

**CITY OF LOS ANGELES
FIRE & POLICE PENSION PLAN
ANNUAL ACTUARIAL VALUATION**

June 30, 2005



Submitted to
BOARD of FIRE and POLICE PENSION COMMISSIONERS

The City of Los Angeles Fire and Police Pension Plan

June 30, 2005 Actuarial Valuation

TABLE OF CONTENTS

Introduction	i
Valuation Results & Comments	1
Funding Progress	23
Summary of Benefit Provisions	27
Reported Asset Information	40
Active Member Data	42
Retired Member Data	51
Summary of Member Data	67
Valuation Methods & Assumptions	75
Projection of Contributions	90
Definitions of Technical Terms.....	91

December 12, 2005

Board of Fire and Police Pension Commissioners
360 East Second Street, Suite 400
Los Angeles, CA 90012

Members of the Board:

Results of the regular Annual Actuarial Valuation as of June 30, 2005 of The City of Los Angeles Fire and Police Pension Plan are summarized. The valuation is intended to provide a measure of the funding status of the retirement system and health subsidy benefits. This valuation forms the basis for the City contribution rates for the year beginning July 1, 2006.

Contributions	Retirement	Health
Normal Costs	16.48%	2.71%
Unfunded Amortization	4.08%	2.32%
TOTAL	20.56%	5.03%

The member statistical data on which the valuation was based was furnished by staff, together with pertinent data on financial operations. Data was reviewed for reasonableness, but was not audited by the actuary.

There was an overall actuarial loss of \$628 million, which reflects 5.1% of related actuarial accrued liabilities as of June 30, 2004. The most significant component was due to deferred recognition of the 2000-02 bear market losses, which created an asset loss of \$781 million. There was also an assumption change to reflect anticipated increases in future retirements due to those currently in DROP.

The cooperation of staff in furnishing materials requested for this valuation is deeply acknowledged with appreciation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY



Rick A. Roeder, E.A., F.S.A., M.A.A.A.

**COMMENTS
&
VALUATION RESULTS**

The City of Los Angeles Fire and Police Pension Plan

Comments & Recommendations

June 30, 2005

COMMENT A: Last month, we completed calculations for the June 30, 2005 actuarial valuation. The combined pension and health contribution rate significantly increased from 15.69% to 25.92% of payroll. Actuarial losses of \$781 million in the investment area were the largest reason for the significant increase. Also, actuarial assumptions were changed in an effort to explicitly reflect DROP.

As we predicted last year, the overall funded ratio, using the actuarial value of assets, dropped from 99.5% to 88.9%. The funded ratio also decreased from 94% to 91% using the market value of assets.

The pension funded ratio dropped below 100% using the actuarial value of assets – from 103.0% to 92.9%. Our understanding is that this is the relevant ratio to determine whether Tier 5 employees will have to contribute an additional 1% to the plan.

COMMENT B: The marked increase in rates was the catalyst for staff to elicit an actuarial review of our assumptions and methodology. Staff hired Drew James of the Segal Company to review our work, with a focus on DROP and Tier 5.

A summary of how we have handled DROP to date may prove helpful. Watson Wyatt completed a study prior to the implementation of DROP. Their analysis was that the DROP appeared to be cost neutral based on the assumptions they used and the yardstick of present value of benefits. Because of this study and the lack of credible data, we treated DROPs as active members during their DROP period in valuations prior to 2004 on the continued premise that DROP was cost neutral.

In September 2004, an experience investigation was completed based on information provided. We indicated that we would prefer to explicitly value DROP in future valuations starting in 2005. In the 2004 valuation, we continued to value DROP as active members as in the previous valuation. One of the byproducts of our 2004 experience study was to lower assumed rates of service retirement to reflect part (but not all) of the very low service retirement incidence during the experience investigation period (see Comment D in the 2004 valuation report). We also indicated in last year's report that we anticipated that applicable retirement rates would likely be higher in the future. This will certainly be true when those currently in DROP elect to stop working.

Early in calendar 2005, we were asked to complete an analysis for the CAO's office. At this time, we were provided with DROP data. For most of the people electing DROP, our analysis was that the DROP program appeared to be cost neutral. There was a smaller group of DROP electees who we deemed not to be cost neutral. This smaller group consisted of those who had reached the service cap (33 years in Tier 5). Segal's review generally concurred with our findings.

In regard to the first set of calculations we completed last month, we made the following assumptions regarding DROP:

The City of Los Angeles Fire and Police Pension Plan

Comments & Recommendations

June 30, 2005

(continued)

1. Two thirds of those eligible to DROP will do so.
2. The average DROP period, for those so electing, will be three years.
3. If a member's service becomes as high as the relevant cap for percent benefit accrual (33 years for Tier 5 and 30 years for other Tiers), they are assumed to immediately go into DROP for two years and then stop working. This has the effect of shortening the assumed career for long-service active members. Shortening assumed service for such members serves to increase the computed rate.

These assumptions had the secondary effect of reducing the assumed present value of future payroll for current active members by 7%. We viewed this as a very desirable "side effect" because of the high likelihood that service retirement rates would be increasing in the next Experience Investigation. If so, then the present value of future assumed payroll would decrease at such point, other factors equal.

COMMENT C: Segal made some recommendations in their correspondence – particularly as pertaining to the low rates of service retirement probability. We developed some consensus as to an approach that both Segal and GRS would view with comfort. Drew James indicated he would feel comfortable if we returned to the same methodology we used prior to the Experience Study – higher service retirement rates and treating DROP members like actives.

The avowed purpose of new Tier 5 and DROP implementation was to provide an inducement for longer working careers. We believe some reduction in service retirement probabilities from 2003 levels may be appropriate. However, Segal felt any reduction could be viewed as somewhat arbitrary at this time. We do not feel uncomfortable with this approach. However, all parties should understand that there was a large measure of "being arbitrary" to the service retirement rates for Tier 5 at inception for obvious reasons – lack of data.

The second set of numbers in this valuation report produces an overall rate of 25.59%. This is slightly lower, by 0.33%, than our initial rate. However, there is one significant conceptual difference between the two sets of numbers. The second set of numbers do not ascribe a significant portion of the rate increase to DROP. On this basis, the funded ratio is 89.8% using actuarial value of assets and 90.9% using market value of assets.

We valued a series of alternatives during the past month. If we had instead used 90% of the service retirement probabilities in effect as of the 2003 valuation, the resulting overall rate would have been 24.81%.

The City of Los Angeles Fire and Police Pension Plan

Comments & Recommendations

June 30, 2005

(continued)

COMMENT D: There are two bases on which our first set of numbers and our second set of numbers are not “apples to apples.” Staff gave us direction to assume that the 1% pick up of employee contributions for Tier 5 will no longer be paid. Also, the market value of assets has been lowered by \$194.3 million to reflect an updated portfolio value for real estate.

COMMENT E: All parties should understand that it is still too early to draw definitive conclusions as to the cost impact of DROP. There is still limited experience. Based on those electing DROP since program inception, there has not been any clear evidence to date that DROP is not close to cost neutral. Also, the simultaneous creation of the Tier 5 benefit structure creates a situation where it is impossible to isolate any change in member behavior strictly to DROP.

Both DROP and the lengthening of the maximum service credit under Tier 5 from 30 years to 33 years may serve as inducements to lengthen careers. It may ultimately be borne out that the group selecting DROP to date may prove to have different demographic characteristics than those electing to DROP in the future.

COMMENT F: The average age of the active member work force again increased by a significant amount -- 0.4 years from 40.4 years to 40.8 years. Average active service increased from 13.7 years to 14.1 years. The average age of the work force has increased by 0.9 year over the past two valuations – a remarkable actuarial statistic. This usually is a sign of low employee turnover, reduced levels of retirement or both. It appears that the intent to lengthen service careers with the implementation of Tier 5 and DROP may well be occurring.

COMMENT G: The solid investment returns for the plan year are not fully reflected in computed rates. The actuarial value of assets defers recognition of 80% of this year’s “good news” in the financial markets to the extent market returns exceed 8.5%.

Due to five-year smoothing of investment returns, the actuarial rate of return was only 2.12% due to the after effects of the 2000-02 bear market. We calculated an approximate market rate of return of 9.83%. This created an actuarial loss of \$781 million, and reflects a big reason for the significant rate increase. The impact of this year’s investment actuarial loss is to increase the computed rate by 6.15%.

However, the effect of the 2000-02 bear market is virtually over. In this valuation, the market value of assets exceeds the actuarial value by \$149 million. Last year, there was a deferred loss of \$700 million. In the 2003 valuation, the deferred loss was \$2 billion dollars. Thus, there has been a \$2.1 billion “turnaround” in this regard in just two years – an excellent development in regard to rate calculations over the next four valuations.

When we calculate actuarial losses, we refer to the assumed benchmark of 8.5% -- not zero.

The City of Los Angeles Fire and Police Pension Plan
Comments & Recommendations

June 30, 2005

(continued)

COMMENT H: We suggest that the sex of beneficiaries be provided in the 2006 valuation. We currently assume all beneficiaries are female.

COMMENT I: The percentage of active member payroll in Tier 5 should increase in each successive year as new hires are automatically placed in Tier 5. This year, the percentage increased from 83.9% to 84.6% of payroll.

COMMENT J: There were some significant increases in the maximum premium reimbursements in the past year. For example, the maximum amount for married coverage for those retirees under age 65 increased from \$668.00 per month to \$735.38. However, there were two instances where reimbursements declined. The maximum dental subsidy this year dropped from \$39.86 to \$34.84. Also, the basic maximum subsidy for surviving spouses dropped this year from \$452.86 to \$436.08.

COMMENT K: Average valuation pay does not reflect any pay increases granted on July 1, 2005.

COMMENT L: It is our understanding that the City has agreed to pay a \$500,000 annual contribution in addition to our computed rates to reflect a settlement with UFLAC in 1995. Page 14 shows the related amortization schedule for this added payment.

COMMENT M: The health subsidy rates do not reflect the expensing in a manner consistent with forthcoming GASB disclosures. This is due to the “implicit rate subsidy” considerations. We will shortly provide you with information in this regard as to the potential impact of such subsidy.

The City of Los Angeles Fire and Police Pension Plan
Summary of Significant Valuation Results

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Total
I. Total Membership						
A. Active Members						
· Fire	0	104	37	66	3,260	3,467
· Police	<u>0</u>	<u>169</u>	<u>1,092</u>	<u>447</u>	<u>7,481</u>	<u>9,189</u>
· Total	0	273	1,129	513	10,741	12,656
B. Pensioners						
· Service Retirement	221	6,115	63	56	572	7,027
· Disability Retirement	220	1,891	208	25	13	2,357
· Surviving Spouses and Dependents	<u>636</u>	<u>1,641</u>	<u>63</u>	<u>3</u>	<u>19</u>	<u>2,362</u>
Total Pensioners	1,077	9,647	334	84	604	11,746
C. Total Membership	1,077	9,920	1,463	597	11,345	24,402
II. Valuation Compensation at June 30, 2005						
A. Total						
· Fire	0	\$9,968,230	\$3,062,731	\$5,298,659	\$276,454,304	\$294,783,924
· Police	<u>0</u>	<u>16,862,937</u>	<u>87,191,816</u>	<u>37,182,864</u>	<u>601,423,160</u>	<u>742,660,777</u>
· Total	0	\$26,831,167	\$90,254,548	\$42,481,523	\$877,877,464	\$1,037,444,701
B. Average						
· Fire	0	\$95,848	\$82,777	\$80,283	\$84,802	\$85,026
· Police	<u>0</u>	<u>99,781</u>	<u>79,846</u>	<u>83,183</u>	<u>80,393</u>	<u>80,821</u>
· Average	0	\$98,283	\$79,942	\$82,810	\$81,731	\$81,973
III. Average Monthly Benefit to Current Pensioners and Beneficiaries at June 30, 2005						
A. Service Retirement	\$1,936	\$4,040	\$2,650	\$3,150	\$6,248	\$4,134
B. Disability Retirement	2,308	4,003	2,814	3,717	4,211	3,738
C. Surviving Spouses and Dependents	2,188	3,402	3,543	6,622	4,761	3,094
D. All Pensioners	<u>\$2,161</u>	<u>\$3,924</u>	<u>\$2,921</u>	<u>\$3,443</u>	<u>\$6,157</u>	<u>\$3,845</u>

The City of Los Angeles Fire and Police Pension Plan
Summary of Significant Valuation Results

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Total
IV. Average Monthly Health Subsidy Benefits to Current Pensioners	\$322	\$387	\$390	\$408	\$420	\$384
V. Actuarial Value of Assets Available for						
A. Pension Benefits	(\$17,260,731)	\$6,293,684,770	\$374,691,288	\$190,359,164	\$4,792,639,192	\$11,634,113,683
B. Health Subsidy	(10,408)	186,237,650	25,076,496	7,262,018	378,633,352	597,199,108
C. Total	(\$17,271,139)	\$6,479,922,420	\$399,767,784	\$197,621,182	\$5,171,272,544	\$12,231,312,791
VI. Unfunded/(Surplus) Actuarial Accrued Liability						
A. Pension Benefits	\$250,690,738	\$315,581,740	\$72,433,713	\$29,510,275	\$55,194,318	\$723,410,784
B. Health Subsidy	25,119,154	463,674,527	25,254,733	14,715,190	131,541,942	660,305,546
C. Total	\$275,809,892	\$779,256,267	\$97,688,446	\$44,225,465	\$186,736,260	\$1,383,716,330
VII. Actuarial Funded Ratio						
A. Pension Benefits	(7.4%)	95.2%	83.8%	86.6%	98.9%	94.1%
B. Health Subsidy	0.0%	28.7%	49.8%	33.0%	74.2%	47.5%
C. Total	(6.7%)	89.3%	80.4%	81.7%	96.5%	89.8%
VIII. Budget Items						
A. Pension Benefits						
1. Normal Cost as a Percent of Pay	0.00%	23.74%	15.43%	12.84%	16.62%	16.48%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability	\$22,079,734	1.54%	3.36%	1.96%	0.06%	4.08%
B. Health Subsidy Benefits						
1. Normal Cost as a Percent of Pay	0.00%	2.19%	3.28%	2.41%	2.68%	2.71%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability	\$2,212,384	2.26%	(5.77%)	(3.35%)	0.57%	2.32%
C. Total Contribution (A+B)						
1. Normal Cost as a Percent of Pay	0.00%	25.93%	18.71%	15.25%	19.30%	19.19%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability	\$24,292,118	3.80%	(2.41%)	(1.39%)	0.63%	6.40%

Note: Tier 2 Amortization of unfunded/(surplus) AAL percentages only are applied to payroll for all Tiers combined.

The City of Los Angeles Fire and Police Pension Plan

Funded Status of Retirement Benefits			
	June 30, 2005	June 30, 2004	Percent Change
Actuarial Accrued Liability			
Pensioners and Beneficiaries	\$7,440,649,106	\$7,220,704,621	3.0%
Active Members	4,916,875,361	4,169,276,192	17.9%
Total	\$12,357,524,467	\$11,389,980,813	8.5%
Value of Assets Available for Retirement Benefits			
Market	\$11,775,706,322	\$11,039,889,520	6.7%
Actuarial	11,634,113,683	11,735,696,180	(0.9%)
Funding Ratio			
Market	95.3%	96.9%	
Actuarial	94.1%	103.0%	

Funded Status of Health Subsidy			
	June 30, 2005	June 30, 2004	Percent Change
Actuarial Accrued Liability			
Pensioners and Beneficiaries	\$726,991,930	\$705,071,732	3.1%
Active Members	530,512,724	303,990,675	74.5%
Total	\$1,257,504,654	\$1,009,062,407	24.6%
Value of Assets Available for Retirement Benefits			
Market	\$604,467,302	\$570,069,372	6.0%
Actuarial	597,199,108	605,998,904	(1.5%)
Funding Ratio			
Market	48.1%	56.5%	
Actuarial	47.5%	60.1%	

The City of Los Angeles Fire and Police Pension Plan

June 30, 2005

FUNDING OBJECTIVE

The funding objective of the Retirement System is to establish and receive contributions, expressed as percents of active member payroll, which will remain approximately level from year to year and will not have to be increased for future generations of citizens.

CONTRIBUTION RATES

The System is supported by member contributions, City contributions, and investment income from Fund assets.

Contributions which satisfy the funding objective are determined by the annual actuarial valuation and are intended to:

1. cover the actuarial present value of benefits allocated to the current year by the actuarial cost method (the normal cost); and
2. finance over a period of future years the actuarial present value of benefits not covered by valuation assets and anticipated future normal costs (unfunded actuarial accrued liability).

Computed contributions for the fiscal year beginning July 1, 2006 are shown on the following pages.

The City of Los Angeles Fire and Police Pension Plan

Computed Contribution Rates

(Expressed as Percents of Active Payroll)

Valuation Date	<u>Retirement</u>		<u>Health Subsidy</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Applying to Fiscal Year	2006-07	2005-06	2006-07	2005-06
Normal Cost	16.48%	14.92%	2.71%	1.76%
UAAL Amortization	4.08%	(2.06%)	2.32%	1.07%
Total City Contribution	20.56%	12.86%	5.03%	2.83%

For the 2005 valuation, the above contributions no longer assume a 1% “pick up” of Tier 5 employee contributions (which would continue to apply as long as the funded ratio for retirement benefits exceeded 100%), and assume contributions are made, on average, at the middle of the fiscal year. Our understanding is that the City has maintained a practice of making most of the contributions at the beginning of the fiscal year and applying a 4.5% discount.

Ongoing unfunded actuarial accrued liabilities (UAAL) are a byproduct of actuarial gains and losses, as well as benefit, assumption and methodology changes. Each valuation generates an actuarial gain (loss) for each group valued. Each year’s gain (loss) is amortized as determined by policy for each separate Tier. Amortization is expressed as a percent-of-payroll and added to (or subtracted from) computed normal costs.



The City of Los Angeles Fire and Police Pension Plan
Computed Contribution Rates – Retirement Benefits

June 30, 2005

(Expressed as Percents of Active Payroll)

Elements of Normal Cost

	<u>Tier 2</u>	<u>Tier 3</u>	<u>Tier 4</u>	<u>Tier 5</u>	<u>Total</u>
Normal Retirement	21.95%	19.65%	17.68%	20.88%	20.66%
Ordinary Death	0.09%	0.10%	0.09%	0.09%	0.09%
Death-In-Service ¹	0.27%	0.34%	0.30%	0.32%	0.32%
Ordinary Disability ¹	0.19%	0.13%	0.13%	0.14%	0.14%
Duty Disability	3.45%	2.33%	1.97%	2.63%	2.59%
Contribution Refunds	<u>0.92%</u>	<u>0.58%</u>	<u>0.00%</u>	<u>1.08%</u>	<u>0.99%</u>
Total Normal Cost	26.87%	23.13%	20.17%	25.14%	24.79%
Less					
Employee Contributions ²	<u>3.13%</u>	<u>7.70%</u>	<u>7.33%</u>	<u>8.52%</u>	<u>8.31%</u>
Equals					
Employer Normal Cost	23.74%	15.43%	12.84%	16.62%	16.48%

¹ These figures could be viewed as overstated, and Normal Retirement figures understated, since, in many cases, an active member, who dies or becomes disabled will have significant service credit accrued and may be eligible for service retirement at time of disability or death benefit grant.

² Reflects cessation of contributions after 30 years of service (33 years for Tier 5). Also, for the 2005 valuation, the above contributions no longer assume a 1% “pick up” of Tier 5 employee contributions.

