

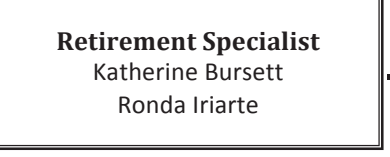
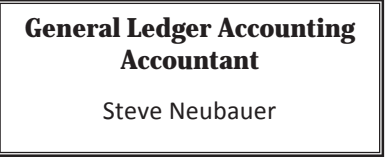
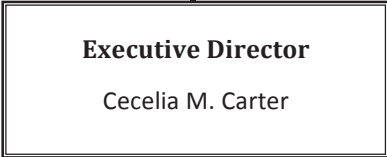
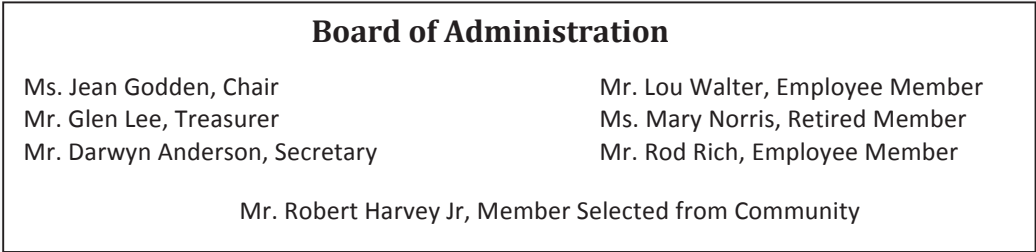
# SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM

## A Pension Trust Fund of the City of Seattle

# ANNUAL REPORT

For the Year Ended December 31, 2010

**Prepared by:** Seattle City Employees' Retirement System Staff  
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# Seattle City Employees' Retirement System

Board of Administration

Cecelia M. Carter, Executive Director

June 1, 2011

To the Honorable Mayor and  
Seattle City Council  
Seattle, Washington 98104

I am pleased to transmit the 2010 Annual Report of the Seattle City Employees' Retirement System. This Annual Report consists of four sections: the Introductory Section contains the Executive Director's letter of transmittal and the identification of the administrative organization of the System; the Financial Section contains the audited financial statements of the System, as well as a report from the System's certified public accountants; the Actuarial Section contains the independent consulting actuary's opinion, along with related actuarial data and statements; and the Statistical Section includes tables of significant data pertaining to the System operations.

The compilation of this report is the result of the combined effort of the Staff under the leadership of the Retirement Board. The intention is to provide complete and reliable information to assist in management decisions, to present evidence of compliance with legal provisions and to demonstrate responsible stewardship for the assets contributed by the members and their employers.

The Executive Director and staff have reviewed the internal accounting controls and the financial statements, supporting schedules and statistical tables, and we are of the opinion that they fairly represent the condition of the Retirement System.

The accuracy and completeness of the data contained in this report are the sole responsibility of the management of the Seattle City Employees' Retirement System.

## **Overview of the Seattle City Employees' Retirement System**

The Retirement System was created and established by amendment to the Charter of the City of Seattle (Article XXII – Section 13) submitted to the voters at the municipal election of March 8, 1927. The System, known thereafter as the Seattle City Employees' Retirement System (SCERS), is to provide retirement income to help maintain the quality of life for its former employees. The retirement plan is a defined benefit plan, which means the employee's salary, years of service and age at the time of retirement are used to determine the amount of retirement benefits. Members of the Retirement System also participate in the U.S. social security program and have access to participate in an IRC 457 deferred compensation plan.

The Retirement System covers employees of the City of Seattle, and certain employees of King County, METRO and the Seattle City Library. The Retirement System does not cover uniformed Police and Fire Department employees. The year ended December 31, 2010, concludes our 81st year of operations.

The City of Seattle also sponsors a voluntary deferred compensation plan which permits employees to make pre-tax contributions up to the federal limits and manage the investment allocation of their contributions. This plan is administered through the City Personnel department and a third party administrator.

## **Financial Information and Management Responsibility**

SCERS focus in 2010 was to identify and implement measures that respond to the national and international economic turmoil of 2008 that affected every investor as well as SCERS to ensure that SCERS is financially secure for generations to come. The respective employee and employer contribution rates were increased from 8.03% to 9.03% of gross compensation effective January 2011. The Board of Administration and management staff participated in a yearlong Asset / Liability

Study which concluded in December 2010. The implementation of this study's results began in January 2011 and will be complete in 2013. Additionally, in 2010 the City Council passed legislation which called for an analysis of the Retirement System to be completed for presentation in mid-2012. The study will provide a comprehensive review of the Retirement System structure and benefits and make recommendations to the City Council in 2012.

The ultimate responsibility for the financial statements and annual report belongs to the management of SCERS with the SCERS Board providing an oversight role. SCERS' management is responsible for establishing and maintaining adequate internal control over financial reporting and operations. Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Management has concluded that as of December 31, 2010, our internal control over financial reporting was effective.

### **Investments during 2010**

The investment portfolio income represents a significant source of revenue to the SCERS fund. The SCERS investment closed at year-end 2010 with a market value of \$1,812,754,488, compared to \$1,645,297,349 as of year-end 2009. This represents a 10.2% net increase in asset value or alternatively \$167,457,139. This compares favorably with total contributions by members and employers of \$45,364,624 and \$45,224,787 respectively.

For the year-end 2010, the fund had a rate of return of 13.2% on a market value basis. SCERS' annualized net rate of return over the last three years was negative 2.6 percent, over the last five years it was 2.3 percent, and over the last 10 years it was 3.7 percent. Proper funding and healthy investment returns are paramount to the financial soundness of SCERS. Changes in the composition of the portfolio are consistently evaluated and reflected in this Annual Report.

### **Distribution of the 2010 Annual Report**

The report will be posted to the System's website. We trust the departments and Retirement System members will find this report both informative and helpful.

We would like to express our gratitude to the staff, the advisors, and to the many other people who have worked so diligently to assure the successful operation of the System.

Respectfully submitted,  
BOARD OF ADMINISTRATION,  
SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM



Cecelia M. Carter  
Executive Director



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#### *Milliman*

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**FINANCIAL**  
**Independent Auditors Report**



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**REPORT OF INDEPENDENT AUDITORS**

To the Board of Administration  
Seattle City Employees' Retirement System  
Seattle, Washington

We have audited the accompanying statements of plan net assets of the Seattle City Employees' Retirement System (the "System"), a pension trust fund of the City of Seattle, as of December 31, 2010 and 2009, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the System as of December 31, 2010 and 2009, and the changes in plan net assets for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and the Schedule of Funding Progress and Schedule of Employer Contributions, which are presented as Required Supplementary Information, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the System's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of administrative and investment expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. This additional information is the responsibility of the System's management. The schedules of administrative and investment expenses have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory, actuarial, and statistical sections included in the Annual Report are presented for purposes of additional analysis and are not a required part of the basic financial statements of the System. Such additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

*Moss Adams LLP*

Seattle, Washington  
May 6, 2011

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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This section presents management's discussion and analysis of the Seattle City Employees' Retirement System's (SCERS or the System) financial performance during the year ended December 31, 2010. Please read it in conjunction with the accompanying financial statements and the related notes.

The City of Seattle is responsible for establishing and maintaining an internal control structure designed to ensure the protection of assets from loss, theft, or misuse, and to ensure the accounting information generated is adequate to prepare financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, though not absolute, assurance of achieving these objectives.

As a department of the City of Seattle, the Seattle City Employees' Retirement System is subject to this internal control structure. In addition, section 4.36.140.D of the Seattle Municipal Code requires the Board of Administration to annually transmit a report of the financial condition of the System to the City Council.

This report is prepared in accordance with the principles of governmental accounting and reporting promulgated by the Governmental Accounting Standards Board (GASB). Investments are stated at fair value, and revenues include the recognition of unrealized gains and losses. The accrual basis of accounting is used to record assets, liabilities, revenues and expenses. Revenue recognition occurs when earned without regard to the date of collection. Expense recognition occurs when the corresponding liabilities are incurred, regardless of payment date. The basis of contributions to the System follows the principles of level cost financing, with current service financed on a current basis. Milliman Consultants and Actuaries, the consulting actuary, evaluates the funding status of the System.

**This report contains the following information:**

- 1. Basic Financial Statements** including:
  - a. Statements of Plan Assets
  - b. Statements of Changes in Plan Net Assets
  - c. Notes to the Financial Statements
  
- 2. Required Supplementary Information** including:
  - a. Schedule of Funding Progress
  - b. Schedule of Employer Contributions
  
- 3. Additional Information** including:
  - a. Schedule of Administrative Expenses
  - b. Schedule of Investment Expenses

The basic financial statements are described as follows:

- The Statement of Plan Net Assets shows the account balances at year-end and includes the net assets available for future benefit payments. The liabilities for future benefit payments are not included in this statement; however, they are shown in the Schedule of Funding Progress that is included in the Required Supplementary Information.
  
- The Statement of Changes in Plan Net Assets shows the sources and uses of funds during the year and illustrates the change in net assets from the previous year.



**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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- The Notes to the Financial Statements are an integral part of the financial statements and include additional detailed information and schedules to provide a better understanding of the financial statements.

The required supplementary information provides historical trends that help to reflect the ongoing plan perspective and the long-term nature of the defined benefit plan.

- The Schedule of Funding Progress contains actuarial information about the status of the plan.
- The Schedule of Employer Contributions contains historical trend information regarding the value of the total annual contributions the employer must pay and the actual contributions by employers in meeting this requirement.

**Financial Highlights**

- SCERS assets that are held in trust for the payment of future benefits do not exceed the estimate of actuarially accrued liabilities as of December 31, 2010.
- Net assets increased by \$167 million (10.2%) during 2010. The primary drivers of this increase were the portfolio's allocation to U.S. and non-U.S. equity, which returned 21.4% and 12.8% for the year, respectively.
- Revenue for 2010 was \$299 million which includes member and employer contributions of \$90.6 million and revenue from investment activity totaling \$209 million.
- Expenses (deductions from net assets) for 2010 increased by \$11.4 million (9.4%) from 2009. This can be primarily attributed to a \$5.5 million increase in retiree benefits and a \$5.0 million increase in contribution refunds compared to 2009.

**Plan Net Assets**

The table below provides a summary of assets and current liabilities for the years ended December 31:

	2010	2009	2008
Cash, short-term investments and receivables	\$ 21,115,635	\$ 34,520,842	\$ 31,851,993
Investments at fair value	1,806,418,126	1,624,966,184	1,461,014,814
Securities lending collateral	33,896,148	36,491,886	69,838,616
Equipment	-	2,273	2,618
Total assets	<u>1,861,429,909</u>	<u>1,695,981,185</u>	<u>1,562,708,041</u>
Securities lending payable	37,295,301	40,437,944	75,393,782
Other payables	11,380,120	10,245,892	9,887,781
Total liabilities	<u>48,675,421</u>	<u>50,683,836</u>	<u>85,281,563</u>
Total net assets	<u>\$ 1,812,754,488</u>	<u>\$ 1,645,297,349</u>	<u>\$ 1,477,426,478</u>

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**Changes in Plan Net Assets**

The table below provides a summary of the changes in plan net assets and reflects the activities of the fund for the years ended December 31:

	2010	2009	2008
<b>Additions</b>			
Employer contributions	\$ 45,224,787	\$ 46,650,169	\$ 45,961,040
Member contributions	45,364,624	46,613,886	45,986,139
Net investment and other	208,528,529	194,905,072	(618,956,502)
Total additions (deductions)	<u>299,117,940</u>	<u>288,169,127</u>	<u>(527,009,323)</u>
<b>Deductions</b>			
Retiree benefits	113,650,795	108,138,820	102,703,230
Refunds of contributions	14,715,000	9,742,692	10,223,415
Administrative expenses	3,295,006	2,416,745	2,035,665
Total deductions	<u>131,660,801</u>	<u>120,298,257</u>	<u>114,962,310</u>
Net increase (decrease)	<u>\$ 167,457,139</u>	<u>\$ 167,870,870</u>	<u>\$ (641,971,633)</u>

**Revenues - Additions to Net Plan Assets**

- In 2010, member contributions decreased by \$1.2 million (2.7%) compared to 2009. In 2009, member contributions increased by \$0.6 million (1.4%) compared to 2008.
- Employer contributions decreased by \$1.4 million (3.0%) compared to 2009. In 2009, employer contributions increased by \$.7 million (1.5%) compared to 2008.
- Net investment change and other income was a gain of \$209 million in 2010 compared to a gain of \$195 million in 2009.

**Expenses - Deductions from Net Plan Assets**

- Retiree benefits increased in 2010 by \$5.5 million (5.1%) compared to 2009, primarily due to the increased number of members making application for retirement in 2010, as well as the mandatory COLA (Cost of Living Adjustment) increase implemented in 2009. Retiree benefits increased in 2009 by \$5.4 million (5.3%) compared to 2008.
- Refunds of contributions increased in 2010 by \$5 million (51%) compared to amounts paid in 2009. City workforce reductions in 2010 contributed to an increase in contribution refunds. Refunds of contributions decreased in 2009 by \$.5 million (4.7%) compared to 2008.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

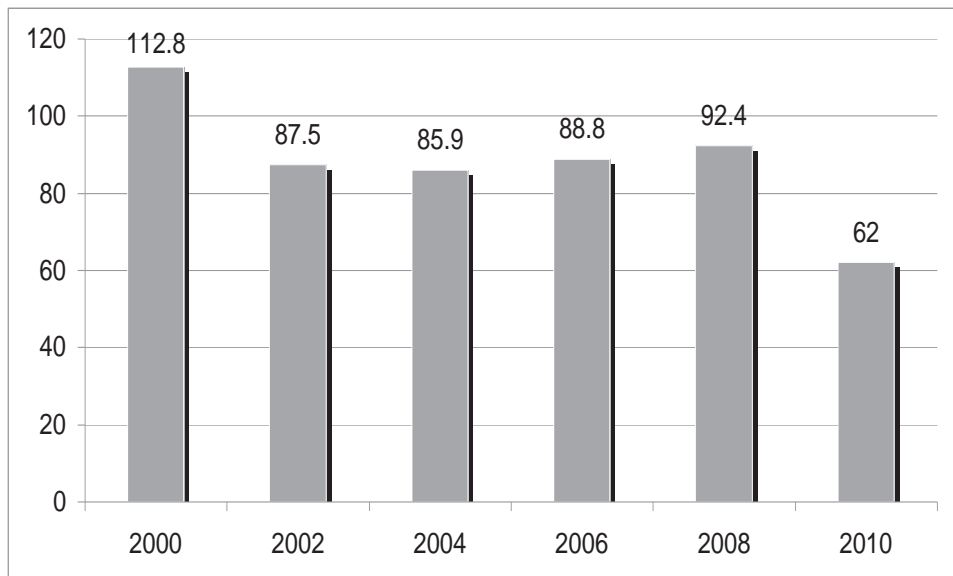
**Changes in Plan Membership**

The table below reflects the active membership and retiree changes for the years ended December 31:

	<u>2010</u>	<u>2009</u>	<u>Change</u>
Retirees and beneficiaries receiving benefit	<u>5,428</u>	<u>5,304</u>	2.3%
Current and terminated employees entitled to, but not yet receiving benefits			
Current employee members	8,599	9,071	(5.2%)
Vested employee members	<u>1,998</u>	<u>2,006</u>	(0.4%)
Total	<u>10,597</u>	<u>11,077</u>	(4.3%)

**Funding Status**

**Schedule of Funding Progress  
Funding Ratio  
As of January 1<sup>st</sup> Valuation Date**



Funds are accumulated from employer and employee contributions, and investment earnings, and are used to pay present and future benefit obligations and administrative expenses. The better the level of funding, the larger the ratio of assets accumulated and investment income potential. We continue to make a constant effort to achieve a fully funded status, thereby assuring the participants of a financially sound retirement system. Most active members contribute 8.03% of their salaries to the retirement fund and the City contributes 8.03%.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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**Investment Activities**

One-year returns on asset classes and comparative benchmarks are presented in the table below for the years ended December 31:

	<u>2010</u>	<u>2009</u>
Total Portfolio	13.2%	10.8%
Domestic Equities	21.4%	29.3%
Benchmark: Russell 3000 Index	16.9%	28.3%
International Equities	12.8%	36.1%
Benchmark: MSCE EAFE Index	8.2%	32.5%
Fixed Income	7.4%	19.5%
Benchmark: Barclays Capital Aggregate	7.2%	8.6%
Real Estate	0.1%	(31.3%)
Benchmark: Russell NCREIF Property Index	5.8%	(16.8%)
Alternative Investments	6.8%	14.2%
Benchmark: Treasury Bills + 5%	3.3%	3.2%
Mezzanine Debt	10.8%	(39.8%)
Benchmark: 9% Assumption	9.0%	9.0%
Cash	2.7%	2.9%
Benchmark: 91-Day T-bills	0.1%	0.2%

The investments of the System are governed primarily by the prudent person rule. The prudent person rule, as set forth by the Revised Code of Washington, establishes a standard for all fiduciaries, which includes anyone who has authority with respect to the fund.

The recoup of the financial markets in the U.S. and abroad impacted the System's investments and resulted in an increase in plan asset value in 2010 and 2009, compared to the loss experienced in plan asset values in 2008. The System invests retirement funds for the long-term, anticipating both good and poor performing financial markets. The overall investment portfolio is positioned in a diversified manner to minimize investment risk.

**Contacting the Seattle City Employees' Retirement System**

If you have questions about this report or need additional information, please contact us by telephone at: 206.386.1293 or by e-mail at: [City.Retirement@Seattle.gov](mailto:City.Retirement@Seattle.gov) or you may mail your questions to:

Seattle City Employees' Retirement System  
720 Third Avenue, Suite 900  
Seattle, WA 98104

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**STATEMENTS OF PLAN NET ASSETS**  
**DECEMBER 31, 2010 AND 2009**

	2010	2009
Assets:		
Cash and equity in pooled investments	\$ 12,882,916	\$ 18,347,438
Short-term investment funds	3,183,239	11,026,863
Securities lending collateral held	33,896,148	36,491,886
Total cash and short-term investments	49,962,303	65,866,187
Receivables:		
Members	1,864,510	1,989,617
Employer	1,438,899	1,332,367
Interest and dividends	1,746,071	1,824,557
Total receivables	5,049,480	5,146,541
Investments, at fair value:		
U.S. Government obligations	198,587,785	178,650,109
Corporate bonds	81,250,709	108,951,282
Domestic stocks	757,207,813	631,591,667
International stocks	368,335,407	305,943,218
Real estate	186,161,603	183,024,765
Alternative/venture capital	165,780,515	159,010,143
Mezzanine debt	49,094,294	57,795,000
Total investments	1,806,418,126	1,624,966,184
Equipment and fixtures, at cost, net of accumulated depreciation of \$201,830 in 2009	-	2,273
Total assets	1,861,429,909	1,695,981,185
Liabilities:		
Pensions payable and other	11,380,120	10,245,892
Securities lending obligation	37,295,301	40,437,944
Total liabilities	48,675,421	50,683,836
Net assets held in trust for pension benefits	\$ 1,812,754,488	\$ 1,645,297,349

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**STATEMENTS OF CHANGES IN PLAN NET ASSETS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010	2009
<b>ADDITIONS:</b>		
Contributions:		
Employer	\$ 45,224,787	\$ 46,650,169
Member	45,364,624	46,613,886
Total contributions	90,589,411	93,264,055
Investment activities:		
Investment income:		
Net change in fair value of investments	197,390,947	183,523,735
Interest	8,542,125	13,405,079
Dividends	7,063,945	1,127,943
Net investment income	212,997,017	198,056,757
Investment activity expenses:		
Investment management fees	(4,050,116)	(3,015,468)
Performance consultant fees	(370,810)	(256,170)
Investment custodial fees	(111,851)	(95,376)
Total investment activity expenses	(4,532,777)	(3,367,014)
Net income from investment activities	208,464,240	194,689,743
Securities lending activities:		
Securities lending income	85,693	361,238
Securities lending expenses:		
Borrower rebates	-	(75,156)
Management fees	(21,404)	(70,753)
Total securities lending expenses	(21,404)	(145,909)
Net income from securities lending activities	64,289	215,329
Total additions	299,117,940	288,169,127
<b>DEDUCTIONS:</b>		
Benefits	113,650,795	108,138,820
Refunds of contributions	14,715,000	9,742,691
Administrative expenses	3,295,006	2,416,745
Total deductions	131,660,801	120,298,256
<b>NET CHANGE</b>	167,457,139	167,870,871
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>		
Beginning of year	1,645,297,349	1,477,426,478
End of year	\$ 1,812,754,488	\$ 1,645,297,349

See accompanying notes.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

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**Note 1 - Plan Description**

The Seattle City Employees' Retirement System (the System) is a single-employer defined benefit public employee retirement plan, covering employees of the City of Seattle and administered in accordance with Chapter 4.36 of the Seattle Municipal Code. The System is a pension trust fund of the City of Seattle.

The System is administered by the Retirement System Board of Administration (the Board). The Board consists of seven members including the Chair of the Finance Committee of the Seattle City Council, the City of Seattle Finance Director, the City of Seattle Personnel Director, two active and one retired members of the System who are elected by other system members, and one outside board member who is appointed by the other six board members. Elected and appointed board members serve for three year terms.

All employees of the City of Seattle are eligible for membership in the system with the exception of uniformed police and fire personnel who are covered under a retirement system administered by the State of Washington. Employees of METRO and the King County Health Department who established membership in the System when these organizations were City of Seattle departments were allowed to continue their System membership. There are currently 5428 retirees and beneficiaries receiving benefits, and 8599 active members of the System. There are 1998 terminated employees entitled to future benefits.

The System provides retirement, death, and disability benefits. Retirement benefits vest after five years of credited service, while death and disability benefits vest after ten years of service. Retirement benefits are calculated as 2% multiplied by years of creditable service, multiplied by average salary, based on the highest 24 consecutive months. The benefit is actuarially reduced for early retirement.

**Note 2 - Summary of Significant Accounting Policies and Plan Asset Matters**

**Basis of Accounting** - The financial statements were prepared using the accrual basis of accounting.

**Cash and Equity in Pooled Investments** - The System classifies cash and equity in pooled investments as cash on deposit in financial institutions and cash on deposit in the City of Seattle's internal cash management pool. The System also recognizes certain short-term highly liquid securities with an original maturity of three months or less as cash equivalents.

**Method Used to Value Investments** - U.S. equities, non-U.S. equities, U.S. fixed income, non-U.S. fixed income, and short-term investments are reported at fair market value, which is based on the quoted market price. Private equity and real estate equities are reported at fair value which has been determined by independent appraisers and, to a limited extent, in-house appraisers. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments, interest income earned, less investment expense, plus income from securities lending activities, less deduction for security lending expenses. Securities and securities transactions are reflected in the financial statements on a trade-date basis. Investments are made in accordance with the Prudent Person Rule as defined by the State of Washington RCW 35.39.060.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

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**Note 2 - Summary of Significant Accounting Policies and Plan Asset Matters** (Continued)

**Contributions** - Employee and employer contributions are reported in the period and for the calendar year in which the contributions are due.

**Equipment and Fixtures** - Equipment and fixtures are stated at actual cost less accumulated depreciation. Estimated useful lives of major classes include three years for computer equipment and 15 year for office furniture and equipment. The straight-line method of depreciation method is used.

**Benefits and Refunds of Contributions** - Benefits and refunds of contributions are recognized when due and are payable in accordance with the System's policy.

**Note 3 - Contributions**

Member and employer contributions rates are established by the Seattle Municipal Code Chapter 4.36.

The employer contribution rate is determined by the actuarial formula identified as the Entry Age Cost Method. The formula determines the amount of contributions necessary to fund the current service cost, representing the estimated amount necessary to pay for benefits earned by the employees during the current service year and the amount of contributions necessary to pay for prior service costs. Total required contributions, including amounts necessary to pay administrative costs, are determined through biannual actuarial valuations.

Actuarially determined contribution rates are currently 8.03% for most members and 8.03% for the employer. There are no long-term contracts for contributions outstanding and currently no legally required reserves.

As of January 1, 2010, the most recent valuation date, the funded status of the fund was 62.0%. The schedule of funding progress, immediately following the notes to the financial statements, presents multi-year trend information about the funded status, actuarial value of assets, and actuarial accrued liability.



**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

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**Note 3 - Contributions** (Continued)

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

Valuation date	January 1, 2010
Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	30+ years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return*	7.75%
Projected salary increases*	4.00%
Post-retirement benefit increases	1.50% annual COLA and 65% Restoration of Purchasing Power
Funding progress:	
Actuarial value of assets	\$ 1,645.3 million
Actuarial accrued liability	\$ 2,653.8 million
Unfunded actuarial accrued liability	\$ 1,008.5 million

\* Includes inflation as a cost-of-living adjustment at 3.5%.

**Note 4 - Cash and Equity in Pooled Investments**

The Federal Deposit Insurance Corporation (FDIC) insures the cash deposits up to \$250,000. As provided by the State of Washington RCW 43.84, the Washington Public Deposit Protection Commission (PDPC) collateralizes deposits in excess of \$100,000. The bank balances of deposits of a FDIC institution as of the balance sheet date are insured.

**Note 5 - Investments**

The System's investments include investments that are insured or registered or securities held by the System or its agent in the System's name.

Short-term Investment Funds (STIF) is a collective trust that may include certificates of deposit, treasury bills, and mutual funds. The Alternative Investments category currently includes private equity, hedge funds and real estate funds.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

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**Note 5 - Investments** (Continued)

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of the failure of a financial institution or a bank, the System will not be able to recover the value of its deposits or investments that are in the possession of an outside party. The System mitigates custodial credit risk by having its investment securities held by the System's custodian (BNY Mellon) and the investments are registered in the System's name. The System's short-term investments are created through daily sweeps of excess cash by the System's custodian, and invested in a vehicle managed by the custodian. Additionally, the System keeps on hand with the City of Seattle such cash dollar amounts to support two months equivalent of pension payments and other administrative expenses.

