



ACTUARIAL REPORT



DALLAS POLICE AND FIRE PENSION SYSTEM
ACTUARIAL VALUATION
AS OF JANUARY 1, 2011

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A Xerox Company

May 18, 2011

Mr. Richard L. Tettamant
Administrator
Dallas Police & Fire Pension System
4100 Harry Hines Blvd., Suite 100
Dallas, TX 75219

Re: Dallas Police and Fire Pension System Actuarial Valuation as of January 1, 2011

Dear Mr. Tettamant:

We certify that the information contained in this report is accurate and fairly presents the actuarial position of the Dallas Police and Fire Pension System (the System) as of January 1, 2011.

Actuarial Valuation

The primary purpose of the valuation report is to determine the adequacy of the current City's contribution rate, to describe the current financial condition of the System, and to analyze changes in the System's condition. In addition, the report provides information required by the City of Dallas in connection with Governmental Accounting Standards Board Statements Number 25 and Number 27.

Basis for Funding

The member and City contribution rates are established by statute. The City's and the members' contributions are intended to be sufficient to pay the normal cost and to amortize the System's unfunded actuarial accrued liability.

Funding Progress

As of January 1, 2011, the employer contribution rate for GASB 27 purposes to pay the normal cost and fund the Unfunded Actuarial Accrued Liability over 30 years is 29.54%. This amount is more than the 28.23% employer contribution rate calculated as of January 1, 2010.

The funding period has been calculated consistent with the Texas Pension Review Board (Texas PRB) Guidelines for Actuarial Soundness, which allow funding the Unfunded Actuarial Accrued Liability (UAAL) over a level percentage of payroll. In calculating the funding period, we have

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determined the level percentage of pay available to fund the UAAL as the excess of the fixed contribution rates over the normal cost rate. In order for this excess to be level, the normal cost rate must be level and, as such, has been determined using the entry age normal cost rate for the benefits available to members hired after February 28, 2011. Based on this method, the current contribution rate covers the normal cost and the amortization of the UAAL over 21 years.

Benefit Provisions

The actuarial valuation reflects the benefit and contribution provisions set forth in the System's statutes. There are no significant benefits which were not taken into account in this valuation. The valuation is based on the same benefit provisions as the previous valuation except for the following.

1. Removing the 0.25% restriction on DROP interest rate changes
2. Requiring member contributions while in active DROP
3. Allowing a one-time opportunity for active DROP members to rescind their DROP election
4. Providing benefits for members hired after February 28, 2011 with the following provisions
 - a. 2% accrual rate for the first 20 years of service, 2.5% accrual rate for the next 5 years of service and 3% accrual rate for service after 25 years
 - b. Average computation pay based on 60 months of pay
 - c. Retirement eligibility at age 55 with 20 years of service
5. Disability benefits with the following provisions
 - a. Own occupation definition for first two years of disability
 - b. Any occupation definition after two years of disability
 - c. On-duty disability retirement benefit will be based on a minimum of 50% of average computation pay
6. Survivor benefits for members who die while on active service will be based on a minimum of 25% of average computation pay

Assumptions and Methods

The actuarial assumptions and methods used in the valuation are presented in Schedule C. Due to the change in the DROP interest rate determination, the assumed rate of return on DROP balances was changed from 9.0% to 8.5%. Additionally, we have selected demographic assumptions for the Members expected to be hired after February 28, 2011 that we believe to be reasonable based on the applicable benefit provisions and anticipated employment patterns. Otherwise, the valuation is based on the same assumptions and methods adopted by the Board of Trustees as the previous valuation.

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The assumptions used are individually reasonable and reasonable in the aggregate.

Data

Asset information and member data for retired, active, and inactive members was supplied as of January 1, 2011 by the Administrator. We have not subjected this data to any auditing procedures, but have examined the data for reasonableness and consistency with the prior year's data.

We are Enrolled Actuaries, Fellows of the Society of Actuaries, and Members of the American Academy of Actuaries. We meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. 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, and we are available to answer questions about it.

Very truly yours,



Richard A. Mackesey, FSA, EA, MAAA
Principal, Consulting Actuary



R. Ryan Falls, FSA, EA, MAAA
Director, Consulting Actuary

RAM:km
DFF:VAL:2011PLAN.DOCX

Enclosures

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Dallas Police and Fire Pension System
 Actuarial Valuation - January 1, 2011

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Section 1

Summary of Principal Results

	January 1, 2011	January 1, 2010
Membership		
Active	5,482	5,476
Terminated with refunds due	68	57
Terminated with deferred benefits	135	144
Retired members and beneficiaries	3,535	3,450
Compensation		
Total	\$ 365,126,229	\$ 366,720,115
Average	\$ 66,605	\$ 66,969
Assets		
Market value	\$ 3,112,686,542	\$ 2,851,645,944
Actuarial value	\$ 3,430,818,823	\$ 3,382,907,776
Valuation Results		
Unfunded actuarial accrued liability	\$ 885,530,459	\$ 750,381,064
Funding period	21*	26
GASB No. 25		
Actuarial accrued liability (AAL)	\$ 4,316,349,282	\$ 4,133,288,840
Assets (actuarial)	\$ 3,430,818,823	\$ 3,382,907,776
GASB ratio	79.5%	81.8%
Unfunded AAL	\$ 885,530,459	\$ 750,381,064

* For the January 1, 2011 valuation, the funding period has been calculated consistent with the Texas PRB Guidelines for Actuarial Soundness, which allow funding the UAAL over a level percentage of payroll. In calculating the funding period, we have determined the level percentage of pay available to fund the UAAL as the excess of the fixed contribution rates over the normal cost rate. In order for this excess to be level, the normal cost rate must be level and, as such, has been determined using the entry age normal cost rate for the benefits available to members hired after February 28, 2011. Based on this method, the funding period is 21 years.

Comments on the Valuation

Overview

The current contribution rates are sufficient to keep the System actuarially sound, based on the current membership data, the current financial data, the current benefit provisions and the actuarial assumptions and methods used to determine liabilities and costs.

The overall funding of the Plan remains sound. The funding period decreased to 21 years from 26 years. This decrease was primarily due to the recent modifications to plan benefits offset by losses on the actuarial value of assets.

Section 3 shows in more detail the changes to the 30-year funding cost and the funding period based on the current contribution rates.

Funding status

There are two significant measures of the funding status of the System. The first is the 30-year funding cost. This is the City contribution rate required by GASB 27 to pay the normal cost and to amortize the UAAL over a 30-year period. This rate is currently 29.54% of payroll compared with the City's actual contribution rate of 27.50% of payroll and the 30-year funding cost in 2010 of 28.23% of payroll. Section 3 shows a reconciliation of the changes between the 2010 and 2011 figures.

The other measure is the funding period. This is the length of time in years that will be required to amortize the current UAAL based on the current contribution rate. The funding period has been calculated consistent with the Texas PRB Guidelines for Actuarial Soundness, which allow funding the UAAL over a level percentage of payroll. In calculating the funding period, we have determined the level percentage of pay available to fund the UAAL as the excess of the fixed contribution rates over the normal cost rate. In order for this excess to be level, the normal cost rate must be level and, as such, has been determined using the entry age normal cost rate for the benefits available to members hired after February 28, 2011. Based on this method, the current contribution rate covers the normal cost and the amortization of the UAAL over 21 years.

The UAAL is the excess of the liability assigned to prior years (the actuarial accrued liability) over the value of assets. Section 3 shows a reconciliation of this amount between 2010 and 2011.

GASB Statements

Section 4 provides the information required for reporting under GASB No. 25.

Benefit Provisions

Schedule B summarizes all the benefit provisions of the System. There are no significant benefits which were not taken into account in this valuation. The valuation is based on the same benefit provisions as the previous valuation except for the following.

1. Removing the 0.25% restriction on DROP interest rate changes
2. Requiring member contributions while in active DROP
3. Allowing a one-time opportunity for active DROP members to rescind their DROP election
4. Providing benefits for members hired after February 28, 2011 with the following provisions
 - a. 2% accrual rate for the first 20 years of service, 2.5% accrual rate for the next 5 years of service and 3% accrual rate for service after 25 years
 - b. Average computation pay based on 60 months of pay
 - c. Retirement eligibility at age 55 with 20 years of service
5. Disability benefits with the following provisions
 - a. Own occupation definition for first two years of disability
 - b. Any occupation definition after two years of disability
 - c. On-duty disability retirement benefit will be based on a minimum of 50% of average computation pay
6. Survivor benefits for members who die while on active service will be based on a minimum of 25% of average computation pay

Actuarial Assumptions and Methods

The actuarial assumptions and methods used in the valuation are presented in Schedule C. Due to the change in the DROP interest rate determination, the assumed rate of return on DROP balances was changed from 9.0% to 8.5%. Additionally, we have selected demographic assumptions for the Members expected to be hired after February 28, 2011 that we believe to be reasonable based on the applicable benefit provisions and anticipated employment patterns. Otherwise, the valuation is based on the same assumptions and methods adopted by the Board of Trustees as the previous valuation.

The assumptions used are individually reasonable and reasonable in the aggregate.

Schedule D compares the assumptions to the recent experience of the System and describes the adequacy of the assumptions.

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Section 2
(continued)

GASB Statement No. 27

Initially, under GASB Statement No. 27, employers were required to determine a pension expense based on a 40-year amortization of the UAAL for fiscal years beginning after June 15, 1996. After the 10-year transition period, the required amortization period is now 30 years. The amortization can assume payroll growth due to inflation, but no membership growth. If the actual contribution rate is less than the rate required by GASB No. 27, the excess must be expensed. This will result in the employer showing an accrued but unpaid liability for pension benefits on its financial statements.

