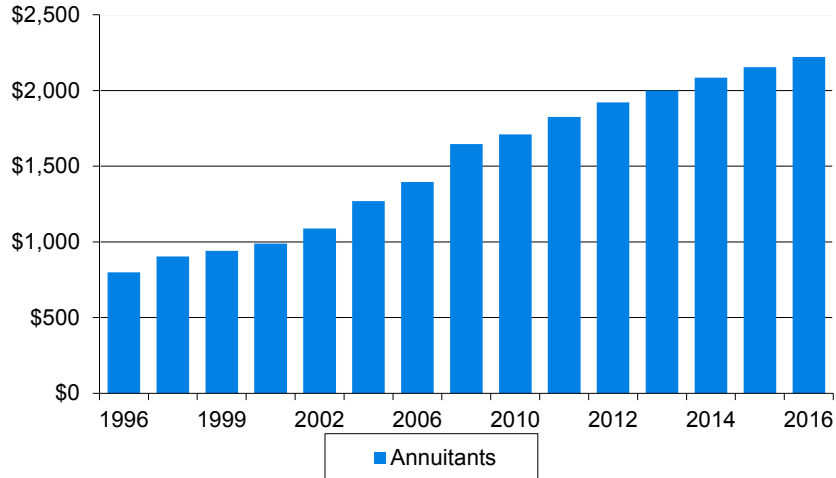
Total valuation payroll has increased by 6.0% since the 2015 valuation, and active membership has increased by 1.6% during this same period. As of January 1, 2016, the annualized payroll is \$687 million for 8,882 active members.



Membership Information (continued)

Retired member counts and average retirement benefit amounts continue to increase steadily. As of January 1, 2016, there were 6,223 retired members and beneficiaries with an average benefit of \$2,221 per month. This represents a 3.4% increase in count and a 3.1% increase in average benefit amount.

Average Monthly Retirement Benefit



Analysis of Change in Member Population

The following table summarizes the year-to-year change in member population.

	Actives	Deferred Members*	Retirees/Beneficiaries
January 1, 2015 Valuation	8,746	2,127	6,019
Termination with Refund / Death	(173)	(77)	(220)
Termination without Refund	(211)	211	-
Service Retirement	(324)	(46)	370
Disability Retirement	(3)	-	3
Rehires	40	(40)	-
New Entrants / Beneficiaries	807	22	51
Data Corrections	-	-	-
January 1, 2016 Valuation	8,882	2,197	6,223

* Counts include non-vested terminated members whose contributions are still on deposit with SCERS as of valuation date.

Summary Exhibit

A summary of the key results of this valuation, along with a comparison to the January 1, 2015 valuation, is shown in Table 1.

Note that the valuation measures are based on the Actuarial Value of Assets, which recognizes asset gains and losses over a five-year period; however, we have also shown key measures using the Market Value of Assets.

Graphs 1 and 2 and the associated data table show historical asset and liability information, including the Present Value of Future Benefits (PVFB) and Present Value of Future Normal Costs (PVFNC), at previous valuation dates.

Seattle City Employees' Retirement System Actuarial Valuation

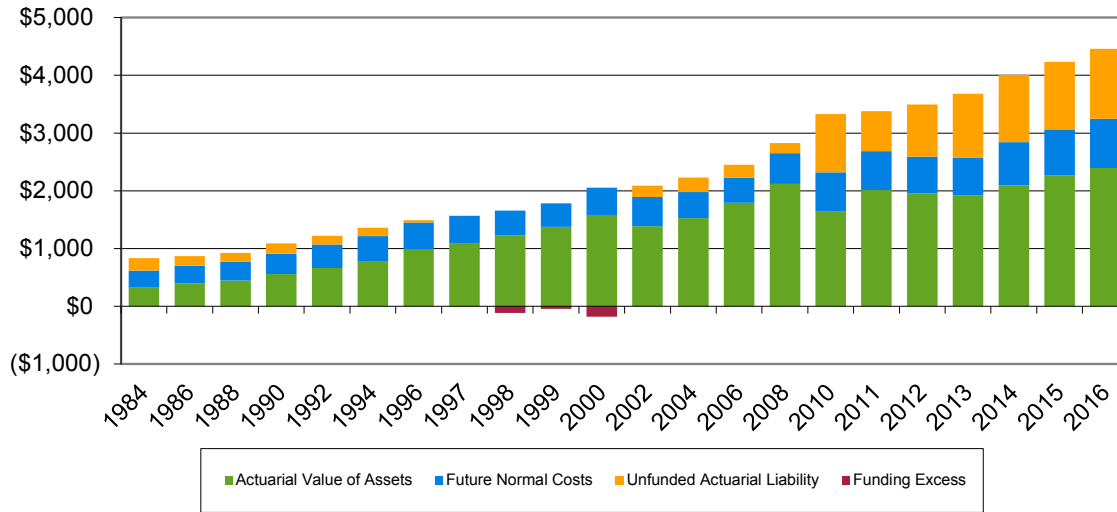
Table 1 Summary of Results

	Valuation January 1, 2016	Valuation January 1, 2015	Percentage Change
I. Total Membership			
A. Active Members	8,882	8,746	1.6%
B. Retired Members & Beneficiaries	6,223	6,019	3.4%
C. Vested Terminated Members*	2,197	2,127	3.3%
D. Total	17,302	16,892	2.4%
II. Pay as of Valuation Date			
A. Annual Total (\$millions)	\$ 686.7	\$ 647.8	6.0%
B. Annual Average	\$ 77,317	\$ 74,068	4.4%
III. Average Monthly Benefit Paid to Current Retirees and Beneficiaries			
A. Service Retirement	\$ 2,356	\$ 2,292	2.8%
B. Disability Retirement	1,315	1,274	3.2%
C. Surviving Spouse and Dependents	1,357	1,327	2.2%
D. Total	\$ 2,221	\$ 2,154	3.1%
IV. Actuarial Accrued Liability (\$millions)			
A. Active Members	\$ 1,730.0	\$ 1,679.1	3.0%
B. Retired Members	1,694.2	1,583.4	7.0%
C. Vested Terminated Members	180.9	170.1	6.4%
D. Total	\$ 3,605.1	\$ 3,432.6	5.0%
V. Assets			
A. Actuarial Value of Assets (\$millions)	\$ 2,397.1	\$ 2,266.7	5.8%
VI. Unfunded Actuarial Accrued Liability or Surplus Funding (\$millions)	\$ 1,208.0	\$ 1,165.9	3.6%
VII. Amortization of UAAL Total Contribution Rate Needed for 27-Year** Amortization (as a % of Payroll)	25.32%	25.26%	0.2%
VIII. Funding Ratio	66.5%	66.0%	0.7%
IX. Normal Cost as a Percent of Salary	15.80%	15.80%	-
Market Value of Assets (MVA) -- For Informational Purposes Only			
X. Assets Based on MVA			
A. Market Value of Assets (\$millions)	\$ 2,313.0	\$ 2,322.7	(0.4)%
XI. Amortization of UAAL Based on MVA			
A. Total Contribution Rate Needed for 27-Year** Amortization (as a % of Payroll)	26.02%	24.57%	5.9%
XII. Funding Ratio Based on MVA	64.2%	67.7%	(5.2)%

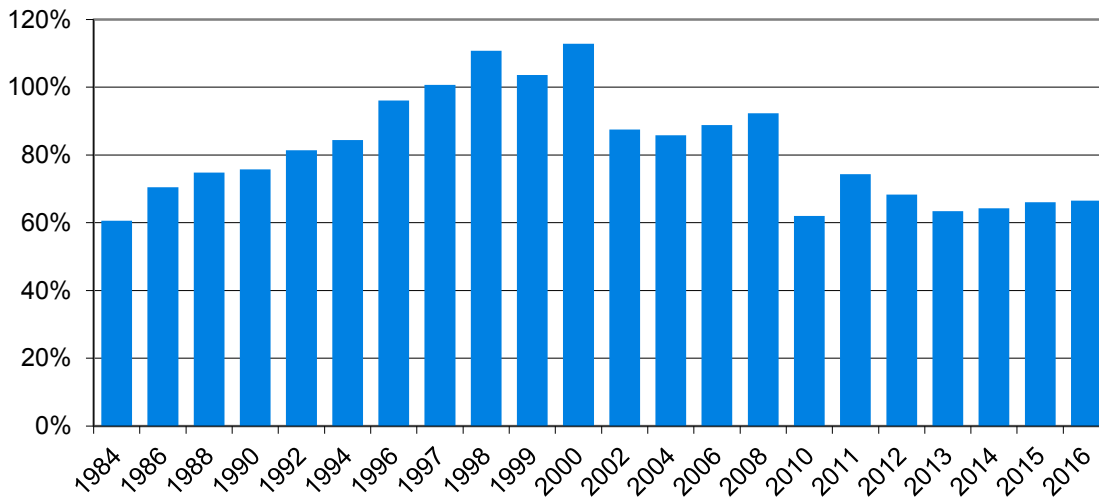
* Includes non-vested terminated members whose contributions are still on deposit with SCERS as of valuation date.

** Amortization method is closed 30-year beginning with January 1, 2013 valuation. 2015 values shown are over 28 years.

Graph 1 Historical Asset and Liability Comparison



Graph 2 Historical Funding Ratios



Year	(in \$Millions)				Funding Ratio
	PVFB	Assets	PVFNC	UAAL	
2002	2,088.7	1,383.7	507.3	197.7	87.5%
2004	2,229.8	1,527.5	450.9	251.4	85.9%
2006	2,448.5	1,791.8	431.0	225.8	88.8%
2008	2,825.8	2,119.4	531.2	175.2	92.4%
2010	3,328.7	1,645.3	674.9	1,008.5	62.0%
2011	3,379.6	2,013.7	670.6	695.4	74.3%
2012	3,494.1	1,954.3	634.8	905.0	68.3%
2013	3,679.8	1,920.1	654.5	1,105.2	63.5%
2014	4,007.3	2,094.3	747.2	1,165.8	64.2%
2015	4,231.3	2,266.7	798.7	1,165.9	66.0%
2016	4,458.1	2,397.1	853.0	1,208.0	66.5%

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Section 2 Scope of the Report



This report presents the actuarial valuation of the Seattle City Employees' Retirement System as of January 1, 2016.

A summary of the findings resulting from this valuation is presented in the previous section. Section 3 describes the assets of the System. A summary of the assets is set forth in Table 2. Sections 3, 4, and 5 describe how the obligations of the System are to be met under the actuarial cost method in use.

Section 6 discloses additional historical information.

Section 7 sets forth estimated actuarial gains or losses from the various sources. Section 8 shows projections of the System's funding under both optimistic and pessimistic scenarios. Section 9 shows projections of SCERS benefit payments and dollar contributions over a 10-year period following the actuarial valuation.

Appendix A is a summary of the actuarial procedures and assumptions used to compute the liabilities and contributions shown in this report.

The current benefit structure, as determined by the provisions of the governing law on January 1, 2016, is summarized in Appendix B. Schedules of valuation data classifying the data used in the valuation by various categories of contributing members, former contributing members and beneficiaries make up Appendix C.

Comparative statistics are presented on the System's membership and contribution rates. Appendix D is a glossary of actuarial terms used in this report.

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Section 3 Assets



In many respects, an actuarial valuation can be regarded as an inventory process. The inventory is taken as of the actuarial valuation date, which for this valuation is January 1, 2016. On that date, the assets available for the payment of benefits are appraised. These assets are compared with the actuarial liabilities, which are generally well in excess of the assets. The actuarial process thus leads to a method of determining what contributions by members and their employers are needed to pay expected benefits.

This section of the report deals with the asset determination. In the next section, the actuarial liabilities will be discussed. Section 5 will deal with the process for determining required contributions, based on the relationship between the assets and the actuarial liabilities.

Financial Exhibits

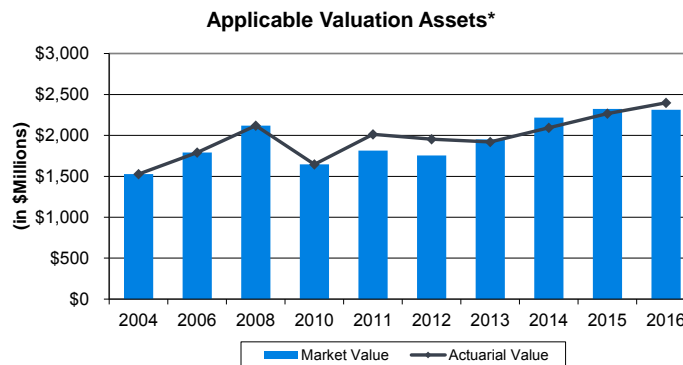
Table 2 shows the calculation of the Actuarial Value of Assets as of January 1, 2016. Note that a net loss is currently being deferred. This means that, if the system earns 7.50% in the future, the AVA will experience an actuarial loss over upcoming years as the remaining portions of deferred losses are recognized. In both the Executive Summary and Section 8 of this report, we discuss projections of the minimum actuarially required contribution rates resulting from this projected actuarial loss on the AVA.

Tables 3 and 4 summarize the financial resources of the System on January 1, 2016 on a Market Value basis. Table 3 shows the Market Value of Assets at January 1, 2016 and January 1, 2015. Table 4 shows the changes in Market Value of Assets during the year ending January 1, 2015 and the year ending January 1, 2016.

Tables 3 and 4 are taken directly from data furnished to us by SCERS staff. We have accepted these tables for use in this report without audit, but we have reviewed them for reasonableness and consistency with previous reports.

Actuarial Asset Method

Beginning with the January 1, 2011 actuarial valuation, SCERS adopted five-year asset smoothing. This smoothing process recognizes the asset gain or loss occurring in each year evenly over a five-year period. The following graph shows a historical comparison of the actuarial and market assets used for valuation purposes. Note that prior to 2011 the AVA was equal to the MVA.



* Prior to 2010, actuarial valuations were only performed every second year.

Table 2 Calculation of Actuarial Value of Assets at January 1, 2016
 (All dollar amounts in millions)

Five-Year Asset Smoothing											
Year Ended	Market Value at Beginning of Year	Total Contributions	Benefit Payments		Expected Investment Return	Market Value of Assets		Asset Gain/(Loss)	Current Phase Out	Deferred Amount	
			Plus Admin. Expenses			Expected*	Actual				
December 31, 2011	\$ 1,812.8	\$ 100.7	\$ 140.7	\$ 139.0	\$ 1,911.8	\$ 1,753.5	\$ (158.3)	0%	-		
December 31, 2012	1,753.5	119.6	152.4	134.6	1,855.3	1,951.4	96.1	20%	\$ 19.2		
December 31, 2013	1,951.4	137.4	161.8	150.3	2,077.3	2,216.9	139.6	40%	55.8		
December 31, 2014	2,216.9	154.0	170.7	165.7	2,365.9	2,322.7	(43.2)	60%	(25.9)		
December 31, 2015	2,322.7	166.9	183.7	173.6	2,479.5	2,313.0	(166.5)	80%	(133.2)		
									Total Deferred at Jan. 1, 2016:	(84.1)	
									Market Value of Assets at Jan. 1, 2016:	2,313.0	
									Less Total Deferred at Jan. 1, 2016:	(84.1)	
									Actuarial Value of Assets at Jan. 1, 2016:	<u>\$ 2,397.1</u>	

* Expected Market Value of Assets based on the actuarial investment return assumption for the prior year, taking into account actual cashflows during year.

Table 3 Summary of Plan Net Assets (at Market Value)

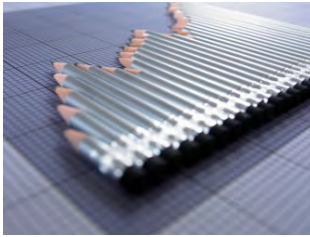
	January 1, 2016		January 1, 2015	
	Market Value	Distribution	Market Value	Distribution
Assets				
Cash and short-term investments	\$ 195,572,787	8.5%	\$ 115,932,503	5.0%
Securities lending collateral	50,952,037	2.2%	25,231,590	1.1%
Receivables				
Employee	\$ 3,496,137	0.2%	\$ 2,901,009	0.1%
Employer	4,787,895	0.2%	4,203,851	0.2%
Interest and Dividends	3,449,203	0.1%	4,052,719	0.2%
Sales Proceeds Receivable	6,175,041	0.3%	6,237,050	0.3%
Total Receivables	\$ 17,908,276	0.8%	\$ 17,394,629	0.7%
Investments at fair value				
Fixed Income*				
US Government obligations	\$ 599,493,556	25.9%	\$ 175,685,948	7.6%
Corporate bonds		0.0%	181,902,501	7.8%
Mortgage backed		0.0%	118,076,247	5.1%
Foreign sovereign		0.0%	62,846,773	2.7%
Domestic stocks*	1,126,488,036	48.7%	743,020,216	32.0%
International stocks	-	0.0%	590,547,932	25.4%
Real estate	270,796,297	11.7%	243,557,977	10.5%
Alternative	114,895,997	5.0%	106,759,091	4.6%
Total investments	\$ 2,111,673,886	91.3%	\$ 2,222,396,685	95.7%
Total assets	\$ 2,376,106,986	102.7%	\$ 2,380,955,407	102.5%
Liabilities				
Pension & Other payables	\$ 2,004,636	-0.1%	\$ 2,286,308	-0.1%
Securities lending obligation	53,633,431	-2.3%	28,228,622	-1.2%
Investment commitments payable	7,447,756	-0.3%	27,736,782	-1.2%
Total Liabilities	\$ 63,085,823	-2.7%	\$ 58,251,712	-2.5%
Market Value of Net Assets Held in Trust For Pension Benefits				
	\$ 2,313,021,163	100.0%	\$ 2,322,703,695	100.0%

* Breakdown not provided for fixed income or equities this year.

Table 4 Summary of Changes in Plan Net Assets (at Market Value)

	January 1, 2016 Market Value	January 1, 2015 Market Value
Additions		
Contributions		
Employer	\$ 101,153,403	\$ 89,988,898
Employee	65,779,216	63,969,504
Total contributions	<u>\$ 166,932,619</u>	<u>\$ 153,958,402</u>
Investment activities		
Investment income (loss)		
Net change in fair value of investments	\$ (22,933,464)	\$ 93,680,606
Interest	11,377,655	11,584,482
Dividends	27,836,456	25,542,523
Net investment income (loss)	<u>\$ 16,280,647</u>	<u>\$ 130,807,611</u>
Securities lending activities		
Securities lending income	\$ 56,694	\$ 23,941
Borrowing rebates	674,010	216,063
Total securities lending income	<u>\$ 730,704</u>	<u>\$ 240,004</u>
Securities lending management fees	<u>(182,660)</u>	<u>(59,989)</u>
Net income from securities lending	<u>\$ 548,044</u>	<u>\$ 180,015</u>
Investment activity expenses		
Investment management fees	\$ (9,096,421)	\$ (7,802,096)
Investment consultant fees	(295,000)	(333,389)
Investment custodial fees	(353,637)	(341,946)
Total investment activity expenses	<u>\$ (9,745,058)</u>	<u>\$ (8,477,431)</u>
Total additions	<u>\$ 174,016,252</u>	<u>\$ 276,468,597</u>
Deductions		
Benefits	\$ 159,349,807	\$ 150,239,008
Refunds of contributions	16,137,840	15,103,615
Administrative expenses	8,211,137	5,330,764
Total deductions	<u>\$ 183,698,784</u>	<u>\$ 170,673,387</u>
Net Increase/(Decrease)	<u>\$ (9,682,532)</u>	<u>\$ 105,795,210</u>
Net position held in trust for pension benefits		
Beginning of Year	\$ 2,322,703,695	\$ 2,216,908,485
End of Year	\$ 2,313,021,163	\$ 2,322,703,695

Section 4 Actuarial Liabilities



Actuarial Present Value of Future Benefits

In the previous section, an actuarial valuation was related to an inventory process and an analysis was given of the inventory of assets of the System as of the valuation date, January 1, 2016. In this section, the discussion will focus on the commitments of the System, which will be referred to as its actuarial liabilities (or, actuarial value of future benefits).

In an active system, the present value of future actuarial liabilities will almost always exceed the actuarial assets. This is usually expected in all but a fully closed down fund, where no further contributions of any sort are anticipated. This deficiency has to be provided for by future contributions. The funding method for the system sets out a schedule of future contributions that will deal with any deficiency in an orderly fashion. The determination of the level of future contributions needed is discussed in the next section (Section 5) of this report.

Table 5 contains an analysis of the actuarial present value of all future benefits for contributing members, former contributing members, and beneficiaries. The analysis is given by type of benefit.

The actuarial liabilities summarized in Table 5 include the actuarial present value of all future benefits expected to be paid with respect to each member. For an active member, this value includes a measure of both benefits already earned and future benefits to be earned. Thus, for all current members, active and retired, the value extends over benefits earnable and payable for the rest of their lives and, if an optional benefit is chosen, for the lives of their surviving beneficiaries.