**Credit Risk** - Credit risk is the risk that an issuer, or other counterparty, to an investment will not fulfill its obligations. In accordance with the System's Investment Policy, the Retirement Board provides each of the System's investment managers with a set of investment guidelines. These guidelines specify eligible investments, minimum diversification standards, and applicable investment restrictions necessary for diversification and risk control. In general, these guidelines require that at least 70 percent of the net asset value of a manager's portfolio be invested in investment-grade securities. Managers do not have authority to depart from their guidelines.

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. In accordance with the System's Investment Policy, the Retirement Board provides each of the System's investment managers with a set of investment guidelines. These guidelines specify eligible investments, minimum diversification standards, and applicable investment restrictions necessary for diversification and risk control. In general, these guidelines require that investments in any one issuer may not exceed 5 percent of the net asset value of a manager's portfolio. Managers do not have authority to depart from their guidelines.

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. Market or interest rate risk is the greatest risk faced by an investor in the debt securities market. The price of a debt security typically moves in the opposite direction of the change in interest rates. In accordance with the System's Investment Policy, the Retirement Board provides each of the System's investment managers with a set of investment guidelines. These guidelines specify eligible investments, minimum diversification standards, and applicable investment restrictions necessary for diversification and risk control. In general, these guidelines require that the weighted average duration of the security holdings of a manager's portfolio not vary from that of the applicable benchmark by more than 20 percent. Managers do not have authority to depart from their guidelines.

**Foreign Currency Risk** - Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The System's currency risk exposures, or exchange rate risk, primarily reside within the international equity investment holdings. The System expects these managers to maintain adequately diversified portfolios to limit foreign currency and security risk.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

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**Note 5 - Investments** (Continued)

The fixed income portfolio is primarily managed by four external money management firms, hired through a competitive bid process, to manage a diversified portfolio of fixed income securities. Managers have agreed to a set of guidelines that provide ranges and limits for varying types of securities that may be held within the portfolio. A consultant is hired to measure performance and monitor the investment style. The Investment Committee reviews the consultant's results quarterly.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

**Note 5 - Investments (Continued)**

As of December 31, 2010, the fixed income portfolio of the System had the following investment maturities and ratings:

Investment	Fair Value	Investment Maturities (in years)				
		< 1	1 - 5	6 - 10	> 10	
<b>Fixed Income</b>						
U.S. Government						
Treasury Notes and Bonds	\$ 42,505,452	\$ 7,835,251	\$ 15,071,149	\$ 15,431,933	\$ 4,167,119	
Treasury Inflation-Protected Securities	1,462,679	-	-	-	1,462,679	
Agencies	13,201,951	-	7,827,442	3,333,952	2,040,557	
Municipal	1,448,358	-	163,970	266,347	1,018,041	
Mortgage-Backed						
Government Pass Through	40,367,846	-	371,440	8,522,650	31,473,756	
Corporate Pass Through	7,195,221	-	-	1,883,665	5,311,556	
Government CMO's	2,172,810	-	-	97,742	2,075,068	
Corporate CMO's	5,521,387	-	37,891	112,294	5,371,202	
Corporate						
Bonds	39,738,271	777,487	10,798,145	18,669,525	9,493,114	
Asset-Backed	13,686,434	804,623	4,393,430	2,832,486	5,655,895	
Private Placements	17,065,242	701,389	7,500,736	3,598,767	5,264,350	
CDO's and CLO's	307,239	-	-	307,239	-	
Foreign Sovereign						
Bonds	115,031	115,031	-	-	-	
	\$ 184,787,921	\$ 10,233,781	\$ 46,164,203	\$ 55,056,600	\$ 73,333,337	

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**Note 5 - Investments (Continued)**

Investment	Fair Value	Treasury	Agency	AAA	AA	A	BBB	BB	B	CCC & Below	Not Rated
Fixed Income											
U.S. Government Treasury Notes and Bonds	\$ 42,505,452	\$ 42,487,725	\$ -	\$ 17,727	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treasury Inflation-Protected Securities	1,462,679	1,462,679	-	-	-	-	-	-	-	-	-
Agencies	13,201,951	2,444,110	8,790,306	-	213,603	1,753,932	-	-	-	-	-
Municipal	1,448,358	-	-	443,130	156,984	848,244	-	-	-	-	-
Mortgage-Backed											
Government Pass Through	40,367,846	-	25,460,527	14,907,319	-	-	-	-	-	-	-
Corporate Pass Through	7,195,221	-	26,874	5,013,079	-	190,039	77,080	-	-	1,744,430	143,719
Government CMO's	2,172,810	-	1,892,048	-	-	-	-	-	-	280,762	-
Corporate CMO's	5,521,387	-	10,655	2,700,674	193,389	272,917	-	-	-	1,981,047	362,705
Corporate											
Bonds	39,738,271	-	-	-	4,282,377	15,729,493	15,020,708	1,841,087	2,695,636	168,970	-
Asset-Backed	13,686,434	-	-	5,632,680	237,218	-	717,682	667,825	1,944,740	3,285,074	1,201,215
Private Placements	17,065,242	-	-	6,632,401	2,193,268	3,915,811	743,988	67,498	1,423,062	-	2,089,214
CDO's and CLO's	307,239	-	-	-	-	-	-	15,397	-	133,212	158,630
Foreign Sovereign Bonds	115,031	-	-	-	-	-	-	-	-	47,300	67,731
	\$ 184,787,921	\$ 46,394,514	\$ 36,180,410	\$ 35,347,010	\$ 7,276,839	\$ 22,710,436	\$ 16,559,458	\$ 2,591,807	\$ 6,063,438	\$ 7,640,795	\$ 4,023,214

Fixed income portfolio investments are included in U.S. Government obligations and corporate bonds on the Statements of Plan Net Assets as of December 31, 2010 and 2009 along with related investments held in other federal and corporate securities, mutual funds and short-term investments.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

**Note 6 - Securities Lending Transactions**

Gross income from securities lending transactions are recorded in the operating statements as well as the various fees paid to the institution that oversees the lending activity. The value of the collateral that is being held is represented as an asset and a liability on the Statement of Plan Net Assets.

Under the authority of State of Washington RCW 41.28.005 and the Seattle Municipal Code 4.36.130, the System's Board of Administration adopted investment policies that define eligible investments, which include securities lending transactions. Through a custodial agent, the System participates in a securities lending program whereby securities are lent for the purpose of generating additional income to the System. The System lends securities from its investment portfolio on a collateralized basis to third parties, primarily financial institutions. The market value of the required collateral must meet or exceed 102% of the market value of the securities lent, providing a margin against a decline in the market value of the collateral, and is limited to a volume of less than \$75 million. The contractual agreement with the System's custodian provides indemnification in the event the borrower fails to return the securities lent or fails to pay the System income it is due on the securities lent. Cash and U.S. government securities were received as collateral for these loans. The System invests cash collateral received; accordingly, investments made with cash collateral appear as an asset. A corresponding liability is recorded as the System must return the cash collateral to the borrower upon the expiration of the loan. As of December 31, the System has no credit risk exposure to borrowers; amounts owed to borrowers exceeds the amount the borrower owes the System.

	2010		2009	
	Fair Value of Securities Lent	Collateral	Fair Value of Securities Lent	Collateral
Types of Securities Lent				
U.S. Government and Agencies	\$ 14,338,459	\$ 14,630,175	\$ 14,597,822	\$ 14,911,180
U.S. Corporate Fixed Income	2,866,505	2,936,675	1,211,466	1,228,985
U.S. Equities	19,274,570	19,728,451	23,557,576	24,297,779
Total Securities Lent	\$ 36,479,534	\$ 37,295,301	\$ 39,366,864	\$ 40,437,944
Collateral Report				
U.S. Corporate Obligations		\$ 3,500,438		\$ 20,500,000
Bank Obligations		-		5,535,035
Repurchase Agreements		31,796,237		1,875,000
Asset Backed Securities		1,998,626		7,650,909
Certificates of Deposits		-		4,877,000
Total Collateral		\$ 37,295,301		\$ 40,437,944
Fair Value of Collateral Held		\$ 33,896,148		\$ 36,491,886

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

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**Note 7 - Commitments**

The System has entered into capital commitments to fund partnership interests in certain mezzanine debt and alternative investments. At December 31, 2010, the System has unfunded commitments of approximately \$31.5 million to these partnerships.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**SCHEDULE OF FUNDING PROGRESS**  
**(Dollar Amounts in Millions)**  
**YEAR ENDED DECEMBER 31, 2010**

Actuarial Valuation Date January 1	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) - Entry Age <sup>1</sup> (b)	Unfunded AAL (UAAL) <sup>2</sup> (b-a)	Funded Ratio (a/b)	Covered Payroll <sup>3</sup> (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2000	\$1,582.7	\$1,403.1	\$ (179.6)	112.8%	\$ 383.6	(46.8%)
2002	\$1,383.7	\$1,581.4	\$ 197.7	87.5%	\$ 405.1	48.8%
2004	\$1,527.5	\$1,778.9	\$ 251.4	85.9%	\$ 424.7	59.2%
2006	\$1,791.8	\$2,017.5	\$ 225.7	88.8%	\$ 447.0	50.5%
2008	\$2,119.4	\$2,294.6	\$ 175.2	92.4%	\$ 501.9	34.9%
2010	\$1,645.3	\$2,653.8	\$ 1,008.5	62.0%	\$ 580.9	173.6%

<sup>1</sup> Actuarial present value of benefits less actuarial present value of future normal cost based on Entry Age Actuarial Cost Method.

<sup>2</sup> Actuarial accrued liabilities less actuarial value of assets.

<sup>3</sup> Covered Payroll includes compensation paid to all active employees on which contributions are calculated.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**(Dollar Amounts in Millions)**  
**YEAR ENDED DECEMBER 31, 2010**

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<u>Year Ended December 31</u>	<u>Actual Employer Contributions</u>	<u>Percentage Contributed</u>
2005	\$ 35.9	100%
2006	\$ 37.9	100%
2007	\$ 40.3	100%
2008	\$ 46.0	100%
2009	\$ 46.6	100%
2010	\$ 45.2	100%

For additional information regarding employer contributions, see the notes to the financial statements.

**ADDITIONAL INFORMATION**

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**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**SCHEDULE OF ADMINISTRATIVE EXPENSES**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

	Budget	Actual Expenses	
	2010	2010	2009
Personnel Services			
Salaries	\$ 1,033,611	\$ 966,058	\$ 758,830
Payroll Taxes and Benefits	339,940	319,243	255,545
Total Personnel Services	<u>1,373,551</u>	<u>1,285,301</u>	<u>1,014,375</u>
Maintenance and Operations			
Professional Services	311,868	854,285	393,623
Office Rent	110,000	136,143	153,696
Data Processing	707,534	663,589	681,322
Office Supplies	256,893	259,730	88,815
Postage	55,000	41,205	40,093
Telephone	17,480	33,350	20,171
Travel	75,000	11,250	13,638
Training	30,464	7,880	10,667
Depreciation	-	-	345
Gain/Loss Disposition Fixed Asset	-	2,273	-
Total Maintenance and Operations	<u>1,564,239</u>	<u>2,009,705</u>	<u>1,402,370</u>
Total Administrative Expense:	<u>\$ 2,937,790</u>	<u>\$ 3,295,006</u>	<u>\$ 2,416,745</u>

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**SCHEDULE OF INVESTMENT EXPENSES**  
**YEAR ENDED DECEMBER 31, 2010**

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Investment Services	
American Core Realty Fund	\$ 20,365
Babson Tower Square Partners II	123,848
Bison Capital Equity Partners II	143,588
Calmos	20,292
Carlyle Mezzanine Partners	117,936
Carlyle Realty Fund IV	22,478
Dimensional	610,829
Earnest	33,622
Evergreen	27,110
Attucks Cap	641,389
BlackRock	232,285
Pugh	71,606
JP Morgan Real Estate Funds	596,233
Nogales Investors Fund II	59,400
Reams Asset Management	148,490
RREEF American REIT II	8,410
Rhumblin	42,215
PIMCO	265,285
PIMCO Liquidating	40,635
Smith Whiley Pelham Fund III	420,177
TCW Crescent Mezzanine Partners IV	85,704
Washington Capital Management	93,732
Western Asset Management	224,487
	<u>4,050,116</u>
Performance Measurement	
Pension Consulting Alliance	370,810
Custodial Services	
Bank of New York Mellon	111,851
Securities Lending Services	
Bank of New York Mellon	21,404
	<u>21,404</u>
Total Investment Expenses	<u><u>\$ 4,554,181</u></u>



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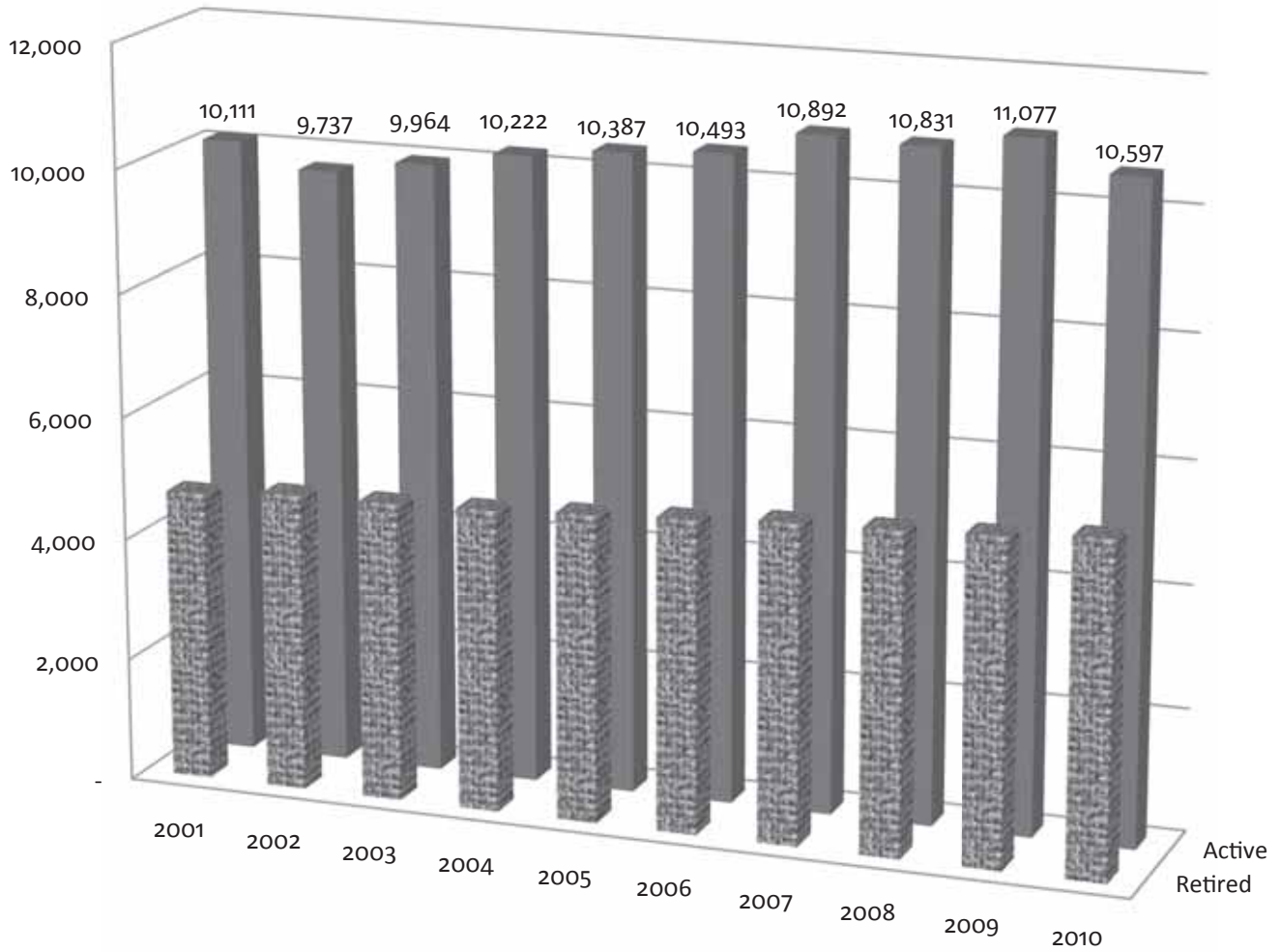
**Actuarial Valuation**





### Membership - Active and Retired

■ Retired  
■ Active





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# Seattle City Employees' Retirement System



## Actuarial Valuation

As of January 1, 2010

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By

Nick J. Collier

Associate, Society of Actuaries  
Enrolled Actuary  
Member, American Academy of Actuaries



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July 1, 2010

Retirement Board  
Seattle City Employees' Retirement System  
720 Third Avenue, Suite 1000  
Seattle, WA 98104

Dear Members of the Board:

As requested, we have made an actuarial valuation of the Seattle City Employees' Retirement System (SCERS) as of January 1, 2010. This report reflects the benefit provisions and contribution rates in effect as of January 1, 2010 (including the maximum increases in member rates that were recently negotiated). There are three changes since the prior valuation (January 1, 2008) that we consider material:

- Significant investment losses that occurred in 2008 have decreased the market value of assets.
- New assumptions reflecting increased life expectancies were adopted with the recent (2009) study of mortality experience.
- It is our understanding that increases in contributions for most members will be capped at 10.03% of pay based on recent negotiations.

### **Actuarial Certification**

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by SCERS staff. This information includes, but is not limited to, statutory provisions, employee data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

All costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated experience affecting the System.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in

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plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix A.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for SCERS. Actuarial computations under GASB Statement No. 25 are for purposes of fulfilling financial accounting requirements. The computations prepared for these two purposes may differ as disclosed in our report. The calculations in the enclosed report have been made on a basis consistent with our understanding of SCERS' funding requirements and goals. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Milliman's work is prepared solely for the internal business use of the SCERS. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

- a) SCERS may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
- b) SCERS may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

On the basis of the foregoing, I hereby certify that, to the best of our knowledge and belief, this report along with the information contained in the CAFR is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.



I would like to express appreciation to the system staff who gave substantial assistance in supplying the data on which this report is based.

Respectfully submitted,

A handwritten signature in black ink that reads "Nick Collier".

Nick J. Collier, ASA, EA, MAAA  
Principal and Consulting Actuary

NJC/nlo

# Seattle City Employees' Retirement System Actuarial Valuation

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# Seattle City Employees' Retirement System Actuarial Valuation

## Section 1 Summary of the Findings

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### Contribution Sufficiency

Based on the actuarial valuation of the benefits in effect under the Seattle City Employees' Retirement System as of January 1, 2010, **the current contribution rate of 16.06% of members' salaries is not sufficient to maintain the current benefits**, assuming future experience follows the actuarial assumptions. This is mainly due to the recent large asset losses that were reflected in this valuation.

The current Retirement Board funding policy states that "if the Funding Ratio is less than 100% and a UAAL (Unfunded Actuarial Accrued Liability) occurs which can not be amortized over a period of less than 20 years by the combined total contribution rates, additional employer contributions may be considered." The practical goal of SCERS is to amortize the UAAL over a period of 30 years or less.

It should be noted that a 30-year amortization period is the longest acceptable period under GASB standards, and is often used by retirement systems as a benchmark for funding. We prefer an amortization period shorter than 30 years, as it provides stronger funding.

The contribution rates currently in effect are not projected to amortize the UAAL over any period. Additional contributions will be required if the System is to both fund ongoing benefits, and amortize the UAAL over a period of 30 years. If the necessary increase were implemented as of January 1, 2011, the Total Contribution Rate would need to be increased from 16.06% of pay to 25.03% of pay. Since this includes the 2.00% increase allowable on the member contribution rate, the effective employer contribution rate increase needed would be 6.97% of pay. See Section 8 of this report for a discussion of possible alternate contribution rate increase schedules.

The current contribution rates for the death benefit program are sufficient to finance the \$2,000 death benefit.

## Funding Progress

On the basis of the January 1, 2008 actuarial valuation the Funding Ratio was 92.4%. Based on the January 1, 2010 valuation, the Funding Ratio is 62.0%. The decrease in the Funding Ratio is due mainly to the reflection of large asset losses since the last valuation. Because SCERS uses Market Value of Assets to calculate its Funded Ratio, the full impact of the 2008 asset loss is reflected in the 2010 valuation. A summary of the historical Funding Ratio and other measurements are shown on Graph 1 and 2.

Most public retirement systems use asset smoothing to mitigate investment volatility by recognizing portions of investment gains and losses over a period of years. A 5-year period is the most common. After a significant asset loss, systems that use asset smoothing are likely to initially appear significantly better-funded than systems that do not. Due to SCERS' policy of immediately recognizing all asset gains and losses, comparisons of SCERS with other systems will likely show a lower Funding Ratio even if the systems are in similar financial health.

All assumptions for the January 1, 2010 actuarial valuation are the same as those used for the January 1, 2008 actuarial valuation, except for the new mortality assumptions that were adopted by the Board earlier this year.

## Funding Progress (continued)

A summary of the changes in the Funding Ratio is shown below.

Sources of Change	Funding Ratio
<b>January 1, 2008 Actuarial Valuation</b>	<b>92.4 %</b>
Expected Valuation-to-Valuation Change	2.0 %
Asset Gain/(Loss)	(30.0)%
Salary Less/(Greater) Than Expected	(0.2)%
Assumption Change (Mortality)	(2.8)%
Other	0.6 %
<b>Total Change</b>	<b>(30.4)%</b>
<b>January 1, 2010 Actuarial Valuation</b>	<b>62.0 %</b>

## Contingent COLA Benefits

The Seattle Municipal Code allows for an increase in the cost-of-living adjustment (COLA) available to current and future retired members. Currently, the Floor COLA is at the 65% level. The enhanced COLA benefit (70% Floor COLA) does not become effective until the System attains at least a 100% funding level.

Since it is unknown when this benefit will become effective, especially given the current funded status of the System, we have not included the valuation of these potential benefit changes in this valuation.

## **Summary Exhibit**

A summary of the key results of this valuation, along with a comparison to the January 1, 2008 valuation is shown in Table 1.

## **Current Economic Environment**

The last several years have been a time of great volatility in the financial and economic markets. The effect of widespread investment losses on public pension plans has been well-publicized, and systems which use Market Value of Assets rather than smoothing gains and losses, such as SCERS, may appear to have been even harder-hit since the recognition of the full impact of these losses is reflected immediately (unlike most other public retirement systems).

While it is important to be aware of current short-term financial and market trends, the actuarial assumptions take a long-term view of the economic and demographic patterns of the System.

We have included an additional section in this valuation report (Section 8) to discuss SCERS' actuarial assumptions in light of the current economic environment, SCERS' current funded status, and options for the phase-in of additional System contributions to pay off the UAAL over a period of 30 years.