A City Contribution rate of 29.54% of payroll will be required for the City to avoid showing an additional pension liability on its financial statements for the fiscal year beginning in 2011. At the current rate of contribution, and assuming no other changes, the City will be required to show an accrued but unpaid pension liability for the System on its financial statements in the future.

Financial Data

The financial data used in this report was supplied by the System.

Section 5 reconciles the System's assets between 2010 and 2011 and shows the development of the actuarial value of assets (AVA). Rather than using the market value for cost calculations, an adjusted market value, which phases in gains and losses (compared to the assumed investment return rate) over five years, is used. The estimated rate of return for 2010 is 10.72% for the market value of assets, and 2.69% for the actuarial value of assets.

Membership Statistics

Data on active members and on retired members was supplied by the Administrator. Active membership and total payroll for active members remained fairly level during the last year. The active membership increased from 5,476 members as of January 1, 2010 to 5,482 members as of January 1, 2011, a 0.1% increase. The total active payroll decreased from \$366,720,115 to \$365,126,229 over the same period, a 0.4% decrease. Schedule A shows a summary of the membership data.

Experience

Schedule D compares the actual experience of the system with the actuarial expectations.

Dallas Police and Fire Pension System
Actuarial Valuation - January 1, 2011

Section 3

Actuarial Cost, Margin and Funding Period

	<u>January 1, 2011</u>	<u>January 1, 2010</u>
1. Covered Payroll		
a. Active members excluding DROP	236,127,391	241,857,063
b. DROP members	<u>128,998,838</u>	<u>124,863,052</u>
c. Total	365,126,229	366,720,115
2. Actuarial present value of future pay		
a. Active members excluding DROP	2,123,253,500	2,160,021,400
b. DROP members	<u>1,486,205,000</u>	<u>1,486,642,400</u>
c. Total	3,609,458,500	3,646,663,800
3. Current contribution rates		
a. City	27.50%	27.50%
b. Member	<u>8.50%*</u>	<u>8.50%</u>
c. Total	36.00%	36.00%
4. Actuarial present value of future benefits	5,193,430,871	5,041,696,694
5. Actuarial present value of future normal costs		
a. Total	877,081,589	908,407,854
b. Member (3b x 2a)	290,132,373*	183,601,819
c. City (5a - 5b)	586,949,216	724,806,035
6. Actuarial accrued liability (4 - 5a)	4,316,349,282	4,133,288,840
7. Actuarial value of assets	3,430,818,823	3,382,907,776
8. Unfunded actuarial accrued liability (UAAL) (6 - 7)	885,530,459	750,381,064
9. Normal cost		
a. Normal cost percentage (5a ÷ 2c)	24.30%	24.91%
b. Total normal cost (1c x 9a)	88,725,674	91,349,981
c. Member normal cost (1a x 3b)	21,038,320*	20,557,850
d. City normal cost (9b - 9c)	67,687,354	70,792,131
e. City normal rate (9d ÷ [1c x 1.11])	16.70%	17.39%

* Active DROP members contribute 3.0% of pay for pay periods ending on or after October 1, 2011, 6.0% of pay for pay periods ending on or after October 1, 2012, and 8.5% of pay for pay periods ending on or after October 1, 2013. Present value of future member contributions (line 5b) as of January 1, 2011 was increased by \$109,655,825 and member normal cost (line 9c) as of January 1, 2011 was increased by \$967,491 to account for these changes.

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Dallas Police and Fire Pension System
Actuarial Valuation - January 1, 2011

Section 3
(continued)

Actuarial Cost, Margin and Funding Period

	<u>January 1, 2011</u>	<u>January 1, 2010</u>
10. 30-year funding cost*		
a. City normal cost rate**	16.70%	17.39%
b. Amortization rate	<u>12.84%</u>	<u>10.84%</u>
c. Total	29.54%	28.23%
11. Margin over/(under) 30-year cost*		
(3a - 10c)	(2.04)%	(0.73)%
12. Funding period to amortize UAAL	21***	26

* 30-year funding cost is necessary for accounting purposes only.

** The city normal cost rate shown is for current active employees only. This rate will decrease over time as more active members become subject to the plan amendment that eliminates the Automatic Adjustment and the plan modifications approved by the membership in 2011.

*** For the January 1, 2011 valuation, the funding period has been calculated consistent with the Texas PRB Guidelines for Actuarial Soundness, which allow funding the UAAL over a level percentage of payroll. In calculating the funding period, we have determined the level percentage of pay available to fund the UAAL as the excess of the fixed contribution rates over the normal cost rate. In order for this excess to be level, the normal cost rate must be level and, as such, has been determined using the entry age normal cost rate for the benefits available to members hired after February 28, 2011. Based on this method, the funding period is 21 years.

Dallas Police and Fire Pension System
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Section 3
(continued)

Analysis of Change in UAAL

1. UAAL as of January 1, 2010	\$ 750,381,064
2. Changes due to:	
a. Expected increase/(amortization)	\$ 19,990,718
b. Plan amendment	(48,838,083)
c. Actual contributions (greater)/less than expected	7,833,885
d. Liability experience	(39,248,981)
e. Asset experience	<u>195,411,856</u>
f. Total changes	\$ 135,149,395
3. UAAL as of January 1, 2011	\$ 885,530,459

Dallas Police and Fire Pension System
 Actuarial Valuation - January 1, 2011

Section 3
(continued)

Analysis of Change in Funding Cost

1. 30-year funding cost* as of January 1, 2010	28.23%
2. Changes due to:	
a. Resetting of amortization from prior year	(0.14)
b. Plan amendment	(1.26)
c. Actual contributions (greater)/less than expected	0.10
d. Liability experience	(0.11)
e. Asset experience	<u>2.72</u>
f. Total	1.31
3. 30-year funding cost* as of January 1, 2011	29.54%

* 30-year funding cost is necessary for accounting purposes only.

Dallas Police and Fire Pension System
Actuarial Valuation - January 1, 2011

Section 3
(continued)

Analysis of Change in Funding Period

1. Funding period as of January 1, 2010	26 years
2. Changes due to:	
a. Passage of time	(1)
b. Plan amendment	(16)
c. Actual contributions (greater)/less than expected	1
d. Liability experience	1
e. Asset experience	<u>10</u>
f. Total changes	(5)
3. Funding period as of January 1, 2011*	21 years

* For the January 1, 2011 valuation, the funding period has been calculated consistent with the Texas PRB Guidelines for Actuarial Soundness, which allow funding the UAAL over a level percentage of payroll. In calculating the funding period, we have determined the level percentage of pay available to fund the UAAL as the excess of the fixed contribution rates over the normal cost rate. In order for this excess to be level, the normal cost rate must be level and, as such, has been determined using the entry age normal cost rate for the benefits available to members hired after February 28, 2011. Based on this method, the funding period is 21 years.

Dallas Police and Fire Pension System
Actuarial Valuation - January 1, 2011

Section 4

Historical Trend Information

(As required by GASB #25 - Amounts are in millions of dollars)

	Actuarial Value of <u>Assets</u>	Actuarial Accrued Liability (AAL) <u>Entry Age</u>	Unfunded AAL (UAAL)	Funded <u>Ratio</u>	Covered <u>Payroll</u>	UAAL as a Percentage of Covered <u>Payroll</u>
January 1, 2006	2,700	3,282	582	82.3%	295	197.3%
January 1, 2007	2,962	3,371	409	87.9%	306	133.7%
January 1, 2008	3,259	3,644	385	89.4%	321	119.9%
January 1, 2009	3,040	3,878	838	78.4%	348	240.8%
January 1, 2010	3,383	4,133	750	81.8%	367	204.4%
January 1, 2011	3,431	4,316	885	79.5%	365	242.5%

GASB #25 Schedule of Employer Contributions for Year Ending December 31, 2010

<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
28.23% of Pay	97.4%

Dallas Police and Fire Pension System
 Actuarial Valuation - January 1, 2011

Section 4
(continued)

Summary of Accumulated Benefits
(FASB ASC 960)

Accumulated Benefits at January 1, 2011

Vested benefits of participants and beneficiaries currently receiving payments		\$ 2,117,339,109
Other vested benefits		2,018,952,530
Nonvested benefits		<u>144,498,536</u>
Total benefits		\$ 4,277,790,175

ASC 960 Reconciliation

Accumulated benefits at January 1, 2010		\$ 4,066,409,722
Benefits accumulated	\$ 83,001,303	
Interest	338,555,815	
Benefits paid	(170,272,496)	
Assumption change	0	
Plan amendments	<u>(39,904,169)</u>	
Total Change		<u>211,380,453</u>
Accumulated benefits at January 1, 2011		\$ 4,277,790,175

Dallas Police and Fire Pension System
 Actuarial Valuation - January 1, 2011

Section 5

Reconciliation of Fund Assets

	Year Ending December 31, 2010
1. Value of fund at beginning of year	\$ 2,851,645,944
2. Contributions	
a. City	108,060,956
b. Member	<u>19,790,189</u>
c. Total	\$ 127,851,145
3. Benefit payments (including DROP payments)	(169,458,531)
4. Refunds	(813,965)
5. Gross earnings	309,919,251
6. Expenses	(6,457,302)
7. Value of assets at end of year	\$ 3,112,686,542
8. Estimated rate of return	10.72%

Dallas Police and Fire Pension System
Actuarial Valuation - January 1, 2011

Section 5
(continued)

Determination of Excess Earnings To Be Deferred

	Year Ending December 31, 2010
1. Market value at beginning of year	\$ 2,851,645,944
2. Net new investments	
a. Contributions	\$ 127,851,145
b. Benefit payments (including DROP payments)	(169,458,531)
c. Refunds	<u>(813,965)</u>
d. Total	\$ (42,421,351)
3. Market value at end of year	\$ 3,112,686,542
4. Yield, net of expenses (3 - 1 - 2d)	\$ 303,461,949
5. Average balance [1 + ½ x (2d)]	2,830,435,268
6. Assumed investment return rate	8.50%
7. Expected net return (5 x 6)	\$ 240,586,998
8. Gains/(losses) subject to deferral (4 - 7)	\$ 62,874,951

