

**CITY OF MILWAUKEE
EMPLOYEES' RETIREMENT SYSTEM**

**ACTUARIAL VALUATION
AS OF JANUARY 1, 2008**

May 23, 2008

Annuity and Pension Board
Employees' Retirement System of
the City of Milwaukee
789 N. Water St., #300
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, 2008, 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, 2008.

Global Pension Settlement (GPS) benefits have been provided to 12 individuals who consented to the GPS since the last valuation and, as a result, assets are transferred from the non-consenter funds in which these members previously participated to the Global Combined Fund.

The valuation was based on the actuarial assumptions and methods as adopted by the Board of Trustees, and as specified by the Charter. The results of this valuation reflect new demographic and salary assumptions that were adopted by the Board at its meeting of January 28, 2008. The interest and inflation assumptions and the actuarial methods 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.

Financing Objective and Employer Contribution

The results of the January 1, 2008 valuation determine the employer contribution for the year ending December 31, 2008.

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 \$0 (zero) for the 2008 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



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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)}. Buck Consultants, as Actuary, has completed the seventieth annual actuarial valuation of the System as of January 1, 2008.

In this report we present the results of the January 1, 2008 valuation and the recommended employer contributions for the year ending December 31, 2008. 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, 2008, and are based on the experience study for the five-year period ended December 31, 2006. However, the 3.0% inflation assumption was adopted as of January 1, 2003, and an interest rate of 8½% has been used to value all benefits since January 1, 2000. 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.

Changes Since Last Year

The majority of the actuarial assumptions were changed as of January 1, 2008, based on the experience review for the five-year period ended December 31, 2006.

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, 2007 actuarial valuation was completed, 12 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, 2008 valuation reflects the impact of this change.

Fiscal Impact of Changes

As a result of the change in actuarial assumptions, the accrued liability decreased by \$26.4 million, which increased the funded status by 0.9%.

The fiscal impact of new consents to GPS is explained on page 4.

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, 2008. Comparable results from the January 1, 2007 valuation are also shown.

Item	January 1, 2007	January 1, 2006
Membership Data		
Active Members		
➤ Number	11,737	11,928
➤ Total Annual Covered Payroll on the Valuation Date	\$ 532,854,000	\$ 528,854,000
➤ Average Pay	\$ 45,362	\$ 44,337
Retirees and Beneficiaries		
➤ Number	10,984	10,854
➤ Annual Benefit	\$ 220,966,737	\$ 211,100,541
➤ Average Benefit Payment	\$ 20,117	\$ 19,449
Asset Values (includes contributions receivable)		
➤ Actuarial Value	\$ 5,192,000,000	\$ 4,899,721,000
➤ Market Value	\$ 5,231,571,000	\$ 5,087,083,000
Actuarially Determined Employer Contribution	Due 1/31/2009	Due 1/31/2008
➤ Annual Cost	\$ 0	\$ 0
➤ As % of Covered Payroll	0.00%	0.00%
Funded Status		
➤ Accrued Liability	\$ 3,958,061,000	\$ 3,846,481,000
➤ Actuarial Value of Assets	<u>5,192,000,000</u>	<u>4,899,721,000</u>
➤ Unfunded (Overfunded) Accrued Liability	\$ (1,233,939,000)	\$ (1,053,240,000)
➤ Funded Ratio Based on Actuarial Value of Assets	131.2%	127.4%
➤ Accrued Liability	\$ 3,958,061,000	\$ 3,846,481,000
➤ Market Value of Assets	<u>5,231,571,000</u>	<u>5,087,083,000</u>
➤ Unfunded (Overfunded) Accrued Liability	\$ (1,273,510,000)	\$ (1,240,602,000)
➤ Funded Ratio Based on Market Value of Assets	132.2%	132.3%

Fiscal Impact of New Consents to the Global Pension Settlement

Based on data provided to the actuary, 12 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 \$28 thousand. 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 5 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 required division of assets for members who consented during 2007 was calculated as of January 1, 2007 (the beginning of the year of consent). Table 7 of this report provides the necessary details.

Contribution Requirements for Fiscal Year 2008

Actuarially Determined Employer Contributions: The recommended contribution for 2008 payable January 31, 2009 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	0	0	0	0
Heart & Lung Fund	N/A	N/A	0	0
Combined Retirement & Disability Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Contribution	\$ 0	\$ 0	\$ 0	\$ 0
Covered Compensation	\$ 343,921,000	\$ 125,146,000	\$ 63,345,000	\$ 532,412,000
Total Contribution as a Percentage of Covered Compensation	0.0%	0.0%	0.0%	0.0%

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 131.2% as of January 1, 2008. The funded ratio is based on an actuarial value of assets of \$5.192 billion and an accrued liability of \$3.951 billion.

Reasons for Change in the Funded Ratio

The funded ratio increased from 127.4% as of January 1, 2007 to 131.2% as of January 1, 2008. The change is primarily due to the return on the actuarial value of assets, which was 10.17% for the 2007 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 11a) 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 131.2% as of January 1, 2008. The funded ratio is based on an actuarial value of assets of \$5.192 billion and an accrued liability of \$3.951 billion.

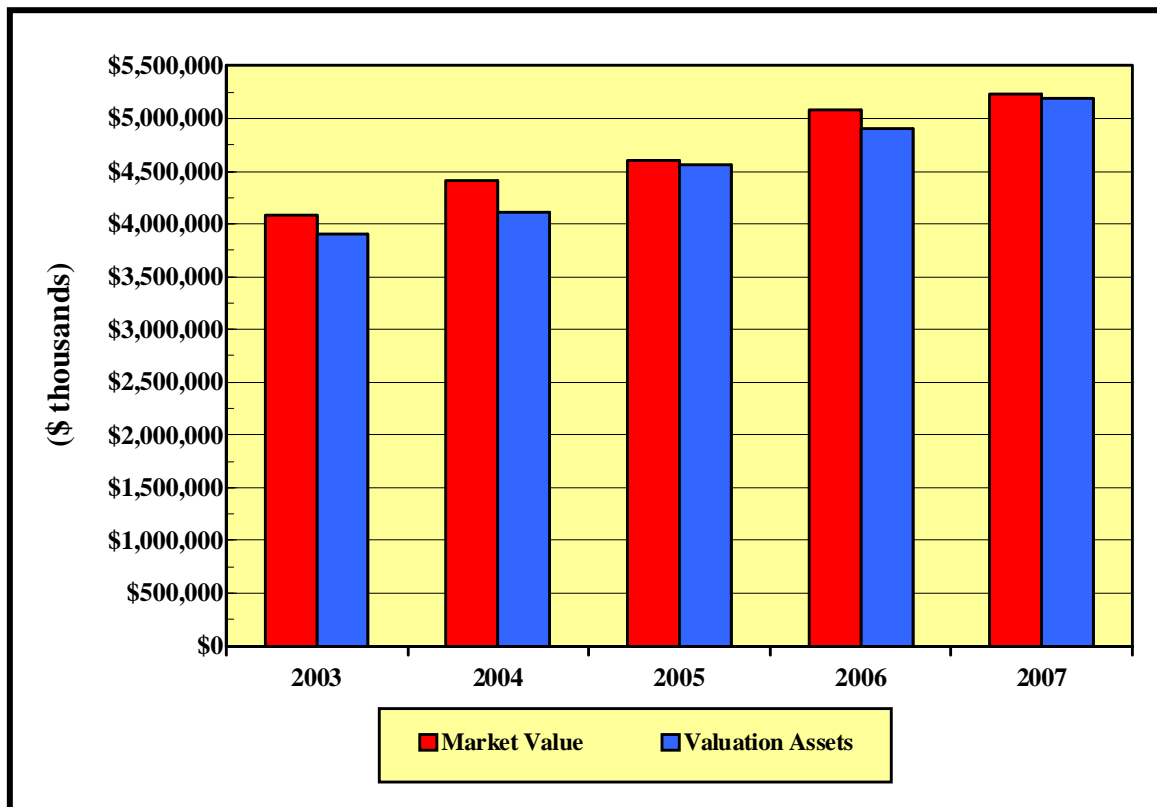
The “schedule of employer contributions” (Table 11b) shows historical trend information about the annual required contributions (ARC) of the employer and the percentage of the ARC contributed to the System. The ARC is equal to the normal cost plus amortization of the unfunded actuarial accrued liability. The maximum period for amortizing the unfunded actuarial accrued liability permitted by GASB No. 25 is 30 years. 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, 2007, was 6.83%. The return based on the actuarial value of assets used for determining the System's funded status was 10.17%. A five-year history of the rate of return on the actuarial value of assets and the market values of assets is shown below.

Plan Year Ended December 31	Return on Actuarial Value	Return on Market Value
2007	10.17%	6.83%
2006	11.83%	14.85%
2005	15.34	8.30
2004	9.49	12.37
2003	10.46	26.99

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 2008 Contributions to Employee Groups
Members in Retirement and Duty Disability Funds
Amount Due January 31, 2009**

Group	Active Members	Covered Compensation	Fund			January 31, 2009	
			Retirement	Duty Disability	Heart & Lung	Total Due	% of Pay
General City	37	\$ 1,798,407	\$ -	\$ -	\$ -	\$ -	0.00%
Water Department	3	187,078	-	-	-	-	0.00%
School Board	43	1,130,219	-	-	-	-	0.00%
Milwaukee Technical College	-	-	-	-	-	-	
Sewerage Commission	3	177,040	-	-	-	-	0.00%
Wisconsin Center District	1	31,863	-	-	-	-	0.00%
Housing Authority	-	-	-	-	-	-	
Policemen	-	-	-	-	-	-	
Firemen	-	-	-	-	-	-	
TOTAL	87	\$ 3,324,607	\$ -	\$ -	\$ -	\$ -	0.00%

Table 1b

**Allocation of Total 2008 Contributions to Employee Groups
Members in Combined Retirement and Disability Fund
Amount Due January 31, 2009**

