

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM

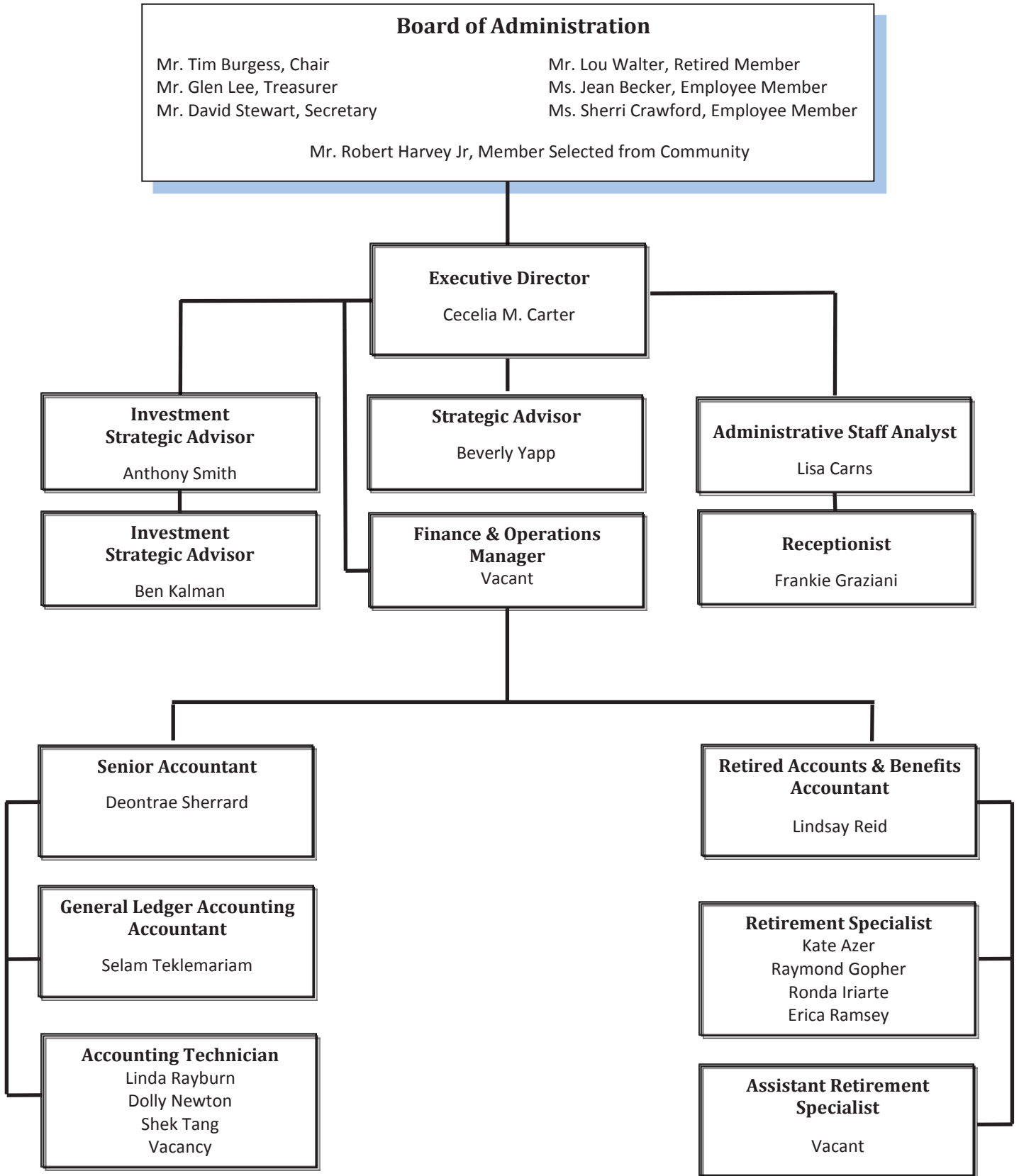
A Pension Trust Fund of the City of Seattle

ANNUAL REPORT

For the Year Ended December 31, 2012

Prepared by: Seattle City Employees' Retirement System Staff
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2012 Organizational Chart





City of Seattle

Seattle City Employees' Retirement System

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To the Honorable Mayor and Seattle City Council
Seattle, Washington

I am pleased to transmit the 2012 Annual Report of the Seattle City Employees' Retirement System. This Annual Report consists of four sections: the Introductory Section contains the Executive Director's letter of transmittal and the identification of the administrative organization of the System; the Financial Section contains the audited financial statements of the System, as well as a 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; and the Statistical Section includes tables of significant data pertaining to the System operations.

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

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

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

Overview of the Seattle City Employees' Retirement System

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

The Retirement System covers employees of the City of Seattle, the Seattle Public Library, and certain employees of King County and METRO. The Retirement System does not cover law enforcement officers and fire fighter employees. The year ended December 31, 2012, concludes our 85th year of operations.

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

Distribution of the 2012 Annual Report

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

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

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

A handwritten signature in blue ink, appearing to read "Kenneth J. Nakatsu".

Kenneth J. Nakatsu
Interim Executive Director

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FINANCIAL
Independent Auditors Report

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
Report of Independent Auditors
and Financial Statements with
Required Supplementary Information
and Additional Information

December 31, 2012 and 2011

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Seattle City Employees' Retirement System (SCERS), which comprise the statement of plan net position as of December 31, 2012, and the related statement of changes in plan net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 2012 financial statements referred to above present fairly, in all material respects, the financial position of SCERS as of December 31, 2012, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The financial statements include real estate and other alternative investments valued at \$397 million (20% percent of net assets), as explained in note 2, their fair values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or the general partners.

Other Matter

The 2011 financial statements were audited by other auditors, whose report dated June 28, 2012, expressed an unmodified opinion on those statements.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress and employer contributions, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Other Information

Our audit was conducted for the purpose of forming an opinion on the 2012 financial statements as a whole. The 2012 additional information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The 2011 additional information, as listed in the table of contents, was subjected to the auditing procedures applied in the 2011 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2011 financial statements as a whole.

CliftonLarsonAllen LLP

Baltimore, Maryland
June 10, 2013

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2012**

This section presents management's discussion and analysis of the Seattle City Employees' Retirement System's (SCERS or the System) financial performance during the years ended December 31, 2012 and 2011. Please read it in conjunction with the accompanying financial statements and the related notes.

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

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

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

This report contains the following information:

- 1. Basic Financial Statements** including:
 - a. Statements of Plan Net Position
 - b. Statements of Changes in Plan Net Position
 - c. Notes to the Financial Statements

- 2. Required Supplementary Information** including:
 - a. Schedule of Funding Progress
 - b. Schedule of Employer Contributions

- 3. Additional Information** including:
 - a. Schedule of Administrative Expenses
 - b. Schedule of Investment Expenses

The basic financial statements are described as follows:

- The Statement of Plan Net Position shows the account balances at year-end and includes the net position 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.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2012**

- The Statement of Changes in Plan Net Position shows the sources and uses of funds during the year and illustrates the change in net position 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.
- The Schedule of Employer Contributions contains historical trend information regarding the value of the total annual contributions the employer must pay and the actual contributions by employers in meeting this requirement.

Financial Highlights

- SCERS assets that are held in trust for the payment of future benefits do not exceed the estimate of actuarially accrued liabilities as of December 31, 2012.
- Net position increased by \$198 million (11.3%) during 2012. The primary driver was a \$281 million increase in investment assets. Net position decreased by \$59 million (3.3%) during 2011. The primary drivers were a \$134 million decrease in investment assets and a 9.2% increase in retiree benefits.
- Revenue additions to net position for 2012 were \$350 million which includes member and employer contributions of \$119.6 million and revenue from investment activity totaling \$230.7 million. Revenue additions to net position for 2011 were \$85 million which includes member and employer contributions of \$100.7 million and a loss from investment activity totaling \$15.8 million.
- Expenses (deductions from net position) for 2012 increased by \$8.2 million (5.7%) from 2011. This can be primarily attributed to a \$10.1 million increase in retiree benefits offset by a \$1.8 million reduction in contribution refunds compared to 2011. In 2012, the net increase in the number of retirees receiving benefits was 2.4%. Expenses for 2011 increased by \$12.6 million (9.5%) from 2010. This can be primarily attributed to a \$10.4 million increase in retiree benefits and a \$1.9 million increase in contribution refunds compared to 2010. In 2011, the net increase in the number of retirees receiving benefits was 2.8%.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2012**

Plan Net Position

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Cash, short-term investments and receivables	\$ 96,200,481	\$ 200,138,765	\$ 60,329,299
Investments at fair value	1,914,325,374	1,633,584,958	1,767,204,462
Securities lending collateral	<u>10,154,781</u>	<u>3,489,721</u>	<u>33,896,148</u>
Total assets	<u>2,020,680,636</u>	<u>1,837,213,444</u>	<u>1,861,429,909</u>
Securities lending payable	13,404,350	6,911,249	37,295,301
Other payables	<u>55,841,012</u>	<u>76,777,981</u>	<u>11,380,120</u>
Total liabilities	<u>69,245,362</u>	<u>83,689,230</u>	<u>48,675,421</u>
Total net assets	<u>\$ 1,951,435,274</u>	<u>\$ 1,753,524,214</u>	<u>\$ 1,812,754,488</u>

Changes in Plan Net Position

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Additions:			
Employer contributions	\$ 62,515,432	\$ 50,301,263	\$ 45,224,787
Member contributions	57,086,346	50,415,119	45,364,624
Net investment and other	<u>230,702,333</u>	<u>(15,740,371)</u>	<u>208,528,529</u>
Total additions	<u>350,304,111</u>	<u>84,976,011</u>	<u>299,117,940</u>
Deductions:			
Retiree benefits	134,135,553	124,061,630	113,650,795
Refunds of contributions	14,913,574	16,677,021	14,715,000
Administrative expenses	<u>3,343,924</u>	<u>3,467,634</u>	<u>3,295,006</u>
Total deductions	<u>152,393,051</u>	<u>144,206,285</u>	<u>131,660,801</u>
Net increase (decrease)	<u>\$ 197,911,060</u>	<u>\$ (59,230,274)</u>	<u>\$ 167,457,139</u>

Revenues - Additions to Net Plan Assets

- In 2012, employer contributions increased by \$12.2 million (24.3%) compared to 2011. In 2011, employer contributions increased by \$5.1 million (11.2%) compared to 2010.
- Member contributions increased by \$6.7 million (13.2%) compared to 2011. In 2011, member contributions increased by \$5.1 million (11.1%) compared to 2010.
- Net investment change and other income was a gain of \$230.7 million in 2012 compared to a loss of \$15.7 million in 2011 and a gain of \$208.5 million in 2010.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2012**

Expenses - Deductions from Net Plan Assets

- Retiree benefits increased in 2012 by \$10.1 million (8.1%) compared to 2011, primarily due to the increased number of members making application for retirement and a mandatory 1.5% COLA (Cost of Living Adjustment). As a comparison, retiree benefits increased \$10.4 million (9.2%) in 2011.
- Refunds of contributions decreased in 2012 by \$1.8 million (10.6%) compared to amounts paid in 2011. In 2011, refunds increased \$1.9 million (13.3%) compared to amounts paid in 2010.