Dallas Police and Fire Pension System
Actuarial Valuation - January 1, 2011

Section 5
(continued)

Calculation of Actuarial Value of Assets

1.	Market value of assets as of January 1, 2011			\$3,112,686,542	
2.	Deferral amounts				
		<u>Year</u>	<u>Total Gain/(Loss)</u>	<u>Percent Deferred</u>	<u>Deferral Amount</u>
a.	2010	\$ 62,874,951	80%	\$ 50,299,961	
b.	2009	132,954,038	60%	79,772,423	
c.	2008	(1,125,904,567)	40%	(450,361,827)	
d.	2007	10,785,809	20%	2,157,162	
e.	Total			\$ (318,132,281)	
3.	Preliminary actuarial value of assets (1 - 2e)			3,430,818,823	
4.	80% of Market value			2,490,149,234	
5.	120% of Market value			3,735,223,850	
6.	Actuarial value of assets (3, not less than 4 or more than 5)			3,430,818,823	
7.	Rate of return on actuarial value of assets			2.69%	

Dallas Police and Fire Pension System
Actuarial Valuation - January 1, 2011

Schedule A

Membership Data

	<u>January 1, 2011</u>	<u>January 1, 2010</u>
1. Active members (excluding DROP)		
a. Police and Fire		
1. Number	4,085	4,170
2. Covered payroll	\$236,127,391	\$241,857,063
3. Average annual pay	\$ 57,804	\$ 57,999
4. Average age	36.58	36.64
5. Average service (years)	9.68	9.82
b. Police		
1. Number	2,867	2,919
2. Covered payroll	\$164,267,163	\$168,101,831
3. Average annual pay	\$ 57,296	\$ 57,589
4. Average age	36.43	36.55
5. Average service (years)	9.49	9.68
c. Fire		
1. Number	1,218	1,251
2. Covered payroll	\$ 71,860,228	\$ 73,755,232
3. Average annual pay	\$ 58,999	\$ 58,957
4. Average age	36.94	36.86
5. Average service (years)	10.13	10.13

Dallas Police and Fire Pension System
Actuarial Valuation - January 1, 2011

Schedule A
(continued)

Membership Data
(continued)

	<u>January 1, 2011</u>	<u>January 1, 2010</u>
2. Active members (DROP only)		
a. Police and Fire		
1. Number	1,397	1,306
2. Covered payroll	\$ 128,998,838	\$ 124,863,052
3. Average annual pay	\$ 92,340	\$ 95,607
4. Average age	54.21	54.31
5. Average total service (years)	28.27	28.56
6. Average time in DROP (years)	4.66	4.65
7. DROP account balance	\$416,749,719	\$378,800,973
b. Police		
1. Number	801	724
2. Covered payroll	\$ 73,402,057	\$ 68,755,764
3. Average annual pay	\$ 91,638	\$ 94,967
4. Average age	53.72	53.96
5. Average total service (years)	27.50	27.99
6. Average time in DROP (years)	4.13	4.24
7. DROP account balance	\$206,566,146	\$186,337,436
c. Fire		
1. Number	596	582
2. Covered payroll	\$ 55,596,781	\$ 56,107,288
3. Average annual pay	\$ 93,283	\$ 96,404
4. Average age	54.88	54.74
5. Average service (years)	29.30	29.28
6. Average time in DROP (years)	5.36	5.16
7. DROP account balance	\$210,183,573	\$192,463,537

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Dallas Police and Fire Pension System
Actuarial Valuation - January 1, 2011

Schedule A
(continued)

Membership Data
(continued)

	<u>January 1, 2011</u>	<u>January 1, 2010</u>
3. Active members (including DROP)		
a. Police and Fire		
1. Number	5,482	5,476
2. Covered payroll	\$365,126,229	\$366,720,115
3. Average annual pay	66,605	66,969
4. Average age	41.08	40.86
5. Average service (years)	14.42	14.29
6. DROP account balance	\$416,749,719	\$378,800,973
b. Police		
1. Number	3,668	3,643
2. Covered payroll	\$237,669,220	\$236,857,595
3. Average annual pay	\$ 64,795	\$ 65,017
4. Average age	40.21	40.01
5. Average service (years)	13.42	13.32
6. DROP account balance	\$206,566,146	\$186,337,436
c. Fire		
1. Number	1,814	1,833
2. Covered payroll	\$127,457,009	\$129,862,520
3. Average annual pay	\$ 70,263	\$ 70,847
4. Average age	42.83	42.54
5. Average service (years)	16.43	16.21
6. DROP account balance	\$210,183,573	\$192,463,537

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Actuarial Valuation - January 1, 2011

Schedule A
(continued)

Membership Data
(continued)

	<u>January 1, 2011</u>	<u>January 1, 2010</u>
4. Inactive members eligible for annuity		
a. Retired members	2,644	2,565
b. Beneficiaries	891	885
c. Number entitled to deferred benefits	<u>135</u>	<u>144</u>
d. Total number of inactive members	3,670	3,594
e. Total annual benefit	\$143,188,147	\$135,299,594
f. Average annual benefit	\$ 39,016	\$ 37,646
5. Inactive members with refunds due		
a. Number	68	57
b. Accumulated contribution balance	\$ 225,527	\$ 139,166

**Summary of Benefit Provisions
As of January 1, 2011
For Actuarial Calculations**

Group A

Definitions

Base Pay: The annualized maximum monthly civil service pay established by the City for a police officer or fire fighter exclusive of any and all other forms of compensation.

City Service Incentive Pay: Additional annualized salary granted to Member under the authority of the City Charter.

Longevity Pay (Service Pay): Additional annualized salary granted to Member under provisions of Section 141.032, Local Government Code, for each year of service completed by such Member.

Pension Service: Time in years (prorated for fractional years) that Member made contributions under the terms of the Combined Pension Plan or under any Pension Plan within the Pension System.

Pension System: The Dallas Police and Fire Pension System

Qualified Surviving Spouse: The Member's legal spouse at time of death providing the marriage occurred prior to the Member's termination of employment (entering DROP is not considered termination of employment) and continued until the member's death.

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Schedule B
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Qualified Surviving Children: All surviving unmarried children under 19 years of age and children that become handicapped before age 23 provided they were born or adopted before Member terminated his employment.

Contribution Rates

The Member contribution rate is 6.5%.

The City's contribution rate is a function of the highest Member contribution rate of any pension plan within the Pension System (currently Group B) as follows:

<u>City</u>	<u>Member</u>
28.5%	9.0%
27.5	8.5
26.0	8.0
24.5	7.5
23.0	7.0
21.5	6.5

Service Retirement Benefits

Annual Normal Retirement Pension

Greater of I or II:

I. Condition for Retirement: Age 50 with 20 years of Pension Service.

Amount of Pension Benefit: 50% of Base Pay, plus 50% of Longevity Pay, plus 50% City Service Incentive Pay. Pension is increased annually to reflect changes in the rate of

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Schedule B
(continued)

Longevity Pay and City Service Incentive Pay based on Member's Pension Service and status at date of retirement.

Member may retire as early as age 45 with 20 years of Pension Service. Pension benefit will be reduced by 2/3 of 1% per month of retirement prior to age 50.

II. Condition for Retirement: Age 55 with 20 years of Pension Service.

Amount of Pension Benefit: 3% of Base Pay for each year of Pension Service (maximum of 32 years), plus 50% of Longevity Pay, plus 50% of City Service Incentive Pay. Pension is increased annually by 4% of the original pension benefit.

Member may retire as early as age 50 with 20 years of Pension Service. Pension benefit will be reduced by 2/3 of 1% for each month of retirement prior to age 55.

Disability Retirement Benefits

Condition for Retirement: Disability preventing Member from performing his or her duties with his or her department and lasting for a period of not less than 90 days.

Annual Amount of Pension

Greater of I or II:

I. Same as Normal Retirement Pension (I).

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Schedule B
(continued)

II. Depending on Source of Disability

- a. Service Related Disability: 3% of Base Pay for each year of Pension Service (minimum of 20 years, maximum of 32 years), plus 50% of Longevity Pay, plus 50% of City Service Incentive Pay. Benefit is increased annually by 4% of the original amount, or
- b. Non-Service Related Disability: 3% of Base Pay for each year of Pension Service (maximum 32 years), plus 50% of Longevity Pay, plus 50% of City Service Incentive Pay. Benefit is increased annually by 4% of the original amount.

Survivor Benefits

Survivor Benefits for Qualified Surviving Spouse: Death in Active Service: 50% of Service Retirement Pension calculated with a minimum of 20 years of Pension Service.

Survivor Benefits when no Qualified Surviving Spouse: Death in Active Service: 50% of Service Retirement Pension calculated with a minimum of 20 years of Pension Service. The benefit will be paid as a lump sum equal to the value of the lesser of a 10-year benefit or the remainder of the 10-year period if Qualified Surviving Children receive benefit.

Survivor Benefits After Retirement: The Qualifying Surviving Spouse shall receive 50% of any benefits paid to the Member. The percentage is increased if the Qualified Surviving Spouse has attained age 55, there are no Qualified Surviving Children who are eligible for death benefits, the member retired after age 55 with 20 years of Pension Service or the Member's age plus Pension Service at retirement was at least 78 and the Member was receiving a benefit based on the former Plan A formulas.

Dallas Police and Fire Pension System
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Schedule B
(continued)

Survivor Benefits After Retirement or Termination for a Non-Qualifying Surviving Spouse: The Surviving Spouse shall receive 50% of any benefits paid to the Member. However, the Member's benefit will be reduced for this coverage.

