MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION AS OF
JUNE 30, 2014

G. S. CURRAN & COMPANY, LTD.

Actuarial Services

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January 9, 2015

Board of Trustees
Municipal Employees' Retirement System
P.O. Box 14619
Baton Rouge, LA 70898-4619

Ladies and Gentlemen:

We are pleased to present our report on the actuarial valuation of the Municipal Employees' Retirement System for the fiscal year ending June 30, 2014. Our report is based on the actuarial assumptions specified and relies on the data supplied by the system's administrators and accountants. This report was prepared at the request of the Board of Trustees of the Municipal Employees' Retirement System of the State of Louisiana. The primary purpose of this report is to determine the actuarially required contribution for the retirement system for the fiscal year ending June 30, 2015, and to recommend the net direct employer contribution rate for fiscal 2016. This report does not contain the information necessary for accounting disclosures as required by Governmental Accounting Standards Board (GASB) Statements 67 and 68; that information is included in a separate report. This report was prepared exclusively for the Municipal Employees' Retirement System for a specific limited purpose. It is not for the use or benefit of any third party for any purpose.

In our opinion, all of the assumptions on which this valuation is based are reasonable individually and in the aggregate. Both economic and demographic assumptions are based on our expectations for future experience for the fund. This report has been prepared in accordance with generally accepted actuarial principles and practices, and to the best of our knowledge and belief, fairly reflects the actuarial present values and costs stated herein. The undersigned actuaries are members of the American Academy of Actuaries and have met the qualification standards for the American Academy of Actuaries to render the actuarial opinions incorporated in this report, and are available to provide further information or answer any questions with respect to this valuation.

Sincerely,

G. S. CURRAN & COMPANY, LTD.

By: _____
Gary Curran, F.C.A., M.A.A.A., A.S.A.

_____
Gregory Curran, F.C.A., M.A.A.A., A.S.A.

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SUMMARY OF VALUATION RESULTS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - PLAN A

Valuation Date:		June 30, 2014	June 30, 2013
Census Summary:	Active Members	4,894	4,939
	Retired Members and Survivors	3,177	3,106
	Terminated Due a Deferred Benefit	184	193
	Terminated Due a Refund	2,667	2,672
Payroll:		$ 167,852,836	$ 167,422,222
Benefits in Payment:		$ 51,636,071	$ 48,994,132
Frozen Unfunded Actuarial Accrued Liability:		$ 74,454,702	$ 75,038,341
Market Value of Assets (MVA):		$ 730,072,543	$ 657,723,192
Actuarial Asset Value (AVA):		$ 751,235,484	$ 717,816,409
Actuarial Accrued Liability (Entry Age Normal):		$ 967,584,136	$ 948,970,683
Funded Ratio (MVA/Entry Age Normal Accrued Liability):		75.45%	69.31%

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	FISCAL 2015	FISCAL 2014
Employers' Normal Cost (July 1):	$ 30,894,803	$ 32,965,067
Amortization Cost (July 1):	$ 6,191,251	$ 5,938,850
Interest Adjusted Actuarially Required Contributions Including Estimated Administrative Costs:	$ 39,623,854	$ 41,388,549
Projected Ad Valorem and Revenue Sharing	$ 6,057,083	$ 5,801,149
Actuarially Required Net Direct Employer Contributions	$ 33,566,771	$ 35,587,400
Actuarially Required Net Direct Employer Contribution Rate	19.48%	20.62%
Actual Net Direct Employer Contribution Rate:	20.75% †	18.75%

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Minimum Net Direct Employer Contribution Rate: For Fiscal 2016: 19.25% For Fiscal 2015: 20.75%

Employee Contribution Rate: 9.50% of Payroll

Actuarial Cost Method: Frozen Attained Age Normal Actuarial Cost Method

Valuation Interest Rate: 7.75% (Net of Investment Expense)

Census Exclusions: All individuals submitted by the system were included in the valuation.

Basis of Actuarial Asset Value: The actuarial value of assets is based on the market value of assets adjusted to phase in asset earnings above or below the assumed rate of return over a five-year period with limits set at 85% and 115% of the market value of assets. When the adjusted value falls outside of the limits, the actuarial value is set equal to the average of the limited and adjusted value.

Changes in Valuation Methods, Assumptions, and Amortization Periods: Change in liability valuation model program.

Method of Recognizing Gains and Losses: Under the Frozen Attained Age Normal Method, actuarial gains and losses are spread over future normal costs.

† Includes 1% withdrawal from the Funding Deposit Account

SUMMARY OF VALUATION RESULTS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - PLAN B

Valuation Date:		June 30, 2014	June 30, 2013
Census Summary:	Active Members	2,168	2,128
	Retired Members	916	900
	Terminated Due a Deferred Benefit	74	61
	Terminated Due a Refund	1,170	1,155
Payroll:		$ 67,939,158	$ 65,928,929
Benefits in Payment:		$ 9,141,803	$ 8,793,050
Frozen Unfunded Actuarial Accrued Liability:		$ 3,421,001	$ 3,740,857
Market Value of Assets:		$ 156,659,396	$ 140,744,063
Actuarial Asset Value:		$ 161,992,280	$ 153,851,774
Actuarial Accrued Liability (Entry Age Normal):		$ 199,762,726	$ 192,160,973
Funded Ratio (MVA/Entry Age Normal Accrued Liability):		78.42%	73.24%

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	2015	2014
Employers' Normal Cost (July 1):	$ 7,720,629	$ 7,649,570
Amortization Cost (July 1):	$ 554,596	$ 565,915
Interest Adjusted Actuarially Required Contributions Including Estimated Administrative Costs:	$ 9,046,279	$ 8,923,745
Projected Ad Valorem and Revenue Sharing	$ 2,372,918	$ 2,284,425
Actuarially Required Net Direct Employer Contributions	$ 6,673,361	$ 6,639,320
Actuarially Required Net Direct Employer Contribution Rate	9.60%	9.82%
Actual Net Direct Employer Contribution Rate:	10.00% †	8.75%

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Minimum Net Direct Employer Contribution Rate: For Fiscal 2016: 9.50% For Fiscal 2015: 10.00%

Employee Contribution Rate: 5.00% of salary

Actuarial Cost Method: Frozen Attained Age Normal Actuarial Cost Method

Valuation Interest Rate: 7.75% (Net of Investment Expense)

Census Exclusions: All individuals submitted by the system were included in the valuation.

Basis of Actuarial Asset Value: The actuarial value of assets is based on the market value of assets adjusted to phase in asset earnings above or below the assumed rate of return over a five-year period with limits set at 85% and 115% of the market value of assets. When the adjusted value falls outside of the limits, the actuarial value is set equal to the average of the limited and adjusted value.

Changes in Valuation Methods, Assumptions, and Amortization Periods: Change in liability valuation model program.

Method of Recognizing Gains and Losses: Under the Frozen Attained Age Normal Method, actuarial gains and losses are spread over future normal costs.

† Includes 0.50% withdrawal from the Funding Deposit Account.

COMMENTS ON DATA

For the valuation, the administrative director of the system furnished a census on magnetic media derived from the system's master data processing file indicating each active covered employee's sex, date of birth, service credit, annual salary, and accumulated contributions. Information on retirees detailing dates of birth of retirees and beneficiaries, as well as option categories and benefit amounts, was provided in like manner. In addition, data was supplied on former employees who are vested or who have contributions remaining on deposit. As illustrated in Exhibit VIII, there are 4,894 active members in Plan A, of whom, 1,935 members, including 247 participants in the Deferred Retirement Option Plan (DROP), have vested retirement benefits; 3,177 former Plan A members or their beneficiaries are receiving retirement benefits. An additional 2,851 former members of Plan A have contributions remaining on deposit with the system. This includes 184 former members who have vested rights or have filed reciprocal agreements for future retirement benefits. Census data on members of Plan B may be found in Exhibit XVII. There are 2,168 active members in Plan B, of whom, 803 members, including 88 DROP participants, have vested retirement benefits; 916 former members of Plan B or their beneficiaries are receiving retirement benefits. An additional, 1,244 former members of Plan B have contributions remaining on deposit with the system. Of this number, 74 have vested rights for future retirement benefits. All individuals submitted were included in the valuation.

Census data submitted to our office is tested for errors. Several types of census data errors are possible; to ensure that the valuation results are as accurate as possible, a significant effort is made to identify and correct these errors. In order to minimize coverage errors (i.e., missing or duplicated individual records) the records are checked for duplicates, and a comparison of the current year's records to those submitted in prior years is made. Changes in status, new records, and previous records which have no corresponding current record are identified. This portion of the review indicates the annual flow of members from one status to another and is used to check some of the actuarial assumptions, such as retirement rates, rates of withdrawal, and mortality. In addition, the census is checked for reasonableness in several areas, such as age, service, salary, and current benefits. The records identified by this review as questionable are checked against data from prior valuations; those not recently verified are included in a detailed list of items sent to the system's administrative staff for verification and/or correction. Once the identified data has been researched and verified or corrected, it is returned to us for use in the valuation. Occasionally some requested information is either unavailable or impractical to obtain. In such cases, values may be assigned to missing data. The assigned values are based on information from similar records or based on information implied from other data in the record. For this valuation, the number of such records is de minimis.

In addition to the statistical information provided on the system's participants, the system's administrative director furnished general information related to other aspects of the system's expenses, benefits and funding. Except as stated below, valuation asset values as well as income and expenses for the fiscal year were based on information furnished by the system's auditor, the firm of Duplantier, Hrapmann, Hogan & Maher, L.L.P. As indicated in the system's audit report, the net market value of Plan A's assets was $730,072,543 as of June 30, 2014. For Plan A, the net investment income for fiscal 2014 measured on a market value basis amounted to $80,430,073. Contributions to Plan A for the fiscal year totaled $51,974,599; benefits and expenses amounted to $59,707,770.

The net market value of Plan B's assets was $156,659,396 as of June 30, 2014. For Plan B, the net investment income for fiscal 2014 measured on a market value basis amounted to $16,488,707. Contributions to Plan B for the fiscal year totaled $12,401,659; benefits and expenses amounted to $12,831,470.

Notwithstanding our efforts to review both census and financial data for apparent errors, we must rely upon the system's administrative staff and accountants to provide accurate information. Our review of submitted information is limited to validation of reasonableness and consistency. Verification of submitted data to source information is beyond the scope of our efforts.

COMMENTS ON ACTUARIAL METHODS AND ASSUMPTIONS

This valuation is based on the Frozen Attained Age Normal actuarial cost method with the unfunded actuarial accrued liability frozen as of June 30, 1989. Under the provisions of Louisiana R.S. 11:103 the unfunded accrued liability for Plan A, which was determined to be $48,466,297 as of June 30, 1989, was amortized over forty years with payments increasing at 4.25% per year. The unfunded accrued liability for Plan B, which was determined to be $9,853,175 as of June 30, 1989, was amortized over forty years with payments decreasing at 2% per year. In Plan A, payroll growth less than 4.25% per year will increase future amortization payments as a percent of payroll. In Plan B, any payroll growth or payroll decline less than 2% per year will reduce future amortization payments as a percent of payroll. Under the Frozen Attained Age Normal Cost Method, actuarial gains and losses are spread over future normal costs. Thus, favorable plan experience will lower future normal costs; unfavorable experience will cause future normal costs to increase. In addition, changes in benefits and assumptions are also spread over future normal costs.

Prior to the June 30, 2009 valuation, in any year in which the net direct employer contribution was set above the actuarially required employer contribution rate, excess funds collected, if any, were used to reduce the frozen unfunded actuarial accrued liability. In Plan B, the board elected to freeze the employer contribution rate in fiscal 2001. As a result of the additional contributions generated by this freeze in rates, the unfunded accrued liability will be fully amortized by June 30, 2023. Effective with the June 30, 2009 valuation, any excess funds collected as a result of a freeze in employer contributions are credited to the Funding Deposit Account. Funds deposited into the Funding Deposit Account can be used to reduce the unfunded accrued liability, reduce future normal costs, or offset net direct employer contributions as determined by the board of trustees.

The current year actuarial assumptions utilized for the report are outlined on pages sixty-three through sixty-seven. These assumptions (excluding mortality) are based on the results of an actuarial experience study for the period July 1, 2006 – June 30, 2010, unless otherwise specified in this report. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. In the case of mortality, data for Plan A and Plan B were combined. The data was collected over the period July 1, 2004 through June 30, 2009. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using standard tables. The RP-2000 Employee Mortality Table was selected for active

members and the RP-2000 Healthy Annuitant Mortality Table was selected for healthy annuitants and beneficiaries. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables. The RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

In determining the valuation interest rate, consideration was given to several factors. First consensus estimates of rates of return, standard deviations, and correlation coefficients for asset classes derived from various asset consulting firms were developed. In addition, the report of the Meketa Investment Group on 30 year Return Projections was considered. These factors were used to derive forward estimates of the Fund's portfolio earnings rate. The rate of 7.75% was selected by the Board for this report.

The salary increase rate for the report is 5.75% based on forward estimates of future increases in pay resulting from three sources; inflation, merit, and productivity. An inflation rate of 3.00% was implied in both the assumed rate of return and rate of salary increases.

With the exception of a modification to the plan design software model, all assumptions used are the same as those used for the prior year report. All assumptions are based on estimates of future long-term experience for the fund. All calculations, recommendations, and conclusions are based on the assumptions specified. To the extent that prospective experience differs from that assumed, adjustments will be required to contribution levels. Such differences will be revealed in future actuarial valuations. The net effect of the changes in software was to reduce the normal cost accrual rate by 0.5128% in Plan A and 0.2434% in Plan B.

CHANGES IN PLAN PROVISIONS

The following changes in plan provisions were enacted during the 2014 Regular Session of the Louisiana Legislature:

ACT 142 amends the statutes relative to the Municipal Employees' Retirement System to make certain technical changes and to remove the expense fund from the list of approved asset credited funds. This results in a change in the method of allocating expenses for the system between Plans A and B.

ACT 225 amends R.S. 11:1821(B) and (G) relative to the board of trustees of the Municipal Employees' Retirement System. Elections to fill the trustee positions of members on the board in 2016, 2017, and 2020 will be active elected officials and elections in 2015, 2018, and 2019 will be active not elected officials. No participating employer can have more than two elected trustees serving at the same time. Trustees elected may continue to serve their full term regardless of a change in employment which qualified them for such position.

ACT 320 amends R.S. 11:11732(13) and (14) and enacts R.S. 11:1751(F), relative to the Municipal Employees' Retirement System. The definition of the word "employee" was expanded to include persons who receive earnings from more than one participating employer of which one is the Vinton Public Power Authority. The act also states that any person who qualifies as an employee will participate in and contribute to the system on all earnings from all participating employers.

ASSET EXPERIENCE

The actuarial and market rates of return for the past ten years are given below. These rates of return on assets were determined by assuming a uniform distribution of income and expense throughout the fiscal year.

Plan A	Market Value		Actuarial Value	
2005	7.2%		9.6%	*
2006	8.6%		10.7%	*
2007	18.1%	ǂ	10.8%	ǂ
2008	1.1%		9.0%	
2009	-13.8%	ǂ	0.9%	ǂ*
2010	11.0%		5.9%	
2011	10.5%		4.2%	
2012	-4.8%	†	0.7%	†
2013	4.3%		0.7%	
2014	12.3%		5.8%	

Plan B	Market Value		Actuarial Value	
2005	7.2%		6.4%	*
2006	8.5%		13.7%	*
2007	17.4%	ǂ	10.6%	ǂ
2008	1.3%		8.8%	
2009	-13.7%	ǂ	0.9%	ǂ*
2010	10.9%		5.8%	
2011	10.5%		4.2%	
2012	-4.7%	†	1.0%	†
2013	4.1%		0.9%	
2014	11.7%		5.6%	

* Includes the effect of a change in asset valuation method.

ǂ Includes the impact of inclusion of the prior period adjustment for investment income as income in fiscal year.

† Based upon asset values which include an unaudited "best estimate" of the value of a receivable related to the FIA Leveraged Fund

The market rate of return gives a measure of investment return on a total return basis and includes realized and unrealized capital gains and losses as well as interest income. This rate of return gives an indication of performance for an actively managed portfolio where securities are bought and sold with the objective of producing the highest total rate of return. During 2014, Plan A earned $14,010,069 and Plan B earned $2,934,917 of dividends, interest and other recurring income. In addition, Plan A had net realized and unrealized capital gains on investments of $71,826,925 while the total of such gains for Plan B amounted to $14,684,783. Investment expenses were $5,406,921 for Plan A and $1,130,993 for Plan B. The geometric mean of the market value rates of return measured over the last ten years was 5.1% for Plan A and 4.9% for Plan B. For the last twenty years, the geometric mean returns were 6.4% for Plan A and 6.3% for Plan B.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return of 7.75% used for the prior valuation. This rate is calculated based on the smoothed value of assets subject to constraints as given in Exhibit VI for Plan A and Exhibit XV for Plan B. Investment income used to calculate this yield is based upon a smoothing of investment income above or below the valuation interest rate. The difference between rates of return on an actuarial and market value basis results from the smoothing utilized. In the future, yields in excess of the 7.75% assumption will reduce future costs; yields below 7.75% will increase future costs. For Plan A, the net actuarial investment earnings for fiscal 2014 was $14,184,452 less than the actuarial assumed earnings rate of 7.75%, and $3,336,851 less for Plan B. These actuarial losses increased the normal cost accrual rate by 1.1900% for Plan A and 0.6748% for Plan B.

At the end of each fiscal year, a review of the data is made to identify current members of Plan A and Plan B who have consecutive service credit in both plans that have not been addressed in previous transfers of assets and liabilities between the Plan A and Plan B trust funds pursuant to the provisions of R.S. 11: 1862(F). In the course of reviewing data for the June 30, 2014 valuation, we found 2 such members of Plan A with Plan B service credit and 36 such members of Plan B with Plan A service (including 35 members who were employed by the City of Leesville which moved from Plan A to Plan B as of July 1, 2013). Based upon a valuation of the liabilities for service in the previous plan, we recommend a transfer of $ 536,899 be made from the Plan A trust to the Plan B trust for fiscal 2014.

PLAN A – DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the plan is given in Exhibit IX. The average active member is 48 years old with 10.2 years of service and an annual salary of $34,298. The plan's active membership, inclusive of DROP participants, decreased by 45 members during the fiscal year. This includes a transfer of 35 employees of the City of Leesville from membership in Plan A to Plan B. The plan has experienced a decrease in the active plan population of 158 members over the last five years. A review of the active census by age indicates that over the last ten years the population under age fifty has decreased while the proportion of active members age fifty-one and above increased. Over the same ten-year period the plan showed no significant shift among the various service groups. The average regular retiree is 70 years old with a monthly benefit of $1,559. The number of retirees and beneficiaries receiving benefits from the system increased by 71 during the fiscal year; over the last five years the number of retirees has increased by 316.

Plan liability experience for fiscal 2014 was favorable. Withdrawals and deaths were above projected levels; disabilities were below projected levels. In addition, salary increases were below projected levels. All of these factors generally reduce costs. DROP entries were near projected levels. However, retirements were above projected levels; this would tend to partially offset the plan's positive experience. Plan liability gains decreased the normal cost accrual rate by 0.9582%.

PLAN B – DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the plan is given in Exhibit XVII. The average active member is 49 years old with 9.9 years of service and an annual salary of $31,337. The plan's active

membership, inclusive of DROP participants, increased by 40 members during the fiscal year. The plan has experienced a decrease in the active plan population of 101 members over the last five years. A review of the active census by age indicates that over the last ten years the population in the under fifty age group has decreased while the proportion of active members over age fifty increased. Over the same ten-year period the plan showed no significant shift in the proportion of the active membership by service group. The average regular retiree is 73 years old with a monthly benefit of $929. The number of retirees and beneficiaries receiving benefits from the system increased by 16 during the fiscal year; over the last five years the number of retirees has increased by 83.

Plan liability experience for fiscal 2014 was favorable. Retirements were below projected levels and salary increases were significantly below projected levels. These factors tend to reduce costs. Withdrawals, and disabilities were at projected levels. DROP entries were significantly above projected levels while retiree deaths were below projected levels. Both of these factors partially offset the plan's positive experience. Plan liability gains decreased the normal cost accrual rate by 0.1401%.

FUNDING ANALYSIS AND RECOMMENDATIONS

Actuarial funding of a retirement system is a process whereby funds are accumulated over the working lifetimes of employees in such a manner as to have sufficient assets available at retirement to pay for the lifetime benefits accrued by each member of the system. The required contributions are determined by an actuarial valuation based on rates of mortality, termination, disability, and retirement, as well as investment return and other statistical measures specific to the particular group. Each year a determination is made of two cost components, and the actuarially required contributions are based on the sum of these two components plus administrative expenses. These two components are the normal cost and the amortization payment on the unfunded actuarial accrued liability. The normal cost refers to the portion of annual cost based on the salary of active participants. The term unfunded accrued liability (UAL) refers to the excess of the present value of plan benefits over the sum of current assets and future normal costs. Each year the UAL grows with interest and is reduced by payments. Under the funding method used for both plans, changes in plan experience, benefits, or assumptions do not affect the unfunded actuarial accrued liability. These items increase or decrease future normal costs.

In order to establish the actuarially require contribution in any given year, it is necessary to define the assumptions, funding method, and method of amortizing the UAL. Thus, the determination of what contribution is actuarially required depends upon the funding method and amortization schedules employed. Regardless of the method selected, the ultimate cost of providing benefits is dependent upon the benefits, expenses, and investment earnings. Only to the extent that some methods accumulate assets more rapidly and thus produce greater investment earnings does the funding method affect the ultimate cost.

