



**THE EMPLOYEES' RETIREMENT SYSTEM  
OF THE CITY OF NORFOLK**

**THE SIXTY-SECOND ACTUARIAL VALUATION  
JUNE 30, 2004**

## **Introduction**

Presented in this report are the results of the actuarial valuation as of June 30, 2004 of the Employees' Retirement System of the City of Norfolk. Mellon Consultants, LLC has prepared this report at the request of, and for the use of, the Board of Trustees.

The principal results include:

- The contribution rate for the fiscal year beginning July 1, 2005 which is 14.63%.
- The funded status of the plan determined as of June 30, 2004 based on the accrued liability and the actuarial value of assets which is 96.5%.
- The funded status of the plan determined as of June 30, 2004 based on the accrued liability and the market value of assets which is 96.5%.
- Annual disclosure information as of June 30, 2004 as required by Statement No. 25 of the Governmental Accounting Standards Board.

The valuation was completed based upon membership and financial data submitted by the City.

## **Changes Since Last Year**

### **Actuarial Assumptions and Methods**

The actuarial asset valuation method was changed June 30, 2004 to a new smoothing method. The prior actuarial asset valuation method reflected dividends and interest immediately and smoothed all other investment income over three years. The new method reflects expected income (based on the valuation interest rate) and spreads over three years recognition of any gains (or losses) due to investment return in excess of (or less than) the expected return. This change was made to better track market performance and to provide better smoothing of the contribution rate from year to year. To transition into this new method, the initial asset value as of June 30, 2004 is set to the market value, with next year's value reflecting asset gains (or losses) for the year beginning July 1, 2004.

The amortization method for determining the accrued liability contribution rate was changed June 30, 2004 from a closed to an open, 20-year level dollar method. Under the previous closed method, separate amortization schedules were established each year for changes in the unfunded accrued liability due to actuarial gains or losses, plan amendments, etc. Each event was amortized over a fixed 20-year period from the date the initial amount was established. The method has been changed so that the accrued liability contribution rate each year is that year's unfunded accrued liability amortized over 20 years. This change was made to reduce abrupt increases or decreases in the contribution rate from one year to the next that could occur as individual amortization amounts reach the end of their 20-year periods.

No other assumptions or methods were changed. The actuarial assumptions and methods are summarized in Table 7.

### **Legislative and Administrative Changes**

The City has adopted the following changes to the System:

- Retirees and beneficiaries as of June 30, 2003 were granted a permanent 1.5% supplemental benefit increase effective July, 2004.
- Former members of the System who terminated prior to January 1, 1997 with at least five years of service but who were not vested will be deemed vested upon reemployment as a City employee or Constitutional Officer or employee of a Constitutional Officer.

The System's benefit and contribution provisions are summarized in Table 8.

## Summary of Principal Results

Summarized below are the principal financial results for the Employees' Retirement System of the City of Norfolk based upon the actuarial valuation as of June 30, 2004. Comparable results from the June 30, 2003 valuation are also shown.

Item	June 30, 2004	June 30, 2003
<b>Active Members</b>		
➤ Number	3,861	3,815
➤ Annual Compensation	\$ 157,714,411	\$ 152,111,287
➤ Average Compensation	\$ 40,848	\$ 39,872
<b>Members on Leave of Absence</b>		
➤ Number	28	51
<b>Retirees and Beneficiaries</b>		
➤ Number	2,782	2,710
➤ Annual Retirement Allowances	\$ 41,758,872	\$ 38,925,660
➤ Average Annual Allowance	\$ 15,010	\$ 14,364
<b>Terminated Vested Participants</b>		
➤ Number	808	778
➤ Annual Deferred Allowances	\$ 4,632,276	\$ 4,345,413
➤ Average Annual Allowance	\$ 5,733	\$ 5,585
<b>Contribution Rate (as a Percentage of Payroll)</b>		
➤ Appropriated in Year Beginning	July 1, 2005	July 1, 2004
➤ Normal Rate	12.79%	13.03%
➤ Accrued Liability Rate	<u>1.84</u>	<u>1.74</u>
➤ Total	14.63%	14.77%
<b>Actuarial Funded Status (Actuarial Value)</b>		
➤ Accrued Liability	\$ 845,670,244	\$ 813,236,467
➤ Actuarial Value of Assets	<u>(816,120,329)</u>	<u>(760,502,908)</u>
➤ Unfunded (Overfunded) Accrued Liability	\$ 29,549,915	\$ 52,733,559
➤ Funded Ratio	96.5%	93.5%
<b>Actuarial Funded Status (Market Value)</b>		
➤ Accrued Liability	\$ 845,670,244	\$ 813,236,467
➤ Market Value of Assets	<u>(816,120,329)</u>	<u>(750,208,923)</u>
➤ Unfunded (Overfunded) Accrued Liability	\$ 29,549,915	\$ 63,027,544
➤ Funded Ratio	96.5%	92.2%

## Five-Year History of Principal Financial Results

### Contribution Rate

The results of the valuation as of June 30, 2004 determine the contribution rate for the year beginning July 1, 2005. The contribution rate for general employees is 11.10%. The contribution rate for firefighters and police is 20.84%. The total composite contribution rate is 14.63% of annual compensation. The City Code provides that each year the Board of Trustees must certify to the City Manager the amount of appropriation required for the ensuing year to meet the normal and accrued liability contributions payable by the City. It is recommended to the Board that the certification for the payment in the year beginning July 1, 2005 be based on the above contribution rates.

### Reasons for Change in the Rate

The employer contribution rate decreased from 14.77% for the fiscal year beginning July 1, 2004 to 14.63% for the fiscal year beginning July 1, 2005, a decrease of 0.14 percentage points. The primary reasons for this increase are as follows:

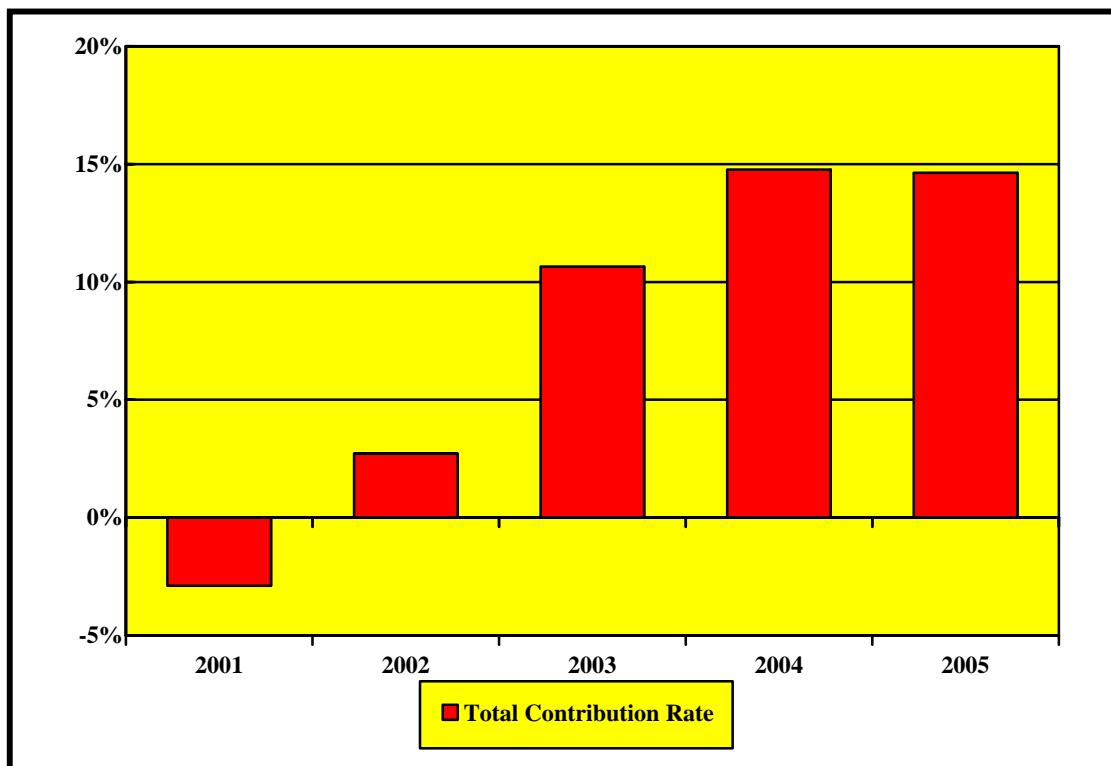
• System amendments (1.5% COLA, etc.)	0.32%
• Investment returns less than assumed rate	2.40
• Change in actuarial asset method	(3.40)
• Change in amortization of unfunded accrued liability	1.64
• Other actuarial gains or losses (including impact of increase in payroll on accrued liability rate)	<u>(1.10)</u>
	(0.14)%

**Five-Year History of Contribution Rates**  
(As a % of payroll)

Year Beginning July 1	Contribution Rate		
	Normal Cost	Unfunded Accrued Liability	Total
2005	12.79%	1.84%	14.63%
2004	13.03	1.74	14.77
2003	13.06	(2.41)	10.65
2002	13.09	(10.38)	2.71
2001	13.07	(15.96)	(2.89)

The following chart shows the System's five-year history of contribution rates:

**Five-Year History of Contribution Rates**



## Actuarial Funded Status

The System's actuarial funded status is measured by comparing the actuarial value of assets (based on a 3-year moving average market value) with the accrued liability. The accrued liability is the present value of benefits accumulated to date under the System's funding method and reflects future pay increases for active employees.

