

**REPORT ON THE FIFTY-NINTH  
ACTUARIAL VALUATION OF THE  
BURLINGTON EMPLOYEES' RETIREMENT SYSTEM  
PREPARED AS OF JUNE 30, 2012**

November 30, 2012

Retirement Board  
Burlington Employees' Retirement System  
Burlington, VT 05401

Members of The Board:

Article II, Division 2, Section 24-60 of the ordinance in relation to the Burlington Employees' Retirement System provides for actuarial valuations of the assets and liabilities of the System at least once every three years and more often if the Retirement Board so directs.

The fifty-ninth actuarial valuation of the System, prepared as of June 30, 2012, has now been completed and the results are presented in this report, together with the determination of the amount of contributions payable by the City in accordance with the Retirement Board's funding policy and the disclosure information for accounting purposes required by the Governmental Accounting Standards Board.

The actuarial assumptions and methods used in this valuation are described in Schedule B.

The results of the valuation are based on the Plan provisions in effect on June 30, 2012. A summary of the System provisions is shown in Schedule C.

The Table of Contents, which immediately follows, outlines the material contained in the report.

I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. This report has been prepared in accordance with all applicable Actuarial Standards of Practice, and I am available to answer questions about it.

Respectfully submitted,



David L. Driscoll, F.S.A.  
Principal, Consulting Actuary

## TABLE OF CONTENTS

<u>Section</u>	<u>Item</u>	<u>Page No.</u>
I	Summary of Principal Results	1
II	Employee Data	3
III	Assets	4
IV	Comments on Valuation	5
V	Appropriation to be Made by the City	6
VI	Accounting Information	8
VII	Experience	10
 <u>Schedule</u>		
A	Valuation Balance Sheet	11
B	Outline of Actuarial Assumptions and Methods	12
C	Brief Summary of Principal System Provisions Interpreted for Valuation Purposes	15
D	Tables of Employee Data	21
E	Past Service Amortization Schedule	40
F	Historical and Projected Contributions	42
G	Annual Amortization of the Unfunded Past Service Liability	45

**REPORT ON THE FIFTY-NINTH ACTUARIAL VALUATION OF THE  
BURLINGTON EMPLOYEES' RETIREMENT SYSTEM  
PREPARED AS OF JUNE 30, 2012**

**SECTION I - SUMMARY OF PRINCIPAL RESULTS**

For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results are summarized below.

Valuation Date	June 30, 2012	June 30, 2011
Class A:		
Number of active members	172	171
Earnable compensation for employees below maximum retirement age	\$ 10,198,729	\$ 9,753,554
Number of retirees and beneficiaries	151	144
Annual retirement benefits	\$ 5,203,793	\$ 4,758,701
Number with vested rights	13	14
Class B:		
Number of active members	672	661
Earnable compensation for employees below maximum retirement age	\$ 33,274,728	\$ 33,218,316
Number of retirees and beneficiaries	360	343
Annual retirement benefits	\$ 4,499,886	\$ 4,153,406
Number with vested rights	359	351
Actuarial Value of Assets:		
Class A	\$ 63,414,817	\$ 63,375,971
Class B	74,423,729	71,721,487
Unfunded Past Service Cost:		
Class A	\$ 25,546,956	\$ 23,312,258
Class B	33,060,479	31,786,975
<b>Contributions for Fiscal Year</b>		
<b>2014</b>		
<b>2013</b>		
Class A:		
Normal Contribution Rate	8.84%	10.50%
Past Service Contribution	\$ 2,369,912	\$ 2,159,631
Class B:		
Normal Contribution Rate	5.85%	6.15%
Past Service Contribution	\$ 3,068,026	\$ 2,932,730

Comments on the valuation results as of June 30, 2012, are given in Section IV and further discussion of the contribution levels is set forth in Section V. Section VI presents the referenced disclosure information for accounting purposes.

Schedule B of this report outlines the full set of actuarial assumptions and methods employed. All assumptions are the same as those used in the previous valuation.

Schedule C presents a summary of the principal System provisions as interpreted for the valuation.

**SECTION II - EMPLOYEE DATA**

Employee data were furnished by the Retirement Administrator.

Tables 1 through 4 of Schedule D show the number and annual earnable compensation of active members who were included in the valuation, while Tables 5 through 14 of Schedule D show the number and annual retirement benefits of retirees and beneficiaries included in the valuation. In addition, there are 13 Class A former members and 359 Class B former members entitled to deferred vested benefits.

**SECTION III - ASSETS**

The amount of assets taken into account in this valuation is based on information reported by the Retirement Administrator.

Assets are valued on the basis of a five-year expected average market value method. The operation of this method is described in Schedule B. Based on this method, the actuarial value of assets amount to \$137,838,546. This may be compared to current book and market values of \$120,186,400 and \$135,532,844, respectively.

As part of the valuation procedure, investment earnings for the year ending June 30, 2012, have been analyzed. Based on the procedures used and certain approximations, the yield for the year has been determined to be 1.4% based on the market value of assets and 2.4% based on the actuarial value of assets.

<b>Reconciliation of Market Value of Plan Assets, July 1, 2008 - June 30, 2012</b>				
	July 1, 2008 - June 30, 2009	July 1, 2009 - June 30, 2010	July 1, 2010 - June 30, 2011	July 1, 2011 - June 30, 2012
Market value at beginning of period	118,573,405	94,968,798	111,790,020	134,079,722
Contributions during period	10,480,004	10,569,109	11,662,386	12,546,410
Total investment income	(23,818,921)	16,892,327	22,411,312	1,420,339
Benefit payments and expenses	(10,265,690)	(10,640,214)	(11,783,996)	(12,513,627)
Market value at end of period	94,968,798	111,790,020	134,079,722	135,532,844
Expected market value at end of period	128,282,164	102,492,353	120,606,747	144,840,194
Investment gain/(loss) for the year	(33,313,366)	9,297,667	13,472,975	(9,307,350)

<u>Year Ended</u>	<u>Investment Gain / (Loss)</u>		<u>Weight</u>		<u>Weighted Gain / (Loss)</u>
June 30, 2012	(9,307,350)	x	0.80	=	(7,445,880)
June 30, 2011	13,472,975	x	0.60	=	8,083,785
June 30, 2010	9,297,667	x	0.40	=	3,719,067
June 30, 2009	(33,313,366)	x	0.20	=	(6,662,673)
					(2,305,701)

Actuarial Value of Assets = Market Value minus weighted gain / (loss) = **\$137,838,546**

**SECTION IV - COMMENTS ON VALUATION**

The projected unit credit actuarial cost method was used for this valuation. Under this cost method, benefits for active participants are determined on the basis of projected compensation at the time of anticipated termination and service credited to the valuation date. The normal cost under this method is the value of the difference between the benefits accrued for service to the valuation date and the benefits based on service to one year after the valuation date.

Schedule A of this report contains the valuation balance sheet, which shows the present and prospective assets and liabilities of the Plan as of June 30, 2012. Since the Plan is valued on a unit credit cost method basis, the balance sheet does not take into account accruals after the valuation date.

