

**CITY OF MILWAUKEE  
EMPLOYES' RETIREMENT SYSTEM**

**ACTUARIAL VALUATION  
AS OF JANUARY 1, 2004**



July 19, 2004

Annuity and Pension Board  
Employees' Retirement System of  
the City of Milwaukee  
200 East Wells Street, Room 603  
Milwaukee, WI 53202

Members of the Board:

This report presents the results of the annual actuarial valuation of the assets and liabilities of the City of Milwaukee Employees' Retirement System as of January 1, 2004, prepared in accordance with Chapter 36, Part 15(15) of the Milwaukee City Charter. The valuation takes into account all of the promised benefits to which members were entitled as of January 1, 2004. Benefit changes covered in this valuation include changes in duty disability conversion age provisions for fire and police under a proposed Charter Ordinance that reflects the Rehrauer decision; elimination of the December 31, 2002 sunset provision on section 36-04-1-c imputed military service credit for members of the Milwaukee Police Association and the Milwaukee Professional Fire Fighters' Association; and provision of Global Pension Settlement (GPS) benefits to 417 individuals who consented to the GPS since the last valuation. In addition, the last non-consenting member of the Firemen & Policemen's Survivorship Fund has consented and that Fund can now be dissolved.

The valuation was based on the actuarial assumptions and methods as adopted by the Board of Trustees, and as specified by the Charter. The methods and assumptions are the same as those used for the prior valuation.

### **Assets and Membership Data**

The individual data for members of the System as of the valuation date were reported to the actuary by the ERS. While we did not verify the data at their source, we did perform tests for internal consistency and reasonability. The amount of assets in the trust fund taken into account in the valuation was based on statements prepared for us by the ERS.

Annuity and Pension Board  
Employees' Retirement System of  
the City of Milwaukee  
July 19, 2004  
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### **Financing Objective and Employer Contribution**

The results of the January 1, 2004 valuation determine the employer contribution for the year ended December 31, 2004.

The financing objective of the System is to:

- (a) fully fund all current costs based on the normal contribution payable determined under the funding method; and
- (b) liquidate the unfunded accrued liability over an amortization period equal to the future working lifetime of employees covered by the funds.

On this basis, the valuation indicates that the employer contribution of \$46,000 for the 2004 plan year would be sufficient to provide for the payment of the promised pension and survivor benefits.

### **Financial Results and Membership Data**

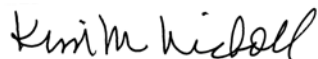
Detailed summaries of the financial results of the valuation and of the membership data used in preparing the valuation are shown in the valuation report.

To the best of our knowledge, this report is complete and accurate and has been prepared in accordance with generally accepted actuarial principles and practice.

Respectfully submitted,



S. Lynn Hill  
Director, Retirement Consulting



Kim M. Nicholl, F.S.A.  
Principal, Consulting Actuary

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## Introduction

The law governing the Employees' Retirement System requires the Actuary, as the technical advisor to the Annuity and Pension Board, to “. . . make an annual valuation of the assets and liabilities of the funds of the retirement system.” {Chapter 36, Part 15(15)}. Mellon, as Actuary, has completed the sixty-seventh annual actuarial valuation of the System as of January 1, 2004.

In this report we present the results of the January 1, 2004 valuation and the recommended employer contributions for the year ending December 31, 2004. For purposes of disclosure, the report also includes the schedule of employer contributions and schedule of funding progress as required by GASB Statement No. 25. The benefit provisions recognized in this valuation are those in place as of the valuation date.

The valuation was completed based upon membership and financial data provided by the administrative staff of the System. The majority of the actuarial assumptions, outlined on Pages 34-41, were adopted as of January 1, 2003, and are based on the experience study for the five-year period ended December 31, 2001. The projected unit credit actuarial cost method was adopted as of January 1, 1995, and is prescribed in section 36.08 of the Milwaukee City Charter. The actuarial asset valuation method was adopted as of January 1, 1998. Since January 1, 2000, an interest rate of 8½% has been used to value all benefits.

## **Changes Since Last Year**

The age at which a duty disabled fireman or policeman must either convert to service retirement or elect to receive an extended life duty disability allowance has been affected by the Rehrauer decision. The results of this valuation reflect a proposed Charter Ordinance that takes the Court's ruling into account for fire and police who did not sign the DeBraska II release form.

As part of the Milwaukee Police Association's (MPA) and the Milwaukee Professional Fire Fighters' Association's (MPFFA) union contracts effective January 1, 2001 through December 31, 2003, creditable service for active military service, as provided in section 36-04-1-c, shall be extended to employees represented by these Associations who participate in the Global Combined Fund and who retire on a service retirement on and after January 1, 2003.

The Global Pension Settlement (GPS) provides that members enrolled through June 28, 2000, must provide written consent to the ERS in order to be eligible for the benefit enhancements of GPS. Members enrolled after June 28, 2000, are automatically participants in the Combined Fund. Since the January 1, 2003 actuarial valuation was completed, 417 individuals who were eligible for ERS benefits as of June 28, 2000 – and who had not consented to GPS – have now consented. The January 1, 2004 valuation reflects the impact of this change.

The last non-consenting member of the Firemen and Policemen's (F&P) Survivorship Fund has consented to GPS and the assets remaining in the F&P Survivorship Fund will be transferred to the Global Combined Fund as of January 1, 2004. Since the F&P Survivorship Fund is closed to members who become active firemen or policemen after January 1, 2000, the Fund can now be dissolved.

## **Fiscal Impact of Changes**

As a result of the change due to the proposed Charter Ordinance, the Accrued Liability increased by \$3.3 million and the funded status decreased .1%.

As a result of the changes due to the new MPA and MPFFA contracts, the accrued liability increased by \$1.8 million and the unfunded status decreased by .1%.

The fiscal impact of new consents to GPS is explained on page 5.

## Summary of Principal Results

Summarized below are the principal financial results for the City of Milwaukee Employees' Retirement System based upon the actuarial valuation as of January 1, 2004. Comparable results from the January 1, 2003 valuation are also shown.

Item	January 1, 2004	January 1, 2003
<b>Membership Data</b>		
<b>Active Members</b>		
➤ Number	12,574	12,889
➤ Total Annual Covered Payroll on the Valuation Date	\$ 486,384,000	\$ 480,800,000
➤ Average Pay	\$ 38,682	\$ 37,303
<b>Retirees and Beneficiaries</b>		
➤ Number	10,527	10,334
➤ Annual Benefit	\$ 183,775,860	\$ 171,410,282
➤ Average Benefit Payment	\$ 17,458	\$ 16,587
<b>Asset Values (includes contributions receivable)</b>		
➤ Actuarial Value	\$ 3,909,085,000	\$ 3,689,981,000
➤ Market Value	\$ 4,081,227,000	\$ 3,355,364,000
<b>Actuarially Determined Employer Contribution</b>		
	Due 1/31/2005	Due 1/31/2004
➤ Annual Cost	\$ 46,000	\$ 78,000
➤ As % of Covered Payroll	0.01%	0.02%
<b>Funded Status</b>		
➤ Accrued Liability	\$ 3,370,923,000	\$ 3,204,248,000
➤ Actuarial Value of Assets	<u>3,909,085,000</u>	<u>3,689,981,000</u>
➤ Unfunded (Overfunded) Accrued Liability	\$ (538,162,000)	\$ (485,733,000)
➤ Funded Ratio Based on Actuarial Value of Assets	116.0%	115.2%
➤ Accrued Liability	\$ 3,370,923,000	\$ 3,204,248,000
➤ Market Value of Assets	<u>4,081,227,000</u>	<u>3,355,364,000</u>
➤ Unfunded (Overfunded) Accrued Liability	\$ (710,304,000)	\$ (151,116,000)
➤ Funded Ratio Based on Market Value of Assets	121.1%	104.7%

## **Fiscal Impact of New Consents to the Global Pension Settlement**

Based on data provided to the actuary, 417 active members, inactive members, and benefit recipients (or estates) eligible for ERS benefits as of June 28, 2000, who had not consented to GPS at the time the last valuation was processed, have now consented. The change in consent status increased the Present Value of Future Benefits (PVFB) for these individuals by \$1.6 million. At the direction of the Court, the ERS has continued to accept and process GPS consent forms and additional Consenters will be included in future actuarial valuations. Benefits will not change for individuals who do not consent to GPS.

Some non-consenting members have died without leaving survivors eligible for ERS benefits, some have withdrawn from the System, and some have separated without rights to a future ERS benefit. Some non-consenting members who had separated without rights to a future ERS benefit have returned to service. Table 6 of this report provides information about Consenters and Non-Consenters included in this valuation by membership status – active member, inactive member, or benefit recipient – and by employe group – fire, police, or general.

GPS provides that the market value of the assets in the funds for Non-Consenters be divided among Consenters and Non-Consenters. The division is based on the actuarial liability covered by each fund under pre-GPS plan provisions. The division of assets for the 433 new Consenters included in the January 1, 2003 valuation was effective January 1, 2003, and was discussed in the last valuation report. A division of the remaining assets for Non-Consenters is required at January 1, 2004, on account of the additional 417 Non-Consenters who have now consented. Table 8 of this report provides the necessary details.



## Contribution Requirements for Fiscal Year 2004

**Actuarially Determined Employer Contributions:** The recommended contribution for 2004, payable January 31, 2005, is allocated to the different funds and employe groups as follows:

Item	General Employes	Policemen	Firemen	Total
Combined Fund	\$ 0	\$ 0	\$ 0	\$ 0
Retirement Fund	0	0	0	0
Duty Disability Funds	8,000	0	0	8,000
Heart & Lung Fund	N/A	N/A	0	0
Combined Retirement & Disability Fund	<u>35,000</u>	<u>3,000</u>	<u>0</u>	<u>38,000</u>
Total Contribution	\$ 43,000	\$ 3,000	\$ 0	\$ 46,000
Covered Compensation	\$ 326,394,000	\$ 105,686,000	\$ 54,304,000	\$ 486,384,000
Total Contribution as a Percentage of Covered Compensation	0.013%	0.003%	0.000%	0.009%

### Member Contributions to the Above Funds:

#### Employer Paid

Each pay period the Employer makes fixed "member contributions" to the members' individual accounts equal to the following percentages of earnable compensation:

General Employes	5.5%
Elected officials	7.0%
Policemen	7.0% less \$1.00 per year per policeman
Firemen	7.0%

#### Member Paid

In addition, each policeman contributes \$1 per year to his or her individual account and general employes enrolled after 1999 who participate in the Combined Fund contribute 1.6% of earnable compensation during their first 8 years of employment.

The members' individual accounts are held in the Combined Fund, the Retirement Fund, and the Combined Retirement and Disability Fund.

## **Funded Ratio**

The System's funded status is measured by comparing the valuation assets with the accrued liability. The accrued liability is the present value of benefits accumulated to date under the System's funding method and reflects future pay increases for active employees.

On this basis, the System's funded ratio is 116.0% as of January 1, 2004. The funded ratio is based on an actuarial value of assets of \$3.909 billion and an accrued liability of \$3.371 billion.

### **Reasons for Change in the Funded Ratio**

The funded ratio increased from 115.2% as of January 1, 2003 to 116.0% as of January 1, 2004. The change is primarily due to the return on the actuarial value of assets, which was 10.46% for the 2003 plan year – compared to the expected return of 8.5%.

## **GASB No. 25 Disclosure**

Statement Number 25 of the Governmental Accounting Standards Board established reporting standards for the annual financial reports of defined benefit pension plans. The System complied with Statement No. 25 beginning with the January 1, 1997 valuation. The statement requires disclosure of the “schedule of funding progress” and the “schedule of employer contributions” in the System’s financial statements.

The “schedule of funding progress” (Table 12a) shows historical trend information about the System’s actuarial value of assets, the actuarial accrued liability and the unfunded actuarial accrued liability. The actuarial funded status is measured by comparing the actuarial value of assets (based on a 3-year market-related value) with the accrued liability. The accrued liability is the present value of benefits accumulated to date under the System’s funding method and reflects future pay increases for active employees. On this basis, the System’s funded ratio is 116.0% as of January 1, 2004. The funded ratio is based on an actuarial value of assets of \$3.909 billion and an accrued liability of \$3.371 billion.

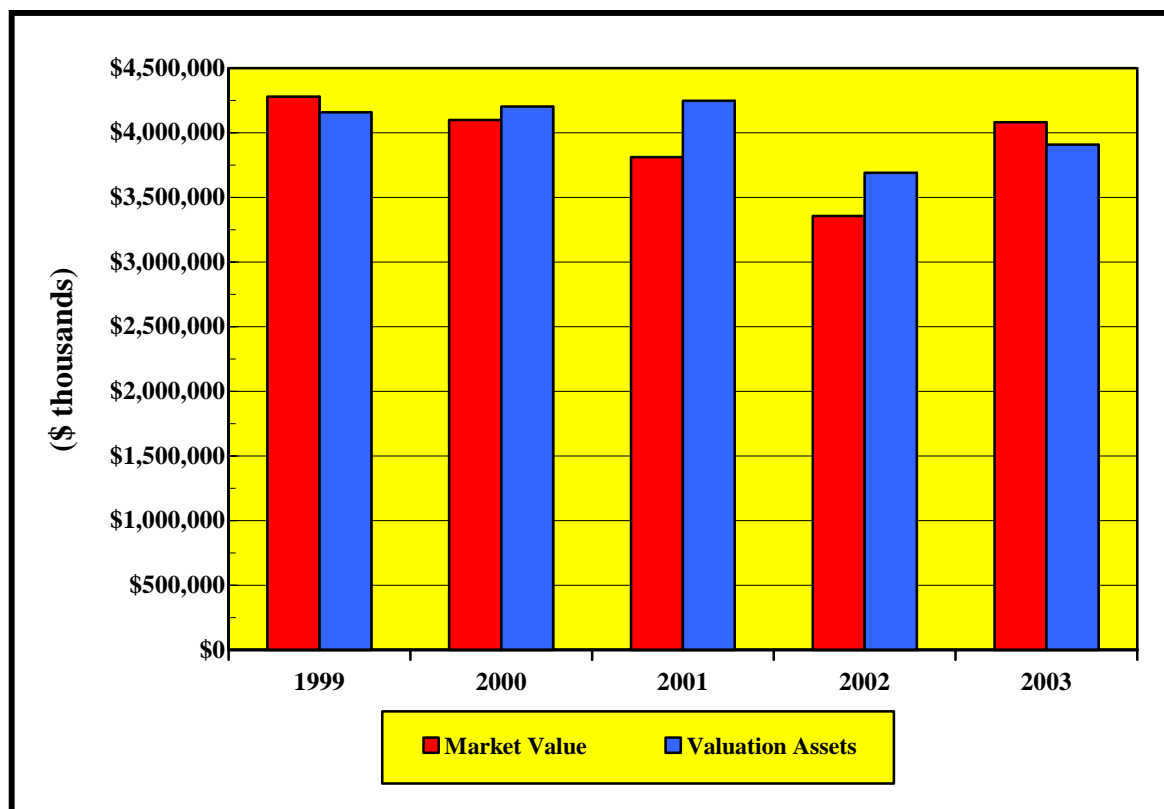
The “schedule of employer contributions” (Table 12b) shows historical trend information about the annual required contributions (ARC) of the employer and the percentage of the ARC contributed to the System. The ARC is equal to the normal cost plus amortization of the unfunded actuarial accrued liability. The maximum period for amortizing the unfunded actuarial accrued liability permitted by GASB No. 25 is 40 years. The maximum amortization period decreases to 30 years in 2006. The employer contributions to the System are equal to 100% of the ARC.

## Rate of Return

The investment return on all System assets on a market value basis (i.e., total return including both realized and unrealized gains and losses) for the plan year ended December 31, 2003, was 26.99%. The return based on the actuarial value of assets used for determining the System's funded status was 10.46%. A five-year history of the return on the actuarial value of assets is shown below.

Plan Year Ended December 31	Return on Actuarial Value
2003	10.46%
2002	(9.59)
2001	4.30
2000	9.32
1999	14.77

**Five-Year History of Market Value and Valuation Assets**



The remainder of this report is comprised of the following:

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**Table 1a**

**Allocation of Total 2004 Contributions to Employee Groups  
Members in Retirement and Duty Disability Funds  
Amount Due January 31, 2005**

Group	Active Members	Covered Compensation	Fund			January 31, 2005	
			Retirement	Duty Disability	Heart & Lung	Total Due	% of Pay
General City	49	\$ 1,988,331	\$ -	\$ 3,439	\$ -	\$ 3,439	0.17%
Water Department	8	353,469	-	611	-	611	0.17%
School Board	94	2,051,351	-	3,547	-	3,547	0.17%
Milwaukee Technical College	-	-	-	-	-	-	
Sewerage Commission	4	204,683	-	354	-	354	0.17%
Wisconsin Center District	1	28,391	-	49	-	49	0.17%
Housing Authority	-	-	-	-	-	-	
Policemen	-	-	-	-	-	-	
Firemen	-	-	-	-	-	-	
<b>TOTAL</b>	<b>156</b>	<b>\$ 4,626,225</b>	<b>\$ -</b>	<b>\$ 8,000</b>	<b>\$ -</b>	<b>\$ 8,000</b>	<b>0.17%</b>

**Table 1b**

**Allocation of Total 2004 Contributions to Employee Groups  
Members in Combined Retirement and Disability Fund  
Amount Due January 31, 2005**

Group	Active Members	Covered Compensation	Fund		January 31, 2005	
			Combined Retirement & Disability	Heart & Lung	Total Due	% of Pay
General City	41	\$ 1,423,902	\$ 12,864	\$ -	\$ 12,864	0.90%
Water Department	-	-	-	-	-	
School Board	116	2,242,089	20,255	-	20,255	0.90%
Milwaukee Technical College	-	-	-	-	-	
Sewerage Commission	1	70,749	639	-	639	0.90%
Wisconsin Center District	7	109,451	989	-	989	0.90%
Housing Authority	1	28,029	253	-	253	0.90%
Policemen	1	42,267	3,000	-	3,000	7.10%
Firemen	-	-	-	-	-	
<b>TOTAL</b>	<b>167</b>	<b>\$ 3,916,487</b>	<b>\$ 38,000</b>	<b>\$ -</b>	<b>\$ 38,000</b>	<b>0.97%</b>

**Table 1c**

**Allocation of Total 2004 Contributions to Employee Groups  
Combined Fund  
Amount Due January 31, 2005**

Group	Active Members	Covered Compensation	January 31, 2005	
			Total Due	% of Pay
General City	3,724	\$ 159,211,522	\$ -	0.00%
Water Department	335	14,387,702	-	0.00%
School Board	4,537	109,916,390	-	0.00%
Milwaukee Technical College	17	795,357	-	0.00%
Sewerage Commission	396	22,815,481	-	0.00%
Wisconsin Center District	83	2,982,904	-	0.00%
Housing Authority	162	7,784,224	-	0.00%
Police Officers	2,005	105,643,317	-	0.00%
Firefighters	992	54,304,552	-	0.00%
<b>TOTAL</b>	<b>12,251</b>	<b>\$ 477,841,449</b>	<b>\$ -</b>	<b>0.00%</b>



Table 2a

**Determination of Employer Contributions to  
Retirement Fund  
(in thousands)**

Item	General Employees	Police	Fire	Total
1. Active Members	156	-	-	156
2. Covered Compensation	\$ 4,626	\$ -	\$ -	\$ 4,626
3. Normal Cost				
a. Total	432	-	-	432
b. Estimated Member Contributions	254	-	-	254
c. Employer Normal Cost (a) - (b), not less than zero	178	-	-	178
4. Active Actuarial Accrued Liability	7,827	-	-	7,827
5. Actuarial Assets (Net of Inactive Liabilities)	19,515	-	-	19,515
6. Unfunded Accrued Liability (4) - (5)	(11,688)	-	-	(11,688)
7. Full Funding Limit* (3) + (6), not less than zero, with interest to 1/31/2005	-	-	-	-
8. Annual Contribution Payable January 31, 2005	\$ -	\$ -	\$ -	\$ -

\* The full funding limit is the contribution which, if made January 31, 2005, would bring the assets at that date equal to the expected Actuarial Accrued Liability at that date.