Survivor Benefits for Qualified Surviving Children: An amount equal to the amount paid to the Qualified Surviving Spouse divided among the Qualified Surviving Children. Amount paid as long as one or more children continue to qualify.

Survivor Benefits After December 17, 2001: For Members leaving active service after December 17, 2001, a Member may elect to receive an actuarially reduced benefit in order to provide a greater survivor percentage to the qualified spouse. Minimum benefits do not apply.

Minimum Benefits

The minimum benefit is \$2,200 monthly for 20 years of Pension Service at retirement, and \$1,200 monthly for Qualified Surviving Spouses, if there are no Qualified Surviving Children receiving benefits. The minimum benefit is \$1,100 monthly for Qualified Surviving Children and Qualified Surviving Spouses if Qualified Surviving Children are receiving benefits. This minimum does not affect the base benefit. The benefit will not increase until the base retirement benefit with annual increases exceeds the minimum.

Benefit Supplement

If a Member retires with 20 years of Pension Service or if a Member is receiving a service related disability the Member or the Member's Qualified Surviving Spouse is entitled to receive the greater of \$75 or 3% of the monthly benefit payable to the member when the Member or the Qualified Surviving Spouse attains age 55. This supplement is also available for both the

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Schedule B
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Member or the Member's Non-Qualifying Surviving Spouse for a member who has elected a reduced benefit to obtain coverage for a Non-Qualifying Surviving Spouse.

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Schedule B
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Group B

Generally applicable to Members hired on or before February 28, 2011.

Definitions

Computation Pay: The annualized monthly rate of pay for the highest civil service rank held by a Member plus Educational Incentive Pay plus Longevity Pay plus City Service Incentive Pay.

Average Computation Pay: Computation Pay averaged over 36 months.

City Service Incentive Pay: Additional annualized salary granted to Member under the authority of the City Charter.

Longevity Pay: Additional annualized salary granted to Members under a provision of Section 141.032, Local Government Code, for each year of service completed by such Member.

Pension Service: The period, in years, months, and days, during which the Member made contributions under the terms of the Combined Plan or any Pension Plan within the Pension System.

Qualified Surviving Spouse: The Member's legal spouse at the time of death providing the marriage occurred prior to the Member's termination of employment (entering DROP is not considered termination of employment).

Pension System: The Dallas Police and Fire Pension System.

Qualified Surviving Children: All surviving unmarried children under 19 years of age and children that become handicapped before age 23 provided they were born or adopted before the Member terminated his employment.

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Schedule B
(continued)

Educational Incentive Pay: Additional annualized salary granted to reward completion of college credits.

Contribution Rates

The City's contribution percentage is a function of the Member's contribution percentage as shown below:

<u>City</u>	<u>Member</u>
28.5%	9.0%
27.5	8.5
26.0	8.0
24.5	7.5
23.0	7.0
21.5	6.5

The contribution rate for Members not participating in DROP is currently 8.5%. The contribution rate for Members participating in DROP will be 3.0% for pay periods ending on or after October 1, 2011, 6.0% for pay periods ending on or after October 1, 2012, and 8.5% for pay periods ending on or after October 1, 2013.

Service Retirement Benefits

Annual Normal Retirement Pension

Condition for Retirement: Attainment of age 50 and five years of Pension Service.

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**Schedule B
 (continued)**

Amount for Allowance: 3% of Average Computation Pay for each year of Pension Service to a maximum of 32 such years.

Early Retirement Pension

Condition for Retirement:

- a. Attainment of age 45 and five years of Pension Service.

Amount of Pension: 3% of Average Computation Pay for each year of Pension Service reduced 2/3 of 1% for each month by which retirement precedes age 50.

- b. 20 years of Pension Service

Amount of Pension: 20 & Out multiplier of Average Compensation Pay for each year of Pension Service.

<u>Age</u>	<u>20 & Out Multiplier</u>
50 & above	3.00%
49	3.00% reduced by 2/3 of 1% for each month prior to age 50
48	2.75%
47	2.50
46	2.25
45 & below	2.00

Special Rule for Members of former Old Plan or Plan A

Group B Members who formerly were Members of either the former Old Plan or Plan A may elect to receive Group A benefits and receive a reimbursement of the additional



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Schedule B
(continued)

contributions paid under Group B provisions in excess of the contributions that would have been made under Group A.

Disability Retirement Benefits

Service-Related Disability

Condition for Retirement: Disability preventing the Member from performing his or her duties with his or her department and lasting for a period of not less than 90 days.

Amount of Pension: 60% plus 3% for each year of Pension Service (maximum of 32 years) over 20, of Average Computation Pay.

Non-Service Related Disability

Condition for Retirement: Disability preventing the Member from performing his or her duties with his or her department and lasting for a period of not less than 90 days.

Amount of Pension: 3% of Average Computation Pay for each year of Pension Service (maximum 32 years).

Survivor Benefits

Survivor Benefits for Qualified Surviving Spouse: Death in Active Service: 1.50% of the Member's Average Computation Pay for each year of Pension Service with a minimum of 20 such years and a maximum of 32 such years.

Survivor Benefits when no Qualified Surviving Spouse: Death in Active Service: 50% of Service Retirement Pension calculated with a minimum of 20 years of Pension Service. The benefit will

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Schedule B
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be paid as a lump sum equal to the value of the lesser of a 10-year benefit or the remainder of the 10-year period if Qualifying Surviving Children receive benefit.

Survivor Benefits After Retirement: The Qualified Surviving Spouse shall receive 50% of any benefits paid to the Member. The percentage is increased if the Qualified Surviving Spouse has attained age 55, there are no Qualified Surviving Children who are eligible for death benefits and the Member retired after age 55 with 20 years of Pension Service or if the Member's age plus Pension Service at retirement was at least 78.

Survivor Benefits After Retirement or Termination for a Non-Qualifying Surviving Spouse: The Surviving Spouse shall receive 50% of any benefits paid to the Member. However, the Member's benefit will be reduced for this coverage.

Survivor Benefits for Qualified Surviving Children: An amount equal to the amount paid to a Qualified Surviving Spouse is divided among the Qualified Surviving Children and continues to be paid as long as one or more of the children continue to qualify.

Survivor Benefits After December 17, 2001: For Members leaving active service after December 17, 2001, a Member may elect to receive an actuarially reduced benefit in order to provide a greater survivor percentage to the qualified spouse. Minimum benefits do not apply.

Post-Retirement Adjustments

Annually, on the first day of October, benefits in pay status will be increased by an amount equal to 4% of the original pension amount. New Members hired after December 31, 2006 will not be eligible for an automatic increase.

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Schedule B
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Minimum Benefits

The minimum benefit for normal retirement is \$2,200 monthly (prorated if less than 20 years at retirement) and \$1,200 monthly for Qualified Surviving Spouses, if there are no Qualified Surviving Children receiving benefits. The minimum benefit is \$1,100 monthly for Qualified Surviving Children and Qualified Surviving Spouses if Qualified Surviving Children are receiving benefits. This benefit does not affect the base benefit. The benefit will not increase until the base retirement benefit with annual increases exceeds the minimum.

Benefit Supplement

If a Member retires with 20 years of Pension Service or if a Member is receiving a service related disability the Member or the Member's Qualified Surviving Spouse is entitled to receive the greater of \$75 or 3% of the monthly benefit payable to the Member when the Member or the Qualified Surviving Spouse attains age 55. This supplement is also available for both the Member or the Member's Non-Qualifying Surviving Spouse for a member who has elected a reduced benefit to obtain coverage for a Non-Qualifying Surviving Spouse.

Deferred Retirement Option Plan

As of January 1, 1993, at normal retirement age, a Member may elect to enter the Deferred Retirement Option Plan (DROP). As of January 1, 1999, a member may also elect to enter DROP after 20 years of Pension Service. Retirement benefits will be calculated as if the Member retired on that date. As of October 1, 2011, Members continue making contributions to the Combined Pension Plan while active and participating in DROP. Each month, the retirement benefit will be accumulated in an account earning interest based on a ten-year weighted average of the System's actual market return. Upon termination of employment, the

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Schedule B
(continued)

Member will have the balance in account in addition to the monthly benefit payable as though the Member retired at the date the Member entered DROP.

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Schedule B
(continued)

Group B

For Members hired after February 28, 2011

Definitions

Computation Pay: The annualized monthly rate of pay for the highest civil service rank held by a Member plus Educational Incentive Pay plus Longevity Pay plus City Service Incentive Pay.

Average Computation Pay: Computation Pay averaged over 60 months.

City Service Incentive Pay: Additional annualized salary granted to Member under the authority of the City Charter.

Longevity Pay: Additional annualized salary granted to Members under a provision of Section 141.032, Local Government Code, for each year of service completed by such Member.

Pension Service: The period, in years, months, and days, during which the Member made contributions under the terms of the Combined Plan or any Pension Plan within the Pension System.

Qualified Surviving Spouse: The Member's legal spouse at the time of death providing the marriage occurred prior to the Member's termination of employment (entering DROP is not considered termination of employment).

Pension System: The Dallas Police and Fire Pension System.

Qualified Surviving Children: All surviving unmarried children under 19 years of age and children that become handicapped before age 23 provided they were born or adopted before the Member terminated his employment.

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Schedule B
(continued)

Educational Incentive Pay: Additional annualized salary granted to reward completion of college credits.

Contribution Rates

The City's contribution percentage is a function of the Member's contribution percentage as shown below:

<u>City</u>	<u>Member</u>
28.5%	9.0%
27.5	8.5
26.0	8.0
24.5	7.5
23.0	7.0
21.5	6.5

The contribution rate for Members not participating in DROP is currently 8.5%. The contribution rate for Members participating in DROP will be 3.0% for pay periods ending on or after October 1, 2011, 6.0% for pay periods ending on or after October 1, 2012, and 8.5% for pay periods ending on or after October 1, 2013.