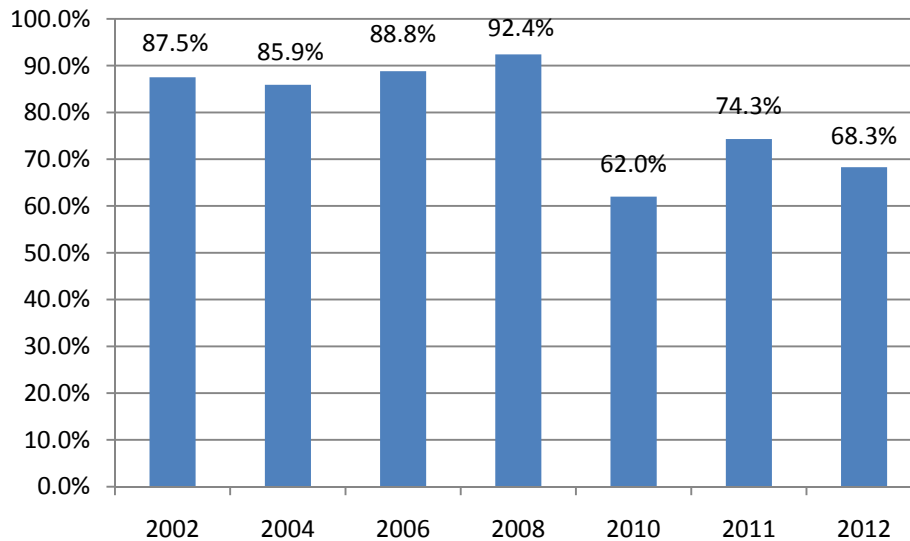
Changes in Plan Membership

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

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Retirees and beneficiaries receiving benefits	\$ 5,714	\$ 5,580	2.4%
Current and terminated employees:			
Current employee members	\$ 8,465	\$ 8,426	0.5%
Terminated members entitled to, but not yet receiving benefits, Vested	1,121	977	14.7%
Terminated members not entitled to benefits beyond contributions and accumulated interest, Non-Vested	<u>842</u>	<u>1,061</u>	-20.6%
Total	<u>\$ 10,428</u>	<u>\$ 10,464</u>	-0.3%

Funding Status

Schedule of Funding Progress
Funding Ratio
As of January 1st Valuation Date



With the January 1, 2011 Valuation and the 2007-2010 Experience Study; the Board of Administration adopted a policy of asset smoothing over a 5-year period. The reported funding ratio as of January 1, 2012 reflects that change. Prior to January 1, 2011, all funding ratios were reported on a marked-to-market basis.

Funds are accumulated from employer and employee contributions, and investment earnings, and are used to pay present and future benefit obligations and administrative expenses. We continue to make a constant effort to achieve a fully funded status, thereby assuring the participants of a financially sound retirement system. In 2012, most active members contributed 10.03% of their salaries to the retirement fund and the City contributed 11.01%.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2012**

Investment Activities

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

2012 Investment Performance

Total Portfolio	14.0%
Domestic Equities	15.9%
Benchmark: U.S. Equities Custom Index	15.6%
International Equities	18.5%
Benchmark: MSCI ACWI ex US IM/ND	17.7%
Fixed Income	8.9%
Benchmark: Barclays U.S. Universal Index	5.5%
Real Return	7.5%
Benchmark: CPI + 3%	4.8%
Private Equity	19.4%
Benchmark: Russell 3000 + 3%	34.0%
Real Estate	13.3%
Benchmark: Russell NCREIF Property Index	11.6%
Cash	1.1%
Benchmark: Citigroup 3-Month T-Bills	0.1%

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2012**

2011 Investment Performance

Total Portfolio	0.0%
Domestic Equities	0.4%
Benchmark: Russell 3000 Index	1.0%
International Equities	(12.8%)
Benchmark: MSCI EAFE Index ND	(12.1%)
Fixed Income	7.0%
Benchmark: Barclays U.S. Universal Index	7.4%
Real Return	0.7%
Benchmark: CPI + 3%	6.3%
Private Equity	12.3%
Benchmark: Russell 3000 + 3%	3.6%
Real Estate	11.9%
Benchmark: Russell NCREIF Property Index	18.3%
Cash	1.0%
Benchmark: 91-Day T-Bills	0.1%

The investments of the System are governed primarily by the prudent investor rule. The prudent investor rule, as set forth by the Revised Code of Washington, establishes a standard for all fiduciaries, which includes anyone who has authority with respect to the fund. The System invests retirement funds for the long-term, anticipating both good and poor performing financial markets. The overall investment portfolio is positioned in a diversified manner to maximize return given the System's risk tolerance.

Contacting the Seattle City Employees' Retirement System

If you have questions about this report or need additional information, please contact us by telephone at: 206.386.1293 or by e-mail at: city.retirement@seattle.gov or you may mail your questions to:

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

FINANCIAL STATEMENTS

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF PLAN NET POSITION
December 31, 2012 and 2011

	2012	2011
Assets:		
Cash	\$ 3,443,999	\$ 1,775,988
Short-term investments	47,638,868	112,927,551
Total cash and short-term investments	51,082,867	114,703,539
Receivables:		
Members	2,452,509	2,110,074
Employer	2,230,401	1,536,698
Interest and dividends	2,324,732	2,281,373
Sales proceeds receivable	3,086,954	79,507,081
Foreign currency contracts	35,023,018	-
	45,117,614	85,435,226
Investments, at fair value:		
Fixed income:		
U.S. government obligations	97,032,271	87,699,524
Domestic Corporate bonds	150,551,988	138,742,103
Mortgage-backed	113,394,160	130,049,800
Foreign sovereign	20,592,643	16,150,802
Domestic stocks	581,330,209	503,957,527
International stocks	554,959,429	416,713,116
Real estate	216,761,221	207,713,900
Alternative	179,703,453	132,558,186
Total investments, at fair value	1,914,325,374	1,633,584,958
Securities lending collateral	10,154,781	3,489,721
Total assets	2,020,680,636	1,837,213,444
Liabilities:		
Pensions payable and other	1,667,979	1,501,302
Obligations under securities lending	13,404,350	6,911,249
Investment commitments payable	19,150,015	75,276,679
Foreign currency contracts	35,023,018	-
Total liabilities	69,245,362	83,689,230
Net position held in trust for pension benefits	\$ 1,951,435,274	\$ 1,753,524,214

The accompanying notes are an integral part of these financial statements.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF CHANGES IN PLAN NET POSITION
Years Ended December 31, 2012 and 2011

	2012	2011
Additions:		
Contributions:		
Employer	\$ 62,515,432	\$ 50,301,263
Member	<u>57,086,346</u>	<u>50,415,119</u>
Total contributions	<u>119,601,778</u>	<u>100,716,382</u>
Investment activities:		
Investment income (loss):		
Net change in fair value of investments	204,254,962	(36,063,232)
Interest	9,781,842	8,585,693
Dividends	<u>23,654,327</u>	<u>19,183,795</u>
Net investment income (loss)	<u>237,691,131</u>	<u>(8,293,744)</u>
Securities lending activities:		
Securities lending income	16,045	17,484
Borrowing rebates	<u>82,493</u>	<u>43,110</u>
Total securities lending income	98,538	60,594
Securities lending management fees	<u>(24,467)</u>	<u>(15,134)</u>
Net income from securities lending	<u>74,071</u>	<u>45,460</u>
Investment activity expenses:		
Investment management fees	(6,313,848)	(6,983,854)
Investment consultant fees	(499,140)	(364,140)
Investment custodial fees	<u>(249,881)</u>	<u>(144,093)</u>
Total investment activity expenses	<u>(7,062,869)</u>	<u>(7,492,087)</u>
Net income (loss) from investment activities	<u>230,702,333</u>	<u>(15,740,371)</u>
Total additions	<u>350,304,111</u>	<u>84,976,011</u>
Deductions:		
Benefits	134,135,553	124,061,630
Refunds of contributions	14,913,574	16,677,021
Administrative expenses	<u>3,343,924</u>	<u>3,467,634</u>
Total deductions	<u>152,393,051</u>	<u>144,206,285</u>
Net change	197,911,060	(59,230,274)
Net position held in trust for pension benefits		
Beginning of year	<u>1,753,524,214</u>	<u>1,812,754,488</u>
End of year	<u><u>\$ 1,951,435,274</u></u>	<u><u>\$ 1,753,524,214</u></u>

The accompanying notes are an integral part of these financial statements.

Note 1 - Plan Description

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

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

All employees of the City of Seattle are eligible for membership in the System with the exception of uniformed police and fire personnel who are covered under a retirement system administered by the State of Washington. Employees of METRO and the King County Health Department who established membership in the System when these organizations were City of Seattle departments were allowed to continue their System membership (there are currently fewer than 90 members in this category). There are currently 5,714 retirees and beneficiaries receiving benefits, and 8,465 active members of the System. There are 1,121 terminated, vested employees entitled to future benefits.

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

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

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

GASB Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, introduces and defines these elements as a consumption or acquisition of net assets that is applicable to a future reporting period. These transactions are distinct from assets and liabilities, and result in the redefinition of Net Assets to the concept of Net Position. GASB 63 was implemented for the year ended December 31, 2012.

Use of Estimates in Preparing Financial Statements - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board to make estimates and assumptions that affect the reported amounts of assets, liabilities, additions and deductions to net position held in trust for pension benefits and disclosure of contingent assets and liabilities at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

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

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

Method Used to Value Investments - Plan investments are reported at fair value. Fair value is the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller, that is, other than in a forced or liquidation sale. All investments, with the exception of real estate and private equity, are valued based on closing market prices or broker quotes. Securities not having a quoted market price have been valued based on yields currently available on comparable securities of issuers with similar credit ratings. The fair value of real estate investments is based on estimated current values and independent appraisals. The fair value of private equities are based on management's valuation of estimates and assumptions from information and representations provided by the respective general partners, in the absence of readily ascertainable market values.

Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments, interest and dividend income earned, less investment expense, plus income from securities lending activities, less deduction for security lending expenses. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. 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.

Federal Income Tax Status - The System is a qualified plan under section 401(a) of the Internal Revenue Code and is exempt from federal income taxes under section 501(a).

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

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

Reclassifications - Certain 2011 amounts have been reclassified in conformity with the 2012 presentation. These reclassifications had no effect on net assets or changes therein.

Note 3 - Contributions

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

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

Actuarially determined contribution rates were 10.03% for most members and 11.01% for the employer. There are no long-term contracts for contributions outstanding and currently no legally required reserves. See Note 8 for additional information on assumptions used in calculating the actuarially determined contribution rates.

Note 4 - Cash

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

Note 5 - Investments

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

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

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

Note 5 – Investments (Continued)

Credit Risk - Credit risk is the risk that an issuer, or other counterparty, to an investment will not fulfill its obligations. In accordance with the System's Investment Policy, the Retirement Board provides each of the System's investment managers with a set of investment guidelines. These guidelines specify eligible investments, minimum diversification standards, and applicable investment restrictions necessary for diversification and risk control. In general, these guidelines require that at least 70 percent of the net asset value of a manager's portfolio be invested in investment-grade securities. Managers do not have authority to depart from their guidelines. A summary of the credit ratings of the System's fixed income investments is provided on pages 19 and 20.

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

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. Market or interest rate risk is the greatest risk faced by an investor in the debt securities market. The price of a debt security typically moves in the opposite direction of the change in interest rates. In accordance with the System's Investment Policy, the Retirement Board provides each of the System's investment managers with a set of investment guidelines. These guidelines specify eligible investments, minimum diversification standards, and applicable investment restrictions necessary for diversification and risk control. In general, these guidelines require that the weighted average duration of the security holdings of a manager's portfolio not vary from that of the applicable benchmark by more than 20 percent. Managers do not have authority to depart from their guidelines. A summary of the maturities of the System's fixed income investments is provided on pages 17 and 18.

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

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 non-U.S. equity and fixed income investment holdings. The System expects these managers to maintain adequately diversified portfolios to limit foreign currency and security risk.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

Note 5 – Investments (Continued)

The System's exposure to foreign currency risk in U.S. dollars as of December 31, 2012, is summarized in the following table.