Table 2b

**Determination of Employer Contributions  
to Combined Retirement & Disability Fund  
(in thousands)**

Item	General Employees	Police	Fire	Total
1. Active Members	166	1	-	167
2. Covered Compensation	\$ 3,874	\$ 42	\$ -	\$ 3,916
3. Normal Cost				
a. Total	238	6	-	244
b. Estimated Member Contributions	213	3	-	216
c. Employer Normal Cost (a) - (b), not less than zero	25	3	-	28
4. Active Actuarial Accrued Liability	1,380	21	-	1,401
5. Actuarial Assets (Net of Inactive Liabilities)	1,321	20	-	1,341
6. Unfunded Accrued Liability (UAL) (4) - (5)	59	1	-	60
7. Amortization of UAL (average future working lifetime)	7 (12 years)	- (18 years)	-	7
8. Full Funding Limit (3) + (6), not less than zero, with interest to 1/31/2005	92	4	-	96
9. Annual Contribution Payable January 31, 2005 (3) + (7), with interest to 1/31/2005, but not more than (8)	\$ 35	\$ 3	\$ -	\$ 38

\* The full funding limit is the contribution which, if made January 31, 2005, would bring the assets at that date equal to the expected Actuarial Accrued Liability at that date.

Table 2c

**Determination of Employer Contributions  
to Combined Fund  
(in thousands)**

Item	General Employees	Police	Fire	Total
1. Active Members	9,254	2,005	992	12,251
2. Covered Compensation	\$ 317,894	\$ 105,644	\$ 54,304	\$ 477,842
3. Normal Cost				
a. Total	35,937	25,560	14,086	75,583
b. Estimated Member Contributions	18,027	7,395	3,801	29,223
c. Employer Normal Cost (a) - (b), not less than zero	17,910	18,165	10,285	46,360
4. Active Actuarial Accrued Liability	640,741	362,389	241,394	1,244,524
5. Actuarial Assets (Net of Inactive Liabilities)	905,816	512,310	341,259	1,759,385
6. Unfunded Accrued Liability (4) - (5)	(265,075)	(149,921)	(99,865)	(514,861)
7. Full Funding Limit* (3) + (6), not less than zero, with interest to 1/31/2005	-	-	-	-
8. Annual Contribution Payable January 31, 2005	\$ -	\$ -	\$ -	\$ -

\* The full funding limit is the contribution which, if made January 31, 2005, would bring the assets at that date equal to the expected Actuarial Accrued Liability at that date.

**Table 3**

**Determination of Employer Contributions to  
Duty Disability Funds  
(in thousands)**

Item	General Employees	Police	Fire	Total
1. Active Members	156	-	-	156
2. Covered Compensation	\$ 4,626	\$ -	\$ -	\$ 4,626
3. Normal Cost				
a. Total	10	-	-	10
b. Estimated Member Contributions	-	-	-	-
c. Employer Normal Cost (a) - (b), not less than zero	10	-	-	10
4. Accrued Liability				
a. Actives	160	-	-	160
b. Annuitants	-	-	-	-
c. Total	160	-	-	160
5. Actuarial Value of Assets	163	-	-	163
6. Unfunded Accrued Liability (UAL) (4) - (5)	(3)	-	-	(3)
7. Amortization of UAL (average future working lifetime)	- (11 years)	-	-	-
8. Full Funding Limit* (3) + (6), not less than zero, with interest to 1/31/2005	8	-	-	8
9. Annual Contribution Payable January 31, 2005 (3) + (7), with interest to 1/31/2005, but not more than (8)	\$ 8	\$ -	\$ -	\$ 8

\* No ERS members are currently covered by the F&P Duty Disability Fund. However, should non-consenting members become active fire or police in the future they could become entitled to benefits payable from this fund.

\*\* The full funding limit is the contribution which, if made January 31, 2005, would bring the assets at that date equal to the expected Actuarial Accrued Liability at that date.

**Table 4**

**Determination of City Contributions to  
Firemen's Heart and Lung Fund\*  
(in thousands)**

Item	Amount
1. Active Members	-
2. Covered Compensation	\$ -
3. Normal Cost	
a. Total	-
b. Estimated Member Contributions	-
c. Employer Normal Cost	-
(a) - (b), not less than zero	
4. Accrued Liability	
a. Actives	-
b. Annuitants	-
c. Total	-
5. Actuarial Value of Assets	-
6. Unfunded Accrued Liability (UAL)	-
7. Full Funding Limit	-
(3) + (6), not less than zero, with interest to 1/31/2005	
8. Annual Contribution	\$ -
Payable January 31, 2005	

\* No ERS members are currently covered by this fund. However, should non-consenting members become active firemen in the future they could become entitled to benefits payable from this fund.

\*\* The full funding limit is the contribution which, if made January 31, 2005, would bring the assets at that date equal to the expected actuarial accrued liability at that date.

**Table 5**  
**Determination of City Contributions to**  
**Firemen & Policemen's Survivorship Fund\***  
**(in thousands)**

Item	Accrued Liability	Full Present Value of Future Benefits
1. Liability		
a. Active Members	\$ -	\$ -
b. Current Beneficiaries	-	-
c. Total	\$ -	\$ -
2. Actuarial Value of Assets	\$ -	\$ -
3. Reserve for Adverse Experience	\$ -	\$ -
4. Number of Members Contributing as of December 31, 2003		
a. Active Members	-	
b. Members Retired on Disability	-	
c. Total	-	

\* The last non-consenting member of the Firemen and Policemen's Survivorship Fund consented to the Global Pension Settlement during calendar year 2003 and the assets remaining in this Fund will be transferred to the Global Combined Fund as of January 1, 2004. Since the Firemen and Policemen's Survivorship Fund is closed to members who become active firemen or policemen after January 1, 2000, the Fund can now be dissolved.

**Table 6**  
**Member Data**

Item	12/31/2002	12/31/2003		
<b>Number of Members</b>	<b>Total</b>	<b>Vested</b>	<b>Non- Vested</b>	<b>Total</b>
<b>Active</b>				
General Employes	9,874	7,849	1,727	9,576
Policemen	1,995	1,571	435	2,006
Firemen	1,020	867	125	992
<b>Total Active Members</b>	<b>12,889</b>	<b>10,287</b>	<b>2,287</b>	<b>12,574</b>
<b>Inactive</b>				
Deferred Retirees/Refunds	3,810			3,606
Deferred Fire & Police Survivors	18			17
<b>Total Inactive Members</b>	<b>3,828</b>			<b>3,623</b>
<b>Benefit Recipients</b>				
Combined Fund				
General Employes	7,371			7,520
Policemen	1,913			1,934
Firemen	1,002			1,039
Combined Fund Subtotal	10,286			10,493
Retirement Fund	48			34
Duty Disability Funds				
General Employes	-			-
Firemen	-			-
Policemen	-			-
Duty Disability Funds Subtotal	-			-
Firemen's Heart & Lung Fund	-			-
Fire & Police Survivorship Fund	-			-
<b>Total Benefit Recipients</b>	<b>10,334</b>			<b>10,527</b>
<b>TOTAL Membership</b>	<b>27,051</b>			<b>26,724</b>

Notes:

- (1) Vested members have four or more years of service. Non-vested members have less than four years of service.

**Table 6**  
**Member Data**  
**(continued)**

Item	12/31/2003 Membership		
<b>Number of Members</b>	<b>Consenters</b>	<b>Others</b>	<b>Total</b>
<b>Active</b>			
General Employes	9,254	322	9,576
Policemen	2,005	1	2,006
Firemen	992	-	992
<b>Total Active Members</b>	<b>12,251</b>	<b>323</b>	<b>12,574</b>
<b>Inactive</b>			
Deferred Retirees/Refunds	3,165	441	3,606
Deferred Fire & Police Survivorship Fund	17	-	17
<b>Total Inactive Members</b>	<b>3,182</b>	<b>441</b>	<b>3,623</b>
<b>Benefit Recipients</b>			
Combined Fund	10,493		10,493
Retirement Fund		34	34
Duty Disability Funds			
General Employes		-	-
Firemen		-	-
Policemen		-	-
Duty Disability Funds Subtotal		-	-
Firemen's Heart & Lung Fund		-	-
Fire & Police Survivorship Fund		-	-
<b>Total Benefit Recipients</b>	<b>10,493</b>	<b>34</b>	<b>10,527</b>
<b>TOTAL Membership</b>	<b>25,926</b>	<b>798</b>	<b>26,724</b>

Notes:

- (1) In addition to the above, there are members who have separated from service without vested rights to either a pension or a refund of accumulated contributions. There is no current actuarial liability for such individuals, and their membership will be terminated if they do not return to active service within 5 years of their date of separation from ERS covered employment.



**Table 6**  
**Member Data**  
**(continued)**

Item	12/31/2002	12/31/2003
<b>Annual Earnings</b>		
General Employes	\$ 324,939,000	\$ 326,394,000
Policemen	102,217,000	105,686,000
Firemen	53,644,000	54,304,000
<b>Total Annual Earnings</b>	<b>\$ 480,800,000</b>	<b>\$ 486,384,000</b>
<b>Average Earnings</b>		
General Employes	\$ 32,909	\$ 34,085
Policemen	\$ 51,237	\$ 52,685
Firemen	\$ 52,592	\$ 54,742
<b>Annual Benefit Payments Currently Being Made</b>		
Combined Fund	\$ 171,109,619	\$ 183,540,199
Retirement Fund	\$ 300,663	\$ 235,661
Duty Disability Funds		
General Employes	\$ -	\$ -
Firemen	-	-
Policemen	-	-
Duty Disability Funds Subtotal	\$ -	\$ -
Firemen's Heart & Lung Fund	\$ -	\$ -
Fire & Police Survivorship Fund	\$ -	\$ -
<b>Total Benefit Payments</b>	<b>\$ 171,410,282</b>	<b>\$ 183,775,860</b>

## Notes:

- (1) "Annual earnings" represent a rate of pay as of the valuation date, and can be considered as the approximate average of (a) earnable compensation for the year just ended, and (b) expected earnable compensation for the year following the valuation date.
- (2) "Annual benefit payments currently being made" equal 12 times the full December monthly payment. The amounts shown include all amounts payable by the Employees' Retirement System, and have been reduced by workers' compensation offsets for members who are currently repaying a workers' compensation award.

## **FINANCIAL DATA**

Information was obtained from unaudited financial statements prepared by the Employees' Retirement System for the year ended December 31, 2003.

The Global Pension Settlement (GPS) requires transfers between various funds as of January 1, 2004 for Consenters who were Non-Consenters when the January 1, 2003 actuarial valuation was prepared. This adjustment to the System's market value of assets is shown in Table 8.

**Table 7**  
**Summary of Market Value of Plan Assets**  
**As of January 1, 2004**  
(in thousands)

Item	Amount
1. Market Value of Assets as of December 31, 2002	\$ 3,355,364
2. Contributions During Year	
a. Member	31,054
b. City to Employers' Reserve Fund	-
c. Employer (receivable 1/31/2004)	78
d. Total	31,132
3. Disbursements During Year	
Benefit Payments and Refunds During Year	189,538
4. Investment Return (net of Administrative Expenses)	884,269
5. Market Value of Assets as of December 31, 2003	
(1) + (2d) - (3) + (4)	4,081,227
6. Average Market Value During 2003	
(1) + ((2a) + (2b) - (3))/2	\$ 3,276,122
7. Rate of Return	
(4) / (6)	26.99%

**Table 8**

**Allocation as of December 31, 2003 of Market Value of Assets in Funds for Non-Consenters  
Between Global Settlement Consenters who were Non-Consenters Last Year  
And Current Non-Consenters  
(in thousands)**

Fund	Accrued Liability Based on Pre-GPS Benefit Provisions			Market Value of Assets		
	Consenters	Others	Total	Consenters	Others	Total
1. Retirement Fund	\$ 6,907	\$ 12,985	\$ 19,892	\$ 13,704	\$ 25,763	\$ 39,467
2. General Employees' Duty Disability Fund	87	160	247	92	170	262
3. Fire & Police Duty Disability Fund	398	-	398	5	-	5
4. Firemen's Heart & Lung Fund	-	-	-	-	-	-
5. Fire & Police Survivorship Fund	1	-	1	406	-	406
6. Combined Retirement & Disability Fund	480	1,600	2,080	483	1,609	2,092
7. Total Funds for Non-Consenters	\$ 7,873	\$ 14,745	\$ 22,618	\$ 14,690	\$ 27,542	42,232

Notes:

- (1) Assets allocated to Global Settlement Consenters who were Non-Consenters last year are transferred to the Global Combined Fund as of January 1, 2004.

**Table 9**

**Actuarial Value of Assets as of January 1, 2004  
(in thousands)**

Item	Total
1. Preliminary Actuarial Value January 1, 2003	\$ 3,957,838
2. Market Value January 1, 2003	3,355,364
3. Market Value January 1, 2004	4,081,227
4. Contributions	
(a) Member	31,054
(b) Employer	78
(c) Total	<u>31,132</u>
5. Benefits and Refunds Paid	189,538
6. Actual Market Return Net of Administrative Expenses	884,269
7. Expected Market Return based on 8-1/2% Interest	278,470
8. Excess of Actual over Expected Return	
(a) Current Year	605,799
(b) Previous Year	(693,363)
(c) Second Previous Year	(420,694)
9. Recognized Excess	
(a) Current Year	201,933
(b) Previous Year	(231,121)
(c) Second Previous Year	(140,232)
(d) Total	<u>(169,420)</u>
10. Preliminary Value January 1, 2004 (1) + (4) - (5) + (7) + (9)	3,908,482
11. Ratio of Preliminary Value to Market Value (10) / (3)	95.77%
12. Ratio Adjusted for 90%/110% Corridor*	95.77%
13. Balance in Employers' Reserve Fund	11,670
14. Market Value Excluding Employers' Reserve Fund (3) - (13)	4,069,557
15. Actuarial Value (12) x (14) + (13)	\$ 3,909,085
16. Rate of Return on Actuarial Value of Assets	10.46%

\* The actuarial value shall not be less than 90% nor greater than 110% of Market Value.

**Table 10**  
**Allocation of Assets Among Funds**  
**as of January 1, 2004**  
**(in thousands)**

Fund	Market Value	Actuarial Value
1. Global Combined Fund	\$ 4,042,015	\$ 3,871,038
2. Employers' Reserve Fund	11,670	11,670
3. Retirement Fund	25,763	24,673
4. General Employes' Duty Disability Fund	170	163
5. Fire & Police Duty Disability Fund	-	-
6. Firemen's Heart & Lung Fund	-	-
7. Fire & Police Survivorship Fund	-	-
8. Combined Retirement & Disability Fund	<u>1,609</u>	<u>1,541</u>
9. Total all Funds	\$ 4,081,227	\$ 3,909,085

Notes:

- (1) Values shown include January 31, 2004 contributions receivable

**DISCLOSURE**

Table 11 shows the funded status of the Actuarial Accrued Liability. In addition, for financial reporting purposes, we have prepared tables as required by Statement No. 25 of the Governmental Accounting Standards Board (GASB) (Table 12). For historical purposes, Table 13 provides an actuarial balance sheet for members, comparing the Actuarial Accrued Liability to the Market Value of Assets.

**GASB STATEMENT NO. 25**

The Schedule of Funding progress (Table 12a) shows historical information about the System's actuarial value of assets, the actuarial accrued liability and the unfunded actuarial accrued liability. The schedule of employer contributions (Table 12b) shows historical information about the annual required contributions (ARC) of the employer and the percentage of the ARC contributed to the System.