Under the provisions of R.S. 11:103, excess or deficient contributions typically decrease or increase future normal costs. However, if the minimum net direct employer contribution is scheduled to decrease, the board may maintain the contribution rate at some level above the minimum

recommended rate. Pursuant to R. S. 11:105 and R. S. 11:107, such excess contributions are credited to the Funding Deposit Account.

For Plan A, the derivation of the actuarially required contribution for the current fiscal year is given in Exhibit I. The normal cost for fiscal 2015 as of July 1, 2014 is $30,894,803. The amortization payment on the plan's frozen unfunded actuarial accrued liability as of July 1, 2014, is $6,191,251. The total actuarially required contribution is determined by adjusting the value for interest (since payments are made throughout the fiscal year) and adding estimated administrative expenses. As given on line 15 of Exhibit I the total actuarially required contribution for fiscal 2015 is $39,623,854. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers' net direct actuarially required contribution for fiscal 2015 is $33,566,771. This is 19.48% of the projected Plan A payroll for fiscal 2015.

Liability and asset experience as well as changes in assumptions and benefits can increase or decrease plan costs. In addition to these factors, any COLA granted in the prior fiscal year would increase required contributions. New entrants to the system can also increase or decrease costs as a percent of payroll depending upon their demographic distribution and other factors related to prior plan experience. Finally, contributions above or below requirements may reduce or increase future costs.
The effects of various factors on the cost structure for Plan A are outlined below:

Employer's Normal Cost Accrual Rate – Fiscal 2014	21.0398%
Factors Increasing the Normal Cost Accrual Rate:	
Asset Experience	1.1900%
Contribution Experience	0.3893%
Factors Decreasing the Normal Cost Accrual Rate:	
New Members	1.4022%
Plan Liability Experience	0.9582%
Software Modifications	0.5127%
Employer's Normal Cost Accrual Rate – Fiscal 2015	19.7460%

Required net direct employer contributions are also affected by the available ad valorem taxes and revenue sharing funds which the system receives each year. When these funds change as a percentage of payroll, net direct employer contributions are adjusted accordingly. We estimate that for Plan A these funds collected in fiscal 2015 will increase by 0.16% of payroll. We also estimate the amortization payment on the fund's UAL will increase by 0.16% of projected payroll. The net effect of the above changes in the cost structure of the system resulted in a minimum actuarially required net direct employer contribution rate for fiscal 2015 for Plan A of 19.48%; the actual employer contribution rate for fiscal 2015 is 20.75% of payroll (inclusive of funds from the Funding Deposit Account). R.S. 11:103 requires that the net direct employer contributions be rounded to the nearest 0.25%, hence, after accounting for the anticipated contribution surplus, we are recommending a minimum net direct employer contribution rate for Plan A of 19.25% for fiscal 2016.

For Plan B, the derivation of the actuarially required contribution for the current fiscal year is given in Exhibit X. The normal cost for fiscal 2015 as of July 1, 2014 is $7,720,629. The amortization

payment on the plan's frozen unfunded actuarial accrued liability as of July 1, 2014, is $554,596. The total actuarially required contribution is determined by adjusting the value for interest (since payments are made throughout the fiscal year) and adding estimated administrative expenses. As given on line 15 of Exhibit X the total actuarially required contribution for fiscal 2015 is $9,046,279. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers' net direct actuarially required contribution for fiscal 2015 is $6,673,361. This is 9.60% of the projected Plan B payroll for fiscal 2015.

The effects of various factors on the cost structure for Plan B are outlined below:

Employer's Normal Cost Accrual Rate – Fiscal 2014	12.4554%
Factors Increasing the Normal Cost Accrual Rate:	
Asset Experience	0.6748%
Contribution Experience	0.1105%
Factors Decreasing the Normal Cost Accrual Rate:	
New Members	0.5992%
Software Modifications	0.2433%
Liability Experience	0.1401%
Employer's Normal Cost Accrual Rate – Fiscal 2015	12.2581%

We estimate that for Plan B the funds collected from ad valorem taxes and revenue sharing funds in fiscal 2015 will increase by 0.03% of payroll. We also estimate that the amortization payment on the fund's UAL will decrease by 0.04% of projected payroll. The net effect of the above changes in the cost structure of the system resulted in a minimum actuarially required net direct employer contribution rate for fiscal 2015 for Plan B of 9.60%; the actual employer contribution rate for fiscal 2015 is 9.50% of payroll. R.S. 11:103 requires that the net direct employer contributions be rounded to the nearest 0.25%, hence, after accounting for the anticipated contribution surplus, we are recommending a minimum net direct employer contribution rate for Plan B of 9.50% for fiscal 2016.

Both Plan A and Plan B have Funding Deposit Account Credit Balances. Since no contribution deposits or withdrawals were made to the accounts during fiscal 2014 the outstanding balances were credited with interest at the valuation interest rate. Pursuant to board action, $1,722,998 was withdrawn from the Plan A Funding Deposit Account and $347,496 from the Plan B Funding Deposit Account to offset employer contributions for fiscal 2015. Funds in these accounts may be used to reduce the outstanding unfunded accrued liability, reduce the future normal costs or reduce contributions for specified fiscal years.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, completion of amortization payments or credit schedules, and changes in plan provisions or applicable law. Analysis of the effect of all these factors is beyond the scope of this report.

We have, however, calculated the sensitivity of the plans' costs to two factors. First, based on current assets and demographics, for each percentage under (over) performance of the return on the

actuarial value of assets, there will be a corresponding increase (reduction) in the normal cost accrual rate of 0.63% for Plan A and 0.33% for Plan B. We have also determined that a 1% reduction in the valuation interest rate for each Plan would increase the actuarially required contribution rate for fiscal 2014 by 8.91%; for Plan A and 4.94% in Plan B. Please note that the above results are only intended to serve as an illustration of the impact of a change in the valuation interest rate. Any actual change in the valuation interest rate should only be effected with a review of all other plan assumptions.

We believe that the Board should consider several elements of risk in setting the net direct employer contribution rate for fiscal 2016. First, the Board should consider the likelihood of the system achieving returns below the current assumed rate of return. The ten and twenty year average market rates of return for both Plans A and B shown above in the Asset Experience section are significantly lower than the current assumed rate of return of 7.75%. The most recent Meketa Investment Group projection of expected 30 year annual nominal returns for the target allocation was 8.3% prior to adjustment for investment expenses paid by the system. When this expected annual return is reduced for the 2014 annual investment expense as a percentage of assets, approximately 0.75%, the adjusted return is 7.55% and even this rate does not fully address the expected volatility of returns. Also, in the next few years, the system will face additional pressure on rates of return as it works through the existing deferred losses as detailed on page 26 for Plan A and page 44 for Plan B. These facts reinforce the recommendation that we made in 2012 that the long term rate of return assumption should be decreased to 7.50%. Second, although the system has recently experienced liability gains which helped to offset the impact of investment returns below assumptions, these liability gains have been decreasing. Without liability gains, the required contributions to the plan could increase in the next few years. Finally, as mortality improves within the system, the mortality assumption will have to be strengthened. This too will put pressure on the required contribution rates in the coming years.

In order to address some of these concerns, we recommend that the assumed rate of return be further reduced in the next annual valuation. This will result in an increase in the level of required employer contributions. To mitigate against the expected effect of such a change along with expected strengthening of the mortality assumptions used in the valuation, we recommend that Board strongly consider setting the employer contribution rates for both Plan A and B above the minimum recommended employer contribution rates contained within this report.

In addition to calculating the actuarially required contribution to the fund, we have also calculated the ratio of the system's assets to liabilities. When the market value of assets is divided by the entry age normal accrued liability for the fund the result is 75.45% for Plan A and 78.42% for Plan B as of June 30, 2014. This value in isolation does not give a measure of the ability of the fund to pay benefits in the future or indicate that future contributions are likely to be greater or less than current contributions. In addition, the ratio cannot be used to compare the relative strength of different retirement systems. However, the trend of this ratio over time can give some insight into the financial health of the plan. Even in this regard caution is warranted since market fluctuations in asset values and changes in plan assumptions can distort the underlying trends in this value.

COST OF LIVING INCREASES

During calendar 2014 the actual cost of living (as measured by the US Department of Labor CPI-U) increased by 2.07%. Cost of living provisions for the system are detailed in R.S. 11:1761 and R.S. 11:246. The former statute allows the board to use interest earnings in excess of the normal requirements to grant annual cost of living increases of 2% of each retiree's original benefit. R.S. 11:246 provides cost of living increases of retirees and beneficiaries over the age of 65 equal to 2% of the benefit in payment on October 1, 1977, or the date the benefit was originally received if retirement commenced after that date. R.S. 11:241 provides that cost of living benefits shall be in the form (unless the board otherwise specifies) of $X×(A+B) where X is at most $1 and "A" represents the number of years of credited service accrued at retirement or at death of the member or retiree and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase. The provisions of this subpart do not repeal provisions relative to cost of living adjustments contained within the individual laws governing systems; however, they are to be controlling in cases of conflict.

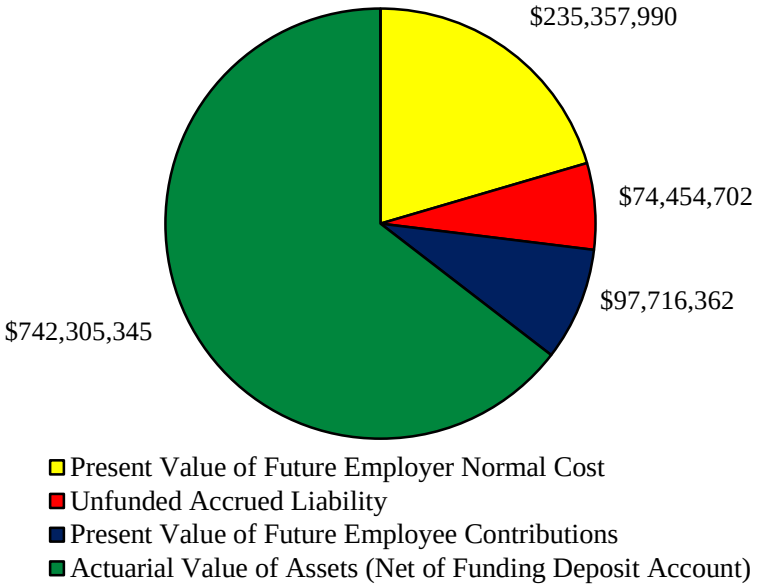
In addition, Act 113 of the 2008 Regular Legislation Session provides for a COLA of 3% of the normal monthly benefit but not less than $20 per month. Although this COLA is permanent, it may only be granted once. This one-time cost of living increase may only be paid from excess interest earnings.

Based upon the irrevocable election of the Board of Trustees to accept the alternative method for determining eligibility to authorize cost of living increases under Act 170 of the 2013 Legislative Session, the ratio of the plan's assets to benefit obligations must meet the criteria established in R.S. 11:243. Under this section, the system would only be authorized to grant a COLA under R. S. 11:241, R.S. 11:246, or R. S. 11: 1761 in fiscal years in which the rate of return on an actuarial basis exceeds the valuation interest rate and one of the following applies:

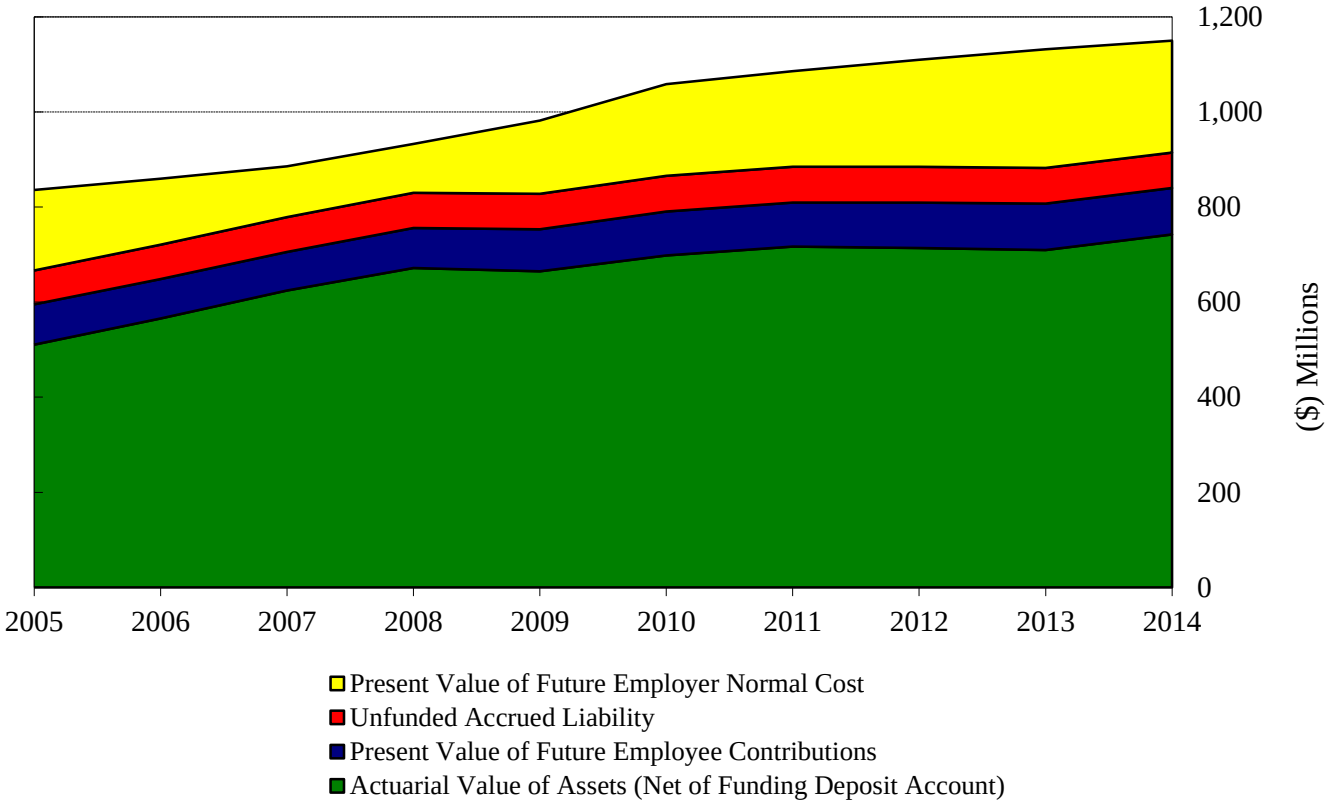
1. The system has a funded ratio of 90% or more and has not granted a benefit increase to retirees, survivors, and beneficiaries in the most recent fiscal year.
2. The system has a funded ratio of 80% or more and has not granted a benefit increase to retirees, survivors, and beneficiaries in the two most recent fiscal years.
3. The system has a funded ratio of 70% or more and has not granted a benefit increase to retirees, survivors, and beneficiaries in the three most recent fiscal years.

We have determined that for fiscal 2014, neither plan had excess interest earnings; hence no cost of living increase is payable to regular retirees.

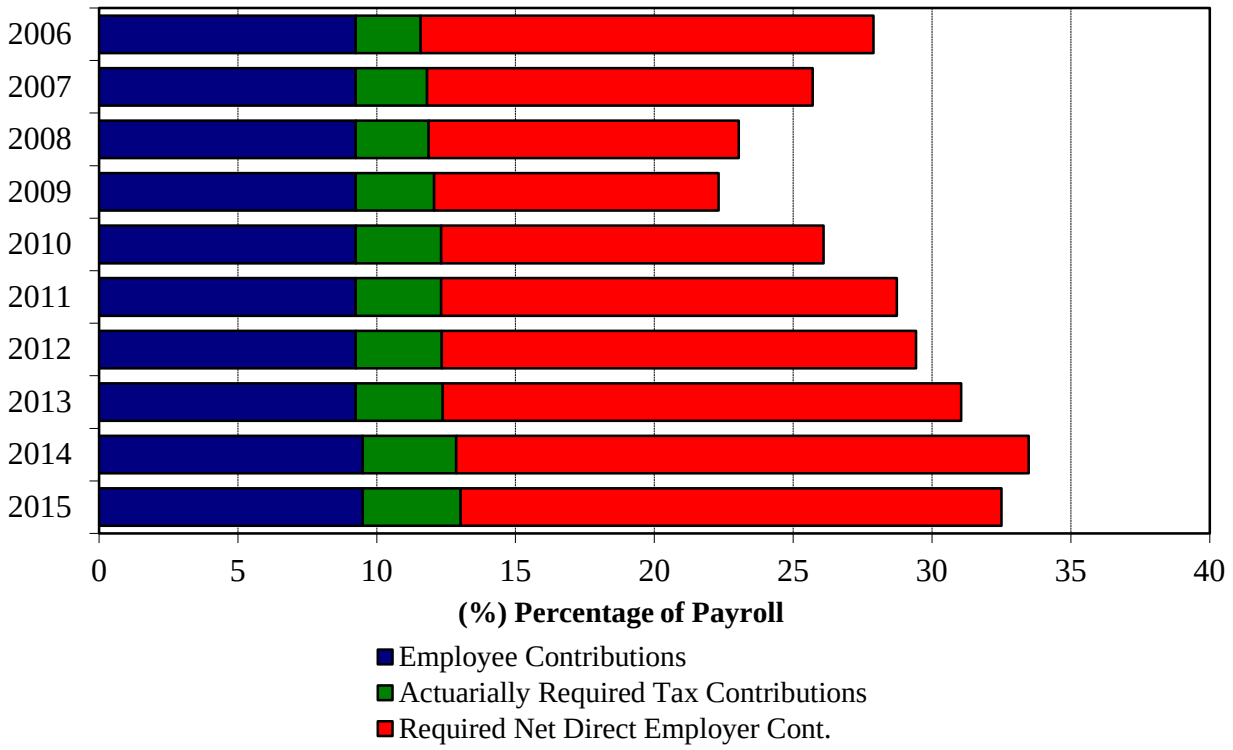
Plan A - Components of Present Value of Future Benefits
June 30, 2014



Plan A - Components of Present Value of Future Benefits

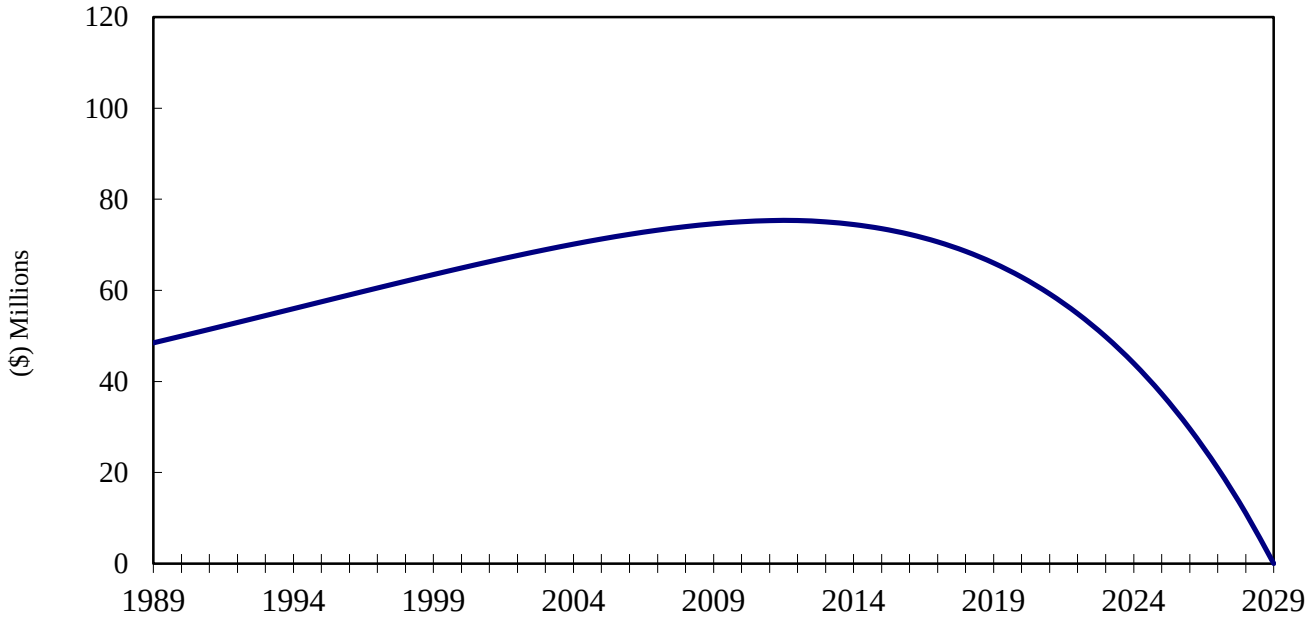


Plan A - Components of Actuarial Funding

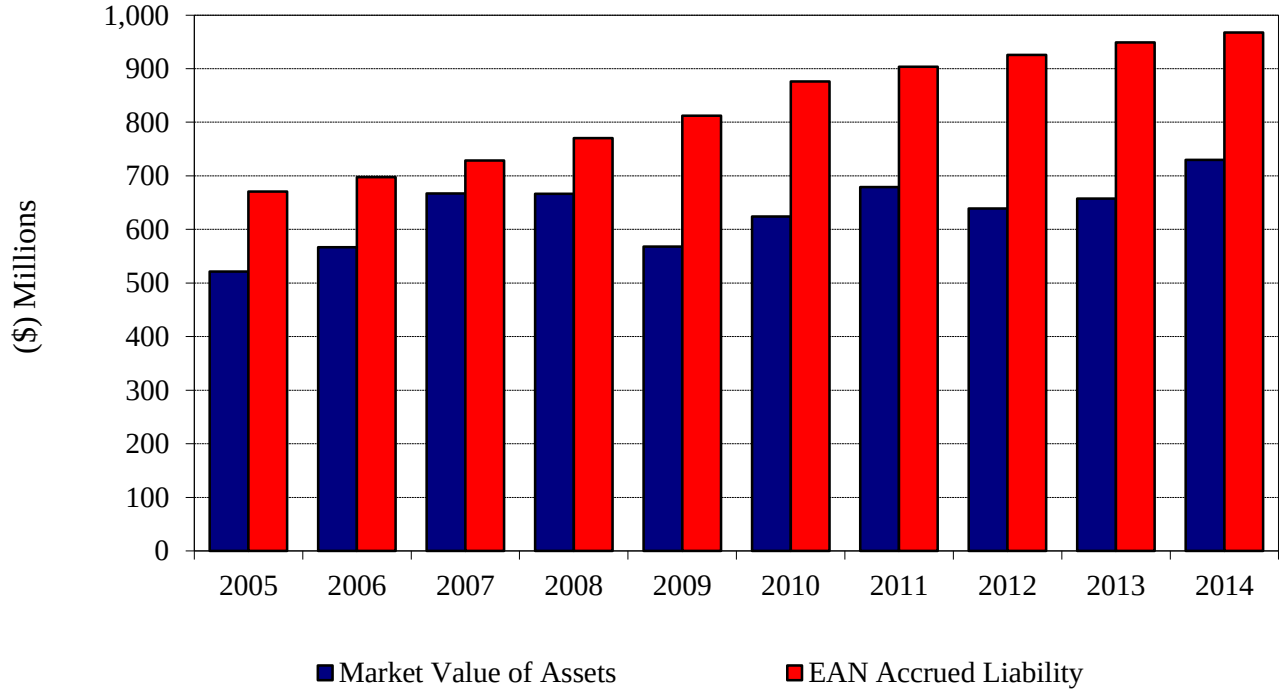


Projected Tax Contributions consist of Projected Ad Valorem and Revenue Sharing Funds as a percent of payroll