The actuarial assumptions used to determine the liabilities are based on the results of the 2014 Investigation of Experience Report. New assumptions were adopted by the Board effective with the January 1, 2014 actuarial valuation. See Appendix A of this report for details.

Actuarial Cost Method

The method used to determine how the actuarial cost for an individual (or for the System as a whole) is allocated to past and future years is referred to as the actuarial cost method. For this valuation, the individual entry age normal cost (EANC) method has been used.

Under this method, the actuarial liabilities discussed above are allocated into two primary calculation components:

1. A normal cost
2. An actuarial accrued liability

Normal Cost and Actuarial Accrued Liability

The normal cost under the EANC method is developed so that benefits are allocated as a level percentage of payroll for each member, from the member's membership date to the member's termination date. One key feature of the EANC method is that normal costs tend to be stable from year to year (assuming no change in assumptions or benefit provisions) because most members' entry age cost percentages do not change materially from year to year, and because the population typically does not change considerably from year to year. The normal cost rates as a percentage of payroll for the current and prior valuation are shown by benefit type in Table 6. These normal cost contribution rates are intended to be contributed in each year in order to fund the ongoing cost of benefit accruals.

The annual normal cost rate may be considered the ongoing cost of benefit accruals for any given plan year. When the present value of all future normal costs is subtracted from the present value of total benefits, the result is the actuarial accrued liability (AAL). This can be thought of as the current value of all past normal costs, or the amount that would be in the fund if all prior actuarial assumptions had been exactly met. The AAL represents the portion of the present value of total benefits that the cost method allocates to past service.

To the extent that this AAL exceeds plan assets, an Unfunded Actuarial Accrued Liability (UAAL) exists. Table 7 calculates the UAAL, if any, for the current and prior valuations. Note that currently, a UAAL exists for SCERS; the payoff of this UAAL is discussed in more detail in Section 5 (City Contributions) of this report.

Table 5 Actuarial Present Value of Future Benefits (PVFB)

(All dollar amounts in millions)

	January 1, 2016	January 1, 2015
A. Active Members		
Service Retirement	\$ 2,444.9	\$ 2,347.7
Vested Retirement	65.6	62.1
Disability Retirement	7.3	7.0
Survivor Benefits	22.7	22.1
Refund of Member Contributions	42.5	38.9
Total	\$ 2,583.0	\$ 2,477.8
B. Inactive Members and Annuitants		
Service Retirement	\$ 1,585.3	\$ 1,476.1
Disability Retirement	10.5	10.1
Beneficiaries	98.4	97.2
Inactive Members	180.9	170.1
Total	\$ 1,875.1	\$ 1,753.5
C. Grand Total PVFB	\$ 4,458.1	\$ 4,231.3

Table 6 Normal Cost Contribution Rates as Percentages of Salary

	January 1, 2016	January 1, 2015
Service Retirement	12.55 %	12.52 %
Vested Retirement	1.22	1.24
Disability Retirement	0.07	0.07
Survivor Benefits	0.17	0.17
Refund of Member Contributions	1.19	1.20
Administrative Expenses	<u>0.60</u>	<u>0.60</u>
Total	15.80 %	15.80 %

Table 7 Unfunded Actuarial Accrued Liability (UAAL)

(All dollar amounts in millions)

	January 1, 2016	January 1, 2015
A. Actuarial present value of all future benefits for present and former members and their survivors (Table 3)	\$ 4,458.1	\$ 4,231.3
B. Less actuarial present value of total future normal costs for present members	853.0	798.7
C. Actuarial accrued liability* [A - B]	\$ 3,605.1	\$ 3,432.6
D. Less actuarial value of assets available for benefits (Table 2)	<u>2,397.1</u>	<u>2,266.7</u>
E. Unfunded actuarial accrued liability (Funding Excess, if negative) [C - D]	\$ 1,208.0	\$ 1,165.9
F. Funding Ratio [D ÷ C]	66.5%	66.0%

* The actuarial accrued liability as of January 1, 2017 is projected to be \$3,792.6 million.

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Section 5 City Contributions



As shown in Table 7 in the previous section of this report, the AAL exceeds the current Actuarial Value of Assets. In other words, as of the January 1, 2016 valuation, a UAAL exists for SCERS.

Because a UAAL exists, the total calculated minimum actuarially required contribution rate will consist of two components:

1. The normal cost contribution rate as of January 1, 2016
2. An amortization payment intended to pay off the UAAL in accordance with the SCERS funding policy

Funding

The current SCERS funding policy was updated by a Seattle City Council resolution in August 2013. The funding policy specifies that the UAAL will be amortized as a level percentage of payroll over a closed 30-year period as of the January 1, 2013 actuarial valuation. This means that, for the January 1, 2016 valuation, the amortization contribution rate must pay off the current UAAL over a 27-year period.

Actuarial Gains and Losses

When experience is different from actuarial expectation, an actuarial gain or loss occurs. Ongoing actuarial gains and losses decrease and increase the UAAL. Section 7 of this report illustrates the historical actuarial gains and losses on the UAAL by source.

Amortization of UAAL

Table 8 details the components of the minimum actuarially required contribution rate of 25.32% by breaking it into the necessary funding components: normal cost and amortization of UAAL. It then illustrates the split between member and employer contribution rates, assuming that member contributions are allocated entirely toward paying the ongoing normal cost of benefits.

As of the January 1, 2016 valuation, the minimum actuarially required contribution rate for the employer has increased to 15.29% beginning January 1, 2017. This is mainly due to the recognition of deferred asset losses from prior years.

The total contribution rate of 25.26% being paid in 2016 was calculated in order to amortize the January 1, 2015 UAAL over a 28-year period; however, this rate is not projected to perfectly amortize the January 1, 2016 UAAL over 27 years due to gains and losses that have occurred during the year. Table 9 details the expected amortization of the UAAL over the 27-year closed period beginning January 1, 2016.

**Amortization of UAAL
(continued)**

The total contribution rate can be immediately (i.e., as of the beginning of the next calendar year) increased from 25.26% of pay to 25.32% of pay to be projected to amortize the UAAL over the scheduled 27 years from January 1, 2016. If the contribution rate is not increased, the UAAL would be projected to be amortized over a longer period than 27 years. Because this figure is based on an Actuarial Value of Assets that is currently deferring a net loss, this 25.32% is projected to increase over the next several years if no other actuarial asset gains or losses were to occur.

In Section 8 of this report, we have included a five-year projection of the actuarial required contribution, including optimistic and pessimistic investment return scenarios.

Table 8 Contribution Rates as Percentages of Salary

	Actuarial Required Contribution Beginning	
	January 1, 2016	January 1, 2015
A. Total normal cost rate	15.80 %	15.80 %
B. UAAL amortization rate	<u>9.52</u>	<u>9.46</u>
C. Actuarial required contribution rate	25.32 %	25.26 %
D. Member contribution rate	<u>10.03</u>	<u>10.03</u>
E. Allocation of employer contribution rate*		
Normal cost	5.77 %	5.77 %
Amortization payment	<u>9.52</u>	<u>9.46</u>
Total employer contribution rate	15.29 %	15.23 %

* If member contributions are all allocated to paying normal cost.

Table 9 Amortization of Unfunded Actuarial Accrued Liability (UAAL)*
 (All dollar amounts in millions)

Year	Payroll	Total Contribution Rate	Normal Cost Rate	UAAL Rate	UAAL			
					Beginning Balance	Amortization Payment	Interest	Ending Balance
2016	\$ 687	25.26%	15.80%	9.46%	\$ 1,208.0	\$ 65.0	\$ 88.2	\$ 1,231.2
2017	718	25.32%	15.80%	9.52%	1,231.2	68.3	89.8	1,252.7
2018	750	25.32%	15.80%	9.52%	1,252.7	71.4	91.3	1,272.7
2019	784	25.32%	15.80%	9.52%	1,272.7	74.6	92.7	1,290.8
2020	819	25.32%	15.80%	9.52%	1,290.8	77.9	93.9	1,306.8
2021	856	25.32%	15.80%	9.52%	1,306.8	81.5	95.0	1,320.3
2022	895	25.32%	15.80%	9.52%	1,320.3	85.2	95.9	1,331.0
2023	935	25.32%	15.80%	9.52%	1,331.0	89.0	96.5	1,338.6
2024	977	25.32%	15.80%	9.52%	1,338.6	93.0	97.0	1,342.5
2025	1021	25.32%	15.80%	9.52%	1,342.5	97.2	97.1	1,342.5
2026	1067	25.32%	15.80%	9.52%	1,342.5	101.6	96.9	1,337.9
2027	1115	25.32%	15.80%	9.52%	1,337.9	106.1	96.4	1,328.2
2028	1165	25.32%	15.80%	9.52%	1,328.2	110.9	95.5	1,312.8
2029	1218	25.32%	15.80%	9.52%	1,312.8	115.9	94.2	1,291.1
2030	1273	25.32%	15.80%	9.52%	1,291.1	121.2	92.4	1,262.3
2031	1331	25.32%	15.80%	9.52%	1,262.3	126.7	90.0	1,225.7
2032	1391	25.32%	15.80%	9.52%	1,225.7	132.4	87.0	1,180.3
2033	1454	25.32%	15.80%	9.52%	1,180.3	138.4	83.4	1,125.4
2034	1520	25.32%	15.80%	9.52%	1,125.4	144.7	79.1	1,059.8
2035	1589	25.32%	15.80%	9.52%	1,059.8	151.2	73.9	982.5
2036	1661	25.32%	15.80%	9.52%	982.5	158.1	67.9	892.2
2037	1736	25.32%	15.80%	9.52%	892.2	165.2	60.8	787.8
2038	1814	25.32%	15.80%	9.52%	787.8	172.6	52.7	667.9
2039	1896	25.32%	15.80%	9.52%	667.9	180.5	43.4	530.9
2040	1982	25.32%	15.80%	9.52%	530.9	188.6	32.9	375.2
2041	2072	25.32%	15.80%	9.52%	375.2	197.2	20.9	198.8
2042	2166	25.32%	15.80%	9.52%	198.8	206.1	7.3	(0.0)

* Amortization shown does not include the projected impact of currently deferred asset gains and losses.

Section 6 Additional Actuarial Information



The schedule of funding progress is shown in Table 10 and compares assets and liabilities over the years. Primarily due to the poor investment returns of 2000 through 2003, as well as the extreme market downturn of 2008, the plan is not fully funded. Another material factor in the current funding shortfall is the benefit enhancements triggered in 2007 (i.e., 65% Floor COLA and the 1.5% COLA for all retirees).

Exhibit 11 compares the Actuarial Value of Valuation Assets to the types of Actuarial Accrued Liabilities, applying them first to Active Member contributions, then to retirees and beneficiaries, and then the remaining amount to the Active Members benefits. This is referred to as the Solvency Test. Although not required under GASB, this test is part of the CAFR guidelines specified by the Government Finance Officers Association (GFOA).

Table 10 Schedule of Funding Progress

(All dollar amounts in millions)

Actuarial Valuation Date January 1	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll*	UAAL as a Percentage of Covered Payroll
1986	\$ 395.7	\$ 561.3	\$ 165.6	70.5%	\$ 182.0	91.0%
1988	445.4	595.3	149.9	74.8	199.0	75.3
1990	558.8	737.9	179.1	75.7	212.3	84.4
1992	660.0	810.5	150.5	81.4	239.4	62.9
1994	781.8	926.2	144.4	84.4	291.8	49.5
1996	980.2	1,019.7	39.5	96.1	310.6	12.7
1997	1,094.8	1,087.3	(7.5)	100.7	316.9	(2.4)
1998 **	1,224.6	1,266.7	42.1	96.7	341.5	12.3
1999	1,375.0	1,326.6	(48.4)	103.6	370.4	(13.1)
2000	1,582.7	1,403.1	(179.6)	112.8	383.6	(46.5)
2002	1,383.7	1,581.4	197.7	87.5	405.1	48.8
2004	1,527.5	1,778.9	251.4	85.9	424.7	59.2
2006	1,791.8	2,017.5	225.8	88.8	447.0	50.5
2008	2,119.4	2,294.6	175.2	92.4	501.9	34.9
2010	1,645.3	2,653.8	1,008.5	62.0	580.9	173.6
2011	2,013.7	2,709.0	695.4	74.3	563.2	123.5
2012	1,954.3	2,859.3	905.0	68.3	557.0	162.5
2013	1,920.1	3,025.3	1,105.2	63.5	567.8	194.6
2014	2,094.3	3,260.1	1,165.8	64.2	597.9	195.0
2015	2,266.7	3,432.6	1,165.9	66.0	630.9	184.8
2016	2,397.1	3,605.1	1,208.0	66.5	641.7	188.3

* Covered Payroll includes compensation paid to all active employees on which contributions are calculated. Covered Payroll differs from the Active Member Valuation Payroll shown in Table 1, which is an annualized compensation of only those members who were active on the actuarial valuation date.

** Reflects increased COLA benefits adopted by the City Council after the valuation was completed.

Table 11 Solvency Test

(All dollar amounts in millions)

Actuarial Valuation Date January 1	Actuarial Value of Valuation Assets	Actuarial Accrued Liabilities for				Portion of Actuarial Accrued Liabilities Covered by Assets			
		(A)	(B)	(C)	(D)	(A)	(B)	(C)	(D)
		Active Member Contributions	Inactives, Retirees and Beneficiaries	Active Members (Employer Financed Portion)	Total				
1986	\$ 395.7	\$ 110.7	\$ 263.1	\$ 187.5	\$ 561.3	100.0%	100.0%	11.7%	70.5%
1988	445.4	136.0	303.6	155.7	595.3	100.0	100.0	3.7	74.8
1990	558.8	164.0	332.8	241.1	737.9	100.0	100.0	25.7	75.7
1992	660.0	202.6	357.9	250.0	810.5	100.0	100.0	39.8	81.4
1994	781.8	248.4	383.1	294.7	926.2	100.0	100.0	51.0	84.4
1996	980.2	294.1	409.3	316.3	1,019.7	100.0	100.0	87.5	96.1
1997	1,094.8	313.1	449.8	324.4	1,087.3	100.0	100.0	100.0	100.7
1998 *	1,224.6	337.3	551.8	377.6	1,266.7	100.0	100.0	88.9	96.7
1999	1,375.0	358.4	577.6	390.6	1,326.6	100.0	100.0	100.0	103.6
2000	1,582.7	385.2	599.4	418.5	1,403.1	100.0	100.0	100.0	112.8
2002	1,383.7	434.3	675.6	471.5	1,581.4	100.0	100.0	58.1	87.5
2004	1,527.5	482.5	758.9	537.5	1,778.9	100.0	100.0	53.2	85.9
2006	1,791.8	539.7	902.2	575.6	2,017.5	100.0	100.0	60.8	88.8
2008	2,119.4	590.1	1,084.9	619.6	2,294.6	100.0	100.0	71.7	92.4
2010	1,645.3	684.7	1,176.4	792.7	2,653.8	100.0	81.7	0.0	62.0
2011	2,013.7	683.7	1,290.9	734.4	2,709.0	100.0	100.0	5.3	74.3
2012	1,954.3	730.9	1,393.7	734.7	2,859.3	100.0	87.8	0.0	68.3
2013	1,920.1	757.3	1,513.4	754.6	3,025.3	100.0	76.8	0.0	63.5
2014	2,094.3	792.4	1,657.0	810.7	3,260.1	100.0	78.6	0.0	64.2
2015	2,266.7	829.7	1,753.5	849.4	3,432.6	100.0	82.0	0.0	66.0
2016	2,397.1	851.2	1,875.1	878.8	3,605.1	100.0	82.4	0.0	66.5

* Reflects increased COLA benefits adopted by the City Council after the valuation was completed.

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Section 7 Actuarial Gains or Losses



An analysis of actuarial gains or losses was performed in conjunction with the January 1, 2014, January 1, 2015, and January 1, 2016 actuarial valuations.

The results of our analysis of the financial experience of the System in the three most recent actuarial valuations are presented in Table 12. Each gain or loss shown represents our estimate of how much the given type of experience caused the UAAL to change in the period since the previous actuarial valuation.

Gains and losses due to demographic sources are approximate. Demographic experience is analyzed in greater detail in our periodic assumption studies.

Table 12 Analysis of Actuarial Gains or Losses*

(All dollar amounts in millions)

	Gain/(Loss) For Period		
	2015	2014	2013
Investment Income			
Investment income on AVA was greater (less) than assumed.	\$ (22.1)	\$ 32.6	\$ 50.8
Pay Increases			
Pay increases were less (greater) than expected.	(7.3)	(3.9)	3.3
Age and Service Retirements			
Members retired at older (younger) ages or with less (greater) final average pay than expected.	17.2	13.0	11.7
Disability Retirements			
Disability claims were less (greater) than expected.	(0.1)	(0.1)	(0.1)
Death-in-Service Benefits			
Survivor claims were less (greater) than expected.	-	-	-
Withdrawal from Employment			
More (less) reserves were released by withdrawals than expected.	(24.0)	(25.4)	(19.1)
Death after Retirement			
Retirees died younger (lived longer) than expected.	<u>9.0</u>	<u>5.6</u>	<u>(3.1)</u>
Total Gain or (Loss) during Period from Financial Experience	\$ (27.3)	\$ 21.7	\$ 43.5
Non-Recurring Items:			
Changes in actuarial assumptions and plan amendments caused a gain (loss).	-	-	(76.7)
Data revisions	-	-	-
Change in actuarial asset valuation method caused a gain (loss).	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Composite Gain (Loss) During Period	\$ (27.3)	\$ 21.7	\$ (33.2)

* Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the UAAL.

Section 8 Contribution Rate Projections and Increases



This section of the January 1, 2016 actuarial valuation is devoted to a detailed discussion of the contribution rates currently needed, and projected to be needed, in order to effectively fund the System.

This section illustrates two key points:

1. As mentioned throughout this report, the current AVA is deferring a net loss. As a result, if no actuarial asset gains or losses were to occur over the next several years (i.e., the market return equals 7.50%), the minimum actuarially required contribution rate would be projected to increase slightly (and the Funding Ratio would be projected to decrease) as the remaining deferred losses are fully phased in.
2. Currently, the City is expected to contribute a total rate of 25.32% of payroll (employer and member) beginning January 1, 2017, on the basis of the current valuation report. The actual contribution rate needed will vary in the future. We have shown projections to roughly quantify the potential impact of good and bad experience.

Projection of Minimum Actuarially Required Contribution Rate

We have performed a five-year projection of the minimum actuarially required contribution rate under three different scenarios:

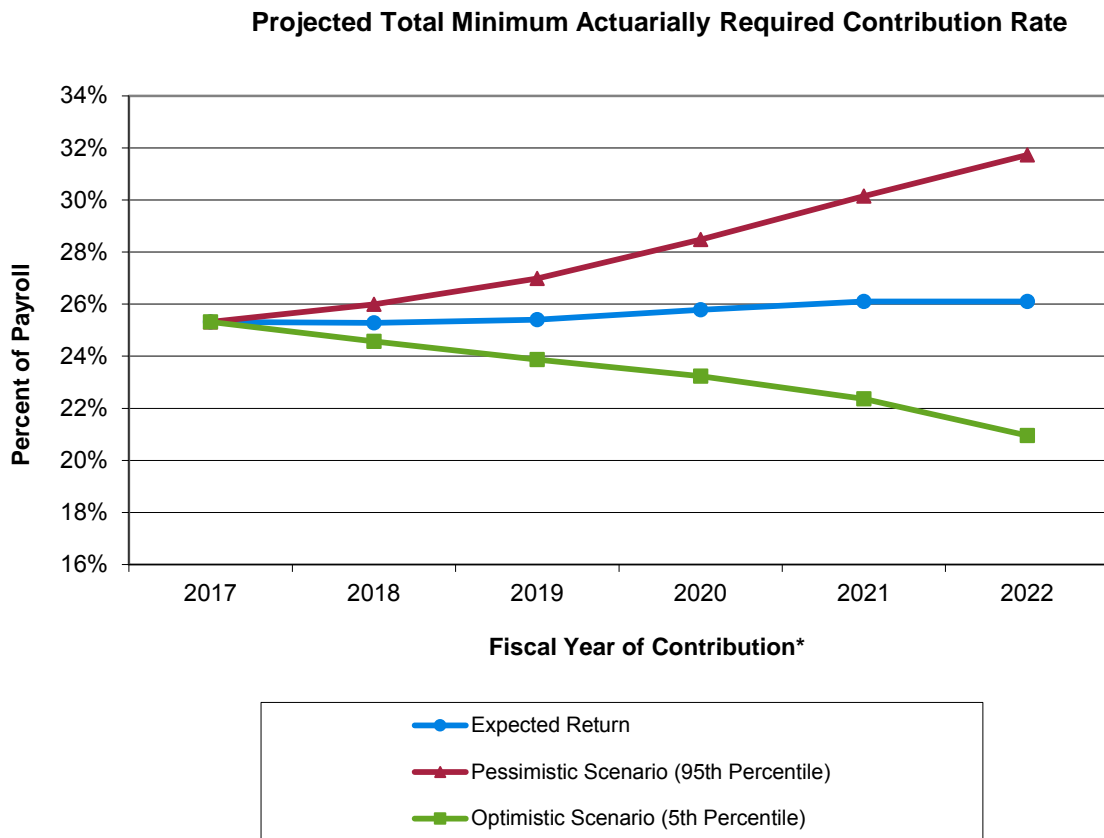
1. Assuming that the investment return assumption of 7.50% is met in each future year.
2. Assuming that the assets return at the 5th percentile.
3. Assuming that the assets return at the 95th percentile.

