

Seattle City Employees' Retirement System Annual Report

For the year ended December 31, 2005



SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM

ANNUAL REPORT

For The Year Ended December 31, 2005

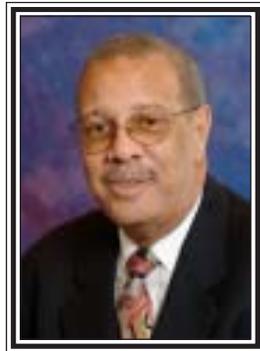
Prepared by: Seattle City Employees' Retirement System Staff

720 Third Avenue, Suite 1000
Seattle, WA 98104-1652
(206) 386-1293
(206) 386-1506 fax
www.seattle.gov/retirement

Board of Administration



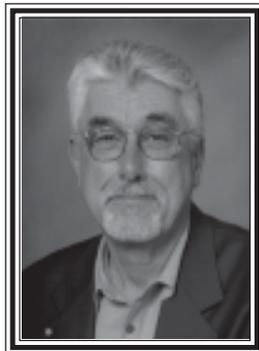
Norma McKinney



Richard McIver



Dwight Dively



Lou Walter



Mary Norris



Paul Berry



Frank Mathews

Administrative Staff



Kathleen Bryant



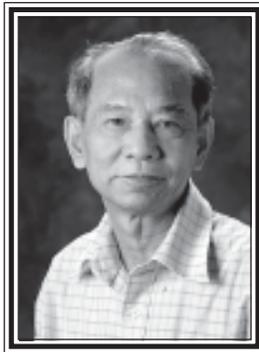
Roberta Blayney



Katherine Bursett



Sonya Jones-Dicks



Hieu Le



Jean LeMaster



Sheila Moss



Jeannette Ocampo



Lindsay Reid



Mel Robertson



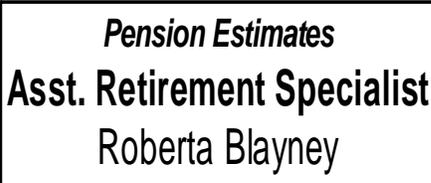
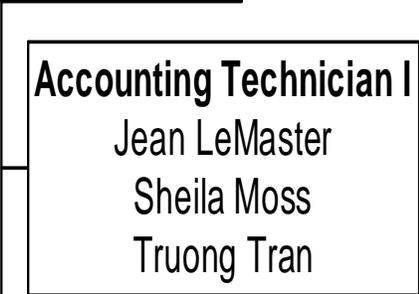
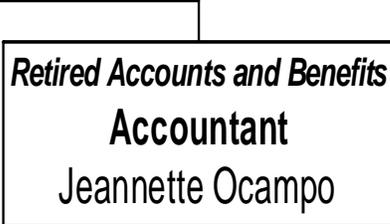
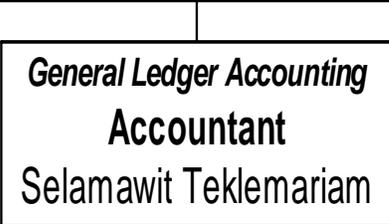
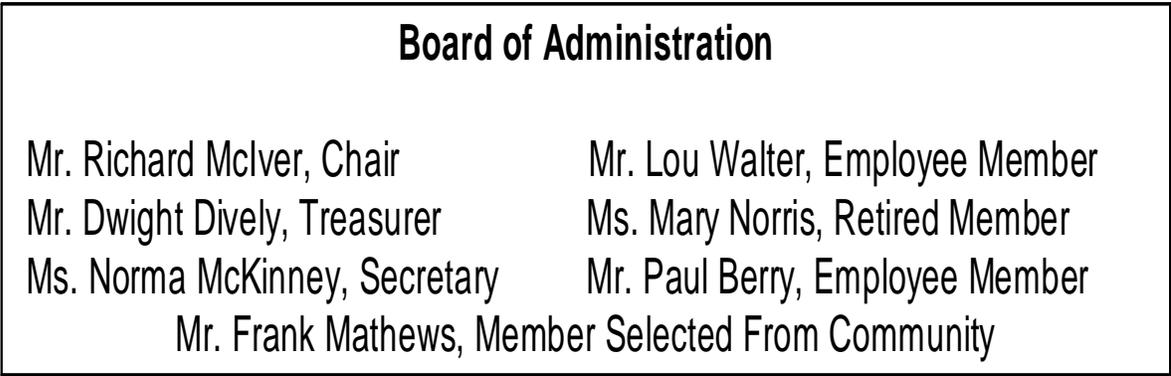
Norm Ruggles



Selam Teklemariam



Truong Tran





City of Seattle

Gregory J. Nickels, Mayor

Seattle City Employees' Retirement System

Board of Administration

Norman L. Ruggles, Executive Director

April 4, 2006

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

This Annual Report consists of six sections: the Introductory Section contains the Executive Director's letter of transmittal and the identification of the administrative organization of the System; the Financial Statements Section contains the financial statements of the System as well as a letter from the System's certified public accountants; the Actuarial Section contains the independent consulting actuary's opinion along with related actuarial data and statements; the Statistical Section contains tables of significant data pertaining to the operation of the System; the next section contains information on the Death Benefit System and the Unused Sick Leave Plan administered by the Retirement System; and the last section is the Retirement Estimate Section including eligibility requirements, a percentage of average salary chart and a sample calculation.

The compilation of this report reflects 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 present 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.

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, 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.

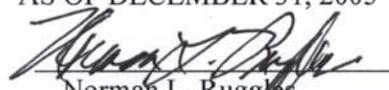
The Retirement System covers employees of the City of Seattle, and certain employees of King County, METRO and the Seattle City Library. The year ended December 31, 2005, concludes our 77th year of operations. This longevity is a tribute to the hard work and conscientious efforts of the past and present Board members, staff, advisors and elected officials who have made the Retirement System the strong, exemplary system it is today.

The report is being mailed to all departments of the City. They form the link between the Seattle City Employees' Retirement System and its membership. Their cooperation contributes significantly to the success of the Retirement System. We trust the employers 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
AS OF DECEMBER 31, 2005


Norman L. Ruggles
Executive Director

City Employees' Retirement System, 720 Third Avenue, Suite 1000, 10th Floor, Seattle, WA 98104-1829

Tel: (206) 386-1292, Fax: (206) 386-1506

An equal employment opportunity, affirmative action employer. Accommodations for people with disabilities provided upon request.



TABLE OF CONTENTS

INTRODUCTORY SECTION

Title Page..... i
 Board of Administration..... ii
 Retirement System Staff..... iii
 Organization Chart..... iv
 Letter of Transmittal..... v
 Table of Contents..... vi

FINANCIAL SECTION

Independent Auditor's Report..... 2
Management's Discussion and Analysis..... 3
Statements of Plan Net Assets..... 8
Statements of Changes in Plan Net Assets..... 9
Notes to the Financial Statements..... 10
 Required Supplemental Information - Schedule of Funding Progress..... 13
 Required Supplemental Information - Schedule of Employer Contributions..... 13
 Additional Information - Schedule of Administrative Expenses..... 14
 Additional Information - Schedule of Investment Expenses..... 15
 Additional Information - Schedule of Investment Cash and Securities..... 16

ACTUARIAL SECTION

Actuary Certification Letter..... 18
 Summary of Actuarial Assumptions and Methods..... 20
 Schedule of Active Member Valuation Data..... 26
 Schedule of Retirees and Beneficiaries..... 27
 GASB No. 27 Annual Pension Cost and Net Pension Obligation..... 28
 Schedule of Funding Progress..... 29
 Solvency Test..... 30
 Schedule of Employer Contributions..... 31
 GASB No. 27 Four-year Trend Information..... 32
 GASB No. 27 Annual Development of Pension Cost..... 33
 Analysis of Actuarial Gains or Losses..... 34
 Schedule of Retirees and Beneficiaries added to/removed from rolls..... 35
 Summary of the Retirement Plan..... 36

STATISTICAL SECTION

Schedule of Revenues by Source..... 42
 Schedule of Expenses by Type..... 42
 Schedule of Benefit Expense by Type..... 43
 Schedule of Revenue Ratios by Source..... 43
 Schedule of Investments Results..... 44
 Schedule of Investment Results by Manager..... 45
 Age Distribution of Pensioners..... 46
 Retirement Allowance Distribution..... 47
 Active Membership Experience..... 48
 Retiree Membership Experience..... 49
 Miscellaneous Retired Information..... 50
 Schedule of Average Benefit Payments..... 51
 New Active Members - by Department..... 52
 Members Again in 2005..... 52
 Service Retirements Granted in 2005..... 53
 Disability Retirements Granted in 2005..... 57
 Retired Members Deceased in 2005..... 58
 Deaths in Active Service During 2005..... 61

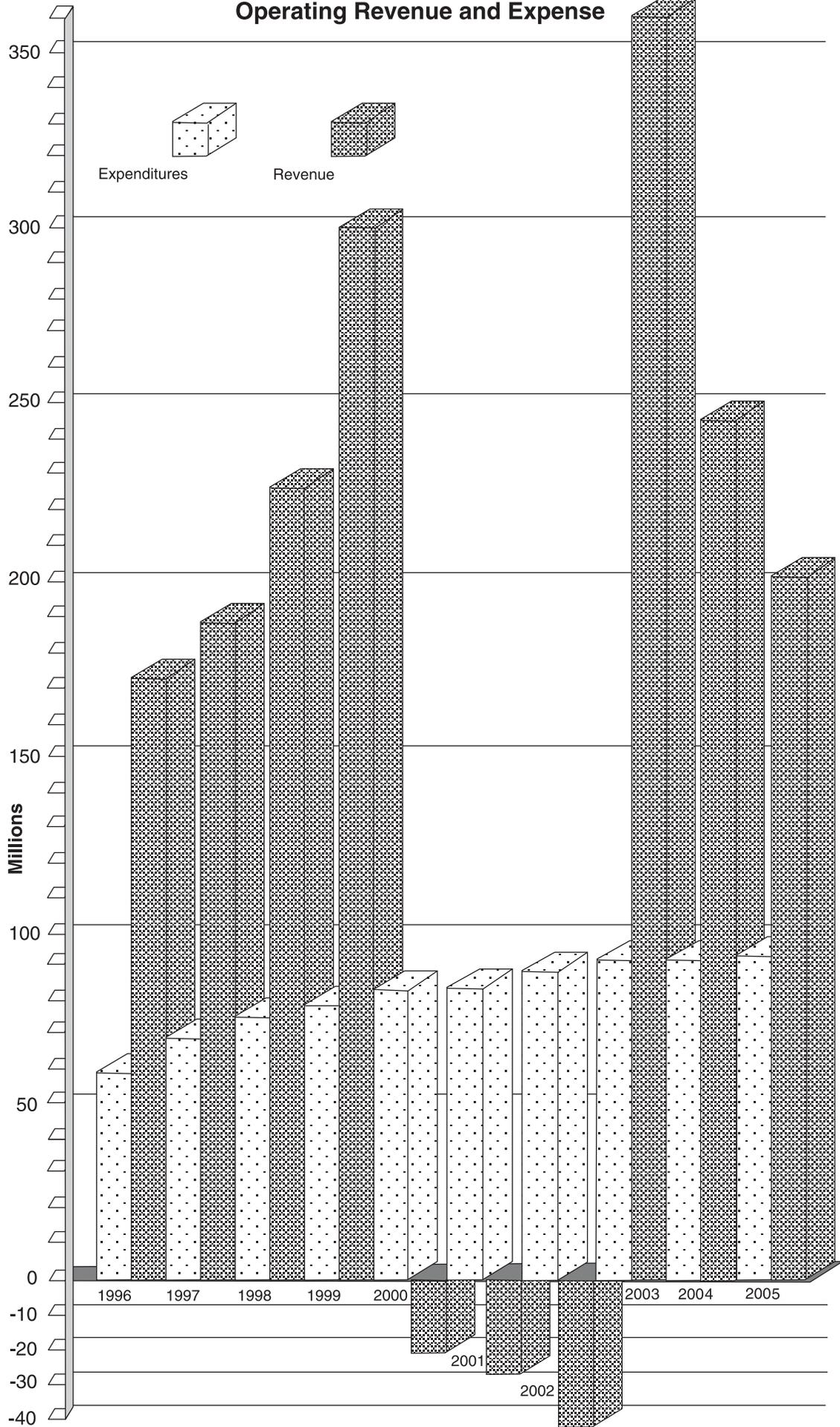
DEATH BENEFIT AND UNUSED SICK LEAVE SECTION

Death Benefit System..... 62
 Unused Sick Leave..... 62

RETIREMENT ESTIMATE SECTION

Retirement Estimate Information..... 63

Operating Revenue and Expense



INDEPENDENT AUDITORS' REPORT

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") as of December 31, 2005 and 2004, 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 audit 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, 2005 and 2004, and the changes in 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, the schedule of funding progress, and the schedule of employer contributions are not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. This supplementary information is the responsibility of the System 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 audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The introductory, actuarial, statistical, death benefit and unused sick leave, and retirement estimates sections, and the schedules of administrative expenses, investment expenses, and investment cash and securities listed in the table of contents as additional information in the financial section are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is the responsibility of the System's management. The schedules of administrative expenses, investment expenses, and investment cash and securities have been subjected to the auditing procedures applied in our audit 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, statistical, death benefit and unused sick leave, and retirement estimates sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Deloitte & Touche LLP

Management's Discussion and Analysis

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, 2005. Please read it in conjunction with the transmittal letter in the Introductory Section and 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 retirement 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 market value, and revenues include the recognition of unrealized gains or 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. Buck Consultants, the consulting actuary, evaluates the funding status of the System.

The Financial Section contains the following information:

1. **Basic Financial Statements** including:
 - a. Statements of Plan Net 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. **Other Supplementary Schedules** including:
 - a. Schedule of Administrative Expenses
 - b. Schedule of Investment Expenses
 - c. Schedule of Investment Cash and Securities

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, as well as in the documentation provided by the actuary that is included in the Actuarial Section of this annual report.
- 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.
- 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 from an ongoing long-term perspective, in the accumulation of sufficient assets to pay future benefits when due. Actuarial Liabilities in excess of the Actuarial Value of Assets indicate that insufficient assets were accumulated as of December 31, 2005 to fund the future benefits of current members and retirees.
- 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 exceed its current amounts owed as of December 31, 2005 by \$1.79 billion.
- Net assets increased by \$107 million (6.4%) during 2005, primarily due to gains in the international equity markets and in real estate. Net assets increased by \$157 million (10.3%) during 2004, primarily due to gains in the equity markets in the U.S. and abroad.
- Revenues (additions to net assets) for 2005 were \$202 million, which includes member and employer contributions of \$72 million and net gains from investment activities totaling \$130 million. Revenues (additions to net assets) for 2004 were \$246 million, which includes member and employer contributions of \$74 million and net gains from investment activities totaling \$172 million.
- Expenses (deductions from net assets) for 2005 increased by \$5.8 million (6.5%) from 2004. Retiree benefits was the largest part of the increase. Expenses (deductions from net assets) for 2004 remained at \$89 million with only a 0.32% increase from 2003. The increase in retiree benefits was largely offset by fewer refunds of contributions.

Plan Net Assets

The table below provides a summary of assets and current liabilities:

	Plan Net Assets As of December 31		
	2005	2004	2003
Cash and Receivables	\$ 65,833,444	\$ 54,193,916	\$ 49,649,866
Investments at Fair Value	1,733,929,772	1,637,800,830	1,484,850,303
Securities Lending Collateral	122,862,720	239,087,447	148,226,605
Equipment	3,654	3,999	5,185
Total Assets	<u>1,922,629,590</u>	<u>1,931,086,192</u>	<u>1,682,731,959</u>
Securities Lending Payable	122,862,720	239,087,447	148,226,605
Other Payables	8,002,610	7,533,598	6,993,952
Total Liabilities	<u>130,865,330</u>	<u>246,621,045</u>	<u>155,220,557</u>
Total Net Assets	<u>\$ 1,791,764,260</u>	<u>\$ 1,684,465,147</u>	<u>\$ 1,527,511,402</u>

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:

Changes in Plan Net Assets For the Years Ended			
Additions:	2005	2004	2003
Member Contributions	\$ 35,962,449	\$ 37,192,591	\$ 36,243,490
Employer Contributions	35,897,345	36,819,271	34,200,693
Net Investment and Other Income Gain	130,094,269	171,784,968	290,999,224
Total Additions	<u>201,954,063</u>	<u>245,796,830</u>	<u>361,443,407</u>
Deductions:			
Monthly Retiree Benefits	82,268,449	77,289,288	73,559,78
Refunds of Contributions	10,385,215	9,791,692	13,218,137
Administrative Expenses	2,001,286	1,762,105	1,841,204
Total Deductions	<u>94,654,950</u>	<u>88,843,085</u>	<u>88,619,069</u>
Net Increase	<u>\$ 107,299,113</u>	<u>\$ 156,953,745</u>	<u>\$ 272,824,338</u>

Revenues – Additions to Net Plan Assets

- Member contributions decreased by \$1.2 million (3.3%) compared to 2004. Member contributions increased by \$0.9 million (2.6%) compared to 2003. This increase is primarily attributed to City departments filling vacancies to avoid losing the positions. These changes resulted increased member contributions during 2004.
- Employer contributions decreased by \$0.9 million (2.5%) compared to 2004. Employer contributions increased by \$2.6 million (7.7%) compared to 2003.
- Net investment gain and other income was \$130 million in 2005 as compared to \$172 million in 2004. Net investment gain and other income was \$172 million in 2004 as compared to \$291 million in 2003.