**Table 11a**  
**January 1, 2004 Valuation**  
**Funded Status on Actuarial Value of Assets**  
**(in thousands)**

Fund	Accrued Liability	Actuarial Value of Assets	Percent Funded
1. Global Combined Fund	\$ 3,356,177	\$ 3,871,038	115.3%
2. Employers' Reserve Fund	-	11,670	N/A
3. Retirement Fund	12,985	24,673	190.0%
4. General Employees' Duty Disability Fund	160	163	101.9%
5. Fire & Police Duty Disability Fund	-	-	N/A
6. Firemen's Heart & Lung Fund	-	-	N/A
7. Fire & Police Survivorship Fund	-	-	N/A
8. Combined Retirement & Disability Fund	<u>1,601</u>	<u>1,541</u>	96.3%
9. Total All Funds	\$ 3,370,923	\$ 3,909,085	116.0%



**Table 11b**  
**January 1, 2004 Valuation**  
**Funded Status on Market Value of Assets**  
**(in thousands)**

Fund	Accrued Liability	Market Value of Assets	Percent Funded
1. Global Combined Fund	\$ 3,356,177	\$ 4,042,015	120.4%
2. Employers' Reserve Fund	-	11,670	N/A
3. Retirement Fund	12,985	25,763	198.4%
4. General Employees' Duty Disability Fund	160	170	106.3%
5. Fire & Police Duty Disability Fund	-	-	N/A
6. Firemen's Heart & Lung Fund	-	-	N/A
7. Fire & Police Survivorship Fund	-	-	N/A
8. Combined Retirement & Disability Fund	<u>1,601</u>	<u>1,609</u>	100.5%
9. Total All Funds	\$ 3,370,923	\$ 4,081,227	121.1%

**Table 12a**  
**Schedule of Funding Progress**  
**GASB Statement No. 25 Disclosure**  
**(\$ in thousands)**

Valuation as of January 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2004	\$ 3,909,085	\$ 3,370,923	\$ 0	116.0%	\$ 486,384	0.0%
2003	3,689,981	3,204,248	0	115.2%	480,800	0.0%
2002	4,242,333	3,091,511	0	137.2%	466,757	0.0%
2001	4,202,023	2,988,140	0	140.6%	459,271	0.0%
2000	4,088,042	2,979,234	0	137.2%	466,732	0.0%
1999	3,748,894	2,435,776	0	153.9%	448,972	0.0%
1998	3,346,051	2,322,020	0	144.1%	443,357	0.0%
1997	2,728,480	2,280,975	0	119.6%	431,364	0.0%
1996	2,342,835	2,169,100	0	108.0%	426,490	0.0%
1995	2,119,557	1,832,449	0	115.7%	391,314	0.0%
1994	2,048,201	1,538,464	0	133.1%	377,822	0.0%
1993	1,924,980	1,514,263	0	127.1%	376,683	0.0%

**Table 12b**  
**Schedule of Employer Contributions**  
**GASB Statement No. 25 Disclosure**  
**(in thousands)**

Fiscal Year Ended December 31	Annual Required Contribution	Percentage Contributed*
2003	\$ 78	100%
2002	32	100%
2001	144	100%
2000	238	100%
1999	6,806	100%
1998	6,050	100%
1997	5,079	100%
1996	2,962	100%
1995	2,557	100%
1994	5,220	100%
1993	3,470	100%
1992	13,439	100%
1991	13,946	100%

\* Certain employer contributions for the 1996 through 1999 plan years were forgiven under the Global Pension Settlement. For purposes of GASB 25 Disclosure these contributions are treated as having been made.

The information presented above was determined as part of the actuarial valuation as of one year prior to the dates indicated (i.e., the contribution determined by the valuation completed as of January 1, 2003 was contributed for the fiscal year ending December 31, 2003).

The Annual Required Contribution (ARC) is the sum of the defined contribution to the Fire and Police Survivorship Fund and the actuarially determined Employer contribution to all other Funds. It excludes voluntary employer contributions to the Employers' Reserve Fund.

Additional information as of the latest actuarial valuation follows:

Valuation Date:	January 1, 2004	
Actuarial Cost Method:	Projected Unit Credit	
Amortization Method:	Closed; Level dollar	
Remaining Amortization Period:	11-20 years	
Asset Valuation Method:	3-year market-related value	

Actuarial Assumptions:

- Investment Rate of Return 8.5%
- |                            |                |                        |
|----------------------------|----------------|------------------------|
| Projected Salary Increases | <u>General</u> | <u>Police and Fire</u> |
|                            | 3.5% - 7.5%    | 4% - 14%               |
- Inflation Assumption 3.0%
  - Cost of Living Adjustments Vary by Employee Group  
as explained in summary  
of plan provisions

**Table 13**  
**Actuarial Balance Sheet**  
**for Members at January 1, 2004**  
**(in thousands)**

Item	Amount
<b>Assets:</b>	
Market Value of Assets	\$ 4,081,227
Market Adjustment	<u>(172,142)</u>
Actuarial Value of Assets	\$ 3,909,085
<b>Liabilities:</b>	
Actuarial Present Value of Credited Projected Benefits	
Annuitants	\$ 2,051,141
Inactive Members	
Member Contributions	48,763
Employer Financed Portion	17,107
Active Members	
Member Contributions	380,682
Employer Financed Portion	873,230
Reserve for Adverse Experience	<u>538,162</u>
Total Liabilities	\$ 3,909,085

## DESCRIPTION OF ACTUARIAL METHODS AND ASSUMPTIONS

### Actuarial Cost Method

The method of financing the System is prescribed in section 36.08 of the Milwaukee City Charter.

#### **Method: Projected Unit Credit**

Under the Projected Unit Credit Method, the Normal Cost for a year is the Actuarial Present Value (APV) of the benefits expected to be earned in that year, based on pay projected to separation from ERS. The Actuarial Accrued Liability (AAL) is the APV of all benefits earned to the beginning of the year. The UAAL, under this method, is the excess of the AAL over the Actuarial Value of Assets, if any. The total Employer contribution is the sum of the Employer portion of the Normal Cost (Total Normal Cost less expected member contributions) plus an amount to amortize the UAAL over a period equal to the future working lifetime of employees covered by the Funds from the valuation date as a level dollar amount.

If the Actuarial Value of Assets exceeds the sum of the AAL and the Employer portion of the Normal Cost, there is no Employer contribution required for that year.

#### **Asset Values**

Two asset values appear in this report. A description of each and a brief explanation of where they are used is as follows:

#### **Market Value**

The market value of assets is the value of investments if they were to be sold currently. The market value of assets is used to develop the actuarial value of assets. (See Table 7.)

**Actuarial Value**

The actuarial value of the assets in the Employers' Reserve Fund is equal to the market value of assets. The actuarial value of assets for the remaining funds is a smoothed value of assets. Under this method, the difference between the expected 8½% return on market value and the actual return on market value is phased in over a three-year period. The smoothed actuarial value shall not be less than 90% or more than 110% of market value. (See Table 9.) The actuarial value of assets is used in the determination of the Employer's actuarial contribution requirements. (See Tables 2-4.)

**Other Considerations**

Where necessary for determination of separate contributions, assets allocable to various groups were estimated.

**Actuarial Assumptions**  
**Adopted Effective January 1, 2003 (except as noted)**

**Interest Rate and Inflation**

Interest: 8.5% per annum (adopted 1/1/2000)

Inflation: 3.0%

**Salary Increases**

Career average of 4½% per annum for general employes and 5½% per annum for police and fire, compounded annually (adopted 1/1/1998). Representative values are as follows:

<u>Age</u>	<u>General</u>	<u>Fire and Police</u>
25	7.1%	11.2%
30	6.1	7.7
35	5.3	5.8
40	4.6	4.7
45	4.3	4.3
50	4.0	4.1
55	3.6	4.0
60	3.5	4.0
65	3.5	4.0

Annual increases of 3.5% per annum are assumed for policemen and firemen on duty disability. Annual increases of 3% per annum are assumed for general employes. (The increases for duty disabled fire and police affect both current duty disability benefits and future service retirement or extended life conversion benefits. The increases for general employes affect only service retirement conversion benefits.)

**Early and Normal Retirement**

Illustrative rates of retirement are as follows:

Age	Early Retirement	Normal Retirement			
	General Employees	General Employees	Firemen	Police	
				Not in Combined Fund	In Combined Fund
44					10.0%
45					10.0
46					15.0
47					17.5
48					17.5
49			5%		20.5
50			5		23.5
51			10	44%	30.0
52			20	44	40.0
53			20	24	35.0
54		30%	20	24	35.0
55	2%	30	35	24	35.0
56	2	30	35	40	40.0
57	2	30	35	35	40.0
58	2	30	50	35	40.0
59	2	20	50	35	50.0
60		20	75	35	50.0
61		20	75	35	50.0
62		30	75	50	50.0
63		25	100	100	100.0
64		25	100	100	100.0
65		35	100	100	100.0
66		35	100	100	100.0
67		25	100	100	100.0
68		25	100	100	100.0
69		25	100	100	100.0
70		100	100	100	100.0



For firemen and policemen participating in the Combined Fund, additional rates of normal retirement apply in the year that a member is first eligible to retire on service retirement with at least 22 years of service as a fireman, or 25 years of service as a policeman.

Police: 12% if first eligible on or before age 52, grading down to 5% at ages 59 and above

Fire: 5%

### **Survivor Benefits and Duty Disability Child Allotments**

It is assumed that the female spouse is three years younger than the male. In absence of evidence to the contrary, it is assumed that 85% of general employes and 95% of Policemen and Firemen are married, with dependent children described by the following table:

<b>Member's Age at Death or Disability</b>	<b>Number of Dependent Children</b>	<b>Age of Youngest Child</b>
20	0	N/A
25	1.5	1
30	2.5	2
35	2.5	5
40	2.5	8
45	2.0	11
50	1.5	14
55	1.0	15
60 and Over	0	N/A

The percentage of retiring employes assumed to elect option 3, the subsidized 50% option, is 35% for males and 10% for females. The percentage of general employes assumed electing the 100% PSO option before retirement is 45% for males and 15% for females. For firemen and policemen, 95% are assumed to elect the 100% PSO option before retirement.

**Duty Deaths**

The following percentages of deaths in active service are assumed incurred in the performance of duty:

- General Employees: 5% (Adopted 1/1/1998)
- Police & Fire: 10%. In addition, amongst firemen, 25% of duty deaths are assumed to occur under the Heart and Lung Law.

**Duty Disabilities**

The following percentages of disabilities are assumed incurred in the performance of duty:

- General Employees: 20% (Adopted 1/1/1998)
- Police: 85%. 5% of duty disabilities are assumed eligible for the special 90% benefit.
- Fire: 85%. 5% of duty disabilities are assumed eligible for the special 90% benefit and 20% are assumed to occur under the Heart and Lung Law.

**Miscellaneous**

Part time employes who work less than 1,000 hours in the year preceding the valuation are assumed to earn one half year of creditable service for each calendar year of employment.

Active members who worked less than 100 hours in the prior year, but who have not officially terminated employment are included in the count of Inactives in Table 6. These members are not assumed to earn additional service credit in future years.

**Illustrative Rates of Termination, Disability, and Remarriage  
for General Employees, Firemen, and Policemen**

Age	Termination		Disability		Remarriage	
	Males	Females	Males	Females	Males	Females
<b>General Employees</b>						
20	16.822%	17.575%	0.06%	0.032%	14.46%	14.46%
25	15.773	16.794	0.06	0.032	9.45	9.45
30	11.383	13.417	0.06	0.032	5.94	5.94
35	6.913	9.379	0.25	0.080	4.02	4.02
40	4.590	6.693	0.30	0.160	2.80	2.80
45	3.441	4.918	0.35	0.240	1.75	1.75
50	2.414	4.117	0.70	0.320	0.96	0.96
55	1.911	3.503	1.10	0.400	0.26	0.26
60	-	-	0.90	0.320	-	-
65	-	-	0.80	0.240	-	-
<b>Fire</b>						
20	3.750%	7.30%	0.064%	0.064%	14.46%	14.46%
25	3.570	5.90	0.136	0.136	9.45	9.45
30	2.860	4.20	0.280	0.280	5.94	5.94
35	1.720	2.50	0.760	0.760	4.02	4.02
40	0.860	1.50	1.200	1.200	2.80	2.80
45	0.600	1.50	1.200	1.200	1.75	1.75
50	-	-	1.200	1.200	0.96	0.96
55	-	-	1.200	1.200	0.26	0.26
60	-	-	1.200	1.200	-	-
65	-	-	1.200	1.200	-	-
<b>Police</b>						
20	3.750%	7.30%	0.060%	0.060%	14.46%	14.46%
25	3.570	5.90	0.060	0.060	9.45	9.45
30	2.860	4.20	0.150	0.150	5.94	5.94
35	1.720	2.50	0.237	0.237	4.02	4.02
40	0.860	1.50	0.630	0.630	2.80	2.80
45	0.600	1.50	0.840	0.840	1.75	1.75
50	-	-	0.630	0.630	0.96	0.96
55	-	-	0.630	0.630	0.26	0.26
60	-	-	0.630	0.630	-	-
65	-	-	0.630	0.630	-	-

**Illustrative Rates of Mortality, Disability Mortality, and Disability Recovery  
for General Employees, Firemen, and Policemen**

Age	Mortality*		Duty Disability Mortality		Ordinary Disability Mortality	
	Males	Females	Males	Females	Males	Females
20	0.049%	0.028%	1.436%	0.901%	4.124%	3.611%
30	0.084	0.036	1.436	0.901	4.124	3.611
40	0.110	0.070	1.436	0.901	4.124	3.611
50	0.249	0.139	1.436	0.901	4.124	3.611
55	0.424	0.235	1.436	0.901	4.815	4.217
60	0.779	0.463	1.436	0.901	5.421	4.748
65	1.436	0.901	1.436	0.901	5.906	5.173
70	2.330	1.433	2.330	1.433	8.657	7.615
75	3.677	2.325	3.677	2.325	10.753	9.171
80	6.279	4.061	6.279	4.061	15.227	13.034
85	10.024	7.025	10.024	7.025	17.551	17.552
90	16.054	12.278	16.054	12.278	16.054	16.793
95	24.819	19.784	24.819	19.784	24.819	19.784
100	33.907	29.545	33.907	29.545	33.907	29.545
110	49.719	49.244	49.719	49.244	49.719	49.244
120	100.000	100.000	100.000	100.000	100.000	100.000

\* For regular retirees and for survivors, the UP-94 Mortality Table, with mortality improvements projected to the year 2000. These are the rates shown above. For death in active service, 70% of the rate for a regular retiree the same age.

Age	Disability Recovery	
	Males	Females
20	14.950%	14.950%
25	9.940	9.940
30	4.880	4.880
35	6.920	6.920
40	2.830	2.830
45	1.700	1.700
50	0.450	0.450
55	--	--

## SUMMARY OF PLAN PROVISIONS

### **Eligibility for Membership**

Membership is optional for all employes who were in service as of January 1, 1938. New employes are automatically members as a condition of employment. Membership is optional for elected officials.

### **Participation in the Combined Fund**

On January 19, 2001 the Combined Fund was created, retroactive to January 1, 2000. Individuals who participate in the Combined Fund may be eligible for certain benefit enhancements which are described in this Summary of Plan Provisions. Members who enroll in the ERS after June 28, 2000, and their eligible survivors, are automatically participants in the Combined Fund. Members enrolled in the ERS on or before June 28, 2000, and their eligible survivors, participate in the Combined Fund provided that the members consented in writing to the Global Pension Settlement. Eligible survivors of members or retirees who died on or before June 28, 2000 participate in the Combined Fund provided that the eligible survivors consented in writing to the Global Pension Settlement. Members or survivors whose benefit payments ceased prior to January 1, 2000, are not eligible for benefits from the Combined Fund.

### **Creditable Service**

Creditable service equals prior service plus membership service. Prior service includes service as an employe prior to January 1, 1938, or prior to an amendment which made the employe eligible for membership in the System. Membership service means service as an employe since last becoming a member, on account of which contributions are made.

- (a) For most employes, 2080 hours of service constitute one year of creditable service. For prevailing wage employes (carpenters and other tradespeople) 2000 hours constitute one year. For members employed by the school board for a 10-month school year, 1560 hours of service constitute a year of creditable service.

- (b) Under certain conditions creditable service may be granted for periods of absence due to military service.
- (c) For purposes of computing the service retirement allowance only, creditable service is granted for periods of eligibility for a duty disability retirement allowance.
- (d) No more than one year of creditable service is granted for service in a single calendar year.

### **Imputed Service**

Imputed service credit may be granted, under specified conditions, to members who consented to the Global Pension Settlement. Imputed service credit is used to calculate the amount of certain benefits, but is not used to determine eligibility for any kind of benefit. An individual may be eligible for one or more types of imputed service credit.

### **Eligibility for Imputed Service Credit**

Only individuals participating in the Combined Fund can become eligible for the following types of imputed service credit.

- (a) **Imputed military service credit:** The member must have been active in the armed forces of the United States of America prior to his or her enrollment in the ERS, and must have been honorably discharged. In addition, the member's date of retirement or pre-retirement death must be (i) on or after January 31, 1998 for all eligible members of the MPA; (ii) on or after January 1, 1998 for all eligible members of Local 215; (iii) on or after January 1, 1999 and on or before December 31, 2002 for eligible general employees and members of the MPSO; and on or after January 1, 2000 and on or before December 31, 2002 for all non-represented fire and police. An individual eligible for imputed military service credit must apply for the credit.

- (b) **Imputed fire and police service credit:** The member must have been in active ERS service as a fireman or policeman as of January 1, 2000, and must also retire from ERS service as a fireman or policeman, or die while a fireman or policeman eligible for protective survivorship option benefits. If the eligible individual is a policeman at death or retirement, then he must have either attained the minimum service retirement age of 57, or completed 25 years of creditable service as a fireman or policeman,
- (c) **Imputed service credit under the dissolution of the Firemen and Policemen's Survivorship Fund,** (the "Fund"): The member must have been a policeman who was an active member of the "Fund" as of January 1, 2000. If the policeman was in active ERS service as of January 1, 2000, he must either retire as a policeman on a service retirement allowance at the minimum service retirement age of 57 or after completing 25 years of creditable service as a fireman or policeman; or he must retire on a policeman's duty disability retirement allowance and subsequently convert to a service retirement allowance. If the policeman was retired on a duty disability retirement allowance as of January 1, 2000, then he must subsequently convert to a service retirement allowance.