On this basis, the System's funded ratio is 96.5% as of June 30, 2004. The funded ratio is based on an actuarial value of assets of \$816,120,329 and an accrued liability of \$845,670,244.

## Reasons for Change in the Funded Ratio

The funded ratio increased from 93.5% as of June 30, 2003 to 96.5% as of June 30, 2004, an increase of 3.0 percentage points. The primary reasons for this decrease are:

- System amendments (1.5% COLA, etc.) (0.6)%
- Investment returns less than assumed rate (4.5)
- Change in actuarial asset method 6.5
- Other actuarial gains or losses 1.4
- Contribution toward unfunded accrued liability 0.2

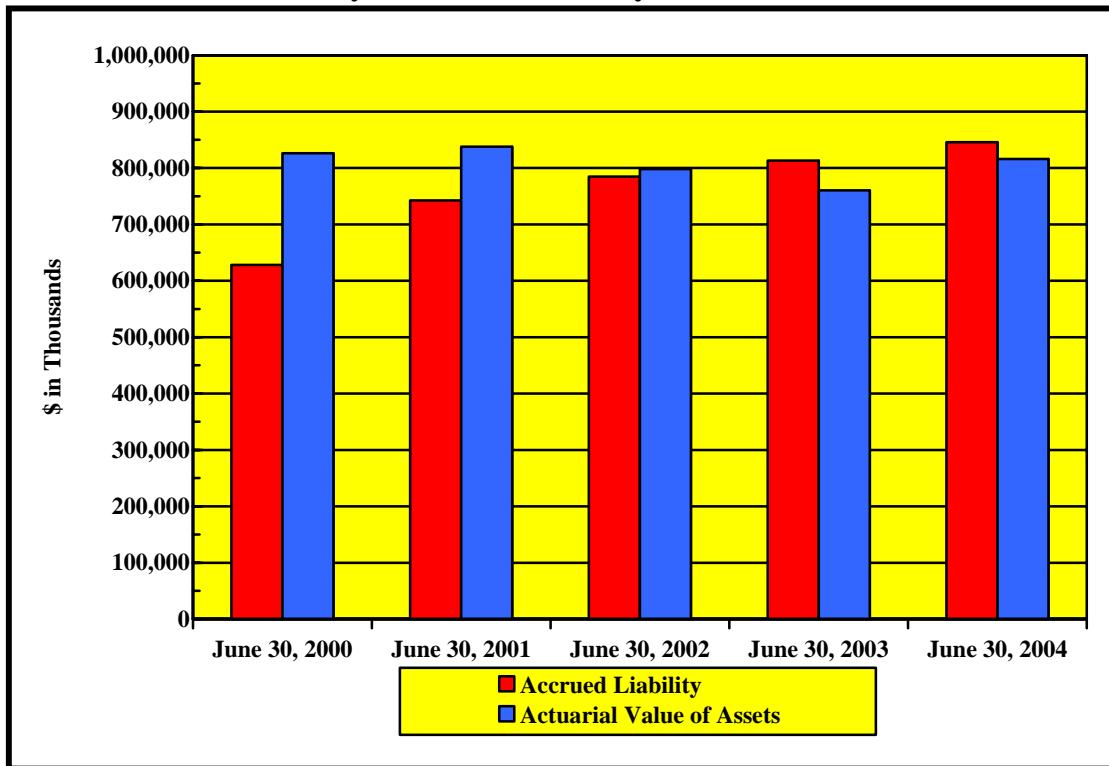
3.0%

## Five-Year History of Funded Ratio (\$ results reported in thousands)

Valuation as of June 30	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio
2004	\$ 845,670	\$ 816,120	\$ 29,550	96.5%
2003	813,237	760,503	52,734	93.5
2002	784,652	798,071	(13,419)	101.7
2001	742,603	838,074	(95,471)	112.9
2000	628,252	826,439	(198,187)	131.5

The following chart shows the System's five-year history of the accrued liability and the actuarial value of assets:

**Five-Year History of Accrued Liability and Actuarial Value of Assets**



### Rate of Return

The investment return of the trust fund based on the market value of assets (i.e., total return including both realized and unrealized gains and losses) for fiscal years ending June 30, 2000 through June 30, 2004 is shown below. The return based on the actuarial value of assets used for determining the annual contribution rate is also shown.

Fiscal Year Ending June 30	Rate of Return Based on	
	Market Value	Actuarial Value
2004	11.2%	9.7%
2003	5.4	(2.5)
2002	(7.6)	(0.9)
2001	(2.3)	5.4
2000	8.8	11.9

## **GASB No. 25 Disclosure**

Statement No. 25 of the Governmental Accounting Standards Board established reporting standards for the annual financial reports of defined benefit pension plans. The System recognized Statement No. 25 beginning with the June 30, 1997 valuation. The statement requires disclosure of the “schedule of funding progress” and the “schedule of employer contributions” in the System’s financial statements.

### **Schedule of Funding Progress**

The “schedule of funding progress,” presented in Table 5, shows historical trend information about the System’s actuarial value of assets, the actuarial accrued liability and the unfunded actuarial accrued liability. The actuarial funded status is measured by comparing the actuarial value of assets (based on a 3-year moving average market value) with the accrued liability. The accrued liability is the present value of benefits accumulated to date under the System’s funding method and reflects future pay increases for active employees. On a GASB No. 25 basis, the System’s funded ratio is 96.5% as of June 30, 2004. The funded ratio is based on an actuarial value of assets of \$816,120,329 and an accrued liability of \$845,670,244.

The GASB No. 25 basis for measuring the funding progress of the System is the same as the basis which has been used historically by the System for measuring its funded position.

### **Schedule of Employer Contributions**

The “schedule of employer contributions,” presented in Table 6, 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 is 40 years. The maximum amortization period decreases to 30 years in 2006. The employer contributions to the System are equal to the normal cost plus 20-year amortization of the unfunded accrued liability. The System’s financing objectives are based on a 20-year amortization period which is fiscally sound. The employer contributions to the System are equal to 100% of the ARC.

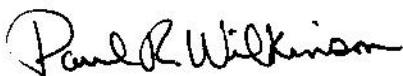
The actuarial assumptions and methods comply with the parameters set forth in GASB No. 25.

The remainder of the report is comprised of the following sections or schedules:

- Table 1 — Summary of Results of Actuarial Valuation as of June 30, 2004
- Table 2 — Summary of Market Value of Plan Assets as of June 30, 2004
- Table 3 — Derivation of Actuarial Value of Assets as of June 30, 2004
- Table 4 — Analysis of Change in Unfunded Accrued Liability
- Table 5 — Schedule of Funding Progress - GASB Statement No. 25 Disclosure
- Table 6 — Schedule of Employer Contributions - GASB Statement No. 25 Disclosure
- Table 7 — Description of Actuarial Assumptions and Methods
- Table 8 — Summary of Benefit and Contribution Provisions
- Table 9 — Summary of Membership Data as of June 30, 2004
- Exhibit I — Active Membership Data as of June 30, 2004 - Number and Average Annual Salary
- Exhibit II — Retired and Beneficiary Membership Data as of June 30, 2004 – Number and Average Annual Benefit
- Exhibit III — Detailed Tabulations of Data

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

Respectfully submitted,



Paul R. Wilkinson  
Director, Consulting Actuary

Mellon Consultants, LLC  
January 7, 2005



Timothy J. Abramic  
Senior Consultant, Actuary

**TABLE 1**  
**SUMMARY OF RESULTS OF ACTUARIAL VALUATION**  
**AS OF JUNE 30, 2004**

Item	General Employees	Firefighters and Police	Total
<b>Member Data</b>			
1. Number of Members:			
a) Active Members:			
i) Vested	1,862	923	2,785
ii) Non-Vested	<u>782</u>	<u>294</u>	<u>1,076</u>
iii) Total	<u>2,644</u>	<u>1,217</u>	<u>3,861</u>
b) Retirees and Beneficiaries	1,953	829	2,782
c) Terminated Members Entitled to Deferred Vested Allowances:			
i) Lake Taylor City Hospital Employees	144	0	144
ii) Other	<u>542</u>	<u>122</u>	<u>664</u>
iii) Total	<u>686</u>	<u>122</u>	<u>808</u>
d) Members on Leave of Absence:			
i) Vested	11	6	17
ii) Non-Vested	<u>6</u>	<u>5</u>	<u>11</u>
iii) Total	<u>17</u>	<u>11</u>	<u>28</u>
2. Annual Compensation	\$100,685,330	\$ 57,029,081	\$157,714,411
3. Annual Retirement Allowances	23,982,202	17,688,056	41,670,258
4. Annual Deferred Allowances	3,776,947	855,329	4,632,276