Service Retirement Benefits

Annual Normal Retirement Pension

Condition for Retirement: Attainment of age 55 and 20 years of Pension Service.

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Schedule B
(continued)

Amount for Allowance: 2.0% of Average Computation Pay for the first 20 years of Pension Service, 2.5% of Average Computation Pay for the next five years of Pension Service, and 3.0% of Average Computation Pay for every year of Pension Service after 25 years.

Disability Retirement Benefits

Service-Related Disability

Condition for Retirement: Disability preventing the Member from performing his or her duties with his or her department for the first two years. After the initial two years, the disability must prevent the Member from performing any gainful employment for which he or she is qualified by reason of training, education or experience.

Amount of Pension: The greater of 50% of Average Computation Pay and the Normal Retirement Allowance.

Non-Service Related Disability

Condition for Retirement: Disability preventing the Member from performing his or her duties with his or her department and lasting for a period of not less than 90 days.

Amount of Pension: Normal Retirement Allowance.

Survivor Benefits

Survivor Benefits for Qualified Surviving Spouse: Death in Active Service: The greater of 50% of: (1) the benefit amount that the deceased Member would have received if the Member had left

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Schedule B
(continued)

active service and had attained age 55, assuming a benefit based on a minimum of 50% of Average Computation Pay; or (2) as calculated using the benefit calculation formula and actual years of Pension Service.

Survivor Benefits when no Qualified Surviving Spouse: Death in Active Service: The greater of 50% of: (1) the benefit amount that the deceased Member would have received if the Member had left active service and had attained age 55, assuming a benefit based on a minimum of 50% of Average Computation Pay; or (2) as calculated using the benefit calculation formula and actual years of Pension Service. The benefit will be paid as a lump sum equal to the value of the lesser of a 10-year benefit or the remainder of the 10-year period if Qualifying Surviving Children receive benefit.

Survivor Benefits After Retirement: The Qualified Surviving Spouse shall receive 50% of any benefits paid to the Member. The percentage is increased if the Qualified Surviving Spouse has attained age 55, there are no Qualified Surviving Children who are eligible for death benefits and the Member retired after age 55 with 20 years of Pension Service or if the Member's age plus Pension Service at retirement was at least 78. A Member may elect to receive an actuarially reduced benefit in order to provide a greater survivor percentage to the qualified spouse. Minimum benefits do not apply.

Survivor Benefits After Retirement or Termination for a Non-Qualifying Surviving Spouse: The Surviving Spouse shall receive 50% of any benefits paid to the Member. However, the Member's benefit will be reduced for this coverage.

Survivor Benefits for Qualified Surviving Children: An amount equal to the amount paid to a Qualified Surviving Spouse is divided among the Qualified Surviving Children and continues to be paid as long as one or more of the children continue to qualify.

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Schedule B
(continued)

Post-Retirement Adjustments

Not eligible for an automatic increase.

Minimum Benefits

The minimum benefit for normal retirement is \$2,200 monthly and \$1,200 monthly for Qualified Surviving Spouses, if there are no Qualified Surviving Children receiving benefits. The minimum benefit is \$1,100 monthly for Qualified Surviving Children and Qualified Surviving Spouses if Qualified Surviving Children are receiving benefits.

Benefit Supplement

If a Member retires or if a Member is receiving a service related disability the Member or the Member's Qualified Surviving Spouse is entitled to receive the greater of \$75 or 3% of the monthly benefit payable to the Member when the Member or the Qualified Surviving Spouse attains age 55. This supplement is also available for both the Member or the Member's Non-Qualifying Surviving Spouse for a member who has elected a reduced benefit to obtain coverage for a Non-Qualifying Surviving Spouse.

Deferred Retirement Option Plan

At normal retirement age, a member may elect to enter the DROP. Retirement benefits will be calculated as if the Member retired on that date. Each month, the retirement benefit will be deposited in an account while the active Member is participating in DROP. Upon termination of employment, the Member will have the balance in the account in addition to the monthly benefit payable as though the Member retired at the date the Member entered DROP.

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Schedule C

**Summary of Actuarial Methods and Assumptions
(Effective as of January 1, 2011)**

Investment Return: 8.50% per annum, compounded annually, net all expenses including administrative expenses. This rate reflects an underlying inflation rate of 4.00% and a real rate of return of 4.50%.

DROP balances are assumed to earn 8.5% per annum for Members eligible to receive interest accumulation in their DROP account.

Separations Before Normal Retirement: Representative values of the assumed annual rates of withdrawal, death, and disability are as follows:

Age	<u>Annual Rate per 1,000 Members</u>							
	<u>Withdrawal</u>		<u>Mortality - Disableds</u>		<u>Mortality - Other</u>		<u>Disability</u>	
	Police	Fire	Male	Female	Male	Female	Police	Fire
20	47.0	23.0	48.30	26.30	.48	.28	.35	.70
25	47.0	23.0	48.30	26.30	.62	.29	.37	.75
30	35.0	18.0	36.20	23.70	.78	.33	.42	.84
35	25.0	18.0	27.80	21.40	.85	.45	.48	.96
40	25.0	18.0	28.20	20.90	1.00	.65	.57	1.15
45	25.0	18.0	32.20	22.40	1.46	.92	.79	1.58
50	NA	NA	38.30	25.70	2.33	1.31	NA	NA
60	NA	NA	60.30	33.10	7.09	3.86	NA	NA
70	NA	NA	73.90	41.10	21.73	12.71	NA	NA
75	NA	NA	84.20	49.20	34.05	20.38	NA	NA

Salary Increases: Representative values of the assumed annual rates of future salary increase attributable to seniority and promotion are as follows:

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Schedule C
(continued)

Years of Service	Annual Rate of Salary Increase
0	9.64%
5	9.19
10	7.72
15	5.82
20	4.56
25	4.08
30	4.00

Total payroll is assumed to increase 4.00% per year. New hires are assumed to replace terminations.

Overtime and other non-computation pay are assumed to be 11% of base pay. The City contributes on total pay including non-computation pay. This assumption is based on the revised compensation package adopted by the City Council in 2007.

Retirement Rates: The percentage of population assumed to retire at various ages is as follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
38	2%	48	2%	58	20%
39	2	49	2	59	20
40	2	50	4	60	20
41	2	51	3	61	20
42	2	52	3	62	20
43	2	53	3	63	20
44	2	54	3	64	20
45	2	55	25	65	100
46	2	56	20		
47	2	57	20		

Rates are applied when a member is eligible to retire.

Postretirement Mortality: According to the 1994 Group Annuity Mortality Table for males and females, set back one year for males and females.

Dallas Police and Fire Pension System
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Schedule C
(continued)

DROP Election: Members are assumed to elect DROP at age 50 with five years for Plan B if hired on or before February 28, 2011, age 55 with 20 years for Plan B if hired after February 28, 2011, age 55 with 20 years for Plan A, and age 50 with 20 years for Old Plan. Any active members who satisfy this criteria and have not entered DROP are assumed to never join DROP.

Spouses: 80% of active members are assumed to be married with the male three years older than the female. The age of the youngest child is assumed to be one year.

Assumption as to Choice of Plan Provisions: Those Members eligible to elect between Plan B and the Old Plan are assumed to elect in a manner which maximizes the benefit they receive.

Assumed Postretirement Cost of Living:

Plan A and Plan B: 4% of original pension annually for eligible Members

Old Plan: 4% compounded annually

Future Expenses: All expenses, investment and administration, are paid from the Fund. The 8.50% assumed rate of return is net of these expenses.

Valuation Method: The method used to determine Normal Cost and Accrued Actuarial Liability is the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, an annual Normal Cost is determined for each covered active Member which is the contribution required to provide all the projected pension benefits assuming this contribution is payable over a period ending on the date of retirement (separation from active service) and expressed as a level percentage of compensation. The Actuarial Accrued Liability is determined as the excess of the total present value of all pension benefits over the total present value of future Normal Costs. The Unfunded Actuarial Accrued Liability as of the valuation date is determined as the excess of the Actuarial Accrued Liability over the assets of the Fund.

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Schedule C
 (continued)

The Normal Cost and Accrued Actuarial Liability are derived by making certain assumptions as to the rates of interest, mortality, turnover, etc., which are assumed to reflect experience for many years into the future. Since actual experience will differ from the assumptions, the costs determined must be regarded as estimates of the true costs of the Plan. The effects of any actuarial gains or losses are immediately reflected in the Unfunded Actuarial Accrued Liability and the Normal Cost.

Actuarial Value of Assets: The actuarial value of assets is calculated based on the following formula.

The actuarial value of assets is calculated based on the following formula:

$$MV - (4/5) \times G/(L)_1 - (3/5) \times G/(L)_2 \\ - (2/5) \times G/(L)_3 - (1/5) \times G/(L)_4$$

where:

MV = the market value of assets as of the valuation date

$G/(L)_i$ = the asset gain or (loss) (i.e., actual return on assets less expected return on assets) for the i-th year preceding the valuation date.

In no event is the actuarial value of assets less than 80% nor more than 120% of the market value of assets.

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Schedule D

Comparison of Actual Experience and Actuarial Expectations

Demographic Assumptions

The demographic assumptions used to value the liabilities of the System are used to estimate the timing and duration of the member contributions and benefit payments of the System. The main demographic assumptions used to value the liabilities of the System consist of termination prior to retirement, disability, retirement, death and DROP age. A comparison of the actual experience of the System to each of these assumptions follows.