### **Benefits Affected by Imputed Service Credit**

- (a) **Imputed military service credit** and/or **imputed fire and police service credit:** The amount of the service retirement allowance, the conversion service retirement allowance, protective survivorship option benefits, and the extended life duty disability retirement allowance are affected. If the eligible individual is also entitled to a 5% Lump Sum Bonus, a Retiree Special Bonus, and/or an 8.6% Dissolution Bonus that is based on the affected benefit, then the imputed service credit is included in calculating the base for the bonus payment(s).
- (b) **Imputed service credit under the dissolution of the Firemen and Policemen's Survivorship Fund:** The amount of the service retirement allowance and the conversion service retirement allowance are affected. If the service retirement

allowance is affected, then the imputed service credit is included in calculating the base for the 5% Lump Sum Bonus.

See the benefit descriptions later in this summary for further details on how imputed service credit is used.

### **Amount of Imputed Service Credit**

- (a) **Imputed military service credit:** A period of eligible military service consists of a period of at least 90 consecutive days of active service in the armed forces of the United States prior to enrollment in the ERS. Total eligible military service equals the sum of all periods of eligible military service. Imputed military service credit equals one-third of the member's total eligible military service, to a maximum of three years of imputed military service credit.
- (b) **Imputed fire and police service credit:** For policemen - and for firemen with 20 years of creditable service as a fireman or policeman - 1.5 years. For firemen with less than 20 years of creditable service as a fireman or policeman: 1.5 years times a fraction whose numerator is years of creditable fire and police service, and whose denominator is 20.
- (c) **Imputed service credit under the dissolution of the Firemen and Policemen's Survivorship Fund:** 2 years.

### **Vesting Service**

In the year of hire or termination, vesting service is based on elapsed time. In other years, members receive vesting service as follows:

- (a) No vesting service if creditable service is zero for the year;
- (b) One-half year of vesting service if creditable service is less than or equal to one-half the hours required for a year of creditable service; and



- (c) One year of vesting service if creditable service exceeds one-half the hours required for a year of creditable service.

### **Earnable Compensation**

The annual regular base salary that would be payable to a member if he or she worked the full normal working time for his or her position. Earnable compensation for the calendar year preceding retirement may also include longevity in rank pay, (limited) variable shift assignment pay, and/or certification pay for policemen; and emergency medical technician pay for firemen. Earnable compensation for school board employes represented by Local 950, OEIU, also includes site differential pay.

### **Final Average Salary**

- (a) For general employes, final average salary means the average annual earnable compensation computed on the 3 years of creditable service preceding retirement, death or separation from service during which earnable compensation was the highest.
- (b) For policemen and firemen, final average salary means the average annual earnable compensation computed on the year of creditable service preceding retirement, death or separation from service during which earnable compensation was the highest.
- (c) For members converting from a duty disability retirement allowance to a service retirement allowance, the service retirement allowance is computed on the basis of the current compensation of the member's position at the service retirement date.

### **Eligibility for Service Retirement**

- (a) A service retirement allowance is payable to any member who elects to retire after attaining the minimum service retirement age, which is age 60 for general employes and age 57 for policemen and firemen.
- (b) General employes who have attained age 55 and completed 30 years of creditable service, are eligible for service retirement.
- (c) Policemen who participate in the Combined Fund are eligible for service retirement at any age after completing 25 years of creditable fire or police service.
- (d) Firemen who participate in the Combined Fund, who have attained age 49 and completed 22 years of creditable fire or police service, are eligible for service retirement.
- (e) Policeman and firemen who are not participants in the Combined Fund are eligible for service retirement after attaining age 52 and completing 25 years of creditable fire or police service.

### **Amount of Service Retirement Allowance**

The amount of a member's service retirement allowance is equal to the following:

- (a) For general employes, 2% of final average salary for each year of creditable service or imputed military service, limited to 70% of final average salary.
- (b) For firemen enrolled prior to March 1, 1989, and policemen enrolled prior to July 1, 1989, 2.5% of final average salary for each year of creditable service or imputed service (of any kind).
- (c) For firemen enrolled after February 28, 1989, and policemen enrolled after June 30, 1989, 2.5% of final average salary for each year of creditable service or imputed military service, limited to 90% of final average salary, plus 2.5% of final average salary for each year of imputed fire and police service or imputed service under the dissolution of the Firemen and Policemen's Survivorship Fund.
- (d) For elected officials, 2.6% of final average salary for each year of creditable service as an elected official for years before 1996. From 1996 forward the rate

of accrual for creditable service or imputed military service is 2.5% except for the mayor, who will have an accrual rate of 2.0%.

### **Funds Charged with Service Retirement Allowance**

For individuals participating in the Combined Fund, service retirement allowance payments are charged to the Combined Fund. For all other individuals, the service retirement allowance is charged to (i) the Retirement Fund if the member's enrollment date is prior to February 1, 1996, and (ii) the Combined Retirement and Disability Fund if the member enrolled on or after February 1, 1996.

### **Eligibility for Ordinary Disability Retirement Allowance**

A member who the medical council certifies is mentally or physically incapacitated for further performance of duty, that such incapacity is likely to be permanent and that such member should be retired, is eligible for the ordinary disability retirement allowance. The ordinary disability allowance is not payable if the member qualifies for the duty disability allowance.

### **Amount of Ordinary Disability Retirement Allowance**

Imputed service credit is not used in any part of the calculation of the Ordinary Disability Retirement Allowance. The "service retirement allowance" referred to below is calculated based on creditable service only.

- (a) For general employes, 90% of the service retirement allowance based on creditable service to date of disability retirement, but no less than 25% of final average salary, provided such amount does not exceed 90% of the retirement allowance payable had the member continued in service to the minimum service retirement age.
- (b) For policemen and firemen hired after January 1, 1971, who have 5 years of service, 25% of final average salary plus 2% thereof for each year of creditable service in excess of 5 years up to a maximum of 50% of final average salary.

- (c) For policemen and firemen hired before January 1, 1971, the greater of the benefit described in (a), or the benefit described in (b).
- (d) The benefit is payable for life while the member remains disabled, except that for general employes with less than 10 years of creditable service, the duration is limited to one-fourth (1/4) of the period of the service accrued to the date of disability.
- (e) Members receiving benefits for life may elect reduced benefits under an optional form of payment in order to provide a death benefit to a designated beneficiary.

### **Funds Charged with Ordinary Disability Retirement Allowance**

Ordinary disability retirement allowance payments are charged to the Combined Fund if the eligible individual is a participant in the Combined Fund. Otherwise, the allowance is charged to (i) the Retirement Fund, if the member's enrollment date is before February 1, 1996, and (ii) the Combined Retirement and Disability Fund, if the member's enrollment date is on or after February 1, 1996.

### **Eligibility for Duty Disability Retirement Allowance**

If a member becomes permanently and totally incapacitated for duty as a result of the performance of his duty, and his mental or physical incapacitation is medically certified, such member is eligible for a duty disability retirement allowance. If a fireman's disability is due to heart or lung disease, such disability is considered a duty disability.

### **Amount of Duty Disability Related Benefits**

Imputed service credit is *not* used when calculating a duty disability retirement allowance. Imputed service credit *is* used when calculating the conversion service retirement allowance referred to in paragraphs (a) - (c) below. Eligibility for imputed military service credit depends upon the date of the conversion, not upon the date of the duty disability retirement.

- (a) For general employes, the duty disability retirement allowance equals 75% of the member's final average salary. Members receive the allowance, while disability continues, until the later of age 65, or for a period of 5 years, at which time they convert to a service retirement allowance. General employes receiving duty disability benefits may elect reduced benefits under an optional form of payment in order to provide a death benefit to a designated beneficiary.
- (b) For firemen and policemen, the duty disability retirement allowance is 75% of the current annual salary for the position held by the member at retirement, plus \$40 per month for each child younger than age 18 (up to a maximum of 20% of the member's salary). In certain cases of extreme disability, when approved by a panel of physicians, the disability allowance will be 90% of such salary. Duty disability benefits paid to firemen on account of heart and lung disease are at the 75% level. In the event of the death of a policeman or fireman receiving a 75% or 90% disability allowance, 70% or 75%, respectively, of the amount of the member's allowance shall be paid to the member's spouse during her lifetime.

The 90% duty disability allowances are payable for life. For policemen enrolled on or after January 1, 1990, and firemen enrolled on or after December 17, 1989, the 75% duty disability allowances are payable until the earlier of attainment of age 57, or completion of 25 years of service and attainment of age 52, at which time the member must either convert to a service retirement allowance or irrevocably elect to receive a recalculated duty disability allowance, referred to as an extended life duty disability allowance, as described in (c), below. Different conversion age requirements apply to policemen enrolled prior to January 1, 1990, and firemen enrolled prior to December 17, 1989, as discussed in (d), below. A fireman or policeman who becomes duty disabled on or after his conversion age does not choose between a conversion service retirement allowance and an extended life duty disability allowance. Instead, he receives the duty retirement allowance for life.

- (c) The extended life duty disability allowance referred to in (b), above, equals the lesser of the conversion service retirement allowance, or 75% of the current

annual salary, provided further that the benefit will not be less than 57% of current annual salary for a fireman, or 60% of current annual salary for a policeman. "Current annual salary" here refers to the salary at the conversion age, for the position held by the member at the time of injury. The extended life duty disability allowance is payable for life and, unlike the duty disability allowance, is a fixed amount that does not change after the conversion age. Firemen or policemen receiving extended life duty disability benefits may elect reduced benefits under an optional form of payment in order to provide a death benefit to a designated beneficiary. Their spouses are not eligible to receive the 70% benefit payable to surviving spouses of firemen and policemen who die while in receipt of the 75% duty disability benefit.

- (d) For policemen enrolled prior to January 1, 1990, and firemen enrolled prior to December 17, 1989, the conversion age determination depends upon the member's enrollment date, the member's duty disability retirement date, and whether or not the member signed the DeBraska II release form.

Under Charter Ordinance 980130 Substitute 2 (DeBraska I), duty disabled firemen and policemen who retired on duty disability before October 17, 1992, have a conversion age equal to the greater of the conversion age in effect when they were enrolled, or the conversion age in effect at the time of their disability retirement.

Under Charter Ordinance 000789 (DeBraska II), duty disabled firemen and policemen who signed the DeBraska II release form are subject to the following conversion requirements: (i) members retired on duty disability prior to February 8, 1972, will receive duty disability benefits for life; (ii) members enrolled prior to February 8, 1972, who are either policemen who retired on duty disability on or after August 1, 1985, or firemen who retired on duty disability on or after March 1, 1984, will have a conversion age of 63; (iii) members enrolled on or after February 8, 1972, who retired on duty disability on or after October 17, 1992, will

not be required to convert to service retirement prior to the conversion age requirements that were in effect when they enrolled; and (iv) for all other members who signed the DeBraska II release form, there is no difference between the conversion requirements of Charter Ordinance 980130 Substitute 2, and Charter Ordinance 000789. In general, only members who were duty disabled prior to January 1, 2001 were given the opportunity to sign the DeBraska II release form.

Under the proposed Charter Ordinance (which reflects the Rehrauer decision) firemen and policemen who retire (or previously retired) on duty disability and who did not sign the DeBraska II release form will not be required to convert to service retirement prior to any of the conversion age requirements that were in effect during their employment. Members who enrolled prior to February 8, 1972, who are either policemen who retired on duty disability on or after November 1, 1976, or firemen who retired on duty disability on or after October 1, 1977, will receive duty disability for life if they did not sign the DeBraska II release form, and will have a conversion age of 63 if they did sign the DeBraska II release form.

### **Funds Charged with Duty Disability Related Benefits**

- (a) For participants in the Combined Fund, duty disability benefits paid to members, benefits paid to survivors of members who die while duty disabled, child allotment payments, conversion service retirement benefits, and extended life duty disability benefits are paid from the Combined Fund.
- (b) For general employees who do not participate in the Combined Fund, duty disability benefits, and survivor benefits paid to beneficiaries of general employees who elect an optional form of payment and die while disabled, are paid from (i) the General Employees Duty Disability Fund if the member's enrollment date is prior to February 1, 1996, and (ii) the Combined Retirement and Disability Fund if the member's enrollment date is on or after February 1, 1996.

- (c) For firemen and policemen who do not participate in the Combined Fund, if the enrollment date is prior to February 1, 1996, duty disability benefits, child allotment payments, and surviving spouse benefits paid if the member dies while disabled, are paid from the Fire and Police Duty Disability Fund, unless the member is a fireman disabled due to heart and lung disease, in which case these benefits are paid from the Heart and Lung Fund. For firemen and policemen whose enrollment dates are on or after February 1, 1996, duty disability benefits, child allotment payments, and surviving spouse benefits paid if the member dies while disabled, are paid from the Combined Retirement and Disability Fund, unless the member is a fireman disabled due to heart and lung disease, in which case these benefits are paid from the Heart and Lung Fund.
- (d) For members who do not participate in the Combined Fund, benefits paid after conversion to either a service retirement allowance or an extended life disability benefit are charged to (i) the Retirement Fund if the member's enrollment date is prior to February 1, 1996, and (ii) the Combined Retirement and Disability Fund if the member's enrollment date is on or after February 1, 1996.

### **Ordinary Death Benefit**

- (a) In the event of death of a member while in service, a death benefit equal to the sum of the member's accumulated contributions plus one-half of his final average salary is payable to the designated beneficiary. Optional forms of payment of such benefit to the beneficiary are provided. If the member had elected a protective survivorship option – and duty death benefits are not payable – such option will become effective and the ordinary death benefit will not be payable. If a duty death benefit is payable the ordinary death benefit will not be paid.
- (b) Unless the member elects an optional death benefit, the death benefit subsequent to retirement is the excess, if any, of (i) the member's contributions with interest to retirement over (ii) the sum of the allowance payments made prior to the member's death.



### **Funds Charged with Ordinary Death Benefits**

Ordinary death benefits paid on behalf of a participant in the Combined Fund are charged to the Combined Fund. Otherwise, ordinary death benefits are charged to (i) the Retirement Fund if the member's enrollment date is prior to February 1, 1996, and (ii) the Combined Retirement and Disability Fund if the member's enrollment date is on or after February 1, 1996.

### **Protective Survivorship Option**

Firemen may elect a Protective Survivorship Option (PSO) during the 6 months that precede the earlier of attainment of age 57, or completion of 25 years of service as a fireman. Policemen may elect a Protective Survivorship Option (PSO) during the 6 months that precede the earlier of attainment of age 57, or completion of 25 years of service as a policeman. Firemen and policemen who fail to elect a PSO during the eligible period are deemed to have elected an Option 2 PSO with the spouse as the named beneficiary.

General employes may elect a PSO during the 6 months that precede the earlier of attainment of age 60, or completion of 30 years of service and attainment of age 55.

Except for firemen and policemen, the election shall be irrevocable and shall continue after retirement. Firemen and policemen are allowed to reselect a PSO if they marry, or divorce, and to select a different option and/or beneficiary at retirement, if they wish.

The PSO is automatically canceled if the joint annuitant predeceases the member before retirement; or if the member is divorced from the joint annuitant before retirement.

Under a PSO, if a member eligible to retire on a service retirement allowance dies prior to retirement, benefits begin to the named beneficiary just as if the member retired under such option immediately prior to his or her death, except that imputed service credit arising from the dissolution of the Firemen and Policemen's Survivorship Fund will *not* be used in the calculation of the PSO benefit. If a fireman eligible for PSO coverage dies prior to age 49, benefits for the named beneficiary will be deferred until the date the fireman would have attained age 49.

Imputed military service and imputed fire and police service may be used in the calculation of the deferred PSO benefit.

In all cases where the requirements are met for both a PSO benefit and a duty death benefit, the duty death benefit will be payable in lieu of the PSO.

### **Funds Charged with PSO Benefits**

PSO benefits for participants in the Combined Fund are charged to the Combined Fund. Benefits for individuals who do not participate in the Combined Fund are charged to (i) the Retirement Fund if the member's enrollment date is prior to February 1, 1996, and (ii) the Combined Retirement and Disability Fund if the member's enrollment date is on or after February 1, 1996.

### **Duty Death Benefits**

In the event the member's death occurs in the performance of his duty, a lump sum payment equal to the member's accumulated contributions, plus an annuity of 60% of such deceased member's final average salary will be paid to one of the following:

- (a) The member's surviving spouse
- (b) The member's children until their 21st birthday
- (c) The member's dependent parents

Death of a fireman that is due to heart or lung disease is considered a duty death.

### **Funds Charged with Duty Death Benefits**

Benefits payable to participants in the Combined Fund are charged to the Combined Fund. Heart & Lung duty death benefits payable to individuals who are not participants in the Combined Fund are charged to the Heart & Lung Fund. Duty death benefits (other than Heart & Lung) payable to individuals who are not participants in the Combined Fund are charged to (i) the Retirement Fund for members whose enrollment dates are prior to February 1, 1996; and (ii) the

Combined Retirement and Disability Fund for members whose enrollment dates are on or after February 1, 1996.

### **Member Contributions**

Member contribution rates are the following percentages of annual salary:

- (a) General Employees - 5.5%
- (b) Firemen and Policemen - 7.0%
- (c) Elected Officials - 7.0%

Currently, the City or the City Agency employing the member makes all contributions on the member's behalf (with the exception of \$1.00 per year contributed by each policeman).

Member contributions made for or by participants in the Combined Fund are credited to the Combined fund. Member contributions made for or by individuals who are not participants in the Combined Fund are credited to (i) the Retirement Fund for members whose enrollment dates are prior to February 1, 1996; and (ii) the Combined Retirement and Disability Fund for members whose enrollment dates are on or after February 1, 1996.

### **Pension Escalators**

Several different pension escalators are paid by the ERS. They are as follows:

#### **Fire and Police \$50 Escalator**

Firemen in Local 215 who retired under a service retirement allowance between March 1, 1990, and December 31, 1992; members of the Milwaukee Police Association (MPA) who retired under a service retirement allowance between January 1, 1990, and December 31, 1992; members of the Milwaukee Police Supervisors Organization who retired under a service retirement allowance between January 1, 1991, and December 31, 1992; and firemen in Local 215 or members of the MPA who elect a deferred retirement allowance after separating from service between January 1, 1993, and December 31, 1994, with 25 years of service; are eligible

for a pension escalator which increases their allowance by \$50 per month on the 4th, 7th, and 10th anniversary of retirement.