The valuation balance sheet shows that as of June 30, 2012, the Plan has accrued liabilities of \$196,445,981. Of this amount, \$106,041,405 represents the present value of benefits payable on account of retired members, beneficiaries and former members entitled to deferred vested benefits and \$90,404,576 represents the accrued liability for prospective benefits payable on account of active members. Against these liabilities the Plan has actuarial assets of \$137,838,546. The difference between the total liabilities of \$196,445,981 and the assets of \$137,838,546 is \$58,607,435, which represents the unfunded past service cost as of June 30, 2012. The Plan's unfunded accrued liability increased by \$3,508,202 from its level of \$55,099,233 as of June 30, 2011. Schedule A contains a breakdown of the assets and liabilities described above by membership class.



**SECTION V - APPROPRIATION TO BE MADE BY THE CITY**

Article II, Division 1, Section 24-32 of the Ordinances governing the operation of the System provides that the Retirement Board shall certify to the Board of Finance the amounts payable by the City to the System, including an estimated amount required for operating expenses.

The contribution by the City, excluding operating expenses, consists of:

- (i) a normal contribution to cover the cost of benefits expected to accrue under the Plan during the fiscal year following the valuation date, reduced by required Class A member contributions equal to 10.8% of compensation and required Class B member contributions equal to 3.0% of compensation, plus
- (ii) a past service contribution to liquidate the unfunded past service cost over a 30-year period from the date of establishment in accordance with the policy adopted by the Retirement Board. The initial unfunded past service cost to be amortized over 30 years was that in existence as of June 30, 2004.

Based on the latest valuation results and the adopted funding policy, the following table sets forth the basis for determining the City's contributions for the fiscal year ending June 30, 2014.

**CONTRIBUTIONS PAYABLE BY THE CITY  
TO THE SYSTEM**

CONTRIBUTION	AMOUNT	PERCENT OF COMPENSATION
Class A		
Normal	\$ 916,997*	8.84%
Past Service	<u>2,369,912</u>	22.86%*
Total	\$ 3,286,909	
Class B		
Normal	\$ 2,002,435*	5.85%
Past Service	<u>3,068,026</u>	8.96%*
Total	\$ 5,070,461	

\* Estimated based on fiscal year end 2014 budget payrolls of \$10,367,799 and \$34,248,872 for Class A and Class B, respectively.

The recommended normal contribution rates in the table above should be applied to the respective earnable compensation of Class A and Class B members of the System for the fiscal year ending 2014 in order to determine the required appropriations for currently accruing benefits. In addition, the amount estimated to be required for operating expenses of the System is to be included in the certification of the Retirement Board.

Schedule E provides a development of the past service contribution for Class A and B members of the System for the fiscal year ending 2014.

Schedule F presents historical and projected required City contributions to the Retirement System assuming all actuarial assumptions are realized. No future liability gains or losses are reflected and assets are projected to earn 8% per annum. The projected payroll is assumed to increase 3.5% per annum. The actual annual contributions required by the City will be based upon future actuarial valuations.

**SECTION VI - ACCOUNTING INFORMATION**

Statement Nos. 25 and 27 of the Governmental Accounting Standards Board (GASB), issued in November 1994, established standards of disclosure of pension information by public retirement systems. The Annual Pension Cost is determined as the Annual Required Contribution (ARC) under the Plan's regular funding method with adjustments made to reflect the employer's Net Pension Obligation (NPO). The NPO is the cumulative difference between the Annual Pension Cost and the actual contributions made since January 1, 1987. The Annual Pension Cost is adjusted for interest charged on the NPO at the valuation interest rate and amortization of the NPO.

The Annual Pension Cost for fiscal year 2012 was \$7,525,512. For fiscal year 2012, the City funding of \$7,547,954 was more than the Annual Pension Cost. As a result, the Net Pension Obligation decreased to \$1,934,035 as of June 30, 2012, as compared with \$1,956,477 as of June 30, 2011.

Calculation of the NPO as of June 30, 2013, and the fiscal year 2014 ARC will be possible after all fiscal year 2013 City contributions have been made.

The GASB statements also require the following supplementary information be furnished by the actuary. The Schedule of Funding Progress details the progress made over the last seven years in accumulating sufficient assets to provide for benefits when they are due. The Schedule of Employer Contributions shows the Annual Required Contribution and actual contributions over the last seven years. The Schedule of Annual Pension Cost shows the Annual Pension Cost for the last four years.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS**

<b>Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability<sup>1</sup> (AAL) (b)</b>	<b>Excess of Assets over AAL (a - b)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>Excess as a percentage of Covered Payroll ((a - b) / c)</b>
June 30, 2006	108,343,798	140,615,645	(32,271,847)	77.05%	30,954,711	-104.26%
June 30, 2007	119,785,835	150,002,528	(30,216,693)	79.86%	34,256,676	-88.21%
June 30, 2008	129,101,729	156,313,830	(27,212,101)	82.59%	36,751,722	-74.04%
June 30, 2009	129,841,522	169,319,955	(39,478,433)	76.68%	39,769,493	-99.27%
June 30, 2010	130,594,539	179,323,343	(48,728,804)	72.83%	41,161,578	-118.38%
June 30, 2011	135,097,458	190,196,691	(55,099,233)	71.03%	42,971,870	-128.22%
June 30, 2012	137,838,546	196,445,981	(58,607,435)	70.17%	43,865,945	-133.61%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<b>Year Ended</b>	<b>Annual Required Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
June 30, 2006	4,829,945	3,782,704	78.32%
June 30, 2007	5,514,753	6,241,147	113.17%
June 30, 2008	5,978,195	5,719,282	95.67%
June 30, 2009	5,798,294	5,875,295	101.33%
June 30, 2010	5,728,980	5,752,571	100.41%
June 30, 2011	6,778,735	6,779,226	100.01%
June 30, 2012	7,547,910	7,547,954	100.00%

**SCHEDULE OF ANNUAL PENSION COST**

<b>Year Ended</b>	<b>Annual Pension Cost</b>	<b>Percentage Contributed</b>	<b>Net Pension Obligation</b>
June 30, 2009	5,779,561	101.33%	2,026,420
June 30, 2010	5,705,782	100.41%	1,979,631
June 30, 2011	6,756,072	100.01%	1,956,477
June 30, 2012	7,525,512	100.00%	1,934,035

<sup>1</sup> Also known as "past service liability."

**SECTION VII - EXPERIENCE**

Records are maintained whereby the actual experience of active and retired members is compared to that expected on the basis of the tables adopted by the Retirement Board. In this way, deviations in the experience from that anticipated will be noted and any adjustments believed necessary will be brought to the attention of the Retirement Board in the experience studies required by the Burlington Ordinances.

During the last year, the total unfunded actuarial accrued liability (UAL) was expected to increase from \$55,099,233 to \$56,355,637. The actual UAL at the end of the year was \$58,607,435. The chart below reconciles the expected to actual UAL. The primary sources of changes were a \$2,211,576 liability gain and \$7,625,302 investment loss. In addition, there was an increase of \$388,779 to the unfunded accrued liability due to 5 Class B employees that had previously been excluded from the System but are now eligible for pension benefits. Finally, there was a decrease to the unfunded accrued liability due to provision changes.

