

*City of Milwaukee
Employees' Retirement System*

Actuarial Valuation Report

As of

January 1, 2011

June, 2011

June 30, 2011

Annuity and Pension Board
Employes' Retirement System of
the City of Milwaukee
789 N. Water St., #300
Milwaukee, WI 53202

Members of the Board:

This report presents the results of the annual actuarial valuation of the assets and liabilities of the City of Milwaukee Employes' Retirement System ("ERS") as of January 1, 2011, prepared in accordance with Chapter 36, Part 15(15) of the Milwaukee City Charter. The valuation takes into account all of the promised benefits to which members were entitled as of January 1, 2011.

Global Pension Settlement (GPS) benefits have been provided to 21 individuals who consented to the GPS since the last valuation and, as a result, assets are transferred from the non-consenter funds in which these members previously participated to the Global Combined Fund.

The valuation was based on the actuarial assumptions and methods as adopted by the Board of Trustees, and as specified by the Charter. The assumptions and methods are the same as those used for the prior valuation. Effective May 18, 2010, the asset smoothing, asset corridor and amortization methods were added as Chapter 36-15-15 of the Milwaukee City Charter. The actuarial cost method (Chapter 36-15-15) and the Full Funding Limit (Chapter 36-08-6-A) were already contained in Chapter 36 of the Milwaukee City Charter. The assumptions and methods used for this valuation are individually and in the aggregate reasonable and comply with generally accepted actuarial standards of practice. Entities that contribute to this plan are reminded that benefits in the amount of the normal cost are accrued every year.

Assets and Membership Data

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

Financing Objective and Employer Contribution

The results of the January 1, 2011 valuation determine the employer contribution for the year ending December 31, 2011.

The financing objective of the System is to:

- (a) fully fund all current costs based on the normal contribution payable determined under the funding method; and
- (b) liquidate the unfunded accrued liability over the amortization period as adopted by the Board. The Board adopted a twenty five year amortization period effective with the January 1, 2009 actuarial valuation. The period will be reduced by one year each subsequent year until the period equals the future working lifetime of employees covered by the funds. The amortization period is twenty three years as of January 1, 2011.

On this basis, the valuation indicates that the employer contribution of \$0 (zero) for the 2011 plan year would be sufficient to provide for the payment of the promised pension and survivor benefits.

The current employer contribution of zero is not a true indication of the cost of the Retirement System and is very unlikely to continue at such an artificially low level for an extended period of time. In fact, but for the Full Funding Limit, the current employer contribution would be just over \$42 million. The cost of benefits accruing in the Retirement System is the normal cost. This amount is item 3.a. Tables 2a, 2b, 2c, 3 and 4 later in this report. For the largest of the Funds, the combined fund, the cost of benefits accruing is \$85.1 million. Members contribute a portion of this, with the remainder being an employer obligation. Given the anticipation that unfunded liabilities will emerge as asset losses are recognized over the next few years, a contribution of at least the normal cost is very likely to occur beginning in the next couple of years.

Financial Results and Membership Data

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

To the best of our knowledge, this report is complete and accurate and has been prepared in accordance with generally accepted actuarial principles and Actuarial Standards of Practice. Larry Langer is qualified to render the actuarial statement of opinion contained within this report.

Respectfully submitted,



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Introduction

The law governing the Employees' Retirement System requires the Actuary, as the technical advisor to the Annuity and Pension Board, to “. . . make an annual valuation of the assets and liabilities of the funds of the retirement system.” {Chapter 36, Part 15(15)}. Buck Consultants, as Actuary, has completed the seventy-third annual actuarial valuation of the System as of January 1, 2011.

In this report we present the results of the January 1, 2011 valuation and the recommended employer contributions for the year ending December 31, 2011. For purposes of disclosure, the report also includes the schedule of employer contributions and schedule of funding progress as required by GASB Statement No. 25.

The valuation was completed based upon membership and financial data provided by the administrative staff of the System. The majority of the actuarial assumptions, outlined on pages 34-41, were adopted as of January 1, 2008, and are based on the experience study for the five-year period ended December 31, 2006. However, the 3.0% inflation assumption was adopted as of January 1, 2003, and an interest rate of 8.5% has been used to value all benefits since January 1, 2000. The projected unit credit actuarial cost method was adopted as of January 1, 1995, and is prescribed in section 36.08 of the Milwaukee City Charter. The actuarial asset valuation method and the amortization method were adopted as of January 1, 2010 and are prescribed in section 36.15 of the Milwaukee City Charter.

Changes Since Last Year

The following changes have been made since the actuarial valuation dated January 1, 2010:

The Global Pension Settlement (GPS) provides that members enrolled through June 28, 2000, must provide written consent to the ERS in order to be eligible for the benefit enhancements of GPS. Members enrolled after June 28, 2000, are automatically participants in the Combined Fund. Since the January 1, 2010 actuarial valuation was completed, 21 individuals who were eligible for ERS benefits as of June 28, 2000 – and who had not consented to GPS – have now consented. The January 1, 2011 valuation reflects the impact of this change.

Note that the “Bonus Year” provisions of 36-04-1-f are not included in this valuation unless a member has elected the “Bonus Year”, at which point additional liability is incurred. Refer to “Benefits Not Valued” at the end of the Summary of Plan Provisions section of this report.

Fiscal Impact of Changes

The fiscal aspect of the “Bonus Year” has not been isolated, but is anticipated to have generated actuarial losses during calendar year 2010.

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

Summary of Principal Results

Summarized below are the principal financial results for the City of Milwaukee Employees' Retirement System based upon the actuarial valuation as of January 1, 2011. Comparable results from the January 1, 2010 valuation are also shown.

Item	January 01, 2010	January 01, 2011
Membership Data		
Active Members		
➤ Number	11,664	11,247
➤ Total Annual Covered Payroll on the Valuation Date	\$553,846,000	\$538,218,000
➤ Average Pay	\$47,483	\$47,854
Retirees and Beneficiaries		
➤ Number	11,205	11,568
➤ Annual Benefit	\$242,962,206	\$261,404,933
➤ Average Benefit Payment	\$21,683	\$22,597
Asset Values (includes contributions receivable)		
➤ Actuarial Value	\$4,814,402,000	\$4,641,425,000
➤ Market Value	\$4,020,640,000	\$4,322,384,000
Actuarially Determined Employer Contribution		
	Due 1/31/2011	Due 1/31/2012
➤ Annual Cost	\$0	\$0
➤ As % of Covered Payroll	0.00%	0.00%
Funded Status		
➤ Accrued Liability	\$ 4,269,324,000	\$ 4,447,548,000
➤ Actuarial Value of Assets	<u>4,814,402,000</u>	<u>4,641,425,000</u>
➤ Unfunded (Overfunded) Accrued Liability	\$ (545,078,000)	\$ (193,877,000)
➤ Funded Ratio Based on Actuarial Value of Assets	112.8%	104.4%
➤ Accrued Liability	\$ 4,269,324,000	\$ 4,447,548,000
➤ Market Value of Assets	<u>4,020,640,000</u>	<u>4,322,384,000</u>
➤ Unfunded (Overfunded) Accrued Liability	\$ 248,684,000	\$ 125,164,000
➤ Funded Ratio Based on Market Value of Assets	94.2%	97.2%

Fiscal Impact of New Consents to the Global Pension Settlement

Based on data provided to the actuary, 21 active members, inactive members, and benefit recipients (or estates) eligible for ERS benefits as of June 28, 2000, who had not consented to GPS at the time the last valuation was processed, have now consented. The change in consent status increased the Present Value of Future Benefits (PVFB) for these individuals by \$368 thousand. At the direction of the Court, the ERS has continued to accept and process GPS consent forms and additional Consenters will be included in future actuarial valuations. Benefits will not change for individuals who do not consent to GPS.

Some non-consenting members have died without leaving survivors eligible for ERS benefits, some have withdrawn from the System, and some have separated without rights to a future ERS benefit. Some non-consenting members who had separated without rights to a future ERS benefit have returned to service. Table 5 of this report provides information about Consenters and Non-Consenters included in this valuation by membership status – active member, inactive member, or benefit recipient – and by employe group – fire, police, or general.

GPS provides that the market value of the assets in the funds for Non-Consenters be divided among Consenters and Non-Consenters. The division is based on the actuarial liability covered by each fund under pre-GPS plan provisions. The required division of assets for members who consented during 2010 was calculated as of January 1, 2010 (the beginning of the year of consent). Table 7 of this report provides the necessary details.

Contribution Requirements for Fiscal Year 2011

Actuarially Determined Employer Contributions: The recommended contribution for 2011 payable January 31, 2012 is allocated to the different funds and employe groups as follows:

Item	General Employees	Policemen	Firemen	Total
Combined Fund	\$ 0	\$ 0	\$ 0	\$ 0
Retirement Fund	0	0	0	0
Duty Disability Funds	0	0	0	0
Heart & Lung Fund	N/A	N/A	0	0
Combined Retirement & Disability Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Contribution	\$ 0	\$ 0	\$ 0	\$ 0
Covered Compensation	\$ 346,086,000	\$ 132,590,000	\$ 59,543,000	\$ 538,219,000
Total Contribution as a Percentage of Covered Compensation	0.0%	0.0%	0.0%	0.0%

Member Contributions to the Above Funds:

Employer Paid

For hires prior to January 1, 2010, each pay period the Employer makes fixed "member contributions" to the members' individual accounts equal to the following percentages of earnable compensation:

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

Member Paid

In addition, each policeman contributes \$1 per year to his or her individual account and general employees enrolled after 1999 who participate in the Combined Fund contribute 1.6% of earnable compensation during their first 8 years of employment. Many new hires after January 1, 2010 now make the member contribution.

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

Funded Ratio

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

On this basis, the System's funded ratio is 104.4% as of January 1, 2011. The funded ratio is based on an actuarial value of assets of \$4.641 billion and an accrued liability of \$4.448 billion.

Reasons for Change in the Funded Ratio

The funded ratio decreased from 112.8% as of January 1, 2010 to 104.4% as of January 1, 2011. The change is primarily due to the return on the actuarial value of assets, which was 1.34% for the 2010 plan year – compared to 22.62% for the 2009 plan year. Liabilities for the retirement System came in right about where expected, well within 1% of the liability amount expected.

GASB No. 25 Disclosure

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

The “schedule of funding progress” (Table 11a) shows historical trend information about the System’s actuarial value of assets, the actuarial accrued liability and the unfunded actuarial accrued liability. The actuarial funded status is measured by comparing the actuarial value of assets (based on a 5-year market-related value (3-year prior to 2010) with the accrued liability. The accrued liability is the present value of benefits accumulated to date under the System’s funding method and reflects future pay increases for active employees. On this basis, the System’s funded ratio is 104.4% as of January 1, 2011. The funded ratio is based on an actuarial value of assets of \$4.641 billion and an accrued liability of \$4.448 billion.

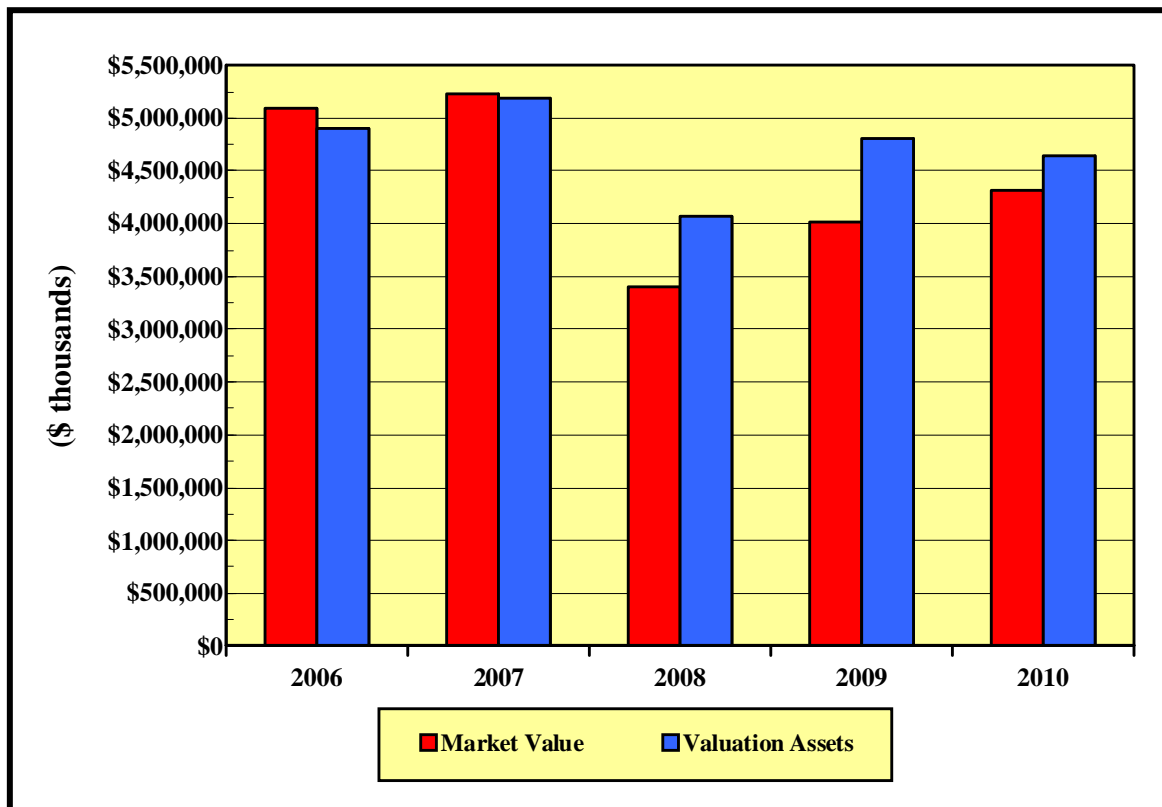
The “schedule of employer contributions” (Table 11b) shows historical trend information about the annual required contributions (ARC) of the employer and the percentage of the ARC contributed to the System. The ARC is equal to the normal cost plus amortization of the unfunded actuarial accrued liability. The maximum period for amortizing the unfunded actuarial accrued liability permitted by GASB No. 25 is 30 years; for assets in excess of liabilities the minimum period is 10 years. Other than 2010 and 2011, the employer contributions to the System are equal to 100% of the ARC. In 2010 and 2011, the Full Funding Limitation reduced the contribution to zero, below the GASB ARC estimated to be \$1.5 million and \$31 million, respectively, based on a ten-year amortization of assets in excess of liabilities.