Terminations Prior to Retirement			
This assumption was last changed as of January 1, 2005 to better reflect the actual experience of the System and to better anticipate future expectations. The ratio of actual terminations prior to retirement to the expected terminations prior to retirement for the period January 1, 2006 through December 31, 2010 shows that during this period there have been about 10% more terminations than expected.			
January 1, 2006 through December 31, 2010			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Termination Prior to Retirement	467	425	110%

Disability			
This assumption was last changed as of January 1, 1999 to better reflect the actual experience of the System and to better anticipate future expectations. The ratio of actual disability retirements to the expected disability retirements for the period January 1, 2006 through December 31, 2010 shows that during this period there have been about 20% more of disability retirements as expected. Since the actual number of disablements is so small, we do not feel that any change in this assumption is necessary at this time.			
January 1, 2006 through December 31, 2010			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Disability Retirements	12	10	120%

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Schedule D
(continued)

Retirement (Leaving Active Service)

This assumption was changed as of January 1, 2005 to better reflect the actual experience of the System and to better anticipate future expectations. The ratio of actual retirements to the expected retirements using the new retirement rates for the period January 1, 2006 through December 31, 2010 shows that during this period there have been about 25% less retirements than expected. Due to the changes in DROP interest rates and Member contributions during the DROP period, we feel that no change is needed at this time due to the expectation that these changes will create an increase in retirement rates.

January 1, 2006 through December 31, 2010

	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Retirement	595	789	75%

Death

This assumption was changed as of January 1, 2007 to better reflect the actual experience of the System and to better anticipate future expectations. The ratio of actual deaths to the expected deaths for the period January 1, 2007 through December 31, 2010 shows that during this period there has been only one more death than expected. It is generally desirable to have some margin in this assumption for mortality improvement.

January 1, 2007 through December 31, 2010

	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Death	387	386	100%

Age at DROP

This assumption has not changed since the implementation of DROP in 1993. The actual age at DROP is virtually the same as the assumed age of 50. We do not feel any change in assumption is necessary at this time since there is very little difference in the assumed age at DROP and the actual age at DROP.

Through December 31, 2010

	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Age at DROP (from January 1, 1996)	49.9	50.0	100%
Age at DROP (from January 1, 2006)	49.4	50.0	99%

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Dallas Police and Fire Pension System
Actuarial Valuation - January 1, 2011

Schedule D
(continued)

Economic Assumptions

The economic assumptions used to value the liabilities of the System are used to estimate the amount and cost of the benefit payments of the System. Economic assumptions are generally based on a building block approach with the inflation rate used as the initial basis. For example, in setting the long-term rate of return, the expected inflation rate is added to the expected real-rate of return to determine the nominal rate of return. This nominal rate of return is then used to determine the present value of future benefit payment amounts. The main economic assumptions used to value the liabilities of the System consist of inflation, long-term rate of return and salary increase rate. A discussion of these assumptions follows.

Inflation			
The inflation assumption used to value the liabilities of the System is 4%. This assumption was last changed as of January 1, 1999 to better anticipate future expectations. The average annual inflation rate (as measured by CPI-U) over the 60 years ending December 31, 2010 has been 3.67%. We feel that given the history of inflation rates and reasonable expectations of the future that the 4% inflation rate assumption is reasonable.			
January 1, 1951 through December 31, 2010			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Inflation	3.67%	4.00%	92%

Salary Increases			
The salary increase assumption used to value the liabilities of the System varies by the service of the Member. This assumption was last changed as of January 1, 2007 to reflect the expected change in future pay increases. Based on our expectations of future promotional and merit salary increases and the assumed rate of inflation, we feel that the current salary increase rates are reasonable. A summary of the actual valuation earnings to the expected valuation earnings over the period January 1, 2006 through December 31, 2010 follows.			
January 1, 2006 through December 31, 2010			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Valuation Compensation	\$1,625,627,809	\$1,650,909,323	98%

Dallas Police and Fire Pension System
Actuarial Valuation - January 1, 2011

Schedule D
(continued)

Long-Term Rate of Return on Plan Assets

The long-term rate of return on plan assets used to value the liabilities of the System is 8.5%. This assumption was last changed as of January 1, 1999 to better anticipate future expectations and to reflect the change in the inflation rate. Based on the asset allocation policy, expectations of future real rates of return and the expected administrative expenses of the System, we feel that an 8.5% long-term rate of return is reasonable. A summary of the nominal rates of return over the period October 1, 1988 through December 31, 2010 follows.

Period			Annualized Rate of Return
10/1/1988	through	9/30/1989	25.40%
10/1/1989	through	9/30/1990	(6.53)
10/1/1990	through	12/31/1991	20.73
1/1/1992	through	12/31/1992	2.94
1/1/1993	through	12/31/1993	14.06
1/1/1994	through	12/31/1994	2.78
1/1/1995	through	12/31/1995	24.33
1/1/1996	through	12/31/1996	16.69
1/1/1997	through	12/31/1997	13.84
1/1/1998	through	12/31/1998	13.68
1/1/1999	through	12/31/1999	24.39
1/1/2000	through	12/31/2000	(1.52)
1/1/2001	through	12/31/2001	(7.76)
1/1/2002	through	12/31/2002	(12.26)
1/1/2003	through	12/31/2003	31.65
1/1/2004	through	12/31/2004	13.96
1/1/2005	through	12/31/2005	10.81
1/1/2006	through	12/31/2006	14.64
1/1/2007	through	12/31/2007	8.85
1/1/2008	through	12/31/2008	(24.80)
1/1/2009	through	12/31/2009	13.78
1/1/2010	through	12/31/2010	10.72
10/1/1988	through	12/31/2010	9.42%

Effective for years beginning on October 1, 2011 and each October 1 thereafter, the DROP interest rate will be determined at a daily rate based on the arithmetic average of the annual market return on the System's investments for the preceding ten calendar years. However, the rate shall not be less than 8% nor more than 10%. The ten-year arithmetic average of the annual market return on the System's investments for the preceding ten calendar years is 5.96%. Therefore, the annual DROP interest rate for October 1, 2011 is 8.00%.

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Dallas Police and Fire Pension System
Actuarial Valuation - January 1, 2011

Schedule E

Asset Projection

<u>Year</u>	<u>Market Value of Assets at Beginning of Year</u>	<u>Expected Contributions During Year</u>	<u>Expected Benefit Payments During Year</u>	<u>Expected Investment Income During Year*</u>	<u>Market Value of Assets at End of Year</u>
2011	\$3,112,686,542	\$135,100,000	\$205,700,000	\$261,600,000	\$3,303,700,000
2012	3,303,700,000	144,600,000	230,700,000	277,200,000	3,494,800,000
2013	3,494,800,000	154,500,000	258,000,000	292,700,000	3,684,000,000
2014	3,684,000,000	163,500,000	287,400,000	307,900,000	3,868,000,000
2015	3,868,000,000	170,000,000	319,400,000	322,400,000	4,041,000,000
2016	4,041,000,000	176,800,000	353,300,000	336,000,000	4,200,500,000
2017	4,200,500,000	183,900,000	390,200,000	348,300,000	4,342,500,000
2018	4,342,500,000	191,200,000	429,000,000	359,000,000	4,463,700,000
2019	4,463,700,000	198,900,000	470,200,000	367,900,000	4,560,300,000
2020	4,560,300,000	206,800,000	513,600,000	374,600,000	4,628,100,000
2021	4,628,100,000	215,100,000	491,700,000	381,600,000	4,733,100,000
2022	4,733,100,000	223,700,000	453,700,000	392,500,000	4,895,600,000
2023	4,895,600,000	232,600,000	472,700,000	405,900,000	5,061,400,000
2024	5,061,400,000	242,000,000	491,800,000	419,600,000	5,231,200,000
2025	5,231,200,000	251,600,000	509,500,000	433,700,000	5,407,000,000

* Assuming an 8.5% return on the market value of assets, net of expenses.

TABLE 1
 THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE
 (excluding DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE
 AS OF JANUARY 1, 2011

POLICE

ATTAINED AGE	YEARS OF SERVICE																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp
Under 25	56	42,505	103	44,380	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	80	42,729	465	45,426	66	52,400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	33	42,694	253	45,662	184	55,093	49	59,953	1	52,488	0	0	0	0	0	0	0	0	0	0
35 to 39	12	43,282	117	45,412	155	55,934	182	62,544	38	69,639	0	0	0	0	0	0	0	0	0	0
40 to 44	9	42,938	44	45,052	75	56,072	106	63,216	214	71,589	117	75,968	3	78,678	0	0	0	0	0	0
45 to 49	1	43,864	10	45,224	37	55,827	28	64,201	98	72,973	219	78,554	58	80,112	0	0	0	0	0	0
50 to 54	0	0	5	61,698	7	56,632	5	65,871	14	67,465	8	75,220	2	85,430	1	85,048	0	0	0	0
55 to 59	0	0	6	57,745	0	0	0	0	2	74,308	1	78,116	1	78,795	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	1	71,155	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	1	56,566	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 1
 THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE
 (excluding DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE
 AS OF JANUARY 1, 2011

FIRE

ATTAINED AGE	YEARS OF SERVICE																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp
Under 25	8	41,690	36	44,107	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	22	41,690	166	45,236	11	50,703	1	46,979	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	14	41,908	118	45,550	98	55,520	42	61,004	1	61,663	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	36	45,015	90	56,007	122	64,443	23	72,775	1	63,609	0	0	0	0	0	0	0	0
40 to 44	1	41,690	2	47,716	31	55,334	58	64,884	67	71,691	30	79,261	1	88,632	0	0	0	0	0	0
45 to 49	0	0	2	24,583	20	56,408	13	64,237	53	72,715	73	79,446	63	81,590	0	0	0	0	0	0
50 to 54	0	0	1	1,392	2	52,053	1	64,908	5	73,349	1	74,571	3	73,411	0	0	0	0	0	0
55 to 59	0	0	2	48,640	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 1
 THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE
 (excluding DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE
 AS OF JANUARY 1, 2011