Members who both retired on duty disability and converted from duty disability to service retirement during the eligibility period are eligible for the escalators on the 4th, 7th, and 10th anniversaries of their conversion dates.

The surviving spouses of eligible retirees, or of members who died during the eligibility period, are eligible provided that the member elected an optional benefit at retirement – or elected a protective survivorship option (PSO) prior to retirement – with the spouse as beneficiary. The member’s surviving spouse receives increases on the member’s 4th, 7th, and 10th anniversary of retirement (or spouse’s retirement date in the case of a PSO) with the amount of the escalator adjusted to reflect the option elected by the member.

\$50 escalators paid to participants in the Combined Fund are charged to the Combined Fund. \$50 escalators paid to individuals who are not participants in the Combined Fund are charged to the Retirement Fund.

**January 1996 Catch-up COLA for pre-October, 1987 Retirees**

**Eligible Group:**

- (a) General employees who attained the minimum service retirement age and retired with a service retirement allowance prior to October 1, 1987, or who retired on a duty disability allowance and converted to a service retirement allowance prior to October 1, 1987.
- (b) Firemen and policemen who retired prior to October 1, 1987, who became eligible to retire on service retirement at age 57, or after attaining age 52 and completing 25 years of service. Also, firemen and policemen who retired on a duty disability allowance and converted to a service retirement allowance prior to October 1, 1987.

- (c) Surviving spouses of eligible retirees, or of members who elected a PSO and died prior to October 1 1987, after naming their spouse as the designated beneficiary under Option 2, Option 3, or Option 4 with a percentage to the beneficiary.

**Timing and Amount of Increase:**

The catch-up COLA was a permanent increase in the ERS monthly benefit which was granted effective January 1, 1996. The increase was an amount equal to (i) the total ERS benefit in payment, multiplied by the greater of (ii) the total percentage change in the cost of living for each full calendar month between the 8th anniversary of service retirement and October 1, 1995, and (iii) the total percentage change required to bring the member's allowance to 60% of its full inflation adjusted value considering inflation for the period from retirement to October 1, 1995. The percentage change in the cost of living was measured by the increase in the CPI-U, U.S. Cities, as reported by the U.S. Department of Labor, Bureau of Labor Statistics.

(When the catch-up COLA was calculated, the factor was not applied to supplemental, pass through benefits, which are paid by the ERS but are not a liability of the ERS. These pass through benefits, which appear on the pension payroll data supplied to the actuary, are part of an old guaranteed minimum program. The ERS is a paying agent for these benefits, but is reimbursed by the City for all such payments.)

Catch-up COLA amounts paid to participants in the Combined Fund are charged to the Combined Fund. Catch-up COLA amounts paid to individuals who are not participants in the Combined Fund are charged to the Retirement Fund..

**2% Escalator for pre-1993 Retirees**

**Eligible Group:**

- (a) General employees who attained the minimum service retirement age and retired with a service retirement allowance prior to January 1, 1993, or who retired on a duty disability allowance and converted to a service retirement allowance prior to January 1, 1993.

- (b) Firemen and policemen who retired prior to January 1, 1993, who became eligible to retire on service retirement at age 57, or after attaining age 52 and completing 25 years of service. Also, firemen and policemen who retired on a duty disability allowance and converted to a service retirement allowance prior to January 1, 1993.
- (c) Surviving spouses of eligible members who elected Option 3 with the spouse as the beneficiary, or of members who died prior to January 1, 1993 after electing an Option 3 PSO with the spouse as the beneficiary.

**Timing and Amount of Increase:**

The first increase occurs with the later of the January 1996 installment or the installment next following the 8th anniversary of the member's service retirement date (or the 8th anniversary of the surviving spouse's retirement date in the case of a PSO). Thereafter, increases occur annually on the anniversary of the first increase.

The first increase is 2% of the total ERS benefit in payment. That is, the monthly benefit to which the increase is applied includes \$50 fire and police escalators, and the January, 1996 catch-up COLA amount, if any, but it excludes supplemental pass through payments, if any. Increases after the first are also 2%, and are compounded -- that is, they are applied to the total ERS benefit in payment, including all prior increases, and again, excluding any supplemental pass through payments. (The benefit initially payable to an eligible spouse upon the member's death includes 50% of any increases in payment at the member's death.)

2% escalators paid to participants in the Combined Fund are charged to the Combined Fund. 2% escalators paid to individuals who are not participants in the Combined Fund are charged to the Retirement Fund.

**CPI Escalator for post-1992 Fire and Police Retirees who *don't* Participate in the Combined Fund and Pre-2000 CPI Escalator for post-1992 Fire and Police Retirees who *do* Participate in the Combined Fund**

**Eligible Group:**

- (a) Firemen and policemen in active service on or after January 1, 1993, who become eligible to retire on service retirement at age 57 or after attaining age 52 and completing 25 years of service.
- (b) Firemen and policemen who retire on either a 75% Fire & Police duty disability benefit or a Heart & Lung duty disability benefit (i) between January 1, 1993, and December 31, 1994, and thereafter convert to service retirement; or (ii) on or after January 1, 1995, and who are eligible to elect between service retirement and extended life duty disability benefits at their conversion age.
- (c) Police in active service on or after January 1, 1995, who separate with 25 years of service and elect a deferred retirement allowance.
- (d) Surviving spouses of eligible members who elect Option 2 or 3, or who elect Option 4 with a percentage to the spouse, or who elect a PSO with a percentage to the spouse.

**Timing and Amount of Increase:**

For members who retired on service retirement between January 1, 1993, and December 31, 1994; or who retired on duty disability between January 1, 1993, and December 31, 1994, and later convert to service retirement; and for eligible surviving spouses of members who died prior to retirement between January 1, 1993, and December 31, 1994, with PSO coverage in effect; the first increase occurs for March of the year following the first full calendar year of service retirement. For all others, the first increase occurs one full year after the member's service retirement date. Thereafter, increases occur annually on the anniversary of the first increase.

The monthly benefit is increased by an amount equal to (i) the total allowance for the preceding December (including all prior increases), multiplied by the lesser of (ii) 3%, and (iii) the increase

in the CPI-U, U.S. Cities Average, for the calendar year preceding the increase. (The benefit initially payable to an eligible spouse upon the member's death includes a proportionate share of any increases in payment at the member's death, based on the option elected.)

Benefits payable to participants in the Combined Fund are charged to the Combined Fund. For individuals who are not participants in the Combined Fund: (i) benefits are charged to the Retirement Fund for members whose enrollment dates are prior to February 1, 1996; and (ii) benefits are charged to the Combined Retirement and Disability Fund for members whose enrollment dates are on or after February 1, 1996.

**Post-1999 CPI Escalator for post-1992 Fire and Police Retirees who Participate in the Combined Fund**

**Eligible Group:**

The eligible group is restricted to individuals who were firemen and policemen who retired on duty disability between October 17, 1992, and December 31, 1992; or who were in active service on or after January 1, 1993, who either retire as firemen or policemen, or who die in active service as firemen or policemen; and their eligible surviving spouses. The types of benefits that receive the CPI escalator include:

- (a) The service retirement allowance and ordinary disability retirement allowance.
- (b) Benefits paid to members after the duty disability conversion age: the conversion service retirement allowance or the extended life duty disability retirement allowance.
- (c) Benefits paid to members after separation from service: the deferred retirement allowance, early retirement allowance, involuntary separation allowance, or the ERS allowance paid under the County transfer or State reciprocity provisions.
- (d) The spouse survivor allowance paid to the surviving spouse of an eligible member who elects Option 2 or 3, or who elects Option 4 with a percentage to the spouse, or who elects a PSO with a percentage to the spouse.
- (e) The fire and police or heart & lung duty disability surviving spouse allowance.



- (f) The duty death surviving spouse allowance.

**Timing and Amount of Increases that occur after 1999:**

- (a) The first post-1999 increase occurs the later of March 2000 and March of the year following the first full calendar year of retirement for: members who retired on service retirement or ordinary disability between January 1, 1993, and December 31, 1994; or who convert to service retirement after a period of duty disability which commenced between January 1, 1993, and December 31, 1994; or who separated from service between January 1, 1993, and December 31, 1994, and subsequently retire on a deferred, early, involuntary separation, or County transfer/ State reciprocity allowance; eligible spouse survivors of such members, including PSO spouse survivors when the member died between January 1, 1993, and December 31, 1994; duty death surviving spouses of members who died between January 1, 1993, and December 31, 1994; and duty disability surviving spouses where both the member's duty disability retirement date and duty disabled death date were between January 1, 1993, and December 31, 1994.
- (b) The first post-1999 increase occurs the later of the year 2000 anniversary or the first anniversary of the member's date of death for: duty disability surviving spouses where the member's duty disability death date is on or after January 1, 1995.
- (c) For all others, the first post-1999 increase occurs the later of the year 2000 anniversary or the first anniversary of the member's retirement or pre-retirement death. (Note: this group includes members who retired on duty disability between October 17, 1992, and December 31, 1994, who subsequently elect an extended life duty disability retirement allowance, and members who retired on duty disability between October 17, 1992, and December 31, 1992, who subsequently convert to service retirement.)

Thereafter, increases occur annually on the anniversary of the first post-1999 increase.

The monthly benefit is increased by an amount equal to (i) the total allowance for the preceding December (including all prior increases), multiplied by the lesser of (ii) 3%, and (iii) the increase in the CPI-U, U.S. Cities Average, for the calendar year preceding the increase. If the member retired on duty disability between October 17, 1992, and December 31, 1992, and subsequently converts to service retirement, then the 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> increases will not be less than 1.5%, and the 5<sup>th</sup> and subsequent increases will not be less than 2%. (The benefit initially payable to an eligible spouse upon the member's death includes a proportionate share of any increases in payment at the member's death, based on the option elected.)

The CPI escalator is charged to the Combined Fund.

### **2% Guarantee for Fire and Police CPI Escalator for Participants in Combined Fund**

The eligible group is restricted to firemen and policemen who retire on service retirement, their spouse survivors, and PSO spouse survivors. In addition, firemen members of Local 215 and policemen members of the MPA must have been in active service on or after January 1, 1998; policemen members of the MPSO must have been in active service on or after January 1, 1999; and non-represented firemen and policemen must have been in active service on or after January 1, 2000. The benefit is a guarantee that the CPI Escalator will not be less than 2% per annum.

### **2% Escalator for post-1992 General Employee Retirees who do Not Participate in Combined Fund**

#### **Eligible Group:**

- (a) General employees who retire on a service retirement allowance on or after January 1, 1993 who have either (i) attained age 60, or (ii) completed 30 years of service and attained age 55.
- (b) General employees receiving a duty disability retirement allowance who convert to service retirement on or after January 1, 1993.

- (c) Spouses of eligible members who either elect Option 3 at retirement with the spouse as beneficiary, or who die after electing an Option 3 PSO with the spouse as beneficiary.

**Timing and Amount of Increase:**

The first increase occurs with the installment next following the 8th anniversary of the member's service retirement or conversion to service retirement date (or the 8th anniversary of the surviving spouse's retirement date in the case of a PSO). Thereafter, increases occur annually on the anniversary of the first increase.

Each increase is 2%, and increases after the first are compounded -- that is, they are applied to the total benefit in payment, including all prior increases. (The benefit initially payable to an eligible spouse upon the member's death includes 50% of any increases in payment at the member's death.)

For members whose enrollment dates are prior to February 1, 1996, the 2% escalator for post-1992 general employe retirees is paid from the Retirement Fund. For members whose enrollment dates are on or after February 1, 1996, the 2% escalator for post-1992 general employe retirees is paid from the Combined Retirement and Disability Fund.

**Post-1999 1.5% / 2% Escalator for General Employe Retirees and for Pre-1993 Fire and Police Retirees who Participate in the Combined Fund**

**Eligible Group:**

The eligible group includes (i) pre-1993 retirees and surviving spouses who are not eligible for either the 2% Escalator for pre-1993 retirees, or the Post-1999 CPI Escalator for post-1992 fire and police retirees; and (ii) post-1992 general employe retirees and their surviving spouses. The types of benefits that receive the 1.5%/2% escalator include:

- (a) The service retirement allowance and ordinary disability retirement allowance for all members, and the duty disability retirement allowance for general employes.

- (b) Benefits paid to members after the duty disability conversion age: the conversion service retirement allowance for all members or the extended life duty disability retirement allowance for fire and police.
- (c) Benefits paid to members after separation from service: the deferred retirement allowance, early retirement allowance, involuntary separation allowance, or the ERS allowance paid under the County transfer or State reciprocity provisions.
- (d) The spouse survivor allowance paid to the surviving spouse of an eligible member who elects Option 2 or 3, or who elects Option 4 with a percentage to the spouse, or who elects a PSO with a percentage to the spouse.
- (e) The fire and police or heart & lung duty disability surviving spouse allowance.
- (f) The duty death surviving spouse allowance.

**Timing and Amount of Increases that occur after 1999:**

- (a) The first post-1999 increase occurs for January 2000 for eligible Option 2 and 4 spouse survivors of members retired on a service retirement allowance or a conversion service retirement allowance - and for eligible Option 2 and 4 PSO spouse survivors - when the member's date of retirement or pre-retirement death was prior to January 1988.
- (b) The first post-1999 increase occurs the later of the year 2000 anniversary or the 2<sup>nd</sup> anniversary of the member's date of death for: duty disability surviving spouses of firemen and policemen.
- (c) For all others, the first post-1999 increase occurs the later of the year 2000 anniversary or the 2<sup>nd</sup> anniversary of the member's retirement or pre-retirement death.

Thereafter, increases occur annually on the anniversary of the first increase.

All increases for the group described in paragraph (a) are 2% increases. For paragraphs (b) and (c), an increase which takes effect on the 2<sup>nd</sup>, 3<sup>rd</sup>, or 4<sup>th</sup> anniversary is a 1.5% increase. An increase which takes effect on the 5<sup>th</sup> or subsequent anniversary is a 2% increase. Increases after

the first one are compounded -- that is, they are applied to the total benefit in payment, including all prior increases. (The benefit initially payable to an eligible spouse upon the member's death includes the spouse's proportionate share of any increases in payment at the member's death, based on the option elected.)

Benefits are charged to the Combined Fund.

### **Fire and Police Survivorship Benefits for Individuals not Participating in Combined Fund**

The survivors of firemen or policemen who die in active service or while in receipt of a disability allowance may be entitled to a survivorship benefit. The survivorship benefit is payable to the spouse of the deceased member provided the spouse has one or more eligible children in her care. Eligible children include unmarried children who are either under the age of 18, or are over age 18, but who suffer from a disability which commenced before the age of 18. The amount of the survivorship benefit for a death occurring in 2000 is \$600 monthly for the spouse and one child or for two or more eligible children. If there is no surviving widow and only one child, the benefit is \$300. Upon attainment of age 57, \$300 is payable to the spouse for her lifetime. Benefits payable to a spouse cease on remarriage and benefits payable in respect of children cease on attainment of age 18 (unless disabled prior to age 18) or marriage. For member deaths that occurred prior to 2000 the monthly amount payable depends upon the plan provisions in effect at the member's death.

Active firemen and policemen not participating in the Combined Fund contribute \$52.20 annually for Survivorship benefits. Firemen and policemen receiving disability benefits and not participating in the Combined Fund may retain eligibility for Survivorship benefits, until attainment of the minimum service retirement age, by continuing to make the required annual contribution of \$52.20.

The City intends to purchase single premium insurance to cover the liability for this benefit. Prior to the purchase, any benefits paid to individuals not participating in the Combined Fund will be charged to the Fire and Police Survivorship Fund. The funds to purchase the insurance will be provided by the assets allocated to the non-Consenters in the Fire and Police

Survivorship Fund. Any assets remaining after this purchase will be transferred to the Combined Fund. Member contributions made toward this benefit are to be credited to the Combined Fund.

### **Fire and Police Survivorship Benefits for Survivors Participating in Combined Fund**

Survivors of firemen or policemen who died prior to 2000 while in active service or while retired on disability (and contributing to the Fire and Police Survivorship Fund) may be entitled to a survivorship benefit. The survivorship benefit is payable to the spouse of the deceased member provided the spouse has one or more eligible children in her care. For participants in the Combined Fund, the amount of the survivorship benefit for a death occurring prior to 2000 is \$600 monthly for the spouse and one child under age 18, or for two or more children under age 18. If there is no surviving widow and only one child, the benefit is \$300. The monthly amount payable to a disabled child over the age of 18 depends upon the plan provisions in effect at the member's death. Upon attainment of age 57, \$300 is payable to the spouse for her lifetime. Benefits payable to a spouse cease on remarriage and benefits payable in respect of children cease on attainment of age 18 (unless disability commenced prior to age 18) or marriage.

Survivorship Benefits for Participants in the Combined Fund are charged to the Combined Fund.

### **Separation Benefits**

Should a member separate from service and no other benefit is payable, such member will be entitled to one of the following:

- (a) A refund of member contributions (not paid by the member's employer), with interest.
- (b) If the member has four years of service, a deferred allowance payable at the minimum service retirement age.
- (c) A refund of the member contributions and interest, including contributions paid on the member's behalf, is payable to (i) general employees after 8 years of service, or (ii) firemen or policemen after 10 years of service.

- (d) If the member's service is involuntarily terminated, or the member terminates voluntarily after attaining age 55 and completing 15 years of service, such member may elect to receive a deferred allowance at the minimum service retirement age, or an immediate allowance that is the actuarial equivalent of the deferred allowance.
- (e) If the member has 25 years of service as a fireman or policeman, and is not participating in the Combined Fund, a deferred allowance payable at age 52.
- (f) If the member is a fireman with 25 years of service as a fireman or policeman, had not attained age 49 at the date of separation from service, and is participating in the Combined Fund, a deferred allowance payable at age 52.

Imputed service credit is not used when calculating separation benefits.

### **Funds Charged with Separation Benefits**

Benefits paid to participants in the Combined Fund are charged to the Combined Fund. Separation benefits paid to individuals not participating in the Combined Fund are charged to (i) the Retirement Fund if the member's enrollment date is prior to February 1, 1996, and (ii) the Combined Fund if the member's enrollment date is on or after February 1, 1996.

### **Lump Sum Bonus Payments**

Under the Global Pension Settlement, various lump sum bonus payments may be made to eligible individuals participating in the Combined Fund. An individual may be eligible for one or more types of lump sum bonus payments.