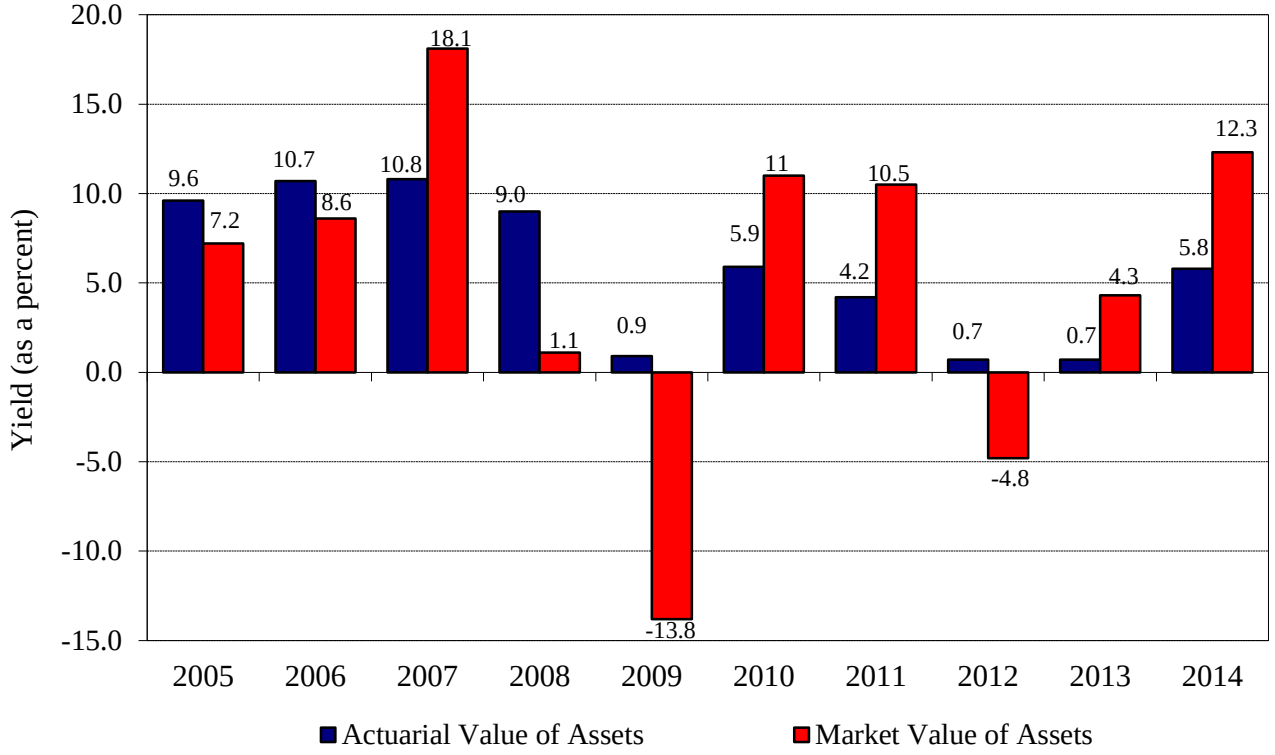
Plan A – Frozen Unfunded Accrued Liability



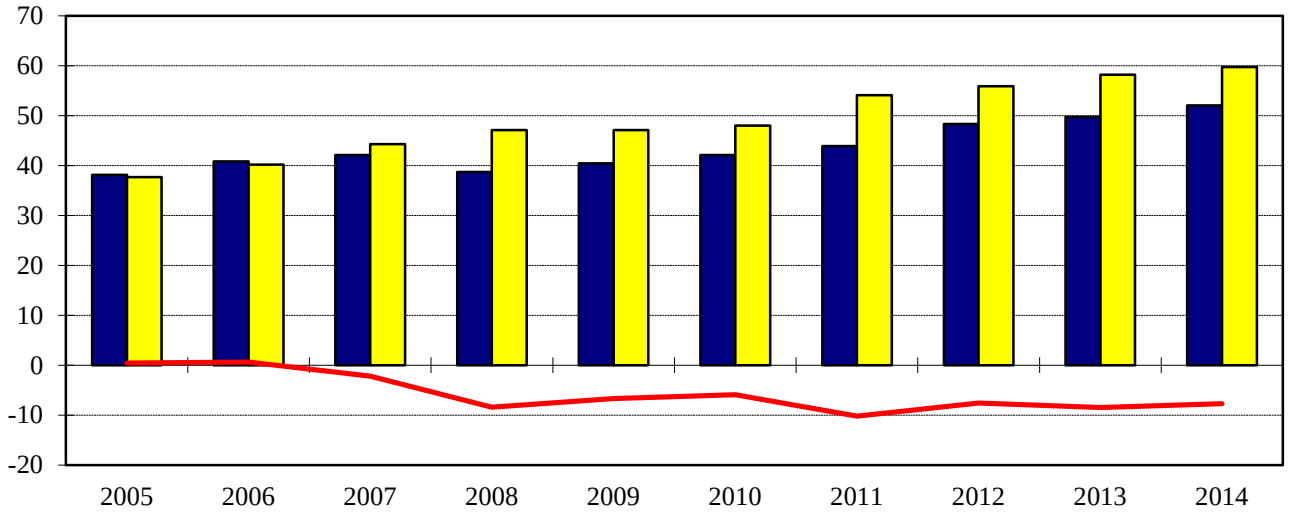
Plan A - Market Value of Assets vs. EAN Accrued Liability



Plan A – Historical Asset Yield

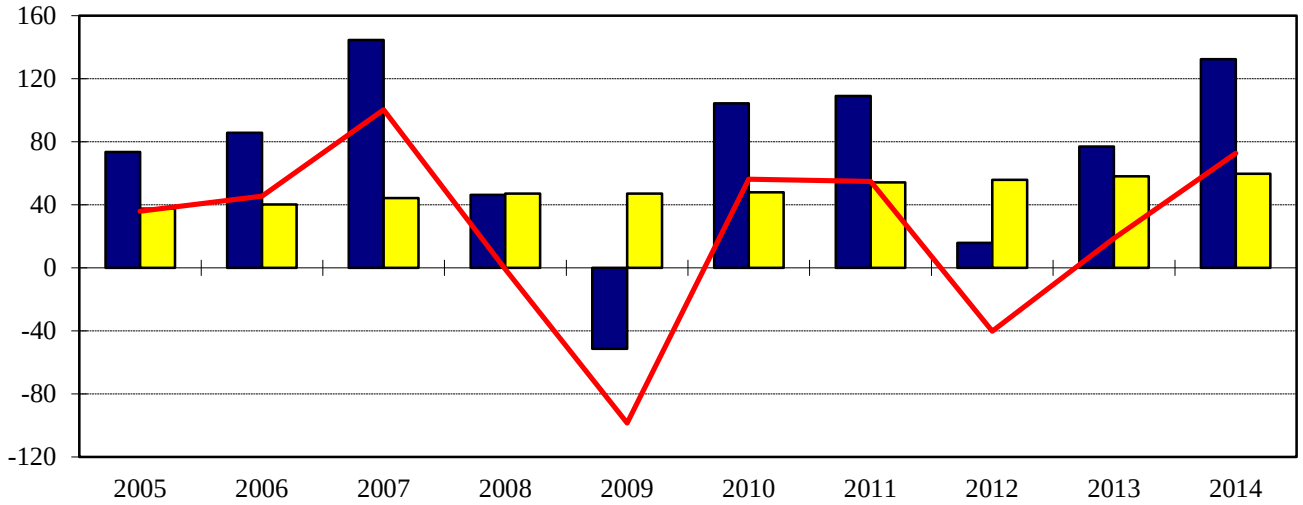


Plan A - Net Non-Investment Income



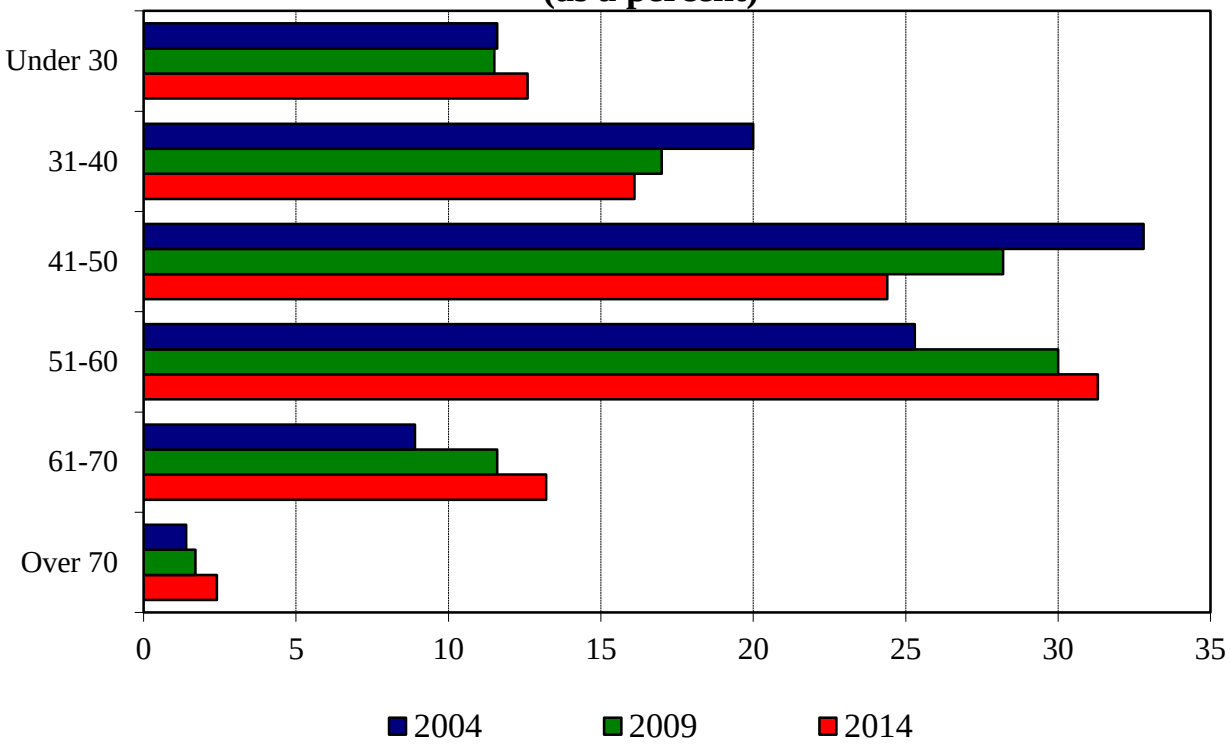
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Non-Investment Income ($Mil)		38.1	40.8	42.1	38.7	40.4	42.1	43.9	48.3	49.7	52.0
Benefits and Expenses ($Mil)		37.7	40.2	44.3	47.1	47.1	48.0	54.1	55.9	58.2	59.7
Net Non-Investment Income ($Mil)		0.4	0.6	-2.2	-8.4	-6.7	-5.9	-10.2	-7.6	-8.5	-7.7

Plan A - Total Income vs. Expenses
(Based on Market Value of Assets)

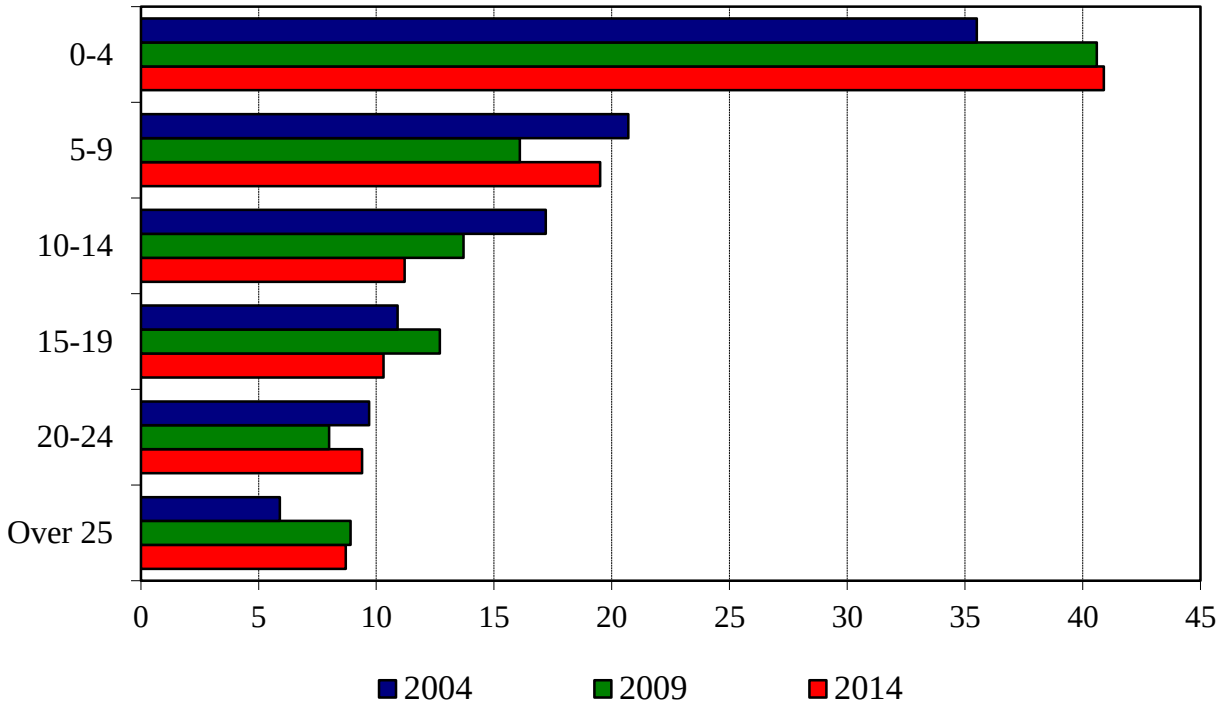


		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Income ($Mil)		73.6	85.8	144.6	46.3	-51.3	104.3	108.9	15.8	77.0	132.4
Benefits and Expenses ($Mil)		37.7	40.2	44.3	47.1	47.1	48.0	54.1	55.9	58.2	59.7
Net Change in MVA ($Mil)		35.9	45.6	100.3	-0.8	-98.4	56.3	54.8	-40.1	18.8	72.7

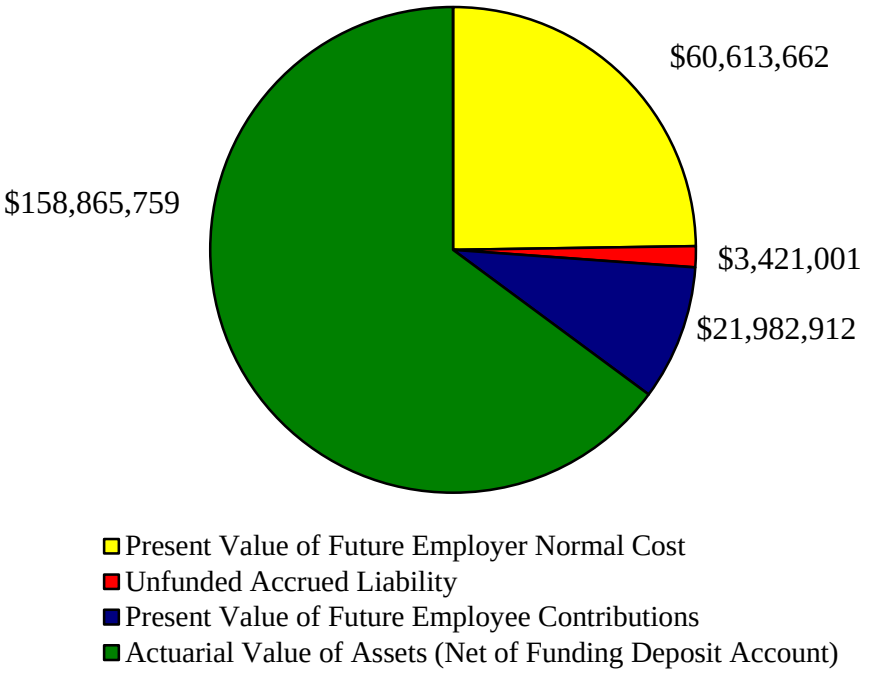
Plan A - Active – Census By Age
(as a percent)



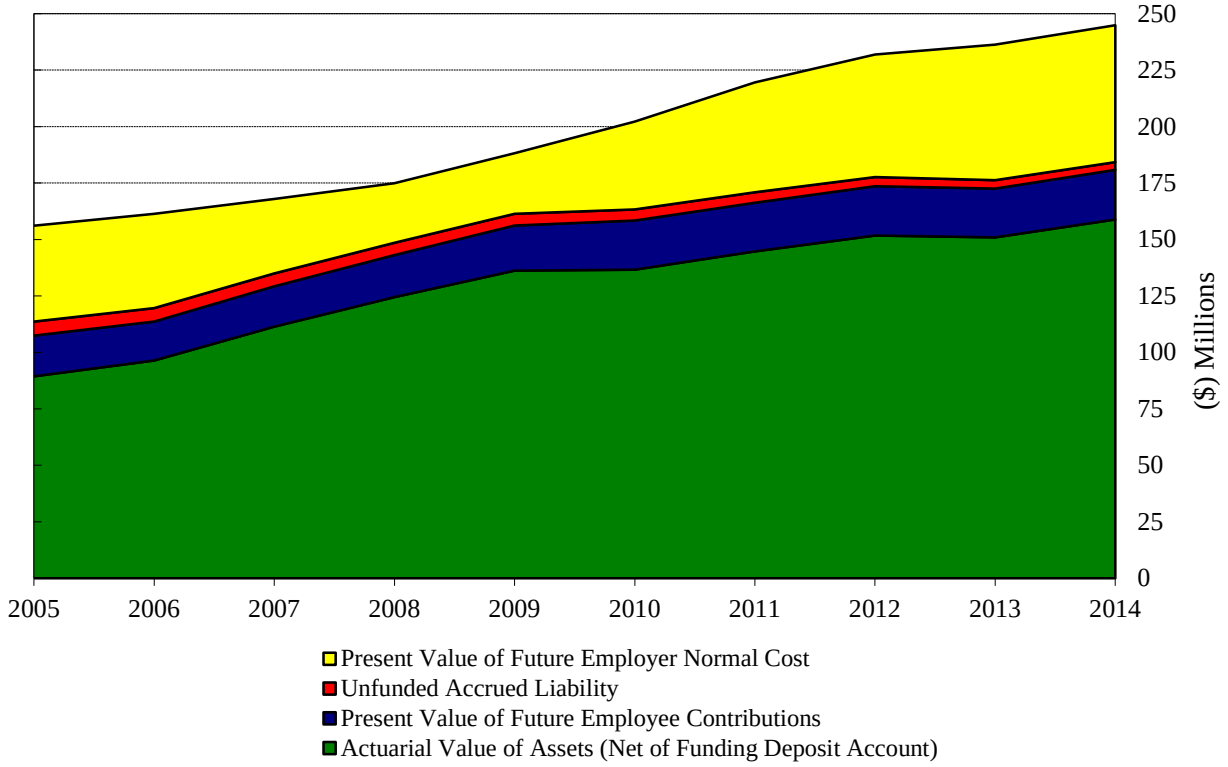
Plan A - Active – Census By Service
(as a percent)