Rate of Return

The investment return on all System assets on a market value basis (i.e., total return including both realized and unrealized gains and losses) for the plan year ended December 31, 2010, was 13.78%. The return based on the actuarial value of assets used for determining the System's funded status was 1.34%. A five-year history of the rate of return on the actuarial value of assets and the market values of assets is shown below.

Plan Year Ended December 31	Return on Actuarial Value	Return on Market Value
2010	1.34%	13.78%
2009	22.62	23.70
2008	(17.88)	(31.70)
2007	10.17	6.83
2006	11.83	14.85

Five-Year History of Market Value and Valuation Assets



The remainder of this report is comprised of the following:

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Table 1a

**Allocation of Total 2011 Contributions to Employee Groups
Members in Retirement and Duty Disability Funds
Amount Due January 31, 2012**

Group	Active Members	Covered Compensation	Fund			January 31, 2012	
			Retirement	Duty Disability	Heart & Lung	Total Due	% of Pay
General City	29	\$ 1,444,592	\$ -	\$ -	\$ -	\$ -	0.00%
Water Department	1	47,923	-	-	-	-	0.00%
School Board	39	1,146,889	-	-	-	-	0.00%
Milwaukee Technical College	-	-	-	-	-	-	
Sewerage Commission	-	-	-	-	-	-	
Veolia	1	69,797	-	-	-	-	0.00%
Wisconsin Center District	1	33,057	-	-	-	-	0.00%
Housing Authority	-	-	-	-	-	-	
Policemen	-	-	-	-	-	-	
Firemen	-	-	-	-	-	-	
TOTAL	71	\$ 2,742,258	\$ -	\$ -	\$ -	\$ -	0.00%

Table 1b

**Allocation of Total 2011 Contributions to Employee Groups
Members in Combined Retirement and Disability Fund
Amount Due January 31, 2012**

Group	Active Members	Covered Compensation	Fund		January 31, 2012	
			Combined Retirement & Disability	Heart & Lung	Total Due	% of Pay
General City	26	\$ 1,249,497	\$ -	\$ -	\$ -	0.00%
Water Department	-	-	-	-	-	
School Board	34	943,746	-	-	-	0.00%
Milwaukee Technical College	-	-	-	-	-	
Sewerage Commission	-	-	-	-	-	
Veolia	-	-	-	-	-	
Wisconsin Center District	1	7,445	-	-	-	0.00%
Housing Authority	2	95,263	-	-	-	0.00%
Policemen	1	68,064	-	-	-	0.00%
Firemen	-	-	-	-	-	
TOTAL	64	\$ 2,364,015	\$ -	\$ -	\$ -	0.00%

Table 1c

**Allocation of Total 2011 Contributions to Employee Groups
Combined Fund
Amount Due January 31, 2012**

Group	Active Members	Covered Compensation	January 31, 2012	
			Total Due	% of Pay
General City	3,370	\$ 173,819,706	\$ -	0.00%
Water Department	313	16,604,531	-	0.00%
School Board	3,919	110,723,701	-	0.00%
Milwaukee Technical College	2	126,448	-	0.00%
Sewerage Commission	232	16,634,886	-	0.00%
Veolia	109	7,347,955	-	0.00%
Wisconsin Center District	90	3,527,772	-	0.00%
Housing Authority	210	12,263,104	-	0.00%
Policemen	1,985	132,522,052	-	0.00%
Firemen	882	59,541,490	-	0.00%
TOTAL	11,112	\$ 533,111,645	\$ -	0.00%

Table 2a

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

Item	General Employees	Police	Fire	Total
1. Active Members	71	-	-	71
2. Covered Compensation	\$ 2,742	\$ -	\$ -	\$ 2,742
3. Normal Cost				
a. Total	310	-	-	310
b. Estimated Member Contributions	151	-	-	151
c. Employer Normal Cost (a) - (b), not less than zero	159	-	-	159
4. Active Actuarial Accrued Liability	7,135	-	-	7,135
5. Actuarial Assets (Net of Inactive Liabilities)	15,724	-	-	15,724
6. Unfunded Accrued Liability (4) - (5)	(8,589)	-	-	(8,589)
7. Amortization of UAL (Closed Amortization Years)	(624) (23 years)	-	-	(624)
8. Full Funding Limit* (3) + (6), not less than zero, with interest to 1/31/2012	-	-	-	-
9. Annual Contribution Payable January 31, 2012 (3) + (7), with interest to 1/31/2012, but not more than (8)	\$ -	\$ -	\$ -	\$ -

* The full funding limit is the contribution based on the January 1, 2011 valuation which, if made January 31, 2012, would bring the expected assets at that date equal to the expected Actuarial Accrued Liability at that date.

Table 2b

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

Item	General Employees	Police	Fire	Total
1. Active Members	63	1	-	64
2. Covered Compensation	\$ 2,296	\$ 68	\$ -	\$ 2,364
3. Normal Cost				
a. Total	185	10	-	195
b. Estimated Member Contributions	126	5	-	131
c. Employer Normal Cost	59	5	-	64
(a) - (b), not less than zero				
4. Active Actuarial Accrued Liability	2,328	113	-	2,441
5. Actuarial Assets (Net of Inactive Liabilities)	2,484	121	-	2,605
6. Unfunded Accrued Liability (UAL) (4) - (5)	(156)	(8)	-	(164)
7. Amortization of UAL (Closed Amortization Years)	(11) (23 years)	(1) (23 years)	-	(12)
8. Full Funding Limit* (3) + (6), not less than zero, with interest to 1/31/2012	-	-	-	-
9. Annual Contribution Payable January 31, 2012 (3) + (7), with interest to 1/31/2012, but not more than (8)	\$ -	\$ -	\$ -	\$ -

* The full funding limit is the contribution based on the January 1, 2011 valuation which, if made January 31, 2012, would bring the expected assets at that date equal to the expected Actuarial Accrued Liability at that date.

Table 2c

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

Item	General Employees	Police	Fire	Total
1. Active Members	8,245	1,985	882	11,112
2. Covered Compensation	\$ 341,048	\$ 132,522	\$ 59,542	\$ 533,112
3. Normal Cost				
a. Total	39,165	31,028	14,867	85,060
b. Estimated Member Contributions	20,293	9,277	4,168	33,738
c. Employer Normal Cost (a) - (b), not less than zero	18,872	21,751	10,699	51,322
4. Active Actuarial Accrued Liability	730,897	494,290	276,397	1,501,584
5. Actuarial Assets (Net of Inactive Liabilities)	815,608	551,578	308,431	1,675,617
6. Unfunded Accrued Liability (4) - (5)	(84,711)	(57,288)	(32,034)	(174,033)
7. Amortization of UAL (Closed Amortization Years)	(6,154) (23 years)	(4,162) (23 years)	(2,327) (23 years)	(12,643)
8. Full Funding Limit* (3) + (6), not less than zero, with interest to 1/31/2012	-	-	-	-
9. Annual Contribution Payable January 31, 2012 (3) + (7), with interest to 1/31/2012, but not more than (8)	\$ -	\$ -	\$ -	\$ -

* The full funding limit is the contribution based on the January 1, 2011 valuation which, if made January 31, 2012, would bring the expected assets at that date equal to the expected Actuarial Accrued Liability at that date.

Table 3

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

Item	General Employees	Police	Fire	Total
1. Active Members	71	-	-	71
2. Covered Compensation	\$ 2,742	\$ -	\$ -	\$ 2,742
3. Normal Cost				
a. Total	4	-	-	4
b. Estimated Member Contributions	-	-	-	-
c. Employer Normal Cost (a) - (b), not less than zero	4	-	-	4
4. Accrued Liability				
a. Actives	99	-	-	99
b. Annuitants	-	-	-	-
c. Total	99	-	-	99
5. Actuarial Value of Assets	168	-	-	168
6. Unfunded Accrued Liability (UAL) (4) - (5)	(69)	-	-	(69)
7. Amortization of UAL (Closed Amortization Years)	(5) (23 years)	-	-	(5)
8. Full Funding Limit* (3) + (6), not less than zero, with interest to 1/31/2012	-	-	-	-
9. Annual Contribution Payable January 31, 2012 (3) + (7), with interest to 1/31/2012, but not more than (8)	\$ -	\$ -	\$ -	\$ -

* The full funding limit is the contribution based on the January 1, 2011 valuation which, if made January 31, 2012, would bring the expected assets at that date equal to the expected Actuarial Accrued Liability at that date.

Table 4

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

Item	Amount
1. Active Members	-
2. Covered Compensation	\$ -
3. Normal Cost	
a. Total	-
b. Estimated Member Contributions	-
c. Employer Normal Cost	-
(a) - (b), not less than zero	
4. Accrued Liability	
a. Actives	-
b. Annuitants	-
c. Total	-
5. Actuarial Value of Assets	-
6. Unfunded Accrued Liability (UAL)	-
7. Full Funding Limit	-
(3) + (6), not less than zero, with interest to 1/31/2012	
8. Annual Contribution	\$ -
Payable January 31, 2012	

* The full funding limit is the contribution which, if made January 31, 2012, would bring the assets at that date equal to the expected Actuarial Accrued Liability at that date.

Table 5
Member Data

Item	12/31/2009	12/31/2010		
Number of Members	Total	Vested	Non- Vested	Total
Active				
General Employes	8,772	6,807	1,572	8,379
Policemen	1,997	1,711	275	1,986
Firemen	895	793	89	882
Total Active Members	11,664	9,311	1,936	11,247
Inactive				
Deferred Retirees/Refunds	4,117			4,152
Deferred Fire & Police Survivors	6			6
Total Inactive Members	4,123			4,158
Benefit Recipients				
Combined Fund				
General Employes	7,872			8,160
Policemen	2,142			2,182
Firemen	1,164			1,200
Combined Fund Subtotal	11,178			11,542
Retirement Fund	27			26
Duty Disability Funds				
General Employes	-			-
Firemen	-			-
Policemen	-			-
Duty Disability Funds Subtotal	-			-
Firemen's Heart & Lung Fund	-			-
Total Benefit Recipients	11,205			11,568
TOTAL Membership	26,992			26,973

Notes:

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

Table 5
Member Data
(continued)

Item	12/31/2010 Membership		
Number of Members	Consenters	Others	Total
Active			
General Employes	8,245	134	8,379
Policemen	1,985	1	1,986
Firemen	882	-	882
Total Active Members	11,112	135	11,247
Inactive			
Deferred Retirees/Refunds	3,845	307	4,152
Deferred Fire & Police Survivorship Fund	6	-	6
Total Inactive Members	3,851	307	4,158
Benefit Recipients			
Combined Fund	11,542		11,542
Retirement Fund		26	26
Duty Disability Funds			
General Employes		-	-
Firemen		-	-
Policemen		-	-
Duty Disability Funds Subtotal		-	-
Firemen's Heart & Lung Fund		-	-
Total Benefit Recipients	11,542	26	11,568
TOTAL Membership	26,505	468	26,973

Notes:

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

Table 5
Member Data
(continued)

Item	12/31/2009	12/31/2010
Annual Earnings		
General Employes	\$ 362,283,000	\$ 346,086,000
Policemen	131,102,000	132,590,000
Firemen	60,461,000	59,542,000
Total Annual Earnings	\$ 553,846,000	\$ 538,218,000
Average Earnings		
General Employes	\$ 41,300	\$ 41,304
Policemen	\$ 65,649	\$ 66,762
Firemen	\$ 67,554	\$ 67,508
Annual Benefit Payments Currently Being Made		
Combined Fund	\$ 242,755,862	\$ 261,191,012
Retirement Fund	\$ 206,344	\$ 213,921
Duty Disability Funds		
General Employes	\$ -	\$ -
Firemen	-	-
Policemen	-	-
Duty Disability Funds Subtotal	\$ -	\$ -
Firemen's Heart & Lung Fund	\$ -	\$ -
Total Benefit Payments	\$ 242,962,206	\$ 261,404,933

Notes:

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

FINANCIAL DATA

Information was obtained from unaudited financial statements prepared by the Employees' Retirement System for the year ended December 31, 2010.

The Global Pension Settlement (GPS) requires transfers between various funds as of January 1, 2010 for members who consented to GPS during 2010. This adjustment to the System's market value of assets is shown in Table 7.