POLICE AND FIRE

ATTAINED AGE	YEARS OF SERVICE																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp
Under 25	64	42,403	139	44,309	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	102	42,505	631	45,376	77	52,158	1	46,979	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	47	42,460	371	45,627	282	55,241	91	60,438	2	57,076	0	0	0	0	0	0	0	0	0	0
35 to 39	12	43,282	153	45,319	245	55,961	304	63,306	61	70,821	1	63,609	0	0	0	0	0	0	0	0
40 to 44	10	42,813	46	45,168	106	55,856	164	63,806	281	71,613	147	76,640	4	81,167	0	0	0	0	0	0
45 to 49	1	43,864	12	41,783	57	56,031	41	64,213	151	72,882	292	78,777	121	80,881	0	0	0	0	0	0
50 to 54	0	0	6	51,647	9	55,615	6	65,711	19	69,013	9	75,148	5	78,219	1	85,048	0	0	0	0
55 to 59	0	0	8	55,469	0	0	0	0	2	74,308	1	78,116	1	78,795	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	1	71,155	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	1	56,566	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 2
 THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE
 (including DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE
 AS OF JANUARY 1, 2011

POLICE

ATTAINED AGE	YEARS OF SERVICE																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp
Under 25	56	42,505	103	44,380	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	80	42,729	465	45,426	66	52,400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	33	42,694	253	45,662	184	55,093	49	59,953	1	52,488	0	0	0	0	0	0	0	0	0	0
35 to 39	12	43,282	117	45,412	155	55,934	182	62,544	38	69,639	0	0	0	0	0	0	0	0	0	0
40 to 44	9	42,938	44	45,052	75	56,072	106	63,216	214	71,589	131	78,451	3	78,678	0	0	0	0	0	0
45 to 49	1	43,864	10	45,224	37	55,827	28	64,201	101	73,152	277	81,000	112	85,932	0	0	0	0	0	0
50 to 54	0	0	5	61,698	9	57,591	9	72,711	34	76,155	112	89,722	194	93,010	79	92,256	1	85,496	0	0
55 to 59	0	0	6	57,745	4	89,254	1	76,609	7	78,629	29	92,242	45	90,031	74	92,894	36	93,534	2	87,855
60 to 64	0	0	0	0	1	95,428	0	0	0	0	16	89,335	10	90,470	12	92,129	28	92,671	8	86,594
65 to 69	0	0	0	0	1	56,566	0	0	0	0	0	0	0	0	0	0	1	99,995	2	95,191
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 2
 THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE
 (including DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE
 AS OF JANUARY 1, 2011

FIRE

ATTAINED AGE	YEARS OF SERVICE																					
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up			
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp		
Under 25	8	41,690	36	44,107	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	22	41,690	166	45,236	11	50,703	1	46,979	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	14	41,908	118	45,550	98	55,520	42	61,004	1	61,663	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	36	45,015	90	56,007	122	64,443	23	72,775	1	63,609	0	0	0	0	0	0	0	0	0	0
40 to 44	1	41,690	2	47,716	31	55,334	58	64,884	67	71,691	31	79,593	1	88,632	0	0	0	0	0	0	0	0
45 to 49	0	0	2	24,583	20	56,408	13	64,237	55	73,747	103	82,784	94	86,190	0	0	0	0	0	0	0	0
50 to 54	0	0	1	1,392	2	52,053	2	70,820	22	84,030	53	91,526	146	95,043	57	91,596	0	0	0	0	0	0
55 to 59	0	0	2	48,640	0	0	0	0	4	79,287	13	94,290	43	95,716	77	94,391	41	87,104	1	122,211		
60 to 64	0	0	0	0	0	0	1	77,526	1	92,072	1	82,459	2	99,159	21	89,416	35	92,133	11	98,360		
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	103,971	5	104,123		
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	108,629		

TABLE 2
 THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE
 (including DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE
 AS OF JANUARY 1, 2011

POLICE AND FIRE

ATTAINED AGE	YEARS OF SERVICE																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp
Under 25	64	42,403	139	44,309	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	102	42,505	631	45,376	77	52,158	1	46,979	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	47	42,460	371	45,627	282	55,241	91	60,438	2	57,076	0	0	0	0	0	0	0	0	0	0
35 to 39	12	43,282	153	45,319	245	55,961	304	63,306	61	70,821	1	63,609	0	0	0	0	0	0	0	0
40 to 44	10	42,813	46	45,168	106	55,856	164	63,806	281	71,613	162	78,670	4	81,167	0	0	0	0	0	0
45 to 49	1	43,864	12	41,783	57	56,031	41	64,213	156	73,362	380	81,484	206	86,050	0	0	0	0	0	0
50 to 54	0	0	6	51,647	11	56,584	11	72,367	56	79,248	165	90,302	340	93,883	136	91,980	1	85,496	0	0
55 to 59	0	0	8	55,469	4	89,254	1	76,609	11	78,868	42	92,876	88	92,808	151	93,657	77	90,110	3	99,306
60 to 64	0	0	0	0	1	95,428	1	77,526	1	92,072	17	88,930	12	91,918	33	90,402	63	92,372	19	93,406
65 to 69	0	0	0	0	1	56,566	0	0	0	0	0	0	0	0	0	0	6	103,308	7	101,571
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	108,629

TABLE 3
 THE NUMBER AND ANNUAL RETIREMENT
 ALLOWANCE OF RETIRED MEMBERS
 BY AGE AS OF JANUARY 1, 2011

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
44	1	\$ 26,974	\$ 26,974
45	1	15,176	15,176
46	4	109,841	27,460
47	5	106,027	21,205
48	13	357,250	27,481
49	8	237,936	29,742
50	16	472,245	29,515
51	23	747,133	32,484
52	27	1,238,652	45,876
53	19	690,243	36,329
54	22	786,376	35,744
55	29	1,369,177	47,213
56	41	2,212,916	53,974
57	60	3,101,676	51,695
58	74	4,536,103	61,299
59	109	6,297,130	57,772
60	105	5,499,110	52,372
61	126	6,940,964	55,087
62	120	5,843,616	48,697
63	157	7,599,148	48,402
64	139	6,831,387	49,147
65	97	4,639,077	47,826
66	87	3,971,103	45,645
67	93	4,561,266	49,046
68	108	5,042,220	46,687
69	66	3,303,276	50,050
70	94	4,421,777	47,040
71	75	3,727,513	49,700
72	85	4,196,056	49,365
73	68	3,369,736	49,555
74	56	2,519,743	44,995
75	52	2,321,558	44,645
76	54	2,306,305	42,709
77	51	2,054,424	40,283

TABLE 3

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF RETIRED MEMBERS
BY AGE AS OF JANUARY 1, 2011
CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
78	54	\$ 2,471,720	\$ 45,773
79	54	2,045,305	37,876
80	50	1,881,224	37,624
81	43	1,582,373	36,799
82	39	1,508,135	38,670
83	27	1,062,912	39,367
84	18	682,098	37,894
85	19	673,456	35,445
86	19	722,283	38,015
87	17	675,551	39,738
88	8	305,163	38,145
89	3	106,734	35,578
90	11	427,534	38,867
91	9	318,905	35,434
92	1	35,578	35,578
93	3	98,333	32,778
94	1	35,455	35,455
95	1	35,504	35,504
TOTAL	2,462	\$ 116,121,397	\$ 47,165
POLICE	1,442	\$ 65,438,190	\$ 45,380
FIRE	1,020	\$ 50,683,207	\$ 49,689

TABLE 4
 THE NUMBER AND ANNUAL RETIREMENT
 ALLOWANCE OF DISABLED MEMBERS
 BY AGE AS OF JANUARY 1, 2011

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
31	1	\$ 25,435	\$ 25,435
34	1	30,699	30,699
35	1	22,184	22,184
38	2	68,984	34,492
39	1	37,995	37,995
40	1	26,711	26,711
42	2	68,288	34,144
43	5	185,774	37,155
44	1	32,732	32,732
45	1	39,056	39,056
46	2	63,798	31,899
47	5	191,464	38,293
48	3	98,212	32,737
49	2	54,651	27,326
50	3	89,076	29,692
51	2	67,361	33,681
53	2	66,999	33,500
54	4	124,621	31,155
55	3	96,266	32,089
56	5	169,536	33,907
57	2	65,554	32,777
58	1	35,873	35,873
59	6	245,337	40,890
60	6	227,390	37,898
61	6	293,748	48,958
62	6	211,688	35,281
63	7	283,821	40,546
64	4	114,683	28,671
65	2	46,041	23,021
66	6	215,930	35,988
67	2	81,891	40,946
68	4	173,341	43,335
69	2	65,829	32,915
70	7	303,284	43,326

TABLE 4
 THE NUMBER AND ANNUAL RETIREMENT
 ALLOWANCE OF DISABLED MEMBERS
 BY AGE AS OF JANUARY 1, 2011
 CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
71	12	\$ 570,339	\$ 47,528
72	5	235,510	47,102
73	5	197,118	39,424
74	5	161,979	32,396
75	3	145,654	48,551
76	4	158,772	39,693
77	4	141,003	35,251
78	3	121,941	40,647
79	3	101,656	33,885
80	5	235,810	47,162
81	4	128,757	32,189
82	3	116,158	38,719
83	2	70,885	35,443
84	2	71,008	35,504
85	3	106,513	35,504
86	3	117,212	39,071
87	2	62,878	31,439
88	2	63,531	31,766
89	2	62,829	31,415
90	1	35,455	35,455
93	1	35,035	35,035
TOTAL	182	\$ 6,864,295	\$ 37,716
POLICE	69	\$ 2,310,075	\$ 33,479
FIRE	113	\$ 4,554,220	\$ 40,303