### **Eligibility for Lump Sum Bonus Payments**

Only individuals participating in the Combined Fund can become eligible for the following types of lump sum bonus payments. In addition, the following conditions apply to the individual lump sum bonuses.

- (a) **Military service credit cash bonus:** The member must have retired on service retirement, or converted to service retirement after duty disability, and must be in payment as of January 1, 2000. In addition, for general employes and policemen members of the MPSO, the effective date of service retirement or conversion must be prior to January 1, 1999; for firemen members of local 215 and policemen members of the MPA, the effective date of service retirement or conversion must be prior to January 1, 1998; for non-represented firemen and policemen, the effective date of service retirement or conversion must be prior to January 1, 2000. In addition, the retired member must have served in the armed forces of the U.S. prior to first being enrolled in the ERS, must have been honorably discharged, and must apply for this bonus to the ERS no later than July 19, 2001.
- (b) **5% lump sum bonus:** All retired members and surviving spouses in payment as of January 1, 2000 are eligible *except* surviving spouses receiving either (i) a Fire & Police duty disability surviving spouse benefit; (ii) a Heart & Lung duty disability surviving spouse benefit; or (iii) a Firemen & Policemen's Survivorship Fund surviving spouse benefit.

Members who are inactive as of January 1, 2000, will become eligible at the time that their deferred retirement allowance commences.

Members in active service as of January 1, 2000, will become eligible when they first retire.

If a member in active service as of January 1, 2000, dies prior to retirement and the member's surviving spouse is eligible for either a surviving spouse duty death benefit (including Heart & Lung duty death) or a PSO spouse survivor benefit then the surviving spouse is eligible for this bonus payment.

Only one 5% lump sum bonus will be paid on account of an individual member.

Thus, if a member receiving a duty disability retirement allowance receives a 5%



lump sum bonus on account of the duty disability benefit, then the member will *not* be eligible for an additional 5% lump sum bonus at the time of conversion.

- (c) **Retiree special bonus:** All retired members and surviving spouses who originally retired prior to January 1, 2000, and who are in payment as of January 1, 2000, are eligible *except* surviving spouses receiving either (i) a Fire & Police duty disability surviving spouse benefit; (ii) a Heart & Lung duty disability surviving spouse benefit; or (iii) a Firemen & Policemen's Survivorship Fund surviving spouse benefit.
- (d) **8.6% lump sum bonus:** A fireman or policeman in active service as of January 1, 2000, who (i) retires as a fireman or policeman on a service retirement allowance; or (ii) converts to service retirement or elects an extended life duty disability retirement allowance after retiring as a fireman or policeman on duty disability; or (iii) attains age 63 while in receipt of an ordinary disability retirement allowance or a lifetime Fire & Police or Heart & Lung duty disability retirement allowance, is eligible for this bonus so long as the member did not receive 2 years of imputed service credit under the dissolution of the Firemen and Policemen's Survivorship Fund.

If a fireman or policeman in active service as of January 1, 2000, dies prior to retirement and the member's surviving spouse is eligible for either a surviving spouse duty death benefit (including Heart & Lung duty death) or a PSO spouse survivor benefit then the surviving spouse is eligible for this bonus payment.

A fireman or policeman retired on disability as of January 1, 2000, who is also an active member of the Firemen and Policemen's Survivorship Fund as of January 1, 2000 - under age 57 at 1/1/2000, and made all required contributions to the Survivorship Fund – is eligible for this bonus if he (i) converts to service retirement or elects an extended life duty disability retirement allowance; or (ii) is ineligible to convert to service retirement and attains age 63 while in receipt of the disability retirement allowance; provided that he (iii) did not receive 2 years

of imputed service credit under the dissolution of the Firemen and Policemen's Survivorship Fund.

- (e) **Dissolution lump sum bonus:** An individual who is a member of the ERS as of January 1, 2000, and who is also a surviving former member of the Firemen and Policemen's Survivorship Fund as of that date is eligible for this bonus payment.

### Amount of Lump Sum Bonus Payments

Age factors are used in the 5% lump sum bonus and the 8.6% lump sum bonus calculations. The age factors for these bonus payments are contained in s. 36-05-11-a.

- (a) **Military service credit cash bonus:** \$1,000,000 is to be divided pro-rata among the eligible group in proportion to each individual's "military service credit." An individual's "military service credit" equals the lesser of 1 year, or one-third of the individual's "eligible military service." An individual's "eligible military service" is the sum of all "eligible periods of active military service". An "eligible period of active military service" is a period of military service which precedes enrollment in the ERS, and which consists of not less than 90 consecutive days spent in the active service of the armed forces of the U.S.A. An individual's bonus payment cannot exceed his full December 1999 monthly allowance.
- (b) **5% lump sum bonus:** For individuals in payment as of January 1, 2000, the bonus payment equals 5% times 12 times their full December 1999 monthly allowance – or their full January 2000 allowance if the individual was not in payment for all of December 1999 – times a factor based on the age the individual attained on his birthday in 1999.

For members who are either inactive or active as of January 1, 2000, who retire in the future, the bonus payment equals 5% times their initial annual retirement allowance times a factor based on attained age on the retirement date. The retirement allowance used in the bonus calculation is to be reduced for early

retirement, if applicable, but is not to be reduced for any optional election the member might have made under s. 36-05-7.

If a member in active service as of January 1, 2000 dies prior to retirement and the member's surviving spouse is eligible for this bonus payment, then the bonus will equal 5% times the spouse's initial annual benefit times a factor based on the spouse's attained age when the benefit commences.

- (c) **Retiree special bonus:** The bonus payment equals a factor times the full December 1999 monthly allowance – or the full January 2000 allowance if the individual was not in payment for all of December 1999 – minus an “offset” related to the Catch-up COLA overpayment that occurred during the period January 1, 1996 through April 30, 1997.

The factor for firemen and policemen is 8. The factor for general employes depends upon the year of retirement or pre-retirement death. For an individual receiving a conversion service retirement allowance, the retirement date used in the calculation is the date of the original duty disability retirement. The general employe factor is 2 for retirement during 1997-1999; 3 for 1996 retirements; 4 for 1995 retirements; 5 for 1994 retirements; 6.5 for 1993 retirements; and 8 for retirements in 1992 and prior years.

Individuals who received a Catch-up COLA overpayment – and the surviving spouses of members who were overpaid and who had elected an optional form of payment under s. 36-05-7 naming their spouse as the beneficiary under the option – have an “offset” applied to their bonus payment. The offset equals the lesser of (i) 3 times the full December 1999 (or January 2000 allowance, as applicable) or (ii) the sum of the overpayments made to both the member and the spouse survivor.

- (d) **8.6% lump sum bonus:** In the explanation that follows, whenever an annual allowance is used in calculating a bonus due to a *member*, the allowance used is the allowance that would be paid if the member did not elect an option under s. 36-05-7.

For members who retire on service retirement: 8.6% times the annual service retirement allowance times a factor based on attained age at retirement.

For surviving spouses who receive either a PSO benefit or a duty death benefit: 8.6% times the initial annual allowance payable to the spouse times a factor based on the spouse's attained age when the benefit commences.

For a member who is retired on duty disability as of January 1, 2000 - or who retires on duty disability thereafter - and who is eligible to convert to service retirement: 8.6% times the annual conversion service retirement allowance earned as of the conversion age times a factor based on attained age at conversion.

For a member who is retired on disability as of January 1, 2000 – or who retired on disability thereafter – who is ineligible to convert to service retirement, and who is age 63 or younger at the later of 1/1/2000 or the disability retirement date: 8.6% times the “hypothetical” annual conversion service retirement allowance earned at age 63 times the attained age factor for age 63. The “hypothetical” allowance is calculated as if the member *were* eligible to convert at age 63.

For a member who retires on disability after January 1, 2000, who is older than age 63 at the disability retirement date: 8.6% times the annual disability allowance payable when the allowance commences times a factor based on the member's attained age at retirement.

- (e) **Dissolution lump sum bonus:** An amount equal to \$500 times the total number of surviving former members of the Firemen and Policemen's Survivorship Fund as of January 1, 2000, is to be divided pro-rata among all eligible individuals in proportion to each individual's full years of service as a fireman or policeman

prior to January 1, 2000, including time retired on disability prior to the minimum service retirement age of 57.

The military service credit cash bonus, 5% lump sum bonus, retiree special bonus, and 8.6% lump bonus are paid from the Combined Fund. The dissolution lump sum bonus is to be paid from \$10,000,000 set aside for the Employers' Reserve Fund. See the explanation of the dissolution of the Firemen and Policemen's Survivorship Fund for a fuller explanation of the source of the funds that will be used to pay the dissolution bonus.

**EXHIBIT 1**  
**Age/Service Distributions**

**ACTIVE MEMBERSHIP – GENERAL CITY EMPLOYEES**

**NUMBER AND AVERAGE ANNUAL SALARY  
AS OF DECEMBER 31, 2003**

Age	Years of Service									Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+		
<b>Under 25</b>	55 \$29,081	2 \$26,040									57 \$28,975
<b>25-29</b>	153 \$33,353	37 \$32,405	2 \$36,302								192 \$33,201
<b>30-34</b>	163 \$35,704	115 \$38,861	32 \$38,884	1 \$32,443							311 \$37,188
<b>35-39</b>	147 \$34,978	135 \$39,495	94 \$42,387	44 \$40,662	4 \$42,409						424 \$38,719
<b>40-44</b>	111 \$36,880	128 \$41,019	148 \$45,533	127 \$44,388	113 \$41,100	14 \$41,197					641 \$42,030
<b>45-49</b>	85 \$33,781	97 \$40,599	126 \$44,598	189 \$47,202	155 \$46,714	89 \$46,455	13 \$42,174				754 \$44,129
<b>50-54</b>	66 \$36,150	72 \$41,242	114 \$44,855	129 \$45,010	145 \$47,174	143 \$49,124	116 \$47,929	30 \$48,469			815 \$45,588
<b>55-59</b>	40 \$37,319	44 \$39,736	80 \$44,519	85 \$46,965	68 \$49,621	84 \$53,457	45 \$57,541	14 \$64,422	2 \$40,646		462 \$48,121
<b>60-64</b>	13 \$34,575	10 \$36,525	38 \$39,905	20 \$38,202	8 \$51,150	10 \$56,685	7 \$61,980	6 \$52,096	5 \$42,477		117 \$42,992
<b>Over 64</b>	4 \$ 52,220	6 \$ 54,505	3 \$ 57,030	8 \$ 50,251	6 \$ 37,551	6 \$ 55,153	3 \$ 40,321	4 \$ 39,721	1 \$ 40,004		41 \$ 48,417
<b>Total</b>	837 \$34,846	646 \$39,707	637 \$43,991	603 \$45,347	499 \$45,899	346 \$49,492	184 \$50,283	54 \$52,360	8 \$41,710		3,814 \$42,639

**ACTIVE MEMBERSHIP – WATER DEPARTMENT**

**NUMBER AND AVERAGE ANNUAL SALARY  
AS OF DECEMBER 31, 2003**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
<b>Under 25</b>	1 \$22,772									1 \$22,772
<b>25-29</b>	9 \$31,909	2 \$44,388								11 \$34,178
<b>30-34</b>	7 \$32,799	2 \$35,159								9 \$33,323
<b>35-39</b>	16 \$34,755	7 \$40,144	9 \$49,923	5 \$54,687						37 \$42,158
<b>40-44</b>	3 \$36,778	8 \$35,720	14 \$40,058	24 \$44,153	9 \$42,795	1 \$38,968				59 \$41,368
<b>45-49</b>	1 \$33,582	6 \$53,748	14 \$42,755	26 \$44,014	22 \$42,503	12 \$47,936				81 \$44,559
<b>50-54</b>	2 \$35,677	6 \$48,980	9 \$54,378	18 \$45,630	13 \$46,289	17 \$45,620	21 \$44,478	3 \$42,320		89 \$46,228
<b>55-59</b>	2 \$37,408	2 \$45,474	5 \$35,884	8 \$45,136	6 \$39,061	11 \$40,340	7 \$42,813	2 \$34,539	1 \$33,435	44 \$40,604
<b>60-64</b>		1 \$49,969		4 \$41,136		2 \$43,837	1 \$38,083		1 \$47,725	9 \$43,110
<b>Over 64</b>			1 \$ 72,655			1 \$ 34,308	1 \$ 36,882			3 \$ 47,949
<b>Total</b>	41 \$33,798	34 \$43,622	52 \$45,196	85 \$44,994	50 \$43,127	44 \$44,442	30 \$43,623	5 \$39,207	2 \$40,580	343 \$42,977



**ACTIVE MEMBERSHIP – SCHOOL BOARD**  
**NUMBER AND AVERAGE ANNUAL SALARY**  
**AS OF DECEMBER 31, 2003**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
<b>Under 25</b>	66 \$17,225	5 \$21,043								71 \$17,493
<b>25-29</b>	177 \$19,373	80 \$19,520								257 \$19,419
<b>30-34</b>	194 \$18,672	190 \$21,301	39 \$23,762	2 \$39,581						425 \$20,413
<b>35-39</b>	204 \$18,209	243 \$22,822	157 \$23,128	33 \$32,506	1 \$42,432					638 \$21,954
<b>40-44</b>	172 \$19,816	271 \$22,434	200 \$22,103	82 \$30,306	49 \$39,195	5 \$44,464				779 \$23,795
<b>45-49</b>	156 \$20,565	255 \$21,680	220 \$23,323	142 \$32,299	53 \$38,192	55 \$39,573	14 \$38,921			895 \$25,921
<b>50-54</b>	136 \$18,193	146 \$20,413	215 \$22,482	137 \$32,421	45 \$39,121	58 \$40,443	67 \$43,202	12 \$45,392		816 \$27,298
<b>55-59</b>	55 \$22,232	95 \$22,685	129 \$21,064	102 \$31,440	53 \$37,103	43 \$35,086	36 \$35,053	6 \$42,124		519 \$27,537
<b>60-64</b>	23 \$14,096	42 \$18,166	65 \$20,882	30 \$25,165	17 \$27,955	28 \$23,915	14 \$20,493	5 \$45,031	3 \$31,470	227 \$21,809
<b>Over 64</b>	14 \$ 11,584	18 \$ 13,751	33 \$ 16,233	20 \$ 24,450	10 \$ 17,461	10 \$ 15,469	14 \$ 16,492		1 \$ 46,564	120 \$ 17,009
<b>Total</b>	1,197 \$18,966	1,345 \$21,571	1,058 \$22,262	548 \$31,234	228 \$36,684	199 \$35,565	145 \$35,994	23 \$44,461	4 \$35,244	4,747 \$24,059

**ACTIVE MEMBERSHIP – MILWAUKEE TECHNICAL COLLEGE**

**NUMBER AND AVERAGE ANNUAL SALARY  
AS OF DECEMBER 31, 2003**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
<b>Under 25</b>										
25-29										
30-34										
35-39										
40-44										
45-49										
50-54							2	2		4
							\$43,267	\$42,808		\$43,037
55-59							2	6		8
							\$57,783	\$47,031		\$49,719
60-64							1	2	2	5
							\$56,693	\$36,658	\$47,723	\$45,091
<b>Over 64</b>										
<b>Total</b>							5	10	2	17
							\$51,758	\$44,112	\$47,723	\$46,786

**ACTIVE MEMBERSHIP – SEWERAGE COMMISSION**

**NUMBER AND AVERAGE ANNUAL SALARY  
AS OF DECEMBER 31, 2003**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
<b>Under 25</b>	2									2
	\$32,615									\$32,615
<b>25-29</b>	7									7
	\$35,341									\$35,341
<b>30-34</b>	6	1	1							8
	\$54,043	\$50,216	\$51,769							\$53,281
<b>35-39</b>	7	4	11	1						23
	\$59,244	\$53,873	\$58,086	\$52,717						\$57,472
<b>40-44</b>	10	3	22	11	12	1				59
	\$68,804	\$75,276	\$52,357	\$55,092	\$54,342	\$50,589				\$57,194
<b>45-49</b>	8	8	22	22	37	20				117
	\$62,433	\$56,174	\$52,413	\$55,793	\$61,479	\$58,257				\$57,857
<b>50-54</b>	4	8	23	5	37	26	6			109
	\$77,217	\$54,642	\$56,473	\$62,345	\$60,910	\$52,472	\$53,792			\$57,773
<b>55-59</b>	2	3	7	9	16	17	3			57
	\$66,906	\$56,531	\$53,708	\$52,506	\$64,683	\$57,643	\$56,470			\$58,529
<b>60-64</b>	2		3	2	3	3	2	1		16
	\$50,533		\$54,180	\$88,859	\$65,661	\$70,363	\$58,300	\$136,254		\$68,891
<b>Over 64</b>					1	1	1			3
					\$ 53,792	\$ 47,367	\$ 49,588			\$ 50,249
<b>Total</b>	48	27	89	50	106	68	12	1		401
	\$57,976	\$57,321	\$54,304	\$56,964	\$61,002	\$56,153	\$54,862	\$136,254		\$57,583

**ACTIVE MEMBERSHIP – WISCONSIN CENTER DISTRICT**

**NUMBER AND AVERAGE ANNUAL SALARY  
AS OF DECEMBER 31, 2003**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
<b>Under 25</b>	4									4
	\$33,075									\$33,075
<b>25-29</b>	6	1								7
	\$26,171	\$47,844								\$29,267
<b>30-34</b>	5	3								8
	\$31,948	\$41,442								\$35,508
<b>35-39</b>	7	2	2			1				12
	\$34,560	\$50,466	\$34,438		\$28,587					\$36,693
<b>40-44</b>	6	3		2		1				12
	\$22,419	\$32,660		\$41,364	\$38,794					\$29,502
<b>45-49</b>	6	6	2	3						17
	\$23,292	\$35,866	\$43,926	\$35,970						\$32,395
<b>50-54</b>	1	3		2	1	2	1			10
	\$24,285	\$65,546		\$60,226	\$1,800	\$69,032	\$34,819			\$51,606
<b>55-59</b>	3	3	1		1	1				9
	\$36,292	\$58,737	\$46,342		\$28,466	\$64,931				\$47,203
<b>60-64</b>		2		1	1					4
		\$44,710		\$5,865	\$47,338					\$35,656
<b>Over 64</b>	2	6								8
	\$ 9,459	\$ 8,674								\$ 8,870
<b>Total</b>	40	29	5	8	5	3	1			91
	\$27,933	\$37,951	\$40,614	\$39,620	\$28,997	\$67,665	\$34,819			\$34,294