The result is effectively a 90% confidence interval (based on asset returns) of the projected contribution rates in these years. Note that in each scenario, all other actuarial assumptions are assumed to be met.

The projections assume the City contributes the minimum actuarially required contribution rate each year in the future. This rate is based on a 27-year closed amortization period as of January 1, 2016 and includes a 0.50% population growth assumption. Future returns at the 5th and 95th percentile are based on Milliman's capital market assumptions and SCERS's target asset allocation as of January 1, 2016.

Table 13 provides the results of these projections.

Table 13 Projected Total Contribution Rates



Projected Minimum Actuarially Required Total Contribution Rate

Contribution Year*	If Asset Return at 95th Percentile	Assuming 7.50% Future Returns	If Asset Return at 5th Percentile
2017	25.32%	25.32%	25.32%
2018	25.99%	25.28%	24.56%
2019	26.98%	25.40%	23.87%
2020	28.47%	25.78%	23.24%
2021	30.14%	26.10%	22.36%
2022	31.73%	26.10%	20.95%

* Contribution year lags calculation year by one year. For example: Contribution Year 2017 is based on the 2016 valuation results, amortized over 27 years beginning in 2016, if the increase takes place in 2017.

Assumed Returns for Projection

The projection above uses the 5th and 95th percentile returns based on SCERS' target asset allocation and Milliman's January 1, 2016 capital market assumptions. These percentile returns vary by the number of years of return; for example, the Contribution Year 2017 number assumes one year of return at the one-year 5th or 95th percentile rate; the Contribution Year 2018 number assumes two years of return at the two-year 5th or 95th percentile rate.

The percentile rates assumed for this analysis are shown in the table below:

	Compounded Average Return for Period	
	<i>Percentile</i>	
	<i>95th</i>	<i>5th</i>
<i>1-Year Period</i>	-11.5%	26.6%
<i>2-Year Period</i>	-6.7%	20.1%
<i>3-Year Period</i>	-4.5%	17.4%
<i>4-Year Period</i>	-3.2%	15.8%
<i>5-Year Period</i>	-2.3%	14.7%

Contribution Decreases

The current contribution rate would need to be increased in order to be projected to perfectly amortize the UAAL over a 27-year period as of the valuation date. As of January 1, 2017, a minimum actuarially required contribution rate of 25.32% is projected to be needed in order to amortize the UAAL over a 27-year period beginning January 1, 2016.

This represents a increase of 0.06% of pay compared with the current 25.26% of pay being contributed (by the employer and members combined) based on a target of a 100% Funding Ratio by January 1, 2043. Note that due to the future recognition of deferred asset losses, this amount is expected to increase in the next valuation, if all assumptions are met.

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Section 9 Projection of Benefit Payments and Contribution Dollars



Projection of Benefit Payments and Contribution Dollars

This section of the January 1, 2016 actuarial valuation illustrates projected SCERS benefit payments and dollar contributions over a 10-year period following the actuarial valuation.

These projections assume all actuarial assumptions, including 7.50% investment returns (on a market basis) in each future year, are met in the future.

The projection of contribution dollars makes the following three additional key assumptions:

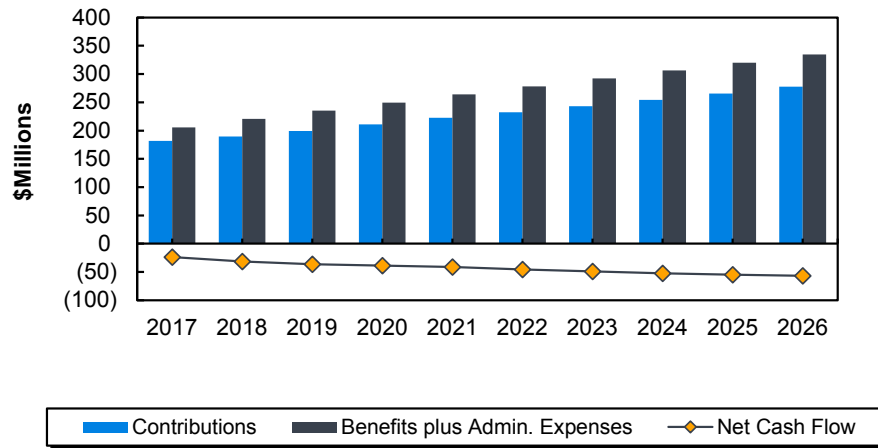
1. Valuation payroll is assumed to grow with both wage inflation of 4.00% and annual population growth of 0.50% (per current SCERS assumptions).
2. The City is assumed to make the minimum actuarially required contribution rate calculated in each projection year.
3. Future recognition of currently deferred asset gains or losses is reflected in the projection.

Table 14 shows the results of these projections.

Table 14 10-Year Projection of Benefit Payments and Contributions*

Year	Projected Payroll	Projected Admin. Expenses	Projected Benefit Payments	Projected Total Cash Outflow	Projected Total Contributions	Projected Net Cash Flow
2017	\$ 717.7	\$ 4.3	\$ 201.3	\$ 205.6	\$ 181.7	\$ (23.9)
2018	750.2	4.5	216.4	220.9	189.6	(31.3)
2019	784.1	4.7	230.5	235.2	199.1	(36.1)
2020	819.5	4.9	244.6	249.5	210.8	(38.7)
2021	856.6	5.1	258.7	263.8	222.5	(41.3)
2022	895.3	5.4	272.9	278.3	232.6	(45.7)
2023	935.8	5.6	286.6	292.2	243.1	(49.1)
2024	978.1	5.9	300.4	306.3	254.1	(52.2)
2025	1,022.3	6.1	314.1	320.2	265.6	(54.7)
2026	1,068.5	6.4	328.0	334.4	277.6	(56.8)

Cash Flow Projections



* Benefit payments do not include administrative expenses. Contributions include employer and member contributions.

Appendix A Actuarial Procedures and Assumptions



This section of the report describes the actuarial procedures and assumptions used in this valuation. The assumptions used in this valuation were adopted by the SCERS Board at its May 2014 meeting. They are based on Milliman's Investigation of Experience for the period ending December 31, 2013. Further discussion and the rationale for the assumptions are shown in that report.

The actuarial assumptions used in the valuation are intended to estimate the future experience of the members of the System and of the System itself in areas that affect the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of the System's benefits. Table A-1 summarizes the actuarial assumptions.

Table A-2 presents expected annual salary increases for various years of service. Tables A-3 through A-6 show rates of decrement for service retirement, disability, mortality, and other terminations of employment. Table A-7 shows probabilities of refund upon termination.

Actuarial Cost Method

The actuarial valuation was prepared using the entry age actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit. The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets, and (b) the actuarial present value of future normal costs is called the unfunded actuarial accrued liability or UAAL. The UAAL is amortized as a level percentage of the projected salaries of present and future members of the System.

Records and Data

The data used in the valuation consist of financial information; records of age, sex, service, salary, contribution rates and account balances of contributing members; and records of age, sex, and amount of benefit for retired members and beneficiaries. All of the data were supplied by the System and are accepted for valuation purposes without audit.

Replacement of Terminated Members

The ages at entry and distribution by sex of future members are assumed to average the same as those of the present members they replace. If the number of active members should increase, it is further assumed that the average entry age of the larger group will be the same, from an actuarial standpoint, as that of the present group. Under these assumptions, the normal cost rates for active members will not vary with the termination of present members.

City Contributions

The City contribution rate is determined as of the prior year's valuation such that the combined member and City contribution rate is sufficient to amortize the UAAL over a closed 30-year period beginning January 1, 2013. The amortization payment is based on a level percent of pay.

Administrative Expense	The annual contribution assumed to be necessary to meet general administrative expenses of the system, excluding investment expenses, is 0.60% of members' salaries. This figure is included in the calculation of the normal cost rate.
Valuation of Assets	The assets are valued using a five-year smoothing method based on the difference between the expected market value and the actual market value of the assets in each year. The expected market value is the prior year's market value increased with the net increase in the cash flow, all increased with interest during the past fiscal year at the expected investment return rate assumption.
Investment Earnings	The annual rate of investment earnings of the assets of the System is assumed to be 7.50%. This rate is compounded annually and is net of investment expenses.
Postretirement Benefit Increases	<p>Postretirement benefit increases include:</p> <ul style="list-style-type: none">▪ Automatic 1.5% Annual COLA – This benefit applies to all members.▪ 65% Restoration of Purchasing Power (ROPP) – The member's benefit is the greater of 65% of the annual initial benefit adjusted for CPI or their applicable benefit. This minimum benefit is available to all retirees and beneficiaries. The financial impact of the ROPP benefit is valued assuming an annual price inflation rate of 3.25%. <p>Additional contingent COLA increases that were adopted in 2001, but not effective until the System reaches at least a 100% funding ratio, are not included in the valuation results.</p>
Valuation Services	<p>The projected salary for the valuation year is equal to the member's hourly pay rate multiplied by 2088 with the following adjustments:</p> <ul style="list-style-type: none">▪ Increased by 4.04% to reflect a 2% cost-of-living increase for 2016 and a retro 2% increase for 2015.▪ Annualized pay for members who entered in year preceding valuation year.▪ Multiplied hourly pay rate by minimum of 1,040 and actual hours worked in prior year for part-time employees.
Future Salaries	Table A-2 illustrates the rates of future (after the valuation year) salary increases assumed for the purpose of the valuation. In addition to increases in salary due to promotions and longevity, this scale includes an assumed 4.00% per annum rate of increase in the general wage level of the membership.
Service Retirement	Table A-3 shows the annual assumed rates of retirement among members eligible for service retirement or reduced retirement. Separate rates are also used during the first year a member is eligible for service retirement.
Disability	The rates of disability used in this valuation are illustrated in Table A-4. It is assumed that one-third of all disabilities are duty related and two-thirds occur while off duty.
Mortality	The mortality rates used in this valuation are illustrated in Table A-5. A written description of each table used is included in Table A-1.

Other Terminations of Employment	<p>The rates of assumed future withdrawal from active service for reasons other than death, disability, or retirement are shown for representative ages in Table A-6. Note that this assumption only applies to members who terminate and are not yet eligible for retirement.</p>
Probability of Refund	<p>Terminating members may forfeit a vested right to a deferred benefit if they elect a refund of their accumulated contributions. Table A-7 gives the assumed probability, at selected ages, that a terminating member will elect to receive a refund of his accumulated contributions instead of a deferred benefit.</p> <p>If a member terminates with more than 20 years of service, there is assumed to be a 20% probability that the member will elect a refund.</p> <p>Note that the probability of refund assumption only applies to members who terminate with a vested benefit and are not yet eligible for retirement.</p>
Interest on Member Contributions	<p>Interest on member contributions made prior to January 1, 2012 is assumed to accrue at a rate of 5.75% per annum, compounded annually. Interest on member contributions made on or after January 1, 2012 is assumed to accrue at 4.75%.</p>
Portability	<p>The cost of portability with other public retirement systems is not included in this valuation.</p>
Probability of Marriage	<p>We assumed 60% of the active members are married or have a registered domestic partner.</p>
Commencement for Terminated Vested Members	<p>Vested members who terminate but elect to leave their contributions in the System are assumed to commence receiving benefits at age 62.</p>

Table A-1 Summary of Valuation Assumptions

January 1, 2016

I.	Economic assumptions	
A.	Price inflation	3.25%
B.	General wage increases	4.00
C.	Investment return	7.50
D.	Increase in membership	0.50
E.	Interest on member accounts	5.75/4.75*
II.	Demographic assumptions	
A.	Salary increases due to promotion and longevity	Table A-2
B.	Retirement	Table A-3
C.	Disability	Table A-4
D.	Mortality** among contributing members	Table A-5
	Men RP 2000 Employees Table for Males, with ages set back six years.	
	Women RP 2000 Employees Table for Females, with ages set back six years.	
E.	Mortality** among service retired members and beneficiaries	Table A-5
	Men RP2000 Combined Healthy Males, with ages set back two years.	
	Women RP2000 Combined Healthy Females, with ages set back one year.	
F.	Mortality** among disabled members	Table A-5
	Men RP2000 Disabled Males, with ages set back four years.	
	Women RP2000 Disabled Females, with ages set back four years.	
G.	Other terminations of employment	Table A-6
H.	Probabilities of vesting on termination	Table A-7

* Member contributions made prior to January 1, 2012 are assumed to accrue interest at 5.75%; contributions made on or after that date are assumed to accrue at 4.75%.

** All mortality tables are generational using Projection Scale AA to reflect expected future mortality improvement.

Table A-2 Future Salaries

Annual Rate of Increase		
Years of Service	Promotion and Longevity	Total*
0 to 1	4.50%	8.68%
1 to 2	3.50	7.64
2 to 3	2.75	6.86
3 to 4	2.00	6.08
4 to 5	1.50	5.56
9 to 10	0.80	4.83
14 to 15	0.45	4.47
19 to 20	0.29	4.30
24 to 25	0.25	4.26
29 to 30	0.25	4.26
35 or more	0.25	4.26

* Total rate shown reflects compounded effect of merit increase and assumed wage growth of 4.00%.

Table A-3 Retirement

Age	Annual Probability					
	Men			Women		
	Eligible for Full Benefits			Eligible for Full Benefits		
	Eligible for Reduced Benefits	Less than 30 years of service	30 years or more of service	Eligible for Reduced Benefits	Less than 30 years of service	30 years or more of service
Less than 50	0.0%	8.0%	8.0%	0.0%	10.0%	10.0%
50	5.0	8.0	10.0	5.0	10.0	10.0
51	5.0	8.0	10.0	5.0	10.0	10.0
52	5.0	8.0	12.0	5.0	10.0	12.0
53	3.0	8.0	12.0	3.0	10.0	12.0
54	3.0	8.0	12.0	3.0	10.0	12.0
55	6.0	8.0	12.0	6.0	10.0	12.0
56	5.0	8.0	12.0	5.0	10.0	12.0
57	5.0	8.0	12.0	5.0	13.0	12.0
58	5.0	8.0	12.0	5.0	13.0	12.0
59	5.0	8.0	15.0	8.0	13.0	15.0
60	6.0	14.0	15.0	8.0	15.0	15.0
61	9.0	12.0	15.0	12.0	13.0	15.0
62	15.0	20.0	30.0	15.0	20.0	26.5
63	12.0	18.0	22.0	12.0	18.0	20.0
64	9.5	18.0	22.0	13.0	18.0	20.0
65		40.0	32.0		40.0	30.0
66		40.0	32.0		40.0	38.0
67		40.0	32.0		40.0	38.0
68		30.0	26.0		33.0	32.0
69		30.0	26.0		33.0	32.0
70		*	*		*	*

* Immediate retirement is assumed for every person age 70 or over.

Table A-4 Disability*

Age	Annual Rates	
	Men	Women
20	.00%	.00%
25	.00	.00
30	.02	.02
35	.02	.02
40	.03	.03
45	.03	.03
50	.04	.04
55	.04	.04
60	.04	.04
65	.00	.00

** It is assumed that one-third of all disabilities are duty related and two-thirds are non-duty related.*

Table A-5 Mortality

Age	Annual Probability*					
	Contributing Members		Members Retired for Service and Beneficiaries of Members		Disabled Members	
	Men	Women	Men	Women	Men	Women
22	0.03 %	0.02 %	0.03 %	0.02 %	2.26 %	0.74 %
27	0.04	0.02	0.04	0.02	2.26	0.74
32	0.04	0.02	0.04	0.03	2.26	0.74
37	0.05	0.03	0.08	0.05	2.26	0.74
42	0.08	0.05	0.11	0.08	2.26	0.74
47	0.11	0.08	0.15	0.12	2.26	0.74
52	0.16	0.12	0.21	0.19	2.64	0.98
57	0.23	0.18	0.36	0.31	3.29	1.45
62	0.33	0.28	0.67	0.58	3.93	1.97
67	0.54	0.43	1.27	1.10	4.66	2.53
72	N/A	N/A	2.22	1.86	5.69	3.32
77	N/A	N/A	3.78	3.10	7.33	4.58
82	N/A	N/A	6.44	5.08	9.76	6.35
87	N/A	N/A	11.08	8.64	12.83	8.78
92	N/A	N/A	18.34	14.46	16.22	12.25

*The mortality rates shown above are generationally projected on an individual basis using Projection Scale AA for the valuation.

Table A-6 Other Terminations of Employment Among Members Not Eligible to Retire

Years of Service	Annual Rates for Men	Annual Rates for Women
0 to 1	6.5%	8.5%
1 to 2	5.8	8.3
2 to 3	5.3	8.0
3 to 4	4.8	7.8
4 to 5	4.4	7.5
5 to 6	4.1	7.0
6 to 7	3.8	6.3
7 to 8	3.5	5.7
8 to 9	3.2	5.1
9 to 10	2.9	4.5
10 to 11	2.6	4.1
11 to 12	2.3	3.8
12 to 13	2.1	3.4
13 to 14	1.9	3.1
14 to 15	1.7	2.7
15 to 16	1.5	2.4
16 to 17	1.4	2.0
17 to 18	1.2	1.7
18 to 19	1.1	1.4
19 to 20	1.0	1.2
20 to 21	0.9	1.1
21 to 22	0.8	1.0
22 to 23	0.8	0.9
23 to 24	0.7	0.8
24 to 25	0.7	0.8
25 to 26	0.6	0.7
26 to 27	0.6	0.7
27 to 28	0.5	0.6
28 to 29	0.5	0.6
29 to 30	0.4	0.5
30 or more	0.5	0.5

Table A-7 Probability of Refund

Age	Probabilities of Refund upon Termination*
25	70.0%
30	65.0
35	55.0
40	48.0
45	43.0
50	38.0
55	36.0
60	40.0

** If service is 20 or more years at termination,
 probability of refund is equal to 20%.*

Appendix B Provisions of Governing Law



All actuarial calculations are based upon our understanding of the provisions governing the Seattle City Employees' Retirement System, Chapter 4.36 of the Seattle City Code. The benefit and contribution provisions are summarized briefly below, along with corresponding references to the City code. This summary encompasses the major provisions of the System; it does not attempt to cover all of the detailed provisions.

Effective Date	The effective date of the retirement system was July 1, 1929. (Section 4.36.080)
Members' Contribution Rate	The members' contribution rate is 10.03% of salary as of January, 2012. Certain members who were contributing at a lower rate on June 23, 1972 continue to contribute at a lower rate. (Section 4.36.540A)
City Contribution Rate	The City contribution rate is the amount that is actuarially determined to be necessary to fund that portion of the retirement allowances not covered by the members' contributions. This amount shall be at least the members' contribution rate. (Section 4.36.545)
Final Compensation	Final compensation is based on highest average compensation (excluding overtime) during any consecutive 24 months. (Sections 4.36.040 and 4.36.050)
Service Retirement	<i>Eligibility</i> 30 years of service; Age 52 and 20 years of service; Age 57 and 10 years of service; or Age 62 and 5 years of service. <i>Normal Form</i> Straight life benefit. <i>Optional Forms</i> Actuarial equivalent according to the mortality and interest basis adopted by the Retirement Board for such purposes.

**Service Retirement
(continued)**

Amount of Allowance

The total monthly allowance is generally 2% times final compensation times total years of creditable service.

However, if the member does not qualify in one of the following ways, the 2% factor is reduced by 0.1% for each year that retirement precedes the earliest date the member would be:

- (a) Any age with 30 years of service.
- (b) Age 51-59, providing the member's age and years of service total 80 or more.
- (c) Age 60 or older with 20 years of service.
- (d) Age 65 or older with five years of service.

The reduction is somewhat less than 0.1% for members with less than 20 years of service.

For those hired on or after January 1, 1988, creditable service excludes the first six months of service.

Maximum Allowance

The formula-based retirement allowance (as described above) of any member shall be limited to 60% of final compensation, except where the minimum allowance described below applies.

Minimum Allowance

A monthly benefit based on twice the actuarial value of accumulated member contributions. This is not subject to the 60% of final compensation maximum. (Sections 4.36.600, 4.36.605, 4.36.610 and 4.36.640)

Note: Effective January 1, 2011, the conversion of the contributions to an annuity benefit in the minimum allowance reflects option factors that use the new mortality rates.

Disability Retirement

Eligibility

Ten years of service credited within the 15 years preceding disability retirement. If disability occurs in the course of City employment, there is no service requirement.