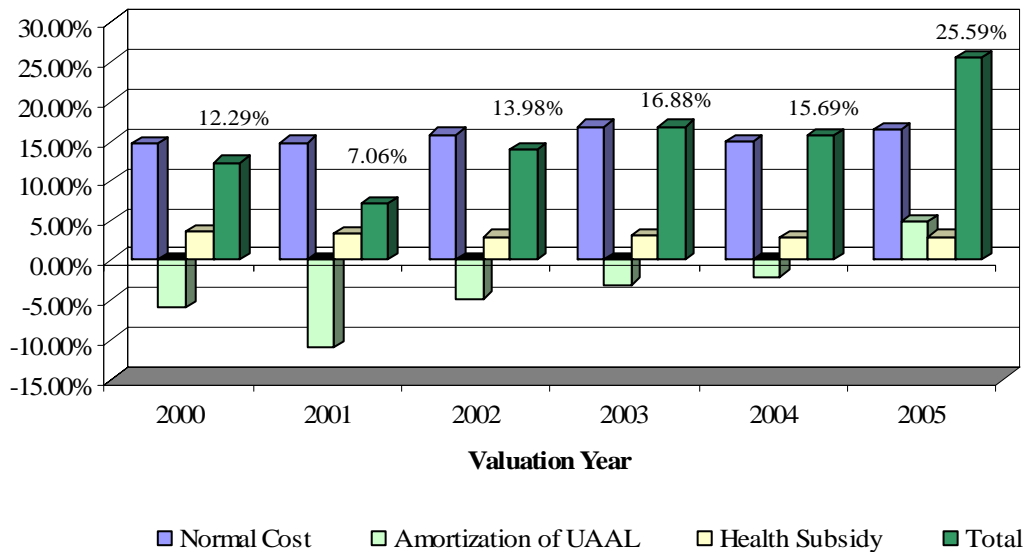
The City of Los Angeles Fire and Police Pension Plan
Computed Contributions – Historic Comparison

<u>Valuation Date</u>	<u>Retirement</u>	<u>Health</u>	<u>Total</u>	<u>Valuation Payroll</u>
6/30/00	8.68%	3.60%	12.29%	\$845,426,191
6/30/01	3.74%	3.32%	7.06%	\$882,758,282
6/30/02	11.00%	2.98%	13.98%	\$946,037,252
6/30/03	13.79%	3.09%	16.88%	\$970,726,720
6/30/04	12.86%	2.83%	15.69%	\$1,001,003,937
6/30/05	20.56%	5.03%	25.59%	\$1,037,444,701

Valuation Payroll is the sum of active member pays for each Tier that are reported to us by staff. In years prior to 2003, payroll amounts are also inclusive of pay raises granted on the July 1 immediately succeeding the valuation date.

The following graph illustrates the funding levels of the past few years for both the retirement benefits and the health subsidy benefits.

System Contributions as a Percent of Pay



The City of Los Angeles Fire and Police Pension Plan
Budget Amounts for Pension Benefits

	<u>Recommended 2006 - 2007</u>	<u>Recommended 2005 - 2006</u>	<u>Percent Change</u>
Tier 1			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 1 Payroll	N/A	N/A	N/A
2. Amortization of Unfunded Actuarial Accrued Liability	\$22,079,734	\$23,014,960	(4.1%)
Tier 2			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 2 Payroll	23.74%	21.30%	11.5%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability, as a Percent of Total Payroll, All Tiers	1.54%	(0.15%)	N/A
Tier 3			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 3 Payroll	15.43%	13.67%	12.9%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability, as a Percent of Tier 3 Payroll	3.36%	(1.02%)	N/A
3. Total Contribution as a Percent of Tier 3 Payroll	18.79%	12.65%	48.5%
Tier 4			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 4 Payroll	12.84%	11.56%	11.0%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability, as a Percent of Tier 4 Payroll	1.96%	(2.93%)	N/A
3. Total Contribution as a Percent of Tier 4 Payroll	14.80%	8.63%	71.5%
Tier 5			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 5 Payroll	16.62%	15.07%	10.3%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability, as a Percent of Tier 5 Payroll	0.06%	(4.76%)	N/A
3. Total Contribution as a Percent of Tier 5 Payroll	16.68%	10.31%	61.8%

The City of Los Angeles Fire and Police Pension Plan
Budget Amounts for Health Subsidy Benefits

	<u>Recommended</u> <u>2007 - 2006</u>	<u>Recommended</u> <u>2005 - 2006</u>	<u>Percent</u> <u>Change</u>
Tier 1			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 1 Payroll	N/A	N/A	N/A
2. Amortization of Unfunded Actuarial Accrued Liability	\$2,212,384	\$2,234,526	(1.0%)
Tier 2			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 2 Payroll	2.19%	1.39%	57.6%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability, as a Percent of Total Payroll, All Tiers	2.26%	2.15%	5.1%
Tier 3			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 3 Payroll	3.28%	1.90%	72.6%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability, as a Percent of Tier 3 Payroll	(5.77%)	(6.42%)	(10.1%)
3. Total Contribution as a Percent of Tier 3 Payroll	(2.49%)	(4.52%)	(44.9%)
Tier 4			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 4 Payroll	2.41%	1.29%	86.8%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability, as a Percent of Tier 4 Payroll	(3.35%)	(4.41%)	(24.0%)
3. Total Contribution as a Percent of Tier 4 Payroll	(0.94%)	(3.12%)	(69.9%)
Tier 5			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 5 Payroll	2.68%	1.78%	50.6%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability, as a Percent of Tier 5 Payroll	0.57%	(0.63%)	N/A
3. Total Contribution as a Percent of Tier 5 Payroll	3.25%	1.15%	182.6%

The City of Los Angeles Fire and Police Pension Plan
UFLAC Settlement Amortization Schedule

The City and UFLAC settled litigation regarding the payment of investment manager fees/expenses out of plan assets in 1995. It was agreed that the City would make amortization payments plus \$500,000 each year until the \$11,040,227 agreed upon amount was paid off. The City began making the additional \$500,000 payments in the fiscal year beginning July 1, 1996.

Based on the amortization schedule below, the City should continue to make the additional \$500,000 payments through the fiscal year beginning July 1, 2006, with a final payment of \$282,582 in the fiscal year beginning July 1, 2007 along with annual required contributions to fully amortize this obligation.

<u>Fiscal Year</u>	<u>Balance</u>	<u>Scheduled Payment</u>	<u>Additional Payment</u>
7/1/96	11,040,227	896,521	500,000
7/1/97	10,463,421	896,521	500,000
7/1/98	9,837,586	896,521	500,000
7/1/99	9,158,556	896,521	500,000
7/1/00	8,421,808	896,521	500,000
7/1/01	7,622,436	896,521	500,000
7/1/02	6,755,118	896,521	500,000
7/1/03	5,814,077	896,521	500,000
7/1/04	4,793,049	896,521	500,000
7/1/05	3,685,232	896,521	500,000
7/1/06	2,483,252	896,521	500,000
7/1/07	1,179,103	896,521	282,582
7/1/08	0		

The City of Los Angeles Fire and Police Pension Plan
Member Contributions as of June 30, 2005

In addition to City contributions, the System is also funded by member contributions. The current rates are 7% for Tier 2 and 8% for Tiers 3 through 5.

The Member contribution account balances (including interest) that were reported for the June 30, 2005 valuation are:

	<u>Fire Members</u>	<u>Police Members</u>	<u>Total</u>
Tier 2	\$18,129,876	\$29,993,703	\$48,123,579
Tier 3	3,006,997	69,291,453	72,298,450
Tier 4	4,239,809	39,506,840	43,746,649
Tier 5	<u>356,787,904</u>	<u>611,904,236</u>	<u>968,692,140</u>
Total	\$382,164,586	\$750,696,232	\$1,132,860,818



The City of Los Angeles Fire and Police Pension Plan

Unfunded Actuarial Accrued Liability

June 30, 2005

Derivation of Experience Gain (Loss)

The actuarial gains or losses realized in the operation of the System provide an experience test. Gains and losses are expected to cancel each other over a period of years and sizable year-to-year fluctuations are common.

	<u>Retirement</u>	<u>Health</u>
(1) UAAL * at beginning of year	(\$345,715,367)	\$403,063,503
(2) Expected contribution toward UAAL	(\$35,706,818)	\$7,584,345
(3) Adjustment due to lag in contributions	\$15,057,396	\$3,390,777
(4) Interest Accrual	(\$27,402,912)	\$33,828,019
(5) Increase in UAAL due to benefit enhancements	\$0	\$0
(6) Increase in UAAL due to assumption changes	\$487,700,142	\$194,554,585
(7) Expected UAAL at the end of year (1) - (2) - (3) + (4) + (5) + (6)	\$135,231,285	\$620,470,985
(8) Actual End of Year UAAL	\$723,410,784	\$660,305,546
(9) Gain/(Loss)	(\$588,179,499)	(\$39,834,561)
(10) Gain/(Loss) as percentage actuarial accrued liabilities at beginning of year	(5.2%)	(3.9%)

* Unfunded actuarial accrued liability

The City of Los Angeles Fire and Police Pension Plan
Unfunded Actuarial Accrued Liability

Components of Actuarial Gain (Loss) for Retirement Benefits

(in \$millions)

Estimated Gain/(Loss) attributed to pay increases	\$68
Estimated Gain/(Loss) attributed to post-retirement mortality	19
Estimated Gain/(Loss) due to COLA increases	76
Estimated Gain/(Loss) attributed to employee turnover, pre-retirement mortality, retirement incidence, and miscellaneous factors	(8)
Estimated Gain/(Loss) attributed to investment experience	<u>(743)</u>
Total Estimated Experience Gain/(Loss)	(588)

Unfunded Actuarial Accrued Liability

Total actuarial accrued liabilities	\$12,357,524,467
Assets allocated to retirement plan	<u>\$11,634,113,683</u>
Unfunded Actuarial Accrued Liability	\$723,410,784

The City of Los Angeles Fire and Police Pension Plan
Unfunded Actuarial Accrued Liability

Components of Actuarial Gain/(Loss) for Health Benefits

Estimated Gain/(Loss) attributed to premium increases	(\$7)
Estimated Gain/(Loss) attributed to post-retirement mortality	(11)
Estimated Gain/(Loss) attributed to employee turnover, pre-retirement mortality, retirement incidence, and miscellaneous factors	16
Estimated Gain/(Loss) attributed to investment experience	<u>(38)</u>
Total Estimated Experience Gain/(Loss)	(40)

Unfunded Actuarial Accrued Liability

Total actuarial accrued liabilities	\$1,257,504,654
Assets allocated to health plan	<u>\$597,199,108</u>
Unfunded Actuarial Accrued Liability	\$660,305,546

The City of Los Angeles Fire and Police Pension Plan
Detail of Amortization of Unfunded Actuarial Accrued Liability

Retirement Benefits

Tier 1

Unfunded/(Surplus) Actuarial Accrued Liability is amortized as a flat dollar amount, over 32 years as of June 30, 2005.

Tier 2

Unfunded/(Surplus) Actuarial Accrued Liability is amortized as a percent of **total** payroll, all Tiers, over 32 years as of June 30, 2005.

Tier 3

Assumption and plan changes are amortized over 30 years. Actuarial experience gains and losses are amortized over 15 years.

<u>Item</u>	<u>Years</u> <u>Left</u>	<u>Remaining Balance</u> <u>6/30/2005</u>	<u>Amortization</u> <u>Amount</u>
7-1-89 ASSUMPTION CHANGE	14	(15,977,993)	(1,446,806)
7-1-90 AMENDMENT	15	279,608	23,990
7-1-90 ASSUMPTION CHANGE	15	(6,281,127)	(538,915)
7-1-91 (GAIN) / LOSS	1	2,902,390	2,999,137
7-1-92 (GAIN) / LOSS	2	(2,944,627)	(1,546,332)
7-1-92 ASSUMPTION CHANGE	17	2,454,735	191,483
7-1-93 (GAIN) / LOSS	3	(6,093,862)	(2,168,186)
7-1-94 (GAIN) / LOSS	4	1,549,561	420,202
7-1-95 (GAIN) / LOSS	5	(2,291,301)	(505,088)
7-1-95 ASSUMPTION CHANGE	20	(20,329,471)	(1,408,917)
7-1-96 (GAIN) / LOSS	6	(174,883)	(32,641)
7-1-96 PLAN CHANGE	21	2,832,341	189,690
7-1-95 AVA METHOD CHANGE	21	(18,309,076)	(1,226,210)
7-1-97 (GAIN) / LOSS	7	(13,411,479)	(2,179,751)
7-1-98 (GAIN) / LOSS	8	(23,087,447)	(3,335,361)
7-1-98 PLAN CHANGE	23	5,510,715	346,849
7-1-98 ASSUMPTION CHANGE	23	9,268,417	583,363
7-1-99 (GAIN) / LOSS	9	(38,742,052)	(5,053,438)
7-1-00 (GAIN) / LOSS	10	(48,558,905)	(5,789,845)
7-1-00 PLAN CHANGE	25	949,873	56,595
7-1-01 (GAIN) / LOSS	11	(39,924,972)	(4,395,036)
7-1-01 ASSUMPTION CHANGE	26	(29,148,684)	(1,693,704)
7-1-02 (GAIN) / LOSS	12	110,014,634	11,273,363
7-1-03 (GAIN) / LOSS	13	151,681,782	14,568,322
7-1-04 (GAIN) / LOSS	14	10,104,562	914,967
7-1-04 ASSUMPTION CHANGE	29	(8,698,728)	(472,545)
7-1-05 (GAIN) / LOSS	15	21,605,884	1,853,766
7-1-05 ASSUMPTION CHANGE	30	27,253,819	1,451,046
Total		\$72,433,713	\$3,079,997

The City of Los Angeles Fire and Police Pension Plan

Detail of Amortization of Unfunded Actuarial Accrued Liability

Retirement Benefits (continued)

Tier 4

Assumption and plan changes are amortized over 30 years. Actuarial experience gains and losses are amortized over 15 years.

<u>Item</u>	<u>Years Left</u>	<u>Remaining Balance 6/30/2005</u>	<u>Amortization Amount</u>
7-1-89 ASSUMPTION CHANGE	14	(6,262,457)	(567,065)
7-1-90 AMENDMENT	15	109,592	9,403
7-1-90 ASSUMPTION CHANGE	15	(2,461,841)	(211,224)
7-1-91 (GAIN) / LOSS	1	1,137,571	1,175,490
7-1-92 (GAIN) / LOSS	2	(1,154,125)	(606,073)
7-1-92 ASSUMPTION CHANGE	17	962,115	75,050
7-1-93 (GAIN) / LOSS	3	(2,388,444)	(849,805)
7-1-94 (GAIN) / LOSS	4	607,340	164,695
7-1-95 (GAIN) / LOSS	5	(898,059)	(197,965)
7-1-95 ASSUMPTION CHANGE	20	(7,967,987)	(552,215)
7-1-96 (GAIN) / LOSS	6	(68,543)	(12,793)
7-1-96 PLAN CHANGE	21	1,110,115	74,348
7-1-95 AVA METHOD CHANGE	21	(7,176,108)	(480,604)
7-1-97 (GAIN) / LOSS	7	(5,256,531)	(854,338)
7-1-98 (GAIN) / LOSS	8	(9,048,956)	(1,307,271)
7-1-98 PLAN CHANGE	23	2,159,884	135,945
7-1-98 ASSUMPTION CHANGE	23	3,632,689	228,645
7-1-99 (GAIN) / LOSS	9	(15,184,663)	(1,980,658)
7-1-00 (GAIN) / LOSS	10	(19,032,308)	(2,269,287)
7-1-00 PLAN CHANGE	25	370,129	22,053
7-1-01 (GAIN) / LOSS	11	(9,231,354)	(1,016,209)
7-1-01 ASSUMPTION CHANGE	26	(4,878,745)	(283,483)
7-1-02 (GAIN) / LOSS	12	18,536,288	1,899,441
7-1-03 (GAIN) / LOSS	13	59,690,449	5,732,987
7-1-04 (GAIN) / LOSS	14	10,147,466	918,852
7-1-04 ASSUMPTION CHANGE	29	(5,220,974)	(283,621)
7-1-05 (GAIN) / LOSS	15	13,244,413	1,136,359
7-1-05 ASSUMPTION CHANGE	30	14,033,320	747,161
Total		\$29,510,275	\$847,818

Tier 5

Assumption and plan changes are amortized over 30 years. Actuarial experience gains and losses are amortized over 15 years.

<u>Item</u>	<u>Years Left</u>	<u>Remaining Balance 6/30/2005</u>	<u>Amortization Amount</u>
ORIGINAL BASE 07/01/02	27	(157,564,364)	(8,941,039)
7-1-03 (GAIN) / LOSS	13	(314,459,851)	(30,202,389)
7-1-04 (GAIN) / LOSS	14	106,500,938	9,643,651
7-1-04 ASSUMPTION CHANGE	29	(242,147,820)	(13,154,300)
7-1-05 (GAIN) / LOSS	15	241,854,245	20,750,886
7-1-05 ASSUMPTION CHANGE	30	421,011,169	22,415,446
Total		\$55,194,318	\$512,254

The City of Los Angeles Fire and Police Pension Plan

Detail of Amortization of Unfunded Actuarial Accrued Liability

Health Subsidy Benefits

Tier 1

Unfunded/(Surplus) Actuarial Accrued Liability is amortized as a flat dollar amount, over 32 years as of June 30, 2005.

Tier 2

Unfunded/(Surplus) Actuarial Accrued Liability is amortized as a percent of total payroll, all Tiers, over 32 years as of June 30, 2005.

Tier 3

Assumption and plan changes are amortized over 30 years. Actuarial experience gains and losses are amortized over 15 years.

<u>Item</u>	<u>Years Left</u>	<u>Remaining Balance 6/30/2005</u>	<u>Amortization Amount</u>
ORIGINAL BASE	14	68,272,734	6,182,090
7-1-91 (GAIN) / LOSS	1	190,899	197,262
7-1-92 (GAIN) / LOSS	2	(984,760)	(517,134)
7-1-92 ASSUMPTION CHANGE	17	8,544,220	666,498
7-1-93 (GAIN) / LOSS	3	(4,255,006)	(1,513,924)
7-1-93 ASSUMPTION CHANGE	18	(24,848,355)	(1,857,990)
7-1-94 (GAIN) / LOSS	4	(3,129,906)	(848,752)
7-1-95 (GAIN) / LOSS	5	(8,294,656)	(1,828,449)
7-1-95 ASSUMPTION CHANGE	20	(3,423,079)	(237,234)
7-1-96 (GAIN) / LOSS	6	(19,555,029)	(3,649,791)
7-1-96 CHANGE IN AVA METHOD	21	(7,409,509)	(496,236)
7-1-96 ASSUMPTION CHANGE	21	(4,105,675)	(274,969)
7-1-97 (GAIN) / LOSS	7	(7,668,468)	(1,246,347)
7-1-97 CHANGE IN PLAN PROV	22	13,471,186	873,759
7-1-97 ASSUMPTION CHANGE	22	(7,387,164)	(479,141)
7-1-98 (GAIN) / LOSS	8	(4,004,674)	(578,541)
7-1-98 CHANGE IN PLAN PROV	23	(222,555)	(14,008)
7-1-98 ASSUMPTION CHANGE	23	(725,775)	(45,681)
7-1-99 (GAIN) / LOSS	9	(7,183,128)	(936,953)
7-1-00 (GAIN) / LOSS	10	(11,756,073)	(1,401,717)
7-1-00 CHANGE IN PLAN PROV	25	12,797,871	762,518
7-1-01 (GAIN) / LOSS	11	(10,784,683)	(1,187,203)
7-1-01 CHANGE IN PLAN PROV	26	11,889,992	690,876
7-1-01 ASSUMPTION CHANGE	26	(7,213,679)	(419,156)
7-1-02 (GAIN) / LOSS	12	(39,070,162)	(4,003,577)
7-1-03 (GAIN) / LOSS	13	59,093,234	5,675,627
7-1-04 ASSUMPTION CHANGE	29	2,505,957	136,132
7-1-04 (GAIN) / LOSS	14	(1,372,725)	(124,300)
7-1-05 ASSUMPTION CHANGE	30	21,364,409	1,137,482
7-1-05 (GAIN) / LOSS	15	519,292	44,555
Total		\$25,254,733	(\$5,294,302)

The City of Los Angeles Fire and Police Pension Plan
Detail of Amortization of Unfunded Actuarial Accrued Liability

Health Subsidy Benefits

(continued)

Tier 4

Assumption and plan changes are amortized over 30 years. Actuarial experience gains and losses are amortized over 15 years.