Group	Active Members	Covered Compensation	Fund		January 31, 2009	
			Combined Retirement & Disability	Heart & Lung	Total Due	% of Pay
General City	31	\$ 1,408,117	\$ -	\$ -	\$ -	0.00%
Water Department	-	-	-	-	-	
School Board	44	1,050,013	-	-	-	0.00%
Milwaukee Technical College	-	-	-	-	-	
Sewerage Commission	1	79,340	-	-	-	0.00%
Wisconsin Center District	2	37,554	-	-	-	0.00%
Housing Authority	2	55,083	-	-	-	0.00%
Policemen	1	62,466	-	-	-	0.00%
Firemen	-	-	-	-	-	
TOTAL	81	\$ 2,692,573	\$ -	\$ -	\$ -	0.00%

Table 1c

**Allocation of Total 2008 Contributions to Employee Groups
Combined Fund
Amount Due January 31, 2009**

Group	Active Members	Covered Compensation	January 31, 2009	
			Total Due	% of Pay
General City	3,564	\$ 175,527,553	\$ -	0.00%
Water Department	306	15,477,681	-	0.00%
School Board	4,029	109,321,081	-	0.00%
Milwaukee Technical College	4	206,613	-	0.00%
Sewerage Commission	368	23,658,257	-	0.00%
Wisconsin Center District	69	3,057,253	-	0.00%
Housing Authority	189	10,718,034	-	0.00%
Policemen	2,082	125,083,561	-	0.00%
Firemen	958	63,345,424	-	0.00%
TOTAL	11,569	\$ 526,395,457	\$ -	0.00%

Table 2a

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

Item	General Employees	Police	Fire	Total
1. Active Members	87	-	-	87
2. Covered Compensation	\$ 3,325	\$ -	\$ -	\$ 3,325
3. Normal Cost				
a. Total	343	-	-	343
b. Estimated Member Contributions	183	-	-	183
c. Employer Normal Cost (a) - (b), not less than zero	160	-	-	160
4. Active Actuarial Accrued Liability	7,607	-	-	7,607
5. Actuarial Assets (Net of Inactive Liabilities)	22,063	-	-	22,063
6. Unfunded Accrued Liability (4) - (5)	(14,456)	-	-	(14,456)
7. Amortization of UAL (average future working lifetime (10 years)	(2,031)	-	-	(2,031)
8. Full Funding Limit* (3) + (6), not less than zero, with interest to 1/31/2009	-	-	-	-
9. Annual Contribution Payable January 31, 2009 (3) + (7), with interest to 1/31/2009, but not more than (8)	\$ -	\$ -	\$ -	\$ -

* The full funding limit is the contribution which, if made January 31, 2009, 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	80	1	-	81
2. Covered Compensation	\$ 2,630	\$ 62	\$ -	\$ 2,692
3. Normal Cost				
a. Total	196	8	-	204
b. Estimated Member Contributions	145	4	-	149
c. Employer Normal Cost (a) - (b), not less than zero	51	4	-	55
4. Active Actuarial Accrued Liability	1,897	65	-	1,962
5. Actuarial Assets (Net of Inactive Liabilities)	2,213	76	-	2,289
6. Unfunded Accrued Liability (UAL) (4) - (5)	(316)	(11)	-	(327)
7. Amortization of UAL (average future working lifetime)	(36) (14 years)	(1) (16 years)	-	(37)
8. Full Funding Limit* (3) + (6), not less than zero, with interest to 1/31/2009	-	-	-	-
9. Annual Contribution Payable January 31, 2009 (3) + (7), with interest to 1/31/2009, but not more than (8)	\$ -	\$ -	\$ -	\$ -

* The full funding limit is the contribution which, if made January 31, 2009, 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	8,529	2,082	958	11,569
2. Covered Compensation	\$ 337,966	\$ 125,084	\$ 63,345	\$ 526,395
3. Normal Cost				
a. Total	38,347	28,698	16,060	83,105
b. Estimated Member Contributions	20,078	8,756	4,434	33,268
c. Employer Normal Cost (a) - (b), not less than zero	18,269	19,942	11,626	49,837
4. Active Actuarial Accrued Liability	714,156	424,856	300,771	1,439,783
5. Actuarial Assets (Net of Inactive Liabilities)	1,306,492	777,241	550,237	2,633,970
6. Unfunded Accrued Liability (4) - (5)	(592,336)	(352,385)	(249,466)	(1,194,187)
7. Amortization of UAL (average future working lifetime)	(83,204) (10 years)	(42,229) (13 years)	(31,305) (12 years)	(156,738)
8. Full Funding Limit* (3) + (6), not less than zero, with interest to 1/31/2009	-	-	-	-
9. Annual Contribution Payable January 31, 2009 (3) + (7), with interest to 1/31/2009, but not more than (8)	\$ -	\$ -	\$ -	\$ -

* The full funding limit is the contribution which, if made January 31, 2009, 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	87	-	-	87
2. Covered Compensation	\$ 3,325	\$ -	\$ -	\$ 3,325
3. Normal Cost				
a. Total	7	-	-	7
b. Estimated Member Contributions	-	-	-	-
c. Employer Normal Cost (a) - (b), not less than zero	7	-	-	7
4. Accrued Liability				
a. Actives	129	-	-	129
b. Annuitants	-	-	-	-
c. Total	129	-	-	129
5. Actuarial Value of Assets	194	-	-	194
6. Unfunded Accrued Liability (UAL) (4) - (5)	(65)	-	-	(65)
7. Amortization of UAL (average future working lifetime)	(9) (10 years)	-	-	(9)
8. Full Funding Limit* (3) + (6), not less than zero, with interest to 1/31/2009	-	-	-	-
9. Annual Contribution Payable January 31, 2009 (3) + (7), with interest to 1/31/2009, but not more than (8)	\$ -	\$ -	\$ -	\$ -

* The full funding limit is the contribution which, if made January 31, 2009, 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 & 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 1/31/2009	
8. Annual Contribution	-
Payable January 31, 2009	\$ -

* The full funding limit is the contribution which, if made January 31, 2009, would bring the assets at that date equal to the expected Actuarial Accrued Liability at that date.

Table 5
Member Data

Item	12/31/2006	12/31/2007		
Number of Members	Total	Vested	Non- Vested	Total
Active				
General Employes	8,918	7,249	1,447	8,696
Policemen	2,038	1,653	430	2,083
Firemen	972	889	69	958
Total Active Members	11,928	9,791	1,946	11,737
Inactive				
Deferred Retirees/Refunds	3,652			4,137
Deferred Fire & Police Survivors	12			10
Total Inactive Members	3,664			4,147
Benefit Recipients				
Combined Fund				
General Employes	7,692			7,772
Policemen	2,054			2,077
Firemen	1,082			1,108
Combined Fund Subtotal	10,828			10,957
Retirement Fund	26			27
Duty Disability Funds				
General Employes	-			-
Firemen	-			-
Policemen	-			-
Duty Disability Funds Subtotal	-			-
Firemen's Heart & Lung Fund	-			-
Total Benefit Recipients	10,854			10,984
TOTAL Membership	26,446			26,868

Notes:

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

Table 5
Member Data
(continued)

Item	12/31/2007 Membership		
Number of Members	Consenters	Others	Total
Active			
General Employes	8,529	167	8,696
Policemen	2,082	1	2,083
Firemen	958	-	958
Total Active Members	11,569	168	11,737
Inactive			
Deferred Retirees/Refunds	3,798	339	4,137
Deferred Fire & Police Survivorship Fund	10	-	10
Total Inactive Members	3,808	339	4,147
Benefit Recipients			
Combined Fund	10,957		10,957
Retirement Fund		27	27
Duty Disability Funds			
General Employes		-	-
Firemen		-	-
Policemen		-	-
Duty Disability Funds Subtotal		-	-
Firemen's Heart & Lung Fund		-	-
Total Benefit Recipients	10,957	27	10,984
TOTAL Membership	26,334	534	26,868

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 5
Member Data
(continued)

Item	12/31/2006	12/31/2007
Annual Earnings		
General Employes	\$ 347,717,000	\$ 343,921,000
Policemen	120,319,000	125,146,000
Firemen	60,818,000	63,345,000
Total Annual Earnings	\$ 528,854,000	\$ 532,412,000
Average Earnings		
General Employes	\$ 38,990	\$ 39,549
Policemen	\$ 59,038	\$ 60,080
Firemen	\$ 62,570	\$ 66,123
Annual Benefit Payments Currently Being Made		
Combined Fund	\$ 210,900,285	\$ 220,758,856
Retirement Fund	\$ 200,256	\$ 207,881
Duty Disability Funds		
General Employes	\$ -	\$ -
Firemen	-	-
Policemen	-	-
Duty Disability Funds Subtotal	\$ -	\$ -
Firemen's Heart & Lung Fund	\$ -	\$ -
Total Benefit Payments	\$ 211,100,541	\$ 220,966,737

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, 2007.

The Global Pension Settlement (GPS) requires transfers between various funds as of January 1, 2007 for members who consented to GPS during 2007. This adjustment to the System's market value of assets is shown in Table 7.

Table 6
Summary of Market Value of Plan Assets
As of January 1, 2008
(in thousands)

Item	Amount
1. Market Value of Assets as of December 31, 2006 (Unaudited)	\$ 5,087,083
2. Contributions During Year	
a. Member	33,022
b. City to Employers' Reserve Fund	-
c. Employer (receivable 1/31/2008)	-
d. Total	33,022
3. Disbursements During Year	
Benefit Payments and Refunds During Year	229,267
4. Investment Return (net of Administrative Expenses and net of adjustment from unaudited to audited 12/31/2006 market value)	340,733
5. Market Value of Assets as of December 31, 2007 (Unaudited)	
(1) + (2d) - (3) + (4)	5,231,571
6. Average Market Value During 2007	
(1) + ((2a) - (3))/2	\$ 4,988,961
7. Rate of Return	
(4) / (6)	6.83%

Table 7

**Allocations Between Non-Consenters Who Consented to Global Settlement During 2007 and Those Who Did Not
Allocation of 1/1/2007 Market Value of Assets in Proportion to 1/1/2007 Accrued Liability
Allocation of 1/31/2008 Employer Contribution in Proportion to 1/1/2007 Covered Compensation
(in dollars)**

Fund	Allocation of 1/1/2007 Market Value of Assets in Funds for Non-Consenters in Proportion to 1/1/2007 Accrued Liability			Allocation of 1/31/2008 Employer Contribution to Funds for Non-Consenters in Proportion to 1/1/2007 Covered Compensation		
	Consenters in 2007	Others	Total (Audited)	Consenters in 2007	Others	Total
1. Retirement Fund	\$ 1,988,471	\$ 24,959,838	\$ 26,948,309	\$ -	\$ -	\$ -
2. General Employees' Duty Disability Fund	12,705	181,393	194,098	-	-	-
3. Fire & Police Duty Disability Fund	-	-	-	-	-	-
4. Firemen's Heart & Lung Fund	-	-	-	-	-	-
5. Combined Retirement & Disability Fund	3,789	2,359,438	2,363,227	-	-	-
6. Total Funds for Non-Consenters	\$ 2,004,965	\$ 27,500,669	\$ 29,505,634	\$ -	\$ -	\$ -

Notes:

- (1) January 1, 2007 Assets allocated to members who consented to Global Settlement during 2007 are transferred to the Global Combined Fund as of January 1, 2007.
- (2) January 31, 2008 Employer Contributions allocated to members who consented to Global Settlement during 2007 are credited to the Global Combined Fund instead of to the funds for non-consenters.