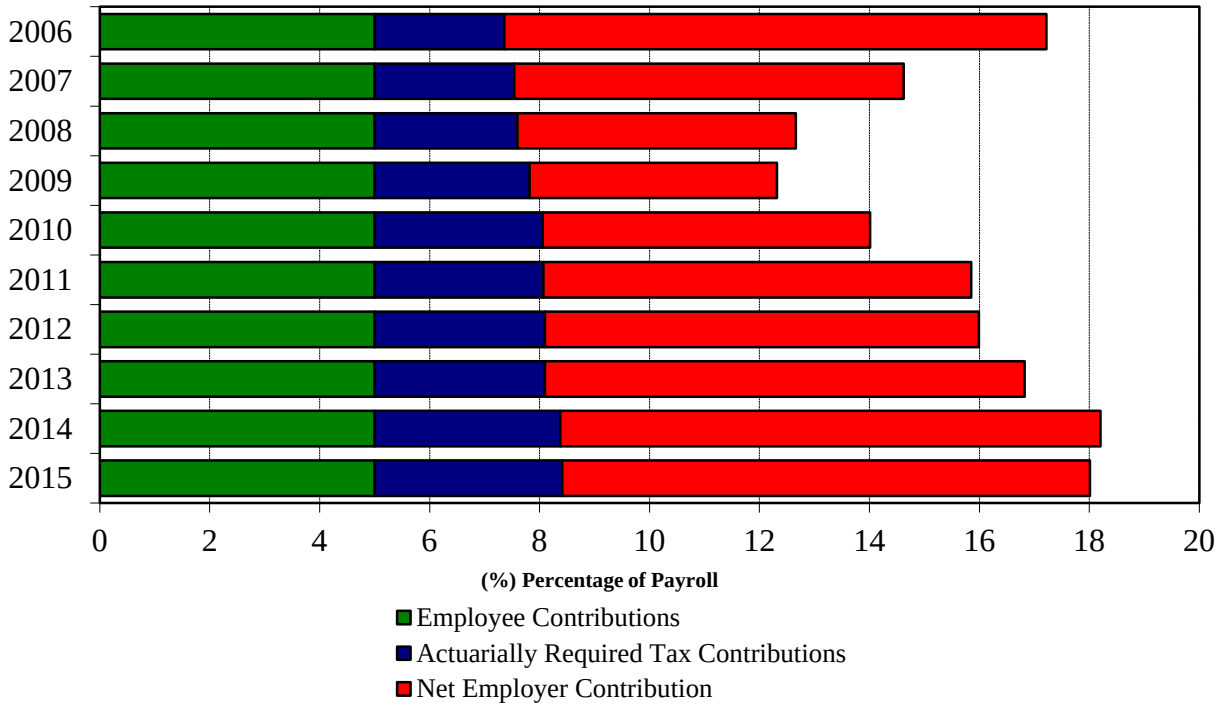
Plan B - Components of Present Value of Future Benefits
June 30, 2014



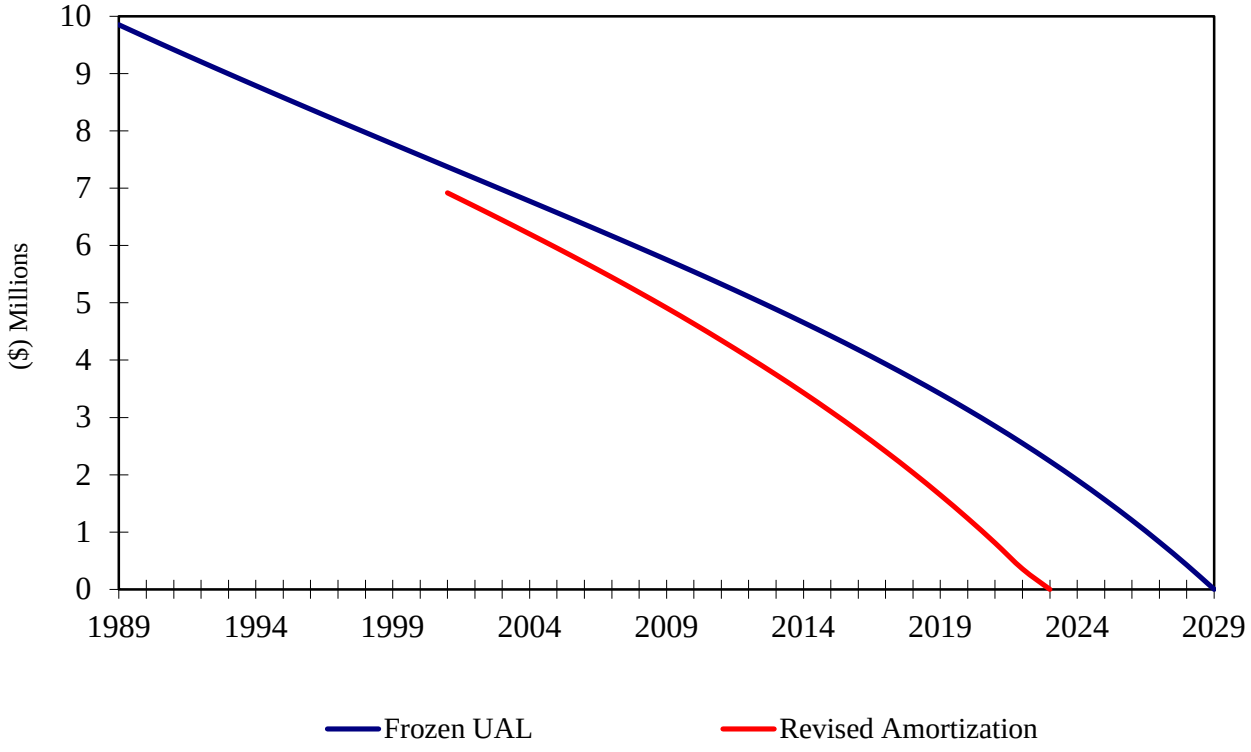
Plan B - Components of Present Value of Future Benefits



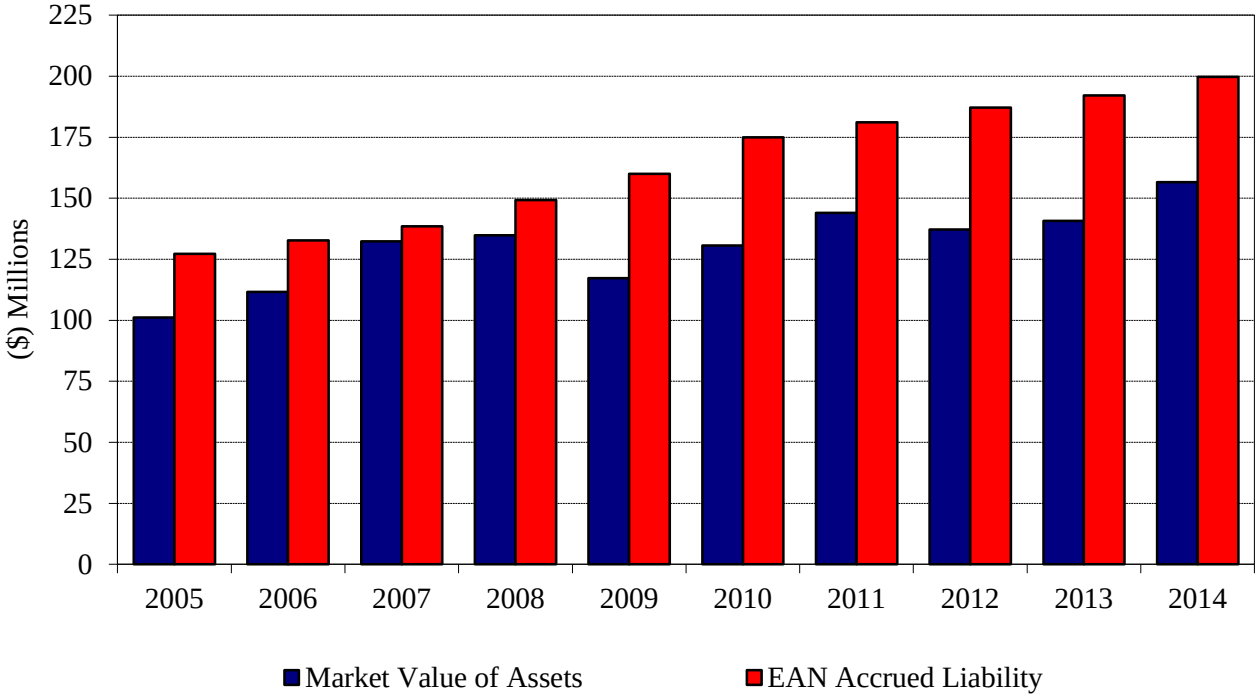
Plan B - Components of Actuarial Funding



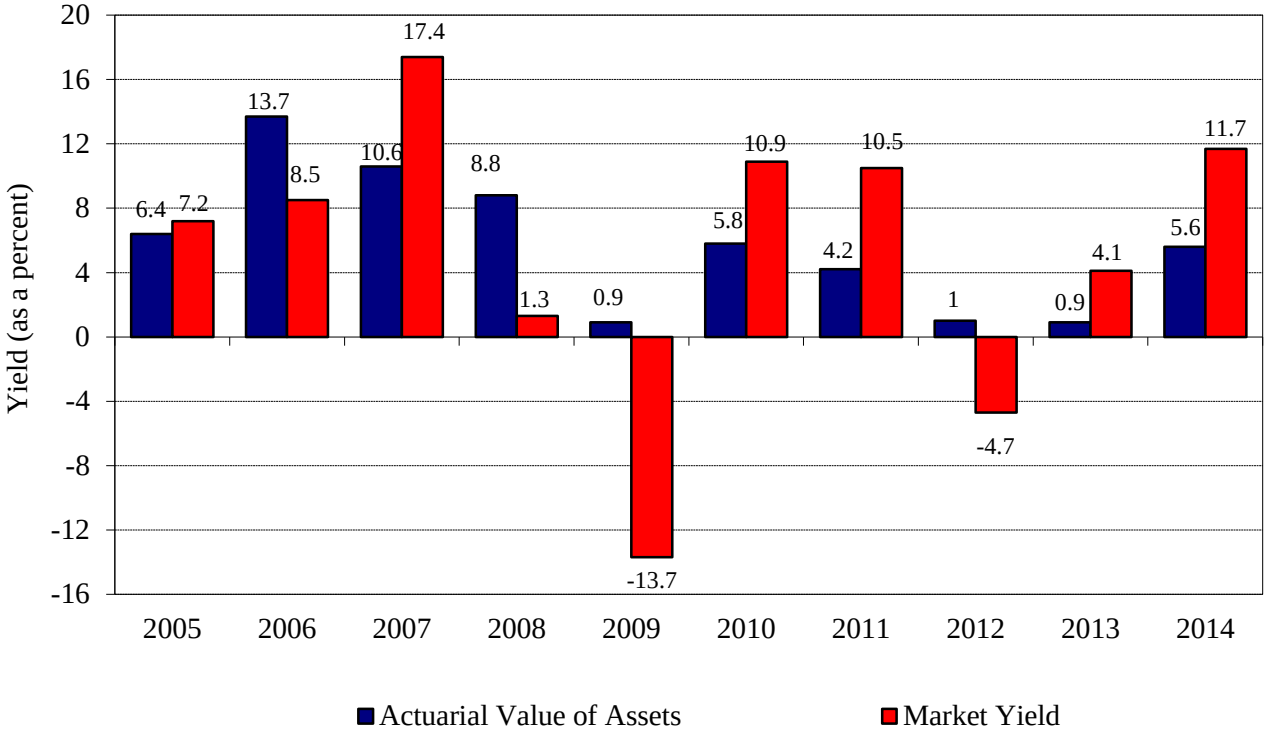
Plan B – Frozen Unfunded Accrued Liability



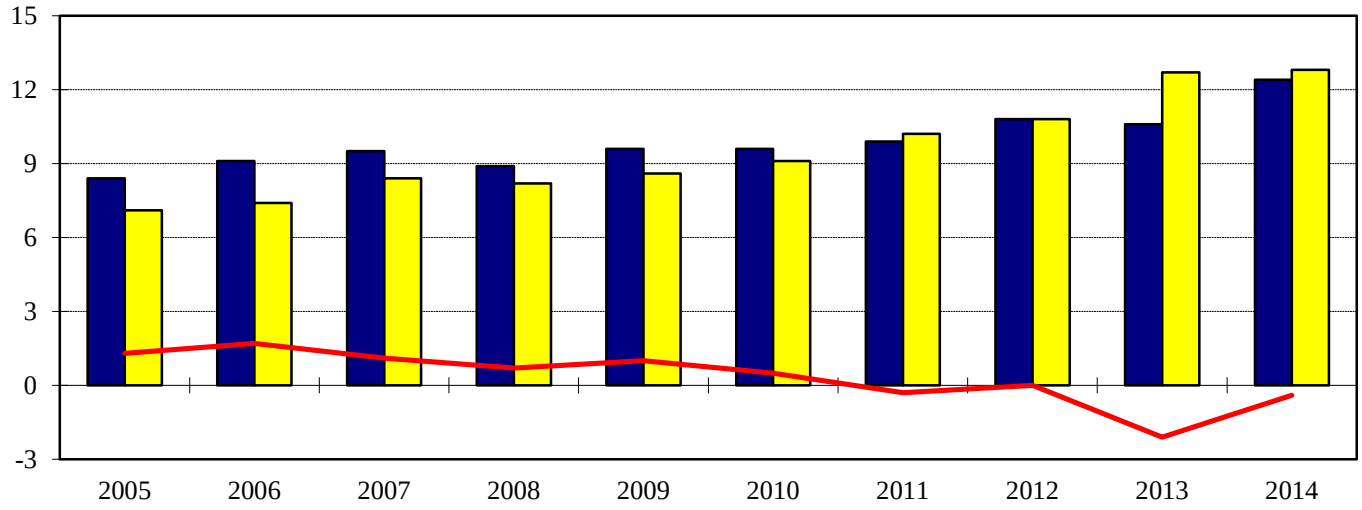
Plan B
Market Value of Assets vs. EAN Accrued Liability



Plan B – Historical Asset Yield

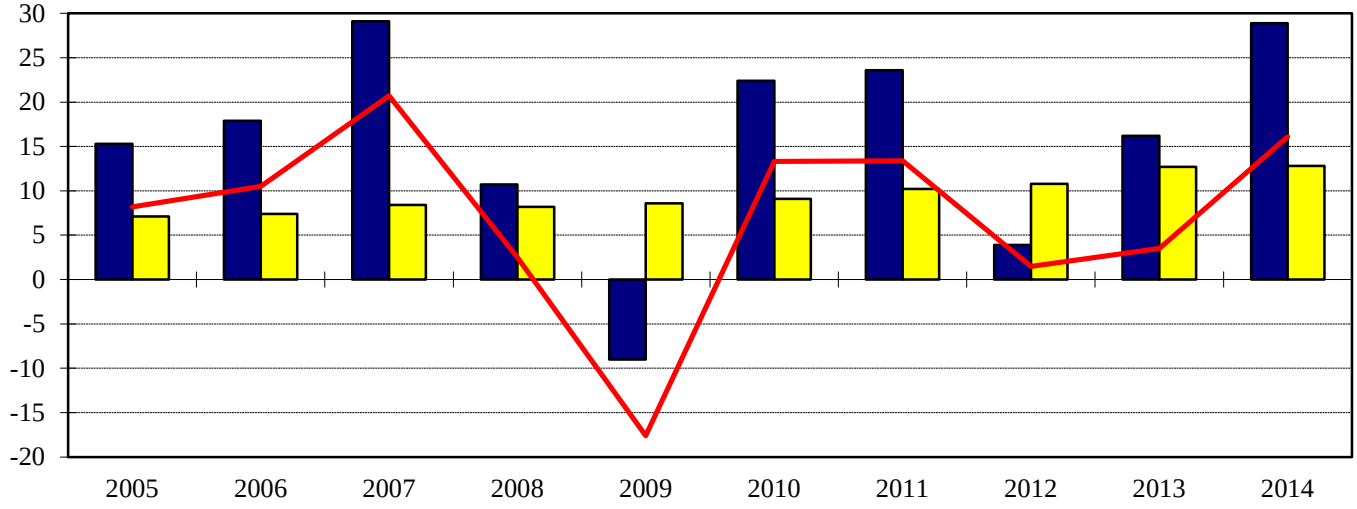


Plan B - Net Non-Investment Income



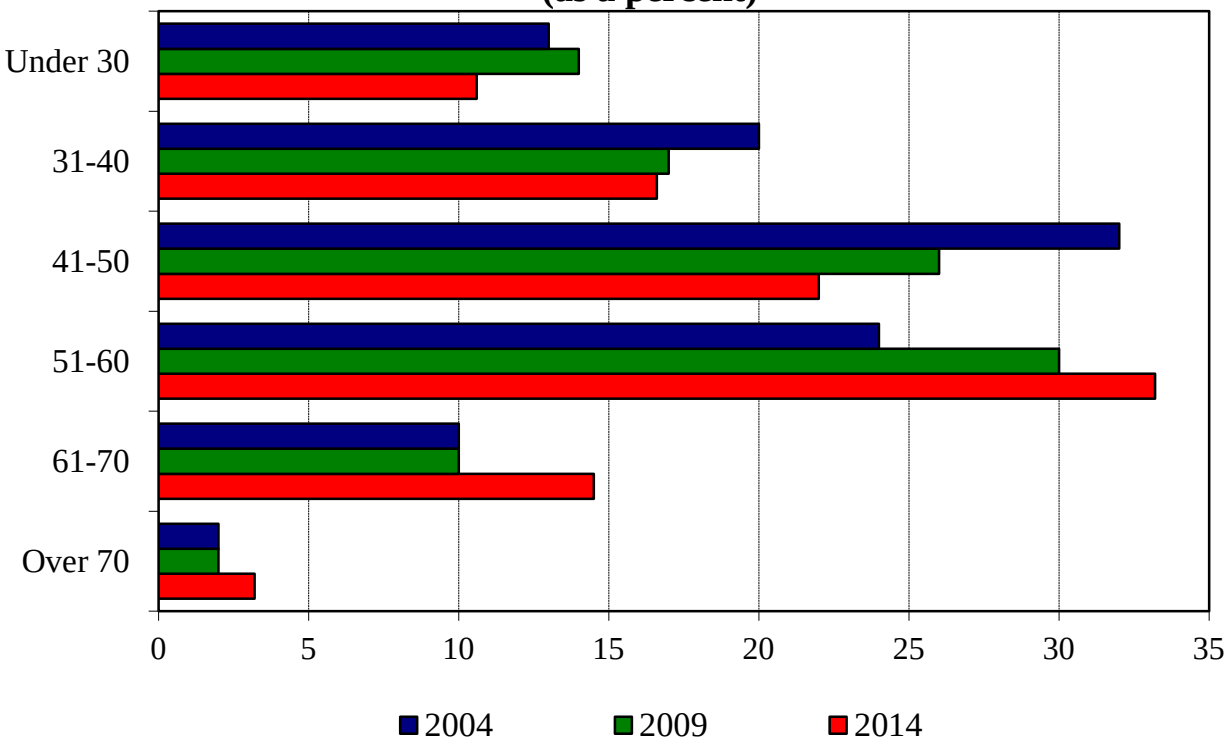
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Non-Investment Income ($Mil)		8.4	9.1	9.5	8.9	9.6	9.6	9.9	10.8	10.6	12.4
Benefits and Expenses ($Mil)		7.1	7.4	8.4	8.2	8.6	9.1	10.2	10.8	12.7	12.8
Net Non-Investment Income ($Mil)		1.3	1.7	1.1	0.7	1.0	0.5	-0.3	0.0	-2.1	-0.4

Plan B - Total Income vs. Expenses
(Based on Market Value of Assets)



		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Income ($Mil)		15.3	17.9	29.1	10.7	-9.0	22.4	23.6	3.9	16.2	28.9
Benefits and Expenses ($Mil)		7.1	7.4	8.4	8.2	8.6	9.1	10.2	10.8	12.7	12.8
Net Change in MVA ($Mil)		8.2	10.5	20.7	2.5	-17.6	13.3	13.4	1.5	3.5	16.1

Plan B - Active – Census By Age
(as a percent)



Plan B - Active – Census By Service
(as a percent)