The sources of the (Gains)/Losses are as follows:

Actual UAL as of June 30, 2011		\$55,099,233
Expected UAL (Prior to Changes) as of June 30, 2012		\$56,355,637
Salary Increases	(\$1,440,127)	
New Participants	350,043	
Active - Retirements	(198,329)	
Active - Terminations	(465,395)	
Active - Mortality	191,472	
Active - Disabilities	(446,919)	
Retiree Mortality	365,944	
Other (Data Corrections, etc.)	(568,265)	
Total Liability (Gain)/Loss		(\$2,211,576)
Investment (Gain)/Loss		7,625,302
Newly Eligible Employees		388,779
Ordinance Changes		(3,550,707)
Total Change in UAL		\$2,251,798
Actual UAL as of June 30, 2012		\$58,607,435

The reconciliation of the UAL is as follows:

	<b>Class A Members</b>	<b>Class B Members</b>	<b>Total System</b>
Total UAL as of June 30, 2011	\$23,312,258	\$31,786,975	\$55,099,233
Interest Adjustment	42,769	(136,809)	(94,040)
FY 2012 Experience Base	2,191,929	1,410,313	3,602,242
Total UAL as of June 30, 2012	\$25,546,956	\$33,060,479	\$58,607,435

**SCHEDULE A**

**VALUATION BALANCE SHEET  
SHOWING THE ASSETS AND LIABILITIES ACCRUED UNDER THE  
BURLINGTON EMPLOYEES' RETIREMENT SYSTEM  
AS OF JUNE 30, 2012**

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**ASSETS**

	<b><u>Class A Members</u></b>	<b><u>Class B Members</u></b>	<b><u>Total System</u></b>
Valuation Assets	\$ 63,414,817	\$ 74,423,729	\$ 137,838,546
Unfunded past service cost	<u>25,546,956</u>	<u>33,060,479</u>	<u>58,607,435</u>
Total Assets	<u>\$ 88,961,773</u>	<u>\$ 107,484,208</u>	<u>\$ 196,445,981</u>

**LIABILITIES**

Present value of benefits payable on account of retired members, beneficiaries and members entitled to deferred vested benefits	\$ 57,321,451	\$ 48,719,954	\$ 106,041,405
Present value of prospective benefits accrued to date on account of present active members	<u>31,640,322</u>	<u>58,764,254</u>	<u>90,404,576</u>
Total Liabilities	<u>\$ 88,961,773</u>	<u>\$ 107,484,208</u>	<u>\$ 196,445,981</u>

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**SCHEDULE B****OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS  
FOR DETERMINATION OF CONTRIBUTION AMOUNTS**

**BASIS FOR ASSUMPTIONS:** As required under Part II, Section 24-61 of the Burlington Code of Ordinances, experience studies are performed at least once in every five-year period. Schedule B of this report outlines the full set of actuarial assumptions and methods employed in the current valuation. The assumptions were based on a recent experience study covering the period from July 1, 2003, through June 30, 2008. The mortality assumptions are adopted by the Board based on the study. The next experience study (which is to be completed before the next valuation is performed) will take account of the requirement made in the latest revision of Actuarial Standard of Practice No. 35 to reflect future expected longevity improvements in the selection of mortality assumptions. It is beyond the scope of the valuation to evaluate the possible effect such a change might have.

**INTEREST RATE:** 8% per annum, compounded annually.

**SEPARATIONS BEFORE NORMAL RETIREMENT:** Representative values of the assumed annual rates of withdrawal and vesting, early service retirement, death and disability are as follows:

<b><u>Class A Members</u></b>				
<b><u>Age</u></b>	<b><u>Withdrawal and Vesting</u></b>	<b><u>Early Service Retirement</u></b>	<b><u>Death*</u></b>	<b><u>Disability*</u></b>
20	14.0%			
25	9.0		.1%	.2%
30	6.0		.1	.3
35	5.0		.1	.4
40	4.0		.1	.5
42	3.6		.1	.6
45	3.0	15.0%	.1	.7
50	2.0	15.0	.2	1.3
53	0.8	20.0	.3	1.8
54	0.4	20.0	.3	2.0

<b><u>Class B Members</u></b>				
<b><u>Age</u></b>	<b><u>Withdrawal and Vesting**</u></b>	<b><u>Early Service Retirement</u></b>	<b><u>Death*</u></b>	<b><u>Disability*</u></b>
25	15.0%		.1%	.1%
30	12.0		.1	.1
35	10.0		.1	.1
40	5.0		.1	.2
45	5.0		.1	.3
50	5.0		.2	.5
55	4.0	5.0%	.4	.9
60	4.0	10.0	.6	1.7
61	4.0	20.0	.7	2.1
62	4.0	25.0	.8	2.5
63	4.0	30.0	1.0	2.9
64	4.0	20.0	1.1	3.4

\* Rates reflect both ordinary and accidental occurrences.

\*\* Rates are assumed to be higher during the first three years of membership (i.e., 25% at age 25, 20% at ages 30 and 35, 15% at ages 40 - 64).

**NORMAL SERVICE RETIREMENT:** The representative values of the assumed rates of normal service retirement are as follows:

<u>Age</u>	<u>Class A</u>	<u>Age</u>	<u>Class B</u>
55	20.0%	65	20.0%
56	20.0	66	20.0
57	20.0	67	20.0
58	20.0	68	20.0
59	20.0	69	50.0
60	100.0	70	100.0

**BENEFIT COMMENCEMENT AFTER SEPARATION:** Class A vested terminations are assumed to commence benefits at age 55. Class B vested terminations prior to June 30, 2000 are assumed to commence at age 65. Class B vested retirements after June 30, 2000 are assumed to commence at age 55 with a reduced benefit.

**SALARY INCREASES:** Representative values of the assumed annual rates of future salary increase are as follows:

<u>Age</u>	<u>Class A&amp;B</u>
25	8.8%
30	7.0
35	5.6
40	4.9
45	4.6
50	4.3
55	4.0
59	3.9
60	3.9
65	3.8
69	3.8

**DEATHS AFTER RETIREMENT:** According to the 1995 Buck Mortality Tables for Males and Females; RP-2000 Disability Mortality Table for the period after disability retirement, and prior to the start of the service retirement benefit.

**FUTURE EXPENSES:** No provisions made.

**ADJUSTMENTS TO ALLOWANCES:** Cost-of-living increases averaging 3% per year were assumed.

**ACCRUAL RATE ELECTION:** 85% of retiring members are assumed to elect the no-COLA accrual rate and 15% of retiring members are assumed to elect the full-COLA accrual rate.



**FUNDING METHOD:** Projected unit credit cost method. Gains (losses) as they occur, reduce (increase) the unfunded past service cost.

**ASSET VALUATION METHOD:** Based on a five-year expected value of assets method in which actuarial assets are set equal to the market value of assets as of the valuation date plus:

- i) four-fifths of the difference between the expected return on market assets and the actual return on market assets during the year preceding the valuation;
- ii) three-fifths of the difference between the expected return on market assets and the actual return on market assets during the second year preceding the valuation;
- iii) two-fifths of the difference between the expected return on market assets and the actual return on market assets during the third year preceding the valuation; and
- iv) one-fifth of the difference between the expected return on market assets and the actual return on market assets during the fourth year preceding the valuation.

Expected return is equal to a year of expected investment earnings (based on the valuation interest rate) on the market value of assets as of the beginning of the year and the cash flow (contributions minus benefit payments) during the year, assuming mid-year contributions and benefit payments.