Table 8

**Actuarial Value of Assets as of January 1, 2008
(in thousands)**

Item	Total
1. Preliminary Actuarial Value January 1, 2007	\$ 4,899,098
2. Market Value January 1, 2007 (Unaudited)	5,087,083
3. Market Value January 1, 2008 (Unaudited)	5,231,571
4. Contributions	
(a) Member	33,022
(b) Employer	-
(c) Total	<u>33,022</u>
5. Benefits and Refunds Paid	229,267
6. Actual Market Return Net of Administrative Expenses	340,733
7. Expected Market Return based on 8-1/2% Interest	424,062
8. Excess of Actual over Expected Return	
(a) Current Year	(83,329)
(b) Previous Year	286,222
(c) Second Previous Year	(8,490)
9. Recognized Excess	
(a) Current Year	(27,776)
(b) Previous Year	95,407
(c) Second Previous Year	<u>(2,830)</u>
(d) Total	64,801
10. Preliminary Value January 1, 2008 (1) + (4) - (5) + (7) + (9)	5,191,716
11. Ratio of Preliminary Value to Market Value (10) / (3)	99.24%
12. Ratio Adjusted for 90%/110% Corridor*	99.24%
13. Balance in Employers' Reserve Fund	24,904
14. Market Value Excluding Employers' Reserve Fund (3) - (13)	5,206,667
15. Actuarial Value (12) x (14) + (13)	\$ 5,192,000
16. Rate of Return on Actuarial Value of Assets	10.17%

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

Table 9
Allocation of Assets Among Funds
as of January 1, 2008
(in thousands)

Fund	Market Value	Actuarial Value
1. Global Combined Fund	\$ 5,177,154	\$ 5,137,807
2. Employers' Reserve Fund	24,904	24,904
3. Retirement Fund	26,656	26,453
4. General Employees' Duty Disability Fund	195	194
5. Fire & Police Duty Disability Fund	-	-
6. Firemen's Heart & Lung Fund	-	-
7. Combined Retirement & Disability Fund	<u>2,662</u>	<u>2,642</u>
8. Total all Funds	\$ 5,231,571	\$ 5,192,000

Notes:

(1) Values shown include January 31, 2008 contributions receivable

DISCLOSURE

Table 10 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 11). For historical purposes, Table 12 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 11a) 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 11b) shows historical information about the annual required contributions (ARC) of the employer and the percentage of the ARC contributed to the System.

Table 10a
January 1, 2008 Valuation
Funded Status on Actuarial Value of Assets
(in thousands)

Fund	Accrued Liability	Actuarial Value of Assets	Percent Funded
1. Global Combined Fund	\$ 3,943,620	\$ 5,137,807	130.3%
2. Employers' Reserve Fund	-	24,904	N/A
3. Retirement Fund	11,997	26,453	220.5%
4. General Employes' Duty Disability Fund	129	194	150.4%
5. Fire & Police Duty Disability Fund	-	-	N/A
6. Firemen's Heart & Lung Fund	-	-	N/A
7. Combined Retirement & Disability Fund	<u>2,315</u>	<u>2,642</u>	114.1%
8. Total All Funds	\$ 3,958,061	\$ 5,192,000	131.2%

Table 10b
January 1, 2008 Valuation
Funded Status on Market Value of Assets
(in thousands)

Fund	Accrued Liability	Market Value of Assets	Percent Funded
1. Global Combined Fund	\$ 3,943,620	\$ 5,177,154	131.3%
2. Employers' Reserve Fund	-	24,904	N/A
3. Retirement Fund	11,997	26,656	222.2%
4. General Employes' Duty Disability Fund	129	195	151.2%
5. Fire & Police Duty Disability Fund	-	-	N/A
6. Firemen's Heart & Lung Fund	-	-	N/A
7. Combined Retirement & Disability Fund	<u>2,315</u>	<u>2,662</u>	115.0%
8. Total All Funds	\$ 3,958,061	\$ 5,231,571	132.2%

Table 11a
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
2008	\$ 5,192,000	\$ 3,958,061	\$ -	131.2%	\$ 532,412	0.0%
2007	4,899,721	3,846,481	-	127.4%	528,854	0.0%
2006	4,556,371	3,706,198	-	122.9%	515,934	0.0%
2005	4,112,558	3,523,179	-	116.7%	505,609	0.0%
2004	3,909,085	3,370,923	-	116.0%	486,384	0.0%
2003	3,689,981	3,204,248	-	115.2%	480,800	0.0%
2002	4,242,333	3,091,511	-	137.2%	466,757	0.0%
2001	4,202,023	2,988,140	-	140.6%	459,271	0.0%
2000	4,088,042	2,979,234	-	137.2%	466,732	0.0%
1999	3,748,894	2,435,776	-	153.9%	448,972	0.0%

Table 11b
Schedule of Employer Contributions
GASB Statement No. 25 Disclosure
(in thousands)

Fiscal Year Ended December 31	Annual Required Contribution	Percentage Contributed*
2007	\$ -	100%
2006	-	100%
2005	47	100%
2004	46	100%
2003	78	100%
2002	32	100%
2001	144	100%
2000	238	100%
1999	6,806	100%
1998	6,050	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, 2007 was contributed for the fiscal year ending December 31, 2007).

The Annual Required Contribution (ARC) is the sum of the defined contribution to the Fire and Police Survivorship Fund (dissolved November 22, 2004) 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, 2008	
Actuarial Cost Method:	Projected Unit Credit	
Amortization Method:	Closed; Level dollar	
Remaining Amortization Period:	10-16 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% - 8.5% | 4% - 15.4% |
- Inflation Assumption 3.0%
 - Cost of Living Adjustments Vary by Employee Group
as explained in summary
of plan provisions

Table 12
Actuarial Balance Sheet
for Members at January 1, 2008
(in thousands)

Item	Amount
Assets:	
Market Value of Assets	\$ 5,231,571
Market Adjustment	<u>(39,571)</u>
Actuarial Value of Assets	\$ 5,192,000
Liabilities:	
Actuarial Present Value of Credited Projected Benefits	
Annuitants	\$ 2,415,086
Inactive Members	
Member Contributions	66,204
Employer Financed Portion	27,290
Active Members	
Member Contributions	446,836
Employer Financed Portion	1,002,645
Reserve for Adverse Experience	<u>1,233,939</u>
Total Liabilities	\$ 5,192,000

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 AAL over the Actuarial Value of Assets. 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 6.)

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 8.) 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, 2008 (except as noted)

Interest Rate and Inflation

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

Inflation: 3.0% per annum (adopted 1/1/2003)

Salary Increases

Career average of 4.6% per annum for general employes and 5.5% per annum for police and fire, compounded annually (adopted 1/1/2008). Representative values are as follows:

<u>Age</u>	<u>General</u>	<u>Fire and Police</u>
25	7.9%	11.5%
30	6.8	7.7
35	5.8	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% per annum are assumed for policemen, firemen, and general employes on duty disability. (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 at Beginning of Year	Early Retirement	Normal Retirement				
	General Employees	General Employees		Firemen	Police	
		Males	Females		Not in Combined Fund	In Combined Fund
44						10%
45						10
46						20
47						20
48				10%		20
49				10		23
50				10		23
51				10	44%	30
52				10	44	30
53				10	24	30
54		45%	30%	10	24	35
55	2%	45	30	25	24	35
56	2	27	14	25	40	35
57	2	27	14	20	35	27
58	2	24	14	20	35	27
59	2	22	14	20	35	27
60		20	14	50	35	27
61		16	16	75	35	30
62		24	24	75	50	50
63		20	20	100	100	100
64		20	20	100	100	100
65		28	28	100	100	100
66		22	22	100	100	100
67		15	15	100	100	100
68		15	15	100	100	100
69		15	15	100	100	100
70		100	100	100	100	100

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

25% if first eligible on or before age 52, grading down to 0% at ages 56 and above

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:

Member's Age at Death or Disability	Number of Dependent Children	Age of Youngest Child
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 20% for males and 15% for females. The percentage of general employes assumed electing the 100% PSO option before retirement is 55% for males and 10% 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. (Adopted 1/1/2003)

Duty Disabilities

Employee Group	Percentage of Disabilities	Percentage of Duty Disabilities Assumed		Assumption Adopted January 1
	Incurred in the Performance of Duty	Eligible For The Special 90% Benefit	Under The Heart & Lung Law	
General	20.0%	N/A	N/A	1998
Police other than MPA	75.0%	5.0%	N/A	2008
MPA enrolled on or before 4/18/2005	75.0%	5.0%	N/A	2008
MPA enrolled after 4/18/2005	62.5%	7.5%	N/A	2008
Fire other than MPFFA	90.0%	5.0%	15.0%	2008
MPFFA enrolled on or before 10/3/2005	90.0%	5.0%	15.0%	2008
MPFFA enrolled after 10/3/2005	81.2%	6.9%	20.8%	2008

Imputed Military Service

The following percentages of eligible members are assumed to earn 1 year of imputed military service credit:

General Employees:	10%
Police:	13%
Fire:	13%

These percentages are based on troop strength statistics from the Department of Defense website.
(Adopted 1/1/2003)