Expenses – Deductions from Net Plan Assets

- Retiree benefits increased in 2005 by \$5.0 million (6.4%) compared to 2004, partly due to COLA increases and partly due to the natural turnover of retirees and beneficiaries with new retirees being added to the payroll with much higher monthly allowances than the retirees and beneficiaries that have died during the year. Retiree benefits increased in 2004 by \$3.8 million (5.2%) compared to 2003, partly due to COLA increases and partly due to the natural turnover of retirees and beneficiaries with new retirees being added to the payroll with much higher monthly allowances than the retirees and beneficiaries that have died during the year.
- Refunds of contributions increased in 2005 by \$0.6 million (6.1%) compared to 2004. During 2004, refunds of contributions decreased by \$3.4 million (25.9%) compared to 2003, and is at least partly attributed to fewer than normal withdrawals.

Plan Membership

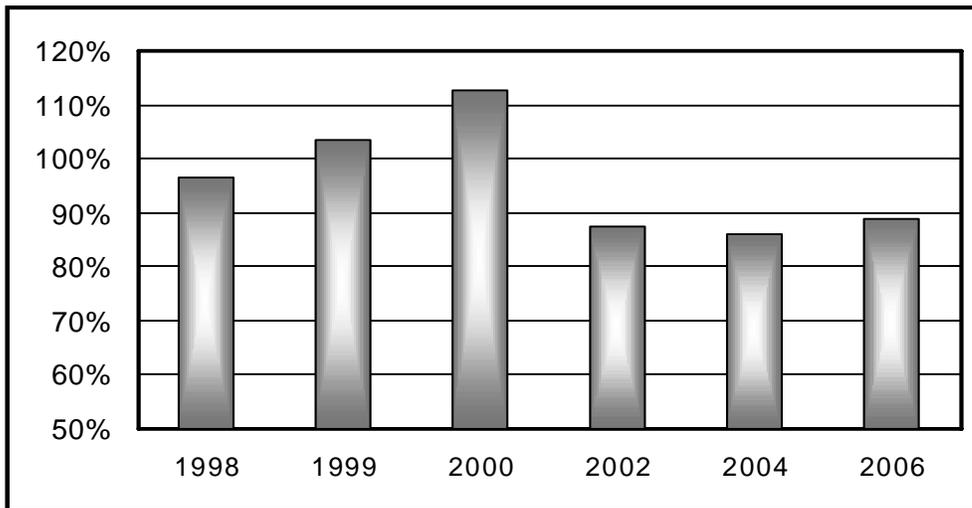
The table below reflects the active membership and retiree changes during 2005:

**Changes in Plan Membership
For the Years Ended December 31, 2005 and 2004**

	2005	2004	% Change
Retirees and Beneficiaries Receiving Benefits	<u>5,011</u>	<u>4,927</u>	1.7
Current and Terminated Employees Entitled to, But Not Yet Receiving Benefits:			
Current Employee Members	8,521	8,570	(0.6)
Vested Employee Members	1,621	1,418	14.3
Vested Employee Members with Portability	<u>245</u>	<u>234</u>	4.7
Total	<u>10,387</u>	<u>10,222</u>	1.6

Funding Status

**Schedule of Funding Progress
Funding Ratio
As of January 1st 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. Although the historical level of funding for the Seattle City Employees' Retirement System is adequate, we continue to make a constant effort to achieve a fully funded status, thereby assuring the participants of a financially sound retirement system. The funding ratio as of January 1, 2006 was 88.8%. Most active members contribute 8.03% of their salaries to the retirement fund and the City contributes 8.03%. For a detailed breakdown of the funding progress, please see the "Actuarial Section".

Investment Activities

One-year returns on asset classes and comparative benchmarks are presented in the table below:

Investment Return For the Years Ended December 31, 2005 and 2004

	2005	2004
Total Portfolio	8.1 %	11.5 %
Domestic Equities	7.4	12.3
<i>Benchmark: Russell 3000 Index</i>	6.1	11.9
International Equities	15.1	20.5
<i>Benchmark: MSCE EAFE Index</i>	14.0	20.7
Fixed Income	3.8	4.7
<i>Benchmark: Lehman Brothers Aggregate</i>	2.4	4.3
Real Estate	20.3	13.0
<i>Benchmark: Russell NCREIF Property Index</i>	20.7	12.2
Alternative (combined)	3.1	5.0
Concentrated – Post IPO	2.8	27.6
Venture Capital		(10.3)
Hedge Funds	3.1	5.0
<i>Benchmark: Treasury Bills + 3%</i>	6.1	4.1

The investments of the Retirement System are governed primarily by the “prudent investor rule.” The prudent investor rule, as set forth by state statute, establishes a standard for all fiduciaries, which includes anyone who has authority with respect to the fund.

Rebounding financial markets in the U.S. and abroad impacted the System’s investments, and resulted in a net gain in value of \$129,591,299. The gain on the market value of the total investment portfolio was 8.1%. 2005 was a positive year for most domestic and international equity investments, even our fixed income and real estate investments performed well. The Retirement System invests retirement funds for the long-term, anticipating both good and bad financial markets. Investments are diversified to reduce investment risk.

Effect of Economic Factors

After years of growth during the 1990’s, the U.S. economy experienced a downturn and recession in 2001, with the equity market showing no signs of recovery until March of 2003. While increases in the levels of unemployment seems to have slowed, job creation has not occurred even though we are beginning to see corporate profits increase. While the nation is beginning to recover from the recession, the Puget Sound region lags behind. There are signs, however, that the regional economy has reached bottom. Since the funding of the Retirement System is determined by employee and employer contributions and long-term investment income, the Seattle City Employees’ Retirement System is structured to continue to provide the retirement benefits earned by its members.

Contacting the Seattle City Employees’ Retirement System

If you have questions about this report or need additional information, please contact us by phone at: (206) 386-1293 or by email at: RetireCity@Seattle.gov or you may mail your questions to:

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

Seattle City Employees' Retirement System

Statements of Plan Net Assets

As of December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Assets:		
Cash and equity in pooled investments	\$ 15,675,966	\$ 19,812,611
Short-term investment funds	43,290,055	26,377,747
Securities lending collateral	122,862,720	239,087,447
Receivables:		
Plan members	1,303,174	1,458,651
Employer	3,635,802	3,608,642
Interest and dividends	1,928,447	2,936,265
Total Receivables	<u>6,867,423</u>	<u>8,003,558</u>
Investments, at fair value:		
U.S. Government obligations	115,261,542	223,188,464
Domestic corporate bonds	102,019,474	104,046,042
Domestic stocks	900,993,088	826,131,649
International stocks	201,640,801	182,679,412
International bonds	5,478	5,478
Real estate	187,813,953	145,772,336
Alternative / Venture capital	207,185,142	155,977,449
Mezzanine debt	19,015,772	
Total Investments	<u>1,733,929,772</u>	<u>1,637,800,830</u>
Equipment and fixtures, at cost, net of accumulated		
depreciation of \$198,176 and \$197,831, respectively	3,654	3,999
Total Assets	<u>1,922,629,590</u>	<u>1,931,086,192</u>
Liabilities:		
Refunds payable and other	8,002,610	7,533,598
Securities lending collateral	122,862,720	239,087,447
Total Liabilities	<u>130,865,330</u>	<u>246,621,045</u>
Net assets held in trust for pension benefits	<u>\$ 1,791,764,260</u>	<u>\$ 1,684,465,147</u>
<i>(A schedule of funding progress for the plan is presented on page 13.)</i>		

See notes to financial statements.

Seattle City Employees' Retirement System

Statements of Changes in Plan Net Assets

For the Years Ended December 31, 2005 and 2004

Additions:	2005	2004
Contributions:		
Employer	\$ 35,897,345	\$ 36,819,271
Plan members	35,962,449	37,192,591
Total Contributions	71,859,794	74,011,862
Investment Income:		
Net appreciation in fair value of investments	111,897,456	155,560,766
Interest	14,663,600	12,969,429
Dividends	6,908,475	6,007,142
Total Investment Gain	133,469,531	174,537,337
Investment Activity Expenses:		
Investment management fees	(3,603,970)	(2,915,600)
Performance measurement and asset allocation fees	(97,000)	(85,000)
Investment custodial fees	(177,262)	(212,457)
Total Investment Activity Expenses	(3,878,232)	(3,213,057)
<i>Net Gain From Investment Activities</i>	129,591,299	171,324,280
Securities Lending Activities:		
Securities lending income	6,397,366	2,674,374
Securities lending expenses:		
Borrower rebates	(5,727,501)	(2,060,736)
Management fees	(166,895)	(152,950)
Total Securities Lending Activities Expenses	(5,894,396)	(2,213,686)
<i>Net Income from securities lending activities</i>	502,970	460,688
Total Net Investment Gain	130,094,269	171,784,968
Total Additions	201,954,063	245,796,830
Deductions:		
Benefits	82,302,449	77,289,288
Refunds of contributions	10,351,215	9,791,692
Administrative expense	2,001,286	1,762,105
Total Deductions	94,654,950	88,843,085
Net Increase	107,299,113	156,953,745
Net assets held in trust for pension benefits:		
Beginning of Year	<u>1,684,465,147</u>	<u>1,527,511,402</u>
End of Year	<u>\$ 1,791,764,260</u>	<u>\$ 1,684,465,147</u>

See notes to financial statements.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO THE FINANCIAL STATEMENTS**

Note 1: Plan Description

The Seattle City Employees' Retirement System (the System) is a single-employer defined benefit public employee retirement system, 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.

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 5,011 retirees and beneficiaries receiving benefits; and 8,521 active members of the System. There are 1,621 vested terminated employees entitled to future benefits. There are 245 additional terminated employees who have restored their contributions due to the provisions of the portability statutes and may be eligible for 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 10 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.

New accounting standard: As of January 1, 2005, the System adopted the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. This statement establishes and modifies disclosure requirements related to investment and deposit risks. The impact of this standard on the Fund's financial statements consists of enhanced disclosures of risks and policies related to such risks in the footnotes.

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

Method used to value investments: Common stock, international equities, fixed income, international fixed income, and short-term investments are reported at fair market value which is based on the quoted market price. Venture capital and real estate equities are reported at fair market value which has been determined by independent 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 deductions 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.

Contributions: Employee and employer contributions are reported in the period in which the contributions are due.

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

Note 3: Contributions

Member and employer contribution 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 necessary contributions, including amounts necessary to pay administrative costs, are determined through biannual actuarial valuations.

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

Note 4: Cash and Equity in Pooled Investments

The Federal Deposit Insurance Corporation (FDIC) insures the cash deposits up to \$100,000 per member of the System. As provided by 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 as of the balance sheet date are entirely insured. The bank balance and carrying amount of the System's cash and cash equivalents with financial institutions was \$15,675,966 and \$19,812,611 as of December 31, 2005 and 2004, respectively.

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.

No investment in any one corporation exceeds 5% of net assets available for benefits. Less than 5% of plan assets were invested in derivative securities. All derivatives were nonleveraged securities consisting of collateralized mortgage obligations (CMOs), Treasury strips, convertible bonds, futures, etc.

Short-term Investment Funds is a collective trust that may include certificates of deposit, Treasury bills, and mutual funds. The Alternative / Venture category currently includes venture capital and hedge funds.

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 and 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. Approximately 1% of the System's assets are held in cash. This cash is managed by the City's Department of Executive Administration in a pool that operates like a demand deposit account, in that these funds are available at any time and may be withdrawn from the pool without prior notice or penalty. These cash deposits are insured.

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. 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. The System's operational guidelines for investments in any corporate entity are stated in each individual manager's specific portfolio guideline. In line with policy, the System does not have any investments from a single issuer (excluding explicitly guaranteed governments) that represent more than 5% of the System's net assets.

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. 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. Per the System's policy, individual manager guidelines include the ranges of acceptable exposure.

As of December 31, 2005, the fixed income portfolio of the Seattle City Employees' Retirement System had the following investments and maturities. The portfolio is presented as rated by Standard & Poor's.

Investment Type	Fair Value	Investment Maturities (in years)				Treasury	Agency	AAA	AA	A	BBB	BB	B	CCC & Below	Not Rated
		< 1	1 - 5	6 - 10	> 10 years										
Fixed Income															
U.S. Government															
Treasuries	7,853,508		2,137,968	1,613,700	4,101,841	7,853,508									
TIPS	12,359,275		6,209,596	2,912,521	3,237,158	12,359,275									
Agencies	16,471,848	2,714,399	1,809,227	1,999,962	9,948,260		16,471,848								
Mortgage Backed															
Gov't Pass Through	13,057,933	797	248,269	2,146,945	10,661,922		13,057,933								
Corp Pass Through	32,960,955	876,078	2,250,796	1,023,819	28,810,262			27,860,688	454,939	525,400	30,965	433,048	785,695	525,585	2,344,638
CMO's															
Government CMO's	3,393,721		642,635	703,796	2,047,290	90,061	3,303,659								
CDO's & CLO's															
Corporate	10,573,946				10,573,946						1,010,890				9,563,056
Corporate															
Bonds	41,561,479	2,604,229	18,370,325	10,883,845	9,703,080		1,900,920	2,251,965	9,763,777	13,259,019	7,543,377	6,491,809	350,613		
Asset Backed	8,839,271	1,018,636	1,637,180	2,071,800	4,111,655		7,558,439			65,417	62,699	1,018,636			134,081
Private Placements	13,896,517		7,643,290	892,276	5,360,951		2,535,102	197,839	1,890,087	691,116	303,043	1,194,173			7,085,159
Developed Markets															
Gov't/Sovereign	345,641	266,508		79,133				266,508	79,133						
Emerging Markets															
Gov't/Sovereign	2,230,616		131,877	118,981	1,979,757		385,711			1,844,905					
Convertible Bonds	33,721														
Convertible Preferred	1,023,434														
Derivatives	345,330														
Index Funds	41,233,767														
Mutual Funds	13,895,855														
Short Term															
Repurchase Agreements	19,008,907														
Pooled Funds	11,856,781														
	250,942,506	7,480,646	41,081,163	24,446,778	90,536,123	20,302,845	32,833,440	40,240,859	3,171,250	12,258,397	16,902,310	8,342,167	9,490,312	876,197	19,126,933

Seattle City Employees' Retirement System

12

The fixed income portfolio is primarily managed by three external money management firms, hired through an RFP 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 consultants results quarterly.

Financial Section

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 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 loaned 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 loaned, providing a margin against a decline in the market value of the collateral. There are no restrictions on the amount of securities that may be loaned. 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 distribution by the securities' issuers while the securities are on loan. Cash and U.S. government securities were received as collateral for these loans. The System cannot pledge or sell collateral securities without a borrower default. 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. There have been no losses resulting from a default, and the System did not have negative credit exposure at December 31, 2005.

	<u>2005</u>	<u>2005</u>	<u>2004</u>	<u>2004</u>
Types Of Securities Lent:	Fair Value of Securities Lent	Collateral	Fair Value of Securities Lent	Collateral
U.S. Government and Agencies	\$ 19,145,386	\$ 19,844,722	\$ 118,576,080	\$ 120,739,541
U.S. Corporate Fixed Income	9,648,899	9,869,695	17,191,954	17,552,619
U.S. Equities	89,991,598	93,148,303	97,842,918	100,795,287
Totals	\$ 118,785,883	\$ 122,862,720	\$ 233,610,952	\$ 239,087,447
		<u>2005</u>		<u>2004</u>
Collateral Report:				
U.S. Corporate Obligations		\$ 55,005,052		\$ 103,106,437
Bank Obligations		23,995,824		55,001,329
Commercial Paper		4,976,708		3,992,363
Repurchase Agreements		6,168,896		76,987,318
Asset Backed Securities		4,708,482		
Certificates of Deposits		14,994,008		
Time Deposits		5,000,000		
Euro Clear Floater		8,013,750		
Total Collateral		\$ 122,862,720		\$ 239,087,447

REQUIRED SUPPLEMENTARY INFORMATION**SCHEDULE OF FUNDING PROGRESS**

(Dollar amounts in millions)

Actuarial Valuation Date January 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) - Entry Age (1) (b)	Unfunded AAL (UAAL) (2) (b - a)	Funded Ratio (a / b)	Covered Payroll (3) (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
1998 (4)	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)
2001 (5)	1,493.1	1,490.3	(2.8)	100.2	405.0	(0.7)
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

- (1) Actuarial present value of benefits less actuarial present value of future normal costs based on Entry Age Actuarial Cost Method.
- (2) Actuarial accrued liabilities less actuarial value of assets.
- (3) Covered Payroll includes compensation paid to all active employees on which contributions are calculated.
- (4) These numbers represent the valuation after a cost-of-living-adjustment (COLA) was implemented in 1998 for both active and retired members.
There also was a valuation prior to the implementation of the COLA, which listed the Actuarial Liability for column (b) above as \$1,105,800,000. This reflected a funding excess of \$118,800,000.
- (5) These numbers were provided by an actuarial study, rather than a full valuation.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

(Dollar amounts in millions)

<u>Year Ended December 31</u>	<u>Actual Employer Contributions</u>	<u>Percentage Contributed</u>
1999	\$ 29.7	100
2000	30.8	100
2001	32.7	100
2002	36.6	100
2003	34.2	100
2004	36.8	100
2005	35.8	100

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

Additional information as of the latest actuarial valuation follows:

Valuation date	1/1/2006
Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	30.2 years
Amortization period	Open
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return *	7.75 %
Projected salary increases *	4.00 %
Post-retirement benefit increases	0.67 % - 1.50 %

* Includes inflation at 3.50 %

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
 SCHEDULE OF ADMINISTRATIVE EXPENSES
 For the Years Ended December 31, 2005 and 2004

	Budget	Actual Expenses	
	<u>2005</u>	<u>2005</u>	<u>2004</u>
Personnel Services			
Salaries	\$ 781,246	\$ 715,534	\$ 629,168
Benefits	<u>220,115</u>	<u>200,079</u>	<u>189,049</u>
Total Personnel Services	1,001,361	915,613	818,216
Maintenance and Operations			
Investment Services	4,775,214	3,878,232	3,213,057
Actuarial Services	43,000	43,017	61,000
Miscellaneous Services	150,589	168,088	52,105
Office Rent	101,587	175,452	97,547
Data Processing	644,764	546,702	598,131
Office Supplies and Expenses	108,379	77,697	59,640
Postage	49,370	51,270	45,353
Telephone	13,311	7,748	10,820
Travel	37,500	10,279	13,290
Training	30,564	5,075	4,817
Depreciation		345	1,186
Total Maintenance and Operations	<u>5,954,278</u>	<u>4,963,905</u>	<u>4,156,946</u>
Securities Lending Fees (Investment Expense)		<u>5,894,396</u>	<u>2,213,686</u>
Total Administrative Expenses	<u><u>\$ 6,955,639</u></u>	<u><u>\$ 11,773,914</u></u>	<u><u>\$ 7,188,848</u></u>

(This schedule includes investment services and securities lending as part of administrative expenses.)