**MISCELLANEOUS:** The valuation was prepared on an ongoing-plan basis. The valuation was based on members in the System as of the valuation date and did not take future members into account. No provision has been made for contingent liabilities with respect to nonvested terminated members who may be reemployed. The valuation assumptions anticipate future inflation of about 3% a year.

**SCHEDULE C****BRIEF SUMMARY OF PRINCIPAL SYSTEM PROVISIONS  
AS INTERPRETED FOR VALUATION PURPOSES**

<b>System Name</b>	Burlington Employees' Retirement System
<b>Effective Date</b>	July 1, 1954.
<b>Average Final Compensation (AFC)</b>	For Class A Police non-union employees, Class A Police employees hired after January 10, 2011, Class A Fire employees hired after October 7, 2011 or Class B AFSCME Local 1343 employees hired after June 7, 2011, it is the average earnable compensation during the highest 5 non-overlapping 12-month periods. For all others, it is the average earnable compensation during the highest 3 non-overlapping 12-month periods.
<b>Membership Eligibility</b>	Regular employees of the City of Burlington excluding elective officers other than the mayor and excluding teachers other than certain teachers employed prior to July 1, 1947.
<b>Membership Classification</b>	
Class A	Members of the Fire and Police Departments not including clerical employees.
Class B	All other members.
<b>Service Retirement</b>	
Eligibility	
Class A	For Police employees hired after January 10, 2011, age 40 and 20 years of creditable service. For Fire employees hired after October 7, 2011, age 45 and 20 years of creditable service. For all others, age 45 and 7 years of creditable service. Compulsory at age 60.
Class B	Age 55 and 7 years of creditable service.

## Amount of Benefit

## Class A

For Fire employees hired before January 1, 2007 and Police employees hired before July 1, 2006, 2.75% of AFC times creditable service not in excess of 25 years plus .5% of AFC times creditable service between 25 and 35 years. For Police employees hired after January 10, 2011, 2.5% of AFC times creditable service not in excess of 20 years plus 5% of AFC times creditable service between 20 and 25 years. For all others, 2.65% of AFC times creditable service not in excess of 25 years plus .5% of AFC times creditable service between 25 and 35 years. Benefit increased by Cost of Living Adjustment detailed below.

In lieu of this benefit, at the time of retirement, a member hired prior to July 1, 2006 may choose either (i) an accrual rate of 3.25% for the first 25 years of creditable service, plus an accrual of .5% for creditable service between 25 and 35 years, and a Cost of Living Adjustment equal to one half of the Cost of Living Adjustment detailed below, or (ii) an accrual rate of 3.8% for all years of service prior to June 30, 2006 for the first 25 years, an accrual rate of 3.6% for all years of service commencing July 1, 2006 for the first 25 years, plus an accrual rate of .5% for creditable service between 25 and 35 years, and no Cost of Living Adjustment.

A Fire employee hired on or after January 1, 2007 or a Police employee hired on or after July 1, 2006 may only select a benefit with a full Cost of Living Adjustment.

For Police employees hired after January 10, 2011 or Fire employees hired after October 7, 2011, the above benefits based on AFC and creditable service at retirement are reduced actuarially for the period of time by which retirement precedes age 50.

For Fire employees hired on or before October 7, 2011 who retire on July 1, 2013 or later, the above benefits based on AFC and creditable service at retirement are reduced actuarially until age 48 for the period of time by which retirement precedes age 55.

For all others, prior to age 55, the above benefit based on AFC and creditable service at retirement is reduced actuarially for the period of time by which retirement precedes the earlier of 25 years of creditable service and age 55. For employees who terminate with 20 to 25 years of creditable service the above benefit based on AFC and creditable service at retirement is reduced by 1.82% for each year that creditable service is less than 25 years.

**Class B**

For employees hired prior to July 1, 2006: Age 65 and older, the greater of (i) 1.6% of AFC (at age 65) times creditable service not in excess of 25 years plus .5% of AFC (at age 65) times creditable service in excess of 25 years or (ii) the actuarial equivalent of the benefit determined at age 65. This benefit will be increased by the Cost of Living Adjustment detailed below.

For employees hired on or after July 1, 2006: Age 65 and older, the greater of (i) 1.4% of AFC (at age 65) times creditable service not in excess of 25 years plus .5% of AFC (at age 65) times creditable service in excess of 25 years or (ii) the actuarial equivalent of the benefit determined at age 65. This benefit will be increased by the Cost of Living Adjustment detailed below.

In lieu of this benefit, at the time of retirement, a member may choose (i) an accrual rate of 1.9% for all years of service prior to June 30, 2006 for the first 25 years, an accrual rate of 1.8% for all years of service commencing July 1, 2006 for the first 25 years, plus an accrual of .5% for creditable service in excess of 25 years, and a Cost of Living Adjustment equal to one-half of the Cost of Living Adjustment detailed below, or (ii) an accrual rate of 2.2% for all years of service prior to June 30, 2006 for the first 25 years, an accrual rate of 2.0% for all years of service commencing July 1, 2006 for the first 25 years, plus an accrual of .5% for creditable service in excess of 25 years, and no Cost of Living Adjustment.

Except for employees detailed below, prior to age 65, the above benefit based on AFC and creditable service at retirement reduced by 2% for each year that retirement precedes age 65. For IBEW employees hired on or after July 1, 2006, the benefit is reduced by a factor which varies with age. The factor equals 1 at age 65 but is equal to .356 at age 55. For Class B AFSCME Local 1343 employees hired before January 1, 2006 that meet the Rule of 82 by December 7, 2011 but retire later than December 7, 2011, the reduction is 4% per year at ages 55 to 59 for each year under age 65, and the standard 2% per year reduction for ages 60 to 65. For other Class B AFSCME Local 1343 employees retiring after December 7, 2011, there will be full actuarial reduction from ages 55 to 59 and the standard 2% per year reduction for ages 60 to 65.

**Cost of Living Adjustment**

Benefits increase annually by changes in the Consumer Price Index of more than 1%. The maximum annual increase is 6%. Increase is not applicable to deferred vested benefit prior to commencement, survivor income benefit, disability benefit prior to normal retirement age or members who choose to have no cost of living adjustment.

**Service Adjustment**

Class A service for calculation of benefits shall be adjusted such that any Class A employee shall be granted 1.07 years of credit for each year in which the employee worked prior to July 1, 1996, and 1.17 years thereafter, in a position regularly assigned a workweek consisting on average of fifty-three or more hours of work per week.

**Disability Retirement**

## Eligibility

All Members. Permanently disabled. Class B AFSCME Local 1343 employees must have 2 years of creditable service to be eligible for disabilities that are not work-related. Class A Fire employees hired after October 7, 2011 must have 1 year of creditable service to be eligible for disabilities that are not work-related. All other employees are immediately eligible.

## Amount of Benefit

A benefit payable until normal service retirement eligibility (Class A - age 55 and 7 years of creditable service, Class B - age 65 and 7 years of creditable service). For Class A Fire employees hired after October 7, 2011, it is equal to 66 2/3% of the member's earnable compensation less workmen's compensation. For Class B AFSCME employees, it is equal to 66 2/3% of the member's earnable compensation less workmen's compensation and Social Security. For all others, it is equal to 75% of the member's earnable compensation less workmen's compensation and, in the case of Class B, less Social Security.