Table 6
Summary of Market Value of Plan Assets
As of January 1, 2011
(in thousands)

Item	Amount
1. Market Value of Assets as of December 31, 2009	\$ 4,020,640
2. Contributions During Year	
a. Member	35,699
b. City to Employers' Reserve Fund	-
c. Employer (receivable 1/31/2011)	-
d. Total	35,699
3. Disbursements During Year	
Benefit Payments and Refunds During Year	271,710
4. Investment Return (net of Administrative Expenses)	537,755
5. Market Value of Assets as of December 31, 2010 (1) + (2d) - (3) + (4)	4,322,384
6. Average Market Value During 2010 (1) + ((2a) - (3))/2	\$ 3,902,635
7. Rate of Return (4) / (6)	13.78%

Table 7

**Allocations Between Non-Consenters Who Consented to Global Settlement During 2010 and Those Who Did Not
Allocation of 1/1/2010 Market Value of Assets in Proportion to 1/1/2010 Accrued Liability
Allocation of 1/31/2011 Employer Contribution in Proportion to 1/1/2010 Covered Compensation
(in dollars)**

Fund	Allocation of 1/1/2010 Market Value of Assets in Funds for Non-Consenters in Proportion to 1/1/2010 Accrued Liability			Allocation of 1/31/2011 Employer Contribution to Funds for Non-Consenters in Proportion to 1/1/2010 Covered Compensation		
	Consenters in 2010	Others	Total (Audited)	Consenters in 2010	Others	Total
1. Retirement Fund	\$ 3,186,555	\$ 16,383,608	\$ 19,570,163	\$ -	\$ -	\$ -
2. General Employees' Duty Disability Fund	13,597	136,852	150,449	-	-	-
3. Fire & Police Duty Disability Fund	-	-	-	-	-	-
4. Firemen's Heart & Lung Fund	-	-	-	-	-	-
5. Combined Retirement & Disability Fund	<u>63,574</u>	<u>2,343,728</u>	<u>2,407,302</u>	<u>-</u>	<u>-</u>	<u>-</u>
6. Total Funds for Non-Consenters	\$ 3,263,726	\$ 18,864,188	\$ 22,127,914	\$ -	\$ -	\$ -

Notes:

- (1) January 1, 2010 Assets allocated to members who consented to Global Settlement during 2010 are transferred to the Global Combined Fund as of January 1, 2010.
- (2) January 31, 2011 Employer Contributions allocated to members who consented to Global Settlement during 2010 are credited to the Global Combined Fund instead of to the funds for non-consenters.

Table 8
Actuarial Value of Assets as of January 1, 2011
(in thousands)

Item	Total
1. Preliminary Actuarial Value January 1, 2010	\$ 4,817,720
2. Market Value January 1, 2010 (Unaudited)	4,020,640
3. Market Value January 1, 2011 (Unaudited)	4,322,384
4. Contributions	
(a) Member	35,699
(b) Employer	-
(c) Total	35,699
5. Benefits and Refunds Paid	271,710
6. Actual Market Return Net of Administrative Expenses	537,755
7. Expected Market Return based on 8-1/2% Interest	331,724
8. Excess of Actual over Expected Return	
(a) 2010	206,031
(b) 2009	500,199
(c) 2008	(2,061,824)
(d) 2007	(83,329)
(e) 2006	286,222
9. Excess Recognized in the Current Valuation*	\$ (271,119)
(a) 2010	41,206
(b) 2009	100,040
(c) 2008	(412,365)
(d) 2007	-
(e) 2006	-
(f) Total	(271,119)
10. Preliminary Value January 1, 2011 (1) + (4) - (5) + (7) + (9)	4,642,314
11. Ratio of Preliminary Value to Market Value (10) / (3)	107.40%
12. Ratio Adjusted for 80%/120% Corridor**	107.40%
13. Balance in Employers' Reserve Fund	11,022
14. Market Value Excluding Employers' Reserve Fund (3) - (13)	4,311,362
15. Actuarial Value (12) x (14) + (13)	\$ 4,641,425
16. Rate of Return on Actuarial Value of Assets	1.34%

* The Funding Policy was changed effective with the January 1, 2009 valuation from 3 year smoothing to 5 year smoothing. As a part of this change, all bases prior to 2008 have been fully recognized.

** The actuarial value shall not be less than 80% nor greater than 120% of Market Value.

For a description of the development of the actuarial value of assets, refer to the relevant section of the Descriptions of Actuarial Assumptions and Methods beginning on page 32 of this report.

Table 9
Allocation of Assets Among Funds
as of January 1, 2011
(in thousands)

Fund	Market Value	Actuarial Value
1. Global Combined Fund	\$ 4,289,843	\$ 4,607,291
2. Employers' Reserve Fund	11,022	11,022
3. Retirement Fund	18,567	19,941
4. General Employees' Duty Disability Fund	156	168
5. Fire & Police Duty Disability Fund	-	-
6. Firemen's Heart & Lung Fund	-	-
7. Combined Retirement & Disability Fund	<u>2,796</u>	<u>3,003</u>
8. Total all Funds	\$ 4,322,384	\$ 4,641,425

Notes:

(1) Values shown include January 31, 2011 contributions receivable

DISCLOSURE

Table 10 shows the funded status of the Actuarial Accrued Liability. In addition, for financial reporting purposes, we have prepared tables as required by Statement No. 25 of the Governmental Accounting Standards Board (GASB) (Table 11). For historical purposes, Table 12 provides an actuarial balance sheet for members, comparing the Actuarial Accrued Liability to the Market Value of Assets.

GASB STATEMENT NO. 25

The Schedule of Funding progress (Table 11a) shows historical information about the System's actuarial value of assets, the actuarial accrued liability and the unfunded actuarial accrued liability. The schedule of employer contributions (Table 11b) shows historical information about the annual required contributions (ARC) of the employer and the percentage of the ARC contributed to the System. Other than 2010 and 2011, the employer contributions to the System are equal to 100% of the ARC. In 2010 and 2011, the Full Funding Limitation reduced the contribution below to zero, which is below the GASB ARC of \$1.5 million and \$31 million respectively. The GASB ARC for 2010 after the employer normal cost plus 10-year amortization of the overfunding is zero, so the employer combined zero satisfies GASB.

Table 10a
January 1, 2011 Valuation
Funded Status on Actuarial Value of Assets
(in thousands)

Fund	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Percent Funded
1. Global Combined Fund	\$ 4,433,258	\$ 4,607,291	\$ (174,033)	103.9%
2. Employers' Reserve Fund	-	11,022	(11,022)	N/A
3. Retirement Fund	11,352	19,941	(8,589)	175.7%
4. General Employes' Duty Disability Fund	99	168	(69)	169.7%
5. Fire & Police Duty Disability Fund	-	-	-	N/A
6. Firemen's Heart & Lung Fund	-	-	-	N/A
7. Combined Retirement & Disability Fund	2,839	3,003	(164)	105.8%
8. Total All Funds	\$ 4,447,548	\$ 4,641,425	\$ (193,877)	104.4%

Table 10b
January 1, 2011 Valuation
Funded Status on Market Value of Assets
(in thousands)

Fund	Accrued Liability	Market Value of Assets	UAL Market Basis	Percent Funded
1. Global Combined Fund	\$ 4,433,258	\$ 4,289,843	\$ 143,415	96.8%
2. Employers' Reserve Fund	-	11,022	(11,022)	N/A
3. Retirement Fund	11,352	18,567	(7,215)	163.6%
4. General Employes' Duty Disability Fund	99	156	(57)	157.6%
5. Fire & Police Duty Disability Fund	-	-	-	N/A
6. Firemen's Heart & Lung Fund	-	-	-	N/A
7. Combined Retirement & Disability Fund	2,839	2,796	43	98.5%
8. Total All Funds	\$ 4,447,548	\$ 4,322,384	\$ 125,164	97.2%

Table 11a
Schedule of Funding Progress
GASB Statement No. 25 Disclosure
(\$ in thousands)

Valuation as of January 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2011	\$ 4,641,425	\$ 4,447,548	\$ -	104.4%	\$ 538,218	0.0%
2010	4,814,402	4,269,324	-	112.8%	553,846	0.0%
2009	4,076,297	4,113,089	36,792	99.1%	536,558	6.9%
2008	5,192,000	3,958,061	-	131.2%	532,412	0.0%
2007	4,899,721	3,846,481	-	127.4%	528,854	0.0%
2006	4,556,371	3,706,198	-	122.9%	515,934	0.0%
2005	4,112,558	3,523,179	-	116.7%	505,609	0.0%
2004	3,909,085	3,370,923	-	116.0%	486,384	0.0%
2003	3,689,981	3,204,248	-	115.2%	480,800	0.0%
2002	4,242,333	3,091,511	-	137.2%	466,757	0.0%
2001	4,202,023	2,988,140	-	140.6%	459,271	0.0%

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

Fiscal Year Ended December 31	Annual Required Contribution	Percentage Contributed*
2010	\$ 1,450	0%
2009	60,098	100%
2008	-	100%
2007	-	100%
2006	-	100%
2005	47	100%
2004	46	100%
2003	78	100%
2002	32	100%
2001	144	100%

The information presented above was determined as part of the actuarial valuation as of one year prior to the dates indicated (i.e., the contribution determined by the valuation completed as of January 1, 2010 was contributed for the fiscal year ending December 31, 2010).

The Annual Required Contribution (ARC) is the sum of the defined contribution to the Fire and Police Survivorship Fund (dissolved November 22, 2004) and the actuarially determined Employer contribution to all other Funds. It excludes voluntary employer contributions to the Employers' Reserve Fund.

Additional information as of the latest actuarial valuation follows:

Valuation Date:	January 1, 2011
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Closed; Level Percent of Pay; Pay assumed to grow 3% per year
Remaining Amortization Period:	24 years as of January 1, 2011
Asset Valuation Method:	5-year smoothed market, 20% corridor

Actuarial Assumptions:

- Investment Rate of Return 8.5%
- | | | |
|----------------------------|-------------------------------|--------------------------------------|
| Projected Salary Increases | <u>General</u>
3.5% - 8.5% | <u>Police and Fire</u>
4% - 15.4% |
|----------------------------|-------------------------------|--------------------------------------|
- Inflation Assumption 3.0%
 - Cost of Living Adjustments Vary by Employee Group as explained in
summary of plan provisions

Table 12
Actuarial Balance Sheet
for Members at January 1, 2011
(in thousands)

Item	2010	2011
Assets:		
Market Value of Assets	\$ 4,020,640	\$ 4,322,384
Market Adjustment	793,762	319,041
Actuarial Value of Assets	\$ 4,814,402	\$ 4,641,425
Liabilities:		
Actuarial Accrued Liability		
Annuitants	\$ 2,637,961	\$ 2,835,309
Inactive Members		
Member Contributions	67,978	72,930
Employer Financed Portion	24,205	28,050
Active Members		
Member Contributions	483,627	483,331
Employer Financed Portion	1,055,553	1,027,928
Reserve for Adverse Experience	545,078	193,877
Total Liabilities	\$ 4,814,402	\$ 4,641,425

DESCRIPTION OF ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Cost Method

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

Method: Projected Unit Credit

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

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

Asset Values

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

Market Value

The market value of assets is the value of investments if they were to be sold currently. The market value of assets is used to develop the actuarial value of assets. (See Table 6.)

Actuarial Value

The actuarial value of the assets in the Employers' Reserve Fund is equal to the market value of assets.

The actuarial value of assets for the remaining funds is a smoothed value of assets. The smoothed value is developed on Table 8 of this report. The numbers in parentheses denote the item number on Table 8. Under this method, we start with the Preliminary Actuarial Value of Assets from the prior valuation (1). We then develop an actual market return (6) and an expected market return based on 8.5% (7). The difference between this actual and expected amount is captured each year and reported (8). We amortize, or divide, the difference over the past five years as an amount to recognize each year (9). The preliminary actuarial value for the current valuation (10) becomes the preliminary actuarial value from the prior year (1) plus non-investment cash flows (contributions (4) less benefits and refunds (5)) plus the expected return on the market value of assets at 8.5% (7) and the current years amortization (9). As a final adjustment, the preliminary actuarial value (9) is adjusted to be not be less than 80% or more than 120% of market value (12) to develop the final Actuarial Value (15).

The actuarial value of assets is used in the determination of the Employer's actuarial contribution requirements. (See Tables 2-4.)

Other Considerations

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

Actuarial Assumptions
Adopted Effective January 1, 2008 (except as noted)

Interest Rate and Inflation

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

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

Salary Increases

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

<u>Age</u>	<u>General</u>	<u>Fire and Police</u>
25	7.9%	11.5%
30	6.8	7.7
35	5.8	5.8
40	4.6	4.7
45	4.3	4.3
50	4.0	4.1
55	3.6	4.0
60	3.5	4.0
65	3.5	4.0

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

Early and Normal Retirement

Illustrative rates of retirement are as follows:

Age at Beginning of Year	Early Retirement	Normal Retirement				
	General Employees	General Employees		Firemen	Police	
		Males	Females		Not in Combined Fund	In Combined Fund
44						10%
45						10
46						20
47						20
48				10%		20
49				10		23
50				10		23
51				10	44%	30
52				10	44	30
53				10	24	30
54		45%	30%	10	24	35
55	2%	45	30	25	24	35
56	2	27	14	25	40	35
57	2	27	14	20	35	27
58	2	24	14	20	35	27
59	2	22	14	20	35	27
60		20	14	50	35	27
61		16	16	75	35	30
62		24	24	75	50	50
63		20	20	100	100	100
64		20	20	100	100	100
65		28	28	100	100	100
66		22	22	100	100	100
67		15	15	100	100	100
68		15	15	100	100	100
69		15	15	100	100	100
70		100	100	100	100	100

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

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

Survivor Benefits and Duty Disability Child Allotments

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

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

The percentage of retiring employes assumed to elect option 3, the subsidized 50% option, is 20% for males and 15% for females. The percentage of general employes assumed electing the 100% PSO option before retirement is 55% for males and 10% for females. For firemen and policemen, 95% are assumed to elect the 100% PSO option before retirement.