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT EXPENSES
For the Year Ended December 31, 2005

Investment Services

Amerindo Investments	\$ 211,356
Barclays	132,993
Bear Stearns	227,282
Calamos	206,197
Capital Guardian Trust	119,037
Capital Management Associates	130,212
Dimensional Fund Advisors	434,073
Earnest	158,954
ING	47,943
Lazard	276,221
MFS	335,529
MDL	16,900
Pugh Capital	63,516
Reams	86,187
Snow Capital	129,962
Wall Street Associates	70,071
Washington Capital	21,670
Western Asset	455,176
Wellington	480,691
	<u>3,603,970</u>

Performance Measurement

Wurts & Associates	97,000
--------------------	--------

Custodial Services

Bank of New York	177,262
------------------	---------

Securities Lending Services

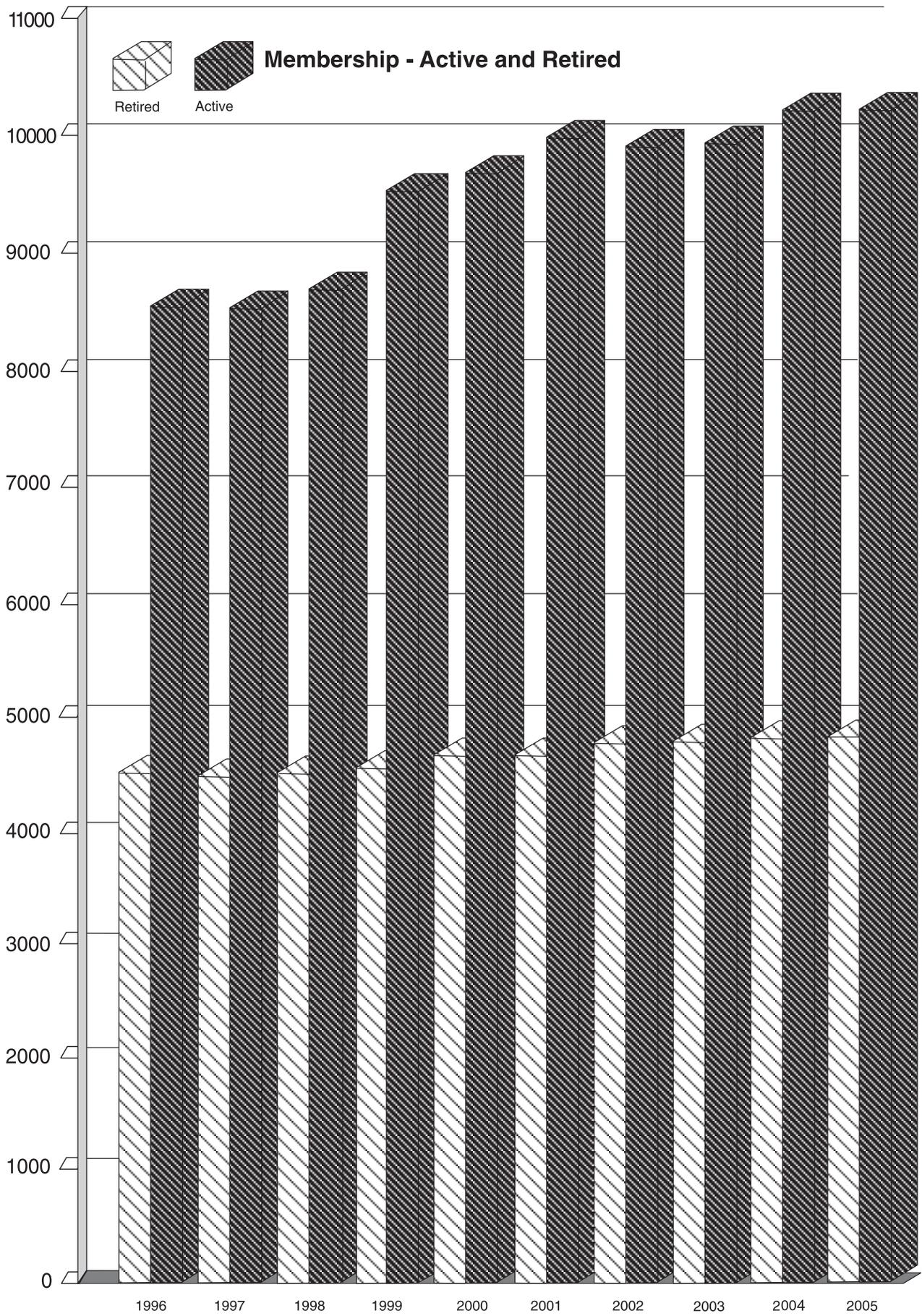
Bank of New York	<u>5,894,396</u>
------------------	------------------

Total Investment Expenses	\$ <u><u>9,772,628</u></u>
----------------------------------	-----------------------------------

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT CASH AND SECURITIES
December 31, 2005

	<u>Market</u>
Short-term Investments	\$ 43,290,055
Domestic stocks:	
Bear Stearns	34,742,334
Bear Stearns Plus	31,478,551
Dimensional Fund Advisors	201,493,596
Calamos	35,455,211
Capital Management Associates	48,238,108
Snow Capital	50,261,403
Earnest	27,721,956
ING	16,946,672
Wellington	84,022,899
Barclays - Russell 3000 Fund	88,060,942
Barclays - S&P 500 Fund	282,571,416
Total domestic stocks	<u>900,993,088</u>
Real estate:	
J.P. Morgan	99,896,138
American Realty	394,441
Washington Capital	5,404,304
Carlyle Realty IV	4,361,138
TA Associates VI	9,831,858
TA Associates VII	5,901,346
Hearthstone III	2,618,538
RREEF - West VI	36,946
RREEF - REIT II	38,504,523
Kennedy - MEPT	20,864,721
Total real estate	<u>187,813,953</u>
Fixed Income:	
Transition Account	5,203,108
Pugh Capital	25,120,662
Reams	21,302,824
Western Asset	105,802,210
Barclays - Intermediate Gov't/Corp Fund	41,233,767
In-house - BONY	18,618,445
Total fixed income	<u>217,281,016</u>
International stocks:	
Lazard	46,295,685
MFS	53,926,364
Dimensional Fund Advisors	68,580,531
Barclays - EAFE Fund	32,838,221
Total international stocks	<u>201,640,801</u>
Alternative / Venture capital:	
Amerindo	29,151,397
Advent Capital	10,596,570
Aetos	14,221,266
Attalus	14,253,655
Coast Diversified Fund	11,583,850
Epsilon Global Value II	20,011,537
Tremont Diversified	21,894,723
Phoenix Partners - III	1,096,444
Phoenix Partners - IV	3,050,156
Quellos Global Restructuring	16,005,480
Quellos Strategic Partners	65,320,064
Total alternative / venture capital	<u>207,185,142</u>
Mezzanine debt:	
Babson Tower Square II	3,175,837
Carlyle Mezzanine Partners	4,333,465
Capri Select Income II	2,156,360
Carbon Capital II	3,537,610
Lehman Brothers Real Estate Partners	2,850,000
Oaktree Mezzanine II	2,962,500
Total Mezzanine debt	<u>19,015,772</u>
Total Investment Holdings	<u>1,777,219,827</u>
Total Cash and Cash Equivalents	15,675,966
Total Securities Lending Collateral	122,862,720
Total Investments and Cash	<u>\$ 1,915,758,313</u>

[Blank]





June 5, 2006

Seattle City Employees' Retirement System
720 3rd Avenue, Suite 1000
Seattle, WA 98104

Dear Members of the Board:

The actuarial valuation of the Seattle Employees' Retirement System as of January 1, 2006 was performed by Buck and the results presented in the actuarial valuation report issued May 24, 2006.

The valuation was prepared relying, without audit, on financial and data information supplied by the System's staff. This data was found to be reasonably consistent and comparable to data used for other purposes.

The financial objective of the System is to establish contribution rates which tend to remain level as a percentage of payroll and to maintain a well-funded status. As of January 1, 2006, the funded ratio is 88.8%. The January 1, 2006 valuation shows that the current contribution rates are sufficient to pay the normal cost and amortize the unfunded actuarial accrued liability over 18.0 years.

The System policy has been to perform actuarial valuations every two years. The next actuarial valuation will then be as of January 1, 2008.

The actuarial assumptions used in the current actuarial valuation are summarized in Exhibit 1, which also discusses the method used to value assets.

The assumptions and methods used for funding purposes meet the parameters set for disclosures presented in the financial section by GASB Statement No. 25. In our experience, the assumptions used in the valuation are reasonably related to the past experience of the System. They represent the actuary's best estimate of future conditions affecting the System. However, the emerging costs of the System will vary from those presented in this report to the extent that actual experience differs from that projected by the actuarial assumptions.

Buck is solely responsible for the information contained in this letter and shown on the following exhibits:

Exhibit 1	Summary of Actuarial Assumptions and Methods
Exhibit 2	Schedule of Active Member Valuation Data
Exhibit 3	Schedule of Retirees and Beneficiaries
Exhibit 4	GASB Statement No. 27 Annual Pension Cost and Net Pension Obligation
Exhibit 5	Schedule of Funding Progress
Exhibit 6	Solvency Test
Exhibit 7	Schedule of Employer Contributions
Exhibit 8	GASB Statement No. 27 Five-Year Trend Information
Exhibit 9	GASB Statement No. 27 Annual Development of Pension Cost
Exhibit 10	Analysis of Actuarial Gains or Losses

Sincerely,



Michael Moehle, F.S.A.
Principal and Consulting Actuary



Eva Yum, F.S.A.
Director and Consulting Actuary

c: Mr. Norm Ruggles

EXHIBIT 1

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL VALUATION – JANUARY 1, 2006**

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

- 1. **Interest Rate** 7.75% per annum compounded annually, net of investment expenses.

- 2. **Experience - Active Employees**
 - a. **Retirement** Eligible for Unreduced Retirement:

Age	Annual Rate Per 100 Members Eligible to Retire			
	Males		Females	
	1 st Year Eligible	Thereafter	1 st Year Eligible	Thereafter
Less than 50	10	10	10	10
50	15	12	10	10
51	15	12	10	10
52	15	12	10	10
53	15	12	10	10
54	15	12	10	10
55	15	12	12	12
56	15	12	12	12
57	15	12	12	15
58	15	12	12	15
59	15	15	12	18
60	20	15	18	20
61	30	30	20	25
62	60	50	65	40
63	60	25	65	45
64	50	40	60	55
65	50	50	60	60
66	50	35	60	40
67	50	35	60	35
68	50	35	60	35
69	50	35	60	35
70	100	100	100	100

EXHIBIT 1

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL VALUATION – JANUARY 1, 2006**

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

a. Retirement (cont'd)

Eligible for Reduced Retirement:

Age	Annual Rate Per 100 Members Eligible to Retire	
	Males	Females
Less than 50	0	0
50	6	5
51	6	5
52	6	5
53	6	5
54	6	5
55	6	5
56	6	5
57	6	5
58	6	6
59	7	8
60	10	10
61	15	14
62	18	24
63	20	15
64	25	15

b. Disability

One-third of all disabilities are assumed to be duty-related; two-thirds are non-duty related. Graduated rates for all disabilities:

Age	Annual Rate Per 100 Members Eligible to Retire	
	Males	Females
20	0	0
30	.05	.05
40	.07	.07
45	.07	.07
50	.10	.10
55	.10	.10

EXHIBIT 1

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL VALUATION – JANUARY 1, 2006**

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

c. Mortality

Males: 50% of rates from 1994 Group Annuity Mortality Table for Males with ages set forward one year.

Females: 75% of rates from 1994 Group Annuity Mortality Table for Females, with ages set forward one year.

Age	Annual Rate Per 100 Members Eligible to Retire	
	Males	Females
20	.03	.02
30	.04	.03
40	.06	.06
45	.09	.08
50	.14	.12
55	.25	.19

d. Separation

Years of Service	Annual Rate Per 100 Members	
	Males	Females
0 - 1	11.0	11.5
1 - 2	10.0	10.5
2 - 3	9.0	9.5
3 - 4	8.0	8.8
4 - 5	7.0	8.1
5 - 6	6.0	7.5
6 - 7	5.5	7.0
7 - 8	5.0	6.3
8 - 9	4.6	5.7
9 - 10	4.3	5.2
10 - 11	4.0	4.7
11 - 12	3.7	4.2
12 - 13	3.5	3.7
13 - 14	3.3	3.2
14 - 15	3.0	2.8
15 - 16	2.7	2.4
16 - 17	2.5	2.1
17 - 18	2.3	1.8
18 - 19	2.0	1.8
19 - 20	1.7	1.8
20 & up	1.5	1.8

EXHIBIT 1

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL VALUATION – JANUARY 1, 2006**

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

e. Earnings

Years of Service	Annual Rate of Increase				
	Merit		Wage Inflation*	Total	
	Males	Females		Males	Females
0 - 1	5.77%	5.77%	4.00%	9.77%	9.77%
1 - 2	4.73%	4.73%	4.00%	8.73%	8.73%
2 - 3	3.68%	3.68%	4.00%	7.68%	7.68%
3 - 4	2.64%	2.64%	4.00%	6.64%	6.64%
4 - 5	2.11%	2.11%	4.00%	6.11%	6.11%
9 - 10	0.86%	0.86%	4.00%	4.86%	4.86%
14 - 15	0.39%	0.39%	4.00%	4.39%	4.39%
19 - 20	0.13%	0.29%	4.00%	4.13%	4.29%
24 - 25	0.13%	0.29%	4.00%	4.13%	4.29%
29 - 30	0.13%	0.29%	4.00%	4.13%	4.29%
35 & up	0.13%	0.29%	4.00%	4.13%	4.29%

* Includes 3.5% inflation and ½% payroll growth

3. Experience - Pensioners

a. Retired Mortality

Male - 1994 Group Annuity Mortality Table for Males with age set forward one year

Female - 1994 Group Annuity Mortality Table for Females with no adjustment

Age	Annual Rate Per 100 Members	
	Males	Females
50	.29	.14
55	.50	.23
60	.90	.44
65	1.62	.86
70	2.60	1.37
75	4.09	2.27
80	6.86	3.94

EXHIBIT 1

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL VALUATION – JANUARY 1, 2006**

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

- b. Totally Disabled Mortality** 1992 Railroad Retirement Board Disabled Annuity Ultimate Mortality Table, with ages set back four years and a minimum rate of 2%.

Age	Annual Rate Per 100 Members
50	2.0
55	2.0
60	2.0
65	2.8
70	4.6
75	7.2
80	10.9

4. Marital Status of Active Members

- a. Percent married or have a registered domestic partner** 60% male and female.

- b. Age difference** Males and females are assumed to be the same age.

5. Election of Deferred Vested Benefits

Vested terminating members will elect to receive a deferred vested benefit instead of receiving their accumulated contributions based upon their age at termination.

Selected rates follow:

Age	Annual Rate Per 100 Members
20	0
30	18
40	30
50	40
60	45
62 & over	45

Terminating vested members who elect to receive a deferred benefit are assumed to commence benefits at age 62.