**TABLE 1**

**SUMMARY OF RESULTS OF ACTUARIAL VALUATION**  
**AS OF JUNE 30, 2004**

(Continued)

Item	General Employees	Firefighters and Police	Total
<b>Valuation Results</b>			
5. Accrued Liability:			
a) Active Members:			
i) Service and Vesting Pensions	\$ 208,349,864	\$ 185,459,581	\$393,809,445
ii) Disability Pensions	9,305,362	15,492,238	24,797,600
iii) Death in Service Pensions	<u>2,668,651</u>	<u>2,923,586</u>	<u>5,592,237</u>
iv) Total	\$ 220,323,877	\$203,875,405	\$424,199,282
b) Retirees and Beneficiaries	219,682,087	175,668,493	395,350,580
c) Terminated Vested Members	<u>21,841,589</u>	<u>4,278,793</u>	<u>26,120,382</u>
d) Total	\$ 461,847,553	\$383,822,691	\$845,670,244
6. Actuarial Value of Assets	465,925,636	350,194,693	816,120,329
7. Unfunded Accrued Liability (Surplus) (5d) - (6)	(4,078,083)	33,627,998	29,549,915
8. Annual Payroll	100,685,330	57,029,081	157,714,411
9. Contribution Rate for Year Beginning July 1, 2005			
a) Normal	11.50%	15.06%	12.79%
b) Accrued Liability	(0.40)%	5.78%	1.84%
c) Total	11.10%	20.84%	14.63%

**TABLE 2****SUMMARY OF MARKET VALUE OF PLAN ASSETS  
AS OF JUNE 30, 2004**

1. Market Value of Assets as of June 30, 2003 (Includes contribution receivable of 17,046,924 paid in year ended June 30, 2004)	\$ 750,208,923
2. Disbursements During Year Ended June 30, 2004	39,535,845
3. Investment Return During Year Ended June 30, 2004 (a) Interest and Dividend Income	\$ 15,018,467
(b) Realized Appreciation (Depreciation)	57,521,710
(c) Unrealized Appreciation (Depreciation)	12,358,185
(d) Expenses	<u>(2,920,855)</u>
(e) Net Investment Return (a) + (b) + (c) + (d)	\$ 81,977,507
4. Market Value of Assets as of June 30, 2004 Without Contribution Receivable: (1) - (2) + (3)	792,650,585
5. Contribution Receivable as of June 30, 2004 (Payable in year ending June 30, 2005)	23,469,744
6. Market Value of Assets as of June 30, 2004 Including Contribution Receivable: (4) + (5)	816,120,329
7. Rate of Return on Market Value (reduced for expenses)	11.2%
<b>Asset Allocation</b>	
1. Annuity Savings Account	\$ 316,409
2. Pension Accumulation Account	<u>815,803,920</u>
3. Total	\$ 816,120,329

**TABLE 3****DERIVATION OF ACTUARIAL VALUE  
OF ASSETS AS OF JUNE 30, 2004**

1. Market Value of Assets as of June 30, 2004			\$ 816,120,329
2. Determination of Deferred Gain (Loss)			
Fiscal Year Ending	Investment Gains (Losses)	Portion Deferred	Deferred Amount
June 30, 2004	N/A	66-2/3%	\$ 0
June 30, 2003	N/A	33-1/3%	0
Total			\$ 0
3. Actuarial Value of Assets (1) - (2)			\$ 816,120,329
4. Rate of Return on Actuarial Value			9.7 %
<b>Allocation of Actuarial Value of Assets</b>			
1. General Employees			\$ 465,925,636
2. Firefighters and Police			350,194,693
3. Total			\$ 816,120,329

Note: The asset method was changed effective June 30, 2004. The initial asset value was set to the market value on June 30, 2004, so there are no deferred gains (losses).

**TABLE 4****ANALYSIS OF CHANGE IN UNFUNDED ACCRUED LIABILITY**

1. Unfunded (Overfunded) Accrued Liability at June 30, 2003	\$ 52,733,559
2. Interest at 7½%	3,955,017
3. Reduction in Unfunded Position Due to Amortization Charges	<u>(3,296,210)</u>
4. Expected Unfunded (Overfunded) Accrued Liability at June 30, 2004	\$ 53,392,366
5. Actual Unfunded (Overfunded) Accrued Liability at June 30, 2004	29,549,915
6. Increase (Decrease) in Unfunded Position from Expected (5) – (4)	\$ (23,842,451)
7. Reasons for Increase (Decrease): – System Amendments	\$ 5,278,313
– Change in actuarial asset method	(54,650,211)
– Experience (Gains) Losses	
(i) Loss from Investment Return on Actuarial Value of Assets	\$ 38,521,813
(ii) Gain from Salary Increases Less Than Expected	(3,706,119)
(iii) Net Gain from Other Liability Sources	<u>(9,286,247)</u>
– Total	<u>25,529,447</u> \$ (23,842,451)

**TABLE 5**

**SCHEDULE OF FUNDING PROGRESS**  
**GASB STATEMENT NO. 25 DISCLOSURE**

Valuation as of June 30	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Accrued Liability as a Percentage of Covered Payroll
2004	\$ 816,120,329	\$ 845,670,244	\$ 29,549,915	96.5%	\$ 157,714,411	18.7%
2003	760,502,908	813,236,467	52,733,559	93.5	152,111,287	34.7
2002	798,070,877	784,652,312	(13,418,565)	101.7	150,674,387	(8.9)
2001	838,073,790	742,603,474	(95,470,316)	112.9	144,155,739	(66.2)
2000	826,438,858	628,252,405	(198,186,453)	131.5	129,850,000	(152.6)
1999	767,766,359	601,376,248	(166,390,111)	127.7	129,003,824	(129.0)
1998	694,245,326	569,893,564	(124,351,762)	121.8	122,203,044	(101.8)
1997	609,164,243	553,094,745	(56,069,498)	110.1	117,921,795	(47.5)
1996	534,776,924	515,097,507	(19,679,417)	103.8	110,526,860	(17.8)
1995	488,300,153	448,427,268	(39,872,885)	108.9	116,685,502	(34.2)

**TABLE 6**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**GASB STATEMENT NO. 25 DISCLOSURE**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2004	\$ 23,469,744	100%
2003	17,046,924	100%
2002	4,343,124	100%
2001	0	100%
2000	0	100%
1999	3,456,936	100%
1998	10,158,768	100%
1997	12,132,036	100%
1996	9,903,324	100%
1995	11,240,988	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 June 30, 2003 was accrued and payable for the fiscal year ending June 30, 2004). Additional information as of the latest actuarial valuation is as follows:

Valuation Date:	June 30, 2004
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Level dollar open
Amortization Period:	20 years
Asset Valuation Method:	3-year smoothed market
Actuarial Assumptions:	
- Investment Rate of Return *	7.5%
- Projected Salaried Increases *	4.6 - 7.6%
	(*Includes inflation at 3.5%)

**TABLE 7****DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS****ASSUMPTIONS**

INTEREST RATE: 7½% per annum, compounded annually (adopted as of June 30, 1990).

SEPARATION FROM ACTIVE SERVICE: Illustrative rates of assumed separation from service are as follows (adopted as of June 30, 2001).

**GENERAL EMPLOYEES:**

Age	Withdrawal	Disability*		Death**	
		Male	Female	Male	Female
20	20.35%	0.13%	0.09%	0.09%	0.03%
25	17.37	0.15	0.11	0.11	0.03
30	9.27	0.18	0.12	0.10	0.04
35	6.81	0.29	0.20	0.11	0.05
40	5.60	0.44	0.30	0.16	0.07
45	3.91	0.68	0.47	0.24	0.10
50	2.51	1.01	0.69	0.35	0.16
54	1.45	1.32	0.90	0.49	0.26
55		1.41	0.96	0.54	0.29
59		2.05	1.40	0.85	0.48

\*7.5% of disabilities are assumed to be accidental

\*\*1.5% of deaths are assumed to be accidental

Age	Early Retirement	Normal Service Retirement
40	10.00%	
45	10.00	25.00%
50	10.00	30.00
53	5.00	35.00
55	5.00	35.00
56	5.00	35.00
57	5.00	35.00
58	5.00	35.00
59		30.00
60		30.00
61		30.00
62		30.00
63		25.00
64		25.00
65		25.00
66		20.00
67		20.00
68		15.00
69		15.00
70		100.00

**TABLE 7**
**DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS**  
(Continued)
**FIREFIGHTERS AND POLICE:**

Age	Withdrawal	Disability		Death*	
		Accidental	Ordinary	Male	Female
20	11.90%	0.03%	0.04%	0.09%	0.03%
25	7.57	0.05	0.06	0.11	0.03
30	3.43	0.07	0.09	0.10	0.04
35	1.76	0.10	0.12	0.11	0.05
40	0.95	0.25	0.18	0.16	0.07
45	0.34	0.47	0.32	0.24	0.10
50		0.79	0.55	0.35	0.16
54		1.06	0.74	0.49	0.26
55		1.13	0.79	0.54	0.29
59		1.49	1.03	0.85	0.48

\*40% of deaths are assumed to be accidental

Age	Early Retirement	Normal Service Retirement
40	5.00%	25.00%
45	5.00	25.00
48	3.00	25.00
50	3.00	25.00
51		25.00
52		25.00
53		20.00
54		20.00
55		20.00
56		20.00
57		20.00
58		20.00
59		20.00
60		20.00
61		20.00
62		100.00

NOTE: Rates apply to each member based on eligibility requirements as defined in Table 8 of this report.