<u>Currency Type</u>	<u>Fixed Income</u>	<u>Derivatives</u>	<u>Cash</u>	<u>Total</u>
Australian Dollar	\$ 1,824,997	\$ (1,822,131)	\$ 7,769	\$ 10,635
Brazil Real	-	286,869	-	286,869
Canadian Dollar	3,973,380	(3,896,383)	937	77,934
Danish Krone	1,566,702	(1,561,024)	-	5,678
Euro Currency Unit	7,787,261	(7,542,026)	39,631	284,866
Mexican New Peso	1,953,642	-	48,346	2,001,988
New Zealand Dollar	443,626	(431,271)	2,388	14,743
Pound Sterling	15,840,517	(15,440,639)	913	400,791
Swedish Krona	<u>1,522,771</u>	<u>(1,531,829)</u>	<u>16,909</u>	<u>7,851</u>
Total	<u>\$ 34,912,896</u>	<u>\$ (31,938,434)</u>	<u>\$ 116,893</u>	<u>\$ 3,091,355</u>

Derivatives - Foreign exchange forward contracts are periodically employed by the System to hedge currency risk of investments in foreign currencies. Generally, derivatives are subject both to market and to counterparty risk. The derivatives used by the System typically have no greater risk than their physical counterparts and, in many cases, are offset by exposures elsewhere in the portfolio. Counterparty risk, the risk that the "other party" to a contract will default, is managed by careful screening of counterparties. Derivative securities are priced and accounted for at fair value. Foreign exchange forward contracts are valued at the price at which the transaction could be settled by offsets in the forward markets.

The System's pending derivative transactions as of December 31, 2012 are summarized in the following table.

<u>Currency Type</u>	<u>Purchases</u>	<u>Unrealized Gain/Loss</u>	<u>Sells</u>	<u>Unrealized Gain/Loss</u>	<u>Total Unrealized Gain/Loss</u>
Australian Dollar	\$ 1,815,177	\$ (6,954)	\$ -	\$ -	\$ (6,954)
Brazil Real	-	-	285,758	1,112	1,112
Canadian Dollar	3,933,059	36,676	-	-	36,676
Danish Krone	1,562,110	1,085	-	-	1,085
Euro Currency Unit	8,887,143	(70,991)	1,422,749	(6,642)	(77,633)
New Zealand Dollar	426,551	(4,720)	-	-	(4,720)
Pound Sterling	15,216,298	(224,341)	-	-	(224,341)
Swedish Krona	<u>1,474,173</u>	<u>(57,655)</u>	<u>-</u>	<u>-</u>	<u>(57,655)</u>
Total	<u>\$ 33,314,511</u>	<u>\$ (326,900)</u>	<u>\$ 1,708,507</u>	<u>\$ (5,530)</u>	<u>\$ (332,430)</u>

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

Note 5 - Investments (Continued)

As of December 31, 2012, the fixed income portfolio of the System had the following investment maturities:

	Investment	Fair Value	Investment Maturities (in years)			
			<1	1 - 5	6 - 10	>10
Fixed income						
U.S. Government:						
	Treasury Notes and Bonds	\$ 68,868,656	\$ 7,234	\$ 29,206,153	\$ 17,094,617	\$ 22,560,652
	Treasury Inflation-Protected Securities	18,968,308	-	-	17,799,234	1,169,074
	Agencies	5,071,948	99,750	592,196	2,554,747	1,825,255
	Municipal	4,123,359	428,515	976,482	1,337,179	1,381,183
Mortgage-Backed:						
	Government Pass Through	87,333,467	6,224,144	33,482,512	2,201,433	45,425,378
	Corporate Pass Through	11,384,925	-	390,562	-	10,994,363
	Government CMO's	14,675,768	5,667,861	218,226	350,899	8,438,782
Corporate:						
	Bonds	103,922,816	10,117,851	39,933,472	41,381,595	12,489,898
	Asset-Backed	19,926,911	6,173,324	10,164,801	1,943,035	1,645,751
	Private Placement	21,154,256	1,913,313	10,419,493	4,664,611	4,156,839
	Other	5,548,005	450,229	3,964,948	62,589	1,070,239
Foreign Sovereign:						
	Bonds	20,592,643	-	8,253,630	12,113,090	225,923
Total Fixed Income		\$ 381,571,062	\$ 31,082,221	\$ 137,602,475	\$ 101,503,029	\$ 111,383,337

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

Note 5 - Investments (Continued)

As of December 31, 2011, the fixed income portfolio of the System had the following investment maturities:

	Investment	Fair Value	Investment Maturities (in years)			
			<1	1 - 5	6 - 10	>10
Fixed income						
U.S. Government:						
	Treasury Notes and Bonds	\$ 53,835,379	\$ 12,578,673	\$ 13,747,836	\$ 1,633,357	\$ 25,875,513
	Treasury Inflation-Protected Securities	14,966,305	686,532	-	14,279,773	-
	Agencies	13,846,925	6,038,432	3,470,347	3,079,654	1,258,492
	Municipal	5,050,915	388,738	298,214	1,015,477	3,348,486
Mortgage-Backed:						
	Government Pass Through	102,253,385	-	32,067,788	7,563,747	62,621,850
	Corporate Pass Through	10,216,034	943,657	-	-	9,272,377
	Government CMO's	17,580,381	4,423,168	473,156	585,593	12,098,464
Corporate:						
	Bonds	103,505,124	1,115,698	16,560,939	71,330,651	14,497,836
	Asset-Backed	33,535,103	10,699,036	10,516,455	6,447,022	5,872,590
	Private Placement	1,599,704	531,732	696,522	356,014	15,436
	Other	102,172	68,945	-	-	33,227
Foreign Sovereign:						
	Bonds	16,150,802	794,472	-	-	15,356,330
Total Fixed Income		\$ 372,642,229	\$ 38,269,083	\$ 77,831,257	\$ 106,291,288	\$ 150,250,601

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

Note 5 - Investments (Continued)

As of December 31, 2012, the fixed income portfolio of the System had the following investment ratings:

Investment	Fair Value	Ratings											
		AAA	AA	A	BBB	BB	B	CCC& Below	Not Rated				
Fixed income													
U.S. Government:													
Treasury Notes and Bonds	\$ 68,862,656	\$ -	\$ 68,862,656	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000
Treasury Inflation-Protected Securities	18,968,308	17,799,234	1,169,074	-	-	-	-	-	-	-	-	-	-
Agencies	5,071,948	-	3,565,125	1,506,823	-	-	-	-	-	-	-	-	-
Municipal	4,123,359	-	238,333	3,289,916	-	-	-	-	-	-	-	-	595,110
Mortgage-Backed:													
Government Pass Through	87,333,467	-	87,333,467	-	-	-	-	-	-	-	-	-	-
Corporate Pass Through	11,384,925	3,380,517	644,955	1,244,480	2,352,685	84,924	-	-	-	-	-	-	3,677,364
Government CMO's	14,675,768	624,825	11,364,286	397,843	761,178	-	179,186	-	-	-	930,164	-	418,286
Corporate:													
Bonds	103,922,816	-	6,912,314	34,169,261	45,205,773	5,297,360	12,338,108	-	-	-	-	-	-
Asset-Backed	19,926,911	12,155,739	2,311,508	156,174	3,144,104	244,958	377,253	754,628	-	-	-	-	782,547
Private Placement	21,154,256	3,061,581	2,870,973	3,896,186	6,892,169	42,837	21,231	424,374	-	-	-	-	3,944,905
Other	5,548,005	-	1,621,105	3,803,693	-	123,207	-	-	-	-	-	-	-
Foreign Sovereign:													
Bonds	20,592,643	296,763	1,014,670	12,371,549	6,909,661	-	-	-	-	-	-	-	-
Total Fixed Income	<u>\$ 381,571,062</u>	<u>\$ 37,318,659</u>	<u>\$ 187,908,466</u>	<u>\$ 60,835,925</u>	<u>\$ 65,265,570</u>	<u>\$ 5,793,286</u>	<u>\$ 12,915,778</u>	<u>\$ 2,109,166</u>	<u>\$ 9,424,212</u>				

Fixed income portfolio investments are included in U.S. Government obligations and corporate bonds on the Statements of Plan Net Assets as of December 31, 2012 and 2011 along with related investments held in other federal and corporate securities, mutual funds and short-term investments.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

Note 5 - Investments (Continued)

As of December 31, 2011, the fixed income portfolio of the System had the following investment ratings:

Investment	Fair Value	Ratings											
		AAA	AA	A	BBB	BB	B	CCC& Below	Not Rated				
Fixed income													
U.S. Government:													
Treasury Notes and Bonds	\$ 53,835,379	\$ -	\$ 53,835,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treasury Inflation-Protected Securities	14,966,305	13,708,618	1,257,687	-	-	-	-	-	-	-	-	-	-
Agencies	13,846,925	-	12,785,884	1,061,041	-	-	-	-	-	-	-	-	-
Municipal	5,050,915	-	827,747	4,223,168	-	-	-	-	-	-	-	-	-
Mortgage-Backed:													
Government Pass Through	102,253,385	32,067,787	35,347,995	-	-	-	-	-	-	-	-	-	34,837,603
Corporate Pass Through	10,216,034	7,407,662	55,562	2,015,255	88,482	-	-	-	-	-	-	-	-
Government CMO's	17,580,381	2,340,672	12,305,934	201,689	364,638	380,037	145,390	1,702,699	-	-	-	-	139,322
Corporate:													
Bonds	103,505,124	30,446	8,890,865	33,028,035	46,266,916	13,739,557	1,549,305	-	-	-	-	-	-
Asset-Backed	33,535,103	16,952,519	3,729,708	4,259,021	4,608,230	890,745	481,598	1,252,152	-	-	-	-	1,361,130
Private Placement	1,599,704	1,546,605	-	-	-	-	-	-	-	-	-	53,099	-
Other	102,172	-	-	-	-	95,528	-	-	-	-	-	-	6,644
Foreign Sovereign:													
Bonds	16,150,802	-	9,613,193	794,472	-	-	-	5,743,137	-	-	-	-	-
Total Fixed Income	\$ 372,642,229	\$ 74,054,309	\$ 138,649,954	\$ 45,582,681	\$ 51,888,857	\$ 15,194,349	\$ 7,919,430	\$ 3,007,950	\$ 3,007,950	\$ 3,007,950	\$ 3,007,950	\$ 3,007,950	\$ 36,344,699

Fixed income portfolio investments are included in U.S. Government obligations and corporate bonds on the Statements of Plan Net Assets as of December 31, 2012 and 2011 along with related investments held in other federal and corporate securities, mutual funds and short-term investments.

Note 6 - Securities Lending Transactions

Under the authority of State of Washington RCW 41.28.005 and the Seattle Municipal Code 4.36.130, the System's Board of Administration adopted investment policies that define eligible investments, which include securities lending transactions. Through a custodial agent, the System participates in a securities lending program whereby securities are lent for the purpose of generating additional income to the System. The System lends securities from its investment portfolio on a collateralized basis to third parties, primarily financial institutions. The market value of the required collateral must meet or exceed 102% of the market value of the securities lent, providing a margin against a decline in the market value of the collateral, and is limited to a volume of less than \$75 million. The contractual agreement with the System's custodian provides indemnification in the event the borrower fails to return the securities lent or fails to pay the System income it is due on the securities lent. Cash and U.S. government securities were received as collateral for these loans. The System invests cash collateral received; accordingly, investments made with cash collateral appear as an asset. A corresponding liability is recorded as the System must return the cash collateral to the borrower upon the expiration of the loan. 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.

As of December 31, 2012, the fair value of securities on loan was \$13,083,695. Associated cash collateral totaling \$13,404,350 was received. The fair market value of the reinvested collateral was \$10,154,781 at December 31, 2012, which includes an unrealized loss totaling \$3,249,570.