<u>Item</u>	<u>Years Left</u>	<u>Remaining Balance 6/30/2005</u>	<u>Amortization Amount</u>
ORIGINAL BASE	14	22,699,123	2,055,404
7-1-91 (GAIN) / LOSS	1	63,470	65,585
7-1-92 (GAIN) / LOSS	2	(327,410)	(171,935)
7-1-92 ASSUMPTION CHANGE	17	2,840,757	221,595
7-1-93 (GAIN) / LOSS	3	(1,414,692)	(503,345)
7-1-93 ASSUMPTION CHANGE	18	(8,261,511)	(617,739)
7-1-94 (GAIN) / LOSS	4	(1,040,622)	(282,191)
7-1-95 (GAIN) / LOSS	5	(2,757,784)	(607,918)
7-1-95 ASSUMPTION CHANGE	20	(1,138,095)	(78,875)
7-1-96 (GAIN) / LOSS	6	(6,501,598)	(1,213,472)
7-1-96 CHANGE IN AVA METHOD	21	(2,463,493)	(164,987)
7-1-96 ASSUMPTION CHANGE	21	(1,365,043)	(91,421)
7-1-97 (GAIN) / LOSS	7	(2,549,590)	(414,382)
7-1-97 ASSUMPTION CHANGE	22	4,478,862	290,505
7-1-97 ASSUMPTION CHANGE	22	(2,456,063)	(159,303)
7-1-98 (GAIN) / LOSS	8	(1,331,463)	(192,352)
7-1-98 CHANGE IN PLAN PROV	23	(73,994)	(4,657)
7-1-98 ASSUMPTION CHANGE	23	(241,305)	(15,188)
7-1-99 (GAIN) / LOSS	9	(2,388,226)	(311,516)
7-1-00 (GAIN) / LOSS	10	(3,908,626)	(466,039)
7-1-00 ASSUMPTION CHANGE	25	4,222,583	251,589
7-1-01 (GAIN) / LOSS	11	(8,041,631)	(885,242)
7-1-01 ASSUMPTION CHANGE	26	4,082,343	237,207
7-1-01 ASSUMPTION CHANGE	26	(1,131,691)	(65,758)
7-1-02 (GAIN) / LOSS	12	(13,614,019)	(1,395,049)
7-1-03 (GAIN) / LOSS	13	25,569,632	2,455,843
7-1-04 ASSUMPTION CHANGE	29	(378,027)	(20,536)
7-1-04 (GAIN) / LOSS	14	(184,401)	(16,698)
7-1-05 ASSUMPTION CHANGE	30	12,385,916	659,450
7-1-05 (GAIN) / LOSS	15	(58,210)	(4,994)
Total		\$14,715,190	(\$1,446,417)

The City of Los Angeles Fire and Police Pension Plan
Detail of Amortization of Unfunded Actuarial Accrued Liability

Health Subsidy Benefits

(continued)

Tier 5

Assumption and plan changes are amortized over 30 years. Actuarial experience gains and losses are amortized over 15 years.

<u>Item</u>	<u>Years Left</u>	<u>Remaining Balance 6/30/2005</u>	<u>Amortization Amount</u>
ORIGINAL BASE 07/01/02	27	6,978,867	396,018
7-1-03 (GAIN) / LOSS	13	(91,399,717)	(8,778,513)
7-1-04 ASSUMPTION CHANGE	29	4,550,105	247,177
7-1-04 (GAIN) / LOSS	14	27,196,494	2,462,640
7-1-05 ASSUMPTION CHANGE	30	153,834,132	8,190,426
7-1-05 (GAIN) / LOSS	15	30,382,061	2,606,755
Total		\$131,541,942	\$5,124,503

The amortization amounts shown on pages 19-23 are calculated as of the end of the year. Corresponding contribution rates are calculated by adjusting these amounts, as a percent of payroll, to midyear.

The City of Los Angeles Fire and Police Pension Plan

Funding Progress Indicators

June 30, 2005

There is no single all-encompassing indicator which measures a retirement system's funding progress and current funded status. A traditional measure has been the relationship of valuation assets to unfunded actuarial accrued liability – a measure that is influenced by the choice of actuarial cost method.

We believe a better understanding of funding progress and status can be achieved using the following indicators which are independent of the actuarial cost method.

1. The ratio of valuation assets to the actuarial present value of credited projected benefits allocated in the proportion accrued service is to projected total service – a plan continuation indicator.
2. The ratio of the unfunded actuarial present value of credited projected benefits to member payroll – a plan continuation indicator. In a soundly financed retirement system, the amount of the unfunded actuarial present value of credited projected benefits will be controlled and prevented from increasing in the absence of benefit improvements or strengthening of actuarial assumptions. However, in an inflationary environment it is seldom practical to impose this control on dollar amounts which are depreciating in value. The ratio is a relative index of condition where inflation is present in both items. The ratio is expected to decrease in the absence of benefit improvements or strengthening of actuarial assumptions.

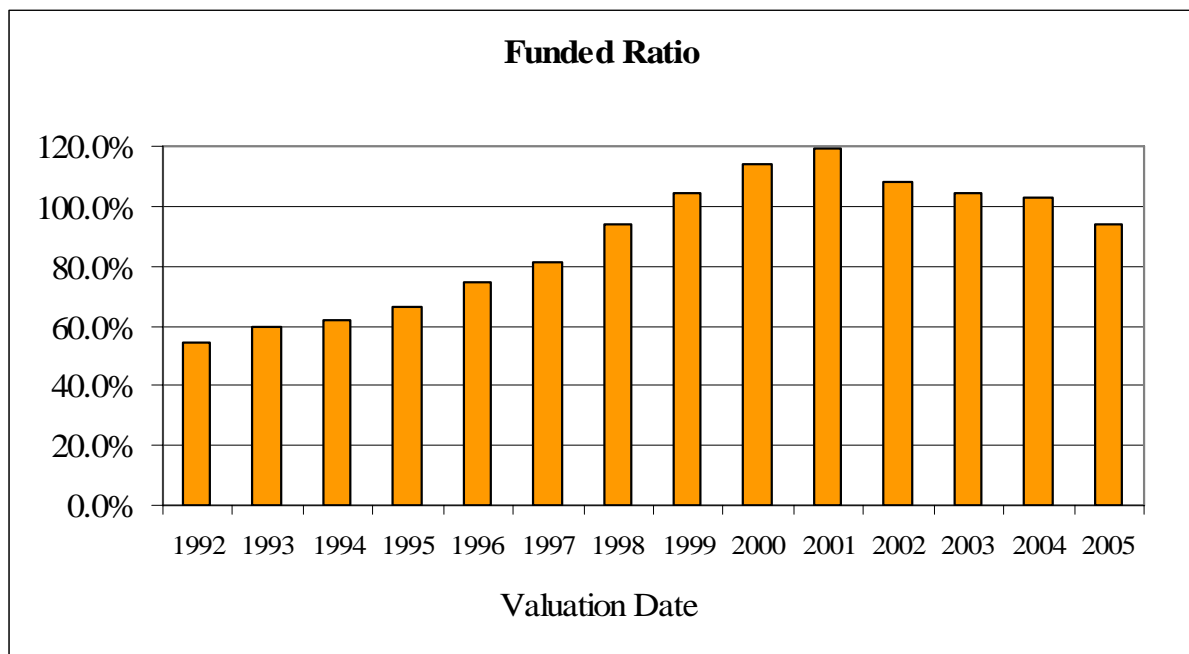
The City of Los Angeles Fire and Police Pension Plan

Funding Progress Indicators – Historic Comparison

(\$ in Thousands)

Retirement

<u>Valuation Date</u>	<u>Valuation Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Member Payroll</u>	<u>UAAL Ratio to Payroll</u>
6/30/92	\$4,285,642	\$7,840,119	\$3,554,477	54.7%	\$573,922	619.3%
6/30/93	4,846,189	8,144,653	3,298,463	59.5%	562,673	586.2%
6/30/94	5,111,331	8,311,394	3,200,062	61.5%	554,627	577.0%
6/30/95	5,602,149	8,412,407	2,810,258	66.6%	608,978	461.5%
6/30/96	6,558,797	8,786,176	2,227,379	74.6%	688,572	323.5%
6/30/97	7,406,444	9,111,058	1,704,614	81.3%	749,506	227.4%
6/30/98	8,393,869	8,912,535	518,667	94.2%	808,807	64.1%
6/30/99	9,637,255	9,203,636	(433,619)	104.7%	819,741	(52.9)%
6/30/00	10,985,936	9,604,174	(1,381,763)	114.4%	845,426	(163.4)%
6/30/01	11,835,579	9,954,056	(1,881,492)	118.9%	882,758	(213.1)%
6/30/02	11,491,922	10,606,825	(885,097)	108.3%	946,037	(93.6)%
6/30/03	11,690,750	11,203,558	(487,192)	104.3%	970,727	(50.2)%
6/30/04	11,735,696	11,389,981	(345,715)	103.0%	1,001,004	(34.5)%
6/30/05	11,634,114	12,357,524	723,411	94.1%	1,037,445	69.7%



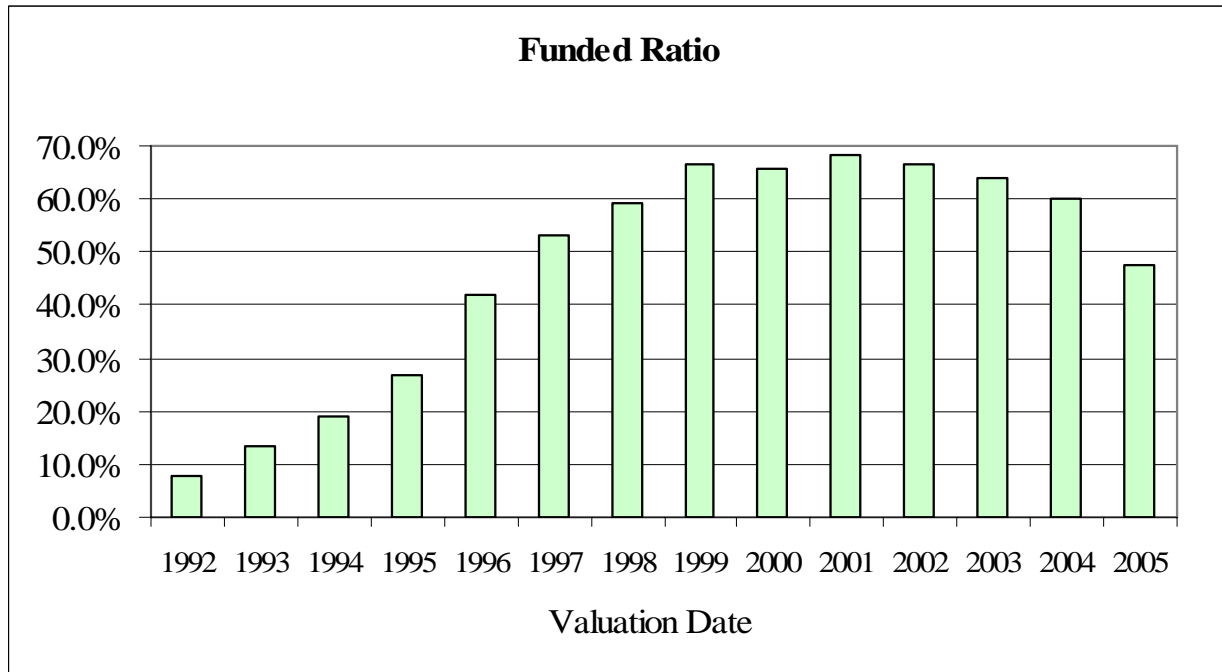
The City of Los Angeles Fire and Police Pension Plan

Funding Progress Indicators – Historic Comparison

(\$ in Thousands)

Health Subsidy

<u>Valuation Date</u>	<u>Valuation Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Member Payroll</u>	<u>UAAL Ratio to Payroll</u>
6/30/92	\$54,999	\$714,129	\$659,130	7.7%	\$573,922	114.8%
6/30/93	92,738	686,751	594,013	13.5%	562,673	105.6%
6/30/94	131,848	697,230	565,382	18.9%	554,627	101.9%
6/30/95	175,793	659,806	484,013	26.6%	608,978	79.5%
6/30/96	248,229	591,778	343,549	41.9%	688,572	49.9%
6/30/97	310,852	586,429	275,577	53.0%	749,506	36.8%
6/30/98	371,411	626,670	255,258	59.3%	808,807	31.6%
6/30/99	443,492	666,566	223,074	66.5%	819,741	27.2%
6/30/00	519,241	791,338	272,097	65.6%	845,426	32.2%
6/30/01	573,844	840,288	266,444	68.3%	882,758	30.2%
6/30/02	586,954	884,371	297,417	66.4%	946,037	31.4%
6/30/03	592,539	926,761	334,222	63.9%	970,727	34.4%
6/30/04	605,999	1,009,062	403,064	60.1%	1,001,004	40.3%
6/30/05	597,199	1,257,505	660,306	47.5%	1,037,445	63.6%



The City of Los Angeles Fire and Police Pension Plan

Actuarial Balance Sheet – June 30, 2005

(\$ in Thousands)

Present Resources and Expected Future Resources

	<u>Retirement</u>	<u>Health</u>	<u>Totals</u>
A. Actuarial value of system assets	\$11,634,114	\$597,199	\$12,231,313
B. Present value of expected future contributions			
1. For normal costs for present actives	1,687,445	277,826	1,965,271
2. For unfunded actuarial accrued liability	<u>723,411</u>	<u>660,306</u>	<u>1,383,717</u>
3. Totals	2,410,856	938,132	3,348,988
C. Present value of expected future member contributions	<u>850,686</u>	<u>0</u>	<u>850,686</u>
D. Total present and expected future resources	\$14,895,656	\$1,535,331	\$16,430,987

Present Value of Expected Future Benefit Payments and Reserve

A. To retirants and beneficiaries	\$7,440,649	\$726,992	\$8,167,641
B. To present active members			
1. Allocated to service rendered prior to valuation date	4,916,875	530,513	5,447,388
2. Allocated to service likely to be rendered after valuation date	<u>2,538,132</u>	<u>277,826</u>	<u>2,815,958</u>
3. Totals			
C. Total present value of expected future	\$14,895,656	\$1,535,331	\$16,430,987

SUMMARY OF BENEFIT PROVISIONS

&

VALUATION DATA SUBMITTED BY RETIREMENT SYSTEM

	Tier 1	Tier 2	Tiers 3 and 4	Tier 5
1. SERVICE RETIREMENT				
a. Eligibility	20 years of service.	20 years of service.	Tier 3: Age 50 with 10 years of service. Tier 4: 20 years of service.	Age 50 with 20 years of service.
b. Salary Base	Normal Pension Base (Final monthly salary rate)	Normal Pension Base (Final monthly salary rate)	Final Average Salary (One-year average monthly salary)	Final Average Salary (One-year average monthly salary)
c. Pension as a percentage of salary base	40% at 20 years of service, plus 2% for each additional year up to 25 years of service, plus 1-2/3% for each additional year between 25 and 35 years of service. Maximum of 66-2/3% for 35 or more years of service.	40% at 20 years of service, plus 2% for each additional year up to 25 years of service. 55% at 25 years of service, plus 3% for each additional year between 25 and 30 years of service. Maximum of 70% for 30 or more years of service.	2% per year of service up to 20 years of service, plus 3% for each additional year of service up to 30 years of service. Maximum of 70% for 30 or more years of service.	50% at 20 years of service, plus 3% for each additional year (except 4% at 30 years of service). Maximum of 90% for 33 or more years of service.
2. SERVICE-CONNECTED DISABILITY				
a. Eligibility	Work related No age or service requirements	Work related No age or service requirements	Work related No age or service requirements	Work related No age or service requirements
b. Salary Base	Normal Pension Base (Final monthly salary rate)	Normal Pension Base (Final monthly salary rate)	Final Average Salary (One-year average monthly salary)	Final Average Salary (One-year average monthly salary)
c. Pension as a percentage of salary base	50% to 90% depending on severity of disability, with a minimum of Member's service pension percentage rate.	50% to 90% depending on severity of disability, with a minimum of Member's service pension percentage rate.	30% to 90% depending on severity of disability, with a minimum of 2% per year of service.	30% to 90% depending on severity of disability, with a minimum of 2% per year of service.
3. NONSERVICE-CONNECTED DISABILITY				
a. Eligibility	Not work related Five years of service	Not work related Five years of service	Not work related Five years of service	Not work related Five years of service
b. Salary Base	Highest monthly salary as of Member's retirement for basic rank of Police Officer III or Firefighter III, and the highest length of service pay	Nonservice-Connected Salary Base: Highest monthly salary as of Member's retirement for basic rank of Police Officer III or Firefighter III, and the highest length of service pay	Final Average Salary (One-year average monthly salary)	Final Average Salary (One-year average monthly salary)
c. Pension as a percentage of salary base	40%.	40%.	30% to 50% depending on severity of disability.	30% to 50% depending on severity of disability.

	Tier 1	Tier 2	Tiers 3 and 4	Tier 5
4. SERVICE-CONNECTED DEATH OR DEATH AFTER SERVICE-CONNECTED DISABILITY				
a. Eligibility	Work related No age or service requirements	Work related No age or service requirements	Work related No age or service requirements	Work related No age or service requirements
b. Salary Base	Normal Pension Base (Final monthly salary rate)	Normal Pension Base (Final monthly salary rate)	Final Average Salary (One-year average monthly salary)	Final Average Salary (One-year average monthly salary) <i>Except for Members who transferred from Tier 2 to Tier 5</i>
c. Eligible Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit as a percentage of Member's salary base	50%.	50% with less than 25 years of service with uncapped COLA. 55% with 25 or more years of service with uncapped COLA.	<i>SERVICE-CONNECTED DEATH:</i> 75% of Final Average Salary if service-connected death while active or death due to service-connected cause(s) within 3 years after effective date of Service-Connected Disability pension with 3% cap on COLA. <i>DEATH AFTER SERVICE-CONNECTED DISABILITY:</i> 75% of Final Average Salary if death due to service-connected cause(s) within 3 years after effective date of Service-Connected Disability pension, otherwise 60% of Member's Service-Connected Disability pension with 3% cap on COLA.	<i>SERVICE-CONNECTED DEATH:</i> <u>Former Tier 2:</u> 75% of Normal Pension Base if service-connected death while active with 3% cap on COLA and COLA Bank. Former Tier 3/Tier 4 or Tier 5 hired on or after 1/1/02: 75% of Final Average Salary if service-connected death while active or death due to service-connected cause(s) within 3 years after effective date of Service-Connected Disability pension with 3% cap on COLA and COLA Bank. <i>DEATH AFTER SERVICE – CONNECTED DISABILITY:</i> <u>Former Tier 2:</u> 50% of Normal Pension Base with less than 25 YOS with 3% cap on COLA and COLA Bank. 55% of Normal Pension Base with 25 or more YOS with 3% cap on COLA and COLA Bank. <u>Former Tier 3/Tier 4 or Tier 5 hired on or after 1/1/02:</u> 75% of Final Average Salary if death due to service-connected cause(s) within 3 years after effective date of Service-Connected Disability pension, otherwise 60% of Member's Service-Connected Disability pension with 3% cap on COLA and COLA Bank.