**TABLE 7**

**DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS**  
(Continued)

**SALARY INCREASE:** Effective average of 5.35% per annum, compounded annually. The components are 3½% for inflation, ¾% for national productivity and 1.1% for merit or seniority increases (adopted as of June 30, 1996). Representative values are as follows:

Age	Annual Rate of Salary Increase
20	7.6%
25	7.1
30	6.6
35	6.1
40	5.6
45	5.1
50	4.6
55	4.6
60	4.6
65	4.6
69	4.6

**DEATH AFTER RETIREMENT:** The 1995 George B. Buck Mortality Tables with ages rated forward one year for members and two years for beneficiaries. Special mortality tables are used for disability retirements. (Adopted as of June 30, 2001.)

**FUTURE EXPENSES:** The assumed interest rate is net of the anticipated future administrative expenses of the fund.

**LOADING OR CONTINGENCY RESERVES:** None.

**MARITAL STATUS:** 65% of the general employees and 80% of the firefighters and police are assumed to be married, with the males three years older than females.

**METHODS**

**ACTUARIAL COST METHOD:** Projected unit credit cost method. Gains and losses are reflected in the unfunded accrued liability. The unfunded accrued liability is amortized on an open, 20-year level dollar basis.

**TABLE 7****DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS**  
(Continued)

**ASSET VALUATION METHOD:** The valuation assets are determined as the market value less (1) 66 $\frac{2}{3}\%$  of investment gain (loss) during the preceding year, less (2) 33 $\frac{1}{3}\%$  of investment gain (loss) during the second preceding year. For the purpose of this calculation, the gain (loss) is defined as the difference between the actual and the expected return (based on the valuation interest rate) on the market value of assets during the year. This method was adopted as of June 30, 2004. To transition into this method, the valuation assets as of June 30, 2004 was set equal to the market value. The valuation assets on June 30, 2005 will reflect the market value on that date less 66 $\frac{2}{3}\%$  of investment gain (loss) during the preceding 12 months. The transition will be complete as of June 30, 2006, when the valuation assets will be the market value on that date less 66 $\frac{2}{3}\%$  of investment gain (loss) during the preceding year, less 33 $\frac{1}{3}\%$  of investment gain (loss) during the second preceding year.

**DATA**

**CENSUS AND ASSETS:** The valuation was based on members of the System as of June 30, 2004 and does not take into account future members. All census data was supplied by the Executive Secretary of the System and was subject to reasonable consistency checks. Asset data was supplied by the Executive Secretary and the accountants of the System.

**TABLE 8****SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS**

**The following is intended to summarize the key benefits valued in this valuation. Members of the System and other parties should not rely on this summary as a substitute for or interpretation of the laws and ordinances of the Norfolk City Code covering this retirement plan.**

**MEMBERSHIP**

Any employee entering the service of the City is required to become a member of the Retirement System. Upon entering the System, members are classified according to their occupational group, either as general employees, firefighters, police officers or paramedic employees.

Paramedic employees, formerly members of the General Employees Group, were reclassified as members of Firefighters and Police effective June 9, 1992. City Council members on or after July 1, 2001 are classified as members of Firefighters and Police.

For each full calendar year beginning on or after January 1, 1997, any permanent part-time employees shall be members of and entitled to benefits in proportion to which their annual hours bear to that of full-time employees.

**BENEFITS****Normal Service Retirement Allowance**

Eligibility	The earlier of age 60 or 30 years of creditable service for general employees. The earlier of age 55 or 25 years of creditable service for firefighters, police officers and paramedics. Mandatory retirement is age 62 for firefighters and police officers.
Amount	
Employees Hired Before July 1, 1980	1/50 of average final compensation for each year of creditable service.
	Effective January 1, 1997 for general employees, the maximum number of years of creditable service is the greater of 35 years or the number of years of service as of December 31, 1996.
	For firefighters, police officers and paramedics, the pension earned is 2.5% of average final compensation for each year of creditable service up to a maximum of 65% of average final compensation.

**TABLE 8****SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS**  
(Continued)

Employees Hired on or After July 1, 1980	<p>1.75% of average final compensation for each year of creditable service up to a maximum of 35 years for general employees.</p> <p>For firefighters, police officers and paramedics, the pension earned is 2.5% of average final compensation for each year of creditable service up to a maximum of 65% of average final compensation.</p> <p>“Average Final Compensation” means the average annual earnable compensation for the three years of creditable service which produces the highest average. Creditable service consists of membership service plus 100% of accumulated unused sick leave for all employees except firefighters. For firefighters, 46% of unused sick leave accumulated prior to July 1, 1985 and 100% of unused sick leave accumulated on and after July 1, 1985 is included.</p>
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**Early Service Retirement Allowance**

Eligibility	Within 5 years of eligibility for normal service retirement.
Amount	Accrued service retirement allowance deferred to normal service retirement age. A member may elect to receive an immediate benefit equal to the accrued service retirement allowance reduced by $\frac{1}{4}$ of 1% for each month commencement date precedes the normal retirement date for general employees and $\frac{1}{2}$ of 1% for each month commencement date precedes the normal retirement date for firefighters, police officers and paramedics.

**Vested Allowance**

Eligibility	5 years of creditable service.
Amount	Accrued service retirement allowance deferred to normal retirement age. If not eligible for retirement, a member may elect to leave his contributions made prior to July 1, 1972 with interest, if any, in the System until normal service retirement date.

**TABLE 8****SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS**  
(Continued)**Ordinary Disability Retirement Allowance**

Eligibility	5 years of creditable service and total and permanent disability not due to an accident in the performance of duty.
Amount	Accrued service retirement allowance with a minimum of 25% of average final compensation. The minimum cannot exceed the normal service retirement allowance based on average final compensation and creditable service projected to normal service retirement date.

**Accidental Disability Retirement Allowance**

Eligibility	Total and permanent disability as a result of an accident in the performance of duty, regardless of the length of service. Applications must be filed within 6 years from date of accident.
Amount	The disability of a firefighter, police officer, sheriff or deputy sheriff caused by hypertension, heart disease or respiratory disease is presumed to have been suffered in the line of duty unless the contrary is shown by medical evidence.

66 $\frac{2}{3}$ % of average final compensation.

**Ordinary Death Benefit**

Eligibility	Death in active service due to causes not the result of an accident in the performance of duty. Benefits are paid to a designated beneficiary or estate.
Amount	All contributions, if any, made by the member with not less than one-half of the interest credited are paid. In addition, if the member had one year of creditable service if he became a member prior to July 1, 1979 and five years of creditable service if he became a member on or after July 1, 1979, an additional lump sum benefit equal to 50% of his earnable compensation during the year immediately preceding his death is payable. If a member dies in service after the earlier of completion of ten years of service or early service retirement eligibility and if the designated beneficiary for the lump sum death benefit is the spouse, the spouse may elect to receive, in lieu of the lump sum death benefit, a monthly pension payable until death or

**TABLE 8****SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS**  
(Continued)

remarriage. If the member was eligible for early or normal service retirement, the spouse's benefit is equal to one-half of the retirement allowance that would have been payable to the member had the member retired and immediately commenced payment. If the member was not eligible for early or normal service retirement, the spouse's benefit is equal to one-half of the normal service retirement allowance which would have been payable to the member if he or she had been vested, such benefit to commence at the same time as the vested benefit would have been paid to the member. If the spouse dies or remarries before the youngest unmarried child attains age 18, the pension shall continue to the date that all the children have died, married, or attained age 18, whichever occurs first. If the spouse was receiving benefits on or before June 30, 1978, payments shall continue after remarriage with no further payments after death.