EXHIBIT 1

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL VALUATION – JANUARY 1, 2006****SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

- | | |
|--|---|
| 6. Expenses | Administrative expenses are assumed to be .35% of members salaries and is reflected in the normal cost rate. |
| 7. Interest on Members' Contributions | 5.75% per annum, compounded annually. |
| 8. Cost of Living | After the 60% Restoration of Purchasing Power (ROPP) is applicable to a member, 3.5% per year. Prior to application of the ROPP, members who retired prior to January 1, 1998 are assumed to receive annual COLAs of approximately 2/3% and members who retired on or after January 1, 1998 are assumed to receive 1.5% annual COLAs. |
| 9. Actuarial Cost Method | Entry Age Normal gains and losses are reflected immediately in the unfunded actuarial accrued liability which is amortized as a level percentage of projected payroll. |
| 10. Asset Valuation Method | Market Value. |

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL VALUATION – JANUARY 1, 2006**

EXHIBIT 2

SCHEDULE OF ACTIVE MEMBER VALUATION DATA

Valuation Date	Number	Annual Valuation Payroll*	Average Annual Pay	Annualized % of Increase in Average Pay
8/31/82	6,839	\$170,737,000	\$24,965	0.0%
1/1/84	6,702	176,414,000	26,322	4.0
1/1/86	6,797	187,435,000	27,576	2.4
1/1/88	7,049	203,230,000	28,831	2.3
1/1/90	7,225	230,417,000	31,892	5.2
1/1/92	7,942	264,564,000	33,312	2.2
1/1/94	8,025	287,316,000	35,803	3.7
1/1/96	8,078	314,448,000	38,926	4.3
1/1/97	7,909	312,744,000	39,543	1.6
1/1/98	7,926	329,028,000	41,512	5.0
1/1/99	7,779	333,984,000	42,934	3.4
1/1/2000	8,669	382,620,000	44,137	2.8
1/1/2002	8,758	418,908,000	47,831	8.4
1/1/2004	8,382	441,562,000	52,680	10.1
1/1/2006	8,521	468,096,000	54,934	4.3

**Actuarial Valuation payroll is computed as the sum of the annualized salaries for all active members and differs from the actual payroll shown in the financial section of the annual report.*

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL VALUATION – JANUARY 1, 2006**

EXHIBIT 3

SCHEDULE OF RETIREES AND BENEFICIARIES **

Valuation Date	Number	Annual Allowances*	Average Annual Allowance	Annualized % of Increase in Average Allowances
8/31/82	4,058	\$19,942,000	\$4,914	0.0%
1/1/84	4,276	24,060,000	5,627	10.7
1/1/86	4,424	26,329,000	5,951	25.8
1/1/88	4,524	30,926,000	6,836	7.2
1/1/90	4,809	35,541,000	7,391	4.0
1/1/92	4,663	37,595,000	8,062	4.4
1/1/94	4,615	40,233,000	8,718	4.0
1/1/96	4,619	44,271,000	9,584	4.9
1/1/97	4,661	47,594,000	10,211	6.5
1/1/98	4,649	50,310,000	10,822	6.0
1/1/99	4,644	52,481,000	11,301	4.4
1/1/2000	4,681	55,542,000	11,865	8.0
1/1/2002	4,733	61,801,000	13,058	10.1
1/1/2004	4,876	74,341,000	15,246	16.8
1/1/2006	5,011	83,988,000	16,761	9.9

**Information regarding the number of retirees and beneficiaries added to and removed from the roll was not used in the actuarial valuations.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL VALUATION – JANUARY 1, 2006**

EXHIBIT 4

**GASB STATEMENT NO. 27 ANNUAL PENSION COST
AND NET PENSION OBLIGATION**

	Fiscal Year Ended December 31	
	2004	2005
1a Total Normal Cost Rate	13.05%	13.05%
1b Employee Contribution Rate	<u>8.03%</u>	<u>8.03%</u>
1c Employer Normal Cost Rate (1a-1b)	5.02%	5.02%
2a Total Employer Contribution Rate	8.03%	8.03%
2b Amortization Payment Rate (2a-1c)	3.01%	3.01%
2c Amortization Period*	30.2	30.2
2d GASB 27 Amortization Rate	3.01%	3.01%
3 Total Annual Required Contribution (ARC) Rate (1c+2d)	8.03%	8.03%
4 Covered Employee Payroll**	\$ 456,808,182	\$ 447,040,411
5a ARC (3x4)	\$ 36,681,697	\$ 35,897,345
5b Interest on Net Pension Obligation (NPO)	(5,773,805)	(5,910,271)
5c ARC Adjustment	4,012,944	4,107,791
5d Annual Pension Cost (APC) (5a+5b+5c)	<u>\$ 34,920,836</u>	<u>\$ 34,094,865</u>
6 Employer Contribution***	\$ 36,681,697	\$ 35,897,345
7a Change in NPO (5d-6)	\$ (1,760,861)	\$ (1,802,480)
7b NPO at Beginning of Year	<u>(74,500,706)</u>	<u>(76,261,567)</u>
7c NPO at End of Year (7a+7b)	\$ (76,261,567)	\$ (78,064,047)

* The amortization period determined as of January 1, 2006 is 18.0 years.

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

*** Includes contributions to the Death Benefit System for 2004 and 2005.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL VALUATION – JANUARY 1, 2006**

Exhibit 5

SCHEDULE OF FUNDING PROGRESS
(Dollar Amounts in Millions)

Actuarial Valuation Date January 1	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL) ⁽¹⁾	Unfunded Actuarial Accrued Liabilities (UAAL) ⁽²⁾	Funded Ratio	Covered Payroll ⁽³⁾	UAAL as a Percentage of Covered Payroll
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 ⁽⁴⁾	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

⁽¹⁾ Actuarial present value of benefits less actuarial present value of future normal costs based on Entry Age Actuarial Cost Method.

⁽²⁾ Actuarial accrued liabilities less actuarial value of assets, Funding Excess if negative.

⁽³⁾ Covered Payroll includes compensation paid to all active employees on which contributions are calculated.

⁽⁴⁾ Reflects increased COLA benefits adopted by the City Council after the valuation was completed.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL VALUATION – JANUARY 1, 2006**

EXHIBIT 6

SOLVENCY TEST
(Dollar Amounts in Millions)

Actuarial Accrued Liabilities for

Actuarial Valuation Date January 1	Actuarial Accrued Liabilities for				Portion of Actuarial Accrued Liabilities Covered by Assets				
	(A) Actuarial Value of Assets	(B) Active Member Contributions	(C) Inactives, Retirees and Beneficiaries	(D) Active Members (Employer Financed Portion)	(A)	(B)	(C)	(D)	
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 ⁽¹⁾	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

⁽¹⁾ Reflects increased COLA benefits adopted in 1998.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL VALUATION – JANUARY 1, 2006**

Exhibit 7

SCHEDULE OF EMPLOYER CONTRIBUTIONS
(Dollar Amounts in Millions)

Fiscal Year Ending December 31	Covered Employee Payroll ⁽¹⁾	Actual Employer Contributions ⁽²⁾	Actual Employer Contribution % ⁽²⁾	Annual Required Contribution (ARC) % ⁽³⁾	Percentage of ARC Contributed
1993	\$291.8	\$26.1	8.91%	8.91%	100%
1994	298.0	26.7	8.91	8.91	100
1995	310.6	27.8	8.91	8.91	100
1996	316.9	28.4	8.91	8.91	100
1997	316.3	28.3	8.91	8.91	100
1998 ⁽⁴⁾	341.5	30.6	8.91	8.91	100
1999	370.4	29.7	8.03	4.50	178
2000	383.6	30.8	8.03	4.50	178
2001	405.1	32.7	8.03	3.04	264
2002	454.5	36.6	8.03	3.04	264
2003	424.7	34.2	8.03	8.03	100
2004	456.8	36.7	8.03	8.03	100
2005	447.0	35.9	8.03	8.03	100

⁽¹⁾ 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.

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

⁽³⁾ 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. Since the City had always contributed on a basis equal to the ARC prior to 1999, the Annual Pension Cost (APC) was equal to the Annual Required Contributions (ARC) and the Net Pension Obligation (NPO) was zero. 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 1999-2001 and resulted in a negative NPO amount.

⁽⁴⁾ ARC reflects the increased COLA benefits adopted in 1998.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL VALUATION – JANUARY 1, 2006**

EXHIBIT 8

GASB STATEMENT NO. 27 FIVE-YEAR TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Contribution as a Percentage of APC	Net Pension Obligation (NPO)
December 31, 2001	\$11,571,321	282%	\$(48,078,316)
December 31, 2002	12,495,606	293	(72,182,540)
December 31, 2003	31,882,527	107	(74,500,706)
December 31, 2004	34,920,836	105	(76,261,567)
December 31, 2005	34,094,865	105	(78,064,047)

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL VALUATION – JANUARY 1, 2006**

EXHIBIT 9

GASB STATEMENT NO. 27 ANNUAL DEVELOPMENT OF PENSION COST

Fiscal Year Ending	ARC at EOY	Interest on NPO	ARC Adjustment	Annual Pension Cost (APC)	Total Employer Contributions	Change in NPO	NPO Balance*	Gain/Loss	Amort. Factor	Amort. Of Gain/Loss	Ending Balance
December 31, 1999	16,669,672	0	0	16,669,672	29,746,104	(13,076,432)	(13,076,432)	(13,076,432)	19.05650	-	(13,076,432)
December 31, 2000	17,268,146	(1,046,115)	686,193	16,908,224	30,814,048	(13,905,824)	(26,982,256)	(13,545,902)	19.05650	(686,193)	(26,982,256)
December 31, 2001	12,313,993	(2,158,580)	1,415,908	11,571,321	32,667,381	(21,096,060)	(48,078,316)	(20,353,388)	19.05650	(1,415,908)	(48,078,316)
December 31, 2002	13,816,188	(3,846,265)	2,525,683	12,495,606	36,599,830	(24,104,224)	(72,182,540)	(22,783,642)	19.05650	(2,525,683)	(72,182,540)
December 31, 2003	34,100,457	(5,774,603)	3,556,673	31,882,527	34,200,693	(2,318,166)	(74,500,706)	(100,236)	19.05650	(3,556,673)	(74,500,706)
December 31, 2004	36,681,697	(5,773,805)	4,012,944	34,920,836	36,681,697	(1,760,861)	(76,261,567)	0	18.49780	(4,012,944)	(76,261,567)
December 31, 2005	35,897,345	(5,910,271)	4,107,791	34,094,865	35,897,345	(1,802,480)	(78,064,047)	0	18.49780	(4,107,791)	(78,064,047)

*NPO at transition is zero

Amortization Period: 30 years, open
Amortization Method: Level Percentage of Projected Payroll



**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL VALUATION – JANUARY 1, 2006**

EXHIBIT 10

ANALYSIS OF ACTUARIAL GAINS OR LOSSES

(All dollar amounts in millions)*

	Gain (Loss) for Period:			
	2004-2005	2002-2003	2000-2001	1998-1999
Investment Income. Investment income was greater (less) than expected.	\$54.5	\$(64.0)	\$(438.8)	\$ 170.5
Pay Increases. Pay increases were less (greater) than expected.	23.0	16.1	13.6	28.1
Age and Service Retirements. Members retired at older (younger) ages or with less (greater) final average pay than expected.	(6.2)	(14.5)	0.3	(0.6)
Disability Retirements. Disability claims were less (greater) than expected.	(0.3)	(0.5)	(0.4)	(0.3)
Death-in-Service Benefits. Survivor claims were less (greater) than expected.	0.9	(0.5)	0.0	0.0
Withdrawal from Employment. More (less) reserves were released by withdrawals than expected.	(8.1)	14.0	6.0	(0.8)
Death after Retirement. Retirees died younger (lived longer) than expected.	(8.3)	0.4	6.1	6.6
Total Gain or (Loss) during Period from Financial Experience.	\$55.5	\$(49.0)	\$(413.2)	\$203.5
Nonrecurring Items:				
Changes in actuarial assumptions and plan amendments caused a gain (loss).	(17.9)	(0.9)	0.0	(179.3)
Change in actuarial asset valuation method caused a gain (loss).	N/A	N/A	N/A	N/A
Composite Gain (Loss) during Period.	\$37.6	\$(49.9)	\$(413.2)	\$24.2

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

SCHEDULE OF RETIREES AND BENEFICIARIES
ADDED TO AND REMOVED FROM ROLLS

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of Year Annual Allowances	Average Annual Allowances	% Increase in Annual Allowances
	No.	Annual Allowances	No.	Annual Allowances			
1980	242	*	98	*	\$ 17,584,611	\$ 4,604.51	11.10
1981	237	*	101	*	\$ 19,114,992	\$ 4,833.12	4.97
1982	271	*	140	*	\$ 21,358,214	\$ 5,227.17	8.15
1983	265	*	121	*	\$ 22,854,611	\$ 5,402.98	3.36
1984	219	*	126	*	\$ 24,996,469	\$ 5,782.20	7.02
1985	213	\$ 2,294,142	105	\$ 347,996	\$ 26,942,615	\$ 6,080.48	5.16
1986	188	\$ 2,010,634	141	\$ 349,405	\$ 28,603,844	\$ 6,387.64	5.05
1987	199	\$ 2,273,426	140	\$ 958,243	\$ 29,919,027	\$ 6,594.45	3.24
1988	160	\$ 2,032,669	117	\$ 419,794	\$ 31,531,902	\$ 6,884.69	4.40
1989	186	\$ 2,500,814	125	\$ 132,799	\$ 33,899,917	\$ 7,304.44	6.10
1990	173	\$ 2,579,540	135	\$ 345,194	\$ 36,134,263	\$ 7,722.65	5.73
1991	165	\$ 1,805,490	181	\$ 434,743	\$ 37,505,010	\$ 8,043.11	4.15
1992	124	\$ 1,740,286	197	\$ 1,025,016	\$ 36,434,571	\$ 7,852.28	(2.37)
1993	142	\$ 1,992,189	160	\$ 887,397	\$ 37,539,363	\$ 8,121.89	3.43
1994	192	\$ 3,040,184	167	\$ 1,192,660	\$ 39,573,882	\$ 8,494.49	4.59
1995	155	\$ 2,449,131	183	\$ 759,377	\$ 41,284,341	\$ 8,937.94	5.22
1996	227	\$ 4,314,773	174	\$ 908,271	\$ 44,648,305	\$ 9,556.57	6.92
1997	171	\$ 3,359,535	192	\$ 1,065,687	\$ 47,014,360	\$ 10,108.44	5.77
1998	170	\$ 2,944,870	148	\$ 946,560	\$ 52,878,274	\$ 11,379.01	12.57
1999	215	\$ 4,103,949	181	\$ 1,125,621	\$ 55,909,111	\$ 11,943.84	4.96
2000	227	\$ 4,615,996	192	\$ 1,543,534	\$ 59,931,665	\$ 12,708.16	6.40
2001	197	\$ 3,959,357	180	\$ 1,489,915	\$ 62,802,652	\$ 13,269.10	4.41
2002	301	\$ 6,637,431	176	\$ 1,615,743	\$ 67,296,290	\$ 13,852.67	4.40
2003	190	\$ 4,106,890	172	\$ 1,616,306	\$ 70,113,547	\$ 14,379.32	3.80
2004	251	\$ 5,823,016	200	\$ 2,530,999	\$ 74,534,773	\$ 15,127.82	5.20
2005	247	\$ 6,060,629	173	\$ 1,805,297	\$ 79,598,120	\$ 15,884.68	5.00

**REVISED SUMMARY OF THE MAIN PROVISIONS OF THE
SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**

We offer this current summary of the main provisions of the Retirement System in an attempt to give as briefly as possible, a general idea of the benefits to members and the obligations of the City. Members who want specific information should write or telephone the office of the Retirement System, 801 3rd Avenue, Suite 300, Seattle, Washington 98104-1652, telephone (206) 386-1293, fax (206) 386-1506.

All officers and employees are eligible for membership in the Retirement system upon employment with the City, except uniformed members of the Police and Fire Fighters System. Federal Social Security covers all officers and employees, except Policemen and Firemen.

Terminating employees who have been members of the Retirement System for at least five years may leave their contributions in the Retirement Fund and may later apply for a retirement allowance when their age and years of service qualify them for such a benefit.

Members may retire after 30 years of retirement credit, regardless of age; after age 52 with 20 years service, after age 57 with 10 or more years of service, and after age 62 with 5 or more years of service. Disability retirement is available after 10 years of service. (The ten years service requirement on disability retirement is waived if the member becomes totally incapacitated for further employment as a result of an accident that occurred in the actual performance of duty as an employee of the City.)

On January 1, 1975, the Seattle System adopted a "2% formula" method of determining the amount of a retirement allowance. On the last page you will find the scale of "guaranteed percentages" used in the "2% formula". See the sample retirement allowance calculation below.

We have selected an employee working in the classification of a Lineworker to show as a typical January 1, 1994, retirement situation. Assuming the Lineworker was a male employee age 65 with 30 years of service, having a wife also age 65. We would determine the amount of his accumulated contributions and his average salary for the 24 consecutive months of highest salary. These were found to be:

Accumulated contributions	\$90,000	
Average salary	\$ 4,014	
		<u>Per Month</u>
Each \$1,000 he has will buy \$8.7787 per month for life (8.7787 x 90) is		\$ 790.08
His 30 years of service would indicate a maximum of 60% of average Salary — 30 x 2% x \$4,014 equals \$2,408.40 maximum. Since the annuity produces only \$790.08 per month, the City must add \$1,618.32 to meet the guarantee.		<u>1,618.32</u>
Total "unmodified" and/or "straight allowance"		\$2,408.40

If this employee selects one of the options listed on the following page, his retirement will be reduced to allow for the cost of the option selected.