Duty Deaths

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

General Employees: 5% (Adopted 1/1/1998)

Police & Fire: 10%. In addition, amongst firemen, 25% of duty deaths are assumed to occur under the Heart and Lung Law. (Adopted 1/1/2003)

Duty Disabilities

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

Imputed Military Service

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

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

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

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

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

Seasonal Service Credit

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

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

Miscellaneous

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

Active members who worked less than 100 hours in the prior year, but who have not officially terminated employment are included in the count of Inactives in Table 5. These members are not assumed to earn additional service credit in future years.

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

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

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

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

Age	Mortality*		Duty Disability Mortality		Ordinary Disability Mortality	
	Males	Females	Males	Females	Males	Females
20	0.031%	0.028%	1.187%	0.901%	4.124%	3.611%
30	0.043	0.036	1.187	0.901	4.124	3.611
40	0.104	0.070	1.187	0.901	4.124	3.611
50	0.195	0.139	1.187	0.901	4.124	3.611
55	0.329	0.235	1.187	0.901	4.334	3.795
60	0.622	0.463	1.187	0.901	4.879	4.273
65	1.187	0.901	1.187	0.901	5.315	4.656
70	2.059	1.433	2.059	1.433	7.791	6.854
75	3.526	2.325	3.526	2.325	8.759	6.911
80	6.121	4.061	6.121	4.061	9.726	6.968
85	10.693	7.025	10.693	7.025	10.693	7.025
90	17.977	12.278	17.977	12.278	17.977	12.278
95	26.483	19.784	26.483	19.784	26.483	19.784
100	34.284	29.545	34.284	29.545	34.284	29.545
110	40.000	49.244	40.000	49.244	40.000	49.244
120	100.000	100.000	100.000	100.000	100.000	100.000

* For regular retirees and for survivors, the RP-2000 Mortality Table with mortality improvements projected to the year 2005 for males, and the UP-94 Mortality Table, with mortality improvements projected to the year 2000 for females. These are the rates shown above. For death in active service, 70% of the rate for a regular retiree the same age.

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

SUMMARY OF PLAN PROVISIONS

Eligibility for Membership

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

Participation in the Combined Fund

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

Creditable Service

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

- (a) For most employees, 2080 hours of service constitute one year of creditable service. For prevailing wage employees (carpenters and other tradespeople) 2000 hours constitute one year. For members employed by the school board for a 10-month school year, 1600 hours of service constitute a year of creditable service.

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

Imputed Service

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

Eligibility for Imputed Service Credit

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

- (a) **Imputed military service credit:** The member must have been active in the armed forces of the United States of America prior to his or her enrollment in the ERS, and must have been honorably discharged. A member must be described as in 36-04-1-c. An individual eligible for imputed military service credit must apply for the credit.
- (b) **Imputed fire and police service credit:** The member must have been in active ERS service as a fireman or policeman as of January 1, 2000, and must also retire from ERS service as a fireman or policeman, or die while a fireman or policeman eligible for protective survivorship option benefits. If the eligible individual is a policeman at death or retirement, then he must have either attained the minimum service retirement age of 57, or completed 25 years of creditable service as a fireman or policeman.
- (c) **Imputed service credit under the dissolution of the Firemen and Policemen's Survivorship Fund, (the "Fund"):** The member must have been a policeman

who was an active member of the “Fund” as of January 1, 2000. If the policeman was in active ERS service as of January 1, 2000, he must either retire as a policeman on a service retirement allowance at the minimum service retirement age of 57 or after completing 25 years of creditable service as a fireman or policeman; or he must retire on a policeman’s duty disability retirement allowance and subsequently convert to a service retirement allowance. If the policeman was retired on a duty disability retirement allowance as of January 1, 2000, then he must subsequently convert to a service retirement allowance.

Benefits Affected by Imputed Service Credit

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

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

Amount of Imputed Service Credit

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

Seasonal Service

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

Eligibility for Seasonal Service Credit

In order to be eligible for seasonal service credit, a member must be a General City employee with five or more years of City service, and a member of one of the groups as outlined in 36-04-1-d.

Benefits Affected by Seasonal Service Credit

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

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

Amount of Seasonal Service Credit

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

Qualifying for an ERS Benefit

Rules regarding qualifying time are encapsulated in the ERS Board Rules & Regulations, XV.G. The rules have been adopted and applied prospectively for enrollments prior to 1995, 1995 to 2001 and post 2001. All members are fully vested after four years of qualifying time.

Earnable Compensation

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

Final Average Salary

- (a) For general employes, final average salary means the average annual earnable compensation computed on the 3 years of creditable service preceding retirement, death or separation from service during which earnable compensation was the highest.
- (b) For policemen and firemen, final average salary means the average annual earnable compensation computed on the year of creditable service preceding

retirement, death or separation from service during which earnable compensation was the highest.

- (c) For members converting from a duty disability retirement allowance to a service retirement allowance, the service retirement allowance is computed on the basis of the current compensation of the member's position at the service retirement date.

Eligibility for Service Retirement

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

Amount of Service Retirement Allowance

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

- (a) For general employes, 2% of final average salary for each year of creditable service, imputed military service, or seasonal service limited to 70% of final average salary.

- (b) For firemen enrolled prior to March 1, 1989, and policemen enrolled prior to July 1, 1989, 2.5% of final average salary for each year of creditable service or imputed service (of any kind).
- (c) For firemen enrolled after February 28, 1989, and policemen enrolled after June 30, 1989, 2.5% of final average salary for each year of creditable service or imputed military service, limited to 90% of final average salary, plus 2.5% of final average salary for each year of imputed fire and police service or imputed service under the dissolution of the Firemen and Policemen's Survivorship Fund.
- (d) For elected officials, 2.6% of final average salary for each year of creditable service as an elected official for years before 1996. From 1996 forward the rate of accrual for creditable service, imputed military service, or seasonal service is 2.5% except for the mayor, who will have an accrual rate of 2.0%.

Funds Charged with Service Retirement Allowance

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

Eligibility for Ordinary Disability Retirement Allowance

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

Amount of Ordinary Disability Retirement Allowance

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

- (a) For general employes, 90% of the service retirement allowance based on creditable service to date of disability retirement, but no less than 25% of final average salary, provided such amount does not exceed 90% of the retirement allowance payable had the member continued in service to the minimum service retirement age.
- (b) For policemen and firemen hired after January 1, 1971, who have 5 years of service, 25% of final average salary plus 2% thereof for each year of creditable service in excess of 5 years up to a maximum of 50% of final average salary.
- (c) For policemen and firemen hired before January 1, 1971, the greater of the benefit described in (a), or the benefit described in (b).
- (d) The benefit is payable for life while the member remains disabled, except that for general employes with less than 10 years of creditable service, the duration is limited to one-fourth (1/4) of the period of the service accrued to the date of disability.
- (e) Members receiving benefits for life may elect reduced benefits under an optional form of payment in order to provide a death benefit to a designated beneficiary.

Funds Charged with Ordinary Disability Retirement Allowance

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

Eligibility for Duty Disability Retirement Allowance

If a member becomes permanently and totally incapacitated for duty as a result of the performance of his duty, and his mental or physical incapacitation is medically certified, such member is eligible for a duty disability retirement allowance. The medical certification is made by the Medical Council for general employes, for members of the MPA enrolled after April 18, 2005, and for members of the MPFFA enrolled after October 3, 2005. For all other members,

the medical certification is made by the Medical Panel. If a fireman's disability is due to heart or lung disease, such disability is considered a duty disability.

Amount of Duty Disability Related Benefits

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

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

The 90% duty disability allowances are payable for life. For policemen enrolled on or after January 1, 1990, and firemen enrolled on or after December 17, 1989, the 75% duty disability allowances are payable until the earlier of attainment of age 57, or completion of 25 years of service and attainment of age 52, at which time the member must either convert to a service retirement allowance or

irrevocably elect to receive a recalculated duty disability allowance, referred to as an extended life duty disability allowance, as described in (c), below. Different conversion age requirements apply to policemen enrolled prior to January 1, 1990, and firemen enrolled prior to December 17, 1989, as discussed in (d), below. A fireman or policeman who becomes duty disabled on or after his conversion age may choose between a service retirement or extended life duty disability retirement.

- (c) The extended life duty disability allowance referred to in (b), above, equals the lesser of the conversion service retirement allowance, or 75% of the current annual salary, provided further that the benefit will not be less than 57% of current annual salary for a fireman, or 60% of current annual salary for a policeman. “Current annual salary” here refers to the salary at the conversion age, for the position held by the member at the time of injury. The extended life duty disability allowance is payable for life and, unlike the duty disability allowance, is a fixed amount that does not change after the conversion age, notwithstanding any cost of living adjustments. Firemen or policemen receiving extended life duty disability benefits may elect reduced benefits under an optional form of payment in order to provide a death benefit to a designated beneficiary. Their spouses are not eligible to receive the 70% benefit payable to surviving spouses of firemen and policemen who die while in receipt of the 75% duty disability benefit.
- (d) For policemen enrolled prior to January 1, 1990, and firemen enrolled prior to December 17, 1989, the conversion age determination depends upon the member’s enrollment date and whether or not the member signed the DeBraska II release form.

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

Under Charter Ordinance 000789 (DeBraska II), duty disabled firemen and policemen who signed the DeBraska II release form are subject to the following conversion requirements: (i) members retired on duty disability prior to February 8, 1972, will receive duty disability benefits for life; (ii) members enrolled prior to February 8, 1972, who are either policemen who retired on duty disability on or after August 1, 1985, or firemen who retired on duty disability on or after March 1, 1984, will have a conversion age of 63; (iii) members enrolled on or after February 8, 1972, who retired on duty disability on or after October 17, 1992, will not be required to convert to service retirement prior to the conversion age requirements that were in effect when they enrolled; and (iv) for all other members who signed the DeBraska II release form, there is no difference between the conversion requirements of Charter Ordinance 980130 Substitute 2, and Charter Ordinance 000789. In general, only members who were duty disabled prior to January 1, 2001 were given the opportunity to sign the DeBraska II release form.

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

Funds Charged with Duty Disability Related Benefits

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

Ordinary Death Benefit

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

Funds Charged with Ordinary Death Benefits

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

Protective Survivorship Option

Firemen may elect a Protective Survivorship Option (PSO) during the 6 months that precede the earlier of attainment of age 49 and completion of 22 years of service as a fireman, or age 52 and 25 years of service as a fireman or policeman, or age 57. Policemen may elect a Protective Survivorship Option (PSO) during the 6 months that precede the earlier of attainment of age 57, or completion of 25 years of service as a policeman. Firemen and policemen who fail to elect a PSO during the eligible period are deemed to have elected an Option 2 PSO with the spouse as the named beneficiary.

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

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

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

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

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

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

Funds Charged with PSO Benefits

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

Duty Death Benefits

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

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

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

Funds Charged with Duty Death Benefits

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

Member Contributions

Member contribution rates are the following percentages of annual salary:

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

Unless otherwise noted in 36-08-7-a-2, the City or the City Agency employing the member makes all contributions on the member's behalf (with the exception of \$1.00 per year contributed by each policeman).

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

Pension Escalators

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

Fire and Police \$50 Escalator

Firemen in Local 215 who retired under a service retirement allowance between March 1, 1990, and December 31, 1992; members of the Milwaukee Police Association (MPA) who retired under a service retirement allowance between January 1, 1990, and December 31, 1992; members of the Milwaukee Police Supervisors Organization who retired under a service retirement allowance between January 1, 1991, and December 31, 1992; and firemen in Local 215 or members of the MPA who elect a deferred retirement allowance after separating from service between January 1, 1993, and December 31, 1994, with 25 years of service; are eligible for a pension escalator which increases their allowance by \$50 per month on the 4th, 7th, and 10th anniversary of retirement.

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

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

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

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

Eligible Group:

- (a) General employees who attained the minimum service retirement age and retired with a service retirement allowance prior to October 1, 1987, or who retired on a duty disability allowance and converted to a service retirement allowance prior to October 1, 1987.
- (b) Firemen and policemen who retired prior to October 1, 1987, who became eligible to retire on service retirement at age 57, or after attaining age 52 and completing 25 years of service. Also, firemen and policemen who retired on a duty disability allowance and converted to a service retirement allowance prior to October 1, 1987.
- (c) Surviving spouses of eligible retirees, or of members who elected a PSO and died prior to October 1 1987, after naming their spouse as the designated beneficiary under Option 2, Option 3, or Option 4 with a percentage to the beneficiary.

Timing and Amount of Increase:

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

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

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

2% Escalator for pre-1993 Retirees**Eligible Group:**

- (a) General employes who attained the minimum service retirement age and retired with a service retirement allowance prior to January 1, 1993, or who retired on a duty disability allowance and converted to a service retirement allowance prior to January 1, 1993.
- (b) Firemen and policemen who retired prior to January 1, 1993, who became eligible to retire on service retirement at age 57, or after attaining age 52 and completing 25 years of service. Also, firemen and policemen who retired on a duty disability allowance and converted to a service retirement allowance prior to January 1, 1993.

- (c) Surviving spouses of eligible members who elected Option 3 with the spouse as the beneficiary, or of members who died prior to January 1, 1993 after electing an Option 3 PSO with the spouse as the beneficiary.