**ACTIVE MEMBERSHIP – HOUSING AUTHORITY**

**NUMBER AND AVERAGE ANNUAL SALARY  
AS OF DECEMBER 31, 2003**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
<b>Under 25</b>	1 \$29,136									1 \$29,136
<b>25-29</b>	17 \$35,671	1 \$33,069								18 \$35,527
<b>30-34</b>	11 \$38,233	2 \$52,181	1 \$46,699							14 \$40,830
<b>35-39</b>	7 \$43,404	8 \$44,580	1 \$55,384	2 \$47,151						18 \$45,009
<b>40-44</b>	10 \$45,762	5 \$35,654	5 \$55,019	4 \$58,197	3 \$49,118					27 \$47,820
<b>45-49</b>	6 \$49,849	2 \$42,397	7 \$53,130	4 \$65,717	3 \$54,591	4 \$60,399				26 \$54,770
<b>50-54</b>	10 \$41,737	8 \$41,840	8 \$58,534	5 \$60,274		2 \$51,041	2 \$76,842	1 \$34,729		36 \$50,340
<b>55-59</b>	2 \$48,852	6 \$48,278	4 \$38,842	2 \$66,750	1 \$70,300	6 \$64,881	1 \$66,122			22 \$54,634
<b>60-64</b>										
<b>Over 64</b>	1 \$ 32,524									1 \$ 32,524
<b>Total</b>	65 \$40,989	32 \$43,173	26 \$52,797	17 \$60,284	7 \$54,490	12 \$61,081	3 \$73,269	1 \$34,729		163 \$47,928

**ACTIVE MEMBERSHIP – GENERAL EMPLOYEES****NUMBER AND AVERAGE ANNUAL SALARY  
AS OF DECEMBER 31, 2003**

Age	Years of Service									Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+		
<b>Under 25</b>	129 \$23,145	7 \$22,471									136 \$23,111
<b>25-29</b>	369 \$26,640	121 \$24,217	2 \$36,302								492 \$26,083
<b>30-34</b>	386 \$27,400	313 \$28,324	73 \$31,089	3 \$37,202							775 \$28,158
<b>35-39</b>	388 \$26,734	399 \$29,653	274 \$32,219	85 \$38,615	6 \$40,109						1,152 \$29,996
<b>40-44</b>	312 \$28,502	418 \$28,990	389 \$33,798	250 \$40,414	187 \$41,648	21 \$42,316					1,577 \$33,569
<b>45-49</b>	262 \$26,914	374 \$28,178	391 \$33,150	386 \$42,099	270 \$46,809	180 \$46,072	27 \$40,487				1,890 \$36,416
<b>50-54</b>	219 \$25,945	243 \$29,679	369 \$33,072	296 \$39,874	241 \$47,543	248 \$47,381	215 \$46,447	48 \$46,793			1,879 \$38,500
<b>55-59</b>	104 \$30,103	153 \$30,261	226 \$31,132	206 \$39,641	145 \$46,267	162 \$48,623	94 \$47,894	28 \$53,783	3 \$38,242		1,121 \$38,957
<b>60-64</b>	38 \$23,020	55 \$23,047	106 \$28,644	57 \$32,757	29 \$38,922	43 \$35,703	25 \$37,286	14 \$53,379	11 \$40,906		378 \$31,320
<b>Over 64</b>	21 \$ 20,119	30 \$ 20,887	37 \$ 21,066	28 \$ 31,822	17 \$ 26,689	18 \$ 31,516	19 \$ 23,070	4 \$ 39,721	2 \$ 43,284		176 \$ 25,138
<b>Total</b>	2,228 \$26,849	2,113 \$28,479	1,867 \$32,316	1,311 \$40,026	895 \$45,158	672 \$45,999	380 \$44,610	94 \$49,555	16 \$40,704		9,576 \$34,085

**ACTIVE MEMBERSHIP – POLICEMEN**  
**NUMBER AND AVERAGE ANNUAL SALARY**  
**AS OF DECEMBER 31, 2003**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
<b>Under 25</b>	122 \$33,574	19 \$50,308								141 \$35,829
<b>25-29</b>	143 \$45,055	65 \$53,553	10 \$54,319							218 \$48,014
<b>30-34</b>	143 \$46,763	230 \$53,919	115 \$54,673	11 \$54,487						499 \$52,055
<b>35-39</b>	61 \$45,523	115 \$53,720	200 \$55,414	50 \$58,274	11 \$56,792					437 \$53,949
<b>40-44</b>	24 \$46,687	36 \$54,084	96 \$55,793	72 \$57,578	65 \$59,574	9 \$62,986				302 \$56,319
<b>45-49</b>	6 \$45,856	11 \$52,743	26 \$55,023	31 \$58,208	130 \$58,219	35 \$60,251				239 \$57,605
<b>50-54</b>	3 \$46,482	10 \$55,041	12 \$54,985	13 \$56,173	64 \$57,722	27 \$59,006	9 \$69,117	1 \$56,068		139 \$57,881
<b>55-59</b>			4 \$54,031	2 \$58,862	9 \$57,061	5 \$60,002	7 \$59,497	2 \$59,759		29 \$58,048
<b>60-64</b>							1 \$54,702			1 \$54,702
<b>Over 64</b>								1 \$ 56,089		1 \$ 56,089
<b>Total</b>	502 \$42,904	486 \$53,691	463 \$55,240	179 \$57,604	279 \$58,327	76 \$60,116	17 \$64,308	3 \$58,529	1 \$56,089	2,006 \$52,685

**ACTIVE MEMBERSHIP – FIREMEN****NUMBER AND AVERAGE ANNUAL SALARY  
AS OF DECEMBER 31, 2003**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
<b>Under 25</b>	39	20								59
	\$34,283	\$50,533								\$39,792
<b>25-29</b>	28	29	1							58
	\$40,251	\$54,659	\$60,102							\$47,797
<b>30-34</b>	47	82	22							151
	\$38,026	\$53,988	\$56,552							\$49,394
<b>35-39</b>	30	68	80	31	3					212
	\$37,993	\$54,110	\$55,642	\$56,668	\$56,240					\$52,812
<b>40-44</b>	7	10	48	77	35					177
	\$41,725	\$51,417	\$56,296	\$58,008	\$63,479					\$57,609
<b>45-49</b>	1	5	21	58	80	47				212
	\$33,602	\$54,062	\$54,899	\$58,411	\$62,154	\$63,110				\$60,298
<b>50-54</b>			6	11	24	43	8	1		93
			\$55,750	\$57,147	\$61,097	\$63,204	\$65,538	\$53,828		\$61,563
<b>55-59</b>			1	2	1	13	11	2		30
			\$60,374	\$53,701	\$53,828	\$61,980	\$61,363	\$61,255		\$60,828
<b>60-64</b>										
<b>Over 64</b>										
<b>Total</b>	152	214	179	179	143	103	19	3		992
	\$37,610	\$53,677	\$55,897	\$57,805	\$62,118	\$63,007	\$63,121	\$58,779		\$54,742



**EXHIBIT 2**  
**Detailed Tabulations of the Data**

**TABLE 1**  
**THE NUMBER AND ANNUAL SALARIES**  
**OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY**  
**AGE AS OF DECEMBER 31, 2003**  
**GENERAL EMPLOYEES**

Age	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
19	1	\$ 23,931			1	\$ 23,931
20	3	77,858	5	112,138	8	189,996
21	2	63,772	12	213,995	14	277,767
22	10	195,379	19	376,613	29	571,992
23	15	373,312	17	439,522	32	812,834
24	24	664,207	28	602,301	52	1,266,509
25	29	745,985	59	1,464,896	88	2,210,880
26	39	1,095,012	61	1,366,150	100	2,461,162
27	40	1,126,520	57	1,326,782	97	2,453,302
28	33	1,060,694	66	1,586,129	99	2,646,824
29	42	1,401,700	66	1,659,162	108	3,060,862
30	43	1,299,206	70	1,645,401	113	2,944,607
31	58	1,653,341	72	1,903,840	130	3,557,180
32	73	2,265,049	97	2,555,710	170	4,820,759
33	81	2,921,282	98	2,375,401	179	5,296,684
34	66	2,183,661	117	3,019,845	183	5,203,507
35	88	3,212,000	117	2,809,518	205	6,021,519
36	112	4,180,946	108	2,631,129	220	6,812,075
37	102	3,769,287	113	2,584,859	215	6,354,146
38	109	3,741,409	144	3,616,830	253	7,358,238
39	116	4,052,750	143	3,956,742	259	8,009,492
40	122	4,840,186	162	4,299,146	284	9,139,332
41	114	4,815,364	172	4,681,762	286	9,497,126
42	164	6,856,120	187	5,302,738	351	12,158,858
43	134	5,290,138	178	4,937,055	312	10,227,193
44	167	7,249,383	177	4,666,314	344	11,915,698
45	154	6,816,932	204	5,906,347	358	12,723,279
46	188	7,940,890	175	5,053,110	363	12,994,000
47	179	7,688,152	196	5,454,070	375	13,142,222
48	202	9,376,351	193	5,828,916	395	15,205,267
49	186	8,409,897	213	6,351,741	399	14,761,637
50	176	7,971,225	189	5,690,197	365	13,661,421
51	191	9,212,590	196	5,673,121	387	14,885,711
52	177	8,152,887	183	5,649,639	360	13,802,526
53	200	9,128,309	197	6,631,610	397	15,759,919
54	192	9,007,674	178	5,223,585	370	14,231,259
55	174	8,065,039	144	4,229,431	318	12,294,470
56	137	6,601,157	137	4,253,694	274	10,854,850
57	109	5,321,317	109	3,023,099	218	8,344,416
58	64	3,295,948	89	2,414,129	153	5,710,077

**TABLE 1**  
**THE NUMBER AND ANNUAL SALARIES**  
**OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY**  
**AGE AS OF DECEMBER 31, 2003**  
**GENERAL EMPLOYEES**

Age	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
59	78	3,996,781	80	2,470,308	158	6,467,089
60	41	1,850,345	63	1,490,244	104	3,340,589
61	32	1,618,192	70	1,695,400	102	3,313,592
62	19	760,063	66	1,658,458	85	2,418,521
63	13	621,627	36	943,497	49	1,565,124
64	13	693,364	25	507,921	38	1,201,285
65	16	711,230	27	571,973	43	1,283,202
66	5	135,330	17	343,221	22	478,552
67	8	424,569	14	305,346	22	729,915
68	5	181,457	16	251,733	21	433,190
69	3	100,326	12	200,169	15	300,495
70	3	169,924	7	84,129	10	254,053
71	3	188,335	8	134,189	11	322,524
72			5	104,989	5	104,989
73	3	75,062	3	35,740	6	110,803
74			3	54,260	3	54,260
75	2	118,674	1	15,129	3	133,803
76			2	20,693	2	20,693
77			4	59,315	4	59,315
78	1	7,574	2	29,621	3	37,195
79						
80	2	59,251	1	12,628	3	71,879
81	1	8,667			1	8,667
82	1	5,838			1	5,838
83						
84						
85	1	14,931			1	14,931
<b>Total</b>	4,366	\$ 183,888,398	5,210	\$ 142,505,629	9,576	\$ 326,394,028

**TABLE 2**  
**THE NUMBER AND ANNUAL SALARIES**  
**OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY**  
**YEARS OF CREDITED SERVICE AS OF DECEMBER 31, 2003**  
**GENERAL EMPLOYEES**

Years of Service	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
0	126	\$ 3,877,076	165	\$ 4,232,646	291	\$ 8,109,722
1	207	6,427,809	245	5,474,480	452	11,902,289
2	215	7,114,824	298	6,778,158	513	13,892,982
3	167	5,740,796	304	7,274,440	471	13,015,235
4	182	6,094,530	319	6,804,269	501	12,898,799
5	175	6,226,920	288	5,513,159	463	11,740,079
6	202	7,445,247	305	6,674,032	507	14,119,279
7	159	6,399,008	249	5,748,435	408	12,147,443
8	177	6,453,532	225	5,516,906	402	11,970,438
9	157	5,629,538	176	4,570,163	333	10,199,702
10	126	4,776,838	201	4,855,885	327	9,632,723
11	127	4,740,550	242	5,614,167	369	10,354,717
12	178	7,658,230	214	5,320,109	392	12,978,339
13	183	8,009,708	247	6,696,355	430	14,706,063
14	139	6,289,815	210	6,372,728	349	12,662,543
15	121	5,632,349	142	4,346,049	263	9,978,397
16	94	4,395,455	152	4,646,983	246	9,042,438
17	136	6,204,559	164	5,272,146	300	11,476,706
18	179	8,477,047	127	4,420,099	306	12,897,146
19	128	6,394,246	68	2,685,774	196	9,080,020
20	82	4,001,145	69	2,817,919	151	6,819,064
21	82	4,001,561	47	1,843,942	129	5,845,503
22	113	5,448,960	63	2,174,294	176	7,623,254
23	138	6,841,253	104	4,104,801	242	10,946,053
24	117	5,960,542	80	3,221,909	197	9,182,452
25	111	5,413,323	50	2,115,462	161	7,528,786
26	66	3,449,608	40	1,560,423	106	5,010,031
27	87	4,559,572	50	1,939,166	137	6,498,738
28	80	4,005,307	67	2,294,399	147	6,299,706
29	64	3,260,093	57	2,314,121	121	5,574,215
30	48	2,484,203	77	2,138,306	125	4,622,509
31	55	2,876,529	38	1,710,115	93	4,586,644
32	39	2,042,372	16	727,119	55	2,769,491
33	27	1,235,378	15	600,083	42	1,835,462
34	37	1,866,669	28	1,270,963	65	3,137,632
35	21	1,265,328	22	902,237	43	2,167,565
36	7	382,928	17	742,717	24	1,125,645
37	4	214,412	6	307,083	10	521,495
38	4	318,489	4	163,721	8	482,210
39	2	78,238	7	283,015	9	361,253

**TABLE 2**  
**THE NUMBER AND ANNUAL SALARIES**  
**OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY**  
**YEARS OF CREDITED SERVICE AS OF DECEMBER 31, 2003**  
**GENERAL EMPLOYEES**

Years of Service	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
40			5	222,891	5	222,891
41	1	42,293	1	35,020	2	77,312
42	2	94,289	3	109,982	5	204,271
43			1	32,361	1	32,361
44			1	16,590	1	16,590
45	1	57,832			1	57,832
46						
47			1	40,004	1	40,004
<b>Total</b>	4,366	\$ 183,888,398	5,210	\$ 142,505,629	9,576	\$ 326,394,028

**TABLE 3**  
**THE NUMBER AND ANNUAL SALARIES**  
**OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY**  
**AGE AS OF DECEMBER 31, 2003**  
**POLICEMEN**

Age	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
18	6	\$ 121,050	2	\$ 40,350	8	\$ 161,399
19	12	236,136	6	127,534	18	363,671
20	12	291,998	3	74,326	15	366,324
21	14	381,804	4	107,900	18	489,704
22	12	458,209	4	168,528	16	626,737
23	16	712,892	10	458,877	26	1,171,769
24	29	1,357,721	11	514,524	40	1,872,245
25	30	1,405,508	9	398,775	39	1,804,283
26	22	1,045,713	7	297,999	29	1,343,712
27	32	1,537,454	6	286,736	38	1,824,190
28	41	2,053,073	14	669,200	55	2,722,273
29	49	2,364,079	8	408,428	57	2,772,507
30	64	3,259,071	15	718,123	79	3,977,194
31	66	3,423,779	19	995,783	85	4,419,562
32	88	4,476,399	16	858,960	104	5,335,360
33	102	5,441,735	27	1,357,516	129	6,799,251
34	77	4,108,436	25	1,335,425	102	5,443,861
35	87	4,653,261	25	1,355,863	112	6,009,125
36	82	4,424,480	13	664,360	95	5,088,840
37	57	3,047,501	19	1,044,475	76	4,091,976
38	74	4,059,420	16	894,004	90	4,953,423
39	51	2,755,817	13	676,710	64	3,432,527
40	54	3,017,081	8	447,113	62	3,464,193
41	49	2,765,026	3	168,129	52	2,933,155
42	54	3,027,162	12	650,910	66	3,678,072
43	51	2,878,306	10	538,262	61	3,416,567
44	47	2,719,106	14	797,307	61	3,516,413
45	47	2,702,029	7	385,256	54	3,087,285
46	42	2,353,389	7	394,697	49	2,748,086
47	41	2,393,440	10	649,111	51	3,042,551
48	35	2,032,040	7	393,093	42	2,425,132
49	41	2,370,290	2	94,268	43	2,464,558
50	29	1,657,373	5	294,178	34	1,951,551
51	34	1,931,119	9	523,954	43	2,455,072
52	19	1,103,797	2	111,144	21	1,214,940
53	14	881,677	5	277,811	19	1,159,487
54	21	1,208,436	1	55,964	22	1,264,400
55	13	755,015			13	755,015
56	5	287,590	3	164,050	8	451,640
57	2	112,244	1	54,252	3	166,496

**TABLE 3**  
**THE NUMBER AND ANNUAL SALARIES**  
**OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY**  
**AGE AS OF DECEMBER 31, 2003**  
**POLICEMEN**

Age	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
58	4	255,547			4	255,547
59	1	54,702			1	54,702
60						
61						
62						
63	1	54,702			1	54,702
64						
65						
66						
67	1	56,089			1	56,089
<b>Total</b>	1,628	\$ 86,231,694	378	\$ 19,453,891	2,006	\$ 105,685,584

**TABLE 4**  
**THE NUMBER AND ANNUAL SALARIES**  
**OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY**  
**YEARS OF CREDITED SERVICE AS OF DECEMBER 31, 2003**  
**POLICEMEN**