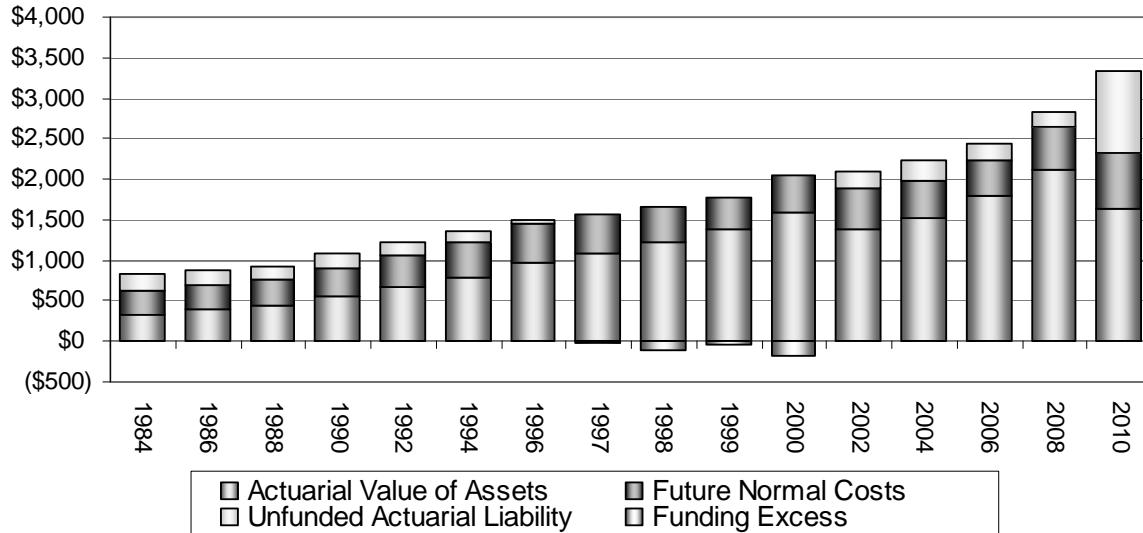
## Seattle City Employees' Retirement System Actuarial Valuation

**Table 1 Summary of Results**

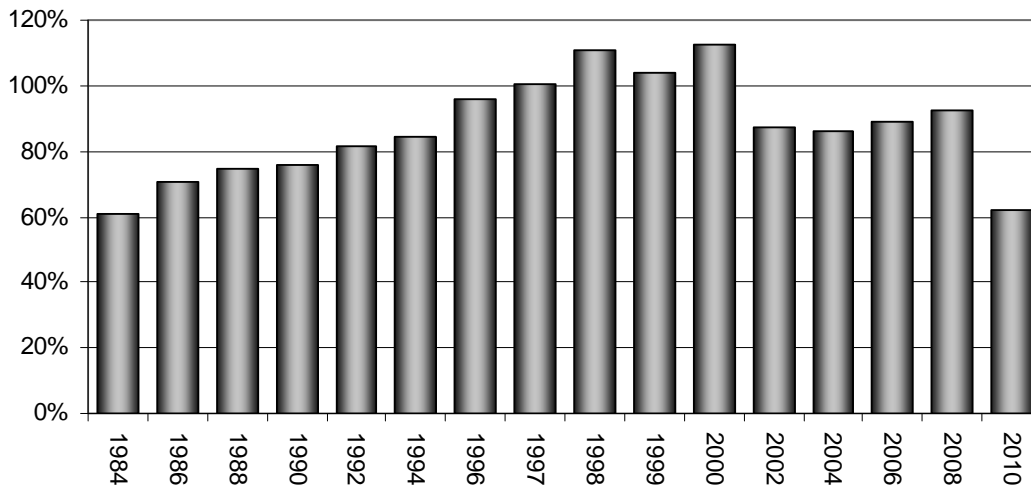
	Valuation January 1, 2010	Valuation January 1, 2008	Percentage Change
I. Total Membership			
A. Active Members	9,071	8,842	2.6%
B. Retired Members & Beneficiaries	5,304	5,201	2.0%
C. Vested Terminated Members	2,006	2,050	(2.1)%
D. Total	16,381	16,093	1.8%
II. Pay Rate as of January 1, 2010			
A. Annual Total (\$millions)	\$ 597.0	\$ 529.1	12.8%
B. Annual Average	\$ 65,810	\$ 59,835	10.0%
III. Average Monthly Benefit Paid to Current Retirees and Beneficiaries			
A. Service Retirement	\$ 1,862	\$ 1,781	4.5%
B. Disability Retirement	1,071	1,090	(1.7)%
C. Surviving Spouse and Dependents	1,024	1,057	(3.1)%
D. Total	\$ 1,712	\$ 1,647	4.0%
IV. Actuarial Accrued Liability			
A. Active Members	\$ 1,477.4	\$ 1,209.7	22.1%
B. Retired Members	1,062.5	959.9	10.7%
C. Vested Terminated Members	113.9	125.0	(8.9)%
D. Total	\$ 2,653.8	\$ 2,294.6	15.7%
V. Assets			
A. Market Value of Fund (\$millions)	\$ 1,645.3	\$ 2,119.4	(22.4)%
VI. Unfunded Actuarial Accrued Liability or Surplus Funding (\$millions)	\$ 1,008.5	\$ 175.2	475.8%
VII. Amortization of UAAL			
A. Period Based on Current Contribution	does not amortize	16.2 years	
B. Additional Amount Needed for 30-Year Amortization (as a % of Payroll)	8.97% *	0.00%	
<p><i>* Total member plus employer contributions. Since member increases are capped at 2.00%, the City would need to make up the remaining 6.97% beginning January 1, 2011.</i></p>			
VIII. Funded Ratio	62.0%	92.4%	(32.9)%
IX. Normal Cost as a Percent of Salary	15.23%	13.32%	14.3%

## Seattle City Employees' Retirement System Actuarial Valuation

**Graph 1 Historical Asset and Liability Comparison**



**Graph 2 Historical Funding Ratios**



Year	(in Millions)				Funding Ratio
	PVB	Assets	PVFNC	UAAL	
<b>1992</b>	1,221.2	660.0	410.7	150.5	81.4%
<b>1994</b>	1,358.9	781.8	432.7	144.4	84.4%
<b>1996</b>	1,492.0	980.2	472.3	39.5	96.1%
<b>1998</b>	1,539.3	1,224.6	433.5	(118.8)	110.7%
<b>2000</b>	1,872.4	1,582.7	469.3	(179.6)	112.8%
<b>2002</b>	2,088.7	1,383.7	507.3	197.7	87.5%
<b>2004</b>	2,229.8	1,527.5	450.9	251.4	85.9%
<b>2006</b>	2,448.5	1,791.8	431.0	225.8	88.8%
<b>2008</b>	2,825.8	2,119.4	531.2	175.2	92.4%
<b>2010</b>	3,328.7	1,645.3	674.9	1,008.5	62.0%

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# Seattle City Employees' Retirement System Actuarial Valuation

## Section 2 Scope of the Report

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This report presents the actuarial valuation of the Seattle City Employees' Retirement System as of January 1, 2010.

A summary of the findings resulting from this valuation is presented in the previous section. Section 3 describes the assets of the System. A summary of the assets is set forth in Table 2. Sections 3, 4, and 5 describe how the obligations of the System are to be met under the actuarial cost method in use.

Section 6 discloses actuarial information based on the requirements of Statements No. 25 and 27 of the Governmental Accounting Standards Board. Section 7 sets forth estimated actuarial gains or losses from the various sources. Section 8 discusses the current status of the System's funding and assumptions in view of recent economic volatility.

Appendix A is a summary of the actuarial procedures and assumptions used to compute the liabilities and contributions shown in this report.

The current benefit structure, as determined by the provisions of the governing law on January 1, 2010, is summarized in Appendix B. Schedules of valuation data classifying the data used in the valuation by various categories of contributing members, former contributing members, and beneficiaries make up Appendix C.

Comparative statistics are presented on the System's membership and contribution rates. Appendix D is a glossary of actuarial terms used in this report.

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# Seattle City Employees' Retirement System Actuarial Valuation

## Section 3 Assets

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In many respects, an actuarial valuation can be regarded as an inventory process. The inventory is taken as of the actuarial valuation date, which for this valuation is January 1, 2010. On that date, the assets available for the payment of benefits are appraised. These assets are compared with the actuarial liabilities, which are generally well in excess of the assets. The actuarial process thus leads to a method of determining what contributions by members and their employers are needed to strike a balance.

This section of the report deals with the asset determination. In the next section, the actuarial liabilities will be discussed. Section 5 will deal with the process for determining required contributions, based on the relationship between the assets and the actuarial liabilities.

Table 2 summarizes the financial resources of the System on January 1, 2010. Of the total assets, a minor portion is set aside for the payment of current liabilities and expenses. Table 2 shows the market value of assets at January 1, 2010 and January 1, 2008. The actuarial value of assets is equal to the market value.

## Seattle City Employees' Retirement System Actuarial Valuation

**Table 2 Summary of Assets**

	January 1, 2010		January 1, 2008	
	Market Value	Distribution	Market Value	Distribution
<b>Assets</b>				
Cash and short-term investments	29,374,301	1.8%	81,770,726	3.9%
Securities lending collateral	36,491,886	2.2%	103,323,467	4.9%
Receivables				
Employee	745,865	0.0%	1,029,194	0.0%
Employer	2,576,119	0.2%	4,387,860	0.2%
Interest and Dividends	1,824,557	0.1%	2,615,783	0.1%
Total Receivables	5,146,541	0.3%	8,032,837	0.4%
Investments at fair value				
US Government obligations	178,650,109	10.9%	134,906,565	6.4%
Domestic corporate bonds	108,951,282	6.6%	102,791,739	4.9%
Domestic stocks	631,591,667	38.4%	763,843,752	36.0%
International stocks	305,943,218	18.6%	402,965,990	19.0%
Real estate	183,024,765	11.1%	286,646,176	13.5%
Alternative/Venture capital	159,010,143	9.7%	233,789,609	11.0%
Mezzanine debt	57,795,000	3.5%	114,462,620	5.4%
Total investments	1,624,966,184	98.8%	2,039,406,451	96.2%
Equipment	2,273	0.0%	2,963	0.0%
Total assets	1,695,981,185	103.1%	2,232,536,444	105.3%
<b>Liabilities</b>				
Pension & Other payables	10,245,892	-0.6%	9,814,866	-0.5%
Securities lending collateral	40,437,944	-2.5%	103,323,467	-4.9%
Total Liabilities	50,683,836	-3.1%	113,138,333	-5.3%
<b>Market Value of Net Assets Held in Trust For Pension</b>				
Benefits	1,645,297,349	100.0%	2,119,398,111	100.0%

## Seattle City Employees' Retirement System Actuarial Valuation

### Section 4 Actuarial Liabilities

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In the previous section, an actuarial valuation was related to an inventory process, and an analysis was given of the inventory of assets of the System as of the valuation date, January 1, 2010. In this section, the discussion will focus on the commitments of the System, which will be referred to as its actuarial liabilities.

Table 3 contains an analysis of the actuarial present value of all future benefits for contributing members, for former contributing members, and for beneficiaries. The analysis is given by type of benefit.

The actuarial liabilities summarized in Table 3 include the actuarial present value of all future benefits expected to be paid with respect to each member. For an active member, this value includes a measure of both benefits already earned and future benefits to be earned. Thus, for all members, active and retired, the value extends over benefits earnable and payable for the rest of their lives and, if an optional benefit is chosen, for the lives of their surviving beneficiaries.

**Seattle City Employees' Retirement System  
Actuarial Valuation**

**Table 3 Actuarial Present Value of Future Benefits**  
(All dollar amounts in millions)

	<u>January 1, 2010</u>	<u>January 1, 2008</u>
A. Active Members		
Service Retirement	\$ 2,010.3	\$ 1,619.6
Vested Retirement	58.4	47.1
Disability Retirement	15.6	12.9
Survivor Benefits	27.0	27.3
Refund of Member Contributions	<u>41.0</u>	<u>34.0</u>
Total	\$ 2,152.3	\$ 1,740.9
B. Inactive Members and Annuitants		
Service Retirement	\$ 970.5	\$ 864.0
Disability Retirement	9.5	9.4
Beneficiaries	82.5	86.5
Inactive Members	<u>113.9</u>	<u>125.0</u>
Total	\$ 1,176.4	\$ 1,084.9
C. Grand Total	\$ 3,328.7	\$ 2,825.8

# Seattle City Employees' Retirement System Actuarial Valuation

## Section 5 Employer Contributions

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### Funding

As shown in Tables 2 and 3, the total actuarial liability exceeds the current assets. This is to be expected, because the System is anticipating future member and employer contributions. The actuarial valuation develops a contribution method to fund this shortfall.

The actuarial cost method utilized is the Entry Age Actuarial Cost Method. This cost method has two components:

1. A normal cost, and
2. An amortization of the unfunded actuarial accrued liability.

Most actuarial cost methods utilize a cost method with these two components. The vast majority of public pension plans utilize the entry age (EA) actuarial cost method, as does SCERS.

The normal cost under EA is developed so that benefits are funded as a level percentage of payroll for each member from the member's membership date to the member's termination date. One key feature of this method is that costs tend to be stable from year-to-year because most members' entry age cost percentages do not change materially from year-to-year, and because the population does not change considerably from year-to-year. Normal costs by benefit type are shown in Table 4.

The Normal Cost Rate for the January 1, 2010 actuarial valuation is significantly higher than the rate as of the January 1, 2008 valuation. This is because: 1) The longer life expectancies increase the value of benefits, and 2) the higher member contribution rate of 10.03% increases the normal cost attributable to the minimum retirement benefit (2x match) and the refund of employee contributions.

When the present value of future normal costs is subtracted from the present value of total benefits, the result is the actuarial accrued liability. This can also be thought of as the present value of past normal costs, or the amount which would be in the fund if all prior assumptions had been exactly met. To the extent that this actuarial accrued liability exceeds plan assets, an unfunded actuarial accrued liability (UAAL) exists. This is currently the situation for the SCERS.

### Actuarial Gains and Losses

Because a UAAL exists, the total System costs must reflect an amortization of this UAAL. In general, a UAAL exists when liabilities increase more than anticipated or assets increase less than anticipated.

## Amortization of UAAL

When experience is different from actuarial expectation, an actuarial gain or loss occurs. Section 7 illustrates the historical actuarial gains and losses by source. Note that the large investment losses during 2008 resulted in an actuarial loss on assets of \$765.5 million for the two-year period. Ongoing actuarial gains and losses decrease and increase the UAAL. Table 6 compares the 16.06% total contribution rate with the necessary funding components: normal cost and amortization of UAAL. The table shows that the total contribution rate exceeds the normal cost, with the remaining contribution going toward an amortization of the UAAL. The resulting amortization payment of 0.83% is not projected to amortize the UAAL over any period of time as of January 1, 2010. This means that if the contribution rate is not increased, and all actuarial assumptions are met, the UAAL is not projected to be paid off in the future.

The current Retirement Board funding policy states that “if the Funding Ratio is less than 100% and a UAAL occurs which can not be amortized over a period of less than 20 years by the combined total contribution rates, additional employer contributions may be considered.” The contribution rates currently in effect do not amortize the UAAL over any period of time. In Section 8 of this report, we discuss optional increases to the contribution rate that would be projected to amortize the UAAL over a period of 30 years.

If SCERS were to immediately (i.e., as of the beginning of the next calendar year) increase the contribution rate to amortize the UAAL over 30 years from January 1, 2010, the Total Contribution Rate would increase from 16.06% of pay to 25.03% of pay. Since this includes the maximum 2.00% increase on the employee contribution rate, the additional employer contribution rate increase needed would be 6.97%. This change is assumed to be effective at January 1, 2011.

**Seattle City Employees' Retirement System  
Actuarial Valuation**

**Table 4      Normal Cost Contribution Rates as Percentages of Salary**

	<u>January 1, 2010</u>	<u>January 1, 2008</u>
Service Retirement	11.57 %	10.23 %
Vested Retirement	1.25	1.00
Disability Retirement	0.18	0.17
Survivor Benefits	0.21	0.21
Refund of Member Contributions	1.62	1.31
Administrative Expenses	<u>0.40</u>	<u>0.40</u>
Total	15.23 %	13.32 %

**Seattle City Employees' Retirement System  
Actuarial Valuation**

**Table 5      Unfunded Actuarial Accrued Liability**

(All dollar amounts in millions)

	January 1, 2010	January 1, 2008
A. Actuarial present value of all future benefits for present and former members and their survivors (Table 3)	\$      3,328.7	\$      2,825.8
B. Less actuarial present value of total future normal costs for present members	674.9	531.2
C. Actuarial accrued liability [A - B]	\$      2,653.8	\$      2,294.6
D. Less actuarial value of assets available for benefits (Table 2)	1,645.3	2,119.4
E. Unfunded actuarial accrued liability (Funding Excess, if negative) [C - D]	\$      1,008.5	\$      175.2
F. Funding Ratio [D ÷ C]	62.0%	92.4%



**Seattle City Employees' Retirement System  
Actuarial Valuation**

**Table 6 Contribution Rates as Percentages of Salary**

	<u>January 1, 2010</u>	<u>January 1, 2008</u>
A. Employer contribution rate	8.03 %	8.03 %
B. Member contribution rate	<u>8.03</u>	<u>8.03</u>
C. Total contribution rate <sup>(1)</sup>	16.06 %	16.06 %
D. Less total normal cost rate <sup>(2)</sup>	<u>15.23</u>	<u>13.32</u>
E. Excess of contribution rate over normal cost rate	0.83 %	2.74 %
F. Amortization period	does not amortize	16.2 years
G. Allocation of employer contribution rate <sup>(3)</sup>		
Normal cost	7.20 %	5.29 %
Amortization payment	<u>0.83</u>	<u>2.74</u>
Total employer contribution rate	8.03 %	8.03 %

<sup>(1)</sup> 16.06% is the current rate being contributed as of January 1, 2010. To maintain a 30-year amortization, the rate must be increased as discussed on page 1 of this report.

<sup>(2)</sup> Reflects anticipated increase in member rate to 10.03% of payroll.

<sup>(3)</sup> If member contributions are all allocated to paying normal cost.

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# Seattle City Employees' Retirement System Actuarial Valuation

## Section 6 Actuarial Information for Accounting Purposes

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The Governmental Accounting Standards Board (GASB) has issued standards under Statements No. 25 and 27. Statement 25 is required reporting by the plan (the System) and Statement 27 is reporting by state and local governmental employers (the City).

Statement 25 included certain supplementary information:

1. A schedule of funding progress, and
2. A schedule of employer contributions.

The schedule of funding progress is shown in Table 8 and compares assets and liabilities over the years. In particular, it shows the funded ratio and Unfunded Actuarial Accrued Liability (UAAL). As shown by Table 8, the plan was fully funded or nearly fully funded from 1996 through 2000. Because of the poor investment returns of 2000 through 2003, as well as the extreme market downturn of 2008, the plan is not fully funded. In this case, "fully funded" means that assets exceed actuarial accrued liabilities, so that no positive UAAL exists. This can also be seen as a funded ratio in excess of 100%.

The schedule of employer contributions is shown in Table 10, and shows that the employer has consistently made contributions equal or greater to the ARC.

Table 7 develops the Annual Pension Cost (APC) and Net Pension Obligation (NPO). The NPO can be thought of as the accumulated value of APC in excess of employer contributions. Because contributions have exceeded the APC in prior years, a negative NPO has built up. The current Board policy is to set the Actuarial Required Contribution (ARC) equal to the fixed contribution rate, solving for the amortization period.

If the fixed rate is not sufficient to fund the UAAL over a period of 30 years or less, the ARC will be equal to the amount to fund the normal cost for the year plus a 30-year amortization payment of the UAAL. This is the minimum allowed for accounting purposes under current GASB parameters.

## Seattle City Employees' Retirement System Actuarial Valuation

**Table 7      GASB Statement No. 27 Annual Pension Cost  
and Net Pension Obligation**

For Fiscal Year Ending December 31, 2009  
Based on January 1, 2008 Valuation

	<b>Fiscal Year Ended December 31</b>	
	<b>2008</b>	<b>2009</b>
1a Total Normal Cost Rate	13.32%	13.32%
1b Employee Contribution Rate	<u>8.03%</u>	<u>8.03%</u>
1c Employer Normal Cost Rate (1a - 1b)	5.29%	5.29%
2a Total Employer Contribution Rate	8.03%	8.03%
2b Amortization Payment Rate (2a - 1c)	2.74%	2.74%
2c Amortization Period	16.2	16.2
2d GASB 27 Amortization Rate	2.74%	2.74%
3 Total Annual Required Contribution (ARC) Rate (1c + 2d)	8.03%	8.03%
4 Covered Employee Payroll**	572,366,625	580,948,555
5a ARC (3 x 4)	45,961,040	46,650,169
5b Interest on Net Pension Obligation (NPO)	(6,078,596)	(6,056,564)
5c ARC Adjustment	<u>6,362,880</u>	<u>6,339,817</u>
5d Annual Pension Cost (APC) (5a + 5b + 5c)	46,245,324	46,933,422
6 Employer Contribution	45,961,040	46,650,169
7a Change in NPO (5d - 6)	284,284	283,253
7b NPO at Beginning of Year	<u>(78,433,500)</u>	<u>(78,149,216)</u>
7c NPO at End of Year (7a + 7b)	(78,149,216)	(77,865,963)

\* If the amortization period determined by the actual contribution rate exceeds the maximum amortization period required by GASB Statement No. 27, the ARC is determined using an amortization of the UAAL over 30 years.

\*\* Covered payroll includes compensation paid to all active employees on which contributions were made in the year preceding the valuation date.

## Seattle City Employees' Retirement System Actuarial Valuation

**Table 8**      **Schedule of Funding Progress**  
(All dollar amounts in millions)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll <sup>(1)</sup>	UAAL as a
						Percentage of Covered Payroll
1984	\$ 329.8	\$ 544.0	\$ 214.2	60.6%	\$ 159.4	134.4%
1986	395.7	561.3	165.6	70.5	182.0	91.0
1988	445.4	595.3	149.9	74.8	199.0	75.3
1990	558.8	737.9	179.1	75.7	212.3	84.4
1992	660.0	810.5	150.5	81.4	239.4	62.9
1994	781.8	926.2	144.4	84.4	291.8	49.5
1996	980.2	1,019.7	39.5	96.1	310.6	12.7
1997	1,094.8	1,087.3	(7.5)	100.7	316.9	(2.4)
1998 <sup>(2)</sup>	1,224.6	1,266.7	42.1	96.7	341.5	12.3
1999	1,375.0	1,326.6	(48.4)	103.6	370.4	(13.1)
2000	1,582.7	1,403.1	(179.6)	112.8	383.6	(46.5)
2002	1,383.7	1,581.4	197.7	87.5	405.1	48.8
2004	1,527.5	1,778.9	251.4	85.9	424.7	59.2
2006	1,791.8	2,017.5	225.8	88.8	447.0	50.5
2008	2,119.4	2,294.6	175.2	92.4	501.9	34.9
2010	1,645.3	2,653.8	1,008.5	62.0	580.9	173.6

<sup>(1)</sup> Covered Payroll includes compensation paid to all active employees on which contributions are calculated. Covered Payroll differs from the Active Member Valuation Payroll shown in Table 1, which is an annualized compensation of only those members who were active on the actuarial valuation date.

<sup>(2)</sup> Reflects increased COLA benefits adopted by the City Council after the valuation was completed.

## Seattle City Employees' Retirement System Actuarial Valuation

**Table 9 Solvency Test**  
(All dollar amounts in millions)

Actuarial Valuation Date January 1	Actuarial Value of Valuation Assets	Actuarial Accrued Liabilities for				Portion of Actuarial Accrued Liabilities Covered by Assets			
		(A) Active Member Contributions	(B) Inactive, Retirees and Beneficiaries	(C) Active Members (Employer Financed Portion)	(D) Total	(A)	(B)	(C)	(D)
1984	\$ 329.8	\$ 90.1	\$ 243.0	\$ 210.9	\$ 544.0	100.0%	98.6%	0.0%	60.6%
1986	395.7	110.7	263.1	187.5	561.3	100.0	100.0	11.7	70.5
1988	445.4	136.0	303.6	155.7	595.3	100.0	100.0	3.7	74.8
1990	558.8	164.0	332.8	241.1	737.9	100.0	100.0	25.7	75.7
1992	660.0	202.6	357.9	250.0	810.5	100.0	100.0	39.8	81.4
1994	781.8	248.4	383.1	294.7	926.2	100.0	100.0	51.0	84.4
1996	980.2	294.1	409.3	316.3	1,019.7	100.0	100.0	87.5	96.1
1997	1,094.8	313.1	449.8	324.4	1,087.3	100.0	100.0	100.0	100.7
1998 <sup>(1)</sup>	1,224.6	337.3	551.8	377.6	1,266.7	100.0	100.0	88.9	96.7
1999	1,375.0	358.4	577.6	390.6	1,326.6	100.0	100.0	100.0	103.6
2000	1,582.7	385.2	599.4	418.5	1,403.1	100.0	100.0	100.0	112.8
2002	1,383.7	434.3	675.6	471.5	1,581.4	100.0	100.0	58.1	87.5
2004	1,527.5	482.5	758.9	537.5	1,778.9	100.0	100.0	53.2	85.9
2006	1,791.8	539.7	902.2	575.6	2,017.5	100.0	100.0	60.8	88.8
2008	2,119.4	590.1	1,084.9	619.6	2,294.6	100.0	100.0	71.7	92.4
2010	1,645.3	684.7	1,176.4	792.7	2,653.8	100.0	81.7	0.0	62.0

<sup>(1)</sup> Reflects increased COLA benefits adopted by the City Council after the valuation was completed.

## Seattle City Employees' Retirement System Actuarial Valuation

**Table 10** Schedule of Employer Contributions

(All dollar amounts in millions)

Fiscal Year Ending December 31	Covered Employee Payroll <sup>(1)</sup>	Actual Employer Contributions <sup>(2)</sup>	Actual Employer Contribution % <sup>(3)</sup>	Annual Required Contribution (ARC) % <sup>(4)</sup>	Percentage of ARC Contributed
1989	\$ 212.3	\$ 25.1	8.91%	8.91%	\$ 159.4
1990	243.2	21.8	8.91	8.91	100.0
1991	239.4	21.5	8.91	8.91	100.0
1992	280.4	25.1	8.91	8.91	100.0
1993	291.8	26.1	8.91	8.91	100.0
1994	298.0	26.7	8.91	8.91	100.0
1995	310.6	27.8	8.91	8.91	100.0
1996	316.9	28.4	8.91	8.91	100.0
1997	316.3	28.3	8.91	8.91	100.0
1998 <sup>(4)</sup>	341.5	30.6	8.91	8.91	100.0
1999	370.4	29.7	8.03	4.50	178.0
2000	383.6	30.8	8.03	4.50	178.0
2001	405.1	32.7	8.03	3.04	264.0
2002	454.5	36.6	8.03	3.04	264.0
2003	424.7	34.2	8.03	8.03	100.0
2004	456.8	36.7	8.03	8.03	100.0
2005	447.0	35.9	8.03	8.03	100.0
2006	472.5	37.9	8.03	8.03	100.0
2007	501.9	40.3	8.03	8.03	100.0
2008	572.4	46.0	8.03	8.03	100.0
2009	580.9	46.7	8.03	8.03	100.0

<sup>(1)</sup> Computed as the dollar amount of the actual employer contribution made as a percentage of payroll divided by the contribution rate, expressed as a percentage of payroll.

<sup>(2)</sup> The actual and required employer contributions are expressed as a percentage of payroll, after first recognizing the \$12 per employee assessment made the death benefits. This assessment per employee is included in the actual employer contributions reported and has been previously recognized by the actuary in determining the ARC.

<sup>(3)</sup> The City makes employer contributions as a percentage of actual payroll as set in the City Ordinance. Thus, as long as the percentage equals the percentage required by the most recent actuarial valuation, the dollar amount of the Annual Required Contributions (ARC) is equal to the actual dollar amount of the employer contributions. The City Ordinance does not permit a reduction in the employer contribution rate less than the employee contribution rate. Thus, the City's contributions exceeded the ARC for 1999 through 2001 and resulted in a negative NFO amount.

<sup>(4)</sup> ARC reflects the increased COLA benefits adopted in 1998.