Timing and Amount of Increase:

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

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

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

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

Eligible Group:

- (a) Firemen and policemen in active service on or after January 1, 1993, who become eligible to retire on service retirement at age 57 or after attaining age 52 and completing 25 years of service.
- (b) Firemen and policemen who retire on either a 75% Fire & Police duty disability benefit or a Heart & Lung duty disability benefit (i) between January 1, 1993, and

December 31, 1994, and thereafter convert to service retirement; or (ii) on or after January 1, 1995, and who are eligible to elect between service retirement and extended life duty disability benefits at their conversion age.

- (c) Police in active service on or after January 1, 1995, who separate with 25 years of service and elect a deferred retirement allowance.
- (d) Surviving spouses of eligible members who elect Option 2 or 3, or who elect Option 4 with a percentage to the spouse, or who elect a PSO with a percentage to the spouse.

Timing and Amount of Increase:

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

The monthly benefit is increased by an amount equal to (i) the total allowance for the preceding December (including all prior increases), multiplied by the lesser of (ii) 3%, and (iii) the increase in the CPI-U, U.S. Cities Average, for the calendar year preceding the increase. (The benefit initially payable to an eligible spouse upon the member's death includes a proportionate share of any increases in payment at the member's death, based on the option elected.)

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

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

Eligible Group:

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

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

Timing and Amount of Increases that occur after 1999:

- (a) The first post-1999 increase occurs the later of March 2000 and March of the year following the first full calendar year of retirement for: members who retired on service retirement or ordinary disability between January 1, 1993, and December 31, 1994; or who convert to service retirement after a period of duty disability which commenced between January 1, 1993, and December 31, 1994; or who separated from service between January 1, 1993, and December 31, 1994, and

subsequently retire on a deferred, early, involuntary separation, or County transfer/ State reciprocity allowance; eligible spouse survivors of such members, including PSO spouse survivors when the member died between January 1, 1993, and December 31, 1994; duty death surviving spouses of members who died between January 1, 1993, and December 31, 1994; and duty disability surviving spouses where both the member's duty disability retirement date and duty disabled death date were between January 1, 1993, and December 31, 1994.

- (b) The first post-1999 increase occurs the later of the year 2000 anniversary or the first anniversary of the member's date of death for: duty disability surviving spouses where the member's duty disability death date is on or after January 1, 1995.
- (c) For all others, the first post-1999 increase occurs the later of the year 2000 anniversary or the first anniversary of the member's retirement or pre-retirement death. (Note: this group includes members who retired on duty disability between October 17, 1992, and December 31, 1994, who subsequently elect an extended life duty disability retirement allowance, and members who retired on duty disability between October 17, 1992, and December 31, 1992, who subsequently convert to service retirement.)

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

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

The CPI escalator is charged to the Combined Fund.

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

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

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

Eligible Group:

- (a) General employees who retire on a service retirement allowance on or after January 1, 1993 who have either (i) attained age 60, or (ii) completed 30 years of service and attained age 55.
- (b) General employees receiving a duty disability retirement allowance who convert to service retirement on or after January 1, 1993.
- (c) Spouses of eligible members who either elect Option 3 at retirement with the spouse as beneficiary, or who die after electing an Option 3 PSO with the spouse as beneficiary.

Timing and Amount of Increase:

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

Each increase is 2%, and increases after the first are compounded -- that is, they are applied to the total benefit in payment, including all prior increases. (The benefit initially payable to an

eligible spouse upon the member's death includes 50% of any increases in payment at the member's death.)

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

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

Eligible Group:

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

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

Timing and Amount of Increases that occur after 1999:

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

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

All increases for the group described in paragraph (a) are 2% increases. For paragraphs (b) and (c), an increase which takes effect on the 2nd, 3rd, or 4th anniversary is a 1.5% increase. An increase which takes effect on the 5th or subsequent anniversary is a 2% increase. Increases after the first one are compounded -- that is, they are applied to the total benefit in payment, including all prior increases. (The benefit initially payable to an eligible spouse upon the member's death includes the spouse's proportionate share of any increases in payment at the member's death, based on the option elected.)

Benefits are charged to the Combined Fund.

Fire and Police Survivorship Benefits Prior to the Global Pension Settlement

The survivors of firemen or policemen who die in active service or while in receipt of a disability allowance may be entitled to a survivorship benefit. The survivorship benefit is payable to the spouse of the deceased member provided the spouse has one or more eligible children in her care. Eligible children include unmarried children who are either under the age of 18, or are over age 18, but who suffer from a disability which commenced before the age of 18. The amount of the survivorship benefit for a death occurring in 2000 is \$600 monthly for the

spouse and one child or for two or more eligible children. If there is no surviving widow and only one child, the benefit is \$300. Upon attainment of age 57, \$300 is payable to the spouse for her lifetime. Benefits payable to a spouse cease on remarriage and benefits payable in respect of children cease on attainment of age 18 (unless disabled prior to age 18) or marriage. For member deaths that occurred prior to 2000 the monthly amount payable depends upon the plan provisions in effect at the member's death.

Fire and Police Survivorship Benefits for Survivors Participating in the Combined Fund

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

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

Separation Benefits

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

- (a) A refund of member contributions (not paid by the member's employer), with interest.
- (b) If the member has four years of service, a deferred allowance payable at the minimum service retirement age.

- (c) A refund of the member contributions and interest, including contributions paid on the member's behalf, is payable to (i) general employees after 8 years of service, or (ii) firemen or policemen after 10 years of service.
- (d) If the member's service is involuntarily terminated, or the member terminates voluntarily after attaining age 55 and completing 15 years of service, such member may elect to receive a deferred allowance at the minimum service retirement age, or an immediate allowance that is the actuarial equivalent of the deferred allowance.
- (e) If the member has 25 years of service as a fireman or policeman, and is not participating in the Combined Fund, a deferred allowance payable at age 52.
- (f) If the member is a fireman with 25 years of service as a fireman or policeman, had not attained age 49 at the date of separation from service, and is participating in the Combined Fund, a deferred allowance payable at age 52.

Imputed service credit and seasonal service credit are not used when calculating separation benefits.

Funds Charged with Separation Benefits

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

Lump Sum Bonus Payments

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

Eligibility for Lump Sum Bonus Payments

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

- (a) **5% lump sum bonus:** All retired members and surviving spouses in payment as of January 1, 2000 are eligible *except* surviving spouses receiving either (i) a Fire & Police duty disability surviving spouse benefit; (ii) a Heart & Lung duty disability surviving spouse benefit; or (iii) a Firemen & Policemen's Survivorship Fund surviving spouse benefit.

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

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

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

Only one 5% lump sum bonus will be paid on account of an individual member. Thus, if a member receiving a duty disability retirement allowance receives a 5% lump sum bonus on account of the duty disability benefit, then the member will *not* be eligible for an additional 5% lump sum bonus at the time of conversion.

- (b) **Retiree special bonus:** All retired members and surviving spouses who originally retired prior to January 1, 2000, and who are in payment as of January 1, 2000, are eligible *except* surviving spouses receiving either (i) a Fire & Police duty disability surviving spouse benefit; (ii) a Heart & Lung duty disability

surviving spouse benefit; or (iii) a Firemen & Policemen's Survivorship Fund surviving spouse benefit.

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

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

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

Amount of Lump Sum Bonus Payments

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

- (a) **5% lump sum bonus:** For individuals in payment as of January 1, 2000, the bonus payment equals 5% times 12 times their full December 1999 monthly allowance – or their full January 2000 allowance if the individual was not in payment for all of December 1999 – times a factor based on the age the individual attained on his birthday in 1999.

For members who are either inactive or active as of January 1, 2000, who retire in the future, the bonus payment equals 5% times their initial annual retirement allowance times a factor based on attained age on the retirement date. The retirement allowance used in the bonus calculation is to be reduced for early retirement, if applicable, but is not to be reduced for any optional election the member might have made under s. 36-05-7.

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

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

The factor for firemen and policemen is 8. The factor for general employes depends upon the year of retirement or pre-retirement death. For an individual receiving a conversion service retirement allowance, the retirement date used in

the calculation is the date of the original duty disability retirement. The general employe factor is 2 for retirement during 1997-1999; 3 for 1996 retirements; 4 for 1995 retirements; 5 for 1994 retirements; 6.5 for 1993 retirements; and 8 for retirements in 1992 and prior years.

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

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

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

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

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

For a member who is retired on disability as of January 1, 2000 – or who retired on disability thereafter – who is ineligible to convert to service retirement, and who is age 63 or younger at the later of 1/1/2000 or the disability retirement date:

8.6% times the “hypothetical” annual conversion service retirement allowance earned at age 63 times the attained age factor for age 63. The “hypothetical” allowance is calculated as if the member *were* eligible to convert at age 63.

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

The 5% lump sum bonus, retiree special bonus and the 8.6% lump sum bonus are paid from the Combined Fund.

Benefits Not Valued

The Bonus Year and COLA provisions of 36-04-1-f are not explicitly valued until a retiree actually elects the benefit.

In our experience, the number of members that elect an early retirement incentive does vary significantly depending on various factors such as the group covered, the incentives offered and the current economic environment. The incentive offered here is relatively modest, but if elected by every eligible member could increase liabilities by several million dollars. This liability increase is composed of two parts; the increase in benefit due to the bonus year and a liability associated with more retirements than anticipated. Based on analysis we have done for the employers, the liability for more retirements than expected is several times that of a Bonus Year. Typically in the valuation, retirements are recognized as they occur until it is certain. Because most of the liability increase would result from more retirements than anticipated if members elect the incentive, we feel it is appropriate to recognize the retirements as they occur. As such, this valuation reflects members that have been reported to us as having elected the “Bonus Year.” In addition, there is no provision for the “Bonus Year” for actives in the valuation.

Best practice supports use of a three to five-year amortization period for amortization of liabilities generated by early retirement incentives such as the Bonus Year. While it is not clear whether a member retired due to an incentive, best practice would indicate that the additional liabilities generated by the Bonus Year should be amortized over a shorter period more in line with the period of payroll saving anticipated to be generated by the window. We recommend that the Bonus Year liabilities be isolated and amortized over a period not to exceed five years.

EXHIBIT 1
Age/Service Distributions

ACTIVE MEMBERSHIP – GENERAL CITY EMPLOYEES

**NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2010**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	38 \$34,688	1 \$33,454								39 \$34,656
25-29	102 \$40,528	35 \$41,005	3 \$36,386							140 \$40,559
30-34	150 \$45,691	80 \$49,646	29 \$44,145	1 \$33,874						260 \$46,690
35-39	112 \$46,314	97 \$51,719	102 \$50,904	14 \$55,977	2 \$43,839					327 \$49,748
40-44	111 \$42,375	99 \$46,540	135 \$52,422	86 \$55,511	28 \$50,252	3 \$38,160				462 \$49,098
45-49	93 \$39,810	90 \$51,019	107 \$51,856	116 \$57,520	108 \$54,798	73 \$56,349	27 \$48,770			614 \$51,895
50-54	76 \$44,190	74 \$48,454	76 \$47,589	99 \$55,906	123 \$56,202	147 \$60,578	94 \$55,452	6 \$53,130		695 \$53,877
55-59	59 \$40,221	67 \$47,721	68 \$54,537	80 \$56,342	129 \$56,108	114 \$61,449	60 \$62,141	26 \$51,792	3 \$43,590	606 \$54,843
60-64	24 \$42,044	33 \$46,646	24 \$51,721	31 \$47,742	32 \$56,025	25 \$64,827	22 \$68,018	14 \$59,797	9 \$69,247	214 \$54,392
Over 64	5 \$36,865	13 \$54,936	9 \$58,249	4 \$40,862	12 \$64,806	7 \$48,442	8 \$91,304	4 \$100,318	6 \$62,638	68 \$61,919
Total	770 \$42,628	589 \$48,714	553 \$51,172	431 \$55,567	434 \$55,609	369 \$59,886	211 \$59,168	50 \$58,076	18 \$62,768	3,425 \$51,537

ACTIVE MEMBERSHIP – WATER DEPARTMENT

**NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2010**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	1									1
	\$28,512									\$28,512
25-29	9	4								13
	\$42,266	\$47,020								\$43,729
30-34	4	9	1							14
	\$49,471	\$49,866	\$72,618							\$51,378
35-39	13	7	5	1						26
	\$46,468	\$47,617	\$54,296	\$60,079						\$48,806
40-44	11	14	5	9	1					40
	\$38,973	\$48,224	\$45,678	\$57,248	\$60,183					\$47,691
45-49	11	17	3	7	14	13				65
	\$41,278	\$49,179	\$43,638	\$51,338	\$62,532	\$56,637				\$52,186
50-54	9	2	2	9	24	23	13			82
	\$37,800	\$67,867	\$46,137	\$49,796	\$57,950	\$60,067	\$52,741			\$54,565
55-59	6	1	3	10	11	12	7	1		51
	\$37,556	\$53,491	\$74,719	\$68,123	\$59,187	\$57,615	\$65,689	\$46,527		\$59,471
60-64		2	2	2	4	2	2	1	3	18
		\$62,127	\$41,730	\$67,536	\$68,904	\$53,157	\$59,795	\$45,200	\$47,552	\$57,342
Over 64		1	2			1				4
		\$57,465	\$63,549			\$43,405				\$56,992
Total	64	57	23	38	54	51	22	2	3	314
	\$41,550	\$50,040	\$53,495	\$57,872	\$60,242	\$58,018	\$57,502	\$45,864	\$47,552	\$53,033

ACTIVE MEMBERSHIP – SCHOOL BOARD
NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2010