Years of Service	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
0	57	\$ 1,997,214	14	\$ 448,166	71	\$ 2,445,381
1	95	3,863,690	23	890,619	118	4,754,308
2	117	5,074,313	41	1,817,302	158	6,891,615
3	75	3,528,849	13	586,156	88	4,115,005
4	52	2,607,486	15	724,125	67	3,331,611
5	33	1,771,837	12	595,093	45	2,366,930
6	80	4,236,376	19	999,465	99	5,235,840
7	104	5,583,470	21	1,130,291	125	6,713,761
8	113	6,193,534	32	1,700,245	145	7,893,778
9	56	3,034,029	16	849,298	72	3,883,327
10	62	3,357,655	23	1,283,314	85	4,640,969
11	121	6,634,583	35	1,872,333	156	8,506,916
12	102	5,698,514	23	1,263,312	125	6,961,826
13	63	3,594,890	10	576,991	73	4,171,881
14	19	1,016,002	5	278,326	24	1,294,328
15	28	1,572,302	4	230,310	32	1,802,612
16	21	1,199,909	3	175,861	24	1,375,769
17	23	1,343,205	5	285,081	28	1,628,287
18	60	3,398,091	12	702,968	72	4,101,059
19	18	1,073,817	5	329,578	23	1,403,395
20	36	2,063,293	7	388,056	43	2,451,349
21	43	2,509,964	7	388,935	50	2,898,900
22	49	2,918,667	15	880,843	64	3,799,510
23	77	4,455,228	6	343,600	83	4,798,828
24	35	2,097,937	4	226,702	39	2,324,639
25	29	1,716,285	2	116,951	31	1,833,236
26	18	1,077,018			18	1,077,018
27	9	564,043	3	180,661	12	744,704
28	10	602,230	1	72,177	11	674,406
29	3	180,450	1	59,038	4	239,487
30	5	360,858			5	360,858
31	3	164,127			3	164,127
32			1	58,096	1	58,096
33	3	183,675			3	183,675
34	5	326,477			5	326,477
35	2	110,770			2	110,770
36	1	64,817			1	64,817
37						
38						
39						



**TABLE 4**  
**THE NUMBER AND ANNUAL SALARIES**  
**OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY**  
**YEARS OF CREDITED SERVICE AS OF DECEMBER 31, 2003**  
**POLICEMEN**

Years of Service	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
40						
41						
42						
43	1	56,089			1	56,089
<b>Total</b>	1,628	\$ 86,231,694	378	\$ 19,453,891	2,006	\$ 105,685,584

**TABLE 5**  
**THE NUMBER AND ANNUAL SALARIES**  
**OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY**  
**AGE AS OF DECEMBER 31, 2003**  
**FIREMEN**

Age	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
19	7	\$ 155,446			7	\$ 155,446
20	8	243,322			8	243,322
21	9	325,276	1	39,420	10	364,696
22	7	292,750	1	44,075	8	336,825
23	10	435,511			10	435,511
24	16	811,907			16	811,907
25	10	545,919			10	545,919
26	16	764,973			16	764,973
27	9	432,310	1	33,280	10	465,590
28	8	331,225			8	331,225
29	14	664,546			14	664,546
30	17	794,091			17	794,091
31	25	1,244,959			25	1,244,959
32	34	1,672,537	2	64,277	36	1,736,814
33	47	2,362,672	3	137,980	50	2,500,652
34	21	1,082,438	2	99,474	23	1,181,912
35	44	2,280,864	2	107,553	46	2,388,417
36	37	1,936,210	1	55,163	38	1,991,373
37	37	1,912,421	3	119,911	40	2,032,332
38	35	1,881,811	6	337,181	41	2,218,993
39	46	2,511,089	1	53,835	47	2,564,924
40	39	2,152,468	5	305,638	44	2,458,107
41	29	1,659,910	3	173,777	32	1,833,687
42	32	1,804,650	2	118,014	34	1,922,664
43	32	1,771,588	3	217,281	35	1,988,869
44	30	1,878,382	2	115,119	32	1,993,501
45	47	2,900,019	2	118,856	49	3,018,876
46	35	2,069,599	4	242,186	39	2,311,785
47	57	3,403,093	3	173,784	60	3,576,877
48	28	1,707,803	1	53,656	29	1,761,459
49	34	2,052,246	1	61,882	35	2,114,127
50	32	1,911,815			32	1,911,815
51	23	1,430,722			23	1,430,722
52	13	754,943			13	754,943
53	10	604,364			10	604,364
54	15	1,023,491			15	1,023,491
55	13	799,044			13	799,044
56	11	662,008			11	662,008
57	5	309,526			5	309,526
58	1	54,262			1	54,262
<b>Total</b>	943	\$ 51,632,211	49	\$ 2,672,341	992	\$ 54,304,552

**TABLE 6**  
**THE NUMBER AND ANNUAL SALARIES**  
**OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY**  
**YEARS OF CREDITED SERVICE AS OF DECEMBER 31, 2003**  
**FIREMEN**

Years of Service	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
0	15	\$ 382,558	3	\$ 96,338	18	\$ 478,897
1	25	770,373	1	33,280	26	803,653
2	17	605,988			17	605,988
3	62	2,530,262	2	51,827	64	2,582,089
4	26	1,202,082	1	44,075	27	1,246,158
5	26	1,268,488	2	97,493	28	1,365,981
6	47	2,541,853			47	2,541,853
7	41	2,186,668			41	2,186,668
8	35	1,900,417			35	1,900,417
9	61	3,384,316	2	107,553	63	3,491,869
10	30	1,676,791	2	108,741	32	1,785,533
11	42	2,335,289	11	626,366	53	2,961,655
12	30	1,676,293	1	53,854	31	1,730,146
13	40	2,246,453	4	221,743	44	2,468,196
14	18	1,006,381	1	53,660	19	1,060,041
15	29	1,638,951			29	1,638,951
16	46	2,665,495	1	54,065	47	2,719,560
17	20	1,173,433	7	418,712	27	1,592,146
18	45	2,613,978	1	57,020	46	2,670,998
19	27	1,535,065	3	190,439	30	1,725,503
20	28	1,617,416	4	234,996	32	1,852,412
21	20	1,248,224			20	1,248,224
22	22	1,335,545			22	1,335,545
23	29	1,917,357	2	156,983	31	2,074,341
24	38	2,372,417			38	2,372,417
25	38	2,304,899	1	65,196	39	2,370,095
26	19	1,309,541			19	1,309,541
27	26	1,589,876			26	1,589,876
28	11	701,105			11	701,105
29	8	519,064			8	519,064
30	8	486,740			8	486,740
31	5	345,070			5	345,070
32						
33	1	57,410			1	57,410
34	5	310,076			5	310,076
35	2	111,238			2	111,238
36						
37	1	65,100			1	65,100
<b>Total</b>	<b>943</b>	<b>\$ 51,632,211</b>	<b>49</b>	<b>\$ 2,672,341</b>	<b>992</b>	<b>\$ 54,304,552</b>

TABLE 7A

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO  
CONSENTING GENERAL EMPLOYEES FROM THE COMBINED FUND  
AS OF DECEMBER 31, 2003**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
30			2	\$ 27,793	2	\$ 27,793
33			2	24,803	2	24,803
34	1	12,145			1	12,145
36			1	3,684	1	3,684
37			1	5,633	1	5,633
39	3	16,526			3	16,526
40	3	20,287	2	6,156	5	26,443
41	1	5,022	4	67,746	5	72,768
42	7	85,488	2	13,478	9	98,966
43	7	156,831	2	9,409	9	166,240
44	15	220,816	1	2,998	16	223,814
45	9	107,130	4	25,622	13	132,752
46	6	106,467	3	11,957	9	118,424
47	21	250,106	4	53,678	25	303,784
48	14	163,891	5	48,726	19	212,617
49	15	205,147	5	31,816	20	236,963
50	14	188,691	10	86,751	24	275,442
51	18	207,121	5	47,837	23	254,958
52	26	284,498	8	64,567	34	349,065
53	19	236,942	1	14,526	20	251,468
54	22	271,559	10	69,618	32	341,177
55	83	2,211,500	6	60,409	89	2,271,909
56	71	1,927,142	13	110,809	84	2,037,951
57	67	1,720,359	14	111,350	81	1,831,709
58	84	2,315,729	7	80,612	91	2,396,341
59	85	2,139,755	7	51,701	92	2,191,456
60	155	3,000,972	14	190,068	169	3,191,040
61	147	2,902,738	21	272,110	168	3,174,848
62	155	2,595,814	16	181,738	171	2,777,552
63	164	2,424,412	12	127,167	176	2,551,579
64	169	2,442,248	23	260,433	192	2,702,681
65	220	3,362,912	24	291,324	244	3,654,236
66	232	3,568,108	22	229,502	254	3,797,610
67	221	2,994,383	22	230,844	243	3,225,227
68	177	2,362,091	20	171,993	197	2,534,084
69	218	2,568,711	29	281,608	247	2,850,319
70	228	2,921,635	29	287,090	257	3,208,725
71	246	3,037,933	27	246,136	273	3,284,069
72	245	2,835,302	43	292,188	288	3,127,490
73	234	3,020,177	49	428,192	283	3,448,369

TABLE 7A

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO  
CONSENTING GENERAL EMPLOYES FROM THE COMBINED FUND  
AS OF DECEMBER 31, 2003**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
74	219	2,788,663	52	410,216	271	3,198,879
75	216	2,309,597	52	476,363	268	2,785,960
76	227	2,422,556	50	476,708	277	2,899,264
77	244	2,798,702	58	403,838	302	3,202,540
78	208	2,346,093	55	398,289	263	2,744,382
79	241	2,449,020	54	387,352	295	2,836,372
80	182	1,737,862	60	378,444	242	2,116,306
81	176	1,856,228	67	398,118	243	2,254,346
82	195	1,780,551	79	552,680	274	2,333,231
83	125	1,032,256	58	366,696	183	1,398,952
84	110	1,025,226	48	292,559	158	1,317,785
85	119	987,850	49	304,395	168	1,292,245
86	105	805,792	41	236,405	146	1,042,197
87	89	632,043	48	270,055	137	902,098
88	62	468,363	30	174,422	92	642,785
89	60	388,497	24	152,229	84	540,726
90	46	336,206	22	130,937	68	467,143
91	33	252,971	19	84,269	52	337,240
92	23	168,107	18	99,341	41	267,448
93	19	124,609	14	63,197	33	187,806
94	6	33,630	10	64,836	16	98,466
95	10	47,393	5	37,636	15	85,029
96	3	10,846	5	41,046	8	51,892
97	2	20,564	1	9,880	3	30,444
98	4	35,852			4	35,852
99	1	15,102			1	15,102
100	1	7,503			1	7,503
101			1	6,276	1	6,276
102	2	8,784			2	8,784
<b>Total</b>	6,130	\$ 79,781,454	1,390	\$ 10,738,259	7,520	\$ 90,519,713

TABLE 7B

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO  
CONSENTING FIREMEN FROM THE COMBINED FUND  
AS OF DECEMBER 31, 2003**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
13			2	\$ 17,298	2	\$ 17,298
18			1	13,698	1	13,698
25	1	32,020			1	32,020
31	1	39,523			1	39,523
32	1	26,088			1	26,088
34	1	38,893			1	38,893
36	2	84,064			2	84,064
38			1	17,142	1	17,142
39	2	79,046			2	79,046
40	2	78,095			2	78,095
41	2	78,735			2	78,735
42	4	164,741			4	164,741
43	5	194,091			5	194,091
44	8	233,750			8	233,750
45	7	264,027			7	264,027
46	9	293,646			9	293,646
47	9	339,835			9	339,835
48	8	332,021	1	27,501	9	359,522
49	10	412,529	1	6,591	11	419,120
50	12	470,035	1	26,321	13	496,356
51	17	655,684	4	47,456	21	703,140
52	11	455,567			11	455,567
53	12	419,940			12	419,940
54	24	998,278	1	5,198	25	1,003,476
55	20	853,056	1	22,220	21	875,276
56	33	1,543,781	2	30,548	35	1,574,329
57	36	1,495,647	1	10,519	37	1,506,166
58	20	796,004	4	107,056	24	903,060
59	23	878,893	4	90,050	27	968,943
60	40	1,507,903	8	170,354	48	1,678,257
61	23	989,239	1	19,336	24	1,008,575
62	33	1,325,863	4	81,233	37	1,407,096
63	26	1,018,975	2	14,137	28	1,033,112
64	20	684,688	1	34,488	21	719,176
65	30	1,065,402	5	69,419	35	1,134,821
66	24	876,809	1	3,600	25	880,409
67	21	820,117	14	220,293	35	1,040,410
68	21	686,680	4	71,530	25	758,210
69	16	555,063	5	77,475	21	632,538
70	12	366,350	6	119,267	18	485,617

TABLE 7B

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO  
CONSENTING FIREMEN FROM THE COMBINED FUND  
AS OF DECEMBER 31, 2003**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
71	21	690,189	14	231,607	35	921,796
72	35	1,080,390	18	250,666	53	1,331,056
73	35	1,158,174	16	207,307	51	1,365,481
74	39	1,187,495	6	101,332	45	1,288,827
75	24	728,514	20	341,783	44	1,070,297
76	24	687,990	10	136,088	34	824,078
77	27	734,733	17	205,756	44	940,489
78	17	542,851	9	122,543	26	665,394
79	15	377,008	3	29,861	18	406,869
80	14	387,086	2	17,196	16	404,282
81	9	252,204	3	68,763	12	320,967
82	10	242,223	4	55,402	14	297,625
83	8	165,753	3	24,035	11	189,788
84	5	92,709	3	24,063	8	116,772
85	4	84,079			4	84,079
86	1	20,429	2	10,380	3	30,809
<b>Total</b>	834	\$ 29,586,905	205	\$ 3,129,512	1,039	\$ 32,716,417

TABLE 7C

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO  
CONSENTING POLICEMEN FROM THE COMBINED FUND  
AS OF DECEMBER 31, 2003**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
6			2	\$ 27,569	2	\$ 27,569
30			1	8,687	1	8,687
33	1	37,254	1	8,687	2	45,941
34	1	39,523			1	39,523
35	1	20,328			1	20,328
36	1	35,902			1	35,902
37	2	25,983	1	24,088	3	50,071
38	2	53,382			2	53,382
39	1	38,693			1	38,693
40	1	22,587			1	22,587
41	7	255,909	1	28,929	8	284,838
42	2	77,954	5	80,113	7	158,067
43	6	217,432	1	32,840	7	250,272
44	6	235,960	1	12,034	7	247,994
45	12	448,478			12	448,478
46	6	233,231	3	25,683	9	258,914
47	13	561,291	3	57,636	16	618,927
48	21	868,433	1	13,208	22	881,641
49	22	943,514	1	24,861	23	968,375
50	34	1,462,149	1	10,679	35	1,472,828
51	22	913,668	2	58,586	24	972,254
52	32	1,411,964	3	90,222	35	1,502,186
53	44	1,861,490	3	71,981	47	1,933,471
54	48	2,010,775	6	121,222	54	2,131,997
55	61	2,791,480	3	73,407	64	2,864,887
56	81	3,447,638	2	45,498	83	3,493,136
57	68	2,831,192	6	131,098	74	2,962,290
58	47	1,906,504	6	127,249	53	2,033,753
59	62	2,506,783	4	80,056	66	2,586,839
60	68	2,596,145	7	152,616	75	2,748,761
61	80	2,967,036	6	138,381	86	3,105,417
62	51	1,974,621	5	105,008	56	2,079,629
63	57	2,015,265	8	126,961	65	2,142,226
64	48	1,694,294	4	49,680	52	1,743,974
65	43	1,377,597	8	104,509	51	1,482,106
66	42	1,430,506	2	34,300	44	1,464,806
67	38	1,245,335	13	248,613	51	1,493,948
68	38	1,186,607	8	97,207	46	1,283,814
69	36	1,174,330	12	176,398	48	1,350,728
70	30	789,707	16	241,044	46	1,030,751



TABLE 7C

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO  
CONSENTING POLICEMEN FROM THE COMBINED FUND  
AS OF DECEMBER 31, 2003**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
71	40	1,219,219	21	223,229	61	1,442,448
72	51	1,447,920	12	204,872	63	1,652,792
73	40	1,159,857	14	175,780	54	1,335,637
74	52	1,486,252	18	247,852	70	1,734,104
75	42	1,153,084	26	373,213	68	1,526,297
76	57	1,478,419	20	258,076	77	1,736,495
77	31	758,014	15	184,141	46	942,155
78	33	741,789	14	139,317	47	881,106
79	23	455,194	15	163,171	38	618,365
80	35	667,511	8	72,219	43	739,730
81	20	402,846	8	106,128	28	508,974
82	13	242,709	6	49,097	19	291,806
83	11	208,467	6	54,496	17	262,963
84	7	142,752	3	23,731	10	166,483
85	4	65,565	1	7,876	5	73,441
86	1	4,078	3	19,269	4	23,347
87			1	4,281	1	4,281
88	1	16,096	1	7,559	2	23,655
<b>Total</b>	1,596	\$ 55,360,712	338	\$ 4,943,357	1,934	\$ 60,304,069

TABLE 8

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO  
NON-CONSENTERS FROM THE RETIREMENT FUND  
AS OF DECEMBER 31, 2003**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
49	1	\$ 5,188	1	\$ 5,031	2	\$ 10,219
56	1	25,722			1	25,722
63	1	15,107			1	15,107
64			1	8,524	1	8,524
66	1	2,452			1	2,452
67	1	1,014			1	1,014
69	1	1,254			1	1,254
70			1	7,659	1	7,659
71	3	29,668			3	29,668
74	2	13,893	1	579	3	14,472
76	2	4,277			2	4,277
77	2	10,387			2	10,387
78	1	9,396			1	9,396
80	1	12,488			1	12,488
82	3	9,654			3	9,654
83	2	10,766	1	7,526	3	18,292
84	1	5,124			1	5,124
86	1	8,417			1	8,417
89	1	8,114			1	8,114
90	2	20,049			2	20,049
92	1	2,284			1	2,284
95			1	11,088	1	11,088
<b>Total</b>	28	\$ 195,254	6	\$ 40,407	34	\$ 235,661