(continued)

THE OPTIONS

A member may elect any one of six different ways in which to receive his retirement pension. Using the example shown on the preceding page:

1. The maximum amount with no benefit to any beneficiary at time of death, generally spoken of as "straight" retirement, \$2,408.40.
2. **OPTION A.** The "cash refund" plan. The annuity (amount purchased by a member's contributions) only is reduced. As in the retirement sample shown, the annuity would be \$707.84 instead of \$790.08 and the total monthly pension would be \$2,326.16 instead of \$2,408.40. If there is a balance of the member's contributions, \$90,000, that has not been paid out at the rate of \$707.84 per month, the beneficiary will receive a lump sum payment of the balance.
3. **OPTION B.** Also a "cash refund" plan except the beneficiary gets monthly payments of the balance instead of a lump sum payment. As in the retirement sample shown, the annuity would be \$721.21 instead of \$790.08 and the monthly pension would be \$2,339.53 instead of \$2,408.40.
4. **OPTION C.** "Guaranteed period plan". If the pensioner fails to live the length of the period selected, (in this example 5 years) the pension of \$2,355.42 per month is paid to the beneficiary for the remainder of the guaranteed period. If the period selected was 10 years, the pension would be \$2,191.64 per month.
5. **OPTION D.** One-half of discounted allowance to surviving spouse for life. The reduction is determined in accordance with the ages of the retiring member and the spouse at the time of retirement. Again, using the sample retirement, under Option D, the plan would pay the wife, age 65, \$1,076.55 (one-half of \$2,153.11) per month for life. If you retired on or after March 24, 1997 and your spouse predeceases you, your monthly allowance will be raised to the original unmodified amount.
6. **OPTION E.** Full amount of discounted allowance to surviving spouse for life. The discount or reduction is determined in accordance with the ages of the retiring member and his spouse at the time of retirement. Using the example again, member 65, wife 65, the amount would be \$1,943.58, to be continued as long as either were alive. If you retired on or after March 24, 1997 and your spouse predeceases you, your monthly allowance will be raised to the original unmodified amount.
7. **OPTION F.** This option allows a member who retires prior to the normal Social Security Age to receive retirement benefits that are modified so that the combined income from the Retirement System and Social Security is level throughout the member's lifetime. This means the System's payments are higher before the Social Security payments begin and then lower after they begin. Although the theory is that the member's income stream will be level, often it is not. This is because Social Security, and often the System as well, makes post retirement adjustments that upset the original "leveling out" feature of this option.
8. **OPTION G.** This option allows members a partial lump sum payment at retirement which is equivalent to either the member's accumulated contributions with interest, or one-half of this amount. The member's normal monthly pension will be reduced by an amount to actuarially compensate for the funds withdrawn.

BASIS RATES OF CONTRIBUTION

The City contributes 8.03% of covered payroll and employees contribute 8.03% unless they qualified for a lower rate prior to January 1, 1974.

(continued)

DISABILITY RETIREMENT

Disability retirement is available to members with at least ten years of City Service with the ten year requirement waived when disability arose out of and in the course of their employment as an employee of the City. Members may be retired because of “permanent, total disability” or “temporary, total disability”. The first type mentioned occurs when there is grave doubt that the employee will ever return to active service. The second type is used when the retiree is expected to return within a short time. Both pay the same benefits, 1 1/2% of average salary (24 highest consecutive months) for each year of service, with a maximum of 60% of average salary, and minimum monthly allowance of \$140. The employee with less than 22 years of service is protected by the provision allowing credit to the age of 62, in the calculation for years of service, with 33-1/3% of average salary maximum. Federal Social Security also provides for disability benefits.

If the disability retiree dies and has named a surviving spouse as beneficiary, the spouse is eligible to receive a settlement similar to that shown in the explanation that follows for the spouse of a member who dies prior to retirement.

LIFE INCOMES FOR SPOUSES OF MEMBERS WHO DIE BEFORE RETIREMENT

This is one of the most important provisions of the Retirement System. If an employee has at least ten years of service, the surviving spouse is eligible for a life income and/or a reduced life income and a cash refund. The deceased employee must have designated the spouse as beneficiary, and the beneficiary may choose any one of the three types of settlement:

1. Take the discounted value of the retirement allowance indicated for the deceased employee. This means a straight life income for the life of the survivor, with no benefit for anyone upon the death of the survivor.
2. Take up to one-half of the employee's contributions and a reduced life income (using all of the City's money including the formula guarantee if applicable).
3. Withdraw all of the accumulated contributions made by the employee. In this instance, all of the City's money would remain in the Retirement System.

In calculating the benefit for the survivor, the schedule of “guaranteed percentage” would be used.

To present an example — let us suppose the employee was 51 years of age at the time of death, had an average salary of \$2,188 (24 highest consecutive month), has 27 years of service and \$36,800 of accumulated contributions. Suppose the survivor (widow) was 57 years of age. The maximum amount the employee is entitled to was \$1,170.70 per month.

1. If the widow took a life income, she could receive \$896.80 per month.
2. If she took \$18,400 cash, she could still receive a life income of \$784 per month.
3. She could draw the \$36,800 as a final settlement.

If there is no surviving spouse, minor children can elect to receive similar benefits payable until they reach eighteen years of age.

(continued)

POST RETIREMENT COST OF LIVING INCREASE - For Members Who Retired Prior to January 1, 1998

Each December the monthly retirement allowances will be increased to reflect an annual bonus payment to help offset the adverse effects of inflation. The bonus payment will be a percentage factor based on the number of years retired, times the original annual retirement allowance. The percentage factors were designated to more equitably offset the effects of inflation on members who have been retired the greatest length of time, are as follows:

- 6% of the original annual allowance for members who have been retired from six to nine years, inclusive. (Including 1997, 1996, 1995)
- 9% of the original annual allowance for members who have been retired from ten to thirteen years, inclusive. (Including 1994, 1993, 1992, 1991)
- 12% of the original annual allowance for members who have been retired from fourteen to eighteen years, inclusive. (Including 1990, 1989, 1988, 1987, 1986)
- 15% of the original annual allowance for members who have been retired from nineteen to twenty-three years, inclusive. (Including 1985, 1984, 1983, 1982, 1981)
- 18% of the original annual allowance for members who have been retired from twenty-four to twenty-eight years, inclusive. (Including 1980, 1979, 1978, 1977, 1976)
- 21% of the original annual allowance for members who have been retired from twenty-nine years or more. (Including 1975 and before)

Example: If your original annual allowance was \$1,000 per month and you have been retired for eleven years, your bonus dividend would be calculated as follows:

$$\begin{aligned} \$ 1,000 \times 12 \text{ months} &= \$12,000 \\ \$12,000 \times 9\% &= \$1,080 \end{aligned}$$

\$1,080 would be your bonus for that particular year.

If this bonus plus the total retirement allowance you have received during the year will not purchase 60% of what your original retirement allowance would purchase, the bonus will be increased so you receive 60% of the original purchasing power of your pension. This increased portion of your bonus will be paid throughout the year by increasing your monthly check.

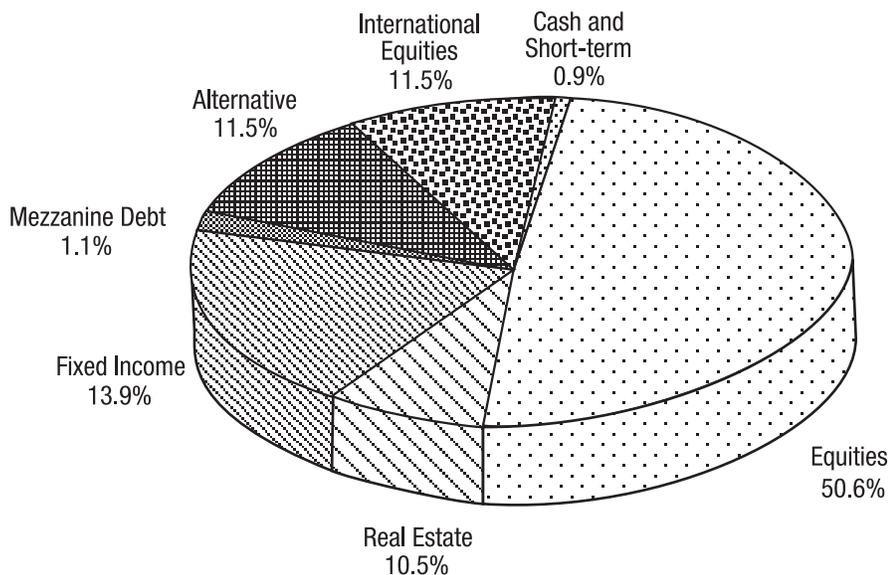
POST RETIREMENT COST OF LIVING INCREASE - For Members Who Retired After December 31, 1997

Each December the monthly retirement allowance will be increased to provide the highest benefit calculated under any one of the following three cost of living adjustments:

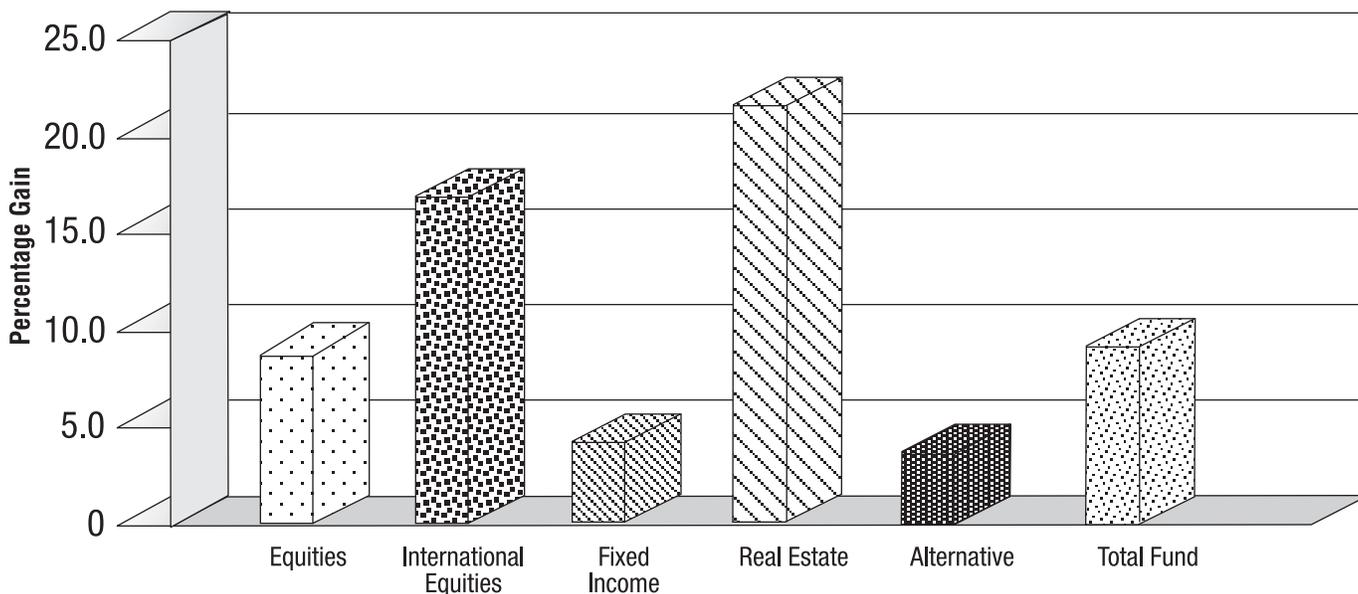
1. The annual bonus described above.
2. A 1.5% annual compounding COLA
3. A COLA which would provide 60% of the purchasing power which the members original retirement allowance could purchase.

[Blank]

Investment Portfolio Composition



2005 Fund Performance



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

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

* Employer Contributions reflected as a percentage of covered payroll.

** The employer contributions has been made in accordance with actuarial requirements.

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

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

Year	Benefits	Refunds	Administrative	Total
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

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
BENEFIT EXPENSE BY TYPE
Ten Years Ending December 31, 2005**

<u>Year</u>	<u>Age & Service Retirants</u>	<u>Benefits Survivors</u>	<u>Disability</u>		<u>Refunds</u>	<u>Total</u>
			<u>Retirants</u>	<u>Death Benefit</u>		
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	\$ 72,424,702	\$ 8,754,471	\$ 785,276	\$ 338,000	\$ 10,351,215	\$ 92,653,664

**REVENUE RATIOS BY SOURCE
1973 Through 2005**

<u>Year</u>	<u>Member</u>		<u>Employer</u>		<u>Investment</u>		<u>Total</u>	
	<u>Contributions</u>		<u>Contributions</u>		<u>Income</u>		<u>Revenue</u>	
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	

* 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, 2005

<u>Year</u>	<u>Investment Income</u> *	<u>Investments Market Value</u>	<u>Securities Lending Collateral</u>	<u>Return on Market Value</u>
1996	\$ 118,515,545	\$ 1,092,641,032	\$ 76,406,940	11.5%
1997	\$ 143,719,597	\$ 1,212,380,898	\$ 160,300,858	12.6%
1998	\$ 168,477,507	\$ 1,357,958,488	\$ 138,843,536	15.1%
1999	\$ 240,904,299	\$ 1,596,015,278	\$ 80,540,810	15.3%
2000	\$ (79,832,672)	\$ 1,484,124,485	\$ 80,511,612	(3.7)%
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%

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

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT PERFORMANCE RESULTS**

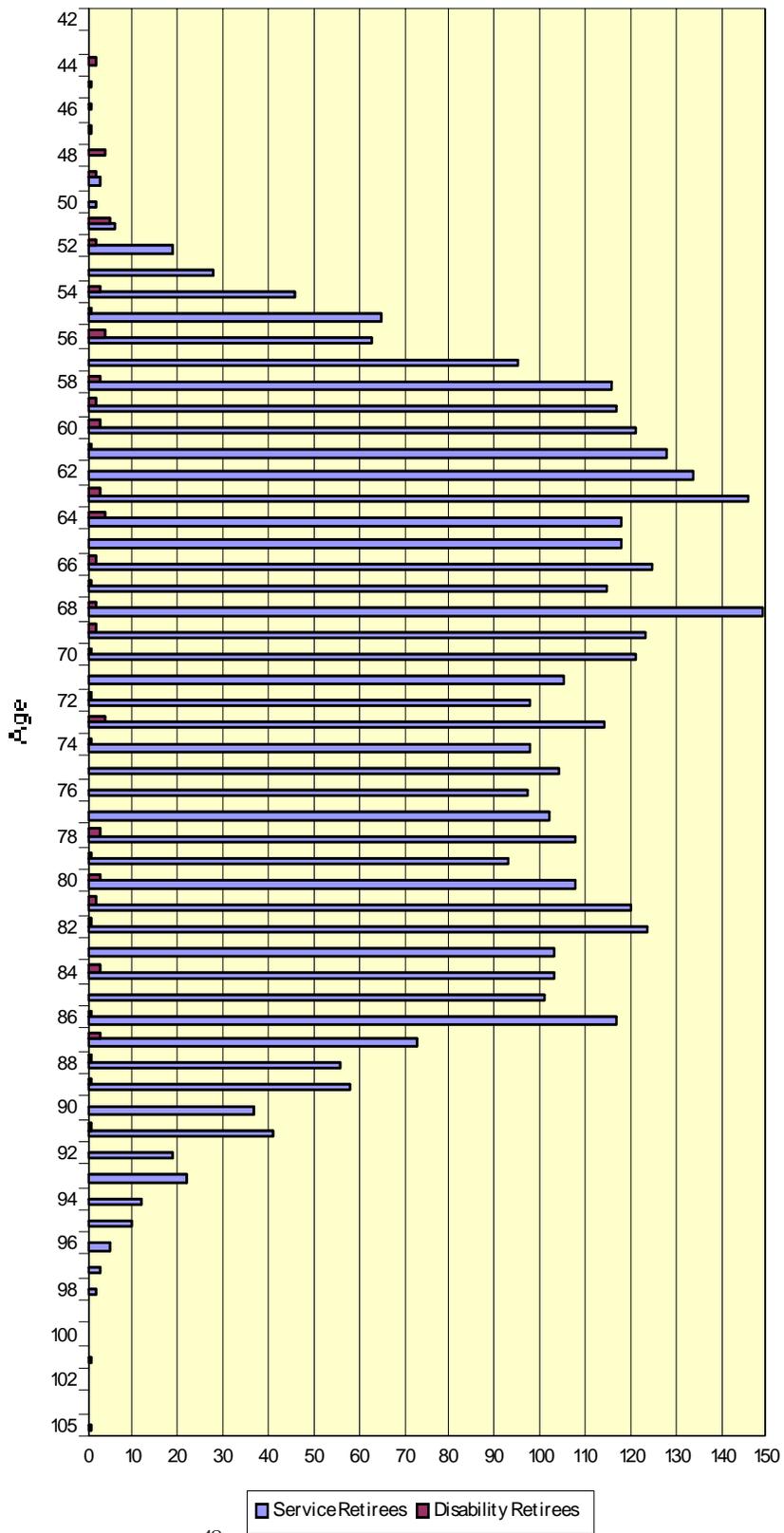
	2005	2004	2003	2002	2001
Domestic Equity Funds					
Bear Stearns	4.1 %	13.8 %	33.0 %		
Bear Stearns Plus	10.4				
Calamos (a)					
Capital Management Assoc.	13.0				
Dimensional Fund Advisors	7.5	20.3	51.0	(12.7)	14.6
Earnest (a)					
ING (a)					
Snow Capital	13.4				
Wellington	9.1	9.9	30.9		
Barclays S & P Index Fund	4.9	10.9	28.8	(22.1)	12.0
Russell 3000 Index Fund	6.2	12.0			
International Equity Funds					
Barclays EAFE Index	13.9 %	20.7 %	39.2 %	(15.7) %	(8.9) %
Dimensional Fund Advisors	22.0	30.9			
Lazard	9.5	17.3	30.3		
MFS	13.5	20.9	33.5		
Domestic Fixed Income					
Pugh Capital	2.8 %	4.8 %	4.4 %	10.2 %	8.3 %
Reams	2.9	5.1	8.7	5.8	
Western Asset	2.9	7.1	8.4	12.2	
In-House Assets	19.0	19.2	12.4	7.6	6.8
Barclays US Debt Bond Fund	1.6	3.1	4.2	10.3	5.0
Real Estate Funds *					
J.P. Morgan	24.1 %	14.8 %	12.3 %	6.5 %	7.3 %
American Realty (a)					
Carlyle Realty IV (a)					
RREEF REIT	18.0	12.6	10.1	8.2	10.1
TA Associates Fund VI	40.5	4.2			
TA Associates Fund VII	24.3				
Hearthstone Residential Fund III	18.3	4.0			
MEPT - Kennedy	19.6	12.3	9.4	1.6	5.8
Washington Capital (a)					
Alternative					
Quellos QSPI	5.0 %	5.6 %	9.4 %	3.9 %	8.1 %
Advent Capital	(3.3)	0.6			
Aetos (a)					
Attalus (a)					
Coast	5.5	8.3			
Epsilon	(2.5)	5.2			
Quellos QGR (a)					
Tremont	4.0	5.1			
Amerindo Investment Advisors	2.8	27.6	91.0	(40.6)	(39.2)
Phoenix Partners III & IV	12.0	(10.3)	(0.3)	(8.7)	(49.5)
Mezzanine Debt					
Babson Tower Square II (a)					
Blackrock Carbon Capital II (a)					
Bison Capital II (a)					
Carlyle Mezzanine Partners (a)					
Capri Select II (a)					
Lehman Brothers Mezzanine Partners (a)					
Oaktree Mezzanine II (a)					
TCW Crescent Mezzanine Partners IV (a)					
Composite Fund					
Equities	7.4 %	12.3 %	33.7 %	(21.7) %	(12.5) %
International Equities	15.1	20.5	34.0	(13.1)	(21.0)
Fixed-Income	3.8	4.7	8.5	5.9	6.1
Real Estate	20.3	13.0	10.8	6.0	7.4
Alternative	3.1	5.3	25.2	(11.8)	(8.8)
Total Fund	8.1 %	11.5 %	23.6 %	(8.4) %	(6.0) %
Market Indicators					
Standard & Poor's 500	4.9 %	10.9 %	28.7 %	(22.1) %	(11.9) %
MSCI EAFE Index -USD	14.0	20.7	39.2	(15.7)	(21.2)
Lehman Brothers Aggregate	2.4	4.3	4.1	10.3	8.4
Russell NCREIF Property Index	20.7	12.2	7.2	4.2	7.9
Consumer Price Index	3.4	3.2	1.9	2.4	1.6

* Returns for managers within the Real Estate Funds category and most hedge fund investments are reported after fees, while the remaining returns are reported before fees. Fees paid to managers are listed on Page 14 of this annual report.