	Tier 1	Tier 2	Tiers 3 and 4	Tier 5
d. Eligible children's benefit as a percentage of Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 unless child is disabled before age 21.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 unless child is disabled before age 21.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 (age 22 if in school full time) unless child is disabled before age 21.</p> <p>3% cap on COLA, no COLA Bank</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 (age 22 if in school full time) unless child is disabled before age 21.</p> <p>3% cap on COLA, with COLA Bank</p>
e. Eligible dependent parent's benefit as a percentage of Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit	<p>If no QSS/QSDP or eligible children, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>3% cap on COLA, no COLA Bank</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>3% cap on COLA, with COLA Bank</p>
5. DEATH WHILE ELIGIBLE TO RECEIVE A SERVICE PENSION ON ACCOUNT OF YEARS OF SERVICE				
a. Eligibility	20 years of service.	20 years of service.	Tier 3: 10 years of service Tier 4: 20 years of service	20 years of service
b. Eligible Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit as a percentage of Member's salary base	<p>100% of Member's accrued service retirement Member would have received, not to exceed 50% of Normal Pension Base.</p> <p>Uncapped COLA</p>	<p>100% of Member's accrued service retirement Member would have received, not to exceed 55% of Normal Pension Base.</p> <p>Uncapped COLA</p>	<p>Higher of 30% of Final Average Salary or, if eligible to retire based on years of service, 80% of the pension the Member would have received not to exceed 40% of Final Average Salary.</p> <p>3% cap on COLA, no COLA Bank</p>	<p><u>Former Tier 2:</u> 100% of Member's accrued service retirement Member would have received, not to exceed 55% of Normal Pension Base with 3% cap on COLA, with COLA Bank.</p> <p>Former Tier 3/Tier 4 or Tier 5 hired on or after 1/1/02: Per Section 1508(2), if member was eligible to retire based on YOS, 80% of service retirement Member would have been entitled to or 30% of Member's Final Average Salary; not to exceed 40% of Final Average Salary with 3% cap on COLA and COLA Bank.</p>

	Tier 1	Tier 2	Tiers 3 and 4	Tier 5
c. Eligible children's benefit as a percentage of Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 unless child is disabled before age 21.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 unless child is disabled before age 21.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 (age 22 if in school full time) unless child is disabled before age 21.</p> <p>3% cap on COLA, no COLA Bank</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three more children</p> <p>Pension not payable after child reaches age 18 (age 22 if in school full time) unless child is disabled before age 21.</p> <p>3% cap on COLA, with COLA Bank</p>
d. Eligible dependent parent's benefit as a percentage of Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit	<p>If no QSS/QSDP or eligible children, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>3% cap on COLA, no COLA Bank</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>3% cap on COLA, with COLA Bank</p>

6. DEATH AFTER SERVICE RETIREMENT

a. Eligibility	Member was receiving a service pension.	Member was receiving a service pension.	Member was receiving a service pension.	Member was receiving a service pension.
b. Eligible Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit as a percentage of Member's salary base	<p>Same as Member's pension up to 50% of Member's Normal Pension Base.</p> <p>Uncapped COLA</p>	<p>Same as Member's pension up to 55% of Member's Normal Pension Base.</p> <p>Uncapped COLA</p>	<p>60% of Member's pension benefit.</p> <p>3% cap on COLA, no COLA Bank</p>	<p>Former Tier 2: Same as Member's pension up to 55% of Normal Pension Base, with 3% cap on COLA, with COLA Bank.</p> <p>Former Tier 3/Tier 4 or Tier 5 hired on or after 1/1/02: 60% of Member's pension benefit, with 3% cap on COLA and COLA Bank.</p>
c. Eligible children's benefit as a percentage of Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 unless child is disabled before age 21.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 unless child is disabled before age 21.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 (age 22 if in school full time) unless child is disabled before age 21.</p> <p>3% cap on COLA, no COLA Bank</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three more children</p> <p>Pension not payable after child reaches age 18 (age 22 if in school full time) unless child is disabled before age 21.</p> <p>3% cap on COLA, with COLA Bank</p>

	Tier 1	Tier 2	Tiers 3 and 4	Tier 5
d. Eligible dependent parent's benefit as a percentage of Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit	If no QSS/QSDP or eligible children, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive. Uncapped COLA	If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive. Uncapped COLA	If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive. 3% cap on COLA, no COLA Bank	If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive. 3% cap on COLA, with COLA Bank
7. NONSERVICE-CONNECTED DEATH OR DEATH AFTER NONSERVICE-CONNECTED DISABILITY				
a. Eligibility	Five years of service.	Five years of service.	Five years of service.	Five years of service.
b. Eligible Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit as a percentage of Member's salary base	40% of highest monthly salary as of Member's retirement for basic rank of Police Officer III or Firefighter III, and the highest length of service pay Uncapped COLA	40% of highest monthly salary as of Member's retirement for basic rank of Police Officer III or Firefighter III, and the highest length of service pay (nonservice-connected pension base) Uncapped COLA	<i>NONSERVICE-CONNECTED DEATH</i> 30% of Final Average Salary or, if eligible to retire based on years of service, 80% of the pension the Member would have received not to exceed 40% of Final Average Salary 3% COLA Cap, no COLA Bank <i>DEATH AFTER NONSERVICE-CONNECTED DISABILITY</i> 60% of Member's pension. 3% COLA Cap, no COLA Bank	<i>NONSERVICE-CONNECTED DEATH</i> <u>Former Tier 2:</u> 40% of highest monthly salary as of Member's retirement for basic rank of Police Officer III or Firefighter III, and the highest length of service pay with 3% cap on COLA and COLA Bank <u>Former Tier 3/Tier 4 or Tier 5 hired on or after 1/1/02:</u> 30% of Final Average Salary or, if eligible to retire based on years of service, 80% of the pension the Member would have received not to exceed 40% of Final Average Salary with 3% cap on COLA and COLA Bank <i>DEATH AFTER NONSERVICE-CONNECTED DISABILITY</i> <u>Former Tier 2:</u> 40% of highest monthly salary as of Member's retirement for basic rank of Police Officer III or Firefighter III, and the highest length of service pay with 3% cap on COLA and COLA Bank <u>Former Tier 3/Tier 4 or Tier 5 hired on or after 1/1/02:</u> 60% of Member's Pension with 3% cap on COLA and COLA Bank

	Tier 1	Tier 2	Tiers 3 and 4	Tier 5
c. Eligible children's benefit as a percentage of Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 unless child is disabled before age 21.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 unless child is disabled before age 21.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 (age 22 if in school full time) unless child is disabled before age 21.</p> <p>3% cap on COLA, no COLA Bank</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 (age 22 if in school full time) unless child is disabled before age 21.</p> <p>3% cap on COLA, with COLA Bank</p>
d. Eligible dependent parent's benefit as a percentage of Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit	<p>If no QSS/QSDP or eligible children, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>3% cap on COLA, no COLA Bank</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>3% cap on COLA, with COLA Bank</p>
8. COST-OF-LIVING				
a. Generally applicable provisions	<p>Full annual cost-of-living increase.</p> <p>Cost-of-living increases compound, and are based upon the Consumer Price Index for local Urban Consumers.</p> <p>Survivors' pension includes the percentage of cost-of-living increases applied to the Member's pension prior to death.</p>	<p>Full annual cost-of-living increase.</p> <p>Cost-of-living increases compound, and are based upon the Consumer Price Index for local Urban Consumers.</p> <p>Survivors' pension includes the percentage of cost-of-living increases applied to the Member's pension prior to death.</p>	<p>Annual cost-of-living increase not to exceed 3%.</p> <p>Cost-of-living increases compound, and are based upon the Consumer Price Index for local Urban Consumers.</p> <p>City Council may grant discretionary cost-of-living increases once every three years.</p> <p>Survivors' pension includes the percentage of cost-of-living increases applied to the Member's pension prior to death.</p> <p>Pro rata adjustment in the first year of retirement.</p>	<p><i>Annual cost-of-living increase not to exceed 3%.</i></p> <p>Amounts above the maximum of 3% are banked to be credited during years when the CPI is less than the maximum.</p> <p>Cost-of-living increases compound, and are based upon the Consumer Price Index for local Urban Consumers.</p> <p>City Council may grant discretionary cost-of-living increases once every three years. Such discretionary COLAs reduce the member's COLA Bank.</p> <p><i>Survivors' pension includes the percentage of cost-of-living increases applied to the Member's pension prior to death.</i></p> <p>Pro rata adjustment in the first year of retirement.</p>

	Tier 1	Tier 2	Tiers 3 and 4	Tier 5
b. Effective date of cost-of-living increases				
i. Service retirement	Annual increases commence on July 1 following the later of the effective date or the date the Member would have been age 55.	Annual increases commence on the July 1 following the later of the effective date or the date the Member would have completed 25 years of service.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.
ii. Service-connected disability, service connected death	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.
iii. Nonservice-connected disability	Annual increases commence on the July 1 following the date the Member would have been age 55 or 5 years after the effective date of the pension if earlier.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.
iv. Nonservice-connected death, death while eligible for service retirement	Annual increases commence on the July 1 following the date the Member would have been age 55 or 5 years after the effective date of the pension if earlier.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.
v. Death after nonservice-connected disability, death after service-connected disability.	Annual increases commence on the July 1 following the date the Member would have been age 55 or 5 years after the effective date of the pension if earlier.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.
9. MEMBERS' CONTRIBUTIONS AS AN ANNUAL PERCENTAGE OF PAY				
	6%. No Member contributions required after 30 years of service.	6% plus 1/2 cost of cost-of living benefit up to 1%. (Currently 7%) No Member contributions required after 30 years of service.	8%. No Member contributions required after 30 years of service.	9%. City pays 1% of 9% if Plan is at least 100% actuarially funded. No Member contributions required after 33 years of service.
10. QUALIFIED SURVIVORS				
a. Qualified Surviving Spouse (QSS) or Qualified Surviving Domestic Partner (QSDP) eligibility requirements				
i. Nonservice-connected death	Married at least one year prior to date of nonservice-connected death and as of date of death.	Married or registered the domestic partner at least one year prior to date of nonservice-connected death and as of date of death.	Married or registered the domestic partner at least one year prior to date of nonservice-connected death and as of date of death.	Married or registered the domestic partner at least one year prior to date of nonservice-connected death and as of date of death.

	Tier 1	Tier 2	Tiers 3 and 4	Tier 5
ii. Service-connected death	Married as of the date of service-connected death.	Married or registered the domestic partner as of the date of service-connected death.	Married or registered the domestic partner as of the date of service-connected death.	Married or registered the domestic partner as of the date of service-connected death.
iii. Death after service pension	Married at least one year prior to the effective date of service pension and as of date of death.	Married or registered the domestic partner at least one year prior to the effective date of service pension and as of date of death.	Married or registered the domestic partner at least one year prior to the effective date of service pension and as of date of death.	Married or registered the domestic partner at least one year prior to the effective date of service pension and as of date of death.
iv. Death after nonservice-connected disability	Married at least one year prior to effective date of nonservice-connected disability pension and as of date of death.	Married or registered the domestic partner at least one year prior to effective date of nonservice-connected disability pension and as of date of death.	Married or registered the domestic partner at least one year prior to effective date of nonservice-connected disability pension and as of date of death.	Married or registered the domestic partner at least one year prior to effective date of nonservice-connected disability pension and as of date of death.
v. Death after service-connected disability	Married as of effective date of service-connected disability pension and as of date of death.	Married or registered the domestic partner as of effective date of service-connected disability pension and as of date of death.	Married or registered the domestic partner as of effective date of service-connected disability pension and as of date of death.	Married or registered the domestic partner as of effective date of service-connected disability pension and as of date of death.
b. Minor Child eligibility requirements	Legitimate or adopted child of a deceased member, until age 18 or marries, whichever comes first.	Legitimate or adopted child of a deceased member, until age 18 or marries, whichever comes first.	Child or adopted child of a deceased member, until age 18 (22 if a full-time student) or marries, whichever comes first.	Child or adopted child of a deceased member, until age 18 (22 if a full-time student) or marries, whichever comes first.
c. Dependent child eligibility requirements	Legitimate or adopted child of a deceased member who, prior to turning age 21, became mentally or physically disabled and cannot earn a livelihood.	Legitimate or adopted child of a deceased member who, prior to turning age 21, became mentally or physically disabled and cannot earn a livelihood.	Child of a deceased member who, prior to turning age 21, became mentally or physically disabled and cannot earn a livelihood.	Child of a deceased member who, prior to turning age 21, became mentally or physically disabled and cannot earn a livelihood.
d. Dependent parent eligibility requirements	Natural parent of a deceased member who had at least one-half of their necessary living expenses provided by the member for at least one year prior to the member's death and be unable to pay necessary living expenses without the pension.	Natural parent of a deceased member who had at least one-half of their necessary living expenses provided by the member for at least one year prior to the member's death and be unable to pay necessary living expenses without the pension.	Parent of a deceased member who had at least one-half of their necessary living expenses provided by the member for at least one year prior to the member's death and be unable to pay necessary living expenses without the pension.	Parent of a deceased member who had at least one-half of their necessary living expenses provided by the member for at least one year prior to the member's death and be unable to pay necessary living expenses without the pension.
11. MISCELLANEOUS				
a. Vesting of service retirement	After 20 years of service.	After 20 years of service.	Tier 3: After 10 years of service. Tier 4: No vesting until retirement (20 years)	After 20 years of service.
b. Return of contributions with interest	On termination or death if no other benefits are payable.	On termination or death if no other benefits are payable.	<u>Tier 3</u> : On termination or death if no other benefits are payable (except basic death benefit). <u>Tier 4</u> : Upon death if no other benefits are payable (except basic death benefit). No refund upon termination.	On termination or death if no other benefits are payable (except basic death benefit).

	Tier 1	Tier 2	Tiers 3 and 4	Tier 5
c. Basic death benefit	None.	None.	If Member has at least one year of service, in addition to return of contributions, beneficiary receives the Member's one-year average monthly salary times years of completed service (not to exceed 6 years).	If Member has at least one year of service, in addition to return of contributions, beneficiary receives the Member's one-year average monthly salary times years of completed service (not to exceed 6 years).
d. Optional forms of benefit for Qualified Surviving Spouse (QSS) or Qualified Surviving Domestic Partner (QSDP)	None.	None.	At service or disability retirement, Member may elect higher QSS/QSDP benefit with corresponding actuarial reduction of retirement benefit.	At service or disability retirement, Member may elect higher QSS/QSDP benefit with corresponding actuarial reduction of retirement benefit.
e. Deferred Pension Option	None.	None.	<p>Tier 3: Upon termination, can elect deferred pension option if member has at least 10 YOS and leaves contributions in Fund. Upon reaching age 50, member is entitled to receive a service pension using Tier 3 retirement formula.</p> <p><u>Tier 4</u>: No Deferred Pension Option</p>	<p><u>Tier 5</u>: Upon termination, can elect deferred pension option if member has at least 20 YOS and leaves contributions in Fund. Upon reaching age 50, member is entitled to receive a service pension using Tier 3 retirement formula.</p>

The City of Los Angeles Fire and Police Pension Plan

Summary of Pension Plan Benefits

(concluded)

Deferred Retirement Option Plan (DROP):	Elective after 25 years of service. Members in Tiers 3 and 5 must also be age 50. Interest crediting rate on DROP monies is 5% per annum. 5-year maximum DROP period. COLA amounts on DROP apply, with 3% cap for all tiers. Employee contributions continue until year of service cap is met.
---	--

NOTE: The summary of major plan provisions is designed to outline principal plan benefits. If the Pension Board should find the plan summary not in accordance with the actual provisions, the Pension Board should alert the actuary so they can both be sure the proper provisions are valued.

The City of Los Angeles Fire and Police Pension Plan

Summary of Health Subsidy Benefit Provisions

BASIC SUBSIDY

Eligibility:	<p>Retired Members who retired with 10 or more years of service. Benefits commence no earlier than age 55. Members who retired prior to July 1, 1998 are subject to an eligibility requirement of age 60 with 10 or more years of service. Subsidy is paid only to Members on service or disability retirements.</p> <p>Surviving spouses and surviving domestic partners are eligible for health benefits upon the date of death if the Member had attained age 55 prior to death. Otherwise, health benefits for survivors shall commence on the date that the Member would have reached age 55.</p> <p>Basic subsidy is paid until age 65, or after age 65 if Member is not covered by Medicare Part A.</p>
Amount of Subsidy:	<p>4% per year of service, to a maximum of 100%, times Maximum Subsidy, subject to a maximum of the actual premium paid to City approved health carrier.</p>
Maximum Subsidy:	<p>Lesser of monthly amount paid to active Fire and Police Members and retired CERS Members. As of July 1, 2005, maximum is \$735.38 per month. For surviving spouses, the maximum subsidy is \$436.08 per month.</p>
Increase in Subsidy:	<p>Based on subsidy increases to active Fire and Police Members, providing increased subsidy maximum does not exceed civilian retiree subsidy maximum, subject to Board approval.</p>
Dependent Portion:	<p>Difference between Basic Subsidy amount and single-party premium.</p>



The City of Los Angeles Fire and Police Pension Plan

Summary of Health Subsidy Benefits

MEDICARE-RELATED SUBSIDY

Eligibility:	Retired Members over age 65 with 10 or more years of service who participate in Medicare Parts A & B.
Amount of Subsidy to Participant:	100% of actual premium up to civilian retiree limit to City approved health carrier with 20+ years of service. 90% of actual premium up to civilian retiree limit to City approved health carrier with 15-19 years of service. 75% of actual premium up to civilian retiree limit to City approved health carrier with 10-14 years of service. Surviving spouses or surviving domestic partners are eligible for benefits upon the death of the Member.
Maximum Subsidy:	As of January 1, 2005, the single coverage maximum subsidy for retirees and surviving spouses is \$356.91. The multi-person coverage maximum subsidy is \$735.38.
Dependent Portion:	Calculation based on Board of Fire and Police Pension Commissioners Resolution No. 9320: equal to the amount payable on behalf of the dependents of a retired member in the same plan, with the same years of service, who qualifies for a basic or Part B only subsidy, whichever is greater, providing such subsidy does not exceed the civilian retiree dependent subsidy.

SPECIAL SUBSIDY

Eligibility:	Various, based on effective date of retirement, rank at retirement, years of service and type of pension. The benefit is paid temporarily until the Basic Subsidy becomes effective and is only available to eligible Members who retired between July 2, 1988 and June 30, 1998.
--------------	--

Amount of Subsidy:

Flat Amount Based on Years of Service	
20-24 years	\$75 - \$150 per month
25-29 years	\$150 - \$225 per month
30 and over	\$225 - \$300 per month

The City of Los Angeles Fire and Police Pension Plan

Summary of Health Subsidy Benefits

MEDICARE PREMIUM REIMBURSEMENT

For retired Members enrolled in Medicare A & B who are receiving a subsidy, the Plan provides payment of Part B premiums (\$78.20 per month for calendar year 2005).

DENTAL SUBSIDY

Eligibility: Retired Members who retired with 10 or more years of service. Benefits commence no earlier than age 55. Subsidy is paid only to Members on service or disability retirements. Surviving spouses/domestic partners are not eligible for benefits upon the death of the Member.

Amount of Subsidy: 4% per year of service, to a maximum of 100%, times Maximum Subsidy, subject to a maximum of the single-party premium paid to City approved dental carrier.

Maximum Subsidy: Lesser of monthly amount paid to active Fire and Police Members and retired CERS Members. Effective January 1, 2005, maximum is \$34.84 per month

NOTE: The summary of major plan provisions is designed to outline principal plan benefits. If the Pension Board should find the plan summary not in accordance with the actual provisions, the Pension Board should alert the actuary so they can both be sure the proper provisions are valued.