**Seattle City Employees' Retirement System  
Actuarial Valuation**

**Table 11      GASB Statement No. 27 Five-Year Trend Information**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Contribution as a Percentage of APC</u>	<u>Net Pension Obligation (NPO)</u>
December 31, 2005	34,094,865	105%	(78,064,047)
December 31, 2006	37,754,849	100%	(78,248,556)
December 31, 2007	40,114,562	100%	(78,433,500)
December 31, 2008	46,245,324	99%	(78,149,216)
December 31, 2009	46,933,422	99%	(77,865,963)



## Seattle City Employees' Retirement System Actuarial Valuation

**Table 12 GASB Statement No. 27 Annual Development of Pension Cost**

<u>Fiscal Year Ending</u>	<u>ARC at EOY</u>	<u>Interest on NPO</u>	<u>ARC Adjustment</u>	<u>Annual Pension Cost (APC)</u>	<u>Total Employer Contributions</u>	<u>Change in NPO</u>	<u>NPO Balance</u>	<u>Gain/Loss</u>	<u>Amort. Factor</u>	<u>Amort. Of Gain/Loss</u>	<u>Ending Balance</u>
December 31, 2005	35,897,345	(5,910,271)	4,107,791	34,094,865	35,897,345	(1,802,480)	(78,064,047)	-	18.49780	(4,107,791)	(78,064,047)
December 31, 2006	37,939,358	(6,049,964)	5,865,455	37,754,849	37,939,358	(184,509)	(78,248,556)	-	13.30912	(5,865,455)	(78,248,556)
December 31, 2007	40,299,506	(6,064,263)	5,879,319	40,114,562	40,299,506	(184,944)	(78,433,500)	-	13.30912	(5,879,319)	(78,433,500)
December 31, 2008	45,961,040	(6,078,596)	6,362,880	46,245,324	45,961,040	284,284	(78,149,216)	-	12.32673	(6,362,880)	(78,149,216)
December 31, 2009	46,650,169	(6,056,564)	6,339,817	46,933,422	46,650,169	283,253	(77,865,963)	-	12.32673	(6,339,817)	(77,865,963)

Amortization Period: Open 30 years, unless fixed rate amortizes in less than 30 years.

Amortization Method: Level Percentage of Projected Payroll.

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## Seattle City Employees' Retirement System

### Section 7 Actuarial Gains or Losses

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An analysis of actuarial gains or losses was performed in conjunction with the January 1, 2006, January 1, 2008 and January 1, 2010 actuarial valuations.

The results of our analysis of the financial experience of the System in the three most recent actuarial valuations are presented in Table 13. Each gain or loss shown represents our estimate of how much the given type of experience caused the UAAL to change in the two-year period since the previous actuarial valuation.

Gains and losses due to demographic sources are approximate. Demographic experience is analyzed in greater detail in our periodic assumption studies.

## Seattle City Employees' Retirement System Actuarial Valuation

**Table 13 Analysis of Actuarial Gains or Losses**

(All dollar amounts in millions)\*

	Gain (Loss) for Period		
	2008-2009	2006-2007	2004-2005
<b>Investment Income.</b> Investment income was greater (less) than expected.	\$(765.5)	\$ 93.7	\$ 54.5
<b>Pay Increases.</b> Pay increases were less (greater) than expected.	(6.4)	(15.2)	23.0
<b>Age and Service Retirements.</b> Members retired at older (younger) ages or with less (greater) final average pay than expected.	2.1	2.8	(6.2)
<b>Disability Retirements.</b> Disability claims were less (greater) than expected.	(0.3)	(0.4)	(0.3)
<b>Death-in-Service Benefits.</b> Survivor claims were less (greater) than expected.	0.0	0.0	0.9
<b>Withdrawal from Employment.</b> More (less) reserves were released by withdrawals than expected.	34.8	7.4	(8.1)
<b>Death after Retirement.</b> Retirees died younger (lived longer) than expected.	<u>(3.9)</u>	<u>(12.8)</u>	<u>(8.3)</u>
<b>Total Gain or (Loss) during Period from Financial Experience.</b>	\$(739.2)	\$75.6	\$ 55.5
<b>Nonrecurring Items:</b>			
Changes in actuarial assumptions and plan amendments caused a gain (loss).	(119.1)	(43.6)	(17.9)
Change in actuarial asset valuation method caused a gain (loss).	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Composite Gain (Loss) during Period.</b>	\$(858.3)	\$32.0	\$ 37.6

\* Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the UAAL.

# Seattle City Employees' Retirement System Actuarial Valuation

## Section 8 Current Economic Environment

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The last several years have been a time of great volatility in the financial and economic markets. The effect of widespread investment losses on public pension plans has been well-publicized, and systems which use Market Value of Assets rather than smoothing gains and losses, such as SCERS, may appear to have been even harder-hit since the recognition of the full impact of these losses is reflected immediately.

While it is important to be aware of current short-term financial and market trends, the actuarial assumptions take a long-term view of the economic and demographic patterns of the System.

Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*, provides guidance for actuaries on selecting economic assumptions for measuring obligations under defined benefit plans. Because no one knows what the future holds, the best an actuary can do is to use professional judgment to estimate possible future economic outcomes. These estimates are based on a mixture of past experience, future expectations, and professional judgment. The actuary should consider a number of factors, including the purpose and nature of the measurement, and appropriate recent and long-term historical economic data. However, the standard explicitly advises the actuary not to give undue weight to recent experience.

### Investment Return and Price Inflation Assumptions

The investment return assumption is one of the primary determinants in the calculation of the expected cost of the System's benefits, as it is used to discount future benefit payments to reflect the time value of money. This assumption has a direct impact on the calculation of liabilities, normal costs, member contribution rates, and the factors for optional forms of benefits. The current investment return assumption for SCERS is 7.75%.

Price inflation (hereafter referred to as "inflation") is an economic assumption closely tied to the investment return assumption. The inflation assumption has an indirect impact on the results of the actuarial valuation through the development of the assumptions for investment return, general wage increases and the payroll increase assumption. It also has a direct impact on the valuation results as it is used to determine the expected floor COLA payment. The current price inflation assumption for SCERS is 3.50% per year.

**Investment Return  
and Price Inflation  
Assumptions  
(continued)**

The economic and active demographic assumptions will be studied in detail in 2011. To illustrate the possible impact of alternative economic scenarios, we have performed a sensitivity analysis of the results of the January 1, 2010 actuarial valuation.

Table 14 below shows the results of 1) lowering the investment return assumption to 7.0%, and 2) lowering the investment return assumption to 7.0%, while also lowering the inflation (CPI) assumption to 3.0%. Note the only direct impact inflation has on SCERS' funding is on the Floor COLA, but it can also have an indirect impact if it effects the wage increase or the investment return. In the second scenario, the reduction of 0.5% in the inflation assumption is assumed to result in a 0.5% reduction to the Wage Growth assumption.

The choice of 7.0% for this analysis does not mean we are advocating a change to this investment return assumption. Table 14 is shown only to illustrate the sensitivity of the valuation results to a lower investment return assumption.

As can be seen in the table, there is a significant impact on the expected contributions needed if the expected investment return is lowered. Lowering the expected increase in wages has a much smaller impact.

## Seattle City Employees' Retirement System Actuarial Valuation

**Table 14 Interest Sensitivity of January 1, 2010 Valuation Results**

	Valuation 2010	Alt Scenario #1	Alt Scenario #2
<b>Interest Return</b>	<b>7.75%</b>	<b>7.00%</b>	<b>7.00%</b>
<b>CPI</b>	<b>3.50%</b>	<b>3.50%</b>	<b>3.00%</b>
<b>Wage Inflation</b>	<b>4.00%</b>	<b>4.00%</b>	<b>3.50%</b>
<b>Normal Cost as a Percent of Salary</b>	15.23%	17.79%	17.33%
<b>Total Contribution Rate *</b>	25.03%	29.00%	28.75%
<b>Funded Ratio</b>	62.0%	56.8%	57.8%

\* Rate needed to fund the UAAL over 30 years, assuming full increase takes effect on January 1, 2011.

**Contribution  
Increases**

As discussed in this report, the current contribution rate is not sufficient to amortize the UAAL over any projected period of time. If the entire contribution rate increase needed to amortize the UAAL over 30 years were to be implemented on January 1, 2011, an 8.97% increase would be required (resulting in a Total Contribution Rate of 25.03%). This increase reflects both employer and member contributions. Since the member increases are capped at 2.00%, the employer increase required would be 6.97% of pay. The current funded status of the System is 62.0%.

Many other public retirement systems are facing similar drops in their Funding Ratio and rising required contribution rates as the large investment losses are recognized in actuarial valuations. Due to serious budget constraints, not all are able to immediately implement necessary contribution rate increases. SCERS has asked us to provide a schedule of step increases that would ultimately lead to a projected 30 year amortization of the UAAL. Using an approach with graduated increases results in a slightly higher ultimate Total Contribution Rate due to the deferral of the increases.

The following tables shows scheduled employer contribution rate increases of 2.0% per year (with an additional 2.0% member contribution beginning in the first year), the following schedule of total contribution rates would be required to achieve a 30-year amortization of the UAAL as of the valuation date:

Effective Date of Contribution Rate	Total Contribution Rate	Total Increase	Employer Increase
January 1, 2010	16.06%	0.00%	0.00%
January 1, 2011	20.06%	4.00% *	2.00%
January 1, 2012	22.06%	6.00%	4.00%
January 1, 2013	24.06%	8.00%	6.00%
January 1, 2014 **	25.59%	9.53%	7.53%

\* 2011 increase includes 2.00% employer increase and a 2.00% member increase.

\*\* Total Contribution Rate remains at 25.59% until January 1, 2040.



## Demographic Factors

There may be some short-term fluctuations in demographic experience due to the current economic environment; however, we do not foresee the impact on SCERS' funding to be significant unless there are dramatic changes. The impact on two of the key demographic assumptions would likely be as follows:

- **Termination:** If actual termination rates are lower than assumed, it would be expected that the contribution rate needed would rise and the Funding Ratio would decline (all other things being equal).
- **Retirement:** If actual retirement rates are lower than assumed, it would be expected that the contribution rate needed would rise and the Funding Ratio would decline (all other things being equal).



# Seattle City Employees' Retirement System Actuarial Valuation

## Appendix A Actuarial Procedures and Assumptions

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This section of the report describes the actuarial procedures and assumptions used in this valuation. The assumptions used in this valuation were adopted by the SCERS Board at their May, 2008 meeting, with the exception of the mortality assumptions, which were adopted by the SCERS Board at their January, 2010 meeting.

The actuarial assumptions used in the valuation are intended to estimate the future experience of the members of the System and of the System itself in areas that affect the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of the System's benefits. Table A-1 summarizes the actuarial assumptions.

Table A-2 presents expected annual salary increases for various years of service. Tables A-3 through A-6 show rates of decrement for service retirement, disablement, mortality, and other terminations of employment. Table A-7 shows probabilities of vesting upon termination.

### Actuarial Cost Method

The actuarial valuation was prepared using the entry age actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit. The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets, and (b) the actuarial present value of future normal costs is called the unfunded actuarial accrued liability or UAAL. The UAAL is amortized as a level percentage of the projected salaries of present and future members of the System.

<b>Records and Data</b>	The data used in the valuation consist of financial information; records of age, sex, service, salary, and contribution rates and account balances of contributing members; and records of age, sex, and amount of benefit for retired members and beneficiaries. All of the data were supplied by the System and are accepted for valuation purposes without audit.
<b>Replacement of Terminated Members</b>	The ages at entry and distribution by sex of future members are assumed to average the same as those of the present members they replace. If the number of active members should increase, it is further assumed that the average entry age of the larger group will be the same, from an actuarial standpoint, as that of the present group. Under these assumptions, the normal cost rates for active members will not vary with the termination of present members.
<b>Employer Contributions</b>	At the time of this valuation, the total employer contribution rate for normal costs and amortization of the UAAL was 8.03% of members' salaries.
<b>Administrative Expense</b>	The annual contribution assumed to be necessary to meet general administrative expenses of the system, excluding investment expenses, is 0.40% of members' salaries. This figure is included in the calculation of the normal cost rate.
<b>Valuation of Assets</b>	All assets are valued at market as of the valuation date, January 1, 2010.
<b>Investment Earnings</b>	The annual rate of investment earnings of the assets of the System is assumed to be 7.75%. This rate is compounded annually and is net of investment expenses.
<b>Postretirement Benefit Increases</b>	Postretirement benefit increases include: <ul style="list-style-type: none"><li>■ Automatic 1.5% Annual COLA – This benefit applies to all members.</li><li>■ 65% Restoration of Purchasing Power (ROPP) – The member's benefit is the greater of 65% of the annual initial benefit adjusted for CPI or their applicable benefit. This minimum benefit is available to all retirees and beneficiaries. The financial impact of the ROPP benefit is valued assuming an annual price inflation rate of 3.5%.</li></ul>

<b>Postretirement Benefit Increases (continued)</b>	Additional contingent COLA increases that were adopted in 2001, but will not be effective until the System reaches at least a 100% Funding Ratio, are not included in the valuation results.
<b>Future Salaries</b>	Table A-2 illustrates the rates of future salary increases assumed for the purpose of the valuation. In addition to increases in salary due to promotions and longevity, this scale includes an assumed 4.0% per annum rate of increase in the general wage level of the membership.
<b>Service Retirement</b>	Table A-3 shows the annual assumed rates of retirement among members eligible for service retirement or reduced retirement. Separate rates are also used during the first year a member is eligible for service retirement.
<b>Disablement</b>	The rates of disablement used in this valuation are illustrated in Table A-4. It is assumed that one-third of all disabilities are duty related and two-thirds occur while off duty.
<b>Mortality</b>	The mortality rates used in this valuation are illustrated in Table A-5. A written description of each table used is included in Table A-1.
<b>Other Terminations of Employment</b>	The rates of assumed future withdrawal from active service for reasons other than death, disability or retirement are shown for representative ages in Table A-6. Note that this assumption only applies to members who terminate and are not yet eligible for retirement.
<b>Probability of Refund</b>	<p>Terminating members may forfeit a vested right to a deferred benefit if they elect a refund of their accumulated contributions. Table A-7 gives the assumed probability, at selected ages, that a terminating member will elect to receive a refund of his accumulated contributions instead of a deferred benefit.</p> <p>If a member terminates with more than 20 years of service, there is assumed to be a 20% probability that the member will elect a refund.</p> <p>Note that the probability of refund assumption only applies to members who terminate with a vested benefit and are not yet eligible for retirement.</p>
<b>Interest on Member Contributions</b>	Interest on member contributions is assumed to accrue at a rate of 5.75% per annum, compounded annually.

<b>Portability</b>	The cost of portability with other public retirement systems is not included in this valuation.
<b>Probability of Marriage</b>	We assumed 60% of the active members are married or have a registered domestic partner.
<b>Commencement for Terminated Vested Members</b>	Vested members who terminate but elect to leave their contributions in the System are assumed to commence receiving benefits at age 62.

## Seattle City Employees' Retirement System Actuarial Valuation

**Table A-1 Summary of Valuation Assumptions as of January 1, 2010**

I. Economic assumptions		
A. Price inflation		3.50%
B. General wage increases		4.00
C. Investment return		7.75
D. Increase in membership		0.00
E. Interest on member accounts		5.75
II. Demographic assumptions		
A. Salary increases due to promotion and longevity		Table A-2
B. Retirement		Table A-3
C. Disablement		Table A-4
D. Mortality* among contributing members		Table A-5
Men	RP 2000 Employees Table for Males, with ages set back one year.	
Women	RP 2000 Employees Table for Females, with ages set back one year.	
E. Mortality* among service retired members and beneficiaries		Table A-5
Men	RP2000 Combined Healthy Males, with ages set back one year.	
Women	RP2000 Combined Healthy Females, with ages set back one year.	
F. Mortality* among disabled members		Table A-5
Men	RP2000 Disabled Males, with ages set back four years.	
Women	RP2000 Disabled Females, with ages set back four years.	
G. Other terminations of employment		Table A-6
H. Probabilities of vesting on termination		Table A-7

\* All mortality tables are generational using Projection Scale AA

**Seattle City Employees' Retirement System  
Actuarial Valuation**

**Table A-2 Future Salaries**

<b>Annual Rate of Increase</b>		
<b>Years of Service</b>	<b>Promotion and Longevity</b>	<b>Total</b>
0 to 1	5.75%	9.98%
1 to 2	4.75	8.94
2 to 3	3.75	7.90
3 to 4	2.75	6.86
4 to 5	2.25	6.34
9 to 10	1.00	5.04
14 to 15	0.50	4.52
19 to 20	0.29	4.30
24 to 25	0.25	4.26
29 to 30	0.25	4.26
35 or more	0.25	4.26



## Seattle City Employees' Retirement System Actuarial Valuation

**Table A-3 Retirement**

Age	Annual Probability					
	Men			Women		
	Eligible for Full Benefits			Eligible for Full Benefits		
	Eligible for Reduced Benefits	Less than 30 years of service	30 years or more of service	Eligible for Reduced Benefits	Less than 30 years of service	30 years or more of service
Less than 50			8.0%			10.0%
50			10.0			12.0
51		10.0%	10.0		10.0%	12.0
52	6.0%	12.0	12.0	5.0%	12.0	12.0
53	6.0	10.0	12.0	5.0	12.0	12.0
54	6.0	10.0	12.0	5.0	12.0	15.0
55	6.0	12.0	15.0	5.0	12.0	20.0
56	6.0	10.0	12.0	5.0	12.0	15.0
57	6.0	10.0	12.0	5.0	12.0	15.0
58	6.0	10.0	15.0	6.0	15.0	15.0
59	7.0	12.0	15.0	8.0	15.0	15.0
60	10.0	18.0	20.0	10.0	18.0	20.0
61	15.0	18.0	20.0	14.0	18.0	20.0
62	18.0	35.0	35.0	24.0	35.0	35.0
63	15.0	25.0	25.0	15.0	25.0	25.0
64	15.0	25.0	25.0	15.0	25.0	25.0
65		50.0	50.0		50.0	50.0
66		30.0	30.0		30.0	30.0
67		30.0	30.0		30.0	30.0
68		30.0	30.0		30.0	30.0
69		30.0	30.0		30.0	30.0
70		*	*		*	*

\* Immediate retirement is assumed for every person age 70 or over.

## Seattle City Employees' Retirement System Actuarial Valuation

**Table A-4    Disablement\***

Age	Annual Rates	
	Men	Women
20	.00%	.00%
25	.00	.00
30	.05	.05
35	.05	.05
40	.07	.07
45	.07	.07
50	.10	.10
55	.10	.10
60	.10	.10
65	.00	.00

*\*It is assumed that one-third of all disabilities are duty related and two-thirds are non-duty related.*

## Seattle City Employees' Retirement System Actuarial Valuation

**Table A-5 Mortality**

Age	Annual Probability*					
	Contributing Members		Members Retired for Service and Beneficiaries of Members		Disabled Members	
	Men	Women	Men	Women	Men	Women
22	0.04 %	0.02 %	0.04 %	0.02 %	2.26 %	0.74 %
27	0.04	0.02	0.04	0.02	2.26	0.74
32	0.05	0.03	0.05	0.03	2.26	0.74
37	0.08	0.05	0.08	0.05	2.26	0.74
42	0.11	0.08	0.11	0.08	2.26	0.74
47	0.16	0.12	0.16	0.12	2.26	0.74
52	0.23	0.18	0.24	0.19	2.64	0.98
57	0.33	0.28	0.42	0.31	3.29	1.45
62	0.54	0.43	0.77	0.58	3.93	1.97
67	0.81	0.62	1.44	1.10	4.66	2.53
72	N/A	N/A	2.46	1.86	5.69	3.32
77	N/A	N/A	4.22	3.10	7.33	4.58
82	N/A	N/A	7.20	5.08	9.76	6.35
87	N/A	N/A	12.28	8.64	12.83	8.78
92	N/A	N/A	19.98	14.46	16.22	12.25

\*The mortality rates shown above are generationally projected on an individual basis using Projection Scale AA for the valuation.

**Seattle City Employees' Retirement System  
Actuarial Valuation**

**Table A-6 Other Terminations of Employment Among Members Not Eligible to Retire**

<u>Years of Service</u>	<u>Annual Rates for Men</u>	<u>Annual Rates for Women</u>
0 to 1	11.0%	13.0%
1 to 2	10.0	11.5
2 to 3	9.0	10.3
3 to 4	8.0	9.0
4 to 5	7.0	8.0
5 to 6	6.0	7.0
6 to 7	5.3	6.3
7 to 8	4.6	5.7
8 to 9	4.0	5.1
9 to 10	3.5	4.5
10 to 11	3.1	4.0
11 to 12	2.8	3.5
12 to 13	2.5	3.0
13 to 14	2.3	2.6
14 to 15	2.0	2.3
15 to 16	1.8	2.0
16 to 17	1.6	1.8
17 to 18	1.4	1.5
18 to 19	1.3	1.3
19 to 20	1.1	1.1
20 to 21	1.0	1.0
21 to 22	0.9	0.9
22 to 23	0.9	0.9
23 to 24	0.8	0.8
24 to 25	0.8	0.8
25 to 26	0.7	0.7
26 to 27	0.7	0.7
27 to 28	0.6	0.6
28 to 29	0.6	0.6
29 to 30	0.5	0.5
30 and up	0.5	0.5

## Seattle City Employees' Retirement System Actuarial Valuation

**Table A-7 Probability of Refund**

Age	Probabilities of Refund upon Termination*
25	85.0%
30	75.0
35	65.0
40	55.0
45	45.0
50	40.0
55	35.0
60	30.0

*\*If service is 20 or more years at termination,  
probability of refund is equal to 20%.*



**Seattle City Employees' Retirement System  
Actuarial Valuation**

**Appendix B Provisions of Governing Law**

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All actuarial calculations are based upon our understanding of the provisions governing the Seattle City Employees' Retirement System, Chapter 4.36 of the Seattle City Code. The benefit and contribution provisions are summarized briefly below, along with corresponding references to the City code. This summary encompasses the major provisions of the System; it does not attempt to cover all of the detailed provisions.

**Effective Date**

The effective date of the retirement system was July 1, 1929.  
(Section 4.36.080)

**Members' Contribution Rate**

The members' contribution rate is currently 8.03% of salary. Certain members who were contributing at a lower rate on June 23, 1972 continue to contribute at a lower rate.  
(Section 4.36.110A)

Note: For purposes of the valuation, rates are assumed to increase by 2.00% in the future to reflect recent negotiated changes and the current funded situation.

**City Contribution Rate**

The City contribution rate is the amount that is actuarially determined to be necessary to fund that portion of the retirement allowances not covered by the members' contributions. This amount shall be at least the members' contribution rate and is currently 8.03%.  
(Sections 4.36.110C and 4.36.170)

**Final Compensation**

Final compensation is based on highest average compensation (excluding overtime) during any consecutive 24 months.  
(Sections 4.36.040C and 4.36.050B)

**Service Retirement**

<i>Eligibility</i>	30 years of service;  Age 52 and 20 years of service;  Age 57 and 10 years of service; or  Age 62 and 5 years of service.
<i>Normal Form</i>	Straight life benefit.
<i>Optional Forms</i>	Actuarial equivalent according to the mortality and interest basis adopted by the Retirement Board for such purposes.

**Service Retirement  
(continued)**

*Amount of Allowance* The total monthly allowance is generally 2% times final compensation times total years of creditable service.

However, if the member does not qualify in one of the following ways, the 2% factor is reduced by 0.1% for each year that retirement precedes the earliest date the member would be:

- (a) any age with 30 years of service;
- (b) age 51-59, providing the member's age and years of service total 80 or more;
- (c) age 60 or older with 20 years of service; or
- (d) age 65 or older with 5 years of service.

The reduction is somewhat less than 0.1% for members with less than 20 years of service.

For those hired on or after January 1, 1988, creditable service excludes the first six months of service.

*Maximum Allowance* The formula-based retirement allowance (as described above) of any member shall be limited to 60% of final compensation, except where the minimum allowance described below applies.

*Minimum Allowance* A monthly benefit based on twice the actuarial value of accumulated member contributions. This is not subject to the 60% of final compensation maximum.  
(Sections 4.36.200, 4.36.210 and 4.36.260)

Note: Effective January 1, 2011, the conversion of the contributions to an annuity benefit in the minimum allowance reflects option factors that use the new mortality rates.