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	33 \$20,024									33 \$20,024
25-29	133 \$20,900	31 \$24,832								164 \$21,643
30-34	145 \$23,246	81 \$24,568	50 \$31,171							276 \$25,070
35-39	139 \$22,917	105 \$29,127	91 \$26,925	30 \$29,553						365 \$26,248
40-44	139 \$23,892	125 \$25,468	154 \$29,016	89 \$28,623	31 \$41,568					538 \$27,526
45-49	111 \$23,740	114 \$27,556	179 \$28,311	173 \$29,652	86 \$34,209	28 \$44,180	8 \$45,670			699 \$29,354
50-54	94 \$20,203	90 \$27,581	180 \$26,976	168 \$26,972	120 \$31,116	51 \$47,101	52 \$48,161	12 \$43,852		767 \$29,902
55-59	55 \$22,124	91 \$27,244	118 \$26,230	157 \$28,237	158 \$33,748	44 \$50,137	27 \$47,140	27 \$42,529	3 \$44,624	680 \$31,349
60-64	26 \$27,518	43 \$24,240	79 \$26,327	70 \$24,121	67 \$25,701	28 \$36,848	13 \$36,119	23 \$30,799	4 \$49,696	353 \$27,355
Over 64	15 \$41,066	16 \$20,570	20 \$20,619	29 \$22,106	20 \$22,980	5 \$23,403	5 \$22,349	6 \$21,008	1 \$55,016	117 \$24,513
Total	890 \$22,921	696 \$26,546	871 \$27,541	716 \$27,734	482 \$32,113	156 \$44,833	105 \$44,989	68 \$36,896	8 \$48,459	3,992 \$28,260

ACTIVE MEMBERSHIP – MILWAUKEE TECHNICAL COLLEGE

**NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2010**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25										
25-29										
30-34										
35-39										
40-44										
45-49										
50-54										
55-59										
60-64									1	1
									\$73,209	\$73,209
Over 64									1	1
									\$53,239	\$53,239
Total									2	2
									\$63,224	\$63,224

ACTIVE MEMBERSHIP – SEWERAGE COMMISSION

**NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2010**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	1									1
	\$53,975									\$53,975
25-29	9									9
	\$53,127									\$53,127
30-34	10	9								19
	\$60,676	\$57,521								\$59,181
35-39	9	5								14
	\$66,182	\$68,780								\$67,110
40-44	6	8	4	1	2					21
	\$63,626	\$71,672	\$93,389	\$60,250	\$61,532					\$72,000
45-49	3	8	1	7	10	2				31
	\$67,075	\$70,537	\$165,049	\$73,290	\$65,243	\$66,622				\$71,912
50-54	4	6	3	5	6	11	9	2		46
	\$65,914	\$89,058	\$84,946	\$61,527	\$69,455	\$70,661	\$64,621	\$89,270		\$72,057
55-59	1	7	5	5	13	15	19	1		66
	\$83,617	\$56,801	\$81,373	\$65,422	\$74,895	\$70,277	\$90,951	\$78,661		\$76,511
60-64	2	3	1	1	4		5	1		17
	\$80,588	\$79,481	\$79,934	\$88,521	\$82,502		\$84,835	\$72,873		\$82,066
Over 64	1	4	1		2					8
	\$72,709	\$59,042	\$88,046		\$70,561					\$67,255
Total	46	50	15	19	37	28	33	4		232
	\$63,014	\$68,116	\$91,219	\$68,240	\$71,270	\$70,167	\$82,843	\$82,519		\$71,702

ACTIVE MEMBERSHIP – VEOLIA
NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2010

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25										
25-29										
30-34										
35-39										
40-44			1 \$56,770							1 \$56,770
45-49				4 \$64,702	4 \$65,851					8 \$65,276
50-54			2 \$71,457	7 \$69,011	11 \$64,875	15 \$71,257	15 \$64,579			50 \$67,543
55-59				5 \$69,293	8 \$68,359	8 \$66,593	11 \$70,790	1 \$63,313		33 \$68,730
60-64				1 \$71,376	4 \$62,851	4 \$63,301	6 \$68,410	1 \$66,467		16 \$65,807
Over 64			1 \$70,264	1 \$70,365						2 \$70,314
Total			4 \$67,487	18 \$68,338	27 \$65,752	27 \$68,696	32 \$67,432	2 \$64,890		110 \$67,434

ACTIVE MEMBERSHIP – WISCONSIN CENTER DISTRICT

**NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2010**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	2									2
	\$27,386									\$27,386
25-29	7	1								8
	\$33,207	\$32,081								\$33,066
30-34	7	4								11
	\$33,783	\$33,602								\$33,717
35-39	2	1	2							5
	\$34,711	\$75,974	\$37,262							\$43,984
40-44	3	2	1	2						8
	\$23,305	\$38,440	\$69,537	\$52,366						\$40,133
45-49	3	3	4	1	1	1				13
	\$14,862	\$56,866	\$46,853	\$40,794	\$40,639	\$33,236				\$39,790
50-54	3	1	5	1	2			1		13
	\$29,504	\$7,445	\$49,647	\$39,537	\$46,412			\$57,783		\$41,103
55-59	9	2	2	1	1			1		16
	\$25,957	\$24,490	\$58,007	\$40,541	\$33,057			\$85,719		\$34,870
60-64	3	2	2				1		1	9
	\$13,136	\$38,449	\$55,789				\$71,909		\$78,084	\$41,987
Over 64	2	2	3							7
	\$12,436	\$39,772	\$81,759							\$49,956
Total	41	18	19	5	4	2	2	1		92
	\$26,684	\$39,045	\$55,399	\$45,121	\$41,630	\$52,573	\$71,751	\$78,084		\$38,786

ACTIVE MEMBERSHIP – HOUSING AUTHORITY

**NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2010**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	6 \$34,814									6 \$34,814
25-29	4 \$41,217	2 \$64,147								6 \$48,860
30-34	15 \$45,943	4 \$55,551	2 \$52,754							21 \$48,421
35-39	10 \$47,800	4 \$40,244	3 \$50,144	1 \$57,731						18 \$47,063
40-44	12 \$42,415	10 \$68,188	9 \$57,885	3 \$66,932	1 \$60,729	1 \$61,767				36 \$56,531
45-49	7 \$55,590	5 \$52,144	7 \$59,716	5 \$77,327	7 \$70,072	3 \$74,834	3 \$67,670			37 \$64,122
50-54	6 \$57,138	3 \$47,865	6 \$64,776	1 \$64,499	5 \$66,541	1 \$43,363	2 \$83,255	2 \$60,056		26 \$61,626
55-59	10 \$52,241	4 \$53,524	7 \$64,030	7 \$58,022	6 \$86,016	2 \$63,704	2 \$64,423	2 \$45,441		40 \$61,353
60-64	1 \$38,505	3 \$50,648	5 \$58,054	5 \$69,050	1 \$124,677	4 \$77,014	1 \$88,642	2 \$90,476		22 \$69,468
Over 64										
Total	71 \$47,081	35 \$56,106	39 \$59,540	22 \$66,412	20 \$76,236	11 \$69,554	8 \$73,376	6 \$65,325		212 \$58,294

ACTIVE MEMBERSHIP – GENERAL EMPLOYEES**NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2010**

Age	Years of Service									Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+		
Under 25	81 \$28,705	1 \$33,454									82 \$28,763
25-29	264 \$30,945	73 \$34,978	3 \$36,386								340 \$31,859
30-34	331 \$36,117	187 \$38,956	82 \$36,791	1 \$33,874							601 \$37,088
35-39	285 \$35,508	219 \$41,047	203 \$40,093	46 \$38,872	2 \$43,839						755 \$38,574
40-44	282 \$33,383	258 \$37,977	309 \$41,407	190 \$43,170	63 \$46,661	4 \$44,062					1,106 \$39,173
45-49	228 \$32,572	237 \$40,358	301 \$38,264	313 \$42,686	230 \$48,620	120 \$53,981	38 \$49,610				1,467 \$41,864
50-54	192 \$32,774	176 \$39,142	274 \$35,034	290 \$39,341	291 \$46,713	248 \$58,783	186 \$54,715	22 \$51,984			1,679 \$43,885
55-59	140 \$33,249	172 \$37,155	203 \$39,403	265 \$40,536	326 \$46,905	195 \$59,574	127 \$64,428	58 \$47,832	6 \$44,107		1,492 \$45,520
60-64	56 \$35,064	86 \$36,897	113 \$34,392	110 \$34,624	112 \$40,147	64 \$52,998	49 \$61,404	43 \$46,259	17 \$61,051		650 \$41,163
Over 64	23 \$39,039	36 \$39,346	36 \$40,759	34 \$25,732	34 \$40,541	13 \$38,424	13 \$64,783	10 \$52,732	8 \$60,510		207 \$40,522
Total	1,882 \$33,591	1,445 \$38,819	1,524 \$38,405	1,249 \$40,208	1,058 \$46,285	644 \$57,050	413 \$58,343	133 \$48,379	31 \$57,632		8,379 \$41,304

ACTIVE MEMBERSHIP – POLICEMEN
NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2010

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	102 \$35,463	20 \$63,282								122 \$40,023
25-29	141 \$59,742	52 \$66,714	18 \$67,614							211 \$62,132
30-34	87 \$61,361	136 \$66,892	49 \$68,910	6 \$67,978						278 \$65,540
35-39	41 \$60,719	118 \$66,717	148 \$69,092	86 \$71,248	8 \$74,990					401 \$68,117
40-44	17 \$61,876	62 \$66,568	107 \$68,539	238 \$70,735	56 \$74,300	7 \$75,688				487 \$69,894
45-49	4 \$61,233	24 \$67,114	26 \$67,162	125 \$70,250	64 \$73,525	27 \$76,216	4 \$82,648			274 \$71,084
50-54	1 \$64,353	9 \$65,126	9 \$67,717	47 \$68,812	28 \$70,531	43 \$77,685	18 \$78,967			155 \$72,457
55-59		1 \$68,567	2 \$70,570	12 \$68,189	7 \$70,729	13 \$76,074	8 \$73,919	1 \$110,958		44 \$73,053
60-64	1 \$152,560	1 \$65,727		4 \$67,000	4 \$75,217	1 \$66,648	1 \$86,743		1 \$74,880	13 \$78,110
Over 64									1 \$86,151	1 \$86,151
Total	394 \$54,270	423 \$66,579	359 \$68,662	518 \$70,409	167 \$73,277	91 \$76,744	31 \$78,390	1 \$110,958	2 \$80,516	1,986 \$66,762

ACTIVE MEMBERSHIP – FIREMEN**NUMBER AND AVERAGE ANNUAL SALARY
AS OF DECEMBER 31, 2010**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	7 \$46,953	13 \$60,793								20 \$55,949
25-29	41 \$43,501	34 \$67,579	14 \$69,481							89 \$56,786
30-34	24 \$48,476	21 \$65,977	48 \$68,451	7 \$67,781						100 \$63,091
35-39	13 \$42,749	23 \$64,342	64 \$68,858	23 \$69,264						123 \$65,330
40-44	5 \$45,325	13 \$65,591	56 \$67,870	101 \$69,436	15 \$68,875	1 \$73,894				191 \$68,064
45-49		4 \$65,415	16 \$68,322	61 \$69,899	74 \$73,927	31 \$74,133	1 \$65,650			187 \$71,941
50-54	1 \$138,543	1 \$64,704	4 \$65,020	14 \$66,605	37 \$71,334	48 \$75,032	23 \$76,319	1 \$85,128		129 \$73,466
55-59				3 \$70,713	13 \$68,633	15 \$74,282	9 \$74,439	1 \$65,625		41 \$72,053
60-64					2 \$69,710					2 \$69,710
Over 64										
Total	91 \$46,116	109 \$65,435	202 \$68,412	209 \$69,326	141 \$72,161	95 \$74,608	33 \$75,483	2 \$75,377		882 \$67,507

EXHIBIT 2
Detailed Tabulations of the Data

TABLE 1
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF DECEMBER 31, 2010
GENERAL EMPLOYEES

Age	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
20	2	\$ 43,159	3	\$ 83,432	5	\$ 126,592
21	6	179,033	3	67,676	9	246,709
22	1	33,709	7	189,355	8	223,065
23	7	245,981	17	480,364	24	726,345
24	15	516,242	21	519,591	36	1,035,834
25	13	437,620	24	645,287	37	1,082,907
26	34	1,125,856	40	1,044,242	74	2,170,098
27	29	1,158,935	46	1,251,362	75	2,410,297
28	34	1,299,459	39	1,029,815	73	2,329,274
29	34	1,356,856	47	1,482,547	81	2,839,404
30	38	1,468,004	51	1,587,360	89	3,055,364
31	53	2,275,440	60	1,947,976	113	4,223,415
32	48	2,043,346	78	2,772,460	126	4,815,806
33	70	2,930,799	92	3,084,524	162	6,015,323
34	47	1,968,500	64	2,211,727	111	4,180,227
35	51	2,277,438	69	2,420,128	120	4,697,566
36	66	3,282,818	82	2,552,791	148	5,835,610
37	54	2,483,290	74	2,463,941	128	4,947,231
38	74	3,304,595	86	2,791,267	160	6,095,862
39	80	3,595,839	119	3,951,590	199	7,547,429
40	104	5,042,073	105	3,437,749	209	8,479,822
41	84	3,660,044	123	4,314,782	207	7,974,826
42	100	4,798,950	124	3,651,675	224	8,450,625
43	112	5,042,135	118	3,848,769	230	8,890,903
44	115	5,667,268	121	3,861,644	236	9,528,912
45	112	5,219,330	142	4,664,278	254	9,883,608
46	125	5,710,467	145	5,138,646	270	10,849,113
47	123	6,249,281	160	5,618,733	283	11,868,014
48	123	6,508,644	187	6,581,674	310	13,090,318
49	171	9,140,552	179	6,583,521	350	15,724,073
50	136	6,853,343	161	5,804,014	297	12,657,357
51	165	8,780,314	169	5,859,719	334	14,640,034
52	175	9,333,954	194	6,988,027	369	16,321,981
53	184	9,548,829	152	5,401,668	336	14,950,497
54	160	8,576,842	183	6,535,593	343	15,112,435
55	168	9,597,269	168	6,263,388	336	15,860,657
56	154	8,455,549	176	6,451,351	330	14,906,900
57	143	7,548,060	153	5,696,409	296	13,244,470
58	133	7,578,924	160	5,841,737	293	13,420,662
59	106	5,745,263	131	4,737,548	237	10,482,811