Normal Form

Modified cash refund annuity. An optional survivor's benefit is available if the spouse is the beneficiary.

Amount of Allowance

The total monthly disability allowance is the greater of:

- (a) 1.5% times final compensation times completed years of creditable service.
- (b) 1.5% times final compensation times total years of creditable service that could have been earned to age 62, but not to exceed one-third of final compensation.

Maximum Allowance

The maximum disability allowance is 60% of final compensation.

Minimum Allowance

The minimum disability allowance is \$140 per month.

(Sections 4.36.645 and 4.36.650)

Death Benefits

Retired Members

Death benefits to retired members are payable according to the form of retirement allowance elected.

Active Members

- (a) Payment to the beneficiary of accumulated contributions, including interest; or
- (b) If the member had completed 10 years of service at the time of death, a surviving spouse or a registered domestic partner may elect to receive, in place of (a) above, either:
 - (1) A monthly allowance for life equal to the benefit the spouse would have received had the member just retired with a 100% contingent annuitant option in force; or
 - (2) A cash payment of no more than one-half of the member's accumulated contributions, along with a correspondingly reduced retirement allowance.

(Section 4.36.680)

Withdrawal Benefits

Form

Payment of accumulated contributions, with interest.

(Section 4.36.665A)

**Vested Withdrawal
Benefits**

Eligibility
Five years of service.

Amount of Allowance
Same as service retirement benefit.

Benefits Commence
Age 52, if 20 or more years of service;
Age 57, if 10-19 years of service; or
Age 62, regardless of years of service.
(Section 4.36.665)

**Postretirement Benefit
Increases**

Provisions
Effective January 1, 2007, the City Council adopted a 65% Restoration of Purchasing Power benefit and an automatic 1.5% annual COLA to all members.
If the System reaches a 100% Funding Ratio, the restoration amount increases to 70%.
(Section 4.36.615)

Death Benefit System

Eligibility
Mandatory for all active members; optional for retired members.

Benefits
\$2,000 upon the death of an active member or a participating retired member.

Assessment
Members pay an assessment of \$12 per year; the City pays a matching amount. If these assessments are not adequate, additional amounts may be transferred from the interest earnings in the retirement fund.
(Sections 4.36.690 and 4.36.695)

**Additional
Contributions**

Provisions
Members may voluntarily make contributions in excess of the regular rate; these are make-up contributions that apply only in specific situations.

Retirement Benefit
A monthly annuity which is the actuarial equivalent of accumulated additional contributions with interest.

Other Benefits
Accumulated additional contributions, with interest, generally become payable upon termination other than retirement.
(Sections 4.36.030 and 4.36.540A)

Appendix C Valuation Data



This valuation is based upon the membership of the system as of January 1, 2016. Membership data were supplied by the System and accepted for valuation purposes without audit. However, extensive tests were performed to ensure that the data are sufficiently accurate for valuation purposes.

The data for all contributing members, former contributing members, and their survivors are summarized in Table C-1.

Tables C-2 through C-4 present distributions of members receiving service retirement benefits, members receiving disability retirement benefits, and survivors receiving benefits. Shown in the tables are the numbers of persons receiving benefits, the total annual benefits received (including payments for the annual bonus), and the average annual benefit per recipient.

Table C-5 contains summaries of the data for contributing members. Values shown in the tables are the numbers of members and their total and average annual salaries.

The valuation also includes liabilities attributable to members who have terminated employment but have neither retired nor withdrawn their contributions.

Table C-1 Summary of Membership Data

	Contributing Members			Annuitants		
	Number	Annual Salaries (\$1,000)	Average Annual Salaries	Number	Annual Benefits (\$1,000)	Average Annual Benefits
January 1, 2016	8,882	\$ 686,748	\$ 77,317	6,223	\$ 165,836	\$ 26,650
January 1, 2015	8,746	647,800	74,068	6,019	155,597	25,852
January 1, 2014	8,603	606,888	70,548	5,880	147,145	25,026
January 1, 2013	8,465	579,396	68,449	5,742	137,836	24,006
January 1, 2012	8,430	560,412	66,476	5,580	128,645	23,056
January 1, 2011	8,599	569,472	66,225	5,428	118,920	21,909
January 1, 2010	9,071	596,892	65,802	5,304	108,886	20,529
January 1, 2008	8,842	529,062	59,835	5,201	102,772	19,760
January 1, 2006	8,521	468,096	54,934	5,011	83,988	16,761
January 1, 2004	8,382	441,562	52,680	4,876	74,341	15,246
January 1, 2002	8,758	418,908	47,831	4,733	61,801	13,058
January 1, 2000	8,669	382,620	44,137	4,681	55,542	11,865
January 1, 1999	7,779	333,984	42,934	4,644	52,482	11,301
January 1, 1998	7,926	329,028	41,512	4,649	50,394	10,840
January 1, 1996	8,078	314,448	38,926	4,619	44,271	9,585



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Table C-2 Members Receiving Service Retirement Benefits as of January 1, 2016 – Inactive Lives

	<50	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90+	Totals
Number of Persons											
Male	0	8	109	348	805	727	426	292	178	154	3,047
Female	0	22	135	395	709	477	225	154	107	116	2,340
Total	0	30	244	743	1,514	1,204	651	446	285	270	5,387
Annual Benefits in Thousands											
Male \$	0	\$ 332	\$ 4,216	\$ 12,872	\$ 25,971	\$ 21,601	\$ 11,778	\$ 7,214	\$ 4,378	\$ 3,150	\$ 91,512
Female	0	793	5,188	12,913	19,992	11,304	4,660	2,905	1,672	1,355	60,782
Total	0	1,125	9,404	25,785	45,963	32,905	16,438	10,119	6,050	4,505	152,294
Average Annual Benefits											
Male \$	0	\$ 41,500	\$ 38,679	\$ 36,989	\$ 32,262	\$ 29,713	\$ 27,648	\$ 24,705	\$ 24,596	\$ 20,455	\$ 30,033
Female	0	36,045	38,430	32,691	28,197	23,698	20,711	18,864	15,626	11,681	25,975
Total	0	37,500	38,541	34,704	30,359	27,330	25,250	22,688	21,228	16,685	28,271

Table C-3 Members Receiving Disability Retirement Benefits as of January 1, 2016 – Inactive Lives

	<50	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90+	Totals
Number of Persons											
Male	1	3	5	4	3	4	3	4	1	1	29
Female	2	3	8	8	2	3	4	0	0	0	30
Total	3	6	13	12	5	7	7	4	1	1	59
Annual Benefits in Thousands											
Male	\$ *	\$ 57	\$ 82	\$ 74	\$ 43	\$ 50	\$ 43	\$ 54	\$ *	\$ *	\$ 403
Female	33	62	158	115	44	34	42	0	0	0	488
Total	33	119	240	189	87	84	85	54	*	*	891
Average Annual Benefits											
Male	\$ *	\$ 19,000	\$ 16,400	\$ 18,500	\$ 14,333	\$ 12,500	\$ 14,333	\$ 13,500	\$ *	\$ *	\$ 13,897
Female	16,500	20,667	19,750	14,375	22,000	11,333	10,500	0	0	0	16,267
Total	11,000	19,833	18,462	15,750	17,400	12,000	12,143	13,500	*	*	15,088

* Benefit amounts for groups with only one member not shown.

Table C-4 Survivors Receiving Retirement Benefits as of January 1, 2016 – Inactive Lives

	<50	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90+	Totals
Number of Persons											
Male	0	0	4	9	7	7	5	7	5	5	49
Female	6	8	20	40	60	68	61	80	114	180	637
Total	6	8	24	49	67	75	66	87	119	185	686
Annual Benefits in Thousands											
Male \$	0 \$	0 \$	63 \$	159 \$	57 \$	128 \$	58 \$	75 \$	41 \$	28 \$	609
Female	58	169	357	799	1,130	1,269	1,015	1,415	1,753	2,651	10,616
Total	58	169	420	958	1,187	1,397	1,073	1,490	1,794	2,679	11,225
Average Annual Benefits											
Male \$	0 \$	0 \$	15,750 \$	17,667 \$	8,143 \$	18,286 \$	11,600 \$	10,714 \$	8,200 \$	5,600 \$	12,429
Female	9,667	21,125	17,850	19,975	18,833	18,662	16,639	17,688	15,377	14,728	16,666
Total	9,667	21,125	17,500	19,551	17,716	18,627	16,258	17,126	15,076	14,481	16,363

Note: In addition, 32 male survivors are receiving \$413,769 and 59 female survivors are receiving \$1,012,034 in Option B or Option C benefits for a certain period only.

Table C-5 Distribution of Employees and Salaries as of January 1, 2016 – Active Lives

Number of Employees - By Age Group - Males													
Nearest Year of Service	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+	Totals
0		14	28	32	29	22	17	18	24	7	2		193
1	1	23	36	74	70	56	42	39	30	18		1	390
2		7	44	52	69	59	47	35	30	18		5	367
3-4		4	49	81	72	62	57	47	31	39		8	452
5-9		1	37	124	161	149	148	135	105	83		30	978
10-14			3	38	102	144	138	105	129	96		37	799
15-19				2	28	80	152	145	160	123		45	745
20-24						9	74	97	92	65		24	367
25-29							19	87	107	91		49	361
30-34								12	57	59		26	155
35-39								2	26	62		16	111
40+										14		15	39
Totals	1	49	197	403	531	581	694	722	791	675	257	56	4,957

Monthly Salaries in Thousands - By Age Group - Males													
Nearest Year of Service	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+	Totals
0	\$	\$ 49	\$ 131	\$ 162	\$ 170	\$ 126	\$ 113	\$ 114	\$ 139	\$ 45	\$ 16		\$ 1,065
1	1	83	179	459	434	390	273	240	175	102		9	2,345
2		25	217	327	443	408	337	230	227	124	23	7	2,368
3-4		11	246	494	505	428	405	343	238	316	56	17	3,059
5-9		4	186	726	1,088	1,050	1,008	914	733	542	184	20	6,455
10-14			12	218	643	945	934	674	846	587	224	28	5,111
15-19				12	176	587	1,048	1,023	1,154	800	307	65	5,172
20-24						51	555	700	651	465	163	27	2,612
25-29							147	667	776	642	357	47	2,636
30-34								81	454	452	190	9	1,186
35-39								15	201	488	126	28	858
40+										101	112	64	277
Totals	1	172	971	2,398	3,459	3,985	4,820	5,001	5,594	4,664	1,758	321	33,144



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Table C-5 Distribution of Employees and Salaries as of January 1, 2016 – Active Lives (continued)

Average Monthly Salaries - By Age Group - Males													
Nearest Year of Service	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+	Totals
0	\$ 1,000	\$ 3,500	\$ 4,679	\$ 5,063	\$ 5,862	\$ 5,727	\$ 6,647	\$ 6,333	\$ 5,792	\$ 6,429	\$ 8,000	\$ 9,000	\$ 5,518
1		3,609	4,972	6,203	6,200	6,964	6,500	6,154	5,833	5,667		7,000	6,013
2		3,571	4,932	6,288	6,420	6,915	7,170	6,571	7,567	6,889	4,600	7,000	6,452
3-4		2,750	5,020	6,099	7,014	6,903	7,105	7,298	7,677	8,103	7,000	8,500	6,768
5-9		4,000	5,027	5,855	6,758	7,047	6,811	6,770	6,981	6,530	6,133	4,000	6,600
10-14			4,000	5,737	6,304	6,563	6,768	6,419	6,558	6,115	6,054	4,000	6,397
15-19				6,000	6,286	7,338	6,895	7,055	7,213	6,504	6,822	6,500	6,942
20-24						5,667	7,500	7,216	7,076	7,154	6,792	4,500	7,117
25-29							7,737	7,667	7,252	7,055	7,286	5,875	7,302
30-34								6,750	7,965	7,661	7,308	9,000	7,652
35-39								7,500	7,731	7,871	7,875	5,600	7,730
40+										7,214	7,467	6,400	7,103
Totals	1,000	3,510	4,929	5,950	6,514	6,859	6,945	6,927	7,072	6,910	6,840	5,732	6,686

Table C-6 Distribution of Employees and Salaries as of January 1, 2016 – Active Lives

Number of Employees - By Age Group - Females

Nearest Year of Service	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+	Totals
0		7	31	34	33	17	19	17	6	6	1		171
1	1	18	60	52	55	41	33	31	25	9	1		326
2		6	38	54	47	29	31	33	25	14	3		280
3-4		1	39	52	77	39	46	26	24	19	2	1	326
5-9		2	20	98	127	102	90	102	82	64	24	4	715
10-14			1	34	91	94	100	105	90	55	22	13	605
15-19				1	27	76	113	116	107	62	27	14	543
20-24					1	15	69	75	70	55	26	4	315
25-29							21	110	100	92	46	3	372
30-34								10	59	46	16	3	134
35-39								2	24	45	24	6	101
40+									2	19	13	3	37
Totals	1	34	189	325	458	413	522	627	614	486	205	51	3,925

Monthly Salaries in Thousands - By Age Group - Females

Nearest Year of Service	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+	Totals
0	\$	\$ 15	\$ 137	\$ 187	\$ 187	\$ 95	\$ 111	\$ 95	\$ 40	\$ 51	\$ 4		\$ 922
1	1	63	273	297	358	258	200	193	151	66	1		1,861
2		23	176	295	286	176	187	229	175	100	16		1,663
3-4		5	176	309	473	263	292	153	171	125	7	8	1,982
5-9		4	77	508	744	643	543	613	519	410	131	17	4,209
10-14			2	167	526	646	662	698	560	349	142	40	3,792
15-19				3	131	493	738	784	719	367	142	46	3,423
20-24					6	97	401	492	475	379	144	10	2,004
25-29							124	713	650	590	306	20	2,403
30-34								74	429	305	105	18	931
35-39								16	165	289	165	41	676
40+									16	115	73	15	219
Totals	1	110	841	1,766	2,711	2,671	3,258	4,060	4,070	3,146	1,236	215	24,085



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Table C-6 Distribution of Employees and Salaries as of January 1, 2016 – Active Lives (continued)

Average Monthly Salaries - By Age Group - Females													
Nearest Year of Service	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+	Totals
0	\$	\$ 2,143	\$ 4,419	\$ 5,500	\$ 5,667	\$ 5,588	\$ 5,842	\$ 5,588	\$ 6,667	\$ 8,500	\$ 4,000	\$	\$ 5,392
1	1,000	3,500	4,550	5,712	6,509	6,293	6,061	6,226	6,040	7,333	1,000		5,709
2		3,833	4,632	5,463	6,085	6,069	6,032	6,939	7,000	7,143	5,333		5,939
3-4		5,000	4,513	5,942	6,143	6,744	6,348	5,885	7,125	6,579	3,500	8,000	6,080
5-9		2,000	3,850	5,184	5,858	6,304	6,033	6,010	6,329	6,406	5,458	4,250	5,887
10-14			2,000	4,912	5,780	6,872	6,620	6,648	6,222	6,345	6,455	3,077	6,268
15-19				3,000	4,852	6,487	6,531	6,759	6,720	5,919	5,259	3,286	6,304
20-24					6,000	6,467	5,812	6,560	6,786	6,891	5,538	2,500	6,362
25-29							5,905	6,482	6,500	6,413	6,652	6,667	6,460
30-34								7,400	7,271	6,630	6,563	6,000	6,948
35-39								8,000	6,875	6,422	6,875	6,833	6,693
40+									8,000	6,053	5,615	5,000	5,919
Totals	1,000	3,235	4,450	5,434	5,919	6,467	6,241	6,475	6,629	6,473	6,029	4,216	6,136

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Appendix D Glossary

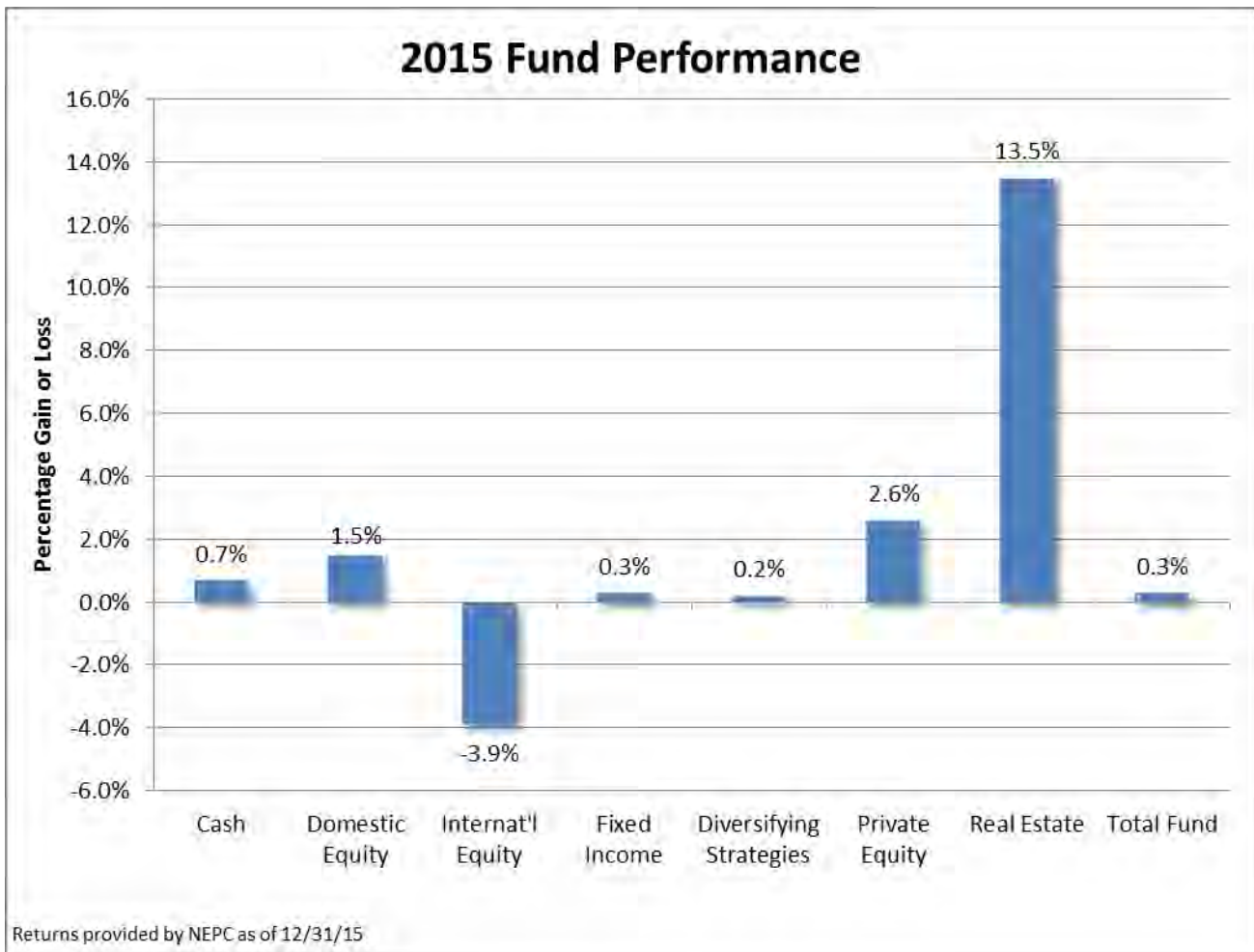
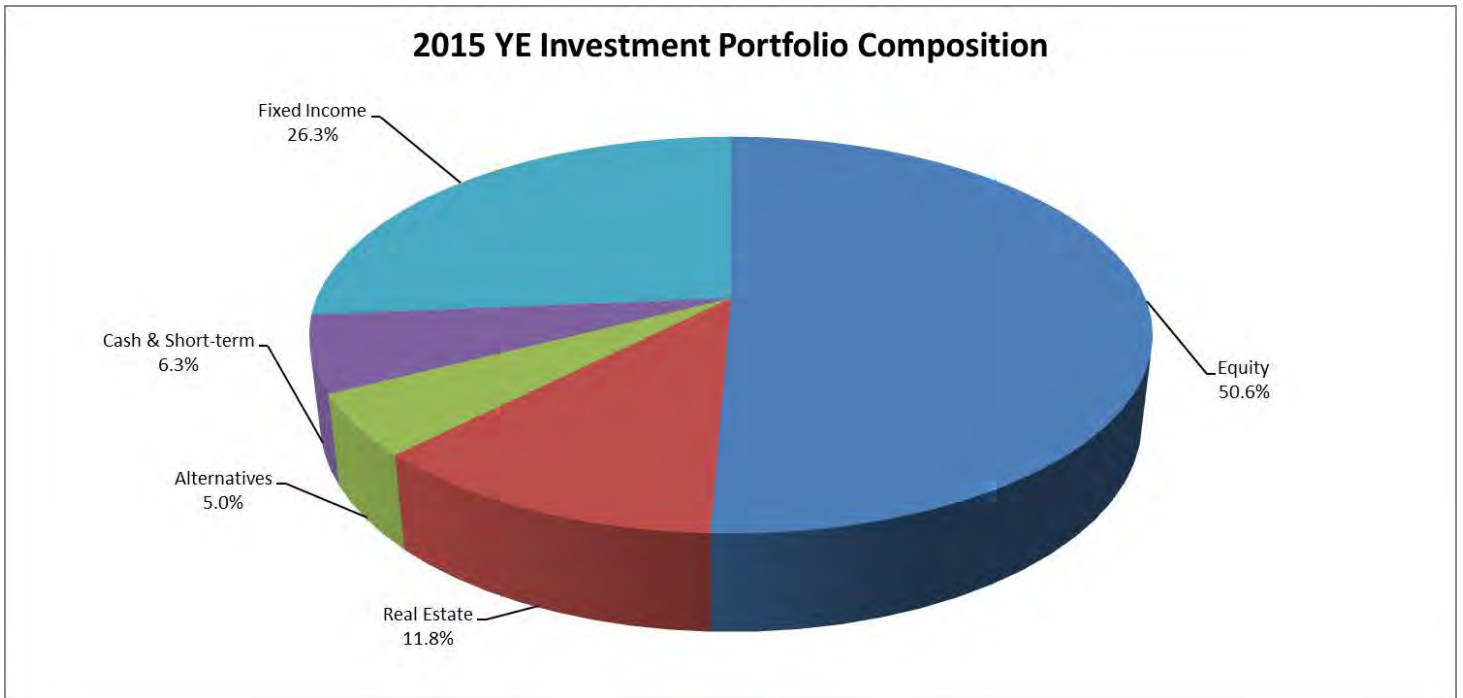


The following definitions are largely excerpts from a list adopted in 1981 by the major actuarial organizations in the United States. In some cases the definitions have been modified for specific applicability to the Seattle City Employees' Retirement System. Defined terms are capitalized throughout this Appendix.