(a) New investment managers hired during 2005.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
 SERVICE AND DISABILITY PENSIONERS BY AGE
 As of December 31, 2005

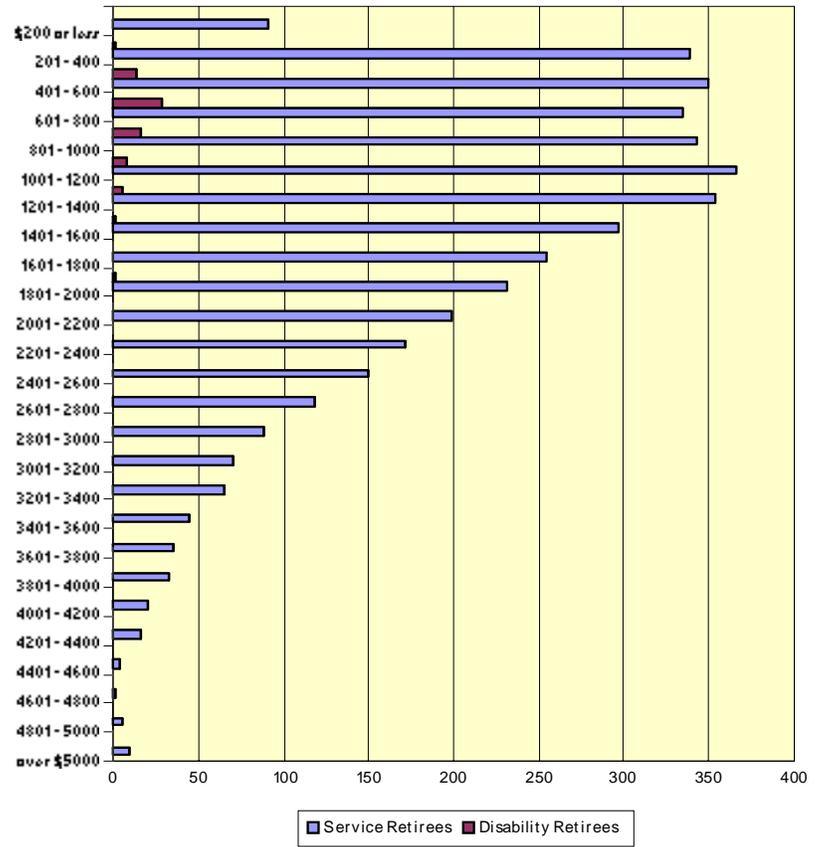
Age	Service	Disability
42		
43		
44		2
45		1
46		1
47		1
48		4
49	3	2
50	2	
51	6	5
52	19	2
53	28	
54	46	3
55	65	1
56	63	4
57	95	
58	116	3
59	117	2
60	121	3
61	128	1
62	134	
63	146	3
64	118	4
65	118	
66	125	2
67	115	1
68	149	2
69	123	2
70	121	1
71	105	
72	98	1
73	114	4
74	98	1
75	104	
76	97	
77	102	
78	108	3
79	93	1
80	108	3
81	120	2
82	124	1
83	103	
84	103	3
85	101	
86	117	1
87	73	3
88	56	1
89	58	1
90	37	
91	41	1
92	19	
93	22	
94	12	
95	10	
96	5	
97	3	
98	2	
99		
100		
101	1	
102		
103		
105	1	
3993		76



SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM RETIREMENT ALLOWANCE DISTRIBUTION As of December 31, 2005

	Service	Disability
\$ 200 or less	91	
201 - 400	339	2
401 - 600	349	13
601 - 800	335	29
801 - 1000	343	16
1001 - 1200	366	8
1201 - 1400	354	5
1401 - 1600	296	2
1601 - 1800	255	
1801 - 2000	231	1
2001 - 2200	199	
2201 - 2400	171	
2401 - 2600	149	
2601 - 2800	119	
2801 - 3000	89	
3001 - 3200	71	
3201 - 3400	65	
3401 - 3600	45	
3601 - 3800	36	
3801 - 4000	33	
4001 - 4200	20	
4201 - 4400	16	
4401 - 4600	4	
4601 - 4800	2	
4801 - 5000	5	
over 5000	10	

3993	76
------	----



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

	Members at End of Period	New Members During Period	Withdrawals During Period	Re-entering & Redepositing	Deaths During Period	Pensions Granted During Period
1975	7,216	958	460	70	22	342
1976	6,824	471	530	36	18	351
1977	6,506	484	517	41	24	302
1978	6,600	896	592	71	22	259
1979	6,797	934	536	57	11	247
1980	6,894	901	631	67	12	228
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	0	11	247

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
COMPARATIVE STATEMENT OF EXPERIENCE OF SERVICE AND DISABILITY RETIREMENT PAYROLLS

From Inception in 1929, Through 2005

Figures Quoted as of the End of Each Fiscal Period

	Number Retired During Period			Number Deceased			Pensions Discontinued			Benefit Cont'd		
	Service	Sec. 19-b	Disability	During Period		Service - Disability	Service - Beneficiary - Disability		to Beneficiary	Number on Payroll at End of Period		
				Service	Disability		Service	Beneficiary		Disability	Service	Beneficiary
1929 - 1972 Inclusive	4,003	295	793	2,315	486	3	166	84	273	1,732	405	223
December 31, 1973	198	28	32	77	22		19		26	1,853	440	233
December 31, 1974	161	25	19	82	10		13		23	1,932	475	242
December 31, 1975	324	12	18	90	12		35		32	2,166	484	248
December 31, 1976	328	7	23	110	15		10		37	2,384	518	256
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	1	48	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
										<u>Grand Total</u>	<u>5,011</u>	<u>5,011</u>

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

	AVERAGE SERVICE		AVERAGE AGE OF		AVERAGE AGE OF	
	RETIREMENT ALLOWANCE	AVERAGE AGE OF SERVICE PENSIONERS	AVERAGE DISABILITY RETIREMENT ALLOWED	DISABILITY PENSIONERS	ACTIVE MEMBERS DECEASED # OF DEATHS	AVERAGE AGE
1975	\$ 290.09	70.46	\$ 232.35	65.55	22	53.45
1976	320.63	69.90	237.39	63.82	18	52.20
1977	348.50	69.62	241.69	66.74	24	53.04
1978	374.03	69.69	254.82	64.42	22	54.41
1979	394.91	69.59	260.89	64.96	11	49.04
1980	418.84	69.69	261.76	65.05	12	55.54
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

* 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	Years Credited Service					
	0-10	11-15	16-20	21-25	26-30	31 +
Jan. 1, 1996 to Dec. 31, 2005						
Period 1/1/96 to 12/31/96						
Average Monthly Benefit	\$ 421.89	681.47	1,064.73	1,469.10	2,043.37	2,043.39
Average Final Salary	\$ 2,956.93	2,940.60	3,441.58	3,537.70	3,771.63	3,766.77
Number of Active Retirants	24	18	25	37	77	46
Period 1/1/97 to 12/31/97						
Average Monthly Benefit	\$ 388.26	650.44	1,104.18	1,382.17	2,277.07	2,126.84
Average Final Salary	\$ 3,195.32	3,332.84	3,414.46	3,449.48	4,242.60	3,985.38
Number of Active Retirants	20	14	26	27	57	34
Period 1/1/98 to 12/31/98						
Average Monthly Benefit	\$ 451.94	799.97	1,171.57	1,434.59	2,111.63	2,296.32
Average Final Salary	\$ 3,717.39	3,725.11	3,423.29	3,800.98	4,100.82	4,222.49
Number of Active Retirants	32	23	19	26	42	28
Period 1/1/99 to 12/31/99						
Average Monthly Benefit	\$ 416.73	881.13	1,320.71	1,493.61	2,236.30	2,173.93
Average Final Salary	\$ 3,856.75	3,712.60	4,043.07	3,594.45	4,251.65	4,115.63
Number of Active Retirants	34	19	36	23	70	33
Period 1/1/00 to 12/31/00						
Average Monthly Benefit	\$ 482.19	880.93	1,190.87	1,720.94	2,346.89	2,383.68
Average Final Salary	\$ 4,659.08	3,519.82	3,833.71	4,508.72	4,473.41	4,602.86
Number of Active Retirants	33	28	21	36	70	39
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 Retirants	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 Retirants	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 Retirants	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 Retirants	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 Retirants	30	27	33	55	65	37
Period 1/1/96 to 12/31/05						
Average Monthly Benefit	\$ 492.85	901.47	1,304.48	1,693.42	2,355.66	2,426.41
Average Final Salary	\$ 4,065.22	3,849.51	4,049.29	4,206.70	4,542.60	4,534.24
Number of Active Retirants	30	23	28	38	66	36

NEW MEMBERS IN THE RETIREMENT SYSTEM IN 2005
BY DEPARTMENT

Arts Commission	1
Civil Rights	1
DoIT	14
Economic Development	1
Executive	2
Finance	4
Fire	9
Fleets	18
Housing	2
Human Services	23
Intergovernmental Relations	3
Law	8
Legislative	6
Library	50
Light	72
Mayor's Office	1
Municipal Courts	28
Neighborhoods	11
Park	105
Personnel	41
Planning and Development	44
Police	25
Retirement	1
SDOT	49
Seattle Center	43
SPU	<u>73</u>
Total	635

MEMBERS AGAIN IN THE RETIREMENT SYSTEM IN 2005
BY DEPARTMENT

<u>REDEPOSITING</u>		
DoIT	1	
Fire	1	
SPU	<u>1</u>	3
<u>RE-ENTERING</u>		
		<u>0</u>
Total		3

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SERVICE RETIREMENTS GRANTED IN 2005**

Name	Department	Position	Years of Service		Age
Aaron, Kenneth T.	Vested	Vested	21 yrs	204 days	52
Adler, Vernon	Metro Transit	Mechanic	6 yrs	232 days	59
Akada, Alan S.	Vested	Vested	21 yrs	219 days	52
Anchan, Raymond E.	City Light	Management Systems Analyst Sr	18 yrs	136 days	62
Aspiras, Steven	Personnel	Personnel Analyst Sr	25 yrs	104 days	55
Babasa, Mario M.	SPU	Civil Engineering Spec, Supv	26 yrs	217 days	54
Backiel, Dana L	City Light	Deputy Superintendent	20 yrs	2 days	60
Barnes Jr., Joe W.	SPU	Water Pipe Worker	32 yrs	94 days	53
Barone, Robert	City Light	Protection & Control Electrician	36 yrs	154 days	63
Bassen, James Tully	City Light	Management Systems Analyst Sr	13 yrs	235 days	62
Beaty, Kevin Rex	Seattle Center	Stage CC	25 yrs	195 days	46
Bennett, Alan K.	Vested	Vested	14 yrs	322 days	60
Bennett, Raquel T.	City Light	Strat Advr II	18 yrs	110 days	62
Benson, Sharon A.	Library	Library Associate IV	37 yrs	258 days	60
Bergman, David Warren	SEATRAN	Signal Electn	20 yrs	3 days	63
Bernard, Dorothy	Vested	Vested	27 yrs	254 days	62
Bossert, Burt F.	Fleets & Facilities	Auto Mechanic	29 yrs	326 days	55
Bowen, Susan M	Police	Dispatcher II	28 yrs	145 days	56
Boyer, Gwen	Parks	Visitor Assistant Coordinator	24 yrs	292 days	54
Brady, Michael J.	Parks	Rec Center Coord	21 yrs	123 days	61
Brakken, Boyd B.	Municipal Courts	Probation Counselor	24 yrs	346 days	61
Bresee, Ralph P.	Vested	Vested	12 yrs	249 days	60
Britting, Edward L.	Metro Transit	Operator	39 yrs	31 days	62
Brown, Henery S.	City Light	Account Executive	20 yrs	194 days	65
Brubaker, Leona Diane	City Light	Sr Meter Reader	25 yrs	320 days	56
Brueckner, David W	Fleets & Facilities	Shop Oprs Suprv	31 yrs	198 days	58
Bucsit, Feleciano Jame	Parks	Constr & Maint Equip Op	18 yrs	321 days	60
Bugbee, Roger C.	City Light	Cablesplicer	20 yrs	47 days	66
Byrd, Lynda	Vested	Vested	14 yrs	203 days	48
Cabugon, Franklin R	Parks	Manual Operator	15 yrs	227 days	65
Cacdac, Mariella F	Parks	Admin Spec II	29 yrs	340 days	60
Cado, Kenneth K.	City Light	Customer Relations Dir Office	25 yrs	14 days	55
Caravan, Walter Rees	City Light	Sr. Warehouser	27 yrs	112 days	67
Carlos, Joseph F.	SPU	Water Systems Supervisor	25 yrs	252 days	59
Chang, Chih-Nan	SPU	Utilities Accounts Supervisor	27 yrs	65 days	58
Chou, Linda L.	Parks	Accounting Tech II	23 yrs	71 days	54
Cibere, John M.	Parks	Laborer	20 yrs	258 days	62
Cisney, Eric A	Library	Librarian	38 yrs	276 days	65
Clark, Barbara A	Fleets & Facilities	Supply and Inventory Tech	23 yrs	348 days	53
Corliss, Jeffrey	Dual Member	Vested	10 yrs	214 days	58
Cowan, Jo Ann	Parks	Strat Advisor 1	23 yrs	202 days	57
Crumley, Charles R.	City Light	Credit Rep	33 yrs	289 days	57
Curry, Martha	DPD	Manager 2	22 yrs	16 days	58
Daniel, Lynn C	Library	Manager	30 yrs	107 days	60
Daniel, Roberta S	Library	Manager II	23 yrs	129 days	53
Dinish, Yvette M	Vested	Vested	12 yrs	357 days	57
Dodson, Harvey F.	City Light	Line Crew Chief	45 yrs	150 days	65
Dolan, Edward	City Light	Line Crew Chief	27 yrs	141 days	55
Donnelly, Sandra F	SPU	Water Quality Analyst, Sr	28 yrs	110 days	56
Downing, Jean M	City Light	Management Systems Analyst, Sr.	25 yrs	255 days	62
Draper, Michael A	Vested	Vested	17 yrs	154 days	60
Dunston, Ernest W.	SPU	Strategic Advisor I	10 yrs	134 days	64
Eichwald, Jenny Maria	Vested	Vested	10 yrs	78 days	60

(continued)

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SERVICE RETIREMENTS GRANTED IN 2005**