TABLE 1
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF DECEMBER 31, 2010
GENERAL EMPLOYEES

Age	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
60	85	\$ 4,568,352	113	\$ 3,740,349	198	\$ 8,308,701
61	61	3,436,554	97	2,945,369	158	6,381,922
62	54	2,452,277	67	2,266,302	121	4,718,579
63	45	2,524,714	59	1,928,322	104	4,453,036
64	30	1,803,488	39	1,090,183	69	2,893,671
65	19	1,235,441	30	935,543	49	2,170,984
66	17	1,227,383	23	925,389	40	2,152,772
67	6	332,998	19	512,305	25	845,302
68	7	385,043	15	577,269	22	962,312
69	6	242,820	13	429,755	19	672,575
70	2	88,203	9	191,300	11	279,503
71	1	71,760	6	118,607	7	190,368
72	3	122,371	3	123,353	6	245,724
73	1	37,918	4	138,131	5	176,050
74	1	16,190	5	108,869	6	125,059
75	3	106,643	2	27,732	5	134,376
76			1	23,929	1	23,929
77	2	166,246	3	34,587	5	200,833
78	1	130,474	1	11,897	2	142,371
80			1	8,228	1	8,228
83	1	30,109			1	30,109
84			1	19,688	1	19,688
88	1	7,840			1	7,840
Total	3,795	\$ 190,070,840	4,584	\$ 156,015,471	8,379	\$ 346,086,311

TABLE 2
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF DECEMBER 31, 2010
GENERAL EMPLOYEES

Years of Service	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
0	167	\$ 6,580,056	200	\$ 6,900,367	367	\$ 13,480,424
1	196	7,164,065	228	5,620,097	424	12,784,162
2	160	6,086,379	238	6,181,829	398	12,268,208
3	175	7,169,197	208	6,078,800	383	13,247,997
4	148	6,532,723	162	4,904,880	310	11,437,603
5	155	7,064,748	157	5,462,919	312	12,527,667
6	119	5,422,427	134	4,411,904	253	9,834,331
7	93	4,298,130	144	4,303,696	237	8,601,826
8	136	6,392,066	165	5,281,121	301	11,673,187
9	143	6,988,245	199	6,467,884	342	13,456,130
10	117	5,553,448	196	6,620,430	313	12,173,878
11	132	6,332,887	185	5,449,261	317	11,782,148
12	109	5,347,898	191	5,035,966	300	10,383,864
13	145	7,410,984	177	5,395,525	322	12,806,509
14	119	6,299,353	153	5,083,364	272	11,382,717
15	128	6,289,796	159	5,308,853	287	11,598,649
16	122	5,743,144	122	4,269,388	244	10,012,531
17	84	4,268,960	101	3,615,015	185	7,883,975
18	93	4,473,487	149	4,610,957	242	9,084,444
19	132	6,927,692	159	4,712,283	291	11,639,974
20	121	6,780,942	149	5,276,071	270	12,057,013
21	96	5,375,608	150	5,422,596	246	10,798,204
22	71	4,249,025	98	3,806,796	169	8,055,821
23	62	3,853,469	97	3,744,327	159	7,597,796
24	102	5,700,443	112	4,759,837	214	10,460,280
25	121	7,227,550	81	3,925,079	202	11,152,629
26	87	5,396,294	51	2,748,214	138	8,144,508
27	53	3,221,347	51	2,813,605	104	6,034,952
28	58	3,685,939	38	1,891,909	96	5,577,848
29	71	4,343,062	33	1,487,459	104	5,830,521
30	83	5,383,635	71	3,610,304	154	8,993,939
31	61	3,939,972	44	2,285,884	105	6,225,856
32	46	2,734,820	33	1,701,373	79	4,436,193
33	22	1,416,539	18	862,320	40	2,278,859
34	18	1,302,738	17	857,972	35	2,160,711
35	15	943,948	29	1,312,868	44	2,256,816
36	8	452,946	15	689,428	23	1,142,374
37	5	307,645	20	993,382	25	1,301,027
38	7	321,477	28	979,800	35	1,301,277
39	4	356,430	2	76,439	6	432,869

TABLE 2
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF DECEMBER 31, 2010
GENERAL EMPLOYEES

Years of Service	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
40	2	\$ 101,394	4	\$ 191,724	6	\$ 293,117
41	3	177,752	4	169,888	7	347,640
42	3	223,254	4	236,022	7	459,276
43	2	123,702	2	103,425	4	227,126
44	1	105,225	2	158,664	3	263,889
46			2	89,011	2	89,011
47			1	58,583	1	58,583
54			1	47,954	1	47,954
Total	3,795	\$ 190,070,840	4,584	\$ 156,015,471	8,379	\$ 346,086,311

TABLE 3
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF DECEMBER 31, 2010
POLICEMEN

Age	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
18	10	\$ 250,006	2	\$ 50,525	12	\$ 300,531
19	19	488,227	6	159,662	25	647,889
20	16	473,991	2	60,442	18	534,433
21	15	529,364	1	31,052	16	560,416
22	13	570,259	1	42,383	14	612,641
23	16	940,938	3	188,924	19	1,129,862
24	13	775,807	5	321,239	18	1,097,047
25	30	1,837,066	8	501,501	38	2,338,567
26	32	1,902,677	8	512,964	40	2,415,641
27	40	2,482,957	3	193,014	43	2,675,971
28	41	2,573,664	12	768,304	53	3,341,968
29	28	1,748,498	9	589,219	37	2,337,717
30	44	2,879,141	9	595,761	53	3,474,902
31	52	3,381,881	11	748,435	63	4,130,316
32	52	3,397,838	11	724,417	63	4,122,255
33	43	2,778,676	6	407,290	49	3,185,966
34	43	2,851,681	7	455,099	50	3,306,780
35	58	3,851,856	14	952,141	72	4,803,996
36	58	3,863,141	9	621,704	67	4,484,845
37	69	4,717,442	12	808,022	81	5,525,464
38	69	4,811,076	19	1,320,007	88	6,131,082
39	82	5,590,458	11	779,092	93	6,369,550
40	92	6,403,838	23	1,585,797	115	7,989,635
41	77	5,421,032	25	1,774,242	102	7,195,275
42	85	5,928,866	22	1,542,615	107	7,471,480
43	80	5,531,089	11	794,209	91	6,325,298
44	54	3,793,022	18	1,263,680	72	5,056,702
45	66	4,681,084	13	939,226	79	5,620,310
46	40	2,782,543	12	855,873	52	3,638,416
47	50	3,507,528	6	432,261	56	3,939,789
48	37	2,701,508	2	139,880	39	2,841,388
49	39	2,769,441	9	667,774	48	3,437,215
50	34	2,456,532	7	501,942	41	2,958,474
51	30	2,120,261	7	504,581	37	2,624,843
52	26	1,918,128	2	133,191	28	2,051,318
53	22	1,582,821	6	415,104	28	1,997,925
54	18	1,327,038	3	271,237	21	1,598,276
55	7	533,192	3	206,677	10	739,869
56	9	674,939	1	66,034	10	740,974
57	6	423,055	2	132,324	8	555,380

TABLE 3
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF DECEMBER 31, 2010
POLICEMEN

Age	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
58	6	\$ 462,664	4	\$ 293,164	10	\$ 755,828
59	4	280,773	2	141,529	6	422,302
60	2	140,029	3	209,517	5	349,545
61	3	218,760			3	218,760
62	2	227,441			2	227,441
63	1	86,743	1	66,648	2	153,391
64			1	66,290	1	66,290
65	1	86,151			1	86,151
Total	1,634	\$ 108,755,124	352	\$ 23,834,993	1,986	\$ 132,590,116

TABLE 4

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF DECEMBER 31, 2010
POLICEMEN**

Years of Service	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
0	50	\$ 1,877,336	6	\$ 175,783	56	\$ 2,053,119
1	41	1,733,215	6	198,267	47	1,931,482
2	34	1,706,272	2	88,357	36	1,794,629
3	119	7,091,342	17	1,023,795	136	8,115,137
4	95	5,954,288	24	1,533,839	119	7,488,128
5	48	3,133,940	10	641,631	58	3,775,570
6	69	4,573,590	10	653,569	79	5,227,159
7	42	2,808,723	11	734,603	53	3,543,326
8	84	5,591,549	16	1,067,899	100	6,659,448
9	100	6,738,829	33	2,218,772	133	8,957,600
10	57	3,842,055	11	742,492	68	4,584,547
11	43	2,918,230	12	822,334	55	3,740,564
12	31	2,104,412	7	487,996	38	2,592,408
13	70	4,836,053	17	1,185,603	87	6,021,656
14	94	6,504,365	17	1,206,223	111	7,710,588
15	101	7,055,702	27	1,899,907	128	8,955,609
16	51	3,535,010	10	692,316	61	4,227,325
17	59	4,196,342	20	1,412,085	79	5,608,427
18	105	7,307,666	32	2,261,886	137	9,569,552
19	91	6,497,776	22	1,613,087	113	8,110,863
20	60	4,449,138	8	629,499	68	5,078,638
21	16	1,122,831	6	406,285	22	1,529,116
22	25	1,821,896	3	235,817	28	2,057,714
23	20	1,447,447	3	214,979	23	1,662,426
24	21	1,560,880	5	348,406	26	1,909,286
25	32	2,390,578	6	485,335	38	2,875,912
26	12	961,113	2	212,821	14	1,173,934
27	13	977,143	1	74,097	14	1,051,239
28	9	694,996	2	133,297	11	828,293
29	13	988,573	1	65,765	14	1,054,339
30	14	1,128,733	3	214,841	17	1,343,574
31	3	225,293	1	66,648	4	291,941
32	2	170,452	1	86,759	3	257,211
33	6	463,268			6	463,268
34	1	74,097			1	74,097
36	1	110,958			1	110,958
41	2	161,032			2	161,032
Total	1,634	\$ 108,755,124	352	\$ 23,834,993	1,986	\$ 132,590,116

TABLE 5
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF DECEMBER 31, 2010
FIREMEN

Age	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
22	2	\$ 88,180			2	\$ 88,180
23	7	368,277	1	56,469	8	424,746
24	10	606,054			10	606,054
25	13	827,393	1	66,593	14	893,986
26	20	1,119,942			20	1,119,942
27	13	719,730			13	719,730
28	20	1,132,222	1	65,992	21	1,198,213
29	20	1,059,286	1	62,823	21	1,122,109
30	16	1,002,130			16	1,002,130
31	26	1,626,837			26	1,626,837
32	16	1,098,349			16	1,098,349
33	22	1,378,541			22	1,378,541
34	19	1,134,130	1	69,082	20	1,203,212
35	18	1,087,592			18	1,087,592
36	20	1,341,749			20	1,341,749
37	20	1,292,905			20	1,292,905
38	24	1,613,661			24	1,613,661
39	40	2,634,401	1	65,267	41	2,699,667
40	49	3,322,536	3	217,898	52	3,540,434
41	20	1,347,008			20	1,347,008
42	44	2,966,087	2	130,772	46	3,096,859
43	32	2,220,015	1	65,367	33	2,285,382
44	38	2,595,776	2	134,673	40	2,730,449
45	37	2,545,126	5	349,958	42	2,895,084
46	42	3,043,608	1	65,342	43	3,108,950
47	37	2,667,171	5	400,323	42	3,067,494
48	28	2,070,737	3	235,329	31	2,306,066
49	29	2,075,420			29	2,075,420
50	31	2,163,795	1	73,823	32	2,237,618
51	18	1,281,569	2	185,511	20	1,467,080
52	33	2,580,376	1	65,625	34	2,646,001
53	16	1,180,390	1	73,795	17	1,254,185
54	25	1,806,632	1	65,625	26	1,872,257
55	7	530,583	1	65,267	8	595,849
56	10	705,780			10	705,780
57	14	992,444			14	992,444
58	7	528,857			7	528,857
59	2	131,250			2	131,250
63	1	73,795			1	73,795
64	1	65,625			1	65,625
Total	847	\$ 57,025,956	35	\$ 2,515,534	882	\$ 59,541,490

TABLE 6
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF DECEMBER 31, 2010
FIREMEN