As of December 31, 2011, the fair value of securities on loan was \$6,730,410. Associated cash collateral totaling \$6,911,249 was received. The fair market value of the reinvested collateral was \$3,489,721 at December 31, 2011, which includes an unrealized loss totaling \$3,421,528.

Note 7 - Commitments

The System has entered into capital commitments to fund partnership interests in certain alternative investments. At December 31, 2012, the System has unfunded commitments of \$24,612,919 to these partnerships.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

Note 8 - Actuarial Information

The funded status of the System as of January 1, 2012, the most recent valuation date, is as follows (dollars in millions):

Actuarial Valuation Date January 1	Actuarial Value of Assets (a)	Actuarial Liabilities [AAL] - Entry Age (b)	Unfunded AAL [UAAL] (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2012	\$ 1,954.3	\$ 2,859.3	\$ 905.0	68.3%	\$ 557.0	162.5%

Fiscal year employer contributions required and contributions made are as follows (dollars in millions):

Year Ended December 31	Annual Required Contribution	Percent Contributed
2012	\$ 67.2	93%

The calculation of the actuarial value of assets includes a smoothing of investment gains and losses over a five-year period. For the year ended December 31, 2012, the System experienced an investment gain of 14.0%. The difference between these investment gains and the assumed rate of 7.75% will be recognized over the next five years and will have an impact on the funding ratio in the future.

See Required Supplementary Information (RSI) on page 24 for a six-year schedule of employer contributions.

The funding progress and employer contribution information presented above and the employer contribution information in the RSI schedule were determined as part of the actuarial valuations at the date indicated. The following is additional information for the System as of the valuation date:

Valuation date	January 1, 2012
Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	Does not amortize at current rate
Asset valuation method	Five-year asset smoothing applied retroactively, effective January 1, 2011
Actuarial assumptions:	
Investment rate of return*	7.75%
Projected salary increases*	4.00%
Post-retirement benefit increases	1.50% annual COLA and 65% Restoration of Purchasing Power

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

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS
(Dollar Amounts in Millions)

Actuarial Valuation Date January 1	Actuarial Value of Assets ⁴ (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]
2004	\$ 1,527.5	\$ 1,778.9	\$ 251.4	85.9%	\$ 424.7	59.2%
2006	\$ 1,791.8	\$ 2,017.5	\$ 225.7	88.8%	\$ 447.0	50.5%
2008	\$ 2,119.4	\$ 2,294.6	\$ 175.2	92.4%	\$ 501.9	34.9%
2010	\$ 1,645.3	\$ 2,653.8	\$ 1,008.5	62.0%	\$ 580.9	173.6%
2011	\$ 2,013.7	\$ 2,709.0	\$ 695.4	74.3%	\$ 563.2	123.5%
2012	\$ 1,954.3	\$ 2,859.3	\$ 905.0	68.3%	\$ 557.0	162.5%

Note that valuations are performed annually as of 2010.

¹ Actuarial present value of benefits less actuarial present value of future normal cost 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 Beginning with the January 1, 2011 Actuarial Valuation and 2007 – 2010 Experience Study, SCERS has adopted five-year asset smoothing.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(Dollar Amounts in Millions)

<u>Year Ended December 31</u>	<u>Annual Required Contribution</u>	<u>Percent Contributed</u>
2007	\$ 40.3	100%
2008	\$ 46.0	100%
2009	\$ 46.6	100%
2010	\$ 95.7	47%
2011	\$ 73.0	69%
2012	\$ 67.2	93%

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

ADDITIONAL INFORMATION

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF ADMINISTRATIVE EXPENSES
Years Ended December 31, 2012 and 2011

	Budget	Actual Expense	
	2012	2012	2011
Personnel Services			
Salaries	\$ 1,494,632	\$ 1,181,010	\$ 1,144,068
Benefits	<u>449,587</u>	<u>418,027</u>	<u>391,299</u>
Total Personnel Services	<u>1,944,219</u>	<u>1,599,037</u>	<u>1,535,367</u>
Maintenance and Operations			
Professional Services	542,000	580,853	784,138
Office rent	91,000	115,926	89,278
Data processing	859,333	751,549	796,481
Office supplies and other expenses	254,007	171,810	147,078
Postage	53,183	43,280	48,622
Telephone	20,585	28,181	37,966
Travel	61,460	39,660	22,461
Training	<u>18,000</u>	<u>13,628</u>	<u>6,243</u>
Total Maintenance and Operations	<u>1,899,568</u>	<u>1,744,887</u>	<u>1,932,267</u>
Total Administrative Expenses	<u>\$ 3,843,787</u>	<u>\$ 3,343,924</u>	<u>\$ 3,467,634</u>

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT EXPENSES
Year December 31, 2012

Investment Services:

American Core Realty Fund	\$	81,393
Attalus		23,523
Attucks Cap		799,978
Babson Tower Square Partners II		69,338
BakcRock		307,913
Bison Capital Equity Partners II		35,015
Capri		2,327
Capital		16,130
Carlyle Mezzanine Partners		327,545
Dimensional		492,289
Eaton Vance		57,973
Fisher Investments		370,874
JP Morgan Real Estate Funds		1,721,724
Nogales Investors Fund II		45,614
Oaktree Capital Mezzanine Fund II		81,070
Pacific Investment		347,564
PCCP		111,427
PIMCO		38,485
Pugh Capital		98,821
Reams Asset Management		128,774
Rhumbine		86,099
Russell		99,800
Smith Whiley Pelham Fund III		152,463
TA Associates		393,037
TCW Crescent Mazzanine Partners IV		51,233
Vote Net		19,200
Washington Capital Management		116,696
Western Asset Management		<u>237,544</u>
Total Investment Services		6,313,849

Performance Measurement:

Pension Consulting Alliance		499,140
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Custodial Services:

Bank of New York Mellon		249,881
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Securities Lending Services:

Bank of New York Mellon		<u>24,467</u>
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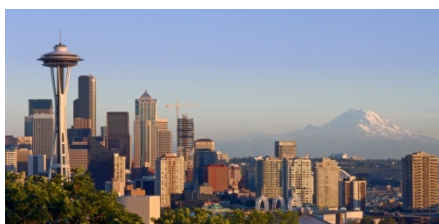
Total Investment Expenses

\$ 7,087,337

ACTUARIAL

Actuarial Valuation

Seattle City Employees' Retirement System



Actuarial Valuation As of January 1, 2012

By

Nick J. Collier

Associate, Society of Actuaries
Member, American Academy of Actuaries

And

Jennifer D. Sorensen

Associate, Society of Actuaries
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July 6, 2012

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

Dear Members of the Board:

As requested, we have made an actuarial valuation of the Seattle City Employees' Retirement System (SCERS) as of January 1, 2012. This report reflects the benefit provisions and contribution rates in effect as of January 1, 2012.

Actuarial Certification

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

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

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix A.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for SCERS. Actuarial computations under GASB Statement No. 25 are for purposes of fulfilling financial accounting requirements. The computations prepared for these two purposes may differ as disclosed in our report. The calculations in the enclosed report have been made on a basis consistent with our understanding of SCERS'

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funding requirements and goals. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

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

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

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

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

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

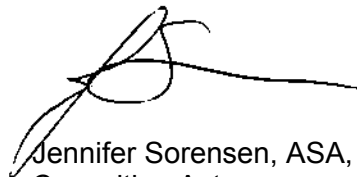
We would like to express appreciation to the system staff who gave substantial assistance in supplying the data on which this report is based.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Nick Collier".

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

NJC/JS/nlo

A handwritten signature in black ink, appearing to read "Jennifer Sorensen".

Jennifer Sorensen, ASA, MAAA
Consulting Actuary

Seattle City Employees' Retirement System Actuarial Valuation

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Seattle City Employees' Retirement System Actuarial Valuation

Section 1 Summary of the Findings



Actuarial Required Contribution Rate

Based on the actuarial valuation of the benefits in effect under the Seattle City Employees' Retirement System as of January 1, 2012, we recommend the total contribution rate be increased from 21.04% to 22.92%. Based on a fixed member contribution rate of 10.03%, this means the City's contribution rate should be increased from 11.01% to 12.89% effective January 1, 2013. This reflects the City's commitment to fund the actuarial required contribution rate. It should be noted that this rate is not equivalent to the current GASB Annual Required Contribution (ARC) because the actuarial required rate assumes an increase in membership, which is not consistent with current GASB reporting requirements.

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

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

In the January 1, 2011 valuation report, the actuarial required contribution rate to meet a 30-year amortization was 21.30%. The following chart shows the factors that caused the rate to increase this year. Note that the biggest factor was the investment loss which includes the partial recognition of the 2008 loss.

Sources of Change	Actuarial Req. Rate
January 1, 2011 Actuarial Valuation	21.30 %
Revision to Member Crediting Rate	(0.26)%
2012 Actuarial Required Contribution Rate	21.04 %
Expected Valuation-to-Valuation Change	(0.13)%
Asset (Gain)/Loss on Actuarial Value	1.48 %
Salary/Membership Growth Less Than Expected	0.23 %
Data Revisions	0.28 %
Other	0.02 %
Total Change	1.88 %
January 1, 2012 Actuarial Valuation	22.92 %

Actuarial Required Contribution Rate (continued)

It should be noted that this 22.92% of pay is calculated based on the Actuarial Value of Assets (AVA); see Section 3 of this report for details. This AVA currently defers a large asset loss under the asset smoothing method. This means that if no actuarial asset gains or losses occur in the future, the actuarial required contribution rate would increase as the deferred asset losses are phased into the AVA.

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

Funding Progress

On the basis of the January 1, 2011 actuarial valuation, the Funding Ratio was 74.3%. Based on the January 1, 2012 valuation, the Funding Ratio is 68.3%. The decrease in the Funding Ratio is due mainly to recognition of asset losses, both from previous years and from 2011 (see Section 3 of this report for a full discussion). A summary of the historical Funding Ratio and other measurements are shown on Graphs 1 and 2. A summary of the changes in the Funding Ratio is shown below.

Sources of Change	Funding Ratio
January 1, 2011 Actuarial Valuation	74.3 %
Revision to Member Crediting Rate	0.2 %
Expected Valuation-to-Valuation Change	0.1 %
Asset Gain/(Loss) on Actuarial Value	(6.1)%
Salary Less/(Greater) Than Expected	0.8 %
Data Revisions	(0.7)%
Other	(0.1)%
Total Change	(6.0)%
January 1, 2012 Actuarial Valuation	68.3 %

Contingent COLA Benefits

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

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

Summary Exhibit

A summary of the key results of this valuation, along with a comparison to the January 1, 2011 valuation, is shown in Table 1. Note that the valuation measures are based on the Actuarial Value of Assets, which smoothes asset gains and losses over a five-year period; however, we have also shown key measures using the Market Value of Assets (MVA).

Projected Contribution Rates

As outlined above (and discussed further in Section 3 of this report), the actuarial required contribution calculated in this valuation is based on the Actuarial Value of Assets. This AVA is currently deferring a relatively large asset loss.

All other things being equal, if assets earned 7.75% on a market value basis and no other actuarial asset gains or losses occurred, the actuarial required contribution rate would be projected to increase as the deferred asset losses are phased in over the coming years.

We have performed a five-year projection of the contribution rates if 7.75% were returned on the market value of assets in each future year. Additionally, we have performed a projection of the contribution rates at the 5th and 95th percentile expected returns (thereby yielding a 90% asset-return-based confidence interval for the specified rates). These projections are illustrated in the chart below.

The 90% confidence interval results are based on the 5th and 95th percentile compounded returns for one-, two-, three-, four- and five-year periods. Since actuarial assets are used, deferred gains or losses would continue to decrease or increase the actuarial required contribution rate after these dates.