Name	Department	Position	Years of Service		Age
Eng, Ywe Kong	SEATRAN	Assist Civil Engineering Spec II	14 yrs	184 days	68
Evans, Garrison R	Human Services	Proj Funds Coordinator	6 yrs	245 days	70
Evans, Kenneth L	Vested	Vested	20 yrs	196 days	57
Faas, Lyn F	SPU	Strat Advsr 2	5 yrs	233 days	58
Felder, Aleta	Municipal Courts	Admin Spec II	27 yrs	16 days	53
Ferron, Roberta A.	Vested	Vested	10 yrs	220 days	65
Finlayson, Neil E	Metro Transit	Transit Operator	39 yrs	282 days	62
Fleming, Janice E.	K.C. Health	Public Health Nurse	28 yrs	42 days	57
Flory, Elaine K.	Personnel	Workers Comp Analyst Sr	30 yrs	213 days	52
Foss, Allen E	Parks	Asst Facility Maint Supv	22 yrs	146 days	64
Foster, Pauline	DEA	Admin Spec II	20 yrs	2 days	54
Fox, Sally W	Personnel	Executive 2	21 yrs	259 days	60
Frazier, Harmony Bam	Vested	Vested	25 yrs	179 days	52
Friend, Anna L	City Light	Accounting Tech II	23 yrs	322 days	60
Fuerte, Gabriel	Fleets & Facilities	Printing Equipment Operator	32 yrs	69 days	56
Fujii, Phillip D.	Vested	Vested	24 yrs	210 days	52
Fukano, James K	SPU	Truck Driver	25 yrs	224 days	55
Gabrielson, Richard T.	SPU	Civil Engineering Spec., Sr	27 yrs	251 days	61
Gagnat, Robert	City Light	Meter Electrician	23 yrs	179 days	55
Gagnon, Paul Renarde	City Light	Cook	10 yrs	73 days	60
Gagnon, Richard E.	Vested	Vested	2 yrs	24 days	60
Gebhart, Ronald K	SEATRAN	Bridge Operations Gen Supv	36 yrs	157 days	59
Gilbert, Laura L	SEATRAN	Executive 2	29 yrs	152 days	54
Gile, Carl D	SEATRAN	Truck Driver	29 yrs	249 days	61
Glaser, Nancy L	City Light	Director, Envir & Safety Planning	23 yrs	35 days	56
Goetz, Russell B.	Parks	Golf Course Tech Sr	30 yrs	130 days	48
Goles, Donna M	Fleets & Facilities	Electrician	23 yrs	49 days	57
Goodnow, Paul G.	Parks	Zoo Keeper	29 yrs	257 days	56
Green, Loretta M	City Light	Customer Service Rep	30 yrs	1 day	63
Green, Antoinette M	Parks	Admin Spec I	21 yrs	345 days	56
Grow, Gerald	City Light	Info Technol Prof B	10 yrs	0 days	58
Haberman, Jerry M.	Metro Transit	Transit Operator	36 yrs	31 days	64
Hankins, Debra	Municipal Courts	Magistrate	26 yrs	14 days	53
Harris, Alexandra M	Library	Capital Program Director	15 yrs	115 days	55
Hartzell, Robert Vance	DCLU	Electrical Plans Examiner	7 yrs	362 days	65
Hatch, A Lloyd	K.C. Health	Dentist	16 yrs	29 days	81
Hatscher, Martin	City Light	Power Analyst	4 yrs	127 days	65
Haugland, Donald	Vested	Vested	11 yrs	272 days	62
Hayes, George	Fleets & Facilities	Strategic Advisor I	15 yrs	340 days	58
Haywood, Ruby A.	Vested	Vested	13 yrs	34 days	62
Heliodoro, Lara	City Light	Mat Suplr-Elec/Network	30 yrs	1 day	64
Henderson, Karen L	Parks	Maint Labor	30 yrs	147 days	51
Henning, Claire F	DoIT	Executive I	26 yrs	50 days	55
Herrin, Michael M	ESD	Executive 2	30 yrs	45 days	54
Hirai, Masashi	Fleets & Facilities	Auto Mechanic	37 yrs	20 days	76
Horn, Robert G.	City Light	Elctn Constructor	30 yrs	0 days	58
Hoyt, Brian P	SPU	Water Quality Analyst Sr	34 yrs	288 days	59
Hudson, William T	Parks	Pool Maintenance Worker	25 yrs	21 days	56
Hunter, David	Dual Member	Vested	8 yrs	339 days	50
Huxtable, Joy E	Personnel	Strategic Advisor 2	20 yrs	41 days	55
Huynh, Young T.	Vested	Vested	20 yrs	299 days	52
Hyatt, Marcie L	K.C. Health	HR Analyst	30 yrs	297 days	53
Irvine, Gary D.	K.C. Health	Health & Env. Invest IV	30 yrs	2 days	53

(continued)

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SERVICE RETIREMENTS GRANTED IN 2005**

Name	Department	Position	Years of Service		Age
Jack, Henry W	SEATRAN	Manager 2	33 yrs	266 days	54
Jacobson, Richard A	City Light	Planning & Development	30 yrs	1 day	55
James, Donna Bott	ESD	Planner, Sr	25 yrs	237 days	62
James, George M.	Fire	Sr. Warehouser	17 yrs	332 days	58
Jansen, Kent B	City Light	Elctn Constructor	28 yrs	261 days	52
Jerochim, Linda M	SPU	Accounting Tech III	26 yrs	192 days	55
Johnson, Danny L	City Light	Mat Suplr	37 yrs	54 days	59
Johnson, Earline	Personnel	ADmin Spec II	29 yrs	356 days	54
Johnson, Richard T	SPU	Water Maintenance Supervisor	26 yrs	336 days	58
Johnson, Scott B	Vested	Vested	20 yrs	289 days	60
Jones, Laura Melinda	SPU	Strat Advsr 2	24 yrs	164 days	52
Jones, Stephanie J	Parks	Strategic Advisor I	25 yrs	81 days	59
Jordan, Carole A	Mayor's Office	Admin Spec III	6 yrs	278 days	62
Juve, Steven F	Vested	Vested	10 yrs	0 days	57
Kay, Claudia L	Personnel	Sr. Personnel Analyst	28 yrs	228 days	52
Kay, Suzanne H	Vested	Vested	6 yrs	258 days	62
Kennedy, Stephen V.	City Light	Warehouser	26 yrs	221 days	54
Kidder, Fay Myhre	Parks	Tree Trimmer	40 yrs	244 days	69
Kikuchi, Shelly Y	City Light	Executive Assistant Sr.	30 yrs	83 days	53
Knudsen, Linda M	Vested	Vested	15 yrs	257 days	57
Krail, Jesse A.	SEATRAN	Executive III	23 yrs	90 days	60
Lagois, Louis A.	City Light	Electrical Engineer, Asst II	30 yrs	1 day	63
LaMaine, Cheryl L.	Dual Member	Vested	26 yrs	211 days	57
Lambert, Marie Theresa	Fleets & Facilities	Lead Janitor	21 yrs	259 days	62
Lampe, Lynn M.	Vested	Vested	14 yrs	31 days	58
Lasko, Kerry A	Parks	Manager 2	26 yrs	129 days	56
Lewis, Mary Kay	Municipal Courts	Strategic Advisor I	24 yrs	82 days	56
Loe, Susan L.	Vested	Vested	8 yrs	153 days	63
Longman, Gregory L.	Seattle Center	Landscape Supervisor	31 yrs	231 days	60
Luong, Sanh T.	Vested	Vested	14 yrs	353 days	58
Mackay, Hunter R.	DoIT	Info Technol Systems Analyst	33 yrs	150 days	64
Maier, William Martin	DCLU	Elevator Inspector	5 yrs	50 days	63
Marino, Catherine J	Police	Parking Enforcement	30 yrs	40 days	61
Martin Jr., Pedro	City Light	Elctn Constructor Crew Chief	32 yrs	106 days	53
Mathews, Kenneth E	Police	Info Tech Prof A	30 yrs	60 days	62
McCreight, Michael N	Municipal Courts	Admin Spec I	22 yrs	249 days	58
McCullough, Patrick J	City Light	Meter Reader Sr	26 yrs	346 days	57
McDonald, George V	Fleets & Facilities	Executive I	39 yrs	113 days	60
McGovern, Joseph M	City Light	Manager III	20 yrs	121 days	63
McKeon, Barbara	Vested	Vested	12 yrs	39 days	60
Merrifield, Judith	Vested	Vested	12 yrs	317 days	60
Meyer, Laura M.	Library	Librarian	35 yrs	109 days	58
Miller, George D	Library	Assistant Director	25 yrs	240 days	58
Moffat, Douglas J.	City Light	Cablesplicer	31 yrs	29 days	54
Molloy, Daniel T.	Municipal Courts	Bailiff	13 yrs	307 days	70
Monserrat, Asila P	City Light	Admin Spec I	20 yrs	224 days	65
Montgomery, Nancy L.	DoIT	Strategic Advisor 2	25 yrs	236 days	55
Moore, Mardell O.	Library	Librarian	30 yrs	142 days	59
Motzer, Timothy Charle	Parks	Capital Projects Coordinator	18 yrs	144 days	60
Mueller, Gary D	SPU	Waste Water Collector	31 yrs	134 days	57
Munday, James	SEATRAN	Sr Maint Laborer	30 yrs	56 days	61
Nacinovich, Evelyn M.	City Light	Admin Spec I	40 yrs	168 days	80
Needham, Laurie A.	DoIT	Strat Advisor 2	26 yrs	95 days	54

(continued)

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SERVICE RETIREMENTS GRANTED IN 2005**

Name	Department	Position	Years of Service		Age
Newcomb,Mary R.	Police	Sr. Management Systems Analyst	22 yrs	135 days	65
Norman, Lee E.	Vested	Vested	21 yrs	81 days	62
Nussel, Donald R	Metro Transit	Driver	36 yrs	343 days	68
O'Brien, Daniel	Municipal Courts	Court Clerk	19 yrs	260 days	58
Okada, Satoshi	Vested	Vested	14 yrs	157 days	58
O'Malley, Lane A	Library	Librarian	37 yrs	8 days	60
Pahlman, Robert H.	City Light	Power Dispatcher	26 yrs	146 days	58
Parker, R. David	Finance	Mgmt Sys Analyst Supv	14 yrs	71 days	57
Patton, William H.	Law	City Attorney Asst Supervisor	26 yrs	20 days	60
Perkerwicz, Ronald Ear	SPU	Manager II	6 yrs	89 days	60
Petersen, Margaret L.	Seattle Center	Public Cultural Rec. Spec	27 yrs	29 days	56
Pham, Joseph Vincent	Police	Admin Spec I	19 yrs	14 days	62
Pierce, Arlene E	Fleets & Facilities	Mail Courier	19 yrs	266 days	59
Poulos, Priscilla I.	ESD	Info Tech Sys Analyst	24 yrs	135 days	59
Powell, David E	Vested	Vested	23 yrs	348 days	52
Pratt, David R.	City Light	Sr. Economist	25 yrs	212 days	62
Quan, Alberto T.	Fleets & Facilities	Auto Sheet Metal Worker	30 yrs	6 days	62
Ramos, Virgillia O	SEATRAN	Principal Accountant	30 yrs	2 days	61
Reynolds, Zola W	Personnel	Workers Comp Analyst	13 yrs	323 days	61
Ritch, James P.	City Light	Executive 3	23 yrs	127 days	55
Roberts, Stephen D	Vested	Vested	2 yrs	327 days	62
Robertson, William T.	Parks	Aquarium Biologist 3	26 yrs	100 days	53
Robinson, Judith M.	City Light	Admin Spec II	9 yrs	363 days	65
Robinson, Margaret J.	SPU	Utility Acct Rep I	21 yrs	71 days	52
Rollin, Vern G.	Parks	Golf Course Maint Spv	31 yrs	9 days	63
Romero, Lydia N	City Light	Finance Analyst, Sr	24 yrs	216 days	65
Rosencrans, Michael M	DCLU	Structural Building Inspector	24 yrs	186 days	60
Rudd, Paul T	City Light	Manager I	20 yrs	226 days	66
Ruybal, Marie A	Municipal Courts	Admin Supp Supervisor	33 yrs	163 days	55
Sanders, James P.	Vested	Vested	26 yrs	138 days	58
Schiess, Betty Joan	Parks	Admin Spec I	17 yrs	178 days	57
Schindler, Roger L.	City Light	Mat Suplr	24 yrs	45 days	70
Sepolen, Wayne D	DCLU	Manager 2	27 yrs	63 days	55
Servis, Viki M.	Law	Admin Spec I	30 yrs	7 days	51
Shaw, Leo J.	Parks	Public Ed Prog Spec	28 yrs	20 days	65
Shaw, Michael R.	SEATRAN	Arboriculturist	30 yrs	236 days	59
Sherwood, Kenneth	SPU	Constr & Maint Equip Op, Sr	9 yrs	345 days	62
Shook, Ellis O.	Metro Transit	Transit Operator	35 yrs	284 days	61
Shope, Diann K	SPU	Manager II	29 yrs	214 days	62
Simpson, Joseph C	City Light	Line Crew Chief	30 yrs	310 days	51
Skalka, Joseph	Parks	Rec Attendant	12 yrs	156 days	47
Smith, Jack W.	Parks	Installation Maintenance Worker	24 yrs	186 days	53
Smith, Mary	SPU	Admin Spec II	10 yrs	9 days	57
Smith, Robert L	City Light	Hydroelec Op II	33 yrs	123 days	60
Smith, Winifred A.	City Light	Accounting Tech Supervisor	26 yrs	8 days	54
Springer, Charles F	Vested	Vested	13 yrs	3 days	57
Stevica, Ivan	SPU	Civil Engineer Assistant III	22 yrs	123 days	61
Stewart, Diana Frances	Personnel	Workers Comp Analyst	5 yrs	35 days	62
Stinnett, Marvin L.	City Light	Sr. Dispatcher	25 yrs	5 days	62
Stumpf, Thomas Alan	SPU	Associate Engineer	21 yrs	26 days	57
Swofford, Wallace C.	K.C. Health	EH Supervisor	38 yrs	224 days	65
Taylor Jr., George J.	City Light	Bldg Operating Engr Chief	26 yrs	62 days	60
Taylor, Charles W	Police	Equipment & Facility Coordinator	13 yrs	33 days	58

(continued)

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SERVICE RETIREMENTS GRANTED IN 2005**

Name	Department	Position	Years of Service		Age
Temple,Joan E.	K.C. Health	Public Health Nurse	30 yrs	203 days	64
Thorson,Linda A	Library	Program Coordinator	16 yrs	161 days	62
Tiffany,Dale H.	Civil Rights	Manager 2	26 yrs	172 days	62
Todd,James E.	Vested	Vested	22 yrs	248 days	64
Tong,Linda D	Vested	Vested	18 yrs	224 days	58
Tonglao,Betty	Library	Managing Librarian I	25 yrs	66 days	62
Tran,Khan N	ESD	Info Tech Prof	23 yrs	2 days	65
Travers,Gail M.	DHHS	Research & Evaluation Assistant	20 yrs	310 days	61
Trotter,Mark A	City Light	Strat Advsr 2, Fin, Bud & Acctg	29 yrs	124 days	53
Tuttle,James R	Vested	Vested	1 yrs	39 days	57
Uhlorn,Kathleen M	K.C. Health	Admin Services Manager	31 yrs	265 days	57
Valentine,Joseph P	Human Services	Executive 2	5 yrs	262 days	57
Van Ry,Meredith	Vested	Vested	3 yrs	150 days	65
Vaughn,Richard L	City Light	Powerline Clearance Coord	18 yrs	319 days	75
Vulliet,Allan L	Seattle Center	Janitor	26 yrs	250 days	59
Walters,Joan	City Light	Executive I	10 yrs	310 days	65
Webb,Glennie R.	Library	Librarian	31 yrs	290 days	63
Weisgerber,Melvin	SPU	Drainage & Waste Collection Wkr	6 yrs	336 days	62
Welch,Sarah	Parks	Executive 2	23 yrs	159 days	58
White,Frances F	Neighborhoods	Admin Spec I	15 yrs	229 days	62
White,Herbye Kenneth	Parks	Executive II	11 yrs	129 days	63
Whitehurst,Mary D.	K.C. Health	Public Health Nurse	17 yrs	78 days	62
Wildin,Nancy Y.	Library	Web Manager	33 yrs	304 days	61
Williams,Calvin	Vested	Vested	28 yrs	323 days	68
Wolff-Miller,Eileen M.	SEATRAN	Civil Engineering Spec Assoc	16 yrs	71 days	69
Woodward,Carol E	Library	Page	16 yrs	25 days	68
Wright,Michael D	City Light	Elctn Constructor Wkg CC	28 yrs	122 days	54
Young,Diane	Parks	Admin Spec II	31 yrs	192 days	51
Zavis Jr.,John	SEATRAN	Specialist Sr	33 yrs	163 days	67
Total Service Retirements			241		

DISABILITY RETIREMENTS

Aquino,Judy L.	Seattle Center	Dining Room Attendant	12 yrs	31 days	51
Austin,Yvette E	SPU	Water Treatment Operator	16 yrs	254 days	45
Hernandez,Kevin J.	Fleets & Facilities	Sr. Warehouser	21 yrs	63 days	50
Linn,Gwendlyn	Seattle Center	Dining Room Attendant	6 yrs	121 days	50
Lozano,Barbara Leigh	City Light	Accounting Tech I	12 yrs	19 days	51
Pratt,Roger	Library	Coord Library Associate	17 yrs	55 days	59
Total Disability Retirements			6		

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
RETIRED MEMBERS DECEASED IN 2005**