After normal service retirement eligibility, a service retirement benefit based on AFC at retirement and creditable service at normal service retirement eligibility, including the period while permanently disabled and receiving a disability benefit from the System.

**Accidental Death**

## Eligibility

Class A only. Death due to accident while in the performance of duty.

## Amount of Benefit

A benefit to the spouse until death or remarriage of the greater of (i) 55% of AFC, and (ii) the participant's current accrued retirement benefit. Upon death or remarriage of the spouse, the benefit will be payable to children until age 21.

**Survivor Income**

Eligibility	All Members. Death in active service.
Amount of Benefit	
Class A	30% of compensation during the July preceding death payable to spouse until earlier of death or 2nd anniversary of remarriage. An additional 5% per unmarried child under 21 (maximum additional 10%) is payable until benefits cease or children no longer eligible. If there is no spouse or spouse dies, the benefit is payable to unmarried children under age 21 until earlier of death, marriage or age 21.
Class B	30% of compensation during the July preceding death payable to spouse until earlier of death, 2nd anniversary of remarriage or age 62. Upon the spouse's attainment of age 62 (if not remarried) a benefit based on the 50% Joint and Survivor form of payment will be paid to the spouse for life. If there is no spouse or spouse dies, the benefit is payable to unmarried children under age 21 until earlier of death, marriage or age 21.

**Return of Contributions**

Accumulated contributions returned upon separation with less than 3 years of service or upon death with no accidental death benefit payable.

Upon death of a retired member, the excess of his contribution at retirement over the benefits paid will be paid to his beneficiary or estate.

**Vested Retirement**

Eligibility	All Members. 3 years of creditable service.
Amount of Benefit	
Class A	A percentage grading from 20% after 3 years to 100% after 7 years, of the benefit calculated using AFC and creditable service at termination. The benefit is payable commencing at age 55. Member may elect early receipt with reduction as for service retirement prior to age 55.
Class B	A percentage grading from 20% after 3 years to 100% after 7 years, of the benefit calculated using AFC and creditable service at termination. The benefit is payable commencing at age 65. Member may elect early receipt with reduction as for service retirement prior to age 65.

**Survivor Spouse's Pension**

Eligibility	All Members. Death of a terminated member entitled to a vested retirement benefit prior to commencement of such benefit.
Amount of Benefit	50% of reduced accrued benefit reflecting the 50% Joint and Survivor form of payment (ages as of date payments commence) payable at member's early retirement date.  Spouse may elect to receive payments later than member's early retirement date with no reduction for receipt at member's 65th birthday.

**Offsets on Benefits**

Disability and accidental death benefits are offset by workmen's compensation paid for the same disability or death.

**Contributions**

By Members	
Class A	10.8% of earnable compensation for the first 35 years of creditable service, none thereafter.
Class B	3.0% of earnable compensation.
By City	Remainder necessary to fund for the benefits of the System on an actuarial basis.

**SCHEDULE D****TABLE 1****THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF  
ACTIVE MEMBERS DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012****CLASS A MEMBERS**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
22	1	\$38,109		
23	1	41,056		
24	2	87,658		
25	5	242,177		
26	6	282,119	1	\$50,285
27	4	180,153	3	149,979
28	3	151,368	1	50,285
29	6	302,762	1	50,285
30	4	200,406	1	54,072
31	8	404,458		
32	11	602,759	1	56,522
33	6	335,887	3	143,789
34	7	368,654		
35	4	246,136		
36	5	323,459		
37	8	460,789		
38	7	428,017	1	53,101
39	5	312,025		
40	6	375,066	1	63,719
41	3	169,334		
42	7	476,125		
43	11	744,541		
44	4	247,003	1	78,524
45	6	399,292		
46	5	369,615	1	66,965
47	2	141,452	1	78,278
48	3	216,633		
49	3	222,103		
50	2	154,437		
51	1	79,778	1	70,927
52	2	145,328		
54	1	59,881		



**TABLE 1**

**THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF  
ACTIVE MEMBERS DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012**

**CLASS A MEMBERS  
(CONTINUED)**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
55	1	\$63,011		
56			1	\$62,930
58	1	85,782		
61	1	65,060		
64	1	78,278		
65	1	68,357		
<b>TOTAL</b>	<b>154</b>	<b>\$9,169,068</b>	<b>18</b>	<b>\$1,029,661</b>

**TABLE 2**

**THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF  
ACTIVE MEMBERS DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012**

**CLASS B MEMBERS**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
21	2	\$61,084		
22	1	30,403	1	\$43,592
23	3	101,181	4	159,296
24	3	95,396	2	61,399
25	6	223,861	2	75,276
26	2	69,310	5	154,188
27	5	190,313	4	152,009
28	5	166,729	1	23,034
29	4	164,963	4	158,480
30	5	223,002	2	54,348
31	6	249,216	5	214,504
32	10	483,104	4	221,575
33	5	270,417	5	219,484
34	4	255,590	8	406,738
35	7	352,267	7	389,873
36	8	335,352	2	94,973
37	5	209,523	4	211,772
38	8	346,404	5	208,775
39	8	434,627	3	110,077
40	3	126,621	5	247,884
41	9	420,752	4	176,998
42	13	647,387	6	235,028
43	9	429,266	5	200,079
44	12	641,240	3	151,482
45	10	588,190	8	352,613
46	8	426,220	12	592,122
47	4	236,462	5	220,828
48	11	716,063	6	222,031
49	14	765,538	11	405,767
50	22	1,315,141	12	558,464
51	12	688,089	4	150,680
52	16	890,823	14	721,736
53	15	887,452	12	501,234
54	6	382,438	11	527,443

**TABLE 2**  
**THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF**  
**ACTIVE MEMBERS DISTRIBUTED**  
**BY AGE AS OF JUNE 30, 2012**

**CLASS B MEMBERS**  
**(CONTINUED)**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
55	16	\$905,692	13	\$583,598
56	13	652,060	6	313,367
57	13	804,677	11	515,383
58	16	1,018,594	3	113,365
59	7	416,694	7	304,085
60	15	914,534	8	408,693
61	16	936,182	9	404,457
62	9	460,144	6	271,512
63	11	568,555	6	268,350
64	8	537,440	6	334,537
65	4	158,356	1	44,283
66	5	236,040	2	112,978
67	2	87,587	2	146,485
68	1	56,489		
69	1	52,385		
70			1	41,465
71	2	122,940		
74	1	36,920		
77	1	97,362		
80	2	66,772		
84	1	27,029		
<b>TOTAL</b>	<b>405</b>	<b>\$21,580,876</b>	<b>267</b>	<b>\$12,086,340</b>

**TABLE 3**  
**THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF**  
**ACTIVE MEMBERS DISTRIBUTED BY YEARS**  
**OF SERVICE\* AS OF JUNE 30, 2012**

**CLASS A MEMBERS**

YEARS OF SERVICE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	12	\$497,168		
1	13	602,286	2	\$87,652
2	6	285,808		
3	7	356,483	4	201,142
4	9	474,717	3	159,298
5	5	262,949	1	54,072
6	2	109,554	1	49,632
7	5	281,021		
8	6	345,987	1	56,522
9	4	232,766		
10	13	771,642	1	66,965
11	7	417,998		
12	9	568,398		
13	9	586,619	1	62,930
14	9	594,328		
15	4	255,852		
16	4	268,099		
17	6	431,017		
18			1	63,719
19	4	317,313		
21	2	126,731	1	78,524
22	3	196,646	1	78,278
23	7	570,655		
24			1	70,927
25	2	150,576		
26	1	65,060		
28	2	166,978		
31	1	78,278		
32	1	85,782		
41	1	68,357		
<b>TOTAL</b>	<b>154</b>	<b>\$9,169,068</b>	<b>18</b>	<b>\$1,029,661</b>

\* Excludes service adjustment for employees with a regularly assigned workweek of 53 or more weeks.