Years of Service	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
0	31	\$ 1,600,796			31	\$ 1,600,796
1	45	1,797,124			45	1,797,124
3	13	673,430			13	673,430
4	2	125,204			2	125,204
5	21	1,303,443	1	56,469	22	1,359,912
6	30	2,012,798	1	66,593	31	2,079,391
7	14	915,777			14	915,777
8	21	1,387,173	1	69,082	22	1,456,255
9	20	1,321,094			20	1,321,094
10	59	4,009,750	1	65,992	60	4,075,742
11	25	1,731,597	1	62,823	26	1,794,420
12	21	1,461,089	1	67,728	22	1,528,818
13	51	3,494,201	3	199,752	54	3,693,953
14	40	2,726,349			40	2,726,349
15	34	2,339,668			34	2,339,668
16	66	4,517,971	2	130,772	68	4,648,743
17	27	1,897,100	2	130,709	29	2,027,810
18	40	2,806,582	9	670,790	49	3,477,373
19	29	1,995,463			29	1,995,463
20	37	2,627,910	4	280,301	41	2,908,211
21	16	1,116,315	1	65,625	17	1,181,940
22	28	1,936,351			28	1,936,351
23	39	2,921,726	1	65,701	40	2,987,427
24	13	961,192	2	199,567	15	1,160,759
25	32	2,327,451			32	2,327,451
26	20	1,437,594	3	244,210	23	1,681,804
27	15	1,125,746	2	139,420	17	1,265,166
28	14	1,093,967			14	1,093,967
29	9	719,393			9	719,393
30	12	917,535			12	917,535
31	5	393,714			5	393,714
32	10	702,827			10	702,827
33	4	319,795			4	319,795
34	2	157,078			2	157,078
35	1	65,625			1	65,625
36	1	85,128			1	85,128
Total	847	\$ 57,025,956	35	\$ 2,515,534	882	\$ 59,541,490

TABLE 7A

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
CONSENTING GENERAL EMPLOYEES FROM THE COMBINED FUND
AS OF DECEMBER 31, 2010**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
19			1	\$ 6,361	1	\$ 6,361
20			1	6,361	1	6,361
22			1	7,131	1	7,131
23			2	8,378	2	8,378
24			2	6,031	2	6,031
25			1	5,198	1	5,198
26			1	1,645	1	1,645
27			1	4,678	1	4,678
30			1	2,679	1	2,679
31			4	27,293	4	27,293
33	1	\$ 6,582	2	3,653	3	10,235
34			2	6,413	2	6,413
35	3	65,761	1	3,291	4	69,052
36	1	6,253	2	18,000	3	24,253
37	1	20,265	2	26,918	3	47,183
38			1	1,057	1	1,057
39	3	27,676	1	5,736	4	33,412
40	1	25,828	4	40,777	5	66,605
41	4	31,140			4	31,140
42	1	26,173	2	30,027	3	56,200
43			1	3,684	1	3,684
44	3	51,825			3	51,825
45	2	17,121	1	4,771	3	21,892
46	9	101,144	3	9,906	12	111,050
47	5	38,328	1	2,605	6	40,933
48	7	59,603	8	109,129	15	168,732
49	11	139,326	5	53,065	16	192,391
50	11	202,936	2	13,744	13	216,680
51	24	406,454	2	6,991	26	413,445
52	10	173,525	8	59,619	18	233,144
53	16	300,626	9	143,618	25	444,244
54	35	644,494	5	75,355	40	719,849
55	58	1,400,434	11	231,199	69	1,631,633
56	71	1,612,964	12	151,758	83	1,764,722
57	80	2,054,945	15	204,771	95	2,259,716
58	111	2,778,675	8	120,124	119	2,898,799
59	131	3,444,041	13	123,302	144	3,567,343
60	253	5,863,384	10	164,536	263	6,027,920
61	288	6,429,430	21	226,442	309	6,655,872
62	320	6,588,944	10	101,796	330	6,690,740
63	314	6,167,662	18	222,771	332	6,390,433
64	257	4,974,690	26	363,874	283	5,338,564
65	215	4,213,863	13	130,454	228	4,344,317
66	216	4,243,170	18	223,478	234	4,466,648
67	217	3,854,847	26	389,771	243	4,244,618
68	214	3,841,047	36	568,819	250	4,409,866
69	209	3,680,368	21	308,585	230	3,988,953

TABLE 7A

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
CONSENTING GENERAL EMPLOYES FROM THE COMBINED FUND
AS OF DECEMBER 31, 2010**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
70	193	\$ 3,174,751	19	\$ 280,425	212	\$ 3,455,176
71	173	2,812,299	35	439,685	208	3,251,984
72	223	3,601,734	38	503,195	261	4,104,929
73	224	3,838,231	29	352,032	253	4,190,263
74	213	3,279,777	36	436,374	249	3,716,151
75	156	2,261,231	34	443,765	190	2,704,996
76	181	2,411,771	37	488,011	218	2,899,782
77	176	2,553,872	42	518,353	218	3,072,225
78	210	2,893,736	39	397,359	249	3,291,095
79	195	2,663,738	50	497,945	245	3,161,683
80	192	2,812,204	71	763,974	263	3,576,178
81	170	2,346,920	67	637,463	237	2,984,383
82	156	1,915,861	57	595,752	213	2,511,613
83	158	1,808,259	66	708,343	224	2,516,602
84	164	2,133,661	66	606,281	230	2,739,942
85	140	1,800,730	51	453,846	191	2,254,576
86	154	1,715,618	41	360,840	195	2,076,458
87	101	1,049,823	60	444,449	161	1,494,272
88	92	830,595	44	310,629	136	1,141,224
89	96	1,086,264	52	478,486	148	1,564,750
90	54	507,831	36	287,116	90	794,947
91	38	415,627	32	206,902	70	622,529
92	54	414,166	33	210,778	87	624,944
93	41	438,241	17	117,127	58	555,368
94	25	162,588	16	107,472	41	270,060
95	12	109,708	7	56,357	19	166,065
96	15	90,736	3	27,380	18	118,116
97	10	62,458	7	46,466	17	108,924
98	5	21,182	4	28,898	9	50,080
99	3	14,245	5	29,527	8	43,772
100	2	16,083			2	16,083
101			2	16,055	2	16,055
102			1	6,333	1	6,333
Total	6,728	\$ 112,737,464	1,432	\$ 15,083,412	8,160	\$ 127,820,876

TABLE 7B

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
CONSENTING FIREMEN FROM THE COMBINED FUND
AS OF DECEMBER 31, 2010**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
20			1	\$ 27,395	1	\$ 27,395
32	1	\$ 38,773			1	38,773
37	1	24,875			1	24,875
38	2	96,912			2	96,912
39	2	83,560			2	83,560
40	1	21,935			1	21,935
41	6	294,503			6	294,503
42	4	182,767			4	182,767
43	4	201,070			4	201,070
44	1	47,189			1	47,189
45	3	150,282	1	20,008	4	170,290
46	4	187,706			4	187,706
47	4	205,467			4	205,467
48	3	128,566			3	128,566
49	8	377,912			8	377,912
50	8	402,853			8	402,853
51	18	871,338			18	871,338
52	21	1,098,938	2	74,331	23	1,173,269
53	33	1,534,710	3	83,690	36	1,618,400
54	39	2,071,128			39	2,071,128
55	27	1,319,560	4	127,300	31	1,446,860
56	36	1,816,765	2	54,176	38	1,870,941
57	31	1,532,362	2	62,807	33	1,595,169
58	30	1,456,490	4	47,736	34	1,504,226
59	21	1,003,306	1		22	1,003,306
60	23	1,009,412	1	43,274	24	1,052,686
61	39	2,045,491	3	25,259	42	2,070,750
62	35	1,749,403	3	47,607	38	1,797,010
63	40	2,183,631	6	104,777	46	2,288,408
64	39	2,051,239	2	30,079	41	2,081,318
65	21	999,190	5	145,908	26	1,145,098
66	22	1,026,011	5	116,345	27	1,142,356
67	39	1,760,437	8	207,863	47	1,968,300
68	22	1,087,326	2	44,516	24	1,131,842
69	31	1,550,434	6	161,435	37	1,711,869
70	22	1,042,958	5	65,587	27	1,108,545
71	17	693,186	1	55,075	18	748,261
72	23	939,151	6	112,516	29	1,051,667
73	21	901,866	2	39,791	23	941,657
74	20	923,366	15	338,095	35	1,261,461

TABLE 7B

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
CONSENTING FIREMEN FROM THE COMBINED FUND
AS OF DECEMBER 31, 2010**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
75	17	\$ 640,297	9	\$ 255,130	26	\$ 895,427
76	12	496,405	8	132,096	20	628,501
77	11	395,961	6	129,959	17	525,920
78	16	598,860	18	345,048	34	943,908
79	28	1,009,580	21	360,009	49	1,369,589
80	23	872,031	15	189,527	38	1,061,558
81	29	994,057	11	292,443	40	1,286,500
82	16	558,388	25	524,687	41	1,083,075
83	16	520,310	11	217,384	27	737,694
84	16	514,011	8	102,427	24	616,438
85	9	347,650	8	112,316	17	459,966
86	8	249,248	4	90,264	12	339,512
87	10	278,092	2	12,426	12	290,518
88	3	95,736	5	64,115	8	159,851
89	3	89,416	4	54,258	7	143,674
90	5	103,111	3	31,479	8	134,590
91	2	42,487	5	74,536	7	117,023
95			1	12,785	1	12,785
Total	946	\$ 42,917,708	254	\$ 5,036,459	1,200	\$ 47,954,167

TABLE 7C

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
CONSENTING POLICEMEN FROM THE COMBINED FUND
AS OF DECEMBER 31, 2010**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
13			2	\$ 27,569	2	\$ 27,569
29	1	\$ 47,586			1	47,586
32	3	142,491			3	142,491
35	2	80,449			2	80,449
37			1	8,687	1	8,687
38	1	47,586			1	47,586
39	2	95,172	1	3,623	3	98,795
40	4	195,640	1	8,687	5	204,327
41	2	83,518			2	83,518
42	1	25,200			1	25,200
43	3	137,414			3	137,414
44	5	182,086	1	28,178	6	210,264
45	6	271,322	2	54,864	8	326,186
46	11	554,955	1	29,465	12	584,420
47	9	432,577			9	432,577
48	18	883,015	1	36,020	19	919,035
49	15	789,122	5	110,728	20	899,850
50	21	1,025,457			21	1,025,457
51	27	1,398,324	1	13,823	28	1,412,147
52	37	1,804,357	1	47,472	38	1,851,829
53	26	1,255,073	3	27,771	29	1,282,844
54	42	2,204,478	2	58,492	44	2,262,970
55	52	2,591,863	3	106,242	55	2,698,105
56	56	2,825,856	2	53,565	58	2,879,421
57	59	2,973,294	2	58,452	61	3,031,746
58	58	2,716,953	2	68,793	60	2,785,746
59	49	2,501,751	6	151,941	55	2,653,692
60	58	2,997,320	4	129,225	62	3,126,545
61	70	3,332,079	8	198,243	78	3,530,322
62	72	3,845,226	3	52,155	75	3,897,381
63	87	4,344,843	4	60,035	91	4,404,878
64	70	3,427,865	13	402,851	83	3,830,716
65	46	2,322,465	10	299,584	56	2,622,049
66	59	2,895,219	7	148,073	66	3,043,292
67	65	2,910,768	9	266,982	74	3,177,750
68	76	3,342,689	14	393,548	90	3,736,237
69	48	2,229,660	5	121,761	53	2,351,421
70	53	2,169,296	10	214,766	63	2,384,062
71	45	1,846,022	4	57,694	49	1,903,716
72	41	1,562,992	10	184,318	51	1,747,310

TABLE 7C

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
CONSENTING POLICEMEN FROM THE COMBINED FUND
AS OF DECEMBER 31, 2010**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
73	40	\$ 1,616,438	8	\$ 200,445	48	\$ 1,816,883
74	36	1,371,211	13	290,432	49	1,661,643
75	31	1,140,685	15	295,216	46	1,435,901
76	31	1,154,442	18	328,590	49	1,483,032
77	24	720,554	17	358,213	41	1,078,767
78	31	1,100,751	24	332,684	55	1,433,435
79	43	1,410,363	17	335,666	60	1,746,029
80	29	974,253	19	280,083	48	1,254,336
81	39	1,271,356	25	376,151	64	1,647,507
82	28	874,792	26	434,138	54	1,308,930
83	41	1,314,256	20	304,264	61	1,618,520
84	15	405,538	19	260,756	34	666,294
85	19	437,389	12	136,940	31	574,329
86	9	222,517	13	150,209	22	372,726
87	21	466,960	9	101,575	30	568,535
88	9	214,204	7	86,225	16	300,429
89	7	153,321	8	92,698	15	246,019
90	3	62,414	5	57,142	8	119,556
91	4	74,477	2	20,887	6	95,364
92	2	34,688	2	19,904	4	54,592
93			1	3,953	1	3,953
94			1	4,917	1	4,917
95			1	8,682	1	8,682
Total	1,762	\$ 77,512,592	420	\$ 7,903,377	2,182	\$ 85,415,969

TABLE 8

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
NON-CONSENTERS FROM THE RETIREMENT FUND
AS OF DECEMBER 31, 2010**

Age	Members		Beneficiaries		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
56			1	\$ 5,031	1	\$ 5,031
57			1	7,743	1	7,743
59	1	\$ 23,538			1	23,538
62	1	3,588			1	3,588
63	1	26,237			1	26,237
66	1	5,296			1	5,296
67	2	19,839			2	19,839
70	1	16,591			1	16,591
71			1	8,524	1	8,524
72	1	437			1	437
76	1	1,254			1	1,254
77			1	8,798	1	8,798
78	3	32,010			3	32,010
81	2	15,959	1	579	3	16,538
83	2	4,861			2	4,861
87	1	14,345			1	14,345
89	2	5,242			2	5,242
93	1	9,668			1	9,668
97	1	4,381			1	4,381
Total	21	\$ 183,246	5	\$ 30,675	26	\$ 213,921