Accrued Benefit	The amount of an individual's benefit (whether or not vested) as of a specific date, determined in accordance with the terms of a pension plan and based on compensation and service to that date.
Actuarial Accrued Liability	That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.
Actuarial Assumptions	Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disability, and retirement; changes in compensation, rates of investment earnings, and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; and other relevant items.
Actuarial Cost Method	A procedure for determining the Actuarial Present Value of pension plan benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.
Actuarial Gain (Loss)	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.
Actuarial Present Value	The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions.
Actuarial Valuation	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.
Actuarial Value of Assets	The value of cash, investments and other property belonging to a pension plan, as used by the actuary for the purpose of an Actuarial Valuation.
Actuarially Equivalent	Of equal Actuarial Present Value, determined as of a given date with each value based on the same set of Actuarial Assumptions.
Amortization Payment	That portion of the pension plan contribution that is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability (UAAL).

Entry Age Actuarial Cost Method	A method under which the Actuarial Present Value of the Projected Benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion of this Actuarial Present Value not provided for at a valuation date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.
Funding Ratio	The Actuarial Value of Assets divided by the Actuarial Accrued Liability. May also be calculated as the Market Value of Assets divided by the Actuarial Accrued Liability, in which case it is indicated that the Funding Ratio is shown on a Market Value basis.
Normal Cost	That portion of the Actuarial Present Value of pension plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.
Projected Benefits	Those pension plan benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits.
Surplus Funding	The excess of the Actuarial Value of Assets over the Actuarial Accrued Liability.
Unaccrued Benefit	The excess of an individual's Projected Benefits over the Accrued Benefits as of a specified date.
Unfunded Actuarial Accrued Liability	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

STATISTICAL



**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF REVENUES BY SOURCE**

Employee Contribution % *	Employer Contribution % **	Fiscal Year	Member Contributions	Employer Contribution	Investment Income	Miscellaneous Income	Total
8.03	7.91	1980	\$ 9,166,162	\$ 10,470,335	\$ 16,284,473	\$ 846	\$ 35,921,816
8.03	8.54	1981	11,845,089	13,309,388	18,488,195	2,311	43,644,983
8.03	8.54	1982	12,465,220	14,790,039	21,106,414		48,361,673
8.03	8.54	1983	12,926,545	14,265,554	27,224,215	5,050	54,421,364
8.03	8.91	1984	14,076,607	15,961,211	30,543,443	67	60,581,328
8.03	8.91	1985	14,399,465	16,280,464	25,317,826		55,997,755
8.03	8.91	1986	15,164,105	16,758,439	33,081,706		65,004,250
8.03	8.91	1987	16,088,280	17,799,789	46,029,652	410	79,918,131
8.03	8.91	1988	16,701,142	18,521,365	36,397,481		71,619,988
8.03	8.91	1989	17,246,117	18,983,634	41,803,863	545	78,034,159
8.03	8.91	1990	20,405,149	21,810,612	27,725,284		69,941,045
8.03	8.91	1991	21,111,940	21,458,952	37,758,671		80,329,563
8.03	8.91	1992	21,564,881	25,117,924	41,792,730		88,475,535
8.03	8.91	1993	23,473,485	26,139,925	100,705,007	***	150,318,417
8.03	8.91	1994	24,764,862	26,704,211	3,670,356		55,139,429
8.03	8.91	1995	26,069,124	27,816,819	181,470,912		235,356,855
8.03	8.91	1996	25,835,147	28,372,760	118,399,056		172,606,963
8.03	8.91	1997	25,571,634	28,310,353	143,719,597		197,601,584
8.03	8.91	1998	27,311,815	30,554,650	168,477,507		226,343,972
8.03	8.03	1999	29,201,844	29,898,474	240,904,299		300,004,617
8.03	8.03	2000	30,962,052	30,956,217	(79,832,672)		(17,914,403)
8.03	8.03	2001	32,602,859	32,667,381	(93,021,798)		(27,751,558)
8.03	8.03	2002	39,388,249	36,599,830	(116,907,340)		(40,919,261)
8.03	8.03	2003	36,243,490	34,200,693	296,239,050		366,683,233
8.03	8.03	2004	37,192,591	36,819,271	177,211,711		251,223,573
8.03	8.03	2005	35,962,449	35,897,345	139,866,897		211,726,691
8.03	8.03	2006	38,228,475	38,077,976	251,934,917		328,241,368
8.03	8.03	2007	40,533,554	40,299,506	149,708,740		230,541,800
8.03	8.03	2008	45,986,139	45,961,040	(612,803,880)		(520,856,701)
8.03	8.03	2009	46,613,886	46,650,169	198,417,995		291,682,050
8.03	8.03	2010	45,364,624	45,224,787	216,839,059		307,428,470
9.03	9.03	2011	50,415,119	50,301,263	(8,233,151)		92,483,231
10.03	11.01	2012	57,086,346	62,515,432	237,789,669		357,391,447
10.03	12.89	2013	60,342,581	77,073,667	298,149,888		435,566,136
10.03	14.31	2014	63,969,504	89,988,898	130,807,611		284,766,013
10.03	15.73	2015	65,779,216	101,153,403	16,280,647		183,213,266

* Employee Contributions reflected above are representative for the overall majority of active members. There are a small percentage of active members whose employee contribution rate is "grandfathered" at a slightly lower rate.

** Employer Contributions reflected as a percentage of covered payroll.

*** Beginning with 1993, the investment income reflects unrealized gains (losses) required by GASB 25.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EXPENSES BY TYPE**

Year	Benefits	Refunds	Administrative & Investment	Total
1980	\$ 17,584,611	\$ 1,786,654	\$ 331,600	\$ 19,702,865
1981	19,114,992	2,074,078	419,568	21,608,638
1982	21,358,214	2,151,528	458,261	23,968,003
1983	23,029,611	2,086,102	538,059	25,653,772
1984	25,175,469	3,366,999	737,445	29,279,913
1985	27,090,615	2,753,418	1,076,324	30,920,357
1986	28,777,844	3,212,415	1,340,874	33,331,133
1987	30,499,027	3,141,868	1,494,189	35,135,084
1988	32,093,902	3,293,088	1,408,946	36,795,936
1989	34,121,917	3,257,432	1,538,544	38,917,893
1990	36,431,265	3,592,483	1,636,911	41,660,659
1991	37,862,028	3,731,762	1,870,922	43,464,712
1992	38,884,790	3,585,672	2,109,340	44,579,802
1993	40,131,325	2,944,003	2,525,620	45,600,948
1994	42,420,358	3,412,882	2,639,538	48,472,778
1995	44,352,180	3,874,980	7,217,337	55,444,497
1996	46,257,605	3,888,043	7,989,200	58,134,848
1997	50,349,474	5,463,464	11,875,158	67,688,096
1998	56,247,811	7,502,444	12,145,939	75,896,194
1999	58,704,086	9,730,803	10,447,151	78,882,040
2000	62,844,355	11,641,902	10,634,557	85,120,814
2001	65,553,605	8,785,879	7,293,821	81,633,305
2002	68,825,558	12,019,852	7,250,214	88,095,624
2003	73,559,728	13,218,137	7,081,030	93,858,895
2004	77,289,288	9,791,692	7,188,848	94,269,828
2005	82,268,449	10,385,215	11,773,914	104,427,578
2006	87,583,509	10,553,067	10,715,425	108,852,001
2007	98,391,533	11,525,660	12,380,123	122,297,316
2008	102,703,230	10,223,415	8,188,287	121,114,932
2009	108,138,820	9,742,692	5,929,667	123,811,179
2010	113,650,795	14,715,000	11,605,536	139,971,331
2011	124,061,630	16,677,022	10,974,855	151,713,507
2012	134,135,553	14,913,574	10,431,260	159,480,387
2013	141,424,206	15,278,136	13,466,311	170,168,653
2014	150,239,008	15,103,615	13,868,184	179,210,807
2015	159,349,807	16,137,840	18,138,855	193,626,502

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**BENEFIT EXPENSE BY TYPE****Twenty Years Ending December 31, 2015**

Year	Age & Service Retirants	Benefits Survivors	Disability Retirants Benefits	Death Benefit	Refunds	Total
1996	40,783,384	4,530,161	618,060	326,000	3,888,043	50,145,648
1997	44,350,246	4,996,325	612,903	390,000	5,463,464	55,812,938
1998	48,684,577	6,500,622	714,624	347,988	7,502,444	63,750,255
1999	50,902,672	6,821,887	698,527	281,000	9,730,803	68,434,889
2000	54,518,311	7,260,855	714,799	350,390	11,641,902	74,486,257
2001	57,122,024	7,486,988	672,593	272,000	8,785,879	74,339,484
2002	59,991,882	7,821,555	686,121	326,000	12,019,852	80,845,410
2003	64,301,813	8,215,109	714,806	328,000	13,218,137	86,777,865
2004	67,794,624	8,486,860	711,804	296,000	9,791,692	87,080,980
2005	72,390,702	8,754,471	785,276	338,000	10,351,215	92,653,664
2006	77,320,260	9,180,292	814,957	268,000	10,553,067	98,136,576
2007	87,019,040	10,230,265	864,228	278,000	11,525,660	109,917,193
2008	91,265,085	10,282,919	885,227	270,000	10,223,415	112,926,645
2009	95,951,625	11,022,403	886,684	278,108	9,742,692	117,881,512
2010	101,965,821	10,526,966	918,009	240,000	14,714,999	128,365,795
2011	112,072,113	10,804,171	919,345	266,000	16,677,022	140,738,651
2012	122,076,194	10,904,912	924,447	230,000	14,913,574	149,049,127
2013	129,360,508	10,845,604	914,094	304,000	15,278,136	156,702,342
2014	137,887,118	11,175,718	896,172	280,000	15,103,615	165,342,623
2015	146,991,429	11,232,712	913,166	212,500	16,137,840	175,487,647

REVENUE RATIOS BY SOURCE
1975 Through 2015

Year	Member Contributions %	Employer Contributions %	Investment Income %	Total Revenue %	
1975	26	31	43	100	
1976	26	31	43	100	
1977	25	29	46	100	
1978	25	29	46	100	
1979	27	30	43	100	
1980	26	29	45	100	
1981	27	31	42	100	
1982	25	31	44	100	
1983	24	26	50	100	
1984	23	26	51	100	
1985	26	29	45	100	
1986	24	26	50	100	
1987	20	22	58	100	
1988	23	26	51	100	
1989	22	24	54	100	
1990	29	31	40	100	
1991	26	27	47	100	
1992	25	28	47	100	
1993	*	16	17	67	100
1994	*	45	48	7	100
1995	**	11	12	77	100
1996	**	15	16	69	100
1997		13	14	73	100
1998		12	14	74	100
1999		10	10	80	100
2000			<i>Net Loss</i>		
2001			<i>Net Loss</i>		
2002			<i>Net Loss</i>		
2003	10	9	81	100	
2004	15	15	70	100	
2005	17	17	66	100	
2006	12	12	76	100	
2007	18	18	64	100	
2008			<i>Net Loss</i>		
2009	16	16	68	100	
2010	15	15	70	100	
2011			<i>Net Loss</i>	100	
2012	16	17	67	100	
2013	14	18	68	100	
2014	23	33	44	100	
2015	36	55	9	100	

* Beginning with 1993, the investment income reflects unrealized gains (losses) required by GASB 25.

** Beginning with 1996 (and 1995 has been restated) investment income includes the gross income from Securities Lending as required by GASB 28.

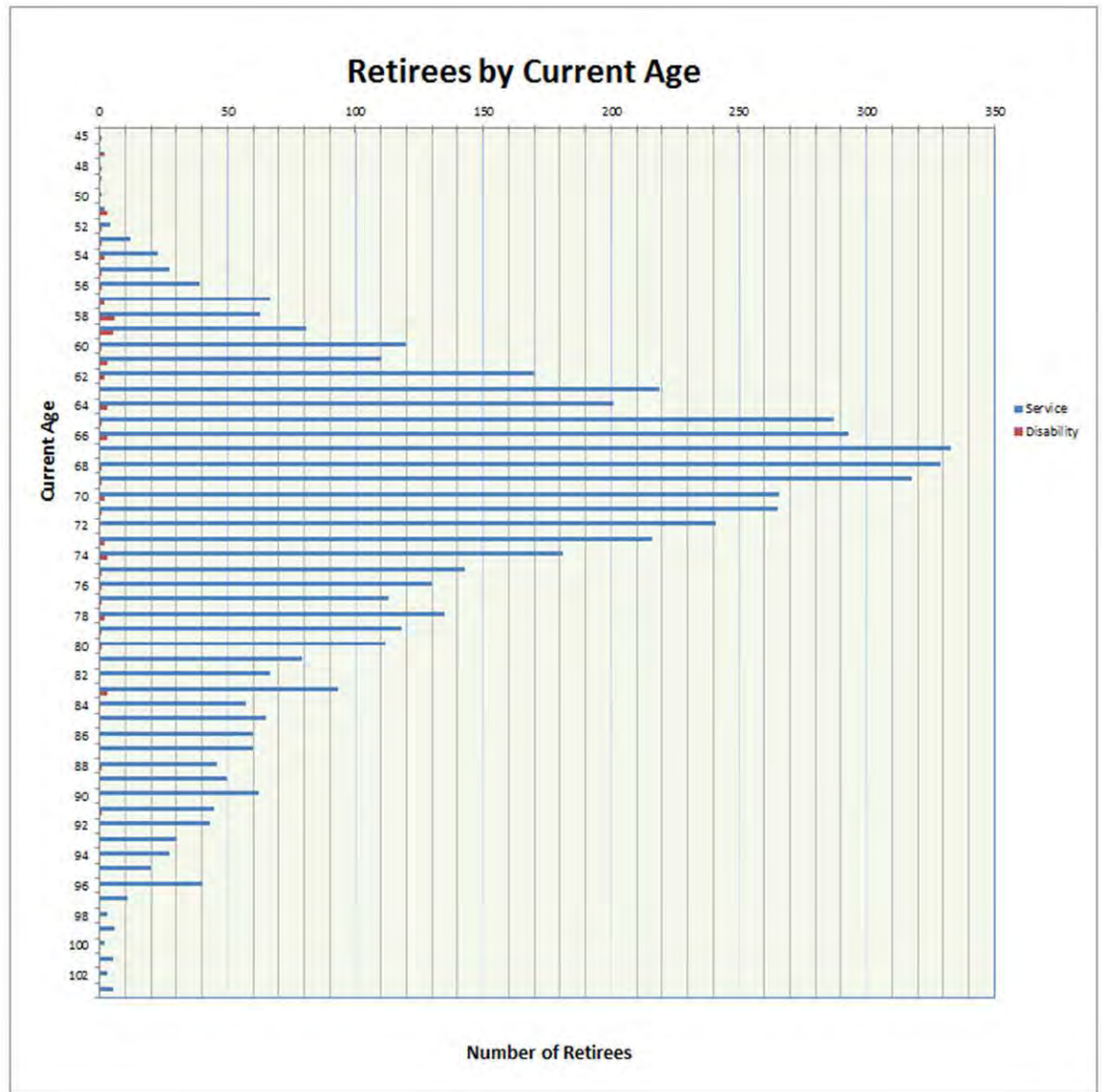
SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RESULTS
Ten Years Ending December 31, 2015

Year	Investment Income *	Investments Market Value	Securities Lending Collateral	Return on Market Value
2006	251,934,917	1,986,714,717	145,097,240	13.9%
2007	149,708,740	2,106,345,982	103,323,467	7.3%
2008	(612,803,880)	1,467,556,416	69,838,616	(26.8)%
2009	198,417,995	1,635,993,047	36,491,886	10.8%
2010	216,839,059	1,809,331,365	33,896,148	13.2%
2011	(8,233,150)	1,750,742,911	3,489,721	(0.0)%
2012	237,789,669	1,944,976,344	10,154,781	14.0%
2013	298,225,616	2,213,014,808	13,595,048	15.5%
2014	131,047,615	2,315,159,044	25,231,590	5.7%
2015	17,011,351	2,297,798,733	50,952,037	0.3%

* Investment Income includes market gains and losses, and gross income from Securities Lending.