Please see Section 8 of this report for a detailed discussion of the projected contribution rates, as well as an analysis of phased-in contribution rate increases.

Projected Total Actuarial Required Contribution Rate		
Contribution Year*	Assuming 7.75% Future Returns	90% Confidence Interval
2013	22.92%	22.92% - 22.92%
2014	24.31%	23.67% - 24.92%
2015	24.12%	22.67% - 25.53%
2016	24.07%	21.80% - 26.36%
2017	23.92%	20.84% - 27.09%
2018	23.95%	20.23% - 27.78%

* Contribution year lags valuation year by 1. For example: Contribution Year 2013 is based on the 2012 valuation results, amortized over 30 years beginning in 2012, if the increase takes place in 2013.

	Compounded average return for period	
	Percentile	
	5th	95th
1-Year Period	29.0%	-11.4%
2-Year Period	22.1%	-6.4%
3-Year Period	19.1%	-4.1%
4-Year Period	17.4%	-2.7%
5-Year Period	16.3%	-1.7%



Seattle City Employees' Retirement System Actuarial Valuation

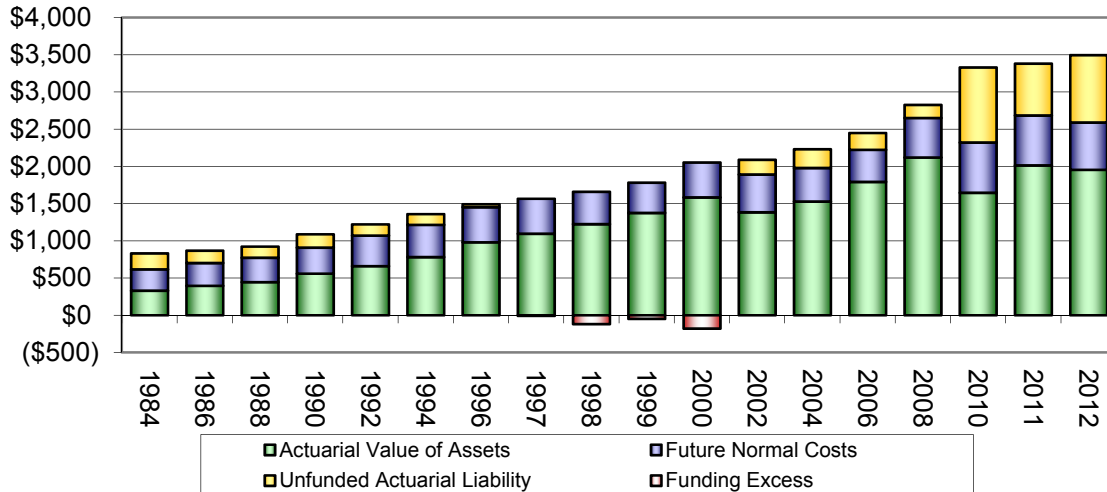
Table 1 Summary of Results

	Valuation January 1, 2012	Valuation January 1, 2011	Percentage Change
I. Total Membership			
A. Active Members	8,430	8,599	(2.0)%
B. Retired Members & Beneficiaries	5,580	5,428	2.8%
C. Vested Terminated Members	2,049	1,998	2.6%
D. Total	16,059	16,025	0.2%
II. Pay Rate as of January 1, 2012			
A. Annual Total (\$millions)	\$ 560.4	\$ 569.5	(1.6)%
B. Annual Average	\$ 66,476	\$ 66,225	0.4%
III. Average Monthly Benefit Paid to Current Retirees and Beneficiaries			
A. Service Retirement	\$ 2,066	\$ 1,977	4.5%
B. Disability Retirement	1,155	1,104	4.7%
C. Surviving Spouse and Dependents	1,182	1,081	9.3%
D. Total	\$ 1,922	\$ 1,826	5.3%
IV. Actuarial Accrued Liability			
A. Active Members	\$ 1,465.6	\$ 1,418.1	3.3%
B. Retired Members	1,264.7	1,169.0	8.2%
C. Vested Terminated Members	129.0	121.9	5.8%
D. Total	\$ 2,859.3	\$ 2,709.0	5.5%
V. Assets			
A. Actuarial Value of Assets (\$millions)	\$ 1,954.3	\$ 2,013.7	(2.9)%
VI. Unfunded Actuarial Accrued Liability or Surplus Funding (\$millions)	\$ 905.0	\$ 695.4	30.1%
VII. Amortization of UAAL Total Contribution Rate Needed for 30-Year Amortization (as a % of Payroll)*	22.92%	21.30%	7.6%
VIII. Funding Ratio	68.3%	74.3%	(8.0)%
IX. Normal Cost as a Percent of Salary*	14.95%	15.19%	(1.6)%
Market Value of Assets (MVA) -- For Informational Purposes Only			
X. Assets Based on MVA			
A. Market Value of Assets (\$millions)	\$ 1,753.5	\$ 1,812.8	(3.3)%
XI. Amortization of UAAL Based on MVA			
A. Total Contribution Rate Needed for 30-Year Amortization (as a % of Payroll)	24.76%	25.30%	(2.1)%
XII. Funding Ratio Based on MVA	61.3%	66.9%	(8.4)%

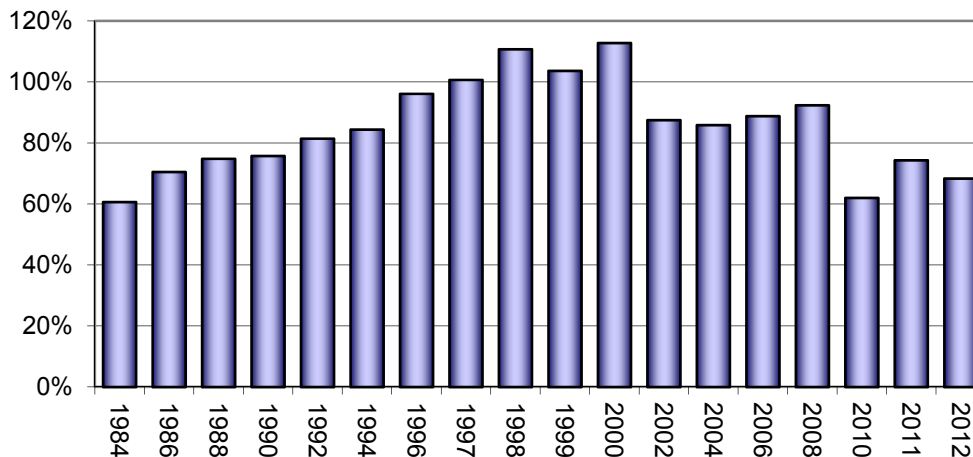
* Actuarial Required Contribution Rate for January 1, 2011 valuation was updated after the 2011 valuation to reflect the new method for determining interest credit on member contributions subsequently adopted by the Retirement Board. The revised rate is 21.04%, based on a revised Normal Cost Rate of 14.99%.

Seattle City Employees' Retirement System Actuarial Valuation

Graph 1 Historical Asset and Liability Comparison



Graph 2 Historical Funding Ratios



Year	(in Millions)				Funding Ratio
	PVB	Assets	PVFC	UAAL	
1996	1,492.0	980.2	472.3	39.5	96.1%
1998	1,539.3	1,224.6	433.5	(118.8)	110.7%
2000	1,872.4	1,582.7	469.3	(179.6)	112.8%
2002	2,088.7	1,383.7	507.3	197.7	87.5%
2004	2,229.8	1,527.5	450.9	251.4	85.9%
2006	2,448.5	1,791.8	431.0	225.8	88.8%
2008	2,825.8	2,119.4	531.2	175.2	92.4%
2010	3,328.7	1,645.3	674.9	1,008.5	62.0%
2011	3,379.6	2,013.7	670.6	695.4	74.3%
2012	3,494.1	1,954.3	634.8	905.0	68.3%

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Seattle City Employees' Retirement System Actuarial Valuation

Section 2 Scope of the Report



This report presents the actuarial valuation of the Seattle City Employees' Retirement System as of January 1, 2012.

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

Section 6 discloses actuarial information based on the requirements of Statements No. 25 and 27 of the Governmental Accounting Standards Board. Section 7 sets forth estimated actuarial gains or losses from the various sources. Section 8 shows projections of the System's funding under both optimistic and pessimistic scenarios.

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

The current benefit structure, as determined by the provisions of the governing law on January 1, 2012, is summarized in Appendix B. Schedules of valuation data classifying the data used in the valuation by various categories of contributing members, former contributing members and beneficiaries make up Appendix C.

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

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Seattle City Employees' Retirement System Actuarial Valuation

Section 3 Assets



In many respects, an actuarial valuation can be regarded as an inventory process. The inventory is taken as of the actuarial valuation date, which for this valuation is January 1, 2012. On that date, the assets available for the payment of benefits are appraised. These assets are compared with the actuarial liabilities, which are generally well in excess of the assets. The actuarial process thus leads to a method of determining what contributions by members and their employers are needed to pay expected benefits.

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

Beginning with the January 1, 2011 actuarial valuation, SCERS adopted five-year asset smoothing. This smoothing process recognizes the asset gain or loss occurring in each year evenly over a five-year period.

Table 2 shows the calculation of the Actuarial Value of Assets as of January 1, 2012. Note that a large net loss is currently being deferred due to the asset losses in both 2008 and 2011. This means that, even if the system earns 7.75% in the future, the AVA will experience an actuarial loss over upcoming years as the remaining portions of deferred losses are recognized. In both the Executive Summary and Section 8 of this report, we discuss projections of the required contribution rates resulting from this expected decrease in the AVA.

Table 3 summarizes the financial resources of the System on January 1, 2012 on a Market Value basis. Of the total assets, a minor portion is set aside for the payment of current liabilities and expenses. Table 3 shows the Market Value of Assets at January 1, 2012 and January 1, 2011. For years prior to 2011, the Actuarial Value of Assets is equal to the Market Value.

Seattle City Employees' Retirement System Actuarial Valuation

Table 2 Calculation of Actuarial Value of Assets at January 1, 2012
(All dollar amounts in millions)

Year Ended	Market Value at Beginning of Year	Total Contributions	Benefit Payments Plus Admin. Expenses	Interest	Market Value of Assets		Asset Gain/(Loss)	Current Phase Out	Deferred Amount
					Expected*	Actual			
December 31, 2007					2,135.0	2,119.4	(15.6)	0%	-
December 31, 2008	2,119.4	91.9	115.0	163.4	2,259.7	1,477.4	(782.3)	20%	(156.5)
December 31, 2009	1,477.4	93.0	120.3	113.5	1,563.6	1,645.3	81.7	40%	32.7
December 31, 2010	1,645.3	90.6	131.7	125.9	1,730.1	1,812.8	82.7	60%	49.6
December 31, 2011	1,812.8	100.7	140.7	139.0	1,911.8	1,753.5	(158.3)	80%	(126.6)
Total Deferred at Jan. 1, 2012:									(200.8)
Market Value of Assets at Jan. 1, 2012:									1,753.5
Less Total Deferred at Jan. 1, 2012:									(200.8)
Actuarial Value of Assets at Jan. 1, 2012:									<u>1,954.3</u>

*Expected Market Value of Assets assumes 7.75% return, taking into account actual cashflows during year.