**Accidental Death Benefit**

Eligibility	Death in active service resulting from an accident in the performance of duty within 6 years from the date of the accident. The death of a firefighter, police officer, sheriff or deputy sheriff caused by hypertension, heart disease or respiratory disease in the case of firefighters is presumed to have been suffered in the line of duty, unless the contrary is shown by medical evidence.
Amount	50% of average final compensation is payable to spouse until death or remarriage. If there is no spouse or if spouse dies or remarries, benefit is payable to children under age 18 or dependent parents. In addition, all contributions, if any, made by the member with not less than one-half of the interest credited are paid to his designated recipient or estate. If there is no spouse, a lump sum benefit equal to 50% of his earnable compensation during the year immediately preceding his death is payable.
<b>Offset on Account of Workers' Compensation</b>	All benefits paid under the provisions of any workers' compensation act or any similar law to any member or beneficiary, or to the dependents of any member or beneficiary on account of any disability or death are in such manner as the Board determines, offset against any benefits provided from City contributions to the System.

**TABLE 8****SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS**  
(Continued)**Death Benefit After Retirement**

Eligibility	Death of a retired member receiving retirement allowance payments and who completed five years of creditable service if he became a member after July 1, 1979 or of a spouse receiving an accidental death benefit.
Amount	Lump sum equal to one-half of the average final compensation on which the retirement allowance of the deceased retired member or spouse was based. The lump sum is payable to the surviving spouse, to unmarried children under age 18, or unmarried children over age 18 who are physically or mentally unable to make a living.
	In the case of a retired member who dies and leaves a surviving spouse, the spouse may elect to receive, in lieu of the lump sum death benefit, a monthly benefit payable until death or remarriage which is equal to one-half of the retirement allowance which the deceased member was receiving at the time of his death, provided the member had not made an optional election. If the spouse dies or remarries before the youngest unmarried child attains age 18, the pension will continue to the date that all the children have died, married or attained age 18, whichever occurs first. If the spouse was receiving payments on or before June 30, 1978, payments shall continue after remarriage with no further payments after death.

**Return of Contributions**

Eligibility	Termination of membership prior to death.
Amount	If not eligible for a retirement allowance, all contributions with not less than one-half of interest credited. If eligible for normal or early service, ordinary disability, accidental disability or vested retirement allowance, his contributions, if any, with not less than one-half of the interest credited. The member may elect, prior to the commencement of his retirement allowance, to receive an annuity which is the actuarial equivalent of his accumulated contributions.

**TABLE 8**

**SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS**  
**(Continued)**

**NORMAL AND OPTIONAL FORMS OF BENEFITS**

Normal Life	Life Annuity
Option A	A reduced pension with the provision that at death, the reduced pension will be continued throughout the life of the designated beneficiary.
Option B	A reduced pension with the provision that at death, one-half of the reduced pension will be continued throughout the life of the designated beneficiary.
Option C	A reduced pension with the provision that at death, some other benefit approved by the Board will be payable.

**CONTRIBUTIONS**

By Members	No contributions are required.
By City	Annual contributions actuarially computed to be required to cover the cost of benefits of the System.

**TABLE 9****SUMMARY OF MEMBERSHIP DATA AS OF JUNE 30, 2004****ACTIVE MEMBERS**

Item	Total
Number of Members	
- General Employees	2,644
- Firefighters and Police	<u>1,217</u>
- Total	3,861
Annual Compensation	
- General Employees	\$ 100,685,330
- Firefighters and Police	<u>57,029,081</u>
- Total	\$ 157,714,411
Average Age	
- General Employees	46.0
- Firefighters and Police	40.4
- Total	44.2
Average Service	
- General Employees	12.3
- Firefighters and Police	<u>13.8</u>
- Total	12.7

Note: Included in active members data are 17 members of the General Employees group and 11 members of the Firefighters and Police group who are on leaves of absence without pay.

**TABLE 9**

**SUMMARY OF MEMBERSHIP DATA AS OF JUNE 30, 2004**  
 (Continued)

**RETIREES AND BENEFICIARIES**

Item	Number	Annual Benefit	Average Annual Benefit
Retired Members			
- General Employees	1,410	\$ 19,854,228	\$ 14,081
- Firefighters and Police	<u>526</u>	<u>13,826,054</u>	26,285
- Sub-Total	1,936	\$ 33,680,282	17,397
Contingent Annuitants			
- General Employees	320	\$ 1,691,588	\$ 5,286
- Firefighters and Police	<u>157</u>	<u>1,229,582</u>	7,832
- Sub-Total	477	\$ 2,921,170	6,124
Disabled Annuitants			
- General Employees	223	\$ 2,436,386	\$ 10,925
- Firefighters and Police	<u>146</u>	<u>2,632,420</u>	18,030
- Sub-Total	369	\$ 5,068,806	13,737
Total			
- General Employees	1,953	\$ 23,982,202	\$ 12,280
- Firefighters and Police	<u>829</u>	<u>17,688,056</u>	21,337
- Grand Total	2,782	\$ 41,670,258	14,979

**EXHIBIT I****ACTIVE MEMBERSHIP DATA AS OF JUNE 30, 2004****NUMBER AND AVERAGE ANNUAL SALARY****GENERAL EMPLOYEES**

AGE	SERVICE									TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
UNDER 25	43									43 \$23,876
25-29	106	16								122 \$28,732
30-34	149	48	18							215 \$33,818
35-39	147	69	30	27	1					274 \$33,165
40-44	151	107	59	88	43	1				449 \$34,653
45-49	111	96	57	71	107	49	6			497 \$38,199
50-54	75	71	46	59	93	98	64	2		508 \$43,436
55-59	40	46	32	45	56	56	59	12		346 \$44,448
60-64	22	20	13	27	26	20	20	5		153 \$42,367
OVER 65	4	6	5	7	8	2	4		1	37 \$35,805
TOTAL	848	479	260	324	334	226	153	19	1	2,644 \$38,081

**EXHIBIT I****ACTIVE MEMBERSHIP DATA AS OF JUNE 30, 2004****NUMBER AND AVERAGE ANNUAL SALARY**  
(Continued)**FIREFIGHTERS AND POLICE**

AGE	<u>SERVICE</u>									TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
UNDER 25	46									46
	\$32,952									\$32,952
25-29	94	23								117
	\$35,244	\$37,992								\$35,784
30-34	97	88	11							196
	\$36,180	\$40,072	\$44,886							\$38,416
35-39	40	76	51	38						205
	\$35,037	\$38,901	\$45,282	\$49,895						\$41,772
40-44	12	27	41	90	60	1				231
	\$34,891	\$38,835	\$44,612	\$50,286	\$56,894	\$59,163				\$48,896
45-49	5	8	13	40	85	41	2			194
	\$34,387	\$36,176	\$47,093	\$48,111	\$55,989	\$62,328	\$61,115			\$53,788
50-54	1	4	3	11	21	69	29			138
	\$128,000	\$39,297	\$41,870	\$45,884	\$55,597	\$63,149	\$60,408			\$59,364
55-59	1		4	3	4	18	38	11		79
	\$25,000		\$33,196	\$49,008	\$54,949	\$55,300	\$64,689	\$64,705		\$59,366
60-64	1				1	3	6			11
	\$25,000				\$69,126	\$51,275	\$62,312			\$56,529
OVER 65										
TOTAL	297	226	123	182	170	130	72	17		1,217
	\$35,381	\$39,167	\$44,738	\$49,439	\$56,236	\$61,819	\$62,306	\$63,860		\$46,860

**EXHIBIT I****ACTIVE MEMBERSHIP DATA AS OF JUNE 30, 2004****NUMBER AND AVERAGE ANNUAL SALARY**  
(Continued)**TOTAL**

AGE	SERVICE									TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
UNDER 25	89									89
	\$28,567									\$28,567
25-29	200	39								239
	\$31,794	\$34,186								\$32,184
30-34	246	136	29							411
	\$34,394	\$38,780	\$36,743							\$36,011
35-39	187	145	81	65	1					479
	\$31,978	\$37,431	\$41,427	\$43,771	\$42,543					\$36,849
40-44	163	134	100	178	103	2				680
	\$30,226	\$35,630	\$39,794	\$44,282	\$50,514	\$44,133				\$39,491
45-49	116	104	70	111	192	90	8			691
	\$33,092	\$35,347	\$39,648	\$43,015	\$48,658	\$51,493	\$47,269			\$42,576
50-54	76	75	49	70	114	167	93	2		646
	\$36,364	\$38,440	\$39,326	\$45,701	\$47,099	\$55,238	\$51,779	\$37,650		\$46,838
55-59	41	46	36	48	60	74	97	23		425
	\$38,097	\$39,436	\$42,101	\$42,080	\$44,369	\$51,375	\$56,191	\$54,037		\$47,221
60-64	23	20	13	27	26	21	23	11		164
	\$45,770	\$33,531	\$43,011	\$41,012	\$40,143	\$46,678	\$45,316	\$58,907		\$43,317
OVER 65	4	6	5	7	8	2	4		1	37
	\$27,872	\$18,585	\$33,218	\$35,007	\$37,189	\$87,638	\$44,537		\$39,704	\$35,805
TOTAL	1,145	705	383	506	504	356	225	36	1	3,861
	\$32,836	\$36,829	\$40,062	\$43,623	\$47,541	\$53,103	\$52,731	\$54,615	\$39,704	\$40,848