-*The City of Los Angeles Fire and Police Pension Plan

Summary of Reported Asset Information

Submitted for the June 30, 2005 Valuation

Plan Assets:

The rates of return on plan assets are shown below. Asset information was provided by the Department of Pensions. We have not audited or verified these figures. These figures represent both pension and health subsidy reserves. The actuarial value of assets as of June 30, 2005 is a market-related value, described in detail on the following page.

<u>All Tiers Combined</u>	<u>Market Value</u>	<u>Actuarial Value</u>
Value of Assets at 6/30/2004	\$11,609,958,892	\$12,341,695,084
Contributions		
City	167,364,751	167,364,751
Members	75,652,949	75,652,949
Benefits Paid to Participants	604,674,609	604,674,609
Administrative Expenses Paid	8,114,162	8,114,162
Investment Expenses Paid	29,728,118	29,728,118
Investment Earnings	1,161,599,759	281,002,734
Value of Assets at 6/30/2005	\$12,380,173,624	\$12,231,312,791
Rate of Return	9.83%	2.12%

The breakdown of total plan assets between those available for pension benefits and those available for health subsidy benefits is as follows:

	<u>Market Value</u>	<u>Actuarial Value</u>
Pension Benefits	\$11,775,706,322	\$11,634,113,683
Health Subsidy	<u>604,467,302</u>	<u>597,199,108</u>
Total	\$12,380,173,624	\$12,231,312,791

The City of Los Angeles Fire and Police Pension Plan

Derivation of Actuarial Value of Assets

	Year Ending				
	<u>June 30, 2005</u>	<u>June 30, 2004</u>	<u>June 30, 2003</u>	<u>June 30, 2002</u>	<u>June 30, 2001</u>
1. Beginning of Year Market Value	\$11,609,958,892	\$10,236,074,494	\$10,065,730,177	\$11,393,229,337	\$13,014,087,014
2. City Contributions	167,364,751	136,202,866	98,029,049	103,447,209	138,933,173
3. Member Contributions	75,652,949	76,608,611	73,270,752	60,805,614	58,165,860
4. Benefit Payments	604,674,609	565,770,657	530,621,472	500,387,023	477,341,383
5. Expenses Paid	37,842,280	39,787,206	30,871,278	34,523,358	29,405,558
6. Expected Return Based on 8.5% Assumption	978,244,237	860,480,230	844,168,369	957,068,054	1,098,942,020
7. Expected End of Year Market Value	12,218,432,058	10,734,796,512	10,543,194,286	11,979,639,833	13,803,381,126
8. Actual End of Year Market Value	12,380,173,624	11,609,958,892	10,236,074,494	10,065,730,177	11,393,229,337
9. Gain/(Loss)	161,741,566	875,162,380	(307,119,792)	(1,913,909,656)	(2,410,151,789)

1. Market Value at June 30, 2005	\$12,380,173,624
2. 2005 Gain/(Loss) x 80%	129,393,253
3. 2004 Gain/(Loss) x 60%	525,097,428
4. 2003 Gain/(Loss) x 40%	(122,847,917)
5. 2002 Gain/(Loss) x 20%	(382,781,931)
6. Preliminary Actuarial Value at June 30, 2005 (1) - (2) - (3) - (4) - (5)	12,231,312,791
7. 80% of Market Value at June 30, 2005	9,904,138,899
8. 120% of Market Value at June 30, 2005	14,856,208,349
9. Actuarial Value at June 30, 2005 (2), but no less than (3) and no more than (4)	\$12,231,312,791

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2005

Tier 2 – Fire Members

Attained Age	Years of Service												Total
	<u>0 – 1</u>	<u>1 – 2</u>	<u>2 – 3</u>	<u>3 – 4</u>	<u>4 – 5</u>	<u>5 – 9</u>	<u>10 – 14</u>	<u>15 – 19</u>	<u>20 – 24</u>	<u>25 – 29</u>	<u>30 – 34</u>	<u>Over 34</u>	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
25 – 29	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
30 – 34	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
35 – 39	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
40 – 44	0	0	0	0	0	0	0	0	1	0	0	0	1
Average Salary	0	0	0	0	0	0	0	0	87,398	0	0	0	87,398
45 – 49	0	0	0	0	0	0	0	0	11	37	0	0	48
Average Salary	0	0	0	0	0	0	0	0	93,905	94,318	0	0	94,224
50 – 54	0	0	0	0	0	0	0	0	6	20	5	0	31
Average Salary	0	0	0	0	0	0	0	0	85,022	98,071	98,415	0	95,601
55 – 59	0	0	0	0	0	0	0	0	0	12	9	0	21
Average Salary	0	0	0	0	0	0	0	0	0	99,190	101,566	0	100,208
60 – 64	0	0	0	0	0	0	0	0	0	0	2	1	3
Average Salary	0	0	0	0	0	0	0	0	0	0	102,568	84,976	96,704
Over 64	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	18	69	16	1	104
Average Salary	0	0	0	0	0	0	0	0	90,582	96,253	100,707	84,976	95,848
Average Age:	50.8												
Average Service:	27.5												

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2005

Tier 2 – Police Members

Attained Age	Years of Service												Total
	<u>0-1</u>	<u>1-2</u>	<u>2-3</u>	<u>3-4</u>	<u>4-5</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>Over 34</u>	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
25 – 29	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
30 – 34	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
35 – 39	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
40 – 44	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
45 – 49	0	0	0	0	0	0	1	0	22	54	0	0	77
Average Salary	0	0	0	0	0	0	79,532	0	98,223	101,936	0	0	100,584
50 – 54	0	0	0	0	0	0	0	0	4	42	18	0	64
Average Salary	0	0	0	0	0	0	0	0	100,744	97,721	101,530	0	98,981
55 – 59	0	0	0	0	0	0	0	0	0	8	15	0	23
Average Salary	0	0	0	0	0	0	0	0	0	97,902	103,865	0	101,791
60 – 64	0	0	0	0	0	0	0	0	0	1	4	0	5
Average Salary	0	0	0	0	0	0	0	0	0	81,557	90,108	0	88,398
Over 64	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	1	0	26	105	37	0	169
Average Salary	0	0	0	0	0	0	79,532	0	98,610	99,748	101,242	0	99,781
Average Age:	50.8												
Average Service:	27.5												

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2005

Tier 3 – Fire Members

Attained Age	Years of Service												Total
	<u>0-1</u>	<u>1-2</u>	<u>2-3</u>	<u>3-4</u>	<u>4-5</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>Over 34</u>	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
25 – 29	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
30 – 34	0	0	0	0	0	1	1	0	0	0	0	0	2
Average Salary	0	0	0	0	0	58,668	89,925	0	0	0	0	0	74,297
35 – 39	0	0	0	0	0	1	7	2	0	0	0	0	10
Average Salary	0	0	0	0	0	72,469	86,226	84,662	0	0	0	0	84,538
40 – 44	0	0	0	0	0	1	6	4	0	0	0	0	11
Average Salary	0	0	0	0	0	85,791	82,666	86,074	0	0	0	0	84,190
45 – 49	0	0	0	0	0	1	1	6	0	0	0	0	8
Average Salary	0	0	0	0	0	80,508	87,252	79,548	0	0	0	0	80,631
50 – 54	0	0	0	0	0	0	1	4	0	0	0	0	5
Average Salary	0	0	0	0	0	0	83,624	84,420	0	0	0	0	84,261
55 – 59	0	0	0	0	0	1	0	0	0	0	0	0	1
Average Salary	0	0	0	0	0	76,328	0	0	0	0	0	0	76,328
60 – 64	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
Over 64	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	5	16	16	0	0	0	0	37
Average Salary	0	0	0	0	0	74,753	85,024	83,037	0	0	0	0	82,777
Average Age:	42.5												
Average Service:	13.9												

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2005

Tier 3 – Police Members

Attained Age	Years of Service												Total
	<u>0-1</u>	<u>1-2</u>	<u>2-3</u>	<u>3-4</u>	<u>4-5</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>Over 34</u>	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
25 – 29	0	0	0	0	0	2	0	0	0	0	0	0	2
Average Salary	0	0	0	0	0	74,124	0	0	0	0	0	0	74,124
30 – 34	0	1	0	1	0	200	31	0	0	0	0	0	233
Average Salary	0	71,702	0	57,775	0	75,467	79,995	0	0	0	0	0	75,977
35 – 39	0	0	0	0	1	212	124	32	0	0	0	0	369
Average Salary	0	0	0	0	79,636	76,168	82,011	87,097	0	0	0	0	79,089
40 – 44	0	0	1	1	0	76	95	102	4	0	0	0	279
Average Salary	0	0	54,706	60,406	0	76,986	82,410	84,267	91,178	0	0	0	81,559
45 – 49	0	0	0	0	0	37	35	39	12	0	0	0	123
Average Salary	0	0	0	0	0	79,566	82,085	83,739	87,750	0	0	0	82,404
50 – 54	0	0	0	0	0	23	19	12	4	0	0	0	58
Average Salary	0	0	0	0	0	80,895	83,369	86,662	82,220	0	0	0	82,990
55 – 59	0	0	0	0	0	9	2	4	1	0	0	0	16
Average Salary	0	0	0	0	0	87,137	74,667	92,136	91,747	0	0	0	87,116
60 – 64	0	0	0	0	0	4	2	2	1	0	0	0	9
Average Salary	0	0	0	0	0	86,120	96,173	90,651	77,444	0	0	0	88,397
Over 64	0	0	0	0	0	2	0	1	0	0	0	0	3
Average Salary	0	0	0	0	0	92,968	0	77,611	0	0	0	0	87,849
Total	0	1	1	2	1	565	308	192	22	0	0	0	1,092
Average Salary	0	71,702	54,706	59,091	79,636	76,742	82,068	84,977	87,081	0	0	0	79,846
Average Age:	39.8												
Average Service:	11.2												

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2005

Tier 4 – Fire Members

Attained Age	Years of Service												Total
	<u>0 – 1</u>	<u>1 – 2</u>	<u>2 – 3</u>	<u>3 – 4</u>	<u>4 – 5</u>	<u>5 – 9</u>	<u>10 – 14</u>	<u>15 – 19</u>	<u>20 – 24</u>	<u>25 – 29</u>	<u>30 – 34</u>	<u>Over 34</u>	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
25 – 29	0	0	1	8	2	1	0	0	0	0	0	0	12
Average Salary	0	0	61,653	69,919	65,203	85,791	0	0	0	0	0	0	69,767
30 – 34	0	0	1	3	6	3	0	0	0	0	0	0	13
Average Salary	0	0	81,260	70,103	76,820	75,914	0	0	0	0	0	0	75,403
35 – 39	0	0	3	1	2	1	3	6	0	0	0	0	16
Average Salary	0	0	79,819	81,260	82,742	68,794	80,640	91,310	0	0	0	0	84,049
40 – 44	0	0	2	1	1	1	0	5	5	0	0	0	15
Average Salary	0	0	74,651	65,203	68,794	74,409	0	84,506	95,283	0	0	0	83,777
45 – 49	0	0	1	0	0	0	0	1	5	2	0	0	9
Average Salary	0	0	78,342	0	0	0	0	102,265	85,770	93,763	0	0	88,554
50 – 54	0	0	0	0	0	0	0	0	1	0	0	0	1
Average Salary	0	0	0	0	0	0	0	0	82,810	0	0	0	82,810
55 – 59	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
60 – 64	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
Over 64	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	8	13	11	6	3	12	11	2	0	0	66
Average Salary	0	0	76,252	70,471	75,055	76,123	80,640	89,388	89,825	93,764	0	0	80,283
Average Age:	36.9												
Average Service:	10.6												

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2005

Tier 4 – Police Members

Attained Age	Years of Service												Total
	<u>0 – 1</u>	<u>1 – 2</u>	<u>2 – 3</u>	<u>3 – 4</u>	<u>4 – 5</u>	<u>5 – 9</u>	<u>10 – 14</u>	<u>15 – 19</u>	<u>20 – 24</u>	<u>25 – 29</u>	<u>30 – 34</u>	<u>Over 34</u>	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
25 – 29	0	0	0	9	23	20	0	0	0	0	0	0	52
Average Salary	0	0	0	64,261	68,269	71,099	0	0	0	0	0	0	68,664
30 – 34	0	0	2	10	12	72	4	0	0	0	0	0	100
Average Salary	0	0	64,791	64,851	67,191	72,901	87,994	0	0	0	0	0	71,852
35 – 39	0	0	0	1	1	13	19	53	0	0	0	0	87
Average Salary	0	0	0	60,949	66,143	71,459	88,250	89,792	0	0	0	0	86,113
40 – 44	0	0	0	0	1	4	5	76	34	0	0	0	120
Average Salary	0	0	0	0	64,213	76,221	82,732	88,715	91,164	0	0	0	88,539
45 – 49	0	0	0	0	0	1	0	4	81	0	0	0	86
Average Salary	0	0	0	0	0	67,964	0	89,979	94,827	0	0	0	94,289
50 – 54	0	0	0	0	0	0	0	0	2	0	0	0	2
Average Salary	0	0	0	0	0	0	0	0	100,888	0	0	0	100,888
55 – 59	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
60 – 64	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
Over 64	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	2	20	37	110	28	133	117	0	0	0	447
Average Salary	0	0	64,791	64,390	67,752	72,479	87,228	89,182	93,866	0	0	0	83,183
Average Age:	38.1												
Average Service:	13.9												

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2005

Tier 5 – Fire Members

Attained Age	Years of Service												Total	
	<u>0 – 1</u>	<u>1 – 2</u>	<u>2 – 3</u>	<u>3 – 4</u>	<u>4 – 5</u>	<u>5 – 9</u>	<u>10 – 14</u>	<u>15 – 19</u>	<u>20 – 24</u>	<u>25 – 29</u>	<u>30 – 34</u>	<u>Over 34</u>		
Under 25	7	22	6	1	0	0	0	0	0	0	0	0	0	36
Average Salary	53,581	58,192	62,830	76,311	0	0	0	0	0	0	0	0	0	58,572
25 – 29	38	77	66	59	43	10	0	0	0	0	0	0	0	293
Average Salary	52,770	58,470	64,635	70,615	71,079	77,245	0	0	0	0	0	0	0	64,056
30 – 34	23	42	58	84	96	60	15	0	0	0	0	0	0	378
Average Salary	53,231	58,297	66,174	73,377	74,127	78,381	84,974	0	0	0	0	0	0	70,815
35 – 39	16	20	31	41	54	81	118	76	0	0	0	0	0	437
Average Salary	51,794	57,350	69,760	70,140	73,290	80,507	84,911	91,509	0	0	0	0	0	78,872
40 – 44	3	6	6	12	12	30	129	292	79	3	0	0	0	572
Average Salary	55,854	57,262	60,430	69,147	75,145	79,194	83,180	89,183	94,540	94,122	0	0	0	86,545
45 – 49	0	1	2	5	1	4	17	210	308	117	0	0	0	665
Average Salary	0	57,754	75,406	74,303	72,469	74,880	86,059	87,412	92,840	100,656	0	0	0	91,944
50 – 54	1	0	0	0	0	0	0	33	114	221	92	0	0	461
Average Salary	46,729	0	0	0	0	0	0	86,325	89,756	97,762	100,123	0	0	95,324
55 – 59	0	0	0	0	0	0	0	4	10	91	192	19	0	316
Average Salary	0	0	0	0	0	0	0	84,595	90,508	92,036	96,615	93,911	0	94,788
60 – 64	0	0	0	0	0	0	0	1	2	4	41	36	0	84
Average Salary	0	0	0	0	0	0	0	84,976	93,884	86,503	92,480	100,563	0	95,603
Over 64	0	0	0	0	0	0	0	0	0	1	2	15	0	18
Average Salary	0	0	0	0	0	0	0	0	0	92,180	84,708	100,371	0	98,175
Total	88	168	169	202	206	185	279	616	513	437	327	70	0	3,260
Average Salary	52,814	58,210	66,017	71,700	73,323	79,307	84,184	88,676	92,375	97,204	97,010	98,716	0	84,802
Average Age:	43.2													
Average Service:	16.7													

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2005

Tier 5 – Police Members

Attained Age	Years of Service												Total	
	<u>0 – 1</u>	<u>1 – 2</u>	<u>2 – 3</u>	<u>3 – 4</u>	<u>4 – 5</u>	<u>5 – 9</u>	<u>10 – 14</u>	<u>15 – 19</u>	<u>20 – 24</u>	<u>25 – 29</u>	<u>30 – 34</u>	<u>Over 34</u>		
Under 25	95	27	16	0	0	0	0	0	0	0	0	0	0	138
Average Salary	51,442	56,326	58,262	0	0	0	0	0	0	0	0	0	0	53,188
25 – 29	187	191	184	67	65	99	0	0	0	0	0	0	0	793
Average Salary	52,597	58,092	61,009	64,965	67,363	72,451	0	0	0	0	0	0	0	60,606
30 – 34	79	109	121	54	101	898	79	0	0	0	0	0	0	1,441
Average Salary	53,369	58,379	62,630	65,666	69,004	75,875	83,099	0	0	0	0	0	0	71,737
35 – 39	37	44	51	18	28	770	489	169	0	0	0	0	0	1,606
Average Salary	54,339	58,839	63,245	63,338	68,948	76,842	84,582	87,247	0	0	0	0	0	78,561
40 – 44	10	14	12	6	12	220	330	648	73	0	0	0	0	1,325
Average Salary	53,250	59,594	62,365	70,444	68,998	77,153	84,929	89,205	93,422	0	0	0	0	85,276
45 – 49	2	3	0	0	1	63	105	301	402	49	0	0	0	926
Average Salary	52,618	62,904	0	0	68,633	76,312	85,290	89,746	94,968	103,680	0	0	0	91,141
50 – 54	0	0	2	0	2	13	16	91	202	229	118	0	0	673
Average Salary	0	0	73,386	0	70,460	77,297	85,703	90,248	92,244	97,068	99,153	0	0	94,262
55 – 59	0	0	0	0	0	1	2	13	62	85	245	48	0	456
Average Salary	0	0	0	0	0	71,702	86,287	86,759	92,041	94,975	97,788	97,822	96,064	96,064
60 – 64	0	0	0	0	0	0	0	1	3	12	45	50	0	111
Average Salary	0	0	0	0	0	0	0	91,747	88,469	93,722	94,633	99,655	96,604	96,604
Over 64	0	0	0	0	0	0	0	0	0	0	2	10	0	12
Average Salary	0	0	0	0	0	0	0	0	0	0	81,641	96,294	93,852	93,852
Total	410	388	386	145	209	2,064	1,021	1,223	742	375	410	108	0	7,481
Average Salary	52,651	58,226	61,805	65,251	68,498	76,228	84,673	89,121	93,804	97,350	97,756	98,529	80,393	80,393
Average Age:	39.8													
Average Service:	12.9													