Seattle City Employees' Retirement System Actuarial Valuation

Table 3 Summary of Plan Net Assets (at Market Value)

	January 1, 2012		January 1, 2011	
	Market Value	Distribution	Market Value	Distribution
Assets				
Cash and short-term investments	64,654,222	3.7%	16,066,155	0.9%
Securities lending collateral	3,489,721	0.2%	33,896,148	1.9%
Receivables				
Employee	2,110,074	0.1%	1,864,510	0.1%
Employer	1,536,698	0.1%	1,438,899	0.1%
Interest and Dividends	2,281,373	0.1%	1,746,071	0.1%
Total Receivables	5,928,145	0.3%	5,049,480	0.3%
Investments at fair value				
US Government obligations	82,648,609	4.7%	75,344,540	4.2%
Corporate bonds	137,745,087	7.9%	95,241,727	5.3%
Mortgage Backed	130,049,800		86,955,883	
Government Related & Other	21,303,889		22,296,344	
Domestic stocks	506,950,005	28.9%	757,207,813	41.8%
International stocks	417,843,380	23.8%	368,335,407	20.3%
Real estate	208,281,171	11.9%	191,755,600	10.6%
Alternative	183,042,736	10.4%	209,280,812	11.5%
Total investments	1,687,864,677	96.3%	1,806,418,126	99.7%
Equipment	-	0.0%	-	0.0%
Total assets	1,761,936,765	100.5%	1,861,429,909	102.7%
Liabilities				
Pension & Other payables	1,501,302	-0.1%	11,380,120	-0.6%
Securities lending obligation	6,911,249	-0.4%	37,295,301	-2.1%
Total Liabilities	8,412,551	-0.5%	48,675,421	-2.7%
Market Value of Net Assets Held in Trust For Pension Benefits				
	1,753,524,214	100.0%	1,812,754,488	100.0%

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Seattle City Employees' Retirement System Actuarial Valuation

Section 4 Actuarial Liabilities



In the previous section, an actuarial valuation was related to an inventory process and an analysis was given of the inventory of assets of the System as of the valuation date, January 1, 2012. In this section, the discussion will focus on the commitments of the System, which will be referred to as its actuarial liabilities.

Table 4 contains an analysis of the actuarial present value of all future benefits for contributing members, for former contributing members, and for beneficiaries. The analysis is given by type of benefit.

The actuarial liabilities summarized in Table 4 include the actuarial present value of all future benefits expected to be paid with respect to each member. For an active member, this value includes a measure of both benefits already earned and future benefits to be earned. Thus, for all members, active and retired, the value extends over benefits earnable and payable for the rest of their lives and, if an optional benefit is chosen, for the lives of their surviving beneficiaries.

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

Table 4 Actuarial Present Value of Future Benefits
(All dollar amounts in millions)

	<u>January 1, 2012</u>	<u>January 1, 2011</u>
A. Active Members		
Service Retirement	\$ 1,976.1	\$ 1,959.5
Vested Retirement	55.1	58.1
Disability Retirement	11.7	12.0
Survivor Benefits	24.7	24.9
Refund of Member Contributions	<u>32.8</u>	<u>34.2</u>
Total	\$ 2,100.4	\$ 2,088.7
B. Inactive Members and Annuitants		
Service Retirement	\$ 1,165.9	\$ 1,076.4
Disability Retirement	10.0	9.8
Beneficiaries	88.8	82.8
Inactive Members	<u>129.0</u>	<u>121.9</u>
Total	\$ 1,393.7	\$ 1,290.9
C. Grand Total	\$ 3,494.1	\$ 3,379.6

Seattle City Employees' Retirement System Actuarial Valuation

Section 5 Employer Contributions



Funding

As shown in Tables 2 and 4, the total actuarial liability exceeds the current Actuarial Value of Assets. This is to be expected, because the System is anticipating future member and employer contributions. The actuarial valuation develops a contribution method to fund this shortfall.

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

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

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

The normal cost under EA is developed so that benefits are funded as a level percentage of payroll for each member from the member's membership date to the member's termination date. One key feature of this method is that costs tend to be stable from year to year because most members' entry age cost percentages do not change materially from year to year, and because the population does not change considerably from year to year. Normal costs by benefit type are shown in Table 5.

The Normal Cost Rate for the January 1, 2012 actuarial valuation is slightly lower than the rate as of the January 1, 2011 valuation. This is primarily because of the reduced crediting rate on member contributions made after December 31, 2011, which went into effect for the January 1, 2012 valuation.

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

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

Actuarial Gains and Losses

When experience is different from actuarial expectation, an actuarial gain or loss occurs. Section 7 illustrates the historical actuarial gains and losses by source. Ongoing actuarial gains and losses decrease and increase the UAAL.

Amortization of UAAL

Table 7 compares the current 21.04% total contribution rate with the necessary funding components: normal cost and amortization of UAAL. The table shows that the total contribution rate exceeds the normal cost, with the remaining contribution going toward an amortization of the UAAL. The resulting amortization payment of 6.05% was projected to amortize the UAAL over 30 years as of January 1, 2011, based on the 2011 valuation (as revised to reflect the revised member crediting policy, adopted by the Board subsequent to the 2011 valuation report).

As of the January 1, 2012 valuation, the actuarial required contribution rate for the employer has increased to 12.89% beginning January 1, 2013. This is mainly due to the partial reflection of deferred 2008 asset losses, as well as the partial reflection of the 2011 asset loss. The total contribution rate of 21.04% being paid in 2012 amortizes the January 1, 2011 UAAL over a 30-year period; however, it is not sufficient to amortize the UAAL based on the 2012 valuation over 30 years.

The current Retirement Board funding policy states that "...if the Funding Ratio is less than 100% and a UAAL occurs which cannot be amortized over a period of less than 20 years by the combined total contribution rates, additional employer contributions may be considered." It is our understanding that the City is currently committed to contributing the actuarial required contribution rate, with the goal of amortizing the UAAL over a period of 30 years.

The total contribution rate needs to be immediately (i.e., as of the beginning of the next calendar year) increased from 21.04% of pay to 22.92% of pay to amortize the UAAL over 30 years from January 1, 2012. Because this figure is based on an Actuarial Value of Assets which is currently deferring a large loss, this 22.92% is projected to increase over the next year if no other actuarial asset gains or losses were to occur.

In Section 8 of this report, we have included a five-year projection of the actuarial required contribution, including optimistic and pessimistic investment return scenarios.

Seattle City Employees' Retirement System Actuarial Valuation

Table 5 Normal Cost Contribution Rates as Percentages of Salary

	January 1, 2012	January 1, 2011 [*]
Service Retirement	11.60 %	11.80 %
Vested Retirement	1.28	1.31
Disability Retirement	0.14	0.14
Survivor Benefits	0.19	0.20
Refund of Member Contributions	1.34	1.34
Administrative Expenses	0.40	0.40
Total	14.95 %	15.19 %

** The January 1, 2011 Normal Cost Rate was updated after the 2011 valuation to reflect the new method for determining interest credit on member contributions subsequently adopted by the Retirement Board. The revised 2011 rate is 14.99%.*

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

Table 6 Unfunded Actuarial Accrued Liability

(All dollar amounts in millions)

	January 1, 2012	January 1, 2011
A. Actuarial present value of all future benefits for present and former members and their survivors (Table 3)	\$ 3,494.1	\$ 3,379.6
B. Less actuarial present value of total future normal costs for present members	634.8	670.6
C. Actuarial accrued liability [A - B]	\$ 2,859.3	\$ 2,709.0
D. Less actuarial value of assets available for benefits (Table 2)	1,954.3	2,013.7
E. Unfunded actuarial accrued liability (Funding Excess, if negative) [C - D]	\$ 905.0	\$ 695.4
F. Funding Ratio [D ÷ C]	68.3%	74.3%

Seattle City Employees' Retirement System Actuarial Valuation

Table 7 Contribution Rates as Percentages of Salary

	<u>Actuarial Required Contribution Beginning</u>	
	<u>January 1, 2013</u>	<u>January 1, 2012</u> ⁽¹⁾
A. Total normal cost rate	14.95 %	14.99 %
B. UAAL amortization rate	<u>7.97</u>	<u>6.05</u>
C. Actuarial required contribution rate	22.92 %	21.04 %
D. Member contribution rate	<u>10.03</u>	<u>10.03</u>
E. Allocation of employer contribution rate ⁽²⁾		
Normal cost	4.92 %	4.96 %
Amortization payment	<u>7.97</u>	<u>6.05</u>
Total employer contribution rate	12.89 %	11.01 %

⁽¹⁾ Actuarial required rate beginning January 1, 2012 reflects revision to Normal Cost for new Member Contribution Rate Crediting Policy, adopted after the January 1, 2011 valuation was completed.

⁽²⁾ If member contributions are all allocated to paying normal cost.

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Seattle City Employees' Retirement System Actuarial Valuation

Section 6 Actuarial Information for Accounting Purposes



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

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

It should be noted that GASB has recently issued new statements that will supersede Statements No. 25 and 27. These will result in significant accounting changes and will be effective within a few years.

The schedule of funding progress is shown in Table 9 and compares assets and liabilities over the years. Primarily due to the poor investment returns of 2000 through 2003, as well as the extreme market downturn of 2008, the plan is not fully funded. Another material factor in the current funding shortfall is the benefit enhancements triggered in 2007 (i.e., 65% floor COLA and the 1.5% COLA for all retirees).

The schedule of employer contributions is shown in Table 11 and shows that, except for the most recent two years, the employer has consistently made contributions equal to or greater than the Actuarial Required Contribution (ARC).

Table 8 develops the Annual Pension Cost (APC) and Net Pension Obligation (NPO). The NPO can be thought of as the accumulated value of APC in excess of employer contributions. Because contributions have exceeded the APC in prior years, a negative NPO has built up. The current Board policy is to set the ARC equal to the fixed contribution rate, solving for the amortization period.

If the fixed rate is not sufficient to fund the UAAL over a period of 30 years or less, the ARC will be equal to the amount needed to fund the normal cost for the year plus a 30-year amortization payment of the UAAL. This is the minimum allowed for accounting purposes under current GASB parameters. Note that, per GASB requirements, the ARC does not include an assumption for expected future growth in membership.

**Actuarial Information
(continued)**

Despite the large increase in the ARC, which was not fully funded by SCERS, the NPO remains negative due to the large negative balance previously accumulated through past contributions in excess of the ARC. However, this has been significantly depleted and a large buffer no longer exists.

Seattle City Employees' Retirement System Actuarial Valuation

**Table 8 GASB Statement No. 27 Annual Pension Cost
and Net Pension Obligation**

For Fiscal Year Ending December 31, 2011
Based on January 1, 2011 Valuation

	Fiscal Year Ended December 31	
	2010	2011
1a Total Normal Cost Rate	15.23%	15.19%
1b Employee Contribution Rate	8.03%	9.03%
1c Employer Normal Cost Rate (1a - 1b)	7.20%	6.16%
2a Total Employer Contribution Rate	8.03%	9.03%
2b Amortization Payment Rate (2a - 1c)	0.83%	2.87%
2c Amortization Period	does not amortize	does not amortize
2d GASB 27 Amortization Rate	9.80%	6.95%
3 Total Annual Required Contribution (ARC) Rate (1c + 2d)*	17.00%	13.11%
4 Covered Employee Payroll**	563,197,846	557,046,102
5a ARC (3 x 4)	95,743,634	73,028,744
5b Interest on Net Pension Obligation (NPO)	(6,034,612)	(2,260,465)
5c ARC Adjustment	4,214,432	1,578,656
5d Annual Pension Cost (APC) (5a + 5b + 5c)	93,923,454	72,346,935
6 Employer Contribution	45,224,787	50,301,263
7a Change in NPO (5d - 6)	48,698,667	22,045,672
7b NPO at Beginning of Year	(77,865,963)	(29,167,296)
7c NPO at End of Year (7a + 7b)	(29,167,296)	(7,121,624)