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

Age	Less than 5 Years Service		At least 5 Years Service	
	Males	Females	Males	Females
General Employees				
20	14.0%	15.0%	-	-
25	13.5	15.0	9.75%	11.00%
30	11.2	12.6	5.32	9.52
35	8.2	9.2	5.53	7.27
40	7.0	7.7	3.67	5.35
45	7.0	7.2	2.75	3.93
50	6.4	6.4	1.93	3.29
55	6.0	6.0	1.53	2.80
60	-	-	0.00	0.00
Fire and Police				
20	5.20%	8.90%	-	-
25	4.20	8.66	1.92%	6.00%
30	3.08	8.10	1.62	5.40
35	3.00	7.90	1.40	3.95
40	3.00	7.90	0.97	1.72
45	5.40	7.90	0.56	0.56
50	8.80	7.90	0.19	0.19
55	10.00	7.90	-	-
60	-	-	-	-

Seasonal Service Credit

The following percentage of eligible members are assumed to receive one year of seasonal service credit:

Member's Union or Bargaining Group	Percentage with Seasonal Service	Assumption Adopted January 1
District Council 48, AFSCME	27.09%	2005
Fire Equipment Dispatchers Local 494, IBEW	0.00%	2006
Electrical Group Local 494, IBEW	31.00%	2006
Machine Shop Local 494, IBEW	12.00%	2005
Bridge Operators Local 195, IBEW	28.57%	2005
Joint 129/48 Local 139, IOUE & DC48	100.00%	2005
Machinists Local 510, IAM	5.00%	2005
Sanitation Local 61, LIUNA	98.06%	2005
TEAM (Techs, Eng, Archs of Milw)	5.00%	2005
MBCTC (Bricklayers, Carpenters, Cement Masons, Painters, Iron Workers)	10.00%	2005
Police Sworn Management, Police Civilian Management, Managers, Elected Officials (except mayor)	3.13%	2005
Non-represented in the Police Department and General City non-represented.	5.00%	2005

Miscellaneous

For members active on the valuation date, credited service in each future year is assumed to be the greater of credited service earned in the year prior to the valuation, or the average of the three highest years of service credit out of the five years that preceded the valuation date (adopted 1/1/2007).

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 5. These members are not assumed to earn additional service credit in future years.

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

Age	Disability		Remarriage	
	Males	Females	Males	Females
General Employees				
20	0.06%	0.04%	14.46%	14.46%
25	0.06	0.04	9.45	9.45
30	0.06	0.04	5.94	5.94
35	0.25	0.10	4.02	4.02
40	0.30	0.20	2.80	2.80
45	0.35	0.30	1.75	1.75
50	0.70	0.40	0.96	0.96
55	1.10	0.50	0.26	0.26
60	0.90	0.39	-	-
65	0.80	0.24	-	-
Fire				
20	0.064%	0.064%	14.46%	14.46%
25	0.136	0.136	9.45	9.45
30	0.280	0.280	5.94	5.94
35	0.760	0.760	4.02	4.02
40	1.200	1.200	2.80	2.80
45	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	-	-
Police				
20	0.060%	0.060%	14.46%	14.46%
25	0.060	0.060	9.45	9.45
30	0.150	0.150	5.94	5.94
35	0.207	0.207	4.02	4.02
40	0.348	0.348	2.80	2.80
45	0.600	0.600	1.75	1.75
50	0.600	0.600	0.96	0.96
55	0.600	0.600	0.26	0.26
60	0.600	0.600	-	-
65	0.600	0.600	-	-

* For members of the MPA enrolled after 4/18/2005, and members of the MPFFA Local 215 enrolled after 10/3/2005, 80.1% and 79.8%, respectively, of the rates of disability that apply to police and fire who enrolled on or before those dates.

**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	0.031%	0.028%	1.187%	0.901%	4.124%	3.611%
30	0.043	0.036	1.187	0.901	4.124	3.611
40	0.104	0.070	1.187	0.901	4.124	3.611
50	0.195	0.139	1.187	0.901	4.124	3.611
55	0.329	0.235	1.187	0.901	4.334	3.795
60	0.622	0.463	1.187	0.901	4.879	4.273
65	1.187	0.901	1.187	0.901	5.315	4.656
70	2.059	1.433	2.059	1.433	7.791	6.854
75	3.526	2.325	3.526	2.325	8.759	6.911
80	6.121	4.061	6.121	4.061	9.726	6.968
85	10.693	7.025	10.693	7.025	10.693	7.025
90	17.977	12.278	17.977	12.278	17.977	12.278
95	26.483	19.784	26.483	19.784	26.483	19.784
100	34.284	29.545	34.284	29.545	34.284	29.545
110	40.000	49.244	40.000	49.244	40.000	49.244
120	100.000	100.000	100.000	100.000	100.000	100.000

* For regular retirees and for survivors, the RP-2000 Mortality Table with mortality improvements projected to the year 2005 for males, and the UP-94 Mortality Table, with mortality improvements projected to the year 2000 for females. 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 for members of the MPSO; (iv) on or after January 1, 1999 and on or before a date, if any, specified in the member's contract for eligible general employees; and on or after January 1, 2000 for all non-represented fire and police. The general employee members of the following groups do not have to retire before a specified date in order to be eligible for imputed military service: management in General City, non-represented in General City, non-represented in the Police Department, management in the Housing Authority, non-represented in the

Housing Authority, non-represented in the Milwaukee Area Technical College, non-represented in the Sewerage Commission, Admin. & Sup. Council in the MPS, exempt from 1616 in the MPS, exempt from 1053 FT clerical in the MPS, exempt from ASC in the MPS, or exempt from 150 HAS/HCA in the MPS. The general employe members of the following groups must retire on or before December 31, 2007 in order to be eligible for imputed military service: General City District Council 48 unions, Local 494-Machine Shop, Fire Equipment Dispatchers Local 494, Staff Nurses, Local 195 Bridge Operators, Association of Scientific Personnel, Local 75, Association of Municipal Attorneys, Local 139, Local 510, Local 281 (not including Police Aides), Local 61, TEAM (techs, engineers, architects). The general employe members of the Local 494 Electrical Group must retire on or before May 31, 2007, and the general employe members of the MBCTC (bricklayers, carpenters, cement masons, painters, iron workers) must retire on or before July 31, 2007 in order to be eligible for imputed military service. Members of ALEASP Local 218 (Police Aides) must retire before December 31, 2007 in order to be eligible for imputed military service. 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.

Seasonal Service

Seasonal service credit may be granted under specified conditions to certain General City employees. Seasonal service credit is used to calculate the amount of certain benefits but is not used to determine eligibility for any kind of benefit.

Eligibility for Seasonal Service Credit

In order to be eligible for seasonal service credit, a member must be a General City employee with five or more years of City service, and a member of one of the following groups District Council 48, Local 494-Shop IBEW, Local 494-Fire Equipment Dispatchers IBEW, Local 494-Electrical Group IBEW, Local 195-Bridge Operators IBEW, Local 139, Local 150-Machinists IAM, Local 61-Sanitation LIUNA, TEAM (Techs, Engineers, Architects), MBCTC, Police Sworn Management, Police Civilian Management, elected officials, non-represented, or non-represented in the Police Department.

Benefits Affected by Seasonal Service Credit

Seasonal service credit affects the amount of the service retirement allowance, the conversion service retirement allowance and protective survivorship option benefits. If the eligible individual is also entitled to a 5% Lump Sum Bonus that is based on the affected benefit, then the seasonal service credit is included in calculating the base for the bonus payment.

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

Amount of Seasonal Service Credit

Seasonal service is based on the hours worked as a City Labor-Seasonal employe and/or Playground Laborer-Seasonal employe (MPS), but limited to one year of additional service credit.

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, police liaison officer 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, imputed military service, or seasonal 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, imputed military service, or seasonal 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 and seasonal service credit are 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 employees, 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 employees 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. The medical certification is made by the Medical Council for general employes, for members of the MPA enrolled after April 18, 2005, and for members of the MPFFA enrolled after October 3, 2005. For all other members, the medical certification is made by the Medical Panel. 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 and seasonal service credit are *not* used when calculating a duty disability retirement allowance. Imputed service credit or seasonal 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 employes who do not participate in the Combined Fund, duty disability benefits, and survivor benefits paid to beneficiaries of general employes who elect an optional form of payment and die while disabled, are paid from (i) the General Employes 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, imputed fire and police service, and seasonal service credit 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 employes 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 2nd, 3rd, and 4th increases will not be less than 1.5%, and the 5th 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 2nd 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 2nd 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 2nd, 3rd, or 4th anniversary is a 1.5% increase. An increase which takes effect on the 5th 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 and seasonal service credit are 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 employees 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 employee 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, 2007**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	52 \$32,223	1 \$44,920								53 \$32,463
25-29	123 \$40,391	38 \$40,900	2 \$38,306							163 \$40,484
30-34	112 \$42,426	89 \$45,373	23 \$44,362	1 \$44,604						225 \$43,799
35-39	115 \$41,889	142 \$46,139	101 \$50,862	24 \$47,170	4 \$37,627					386 \$46,084
40-44	88 \$39,665	122 \$44,197	109 \$50,219	101 \$51,975	40 \$48,094	13 \$48,156				473 \$46,841
45-49	88 \$41,476	96 \$46,420	108 \$50,877	140 \$53,260	142 \$54,183	119 \$49,879	4 \$52,872			697 \$50,069
50-54	65 \$43,953	73 \$46,327	86 \$50,599	114 \$51,600	179 \$55,245	161 \$54,537	69 \$55,267	7 \$50,648		754 \$52,135
55-59	54 \$41,344	46 \$43,914	69 \$48,486	93 \$54,183	101 \$52,828	118 \$56,431	80 \$58,498	34 \$53,916	3 \$64,192	598 \$52,403
60-64	21 \$40,213	23 \$46,602	33 \$45,982	50 \$54,439	42 \$50,983	28 \$61,169	16 \$68,188	15 \$69,221	6 \$81,355	234 \$53,962
Over 64	7 \$ 47,365	7 \$ 62,382	6 \$ 42,976	12 \$ 50,454	2 \$ 51,231	5 \$ 38,225	3 \$ 75,070	3 \$ 40,836	4 \$ 42,535	49 \$ 49,857
Total	725 \$40,853	637 \$45,444	537 \$49,674	535 \$52,582	510 \$53,405	444 \$53,840	172 \$58,261	59 \$56,754	13 \$65,450	3,632 \$49,211