**EXHIBIT II****RETIRED AND BENEFICIARY MEMBERSHIP DATA  
AS OF JUNE 30, 2004****NUMBER AND AVERAGE ANNUAL BENEFIT****GENERAL EMPLOYEES**

Age Last Birthday	Number	Annual Benefit	Average Annual Benefit
<b>Retired Members</b>			
Under 60	217	\$ 4,595,878	\$ 21,179
60 - 64	230	3,778,379	16,428
65 - 69	244	3,624,277	14,854
70 - 74	230	2,944,720	12,803
75 - 79	217	2,490,765	11,478
Over 79	<u>272</u>	<u>2,420,209</u>	8,898
Total	1,410	\$ 19,854,228	14,081
<b>Contingent Annuitants</b>			
Under 60	37	\$ 245,244	\$ 6,628
60 - 64	33	193,508	5,864
65 - 69	32	207,368	6,480
70 - 74	57	354,043	6,211
75 - 79	57	301,372	5,287
Over 79	<u>104</u>	<u>390,053</u>	3,751
Total	320	\$ 1,691,588	5,286
<b>Disabled Annuitants</b>			
Under 60	120	\$ 1,453,482	\$ 12,112
60 - 64	43	564,724	13,133
65 - 69	27	244,676	9,062
70 - 74	14	92,081	6,577
75 - 79	11	53,454	4,859
Over 79	<u>8</u>	<u>27,969</u>	3,496
Total	223	\$ 2,436,386	10,925
Grand Total	1,953	\$23,982,202	\$ 12,280

**EXHIBIT II****RETIRED AND BENEFICIARY MEMBERSHIP DATA  
AS OF JUNE 30, 2004****NUMBER AND AVERAGE ANNUAL BENEFIT**  
(Continued)**FIREFIGHTERS AND POLICE**

Age Last Birthday	Number	Annual Benefit	Average Annual Benefit
<b>Retired Members</b>			
Under 60	230	\$ 6,002,922	\$ 26,100
60-64	88	2,618,403	29,755
65-69	82	2,417,813	29,486
70-74	46	1,153,962	25,086
75-79	54	1,205,455	22,323
Over 79	<u>26</u>	<u>427,499</u>	16,442
Total	526	\$ 13,826,054	26,285
<b>Contingent Annuitants</b>			
Under 60	25	\$ 270,517	\$ 10,821
60-64	17	176,845	10,403
65-69	18	130,744	7,264
70-74	18	159,481	8,860
75-79	30	208,942	6,965
Over 79	<u>49</u>	<u>283,053</u>	5,777
Total	157	\$ 1,229,582	7,832
<b>Disabled Annuitants</b>			
Under 60	67	\$ 1,359,205	\$ 20,287
60-64	18	378,749	21,042
65-69	26	413,595	15,908
70-74	12	201,950	16,829
75-79	14	170,307	12,165
Over 79	<u>9</u>	<u>108,614</u>	12,068
Total	146	\$ 2,632,420	18,030
Grand Total	829	\$ 17,688,056	\$ 21,337

**EXHIBIT II**

**RETIRED AND BENEFICIARY MEMBERSHIP DATA  
AS OF JUNE 30, 2004**

**NUMBER AND AVERAGE ANNUAL BENEFIT  
(Continued)**

**TOTAL ALL GROUPS**

Age Last Birthday	Number	Annual Benefit	Average Annual Benefit
<b>Retired Members</b>			
Under 60	447	\$ 10,598,800	\$ 23,711
60 - 64	318	6,396,782	20,116
65 - 69	326	6,042,090	18,534
70 - 74	276	4,098,682	14,850
75 - 79	271	3,696,220	13,639
Over 79	<u>298</u>	<u>2,847,708</u>	9,556
Total	1,936	\$ 33,680,282	17,397
<b>Contingent Annuitants</b>			
Under 60	62	\$ 515,761	\$ 8,319
60 - 64	50	370,353	7,407
65 - 69	50	338,112	6,762
70 - 74	75	513,524	6,847
75 - 79	87	510,314	5,866
Over 79	<u>153</u>	<u>673,106</u>	4,399
Total	477	\$ 2,921,170	6,124
<b>Disabled Annuitants</b>			
Under 60	187	\$ 2,812,687	\$ 15,041
60 - 64	61	943,473	15,467
65 - 69	53	658,271	12,420
70 - 74	26	294,031	11,309
75 - 79	25	223,761	8,950
Over 79	<u>17</u>	<u>136,583</u>	8,034
Total	369	\$ 5,068,806	13,737
Grand Total	2,782	\$ 41,670,258	\$ 14,979

**EXHIBIT III****DETAILED TABULATIONS OF DATA**

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**EXHIBIT III**

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**TABLE 1**

**THE NUMBER AND ANNUAL COMPENSATION  
OF MEMBERS DISTRIBUTED BY AGE  
AS OF JUNE 30, 2004**

**GENERAL EMPLOYEES**

<b>AGE</b>	<b>MALES</b>		<b>FEMALES</b>	
	<b>NUMBER</b>	<b>SALARIES</b>	<b>NUMBER</b>	<b>SALARIES</b>
19	2	\$ 40,000		
20	2	35,627		
21	2	44,226	2	\$ 33,056
22	6	130,501	2	44,486
23	4	113,513	3	69,430
24	12	317,743	8	198,075
25	10	252,211	13	364,270
26	15	409,157	9	239,906
27	5	150,722	11	316,804
28	12	312,578	12	329,151
29	14	422,388	21	708,061
30	16	443,707	24	720,480
31	23	730,712	16	584,372
32	21	690,321	17	628,218
33	25	816,992	23	783,055
34	22	904,609	28	968,437
35	29	969,245	22	716,911
36	22	673,256	26	779,195
37	24	841,943	28	968,459
38	30	971,044	28	1,040,862
39	34	1,183,419	31	943,002
40	41	1,436,127	40	1,249,831
41	44	1,455,400	30	1,060,508
42	54	1,966,577	41	1,333,169
43	60	2,161,050	37	1,192,614
44	55	1,991,416	47	1,712,385
45	47	1,641,075	34	1,196,064
46	55	1,972,885	41	1,543,350
47	56	2,220,358	53	2,077,079
48	54	2,246,848	46	1,721,125
49	63	2,503,792	48	1,862,300
50	68	2,775,614	46	1,794,781
51	53	2,523,370	60	2,678,948
52	45	1,980,511	44	1,944,292
53	41	1,782,292	54	2,210,940
54	54	2,534,943	43	1,839,732
55	43	1,774,890	44	1,949,139
56	41	2,035,673	38	1,667,380
57	47	2,108,087	28	1,098,240
58	28	1,161,881	25	1,005,822

**EXHIBIT III****TABLE 1**

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**THE NUMBER AND ANNUAL COMPENSATION  
OF MEMBERS DISTRIBUTED BY AGE  
AS OF JUNE 30, 2004****GENERAL EMPLOYEES**

<b>AGE</b>	<b>MALES</b>		<b>FEMALES</b>	
	<b>NUMBER</b>	<b>SALARIES</b>	<b>NUMBER</b>	<b>SALARIES</b>
59	27	\$ 1,459,476	25	\$ 1,118,269
60	18	923,342	26	1,050,783
61	21	958,175	16	640,208
62	19	862,245	14	574,721
63	13	517,775	11	381,577
64	9	341,067	6	232,288
65	3	125,919	6	214,424
66	3	135,086	4	96,393
67	1	136,869	1	32,215
68	2	68,061	6	190,028
69	3	78,111	1	25,113
70	1	43,826	1	35,559
71	1	30,002	1	39,704
72			1	25,721
73			1	16,873
74	1	30,868		
<b>TOTAL</b>	<b>1,401</b>	<b>\$ 54,437,525</b>	<b>1,243</b>	<b>\$ 46,247,805</b>

EXHIBIT III

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TABLE 2

**THE NUMBER AND ANNUAL COMPENSATION  
OF MEMBERS DISTRIBUTED BY AGE  
AS OF JUNE 30, 2004**

**FIREFIGHTERS AND POLICE**

AGE	MALES		FEMALES	
	NUMBER	SALARIES	NUMBER	SALARIES
21	7	\$ 219,613		
22	8	262,662		
23	11	368,591	1	\$ 22,800
24	17	561,990	2	80,153
25	12	429,205	5	161,997
26	15	528,418	6	209,608
27	16	594,762	2	61,777
28	20	700,681	4	132,054
29	34	1,254,344	3	113,899
30	30	1,137,279	4	143,861
31	37	1,378,547	7	254,277
32	34	1,312,138	1	34,786
33	43	1,705,693	2	70,277
34	35	1,374,883	3	117,795
35	43	1,669,676	1	37,939
36	38	1,539,300	1	29,943
37	37	1,662,540	3	107,885
38	37	1,600,889	6	254,261
39	36	1,529,922	3	130,998
40	55	2,616,322	1	53,550
41	41	2,019,299	4	176,790
42	46	2,290,297	4	177,038
43	36	1,716,175	2	104,931
44	36	1,791,933	6	348,577
45	43	2,168,397	6	310,219
46	35	1,803,147	6	326,476
47	28	1,545,683	2	107,641
48	36	2,044,138	7	367,026
49	27	1,499,244	4	262,829
50	26	1,490,411	2	116,691
51	29	1,653,123		
52	27	1,721,596	5	315,892
53	22	1,240,138	2	115,879
54	23	1,423,925	2	114,520
55	29	1,731,036	1	54,054
56	16	862,051		
57	17	1,102,243	1	53,607
58	13	794,216		
59	2	92,720		
60	7	389,652	1	69,126
61	2	138,046		
62	1	25,000		
<b>TOTAL</b>	1,107	\$ 51,989,925	110	\$ 5,039,156