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

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

Seattle City Employees' Retirement System Actuarial Valuation

Table 9 **Schedule of Funding Progress**
(All dollar amounts in millions)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll ⁽¹⁾	UAAL as a Percentage of Covered Payroll
1984	\$ 329.8	\$ 544.0	\$ 214.2	60.6%	\$ 159.4	134.4%
1986	395.7	561.3	165.6	70.5	182.0	91.0
1988	445.4	595.3	149.9	74.8	199.0	75.3
1990	558.8	737.9	179.1	75.7	212.3	84.4
1992	660.0	810.5	150.5	81.4	239.4	62.9
1994	781.8	926.2	144.4	84.4	291.8	49.5
1996	980.2	1,019.7	39.5	96.1	310.6	12.7
1997	1,094.8	1,087.3	(7.5)	100.7	316.9	(2.4)
1998 ⁽²⁾	1,224.6	1,266.7	42.1	96.7	341.5	12.3
1999	1,375.0	1,326.6	(48.4)	103.6	370.4	(13.1)
2000	1,582.7	1,403.1	(179.6)	112.8	383.6	(46.5)
2002	1,383.7	1,581.4	197.7	87.5	405.1	48.8
2004	1,527.5	1,778.9	251.4	85.9	424.7	59.2
2006	1,791.8	2,017.5	225.8	88.8	447.0	50.5
2008	2,119.4	2,294.6	175.2	92.4	501.9	34.9
2010	1,645.3	2,653.8	1,008.5	62.0	580.9	173.6
2011	2,013.7	2,709.0	695.4	74.3	563.2	123.5
2012	1,954.3	2,859.3	905.0	68.3	557.0	162.5

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

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

Seattle City Employees' Retirement System Actuarial Valuation

Table 10 Solvency Test
(All dollar amounts in millions)

Actuarial Valuation Date January 1	Actuarial Value of Valuation Assets	Actuarial Accrued Liabilities for			Total	Portion of Actuarial Accrued Liabilities Covered by Assets			
		(A) Active Member Contributions	(B) Inactive, Retirees and Beneficiaries	(C) Active Members (Employer Financed Portion)		(A)	(B)	(C)	(D)
1984	\$ 329.8	\$ 90.1	\$ 243.0	\$ 210.9	\$ 544.0	100.0%	98.6%	0.0%	60.6%
1986	395.7	110.7	263.1	187.5	561.3	100.0	100.0	11.7	70.5
1988	445.4	136.0	303.6	155.7	595.3	100.0	100.0	3.7	74.8
1990	558.8	164.0	332.8	241.1	737.9	100.0	100.0	25.7	75.7
1992	660.0	202.6	357.9	250.0	810.5	100.0	100.0	39.8	81.4
1994	781.8	248.4	383.1	294.7	926.2	100.0	100.0	51.0	84.4
1996	980.2	294.1	409.3	316.3	1,019.7	100.0	100.0	87.5	96.1
1997	1,094.8	313.1	449.8	324.4	1,087.3	100.0	100.0	100.0	100.7
1998 ⁽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
2008	2,119.4	590.1	1,084.9	619.6	2,294.6	100.0	100.0	71.7	92.4
2010	1,645.3	684.7	1,176.4	792.7	2,653.8	100.0	81.7	0.0	62.0
2011	2,013.7	683.7	1,290.9	734.4	2,709.0	100.0	100.0	5.3	74.3
2012	1,954.3	730.9	1,393.7	734.7	2,859.3	100.0	87.8	0.0	68.3

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

Seattle City Employees' Retirement System Actuarial Valuation

Table 11 **Schedule of Employer Contributions**
(All dollar amounts in millions)

Fiscal Year Ending December 31	Covered Employee Payroll ⁽¹⁾	Actual Employer Contributions ⁽²⁾	Actual Employer Contribution % ⁽³⁾	Annual Required Contribution (ARC) % ⁽⁴⁾	Percentage of ARC Contributed
1989	\$ 212.3	\$ 25.1	8.91%	8.91%	159.4%
1990	243.2	21.8	8.91	8.91	100.0
1991	239.4	21.5	8.91	8.91	100.0
1992	280.4	25.1	8.91	8.91	100.0
1993	291.8	26.1	8.91	8.91	100.0
1994	298.0	26.7	8.91	8.91	100.0
1995	310.6	27.8	8.91	8.91	100.0
1996	316.9	28.4	8.91	8.91	100.0
1997	316.3	28.3	8.91	8.91	100.0
1998 ⁽⁴⁾	341.5	30.6	8.91	8.91	100.0
1999	370.4	29.7	8.03	4.50	178.0
2000	383.6	30.8	8.03	4.50	178.0
2001	405.1	32.7	8.03	3.04	264.0
2002	454.5	36.6	8.03	3.04	264.0
2003	424.7	34.2	8.03	8.03	100.0
2004	456.8	36.7	8.03	8.03	100.0
2005	447.0	35.9	8.03	8.03	100.0
2006	472.5	37.9	8.03	8.03	100.0
2007	501.9	40.3	8.03	8.03	100.0
2008	572.4	46.0	8.03	8.03	100.0
2009	580.9	46.7	8.03	8.03	100.0
2010	563.2	45.2	8.03	17.00	47.2
2011	557.0	50.3	9.03	13.11	68.9

⁽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 the death benefits. This assessment per employee is included in the actual employer contributions reported and has been previously recognized by the actuary in determining the ARC.

⁽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. The City Ordinance does not permit a reduction in the employer contribution rate less than the employee contribution rate. Thus, the City's contributions exceeded the ARC for 1999 through 2001 and resulted in a negative NPO amount.

⁽⁴⁾ ARC reflects the increased COLA benefits adopted in 1998. ARC is calculated assuming 0.0% population growth.

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

Table 12 GASB Statement No. 27 Five-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Contribution as a Percentage of APC</u>	<u>Net Pension Obligation (NPO)</u>
December 31, 2007	40,114,562	100%	(78,433,500)
December 31, 2008	46,245,324	99%	(78,149,216)
December 31, 2009	46,933,422	99%	(77,865,963)
December 31, 2010	93,923,454	48%	(29,167,296)
December 31, 2011	72,346,935	70%	(7,121,624)

Seattle City Employees' Retirement System Actuarial Valuation

Table 13 **GASB Statement No. 27 Annual Development of Pension Cost**

<u>Fiscal Year Ending</u>	<u>ARC at EOY</u>	<u>Interest on NPO</u>	<u>ARC Adjustment</u>	<u>Annual Pension Cost (APC)</u>	<u>Total Employer Contributions</u>	<u>Change in NPO</u>	<u>NPO Balance</u>	<u>Gain/Loss</u>	<u>Amort. Factor</u>	<u>Amort. Of Gain/Loss</u>	<u>Ending Balance</u>
December 31, 2007	40,299,506	(6,064,263)	5,879,319	40,114,562	40,299,506	(184,944)	(78,433,500)	-	13.30912	(5,879,319)	(78,433,500)
December 31, 2008	45,961,040	(6,078,596)	6,362,880	46,245,324	45,961,040	284,284	(78,149,216)	-	12.32673	(6,362,880)	(78,149,216)
December 31, 2009	46,650,169	(6,056,564)	6,339,817	46,933,422	46,650,169	283,253	(77,865,963)	-	12.32673	(6,339,817)	(77,865,963)
December 31, 2010	95,743,634	(6,034,612)	4,214,432	93,923,454	45,224,787	48,698,667	(29,167,296)	50,518,847	18.47603	(4,214,432)	(29,167,296)
December 31, 2011	73,028,744	(2,260,465)	1,578,656	72,346,935	50,301,263	22,045,672	(7,121,624)	22,727,481	18.47603	(1,578,656)	(7,121,624)

Amortization Period: Open 30 years, unless fixed rate amortizes in less than 30 years.
Amortization Method: Level Percentage of Projected Payroll.

Seattle City Employees' Retirement System Actuarial Valuation

Section 7 Actuarial Gains or Losses



An analysis of actuarial gains or losses was performed in conjunction with the January 1, 2010, January 1, 2011 and January 1, 2012 actuarial valuations.

The results of our analysis of the financial experience of the System in the three most recent actuarial valuations are presented in Table 14. Each gain or loss shown represents our estimate of how much the given type of experience caused the UAAL to change in the period since the previous actuarial valuation.

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

There were two non-recurring items that are reflected in the current year's actuarial gains and losses:

- The revision to the member crediting rate policy for member contributions made after January 1, 2012 is reflected in this valuation. This change caused a decrease in the UAAL.
- A small number of SCERS members (those employed by Metro/King County) were not reported in the 2011 valuation data. These employees were reported in the valuation data for January 1, 2012, causing an increase in the UAAL.

Seattle City Employees' Retirement System Actuarial Valuation

Table 14 Analysis of Actuarial Gains or Losses

(All dollar amounts in millions)*

	Gain (Loss) for Period		
	2011	2010	2008-2009
Investment Income. Investment income on AVA was greater (less) than assumed.	\$(173.9)	\$82.7	\$(765.5)
Pay Increases. Pay increases were less (greater) than expected.	31.7	96.0	(6.4)
Age and Service Retirements. Members retired at older (younger) ages or with less (greater) final average pay than expected.	14.4	0.7	2.1
Disability Retirements. Disability claims were less (greater) than expected.	(0.1)	(0.2)	(0.3)
Death-in-Service Benefits. Survivor claims were less (greater) than expected.	0.0	0.0	0.0
Withdrawal from Employment. More (less) reserves were released by withdrawals than expected.	(16.8)	(8.5)	34.8
Death after Retirement. Retirees died younger (lived longer) than expected.	<u>(7.8)</u>	<u>(3.7)</u>	<u>(3.9)</u>
Total Gain or (Loss) during Period from Financial Experience.	\$(152.5)	\$167.0	\$(739.2)
Nonrecurring Items:			
Changes in actuarial assumptions and plan amendments caused a gain (loss).	9.1	23.8	(119.1)
Data revisions	(30.5)	0.0	0.0
Change in actuarial asset valuation method caused a gain (loss).	<u>N/A</u>	<u>200.9</u>	<u>N/A</u>
Composite Gain (Loss) during Period.	\$(173.9)	\$391.7	\$(858.3)

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

Seattle City Employees' Retirement System Actuarial Valuation

Section 8 Contribution Rate Projections and Increases



This section of the January 1, 2012 actuarial valuation is devoted to a detailed discussion of the contribution rates currently needed, and projected to be needed, in order to effectively fund the System.

This section illustrates two key points:

1. As mentioned throughout this report, the current AVA is deferring a relatively large loss based on the 2008 market downturn and the 2011 asset loss. As a result, if no actuarial asset gains or losses were to occur over the next several years (i.e., the market return equals 7.75%), the Funding Ratio would be projected to decrease as the remaining deferred losses are fully phased in.
2. Currently, SCERS is contributing a total rate of 21.04% of payroll. The actual contribution rate needed will vary in the future. We have shown projections to roughly quantify the potential impact of good and bad experience.

Projection of Actuarial Required Contribution Rate

We have performed a five-year projection of the actuarial required contribution rate under three different scenarios:

1. Assuming that the investment return assumption is met in each future year.
2. Assuming that the assets return at the 5th percentile.
3. Assuming that the assets return at the 95th percentile.

The result is effectively a 90% confidence interval (based on asset returns) of the projected contribution rates in these years.