ACTIVE MEMBERSHIP – WATER DEPARTMENT

**NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2007**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25										
25-29	5 \$44,562	4 \$47,799								9 \$46,001
30-34	5 \$47,236	7 \$48,934	3 \$45,721							15 \$47,725
35-39	8 \$37,652	10 \$43,362	2 \$49,959	3 \$47,720						23 \$42,518
40-44	14 \$40,943	13 \$45,784	5 \$48,233	11 \$52,713	9 \$58,733					52 \$48,423
45-49	4 \$44,561	1 \$52,394	10 \$43,609	18 \$48,526	21 \$59,090	12 \$50,361	1 \$43,363			67 \$51,176
50-54	3 \$37,034	2 \$76,110	3 \$76,824	13 \$55,992	16 \$53,528	20 \$50,875	7 \$59,604			64 \$54,888
55-59	1 \$44,917		6 \$47,439	10 \$56,598	14 \$56,351	15 \$53,446	6 \$50,768	5 \$48,732		57 \$53,235
60-64		3 \$45,494	2 \$60,186	2 \$38,374	4 \$55,905	3 \$42,384	2 \$36,581	1 \$39,276		17 \$46,871
Over 64			1 \$ 59,478		1 \$ 60,440	1 \$ 38,296	1 \$ 65,314	1 \$ 42,584		5 \$ 53,222
Total	40 \$41,692	40 \$47,591	32 \$50,290	57 \$52,054	65 \$56,906	51 \$50,764	17 \$53,158	7 \$46,503		309 \$50,695

ACTIVE MEMBERSHIP – SCHOOL BOARD
NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2007

Age	Years of Service									Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+		
Under 25	51 \$19,096										51 \$19,096
25-29	128 \$19,103	57 \$26,177	1 \$15,627								186 \$21,253
30-34	140 \$22,011	106 \$25,340	36 \$25,296	1 \$46,575							283 \$23,763
35-39	122 \$22,612	175 \$23,956	105 \$28,192	24 \$29,890							426 \$24,950
40-44	118 \$22,523	178 \$24,274	167 \$27,029	122 \$28,030	28 \$39,971	3 \$40,085					616 \$26,220
45-49	97 \$21,149	152 \$26,329	213 \$26,650	149 \$26,375	68 \$39,454	56 \$42,236	4 \$42,967				739 \$28,254
50-54	75 \$23,865	157 \$24,458	156 \$25,432	197 \$27,357	112 \$38,034	38 \$45,429	53 \$47,212	13 \$41,254			801 \$29,977
55-59	49 \$22,210	114 \$22,797	104 \$25,090	175 \$25,610	92 \$38,189	49 \$41,926	42 \$38,342	20 \$51,809	1 \$40,222		646 \$29,463
60-64	20 \$19,730	43 \$29,467	53 \$24,352	65 \$22,185	36 \$30,058	19 \$30,677	24 \$28,508	9 \$48,009	1 \$52,745		270 \$26,771
Over 64	10 \$ 16,392	12 \$ 16,290	27 \$ 18,403	23 \$ 22,289	15 \$ 22,908	3 \$ 16,475	8 \$ 19,449				98 \$ 19,567
Total	810 \$21,488	994 \$24,743	862 \$26,034	756 \$26,375	351 \$37,040	168 \$41,062	131 \$39,117	42 \$47,728	2 \$46,484		4,116 \$27,090

ACTIVE MEMBERSHIP – MILWAUKEE TECHNICAL COLLEGE

**NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2007**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25										
25-29										
30-34										
35-39										
40-44										
45-49										
50-54										
55-59								2	1	3
								\$55,947	\$45,771	\$52,555
60-64									1	1
									\$48,949	\$48,949
Over 64										
Total								2	2	4
								\$55,947	\$47,360	\$51,653

ACTIVE MEMBERSHIP – SEWERAGE COMMISSION

**NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2007**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	2									2
	\$52,426									\$52,426
25-29	10									10
	\$49,515									\$49,515
30-34	11	2								13
	\$59,127	\$55,723								\$58,603
35-39	9	5	2	1						17
	\$62,458	\$76,658	\$63,535	\$56,826						\$66,430
40-44	5	2	4	15	1					27
	\$60,281	\$73,792	\$72,660	\$63,748	\$56,257					\$64,893
45-49	10	8	6	22	14	16	1			77
	\$61,886	\$79,008	\$61,733	\$57,801	\$63,479	\$56,787	\$56,921			\$61,651
50-54	2	7	6	21	19	40	18			113
	\$53,470	\$78,441	\$68,843	\$60,109	\$65,011	\$69,359	\$61,883			\$65,972
55-59	6	3	7	18	8	33	6	1		82
	\$56,378	\$81,642	\$66,681	\$63,851	\$60,537	\$65,408	\$65,072	\$70,503		\$64,670
60-64	3	3	2	5	2	8	2	1		26
	\$65,422	\$72,564	\$64,336	\$50,973	\$55,282	\$77,926	\$64,211	\$68,320		\$66,470
Over 64	1	1		1		1		1		5
	\$ 56,295	\$ 40,531		\$ 75,567		\$ 114,268		\$ 151,537		\$ 87,640
Total	59	31	27	83	44	98	27	3		372
	\$58,145	\$75,052	\$66,541	\$60,563	\$63,069	\$67,133	\$62,580	\$96,787		\$64,287

ACTIVE MEMBERSHIP – WISCONSIN CENTER DISTRICT

**NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2007**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25										
25-29	7 \$37,322	1 \$29,838								8 \$36,386
30-34	6 \$42,208	4 \$31,135								10 \$37,779
35-39		1 \$66,667	2 \$49,222							3 \$55,037
40-44	3 \$43,287	4 \$43,036	2 \$39,071	1 \$38,204	1 \$31,706					11 \$40,914
45-49	4 \$41,144	1 \$31,910	2 \$76,845	1 \$31,948	1 \$39,038	1 \$52,699				10 \$47,386
50-54	2 \$37,870	7 \$28,519	1 \$37,773		2 \$44,560					12 \$33,522
55-59	1 \$36,623	1 \$66,933	1 \$38,924		1 \$68,875		3 \$78,357			7 \$63,775
60-64	1 \$66,229	1 \$7,437	3 \$78,526	1 \$52,347						6 \$60,265
Over 64	1 \$ 67,175	3 \$ 10,557	1 \$ 59,635							5 \$ 31,696
Total	25 \$42,188	23 \$31,773	12 \$58,515	3 \$40,833	5 \$45,748	1 \$52,699	3 \$78,357			72 \$43,426

ACTIVE MEMBERSHIP – HOUSING AUTHORITY

**NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2007**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	5									5
	\$35,905									\$35,905
25-29	9									9
	\$43,665									\$43,665
30-34	11	6	1							18
	\$40,657	\$53,391	\$44,734							\$45,128
35-39	10	12	3	1						26
	\$51,258	\$50,682	\$63,634	\$58,471						\$52,698
40-44	8	5	6	5	3					27
	\$46,235	\$48,343	\$62,878	\$70,960	\$54,715					\$55,845
45-49	5	12	4	1	7	4				33
	\$61,601	\$56,243	\$56,025	\$56,807	\$67,932	\$62,895				\$60,331
50-54	6	1	6	7	2	4	5			31
	\$56,742	\$45,927	\$59,938	\$61,541	\$77,609	\$69,895	\$49,675			\$59,999
55-59	2	9	8	6	4	3	1	1		34
	\$20,272	\$59,290	\$52,900	\$76,711	\$73,430	\$62,170	\$79,902	\$105,834		\$62,458
60-64		1	3		2		2			8
		\$79,908	\$57,508		\$69,304		\$72,423			\$66,986
Over 64										
Total	56	46	31	20	18	11	8	1		191
	\$46,271	\$54,448	\$57,818	\$68,056	\$68,178	\$65,243	\$59,140	\$105,834		\$56,404

ACTIVE MEMBERSHIP – GENERAL EMPLOYEES

**NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2007**

Age	Years of Service									Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+		
Under 25	110 \$26,672	1 \$44,920									111 \$26,836
25-29	282 \$31,154	100 \$32,673	3 \$30,747								385 \$31,546
30-34	285 \$33,054	214 \$35,622	63 \$33,538	2 \$45,589							564 \$34,127
35-39	264 \$33,908	345 \$35,466	215 \$40,063	53 \$39,772	4 \$37,627						881 \$36,390
40-44	236 \$31,875	324 \$33,548	293 \$37,457	255 \$41,561	82 \$46,630	16 \$46,643					1,206 \$36,928
45-49	208 \$33,515	270 \$36,480	343 \$36,022	331 \$41,148	253 \$51,466	208 \$48,644	10 \$48,364				1,623 \$40,924
50-54	153 \$34,516	247 \$33,072	258 \$36,278	352 \$38,900	330 \$49,954	263 \$55,430	152 \$53,258	20 \$44,542			1,775 \$43,127
55-59	113 \$33,462	173 \$31,586	195 \$36,761	302 \$38,730	220 \$47,658	218 \$54,403	138 \$52,900	63 \$53,988	5 \$55,714		1,427 \$43,052
60-64	45 \$33,368	74 \$37,574	96 \$36,096	123 \$36,975	86 \$42,978	58 \$52,520	46 \$46,122	26 \$60,692	8 \$73,728		562 \$41,507
Over 64	19 \$ 32,576	23 \$ 30,624	35 \$ 24,967	36 \$ 33,157	18 \$ 28,140	10 \$ 39,312	12 \$ 37,176	5 \$ 63,326	4 \$ 42,535		162 \$ 32,243
Total	1,715 \$32,518	1,771 \$34,448	1,501 \$36,653	1,454 \$39,579	993 \$48,507	773 \$52,706	358 \$51,527	114 \$54,269	17 \$61,091		8,696 \$39,549

ACTIVE MEMBERSHIP – POLICEMEN
NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2007