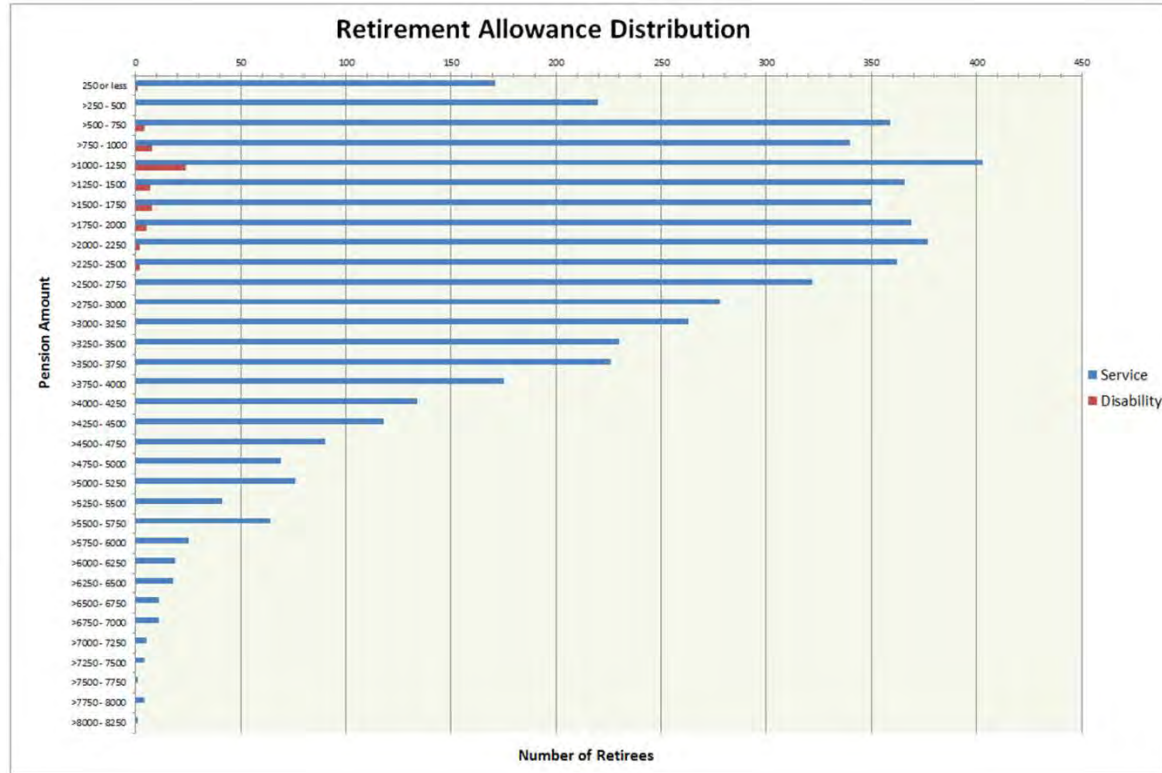
SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM SERVICE AND DISABILITY PENSIONERS BY AGE As of December 31, 2015

Current Age	Service	Disability
45	0	1
46	0	2
48	0	1
49	1	0
50	1	0
51	2	3
52	4	1
53	12	1
54	23	2
55	27	1
56	39	1
57	67	2
58	63	6
59	81	5
60	120	1
61	110	3
62	170	2
63	219	0
64	201	3
65	287	1
66	293	3
67	333	0
68	329	1
69	318	1
70	266	2
71	265	1
72	241	0
73	216	2
74	181	3
75	143	1
76	130	1
77	113	1
78	135	2
79	118	1
80	112	1
81	79	0
82	67	0
83	93	3
84	57	0
85	65	0
86	60	0
87	60	0
88	46	1
89	50	0
90	62	0
91	45	1
92	43	0
93	30	0
94	27	0
95	20	0
96	40	0
97	11	0
98	3	0
99	6	0
100	2	0
101	5	0
102	3	0
103	5	0
105	2	0
106	1	0
5502	61	



SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM RETIREMENT ALLOWANCE DISTRIBUTION As of December 31, 2015

	\$	\$	Service	Disability	
250 or less	250.00	or less	171		1
>250 - 500	250.01	- 500.00	220		0
>500 - 750	500.01	- 750.00	359		4
>750 - 1000	750.01	- 1,000.00	340		8
>1000 - 1250	1,000.01	- 1,250.00	403		24
>1250 - 1500	1,250.01	- 1,500.00	366		7
>1500 - 1750	1,500.01	- 1,750.00	350		8
>1750 - 2000	1,750.01	- 2,000.00	369		5
>2000 - 2250	2,000.01	- 2,250.00	377		2
>2250 - 2500	2,250.01	- 2,500.00	362		2
>2500 - 2750	2,500.01	- 2,750.00	322		0
>2750 - 3000	2,750.01	- 3,000.00	278		0
>3000 - 3250	3,000.01	- 3,250.00	263		0
>3250 - 3500	3,250.01	- 3,500.00	230		0
>3500 - 3750	3,500.01	- 3,750.00	226		0
>3750 - 4000	3,750.01	- 4,000.00	175		0
>4000 - 4250	4,000.01	- 4,250.00	134		0
>4250 - 4500	4,250.01	- 4,500.00	118		0
>4500 - 4750	4,500.01	- 4,750.00	90		0
>4750 - 5000	4,750.01	- 5,000.00	69		0
>5000 - 5250	5,000.01	- 5,250.00	76		0
>5250 - 5500	5,250.01	- 5,500.00	41		0
>5500 - 5750	5,500.01	- 5,750.00	64		0
>5750 - 6000	5,750.01	- 6,000.00	25		0
>6000 - 6250	6,000.01	- 6,250.00	19		0
>6250 - 6500	6,250.01	- 6,500.00	18		0
>6500 - 6750	6,500.01	- 6,750.00	11		0
>6750 - 7000	6,750.01	- 7,000.00	11		0
>7000 - 7250	7,000.01	- 7,250.00	5		0
>7250 - 7500	7,250.01	- 7,500.00	4		0
>7500 - 7750	7,500.01	- 7,750.00	1		0
>7750 - 8000	7,750.01	- 8,000.00	4		0
>8000 - 8250	8,000.01	- 8,250.00	1		0
			5,502		61



SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTIVE MEMBERSHIP EXPERIENCE
For the Last Thirty Years

Year	Members at End of Period	New Members During Period	Withdrawals During Period	Re-entering & Re-depositing	Deaths During Period	Pensions Granted During Period
1986	7,020	570	382	77	11	180
1987	7,196	622	312	72	16	190
1988	7,252	542	361	45	10	160
1989	7,544	672	251	51	12	168
1990	7,813	872	454	45	12	182
1991	8,037	681	354	43	13	133
1992	8,171	463	220	32	17	124
1993	8,317	537	279	39	15	136
1994	8,553	512	201	133	16	192
1995	8,741	477	284	136	12	153
1996	8,584	339	270	13	12	227
1997	8,572	435	287	36	18	178
1998	8,743	557	236	29	9	170
1999	9,576	1,289	238	14	17	215
2000	9,836	876	393	17	13	227
2001	10,111	706	241	25	18	197
2002	9,737	426	503	16	12	301
2003	9,964	628	202	5	14	190
2004	10,222	636	123	4	8	251
2005	10,387	635	212	3	11	247
2006	10,493	710	325	15	16	278
2007	10,892	948	292	37	8	286
2008	10,831	833	340	83	9	187
2009	11,077	347	313	122	16	221
2010	10,597	273	397	17	15	355
2011	10,477	317	239	16	12	321
2012	10,075	405	219	15	9	351
2013	10,627	786	235	28	12	331
2014	10,894	785	208	31	11	320
2015	11,165	853	228	34	10	377

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
COMPARATIVE STATEMENT OF EXPERIENCE OF SERVICE AND DISABILITY RETIREMENT PAYROLLS
From Inception in 1929, Through 2015
Figures Quoted as of the End of Each Fiscal Period

	Number Retired During Period			Number Deceased During Period		Pensions Discontinued			Benefit Cont' to Beneficiary Service	Number on Payroll at End of Period		
	Service	Sec. 19-b	Disability	Service	Disability	Service	Beneficiary	Disability		Service	Beneficiary	Disability
1929 - 1981 Inclusive	6,322	419	933	3,177	624	3	342	84	551	3,099	631	225
December 31, 1982	254	12	5	120	23		38		41	3,233	646	207
December 31, 1983	248	12	5	137	10		29		55	3,344	684	202
December 31, 1984	206	9	4	135	14		28		51	3,415	716	192
December 31, 1985	202	4	7	115	18		19	1	48	3,505	743	183
December 31, 1986	175	10	4	140	9		13		20	3,540	760	178
December 31, 1987	184	6	7	132	16		6		16	3,592	776	169
December 31, 1988	158	2	3	120	9		25		37	3,627	790	163
December 31, 1989	163	8	5	141	12		5		43	3,660	780	154
December 31, 1990	181	10	1	128	16		7		44	3,695	827	140
December 31, 1991	129		4	158	12		31		70	3,665	866	132
December 31, 1992	121		3	161	4		32		50	3,625	884	131
December 31, 1993	133	6	3	157	6		42		45	3,601	894	127
December 31, 1994	181	10	1	159	10		53		55	3,608	922	117
December 31, 1995	148	5	2	162	5		54		38	3,591	914	114
December 31, 1996	225	3	1	173	8		44		49	3,659	907	106
December 31, 1997	170	9	1	186	9		75		69	3,622	931	98
December 31, 1998	166	2	2	170	9	1	45		51	3,614	942	91
December 31, 1999	208	5	2	167	5		67		51	3,662	931	88
December 31, 2000	222	4	1	142	4		46		43	3,699	933	84
December 31, 2001	192	4	1	152	8		53		33	3,733	924	76
December 31, 2002	290	5	6	170	5		49		48	3,836	945	77
December 31, 2003	189	6	1	163	5		67		57	3,858	945	73
December 31, 2004	243	2	6	172	6		61		39	3,924	930	73
December 31, 2005	235	6	6	164	3		66		70	3,993	942	76
December 31, 2006	270	6	2	151	6		72		33	4,113	908	72
December 31, 2007	277	6	2	155	2		70		59	4,231	897	72
December 31, 2008	192	5	1	158	2		72		51	4,295	875	77
December 31, 2009	221	16	1	144	4		60		47	4,345	885	75
December 31, 2010	355	5	0	159	0		68		41	4,546	808	74
December 31, 2011	321	4	1	136	2		76		50	4,712	802	66
December 31, 2012	351	6	2	155	5		66		36	4,844	779	62
December 31, 2013	328	1		214	7	4	12		53	5,025	758	58
December 31, 2014	317		3	157			55		36	5,209	755	62
December 31, 2015	371	2	6	136	6	3	67		27	5,494	713	61
										2015 Grand Total		6,268

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
EXPERIENCE IN MISCELLANEOUS AVERAGES
For the Last Thirty Years**

	AVERAGE SERVICE RETIREMENT ALLOWANCE	AVERAGE AGE OF SERVICE PENSIONERS	AVERAGE DISABILITY RETIREMENT ALLOWANCE	AVERAGE AGE OF DISABILITY PENSIONERS	ACTIVE MEMBERS DECEASED	
					# OF DEATHS	AVERAGE AGE
1986	582.18	70.57	296.27	66.70	11	48.18
1987	608.43	70.80	314.43	66.60	16	49.13
1988	655.62	70.02	357.61	66.40	14	49.93
1989	664.36	71.45	343.74	66.53	12	49.17
1990	697.54	71.72	352.75	65.88	12	47.67
1991	757.07	72.19	378.41	66.61	13	57.77
1992	749.31	72.44	366.23	66.30	17	50.94
1993	775.72	73.42	394.13	67.80	15	53.00
1994	811.55	73.28	407.60	67.52	16	55.00
1995	850.50	73.45	431.19	67.78	12	53.67
1996	904.11	73.43	423.86	68.88	12	44.92
1997	961.30	73.29	448.15	68.12	18	54.72
1998 *	1,063.66	73.30	594.09	68.13	9	56.11
1999	1,114.34	73.10	609.19	68.25	17	55.24
2000	1,167.60	72.88	622.66	68.69	13	50.77
2001	1,222.42	72.70	654.53	67.84	18	51.39
2002	1,289.77	72.16	703.83	67.25	12	54.33
2003	1,338.49	72.14	734.85	66.78	14	53.14
2004	1,404.86	71.93	788.94	65.40	8	50.62
2005	1,477.58	71.78	827.46	65.15	11	53.18
2006	1,552.57	71.53	877.96	64.75	16	51.94
2007	1,768.13	71.42	1,010.15	65.53	8	53.13
2008	1,822.44	71.92	1,038.93	65.49	9	52.33
2009	1,873.39	71.51	1,077.33	64.15	16	58.00
2010	1,965.36	71.32	1,110.10	65.84	15	55.73
2011	2,043.56	71.29	1,144.88	65.61	12	54.00
2012	2,152.85	71.21	1,203.52	66.08	9	57.67
2013	2,206.86	71.60	1,220.27	65.97	12	59.90
2014	2,268.70	71.26	1,257.92	65.33	11	53.27
2015	2,332.94	71.30	1,296.45	64.27	10	57.30

* Beginning in 1998 the average retirement allowance numbers include the monthly COLA amounts.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF AVERAGE BENEFIT PAYMENTS**

Retirement Effective Dates	Years Credited Service					
	<u>0-10</u>	<u>11-15</u>	<u>16-20</u>	<u>21-25</u>	<u>26-30</u>	<u>31 +</u>
Jan. 1, 2006 to Dec. 31, 2015						
Period 1/1/06 to 12/31/06						
Average Monthly Benefit	\$ 656.56	1,124.37	1,662.58	2,196.45	2,831.74	3,053.19
Average Final Salary	\$ 4,902.33	4,671.23	4,823.60	5,170.19	5,313.48	5,472.54
Number of Active Retirees	37	42	38	50	55	56
Period 1/1/07 to 12/31/07						
Average Monthly Benefit	\$ 658.92	1,406.25	1,650.87	2,132.89	2,814.90	3,129.50
Average Final Salary	\$ 5,017.90	5,992.08	4,865.08	5,096.68	5,414.43	5,412.96
Number of Active Retirees	53	36	37	54	61	44
Period 1/1/08 to 12/31/08						
Average Monthly Benefit	\$ 693.96	1,307.50	1,683.04	2,237.23	3,032.86	3,467.66
Average Final Salary	\$ 5,616.72	5,133.11	5,029.50	5,470.66	5,896.14	5,682.79
Number of Active Retirees	25	18	20	37	41	46
Period 1/1/09 to 12/31/09						
Average Monthly Benefit	\$ 725.01	1,200.14	1,633.91	2,191.40	2,895.97	3,517.60
Average Final Salary	\$ 6,221.46	5,346.25	5,391.47	5,637.85	5,937.71	6,298.57
Number of Active Retirees	35	36	26	34	33	57
Period 1/1/10 to 12/31/10						
Average Monthly Benefit	\$ 743.52	1,230.93	1,819.18	2,553.58	3,152.03	3,738.60
Average Final Salary	\$ 4,657.13	5,098.76	5,424.67	6,829.01	6,418.87	6,161.06
Number of Active Retirees	35	32	59	57	90	82
Period 1/1/11 to 12/31/11						
Average Monthly Benefit	\$ 770.06	1,387.07	1,986.83	2,439.29	3,370.92	3,912.57
Average Final Salary	\$ 5,937.02	5,547.89	6,190.33	6,320.57	6,492.13	6,399.97
Number of Active Retirees	41	39	31	64	58	90

Retirement Effective Dates	Years Credited Service					
	<u>0-10</u>	<u>11-15</u>	<u>16-20</u>	<u>21-25</u>	<u>26-30</u>	<u>31 +</u>
<u>Jan. 1, 2006 to Dec. 31, 2015</u>						
Period 1/1/12 to 12/31/12						
Average Monthly Benefit	\$ 846.84	1,988.33	2,004.20	2,942.30	3,331.36	3,859.10
Average Final Salary	\$ 5,698.96	6,197.59	5,938.01	6,511.90	6,562.86	6,479.21
Number of Active Retirees	59	36	45	57	74	80
Period 1/1/13 to 12/31/13						
Average Monthly Benefit	\$ 956.90	1,698.31	2,270.52	2,859.90	3,432.76	4,014.78
Average Final Salary	\$ 5,910.57	6,526.74	6,126.15	6,900.96	6,775.70	6,667.11
Number of Active Retirees	45	43	34	58	63	85
Period 1/1/14 to 12/31/14						
Average Monthly Benefit	\$ 933.87	1,709.96	2,209.50	2,659.54	3,684.43	4,461.46
Average Final Salary	\$ 6,141.78	6,444.04	6,814.88	6,012.59	7,017.93	6,692.68
Number of Active Retirees	69	32	42	48	71	55
Period 1/1/15 to 12/31/15						
Average Monthly Benefit	\$ 906.17	1,720.51	2,010.67	3,050.66	3,542.68	4,301.93
Average Final Salary	\$ 6,402.57	6,829.11	6,313.27	6,822.33	6,512.09	6,887.75
Number of Active Retirees	66	48	41	69	66	78
Period 1/1/06 to 12/31/15						
Average Monthly Benefit	\$ 789.18	1,477.34	1,893.13	2,526.32	3,208.97	3,745.64
Average Final Salary	\$ 5,650.64	5,778.68	5,691.70	6,077.27	6,234.13	6,215.46
Average Number of Retirees	47	36	37	53	61	67

NEW MEMBERS IN THE RETIREMENT SYSTEM IN 2015 BY DEPARTMENT

Department Name	Count
Arts and Culture	7
City Budget Office	5
City Employees Retirement Syst	2
City Light	111
Dept of Education & Early Lrng	12
Dept of Finance & Admn Svc	66
Executive Departments	37
Fire Department	4
Human Services	39
Law Department	21
Legislative-City Council	10
Municipal Court	15
Neighborhoods Department	6
Parks Department	119
Police Department	56
SDHR-Muni Intern Program	1
SDHR-Temporary Emp Svcs	3
Seattle Center	23
Seattle Dept of Const and Insp	42
Seattle Dept of HumanResources	6
Seattle Dept of Transportation	63
Seattle Information Technology	42
Seattle Public Library	63
Seattle Public Utilities	99
Various Departments	1
Total	853

RETURNING MEMBERS IN THE RETIREMENT SYSTEM IN 2015 BY DEPARTMENT

Redepositing	Count
City Of Seattle	2
Dept of Education & Early Lrng	1
Human Services	2
Municipal Court	1
Parks Department	2
Seattle Information Technology	1
Seattle Public Library	1
Total	10

Re-entering	Count
Seattle Center	4
Legislative-City Council	2
Seattle Public Utilities	3
Parks Department	1
Seattle Dept of Transportation	3
City Light	4
Fire Department	1
Seattle Public Library	2
Police Department	1
Executive Departments	2
Dept of Finance & Admn Svc	3
Human Services	1
Total	27

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SERVICE RETIREMENTS GRANTED IN 2015**

Retiree	Department Name	Position	Yrs	Days	Age
Abrahamson,Robert G	SDOT	Maint Laborer	13	66	65
AGGENBACH, WILLIAM J	Vested	Vested	7	333	63
Ahern,Nancy R	PublicUtil	Executive3	13	229	57
Alberts,Colette L	Police	Manager2,Fin,Bud,&Actg	31	91	59
Allen III,Henry C	SDOT	Sign Pntr,Sr	17	147	70
Allen-Vrablik,Eugenia A	Human Svcs	Human Svcs Coord	9	351	67
Alley-Barnes,Royal	Arts&Cult	Manager2,General Govt	32	266	69
Allyn,Kenneth Francis	DPD	Electrical Inspector, Sr.	17	157	83
Alpers,Robert James	PublicUtil	Mgmt Svsts Anlyst,Sr	34	195	61
Alsup,Timothy I	Parks	Maint Laborer	20	233	64
Anderson,Judith K	PublicUtil	Drainage&Wastewater Specialist	26	44	65
Andrews,Lynn L	PublicUtil	Mgmt Svsts Anlyst,Sr	13	174	64
Argudo,Luis A	City Light	Strucl Iron Wkr	23	231	62
Asim,Zahra BJ	Muni Court	Admin Spec I-MC	23	135	59
Atwood,Michael R	City Light	Meter Reader	38	215	58
Axelrod,Shirli M	PublicUtil	Envrnmntl Anlyst,Sr	22	143	63
Baca,Robert L	Parks Dept	Heavy Truck Driver	30	26	65
Bailey,Linda D	Police	Personnel Spec, Asst.	23	259	66
Baker,Martin W.	PublicUtil	Executive 3	14	273	67
Balansay,Carlos C	PublicUtil	Civil Engr Supv	30	252	53
Bangert Jr,Donald V	City Light	Mat Suplr-Asg Phd/Cw/D	32	60	68
Banks,Pamela J	Parks Dept	StratAdvsr2 *	30	314	56
Baulig,Gerald T	Parks Dept	Constr&Maint Equip Op	37	191	61
Beckett,Jani A	City Light	Elecl Constr&Maint Supv-BU	30	286	60
Benefiel,Larry A	SDOT	Admin Spec I-BU	25	324	65
Berens,Donald L	Vested		19	190	60
Berentsen,Joseph P	DPD	Civil Engrng Spec,Sr	29	191	64
Black,Phillip M	InfoTech	Management Systems Anlyst	21	307	65
Blouch,Robert Roy	City Light	Meter Elctn	24	308	59
Blume,Lester C	Vested		8	62	62
Boland,Marilyn A	City Light	Elecl Svc Rep	31	7	56
Boler,Jean M	Law Dept	City Attorney,Asst	13	248	61
Bonner,Fred	Muni Court	Judge	18	252	72
Bonoff,Michael H	PublicUtil	Envrnmntl Anlyst,Sr	25	296	68
Breeden,Robert C	Sea Center	Stage Tech	6	242	66
Brittenham,Rosellen M	Parks Dept	Gardener,Sr	30	139	62
Brooks Jr,Norward J	City Light	StratAdvsr1,Fin,Bud,&Actg-BU	27	93	59
Brown,Curtis Ray	PublicUtil	Laborer	16	51	65
Brown,Frank H	FIRE	Info Technol Prof B	21	83	60
Brown,Karen Ann	SDOT	Sfty&Hlth Spec,Sr	24	55	58
Brown,Patricia K	SDOT	Radio Dispatcher	15	221	62
Brown,Terrence J	FAS	Parking Meter Colletor	27	259	62
Buchanan,Andrea L	PublicUtil	Admin Spec II	20	48	69
Burkhalter,Charles H	Vested	Elecl Engr,Assoc	10	195	66
Byrd,Russell C	FIRE	Fire Protection Engr,Sr	21	183	58
Campbell,Judith W	Police	ID Data Specialist	16	175	65
Carlos,Muriel F G	Police	Pol Data Tech,Sr	24	56	65
CARLSON, CANDACE	Vested	Vested	4	315	65
Carrasco,Jorge	City Light	City Light General Mgr&CEO	11	271	65
Castillo,Jesus A	PublicUtil		31	292	61
Castillo,Max B	City Light	Elecl Svc Rep,Supvsng	30	164	53
Cepeda,Debra K	Police	Pol Comms Dispatcher,Chief	31	159	53
CHAN, K WALT	KC Health	AS II	39	62	66
Chan,Nina L	InfoTech	IT Professional B	31	204	72
Chang,Paul S	DPD	Strucl Plans Engr	31	213	66
Chaussee,Michael W	Parks Dept	Tree Trimmer	10	214	63
Cheung,George K	Vested	Civil Engr,Asst I	9	261	62