TABLE 5
 THE NUMBER AND ANNUAL RETIREMENT
 ALLOWANCE OF BENEFICIARIES
 BY AGE AS OF JANUARY 1, 2011

POLICE AND FIRE			
AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
7	1	\$ 5,483	\$ 5,483
8	1	4,928	4,928
10	2	27,353	13,677
11	3	24,509	8,170
12	4	37,494	9,374
13	7	83,593	11,942
14	7	54,801	7,829
15	1	11,673	11,673
16	5	69,393	13,879
17	3	55,426	18,475
18	4	42,026	10,507
19	5	74,685	14,937
27	1	13,323	13,323
36	2	28,463	14,232
37	2	32,587	16,294
39	3	54,214	18,071
40	2	37,128	18,564
41	3	37,886	12,629
42	1	16,996	16,996
43	3	52,345	17,448
44	3	54,257	18,086
45	2	57,482	28,741
46	3	50,040	16,680
48	3	88,267	29,422
49	7	133,354	19,051
50	10	228,878	22,888
51	7	148,890	21,270
52	10	204,248	20,425
53	5	140,427	28,085
54	5	68,107	13,621
55	9	206,485	22,943
56	14	334,225	23,873
57	10	210,895	21,090
58	9	197,232	21,915

TABLE 5
 THE NUMBER AND ANNUAL RETIREMENT
 ALLOWANCE OF BENEFICIARIES
 BY AGE AS OF JANUARY 1, 2011
 CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
59	15	\$ 287,442	\$ 19,163
60	19	488,669	25,719
61	16	300,646	18,790
62	23	469,007	20,392
63	17	454,446	26,732
64	31	674,098	21,745
65	18	382,186	21,233
66	15	297,663	19,844
67	24	619,327	25,805
68	21	510,177	24,294
69	21	493,471	23,499
70	25	513,961	20,558
71	31	746,506	24,081
72	21	503,728	23,987
73	24	680,350	28,348
74	21	490,609	23,362
75	25	591,083	23,643
76	31	626,534	20,211
77	20	362,594	18,130
78	29	538,437	18,567
79	23	523,807	22,774
80	23	433,589	18,852
81	26	478,965	18,422
82	29	591,922	20,411
83	27	517,637	19,172
84	31	632,003	20,387
85	15	273,619	18,241
86	26	465,340	17,898
87	18	383,158	21,287
88	11	234,077	21,280
89	11	222,407	20,219
90	9	152,952	16,995
91	11	192,711	17,519
92	9	154,315	17,146

TABLE 5

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF BENEFICIARIES
BY AGE AS OF JANUARY 1, 2011
CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
93	6	\$ 105,207	\$ 17,535
94	5	87,984	17,597
95	4	117,269	29,317
96	3	51,662	17,221
TOTAL	891	\$ 18,536,651	\$ 20,804
POLICE	513	\$ 10,535,683	\$ 20,537
FIRE	378	\$ 8,000,968	\$ 21,167

TABLE 6

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF RETIRED MEMBERS,
DISABLED MEMBERS AND BENEFICIARIES
BY AGE AS OF JANUARY 1, 2011

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
7	1	\$ 5,483	\$ 5,483
8	1	4,928	4,928
10	2	27,353	13,677
11	3	24,509	8,170
12	4	37,494	9,374
13	7	83,593	11,942
14	7	54,801	7,829
15	1	11,673	11,673
16	5	69,393	13,879
17	3	55,426	18,475
18	4	42,026	10,507
19	5	74,685	14,937
27	1	13,323	13,323
31	1	25,435	25,435
34	1	30,699	30,699
35	1	22,184	22,184
36	2	28,463	14,232
37	2	32,587	16,294
38	2	68,984	34,492
39	4	92,209	23,052
40	3	63,839	21,280
41	3	37,886	12,629
42	3	85,284	28,428
43	8	238,119	29,765
44	5	113,963	22,793
45	4	111,714	27,929
46	9	223,679	24,853
47	10	297,491	29,749
48	19	543,729	28,617
49	17	425,941	25,055
50	29	790,199	27,248
51	32	963,384	30,106
52	37	1,442,900	38,997

TABLE 6

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF RETIRED MEMBERS,
DISABLED MEMBERS AND BENEFICIARIES
BY AGE AS OF JANUARY 1, 2011
CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
53	26	\$ 897,669	\$ 34,526
54	31	979,104	31,584
55	41	1,671,928	40,779
56	60	2,716,677	45,278
57	72	3,378,125	46,918
58	84	4,769,208	56,776
59	130	6,829,909	52,538
60	130	6,215,169	47,809
61	148	7,535,358	50,915
62	149	6,524,311	43,787
63	181	8,337,415	46,063
64	174	7,620,168	43,794
65	117	5,067,304	43,310
66	108	4,484,696	41,525
67	119	5,262,484	44,223
68	133	5,725,738	43,051
69	89	3,862,576	43,400
70	126	5,239,022	41,580
71	118	5,044,358	42,749
72	111	4,935,294	44,462
73	97	4,247,204	43,786
74	82	3,172,331	38,687
75	80	3,058,295	38,229
76	89	3,091,611	34,737
77	75	2,558,021	34,107
78	86	3,132,098	36,420
79	80	2,670,768	33,385
80	78	2,550,623	32,700
81	73	2,190,095	30,001
82	71	2,216,215	31,214
83	56	1,651,434	29,490
84	51	1,385,109	27,159
85	37	1,053,588	28,475
86	48	1,304,835	27,184

TABLE 6

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF RETIRED MEMBERS,
DISABLED MEMBERS AND BENEFICIARIES
BY AGE AS OF JANUARY 1, 2011
CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
87	37	\$ 1,121,587	\$ 30,313
88	21	602,771	28,703
89	16	391,970	24,498
90	21	615,941	29,331
91	20	511,616	25,581
92	10	189,893	18,989
93	10	238,575	23,858
94	6	123,439	20,573
95	5	152,773	30,555
96	3	51,662	17,221
TOTAL	3,535	\$ 141,522,343	\$ 40,035
POLICE	2,024	\$ 78,283,948	\$ 38,678
FIRE	1,511	\$ 63,238,395	\$ 41,852

TABLE 7

THE NUMBER AND FUTURE ANNUAL
ALLOWANCE OF TERMINATED MEMBERS
ENTITLED TO A FUTURE BENEFIT
BY AGE AS OF JANUARY 1, 2011

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
29	2	\$ 12,891	\$ 6,446
31	1	4,694	4,694
33	4	26,026	6,507
34	4	29,937	7,484
35	3	20,785	6,928
36	3	27,466	9,155
37	5	57,480	11,496
38	6	60,865	10,144
39	5	53,196	10,639
40	9	95,092	10,566
41	13	123,054	9,466
42	7	96,153	13,736
43	7	126,443	18,063
44	7	74,699	10,671
45	14	168,615	12,044
46	8	150,631	18,829
47	7	107,596	15,371
48	9	175,893	19,544
49	8	82,778	10,347
50	3	36,562	12,187
51	2	21,634	10,817
52	2	35,838	17,919
53	2	16,984	8,492
55	1	14,546	14,546
56	1	18,825	18,825
57	1	22,124	22,124
61	1	4,997	4,997
TOTAL	135	\$ 1,665,804	\$ 12,339
POLICE	112	\$ 1,416,597	\$ 12,648
FIRE	23	\$ 249,207	\$ 10,835

TABLE 8

THE NUMBER, ANNUAL RETIREMENT
ALLOWANCE AND ACCOUNT BALANCE
OF DROP MEMBERS
BY AGE AS OF JANUARY 1, 2011

POLICE AND FIRE
DROP

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT	ACCOUNT BALANCE	AVERAGE ACCOUNT BALANCE
41	3	\$ 89,303	\$ 29,768	\$ 51,896	\$ 17,299
42	5	144,024	28,805	50,053	10,011
43	2	64,057	32,029	130,013	65,007
44	4	120,416	30,104	232,902	58,226
45	2	62,795	31,398	227,199	113,600
46	6	210,219	35,037	572,473	95,412
47	9	304,780	33,864	465,336	51,704
48	45	2,127,184	47,271	1,116,720	24,816
49	76	3,672,931	48,328	4,003,078	52,672
50	115	5,996,770	52,146	8,303,704	72,206
51	135	6,673,777	49,435	12,562,239	93,054
52	162	9,065,175	55,958	23,673,966	146,136
53	129	7,297,967	56,573	25,691,527	199,159
54	130	7,233,092	55,639	33,991,723	261,475
55	88	5,027,139	57,127	28,432,295	323,094
56	101	5,705,248	56,488	41,477,045	410,664
57	72	3,951,627	54,884	32,657,074	453,570
58	67	3,632,856	54,222	34,391,924	513,312
59	68	3,587,991	52,765	38,121,095	560,604
60	44	2,201,266	50,029	26,457,990	601,318
61	39	1,898,657	48,684	24,717,818	633,790
62	31	1,432,662	46,215	19,438,292	627,042
63	25	1,115,104	44,604	19,347,341	773,894
64	19	764,899	40,258	14,557,881	766,204
65	9	468,510	52,057	9,788,324	1,087,592
66	5	271,317	54,263	6,565,204	1,313,041
67	3	175,873	58,624	4,823,108	1,607,703
68	2	131,799	65,900	3,485,904	1,742,952
75	1	98,215	98,215	1,415,595	1,415,595
TOTAL	1,397	\$ 73,525,653	\$ 52,631	\$ 416,749,719	\$ 298,318
POLICE	801	\$ 41,713,906	\$ 52,077	\$ 206,566,146	\$ 257,885
FIRE	596	\$ 31,811,747	\$ 53,375	\$ 210,183,573	\$ 352,657