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2005

Total For All Fire And Police Members

Attained Age	Years of Service												Total	
	<u>0 – 1</u>	<u>1 – 2</u>	<u>2 – 3</u>	<u>3 – 4</u>	<u>4 – 5</u>	<u>5 – 9</u>	<u>10 – 14</u>	<u>15 – 19</u>	<u>20 – 24</u>	<u>25 – 29</u>	<u>30 – 34</u>	<u>Over 34</u>		
Under 25	102	49	22	1	0	0	0	0	0	0	0	0	0	174
Average Salary	51,589	57,164	59,508	76,311	0	0	0	0	0	0	0	0	0	54,302
25 – 29	225	268	251	143	133	132	0	0	0	0	0	0	0	1,152
Average Salary	52,626	58,201	61,965	67,529	68,689	72,736	0	0	0	0	0	0	0	61,966
30 – 34	102	152	182	152	215	1,234	130	0	0	0	0	0	0	2,167
Average Salary	53,338	58,444	63,885	69,909	71,408	75,743	82,778	0	0	0	0	0	0	72,062
35 – 39	53	64	85	61	86	1,078	760	338	0	0	0	0	0	2,525
Average Salary	53,571	58,374	66,206	68,165	72,087	76,909	84,305	88,647	0	0	0	0	0	79,011
40 – 44	13	20	21	20	26	332	565	1,127	196	3	0	0	0	2,323
Average Salary	53,851	58,895	62,618	68,902	71,643	77,306	84,063	88,687	93,452	94,122	0	0	0	85,297
45 – 49	2	4	3	5	2	106	159	561	841	259	0	0	0	1,942
Average Salary	52,618	61,617	76,384	74,303	70,551	77,355	84,643	88,369	94,089	100,536	0	0	0	91,398
50 – 54	1	0	2	0	2	36	36	140	333	512	233	0	0	1,295
Average Salary	46,729	0	73,386	0	70,460	79,596	84,414	88,849	91,267	97,460	99,704	0	0	94,363
55 – 59	0	0	0	0	0	11	4	21	73	196	461	67	67	833
Average Salary	0	0	0	0	0	84,751	80,477	87,371	91,827	93,988	97,571	96,713	96,713	95,647
60 – 64	0	0	0	0	0	4	2	4	6	17	92	87	87	212
Average Salary	0	0	0	0	0	86,120	96,173	89,506	88,436	91,308	93,649	99,862	99,862	95,667
Over 64	0	0	0	0	0	2	0	1	0	1	4	25	25	33
Average Salary	0	0	0	0	0	92,968	0	77,611	0	92,180	83,174	98,740	98,740	95,664
Total	498	557	566	382	464	2,935	1,656	2,192	1,449	988	790	179	179	12,656
Average Salary	52,680	58,245	63,265	68,761	70,760	76,378	84,142	88,594	93,217	97,456	97,670	98,527	98,527	81,973
Average Age:	40.8													
Average Service:	14.1													

The City Of Los Angeles Fire and Police Pension Systems
 Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2005

Tier 1 – Service Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50–59</u>	<u>60–64</u>	<u>65–69</u>	<u>70–74</u>	<u>75–79</u>	<u>80–89</u>	<u>90+</u>	
Pre-1986	0	0	1	12	19	14	123	37	206
1986	0	0	1	3	0	1	0	0	5
1987	0	0	0	2	0	0	0	0	2
1988	0	0	1	0	0	0	0	0	1
1989	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	1	0	0	0	0	1
1992	0	0	0	0	0	0	0	0	0
1993	0	0	0	2	0	0	0	0	2
1994	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0
1996	0	0	0	1	0	0	0	0	1
1997	0	0	0	1	0	0	0	0	1
1998	0	0	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0	0	0
2000	0	0	0	2	0	0	0	0	2
2001	0	0	0	0	0	0	0	0	0
2002	0	0	0	0	0	0	0	0	0
2003	0	0	0	0	0	0	0	0	0
2004	0	0	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0	0	0
TOTALS	0	0	3	24	19	15	123	37	221

Group Averages

Age at Retirement: 46.4

Attained Age: 82.0

Annual Pension: \$23,228

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2005

Tier 2 – Service Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50–59</u>	<u>60–64</u>	<u>65–69</u>	<u>70–74</u>	<u>75–79</u>	<u>80–89</u>	<u>90+</u>	
Pre-1986	0	0	40	244	354	479	1,227	93	2,437
1986	0	0	29	41	39	17	1	0	127
1987	0	0	34	56	36	28	4	0	158
1988	0	5	50	71	47	19	2	0	194
1989	0	29	63	67	44	10	1	0	214
1990	0	30	76	94	41	18	0	0	259
1991	0	34	75	74	21	7	0	0	211
1992	0	39	117	109	40	10	2	0	317
1993	0	53	130	86	26	2	1	0	298
1994	0	79	102	31	6	1	0	0	219
1995	0	85	85	36	10	0	1	0	217
1996	0	74	71	45	11	0	0	0	201
1997	0	73	63	31	6	1	0	0	174
1998	0	68	101	36	7	1	1	0	214
1999	1	136	157	35	7	0	0	0	336
2000	6	159	105	24	5	0	0	0	299
2001	7	81	50	7	1	0	0	0	146
2002	7	40	8	1	0	0	0	0	56
2003	3	18	1	0	0	0	0	0	22
2004	5	8	1	0	0	0	0	0	14
2005	0	2	0	0	0	0	0	0	2
TOTALS	29	1,013	1,358	1,088	701	593	1,240	93	6,115

Group Averages

Age at Retirement: 50.7

Attained Age: 68.8

Annual Pension: \$48,476

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2005

Tier 3 – Service Retirement

Year Retired	Age Groups								Total
	Under 50	50–59	60–64	65–69	70–74	75–79	80–89	90+	
Pre-1986	0	0	0	0	0	0	1	0	1
1986	0	0	0	0	1	0	0	0	1
1987	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	1	0	0	0	1
1989	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0
1992	0	0	0	1	0	0	0	0	1
1993	0	0	0	0	0	0	0	0	0
1994	0	0	0	2	0	0	0	0	2
1995	0	0	3	0	0	0	0	0	3
1996	0	0	4	0	0	0	0	0	4
1997	0	1	2	0	0	0	0	0	3
1998	0	4	1	0	0	0	0	0	5
1999	0	3	1	3	0	0	0	0	7
2000	0	5	1	1	0	0	0	0	7
2001	0	6	1	0	0	0	0	0	7
2002	0	4	0	1	0	0	0	0	5
2003	0	6	0	0	0	0	0	0	6
2004	0	3	0	0	0	0	0	0	3
2005	0	6	0	1	0	0	0	0	7
TOTALS	0	38	13	9	2	0	1	0	63

Group Averages

Age at Retirement: 52.4

Attained Age: 58.5

Annual Pension: \$31,803

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2005

Tier 4 – Service Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50–59</u>	<u>60–64</u>	<u>65–69</u>	<u>70–74</u>	<u>75–79</u>	<u>80–89</u>	<u>90+</u>	
Pre-1986	0	0	0	0	0	0	0	0	0
1986	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	0	0	0	0	0
1989	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0
1992	0	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0	0	0
1999	0	3	0	0	0	0	0	0	3
2000	0	1	0	0	0	0	0	0	1
2001	4	2	0	0	0	0	0	0	6
2002	8	0	0	0	0	0	0	0	8
2003	6	2	0	0	0	0	0	0	8
2004	16	2	0	0	0	0	0	0	18
2005	12	0	0	0	0	0	0	0	12
TOTALS	46	10	0	0	0	0	0	0	56

Group Averages

Age at Retirement: 44.4

Attained Age: 46.7

Annual Pension: \$37,799

The City Of Los Angeles Fire and Police Pension Systems
 Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2005

Tier 5 – Service Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50–59</u>	<u>60–64</u>	<u>65–69</u>	<u>70–74</u>	<u>75–79</u>	<u>80–89</u>	<u>90+</u>	
Pre-1986	0	0	0	0	0	0	0	0	0
1986	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	0	0	0	0	0
1989	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0
1992	0	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0	0	0
2000	0	0	0	0	0	0	0	0	0
2001	0	0	0	0	0	0	0	0	0
2002	0	162	126	37	6	1	0	0	332
2003	0	94	44	4	2	0	0	0	144
2004	0	52	4	0	2	0	0	0	58
2005	0	34	2	2	0	0	0	0	38
TOTALS	0	342	176	43	10	1	0	0	572

Group Averages

Age at Retirement: 55.9

Attained Age: 58.5

Annual Pension: \$74,975

The City Of Los Angeles Fire and Police Pension Systems
 Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2005

Tier 1 – Disability Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1986	0	0	8	27	37	39	97	9	217
1986	0	0	0	1	0	0	0	0	1
1987	0	0	0	0	1	0	0	0	1
1988	0	0	0	0	0	0	0	0	0
1989	0	0	0	1	0	0	0	0	1
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0
1992	0	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0	0	0
2000	0	0	0	0	0	0	0	0	0
2001	0	0	0	0	0	0	0	0	0
2002	0	0	0	0	0	0	0	0	0
2003	0	0	0	0	0	0	0	0	0
2004	0	0	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0	0	0
TOTALS	0	0	8	29	38	39	97	9	220

Group Averages

Age at Retirement: 37.6

Attained Age: 77.3

Annual Pension: \$27,700

The City Of Los Angeles Fire and Police Pension Systems
 Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2005

Tier 2 – Disability Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1986	2	183	250	211	156	96	77	1	976
1986	0	9	18	15	8	10	1	0	61
1987	1	9	13	10	12	9	1	0	55
1988	0	15	19	19	13	7	1	0	74
1989	0	11	13	11	5	6	0	0	46
1990	0	9	17	14	9	7	0	0	56
1991	0	10	20	10	4	2	1	0	47
1992	0	24	24	22	11	2	1	0	84
1993	1	17	19	12	10	1	0	0	60
1994	1	17	14	14	7	0	0	0	53
1995	0	21	19	10	7	0	0	0	57
1996	0	10	12	16	5	2	0	0	45
1997	2	14	18	10	2	0	0	0	46
1998	1	10	10	5	2	1	0	0	29
1999	2	12	21	14	4	0	0	0	53
2000	0	26	21	8	1	1	0	0	57
2001	1	13	15	6	0	1	0	0	36
2002	0	11	7	3	1	0	0	0	22
2003	0	12	8	0	0	0	0	0	20
2004	0	7	3	1	0	0	0	0	11
2005	0	1	2	0	0	0	0	0	3
TOTALS	11	441	543	411	257	145	82	1	1,891

Group Averages

Age at Retirement: 45.4

Attained Age: 64.5

Annual Pension: \$48,035

The City Of Los Angeles Fire and Police Pension Systems
 Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2005

Tier 3 – Disability Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1986	0	1	3	0	0	0	0	0	4
1986	1	3	1	1	0	0	0	0	6
1987	1	2	0	0	0	1	0	0	4
1988	1	2	1	0	0	0	0	0	4
1989	3	2	1	0	0	0	0	0	6
1990	3	0	0	1	0	0	0	0	4
1991	2	1	0	0	0	0	0	0	3
1992	3	5	0	0	0	0	0	0	8
1993	3	8	0	0	0	0	0	0	11
1994	10	3	1	0	0	0	0	0	14
1995	5	3	1	0	0	0	0	0	9
1996	11	3	0	1	0	0	0	0	15
1997	10	6	0	0	0	0	0	0	16
1998	14	5	1	0	0	0	0	0	20
1999	10	8	1	1	0	0	0	0	20
2000	18	5	1	0	0	0	0	0	24
2001	8	2	0	0	0	0	0	0	10
2002	6	4	0	0	0	0	0	0	10
2003	9	2	0	0	0	0	0	0	11
2004	5	1	0	0	0	0	0	0	6
2005	3	0	0	0	0	0	0	0	3
TOTALS	126	66	11	4	0	1	0	0	208

Group Averages

Age at Retirement: 38.9
Attained Age: 47.8
Annual Pension: \$33,766

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2005

Tier 4 – Disability Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50–59</u>	<u>60–64</u>	<u>65–69</u>	<u>70–74</u>	<u>75–79</u>	<u>80–89</u>	<u>90+</u>	
Pre-1986	0	0	0	0	0	0	0	0	0
1986	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	0	0	0	0	0
1989	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0
1992	0	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0
1998	0	1	0	0	0	0	0	0	1
1999	0	0	0	0	0	0	0	0	0
2000	0	0	0	0	0	0	0	0	0
2001	1	1	0	0	0	0	0	0	2
2002	6	0	0	0	0	0	0	0	6
2003	4	1	0	0	0	0	0	0	5
2004	9	1	0	0	0	0	0	0	10
2005	1	0	0	0	0	0	0	0	1
TOTALS	21	4	0	0	0	0	0	0	25

Group Averages

Age at Retirement: 42.8

Attained Age: 45.4

Annual Pension: \$44,606

The City Of Los Angeles Fire and Police Pension Systems
 Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2005

Tier 5 – Disability Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50–59</u>	<u>60–64</u>	<u>65–69</u>	<u>70–74</u>	<u>75–79</u>	<u>80–89</u>	<u>90+</u>	
Pre-1986	0	0	0	0	0	0	0	0	0
1986	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	0	0	0	0	0
1989	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0
1992	0	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0	0	0
2000	0	0	0	0	0	0	0	0	0
2001	0	0	0	0	0	0	0	0	0
2002	0	0	0	0	0	0	0	0	0
2003	2	4	0	0	0	0	0	0	6
2004	2	2	0	0	0	0	0	0	4
2005	3	0	0	0	0	0	0	0	3
TOTALS	7	6	0	0	0	0	0	0	13

Group Averages

Age at Retirement: 45.5

Attained Age: 47.2

Annual Pension: \$50,537

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2005

Tier 1 – Surviving Spouses and Dependents

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50–59</u>	<u>60–64</u>	<u>65–69</u>	<u>70–74</u>	<u>75–79</u>	<u>80–89</u>	<u>90+</u>	
Pre-1986	1	1	6	8	10	24	118	72	240
1986	0	0	0	0	1	0	8	5	14
1987	0	0	0	0	1	2	7	4	14
1988	0	0	0	0	0	3	6	4	13
1989	0	0	0	2	0	2	6	8	18
1990	0	0	0	0	0	3	12	3	18
1991	0	0	0	1	1	2	6	2	12
1992	0	0	1	1	1	2	10	1	16
1993	1	0	1	0	0	2	11	5	20
1994	0	0	1	2	0	3	4	4	14
1995	0	0	0	2	1	3	9	7	22
1996	2	1	0	0	1	5	10	5	24
1997	0	0	0	0	0	3	12	4	19
1998	0	0	0	0	2	7	9	1	19
1999	0	1	0	2	2	6	6	3	20
2000	0	0	0	1	5	5	11	1	23
2001	0	1	2	6	3	7	23	4	46
2002	0	1	2	0	2	4	11	6	26
2003	0	0	0	2	3	1	18	2	26
2004	0	0	1	1	1	4	9	1	17
2005	1	0	1	0	2	2	7	2	15
TOTALS	5	5	15	28	36	90	313	144	636

Group Averages

Age at Retirement: N/A
Attained Age: 82.8
Annual Pension: \$26,257

The City Of Los Angeles Fire and Police Pension Systems
 Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2005

Tier 2 – Surviving Spouses and Dependents

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50–59</u>	<u>60–64</u>	<u>65–69</u>	<u>70–74</u>	<u>75–79</u>	<u>80–89</u>	<u>90+</u>	
Pre-1986	2	30	34	29	38	48	125	19	325
1986	0	2	3	1	9	1	8	3	27
1987	0	3	1	3	1	7	14	1	30
1988	0	10	4	2	4	6	16	4	46
1989	0	3	0	4	2	2	12	1	24
1990	0	4	4	3	4	7	12	2	36
1991	2	3	6	1	1	9	28	4	54
1992	0	4	7	7	6	12	12	2	50
1993	3	7	3	5	3	9	21	1	52
1994	1	7	4	1	10	7	18	2	50
1995	2	4	4	8	7	12	31	1	69
1996	3	4	4	4	13	19	36	4	87
1997	3	6	4	3	8	11	21	2	58
1998	2	12	5	8	11	15	29	7	89
1999	0	7	4	8	9	11	20	0	59
2000	2	9	5	10	6	17	39	5	93
2001	1	9	9	17	9	23	34	4	106
2002	5	5	9	9	10	10	35	4	87
2003	2	5	5	12	13	24	22	5	88
2004	2	12	3	12	20	25	42	3	119
2005	0	11	7	11	9	17	35	2	92
TOTALS	30	157	125	158	193	292	610	76	1,641

Group Averages

Age at Retirement: N/A
Attained Age: 74.3
Annual Pension: \$40,822

The City Of Los Angeles Fire and Police Pension Systems
 Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2005

Tier 3 – Surviving Spouses and Dependents

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1986	1	1	1	0	0	0	0	0	3
1986	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	0	0	0	0	0
1989	4	0	0	1	0	0	0	0	5
1990	1	0	0	0	0	1	0	0	2
1991	1	1	0	0	0	0	0	0	2
1992	1	1	1	0	0	0	0	0	3
1993	1	2	0	0	0	0	0	0	3
1994	1	1	0	1	0	0	0	0	3
1995	3	0	0	0	0	0	0	0	3
1996	0	0	0	1	0	0	0	0	1
1997	7	0	0	1	0	0	0	0	8
1998	6	0	0	0	0	0	0	0	6
1999	8	0	0	0	0	0	0	0	8
2000	2	0	0	0	0	0	0	0	2
2001	1	1	0	1	0	0	0	0	3
2002	2	1	0	0	0	0	0	0	3
2003	1	0	0	0	0	0	0	0	1
2004	1	2	0	0	0	1	0	0	4
2005	1	1	0	0	1	0	0	0	3
TOTALS	42	11	2	5	1	2	0	0	63

Group Averages

Age at Retirement: N/A
Attained Age: 41.9
Annual Pension: \$42,518

The City Of Los Angeles Fire and Police Pension Systems
 Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2005

Tier 4 – Surviving Spouses and Dependents

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1986	0	0	0	0	0	0	0	0	0
1986	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	0	0	0	0	0
1989	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0
1992	0	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0	0	0
2000	1	0	0	0	0	0	0	0	1
2001	0	0	0	0	0	0	0	0	0
2002	0	0	0	0	0	0	0	0	0
2003	1	0	0	0	0	0	0	0	1
2004	1	0	0	0	0	0	0	0	1
2005	0	0	0	0	0	0	0	0	0
TOTALS	3	0	0	0	0	0	0	0	3

Group Averages

Age at Retirement: N/A
Attained Age: 42.5
Annual Pension: \$79,459

The City Of Los Angeles Fire and Police Pension Systems
 Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2005

Tier 5 – Surviving Spouses and Dependents

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50–59</u>	<u>60–64</u>	<u>65–69</u>	<u>70–74</u>	<u>75–79</u>	<u>80–89</u>	<u>90+</u>	
Pre-1986	0	0	0	0	0	0	0	0	0
1986	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	0	0	0	0	0
1989	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0
1992	0	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0	0	0
2000	0	0	0	0	0	0	0	0	0
2001	0	0	0	0	0	0	0	0	0
2002	0	1	0	1	0	0	0	0	2
2003	2	0	0	0	0	0	0	0	2
2004	4	0	4	0	0	0	0	0	8
2005	2	2	2	1	0	0	0	0	7
TOTALS	8	3	6	2	0	0	0	0	19

Group Averages

Age at Retirement: N/A

Attained Age: 50.8

Annual Pension: \$59,028

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2005

Total for All Pensioners

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1986	6	216	343	531	614	700	1,768	231	4,409
1986	1	14	52	62	58	29	18	8	242
1987	2	14	48	71	51	47	26	5	264
1988	1	32	75	92	65	35	25	8	333
1989	7	45	77	86	51	20	19	9	314
1990	4	43	97	112	54	36	24	5	375
1991	5	49	101	87	27	20	35	6	330
1992	4	73	150	140	58	26	25	3	479
1993	9	87	153	105	39	14	33	6	446
1994	13	107	122	51	23	11	22	6	355
1995	10	113	112	56	25	15	41	8	380
1996	16	92	91	68	30	26	46	9	378
1997	22	100	87	46	16	15	33	6	325
1998	23	100	118	49	22	24	39	8	383
1999	21	170	184	63	22	17	26	3	506
2000	29	205	133	46	17	23	50	6	509
2001	23	116	77	37	13	31	57	8	362
2002	34	229	152	52	19	15	46	10	557
2003	30	144	58	18	18	25	40	7	340
2004	45	90	16	14	23	30	51	4	273
2005	23	57	14	15	12	19	42	4	186
TOTALS	328	2,096	2,260	1,801	1,257	1,178	2,466	360	11,746