<b>Disability Retirement</b>	<i>Eligibility</i>	Ten years of service credited within the 15 years preceding disability retirement. If disablement occurs in the course of City employment, there is no service requirement.
	<i>Normal Form</i>	Modified cash refund annuity. An optional survivor's benefit is available if the spouse is the beneficiary.
	<i>Amount of Allowance</i>	The total monthly disability allowance is the greater of: <ul style="list-style-type: none"> <li>(a) 1.5% times final compensation times completed years of creditable service; and</li> <li>(b) 1.5% times final compensation times total years of creditable service that could have been earned to age 62, but not to exceed one-third of final compensation.</li> </ul>
	<i>Maximum Allowance</i>	The maximum disability allowance is 60% of final compensation.
	<i>Minimum Allowance</i>	The minimum disability allowance is \$140 per month. (Sections 4.36.220 and 4.36.230)

<b>Death Benefits</b>	<i>Retired Members</i>	Death benefits to retired members are payable according to the form of retirement allowance elected.
	<i>Active Members</i>	<ul style="list-style-type: none"> <li>(a) Payment to the beneficiary of accumulated contributions, including interest; or</li> <li>(b) If the member had completed 10 years of service at the time of death, a surviving spouse or a registered domestic partner may elect to receive, in place of (a) above, either: <ul style="list-style-type: none"> <li>(1) a monthly allowance for life equal to the benefit the spouse would have received had the member just retired with a 100% contingent annuitant option in force; or</li> <li>(2) a cash payment of no more than one-half of the member's accumulated contributions, along with a correspondingly reduced retirement allowance.</li> </ul> </li> </ul> <p>(Section 4.36.270)</p>

<b>Withdrawal Benefits</b>	<i>Form</i>	Payment of accumulated contributions, with interest. (Section 4.36.190)
<b>Vested Withdrawal Benefits</b>	<i>Eligibility</i>	Five years of service.
	<i>Amount of Allowance</i>	Same as service retirement benefit.
	<i>Benefits Commence</i>	Age 52, if 20 or more years of service; Age 57, if 10 - 19 years of service; or Age 62, otherwise. (Section 4.36.200)
<b>Postretirement Benefit Increases</b>	<i>Provisions</i>	Effective January 1, 2007, the City Council adopted a 65% Restoration of Purchasing Power benefit and an automatic 1.5% annual COLA to all members.  If the System reaches a 100% Funding Ratio, the restoration amount increases to 70%. (Sections 4.36.155 and 4.36.215)
<b>Death Benefit System</b>	<i>Eligibility</i>	Mandatory for all active members; optional for retired members.
	<i>Benefits</i>	\$2,000 upon the death of an active member or a participating retired member.
	<i>Assessment</i>	Members pay an assessment of \$12 per year; the City pays a matching amount. If these assessments are not adequate, additional amounts may be transferred from the interest earnings in the retirement fund. (Sections 4.36.320 and 4.36.330)
<b>Additional Contributions</b>	<i>Provisions</i>	Members may voluntarily make contributions in excess of the regular 8.03% rate; these are make-up contributions that apply only in specific situations.
	<i>Retirement Benefit</i>	A monthly annuity which is the actuarial equivalent of accumulated additional contributions with interest.
	<i>Other Benefits</i>	Accumulated additional contributions, with interest, generally become payable upon termination other than retirement. (Sections 4.36.030 and 4.36.210)

## Seattle City Employees' Retirement System Actuarial Valuation

### Appendix C Valuation Data

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This valuation is based upon the membership of the system as of January 1, 2010. Membership data were supplied by the System and accepted for valuation purposes without audit. However, extensive tests were performed to ensure that the data are sufficiently accurate for valuation purposes.

The data for all contributing members, former contributing members, and their survivors are summarized in Table C-1.

Tables C-2 through C-4 present distributions of members receiving service retirement benefits, members receiving disability retirement benefits, and survivors receiving benefits. Shown in the tables are the numbers of persons receiving benefits, the total annual benefits received (including payments for the annual bonus), and the average annual benefit per recipient.

Table C-5 contains summaries of the data for contributing members. Values shown in the tables are the numbers of members and their total and average annual salaries.

The valuation also includes liabilities attributable to members who have terminated employment but have neither retired nor withdrawn their contributions.

**Seattle City Employees' Retirement System  
Actuarial Valuation**

**Table C-1 Summary of Membership Data**

	Contributing Members			Annuitants		
	Number	Annual Salaries (\$1,000)	Average Annual Salaries	Number	Annual Benefits (\$1,000)	Average Annual Benefits
January 1, 2010	9,071	\$ 596,892	\$ 65,802	5,304	\$ 108,886	\$ 20,529
January 1, 2008	8,842	529,062	59,835	5,201	102,772	19,760
January 1, 2006	8,521	468,096	54,934	5,011	83,988	16,761
January 1, 2004	8,382	441,562	52,680	4,876	74,341	15,246
January 1, 2002	8,758	418,908	47,831	4,733	61,801	13,058
January 1, 2000	8,669	382,620	44,137	4,681	55,542	11,865
January 1, 1999	7,779	333,984	42,934	4,644	52,482	11,301
January 1, 1998	7,926	329,028	41,512	4,649	50,394	10,840
January 1, 1996	8,078	314,448	38,926	4,619	44,271	9,585



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**Seattle City Employees' Retirement System  
Actuarial Valuation**

**Inactive Lives**

**Table C-2 Members Receiving Service Retirement Benefits as of January 1, 2010**

Number of Persons	<50	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90+	Totals
Male	0	25	156	453	592	446	317	298	255	143	2,685
Female	0	20	165	357	312	228	152	146	150	131	1,661
<b>Total</b>	<b>0</b>	<b>45</b>	<b>321</b>	<b>810</b>	<b>904</b>	<b>674</b>	<b>469</b>	<b>444</b>	<b>405</b>	<b>274</b>	<b>4,346</b>

**Annual Benefits  
in Thousands**

Male	\$ 0	\$ 919	\$ 5,159	\$ 13,373	\$ 15,108	\$ 10,137	\$ 7,034	\$ 6,387	\$ 4,551	\$ 2,479	\$ 65,147
Female	0	614	4,786	9,046	6,114	4,116	2,563	2,021	1,473	1,247	31,980
<b>Total</b>	<b>0</b>	<b>1,533</b>	<b>9,945</b>	<b>22,419</b>	<b>21,222</b>	<b>14,253</b>	<b>9,597</b>	<b>8,408</b>	<b>6,024</b>	<b>3,726</b>	<b>97,127</b>

**Average Annual  
Benefits**

Male	\$ 0	\$ 36,760	\$ 33,071	\$ 29,521	\$ 25,520	\$ 22,729	\$ 22,189	\$ 21,433	\$ 17,847	\$ 17,336	\$ 24,263
Female	0	30,700	29,006	25,339	19,596	18,053	16,862	13,842	9,820	9,519	19,253
<b>Total</b>	<b>0</b>	<b>34,067</b>	<b>30,981</b>	<b>27,678</b>	<b>23,476</b>	<b>21,147</b>	<b>20,463</b>	<b>18,937</b>	<b>14,874</b>	<b>13,599</b>	<b>22,349</b>



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**Seattle City Employees' Retirement System  
Actuarial Valuation**

**Inactive Lives**

**Table C-3 Members Receiving Disability Retirement Benefits as of January 1, 2010**

	<50	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90+	Totals
<b>Number of Persons</b>											
Male	1	2	4	7	3	4	5	2	4	3	35
Female	3	9	7	4	4	3	1	0	1	0	32
<b>Total</b>	<b>4</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>2</b>	<b>5</b>	<b>3</b>	<b>67</b>
<b>Annual Benefits in Thousands</b>											
Male \$	16	25	65	95	30	47	60	15	42	29	424
Female \$	37	145	90	63	38	30	11	0	10	0	424
<b>Total</b>	<b>53</b>	<b>170</b>	<b>155</b>	<b>158</b>	<b>68</b>	<b>77</b>	<b>71</b>	<b>15</b>	<b>52</b>	<b>29</b>	<b>848</b>
<b>Average Annual Benefits</b>											
Male \$	16,000	12,500	16,250	13,571	10,000	11,750	12,000	7,500	10,500	9,667	12,114
Female \$	12,333	16,111	12,857	15,750	9,500	10,000	11,000	0	10,000	0	13,250
<b>Total</b>	<b>13,250</b>	<b>15,455</b>	<b>14,091</b>	<b>14,364</b>	<b>9,714</b>	<b>11,000</b>	<b>11,833</b>	<b>7,500</b>	<b>10,400</b>	<b>9,667</b>	<b>12,657</b>



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**Seattle City Employees' Retirement System  
Actuarial Valuation**

**Inactive Lives**

**Table C-4 Survivors Receiving Retirement Benefits as of January 1, 2010\***

Number of Persons		<50	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90+	Totals
Male	0	2	8	4	8	3	4	7	4	3		43
Female	8	10	26	46	42	55	81	135	186	171		760
Total	8	12	34	50	50	58	85	142	190	174		803
<b>Annual Benefits in Thousands</b>												
Male \$	0	18	79	35	103	24	29	59	21	11		379
Female	73	146	358	702	617	814	1,088	1,668	2,179	1,610		9,255
Total	73	164	437	737	720	838	1,117	1,727	2,200	1,621		9,634
<b>Average Annual Benefits</b>												
Male \$	0	9,000	9,875	8,750	12,875	8,000	7,250	8,429	5,250	3,667		8,814
Female	9,125	14,600	13,769	15,261	14,690	14,800	13,432	12,356	11,715	9,415		12,178
Total	9,125	13,667	12,853	14,740	14,400	14,448	13,141	12,162	11,579	9,316		11,998

\* In addition, 27 male survivors are receiving \$303,548 and 61 female survivors are receiving \$973,889 in Option B or Option C benefits for a certain period only.



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**Seattle City Employees' Retirement System  
Actuarial Valuation**

**Active Lives**

**Table C-5 Distribution of Employees and Salaries as of January 1, 2010**

Nearest Year of Service	Number of Employees - By Age Group - Males											Totals	
	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69		70+
0	1	6	13	11	8	13	15	10	5	4			86
1	1	16	44	46	46	41	30	35	29	10	3	1	302
2	1	22	57	78	64	61	57	42	30	15	5		432
3-4	1	19	68	93	97	69	79	62	47	30	8	2	575
5-9		6	43	112	136	157	154	156	110	62	20	6	962
10-14			2	30	87	158	146	171	112	84	28	10	828
15-19					17		110	138	112	53	27	7	549
20-24						15	87	111	140	80	22	6	461
25-29						24	24	84	107	75	14	1	305
30-34						7	7	43	97	76	18	4	245
35-39								3	22	53	16	3	97
40+										14	18	13	45
Totals	4	69	227	370	455	599	709	855	811	556	179	53	4,887

**Monthly Salaries in Thousands - By Age Group - Males**

Nearest Year of Service	Monthly Salaries in Thousands - By Age Group - Males											Totals	
	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69		70+
0	\$ 1	\$ 18	\$ 52	\$ 53	\$ 45	\$ 71	\$ 71	\$ 35	\$ 19	\$ 18	\$	\$	\$ 383
1	1	53	182	238	247	201	173	186	151	49	19	2	1,502
2	1	70	229	397	341	336	286	253	189	97	35		2,234
3-4	1	64	281	478	547	381	445	323	261	148	38	9	2,976
5-9		11	182	564	735	900	884	909	631	367	107	13	5,303
10-14			7	140	511	900	873	964	651	507	159	45	4,757
15-19					93	515	692	824	687	328	160	32	3,331
20-24						96	559	697	884	514	132	42	2,924
25-29						149	149	589	702	500	104	7	2,051
30-34						50	50	269	644	496	104	23	1,586
35-39								17	148	356	105	16	642
40+										103	109	73	285
Totals	4	216	933	1,870	2,519	3,400	4,182	5,066	4,967	3,483	1,072	262	27,974



This work product was prepared solely for SCERS for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to C-6 benefit and assumes no duty or liability to other parties who receive this work.



Seattle City Employees' Retirement System  
Actuarial Valuation

Active Lives

Table C-5 Distribution of Employees and Salaries as of January 1, 2010

Average Monthly Salaries - By Age Group - Males

Nearest Year of Service	Average Monthly Salaries - By Age Group - Males													Totals
	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+	Totals	
0	\$ 1,000	\$ 3,000	\$ 4,000	\$ 4,818	\$ 5,625	\$ 5,462	\$ 4,733	\$ 3,500	\$ 3,800	\$ 4,500	\$ 6,333	\$ 2,000	\$ 4,453	
1	1,000	3,313	4,136	5,174	5,370	4,902	5,767	5,314	5,207	4,900	6,333	2,000	4,974	
2	1,000	3,182	4,018	5,090	5,328	5,508	5,018	6,024	6,300	6,467	7,000	4,500	5,171	
3-4	1,000	3,368	4,132	5,140	5,639	5,522	5,633	5,210	5,553	4,933	4,750	4,500	5,176	
5-9		1,833	4,233	5,036	5,404	5,732	5,740	5,827	5,736	5,919	5,350	2,167	5,512	
10-14			3,500	4,667	5,874	5,696	5,979	5,637	5,813	6,036	5,679	4,500	5,745	
15-19					5,471	6,059	6,291	5,971	6,134	6,189	5,926	4,571	6,067	
20-24						6,400	6,425	6,279	6,314	6,425	6,000	7,000	6,343	
25-29							6,208	7,012	6,561	6,667	7,429	7,000	6,725	
30-34							7,143	6,256	6,639	6,526	5,778	5,750	6,473	
35-39								5,667	6,727	6,717	6,563	5,333	6,619	
40+										7,357	6,056	5,615	6,333	
Totals	1,000	3,130	4,110	5,054	5,536	5,676	5,898	5,925	6,125	6,264	5,989	4,943	5,724	



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Seattle City Employees' Retirement System  
Actuarial Valuation

Active Lives

Table C-5 Distribution of Employees and Salaries as of January 1, 2010

Nearest Year of Service	Number of Employees - By Age Group - Females											Totals	
	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69		70+
0		2	14	10	14	5	5	4	6	1	1		62
1	2	10	39	44	33	27	26	25	23	9			238
2		13	61	57	38	43	43	36	23	11	3	2	330
3-4		13	76	86	81	67	68	51	45	24	5		516
5-9		5	32	111	112	127	126	119	73	60	16	8	789
10-14			1	21	91	112	117	116	89	50	18	7	622
15-19				3	26	78	106	96	93	78	20	12	512
20-24						22	114	136	137	102	14	1	526
25-29							29	100	98	58	19	2	306
30-34							2	44	87	51	14	7	205
35-39								1	24	30	11		66
40+										4	7	1	12
Totals	2	43	223	332	395	481	636	728	698	478	128	40	4,184

Monthly Salaries in Thousands - By Age Group - Females

Nearest Year of Service	Monthly Salaries in Thousands - By Age Group - Females											Totals	
	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69		70+
0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	2	19	152	211	158	127	117	116	110	26			1,038
2		30	245	253	195	201	209	221	122	51	9	11	1,547
3-4		29	299	403	419	322	339	261	262	111	24		2,469
5-9		8	122	519	621	717	695	697	382	311	51	13	4,136
10-14			3	81	469	600	633	658	472	247	69	13	3,245
15-19				14	119	389	602	534	525	416	92	47	2,738
20-24						110	611	785	769	623	73	4	2,975
25-29							178	623	566	355	106	9	1,837
30-34							11	238	466	308	71	31	1,125
35-39								5	118	172	56		351
40+										19	36	4	59
Totals	2	93	867	1,514	2,047	2,482	3,413	4,166	3,820	2,643	588	132	21,767



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Table C-5  
(continued)

Seattle City Employees' Retirement System  
Actuarial Valuation

Active Lives

Table C-5 Distribution of Employees and Salaries as of January 1, 2010

Average Monthly Salaries - By Age Group - Females

Nearest Year of Service	Average Monthly Salaries - By Age Group - Females											Totals	
	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69		70+
0	\$ 1,000	\$ 3,500	\$ 3,286	\$ 3,300	\$ 4,714	\$ 3,200	\$ 3,600	\$ 7,000	\$ 4,667	\$ 4,000	\$ 1,000	\$	\$
1	1,000	1,900	3,897	4,795	4,788	4,704	4,500	4,640	4,783	2,889			
2		2,308	4,016	4,439	5,132	4,674	4,860	6,139	5,304	4,636	3,000	5,500	
3-4		2,231	3,934	4,686	5,173	4,806	4,985	5,118	5,822	4,625	4,800		
5-9		1,600	3,813	4,676	5,545	5,646	5,516	5,857	5,233	5,183	3,188	1,625	
10-14			3,000	3,857	5,154	5,357	5,410	5,672	5,303	4,940	3,833	1,857	
15-19				4,667	4,577	4,987	5,679	5,563	5,645	5,333	4,600	3,917	
20-24						5,000	5,360	5,772	5,613	6,108	5,214	4,000	
25-29							6,138	6,230	5,776	6,121	5,579	4,500	
30-34							5,500	5,409	5,356	6,039	5,071	4,429	
35-39								5,000	4,917	5,733	5,091	4,000	
40+										4,750	5,143	3,300	
Totals	1,000	2,163	3,888	4,560	5,182	5,160	5,366	5,723	5,473	5,529	4,594	3,300	5,202



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## Seattle City Employees' Retirement System Special Actuarial Valuation

### Appendix D Glossary

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The following definitions are largely excerpts from a list adopted in 1981 by the major actuarial organizations in the United States. In some cases the definitions have been modified for specific applicability to the Seattle City Employees' Retirement System. Defined terms are capitalized throughout this Appendix.

#### **Accrued Benefit**

The amount of an individual's benefit (whether or not vested) as of a specific date, determined in accordance with the terms of a pension plan and based on compensation and service to that date.

#### **Actuarial Accrued Liability**

That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.

#### **Actuarial Assumptions**

Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disablement, and retirement; changes in compensation, rates of investment earnings, and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; and other relevant items.

#### **Actuarial Cost Method**

A procedure for determining the Actuarial Present Value of pension plan benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.

#### **Actuarial Gain (Loss)**

A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.

#### **Actuarial Present Value**

The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions.

#### **Actuarial Valuation**

The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.

#### **Actuarial Value of Assets**

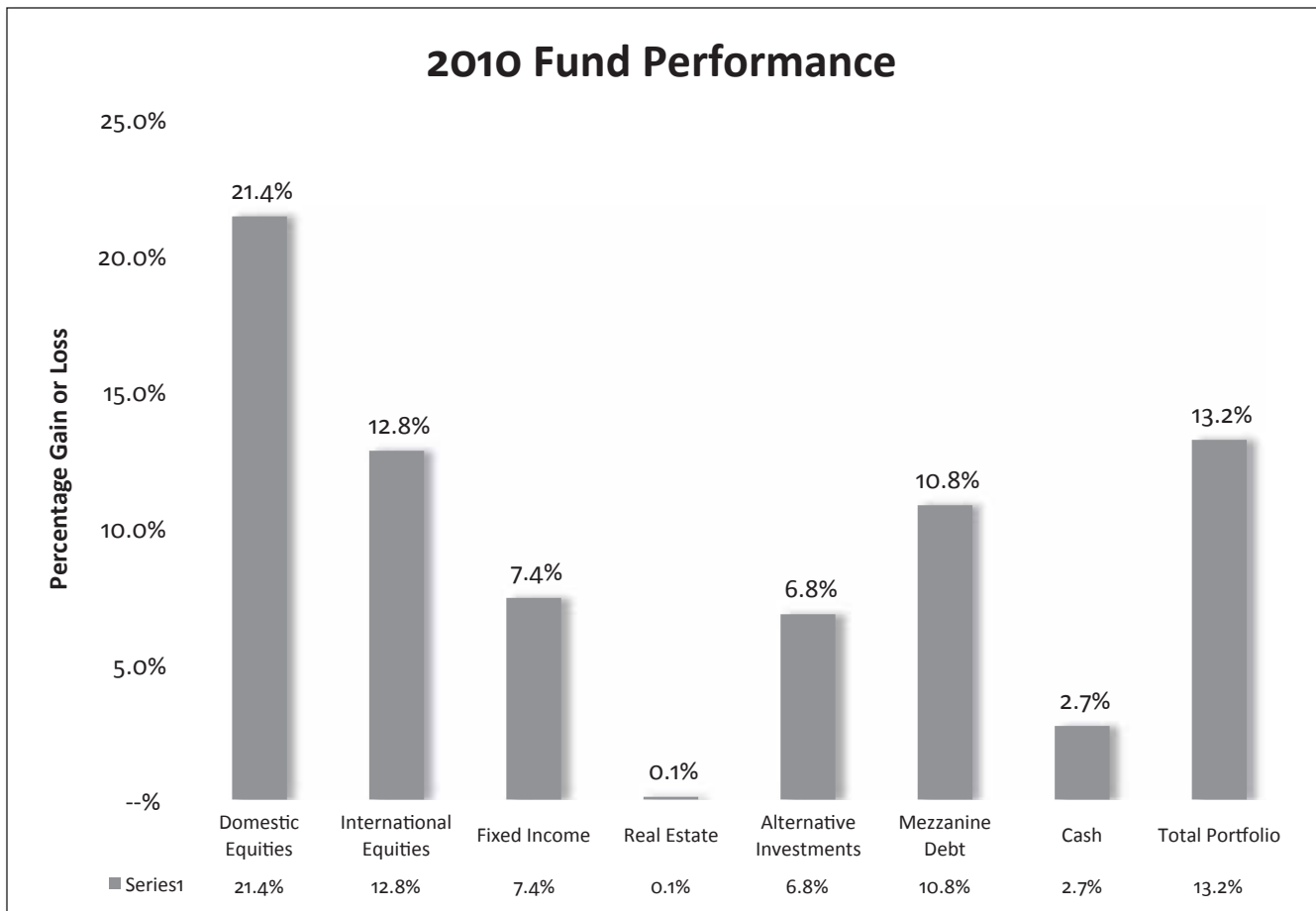
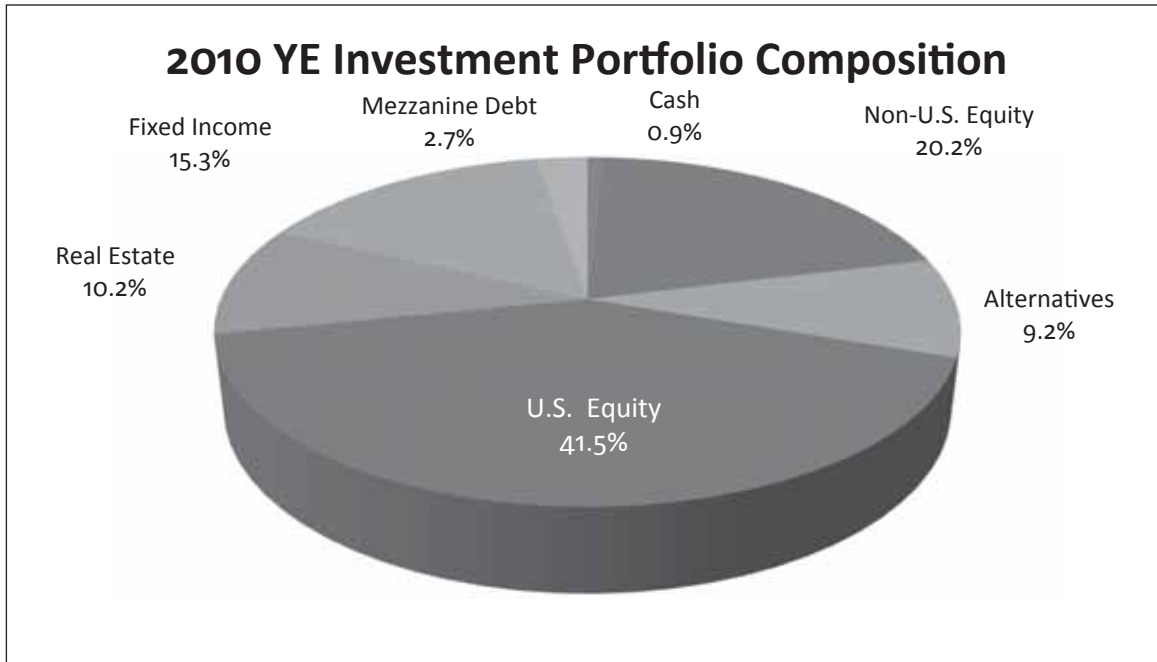
The value of cash, investments and other property belonging to a pension plan, as used by the actuary for the purpose of an Actuarial Valuation.

<b>Actuarially Equivalent</b>	Of equal Actuarial Present Value, determined as of a given date with each value based on the same set of Actuarial Assumptions.
<b>Amortization Payment</b>	That portion of the pension plan contribution that is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability or (UAAL).
<b>Entry Age Actuarial Cost Method</b>	A method under which the Actuarial Present Value of the Projected Benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion of this Actuarial Present Value not provided for at a valuation date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.
<b>Normal Cost</b>	That portion of the Actuarial Present Value of pension plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.
<b>Projected Benefits</b>	Those pension plan benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits.
<b>Surplus Funding</b>	The excess of the Actuarial Value of Assets over the Actuarial Accrued Liability.
<b>Unaccrued Benefit</b>	The excess of an individual's Projected Benefits over the Accrued Benefits as of a specified date.
<b>Unfunded Actuarial Accrued Liability</b>	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

STATISTICAL







**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF REVENUES BY SOURCE**

Employee Contribution % *	Employer Contribution % **	Fiscal Year	Member Contributions	Employer Contribution	Investment Income	Miscellaneous Income	Total
8.03	7.91	1980	\$ 9,166,162	\$ 10,470,335	\$ 16,284,473	\$ 846	\$ 35,921,816
8.03	8.54	1981	11,845,089	13,309,388	18,488,195	2,311	43,644,983
8.03	8.54	1982	12,465,220	14,790,039	21,106,414		48,361,673
8.03	8.54	1983	12,926,545	14,265,554	27,224,215	5,050	54,421,364
8.03	8.91	1984	14,076,607	15,961,211	30,543,443	67	60,581,328
8.03	8.91	1985	14,399,465	16,280,464	25,317,826		55,997,755
8.03	8.91	1986	15,164,105	16,758,439	33,081,706		65,004,250
8.03	8.91	1987	16,088,280	17,799,789	46,029,652	410	79,918,131
8.03	8.91	1988	16,701,142	18,521,365	36,397,481		71,619,988
8.03	8.91	1989	17,246,117	18,983,634	41,803,863	545	78,034,159
8.03	8.91	1990	20,405,149	21,810,612	27,725,284		69,941,045
8.03	8.91	1991	21,111,940	21,458,952	37,758,671		80,329,563
8.03	8.91	1992	21,564,881	25,117,924	41,792,730		88,475,535
8.03	8.91	1993	23,473,485	26,139,925	100,705,007	***	150,318,417
8.03	8.91	1994	24,764,862	26,704,211	3,670,356		55,139,429
8.03	8.91	1995	26,069,124	27,816,819	181,470,912		235,356,855
8.03	8.91	1996	25,835,147	28,372,760	118,399,056		172,606,963
8.03	8.91	1997	25,571,634	28,310,353	143,719,597		197,601,584
8.03	8.91	1998	27,311,815	30,554,650	168,477,507		226,343,972
8.03	8.03	1999	29,201,844	29,898,474	240,904,299		300,004,617
8.03	8.03	2000	30,962,052	30,956,217	(79,832,672)		(17,914,403)
8.03	8.03	2001	32,602,859	32,667,381	(93,021,798)		(27,751,558)
8.03	8.03	2002	39,388,249	36,599,830	(116,907,340)		(40,919,261)
8.03	8.03	2003	36,243,490	34,200,693	296,239,050		366,683,233
8.03	8.03	2004	37,192,591	36,819,271	177,211,711		251,223,573
8.03	8.03	2005	35,962,449	35,897,345	139,866,897		211,726,691
8.03	8.03	2006	38,228,475	38,077,976	251,934,917		328,241,368
8.03	8.03	2007	40,533,554	40,299,506	149,708,740		230,541,800
8.03	8.03	2008	45,986,139	45,961,040	(612,803,880)		(520,856,701)
8.03	8.03	2009	46,613,886	46,650,169	198,417,995		291,682,050
8.03	8.03	2010	45,364,624	45,224,787	213,082,710		303,655,168

\* Employee Contributions reflected above are representative for the overall majority of active members. There are a small percentage of active members whose employee contribution rate is "grandfathered" at a slightly lower rate.