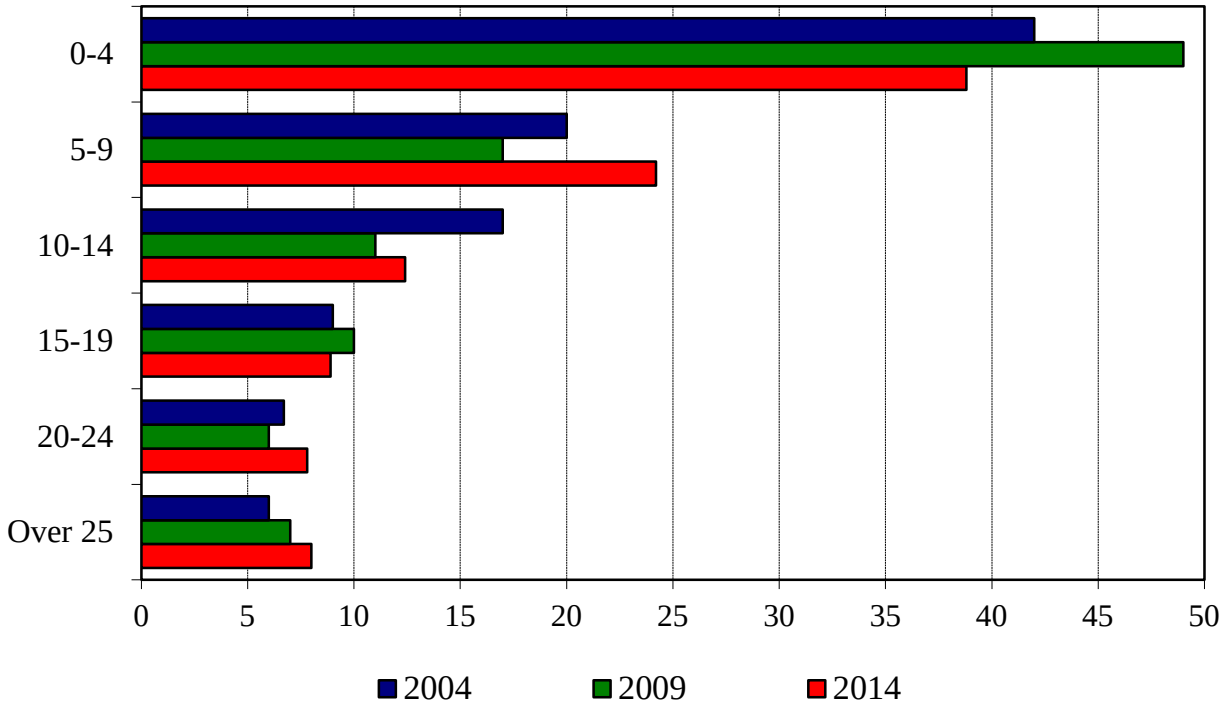


EXHIBIT I
PLAN A: ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits	$	1,149,834,399
2.	Funding Deposit Account Credit Balance	$	8,930,139
3.	Frozen Unfunded Actuarial Accrued Liability	$	74,454,702
4.	Actuarial Value of Assets	$	751,235,484
5.	Present Value of Future Employee Contributions	$	97,716,362
6.	Present Value of Future Employer Normal Costs (1+2-3-4-5)	$	235,357,990
7.	Present Value of Future Salaries	$	1,191,928,762
8.	Employer Normal Cost Accrual Rate (5÷6)		19.745978%
9.	Projected Fiscal 2015 Salary for Current Membership	$	156,461,247
10.	Employer Normal Cost as of July 1, 2014 (7 x 8)	$	30,894,803
11.	Amortization Payment on Frozen Unfunded Accrued Liability with Payments increasing at 4.25% per year	$	6,191,251
12.	Total Employer Normal Cost & Amortization Payment (10 + 11)	$	37,086,054
13.	Employer Normal Cost and Amortization Payment Interest Adjusted for Midyear Payment	$	38,496,324
14.	Estimated Administrative Cost for Fiscal 2015	$	1,127,530
15.	Gross Employer Actuarially Required Contribution for Fiscal 2015 (13 + 14)	$	39,623,854
16.	Projected Ad Valorem Tax Contributions for Fiscal 2015	$	5,926,948
17.	Projected Revenue Sharing Funds for Fiscal 2015	$	130,135
18.	Employers' Minimum Net Direct Actuarially Required Contribution for Fiscal 2015 (15 – 16 – 17)	$	33,566,771
19.	Projected Payroll for Fiscal 2015	$	172,299,839
20.	Employers' Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2015 (18 ÷ 19)		19.48%
21.	Actual Employer Contribution Rate for 2015 (includes FDA Contribution)		20.75%
22.	Contribution Shortfall (Excess) as a Percentage of Payroll (20 – 21)		(1.27%)
23.	Increase (Reduction) to Following Year Payment for Contribution Shortfall (Excess)		(0.17%)
24.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2016 (20+23, Rounded to nearest 0.25%)		19.25%

EXHIBIT II
PLAN A: PRESENT VALUE OF FUTURE BENEFITS

PRESENT VALUE OF FUTURE BENEFITS FOR ACTIVE MEMBERS:

Retirement Benefits	$ 603,601,733	
Survivor Benefits	11,061,134	
Disability Benefits	7,421,662	
Vested Termination Benefits	12,267,153	
Refunds of Contributions	19,342,507	
TOTAL Present Value of Future Benefits for Active Members		$ 653,694,189

PRESENT VALUE OF FUTURE BENEFITS FOR TERMINATED MEMBERS:

Terminated Vested Members Due Benefits at Retirement	$ 15,536,533	
Terminated Members with Reciprocals Due Benefits at Retirement	963,820	
Terminated Members Due a Refund	2,813,255	
TOTAL Present Value of Future Benefits for Terminated Members		$ 19,313,608

PRESENT VALUE OF FUTURE BENEFITS FOR RETIREES:

Regular Retirees			
Maximum	$ 175,795,795		
Option 2	160,828,048		
Option 3	66,889,085		
Option 4	2,040,827		
TOTAL Regular Retirees		$ 405,553,755	
Disability Retirees		18,150,437	
Survivors & Widows		48,442,906	
Reserve for Accrued Retiree DROP Account Balances		4,679,504	
TOTAL Present Value of Future Benefits for Retirees & Survivors			$ 476,826,602
TOTAL Present Value of Future Benefits			$ 1,149,834,399

EXHIBIT III – SCHEDULE A
PLAN A: MARKET VALUE OF ASSETS

CURRENT ASSETS:		
Cash in Banks	$ 11,948,655	
Contributions and Taxes Receivable	3,263,332	
Accrued Interest and Dividends	5,641,479	
Investments Receivable	373,272	
Prepaid Expenses	310,405	
Due (To) From Other Funds	(484,907)	
Other Current Assets	151,445	
TOTAL CURRENT ASSETS		$ 21,203,681
Property Plant & Equipment		$ 599,122
INVESTMENTS:		
Equities	$ 297,957,526	
Real Estate	112,145,032	
Tactical Allocation	105,795,843	
Alternative Investments	92,763,289	
Fixed Income	67,420,848	
Cash Equivalents	44,333,947	
TOTAL INVESTMENTS		$ 720,416,485
TOTAL ASSETS		$ 742,219,288
CURRENT LIABILITIES:		
Accounts Payable	$ 1,053,139	
Refunds Payable	460,902	
Investments Payable	88,557	
Other Current Liabilities	1,641,266	
TOTAL CURRENT LIABILITIES		$ 3,243,864
OTHER CONTROLLING INTEREST		$ (8,902,881)
MARKET VALUE OF ASSETS		$ 730,072,543

EXHIBIT III – SCHEDULE B
PLAN A - ACTUARIAL VALUE OF ASSETS

Excess (Shortfall) of invested income
for current and previous 4 years:

Fiscal year 2014	$	29,763,811
Fiscal year 2013		(21,849,970)
Fiscal year 2012		(86,502,955)
Fiscal year 2011		15,459,113
Fiscal year 2010		16,842,738
Total for five years	$	(46,287,263)

Deferral of excess (shortfall) of invested income:

Fiscal year 2014 (80%)	$	23,811,049
Fiscal year 2013 (60%)		(13,109,982)
Fiscal year 2012 (40%)		(34,601,182)
Fiscal year 2011 (20%)		3,091,823
Fiscal year 2010 (0%)		0
Total deferred for year	$	(20,808,292)

Market value of plan net assets, end of year	$	730,072,543
Preliminary actuarial value of plan assets, end of year	$	750,880,835

Actuarial value of assets corridor

85% of market value, end of year	$	620,561,662
115% of market value, end of year	$	839,583,424
Allocated Share of the Expense Fund	$	354,649
Final actuarial value of plan net assets, end of year	$	751,235,484

EXHIBIT IV
PLAN A: PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$	97,716,362
Employer Normal Contributions to the Pension Accumulation Fund		235,357,990
Employer Amortization Payments to the Pension Accumulation Fund		74,454,702
Funding Deposit Account Credit Balance		(8,930,139)
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$	398,598,915

EXHIBIT V
PLAN A: CHANGE IN FROZEN UNFUNDED ACTUARIAL ACCRUED LIABILITY

Prior Year Frozen Unfunded Accrued Liability			$	75,038,341
Interest on Frozen Unfunded Accrued Liability	$	5,815,471		
Employer Normal Cost for Prior Year		32,965,067		
Interest on the Normal Cost		2,554,793		
Administrative Expenses		1,330,103		
Interest on Expenses		50,580		
TOTAL Interest Adjusted Cost Elements			$	42,716,014
Direct Employer Contributions	$	31,501,412		
Interest on Employer Contributions		1,197,903		
Ad Valorem Taxes and Revenue Sharing		5,741,515		
Interest on Ad Valorem Taxes and Revenue Sharing Funds		218,332		
Contribution Shortfall (Excess)		4,306,720		
Interest on Contribution Shortfall (Excess)		333,771		
TOTAL Interest Adjusted Employer Contributions			$	43,299,653
NET Change in Frozen Unfunded Accrued Liability			$	($583,639)
CURRENT YEAR FROZEN UNFUNDED ACCRUED LIABILITY			$	74,454,702

EXHIBIT VI
PLAN A: ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (June 30, 2013)		$ 717,816,409
INCOME:		
Employer Contributions	$ 31,501,412	
Member Contributions	14,768,535	
Ad Valorem Taxes and Revenue Sharing	5,741,515	
Irregular Contributions	(36,863)	
Total Contributions		$ 51,974,599
Net Appreciation in Fair Value of Investments	$ 71,224,905	
Alternative Investment Income	12,019,054	
Interest & Dividend Income	1,787,606	
Net Loss Attributable to Controlling Interests	602,020	
Miscellaneous Income	203,969	
Investment Expense	(5,664,041)	
Net Investment Income		$ 80,173,513
TOTAL Income		$ 132,148,112
EXPENSES:		
Retirement Benefits	$ 50,055,134	
DROP Disbursements	5,177,295	
Refunds of Contributions	3,894,171	
Funds Transferred to another System	1,125,551	
Transferred from Plan B	(1,874,484)	
Administrative Expenses	1,097,827	
TOTAL Expenses		$ 59,475,494
Net Market Value Income for Fiscal 2014 (Income - Expenses)		$ 72,672,618
Unadjusted Fund Balance as of June 30, 2014 (Fund Balance Previous Year + Net Income)		$ 790,489,027
Adjustment for Change in Allocated Expense Fund Balance		$ (232,279)
Adjustment for Actuarial Smoothing		$ (39,021,264)
Actuarial Value of Assets: (June 30, 2014)		$ 751,235,484

EXHIBIT VII - Schedule A
PLAN A: PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees.....	$	459,647,722
Present Value of Benefits Payable to Terminated Employees		19,313,608
Present Value of Benefits Payable to Current Retirees and Beneficiaries		476,826,602
TOTAL PENSION BENEFIT OBLIGATION.....	$	955,787,932
NET ACTUARIAL VALUE OF ASSETS.....	$	751,235,484
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation.....		78.60%

EXHIBIT VII - Schedule B
PLAN A: ENTRY AGE NORMAL ACCRUED LIABILITIES

Accrued Liability for Active Employees	$	471,443,926
Accrued Liability for Terminated Employees		19,313,608
Accrued Liability for Current Retirees and Beneficiaries		476,826,602
TOTAL ENTRY AGE NORMAL ACCRUED LIABILITY	$	967,584,136
NET MARKET VALUE OF ASSETS	$	730,072,543
Ratio of Net Market Value of Assets to Entry Age Normal Accrued Liability		75.45%

EXHIBIT VIII
CENSUS DATA - PLAN A

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2013	4,685	2,865	254	3,106	10,910
Additions to Census					
Initial membership	622	34		3	659
Omitted in error last year					
Death of another member				(31)	(31)
Adjustment for multiple records				3	3
Change in Status during Year					
Actives terminating service	(113)	113			
Actives who retired	(95)			95	
Actives entering DROP	(84)		84		
Term. members rehired	23	(23)			
Term. members who retire		(14)		14	
Retirees who are rehired					
Refunded who are rehired	12	1			13
DROP participants retiring			(46)	46	
DROP returned to work	44		(44)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(429)	(123)			(552)
Deaths	(17)	(2)	(1)	(59)	(79)
Included in error last year					
Adjustment for multiple records	(1)				(1)
Number of members as of June 30, 2014	4,647	2,851	247	3,177	10,922

PLAN A - ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	16	4	20	21,243	424,859
21 - 25	182	70	252	23,138	5,830,718
26 - 30	237	108	345	27,456	9,472,478
31 - 35	256	130	386	30,958	11,949,672
36 - 40	248	152	400	31,642	12,656,660
41 - 45	327	177	504	34,098	17,185,510
46 - 50	470	220	690	35,136	24,243,719
51 - 55	527	285	812	36,469	29,612,840
56 - 60	479	241	720	37,105	26,715,462
61 - 65	312	157	469	39,037	18,308,579
66 - 70	132	47	179	41,927	7,504,966
71 - 75	61	19	80	33,475	2,678,030
76 - 80	22	6	28	31,411	879,512
81 - 85	6	1	7	40,942	286,596
86 - 90	1	1	2	51,618	103,235
TOTAL	3,276	1,618	4,894	34,298	167,852,836

THE ACTIVE CENSUS INCLUDES 1,935 ACTIVES WITH VESTED BENEFITS, INCLUDING 247 DROP PARTICIPANTS AND 194 ACTIVE FORMER DROP PARTICIPANTS.

PLAN A - TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	2	0	2	12,452	24,903
36 - 40	4	2	6	10,790	64,738
41 - 45	9	2	11	14,378	158,163
46 - 50	16	18	34	13,283	451,619
51 - 55	30	27	57	13,854	789,652
56 - 60	37	26	63	14,776	930,905
61 - 65	4	1	5	9,858	49,290
66 - 70	1	1	2	2,955	5,909
71 - 75	2	2	4	3,319	13,277
TOTAL	105	79	184	13,524	2,488,456

PLAN A - TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging From		To	Number	Total Contributions
0	-	99	1,836	102,753
100	-	499	355	88,853
500	-	999	125	86,566
1000	-	1999	105	152,296
2000	-	4999	98	311,811
5000	-	9999	70	495,224
10000	-	19999	53	750,662
20000	-	99999	25	776,635
TOTAL			2,667	2,764,800

PLAN A - REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	14	10	24	25,568	613,639
51 - 55	92	50	142	24,746	3,513,939
56 - 60	164	65	229	27,563	6,311,886
61 - 65	277	101	378	23,354	8,827,866
66 - 70	314	148	462	17,950	8,292,767
71 - 75	287	116	403	16,189	6,524,325
76 - 80	246	80	326	15,387	5,016,099
81 - 85	137	59	196	12,447	2,439,564
86 - 90	71	36	107	12,256	1,311,417
91 - 99	33	17	50	10,069	503,429
TOTAL	1,635	682	2,317	18,712	43,354,931

PLAN A - DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
41 - 45	4	0	4	12,382	49,527
46 - 50	6	3	9	14,387	129,480
51 - 55	21	2	23	12,957	298,018
56 - 60	32	13	45	11,809	531,405
61 - 65	33	10	43	10,840	466,136
66 - 70	21	8	29	9,913	287,468
71 - 75	12	4	16	8,489	135,828
76 - 80	6	2	8	7,480	59,840
81 - 85	3	1	4	9,055	36,218
86 - 90	0	1	1	5,699	5,699
TOTAL	138	44	182	10,987	1,999,619

PLAN A - SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
0 - 25	1	6	7	8,811	61,678
26 - 30	1	1	2	8,688	17,375
31 - 35	0	2	2	7,720	15,439
36 - 40	3	0	3	4,342	13,026
41 - 45	1	4	5	6,350	31,749
46 - 50	5	15	20	6,300	126,009
51 - 55	6	26	32	8,507	272,220
56 - 60	3	36	39	10,512	409,960
61 - 65	7	56	63	10,316	649,915
66 - 70	7	67	74	10,308	762,767
71 - 75	5	111	116	10,117	1,173,556
76 - 80	6	103	109	9,535	1,039,348
81 - 85	2	107	109	8,840	963,552
86 - 90	3	66	69	7,683	530,118
91 - 99	1	27	28	7,672	214,810
TOTAL	51	627	678	9,265	6,281,522

PLAN A - ACTIVE MEMBERS:

Attained Ages	Completed Years of Service											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20	15	4	1									20
21 - 25	120	57	40	16	9	10						252
26 - 30	86	65	54	46	19	71	4					345
31 - 35	84	58	37	39	29	89	49	1				386
36 - 40	57	48	31	35	16	112	54	44	3			400
41 - 45	69	39	33	33	21	100	58	71	77	3		504
46 - 50	84	57	51	35	25	128	66	94	92	50	8	690
51 - 55	73	65	44	45	34	144	97	86	96	63	65	812
56 - 60	46	42	48	29	22	129	94	106	97	55	52	720
61 - 65	18	23	16	23	14	111	70	58	67	42	27	469
66 - 70	6	3	3	8	6	42	36	26	16	19	14	179
71 & Over	4	2	7	6	3	20	19	16	14	10	16	117
Totals	662	463	365	315	198	956	547	502	462	242	182	4894

PLAN A - AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Attained Ages	Completed Years of Service											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Salary
0 - 20	20,788	22,886	21,501									21,243
21 - 25	22,274	22,417	25,184	22,191	27,369	27,140						23,138
26 - 30	23,261	27,535	28,931	28,925	31,022	29,253	30,775					27,456
31 - 35	24,132	29,090	35,848	30,551	27,627	34,188	37,647	28,891				30,958
36 - 40	26,722	26,712	28,371	31,536	31,649	33,534	34,405	36,332	49,818			31,642
41 - 45	26,260	26,971	28,182	29,358	27,197	33,744	35,367	41,596	43,250	47,461		34,098
46 - 50	24,708	26,154	28,253	36,935	31,260	31,255	34,698	39,186	45,886	52,022	45,703	35,136
51 - 55	25,924	29,272	26,615	36,562	28,972	33,489	35,503	37,781	42,164	49,959	50,857	36,469
56 - 60	28,753	25,659	30,301	29,477	32,499	32,949	34,777	37,998	42,368	50,573	54,853	37,105
61 - 65	28,364	29,869	31,184	33,781	36,432	36,587	33,268	39,375	47,804	49,588	50,588	39,037
66 - 70	36,023	20,164	25,688	40,993	43,537	35,147	44,660	43,014	40,332	46,764	59,000	41,927
71 & Over	40,288	36,884	30,736	32,111	22,315	28,249	34,414	28,539	38,753	32,447	43,450	33,738
Average	24,963	26,939	28,999	31,873	30,476	33,156	35,594	38,645	43,830	49,455	51,708	34,298

PLAN A - TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 30												0
31 - 35										2		2
36 - 40									6			6
41 - 45								11				11
46 - 50							34					34
51 - 55	1					56						57
56 - 60	15	10	10	15	13							63
61 - 65	5											5
66 - 70	2											2
71 - 75	4											4
76 & Over												0
Totals	27	10	10	15	13	56	34	11	6	2	0	184

PLAN A - AVERAGE ANNUAL BENEFITS OF TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility											Average Benefit
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	
0 - 30												0
31 - 35										12,452		12,452
36 - 40									10,790			10,790
41 - 45								14,378				14,378
46 - 50							13,283					13,283
51 - 55	55,510					13,110						13,854
56 - 60	17,089	16,459	13,660	14,824	11,616							14,776
61 - 65	9,858											9,858
66 - 70	2,954											2,954
71 - 75	3,319											3,319
76 & Over												0
Average	14,086	16,459	13,660	14,824	11,616	13,110	13,283	14,378	10,790	12,452	0	13,524

PLAN A - SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 50	6	3	2	6	3	4						24
51 - 55	18	25	12	15	9	52	11					142
56 - 60	34	21	20	22	21	88	22		1			229
61 - 65	58	49	45	51	21	93	57	3		1		378
66 - 70	23	26	42	42	38	203	71	15	1	1		462
71 - 75	9	12	14	29	16	113	136	46	25	2	1	403
76 - 80	1	4	5	4	4	51	87	104	40	24	2	326
81 - 85	1	3	2	2	4	14	30	49	67	20	4	196
86 - 90						5	9	17	30	38	8	107
91 & Over				1		3	2	1	4	22	17	50
Totals	150	143	142	172	116	626	425	235	168	108	32	2317

PLAN A - AVERAGE ANNUAL BENEFITS PAYABLE TO SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement											Average Benefit
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	
0 - 50	28,900	22,044	29,100	23,815	23,764	25,431						25,568
51 - 55	28,613	27,593	30,438	29,007	21,745	21,858	16,036					24,746
56 - 60	33,480	35,441	32,586	26,317	33,697	22,968	20,990		8,000			27,563
61 - 65	22,783	24,957	23,122	22,654	19,813	24,414	23,250	22,828		7,344		23,354
66 - 70	14,909	20,115	18,090	13,795	19,498	16,970	21,077	24,866	26,401	6,109		17,950
71 - 75	15,890	14,557	15,309	13,511	15,696	13,953	15,732	22,443	22,952	9,599	7,680	16,189
76 - 80	2,787	25,327	11,944	17,881	16,187	13,446	11,898	14,678	21,646	24,056	12,725	15,387
81 - 85	7,891	13,482	7,548	9,723	13,414	7,595	10,119	12,222	12,405	18,855	21,494	12,447
86 - 90						5,068	8,955	12,732	13,348	11,713	17,942	12,256
91 & Over				2,485		9,345	12,750	7,496	9,443	10,523	10,038	10,069
Average	24,299	24,913	22,286	19,634	21,562	18,206	16,575	16,269	16,330	15,404	13,540	18,712