Group Averages

Age at Retirement: 49.2
Attained Age: 68.7
Annual Pension: \$46,145

The City of Los Angeles Fire and Police Pension Plan

Membership Summary

In the June 30, 2005 Actuarial Valuation

Active Members		No.	Annual Compensation	Averages		
				Annual Compensation	Age	Service
TIER 2						
Fire	6/30/2005	104	\$ 9,968,230	\$ 95,848	50.8	27.5
	6/30/2004	114	\$ 10,456,074	\$ 91,720	50.4	26.8
	Percent Change	(8.8%)	(4.7%)	4.5%	0.9%	2.6%
Police	6/30/2005	169	16,862,937	99,781	50.8	27.5
	6/30/2004	180	17,266,710	95,926	49.9	26.7
	Percent Change	(6.1%)	(2.3%)	4.0%	1.7%	3.3%
TIER 3						
Fire	6/30/2005	37	3,062,731	82,777	42.5	13.9
	6/30/2004	41	3,255,294	79,397	41.6	13.2
	Percent Change	(9.8%)	(5.9%)	4.3%	2.3%	5.6%
Police	6/30/2005	1,092	87,191,816	79,846	39.8	11.2
	6/30/2004	1,135	87,125,775	76,763	38.8	10.2
	Percent Change	(3.8%)	0.1%	4.0%	2.5%	9.1%
TIER 4						
Fire	6/30/2005	66	5,298,659	80,283	36.9	10.6
	6/30/2004	69	5,231,324	75,816	36.2	9.8
	Percent Change	(4.3%)	1.3%	5.9%	1.9%	7.8%
Police	6/30/2005	447	37,182,864	83,183	38.1	13.9
	6/30/2004	470	37,374,823	79,521	37.4	13.1
	Percent Change	(4.9%)	(0.5%)	4.6%	2.0%	6.1%
TIER 5						
Fire	6/30/2005	3,260	276,454,304	84,802	43.2	16.7
	6/30/2004	3,278	266,215,952	81,213	42.7	16.3
	Percent Change	(0.5%)	3.8%	4.4%	1.1%	3.0%
Police	6/30/2005	7,481	601,423,160	80,393	39.8	12.9
	6/30/2004	7,362	574,077,985	77,979	39.5	12.6
	Percent Change	1.6%	4.8%	3.1%	0.7%	2.1%

The City of Los Angeles Fire and Police Pension Plan

Membership Summary

In the June 30, 2005 Actuarial Valuation

Active Members		<u>No.</u>	<u>Annual Compensation</u>	<u>Averages</u>		
				<u>Annual Compensation</u>	<u>Age</u>	<u>Service</u>
TOTAL						
Fire	6/30/2005	3,467	\$ 294,783,924	\$ 85,026	43.3	16.9
	6/30/2004	3,502	\$ 285,158,644	\$ 81,427	42.8	16.4
	Percent Change	(1.0%)	3.4%	4.4%	1.2%	3.0%
Police	6/30/2005	9,189	742,660,777	80,821	39.9	13.0
	6/30/2004	9,147	715,845,293	78,260	39.5	12.6
	Percent Change	0.5%	3.7%	3.3%	1.0%	3.2%
Grand Total	6/30/2005	12,656	1,037,444,701	81,973	40.8	14.1
Grand Total	6/30/2004	12,649	1,001,003,937	79,137	40.4	13.7
Percent Change		0.1%	3.6%	3.6%	1.0%	2.9%

Valuation pays exclude July 1 increases.

NOTE: For this actuarial valuation report, current DROP participants are included in the Active summaries, not Retiree summaries.

The City of Los Angeles Fire and Police Pension Plan

Membership Summary

In the June 30, 2005 Actuarial Valuation

Pensioners		<u>No.</u>	<u>Annual Allowance</u>	<u>Average</u>			<u>New Retirees¹</u>		
				<u>Annual Allowance</u>	<u>Attained Age</u>	<u>Age at Retirement</u>	<u>No.</u>	<u>Age at Retirement</u>	<u>Average Allowance</u>
TIER 1									
Service Retirement	6/30/2005	221	\$5,133,293	\$23,228	82.0	46.4	N/A	N/A	N/A
	6/30/2004	253	5,670,730	22,414	81.6	46.6	N/A	N/A	N/A
	Percent Change	(12.6%)	(9.5%)	3.6%					
Disability Retirement	6/30/2005	220	6,093,893	27,700	77.3	37.6	N/A	N/A	N/A
	6/30/2004	245	6,454,568	26,345	76.9	37.8	N/A	N/A	N/A
	Percent Change	(10.2%)	(5.6%)	5.1%					
Survivors & Dependents	6/30/2005	636	16,699,632	26,257	82.8	N/A	N/A	N/A	N/A
	6/30/2004	685	17,313,424	25,275	82.6	N/A	N/A	N/A	N/A
	Percent Change	(7.2%)	(3.5%)	3.9%					
TIER 2									
Service Retirement	6/30/2005	6,115	296,432,281	48,476	68.8	50.7	3	51.4	\$58,207
	6/30/2004	6,297	294,151,672	46,713	68.2	50.7	15	51.2	\$53,208
	Percent Change	(2.9%)	0.8%	3.8%					
Disability Retirement	6/30/2005	1,891	90,833,636	48,035	64.5	45.4	3	58.7	70,988
	6/30/2004	1,915	88,414,904	46,170	63.7	45.4	8	57.1	62,134
	Percent Change	(1.3%)	2.7%	4.0%					
Survivors & Dependents	6/30/2005	1,641	66,988,965	40,822	74.3	N/A	N/A	N/A	N/A
	6/30/2004	1,598	62,531,024	39,131	73.8	N/A	N/A	N/A	N/A
	Percent Change	2.7%	7.1%	4.3%					

¹ The New Retirees summary does not include current or former DROP participants.

The City of Los Angeles Fire and Police Pension Plan

Membership Summary

In the June 30, 2005 Actuarial Valuation

Pensioners		No.	Annual Allowance	Average			New Retirees ¹		
				Annual Allowance	Attained Age	Age at Retirement	No.	Age at Retirement	Average Allowance
TIER 3									
Service Retirement	6/30/2005	63	2,003,589	31,803	58.5	52.4	7	53.1	\$24,467
	6/30/2004	57	1,813,918	31,823	58.4	52.4	4	50.0	\$20,875
	Percent Change	10.5%	10.5%	(0.1%)					
Disability Retirement	6/30/2005	208	7,023,412	33,766	47.8	38.9	4	40.8	42,034
	6/30/2004	200	6,528,681	32,643	47.4	39.0	6	46.8	45,244
	Percent Change	4.0%	7.6%	3.4%					
Survivors & Dependents	6/30/2005	63	2,678,662	42,518	41.9	N/A	N/A	N/A	N/A
	6/30/2004	57	2,254,537	39,553	41.3	N/A	N/A	N/A	N/A
	Percent Change	10.5%	18.8%	7.5%					
TIER 4									
Service Retirement	6/30/2005	56	2,116,725	37,799	46.7	44.4	14	45.1	\$38,748
	6/30/2004	43	1,564,980	36,395	46.0	44.1	19	44.1	\$36,282
	Percent Change	30.2%	35.3%	3.9%					
Disability Retirement	6/30/2005	25	1,115,156	44,606	45.4	42.8	1	45.1	45,697
	6/30/2004	19	829,643	43,665	44.5	42.5	6	44.3	43,944
	Percent Change	31.6%	34.4%	2.2%					
Survivors & Dependents	6/30/2005	3	238,377	79,459	42.5	N/A	N/A	N/A	N/A
	6/30/2004	2	149,224	74,612	42.2	N/A	N/A	N/A	N/A
	Percent Change	50.0%	59.7%	6.5%					

¹ The New Retirees summary does not include current or former DROP participants.

The City of Los Angeles Fire and Police Pension Plan

Membership Summary

In the June 30, 2005 Actuarial Valuation

Pensioners		<u>No.</u>	<u>Annual Allowance</u>	<u>Annual Allowance</u>	<u>Average</u>		<u>New Retirees¹</u>		
					<u>Attained Age</u>	<u>Age at Retirement</u>	<u>No.</u>	<u>Age at Retirement</u>	<u>Average Allowance</u>
TIER 5									
Service Retirement	6/30/2005	572	42,885,712	74,975	58.5	55.9	49	53.7	\$60,355
	6/30/2004	395	29,302,491	74,184	58.1	56.1	37	53.9	\$63,151
	Percent Change	44.8%	46.4%	1.1%					
Disability Retirement	6/30/2005	13	656,982	50,537	47.2	45.5	3	40.8	55,184
	6/30/2004	7	380,002	54,286	49.4	48.3	3	44.5	53,340
	Percent Change	85.7%	72.9%	-6.9%					
Survivors & Dependents	6/30/2005	19	1,121,530	59,028	50.8	N/A	N/A	N/A	N/A
	6/30/2004	9	514,218	57,135	51.3	N/A	N/A	N/A	N/A
	Percent Change	111.1%	118.1%	3.3%					
ALL TIERS COMBINED									
Service Retirement	6/30/2005	7,027	348,571,600	49,605	68.1	51.0	73	51.9	\$52,682
	6/30/2004	7,045	332,503,790	47,197	67.9	50.8	75	50.7	\$52,101
	Percent Change	(0.3%)	4.8%	5.1%					
Disability Retirement	6/30/2005	2,357	105,723,079	44,855	64.0	44.1	11	46.1	53,850
	6/30/2004	2,386	102,607,797	43,004	63.5	44.1	23	49.4	51,836
	Percent Change	(1.2%)	3.0%	4.3%					
Survivors & Dependents	6/30/2005	2,362	87,727,166	37,141	75.5	N/A	N/A	N/A	N/A
	6/30/2004	2,351	82,762,426	35,203	75.5	N/A	N/A	N/A	N/A
	Percent Change	0.5%	6.0%	5.5%					
Total - All Pensioners	6/30/2005	11,746	542,021,845	46,145	68.7	49.2	84	51.1	52,835
	6/30/2004	11,782	517,874,014	43,955	68.5	49.1	98	50.4	52,039
	Percent Change	(0.3%)	4.7%	5.0%					

¹ The New Retirees summary does not include current or former DROP participants.

The City of Los Angeles Fire and Police Pension Plan

Membership Summary

In the June 30, 2005 Actuarial Valuation

New Retirees¹

	<u>Fire</u>			<u>Police</u>			<u>Total</u>		
	<u>No.</u>	<u>Age</u>	<u>Years of Service</u>	<u>No.</u>	<u>Age</u>	<u>Years of Service</u>	<u>No.</u>	<u>Age</u>	<u>Years of Service</u>
TIER 2									
Service Retirement	1	50.0	27.0	2	53.0	28.5	3	52.0	28.0
Disability Retirement	3	59.3	31.0	0	N/A	N/A	3	59.3	31.0
Total	4	57.0	30.0	2	53.0	28.5	6	55.6	29.5
TIER 3									
Service Retirement	0	N/A	N/A	7	53.7	15.3	7	53.7	15.3
Disability Retirement	0	N/A	N/A	4	41.4	12.5	4	41.4	12.5
Total	0	N/A	N/A	11	49.2	14.3	11	49.2	14.3
TIER 4									
Service Retirement	1	46.2	23.0	13	45.6	20.3	14	45.6	20.5
Disability Retirement	0	N/A	N/A	1	45.3	18.0	1	45.3	18.0
Total	1	46.2	23.0	14	45.6	20.1	15	45.6	20.3
TIER 5									
Service Retirement	7	58.7	29.0	42	53.6	23.4	49	54.3	24.2
Disability Retirement	0			3	41.6	14.3	3	41.6	14.3
Total	7	58.7	29.0	45	52.8	22.8	52	53.6	23.7
ALL TIERS COMBINED									
Service Retirement	9	56.3	28.1	64	51.9	22.1	73	52.5	22.8
Disability Retirement	3	59.3	31.0	8	41.9	13.9	11	46.7	18.5
Total - All New Retirees	12	57.1	28.8	72	50.8	21.2	84	51.7	22.3

¹ The New Retirees summary does not include current or former DROP participants.

The City of Los Angeles Fire and Police Pension Plan
Summary of DROP Members

		<u>No.</u>	<u>Annual Allowance</u>	<u>DROP Average</u>			<u>New DROP Members</u>			
				<u>Annual Allowance</u>	<u>Attained Age</u>	<u>Age at DROP</u>	<u>Service at DROP</u>	<u>No.</u>	<u>Age</u>	<u>Average Allowance</u>
TIER 2										
DROP Fire	6/30/2005	18	\$1,085,657	\$60,314	54.1	52.0	27.7	5	51.9	\$60,604
	6/30/2004	17	990,234	58,249	53.9	52.4	27.7	3	51.4	58,138
	Percent Change	5.9%	9.6%	3.5%						
DROP Police	6/30/2005	58	3,874,807	66,807	53.1	51.4	28.0	21	50.7	63,517
	6/30/2004	37	2,455,409	66,362	53.3	51.7	28.4	6	49.9	60,770
	Percent Change	56.8%	57.8%	0.7%						
TIER 5										
DROP Fire	6/30/2005	429	\$32,151,992	\$74,946	57.3	55.3	29.5	64	54.2	\$73,944
	6/30/2004	330	24,398,860	73,936	57.6	56.1	30.1	93	55.1	69,983
	Percent Change	30.0%	31.8%	1.4%						
DROP Police	6/30/2005	670	51,091,731	76,256	56.4	54.3	29.3	99	53.0	72,927
	6/30/2004	544	40,711,467	74,837	56.4	54.8	29.8	117	54.0	71,994
	Percent Change	23.2%	25.5%	1.9%						
ALL TIERS COMBINED										
DROP Fire	6/30/2005	447	\$33,237,649	\$74,357	57.2	55.2	29.5	69	54.0	\$72,977
	6/30/2004	347	25,389,094	73,167	57.4	55.9	30.0	96	55.0	69,613
	Percent Change	28.8%	30.9%	1.6%						
DROP Police	6/30/2005	728	54,966,538	75,503	56.1	54.1	29.2	120	52.6	71,280
	6/30/2004	581	43,166,875	74,298	56.2	54.6	29.7	123	53.8	71,446
	Percent Change	25.3%	27.3%	1.6%						
DROP Grand Total	6/30/2005	1,175	88,204,186	75,067	56.5	54.5	29.3	189	53.1	71,900
	6/30/2004	928	68,555,969	73,875	56.7	55.1	29.8	219	54.3	70,643
	Percent Change	26.6%	28.7%	1.6%						

ACTUARIAL COST METHODS, ACTUARIAL ASSUMPTIONS

AND

DEFINITIONS OF TECHNICAL TERMS

The City of Los Angeles Fire and Police Pension Plan

Actuarial Cost Methods – June 30, 2005

Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an individual entry age actuarial cost method having the following characteristics:

- (i) the annual normal costs for each active member, payable from the date of entry into the system to the date of retirement, are sufficient to accumulate the value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is a constant percentage of the member's year-by-year projected covered pay.

Financing of Unfunded Actuarial Accrued Liability. For Tiers 3-5, each year's actuarial gain (loss) is funded (or credited, if negative) in fifteen installments. Any liability changes due to benefit or assumption changes are funded over 30 years. For Tier 1, level-dollar amortization is used ending on June 30, 2037. For Tier 2, level-percent-of-payroll amortization is used ending on June 30, 2037 as a percent of TOTAL valuation payroll.

Active member payroll in aggregate is assumed to increase 5% a year for the purpose of determining the level percent contributions, although individual annual pay increase rates will increase by greater percentages per year for the purpose of projecting individual pays.

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2005 Valuation

The contribution requirements and benefit values of the Fund are calculated by applying actuarial assumptions to the benefit provisions and member information furnished, using the actuarial cost methods described on the previous page.

The principal areas of financial risk which require assumptions about future experiences are:

- (i) long-term rates of investment return to be generated by the assets of the Fund.
- (ii) patterns of pay increases to members.
- (iii) rates of mortality among members, retirants, and beneficiaries.
- (iv) rates of withdrawal of active members (without entitlement to a retirement benefit).
- (v) rates of disability among members.
- (vi) the age patterns of actual retirements.

In making a valuation, the monetary effect of each assumption is calculated for as long as a present covered person survives — a period of time which can be as long as a century.

Actual experience of the System will not coincide exactly with assumed experience, regardless of the choice of the assumptions, the skill of the actuary and the precision of the many calculations made. Each valuation provides a complete recalculation of assumed future experience and takes into account all past differences between assumed and actual experience. The result is a continual series of adjustments (usually small) to the computed contribution rate. From time to time it becomes appropriate to modify one or more of the assumptions, to reflect experience trends (but not random year-to-year fluctuations).

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

The Entry Age Normal Actuarial Cost Method was used in conjunction with the following actuarial assumptions.

The investment return rate used for the actuarial valuation calculations was 8.5% a year, net of administrative expenses, compounded annually. This assumption, used to equate the value of payments due at different points in time, is adopted by the Pension Board. The rate is comprised of two elements:

General Inflation	5.0%
Real Rate of Return	<u>3.5%</u>
Total	8.5%

The general inflation rate used for the actuarial valuation calculations was 5% per year, compounded annually. It represents the difference between the investment return rate and the assumed real rate of return.

Inflation actually experienced, as measured by the Consumer Price Index for urban wage earners, has been as follows:

Consumer Price Index	
Urban Wage Earners and Clerical Workers Before 1978	
All Urban Consumers After 1977	
<u>10 Year Moving Averages</u>	
June 30, 1965	1.7%
June 30, 1975	5.4
June 30, 1985	7.2
June 30, 1995	3.5
June 30, 2005	2.5
50-Year Average	4.1%

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

Compensation increase rates used to project current pays to those, upon which a benefit will be based, are represented by the following table.

Annual Rate of Compensation Increase

General Inflation	5.0%
plus	
Merit & Longevity	See Table Below for Sample Ages

<u>Age</u>	<u>Additional Salary Increase</u>
20	5.00%
25	4.00%
30	3.00%
35	2.00%
40	1.00%
45	0.75%
50	0.50%
55	0.50%
60	0.50%

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

Rates of separation from active membership are shown below (rates do not include separation on account of retirement). This assumption measures the probabilities of members remaining in employment. All decrements are assumed to occur in the middle of the valuation year.

Fire Members

Sample Ages	% of Active Members Separating Within Next Year						
	<u>Withdrawal*</u>	<u>Death</u>		<u>Death while eligible for:</u>		<u>Disability</u>	
		<u>Ordinary</u>	<u>Service</u>	<u>Service Retirement</u>	<u>Disability Retirement</u>	<u>Ordinary</u>	<u>Service</u>
20	7.75%	0.00%	0.01%	0.00%	0.00%	0.00%	0.02%
25	3.78%	0.00%	0.02%	0.00%	0.00%	0.00%	0.02%
30	1.99%	0.01%	0.02%	0.01%	0.01%	0.00%	0.02%
35	1.11%	0.01%	0.03%	0.01%	0.01%	0.02%	0.05%
40	0.54%	0.02%	0.03%	0.02%	0.02%	0.02%	0.11%
45	0.26%	0.02%	0.04%	0.02%	0.02%	0.03%	0.27%
50	0.00%	0.03%	0.04%	0.02%	0.02%	0.03%	0.60%
55	0.00%	0.04%	0.05%	0.03%	0.03%	0.04%	2.00%
60	0.00%	0.05%	0.05%	0.04%	0.04%	0.05%	4.67%

* No withdrawal is assumed once a member is vested. Withdrawal rate for Members with less than five years of service is 5.5%.