\*\* Employer Contributions reflected as a percentage of covered payroll.

\*\*\* Beginning with 1993, the investment income reflects unrealized gains (losses) required by GASB 25.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF EXPENSES BY TYPE**

<b>Year</b>	<b>Benefits</b>	<b>Refunds</b>	<b>Administrative &amp; Investment</b>	<b>Total</b>
1980	\$ 17,584,611	\$ 1,786,654	\$ 331,600	\$ 19,702,865
1981	19,114,992	2,074,078	419,568	21,608,638
1982	21,358,214	2,151,528	458,261	23,968,003
1983	23,029,611	2,086,102	538,059	25,653,772
1984	25,175,469	3,366,999	737,445	29,279,913
1985	27,090,615	2,753,418	1,076,324	30,920,357
1986	28,777,844	3,212,415	1,340,874	33,331,133
1987	30,499,027	3,141,868	1,494,189	35,135,084
1988	32,093,902	3,293,088	1,408,946	36,795,936
1989	34,121,917	3,257,432	1,538,544	38,917,893
1990	36,431,265	3,592,483	1,636,911	41,660,659
1991	37,862,028	3,731,762	1,870,922	43,464,712
1992	38,884,790	3,585,672	2,109,340	44,579,802
1993	40,131,325	2,944,003	2,525,620	45,600,948
1994	42,420,358	3,412,882	2,639,538	48,472,778
1995	44,352,180	3,874,980	7,217,337	55,444,497
1996	46,257,605	3,888,043	7,989,200	58,134,848
1997	50,349,474	5,463,464	11,875,158	67,688,096
1998	56,247,811	7,502,444	12,145,939	75,896,194
1999	58,704,086	9,730,803	10,447,151	78,882,040
2000	62,844,355	11,641,902	10,634,557	85,120,814
2001	65,553,605	8,785,879	7,293,821	81,633,305
2002	68,825,558	12,019,852	7,250,214	88,095,624
2003	73,559,728	13,218,137	7,081,030	93,858,895
2004	77,289,288	9,791,692	7,188,848	94,269,828
2005	82,268,449	10,385,215	11,773,914	104,427,578
2006	87,583,509	10,553,067	10,715,425	108,852,001
2007	98,391,533	11,525,660	12,380,123	122,297,316
2008	102,703,230	10,223,415	8,188,287	121,114,932
2009	108,138,820	9,742,692	5,929,667	123,811,179
2010	113,650,795	14,714,999	7,834,508	136,200,302

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**BENEFIT EXPENSE BY TYPE**  
**Twenty Years Ending December 31, 2010**

Year	Age & Service Retirants	Benefits Survivors	Disability Retirants Benefits	Death Benefit	Refunds	Total
1991	33,567,142	3,323,900	626,986	344,000	3,731,762	41,593,790
1992	34,273,859	3,368,285	626,647	346,000	3,585,672	42,470,463
1993	35,288,173	3,864,495	632,657	346,000	2,944,033	43,075,328
1994	37,177,394	4,240,343	654,621	348,000	3,412,882	45,833,240
1995	38,909,838	4,469,103	645,239	328,000	3,874,980	48,227,160
1996	40,783,384	4,530,161	618,060	326,000	3,888,043	50,145,648
1997	44,350,246	4,996,325	612,903	390,000	5,463,464	55,812,938
1998	48,684,577	6,500,622	714,624	347,988	7,502,444	63,750,255
1999	50,902,672	6,821,887	698,527	281,000	9,730,803	68,434,889
2000	54,518,311	7,260,855	714,799	350,390	11,641,902	74,486,257
2001	57,122,024	7,486,988	672,593	272,000	8,785,879	74,339,484
2002	59,991,882	7,821,555	686,121	326,000	12,019,852	80,845,410
2003	64,301,813	8,215,109	714,806	328,000	13,218,137	86,777,865
2004	67,794,624	8,486,860	711,804	296,000	9,791,692	87,080,980
2005	72,390,702	8,754,471	785,276	338,000	10,351,215	92,653,664
2006	77,320,260	9,180,292	814,957	268,000	10,553,067	98,136,576
2007	87,019,040	10,230,265	864,228	278,000	11,525,660	109,917,193
2008	91,265,085	10,282,919	885,227	270,000	10,223,415	112,926,645
2009	95,951,625	11,022,403	886,684	278,108	9,742,692	117,881,512
2010	101,965,821	10,526,966	918,009	240,000	14,714,999	128,365,795

**REVENUE RATIOS BY SOURCE**  
**1973 Through 2010**

Year	Member Contributions %	Employer Contributions %	Investment Income %	Total Revenue %	
1973	26	32	42	100	
1974	26	31	43	100	
1975	26	31	43	100	
1976	26	31	43	100	
1977	25	29	46	100	
1978	25	29	46	100	
1979	27	30	43	100	
1980	26	29	45	100	
1981	27	31	42	100	
1982	25	31	44	100	
1983	24	26	50	100	
1984	23	26	51	100	
1985	26	29	45	100	
1986	24	26	50	100	
1987	20	22	58	100	
1988	23	26	51	100	
1989	22	24	54	100	
1990	29	31	40	100	
1991	26	27	47	100	
1992	25	28	47	100	
1993	*	16	17	67	100
1994	*	45	48	7	100
1995	**	11	12	77	100
1996	**	15	16	69	100
1997		13	14	73	100
1998		12	14	74	100
1999		10	10	80	100
2000				<i>Net Loss</i>	
2001				<i>Net Loss</i>	
2002				<i>Net Loss</i>	
2003	10	9	81	100	
2004	15	15	70	100	
2005	17	17	66	100	
2006	12	12	76	100	
2007	18	18	64	100	
2008				<i>Net Loss</i>	
2009	16	16	68	100	
2010	15	15	70	100	

\*

Beginning with 1993, the investment income reflects unrealized gains (losses) required by GASB 25.

\*\*

Beginning with 1996 (and 1995 has been restated) investment income includes the gross income from Securities Lending as required by GASB 28.

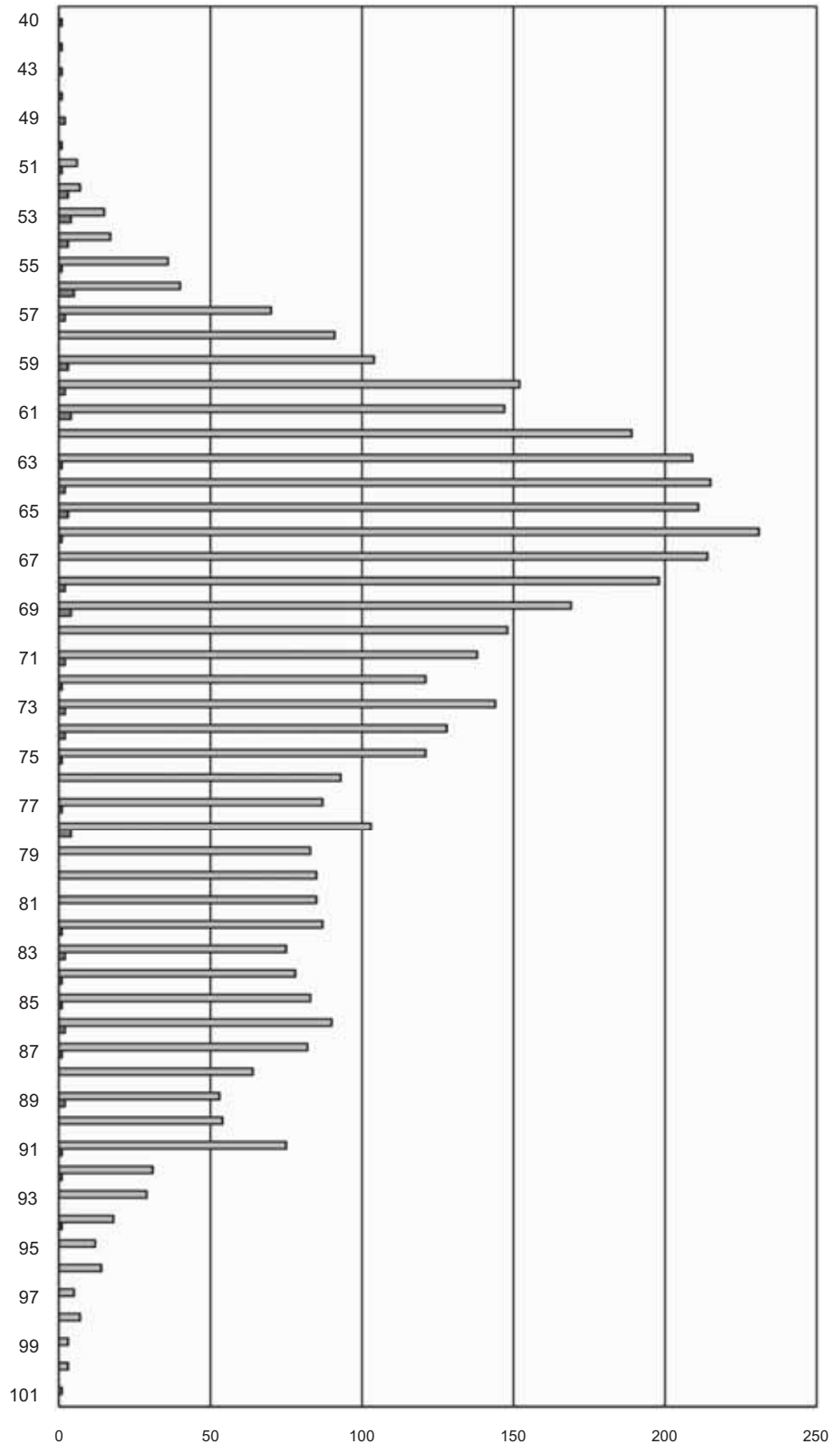
**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**SCHEDULE OF INVESTMENT RESULTS**  
**Ten Years Ending December 31, 2010**

Year	Investment Income *	Investments Market Value	Securities Lending Collateral	Return on Market Value
2001	(93,021,798)	1,366,651,234	120,215,604	(6.0)%
2002	(116,907,340)	1,245,668,385	133,817,297	(8.4)%
2003	296,239,050	1,517,907,621	148,226,605	23.6%
2004	177,211,711	1,664,178,577	239,087,447	11.5%
2005	139,866,897	1,777,219,827	122,862,720	8.1%
2006	251,934,917	1,986,714,717	145,097,240	13.9%
2007	149,708,740	2,106,345,982	103,323,467	7.3%
2008	(612,803,880)	1,467,556,416	69,838,616	(40.0)%
2009	198,417,995	1,635,993,047	36,491,886	12.0%
2010	213,082,710	1,809,601,365	33,896,148	11.0%

\* Investment Income includes market gains and losses, and gross income from Securities Lending.

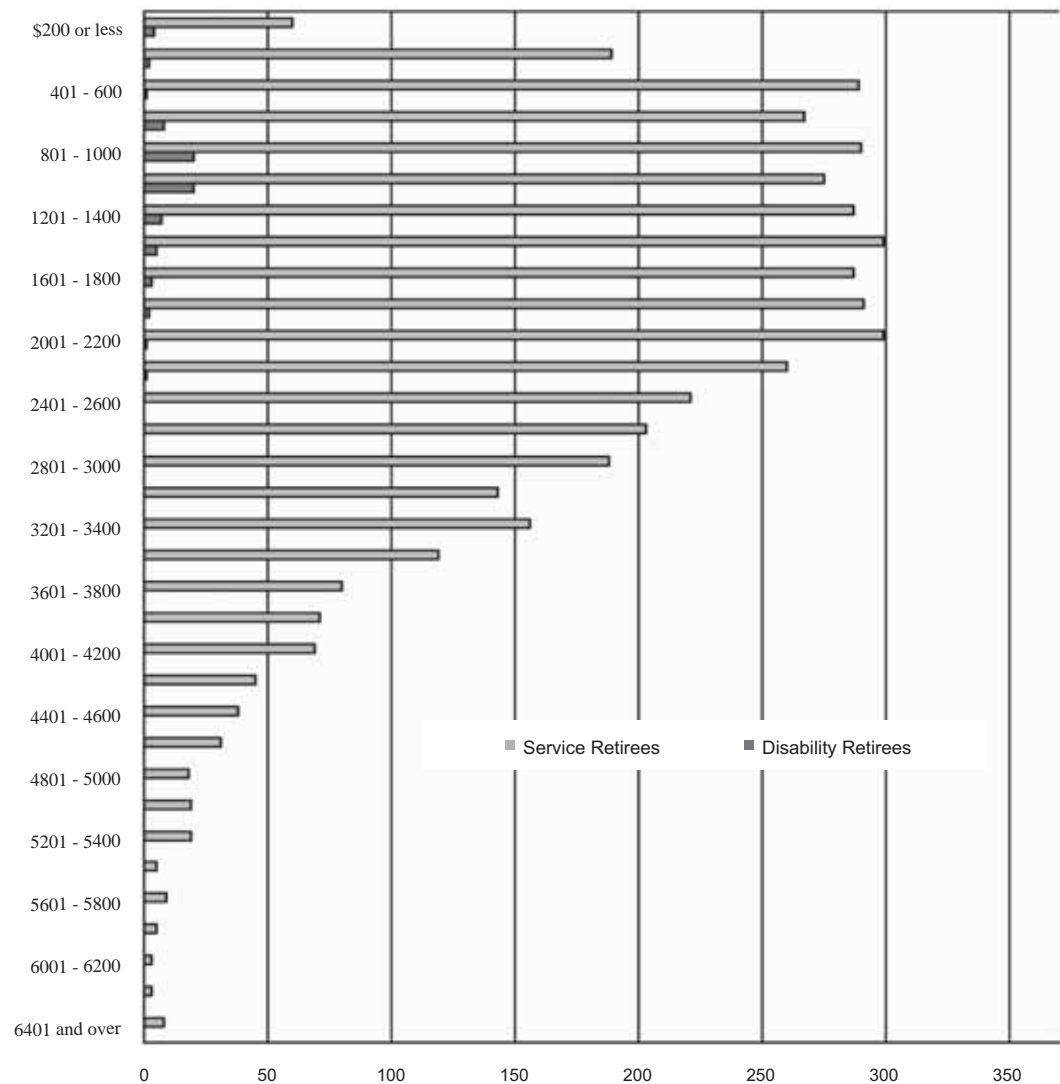
### SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM SERVICE AND DISABILITY PENSIONERS BY AGE As of December 31, 2010

Age	Service	Disability
40		1
42		1
43		1
47		1
49		2
50		1
51	6	1
52	9	3
53	15	4
54	17	3
55	36	1
56	40	5
57	69	2
58	93	
59	105	3
60	154	2
61	147	4
62	191	
63	213	1
64	217	2
65	214	3
66	234	1
67	218	
68	202	2
69	170	4
70	148	
71	139	2
72	123	1
73	144	2
74	128	2
75	121	1
76	92	
77	87	1
78	104	2
79	83	
80	85	
81	85	
82	88	1
83	74	2
84	78	1
85	83	
86	90	2
87	82	1
88	64	
89	53	2
90	52	
91	75	1
92	31	
93	28	
94	15	1
95	11	
96	14	
97	5	
98	7	
99	3	
100	3	
101	1	
	4546	74



### SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM RETIREMENT ALLOWANCE DISTRIBUTION As of December 31, 2010

\$	\$	Service	Disability
200	or less	60	4
201	- 400	189	2
401	- 600	289	1
601	- 800	267	8
801	- 1000	290	20
1001	- 1200	275	20
1201	- 1400	287	7
1401	- 1600	299	5
1601	- 1800	287	3
1801	- 2000	291	2
2001	- 2200	299	1
2201	- 2400	260	1
2401	- 2600	221	
2601	- 2800	203	
2801	- 3000	188	
3001	- 3200	143	
3201	- 3400	156	
3401	- 3600	119	
3601	- 3800	80	
3801	- 4000	71	
4001	- 4200	69	
4201	- 4400	45	
4401	- 4600	38	
4601	- 4800	31	
4801	- 5000	18	
5001	- 5200	19	
5201	- 5400	19	
5401	- 5600	5	
5601	- 5800	9	
5801	- 6000	5	
6001	- 6200	3	
6201	- 6400	3	
over	6401	8	
		4546	74





**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**ACTIVE MEMBERSHIP EXPERIENCE**  
**For the Last Thirty Years**

Year	Members at End of Period	New Members During Period	Withdrawals During Period	Re-entering & Re-depositing	Deaths During Period	Pensions Granted During Period
1981	7,037	776	467	77	13	230
1982	6,972	555	439	73	14	240
1983	6,870	471	363	50	13	247
1984	6,710	531	522	57	16	210
1985	6,946	628	244	72	11	209
1986	7,020	570	382	77	11	180
1987	7,196	622	312	72	16	190
1988	7,252	542	361	45	10	160
1989	7,544	672	251	51	12	168
1990	7,813	872	454	45	12	182
1991	8,037	681	354	43	13	133
1992	8,171	463	220	32	17	124
1993	8,317	537	279	39	15	136
1994	8,553	512	201	133	16	192
1995	8,741	477	284	136	12	153
1996	8,584	339	270	13	12	227
1997	8,572	435	287	36	18	178
1998	8,743	557	236	29	9	170
1999	9,576	1,289	238	14	17	215
2000	9,836	876	393	17	13	227
2001	10,111	706	241	25	18	197
2002	9,737	426	503	16	12	301
2003	9,964	628	202	5	14	190
2004	10,222	636	123	4	8	251
2005	10,387	635	212	3	11	247
2006	10,493	710	325	15	16	278
2007	10,892	948	292	37	8	286
2008	10,831	833	340	83	9	187
2009	11,077	347	313	122	16	221
2010	10,597	273	397	17	15	355

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**  
**COMPARATIVE STATEMENT OF EXPERIENCE OF SERVICE AND DISABILITY RETIREMENT PAYROLLS**  
 From Inception in 1929, Through 2010  
 Figures Quoted as of the End of Each Fiscal Period

	Number Retired		Number Deceased		Pensions Discontinued		Benefit Cont' to Beneficiary Service		Number on Payroll at End of Period			
	Service	Sec. 19-b	Disability	Service	Disability	Service	Disability	Service	Disability	Service	Disability	
1929 - 1976 Inclusive	5,014	367	885	2,674	545	3	243	391	84	4,019	924	471
December 31, 1977	292	15	10	109	20		19	28		2,567	542	246
December 31, 1978	246	9	13	87	14		24	29		2,726	556	245
December 31, 1979	237	7	10	112	17		12	35		2,851	586	238
December 31, 1980	220	14	8	101	13		19	35		2,970	616	233
December 31, 1981	223	7	7	94	15		25	33		3,099	631	225
December 31, 1982	254	12	5	120	23		38	41		3,233	646	207
December 31, 1983	248	12	5	137	10		29	55		3,344	684	202
December 31, 1984	206	9	4	135	14		28	51		3,415	716	192
December 31, 1985	202	4	7	115	18		19	48	1	3,505	743	183
December 31, 1986	175	10	4	140	9		13	20		3,540	760	178
December 31, 1987	184	6	7	132	16		6	16		3,592	776	169
December 31, 1988	158	2	3	120	9		25	37		3,627	790	163
December 31, 1989	163	8	5	141	12		5	43		3,660	780	154
December 31, 1990	181	10	1	128	16		7	44		3,695	827	140
December 31, 1991	129		4	158	12		31	70		3,665	866	132
December 31, 1992	121		3	161	4		32	50		3,625	884	131
December 31, 1993	133	6	3	157	6		42	45		3,601	894	127
December 31, 1994	181	10	1	159	10		53	55		3,608	922	117
December 31, 1995	148	5	2	162	5		54	38		3,591	914	114
December 31, 1996	225	3	1	173	8		44	49		3,659	907	106
December 31, 1997	170	9	1	186	9		75	69		3,622	931	98
December 31, 1998	166	2	2	170	9	1	45	51		3,614	942	91
December 31, 1999	208	5	2	167	5		67	51		3,662	931	88
December 31, 2000	222	4	1	142	4		46	43		3,699	933	84
December 31, 2001	192	4	1	152	8		53	33		3,733	924	76
December 31, 2002	290	5	6	170	5		49	48		3,836	945	77
December 31, 2003	189	6	1	163	5		67	57		3,858	945	73
December 31, 2004	243	2	6	172	6		61	39		3,924	930	73
December 31, 2005	235	6	6	164	3		66	70		3,993	942	76
December 31, 2006	270	6	2	151	6		72	33		4,113	908	72
December 31, 2007	277	6	2	155	2		70	59		4,231	897	72
December 31, 2008	192	5	1	158	2		72	51		4,295	875	77
December 31, 2009	221	16	1	144	4		60	47		4,345	885	75
December 31, 2010	355	5	0	159	0		68	41		4,546	808	74
										<b>2010 Grand Total</b>		<b>5,428</b>

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
EXPERIENCE IN MISCELLANEOUS AVERAGES  
For the Last Thirty Years**

	AVERAGE SERVICE RETIREMENT ALLOWANCE	AVERAGE AGE OF SERVICE PENSIONERS	AVERAGE DISABILITY RETIREMENT ALLOWANCE	AVERAGE AGE OF DISABILITY PENSIONERS	ACTIVE MEMBERS DECEASED	
					# OF DEATHS	AVERAGE AGE
1981	\$ 441.69	69.86	\$ 267.88	65.12	13	49.31
1982	468.28	70.07	269.71	65.64	14	48.54
1983	501.76	70.18	272.98	66.55	13	52.54
1984	530.44	69.97	281.36	66.29	16	51.28
1985	556.72	70.26	290.71	66.22	11	53.66
1986	582.18	70.57	296.27	66.70	11	48.18
1987	608.43	70.80	314.43	66.60	16	49.13
1988	655.62	70.02	357.61	66.40	14	49.93
1989	664.36	71.45	343.74	66.53	12	49.17
1990	697.54	71.72	352.75	65.88	12	47.67
1991	757.07	72.19	378.41	66.61	13	57.77
1992	749.31	72.44	366.23	66.30	17	50.94
1993	775.72	73.42	394.13	67.80	15	53.00
1994	811.55	73.28	407.60	67.52	16	55.00
1995	850.50	73.45	431.19	67.78	12	53.67
1996	904.11	73.43	423.86	68.88	12	44.92
1997	961.30	73.29	448.15	68.12	18	54.72
1998 *	1,063.66	73.30	594.09	68.13	9	56.11
1999	1,114.34	73.10	609.19	68.25	17	55.24
2000	1,167.60	72.88	622.66	68.69	13	50.77
2001	1,222.42	72.70	654.53	67.84	18	51.39
2002	1,289.77	72.16	703.83	67.25	12	54.33
2003	1,338.49	72.14	734.85	66.78	14	53.14
2004	1,404.86	71.93	788.94	65.40	8	50.62
2005	1,477.58	71.78	827.46	65.15	11	53.18
2006	1,552.57	71.53	877.96	64.75	16	51.94
2007	1,768.13	71.42	1,010.15	65.53	8	53.13
2008	1,822.44	71.92	1,038.93	65.49	9	52.33
2009	1,873.39	71.51	1,077.33	64.15	16	58.00
2010	1,965.36	71.32	1,110.10	65.84	15	55.73

\* Beginning in 1998 the average retirement allowance numbers include the monthly COLA amounts.

## SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM

### SCHEDULE OF AVERAGE BENEFIT PAYMENTS

Retirement Effective Dates <u>Jan. 1, 2001 to Dec. 31, 2010</u>	Years Credited Service					
	<u>0-10</u>	<u>11-15</u>	<u>16-20</u>	<u>21-25</u>	<u>26-30</u>	<u>31 +</u>
Period 1/1/01 to 12/31/01						
Average Monthly Benefit	\$ 478.66	837.60	1,349.54	1,719.53	2,369.43	2,374.36
Average Final Salary	\$ 4,756.88	3,715.90	4,241.27	4,121.40	4,654.58	4,544.36
Number of Active Retirees	30	23	25	30	65	24
Period 1/1/02 to 12/31/02						
Average Monthly Benefit	\$ 503.66	1,054.23	1,254.66	1,925.74	2,458.67	2,616.86
Average Final Salary	\$ 4,404.61	4,203.54	3,773.37	4,571.61	4,653.62	4,919.14
Number of Active Retirees	40	31	34	58	96	42
Period 1/1/03 to 12/31/03						
Average Monthly Benefit	\$ 496.91	1,034.44	1,432.09	1,744.45	2,579.91	2,628.56
Average Final Salary	\$ 3,782.43	4,261.52	4,669.55	4,653.31	4,901.87	4,953.21
Number of Active Retirees	32	23	22	41	39	39
Period 1/1/04 to 12/31/04						
Average Monthly Benefit	\$ 613.97	1,056.92	1,449.54	1,773.54	2,480.00	2,812.38
Average Final Salary	\$ 4,393.80	4,349.56	4,737.24	4,405.97	5,210.92	5,259.10
Number of Active Retirees	27	21	39	46	76	42
Period 1/1/05 to 12/31/05						
Average Monthly Benefit	\$ 674.26	1,137.59	1,706.94	2,270.53	2,653.34	2,807.79
Average Final Salary	\$ 4,928.96	4,733.59	4,915.39	5,423.36	5,164.89	4,973.41
Number of Active Retirees	30	27	33	55	65	37
Period 1/1/06 to 12/31/06						
Average Monthly Benefit	\$ 656.56	1,124.37	1,662.58	2,196.45	2,831.74	3,053.19
Average Final Salary	\$ 4,902.33	4,671.23	4,823.60	5,170.19	5,313.48	5,472.54
Number of Active Retirees	37	42	38	50	55	56
Period 1/1/07 to 12/31/07						
Average Monthly Benefit	\$ 658.92	1,406.25	1,650.87	2,132.89	2,814.90	3,129.50
Average Final Salary	\$ 5,017.90	5,992.08	4,865.08	5,096.68	5,414.43	5,412.96
Number of Active Retirees	53	36	37	54	61	44
Period 1/1/08 to 12/31/08						
Average Monthly Benefit	\$ 693.96	1,307.50	1,683.04	2,237.23	3,032.86	3,467.66
Average Final Salary	\$ 5,616.72	5,133.11	5,029.50	5,470.66	5,896.14	5,682.79
Number of Active Retirees	25	18	20	37	41	46
Period 1/1/09 to 12/31/09						
Average Monthly Benefit	\$ 725.01	1,200.14	1,633.91	2,191.40	2,895.97	3,517.60
Average Final Salary	\$ 6,221.46	5,346.25	5,391.47	5,637.85	5,937.71	6,298.57
Number of Active Retirees	35	36	26	34	33	57
Period 1/1/10 to 12/31/10						
Average Monthly Benefit	\$ 743.52	1,230.93	1,819.18	2,553.58	3,152.03	3,738.60
Average Final Salary	\$ 4,657.13	5,098.76	5,424.67	6,829.01	6,418.87	6,161.06
Number of Active Retirees	35	32	59	57	90	82
<b>Period 1/1/01 to 12/31/10</b>						
<b>Average Monthly Benefit</b>	<b>\$ 625.51</b>	<b>1,150.96</b>	<b>1,587.08</b>	<b>2,097.62</b>	<b>2,709.60</b>	<b>3,127.23</b>
<b>Average Final Salary</b>	<b>\$ 4,868.99</b>	<b>4,819.61</b>	<b>4,829.26</b>	<b>5,189.67</b>	<b>5,330.31</b>	<b>5,509.61</b>
<b>Average Number of Retirees</b>	<b>34.40</b>	<b>28.90</b>	<b>33.30</b>	<b>46.20</b>	<b>62.10</b>	<b>46.90</b>

**NEW MEMBERS IN THE RETIREMENT SYSTEM IN 2010  
BY DEPARTMENT**

<b>DEPARTMENT NAME</b>	<b>COUNT</b>
City Employees' Retirement	2
DoIT	2
Executive Departments	9
FFD	7
Finance	10
Fire	0
Human Services	10
Law	10
Legislative	10
Library	44
Municipal Court	3
Neighborhoods	0
Other Depts	1
Parks	42
Personnel	1
Planning & Dev	2
Police	20
SCL	46
SDOT	16
Seattle Center	12
SPU	26
Total	273

**RETURNING MEMBERS IN THE RETIREMENT SYSTEM IN 2010  
BY DEPARTMENT**

<b>REDEPOSITING</b>	<b>#</b>
Fire	1
SPU	1
Total	2
<b>RE-ENTERING</b>	<b>#</b>
Library	3
Finance	1
Parks and Recreation	5
SCL	1
Planning & Development	1
Legislative	1
SPU	1
Executive and Office of Housing	2
Total	15

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
SERVICE RETIREMENTS GRANTED IN 2010**

Retiree	Dept Name	Position	Yrs	Days	Age
Abiera, Timoteo Alvaniz	Seattle Center	Dining Room Attendant	12	126	71
Acedo, Marta	Vested / Dual		6	241	68
Agatsuma, Calvin H	SDOT	IT Programmer Analyst Spec	37	46	65
Albert, Patricia M	Law	Legal Asst	19	318	57
Alin, Max	City Light	Power Marketer	30	2	64
Allwine, Herbert W.	SDOT	Civil Engineering Spec, Assoc	41	256	67
Anderson, Robert Wyan	Parks	Manager 2	23	315	60
Anderson, Virginia L.	Vested		11	243	63
Aramaki, Arvin	City Light	Warehouse - BU	23	161	55
Ardena, Edwin M	City Light	Meter Electrician (77)	37	78	64
Arnold, Dean Louis	DoIT	Executive 2	31	344	58
Atwood, Cheryl A	DEA	Buyer, Sr	42	198	65
Austin, Laura L	Parks	Admin Staff Asst	30	105	52
Avirett, Russell J	Fleets & Facilities	Auto Mechanic	30	76	59
Backas, Brian R	Vested / Dual		12	177	65
Baker, Michael A	City Light	Carpenter	39	353	64
Balagot, Editha G.	SPU	Utilities Act Rep 1	20	278	64
Banakes, Sandra J	K.C. Health	Nutrition Assistant	20	360	68
Barbour, Judith B	Law	City Attorney, Asst	31	9	69
Bardsley, Ken A	SDOT	Civil Engineering Spec., Sr	26	23	57
Barnard, Laura Jean	Library	Coordinator Library Tech	23	14	61
Barouh, Shelley E	SDOT	Material Controller	27	161	59
Barr, Meredith Ann	Police	Disp-1	14	39	62
Barrie, Kristin G	SPU	Utilities Act Rep 1	43	363	70
Baughman, Thomas R	City Light	Material Supplier	35	43	62
Bauman, Esther	Vested		10	48	67
Berg, Robert	Strategic Planning	Manager 2	29	255	66
Bigting, Edgardo C	SPU	Accounting	5	36	62
Boatsman, Carolyn M	Vested / Dual	Muni-Court	14	247	57
Bonham, Leonard K	City Light	Line Worker	16	2	68
Bordas, Bonnie E	DCLU	Admin Spec II	5	64	62
Borja, Albert C	Human Services	Parking Sup	12	101	59
Boyle, Stephen Francis	SPU	Meter Reader	12	243	65
Braden, John R	Parks	Exec-3	25	300	63
Bradley, Charles Jr	Library	Library Tech I	41	346	73
Bray, John P	SDOT	Traffic Marking Lead Worker	31	257	64
Breidenbach, Terrance L	City Light	Cable splicer in Charge	42	127	64
Brenneman, Phillip	Vested / Dual	Law - Vested	17	225	61
Brennen, Lou Ann	SDOT	Finance Analyst, Sr	25	18	57
Broughton, Deborah C	Vested / Dual		5	128	57
Brown, Delores I	SPU	Senior Exec Asst	18	67	70
Browning, Georgianne C	DEA	Licenses & Standards Inspector	16	324	60
Bubelis, Dona J	Library	Librarian	30	222	66
Bungard, Terry W.	City Light	Hydroelectric Operator II	23	19	63
Butler, Connie L	Vested		19	212	64
Cabaccang, Constanca C	Police	Accounting Tech II	30	210	70

Retiree	Dept Name	Position	Yrs	Days	Age
Caliwag, Amanda G	Vested		17	55	71
Campbell, Jacqueline F	Fleets & Facilities	Property Manager	19	67	66
Campbell, Larry T	Parks	Security Supervisor	29	117	56
Capaci, Anthony M	Vested / Dual		2	218	62
Cardenas, Samuel A	Vested / Dual		12	298	62
Cardinal, Jane E	Personnel	Admin Spec 1	31	133	62
Carr, Frances J	Vested / Dual	Vested- Mayor's Office	6	188	73
Carson, Joan Sharon	DPD	Land Use Planner II	22	3	63
Casey, Margaret M	Human Services	Planning & Dev Spec II	8	180	72
Casson, Chet J	Parks	Manager 2	29	92	54
Ceis, Timothy Y.	Mayor's Office	Executive 4	7	336	54
Cervantes, Jose A	Neighborhoods	Neighborhoods District Coordinator	31	114	62
Chappel, Marget	SPU	Strategic Advisor 1	14	353	63
Cheng, Wing H	City Light	Mechanical Engineer, Sr	29	124	65
Chin, Yen	Vested		8	7	62
Clemons, Barbara Lee	Legislative	Legislative Asst.	15	172	68
Coffey, Thomas	Vested		8	232	62
Connally, Merle A	City Light	Meter Electrician	37	54	65
Conner, Jimmy W	Fleets & Facilities	Auto Mechanic	31	208	65
Cooke, William E.	Vested		8	22	81
Couhig, Nancy K	Vested		26	254	63
Cox, Orrin R	Fleets & Facilities	Auto Mechanic Sr	30	55	65
Crisologo, Alfredo V	Seattle Center	Security Officer	20	115	66
Crisostomo, Evelinda	Library	Library Tech 1	34	346	66
Cunningham, Robert L	City Light	Electrical Power Systems Engineer, Principal	40	86	62
Curameng, Mary D	Seattle Center	Admin Spec - II	20	212	71
Dadosio, Patrick J	DoIT	Info Technology Prof	33	84	57
Dahl, Randal Alvin	SPU	Meter Reader Supervisor	21	10	55
Dalton, Ann Louise	Library	Librarian	18	13	57
Danielson, F Elaine	Police	Contract Employee	30	239	63
Dannenfelser, Theresa	Civil Rights	A.S.A.	11	49	62
Davick, Steven A	City Light	Protection & Control Electrician	26	20	52
Davis, Kenneth S	Vested / Dual	Vested- DPD	13	136	57
De Vink, Robert D	SPU	Civil Engineer Spec. , Sr.	25	78	60
Deane, Thatcher Elliott	City Light	Info Technology Professional	20	96	55
Deen, Mary Louise	SPU	Admin Asst 2	17	126	62
dela Cruz, Lydia C	Police	Police Data Tech	31	271	68
DeLeon, Beto	Vested	Vested- Seattle Center Neighborhoods District Coordinating	24	243	57
Divina, Ted C	Neighborhoods	Supervisor	38	73	62
Dobbs, Janice M	Parks	Laborer	8	214	62
Dombek, Margaret A	Library	Librarian	8	220	68
Dooley, Christina A	Police	Police Communications Dispatcher 1	8	332	64
Douce, Molly A	Fire	Battalion Chief	30	155	53
Drago, Jan	Legislative	Legislative - City Council	15	353	69
Dugger, Darlene W	Fleets & Facilities	Accountant	29	57	70
Duke, Tamera M	SDOT	Civil Engineering Spec Supervisor	30	41	50
Dunbar, Theresa L	Legislative	Council Clerk	27	64	55
Earls, Susan D	City Light	Structural Iron Worker	23	147	57
Eaton, Patricia L	Fleets & Facilities	Fleet Mgmt Analyst	23	118	55
Eckholt, Cindy Lynne	DEA	Manager 3	33	28	55

Retiree	Dept Name	Position	Yrs	Days	Age
Eckley, Stella L	SDOT	Admin. Spec I	38	211	66
Edison,Dyan Phillis	Police	Admin spec II-BU	34	59	70
Edwards, Donald A	DEA	Info Technology Prof B-BU	30	32	50
Elliott, Barbara	K.C. Health	Public Health Nurse	25	280	65
Erckmann Jr, William James	SPU	Manager 3 Utilities	22	94	66
Erfle, Wayne D	SPU	Warehouse, Sr	41	161	65
Erickson, Franklin P.	City Light	Info Technology Prof	43	270	70
Estrada, Candi L	Parks	Truck Driver	30	362	57
Etquibal. Martin N	Fleets & Facilities	Warehouse Supervisor	20	154	61
Euteneier, Richard A	Parks	Metal Fabricator	15	109	63
Faist, John A	Fleets & Facilities	Manager of Fleet Admin.	23	124	61
Fenkner, Kathleen L	Police	Admin. Spec I	26	167	64
Flores, David	City Light	Real Property Agent, Sr.	29	196	60
Flynn, John Lawrence	Human Services	Manager 3	16	187	69
Forester,Leslie W	Parks	Accounting Tech II	18	338	65
Forsberg,Gail E	DEA	Info Technology Prof B	31	252	63
Fort, Susan S	Library	Library Assoc IV	22	54	65
Foz, Lourdes V	Law	Admn. Spec. I	17	197	73
Frick, Anita E	Vested	Vested - Police	7	257	63
Friedman, Kathleen M	Municipal Courts	Manager 2,CL&PS	6	56	62
Garrison, Marge Kidd	Personnel	Workers' Comp Analyst, Sr	13	175	64
Gates, Jerome	DoIT	Info Tech	23	65	58
George, Fred O	SPU	Constr & Maint Equip Operator, Sr	37	61	70
Geyen, Sandre Carolyn	Human Services	Counselor	15	333	64
Goff, Rowland Dale	Municipal Courts	Deputy Marshall	11	9	68
Gorski, Robert W	Parks	Plumber	29	188	60
Graham, Steve	DEA	Personnel Specialist, Asst	30	309	60
Grauman, Kathleen H	Vested / Dual	Vested - Light	8	273	60
Gray, Warren W	SPU	Manager 2	39	91	61
Greene, Joseph C	City Light	Electrical Power Systems Engineer	24	42	57
Grenfell,Dale A	SPU	Drainage&Wststr Coll Lead Worker	30	21	52
Griffin, Sharon L	Vested / Dual	Vested- Engineer	3	209	60
Hairston, Lois A	City Light	Material Sup, Elec-Asg	27	350	56
Handler, Joseph F	City Light	Electrical Engineering Spec, Sr	40	247	69
Hansen, Audrey Clare	SPU	Manager 2, Fin.Budget&Fin	27	188	67
Hansen, Ellen	Vested / Dual	Vested - FFD	5	321	64
Hansen, Neil M. Jr	Police	Crime Prevention Coordinator	34	32	61
Hanson, Kurt H	Vested	Vested - DPD	38	21	66
Hanson, Mary A	Vested	Vested - Water	8	130	64
Harper, Dorothy M	SPU	Truck Driver	26	171	57
Harrison, Gerald D	SDOT	Truck Driver	29	278	59
Haslam, Karen F	Parks	Mgmt Systems Analyst. Sr	16	358	65
Hasme,Marilyn	K.C. Health	Admin Spec II	32	353	68
Hastings, Patrick J	SPU	Surveyor, Chief	25	128	56
Haywood, Ivory	Municipal Courts	Admin Support Supervisor	30	294	56
Helbert, Cynthia Jean	Fleets & Facilities	Admin Spec I	22	129	62
Hendrickson, Carol J	Police	Parking Enforcement Officer	35	266	63
Hensley,Raymond C	DEA	Info Tech Prof C-BU	32	98	65
Hill, Raymond L	SPU	Customer Billing Services	43	120	71



Retiree	Dept Name	Position	Yrs	Days	Age
Hillis, Linda G	SPU	Utilities Act Rep 1	18	292	63
Hoff, Diane L B	SPU	Utilities Act Rep II	29	161	57
Holiman,Michael L	Fleets & Facilities	Auto Mechanic / Vested	10	177	59
Hooks, Gina R	DoIT	Mgmt Systems Analyst, Sr	26	163	54
Hooper Sr.,Clinton Forrest	Parks	Coordinator	17	339	63
Hooper, Claudia N	Fire	Admin Support Supervisor	15	34	62
Houck, Deanna	K.C. Health	Education Consultant I	30	286	72
Hubbard, Thomas P	Vested / Dual		3	169	59
Hughes, Pamela Carabba	DEA	Strategic Advisor 3	15	232	62
Hulbert, Jack E	City Light	Line worker	27	18	64
Hurley, Bill J	Fleets & Facilities	Shop Operations Supervisor	30	294	60
Imori, David S	City Light	Electrical Work Rev-CC (77)	26	85	60
Inkley, Edwin K	Law	Asst. City Attorney	18	315	57
Ip, Hermia K	Strategic Planning	Land Use Planner II	22	67	67
Jackson, Barrie	Human Services	Program Intake Rep	13	116	78
Jensen, Jeffrey Marvin	SPU	Civil Engineer Supervisor	14	215	57
Jensen, Robert A	Fleets & Facilities	Auto Mechanic	35	102	59
Jewell, Bette	DoIT	Info Technology Systems Analyst	5	260	62
Jewett,Richard M	City Light	Wastewater-Treatment Plant Op	19	133	65
Johanson, Judi G.A	SDOT	A.S.A.	27	58	54
Johnston, Leanne M	Vested		21	32	52
Johnston, Patricia A	SPU	Admin Spec III - BU	29	354	66
Jones, Lawrence D	Police	Evidence Warehouser	12	361	66
Jordan,Thomas P	DEA	Info Technology Prof B-BU	32	321	64
Kaiser, Jamie D	Fleets & Facilities	Mgmt Systems Analyst	23	1	62
Kefgen, Edward B	City Light	Meter Electrician Working CC	28	76	54
Keiler, Jay W	Vested	Vested-FFD	14	209	57
Kelly, Thomas P	City Light	Chief Operator	34	47	63
Kesler, Julie A	Vested / Dual	Vested /Muni - Court	1	8	65
Kim, Hyun Jae	City Light	Associate-Elect-Engineer	21	10	66
Kim, Joohak	Vested		10	150	57
Kim, Kyung Ja	City Light	Manager 2	26	100	65
Kimball, Dennis H.	DPD	Construction Plans Engineer Sup.	36	55	60
Kingman, James Irving	Parks	Forestry Crew Chief	20	240	66
Kinton, Deborah R	Vested / Dual	Vested- Health	8	233	62
Klinger, Fred M	SPU	Info Technology Prof	31	360	61
Knee, Joseph Leonard	Fleets & Facilities	Mgmt Systems Analyst, Sr.	33	113	63
Koslosky, Robert F	Fleets & Facilities	Auto Mechanic	34	336	65
Kozelisky,Paul C	Fleets & Facilities	Metal Fabricator	30	139	58
Kremer, Carole c	SPU	Utility Acct Rep I	22	197	65
Kutz, Kathleen O'Donnell	Parks	Maintenance Laborer	28	70	56
La Bay, Melvin	SPU	Civil Engineering Spec, Sr	53	193	72
Landon, Redentor F	City Light	Line C C C	29	290	53
Larson, Steven W	SPU	Strategic Advisor-2	19	304	62
Laski, Mary E	Fleets & Facilities	Property Mgmt Spec	7	12	66
Lastimoso, Roland A	City Light	Mechanical Engineer, Sr	31	47	61
Laughlin,Jay B	SPU	Manager 2	24	364	59
Lawton, James J	DPD	Building Inspector	30	5	63
Le,Hieu V	Retirement	Acct Tech I	6	153	68
Lee, Jerry Michael	Vested	Vested-DPD	16	96	61

Retiree	Dept Name	Position	Yrs	Days	Age
Lee, Victor Kwong	SPU	Mgmt Systems Analyst	21	127	60
Leurquin, Thomas R	Strategic Planning	Plans Engineer	23	320	60
Lewis, Debra L	Fleets & Facilities	Property Mgmt. Spec.	32	24	56
Lipnick, Barry R.	DCLU	Bldg Inspector, Structural	31	151	66
Locken II, Arthur N	City Light	Cable Splicer CC	30	262	53
Loo, Sheldon	Fleets & Facilities	Auto Maintenance CC	37	51	68
Lowthian, Richard A	Vested / Dual		12	222	63
Luedtke, Janet Ruth	Vested	Vested- Water	20	302	59
Luiten, Linda A	Municipal Courts	Prob. Counselor 1	15	214	65
Lundstrom, Larry C	Strategic Planning	Bldg Inspector, Sr	16	313	70
Lyons, Vincent T	DPD	Strategic Advisor 2	29	79	66
Madeira, Joseph H	Municipal Courts	Admin. Spec. 1	21	220	63
Makasini, Marcia M	Fleets & Facilities	Warehouser- BU	26	23	61
Manalo, Edita Ordon	SPU	Utilities Act Rep 1	20	279	64
Mannix, Timothy C	City Light	electrician	18	299	58
Markovich, James Gill	Seattle Center	Sound & Video Equip Tech	43	305	70
Marten, Steve	Police	Strategic Advisor 2, CL & PS	19	3	67
Martin, Barbara L	Personnel	Personnel Analyst, Sr-Comp	7	72	65
Martin, Vernin G	SDOT	Civil Eng Spec, Sr.	35	138	61
Masterjohn, John L	Vested	Vested- SDOT	16	113	66
Mathews, David M	Police	Police Comm Dispatcher, Chief	5	4	62
McClain, Evelyn A	SPU	Utilities Acct Rep 1	36	117	60
McCormick, Robert T	Strategic Planning	Electrical Inspector Supervisor	30	130	62
McDermott, Mark Morelli	Personnel	Executive 3	12	85	60
McGuire, Patricia E	Police	Admin. Spec. 1	17	234	73
McIntyre, Sharon A	SPU	Customer Svc Rep 2	32	343	67
McIver, Richard J	Legislative	Council Member	28	344	68
McMahan Jr, Richard H	SDOT	Civil Engineer, Sr	25	15	57
McVay, Roland L.C.	Metro Transit	Service Supervisor	48	153	71
Metrokin, Michael E	Vested	Vested- Muni-Court	7	163	62
Miao, Wei	SPU	Sr Finance Analyst	30	13	59
Michels, Vicki S	City Light	Admin spec I - BU	23	7	67
Middleswart, Brent D	SPU	Manager 3, Engineering & Plans Rev	30	3	57
Milano, David A	SPU	Manager-2 Utilities	22	311	57
Miller, Albert M	City Light	Communications Electrician II	30	84	60
Mitchell Jr., Horace	SDOT	Truck Driver	19	287	62
Mitchell, Kathleen Mary	City Light	Electrical Helper	28	231	57
Moody, Gary D	City Light	Electrician	41	111	62
Moon, Michael C	Vested	Vested- Sea. Ctr	10	147	59
Moore, Carolyn J	City Light	Accounting Tech I	25	147	63
Mullin, Julia T	SPU	Utilities Svc Rep	17	29	72
Mumm, David	City Light	Hydro Elect Machine	12	71	59
Murashige, Robert F	Law	Sr. Asst Attorney	19	134	58
Nagamatsu, Lois H	City Light	IT_Tech	26	88	58
Nakamura, Susan	Legislative	Strategic Advisor I	7	356	59
Nickels, Gregory J	Mayor's Office	Mayor	16	0	54
Nicol, Susan Maloney	Vested		18	22	60
Nosal, T.A.	City Light	Electrical Service Rep	28	118	57
Novik, Jill S	DoIT	Strategic Advisor 2	26	243	61
Ocampo, Jane Jeannette	Retirement	Accountant	15	120	59
Ogren, Rodger P	Parks	Aquarium Biologist 2	20	322	63

Retiree	Dept Name	Position	Yrs	Days	Age
Ojima, Fred Y	Vested	Vested- City Light	23	173	63
O'Neill, Maureen J	City Light	Power Analyst	29	283	60
Otnes, Laurie L	Vested	Vested-DEA	14	103	57
Ouse, Julia M	Municipal Courts	Court Clerk Supervisor	35	273	60
Pahlman, Darlene A	SDOT	Civil Engineering Spec., Sr	25	38	60
Paige, Jerry J	Vested / Dual	Vested -Parks	0	248	65
Palecek, Barbara Ann	Library	Library Assoc II	11	118	72
Paraiso, Alicia A	K.C. Health	Nurse	32	325	65
Parast, Youssef H.	DPD	Mechanical Plans Engineer	25	171	63
Pearson, John R	Personnel	Personnel Analyst Supervisor	34	351	67
Pendleton, Don	City Light	Energy Mgmt Analyst, Asst	4	152	65
Peterson,Joanne Marie	SPU	Executive 2	12	227	54
Pool, Martin C	DEA	Info Technology Prof B-BU	29	89	55
Porter, Sandra D	Vested	Vested-Muni-court	11	44	57
Portman, J.Clifford	DPD	Manager 3	32	85	57
Potter, Terry Lee	City Light	Office Asst	39	198	63
Pullins, Verita	Police	Admin. Asst.	20	136	65
Pumphrey Jr., Donald H	SPU	Maintenance Laborer	46	263	68
Purdy, Michael E	Vested / Dual	Vested - HSA	21	23	55
Quist,Ronald E	Vested / Dual	Vested-OMB	5	90	67
Ramos, Cesar G	Municipal Courts	Accounting Tech II	21	41	62
Rankin, Duane D	SDOT	Civil Engineer, SR	17	314	59
Reese, Eugene A	SDOT	Construction Maintenance Senior	30	50	61
Richardson, Janet M	Police	Police Communications Dispatcher I	14	165	59
Richardson,Dennis E	SPU	Transmission CC	41	137	65
Ricker,Timothy T	SDOT	Maintenance Laborer	20	159	55
Robison,Jeannie Marie	SPU	Utilities Act Rep	31	100	61
Rodriguez, Roseann Bradley	City Light	Truck Driver	27	357	53
Roloff, Riana R	Police	Parking Enforcement	20	64	58
Ross, Leonard R	City Light	Power Dispatcher	27	317	63
Rothwell, Robert C	Metro Transit	Transit Operator	43	48	71
Rousu, Vernon C	Fleets & Facilities	Auto Mechanic	31	138	61
Russell, Richard B	Seattle Center	Stage Tech , Lead	30	196	61
Sanders, Philip M	Parks	Utilities Laborer	20	240	67
Sarkissian, Julia	K.C. Health	Project/Program Manager IV	25	64	61
Saunders, Christine Marie	Library	Admin Asst	10	4	61
Schaefer, Nancy J	Vested / Dual		8	270	62
Schaefer,Gayle L	Parks	Parks Special Events Scheduler	23	60	62
Schneidler, David G.	SDOT	Traffic-Records-Admin	5	255	67
Scott,Mary A.	City Light	Ad Spec III BU	32	45	68
Segan,Akiva Kenneth	Library	Library Assoc II	17	163	60
Sendejar,Liboria	Personnel	TES	8	12	67
Seretse, Sheree	Parks	Rec Cntr Coordinator, Asst	28	198	58
Sharp, Paulette Diane	City Light	Admin Spec 11-BU	30	325	56
Shaw, Kathleen Marie	Parks	Admin Spec II	9	149	62
Sherwood, Don R	ESD	Admin Staff Asst	14	52	66
Shoemaker,Charles William	City Light	Electrical Quality Assurance Spec	20	159	72
Sider, Kathleen M	Parks	Manager 2- Aquarium	31	7	67
Sidran, Mark H	Vested / Dual	Vested- Law	11	363	58
Sievert, Judy L	Vested	Vested- Parks	25	347	55