PLAN A - DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 40												0
41 - 45				1	1		1	1				4
46 - 50		1	1	1		4		1	1			9
51 - 55	2	1	3	2	1	6	3	3	1	1		23
56 - 60	2	6	5		1	11	10	8	1	1		45
61 - 65	1		1	3	1	11	7	13	5	1		43
66 - 70		1			1	5	8	3	8	1	2	29
71 - 75		1				3	2	5	4		1	16
76 - 80		1					2		4		1	8
81 - 85									3		1	4
86 - 90									1			1
91 & Over												0
Totals	5	11	10	7	5	40	33	34	28	4	5	182

PLAN A - AVERAGE ANNUAL BENEFITS PAYABLE TO DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement											Average Benefit
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	
0 - 40												0
41 - 45				16,643	12,839		8,496	11,550				12,382
46 - 50		16,685	10,663	17,689		15,381		14,652	8,268			14,387
51 - 55	12,816	17,925	15,094	19,353	12,106	16,202	8,945	7,803	8,158	2,753		12,957
56 - 60	12,533	10,292	15,123		8,036	14,235	11,413	9,124	13,274	3,946		11,809
61 - 65	7,567		17,537	16,754	10,582	10,573	9,493	11,253	9,959	1,344		10,840
66 - 70		6,473			9,951	9,135	8,565	8,759	14,519	8,115	3,154	9,913
71 - 75		8,368				5,106	7,205	8,772	11,998		5,876	8,489
76 - 80		8,244					7,267		6,977		9,154	7,480
81 - 85									8,653		10,257	9,054
86 - 90									5,699			5,699
91 & Over												0
Average	11,653	10,859	14,910	17,614	10,703	12,315	9,496	9,972	10,829	4,040	6,319	10,987

PLAN A - SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20	2	1	1			1	2					7
21 - 25												0
26 - 30					1		1					2
31 - 35	1				1							2
36 - 40					1		2					3
41 - 45		1					3	1				5
46 - 50				1	2	5	4	2	1	1	4	20
51 - 55			3	4		7	9	2	6	1		32
56 - 60	2	1	1	1	2	9	8	8	4	3		39
61 - 65		2	3	1	2	16	13	11	8	7		63
66 - 70	2			2	1	19	15	18	9	8		74
71 - 75	1			2		16	29	29	21	12	6	116
76 - 80					1	10	15	27	35	14	7	109
81 - 85						3	13	13	28	33	19	109
86 - 90				2		1	4	5	13	24	20	69
91 & Over				1					2	5	20	28
Totals	8	5	8	14	11	87	118	116	127	108	76	678

PLAN A - AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 20	12,170	9,315	11,084			5,620	5,660					8,811
21 - 25												0
26 - 30					7,577		9,798					8,687
31 - 35	7,862				7,577							7,720
36 - 40					6,127		3,449					4,342
41 - 45		3,997					6,832	7,255				6,350
46 - 50				5,202	9,806	8,786	8,032	6,574	2,774	1,900	1,828	6,300
51 - 55			12,319	12,484		8,795	7,878	8,146	5,251	5,066		8,507
56 - 60	22,160	23,479	6,830	32,369	8,007	7,515	16,427	6,786	5,538	3,822		10,512
61 - 65		8,324	17,959	25,698	17,182	12,600	11,735	8,697	5,439	3,715		10,316
66 - 70	11,046			8,983	8,723	11,101	12,964	11,350	6,356	5,889		10,308
71 - 75	46,965			10,698		10,355	11,857	10,676	8,105	6,890	5,532	10,117
76 - 80					9,167	7,757	8,798	9,103	10,575	10,741	7,767	9,535
81 - 85						9,704	13,333	7,030	7,859	9,767	6,703	8,840
86 - 90				4,046		29,297	5,811	10,389	7,743	8,591	5,535	7,683
91 & Over				7,469					11,246	6,814	7,539	7,672
Average	18,197	10,688	13,593	12,009	9,924	10,263	11,037	9,394	8,194	8,215	6,365	9,265

EXHIBIT IX
PLAN A: YEAR-TO-YEAR COMPARISON

	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
Number of Active Members	4,894	4,939	5,021	5,029
Number of Retirees & Survivors	3,177	3,106	3,040	3,001
Number of Terminated Due Deferred Benefits	184	193	181	174
Number Terminated Due Refunds	2,667	2,672	2,632	2,594
Active Lives Payroll	$ 167,852,836	$ 167,422,222	$ 167,511,550	$ 164,262,655
Retiree Benefits in Payment	$ 51,636,071	$ 48,994,132	$ 46,224,138	$ 44,218,709
Market Value of Assets	$ 730,072,543	$ 657,723,192	$ 639,209,518	$ 679,285,361
Actuarial Value of Assets	$ 751,235,484	$ 717,816,409	$ 721,475,280	$ 723,942,801
Actuarial Accrued Liability (EAN)	$ 967,584,136	$ 948,970,683	$ 925,638,084	$ 903,431,729
Ratio of MVA to EAN Accrued Liability	75.45%	69.31%	69.06%	75.19%
Unfunded Actuarial Accrued Liability	$ 74,454,702	$ 75,038,341	$ 75,337,890	$ 75,313,546
Present Value of Future Employer Normal Cost	$ 235,357,990	$ 249,506,497	$ 225,090,618	$ 201,003,138
Present Value of Future Employee Contrib.	$ 97,716,362	$ 97,624,041	$ 95,445,659	$ 92,535,571
Funding Deposit Account Credit Balance	$ 8,930,139	$ 8,287,832	$ 7,691,723	$ 7,121,966
Present Value of Future Benefits	$ 1,149,834,399	$ 1,131,697,456	$ 1,109,657,724	$ 1,085,673,090

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	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012
Employee Contribution Rate	9.50%	9.50%	9.25%	9.25%
Estimated Tax Contribution as % of Payroll	3.52%	3.36%	3.13%	3.09%
Actuarially Required Net Direct Employer Contribution Rate	19.48%	20.62%	18.67%	17.08%
Actual Employer Contribution Rate	20.75% †	18.75%	17.00%	16.75%

† Includes 1% from Funding Deposit Account

Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
5,068	5,052	5,030	4,965	5,109	5,289
2,907	2,861	2,794	2,721	2,588	2,512
183	172	184	209	179	186
2,590	2,596	2,561	2,553	2,148	2,263
$ 162,546,523	$ 157,082,727	$ 148,644,512	$ 141,232,448	$ 140,773,796	$ 140,020,164
$ 41,527,971	$ 39,834,118	$ 37,650,335	$ 34,978,923	$ 32,315,373	$ 30,555,460
$ 624,427,505	$ 568,167,813	$ 666,534,551	$ 667,345,480	$ 567,015,013	$ 521,411,279
$ 704,735,602	$ 670,910,030	$ 671,721,084	$ 624,442,059	$ 565,604,518	$ 510,523,409
$ 876,252,316	$ 812,467,140	$ 770,668,381	$ 728,638,097	$ 697,663,933	$ 670,515,820
71.26%	69.93%	86.49%	91.59%	81.27%	77.76%
$ 75,064,492	$ 74,616,607	$ 73,993,478	$ 73,216,582	$ 72,305,460	$ 71,277,872
$ 192,786,430	$ 154,002,240	$ 102,751,307	$ 106,821,650	$ 138,753,419	$ 169,264,548
$ 92,383,724	$ 88,362,181	$ 84,164,497	$ 81,084,751	$ 82,859,110	$ 84,762,421
$ 6,594,413	$ 6,105,938	N/A	N/A	N/A	N/A
$ 1,058,375,835	$ 981,785,120	$ 932,630,366	$ 885,565,042	$ 859,522,507	$ 835,828,250

****

Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
9.25%	9.25%	9.25%	9.25%	9.25%	9.25%
3.07%	3.07%	2.82%	2.62%	2.56%	2.34%
16.41%	13.78%	10.25%	11.17%	13.89%	16.30%
14.25%	13.50%	13.50%	13.50%	16.25%	16.00%

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EXHIBIT X
PLAN B: ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits	$	244,883,334
2.	Funding Deposit Account Credit Balance	$	3,126,521
3.	Frozen Unfunded Actuarial Accrued Liability	$	3,421,001
4.	Actuarial Value of Assets	$	161,992,280
5.	Present Value of Future Employee Contributions	$	21,982,912
6.	Present Value of Future Employer Normal Costs (1+2-3-4-5)	$	60,613,662
7.	Present Value of Future Salaries	$	494,480,453
8.	Employer Normal Cost Accrual Rate (6 ÷ 7)		12.258050%
9.	Projected Fiscal 2015 Salary for Current Membership	$	62,984,151
10.	Employer Normal Cost as of July 1, 2014 (8 × 9)	$	7,720,629
11.	Amortization Payment on Frozen Unfunded Accrued Liability with Payments Decreasing at 2% per year	$	554,596
12.	TOTAL Employer Normal Cost & Amortization Payment (10 + 11)	$	8,275,225
13.	Employer Normal Cost and Amortization Payment Interest Adjusted for Midyear Payment	$	8,589,907
14.	Estimated Administrative Cost for Fiscal 2015	$	456,372
15.	TOTAL Employer Actuarially Required Contribution for Fiscal 2015 (13 + 14)	$	9,046,279
16.	Projected Ad Valorem Tax Contributions for Fiscal 2015	$	2,320,238
17.	Projected Revenue Sharing Funds for Fiscal 2015	$	52,680
18.	Net Direct Employer Actuarially Required Contribution for Fiscal 2015 (15 – 16 – 17)	$	6,673,361
19.	Projected Payroll for Fiscal 2015	$	69,499,251
20.	Employers' Net Direct Actuarially Required Contribution as a % of Projected Payroll for 2015 (18 ÷ 19)		9.60%
21.	Actual Employer Contribution Rate for Fiscal 2015 (includes FDA contribution)		10.00%
22.	Contribution Shortfall (Excess) as a Percentage of Payroll (20 - 21)		(0.40%)
23.	Increase (Reduction) to Following Year Payment for Contribution Shortfall (Excess)		(0.05%)
24.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2016 (20 + 23, Rounded to Nearest 0.25%)		9.50%

EXHIBIT XI
PLAN B: PRESENT VALUE OF FUTURE BENEFITS

PRESENT VALUE OF FUTURE BENEFITS FOR ACTIVE MEMBERS:

Retirement Benefits	$ 142,910,627	
Survivor Benefits	3,269,400	
Disability Benefits	2,171,882	
Vested Termination Benefits	6,688,245	
Refunds of Contributions	5,177,228	
TOTAL Present Value of Future Benefits for Active Members		$ 160,217,382

PRESENT VALUE OF FUTURE BENEFITS FOR TERMINATED MEMBERS:

Terminated Vested Members Due Benefits at Retirement	$ 4,124,717	
Terminated Members with Reciprocals Due Benefits at Retirement	664,191	
Terminated Members Due a Refund	741,390	
TOTAL Present Value of Future Benefits for Terminated Members		$ 5,530,298

PRESENT VALUE OF FUTURE BENEFITS FOR PENSIONERS:

Regular Retirees by Option Selected:		
Maximum	$ 30,585,195	
Option 2	21,195,521	
Option 3	8,663,967	
TOTAL Regular Retirees		$ 60,444,683
TOTAL Disability Retirees		$ 6,429,246
TOTAL Survivors & Widows		$ 11,580,518
Reserve for Accrued Retiree DROP Account Balances		$ 681,207
TOTAL Present Value of Future Benefits for Retirees & Survivors		$ 79,135,654
TOTAL Present Value of Future Benefits		$ 244,883,334

EXHIBIT XII – SCHEDULE A
PLAN B - MARKET VALUE OF ASSETS

CURRENT ASSETS:				
Cash in Banks	$	5,012,173		
Accrued Interest and Dividends		1,181,699		
Contributions and Taxes Receivable		664,811		
Due (to) from Other Funds		484,907		
Other Income		110,342		
Investments Receivable		52,278		
TOTAL CURRENT ASSETS			$	7,506,210
Property Plant & Equipment			$	199,621
INVESTMENTS:				
Equities	$	62,370,515		
Alternative Investments		41,861,283		
Real Estate		23,451,978		
Fixed Income		14,112,838		
Cash Equivalents		9,650,460		
TOTAL INVESTMENTS			$	151,447,074
TOTAL ASSETS			$	159,152,905
CURRENT LIABILITIES:				
Accounts Payable	$	226,975		
Refunds Payable		51,872		
Investments Payable		8,934		
Other Current Liabilities		343,336		
TOTAL CURRENT LIABILITIES			$	631,117
OTHER CONTROLLING INTEREST			$	(1,862,392)
MARKET VALUE OF ASSETS			$	156,659,396

EXHIBIT XII – SCHEDULE B
PLAN B - ACTUARIAL VALUE OF ASSETS

Excess (Shortfall) of invested income
for current and previous 4 years:

Fiscal year 2014	$ 5,602,846
Fiscal year 2013	(4,984,469)
Fiscal year 2012	(18,345,178)
Fiscal year 2011	3,285,686
Fiscal year 2010	3,382,611
Total for five years	$ (11,058,504)

Deferral of excess (shortfall) of invested income:

Fiscal year 2014 (80%)	$ 4,482,277
Fiscal year 2013 (60%)	(2,990,681)
Fiscal year 2012 (40%)	(7,338,071)
Fiscal year 2011 (20%)	657,137
Fiscal year 2010 (0%)	0
Total deferred for year	$ (5,189,338)

Market value of plan net assets, end of year	$ 156,659,396
Preliminary actuarial value of plan assets, end of year	$ 161,848,734

Actuarial value of assets corridor

85% of market value, end of year	$ 133,160,487
115% of market value, end of year	$ 180,158,305

Allocated Share of the Expense Fund	$ 143,546
Final actuarial value of plan net assets, end of year	$ 161,992,280

EXHIBIT XIII
PLAN B: PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$	21,982,912
Employer Normal Contributions to the Pension Accumulation Fund		60,613,662
Employer Amortization Payments to the Pension Accumulation Fund		3,421,001
Funding Deposit Account Credit Balance		(3,126,521)
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$	82,891,054

EXHIBIT XIV
PLAN B: CHANGE IN FROZEN UNFUNDED ACTUARIAL ACCRUED LIABILITY

Prior Year Frozen Unfunded Accrued Liability			$	3,740,857
Interest on Frozen Unfunded Accrued Liability	$	289,916		
Employer Normal Cost for Prior Year		7,649,570		
Interest on Normal Cost		592,842		
Administrative Expenses		210,603		
Interest on Expenses		8,009		
TOTAL Interest Adjusted Cost Elements			$	8,750,940
Gross Employer Contributions	$	5,950,944		
Interest on Employer Contributions		226,296		
Ad Valorem Taxes and Revenue Sharing		2,260,931		
Interest on Ad Valorem Taxes and Revenue Sharing Funds		85,976		
Contribution Shortfall (Excess)		507,329		
Interest on Contribution Shortfall (Excess)		39,320		
TOTAL Interest Adjusted Employer Contributions			$	9,070,796
CURRENT YEAR FROZEN UNFUNDED ACCRUED LIABILITY			$	3,421,001

EXHIBIT XV
PLAN B: ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (June 30, 2013)		$ 153,851,774
INCOME:		
Member Contributions	$ 3,223,747	
Employer Contributions	5,950,944	
Irregular Contributions	966,037	
Tax Revenue	2,260,931	
Total Contributions		$ 12,401,659
Net Appreciation (Depreciation) in Fair Value of Investments	$14,558,847	
Alternative Investment Income	2,514,264	
Interest & Dividend Income	378,102	
Net Loss Attributable to Controlling Interests	125,936	
Miscellaneous Income	42,777	
Investment Expense	(1,235,063)	
Net Investment Income		$ 16,384,863
TOTAL Income		$ 28,786,522
EXPENSES:		
Retirement Benefits	$ 8,944,809	
DROP Disbursements	901,567	
Refunds of Contributions	864,399	
Funds Transferred to another System	35,608	
Transferred to Plan A	1,874,484	
Administrative Expenses	442,881	
TOTAL Expenses		$ 13,063,748
Net Market Value Income for Fiscal 2014 (Income - Expenses)		$ 15,722,774
Unadjusted Fund Balance as of June 30, 2014 (Fund Balance Previous Year + Net Income)		$ 169,574,548
Adjustment for Change in Allocated Expense Fund Balance		$ 232,279
Adjustment for Actuarial Smoothing		$ (7,814,547)
Actuarial Value of Assets (June 30, 2014)		$ 161,992,280

EXHIBIT XVI – Schedule A
PLAN B: PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	$	108,257,492
Present Value of Benefits Payable to Terminated Employees		5,530,298
Present Value of Benefits Payable to Current Retirees and Beneficiaries		79,135,654
TOTAL PENSION BENEFIT OBLIGATION	$	192,923,444
NET ACTUARIAL VALUE OF ASSETS	$	161,992,280
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation		83.97%

EXHIBIT XVI – Schedule B
ENTRY AGE NORMAL ACCRUED LIABILITIES

Accrued Liability for Active Employees	$	115,096,774
Accrued Liability for Terminated Employees		5,530,298
Accrued Liability for Current Retirees and Beneficiaries		79,135,654
TOTAL ENTRY AGE NORMAL ACCRUED LIABILITY	$	199,762,726
NET MARKET VALUE OF ASSETS	$	156,659,396
Ratio of Net Market Value of Assets to Entry Age Normal Accrued Liability		78.42%

EXHIBIT XVII
CENSUS DATA - PLAN B

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2013	2,051	1,216	77	900	4,244
Additions to Census					
Initial membership	300	38			338
Omitted in error last year				10	10
Death of Another Member				(4)	(4)
Change in Status during Year					
Actives terminating service	(60)	60			
Actives who retired	(29)			29	
Actives entering DROP	(38)		38		
Term. members rehired	7	(7)			
Term. members who retire		(2)		2	
Retirees who are rehired					
Refunded who are rehired	10	3			13
DROP participants retiring			(9)	9	
DROP returned to work	16		(16)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(174)	(65)			(239)
Deaths	(5)	(1)		(29)	(35)
Included in error last year		2	(2)		
Adjustment for multiple records	2			(1)	1
Number of members as of June 30, 2014	2,080	1,244	88	916	4,328

PLAN B - ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	4	0	4	17,885	71,540
21 - 25	87	14	101	21,104	2,131,548
26 - 30	90	34	124	24,801	3,075,315
31 - 35	134	53	187	27,302	5,105,496
36 - 40	115	57	172	30,574	5,258,731
41 - 45	132	81	213	29,702	6,326,459
46 - 50	182	81	263	32,882	8,647,930
51 - 55	252	125	377	32,955	12,424,149
56 - 60	221	122	343	33,799	11,593,062
61 - 65	164	66	230	35,389	8,139,522
66 - 70	55	29	84	35,634	2,993,250
71 - 75	43	7	50	29,575	1,478,773
76 - 80	10	4	14	31,902	446,621
81 - 85	5	0	5	48,032	240,162
86 - 90	1	0	1	6,600	6,600
TOTAL	1,495	673	2,168	31,337	67,939,158

THE ACTIVE CENSUS INCLUDES 803 ACTIVES WITH VESTED BENEFITS, INCLUDING 88 DROP PARTICIPANTS AND 79 ACTIVE FORMER DROP PARTICIPANTS.