EXHIBIT III

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TABLE 3

**THE NUMBER AND ANNUAL COMPENSATION  
OF MEMBERS DISTRIBUTED BY  
YEARS OF SERVICE AS OF JUNE 30, 2004**

**GENERAL EMPLOYEES**

SERVICE	MALES		FEMALES	
	NUMBER	SALARIES	NUMBER	SALARIES
0	126	\$ 4,021,671	105	\$ 3,014,369
1	69	2,244,659	57	2,043,544
2	100	3,005,138	101	3,117,842
3	85	2,982,403	86	2,776,653
4	65	2,212,718	54	1,669,976
5	51	1,651,219	58	2,232,435
6	59	2,197,759	47	1,776,878
7	53	2,046,387	66	1,907,856
8	48	1,723,149	39	1,366,575
9	31	1,130,494	27	1,079,970
10	28	1,111,949	15	490,052
11	36	1,180,436	28	947,119
12	17	634,755	14	602,514
13	31	1,159,799	16	592,352
14	40	1,800,074	35	1,321,857
15	31	1,280,519	17	661,562
16	28	1,240,998	33	1,202,285
17	52	2,069,433	32	1,201,118
18	46	1,881,150	27	1,039,956
19	29	1,332,845	29	1,165,483
20	43	1,844,390	28	1,035,577
21	25	982,370	15	669,759
22	43	1,999,148	41	1,698,297
23	36	1,522,000	35	1,505,292
24	26	1,230,817	42	1,912,815
25	28	1,271,931	28	1,222,833
26	27	1,285,994	20	872,828
27	17	739,195	15	783,436
28	17	863,581	20	926,200
29	26	1,528,779	28	1,373,413
30	28	1,286,838	31	1,494,730
31	25	1,325,156	19	884,431
32	13	623,157	9	386,844
33	12	576,741	6	330,753
34	2	82,076	8	387,799
35	1	45,171	7	371,219
36	3	162,760	4	141,479
38	3	124,307		
39	1	35,559		
45			1	39,704
<b>TOTAL</b>	<b>1,401</b>	<b>\$ 54,437,525</b>	<b>1,243</b>	<b>\$ 46,247,805</b>

EXHIBIT III

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TABLE 4

**THE NUMBER AND ANNUAL COMPENSATION  
OF MEMBERS DISTRIBUTED BY  
YEARS OF SERVICE AS OF JUNE 30, 2004**

**FIREFIGHTERS AND POLICE**

SERVICE	MALES		FEMALES	
	NUMBER	SALARIES	NUMBER	SALARIES
0	62	\$ 2,023,830	10	\$ 303,212
1	65	2,236,734	10	335,389
2	40	1,480,321	6	207,627
3	55	2,064,100	8	296,496
4	36	1,369,377	5	191,207
5	32	1,215,648	1	35,643
6	33	1,286,616	2	75,878
7	85	3,322,548	7	248,622
8	33	1,313,481	1	41,917
9	31	1,269,543	1	41,917
10	21	878,561	1	42,214
11	27	1,203,382		
12	19	825,244		
13	26	1,179,831	2	108,155
14	26	1,221,446	1	43,998
15	41	1,967,512	5	242,927
16	30	1,476,329	4	149,931
17	27	1,321,476	7	361,077
18	43	2,176,761	4	221,052
19	20	1,026,824	1	54,054
20	35	1,926,411	2	107,214
21	30	1,664,434	7	401,604
22	24	1,378,623	6	379,299
23	22	1,193,329	4	222,694
24	33	1,890,027	7	396,437
25	28	1,692,465	4	248,798
26	25	1,496,853	1	75,492
27	12	755,608	1	53,607
28	40	2,520,084		
29	17	1,040,848	2	152,695
30	20	1,278,823		
31	18	1,068,624		
32	11	674,293		
33	12	714,327		
34	11	749,985		
35	6	333,868		
36	10	683,137		
37	1	68,622		
<b>TOTAL</b>	<b>1,107</b>	<b>\$ 51,989,925</b>	<b>110</b>	<b>\$ 5,039,156</b>

**EXHIBIT III**

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**TABLE 5**

**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004**

**SERVICE RETIREMENTS  
GENERAL EMPLOYEES**

<b>AGE</b>	<b>MALES</b>		<b>FEMALES</b>	
	<b>NUMBER</b>	<b>AMOUNT</b>	<b>NUMBER</b>	<b>AMOUNT</b>
46	1	\$ 16,014		
47	2	33,552	3	\$ 53,059
48	1	25,301		
49	2	31,108	1	18,307
50	5	104,328	3	54,582
51	7	162,759	9	163,651
52	6	129,704	6	130,083
53	4	84,030	10	218,788
54	6	151,231	15	337,415
55	8	154,529	10	221,957
56	13	231,954	17	347,087
57	9	237,762	14	325,035
58	18	355,690	14	262,657
59	15	351,596	18	393,699
60	16	291,192	13	255,572
61	23	483,385	32	448,394
62	28	538,912	18	164,964
63	31	546,206	21	310,125
64	22	382,135	26	357,494
65	30	478,461	20	266,717
66	27	471,275	29	368,819
67	31	532,197	17	215,026
68	30	506,615	19	191,211
69	28	468,841	13	125,115
70	26	414,742	15	141,835
71	22	405,013	19	214,784
72	32	502,550	23	193,000
73	26	365,550	19	126,242
74	33	453,753	15	127,251
75	29	364,190	20	170,932
76	22	463,624	17	130,007
77	32	389,038	25	216,836
78	26	277,723	12	88,714
79	15	244,610	19	145,091
80	21	252,542	18	220,245
81	22	217,529	12	134,890
82	15	115,992	19	155,271
83	19	224,760	14	129,272
84	9	53,670	7	52,948
85	13	81,494	11	103,704
86	5	119,545	15	92,866
87	11	75,792	9	71,785

**EXHIBIT III****TABLE 5**

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**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004****SERVICE RETIREMENTS  
GENERAL EMPLOYEES**

<b>AGE</b>	<b>MALES</b>		<b>FEMALES</b>	
	<b>NUMBER</b>	<b>AMOUNT</b>	<b>NUMBER</b>	<b>AMOUNT</b>
88	3	\$ 16,220	9	\$ 65,313
89	2	15,857	2	6,070
90	3	17,236	6	35,008
91	4	34,819	6	37,698
92	3	30,546	7	29,054
93	1	4,852	1	2,891
94	2	13,329	1	5,461
96	1	1,253		
99			1	2,297
<b>TOTAL</b>	<b>760</b>	<b>\$ 11,925,006</b>	<b>650</b>	<b>\$ 7,929,222</b>

**EXHIBIT III**

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**TABLE 6**

**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004**

**SERVICE RETIREMENTS  
FIREFIGHTERS AND POLICE**

<b>AGE</b>	<b>MALES</b>		<b>FEMALES</b>	
	<b>NUMBER</b>	<b>AMOUNT</b>	<b>NUMBER</b>	<b>AMOUNT</b>
43	1	\$ 14,571	1	\$ 17,609
45	2	46,127		
46	1	32,966		
47	6	180,453		
48	7	224,633	1	32,499
49	11	342,667		
50	5	138,443	1	23,574
51	7	185,269	1	20,951
52	15	442,189		
53	12	363,609		
54	14	430,172		
55	24	481,552		
56	27	625,487		
57	41	1,007,169	1	30,109
58	20	553,521		
59	32	809,352		
60	20	490,785		
61	19	608,909		
62	19	643,638		
63	18	500,156		
64	12	374,915		
65	16	559,737		
66	18	520,532		
67	18	526,509		
68	13	343,780		
69	17	467,255		
70	7	167,884		
71	12	326,039		
72	9	207,631		
73	11	316,021		
74	7	136,387		
75	16	305,936		
76	9	234,986		
77	12	316,736		
78	11	228,197		
79	6	119,600		
80	6	111,223		
81	1	22,041		
82	4	58,752	1	6,686
83	5	122,669		
84	3	46,654		
86	1	10,758	1	13,981

**EXHIBIT III****TABLE 6**

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**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004****SERVICE RETIREMENTS  
FIREFIGHTERS AND POLICE**