Retiree	Department Name	Position	Yrs	Days	Age
Chilstrom,Hariana C	Parks Dept	Naturalist	9	259	68
Chin,Mary Sue Wah	SDHR	Accountant,Sr	43	196	66
Christensen,Steven A	Parks Dept	Golf Course Tech	10	26	57
Cifuentes,Nancy Anne	Parks Dept	Gardener	21	340	62
Clarke,Peter L	City Light		26	51	66
Coburn,Gail A	PublicUtil	StratAdvrs2,Utils	23	43	64
Connaughton,Walter	Vested				
Coon,Debora A	Library	Custodian	30	189	61
Cote,Dimne A	City Light	Elctn-Con-(OI)	20	19	57
Cowan,Jeffrey M	Law Dept	Asst. City Attorney	5	15	69
Crawford,James Philip	InfoTech	Info Technol Prof B-BU	19	64	65
Creighton,Carolyn T	Human Svcs	Admin Specialist I-BU	16	318	66
Dalton,John E	PublicUtil	Drainage&Wstwtr Lead Wkr CII	15	92	66
DAVIS, EDWARD C	KC Health	HEI-III	39	281	66
Dawson,Bonita L	Police	Pol Data Tech	7	79	62
DeNure,Suzanne M	Parks Dept	Installation Maint Wkr	28	8	57
Denzel,Mary Frances	Cty Audit	Strategic Advisor--City Auditor	31	84	65
Der, Jackie L.	Vested	Vested	6	310	61
Desmond,Donald A	Vested	Vested	16	183	59
DiLeva,Mary Pat	City Light	Admin Spec III	15	301	65
Dizon,Rolando S	City Light	Janitor,Lead-FAS/CL	12	141	61
Do,Andre	City Light	Elecl Engrng Spec,Sr	24	334	64
Docter,David L	City Light	Strategic Advisor 2	31	223	66
Dong,Vinh W	City Light	Civil Engrng Spec,Assoc	32	201	66
Donohue,Sharon K	PublicUtil	Util Act Rep I	17	168	58
Douglass,Mary H	Library	Librn	26	245	65
Downing III,W Kirk	PublicUtil	Util Act Rep II	21	150	60
Duett,Neal K	FAS	Stat Maint Mach	7	152	64
Duncan,Emanuel Carlton	PublicUtil	Drainage&Wstwtr Coll Wkr CI	16	25	65
Dyer,Paul A	PublicUtil	Laborer	35	303	66
Eicher,Kathleen P	Parks Dept	Rec Prgm Spec	17	6	66
Eiffert,Paul C	City Light	Right-Of-Way Maint. Worker	34	321	61
Ekman,Gary W	Parks Department		17	208	45
Elliott,Steven D	PublicUtil	Util Svcs Maint Tech	28	352	60
Erickson,Steven S	SDOT	Traffic Sign&Marking CC I	26	95	52
Esquillo,Edison A	City Light		14	4	62
Evans,Hiroko S	Human Svcs	Human Svcs Prgm Supv,Sr	15	10	70
Evans,James P	City Light		30	40	63
Evans,John R	PublicUtil	Civil Engrng Spec,Assoc	24	101	70
Evans,Linda D	Vested	Admin Spec I-BU	15	164	66
Fair,Muriel Arlene	PublicUtil	Util Svc Inspector,Sr	30	131	52
Feavel,Paul T	Vested	Vested	21	307	58
FEELY, TERESA M	KC Health	PHSS-clinic	30	350	67
Ferreira,Linda M	PublicUtil	Mgmt Svcs Anlyst,Sr	16	106	59
Floyd,Patricia E	Vested		2	21	65
Freeman,Fawn M	SDOT	Asst Civil Engineer	22	69	54
Friedli,Eric A	Parks Dept	Strategic Advisor 3	25	43	55
Friedman,Henry	PublicUtil	Strategic Advisor 2	11	142	63
FULLER, L CYNTHIA	KC Health	Dental Hygientist	29	102	65
Gallagher,Patrick O	City Light	Meter Elctn Working CC	33	70	62
Germano,Philip A	Muni Court	IT Tech B	8	339	65
Gilmore,Daniel	City Light	Meter Elctn Working CC	20	139	58
Givens,Richard M	SDOT	Bridge Maint Mechanic	11	161	67
Godden,Jean H	LegCtyCncl	Councilmember	12	1	84
Gorham,Patricia L	PublicUtil	Mgmt Svcs Anlyst,Sr	25	160	64
Green,Richard L	FAS	Parking Meter Collector,Supvsg	30	38	64
GREGG, BARBARA	Vested		9	51	65
Gregory,Roberta S	Sea Center	Laborer	5	21	62
Gruber,Candace Josephine	Vested	Elecl Svc Rep,Sr *	7	47	62
Guarin,David	PublicUtil	Manager2,Utils	33	104	56
Gustafson,John A	City Light	Manager 2	5	37	60

Retiree	Department Name	Position	Yrs	Days	Age
Habben,Judy L	EXEC DEPTS		28	33	67
Hailey,Rosie Lee	Law Dept	Legal Asst	26	110	62
Hall,Jerry D	City Light	Mat Suplr-Asg Leo/Pdm/Hb	35	23	57
Hamilton,Avonelle Kay	Vested	Zoo Keeper	10	154	65
Han,Margaret S	Parks Dept	Laborer	9	266	65
Handley,Larry J	City Light	Cblspl-Jrnywkr In Chg	24	180	65
Hansen,James M	City Light	Info Tech	28	274	53
Hansen,Nadine Ann	PublicUtil	Trng&Ed Coord,Sr	30	4	62
Hardi,Teresita T	Muni Court	Admin Spec II-MC	32	124	66
Hare,Linda S	Parks Dept	Maint Laborer	23	330	67
Harewood-Potter,Angela B	Parks Dept	StratAdvsr2 *	26	26	62
Harrison,Nathan	Sea Center	Security Ofcr,Sr	27	5	70
Harvey,Elias W	SDOT	Constr&Maint Operator	20	256	59
HAUCK, DENISE A	Vested	Vested	7	134	60
Hayashi,Henry K	City Light	Electrician-Constructor	42	83	65
Hayes,Scott Ellis	City Light	Manager2,Fin,Bud,&Actg-BU	16	238	67
Hector,Ellen Marie	FAS	Warehouser,Sr-BU	30	156	58
Helbach,Mary Tucker	Library	Library Assoc I	4	290	62
Helmold,John Robert	Parks Dept	Constr&Repair CC	26	76	61
Helton,Judy Ann	City Light	Admin Staff Asst	16	257	62
Hemmelgarn,David Cyril	Vested	Vested	11	117	64
Henderson,Barry G	EXEC DEPTS	Property Rehab Spec	21	2	61
Henry,Glenn E	City Light	Pole Yard Crew Chief	34	308	62
Hernandez,Michael A	PublicUtil	Wtr Pipe Wkr,Sr	32	353	66
Herzfeld,Rebecca R	LegCtyCncl	StratAdvsr-Legislative *	37	254	60
Hicks,Cindie L	City Light	Admin Staff Asst	20	7	59
Hill,James B	City Light	Warehouser-BU	28	364	67
Hinson,Thomas M	PublicUtil	Civil Engrng Spec Supv	13	248	66
Hoffman,Audrey E	PublicUtil	Util Act Rep II	11	172	58
Holland,Elizabeth	Vested	Info Technol Sys Anlyst	11	299	66
Hollomon,Rita J	Parks Dept	Parks Concss Coord.	36	172	62
Holman,Eric R	DPD	Sr. Elevator Inspector	7	128	70
HOYLE, CHRISTINE A	KC Health	Nurse Practitioner	27	172	64
Hudson,Daniel D	InfoTech	Info Technol Prof B	26	104	55
Humburges,Martinez	Parks Dept	Util Laborer	21	99	55
Hunter,Christine Louise	Vested	Vested Member	7	197	64
Hurley,Molly	DPD	Land Use Planner IV	24	16	57
IVERSON, MARSHA A	Vested	Vested	7	233	66
Jackson,James E	FAS	Animal Contrl Ofcr II	12	45	57
Jacobson,Jennyfer Shen	PublicUtil	Associate Civil Engineer	24	122	66
Janicki,Bernard S	Police	Identification Tech	12	200	66
Jaramillo,Steve P	PublicUtil	Constr&Maint Equip Op	34	163	59
Jensen,Carolyn Lorene	SDOT	Civil Engrng Spec,Assoc	24	233	56
Jepson,Janet M	Muni Court	Actg Tech II	41	299	64
Jerochim,Peter S	City Light	Elecl Work Rev CC	35	111	61
Jerochim,Scott Allen	PublicUtil	Meter Reader	14	361	51
Johnson,Doris M	Library	Asst Mgr-Library	30	174	63
Johnson,Mary A	Human Svcs	Plng&Dev Spec II	8	291	65
Jones,Diane L	Parks Dept	Aquatic Center Coordinator	24	155	61
Jongitirat,D	City Light	Elecl Engr,Assoc	33	269	59
Jordan,JoAnn	Police	Strat Advsr 2,CL & PS	9	77	58
Juntilla,Stephen W	Vested		8	149	65
Kaizen,Donald C	Vested		8	88	62
Katz Burstein,Florence	Vested	StratAdvsr1,General Govt	7	254	63
Kelley,Kenneth C	SDOT	Constr&Maint Equip Op,Sr	27	227	58
Kenyon,Joyce N	SDOT	Parking Pay Stat Shop,Supv	34	136	64
Khandekar,Mohan Ramchandra	Parks Dept	Architect,Sr	30	39	73
Kibbee,Claudia S.	Police	Pol Comms Dispatcher II	22	316	53
Kim,John M	Sea Center	HVAC Tech	18	117	66
Kleckner,Jerome L	PublicUtil	Drainage&Wstwtr Coll Lead Wkr	24	89	65
Klein,Robert J	DPD	Admin Spec II-BU	14	128	59

Retiree	Department Name	Position	Yrs	Days	Age
Klug,Robert H	City Light	Strategic Advisor 2	22	255	68
Knopf,Wayne L	City Light	Pwr Structs Mechanic	36	114	56
Komboukos,Merrilee	City Light	Warehouser,Sr-BU	31	174	65
Kopp,Edward R	City Light	Elec-Con(OI)Wkg CC-C Coord	21	280	69
Korkowski Komedal,Ruth	Library	Librarian	18	212	65
Koskie,Albert T	City Light	Elecl Hlpr	33	259	68
Krueger,Jenelle T	SDOT	Civil Engrng Spec,Sr	28	162	52
Kules,Allan Russell	DPD	Info Technol Prof B-BU	29	198	65
Laban,Harry	FIRE	Strategic Advisor 1	30	180	70
Lane,Timothy R	Vested	VESTED	9	245	57
Lanier,Steven R	PublicUtil	Info Technol Prof B	29	337	62
Larson, Virginia B	Library	Library Assoc III	32	285	63
LASBY, Bill M.	KC Health		40	22	63
Leahy,Robert E	SDOT	Bridge Op	34	148	61
Lester,Martha Starr	LegCtyCncl	StratAdvsr-Legislative	25	297	61
Licata,Nicholas J	LegCtyCncl	Councilmember	17	365	68
Lilly,Richard B	PublicUtil	Strat Advdr, 3 Utils	15	201	72
Linley,Constance M	Library	Library Assoc II	27	167	68
Little,Rand Martin	PublicUtil	Strategic Advisor 2	22	190	64
Livesay,Marrell Dean	Parks Dept	Envrnmtl Anlyst,Sr	22	52	63
Lock,Stanley B	NeighbDept	District Coordinator	31	263	59
Lockwood,Linda M	City Light	Strategic Advisor 2	25	102	68
Lopez,George	City Light	Maint Laborer	30	4	61
Lopez,Josefina	City Light	Claims Adjuster I	28	163	60
Lozier,David Jon	FAS	Shop Operations Superv	23	95	63
Lucas,Nota G	PublicUtil	Plng&Dev Spec,Sr	31	244	62
Lutton,Jonathan West	City Light	Strategic Advisor 2	32	219	67
Lynn,Michele R	City Light	StratAdvsr2,Utils-BU	22	34	53
Maadanian,S Javad	City Light	Supervising Energy Mgmt Analyst	32	53	58
Macinnis,Kevin B	PublicUtil	Laborer	24	285	55
Manlangit,Edgardo R	DPD	Land Use Plnr III	30	266	72
Marshall,Kevin William	City Light	Mech Engr,Sr	16	110	58
Matheson,Joan P	SDHR	Strategic Advisor I	9	35	63
Mathur,Tej S.	City Light		15	0	78
Matson,Kenneth A	FAS	Warehouser,Sr-BU	39	25	59
Mauden,Galen R	FAS	Executive 2	25	277	67
Mayer,Glenn A	FAS	Auto Mechanic	14	35	66
Mayo,Marc	Law Dept	City Attorney,Asst	15	365	60
McBride,John R	Vested	Vested Member	13	219	60
McCain,Robin P	Vested		18	259	62
Mccoy,Brenda R	Muni Court	Admin Spec I-MC	36	247	67
McEwen,Theresa S	Parks Dept	Volunteer Prgms Coord	19	129	65
McGowan,Gordon H	Sea Center	Janitor-SC/Parks/SPU	15	159	64
Mcgregor,Kate Denise	SDOT	Signal Elctn V	31	300	58
McGrew,Karen L	PublicUtil	Act Exec	25	105	62
McMahon,Michael Slayton	Vested	Vested	11	349	72
Mead,Mark C	Parks Dept	Manager2,Parks&Rec	14	302	57
Mears,Michael L	FAS	Buyer, Sr.	17	215	65
Mejilla,Gerardo V	PublicUtil	Pmp Stat Elecl Tech	26	65	65
MELLAND, LINDA	Vested	Vested	2	144	64
Mellor,Thomas O	PublicUtil	Strategic Advisor 2,	43	110	65
Mendelson,Thomas W	Library	Librarian	40	313	67
Mercury,Laurel Joyce	Parks Dept	Admin Spec I-BU	24	58	65
Messo,Karen K	Human Svcs	Fin Anlyst-HSD	17	323	66
Miller,George M	SDOT	Civil Engr,Assoc	5	189	64
Milt,Gordon W	City Light	Cblspl CC-Net Area	26	4	62
Mitchell,Denise M	Police	Pol Data Tech,Sr	35	246	59
Moimoi,Fuamai	Parks Dept	Rec Attendant	22	93	62
Moody,Effie Krauss	City Light	Real Property Agent,Sr	15	141	62
Moorman,Jeffrey W	DPD	Info Technol Prof B-BU	9	71	67
Morford,Rachel V	Library	Library Assoc II	29	210	61

Retiree	Department Name	Position	Yrs	Days	Age
Morgenroth,Leil Catherine	Vested		22	314	53
Morris,Frederic Tilden	City Light	Prot&Cntrl Elctn CC	20	158	66
Morris-Lent,Willis M	SDOT		30	144	56
Morse,Michael E	PublicUtil		46	55	72
Movius,Denise M	FAS	Executive3	9	34	62
Mozeika,Nanette W	Vested		11	193	61
MURPHY, KATHERINE E.	Vested		6	280	65
Naughton,James J	Vested		12	358	58
Neal,Faylene J	City Light	Sr. Pub Rel Specialist	43	325	67
Noonan,Timothy A	City Light	Elec Con	25	51	59
Norred,Cynthia J	Police	Manager2,General Govt	22	136	61
Nungesser,Gordon L	Fleets & Facilities	Auto Mechanic	30	0	52
OBriant,Charles H	Sea Center	Capital Prjts Coord	16	45	57
Olds,Carmen M	Parks Dept	Rec Attendant	24	8	59
O'Neill,Paula A	Police	ID Data Spec	11	40	65
Orsi,Catherine A	Vested		13	88	57
Orth,Mark J	Parks Dept	Civil Engineer	15	204	66
Otani,Ann M	Police	Info Technol Prof B	34	362	57
Overbey,Stephen G	Police	Pol Comms Dispatcher I	18	274	60
Palu,Penisimani	Parks Dept	Laborer	10	25	65
Parks,Thomas B	City Light		35	319	60
PATTON, SARA L	Vested		15	285	66
Patton,Douglas L	Parks Dept	Info Technol Prof B	21	67	64
Pedersen,Marilyn W	Vested	Vested Member	13	156	60
Pena,Vicente A	Parks Dept	Plumber	24	215	65
Pendergrass,Bonnie B	Sea Center	Capital Prjts Coord,Chief	15	31	68
Petilla,Helen P	SDHR	Benefits Asst	25	57	64
Petilla,Juanito C	Sea Center	Elctn	20	124	65
Pflug,David E	City Light	Strategic Advisor 2	26	28	60
Plunkett,Mark David	Parks Dept	Public Ed Prgm Supv	20	128	60
Pope,Kathy L	Muni Court	Court Clerk	7	26	64
Pratt,Kathryn A	Human Svcs	Counslr	10	363	67
PRENTICE, PATRICIA A.	KC	ESD	23	109	67
Prince,Vincent R	SDOT	Civil Engrng Spec,Assoc	29	72	57
Protis,Walter N	City Light	Credit Rep	25	364	63
Raitzer,Gerald A	City Light	Enrgy Mgmt Anlyst,Sr	7	63	64
Ramos,Timothy A	Vested	Vested	16	99	58
Rangel,Elmira L	SDOT	Asst Civil Engineering Spec III	32	77	70
Rappleyea,Diane M	Vested		10	113	57
Rasmussen,Mary E	Parks Dept	Elctn CC	40	81	58
Rasmussen,Thomas	LegCtyCncl	Councilmember	29	64	68
Reese,Antoinette	Human Svcs	Program Intake Rep	5	332	66
Rekhi,Surinder S	City Light	Energy Mgmt Anlyst Supv	32	179	67
Reynolds,Thomas K	Vested	Librn*Intermittent	2	52	67
Ringalda,Ronald J	SDOT	Constr&Maint Equip Op	17	74	59
Ripley,Steve S	InfoTech	Info Tech Prof C	15	245	57
Roberts Jr,Leonard Elmo	FIRE		31	193	62
Roberts,Sukhi	Human Svcs	Account Tech	30	128	63
Roda,Anne P	Parks Dept	Gardener	12	22	70
Rolla,Lea Ann	PublicUtil	Wtr Treatment Op-WDM I	25	268	60
Rose,Carolyn A	City Light	Info Technol Svcs Anlyst	24	125	69
Rottinghaus,Robert George	FAS	Auto Maint CC	22	113	64
Ruder,Karma	Vested		6	51	62
Russell,Debra	PublicUtil	Executive2	5	0	63
Rutan,Marcia E	PublicUtil	Plng&Dev Spec,Sr	7	76	65
RUTHERFORD, JAIN E	Vested		6	21	59
Ryan,Eleanor P	City Light	Carpenter	18	55	64
Saari,Elwood A	City Light	Electn-Con			65
Sabol,Georgia R	Vested				66
Santos,Adolfo A	FAS		36	314	64
Santos,Lizabeth L	PublicUtil	Info Technol Prof B-BU	29	229	63