**TABLE 4**

**THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF  
ACTIVE MEMBERS DISTRIBUTED BY YEARS  
OF SERVICE AS OF JUNE 30, 2012**

**CLASS B MEMBERS**

YEARS OF SERVICE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	37	\$1,566,020	40	\$1,590,685
1	24	853,725	18	608,638
2	19	1,042,193	19	705,987
3	23	1,147,051	10	460,688
4	22	1,135,184	15	595,683
5	18	992,222	16	791,826
6	17	874,965	14	479,796
7	14	598,640	9	388,369
8	14	663,408	5	197,853
9	16	753,589	14	717,236
10	11	485,972	5	199,480
11	18	960,163	12	671,676
12	6	246,372	9	398,003
13	19	928,482	12	583,296
14	7	472,773	5	175,187
15	8	415,588	7	328,969
16	9	589,006	4	173,087
17	12	629,961	12	630,514
18	4	248,749	1	59,574
19	3	313,592	2	68,988
20			1	49,778
21	6	380,285	1	58,030
22	5	294,354	2	126,744
23	5	334,612	1	55,598
24	8	541,091	6	352,397
25	6	358,917	4	252,949
26	4	420,580	2	141,829
27	3	160,084	2	92,026
28	15	920,440	2	116,677
29	7	408,893	1	60,874
30	5	295,274	3	171,518
31	6	424,031	1	49,084
32	7	455,581		
33	10	601,626	2	129,122

**TABLE 4**

**THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF  
ACTIVE MEMBERS DISTRIBUTED BY YEARS  
OF SERVICE AS OF JUNE 30, 2012**

**CLASS B MEMBERS  
(CONTINUED)**

YEARS OF SERVICE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
34	5	\$349,368	3	\$163,364
35	2	88,627		
36	1	46,620	2	115,155
37	1	57,694		
38			1	54,243
39			2	126,278
40	3	209,696		
41	1	69,023		
43	1	66,404	1	62,812
44	2	133,401		
45	1	46,620	1	82,327
<b>TOTAL</b>	<b>405</b>	<b>\$21,580,876</b>	<b>267</b>	<b>\$12,086,340</b>

**TABLE 5**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF RETIREES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012**

**CLASS A MEMBERS**

**SERVICE RETIREMENTS**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
45	2	\$93,113		
46	1	44,797		
47	3	131,757		
48	4	188,865		
49	2	92,188		
50	5	210,444		
51	4	151,450		
52	5	315,708	1	\$30,952
53	4	147,304		
54	3	142,281		
55	8	230,154		
56	6	244,039		
57	4	183,359		
58	4	197,811		
59	1	28,572		
60	5	197,615		
61	3	126,108		
62	6	214,816	1	8,250
63	9	284,105		
64	5	130,056		
65	6	220,947		
66	4	127,887		
67	4	140,407		
68	3	107,316		
69	8	283,964		
70	2	76,389		
71	3	89,826		
72	2	55,655		
73	2	20,685		
76	1	43,668		
77	1	40,866		
78	1	33,751		
79	1	26,792		

**TABLE 5**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF RETIREES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012**

**CLASS A MEMBERS**

**SERVICE RETIREMENTS  
(CONTINUED)**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
81	1	\$26,248		
82	1	24,777		
83	2	63,918		
86	1	28,893		
87	1	21,646		
<b>TOTAL</b>	<b>128</b>	<b>\$4,788,177</b>	<b>2</b>	<b>\$39,202</b>



**TABLE 6**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF RETIREES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012**

**CLASS B MEMBERS**

**SERVICE RETIREMENTS**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
56	2	\$47,892		
57	2	13,775	3	\$30,306
58	2	44,812	1	25,246
59	2	29,151	3	26,852
60	3	81,420	1	3,818
61	4	83,469	2	34,561
62	4	71,581	3	48,481
63	14	244,229	6	71,347
64	6	109,385	7	83,371
65	7	62,845		
66	16	205,586	8	73,965
67	6	90,949	4	6,801
68	4	73,837	3	19,962
69	6	53,630	5	41,501
70	9	148,797	10	151,757
71	7	107,331	10	164,211
72	5	91,262	5	81,885
73	5	90,090	2	27,126
74	5	29,939	3	17,007
75	11	188,331	3	57,561
76	2	39,475	5	85,189
77	5	74,693	4	20,880
78	5	27,804	6	50,676
79	2	34,648	3	15,215
80	5	64,471	1	21,621
81	3	44,673	3	30,340
82	3	49,391	5	10,436
83	1	7,238	4	76,125
84	1	8,348	1	433
85	1	13,596		
86	3	30,048		
87	1	5,486	1	11,970
88	1	3,090	1	1,977

**TABLE 6**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF RETIREES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012**

**CLASS B MEMBERS**

**SERVICE RETIREMENTS  
(CONTINUED)**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
89			1	\$2,260
91			1	921
92			1	10,899
98	1	\$11,977		
<b>TOTAL</b>	<b>154</b>	<b>\$2,283,249</b>	<b>116</b>	<b>\$1,304,700</b>

**TABLE 7****THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF RETIREES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012****CLASS A MEMBERS****DISABILITY RETIREMENTS**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
45	1	\$34,800		
50	1	27,013		
66	1	16,102		
80	1	17,062		
81	1	17,040		
TOTAL	5	\$112,017		

**TABLE 8**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF RETIREES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012**

**CLASS B MEMBERS**

**DISABILITY RETIREMENTS**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
48	1	\$7,007		
49			1	\$10,793
51	1	6,037		
52	1	13,224	2	37,285
53	1	7,966		
54	3	63,095	1	15,509
55	1	23,099		
57	1	6,956		
58	1	8,496	1	23,267
59	2	50,104		
60	3	32,385	1	5,010
61	3	29,597		
62	2	24,394	4	57,851
63	2	27,291	2	31,622
64	4	51,237		
82	1	5,717		
85	1	5,638		
<b>TOTAL</b>	<b>28</b>	<b>\$362,243</b>	<b>12</b>	<b>\$181,337</b>

**TABLE 9**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF BENEFICIARIES OF RETIREES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2012**

**CLASS A MEMBERS**

**BENEFICIARIES OF DECEASED MEMBERS**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
17	1	\$15,819		
20			1	\$7,468
48			1	47,643
54			1	6,782
56			1	8,499
60			1	6,916
68			1	16,727
69			1	9,132
70			2	49,594
71			1	11,722
77			1	18,482
81	1	18,437		
83			1	13,224
85			1	15,963
90			1	17,989
<b>TOTAL</b>	<b>2</b>	<b>\$34,256</b>	<b>14</b>	<b>\$230,141</b>