PLAN B - TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	2	1	3	11,552	34,656
41 - 45	4	3	7	11,739	82,174
46 - 50	7	5	12	7,834	94,010
51 - 55	15	8	23	13,613	313,094
56 - 60	15	8	23	7,395	170,083
61 - 65	4	1	5	13,396	66,978
71 - 75	1	0	1	494	494
TOTAL	48	26	74	10,290	761,489

PLAN B - TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging From		To	Number	Total Contributions
0	-	99	751	22,180
100	-	499	221	51,840
500	-	999	58	41,139
1000	-	1999	51	71,427
2000	-	4999	47	155,997
5000	-	9999	30	210,307
10000	-	19999	11	144,465
20000	-	99999	1	23,667
		TOTAL	1,170	721,022

PLAN B - REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	7	5	12	19,498	233,970
56 - 60	17	7	24	19,930	478,328
61 - 65	65	24	89	14,297	1,272,465
66 - 70	95	36	131	11,853	1,552,771
71 - 75	82	35	117	10,262	1,200,688
76 - 80	86	37	123	9,825	1,208,536
81 - 85	54	18	72	9,011	648,816
86 - 90	31	11	42	7,215	303,022
91 - 99	14	4	18	5,860	105,475
TOTAL	451	177	628	11,153	7,004,071

PLAN B - DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
41 - 45	3	0	3	7,097	21,290
46 - 50	2	0	2	8,716	17,432
51 - 55	12	4	16	10,800	172,807
56 - 60	13	2	15	10,179	152,686
61 - 65	17	3	20	10,017	200,343
66 - 70	6	1	7	8,825	61,778
71 - 75	1	0	1	10,507	10,507
76 - 80	2	0	2	6,709	13,418
81 - 85	1	0	1	10,484	10,484
TOTAL	57	10	67	9,862	660,745

PLAN B - SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
26 - 30	0	1	1	2,245	2,245
31 - 35	1	0	1	10,042	10,042
36 - 40	0	1	1	4,280	4,280
46 - 50	2	4	6	3,337	20,024
51 - 55	2	9	11	7,364	80,999
56 - 60	2	15	17	8,293	140,979
61 - 65	2	15	17	9,386	159,556
66 - 70	0	24	24	7,087	170,076
71 - 75	1	34	35	6,585	230,480
76 - 80	1	39	40	6,202	248,064
81 - 85	1	31	32	7,177	229,671
86 - 90	1	25	26	5,563	144,632
91 - 99	0	10	10	3,594	35,938
TOTAL	13	208	221	6,683	1,476,986

PLAN B - ACTIVE MEMBERS:

Attained Ages	Completed Years of Service											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20	4											4
21 - 25	41	29	20	8	1	2						101
26 - 30	36	20	19	10	8	31						124
31 - 35	42	31	16	10	11	49	24	4				187
36 - 40	29	23	15	13	5	52	18	15	2			172
41 - 45	18	18	12	17	9	63	33	21	20	2		213
46 - 50	33	20	11	14	14	69	40	33	17	9	3	263
51 - 55	26	32	27	21	15	96	45	34	37	18	26	377
56 - 60	25	19	22	17	8	65	44	41	45	25	32	343
61 - 65	9	8	7	11	14	57	38	23	30	17	16	230
66 - 70	6	2		4	2	27	14	10	10	6	3	84
71 & Over	2	3	1	2	1	13	12	12	8	8	8	70
Totals	271	205	150	127	88	524	268	193	169	85	88	2168

PLAN B - AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Attained Ages	Completed Years of Service											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Salary
0 - 20	17,885											17,885
21 - 25	19,836	20,791	22,485	24,542	21,216	24,052						21,104
26 - 30	21,486	23,515	23,284	29,747	24,158	28,980						24,801
31 - 35	20,857	22,337	21,940	27,634	32,363	32,837	33,724	33,826				27,302
36 - 40	20,886	28,547	23,998	34,617	26,531	34,592	34,450	37,550	35,827			30,574
41 - 45	23,162	26,651	29,483	26,964	29,350	28,429	28,840	38,786	35,601	42,124		29,702
46 - 50	24,314	26,379	24,156	27,484	27,807	34,818	35,342	34,844	43,322	45,607	55,098	32,882
51 - 55	24,434	24,139	30,143	28,196	28,680	33,348	33,427	30,899	41,232	42,957	43,279	32,955
56 - 60	23,859	23,806	21,813	23,766	30,920	30,052	37,959	33,729	39,825	40,874	49,768	33,799
61 - 65	22,185	32,251	33,726	31,157	36,442	32,691	37,772	33,986	38,624	40,998	41,046	35,389
66 - 70	29,588	20,708		28,449	30,207	37,642	34,828	36,229	37,852	32,580	53,299	35,634
71 & Over	23,234	26,041	26,591	22,921	44,540	31,797	37,839	19,647	31,842	26,560	45,024	31,031
Average	22,194	24,546	25,194	28,046	30,105	32,434	34,874	33,555	39,230	39,938	46,136	31,337

PLAN B - TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 35												0
36 - 40									3			3
41 - 45								7				7
46 - 50							12					12
51 - 55						23						23
56 - 60	5	6	3	6	3							23
61 - 65	5											5
66 - 70												0
71 - 75	1											1
76 & Over												0
Totals	11	6	3	6	3	23	12	7	3	0	0	74

PLAN B - AVERAGE ANNUAL BENEFITS OF TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility											Average Benefit
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	
0 - 35												0
36 - 40									11,552			11,552
41 - 45								11,739				11,739
46 - 50							7,834					7,834
51 - 55						13,613						13,613
56 - 60	9,336	4,064	8,459	9,606	5,334							7,395
61 - 65	13,396											13,396
66 - 70												0
71 - 75	494											494
76 & Over												0
Average	10,378	4,064	8,459	9,606	5,334	13,613	7,834	11,739	11,552	0	0	10,290

PLAN B - SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 50												0
51 - 55	3	1	2	3	1	2						12
56 - 60	2	5	3	9	2	1	2					24
61 - 65	15	25	14	16	4	9	6					89
66 - 70	6	11	12	14	10	67	11					131
71 - 75	3	6	4	6	7	48	33	9	1			117
76 - 80	1	1		4	2	21	45	43	4	2		123
81 - 85		1		2	1	6	11	33	14	4		72
86 - 90	2		1			1	1	2	17	16	2	42
91 & Over						1			2	6	9	18
Totals	32	50	36	54	27	156	109	87	38	28	11	628

PLAN B - AVERAGE ANNUAL BENEFITS PAYABLE TO SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement											Average Benefit
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	
0 - 50												0
51 - 55	22,059	29,114	24,628	16,122	18,036	11,510						19,498
56 - 60	19,935	15,960	23,258	20,404	25,596	25,375	14,337					19,930
61 - 65	11,570	15,350	11,900	14,740	11,699	19,595	14,929					14,297
66 - 70	14,660	11,621	11,595	10,184	11,871	11,924	12,511					11,853
71 - 75	19,647	10,977	11,986	13,469	7,807	9,101	9,668	11,964	28,894			10,262
76 - 80	13,738	14,137		10,249	20,273	9,080	10,322	9,080	12,118	2,504		9,825
81 - 85		4,876		4,102	3,167	4,931	10,731	9,567	8,072	14,058		9,011
86 - 90	5,465		5,364			1,192	6,336	8,777	8,480	5,844	11,995	7,215
91 & Over						4,396			4,647	6,119	6,119	5,860
Average	14,099	14,107	13,280	13,712	12,337	10,810	10,677	9,556	9,048	6,838	7,187	11,153

PLAN B - DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 40												0
41 - 45		1		1		1						3
46 - 50	1					1						2
51 - 55	3	2	1	1		6	2	1				16
56 - 60	3	2	3	1		3	2		1			15
61 - 65			1	3	2	6	5	1	2			20
66 - 70						3	1	1	1		1	7
71 - 75								1				1
76 - 80									1	1		2
81 - 85									1			1
86 & Over												0
Totals	7	5	5	6	2	20	10	4	6	1	1	67

PLAN B - AVERAGE ANNUAL BENEFITS PAYABLE TO DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement											Average Benefit
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	
0 - 40												0
41 - 45		8,094		6,324		6,872						7,097
46 - 50	10,215					7,217						8,716
51 - 55	10,566	8,442	6,138	10,680		14,064	9,128	4,766				10,800
56 - 60	11,351	7,480	10,951	23,114		9,145	7,600		5,071			10,179
61 - 65			11,366	14,611	10,598	13,026	5,598	7,415	5,194			10,017
66 - 70						11,234	5,626	4,056	12,210		6,183	8,825
71 - 75								10,507				10,507
76 - 80									9,802	3,616		6,709
81 - 85									10,484			10,484
86 & Over												0
Average	10,852	7,987	10,071	13,992	10,598	11,888	6,707	6,686	7,992	3,616	6,183	9,862

PLAN B - SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 25												0
26 - 30							1					1
31 - 35							1					1
36 - 40								1				1
41 - 45												0
46 - 50						2	1	2	1			6
51 - 55	1		3		1	1	2	1		2		11
56 - 60	1	1		1		5	4		4	1		17
61 - 65			1	1		4	3	5	1		2	17
66 - 70		1	1			8	7	5	2			24
71 - 75			1			6	11	9	7	1		35
76 - 80						6	9	10	11	4		40
81 - 85					1	1	4	6	7	11	2	32
86 - 90				2		2		1	5	10	6	26
91 & Over							1		1	2	6	10
Totals	2	2	6	4	2	35	44	40	39	31	16	221

PLAN B - AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											Average Benefit
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	
0 - 25												0
26 - 30							2,245					2,245
31 - 35							10,042					10,042
36 - 40								4,280				4,280
41 - 45												0
46 - 50						2,557	9,607	1,959	1,386			3,337
51 - 55	4,269		11,400		1,520	5,675	10,435	8,406		3,029		7,364
56 - 60	15,910	5,426		22,180		8,823	4,417		8,211	2,836		8,293
61 - 65			18,149	13,849		12,418	6,558	9,245	4,126		3,933	9,386
66 - 70		8,779	7,288			6,576	8,853	5,945	4,851			7,087
71 - 75			8,962			5,357	5,684	8,104	6,774	6,493		6,585
76 - 80						8,906	5,079	5,470	5,099	9,533		6,202
81 - 85					1,176	11,678	3,929	7,500	8,383	6,573	12,561	7,177
86 - 90				4,586		6,648		2,415	5,833	6,839	3,699	5,563
91 & Over							2,131		430	7,604	3,028	3,594
Average	10,090	7,102	11,433	11,300	1,348	7,650	6,095	6,690	6,150	6,755	4,584	6,683

EXHIBIT XVIII
PLAN B: YEAR-TO-YEAR COMPARISON

	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
Number of Active Members	2,168	2,128	2,155	2,175
Number of Retirees & Survivors	916	900	879	865
Number of Terminated Due Deferred Benefits	74	61	61	62
Number Terminated Due Refunds	1,170	1,155	1,100	1,062
Active Lives Payroll	$ 67,939,158	$ 65,928,929	$ 66,409,896	$ 65,427,477
Retiree Benefits in Payment	$ 9,141,803	$ 8,793,050	$ 8,285,257	$ 7,953,795
Market Value of Assets	$ 156,659,396	$ 140,744,063	$ 137,164,489	$ 144,028,034
Actuarial Value of Assets	$ 161,992,280	$ 153,851,774	$ 154,451,871	$ 152,966,837
Actuarial Accrued Liability (EAN)	$199,762,726	$ 192,160,973	$ 187,178,650	$ 181,142,563
Ratio of MVA to EAN Accrued Liability	78.42%	73.24%	73.28%	79.51%
Unfunded Actuarial Accrued Liability	$ 3,421,001	$ 3,740,857	$ 4,049,257	$ 4,346,525
Present Value of Future Employer Normal Cost	$ 60,613,662	$ 60,012,141	$ 54,153,087	$ 49,451,626
Present Value of Future Employee Contrib.	$ 21,982,912	$ 21,589,199	$ 21,845,625	$ 21,582,459
Funding Deposit Account Credit Balance	$ 3,126,521	$ 2,901,644	$ 2,692,941	$ 2,493,464
Present Value of Future Benefits	$ 244,883,334	$ 236,292,327	$ 231,806,899	$ 225,853,983

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	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012
Employee Contribution Rate	5.00%	5.00%	5.00%	5.00%
Projected Tax Contribution as % of Payroll	3.41%	3.38%	3.14%	3.10%
Actuarially Required Net Direct Employer Contribution Rate	9.60%	9.82%	8.72%	7.89%
Actual Employer Contribution Rate	10.00% †	8.75%	8.00%	8.00%

† Includes 0.50% from Funding Deposit Account.

Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
2,197	2,269	2,191	2,153	2,060	2,038
836	833	793	794	763	745
72	67	68	74	77	79
1,062	1,022	998	928	777	806
$ 65,241,810	$ 64,816,945	$ 59,233,705	$ 54,572,935	$ 51,055,201	$ 48,690,316
$ 7,339,269	$ 7,149,177	$ 6,625,934	$ 6,328,157	$ 5,872,330	$ 5,649,984
$ 130,596,777	$ 117,258,410	$ 134,832,148	$ 132,326,073	$ 111,581,452	$ 101,109,899
$ 147,046,143	$ 138,441,127	$ 136,207,119	$ 124,483,332	$ 111,404,638	$ 96,417,685
$ 175,023,271	$ 159,960,891	$ 149,264,791	$ 138,533,272	$ 132,804,556	$ 127,284,765
74.62%	73.30%	90.33%	95.52%	84.02%	79.44%
$ 4,633,960	$ 4,912,541	$ 5,183,177	$ 5,446,715	$ 5,703,945	$ 5,955,605
$ 48,645,557	$ 38,895,181	$ 26,827,388	$ 26,365,299	$ 32,959,966	$ 41,742,178
$ 21,546,957	$ 21,769,886	$ 19,992,613	$ 18,627,179	$ 17,883,419	$ 17,253,376
$ 2,308,763	$ 1,806,555	N/A	N/A	N/A	N/A
$ 219,563,854	$ 202,212,180	$ 188,210,297	$ 174,922,525	$ 167,951,968	$ 161,368,844

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Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3.07%	3.06%	2.82%	2.60%	2.54%	2.36%
7.78%	5.95%	4.50%	5.06%	7.08%	9.86%
6.75%	6.75%	6.75%	6.75%	9.75%	9.75%

SUMMARY OF PRINCIPAL PLAN PROVISIONS

All members of the Municipal Employees' Retirement System are participants in either Plan A or B according to the provisions of the agreement entered into by their employer. All employees of a participating employer must participate in the same plan. The principal provisions of each plan are given below. The following summary of plan provisions is for general informational purposes only and does not constitute a guarantee of benefits.

MEMBERSHIP - All persons who are actively employed by a participating employer on a permanent, regularly scheduled basis of at least an average of thirty-five hours per week are members of this system. Excluded from membership are members of city councils, alderman, town councilmen, and constables; the exclusion does not apply to persons serving in excluded positions on January 1, 1997.

PLAN A PROVISIONS:

CONTRIBUTION RATES – The Board of Trustees may set the employee contribution rate not less than 9.25% nor more than 10.00%. In addition, each sheriff and ex officio tax collector deducts one-fourth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish, excepting Orleans Parish, and remits the money to the system on an annual basis. Taxes are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Taxes received from East Baton Rouge Parish are apportioned between the Municipal Employees' Retirement System and the Employees' Retirement System of the City of Baton Rouge. The system also receives revenue sharing funds each year as appropriated by the legislature. The remaining employer contributions are determined according to actuarial requirements and are set annually.

RETIREMENT BENEFITS - Members with ten years of creditable service may retire at age sixty; members with twenty-five years of service may retire regardless of age. The monthly retirement allowance is equal to three percent of the member's final compensation multiplied by his years of creditable service; elected officials receive an additional one-half percent of final compensation for each year of such elected service. However, the accrued retirement benefits for those employees who were members of only the supplemental plan prior to October 1, 1978, are based on one percent of final compensation plus two dollars per month for each year of service credited prior to October 1, 1978. The retirement allowance may not exceed the greater of final annual salary or one hundred percent of the member's final average compensation. Members with twenty years of service credit, not otherwise eligible for normal retirement, are eligible for a modified actuarially reduced early retirement.

DISABILITY BENEFITS - Five years of creditable service are required in order to be eligible for disability benefits. Twenty years of creditable service are required in order for a member to have a vested disability benefit. A disabled member receives a normal retirement allowance if eligible under regular retirement provisions; if he is not eligible for a normal retirement, he receives a disability benefit equal to the lesser of:

1) Forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of creditable service, whichever is greater; or
2) Three percent of his final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

SURVIVOR BENEFITS - Five years of creditable service are required in order to be eligible for survivor benefits. If the member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option two benefit. If the member is not eligible for a normal retirement, the surviving spouse with minor children receives sixty percent of final compensation payable until no child in her care satisfies the definition of minor child. The surviving spouse with no minor children receives forty percent of final compensation payable upon attainment of age sixty by the spouse, or the actuarial equivalent of this amount payable immediately (such equivalent not to be less than 20% of final compensation). Minor children with no surviving unmarried parent receive thirty percent of final compensation each not to exceed a total of sixty percent of final compensation. Survivor benefits are also payable to the surviving spouses of former members who have not withdrawn their accumulated contributions and who have at least twenty years of creditable service. The benefits payable are the actuarial equivalent of the Option 2 benefits that would have become payable to the surviving spouse at the time the former member would have begun receiving deferred normal retirement benefits, had the member survived until that date, elected Option 2, and died at that time.

TIER 2 PROVISIONS: Employees whose first employment making them eligible for membership occurs on or after January 1, 2013 become members of Tier 2. Normal retirement eligibility in Tier 2 is at age 65 with seven years of service credit, at age 62 with ten years of service credit, or age 55 with thirty years of service credit. Members are eligible for an actuarially reduced early retirement at twenty-five years of service credit. Retirement benefits are based on a 3% accrual rate. Employee contributions are set by the Board of Trustees within a range of 8% to 10%.

PLAN B PROVISIONS:

CONTRIBUTION RATES - The Board of Trustees may set the employee contribution rate not less than 5.00% nor more than 6.00%. In addition, each sheriff and ex officio tax collector deducts one-fourth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish, excepting Orleans Parish, and remits the money to the system on an annual basis. Taxes are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Taxes received from East Baton Rouge Parish are apportioned between the Municipal Employees' Retirement System and the Employees' Retirement System of the City of Baton Rouge. The system also receives revenue sharing funds each year as appropriated by the legislature. The remaining employer contributions are determined according to actuarial requirements and are set annually.

RETIREMENT BENEFITS - Members with ten years of creditable service may retire at age sixty; members with thirty years of service may retire at any age. The monthly retirement allowance is equal to two percent of the member's final compensation multiplied by his years of creditable service; elected officials receive an additional one-half percent of final compensation for each year of such elected service.

DISABILITY BENEFITS - Ten years of creditable service are required in order to be eligible for disability benefits. Twenty years of creditable service are required in order for a member to have a vested disability benefit. A disabled member receives a normal retirement allowance if eligible under regular retirement provisions; if he is not eligible for a normal retirement allowance, he receives a disability benefit equal to the lesser of:

1) Thirty percent of his final average compensation or two percent of his final average compensation multiplied by his years of creditable service, whichever is greater; and
2) Two percent of his final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

SURVIVOR BENEFITS - The surviving spouse of a member who was eligible for normal retirement at the time of death receives an automatic option two benefit. The surviving spouse of a member with five or more years of creditable service and not eligible for normal retirement at the time of death receives either 30% of the member's final compensation payable to the spouse when they attain age 60 or an actuarial equivalent of 30% of the deceased member's final compensation, but not less than 15% of such final compensation. Survivor benefits are also payable to the surviving spouses of former members who have not withdrawn their accumulated contributions and who have at least twenty years of creditable service. The benefits payable are the actuarial equivalent of the Option 2 benefits that would have become payable to the surviving spouse at the time the former member would have begun receiving deferred normal retirement benefits, had the member survived until that date, elected Option 2, and died at that time.

TIER 2 PROVISIONS: Employees whose first employment making them eligible for membership occurs on or after January 1, 2013 will become members of Tier 2. Normal retirement eligibility in Tier 2 is at age 65 with seven years of service credit, at age 62 with ten years of service credit, or age 55 with thirty years of service credit. Members are eligible for an actuarially reduced early retirement at twenty-five years of service credit. Retirement benefits are based on a 2% accrual rate. Employee contributions are set by the Board of Trustees within a range of 4% to 6%.

PROVISIONS APPLICABLE TO BOTH PLAN A AND B:

FINAL AVERAGE COMPENSATION –For a member whose first employment making him eligible for membership in the system began after June 30, 2006, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve month period within the sixty month period may not exceed 115% of the preceding twelve month period.

Effective January 1, 2013, for a member whose first employment making him eligible for membership in the system began before July 1, 2006, final average compensation was redefined to be thirty-six months plus the number of whole months since January 1, 2013 not to exceed sixty months. However, the actual monthly final average compensation used to determine the member's benefit cannot be less than the thirty-six month final average compensation as of January 1, 2013. The earnings to be considered for each twelve month period within the final average compensation period may not exceed 115% of the preceding twelve month period.

UNUSED SICK & ANNUAL LEAVE – All unused sick and annual leave is credited at the time of retirement to the member if the employer so elects for his employees. The actuarial cost of providing this conversion is borne solely by the employer and must be paid to the board within thirty days of the member's retirement date.

OPTIONAL ALLOWANCES - Members may receive their benefits as a life annuity, or in lieu of such a reduced benefit according to the option selected which is the actuarial equivalent of the maximum benefit.

> **Option 2** - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will continue to receive the same reduced benefit.
>
> **Option 3** - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will receive one-half of the member's reduced benefit.
>
> **Option 4** - Upon retirement, the member elects to receive a board-approved benefit which is actuarially equivalent to the maximum benefit.
>
> A member may also elect to receive an actuarially reduced benefit which provides for an automatic 2 ½% annual compound increase in monthly retirement benefits based on the reduced benefit and commencing on the later of age fifty-five or retirement anniversary; this COLA is in addition to any ad hoc COLAs which are payable.

DEFERRED RETIREMENT OPTION PLAN - In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible for a normal retirement may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the system terminates. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP account. After a member terminates his participation in DROP his account will earn interest at the actual rate of return earned on the funds left on deposit as certified by the custodian of the system's assets. This interest will be credited to the individual member's account balance on a daily basis beginning July 1, 2006. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the system has been terminated for at least one full year.

Upon termination of employment prior to, or at the end of, the specified period of participation, a participant in the plan may receive, at his option, a lump sum payment from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. The monthly benefits that were being paid into the DROP account will begin to be paid to the retiree. If a participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named

beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the system. For any member hired prior to July 1, 2006, additional accrued benefits are based on final average compensation used to calculate the member's original benefit unless the additional period of service is at least thirty-six months. For any member hired on or after July 1, 2006, whose period of additional service after their DROP participation period ends is less than sixty months, the final compensation figure used to calculate the additional benefit will be that used to calculate the original benefit. If their period of additional service is sixty months or more, the final compensation figure used to calculate the additional benefit will be based on their compensation during the period of additional service.