Police Members

Sample Ages	% of Active Members Separating Within Next Year						
	<u>Withdrawal*</u>	<u>Death</u>		<u>Death while eligible for:</u>		<u>Disability</u>	
		<u>Ordinary</u>	<u>Service</u>	<u>Service Retirement</u>	<u>Disability Retirement</u>	<u>Ordinary</u>	<u>Service</u>
20	8.40%	0.06%	0.01%	0.00%	0.03%	0.00%	0.02%
25	6.22%	0.06%	0.02%	0.00%	0.02%	0.00%	0.02%
30	4.24%	0.06%	0.02%	0.00%	0.02%	0.02%	0.03%
35	2.65%	0.06%	0.03%	0.01%	0.02%	0.02%	0.07%
40	1.69%	0.08%	0.03%	0.01%	0.03%	0.03%	0.20%
45	1.50%	0.08%	0.04%	0.02%	0.03%	0.03%	0.37%
50	0.00%	0.09%	0.04%	0.02%	0.03%	0.03%	0.53%
55	0.00%	0.12%	0.05%	0.03%	0.04%	0.03%	1.07%
60	0.00%	0.15%	0.05%	0.03%	0.05%	0.03%	1.33%

* No withdrawal is assumed once a member is vested. Withdrawal rate for Members with less than five years of service is the greater of the above rate and 5.5%.

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

The post-retirement mortality table used was the 1994 Group Annuity Mortality Basic Table with a 2-year set back. This assumption is used to measure the probabilities of members dying after retirement and the probabilities of each benefit payment being made after retirement. Spouses use the same table with a four-year set back.

<u>Sample Ages</u>	<u>Future Life Expectancy (Years)</u> <u>Non-disabled Retirees</u>		<u>% Dying Within Next Year</u> <u>Non-disabled Retirees</u>	
	<u>Members</u>	<u>Spouses</u>	<u>Members</u>	<u>Spouses</u>
45	36.6	38.5	0.15%	0.12%
50	31.9	33.7	0.23	0.19
55	27.3	29.1	0.39	0.31
60	22.9	24.6	0.68	0.53
65	18.8	20.4	1.23	0.97
70	15.1	16.5	2.10	1.75
75	11.9	13.1	3.35	2.79

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

The 1994 Group Annuity Basic Table with a 2-year set forward is used for disability retirants, with a three-year setback. Related values are shown below.

<u>Sample Ages</u>	<u>Future Life Expectancy (Years)</u> <u>Disabled Retirees</u>	<u>% Dying Within Next Year</u> <u>Disabled Retirees</u>
	<u>Members</u>	<u>Members</u>
45	32.8	0.20%
50	28.2	0.34
55	23.7	0.60
60	19.6	1.09
65	15.8	1.94
70	12.5	3.06
75	9.5	4.86

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

The rates of retirement used to measure the probability of eligible members retiring during the next year are shown below for the “consensus” rates agreed to by Segal and GRS. They have changed since the prior valuation: we reverted back to using the 2003 valuation retirement rates. For purposes of valuing DROP, retirement is assumed to occur at the end of the DROP period.

Retirement Ages	Fire Members <u>Tiers 2 & 4</u>	Police Members <u>Tiers 2 & 4</u>	Fire Members <u>Tiers 3 & 5</u>	Police Members <u>Tiers 3 & 5</u>
41	1.00%	6.00%	0.00%	0.00%
42	1.00%	6.00%	0.00%	0.00%
43	1.00%	6.00%	0.00%	0.00%
44	1.10%	6.00%	0.00%	0.00%
45	1.15%	6.00%	0.00%	0.00%
46	1.20%	7.16%	0.00%	0.00%
47	1.25%	8.32%	0.00%	0.00%
48	1.40%	9.47%	0.00%	0.00%
49	1.60%	10.63%	0.00%	0.00%
50	2.00%	11.79%	20.00%	25.00%
51	2.75%	12.95%	18.00%	22.50%
52	3.60%	14.11%	16.00%	20.00%
53	4.70%	15.26%	14.00%	18.00%
54	5.75%	16.42%	12.00%	16.00%
55	7.30%	17.58%	10.00%	15.42%
56	8.86%	18.74%	8.86%	16.11%
57	9.85%	19.89%	9.85%	16.84%
58	10.94%	21.05%	10.94%	17.60%
59	12.16%	22.21%	12.16%	18.40%
60	13.52%	23.37%	13.52%	19.23%
61	15.03%	24.53%	15.03%	20.10%
62	16.70%	25.68%	16.70%	21.01%
63	18.56%	26.84%	18.56%	21.96%
64	20.63%	28.00%	20.63%	22.95%
65	100.00%	100.00%	100.00%	100.00%

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

Survivor Benefits. Marital status and spouses' census data were imputed with respect to active members.

<u>Marital Status</u>	86% are assumed married or having a domestic partner at retirement.
<u>Spouse Census</u>	Spouses are assumed to be 3 years younger than members.
<u>Dependent Children</u>	Members are assumed to have two children with a three-year difference in age. The elder is assumed to reach age 21 when the participant reaches age 45.

Interest Credit on Employee Contributions: 5.0%

Cost of Living: 5.0% for Tiers 1 and 2
3.0% for Tiers 3, 4, and 5

Average Service-Connected Disability Benefits: Benefits are assumed to follow this schedule:

Years of Service at Time of Disability	Percent of Salary Base
Less than 20	50%
20-30	60%
Over 30	70%

Average Nonservice-Connected Disability benefit for Tiers 3, 4, & 5: 40% of Salary Base.

Funding Method: Entry Age Normal Funding Method.

Asset Valuation Method: The actuarial value of assets is determined by phasing in, over five years, the difference between the actual and expected realized and unrealized appreciation. The expected appreciation is based on the assumed 8.5% rate of return. The actuarial value of assets can be no less than 80% and no greater than 120% of the market value of assets.

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

DROP Program:

For this valuation, in the final numbers presented in this report, we continue to assume the DROP plan is cost neutral. DROP members are treated as active employees until the end of their DROP period. This approach is unchanged from previous valuations.

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

Probabilities of meeting vesting requirements are shown. These values are based on the actuarial assumptions as described above.

Tier 2: Probability of Working 20 Years

Age <u>At Hire</u>	Fire <u>Members</u>	Police <u>Members</u>
Under 25	61.8%	46.0%
25-29	66.4%	54.1%
30-34	67.9%	57.8%
35-39	64.5%	60.3%
40-44	52.5%	61.3%
45-49	33.2%	59.7%

Tier 3: Probability of Working 10 Years

Age <u>At Hire</u>	Fire <u>Members</u>	Police <u>Members</u>
Under 25	68.9%	59.9%
25-29	71.4%	66.4%
30-34	72.7%	68.7%
35-39	72.8%	68.4%
40-44	71.7%	69.4%
45-49	67.3%	69.6%

Tier 3: Probability of Working to Age 50 with 10 Years

Age <u>At Hire</u>	Fire <u>Members</u>	Police <u>Members</u>
Under 25	64.8%	54.5%
25-29	68.0%	61.7%
30-34	70.1%	65.1%
35-39	71.4%	66.3%
40-44	71.7%	69.4%
45-49	67.3%	69.6%

Tier 4: Probability of Working 20 Years

Age <u>At Hire</u>	Fire <u>Members</u>	Police <u>Members</u>
Under 25	61.8%	46.0%
25-29	66.4%	54.1%
30-34	67.9%	57.8%
35-39	64.5%	60.3%
40-44	52.5%	61.3%
45-49	33.2%	59.7%

Tier 5: Probability of Working 20 Years

Age <u>At Hire</u>	Fire <u>Members</u>	Police <u>Members</u>
Under 25	61.8%	46.0%
25-29	66.4%	54.1%
30-34	67.9%	57.8%
35-39	64.5%	60.3%
40-44	52.5%	61.3%
45-49	33.2%	59.7%

Tier 5: Probability of Working to Age 50 with 20 Years

Age <u>At Hire</u>	Fire <u>Members</u>	Police <u>Members</u>
Under 25	59.6%	43.6%
25-29	65.2%	52.4%
30-34	67.9%	57.8%
35-39	64.5%	60.3%
40-44	52.5%	61.3%
45-49	33.2%	59.7%

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

Comparison of Selected Actuarial Assumptions to Actual Experience

The salary increase assumptions project annual increases in total member payroll of 5.0%, the inflation portion of the individual pay increase assumptions. In effect, this assumes no change in the number of active members. Changes actually experienced in areas related to these assumptions have been as follows:

	Year Ended				3-year	4-year
	<u>6/30/05</u>	<u>6/30/04</u>	<u>6/30/03</u>	<u>6/30/02</u>	<u>Average</u>	<u>Average</u>
Inflation ¹	3.6%	4.0%	2.4%	1.7%	3.3%	2.9%
Assumed					5.0	5.0
Average Pay Increase	3.6	3.2	(0.2)	7.3	2.2	3.4
Assumed					5.0	5.0
Merit & Longevity Increase	0.0	(0.8)	(2.6)	5.6	(1.1)	0.5
Assumed					1.5	1.5
Total Payroll	3.6	3.1	2.6	7.2	3.1	4.1
Assumed					5.0	5.0
Investment Return Rate ²	2.1	3.7	5.0	0.3	3.6	2.8
Assumed					8.5	8.5
Real Rate of Investment Return ²	(1.5)	(0.3)	2.6	(1.4)	0.3	(0.1)
Assumed					3.5	3.5
Administrative Expenses	0.1	0.1	0.1	0.1	0.1	0.1
Assumed					0.0	0.0

¹ Based on Consumer Price Index for All Urban Consumers, Los Angeles – Riverside – Orange County, CA (1982-84 base period).

² Based on actuarial value of assets, NOT market value or book value.

The City of Los Angeles Fire and Police Pension Plan

Summary of Actuarial Assumptions and Methods

Used for Valuation of Health Subsidy Benefits

Funding Method: Entry Age Normal Funding Method

Discount Rate: 8.5%

Health Trend Rates:

	Medical Trend			
	<u>Pre65</u>	<u>Post65</u>	<u>Dental</u>	<u>Medicare Part B</u>
2005-2006	6.50%	6.50%	6.50%	6.50%
2006-2007	6.40%	6.40%	6.40%	6.40%
2007-2008	6.20%	6.20%	6.20%	6.20%
2008-2009	6.00%	6.00%	6.00%	6.00%
2009-2010	5.80%	5.80%	5.80%	5.80%
2010-2011	5.60%	5.60%	5.60%	5.60%
2011-2012	5.40%	5.40%	5.40%	5.40%
2012-2013	5.20%	5.20%	5.20%	5.20%
2013+	5.00%	5.00%	5.00%	5.00%

Members Assumed to Receive Subsidy:	85% of all retirees over age 65 are assumed to receive a subsidy for an approved health carrier. 75% of retirees under age 65 are assumed to receive a subsidy.
Spouses and Domestic Partners:	86% of retirees who receive a subsidy are assumed to be married or have a qualified domestic partner and elect dependent coverage, with members being three years older than spouses/domestic partners.
Medicare Coverage:	90% of retirees are assumed to elect Medicare Parts A & B.
Dental Coverage:	65% of retirees are assumed to elect dental coverage.
Spousal Coverage:	With regard to Members who are currently alive, 70% of eligible spouse or domestic partners are assumed to elect continued health coverage after the Member's death. With regard to deceased Members, 70% of the current eligible survivors are assumed to elect health coverage.
All other Assumptions and Methods:	Same as used for valuation of retirement benefits.

City of Los Angeles Fire and Police Pension Plan
Summary of Actuarial Assumptions and Methods
Used for Valuation of Health Subsidy Benefits

The following methodology is used to develop blended subsidy amounts to be used in the valuation of current actives health subsidies. The participation percent for carrier elections is assumed to be the same as the current retiree participation rates. These participation percents are used to determine a blend of the different carrier amounts. Utilization assumption factors are then applied to the blended rates. Our valuation software then prorates on service to determine the portion subsidized. This methodology is done separately for those with and without Medicare Parts A & B coverage, and for single, married, and surviving spouse coverage as shown below.

For Future Retired Participants without Medicare Part A & B

Plan	Participation Percent	Single Maximum Subsidy	Married Maximum Subsidy	Surviving Spouse	Utilization
				Maximum Subsidy	
Fire Medical	15.9%	679.80	735.38	436.08	75%
Blue Cross PPO	53.7%	603.91	735.38	436.08	75%
California Care	15.8%	301.89	631.87	301.89	75%
Fire Kaiser	14.6%	309.34	613.41	309.34	75%
Dental	100.0%	34.84	34.84	0.00	65%

Blended Monthly Premiums

Coverage type	Fire Med	Blue Cross	Cal Care	Fire Kaiser	Dental	Medicare	Sum
						e	
Single Coverage	\$81.07	\$243.22	\$35.77	\$33.87	\$22.65	\$0.00	\$416.58
Married Coverage	87.69	296.17	74.88	67.17	22.65	0.00	548.56
Surviving Spouse Coverage	52.00	175.63	35.77	33.87	0.00	0.00	297.28

City of Los Angeles Fire and Police Pension Plan
Summary of Actuarial Assumptions and Methods
Used for Valuation of Health Subsidy Benefits

For Future Retired Participants with Medicare Parts A & B

Plan	Participation Percent	Single Maximum Subsidy	Married Maximum Subsidy	Surviving Spouse Maximum Subsidy	Utilization
Fire Medical	35.3%	356.91	624.80	356.91	85.0%
Fire Kaiser	5.4%	342.25	674.50	342.25	85.0%
Blue Cross PPO	42.5%	356.91	627.55	356.91	85.0%
California Care	3.8%	307.25	607.72	307.25	85.0%
Police Kaiser	13.0%	224.31	446.40	224.31	85.0%
Dental	100.0%	34.84	34.84	0.00	65.0%
Medicare Part B	100.0%	78.20	78.20	78.20	100.0%

Blended Monthly Premiums

Coverage type	Fire Kaiser	Fire Med	Blue Cross	California Care	Police Kaiser	Dental	Medicare	Sum
Single Coverage	\$107.09	\$15.71	\$128.93	\$9.92	\$24.79	\$22.65	\$78.20	\$387.29
Married Coverage	187.47	30.96	226.70	19.63	49.33	22.65	78.20	614.94
Surviving Spouse Coverage	107.09	15.71	128.93	9.92	24.79	0.00	78.20	364.64

For the valuation of current retirees, subsidies valued are based on actual average subsidies, shown below. Averages are calculated on a health participant basis and include medical, dental, and Medicare Part B premium subsidies.

Monthly Average Subsidies for Current Retirees

	<u>Pre-65</u>	<u>Post-65</u>
Single	\$497	\$430
Married	633	660
Surviving Spouse	349	391

The City of Los Angeles Fire and Police Pension Plan

Projection of Contributions

Scenario 1: 5.0% Return on Market Value of Assets

Valuation Year	June 30 of Valuation Year		Fiscal Year End	Fiscal Year Pay (in thousands)	City Contributions				
	UAAL (in thousands)	Funded Ratio			Normal Cost	Amortization	Total Rate	Contribution Amount	Incremental Increase
2004	\$57,348	99.5%	2006	\$1,063,065	16.68%	(0.99%)	15.69%	\$168,191,000	
2005	\$1,383,716	89.8%	2007	\$1,116,218	19.19%	6.40%	25.59%	\$287,037,000	\$118,846,000
2006	\$2,128,913	85.1%	2008	\$1,172,029	19.19%	8.94%	28.13%	\$330,871,000	\$43,834,000
2007	\$2,490,416	83.3%	2009	\$1,230,630	19.19%	8.75%	27.94%	\$343,838,000	\$12,967,000
2008	\$2,864,499	81.7%	2010	\$1,292,162	19.19%	9.39%	28.58%	\$369,300,000	\$25,462,000
2009	\$3,520,994	78.4%	2011	\$1,356,770	19.19%	12.02%	31.21%	\$423,448,000	\$54,148,000
2010	\$4,307,816	74.7%							

Scenario 2: 8.5% Return on Market Value of Assets

Valuation Year	June 30 of Valuation Year		Fiscal Year End	Fiscal Year Pay (in thousands)	City Contributions				
	UAAL (in thousands)	Funded Ratio			Normal Cost	Amortization	Total Rate	Contribution Amount ¹	Incremental Increase
2004	\$57,348	99.5%	2006	\$1,063,065	16.68%	(0.99%)	15.69%	\$168,191,000	
2005	\$1,383,716	89.8%	2007	\$1,116,218	19.19%	6.40%	25.59%	\$287,037,000	\$118,846,000
2006	\$1,616,905	88.7%	2008	\$1,172,029	19.19%	8.27%	27.46%	\$323,018,000	\$35,981,000
2007	\$1,333,199	91.1%	2009	\$1,230,630	19.19%	6.78%	25.97%	\$319,595,000	(\$3,423,000)
2008	\$928,427	94.1%	2010	\$1,292,162	19.19%	5.55%	24.74%	\$319,681,000	\$86,000
2009	\$674,418	95.9%	2011	\$1,356,770	19.19%	5.77%	24.96%	\$338,650,000	\$18,969,000
2010	\$422,437	97.5%							

Scenario 3: 11.0% Return on Market Value of Assets

Valuation Year	June 30 of Valuation Year		Fiscal Year End	Fiscal Year Pay (in thousands)	City Contributions				
	UAAL (in thousands)	Funded Ratio			Normal Cost	Amortization	Total Rate	Contribution Amount	Incremental Increase
2004	\$57,348	99.5%	2006	\$1,063,065	16.68%	(0.99%)	15.69%	\$168,191,000	
2005	\$1,383,716	89.8%	2007	\$1,116,218	19.19%	6.40%	25.59%	\$287,037,000	\$118,846,000
2006	\$1,251,186	91.2%	2008	\$1,172,029	19.19%	7.79%	26.98%	\$317,393,000	\$30,356,000
2007	\$484,671	96.8%	2009	\$1,230,630	19.19%	5.35%	24.54%	\$301,997,000	(\$15,396,000)
2008	(\$528,230)	103.4%	2010	\$1,292,162	19.19%	2.70%	21.89%	\$282,854,000	(\$19,143,000)
2009	(\$1,522,605)	109.3%	2011	\$1,356,770	19.19%	1.03%	20.22%	\$274,339,000	(\$8,515,000)
2010	(\$2,653,349)	115.6%							

¹ Includes scheduled UFLAC contributions. Incorporates deferred losses of \$148,861,000 as of June 30, 2005.

The City of Los Angeles Fire and Police Pension Plan

Definitions of Technical Terms

Actuarial Accrued Liability. The difference between the actuarial present value of system benefits and the actuarial value of future normal costs. Also referred to as "accrued liability" or "actuarial liability".

Actuarial Assumptions. Estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Actuarial assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Accrued Service. Service credited under the System which was rendered before the date of the actuarial valuation.

Actuarial Equivalent. A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of retirement system benefits between future normal cost and actuarial accrued liability. Sometimes referred to as the "actuarial funding method".

Actuarial Gain (Loss). The difference between actual experience and actuarial assumption anticipated experience during the period between two actuarial valuation dates.

Actuarial Present Value. The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment.

Amortization. Paying off an interest-discounted amount with periodic payments of interest and principal — as opposed to paying off with lump sum payment.

Normal Cost. The actuarial present value of retirement system benefits allocated to the current year by the actuarial cost method.

(Concluded on Next Page)

The City of Los Angeles Fire and Police Pension Plan

Definitions of Technical Terms

(Concluded)

Unfunded Actuarial Accrued Liability. The difference between actuarial accrued liability and valuation assets. Sometimes referred to as "unfunded actuarial liability" or "unfunded accrued liability".

Most retirement systems have unfunded actuarial accrued liability. They arise each time new benefits are added and each time an actuarial loss is realized.

The existence of unfunded actuarial accrued liability is not in itself bad, any more than a mortgage on a house is bad. Unfunded actuarial accrued liability does not represent a debt that is payable today. What is important is the ability to amortize the unfunded actuarial accrued liability and the trend in its amount (after due allowance for devaluation of the dollar). Unfunded actuarial accrued liability should be controlled.