<b>AGE</b>	<b>MALES</b>		<b>FEMALES</b>	
	<b>NUMBER</b>	<b>AMOUNT</b>	<b>NUMBER</b>	<b>AMOUNT</b>
87	1	\$ 2,636		
88	2	23,612		
89	1	8,487		
<b>TOTAL</b>	<b>519</b>	<b>\$ 13,680,645</b>	<b>7</b>	<b>\$ 145,409</b>

**EXHIBIT III**

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**TABLE 7**

**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004**

**DISABILITY RETIREMENTS  
GENERAL EMPLOYEES**

<b>AGE</b>	<b>MALES</b>		<b>FEMALES</b>	
	<b>NUMBER</b>	<b>AMOUNT</b>	<b>NUMBER</b>	<b>AMOUNT</b>
29	1	\$ 15,699		
34	1	15,542		
35	1	15,149		
36	1	15,824	1	\$ 4,598
39	2	30,074	1	8,966
40	2	12,581	1	12,946
41	2	38,293	1	5,748
42	2	33,918		
43	1	6,728		
44	3	36,206	1	8,746
45			3	30,537
46	4	38,806		
47	1	17,510	2	15,697
48	10	106,688	2	16,774
49	3	37,244	1	13,612
50	10	143,953		
51	3	27,935	2	11,395
52	1	5,960	2	27,327
53	4	61,363	2	35,149
54	4	54,743	3	40,981
55	3	17,883	5	73,555
56	5	52,748	1	19,936
57	9	106,530	3	42,122
58	8	88,548	3	60,752
59	4	41,769	1	2,947
60	5	58,929	2	18,785
61	8	129,134	4	47,253
62	6	79,856	2	30,655
63			4	56,713
64	8	85,663	4	57,736
65	4	33,565	3	30,467
66	3	27,809	2	33,171
67	3	26,832	4	27,974
68	3	30,014	2	23,721
69	1	4,520	2	6,603
70	3	17,551	1	7,434
71	2	21,918		
72	2	13,387	1	9,375
73	3	16,104	1	2,360
74	1	3,952	1	479
75				

**EXHIBIT III****TABLE 7**

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**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004****DISABILITY RETIREMENTS  
GENERAL EMPLOYEES**

<b>AGE</b>	<b>MALES</b>		<b>FEMALES</b>	
	<b>NUMBER</b>	<b>AMOUNT</b>	<b>NUMBER</b>	<b>AMOUNT</b>
76			1	\$ 8,098
77			2	4,950
78	1	\$ 5,623	3	14,955
79	1	4,702	2	14,647
80			1	2,290
81	1	3,188	1	1,641
82			1	2,363
83	1	8,402		
91			2	6,929
93			1	3,156
<b>TOTAL</b>	<b>141</b>	<b>\$ 1,592,843</b>	<b>82</b>	<b>\$ 843,543</b>

**EXHIBIT III**

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**TABLE 8**

**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004**

**DISABILITY RETIREMENTS  
FIREFIGHTERS AND POLICE**

<b>AGE</b>	<b>MALES</b>		<b>FEMALES</b>	
	<b>NUMBER</b>	<b>AMOUNT</b>	<b>NUMBER</b>	<b>AMOUNT</b>
36	1	\$ 25,238	1	\$ 19,834
38	1	23,058	1	19,703
39	1	20,507		
40	1	23,998		
41	2	47,628		
42	3	48,302		
43	1	36,765		
44	2	50,596	1	28,778
45	1	10,344		
46	1	21,016	1	24,243
47	3	69,987	1	40,316
48	2	17,170	1	22,524
49	2	50,048		
50	1	23,018	1	29,369
51	4	91,265	1	8,963
52	3	56,320	1	11,346
53	4	54,938		
54	7	160,788	1	6,942
55	3	55,898		
56	4	101,202		
57	2	17,437	1	12,628
58	3	70,557		
59	4	58,479		
60	4	66,489		
61	5	83,123		
62	1	32,013		
63	4	81,962		
64	4	115,162		
65	7	128,602		
66	6	91,022		
67	5	99,904		
68	5	66,587		
69	3	27,480		
70	1	27,610		
71	3	39,419		
72	4	72,760		
73	1	8,482		
74	3	53,679		
75	4	44,249		
76	4	52,543		
78	3	50,691		

**EXHIBIT III****TABLE 8**

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**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004****DISABILITY RETIREMENTS  
FIREFIGHTERS AND POLICE**

<b>AGE</b>	<b>MALES</b>		<b>FEMALES</b>	
	<b>NUMBER</b>	<b>AMOUNT</b>	<b>NUMBER</b>	<b>AMOUNT</b>
79	3	\$ 22,824		
80	2	27,824		
81	2	31,823		
82	1	3,661		
83	2	17,226		
84	2	28,080		
<b>TOTAL</b>	<b>135</b>	<b>\$ 2,407,774</b>	<b>11</b>	<b>\$ 224,646</b>

**EXHIBIT III**

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**TABLE 9**

**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004**

**BENEFICIARIES OF DECEASED MEMBERS  
GENERAL EMPLOYEES**

<b>AGE</b>	<b>MALES</b>		<b>FEMALES</b>	
	<b>NUMBER</b>	<b>AMOUNT</b>	<b>NUMBER</b>	<b>AMOUNT</b>
39			1	\$ 14,146
45			1	6,133
46			2	8,844
48			1	4,299
49	1	\$ 3,509	2	7,181
50			3	21,005
51			3	13,679
52			2	24,614
53			2	20,768
54	1	4,670	5	24,287
55	1	6,557	1	2,728
56			4	16,795
57			2	10,281
58			2	23,108
59	1	21,487	2	11,153
60	1	7,094	5	22,951
61	2	5,843	3	29,457
62			10	58,028
63			6	34,768
64			6	35,367
65	1	4,332	5	20,016
66	1	3,289	2	9,979
67	1	11,278	7	28,029
68			7	79,749
69			8	50,696
70	2	15,391	8	44,506
71	1	7,477	12	91,922
72	2	3,811	7	39,702
73	1	5,262	11	79,094
74			13	66,878
75	2	16,538	10	73,602
76	1	7,501	13	60,996
77			12	68,940
78			12	42,279
79	2	5,429	5	26,087
80	1	3,962	11	36,625
81	1	1,582	13	57,867
82			17	65,837
83			12	49,267
84	1	2,591	9	41,022
85			5	11,851
86			6	16,739

**EXHIBIT III****TABLE 9**

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**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004****BENEFICIARIES OF DECEASED MEMBERS  
GENERAL EMPLOYEES**

<b>AGE</b>	<b>MALES</b>		<b>FEMALES</b>	
	<b>NUMBER</b>	<b>AMOUNT</b>	<b>NUMBER</b>	<b>AMOUNT</b>
87			4	\$ 18,180
88			6	32,395
89	1	\$ 2,966	2	8,052
90			5	13,990
91			1	4,705
92			1	3,061
93			2	3,131
94	1	1,982	1	2,753
95	1	1,493	1	2,010
98			1	4,416
101			1	3,576
<b>TOTAL</b>	<b>27</b>	<b>\$ 144,044</b>	<b>293</b>	<b>\$ 1,547,544</b>

**EXHIBIT III****TABLE 10**

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**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004**

**BENEFICIARIES OF DECEASED MEMBERS  
FIREFIGHTERS AND POLICE**

<b>AGE</b>	<b>MALES</b>		<b>FEMALES</b>	
	<b>NUMBER</b>	<b>AMOUNT</b>	<b>NUMBER</b>	<b>AMOUNT</b>
18			1	\$ 10,785
34			1	15,090
44			1	17,504
49			1	23,098
52			2	17,452
53	1	\$ 4,037	3	36,245
54			2	21,533
55	1	4,284	6	62,096
57			3	20,109
59			3	38,284
60			1	9,784
61			4	31,413
62			5	58,734
63			3	36,854
64			4	40,060
65			4	12,506
66			1	12,116
67			6	48,907
68			3	26,376
69			4	30,839
70			5	53,373
71			1	3,194
72	1	9,611	2	13,482
73			4	29,978
74			5	49,843
75			2	9,689
76			8	72,882
77			6	31,785
78			7	50,446
79			7	44,140
80			5	27,414
81			4	31,449
82			6	41,829
83	1	7,078	7	46,378
84			4	17,678
85			4	21,983
86			4	24,082
87			4	18,492
88			2	9,600
89			3	10,452
90			1	6,655

**EXHIBIT III****TABLE 10**

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**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004****BENEFICIARIES OF DECEASED MEMBERS  
FIREFIGHTERS AND POLICE**

AGE	MALES		FEMALES	
	NUMBER	AMOUNT	NUMBER	AMOUNT
91			2	\$ 12,341
94			1	4,364
96			1	3,258
<b>TOTAL</b>	<b>4</b>	<b>\$ 25,010</b>	<b>153</b>	<b>\$ 1,204,572</b>