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	144 \$39,208	14 \$58,135								158 \$40,885
25-29	168 \$50,827	87 \$62,352	16 \$63,435							271 \$55,271
30-34	112 \$52,263	128 \$61,830	74 \$63,753	7 \$62,983						321 \$58,961
35-39	40 \$52,395	117 \$61,968	232 \$63,466	113 \$64,509	15 \$65,239					517 \$62,550
40-44	24 \$51,865	48 \$62,110	100 \$62,938	153 \$64,416	46 \$67,133	11 \$68,260				382 \$63,388
45-49	2 \$54,878	18 \$61,698	35 \$61,884	75 \$63,814	67 \$66,254	39 \$69,177	2 \$69,423			238 \$64,908
50-54	3 \$54,326	2 \$60,117	12 \$61,962	19 \$62,826	43 \$65,385	39 \$67,363	11 \$68,198	1 \$69,383		130 \$65,221
55-59	1 \$56,278	2 \$61,564	8 \$63,465	9 \$63,820	11 \$65,440	16 \$65,215	7 \$74,261	2 \$61,860		56 \$65,506
60-64				2 \$62,021	3 \$57,088	2 \$62,295		2 \$71,549		9 \$62,555
Over 64					1 \$ 70,523					1 \$ 70,523
Total	494 \$47,992	416 \$61,871	477 \$63,245	378 \$64,191	186 \$66,015	107 \$67,700	20 \$70,443	5 \$67,240		2,083 \$60,080

ACTIVE MEMBERSHIP – FIREMEN
NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2007

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	38 \$47,668	6 \$57,916								44 \$49,066
25-29	12 \$45,964	38 \$62,179	19 \$63,905							69 \$59,834
30-34	16 \$45,905	42 \$60,752	28 \$62,338							86 \$58,506
35-39	10 \$52,176	50 \$62,151	106 \$63,842	19 \$68,086						185 \$63,190
40-44	4 \$47,389	17 \$60,747	66 \$63,830	84 \$68,121	38 \$72,646	1 \$73,045				210 \$66,623
45-49		6 \$61,428	13 \$64,433	44 \$66,474	72 \$73,087	42 \$78,531	2 \$77,612			179 \$71,770
50-54		1 \$58,525	3 \$62,620	16 \$66,554	53 \$71,598	60 \$75,440	15 \$77,718			148 \$72,960
55-59				3 \$66,284	6 \$72,138	9 \$76,220	12 \$72,564	2 \$81,536		32 \$73,485
60-64				2 \$67,727	1 \$66,430		1 \$72,561	1 \$74,577		5 \$69,804
Over 64										
Total	80 \$47,609	160 \$61,432	235 \$63,682	168 \$67,499	170 \$72,452	112 \$76,641	30 \$75,477	3 \$79,216		958 \$66,123

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, 2007
GENERAL EMPLOYEES

Age	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
19			2	\$ 33,258	2	\$ 33,258
20	3	75,679	6	161,994	9	237,673
21	3	94,069	4	105,019	7	199,089
22	1	30,524	10	222,724	11	253,248
23	13	416,030	22	558,785	35	974,815
24	21	660,653	26	620,060	47	1,280,714
25	19	609,303	25	543,234	44	1,152,537
26	27	851,500	44	1,309,403	71	2,160,903
27	28	989,452	41	1,258,098	69	2,247,550
28	40	1,463,563	50	1,423,043	90	2,886,606
29	42	1,557,567	69	2,139,875	111	3,697,441
30	57	2,059,608	77	2,142,506	134	4,202,114
31	40	1,569,967	58	1,905,055	98	3,475,022
32	44	1,704,240	62	1,931,031	106	3,635,271
33	57	2,419,530	66	1,876,828	123	4,296,358
34	47	2,000,086	56	1,638,710	103	3,638,795
35	64	2,602,903	74	2,363,485	138	4,966,388
36	76	3,068,297	103	3,377,236	179	6,445,534
37	84	3,840,630	92	2,789,680	176	6,630,310
38	76	3,196,093	111	3,646,051	187	6,842,144
39	91	3,946,665	110	3,228,493	201	7,175,158
40	107	4,463,606	113	3,242,005	220	7,705,611
41	101	4,534,536	113	3,362,213	214	7,896,749
42	102	4,334,662	139	4,145,474	241	8,480,136
43	117	5,176,502	145	4,739,826	262	9,916,327
44	117	5,444,998	152	5,091,063	269	10,536,061
45	118	5,867,116	184	6,032,916	302	11,900,032
46	162	8,249,489	178	6,172,726	340	14,422,215
47	134	6,345,293	163	5,496,054	297	11,841,347
48	160	8,003,113	170	5,599,035	330	13,602,148
49	162	8,072,370	192	6,580,791	354	14,653,161
50	164	8,288,601	160	5,386,067	324	13,674,669
51	165	8,368,500	180	6,028,477	345	14,396,977
52	194	10,347,439	181	6,521,615	375	16,869,054
53	174	9,011,080	199	6,971,917	373	15,982,997
54	175	8,968,376	183	6,659,176	358	15,627,552
55	165	8,978,862	178	6,124,269	343	15,103,131
56	141	7,264,760	161	5,724,390	302	12,989,150
57	131	6,878,666	158	5,810,615	289	12,689,281
58	120	6,338,638	130	4,202,100	250	10,540,739

TABLE 1
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF DECEMBER 31, 2007
GENERAL EMPLOYEES

Age	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
59	131	6,489,289	112	3,623,451	243	10,112,740
60	94	4,910,688	106	3,509,649	200	8,420,336
61	64	3,472,346	75	2,277,354	139	5,749,700
62	39	2,226,485	48	1,351,863	87	3,578,348
63	39	2,359,206	40	1,367,312	79	3,726,518
64	17	810,440	40	1,041,508	57	1,851,948
65	16	938,499	22	588,120	38	1,526,619
66	12	511,051	17	464,730	29	975,781
67	5	310,710	17	404,921	22	715,632
68			10	165,867	10	165,867
69	5	193,179	5	155,632	10	348,811
70	2	53,744	7	190,237	9	243,982
71	4	110,691	7	141,721	11	252,411
72	5	217,552	2	28,210	7	245,762
73	1	48,421	2	46,598	3	95,019
74	2	166,991	5	66,203	7	233,194
75	2	161,221	5	100,047	7	261,267
76			1	18,813	1	18,813
77	1	11,877	1	10,048	2	21,925
78			1	33,711	1	33,711
79	1	14,179			1	14,179
80	1	30,109			1	30,109
81			2	32,181	2	32,181
82						
83						
84						
85	1	8,067			1	8,067
Total	3,984	\$ 191,137,708	4,712	\$ 152,783,477	8,696	\$ 343,921,185

TABLE 2
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF DECEMBER 31, 2007
GENERAL EMPLOYEES

Years of Service	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
0	180	\$ 6,423,131	239	\$ 6,606,739	419	\$ 13,029,870
1	173	6,418,452	206	5,273,949	379	11,692,401
2	174	6,543,815	198	5,563,610	372	12,107,425
3	130	5,251,528	147	4,717,517	277	9,969,044
4	107	4,391,232	161	4,577,818	268	8,969,051
5	153	6,557,878	189	5,308,376	342	11,866,255
6	159	6,861,930	206	6,392,075	365	13,254,004
7	134	6,063,242	223	6,761,188	357	12,824,430
8	143	6,272,351	213	5,749,346	356	12,021,697
9	122	5,389,322	229	5,652,390	351	11,041,711
10	161	7,423,389	221	5,944,679	382	13,368,068
11	134	6,447,231	176	5,055,621	310	11,502,852
12	130	5,747,861	175	5,429,653	305	11,177,513
13	137	6,055,248	138	4,300,205	275	10,355,453
14	108	4,782,496	121	3,829,928	229	8,612,424
15	102	4,617,517	178	5,047,068	280	9,664,585
16	153	7,447,442	179	5,040,660	332	12,488,102
17	148	7,746,906	193	6,228,348	341	13,975,254
18	112	5,904,644	185	6,614,086	297	12,518,729
19	91	4,831,607	113	4,069,773	204	8,901,380
20	82	4,604,253	123	4,425,440	205	9,029,693
21	113	5,889,131	134	5,243,014	247	11,132,145
22	148	7,981,951	100	4,315,418	248	12,297,370
23	104	6,000,214	59	2,917,756	163	8,917,969
24	73	3,960,884	57	2,829,276	130	6,790,160
25	69	3,789,641	44	1,994,825	113	5,784,466
26	99	5,564,785	45	1,970,736	144	7,535,521
27	120	6,730,005	98	4,529,728	218	11,259,733
28	99	5,907,987	65	3,062,564	164	8,970,551
29	87	4,869,255	47	2,322,128	134	7,191,383
30	55	3,021,706	27	1,280,074	82	4,301,780
31	38	2,725,516	27	1,225,861	65	3,951,377
32	42	2,472,638	47	1,935,457	89	4,408,095
33	29	1,601,192	31	1,321,447	60	2,922,639
34	21	1,281,374	41	1,581,452	62	2,862,826
35	18	1,125,673	29	1,372,828	47	2,498,501
36	10	566,012	11	566,267	21	1,132,279
37	7	489,713	6	272,342	13	762,055
38	8	428,094	8	321,739	16	749,833
39	6	528,218	11	515,801	17	1,044,020

TABLE 2
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF DECEMBER 31, 2007
GENERAL EMPLOYEES

Years of Service	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
40	3	173,733	3	143,696	6	317,429
41	1	103,162	2	155,553	3	258,715
42	1	145,350	1	42,584	2	187,934
43			4	173,911	4	173,911
44			1	55,370	1	55,370
45						
46						
47						
48						
49						
50						
51			1	45,179	1	45,179
Total	3,984	\$ 191,137,708	4,712	\$ 152,783,477	8,696	\$ 343,921,185

TABLE 3
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF DECEMBER 31, 2007
POLICEMEN