Retiree	Department Name	Position	Yrs	Days	Age
SAWYER, CHARLES H	Vested		5	332	65
Scott,Joanne	Human Svcs	Grants & Contract Spec. Sr.	30	179	67
Scott,Sandra K	City Light	Credit & Colls Supv-BU	29	358	60
Seil,Janis Alford	City Light	Meter Elctn	23	279	58
Sheppard,Steven D	NeighbDept	Plng&Dev Spec,Sr	43	283	68
SHIFERAW, MULUWORK	KC	ESD	28	178	61
Shilling,Karen A	Police	Pol Comms Analyst	34	271	61
Siegel,Teresa Jan	Parks Dept	Accountant,Prin	30	11	53
Skinner,Jeffrey L	Parks Dept	Rec Cntr Coord	37	235	69
Slocum,Nancy E	Human Svcs	Trng&Ed Coord	7	171	57
Smart,Dawn Hanson	Vested	StratAdvsr1,General Govt	11	118	65
Smith,Katherine M	City Light	Rights-Of-Way Maint Wkr	31	45	62
Sollie,Sandra Kate	Library	Asst. Mgr	32	161	53
Spencer,Craig S	Vested	HVAC Tech	10	111	56
St. Andre,Robert D	City Light	Comms Elctn CC	15	150	71
Stewart,William T	City Light	Elctn-Con-Wkg CC	35	91	65
Stonehouse,Dennis B	PublicUtil	Util Svcs Maint Tech,Sr	30	53	62
Storm,Dennis J	SDOT	Commercial Veh Enf Ofcr	29	364	62
SUEDA, ODETTE TAMIKO	KC Health	Staff Physician	24	11	59
Sutton,Mark R	Police	Admin Spec, II-BU	12	15	58
Swanson,Ronald J	City Light	Elec-Con-Wkg CC-Asg C Coord	36	216	59
Tharp,Carol J	Library	Library Assoc I	8	342	67
Thrush,Steven K	City Light	Prot&Cntrl Elctn II	25	306	56
Thurmond,Michele	Parks Dept		27	243	53
Tigre,Margaret Glendene	PublicUtil	Util Svc Rep	24	231	69
Tomita,Alan K	Vested		25	124	55
Trahan,Raymond	Parks Dept	Maint Laborer	9	161	62
Tran,Khan N	ESD	Info Tech Prof	23	2	65
Tredick,Karen Danine	Vested	Rights-Of-Way Maint Wkr *	16	26	57
Trefethen,Joanna M	Library	Librarian	25	10	60
Tschirgi,Marie Adele	FAS	MSA	21	212	56
Tsoming,Frankie R	PublicUtil	Util Acct. Rep 2	24	193	64
Tucker,David	PublicUtil	Civil Engrng Spec, Assoc.	20	310	59
UNDERWOOD, CHARLIE W.	King County		23	300	67
Valentino,Josette L	Parks Dept	Admin Staff Asst	31	111	68
Vande Griend,Kimberley Ann	City Light	Engineering Aide	36	0	62
Vanila,Tomasi	Parks Dept	Cement Finisher-Parks Facilities	17	212	51
VanOttingham,Mary R	PublicUtil	Admin Staff Asst	35	48	66
Vela,Steven Paul-Francisco	Parks Dept	Aquatic Cntr Coord	28	34	55
Villa,Christopher Joseph	Vested	Pressure Svcs Inspector(J)	19	195	57
Vinson,Mary E	Human Services	Human Svcs Prgm Supv	31	72	62
Voerman,Garrett Bruce	City Light	Manager3,Utils-BU	8	146	68
Walath Simpson,Lorna	SDHR	Admin Spec II			54
Wallace,Ellen O	Human Svcs	Fin Anlyst,Sr-HSD	9	4	63
Walton-Sawadogo,Linda M	City Light	Admin Staff Asst	34	101	59
Wang,Xiao Song	Library	Page	10	49	72
Ward,Patricia	Parks Dept	Gardener,Sr	30	40	58
Ware,Mary Christine	PublicUtil	Manager2,General Govt	23	71	63
Washington-Reed,Shawn M	FAS	Warehouser,Sr-BU	27	189	56
WATTS, NEIL R.	Vested	Vested	7	208	60
Wescott,Steve P	Vested		13	237	64
West,Donna L	Police	Latent Print Superv	38	285	62
Wheaton,Edna C	Law Dept	Legislative Info Spec I	25	277	64
Whitaker,Junko	PublicUtil		33	33	62
White,Garel W	Sea Center	Security Officer	16	190	63
White,Jacqueline I	Sea Center	Elctn CC	29	292	65
White,Lari	Vested	Vested Member	7	281	63
White,Louella U	PublicUtil	Drainage&Wstwtr Coll Wkr CI	15	330	62
White,Marilyn Jean	City Light	Plng&Dev Spec,Supvsng-BU	35	324	59
Williams,Daniel W	PublicUtil	Maint Laborer	36	357	59
Williams,Yolande E	Muni Court	Executive3	16	22	63

Retiree	Department Name	Position	Yrs	Days	Age
Wilson,Kyle J	City Light	Pwr Marketer	16	139	57
Wilson,Laurene Evelyn	Police	Identification Data Spec	14	356	71
Wilson,William Dexter	Muni Court	Admin Support Supv	30	248	64
Wilton,Cassandra L	Police	Pol Comms Dispatcher III	33	147	67
Withrow,Karla J	Parks Dept	Rec Center Coord	30	325	63
Wolak Jr,William J	Police	Plng&Dev Spec, Sr.	38	186	66
Wong,Perry Munyue	DPD	Actg Tech II-BU	30	146	57
Wood,Mark A	FAS	Auto Mechanic	23	4	62
Wren,Edward Owen	City Light		24	22	57
Yap,Lenny G	City Light	Info Technol Prof A,Exempt	30	13	55
Yesuwan,Chollada	PublicUtil	Sr. Civil Engineer	35	106	66
Yok,Larry Tom	Vested	Vested	2	30	67
Youngs Jr,Robert M	City Light	Elecl Work Rev CC	41	180	61
Zeigler,Kathleen S	City Light	Credit Representative	34	194	62
Zimmerman,Michael L	DPD	Sr. Management Systems Analyst	35	293	65
Total Service Retirements			377		

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
RETIRED MEMBERS DECEASED IN 2015**

Name	Dept Name	Retired For	Date Retired	Date of Death	Age at Death
Aben,Lope N	Seattle Center	Service	10/4/2006	10/12/2015	77
Alsup,Timothy I	Parks	Service	3/23/2012	5/28/2015	67
Askegard,Rosella C		Service	6/1/1990	8/1/2015	94
Atkinson,Mary		Service	5/1/1993	10/29/2015	84
Baarson,Edna N	Library	Service	11/1/1981	1/15/2015	97
Baker,Edward A	Sea Center	Service	3/1/1990	3/14/2015	91
Bernhard,Lorraine	City Light	Service	1/18/2001	9/20/2015	77
Bolger,Laura M		Service	5/1/1989	4/17/2015	91
Boyle,George J.	Engineering	Service	1/1/1997	1/6/2015	80
Bray,George	DPD	Service	12/2/1988	3/16/2015	78
Brookman,Ursula		Service	11/1/1995	8/31/2015	87
Browne,David M.	SPU	Service	2/6/2002	8/27/2015	76
Broz,Edward W.		Service	12/11/1996	6/28/2015	80
Brueckner,David W	Fleets & Facilities	Service	2/9/2005	1/30/2015	68
Calloway, Alice F.	Parks	Service	11/5/2003	9/7/2015	73
CAMPBELL,JERRY W	SPU	Service	9/8/1999	5/28/2015	72
Carlquist,Brad J	Vested	Service	8/9/2014	12/5/2015	63
Carlson, Patrick T.	City Light	Service	4/28/2007	7/3/2015	73
Carlson,Gordon M		Service	6/1/1990	10/10/2015	90
Castro,Juan M		Service	4/1/1987	7/4/2015	90
Chamberlain,Olga J		Service	10/1/1979	4/4/2015	100
Chambers,Charles W	Light	Service	3/1/1994	8/21/2015	83
Chiodo,Anthony E		Service	5/1/1989	2/3/2015	91
Chou,Chi-Han		Service	9/1/1991	1/27/2015	96
Copley,Mary L	KC Health	Service	10/1/1980	9/28/2015	97
Crist,Richard L		Service	6/1/1986	2/1/2015	90
Daleske,Robert F		Service	12/1/1989	3/25/2015	87
Dauelsberg,Frances	Parks Dept	Service	9/10/1996	12/10/2015	73
Davis,Margaret		Service	12/1/1991	9/10/2015	92
Dawson,Donald		Service	7/1/1980	6/15/2015	96
Decoster, Dorothy	SPU	Service	9/10/2003	1/21/2015	70
DeLeon, Beto	Vested	Service	6/28/2010	11/13/2015	62
DeLong,Leon R	City Light	Service	2/4/1998	3/22/2015	77
Der,Jackie L	Vested	Service	2/20/2015	3/2/2015	61
Diangson,Ticiang P	SPU	Service	2/3/2012	1/29/2015	73
Dotson,Joanna M		Service	1/1/1988	7/11/2015	88
Droppelman,Frances		Service	8/1/1983	11/26/2015	96
Duncan,Eunice P	KC Health	Service	2/1/1982	10/23/2015	92
Durham, Hildreth Y	City Light	Service	8/11/2004	8/23/2015	62
Dyson,Jack H		Service	9/1/1976	4/10/2015	98

Name	Dept Name	Retired For	Date Retired	Date of Death	Age at Death
Emanuel,Joe		Service	9/18/1996	3/2/2015	75
Erdman, Marlin Robert	SPU	Service	6/5/2007	9/8/2015	73
Erling,Barbara W		Service	4/1/1986	5/1/2015	90
Ezenwoye,Sebastian	PublicUtil	Service	10/9/2013	7/2/2015	66
Field,Dorothy L		Service	10/1/1983	1/20/2015	96
Fridell,John A		Service	3/1/1989	10/31/2015	82
Gamble,Iantha M		Service	11/1/1975	3/20/2015	91
Gardner,Roland G		Service	2/1/1994	8/26/2015	86
Gassling, Edmund		Service	4/3/1996	5/21/2015	78
Gayotin,Wilfredo C	City Light	Service	1/3/2007	7/19/2015	70
Gill,Donald	City Light	Service	8/2/2000	9/22/2015	75
Going,Elsa	DPD	Service	1/10/1978	2/6/2015	99
Haley,David	ESD	Service	4/28/2001	12/16/2015	72
Hansen,Marguerite M		Service	12/1/1984	7/13/2015	94
Heathcote, John M.	Seattle Center	Service	8/4/2004	10/23/2015	67
Heck,Mack G		Service	11/1/1995	5/8/2015	78
Henderson,Robert J	City Light	Service	1/5/2013	11/10/2015	70
Hendrickson, John D.	SEATRAN	Service	4/2/2003	6/18/2015	68
Hernandez,Kevin J.	Fleets & Facilities	Disability	5/5/2005	6/27/2015	61
Hobart,Lanny D	City Light	Service	1/6/1999	4/1/2015	74
Holttum,Eugene E		Service	9/1/1986	5/14/2015	87
Holzer,August H		Service	1/1/1977	10/29/2015	99
Howe,Blake		Service	8/1/1990	2/24/2015	81
Ihrig,James E		Service	10/1/1992	8/26/2015	84
Jackson,Ronald	K.C. Health	Service	5/3/2011	1/22/2015	71
Jaffee,Iris S		Service	7/1/1990	1/27/2015	89
Janecke,David W		Service	7/1/1985	12/20/2015	93
Jansen,Kent B	City Light	Service	12/10/2005	12/29/2015	62
Jeffries,Lorraine M	City Light	Service	5/16/2008	5/15/2015	65
Jones,Alden A		Disability	9/1/1987	2/17/2015	82
Jones,J D		Service	9/1/1980	10/2/2015	95
Kearney,William H.	K.C. Jail	Service	9/9/1997	3/7/2015	72
Keeney,Benjamin D 102002367		Service	11/1/1985	7/16/2015	95
Knadle,Grant M		Service	6/1/1976	9/6/2015	92
Knisley,Faye L		Service	12/1/1979	11/20/2015	88
Lammers,Ted R		Service	12/1/1989	4/25/2015	89
Lauridsen,E W	PublicUtil	Service	6/1/1989	8/29/2015	87
Lee,Alvin B	City Light	Service	8/3/2011	9/28/2015	64
Lewis III, Joseph W.	Parks	Service	8/2/2007	6/2/2015	70
Lighter, Frederick J.	Vested	Service	5/15/2007	7/29/2015	73
Limric,Suzanne	K.C. Health	Service	6/2/2001	7/21/2015	77
Lyons, Vincent T	DPD	Service	5/4/2010	10/29/2015	72

Name	Dept Name	Retired For	Date Retired	Date of Death	Age at Death
Matsuoka,Fran C		Service	12/1/1994	1/17/2015	86
Miller,Dennis E	SPU	Service	11/3/2004	11/30/2015	72
Moehring,Jean R		Service	4/1/1989	3/11/2015	91
Morris,Daniel F	City Light	Service	3/2/2011	1/11/2015	65
Ness,Iver L		Service	6/1/1992	4/24/2015	79
Newman, Robert L.	DCLU	Service	10/1/2002	8/13/2015	80
Newman,Harry		Service	9/1/1988	6/4/2015	86
Nickerson,Robert G		Disability	10/1/1986	8/9/2015	79
Nishimura, Valerie G.	Personnel	Service	2/26/2003	6/25/2015	67
Nungesser, Gordon L.	Fleets & Facilities	Service	10/1/2002	2/11/2015	65
Paine,Stephen C		Service	10/1/1977	6/15/2015	92
Parker,Marion L		Service	12/1/1979	1/18/2015	97
Peachey, Nancy	Law	Service	10/1/2002	10/29/2015	69
Petrie,Kenneth		Service	10/1/1996	8/28/2015	75
Pettet,Arlie J		Service	5/1/1982	3/8/2015	94
Petty,A.Dolores		Service	1/16/1996	12/14/2015	84
Pieratt,Erle B	Municipal Courts	Service	1/10/2007	12/17/2015	68
Pietromonaco,Ben P		Service	5/1/1983	1/31/2015	92
Plank,Barbara C		Service	12/1/1984	6/23/2015	92
Price,Arthur		Service	1/1/1981	3/12/2015	89
Printz,James R		Service	7/1/1995	10/25/2015	84
Reese,Dorothy I	Sea Center	Service	12/1/1983	5/17/2015	97
Reichenbach,Edward W.	SPU	Service	2/13/2002	9/15/2015	62
Roberts,Bobbie M	City Light	Service	3/1/1990	5/15/2015	89
Robinson,Anita J		Service	6/1/1982	8/1/2015	90
Ross,M. Gene	ESD	Service	1/6/1999	11/10/2015	83
Ryan,Marlene	SPU	Service	11/30/2001	12/9/2015	76
Schumacher,Lois M		Service	7/1/1990	7/5/2015	85
Seeklander,Robert		Service	11/2/1996	9/13/2015	74
Selos,Benjamin A		Service	6/1/1992	3/19/2015	87
Short,Victor	City Light	Service	11/8/2000	9/28/2015	100
Sidhu,Harpal S	Engineering	Service	10/1/1997	12/2/2015	79
Sinden,Clifford	SPU	Service	1/31/2001	2/6/2015	73
Skeers,Richard		Service	3/1/1980	10/5/2015	97
Smith, Gloria J.	DHHS	Service	10/1/2002	8/23/2015	69
Smith,Betty L		Service	10/1/1984	6/13/2015	92
Stubbs,James L		Disability	8/1/1985	5/1/2015	76
Sundvall, Mitsu A.	Seattle Center	Service	8/8/2007	8/30/2015	78
Swanson,Patricia A		Service	4/1/1989	5/6/2015	90
Tamura, Mitsuru	SPU	Service	9/11/2009	1/1/2015	74
Taylor,Betty M		Service	7/1/1988	11/8/2015	91
Taylor,Loretta H		Service	1/1/1993	1/13/2015	78

Name	Dept Name	Retired For	Date Retired	Date of Death	Age at Death
Tilton Jr., William H.	City Light	Service	9/12/2012	2/16/2015	63
Tran,Khan N	ESD	Service	5/4/2005	6/15/2015	75
Turner,Russell W	PublicUtil	Service	1/1/1988	1/20/2015	89
Vaughn,James F.	Metro	Service	4/3/1997	8/31/2015	80
Vinson, Mary E	Human Services	Service	4/3/2010	5/12/2015	67
Wagner,Deanna Rae	SPU	Service	6/16/2004	6/5/2015	75
Watkins,Ralph L		Service	7/1/1992	8/6/2015	85
Weigelt,Clarence E		Service	2/17/1982	2/4/2015	92
Welch,Albert S	KC Health	Service	6/1/1993	4/21/2015	86
Wenzl,Della M		Service	11/1/1994	9/3/2015	95
Williams,Frederick W		Service	7/1/1986	7/17/2015	92
Wilson,Larene W		Service	1/1/1971	6/29/2015	97
Wogan,Phyllis M		Service	3/1/1985	12/17/2015	95
Yoda,Shuji	City Light	Service	12/4/1986	1/8/2015	86
York, Jr., Fred	PublicUtil	Service	1/5/1996	5/25/2015	78
Young Iii,Delos P		Service	11/1/1992	5/31/2015	86

Average Age of Deceased Service Pensioner	81.9
Average Age of Deceased Disability Pensioner	81.8
Number of Service Pensioners Deceased	136
Number of Disability Pensioners Deceased	6
Death Benefits for Deceased Active and Retired	212,500
Refunds Under Option "A"	0
Refunds Under Disability	0

DEATHS IN ACTIVE SERVICE DURING 2015

Member	Position	Department	Age
Connaughton,Walter	Carpenter CC	Parks	63
Connolley,Tricia M	Admin Staff Asst	Fire	43
Davis II,Ronald C	Rec Prgm Coord,Sr	Parks	41
Mclaughlin,Daniel L	Engrgy Res&Eval Supv	City Light	64
Montoya,Zone P	HRIS Spec	FAS	49
Nelson,Arthur J	Admin Spec II	Fire	66
Price,Jane V	Usher *	Seattle Center	87
Sawyer,Michelle	Mgmt Sys Anlyst	SPU	52
White,Diana J	Identification Data Spec	Police	53
Wilson,Reginald D	Mgmt Sys Anlyst, Sr	City Light	55
			Count
			10
			Average Age
			57.3

DEATH BENEFIT SYSTEM
For The Year Ended December 31, 2015

All active members and those retired members who so elect are covered by the Death Benefit System. The Death Benefit System is similar to a life insurance policy and pays \$2,000 to the beneficiary of an active or retired member.

The annual premium for each member is \$12, with the City matching this amount. Any additional funds needed to fund the Death Benefit System come from the undistributed earnings of the Retirement System.

There were 10 payouts for deaths in active service and 142 claims from retired employees - a total of 152 claims. This compares with 3 deaths in active service in 2014, and 157 claims from retired employees - a total of 160. The claims totaled \$304,000 in 2013 and \$280,000 in 2014.

Income from Active and Retired Employees:	\$	149,145
Income from Employers:		
Seattle City Light	\$	32,755
General Fund		31,328
Seattle Public Utilities		22,025
Seattle Parks Department		15,257
Transportation		12,797
Library		9,672
Administrative Services		10,307
Seattle Center		5,199
Planning and Development		6,097
King County/Metro		3,324
Employees' Retirement System		384
		<hr/>
Total from Employer Funds	\$	149,145
Total paid into Death Benefit Reserve	\$	298,290
<u>Less: Death Benefit Claims – 2015</u>	\$	<u>212,500</u>
Total 2015 Addition to Operating Fund Balance	\$	85,790

UNUSED SICK LEAVE

At the time of retirement, some members may elect to receive a cash payment equal to 25% of the monetary value of their "unused sick leave." The monetary value is developed by multiplying the number of hours of unused sick leave by the hourly rate, and is calculated and paid to the employee by the employing department when the person retires immediately following employment. Vested members retiring at a future date do not receive a sick leave payout. This may not apply to certain represented positions.

The member may elect to write a check payable to the City, and deliver it to the Retirement System, for the amount of the sick leave payout, and this amount will be placed in an account to be used to pay health care premiums for self and spouse. Since the health care premiums are paid from the Health Care Fund, these funds do not accrue interest. If the retiree dies before the credit is exhausted, the surviving spouse may use the remaining credit to pay for health care coverage.

In the event of the death of an active employee eligible for sick leave benefits, the employing department will pay the beneficiary an amount equal to 25% of said employees' accumulated unused sick leave.

Of the 377 service retirements during 2015, there were no retirees that deposited the value of their sick leave payout to an account that will be used to pay their medical premiums.

Benefit Calculation

In accordance with the Seattle Municipal Code, the retirement benefit is the higher of the results of the two formulas shown below:

Service Retirement Formula: (years of City service) x (yearly percentage factor) x (average of the highest 52 consecutive pay periods of pay). The maximum years of service used by the formula is 30.

Contribution-Based Formula (2 Times Match): The employee contribution plus interest multiplied by two, used to purchase a lifetime annuity.

These calculations determine the “straight” or unmodified benefit. There are retirement options that offer a lower benefit amount in exchange for different kinds of guaranteed payments. See the retirement handbook at www.seattle.gov/retirement for more information.

Note that there are two kinds of service used in the above calculations:

City service is the retirement-eligible hours you earn during your employment with the City. This includes all regular hours and excludes overtime. City service is used in the *Service Retirement Formula*.

Eligibility service is your City service together with any service you have earned from a system that has portability with SCERS. Portable systems include the cities of Spokane and Tacoma, and most systems operated by the Washington State Department of Retirement Systems. Eligibility service is used to determine the percentage factor for the service retirement formula.

The table below shows how the yearly percentage factor in the *Service Retirement Formula* is determined based on the number of years of retirement eligibility service credit and age at retirement.

Yearly Percentage Factors used in the Service Retirement Formula

Years of Retirement Eligibility Service Credit	Age at Retirement															Years of Retirement Eligibility Service Credit		
	Any	52	53	54	55	56	57	58	59	60	61	62	63	64	65			
30 or more	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	30 or more	
29		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	29	
28		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	28	
27		1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	27	
26		1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	26	
25		1.7	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	25	
24		1.6	1.7	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	24	
23		1.5	1.6	1.7	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	23	
22		1.4	1.5	1.6	1.7	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	22	
21		1.3	1.4	1.5	1.6	1.7	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	21	
20		1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	20	
19								1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	19	
18								1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	18	
17								1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	17	
16								1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	16	
15								1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	15	
14								1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	14	
13								1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	13	
12		Not Eligible To Retire							1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	12
11								1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	11	
10								1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	10	
9													1.82	1.88	1.94	2.0	9	
8													1.82	1.88	1.94	2.0	8	
7													1.82	1.88	1.94	2.0	7	
6													1.82	1.88	1.94	2.0	6	
5													1.82	1.88	1.94	2.0	5	