COST OF LIVING INCREASES - The board of trustees is authorized to grant retired members, and widows of members, who have been retired for at least one full year an annual cost of living increase of two percent of their original benefit and all retired members and widows who are sixty-five years of age and older a two percent increase in their original benefit (or their benefit as of October 1, 1977, if they retired prior to that time). In order for the board to grant either of these increases the system must meet certain criteria detailed in the statute related to funding status and interest earnings on investments. In lieu of other cost of living increases the board may grant an increase to retirees in the form "X×(A&B)" where "A" is equal to the number of years of credited service accrued as retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of $1.00.

ACTUARIAL ASSUMPTIONS

In determining actuarial costs, certain assumptions must be made regarding future experience under the plan. These assumptions include the rate of investment return, mortality of plan members, rates of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan. To the extent that future experience varies from the assumptions selected for valuation, future costs will be either higher or lower than anticipated. The effect of emerging experience on the fund is illustrated by the following chart.

Factor	Increase in Factor Results in
Investment Earnings Rate	Decrease in Cost
Annual Rate of Salary Increase	Increase in Cost
Rates of Retirement	Increase in Cost
Rates of Termination	Decrease in Cost
Rates of Disability	Increase in Cost
Rates of Mortality	Decrease in Cost

ACTUARIAL COST METHOD:	Frozen Attained Age Normal Actuarial Cost Method with allocation based on earnings. The frozen actuarial accrued liabilities were calculated on the projected unit credit cost method.
ACTUARIAL ASSET VALUES:	Invested assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year, three-fifths of all earnings above or below the valuation interest rate in the prior year, two-fifths of all earnings above or below the valuation interest rate from two years prior, and one-fifth of all earnings above or below the valuation interest rate from three years prior. The resulting smoothed values are subject to a corridor of 85% to 115% of the market value of assets. If the smoothed value falls outside the corridor, the actuarial value is set equal to the average of the corridor limit and the smoothed value.
VALUATION INTEREST RATE:	7.75% (Net of Investment Expense)
ANNUAL SALARY INCREASE RATE:	5.75% (3.00% Inflation / 2.75% Merit)
ACTIVE MEMBER MORTALITY:	RP 2000 Employee Table for males and females
ANNUITANT, AND BENEFICIARY MORTALITY:	RP 2000 Healthy Annuitant Table for males and females
RETIREE COST OF LIVING INCREASES:	The present value of future retirement benefits is based on benefits currently being paid by the

system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

RATES OF RETIREMENT: The table of these rates is included later in the report. These rates apply only to those individuals eligible to retire. Members are assumed to retire no earlier than normal retirement age. In the first year of eligibility the tabular rates are multiplied by 1.5.

RETIREMENT LIMITATIONS: Projected retirement benefits are not subjected to IRS Section 415 limits.

DROP ENTRY RATES: The table of these rates is included later in the report. These rates apply only to those individuals eligible to participate in DROP. In the first year of eligibility the tabular rates are multiplied by 1.5.

DROP PARTICIPATION PERIOD: DROP participants are assumed to participate for 3 years. At the end of the DROP participation period, one half of participants are assumed to retire; the other half are assumed to work one additional year.

RETIREMENT RATES FOR ACTIVE FORMER DROP PARTICIPANTS: Retirement rates for active former DROP participants are as follows:

Ages	Retirement Rates
Below 89	0.19
90	1.00

RATES OF WITHDRAWAL: The rates of withdrawal are applied based upon completed years of service according to the following table:

Service	Plan A	Plan B
0	0.24	0.26
1	0.19	0.20
2	0.16	0.15
3	0.12	0.15
4	0.10	0.10
5	0.08	0.10
6	0.08	0.09
7	0.08	0.09
8	0.06	0.06
9	0.06	0.05
10	0.06	0.05
11	0.05	0.05

12	0.05	0.05
13	0.05	0.05
14	0.03	0.05
15	0.03	0.05
16	0.03	0.03
17	0.01	0.03
18	0.01	0.03
19	0.01	0.03
20	0.01	0.02
over 20	0.01	0.02

Note: The withdrawal rate for individuals eligible to retire is assumed to be zero.

RATES OF DISABILITY: 20% of the disability rates used for the 21st valuation of the Railroad Retirement System for individuals with 10 – 19 years of service.

MARRIAGE STATISTICS: 80% of the members are assumed to be married; husbands are assumed to be three years older than wives.

FAMILY STATISTICS: Assumptions utilized in determining the costs of various survivor benefits as listed below, are derived from the information provided in the 2000 U. S. Census:

Member's Age	% With Children	Number of Children	Avg. Age
25	62%	1.7	6
35	82%	2.1	10
45	66%	1.8	13
55	19%	1.4	15
65	2%	1.4	15

DISABLED LIVES MORTALITY: RP-2000 Disabled Lives Mortality Tables for Males and Females

VESTING ELECTING PERCENTAGE: 30% of those members under age 40 who are terminated vested elect deferred benefits in lieu of contribution refunds. 45% of those who are between the ages of 40 - 49 who are terminated vested elect deferred benefits in lieu of contribution refunds. 60% of those who are at least age 50 who are terminated vested elect deferred benefits in lieu of contribution refunds.

PLAN A ACTUARIAL TABLES AND RATES

Age	Retired Male Mortality Rates	Retired Female Mortality Rates	Active Male Mortality Rates	Active Female Mortality Rates	Retirement Rates	DROP Entry Rates	Disability Rates	Remarriage Rates
18	0.00032	0.00019	0.00032	0.00019	0.00000	0.00000	0.00030	0.05665
19	0.00033	0.00019	0.00033	0.00019	0.00000	0.00000	0.00030	0.05665
20	0.00035	0.00019	0.00035	0.00019	0.00000	0.00000	0.00030	0.05665
21	0.00036	0.00019	0.00036	0.00019	0.00000	0.00000	0.00030	0.05213
22	0.00037	0.00019	0.00037	0.00019	0.00000	0.00000	0.00030	0.04834
23	0.00037	0.00020	0.00037	0.00020	0.00000	0.00000	0.00030	0.04522
24	0.00038	0.00020	0.00038	0.00020	0.00000	0.00000	0.00030	0.04270
25	0.00038	0.00021	0.00038	0.00021	0.00000	0.00000	0.00030	0.04070
26	0.00038	0.00021	0.00038	0.00021	0.00000	0.00000	0.00030	0.03915
27	0.00038	0.00022	0.00038	0.00022	0.00000	0.00000	0.00030	0.03799
28	0.00039	0.00024	0.00039	0.00024	0.00000	0.00000	0.00030	0.03714
29	0.00041	0.00025	0.00041	0.00025	0.00000	0.00000	0.00030	0.03654
30	0.00044	0.00026	0.00044	0.00026	0.00000	0.00000	0.00030	0.03611
31	0.00050	0.00031	0.00050	0.00031	0.00000	0.00000	0.00030	0.03578
32	0.00056	0.00035	0.00056	0.00035	0.00000	0.00000	0.00030	0.03549
33	0.00063	0.00039	0.00063	0.00039	0.00000	0.00000	0.00030	0.03515
34	0.00070	0.00044	0.00070	0.00044	0.00000	0.00000	0.00030	0.03471
35	0.00077	0.00047	0.00077	0.00047	0.00000	0.00000	0.00034	0.03409
36	0.00084	0.00051	0.00084	0.00051	0.00000	0.00000	0.00038	0.03286
37	0.00090	0.00055	0.00090	0.00055	0.00000	0.00000	0.00042	0.03139
38	0.00096	0.00060	0.00096	0.00060	0.00000	0.00000	0.00048	0.02973
39	0.00102	0.00065	0.00102	0.00065	0.00000	0.00000	0.00054	0.02787
40	0.00108	0.00071	0.00108	0.00071	0.00000	0.00000	0.00062	0.02585
41	0.00114	0.00077	0.00114	0.00077	0.06000	0.27000	0.00070	0.02352
42	0.00122	0.00085	0.00122	0.00085	0.06000	0.27000	0.00078	0.02111
43	0.00130	0.00094	0.00130	0.00094	0.06000	0.27000	0.00088	0.01868
44	0.00140	0.00103	0.00140	0.00103	0.06000	0.27000	0.00100	0.01629
45	0.00151	0.00112	0.00151	0.00112	0.06000	0.27000	0.00114	0.01400
46	0.00162	0.00122	0.00162	0.00122	0.06000	0.27000	0.00130	0.01208
47	0.00173	0.00133	0.00173	0.00133	0.06000	0.27000	0.00146	0.01034
48	0.00186	0.00143	0.00186	0.00143	0.06000	0.27000	0.00166	0.00879
49	0.00200	0.00155	0.00200	0.00155	0.06000	0.27000	0.00188	0.00744
50	0.00535	0.00234	0.00214	0.00168	0.06000	0.27000	0.00214	0.00629
51	0.00553	0.00246	0.00229	0.00181	0.06000	0.27000	0.00244	0.00551
52	0.00564	0.00265	0.00245	0.00197	0.06000	0.27000	0.00276	0.00493
53	0.00572	0.00290	0.00262	0.00213	0.06000	0.27000	0.00314	0.00451
54	0.00580	0.00319	0.00281	0.00232	0.06000	0.27000	0.00356	0.00423
55	0.00590	0.00353	0.00303	0.00253	0.06000	0.27000	0.00404	0.00406
56	0.00612	0.00393	0.00331	0.00276	0.06000	0.27000	0.00460	0.00000
57	0.00644	0.00438	0.00363	0.00301	0.06000	0.27000	0.00522	0.00000
58	0.00690	0.00492	0.00400	0.00329	0.06000	0.27000	0.00592	0.00000
59	0.00749	0.00553	0.00441	0.00360	0.06000	0.27000	0.00674	0.00000
60	0.00820	0.00620	0.00488	0.00393	0.14000	0.27000	0.00976	0.00000
61	0.00900	0.00692	0.00538	0.00429	0.14000	0.12000	0.00976	0.00000
62	0.00991	0.00769	0.00592	0.00466	0.14000	0.12000	0.00976	0.00000
63	0.01095	0.00851	0.00647	0.00504	0.14000	0.12000	0.00976	0.00000
64	0.01212	0.00939	0.00703	0.00543	0.14000	0.12000	0.00976	0.00000
65	0.01342	0.01036	0.00757	0.00582	0.14000	0.12000	0.00976	0.00000
66	0.01487	0.01141	0.00810	0.00621	0.14000	0.12000	0.00976	0.00000
67	0.01646	0.01254	0.00860	0.00658	0.14000	0.12000	0.00976	0.00000
68	0.01820	0.01377	0.00907	0.00695	0.14000	0.12000	0.00976	0.00000
69	0.02011	0.01515	0.00951	0.00729	0.14000	0.12000	0.00976	0.00000
70	0.02221	0.01674	0.00992	0.00761	0.14000	0.12000	0.00976	0.00000
71	0.02457	0.01858	0.02457	0.01858	0.14000	0.12000	0.00976	0.00000
72	0.02728	0.02066	0.02728	0.02067	0.14000	0.12000	0.00976	0.00000
73	0.03039	0.02297	0.03039	0.02297	0.14000	0.12000	0.00976	0.00000
74	0.03390	0.02546	0.03390	0.02546	0.14000	0.12000	0.00976	0.00000
75	0.03783	0.02811	0.03783	0.02811	0.14000	0.12000	0.00976	0.00000

PLAN B ACTUARIAL TABLES AND RATES

Age	Retired Male Mortality Rates	Retired Female Mortality Rates	Active Male Mortality Rates	Active Female Mortality Rates	Retirement Rates	DROP Entry Rates	Disability Rates	Remarriage Rates
18	0.00032	0.00019	0.00032	0.00019	0.00000	0.00000	0.00030	0.05665
19	0.00033	0.00019	0.00033	0.00019	0.00000	0.00000	0.00030	0.05665
20	0.00035	0.00019	0.00035	0.00019	0.00000	0.00000	0.00030	0.05665
21	0.00036	0.00019	0.00036	0.00019	0.00000	0.00000	0.00030	0.05213
22	0.00037	0.00019	0.00037	0.00019	0.00000	0.00000	0.00030	0.04834
23	0.00037	0.00020	0.00037	0.00020	0.00000	0.00000	0.00030	0.04522
24	0.00038	0.00020	0.00038	0.00020	0.00000	0.00000	0.00030	0.04270
25	0.00038	0.00021	0.00038	0.00021	0.00000	0.00000	0.00030	0.04070
26	0.00038	0.00021	0.00038	0.00021	0.00000	0.00000	0.00030	0.03915
27	0.00038	0.00022	0.00038	0.00022	0.00000	0.00000	0.00030	0.03799
28	0.00039	0.00024	0.00039	0.00024	0.00000	0.00000	0.00030	0.03714
29	0.00041	0.00025	0.00041	0.00025	0.00000	0.00000	0.00030	0.03654
30	0.00044	0.00026	0.00044	0.00026	0.00000	0.00000	0.00030	0.03611
31	0.00050	0.00031	0.00050	0.00031	0.00000	0.00000	0.00030	0.03578
32	0.00056	0.00035	0.00056	0.00035	0.00000	0.00000	0.00030	0.03549
33	0.00063	0.00039	0.00063	0.00039	0.00000	0.00000	0.00030	0.03515
34	0.00070	0.00044	0.00070	0.00044	0.00000	0.00000	0.00030	0.03471
35	0.00077	0.00047	0.00077	0.00047	0.00000	0.00000	0.00034	0.03409
36	0.00084	0.00051	0.00084	0.00051	0.00000	0.00000	0.00038	0.03286
37	0.00090	0.00055	0.00090	0.00055	0.00000	0.00000	0.00042	0.03139
38	0.00096	0.00060	0.00096	0.00060	0.00000	0.00000	0.00048	0.02973
39	0.00102	0.00065	0.00102	0.00065	0.00000	0.00000	0.00054	0.02787
40	0.00108	0.00071	0.00108	0.00071	0.00000	0.00000	0.00062	0.02585
41	0.00114	0.00077	0.00114	0.00077	0.00000	0.00000	0.00070	0.02352
42	0.00122	0.00085	0.00122	0.00085	0.00000	0.00000	0.00078	0.02111
43	0.00130	0.00094	0.00130	0.00094	0.00000	0.00000	0.00088	0.01868
44	0.00140	0.00103	0.00140	0.00103	0.00000	0.00000	0.00100	0.01629
45	0.00151	0.00112	0.00151	0.00112	0.00000	0.00000	0.00114	0.01400
46	0.00162	0.00122	0.00162	0.00122	0.06000	0.24000	0.00130	0.01208
47	0.00173	0.00133	0.00173	0.00133	0.06000	0.24000	0.00146	0.01034
48	0.00186	0.00143	0.00186	0.00143	0.06000	0.24000	0.00166	0.00879
49	0.00200	0.00155	0.00200	0.00155	0.06000	0.24000	0.00188	0.00744
50	0.00535	0.00234	0.00214	0.00168	0.06000	0.24000	0.00214	0.00629
51	0.00553	0.00246	0.00229	0.00181	0.06000	0.24000	0.00244	0.00551
52	0.00564	0.00265	0.00245	0.00197	0.06000	0.24000	0.00276	0.00493
53	0.00572	0.00290	0.00262	0.00213	0.06000	0.24000	0.00314	0.00451
54	0.00580	0.00319	0.00281	0.00232	0.06000	0.24000	0.00356	0.00423
55	0.00590	0.00353	0.00303	0.00253	0.36000	0.38000	0.00404	0.00000
56	0.00612	0.00393	0.00331	0.00276	0.22000	0.38000	0.00460	0.00000
57	0.00644	0.00438	0.00363	0.00301	0.22000	0.38000	0.00522	0.00000
58	0.00690	0.00492	0.00400	0.00329	0.22000	0.38000	0.00592	0.00000
59	0.00749	0.00553	0.00441	0.00360	0.22000	0.16000	0.00674	0.00000
60	0.00820	0.00620	0.00488	0.00393	0.12000	0.16000	0.00976	0.00000
61	0.00900	0.00692	0.00538	0.00429	0.12000	0.16000	0.01060	0.00000
62	0.00991	0.00769	0.00592	0.00466	0.12000	0.16000	0.01156	0.00000
63	0.01095	0.00851	0.00647	0.00504	0.12000	0.16000	0.01110	0.00000
64	0.01212	0.00939	0.00703	0.00543	0.12000	0.16000	0.00702	0.00000
65	0.01342	0.01036	0.00757	0.00582	0.12000	0.16000	0.00126	0.00000
66	0.01487	0.01141	0.00810	0.00621	0.12000	0.16000	0.00976	0.00000
67	0.01646	0.01254	0.00860	0.00658	0.12000	0.16000	0.00976	0.00000
68	0.01820	0.01377	0.00907	0.00695	0.12000	0.16000	0.00976	0.00000
69	0.02011	0.01515	0.00951	0.00729	0.12000	0.16000	0.00976	0.00000
70	0.02221	0.01674	0.00992	0.00761	0.12000	0.16000	0.00976	0.00000
71	0.02457	0.01858	0.02457	0.01858	0.12000	0.16000	0.00976	0.00000
72	0.02728	0.02066	0.02728	0.02067	0.12000	0.16000	0.00976	0.00000
73	0.03039	0.02297	0.03039	0.02297	0.12000	0.16000	0.00976	0.00000
74	0.03390	0.02546	0.03390	0.02546	0.12000	0.16000	0.00976	0.00000
75	0.03783	0.02811	0.03783	0.02811	0.12000	0.16000	0.00976	0.00000

GLOSSARY

Accrued Benefit – The pension benefit that an individual has earned as of a specific dated based on the provisions of the plan and the individual's age, service, and salary as of that date.

Actuarial Accrued Liability – The actuarial present value of benefits payable to members of the fund less the present value of future normal costs attributable to the members.

Actuarial Assumptions - Assumptions as to the occurrence of future events affecting pension costs. These assumptions include rates of mortality, withdrawal, disablement, and retirement. Also included are rates of investment earnings, changes in compensation, as well as statistics related to marriage and family composition.

Actuarial Cost Method – A procedure for determining the portion of the cost of a pension plan to be allocated to each year. Each cost method allocates a certain portion of the actuarial present value of benefits between the actuarial accrued liability and future normal costs. Once this allocation is made, a determination of the normal cost attributable to a specific year can be made along with the payment to amortize any unfunded actuarial accrued liability. To the extent that a particular funding method allocates a greater (lesser) portion of the actual present value of benefits to the actuarial accrued liability it will allocate less (more) to future normal costs.

Actuarial Equivalence – Payments or receipts with equal actuarial value on a given date when valued using the same set of actuarial assumptions.

Actuarial Gain (Loss) – The financial effect on the fund of the difference between the expected and actual experience of the fund. The experience may be related to investment earnings above (or below) those expected or changes in the liability structure due to fewer (or greater) than the expected numbers of retirements, deaths, disabilities, or withdrawals. In addition, other factors such as pay increases above (or below) those forecast can result in actuarial gains or losses. The effect of such gains (or losses) is to decrease (or increase) future costs.

Actuarial Present Value - The value, as of a specified date, of an amount or series of amounts payable or receivable thereafter, with each amount adjusted to reflect the time value of money (through accrual of interest) and the probability of payments. For example: if $600 invested today will be worth $1,000 in 10 years and there is a 50% probability that a person will live 10 years, then the actuarial present value of $1,000 payable to that person if he should survive 10 years is $300.

Actuarial Value of Assets - The value of cash, investments, and other property belonging to the pension plan as used by the actuary for the purpose of the actuarial valuation. This may correspond to the book value, market value, or some modification involving either or both book and market value. Adjustments to market values are often made to reduce the volatility of asset values.

Asset Gain (Loss) - That portion of the actuarial gain attributable to investment performance above (below) the expected rate of return in the actuarial assumptions.

Amortization Payment - That portion of the pension plan contribution designated to pay interest and reduce the outstanding principal balance of unfunded actuarial accrued liability. If the amortization

payment is less than the accrued interest on the unfunded actuarial accrued liability the outstanding principal balance will increase.

Contribution Shortfall (Excess) - The difference between contributions recommended in the prior valuation and the actual amount received.

Decrements – Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.

Employer Normal Cost - That portion of the normal cost not attributable to employee contributions. It includes both direct contributions made by the employer and contributions from other non-employee sources such as revenue sharing and revenues related to taxes.

Funded Ratio – A measure of the ratio of assets to liabilities of the system according to a specific definition of those two values. Typically the assets used in the measure are the actuarial value of assets; the liabilities are defined by reference to some recognized actuarial funding method. Thus the funded ratio of a plan depends not only on the financial strength of the plan but also on the funding method used to determine the liabilities and the asset valuation method used to determine the assets in the ratio.

Normal Cost - That portion of the actuarial present value of pension plan benefits and expenses allocated to a valuation year by the actuarial cost method. This is analogous to one year's insurance premium.

Pension Benefit Obligation - The actuarial present value of benefits earned or credited to date based on the members expected final average compensation at retirement. For current retirees or terminated members this is equivalent to the actuarial present value of their accrued benefit.

Projected Benefits – The benefits expected to be paid in the future based on the provisions of the plan and the actuarial assumptions. The projected values are based on anticipated future advancement in age and accrual of service as well as increases in salary paid to the participant.

Unfunded Actuarial Accrued Liability - The excess of the actuarial accrued liability over the actuarial value of assets.

Vested Benefits - Benefits that the members are entitled to even if they withdraw from service.

NOTES