TABLE 10

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF BENEFICIARIES OF RETIREES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2012**

**CLASS B MEMBERS**

**BENEFICIARIES OF DECEASED MEMBERS**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
27			1	\$1,056
29	1	\$1,407		
46			1	13,134
47			1	6,398
50	1	9,480	1	11,875
58	1	12,774		
59	1	4,862	1	11,956
60			2	6,048
61	1	11,709	1	10,346
63			2	15,587
64			2	8,425
65			1	30,821
66			1	4,609
68			1	2,308
69			1	25,802
70			2	10,692
71			1	8,367
72			4	35,315
73			2	13,928
74			1	4,448
75			2	10,672
77			2	9,613
78			1	2,006
79			1	4,163
80			3	26,896
81			1	3,176
82	1	1,475	2	7,540
84			1	10,934
85			1	2,957
86	1	6,912		
87			1	10,341
88			1	6,884
89			1	3,441
TOTAL	7	\$48,619	43	\$319,738

**TABLE 11**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF SERVICE RETIREMENTS DISTRIBUTED  
BY FORM OF ANNUITY AS OF JUNE 30, 2012**

**CLASS A MEMBERS**

FORM	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
LIFE ANNUITY	68	\$2,777,080	1	\$30,952
CERTAIN & LIFE	18	636,432		
JOINT & SURVIVOR	35	1,124,810	1	8,250
JOINT & SURVIVOR POP-UP	7	249,855		
<b>TOTAL</b>	<b>128</b>	<b>\$4,788,177</b>	<b>2</b>	<b>\$39,202</b>

**TABLE 12****THE NUMBER OF RETIREES, DISABLED RETIREES AND BENEFICIARIES  
DISTRIBUTED BY COLA TYPE AS OF JUNE 30, 2012****CLASS A MEMBERS**

COLA TYPE	MALE	FEMALE
NO COLA	72	2
HALF COLA	12	1
FULL COLA	51	13
TOTAL	135	16



**TABLE 13**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF SERVICE RETIREMENTS DISTRIBUTED  
BY FORM OF ANNUITY AS OF JUNE 30, 2012**

**CLASS B MEMBERS**

FORM	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
LIFE ANNUITY	62	\$838,389	84	\$992,492
CERTAIN & LIFE	20	242,849	15	149,164
JOINT & SURVIVOR	49	751,954	13	104,211
JOINT & SURVIVOR POP-UP	23	450,057	4	58,833
<b>TOTAL</b>	<b>154</b>	<b>\$2,283,249</b>	<b>116</b>	<b>\$1,304,700</b>

**TABLE 14****THE NUMBER OF RETIREES, DISABLED RETIREES, AND BENEFICIARIES  
DISTRIBUTED BY COLA TYPE AS OF JUNE 30, 2012****CLASS B MEMBERS**

COLA TYPE	MALE	FEMALE
NO COLA	86	72
HALF COLA	12	9
FULL COLA	91	90
TOTAL	189	171

**SCHEDULE E****BURLINGTON EMPLOYEES' RETIREMENT SYSTEM****PAST SERVICE  
AMORTIZATION SCHEDULE****CLASS A MEMBERS**

<u>Description</u>	<u>Date Established</u>	<u>Original Balance</u>	<u>July 1, 2012 Outstanding Balance</u>	<u>FY 2013 Past Service Contribution</u>	<u>July 1, 2013 Outstanding Balance</u>	<u>Years Remaining to Fund</u>	<u>FY 2014 Past Service Contribution</u>
Initial Amortization	July 1, 2004	\$3,698,048	\$3,456,648	\$333,297	\$3,399,883	22	\$333,298
FY 2005 Experience	July 1, 2005	6,655,535	6,722,502	638,490	6,621,812	23	638,489
FY 2006 Experience	July 1, 2006	2,588,959	2,651,278	248,368	2,615,012	24	248,369
FY 2007 Experience	July 1, 2007	(1,715,997)	(1,779,557)	(164,622)	(1,757,300)	25	(164,622)
FY 2008 Experience	July 1, 2008	713,490	748,486	68,448	739,917	26	68,448
FY 2009 Experience	July 1, 2009	3,308,275	3,507,334	317,375	3,470,546	27	317,375
FY 2010 Experience	July 1, 2010	3,969,991	4,249,741	380,856	4,208,864	28	380,855
FY 2011 Experience	July 1, 2011	3,564,353	3,798,595	337,419	3,765,064	29	337,420
FY 2012 Experience	July 1, 2012	2,191,929	2,191,929	-	2,367,283	30	210,280
Total			\$25,546,956	\$2,159,631	\$25,431,081		\$2,369,912
Equivalent Single Amortization Period			26 Years				

**SCHEDULE E****BURLINGTON EMPLOYEES' RETIREMENT SYSTEM****PAST SERVICE  
AMORTIZATION SCHEDULE****CLASS B MEMBERS**

<u>Description</u>	<u>Date Established</u>	<u>Original Balance</u>	<u>July 1, 2012 Outstanding Balance</u>	<u>FY 2013 Past Service Contribution</u>	<u>July 1, 2013 Outstanding Balance</u>	<u>Years Remaining to Fund</u>	<u>FY 2014 Past Service Contribution</u>
Initial Amortization	July 1, 2004	\$6,322,451	\$5,933,786	\$572,149	\$5,836,340	22	\$572,148
FY 2005 Experience	July 1, 2005	6,670,273	6,828,294	648,537	6,726,021	23	648,538
FY 2006 Experience	July 1, 2006	5,080,481	5,213,011	488,349	5,141,703	24	488,348
FY 2007 Experience	July 1, 2007	(728,430)	(755,411)	(69,881)	(745,963)	25	(69,881)
FY 2008 Experience	July 1, 2008	(3,206,229)	(3,363,495)	(307,585)	(3,324,990)	26	(307,585)
FY 2009 Experience	July 1, 2009	9,475,775	10,045,933	909,045	9,940,563	27	909,046
FY 2010 Experience	July 1, 2010	4,577,654	4,900,224	439,151	4,853,091	28	439,151
FY 2011 Experience	July 1, 2011	2,690,665	2,847,824	252,965	2,822,685	29	252,965
FY 2012 Experience	July 1, 2012	1,410,313	1,410,313	-	1,523,138	30	135,296
Total			\$33,060,479	\$2,932,730	\$32,772,588		\$3,068,026
Equivalent Single Amortization Period			26 Years				

**SCHEDULE F****BURLINGTON EMPLOYEES' RETIREMENT SYSTEM****HISTORICAL AND PROJECTED CONTRIBUTIONS  
CLASS A AND B EMPLOYEES**