Name	Retired For	Department	Date Retired	Date of Death	Age at Death
Adair,James R	Service	Engineering	05/01/1986	08/16/2005	81
Adams,Harold M	Service	Engineering	04/01/1990	06/21/2005	70
Alexander,Howard D	Service	Engineering	010/01/1975	03/12/2005	94
Alquist,Ty N	Service	City Light	07/01/1977	11/22/2005	90
Amundsen,Saundra A.	Service	SPU	04/12/2000	06/20/2005	70
Anderson,Audrey J	Service	Water	05/01/1988	010/03/2005	77
Bach,Lorens E	Service	Metro Transit	07/01/1986	03/11/2005	73
Bach,Teri A	Service	City Light	010/06/2004	06/10/2005	60
Baker,Charles T	Service	Engineering	09/01/1980	09/15/2005	90
Baker,Steve G	Disability	Parks	02/01/1986	07/10/2005	57
Balgum,Blanche E	Service	City Light	02/01/1971	02/15/2005	99
Ball,Judith A.	Service	Parks	01/22/1997	02/10/2005	65
Banchero,Bert A	Service	Seattle Center	08/01/1989	01/30/2005	81
Barnes Jr., Joe W.	Service	SPU	04/02/2005	07/30/2005	54
Bircher,Alvin E	Service	Engineering	12/01/1992	07/31/2005	74
Blye,Lois O	Service	Library	02/01/1974	11/10/2005	93
Boyle,Ruth I	Service	Health	03/01/1972	02/20/2005	95
Brott,Allister G	Service	Comptrollers	11/01/1977	05/12/2005	92
Brown,Paul A	Service	City Light	07/01/1977	01/09/2005	88
Burt,Evelyn L	Service	Parks	05/01/1993	07/01/2005	77
Campbell,Jack W	Service	DAS	01/01/1991	09/24/2005	76
Carroll,Cornelius E	Service	City Light	01/01/1984	05/14/2005	83
Casey,Darl P	Service	City Light	03/01/1989	07/28/2005	81
Chidgey,James W	Service	City Light	09/01/1980	12/25/2005	78
Clendaniel,William T	Service	Engineering	01/01/1989	08/25/2005	76
Cohrs,Pearle L	Service	City Light	04/01/1981	05/27/2005	81
Conner,Claude C	Service	City Light	12/01/1967	12/31/2005	93
Cooke,Virginia M	Service	Comptrollers	12/01/1984	12/26/2005	86
Corey,Ruth	Service	Engineering	04/04/1996	12/29/2005	80
Courchene,John E	Service	Water	02/01/1987	07/27/2005	79
Crist,William E	Service	City Light	05/01/1989	06/01/2005	73
Cromer,Patricia A	Service	Water	11/01/1984	01/07/2005	80
Curry,Sylvia S	Service	Health	09/01/1993	05/07/2005	71
Daubenspeck,Keith M.	Service	Metro Transit	02/01/2001	04/03/2005	64
Davis,Joseph R	Service	City Light	01/01/1977	01/29/2005	85
Desgrosellier, Morris	Service	Water	010/16/1996	04/15/2005	70
Disotell,Louise M	Service	Treasury	010/01/1976	06/16/2005	92
Doczi,Aina	Service	Library	01/01/1984	05/03/2005	86
Donohoe,Robert A	Service	Building	02/01/1976	03/16/2005	82
Dorning,William A	Service	Parks	01/01/1981	03/14/2005	89
Drager,Stella M	Service	Police	04/01/1976	09/08/2005	91
Drake,Patricia Y	Service	Police	09/01/1987	11/07/2005	83
Duchsherer,Mathilda F	Service	City Light	06/01/1995	05/19/2005	74
Dyer,Frederick B	Service	City Light	01/01/1978	11/20/2005	87
Eldridge,Royce J	Service	Health	11/01/1989	03/27/2005	80
Falcone,Jennie M	Service	City Light	05/01/1990	01/06/2005	80
Farrer,Dean C	Service	Metro Transit	07/01/1984	03/02/2005	86
Ferry,Frank S	Service	City Light	06/01/1990	01/13/2005	77
Foley,Gerald E	Service	Engineering	09/01/1991	07/30/2005	78

(continued)

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
RETIRED MEMBERS DECEASED IN 2005**

Name	Retired For	Department	Date Retired	Date of Death	Age at Death
Foster, Clara V	Service	City Light	05/01/1980	04/17/2005	90
Francis, Betty J	Service	City Light	12/01/1984	09/11/2005	82
Freeman Jr, Herman	Service	Water	01/01/1981	12/01/2005	89
Gardner, Thomas D.	Service	SPU	06/03/2000	09/19/2005	58
Gettman, Marie F	Service	Police	07/01/1974	05/20/2005	95
Gomez, Armando	Service	ESD	02/14/2001	05/26/2005	66
Gookstetter, Mildred G	Service	Library	01/01/1980	06/27/2005	91
Gould, Mary J	Service	Seattle Center	01/05/1999	02/16/2005	68
Gustafson, William L	Service	City Light	03/01/1984	04/29/2005	74
Hadaller, George W	Service	City Light	07/01/1978	02/12/2005	87
Hadley, Samuel N	Service	City Light	01/01/1976	03/19/2005	87
Hammer, Robert F	Service	Engineering	12/01/1987	01/16/2005	77
Hansen, Craig D	Service	City Light	05/01/1975	05/14/2005	91
Hatch, Herbert	Service	Engineering	07/01/1977	01/09/2005	87
Hebert, Floyd E	Service	Water	01/01/1987	03/30/2005	85
Herd, Oscar W	Service	DCLU	09/01/1982	03/24/2005	87
Hill, Murray A	Service	Water	01/01/1978	01/05/2005	86
Hill, Patricia Y	Service	Police	01/02/2004	09/11/2005	66
Hill, Walter J	Service	Parks	05/01/1978	09/02/2005	92
Holmes, Philip A.	Service	Health	03/06/2004	01/07/2005	56
Huff, Harley L	Service	Engineering	04/01/1995	02/18/2005	73
Humphreys, Janet	Service	City Light	09/01/1990	09/30/2005	80
Hunter, John S	Service	Municipal Court	02/01/1976	05/11/2005	94
Jessup, Shelby	Service	Police	09/11/2002	07/17/2005	68
Johnson, Gilbert R	Service	Metro Transit	03/01/1978	03/04/2005	85
Johnston, Donald T	Service	Parks	12/01/1983	01/07/2005	73
Jones, Kathryn B.	Service	ESD	08/18/1997	01/11/2005	78
Jones, Lawrence J	Service	City Light	02/01/1977	01/31/2005	84
Joram, Dennis	Service	Transit/Dual Mbr	04/01/1999	04/15/2005	61
Jordan, Laurette A	Service	Water	05/01/1980	03/20/2005	92
Jussila, Sulo O	Service	Seattle Center	02/01/1985	05/19/2005	82
Kassens, Albert H	Service	City Light	05/01/1981	01/31/2005	90
Kiesel, Kenneth D	Service	Water	09/01/1978	12/04/2005	81
Kincl, Frank	Service	Municipal Court	01/01/1981	02/21/2005	85
Kubo, George T	Service	City Light	01/01/1984	08/13/2005	82
Lapointe, Winnifred M	Service	Licences	04/01/1981	02/24/2005	84
Lar, Andrew J	Service	City Light	05/01/1985	04/22/2005	86
Lar, Betty Mae	Service	Licences	06/01/1988	09/03/2005	78
Lavik, Robert E	Disability	City Light	06/01/1977	12/28/2005	79
Leveque, Jesse L	Service	City Light	02/01/1982	11/16/2005	85
Linn, H Bill	Service	City Light	05/01/1979	08/11/2005	91
Lisk, Ivan D	Service	Engineering	09/01/1977	05/26/2005	89
Logsdon, Milton L	Service	Metro Transit	02/01/1994	09/03/2005	68
Lygdman, Lois H	Service	City Light	01/01/1980	06/18/2005	90
Macintyre, Vivienne	Service	Health	08/01/1976	02/17/2005	92
Mallory, Andrew Jr	Service	Parks	04/01/1986	01/31/2005	75
Mandel, Walter F	Service	Metro Transit	09/01/1986	06/19/2005	74
Marklund, Aili I	Service	Library	03/01/1981	01/21/2005	86

(continued)

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
RETIRED MEMBERS DECEASED IN 2005**

Name	Retired For	Department	Date Retired	Date of Death	Age at Death
Marshall,John D	Service	Water	11/01/1983	12/10/2005	84
Misner,Hope B	Service	City Light	09/01/1973	07/31/2005	92
Moore,Margaret C	Service	Retirement	09/01/1984	12/15/2005	81
Moseley,Fred E	Service	City Light	03/01/1989	010/13/2005	78
Muirhead,Alfred	Service	Metro Transit	08/01/1978	12/25/2005	90
Mukai,Yoshiaki	Service	City Light	06/01/1983	010/27/2005	87
Nccorchuk,Victor E	Service	City Light	08/01/1983	11/27/2005	80
Neal-Gray, Letha	Service	City Light	01/05/2004	010/11/2005	53
Oberg,Sterling C	Service	Engineering	01/01/1977	06/02/2005	91
O'connor,John C	Service	Seattle Center	11/01/1985	04/29/2005	81
Olsen,Elmer R	Service	Parks	09/01/1980	03/31/2005	76
Olsen,Irving W	Service	City Light	02/01/1978	07/02/2005	89
O'Nolan,Robert C	Service	Engineering	01/01/1982	11/18/2005	82
Palmer,Herbert F	Service	City Light	03/01/1984	02/09/2005	83
Parks,Geraldine V	Service	City Light	01/01/1985	01/11/2005	81
Parlato,Basil L	Service	Seattle Center	08/01/1989	07/12/2005	90
Pedersen,Arthur R	Service	City Light	06/01/1984	08/09/2005	85
Pennock,M Regina	Service	Personnel	02/01/1990	05/31/2005	79
Petersen,Robert A	Service	Engineering	07/01/1981	01/12/2005	86
Peterson,David H	Service	General Services	03/01/1980	06/22/2005	90
Peterson,Mary I	Service	Health	02/01/1985	01/18/2005	85
Peterson,Robert G	Service	Parks	01/01/1983	04/09/2005	87
Polley,Francis D	Service	Purchasing	03/01/1988	03/05/2005	79
Pompey,Willie	Disability	Parks	07/03/1997	07/24/2005	58
Powell,Marie R	Service	City Light	04/15/1998	11/02/2005	67
Price,George H	Service	DAS	11/01/1991	06/03/2005	74
Reed,Valerie	Service	Human Rights	01/01/1994	09/08/2005	85
Rex,Harry J	Service	Engineering	07/01/1980	12/09/2005	86
Reynolds,Gordon C	Service	Metro Transit	03/01/1983	02/14/2005	86
Ritter,Dorothy K	Service	Health	010/01/1978	12/11/2005	92
Rivera,Luis I	Service	DCLU	04/01/1991	01/08/2005	81
Robideau,Carroll C	Service	City Light	02/01/1980	010/29/2005	84
Rogers,Marjorie K	Service	Library	04/01/1970	01/27/2005	94
Rommel, Dorothy	Service	Human Services	010/09/1996	07/30/2005	90
Roo,Eugenia A	Service	Judicial	02/01/1976	01/19/2005	93
Rosen,Raymond W	Service	City Light	12/01/1986	010/29/2005	79
Ross,John A	Service	Metro Transit	02/01/1976	08/24/2005	86
Russell,Rex E	Service	Engineering	06/01/1976	05/10/2005	82
Scalzo,Thomas J	Service	Health	08/01/1988	06/27/2005	73
Schaller,Leonard H	Service	Building	07/01/1976	01/21/2005	90
Schmidt,William R	Service	City Light	11/01/1990	010/27/2005	79
Sharratt,Virgil A	Service	DCLU	12/01/1981	010/27/2005	85
Sherman,Martin L	Service	City Light	03/01/1981	05/31/2005	78
Shockley,Dallas	Service	Public Safety Comm	03/01/1992	08/06/2005	77
Skomerza,Glen J	Service	City Light	06/01/1973	03/03/2005	89
Sleater,George W	Service	City Light	09/01/1979	12/09/2005	88
Smart Jr,Herbert A	Service	City Light	04/01/1987	08/07/2005	79
Sroufe,Oren K	Service	Water	01/01/1976	04/14/2005	86
Starr,Lewis J	Service	City Light	11/01/1975	08/05/2005	84

(continued)

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
RETIRED MEMBERS DECEASED IN 2005**

Name	Retired For	Department	Date Retired	Date of Death	Age at Death
Stephens,John C	Service	DoIT	02/01/1994	04/05/2005	75
Stevenson,Orval E	Service	City Light	01/01/1976	02/05/2005	79
Stone,Donald H	Service	City Light	04/01/1980	01/25/2005	76
Storms,Vincent F	Service	City Light	07/01/1981	12/20/2005	89
Stripling,Henry C	Service	Metro Transit	09/01/1978	09/21/2005	89
Sumner,Lawrence D	Service	Metro Transit	06/01/1976	08/29/2005	90
Swanberg,Gordon A	Service	Parks	04/01/1991	08/15/2005	77
Swayzer,John E	Service	Engineering	03/01/1979	01/19/2005	88
Treadwell,John H	Service	City Light	02/01/1974	01/02/2005	94
Vanderhoff,Raymond J	Service	Engineering	01/02/1998	06/28/2005	73
Wainright,Roy V	Service	City Light	03/01/1979	08/03/2005	84
Wasson,Evalene J	Service	Engineering	01/01/1969	04/08/2005	100
Waters,James L.	Service	Fleets & Facilities	01/20/2004	07/26/2005	56
Weaver,Lyle E	Service	City Light	12/01/1988	05/24/2005	72
Webb,Doris H	Service	Health	07/01/1983	05/26/2005	83
Wilhelmsen,James O	Service	Parks	05/01/1989	04/16/2005	78
Williams,Clarence S.	Service	Parks	05/04/1996	03/18/2005	86
Wilson,H Scott	Service	Health	04/01/1979	01/09/2005	82
Winquist,Willard G	Service	City Light	01/01/1983	05/23/2005	84
Wood,George M	Service	City Light	04/01/1975	05/02/2005	85
Zadra,August J	Service	Seattle Center	08/01/1989	01/08/2005	96
Average Age of Deceased Pensioner					81.80
Average Age of Deceased Disability Pensioner					64.67
Number of Service Pensioners Deceased					164
Number of Disability Pensioners Deceased					3
Death Benefits for Deceased Retirees			\$	320,000.00	
Refund Under Option "A"			\$	3,359.40	
Refund Under Disability			\$	0.00	

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
DEATHS IN ACTIVE SERVICE DURING 2005**

Name	Position	Department	Age
Beaty,Kevin Rex	Stage CC	Seattle Center	46
Butcher,Richard L	Program Aide	HSD	68
Byrd,Lynda	Vested	Vested	48
Gagnat,Robert D	Meter Electrician	City Light	55
Hunter,David	Vested	Dual Member	50
McCreight,Michael N	Admin Spec I	Municipal Court	58
Mehari,Tesfalem	Janitor Lead	City Light	48
Moss,Kay L	Admin Spec I	Police	61
Robinson,Patricia F	Court Cashier	Municipal Court	43
Skalka,Joseph L	Rec Attendant	Parks	47
Smuck,Roger H	Capital Projects Coord Sr	Seattle Center	61
Total			11
Average Age			53.18

DEATH BENEFIT SYSTEM
For The Year Ended December 31, 2005

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 11 (2 vested) deaths in active service and 160 claims from retired employees - a total of 169 claims. This compares with 6 deaths in active service in 2004, and 142 claims from retired employees - a total of 148. The claims totaled \$338,000 in 2005, and \$296,000 in 2004.

Income from the 15,398 active and retired employees was		\$ 139,260
Income from Employers:		
Seattle City Light	\$ 20,028	
General Fund	57,524	
SEATRAN	7,302	
Seattle Parks Department	13,164	
Seattle Public Utilities	16,506	
Finance	3,588	
Library	7,002	
Seattle Center	4,848	
Construction and Land Use	4,554	
Metro Transit Fund	2,496	
Employees' Retirement System	156	
King County Health & Custodial	<u>2,224</u>	
Total from Employer Funds		\$ 139,392
Total paid into Death Benefit Reserve		\$ 278,652
Transfer from Undistributed Investment Earnings		<u>\$ 59,348</u>
		\$ 338,000
<u>Less: Death Benefit Claims - 2005</u>		<u>\$ (338,000)</u>
Death Benefit Reserve Balance December 31, 2005		\$ 0.00

UNUSED SICK LEAVE

At the time of retirement, 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.

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 241 service retirements during 2005, only 2 retirees deposited the value of their sick leave payout to an account that will be used to pay their medical premiums.

Percentage of Average Salary

Years of Retirement Credit	Age															Years of Retirement Credit	
	Any	52	53	54	55	56	57	58	59	60	61	62	63	64	65		
30	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	30
29		58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	29
28		56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	28
27		51.3	54	54	54	54	54	54	54	54	54	54	54	54	54	54	27
26		46.8	49.4	52	52	52	52	52	52	52	52	52	52	52	52	52	26
25		42.5	45	47.5	50	50	50	50	50	50	50	50	50	50	50	50	25
24		38.4	40.8	43.2	45.6	48	48	48	48	48	48	48	48	48	48	48	24
23		34.5	36.8	39.1	41.4	43.7	46	46	46	46	46	46	46	46	46	46	23
22		30.8	33	35.2	37.4	39.6	41.8	44	44	44	44	44	44	44	44	44	22
21		27.3	29.4	31.5	33.6	35.7	37.8	39.9	42	42	42	42	42	42	42	42	21
20		24	26	28	30	32	34	36	38	40	40	40	40	40	40	40	20
19								28.88	30.02	31.16	32.3	33.44	34.58	35.72	36.86	38	19
18								27.36	28.44	29.52	30.6	31.68	32.76	33.84	34.92	36	18
17								25.84	26.86	27.88	28.9	29.92	30.94	31.96	32.98	34	17
16								24.32	25.28	26.24	27.2	28.16	29.12	30.08	31.04	32	16
15								22.8	23.7	24.6	25.5	26.4	27.3	28.2	29.1	30	15
14								21.28	22.12	22.96	23.8	24.64	25.48	26.32	27.16	28	14
13								19.76	20.54	21.32	22.1	22.88	23.66	24.44	25.22	26	13
12								18.24	18.96	19.68	20.4	21.12	21.84	22.56	23.28	24	12
11								16.72	17.38	18.04	18.7	19.36	20.02	20.68	21.34	22	11
10								15.2	15.8	16.4	17	17.6	18.2	18.8	19.4	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													9.1	9.4	9.7	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

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

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.



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

(206) 386-1293 Fax (206) 386-1506

www.seattle.gov/retirement