Retiree	Dept Name	Position	Yrs	Days	Age
Sigley, Margaret S	K.C. Health	Physician	19	294	67
Sigman, Walter M	SPU	Info Tech Prof	39	190	63
Skraban, Kenneth J	Info Technology	Manager I Info Technology	43	176	66
Small, Gloria J	Municipal Courts	Court Cashier	25	103	67
Smart, Robert L	City Light	Electrician -Con-Working CC	39	244	59
Smith, Lois M	Vested	Vested - TES	6	167	65
Smith, Mark a	Parks	Stage Tech Lead	25	333	62
Smith, Michael A	Fleets & Facilities	Janitor, Lead	32	77	66
Smith, Nina N	Police	Admin. Spec 1 - BU	16	134	69
Soltani,Reza	Vested / Dual		7	60	65
Soltar, Steven D	Personnel	Planning & Dev Spec., Sr	2	79	67
Sparkman,Kirsten M	SDOT	Street Paving CC	24	222	52
Srirangadhama, Rajaraman J	Parks	Aquarium Systems Op	23	168	67
Staal, Elizabeth A	Vested / Dual	Vested- Health	2	132	67
Stack, William J	City Light	Electrical Svc Rep	20	5	64
Standish, Cheryl D	City Light	Cable splicer	31	51	52
Stave,Martha M.	Vested / Dual	Land Use Planner	3	139	66
Steiner, Teri L	DoIT	Computer Ops., SR	30	5	51
Strom, James H	Vested / Dual	Vested- City Light	9	11	62
Stuart,Elizabeth D	Police	Parking Enforcement Officer	30	136	68
Swan, Mary L	Fire	Admin Spec 1	14	172	66
Tachibana, Debra-Laurent	City Light	Energy Res & Eval Analyst	22	339	59
Thirasawat, Jane M	DEA	Sr. Accountant	34	164	62
Thomson, William A	City Light	Electrical-Con	36	68	56
Tonkyn, Kasey A	City Light	Carpenter	30	356	50
Trueblood, Sharon Kay	Human Services	Admin Staff Asst	18	299	64
Turner, William A	Vested / Dual	Vested - C.L.U.	10	257	61
Turner,Lewis P	Parks	Manager 2, Fin,Bud & Accounting	30	1	65
Turnsen, Michael P	SPU	Solid Waste Field Rep, Lead	16	205	63
Underwood, Marjorie F.	Vested	Vested -Library	8	336	62
Valencia, Jimmy L	SDOT	Cement Finisher	26	183	58
VanSanden, Janine M	Parks	Volunteer Programs Coordinator	15	209	66
Vea, Gloria P	SPU	Accounting Tech - II	31	114	66
Vinson, Mary E	Human Services	Human Services Program Supervisor	31	72	62
Vogel,Kenneth P	DoIT	Info Technology Prof	20	216	58
Vognild, Ronald M	Fleets & Facilities	Auto Mechanic	37	24	60
Wagoner, Marcia D	Vested	Vested _ CLU	16	318	63
Wallace, Jacqueline Jean	Law	Legal Assistant	14	158	62
Walsh, Sue A	City Light	Manager 3	25	160	66
Walsh,Eileen F.	K.C. Health	Application Worker	28	246	57
Walter,Louis R.	City Light	Line Crew Chief	24	52	64
Wang,Shadi	City Light	Info Tech Prof B	14	303	61
Watland, Percy G.	Parks	Maintenance Laborer	41	151	73
Watson, Sandra M	Law	Director - Land Use	24	71	59
Wawrzycki, Anthony J	Seattle Center	Stage Tech, Lead	29	312	62
Westphall, Merri Ellen	SPU	Strategic Advisor 2	10	277	60
Whitney, Marilyn Kay	City Light	Accounting Tech 2	20	2	61
Wickstrom, Phyllis Jo	Police	Admin Spec I	24	118	66
Williams, Rebecca E	Human Services	Program Aide	9	122	70
Willis, Donald C	Library	Librarian	26	102	66

Retiree	Dept Name	Position	Yrs	Days	Age
Wilson,Clarice A	Library	Asst Manager	42	138	67
Wittman, Theresa M	DolT	Strategic Advisor -2	30	219	55
Wong,Debra	Parks	Project Manager	12	138	57
Woodworth, Jay R	Vested	Vested- Muni-Court	20	283	57
Wright, Barbara Ann	Vested / Dual	Vested - Water	3	139	64
Wu, Enoch	City Light	Electrical Engineer, Assoc	36	296	65
Wuest,Marcia M	City Light	Admin Spec II	19	273	60
Yeomans, Ruth A	Parks	Public Ed. Program Spec	18	108	66
Zacher, Rodney P	Parks	Facilities Maintenance Worker	21	158	62
		<b>Total Service Retirements</b>	<b>355</b>		

### DISABILITY RETIREMENTS GRANTED IN 2010

Retiree	Dept Name	Position	Yrs	Days	Age
		<b>Total Disability Retirements</b>	<b>0</b>		

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
RETIRED MEMBERS DECEASED IN 2010**

Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
Adams, Marvin	Seattle Center	service	12/31/1994	6/22/2010	89
Allen, Cleo	Engineering-Vested	service	8/26/1998	1/22/2010	68
Andler, Maxine A		service	5/1/1982	3/4/2010	94
Andrew, Nancy E	Light	service	1/1/1995	6/30/2010	76
Arntsen, Charles R		service	6/1/1990	4/15/2010	82
Arthurs, Ida M.	SPU	service	6/4/2003	3/28/2010	71
Bannister, George	SPU	service	1/6/1996	5/20/2010	70
Bauer, Raymond J	City Light	service	1/1/1995	1/12/2010	83
Beaver, Dorothy	City Light	service	9/1/1982	9/9/2010	86
Benson, Margaret M	Muni Ct	service	9/6/1989	1/25/2010	79
Berg, Clarence J	Metro-Transit	service	1/1/1990	6/14/2010	83
Berry, Donald K	Engineering	service	2/1/1991	2/6/2010	81
Berube, Frederick Alton	Library	service	4/10/2007	12/5/2010	65
Blake, Dick Lee	Engineer	service	9/10/1996	6/12/2010	78
Bossart, Anthony J	Health	service	4/4/1998	11/17/2010	73
Bounds, Richard E	Parks	service	4/1/1985	8/7/2010	81
Boxrz, George		service	3/1/1984	10/26/2010	89
Boyar, Ethel	City Light	service	9/1/1985	12/13/2010	78
Boyd, Wilda E	Fleets & Facilities	service	9/22/2004	2/12/2010	81
Bozarth, Charles W	City Light	service	5/5/1979	2/20/2010	91
Broderick, Ethel L	Library	service	7/1/1979	3/5/2010	90
Campbell, Carl R	Engineering	service	4/1/1981	11/10/2010	94
Carlson, William E	Engineering	service	4/1/1978	5/25/2010	88
Casey, Clifton B	City Light	service	3/3/1993	5/26/2010	76
Chapman Jr, Edward		service	10/1/1986	2/6/2010	88
Christian, Edgar A	City Light	service	8/19/1972	6/30/2010	98
Clark, Morris W	City Light	service	8/1/1990	12/9/2010	83
Clay, Mildred E		service	4/1/1984	10/23/2010	92
Cohen, Sandra Lynn	Law	service	1/31/2007	8/25/2010	59
Collen, William E	City Light	service	6/1/1978	1/17/2010	94
Cook, Noland E		service	1/21/1989	6/7/2010	83
Cox, Ella J		service	1/1/1981	5/25/2010	95
Craft, Kenneth E.C.	Parks	service	10/1/2002	4/12/2010	65
Craft, Axel H	Engineering	service	6/1/1975	2/25/2010	87
Cuplin, Ethel E	Police	service	4/1/1994	11/20/2010	91
D'aquila, Michael A	Seattle Center	service	8/1/1989	7/26/2010	90
Deliso, Fred S	City Light	service	3/1/1989	2/4/2010	83
Dineen, Chloe N	City Light	service	8/2/1986	5/9/2010	89
Domenowske, Stephanie M	City Light	service	1/1/1976	6/14/2010	99
Dunham, George	City Light	service	7/1/1978	10/1/2010	89
Dupree, Winnifred M	Police	service	9/1/1982	8/14/2010	83
Embury, William D	City Light	service	9/1/1975	1/19/2010	90
English, Walter	Parks	service	12/4/2002	2/16/2010	67
Flores, David	City Light	service	3/23/2010	12/3/2010	61

Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
Foerster,Homer P	City Light	service	2/14/1981	3/21/2010	93
Gehrts,Charles	Metro	service	5/4/1996	8/26/2010	72
Giesler,Charles J		service	2/1/1982	5/15/2010	92
Gilje,Luella E		service	3/1/1995	6/12/2010	86
Golob,Eugene	Metro	service	4/16/1977	1/7/2010	95
Grosso,Frank	Engineering	service	1/1/1981	1/16/2010	91
Hairston, Lois A	City Light	service	6/1/2010	12/14/2010	57
Harding, Melvin W.	Parks	service	10/1/2002	3/6/2010	70
Haw,Arthur E	Engineering	service	9/1/1980	2/25/2010	87
Hendrickson,Grace Eleanor	DHHS	service	7/9/1997	8/17/2010	93
Hession,Michael P	Health	service	6/1/1979	6/27/2010	93
Hettrick,Lawrence A	City Light	service	8/1/1981	6/14/2010	87
Hirai, Owen R.	City Light	service	5/21/2003	4/23/2010	66
Hoffman,Hans	Parks	service	5/1/1972	7/14/2010	100
Isherwood,Foster E	Engineering	service	1/1/1989	3/21/2010	78
Johnson, Jr., Joseph	DAS	service	3/2/1996	1/12/2010	76
Johnson,Ernest B	HSD	service	12/1/1990	1/4/2010	85
Johnson,Richard T	SPU	service	3/2/2005	7/11/2010	63
Johnson,William E	City Light	service	8/1/1980	1/25/2010	86
Johnston,Virginia		service	4/1/1981	8/23/2010	86
Jordan,John Henry	Water	service	7/1/1979	2/6/2010	93
Kertes,Jay	Engineering	service	4/1/1979	11/16/2010	87
Kerton,Betty L	City Light	service	7/1/1976	2/24/2010	93
Kimball,Richard S	Metro-Transit	service	2/1/1982	8/13/2010	90
Kirkpatrick,Dale W	City Light	service	10/4/2006	7/15/2010	67
Kiyomizu,Shozo	Engineering	service	1/1/1978	12/21/2010	95
Klein,Rosemary E	City Light	service	5/1/1998	7/25/2010	81
Koch,Jeanne A		service	9/1/1990	6/9/2010	88
Kruger,Donna M.	SEATRAN	service	10/14/2000	1/3/2010	76
Kunz,Charles M.	City Light	service	3/13/1999	2/9/2010	75
Lane,Evelyn L	Health	service	9/1/1977	1/6/2010	90
Liapis,George S	City Light	service	1/1/1984	6/6/2010	87
Locke,Edward S		service	1/1/1975	7/2/2010	99
Lombardo,Peter	Parks	service	4/1/1983	9/22/2010	95
Maddocks,George E	LC&A	service	1/1/1981	9/10/2010	91
Madison,Donald E.	Dual Member	service	4/1/2000	2/1/2010	73
Marston,Alice Y		service	12/1/1994	5/16/2010	78
May,Salone	Water	service	10/2/1996	12/19/2010	76
Mayovsky, Gary J.	Seattle Center	service	9/25/2002	9/27/2010	67
Mc Cormick,Jack	Engineering	service	5/1/1983	3/25/2010	88
McGhee,James R		service	4/1/1991	5/1/2010	72
McGifford,Edwin G.	Engineering	service	1/1/1997	9/2/2010	83
Mead,Wendell B		service	11/1/1983	1/2/2010	87
Moellendorf,Nona L	Seattle Center	service	2/1/1985	12/22/2010	93
Moore,Donlee	Building	service	4/1/1977	1/8/2010	97
Murakami,Kazuo	City Light	service	3/1/1984	9/28/2010	89
Murdock,Harry P		service	6/1/1984	2/18/2010	90
Naud,Raymond W	City Light	service	5/1/1987	11/21/2010	84
Nelson,Russell L		service	6/1/1991	10/13/2010	78
Noel,Allen H.	Fire	service	5/1/1997	4/23/2010	68

Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
Noland,M Roy	City Light	service	12/1/1994	8/22/2010	82
Ostberg,Jimmie D	ESD	service	6/10/1998	7/9/2010	72
Owens,Julia C	Library	service	7/1/1994	11/23/2010	76
Palkowski,Laurena E.	Library	service	1/19/1997	9/8/2010	75
Patton,Wesley R		service	3/1/1993	2/9/2010	82
Payne, Dana A.	Vested	service	8/27/2007	3/20/2010	54
Petty,John T	Water	service	11/1/1978	12/15/2010	94
Pollard,Irwin D	Seattle Center	service	3/3/1990	3/1/2010	82
Pond,C Earle	City Light	service	8/1/1982	2/4/2010	89
Primoli,Margaret L	Police	service	10/1/1979	9/23/2010	94
Pruzan,Irvin	Metro	service	12/1/1977	12/22/2010	94
Puckett,Leo N		service	6/1/1990	6/4/2010	86
Quandt,Gordon L	Engineering	service	8/1/1979	8/8/2010	83
Raganot,Nelda B.	Library	service	7/7/1999	9/24/2010	73
Reich,Virginia M	Library	service	1/1/1976	2/22/2010	90
Richardson,Earl N	Metro	service	9/1/1976	11/24/2010	89
RIVAS,LYNNE H	City Light	service	5/4/1999	11/3/2010	76
Rockey,Cosmo T	City Light	service	3/1/1990	11/1/2010	82
RUDEN,ROY E.	SDOT	service	1/4/2000	11/21/2010	73
Saturnini,George	Water	service	6/1/1980	11/4/2010	89
Severson,Donald L		service	2/1/1976	2/26/2010	96
Shannon,Clarence	Muni Court	service	4/15/1996	9/20/2010	81
Shepard,Sheldon F	General Services	service	8/1/1975	4/14/2010	88
Shields,James R.	Metro	service	3/8/1997	9/27/2010	72
Shimizu,Kazuko	Engineering	service	4/2/1983	5/25/2010	91
Sincavage,Michael	Seattle Center	service	2/1/1985	12/11/2010	94
Sleater,Dorothy A		service	9/1/1979	8/6/2010	93
Smith, Carolyn	ESD	service	8/13/2002	6/8/2010	63
Sorbo,Boyd H	City Light	service	2/1/1984	9/20/2010	82
Southwick,Leonard	Engineering	service	3/1/1980	9/19/2010	86
Spearman,Jean G	Health	service	3/1/1980	9/10/2010	87
Stateman,Gloria	Treasury	service	1/1/1986	3/16/2010	86
Stern,Ollie J	Health	service	5/1/1987	1/1/2010	79
Stewart,Verginia E	Engineering	service	6/1/1986	1/22/2010	91
Storms,Robert S	City Light	service	9/1/1981	12/7/2010	90
Strom,Kenneth R	Metro-Transit	service	3/1/1983	2/10/2010	87
Suto,Dorothy M		service	2/1/1984	4/16/2010	91
Swanson,Alice I	City Light	service	8/1/1975	7/27/2010	100
Tanagi,Mariko O	DAS	service	6/1/1992	9/5/2010	83
Tarwater,Carol	Library	service	9/1/1980	12/8/2010	87
Tate,Alvin	Parks	service	6/27/1984	2/20/2010	87
Tencate,Dorothea D	City Light	service	7/1/1994	5/6/2010	82
Tester,Joy D	Parks	service	12/1/1994	2/10/2010	80
Thompson,Arthur C	Engineering	service	6/1/1986	1/5/2010	85
Torkelson, Eric T.	DEA	service	2/25/2004	11/26/2010	63
Tsai,Ryo M	Library	service	6/1/1984	2/22/2010	88
Warnke,Kenneth E.	City Light	service	4/5/2000	10/30/2010	73
Watkins,Mary N		service	10/1/1985	9/6/2010	87



Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
Watkins,Ray B	Health	service	1/1/1985	10/26/2010	88
Watters,Robert	City Light	service	5/1/1981	7/18/2010	91
Weisgerber,Laurence G.	SDOT	service	3/2/2002	9/9/2010	71
West,Helen T	SPU	service	1/11/2006	6/19/2010	70
Whitlock,Leonard B	Water	service	3/1/1987	9/8/2010	86
Wiegand,Doris S		service	2/1/1979	10/26/2010	91
Wilcox,G Grant		service	6/1/1981	1/7/2010	91
Wills,Donald K	Engineering	service	4/1/1981	10/13/2010	84
Wilson,Girtha L C		service	6/1/1995	7/17/2010	79
Wilson,John	City Light	service	9/1/1979	3/22/2010	86
Winter,Frederick W		service	12/1/1989	7/15/2010	83
Winter,Louise D	Civil Service	service	10/1/1977	8/14/2010	95
Withrow,Ernest R	Engineering	service	2/1/1981	11/9/2010	91
Woche,Paul L	Light	service	5/1/1993	4/6/2010	81
Woods,Howard W	Light	service	4/1/1985	5/9/2010	90
Wright, Lewis W.	City Light	service	12/4/2007	7/15/2010	72
Yokoyama,Helen H	Seattle Center	service	1/1/1993	1/18/2010	95
<b>Average Age of Deceased Pensioner</b>					<b>83.45</b>
<b>Average Age of Deceased Disability Pensioner</b>					
<b>Number of Service Pensioners Deceased</b>					<b>159</b>
<b>Number of Disability Pensioners Deceased</b>					<b>0</b>
<b>Death Benefits for Deceased Active and Retired</b>					<b>240,000</b>
<b>Refunds Under Option "A"</b>					<b>0</b>
<b>Refunds Under Disability</b>					<b>0</b>

### DEATHS IN ACTIVE SERVICE DURING 2010

Name	Position	Department	Age
Ach, James D	Permit Spec II	DPD	57
Adams, Rosheida Alfreda	Admin Spec II-BU *	SDOT	27
Day, Sheridan Louise	Admin Spec II-MC	Muni Court	66
Dixon, Sigrid Ebron	Wtr Pipe Wkr	SPU	36
Elfrink-Thompson, Charles D.	Radio Comms Spec	SDOT	66
Goldmanis, Zane L	Librn	Library	66
Jackson, Edward Charles	Actg Tech I-BU	SCL	53
Liang, Willy	Accountant,Sr	ESD	61
Mar,George W	Auto Mechanic	FAS	58
Reid, Jr. Lonnie E.	Laborer	Parks	42
Robinson,Joan M	Wtr Pipe Wkr-WDM I	SPU	55
Swigger,Nancy D	Rec Leader *	Parks	67
Thacker,Wilma E	Contract Employee *	ESD	61
Tiruneh, Asmamaw A.	Parking Attendant,Sr	Seattle Center	54
Vehikite, Asaeli	Maint Laborer	Parks	67
		Count	15
		Average Age	55.73

## DEATH BENEFIT SYSTEM

### For The Year Ended December 31, 2010

All active members and those retired members who so elect are covered by the Death Benefit System. The Death Benefit System is similar to a life insurance policy and pays \$2,000 to the beneficiary of an active or retired member.

The annual premium for each member is \$12, with the City matching this amount. Any additional funds needed to fund the Death Benefit System come from the undistributed earnings of the Retirement System.

There were 13 payouts for deaths in active service and 107 claims from retired employees - a total of 120 claims. This compares with 13 deaths in active service in 2009, and 126 claims from retired employees - a total of 135. The claims totaled \$278,108 in 2009, and \$270,000 in 2008.

Income from Active and Retired Employees:		\$	<b>142,896</b>
Income from Employers:			
Seattle City Light	\$		30,690
General Fund			33,066
Engineering / Transportation			12,930
Seattle Parks Department			15,330
Seattle Public Utilities			21,018
Administrative Services			5,232
Library			8,856
Seattle Center			5,244
Planning and Development			5,364
Metro Transit Fund			1,764
Employees' Retirement System			258
King County Health & Custodial			3,144
Total Employers Fund	\$		<b>142,896</b>
Total from Employer Funds		\$	<b>142,896</b>
Total paid into Death Benefit Reserve		\$	285,792
Transfer from Undistributed Investment Earnings		\$	45,792
<u>Less: Death Benefit Claims - 2010</u>		\$	<u>240,000</u>
Death Benefit Reserve Balance December 31, 2010		\$	(240,000)

### UNUSED SICK LEAVE

At the time of retirement, some members may elect to receive a cash payment equal to 25% of the monetary value of their "unused sick leave." The monetary value is developed by multiplying the number of hours of unused sick leave by the hourly rate, and is calculated and paid to the employee by the employing department when the person retires immediately following employment. Vested members retiring at a future date do not receive a sick leave payout. This may not apply to certain represented positions.

The member may elect to write a check payable to the City, and deliver it to the Retirement System, for the amount of the sick leave payout, and this amount will be placed in an account to be used to pay health care premiums for self and spouse. Since the health care premiums are paid from the Health Care Fund, these funds do not accrue interest. If the retiree dies before the credit is exhausted, the surviving spouse may use the remaining credit to pay for health care coverage.

In the event of the death of an active employee eligible for sick leave benefits, the employing department will pay the beneficiary an amount equal to 25% of said employees' accumulated unused sick leave.

Of the 355 service retirements during 2010, there were no retirees that deposited the value of their sick leave payout to an account that will be used to pay their medical premiums.

## RETIREMENT ESTIMATE INFORMATION

### Percentage of Average Salary

Years of Retirement Credit

Years of Retirement Credit

		Age																
		Any	52	53	54	55	56	57	58	59	60	61	62	63	64	65		
30	60	60.0	60.0	60.0	60.0	60.0	60.0	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60	30	
29		58.0	58.0	58.0	58.0	58.0	58.0	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58	29	
28		56.0	56.0	56.0	56.0	56.0	56.0	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56	28	
27		51.3	54.0	54.0	54.0	54.0	54.0	54.00	54.00	54.00	54.00	54.00	54.00	54.00	54.00	54	27	
26		46.8	49.4	52.0	52.0	52.0	52.0	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52	26	
25		42.5	45.0	47.5	50.0	50.0	50.0	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50	25	
24		38.4	40.8	43.2	45.6	48.0	48.0	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48	24	
23		34.5	36.8	39.1	41.4	43.7	46.0	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46	23	
22		30.8	33.0	35.2	37.4	39.6	41.8	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44	22	
21		27.3	29.4	31.5	33.6	35.7	37.8	39.90	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42	21	
20		24.0	26.0	28.0	30.0	32.0	34.0	36.00	38.00	40.00	40.00	40.00	40.00	40.00	40.00	40	20	
19								28.88	30.02	31.16	32.30	33.44	34.58	35.72	36.86	38	19	
18								27.36	28.44	29.52	30.60	31.68	32.76	33.84	34.92	36	18	
17								25.84	26.86	27.88	28.90	29.92	30.94	31.96	32.98	34	17	
16								24.32	25.28	26.24	27.20	28.16	29.12	30.08	31.04	32	16	
15								22.80	23.70	24.60	25.50	26.40	27.30	28.20	29.10	30	15	
14								21.28	22.12	22.96	23.80	24.64	25.48	26.32	27.16	28	14	
13								19.76	20.54	21.32	22.10	22.88	23.66	24.44	25.22	26	13	
12		<b>Not Eligible To Retire</b>							18.24	18.96	19.68	20.40	21.12	21.84	22.56	23.28	24	12
11								16.72	17.38	18.04	18.70	19.36	20.02	20.68	21.34	22	11	
10								15.20	15.80	16.40	17.00	17.60	18.20	18.80	19.40	20	10	
9													16.38	16.92	17.46	18	9	
8													14.56	15.04	15.52	16	8	
7													12.74	13.16	13.58	14	7	
6													10.92	11.28	11.64	12	6	
5													9.10	9.40	9.70	10	5	

**Identify percentage factor above that applies to your age and years of service.**

Percentages increase with each day of service.

Maximum percentage factor = 60% with 30 years of retirement credit.

Average Salary = Average of Highest Consecutive 24 months.

If expected retirement date is 2 years or more from now, use today's salary as estimated Final Average Salary.

Eligibility for Retirement
5 to 9 years of service - and are age 62 or older
10 to 19 years of service - and are age 57 or older
20 to 29 years of service - and are age 52 or older
30 years of service - any age

**Example: 22 years of credit, age 56, and final average salary is \$2,500**

$$\begin{array}{rcccl}
 \underline{\$ 2,500} & & \underline{39.6\%} & & \underline{\$ 990} \\
 \text{Final Average Salary} & \times & \text{percentage factor from table} & = & \text{Estimated Un-modified} \\
 & & \text{based on age and years of credit} & & \text{Monthly Amount}
 \end{array}$$

**Note:** This form is only intended to provide a general profile of how an estimated pension amount is calculated. Any unpaid leave during your career is not counted towards retirement credit, but may be purchased under certain circumstances.