Age	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
18	8	\$ 183,979			8	\$ 183,979
19	15	367,653	3	72,627	18	440,280
20	16	440,033	7	195,823	23	635,856
21	9	338,031	5	184,674	14	522,705
22	25	1,147,761	9	413,834	34	1,561,595
23	19	967,235	7	368,723	26	1,335,958
24	32	1,626,014	3	153,406	35	1,779,419
25	39	2,003,641	13	741,751	52	2,745,392
26	22	1,159,341	12	644,290	34	1,803,631
27	45	2,440,285	10	602,125	55	3,042,410
28	51	2,859,463	12	704,560	63	3,564,023
29	55	3,122,613	12	700,452	67	3,823,065
30	42	2,346,456	7	430,462	49	2,776,919
31	44	2,614,496	8	452,835	52	3,067,331
32	57	3,348,104	16	974,537	73	4,322,641
33	58	3,414,033	11	616,841	69	4,030,874
34	68	4,099,921	10	628,683	78	4,728,605
35	69	4,299,700	18	1,109,521	87	5,409,221
36	84	5,217,093	12	762,627	96	5,979,720
37	94	5,843,574	25	1,528,688	119	7,372,262
38	77	4,863,890	26	1,653,006	103	6,516,896
39	87	5,476,869	25	1,583,372	112	7,060,241
40	83	5,158,425	11	709,599	94	5,868,024
41	58	3,648,057	18	1,168,156	76	4,816,213
42	71	4,531,778	15	970,970	86	5,502,748
43	49	3,134,742	14	876,709	63	4,011,451
44	55	3,487,950	8	528,005	63	4,015,955
45	41	2,665,688	4	251,454	45	2,917,142
46	46	2,977,985	11	714,005	57	3,691,990
47	37	2,405,343	10	623,264	47	3,028,607
48	37	2,390,262	11	727,710	48	3,117,972
49	39	2,568,146	2	124,216	41	2,692,362
50	32	2,037,720	9	552,467	41	2,590,187
51	24	1,566,575	5	384,161	29	1,950,736
52	16	1,074,972	4	255,549	20	1,330,521
53	20	1,301,079	1	61,786	21	1,362,865
54	16	1,051,476	3	192,914	19	1,244,390
55	12	773,608	9	596,975	21	1,370,583
56	9	572,965	2	124,591	11	697,556
57	9	634,832	4	255,963	13	890,795

TABLE 3
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF DECEMBER 31, 2007
POLICEMEN

Age	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
58	4	259,390	1	62,220	5	321,610
59	6	387,778			6	387,778
60	3	196,022	2	124,400	5	320,422
61	1	62,211	1	62,021	2	124,232
62	1	80,718	1	37,623	2	118,341
63						
64						
65						
66						
67						
68	1	70,523			1	70,523
Total	1,686	\$ 101,218,432	397	\$ 23,927,595	2,083	\$ 125,146,027

TABLE 4
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF DECEMBER 31, 2007
POLICEMEN

Years of Service	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
0	128	\$ 5,471,884	25	\$ 1,202,591	153	\$ 6,674,475
1	104	4,640,606	28	1,242,270	132	5,882,876
2	50	2,269,138	11	404,559	61	2,673,697
3	75	4,221,557	9	485,016	84	4,706,573
4	52	3,071,951	12	698,290	64	3,770,241
5	85	5,247,067	17	1,044,650	102	6,291,718
6	102	6,287,477	35	2,177,091	137	8,464,568
7	63	3,908,827	12	747,724	75	4,656,552
8	43	2,694,237	15	895,539	58	3,589,776
9	35	2,179,303	9	556,379	44	2,735,682
10	72	4,491,728	18	1,131,952	90	5,623,680
11	98	6,201,571	20	1,291,985	118	7,493,556
12	97	6,121,672	27	1,708,467	124	7,830,139
13	52	3,288,388	12	766,721	64	4,055,110
14	60	3,816,294	21	1,349,082	81	5,165,377
15	107	6,784,422	33	2,096,885	140	8,881,307
16	95	6,061,555	22	1,447,140	117	7,508,695
17	59	3,856,830	10	663,909	69	4,520,739
18	18	1,127,534	5	317,269	23	1,444,802
19	26	1,710,601	3	198,040	29	1,908,641
20	21	1,368,649	4	237,937	25	1,606,586
21	23	1,529,510	5	325,318	28	1,854,828
22	55	3,610,088	12	802,694	67	4,412,783
23	18	1,242,559	4	313,455	22	1,556,014
24	36	2,348,516	8	500,118	44	2,848,634
25	23	1,549,849	6	384,116	29	1,933,965
26	27	1,869,462	5	333,945	32	2,203,407
27	24	1,629,770	4	263,374	28	1,893,144
28	8	540,455	1	62,379	9	602,835
29	7	481,185	2	129,387	9	610,572
30	8	530,749			8	530,749
31	4	274,104			4	274,104
32	3	185,100	1	79,925	4	265,026
33	2	157,306			2	157,306
34	2	181,668			2	181,668
35	1	62,379			1	62,379
36			1	69,383	1	69,383
37	1	61,509			1	61,509
38	2	142,930			2	142,930
Total	1,686	\$ 101,218,432	397	\$ 23,927,595	2,083	\$ 125,146,027

TABLE 5
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF DECEMBER 31, 2007
FIREMEN

Age	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
20	4	\$ 157,999	1	\$ 39,501	5	\$ 197,500
21	10	438,183			10	438,183
22	9	434,522	1	51,270	10	485,792
23	11	580,451			11	580,451
24	8	456,969			8	456,969
25	11	655,493	1	63,756	12	719,249
26	10	577,961	1	62,371	11	640,332
27	12	743,907			12	743,907
28	20	1,191,928			20	1,191,928
29	14	833,134			14	833,134
30	18	1,073,988			18	1,073,988
31	15	834,572	1	60,605	16	895,178
32	13	737,441			13	737,441
33	19	1,134,273			19	1,134,273
34	20	1,190,638			20	1,190,638
35	23	1,465,571			23	1,465,571
36	35	2,162,290	1	61,573	36	2,223,863
37	52	3,399,969	3	195,148	55	3,595,117
38	23	1,413,375			23	1,413,375
39	46	2,866,867	2	125,387	48	2,992,255
40	34	2,210,780	2	126,141	36	2,336,922
41	40	2,594,396	2	124,670	42	2,719,067
42	39	2,538,700	5	340,030	44	2,878,730
43	44	3,002,632	1	63,611	45	3,066,243
44	38	2,622,582	5	367,233	43	2,989,815
45	30	2,124,703	3	221,289	33	2,345,992
46	30	2,094,801	1	73,598	31	2,168,399
47	33	2,256,324	3	248,237	36	2,504,561
48	31	2,249,991	2	151,582	33	2,401,572
49	45	3,362,535	1	63,797	46	3,426,332
50	26	1,871,416	2	151,433	28	2,022,849
51	45	3,368,652	3	209,682	48	3,578,334
52	21	1,551,964	1	63,501	22	1,615,466
53	25	1,814,039	1	75,695	26	1,889,734
54	24	1,691,738			24	1,691,738
55	12	911,916			12	911,916
56	9	641,928			9	641,928
57	5	360,182			5	360,182
58	3	233,287			3	233,287
59	3	204,194			3	204,194
60	2	138,112	1	72,561	3	210,673
61	2	138,349			2	138,349
Total	914	\$ 60,332,752	44	\$ 3,012,671	958	\$ 63,345,424

TABLE 6
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF DECEMBER 31, 2007
FIREMEN

Years of Service	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
0	15	\$ 721,686			15	\$ 721,686
1	2	83,152			2	83,152
2	19	819,293	1	39,501	20	858,794
3	31	1,506,936	1	51,270	32	1,558,206
4	11	586,921			11	586,921
5	21	1,212,353	1	60,605	22	1,272,958
6	23	1,320,509			23	1,320,509
7	60	3,757,314	1	63,756	61	3,821,069
8	27	1,678,980	1	62,371	28	1,741,351
9	25	1,612,079	1	61,217	26	1,673,295
10	52	3,285,744	3	184,283	55	3,470,026
11	41	2,565,208			41	2,565,208
12	37	2,347,821			37	2,347,821
13	68	4,377,804	3	189,955	71	4,567,759
14	29	1,891,313	2	123,095	31	2,014,408
15	40	2,690,419	9	627,770	49	3,318,189
16	30	2,012,918			30	2,012,918
17	37	2,509,756	4	262,839	41	2,772,595
18	18	1,206,535	1	63,797	19	1,270,332
19	29	1,965,730			29	1,965,730
20	44	3,166,984	2	140,871	46	3,307,855
21	17	1,253,430	5	387,367	22	1,640,797
22	46	3,309,269	1	70,215	47	3,379,484
23	27	1,928,478	3	236,973	30	2,165,451
24	22	1,605,662	3	217,510	25	1,823,172
25	20	1,552,126			20	1,552,126
26	16	1,251,023			16	1,251,023
27	23	1,815,339	1	96,716	24	1,912,055
28	28	2,119,018			28	2,119,018
29	24	1,749,541			24	1,749,541
30	10	754,266			10	754,266
31	12	901,776	1	72,561	13	974,337
32	5	380,050			5	380,050
33	1	85,455			1	85,455
34	1	70,215			1	70,215
35	3	237,649			3	237,649
Total	914	\$ 60,332,752	44	\$ 3,012,671	958	\$ 63,345,424

TABLE 7A

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
CONSENTING GENERAL EMPLOYEES FROM THE COMBINED FUND
AS OF DECEMBER 31, 2007**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
16			1	\$ 6,361	1	\$ 6,361
17			1	6,361	1	6,361
22			1	5,198	1	5,198
24			1	4,678	1	4,678
27			1	17,467	1	17,467
28			1	14,835	1	14,835
30			1	1,476	1	1,476
32	2	51,038	1	6,117	3	57,155
33			2	17,201	2	17,201
34	1	19,368	2	29,226	3	48,594
35			1	1,057	1	1,057
36	1	9,728	1	5,736	2	15,464
37			3	36,710	3	36,710
38	1	12,720			1	12,720
39	1	26,540	2	29,180	3	55,720
40			1	3,684	1	3,684
41	2	40,963			2	40,963
42	2	15,616			2	15,616
43	4	60,135	1	6,171	5	66,306
44	6	40,929	2	8,722	8	49,651
45	4	36,516	5	77,501	9	114,017
46	9	93,243	3	24,097	12	117,340
47	8	157,097	1	10,875	9	167,972
48	18	337,518	1	2,998	19	340,516
49	10	163,663	5	40,275	15	203,938
50	12	232,810	3	12,458	15	245,268
51	23	310,891	4	57,623	27	368,514
52	18	172,846	9	154,107	27	326,953
53	27	417,251	8	55,415	35	472,666
54	19	288,847	11	123,363	30	412,210
55	55	1,194,739	6	73,640	61	1,268,379
56	83	2,066,077	10	85,091	93	2,151,168
57	116	3,053,861	6	88,219	122	3,142,080
58	117	3,078,852	14	138,252	131	3,217,104
59	140	3,750,033	5	43,200	145	3,793,233
60	209	4,278,154	17	164,949	226	4,443,103
61	188	3,740,141	18	181,419	206	3,921,560
62	179	3,388,187	11	123,283	190	3,511,470
63	182	3,450,227	14	135,223	196	3,585,450
64	202	3,521,385	21	268,809	223	3,790,194