<u>Fiscal Year Ending</u>	<u>Projected Payroll</u>	<u>Normal Contribution</u>		<u>Past Service Contribution</u>	<u>Contribution Shortfall</u>	<u>Total City Contribution</u>	
June 30, 2006	\$33,190,245	\$3,782,704	11.4%	\$905,446	(\$756,403)	\$3,931,747	11.8%
June 30, 2007	34,384,729	3,916,950	11.4%	2,259,664	683,638	6,860,252	20.0%
June 30, 2008	35,588,195	3,037,864	8.5%	2,929,190	(256,122)	5,710,932	16.0%
June 30, 2009	36,833,782	3,073,086	8.3%	2,851,003	(48,794)	5,875,295	16.0%
June 30, 2010	40,328,362	3,297,021	8.2%	2,455,550	0	5,752,571	14.3%
June 30, 2011	42,563,572	3,097,260	7.3%	3,681,967	0	6,779,227	15.9%
June 30, 2012	43,148,038	3,045,975	7.1%	4,501,979	0	7,547,954	17.5%
June 30, 2013	43,477,161	3,083,144	7.1%	5,092,361		8,175,505	18.8%
June 30, 2014	44,616,671	2,919,432	6.5%	5,437,938		8,357,370	18.7%
June 30, 2015	46,178,255	3,021,612	6.5%	5,437,938		8,459,550	18.3%
June 30, 2016	47,794,494	3,127,368	6.5%	5,437,938		8,565,306	17.9%
June 30, 2017	49,467,302	3,236,826	6.5%	5,437,938		8,674,764	17.5%

## Notes:

No future liability gains or losses are assumed; assets are assumed to earn 8% per annum.

Projected payroll assumed to increase 3.5% per annum.

Unfunded liability as of June 30, 2004, was amortized over 30 years.

All future changes in unfunded liability will be amortized over 30 years.

**SCHEDULE F****BURLINGTON EMPLOYEES' RETIREMENT SYSTEM****HISTORICAL AND PROJECTED CONTRIBUTIONS  
CLASS A EMPLOYEES**

<u>Fiscal Year Ending</u>	<u>Projected Payroll</u>	<u>Normal Contribution</u>		<u>Past Service Contribution</u>	<u>Contribution Shortfall</u>	<u>Total City Contribution</u>	
June 30, 2006	\$8,341,093	\$1,404,640	16.8%	\$333,297	(\$306,343)	\$1,431,594	17.2%
June 30, 2007	8,932,223	1,501,507	16.8%	998,999	276,873	2,777,379	31.1%
June 30, 2008	9,244,851	1,306,993	14.1%	1,220,155	(103,729)	2,423,419	26.2%
June 30, 2009	9,568,421	1,233,492	12.9%	1,055,533	0	2,289,025	23.9%
June 30, 2010	9,412,887	1,150,199	12.2%	1,123,981	0	2,274,180	24.2%
June 30, 2011	9,478,375	955,410	10.1%	1,441,355	0	2,396,765	25.3%
June 30, 2012	9,505,863	932,642	9.8%	1,822,213	0	2,754,855	29.0%
June 30, 2013	9,440,369	991,311	10.5%	2,159,631		3,150,942	33.4%
June 30, 2014	10,367,799	916,997	8.8%	2,369,912		3,286,909	31.7%
June 30, 2015	10,730,672	949,092	8.8%	2,369,912		3,319,004	30.9%
June 30, 2016	11,106,246	982,310	8.8%	2,369,912		3,352,222	30.2%
June 30, 2017	11,494,965	1,016,691	8.8%	2,369,912		3,386,603	29.5%

## Notes:

No future liability gains or losses are assumed; assets are assumed to earn 8% per annum.

Projected payroll assumed to increase 3.5% per annum.

Unfunded liability as of June 30, 2004, was amortized over 30 years.

All future changes in unfunded liability will be amortized over 30 years.

**SCHEDULE F****BURLINGTON EMPLOYEES' RETIREMENT SYSTEM****HISTORICAL AND PROJECTED CONTRIBUTIONS  
CLASS B EMPLOYEES**

<u>Fiscal Year Ending</u>	<u>Projected Payroll</u>	<u>Normal Contribution</u>		<u>Past Service Contribution</u>	<u>Contribution Shortfall</u>	<u>Total City Contribution</u>	
June 30, 2006	\$24,849,152	\$2,378,064	9.6%	\$572,149	(450,060)	\$2,500,153	10.1%
June 30, 2007	25,452,506	2,415,443	9.5%	1,260,665	406,765	4,082,873	16.0%
June 30, 2008	26,343,344	1,730,871	6.6%	1,709,035	(152,393)	3,287,513	12.5%
June 30, 2009	27,265,361	1,839,594	6.7%	1,795,470	(48,794)	3,586,270	13.2%
June 30, 2010	30,915,475	2,146,822	6.9%	1,331,569	0	3,478,391	11.3%
June 30, 2011	33,085,197	2,141,849	6.5%	2,240,612	0	4,382,461	13.2%
June 30, 2012	33,642,175	2,113,333	6.3%	2,679,766	0	4,793,099	14.2%
June 30, 2013	34,036,792	2,091,833	6.1%	2,932,730		5,024,563	14.8%
June 30, 2014	34,248,872	2,002,435	5.8%	3,068,026		5,070,461	14.8%
June 30, 2015	35,447,583	2,072,520	5.8%	3,068,026		5,140,546	14.5%
June 30, 2016	36,688,248	2,145,058	5.8%	3,068,026		5,213,084	14.2%
June 30, 2017	37,972,337	2,220,135	5.8%	3,068,026		5,288,161	13.9%

## Notes:

No future liability gains or losses are assumed; assets are assumed to earn 8% per annum.

Projected payroll assumed to increase 3.5% per annum.

Unfunded liability as of June 30, 2004, was amortized over 30 years.

All future changes in unfunded liability will be amortized over 30 years.

**SCHEDULE G****BURLINGTON EMPLOYEES' RETIREMENT SYSTEM****ANNUAL AMORTIZATION OF THE UNFUNDED PAST SERVICE LIABILITY**

<b>Fiscal Year</b>	<b>Beginning of FY Balance of Unfunded Liability</b>	<b>Amortization Payment in Fiscal Year</b>
2013	\$58,607,435	\$5,092,361
2014	\$58,203,669	\$5,437,937
2015	\$57,422,025	\$5,437,937
2016	\$56,577,850	\$5,437,937
2017	\$55,666,141	\$5,437,937
2018	\$54,681,495	\$5,437,937
2019	\$53,618,078	\$5,437,937
2020	\$52,469,587	\$5,437,937
2021	\$51,229,217	\$5,437,937
2022	\$49,889,618	\$5,437,937
2023	\$48,442,850	\$5,437,937
2024	\$46,880,341	\$5,437,937
2025	\$45,192,831	\$5,437,937
2026	\$43,370,321	\$5,437,937
2027	\$41,402,009	\$5,437,937
2028	\$39,276,233	\$5,437,937
2029	\$36,980,394	\$5,437,937
2030	\$34,500,889	\$5,437,937
2031	\$31,823,023	\$5,437,937
2032	\$28,930,928	\$5,437,937
2033	\$25,807,465	\$5,437,937
2034	\$22,434,125	\$5,437,937
2035	\$18,790,918	\$5,437,937
2036	\$14,856,254	\$4,532,491
2037	\$11,512,264	\$3,245,464
2038	\$9,187,781	\$2,508,747
2039	\$7,414,056	\$2,743,250
2040	\$5,263,931	\$2,982,387
2041	\$2,702,658	\$1,755,967
2042	\$1,162,904	\$935,961
2043	\$319,976	\$345,574
2044	\$0	