TABLE 7A

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
CONSENTING GENERAL EMPLOYEES FROM THE COMBINED FUND
AS OF DECEMBER 31, 2007**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
65	205	3,637,323	27	377,253	232	4,014,576
66	205	3,411,524	20	272,433	225	3,683,957
67	187	2,930,042	16	213,134	203	3,143,176
68	179	2,835,429	29	335,344	208	3,170,773
69	237	3,626,975	31	422,142	268	4,049,117
70	225	3,681,987	27	301,505	252	3,983,492
71	219	3,209,426	32	344,475	251	3,553,901
72	173	2,349,093	26	296,271	199	2,645,364
73	200	2,509,155	33	386,279	233	2,895,434
74	195	2,729,573	35	429,664	230	3,159,237
75	229	2,993,179	32	278,040	261	3,271,219
76	222	2,825,104	51	460,755	273	3,285,859
77	215	3,009,235	58	562,804	273	3,572,039
78	198	2,659,909	67	573,650	265	3,233,559
79	185	2,191,336	55	568,853	240	2,760,189
80	190	2,106,859	68	733,373	258	2,840,232
81	198	2,391,027	61	512,906	259	2,903,933
82	183	2,239,789	59	498,754	242	2,738,543
83	206	2,217,601	48	404,349	254	2,621,950
84	138	1,427,173	69	462,112	207	1,889,285
85	128	1,185,388	54	375,808	182	1,561,196
86	141	1,423,255	66	526,487	207	1,949,742
87	77	687,639	47	349,230	124	1,036,869
88	69	683,668	44	329,678	113	1,013,346
89	78	646,365	46	308,058	124	954,423
90	70	604,188	27	176,173	97	780,361
91	45	285,230	31	192,844	76	478,074
92	26	208,520	15	109,081	41	317,601
93	33	228,411	11	70,364	44	298,775
94	20	152,650	13	66,399	33	219,049
95	13	105,097	6	36,723	19	141,820
96	6	42,639	8	47,984	14	90,623
97	9	62,794	5	21,836	14	84,630
98	2	6,332	3	24,294	5	30,626
99	5	8,660	3	27,776	8	36,436
100	1	1,078	1	13,411	2	14,489
101			1	10,695	1	10,695
102	1	13,470			1	13,470
Total	6,352	\$ 95,336,498	1,420	\$ 13,181,914	7,772	\$ 108,518,412

TABLE 7B

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
CONSENTING FIREMEN FROM THE COMBINED FUND
AS OF DECEMBER 31, 2007**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
17			2	\$ 17,298	2	\$ 17,298
22			1	13,698	1	13,698
29	1	35,068			1	35,068
35	1	40,195			1	40,195
36	3	117,654			3	117,654
38	4	179,706			4	179,706
39	1	41,506			1	41,506
40	3	135,803			3	135,803
41	1	42,792			1	42,792
42	2	89,381	1	18,873	3	108,254
43	2	86,376			2	86,376
44	3	130,902			3	130,902
45	2	83,781			2	83,781
46	5	222,714			5	222,714
47	5	212,324			5	212,324
48	7	233,933			7	233,933
49	9	374,814	2	69,724	11	444,538
50	21	845,485	1	22,267	22	867,752
51	20	925,081			20	925,081
52	14	617,389	4	119,968	18	737,357
53	20	908,399	1	6,591	21	914,990
54	20	908,472	2	58,919	22	967,391
55	22	965,627	3	43,574	25	1,009,201
56	14	622,956			14	622,956
57	18	654,606	1	40,382	19	694,988
58	37	1,755,806	2	5,626	39	1,761,432
59	32	1,484,290	3	45,069	35	1,529,359
60	40	2,032,472	5	68,055	45	2,100,527
61	39	1,825,508	1	11,386	40	1,836,894
62	21	921,025	5	137,331	26	1,058,356
63	23	965,030	5	110,832	28	1,075,862
64	39	1,651,942	7	156,263	46	1,808,205
65	23	1,095,292	2	41,949	25	1,137,241
66	32	1,499,190	5	122,640	37	1,621,830
67	24	1,062,847	5	62,239	29	1,125,086
68	20	751,275	2	75,631	22	826,906
69	24	915,142	5	74,846	29	989,988
70	22	875,153	2	37,737	24	912,890
71	21	896,404	13	255,123	34	1,151,527
72	17	600,264	6	125,289	23	725,553

TABLE 7B

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
CONSENTING FIREMEN FROM THE COMBINED FUND
AS OF DECEMBER 31, 2007**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
73	14	540,487	8	124,506	22	664,993
74	11	373,166	7	168,908	18	542,074
75	20	712,946	16	278,553	36	991,499
76	31	1,042,578	22	339,029	53	1,381,607
77	29	1,065,561	15	189,937	44	1,255,498
78	35	1,163,544	8	168,241	43	1,331,785
79	19	630,257	24	440,453	43	1,070,710
80	17	507,517	11	206,398	28	713,915
81	19	576,343	13	159,186	32	735,529
82	9	325,944	9	120,880	18	446,824
83	11	309,749	4	75,620	15	385,369
84	10	262,053	2	11,709	12	273,762
85	4	116,720	7	123,424	11	240,144
86	7	184,261	5	59,459	12	243,720
87	8	179,418	3	26,017	11	205,435
88	3	62,274	5	70,445	8	132,719
90	1	22,113	2	10,939	3	33,052
92			1	12,048	1	12,048
Total	860	\$ 34,881,535	248	\$ 4,327,062	1,108	\$ 39,208,597

TABLE 7C

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
CONSENTING POLICEMEN FROM THE COMBINED FUND
AS OF DECEMBER 31, 2007**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
10			2	\$ 27,569	2	\$ 27,569
29	1	42,921			1	42,921
32	1	43,188			1	43,188
34			1	8,687	1	8,687
35	1	44,484			1	44,484
36	1	43,188			1	43,188
37	3	129,201	1	8,687	4	137,888
38	1	43,188			1	43,188
39	1	23,745			1	23,745
40	1	39,232			1	39,232
41	2	28,606	1	26,557	3	55,163
42	2	59,624	1	21,467	3	81,091
43	2	86,074			2	86,074
44	3	111,047			3	111,047
45	13	564,250	1	33,976	14	598,226
46	8	370,257	6	127,263	14	497,520
47	15	680,506			15	680,506
48	17	817,154	1	13,026	18	830,180
49	25	1,094,671	1	44,300	26	1,138,971
50	13	573,830	3	26,840	16	600,670
51	33	1,553,436	2	55,152	35	1,608,588
52	43	1,964,655	3	99,082	46	2,063,737
53	40	1,821,799	1	24,861	41	1,846,660
54	45	2,129,822	1	11,559	46	2,141,381
55	42	1,939,480	2	64,351	44	2,003,831
56	40	1,976,489	5	143,140	45	2,119,629
57	51	2,433,679	3	78,787	54	2,512,466
58	66	2,884,499	6	148,073	72	3,032,572
59	66	3,267,869	3	49,453	69	3,317,322
60	81	3,766,397	4	56,361	85	3,822,758
61	70	3,101,271	9	259,792	79	3,361,063
62	49	2,248,234	7	168,861	56	2,417,095
63	58	2,555,200	5	99,786	63	2,654,986
64	68	2,861,921	8	214,009	76	3,075,930
65	80	3,331,525	11	282,029	91	3,613,554
66	50	2,165,712	5	114,738	55	2,280,450
67	54	2,078,207	10	205,086	64	2,283,293
68	45	1,699,183	4	54,367	49	1,753,550
69	42	1,475,846	10	173,614	52	1,649,460
70	40	1,521,496	6	125,052	46	1,646,548

TABLE 7C

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
CONSENTING POLICEMEN FROM THE COMBINED FUND
AS OF DECEMBER 31, 2007**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
71	39	1,407,976	14	281,411	53	1,689,387
72	33	1,142,220	12	192,255	45	1,334,475
73	33	1,166,046	13	214,719	46	1,380,765
74	28	790,366	16	300,018	44	1,090,384
75	36	1,186,775	24	289,033	60	1,475,808
76	45	1,376,414	14	261,461	59	1,637,875
77	33	1,044,942	17	241,679	50	1,286,621
78	43	1,294,898	21	319,660	64	1,614,558
79	38	1,105,735	28	431,761	66	1,537,496
80	48	1,397,553	23	326,058	71	1,723,611
81	25	680,167	19	244,917	44	925,084
82	28	682,163	16	189,885	44	872,048
83	13	294,194	17	198,050	30	492,244
84	29	596,253	11	115,124	40	711,377
85	11	223,621	7	77,256	18	300,877
86	10	201,305	10	96,480	20	297,785
87	3	58,814	6	57,446	9	116,260
88	6	112,104	3	28,400	9	140,504
89	3	48,376	2	17,992	5	66,368
90			1	3,953	1	3,953
91			2	12,933	2	12,933
92			1	8,182	1	8,182
Total	1,677	\$ 66,381,808	400	\$ 6,675,198	2,077	\$ 73,057,006

TABLE 8

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
NON-CONSENTERS FROM THE RETIREMENT FUND
AS OF DECEMBER 31, 2007**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
53			1	\$ 5,031	1	\$ 5,031
54			1	7,743	1	7,743
56	1	23,538			1	23,538
60	1	25,722			1	25,722
63	1	5,296			1	5,296
67	1	15,467			1	15,467
68			1	8,524	1	8,524
69	1	411			1	411
73	1	1,254			1	1,254
74			1	8,291	1	8,291
75	3	30,966			3	30,966
78	2	15,039	1	579	3	15,618
80	2	4,601			2	4,601
81	1	9,708			1	9,708
84	1	13,518			1	13,518
86	2	4,940			2	4,940
87	1	5,996			1	5,996
88	1	5,546			1	5,546
90	1	9,110			1	9,110
94	1	4,128			1	4,128
96	1	2,473			1	2,473
Total	22	\$ 177,713	5	\$ 30,168	27	\$ 207,881