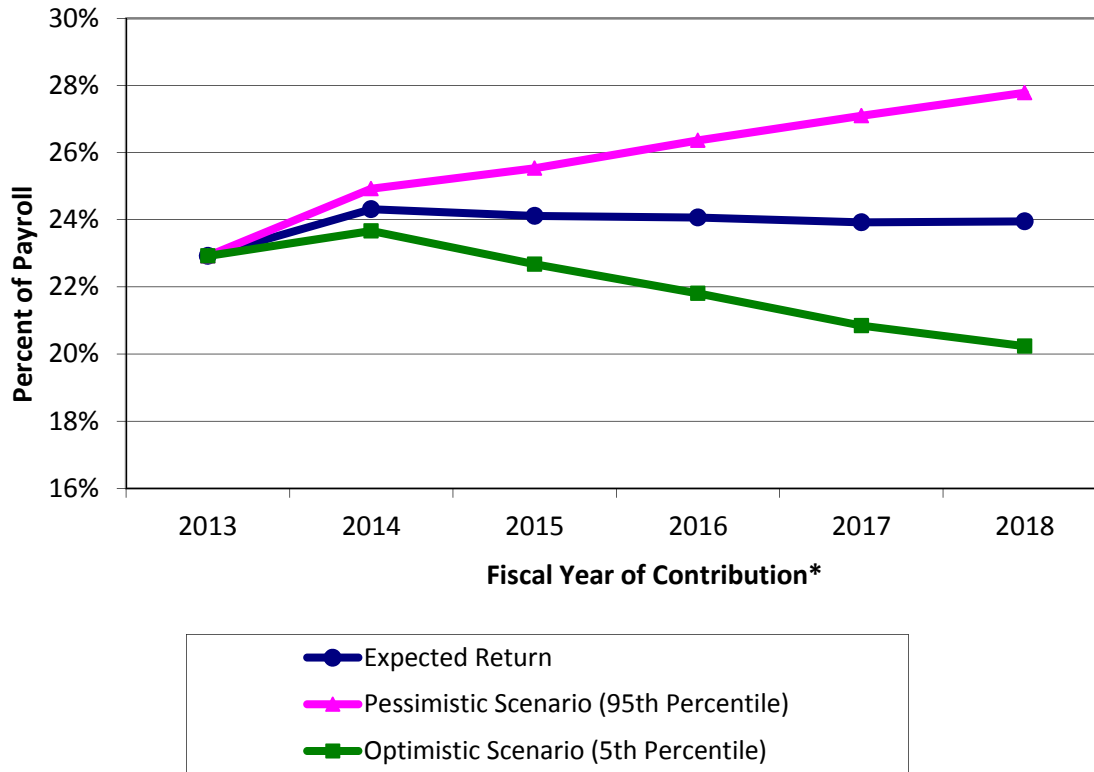
The projections assume the City contributes the actuarial required contribution rate each year in the future. Future returns are stochastically generated based on Milliman's capital market assumptions and SCERS's target asset allocation.

Table 15 provides the results of these projections.

Seattle City Employees' Retirement System Actuarial Valuation

Table 15 Projected Total Contribution Rates

Projected Total Actuarial Required Contribution Rate



Projected Actuarial Required Total Contribution Rate

Contribution Year*	95th Percentile	Assuming 7.75% Future Returns	5th Percentile
2013	22.92%	22.92%	22.92%
2014	24.92%	24.31%	23.67%
2015	25.53%	24.12%	22.67%
2016	26.36%	24.07%	21.80%
2017	27.09%	23.92%	20.84%
2018	27.78%	23.95%	20.23%

* Contribution year lags calculation year by 1. For example: Contribution Year 2013 is based on the 2012 valuation results, amortized over 30 years beginning in 2012, if the increase takes place in 2013.

Contribution Increases

The current contribution rate needs to be increased in order to be sufficient to amortize the UAAL over a 30-year period. As of January 1, 2013, the actuarial required contribution rate of 22.92% is projected to be needed.

This represents a needed increase of 1.88% of pay, in addition to the current 21.04% of pay being contributed (by the employer and members combined). Note that due to the future recognition of deferred asset losses, this amount is expected to increase in the next valuation.

Seattle City Employees' Retirement System Actuarial Valuation

Appendix A Actuarial Procedures and Assumptions



This section of the report describes the actuarial procedures and assumptions used in this valuation. The assumptions used in this valuation were adopted by the SCERS Board at their June, 2011 meeting.

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

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

Actuarial Cost Method

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

Records and Data

The data used in the valuation consist of financial information; records of age, sex, service, salary, and contribution rates and account balances of contributing members; and records of age, sex, and amount of benefit for retired members and beneficiaries. All of the data were supplied by the System and are accepted for valuation purposes without audit.

Replacement of Terminated Members The ages at entry and distribution by sex of future members are assumed to average the same as those of the present members they replace. If the number of active members should increase, it is further assumed that the average entry age of the larger group will be the same, from an actuarial standpoint, as that of the present group. Under these assumptions, the normal cost rates for active members will not vary with the termination of present members.

Employer Contributions For 2012, the total employer contribution rate for normal costs and amortization of the UAAL was 11.01% of members' salaries. The employer contribution rate is determined as of the prior year's valuation such that the combined employee and employer contribution rate is sufficient to amortize the UAAL over a 30-year period. The amortization payment is based on a level percent of pay.

Administrative Expense The annual contribution assumed to be necessary to meet general administrative expenses of the system, excluding investment expenses, is 0.40% of members' salaries. This figure is included in the calculation of the normal cost rate.

Valuation of Assets The assets are valued using a five-year smoothing method based on the difference between the expected market value and the actual market value of the assets in each year. The expected market value is the prior year's market value increased with the net increase in the cash flow, all increased with interest during the past fiscal year at the expected investment return rate assumption.

Investment Earnings The annual rate of investment earnings of the assets of the System is assumed to be 7.75%. This rate is compounded annually and is net of investment expenses.

Postretirement Benefit Increases Postretirement benefit increases include:

- Automatic 1.5% Annual COLA. This benefit applies to all members.
- 65% Restoration of Purchasing Power (ROPP). The member's benefit is the greater of 65% of the annual initial benefit adjusted for CPI or their applicable benefit. This minimum benefit is available to all retirees and beneficiaries. The financial impact of the ROPP benefit is valued, assuming an annual price inflation rate of 3.5%.

Additional contingent COLA increases that were adopted in 2001, but will not be effective until the System reaches at least a 100% Funding Ratio, are not included in the valuation results.

Future Salaries	Table A-2 illustrates the rates of future salary increases assumed for the purpose of the valuation. In addition to increases in salary due to promotions and longevity, this scale includes an assumed 4.0% per annum rate of increase in the general wage level of the membership.
Service Retirement	Table A-3 shows the annual assumed rates of retirement among members eligible for service retirement or reduced retirement. Separate rates are also used during the first year a member is eligible for service retirement.
Disablement	The rates of disablement used in this valuation are illustrated in Table A-4. It is assumed that one-third of all disabilities are duty related and two-thirds occur while off duty.
Mortality	The mortality rates used in this valuation are illustrated in Table A-5. A written description of each table used is included in Table A-1.
Other Terminations of Employment	The rates of assumed future withdrawal from active service for reasons other than death, disability or retirement are shown for representative ages in Table A-6. Note that this assumption only applies to members who terminate and are not yet eligible for retirement.
Probability of Refund	<p>Terminating members may forfeit a vested right to a deferred benefit if they elect a refund of their accumulated contributions. Table A-7 gives the assumed probability, at selected ages, that a terminating member will elect to receive a refund of his accumulated contributions instead of a deferred benefit.</p> <p>If a member terminates with more than 20 years of service, there is assumed to be a 20% probability that the member will elect a refund.</p> <p>Note that the probability of refund assumption only applies to members who terminate with a vested benefit and are not yet eligible for retirement.</p>
Interest on Member Contributions	Interest on member contributions made prior to January 1, 2012 is assumed to accrue at a rate of 5.75% per annum, compounded annually. Interest on member contributions made on or after January 1, 2012 is assumed to accrue at 5.00%.
Portability	The cost of portability with other public retirement systems is not included in this valuation.

**Probability of
Marriage**

We assumed 60% of the active members are married or have a registered domestic partner.

**Commencement for
Terminated Vested
Members**

Vested members who terminate but elect to leave their contributions in the System are assumed to commence receiving benefits at age 62.

Seattle City Employees' Retirement System Actuarial Valuation

Table A-1 Summary of Valuation Assumptions as of January 1, 2012

I. Economic assumptions		
A. Price inflation		3.50%
B. General wage increases		4.00
C. Investment return		7.75
D. Increase in membership		1.00
E. Interest on member accounts		5.75/5.00*
II. Demographic assumptions		
A. Salary increases due to promotion and longevity		Table A-2
B. Retirement		Table A-3
C. Disablement		Table A-4
D. Mortality** among contributing members		Table A-5
Men	RP 2000 Employees Table for Males, with ages set back three years.	
Women	RP 2000 Employees Table for Females, with ages set back three years.	
E. Mortality** among service retired members and beneficiaries		Table A-5
Men	RP2000 Combined Healthy Males, with ages set back one year.	
Women	RP2000 Combined Healthy Females, with ages set back one year.	
F. Mortality** among disabled members		Table A-5
Men	RP2000 Disabled Males, with ages set back four years.	
Women	RP2000 Disabled Females, with ages set back four years.	
G. Other terminations of employment		Table A-6
H. Probabilities of vesting on termination		Table A-7

* *Member contributions made prior to January 1, 2012 are assumed to accrue interest at 5.75%; contributions made on or after that date are assumed to accrue at 5.00%.*

** *All mortality tables are generational using Projection Scale AA to reflect expected future mortality improvement.*

Seattle City Employees' Retirement System Actuarial Valuation

Table A-2 Future Salaries

Annual Rate of Increase		
Years of Service	Promotion and Longevity	Total
0 to 1	4.50%	8.68%
1 to 2	3.50	7.64
2 to 3	2.75	6.86
3 to 4	2.00	6.08
4 to 5	1.50	5.56
9 to 10	0.80	4.83
14 to 15	0.45	4.47
19 to 20	0.29	4.30
24 to 25	0.25	4.26
29 to 30	0.25	4.26
35 or more	0.25	4.26

Seattle City Employees' Retirement System Actuarial Valuation

Table A-3 Retirement

Age	Annual Probability					
	Men			Women		
	Eligible for Full Benefits			Eligible for Full Benefits		
	Eligible for Reduced Benefits	Less than 30 years of service	30 years or more of service	Eligible for Reduced Benefits	Less than 30 years of service	30 years or more of service
Less than 50	0.0%	10.0%	8.0%	0.0%	10.0%	10.0%
50	6.0	10.0	10.0	5.0	10.0	12.0
51	6.0	10.0	10.0	5.0	10.0	12.0
52	6.0	12.0	12.0	5.0	10.0	12.0
53	5.0	9.0	12.0	4.0	10.0	12.0
54	5.0	8.0	12.0	5.0	10.0	13.0
55	6.0	10.0	12.0	5.0	10.0	15.0
56	6.0	8.0	12.0	5.0	10.0	13.0
57	6.0	8.0	12.0	5.0	13.0	15.0
58	6.0	8.0	12.0	5.0	13.0	13.0
59	6.0	10.0	15.0	8.0	13.0	14.0
60	7.0	10.0	15.0	8.0	15.0	17.0
61	9.0	16.0	15.0	13.0	15.0	16.0
62	16.0	27.0	30.0	18.0	21.0	28.0
63	12.0	18.0	22.0	13.0	17.0	22.0
64	12.0	18.0	22.0	13.0	17.0	22.0
65		40.0	32.0		35.0	30.0
66		37.0	32.0		40.0	33.0
67		32.0	32.0		35.0	33.0
68		28.0	26.0		30.0	30.0
69		28.0	26.0		30.0	30.0
70		*	*		*	*

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

Seattle City Employees' Retirement System Actuarial Valuation

Table A-4 Disablement

Age	Annual Rates	
	Men	Women
20	.00%	.00%
25	.00	.00
30	.04	.04
35	.04	.04
40	.05	.05
45	.05	.05
50	.08	.08
55	.08	.08
60	.08	.08
65	.00	.00

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

Seattle City Employees' Retirement System Actuarial Valuation

Table A-5 Mortality

Age	Annual Probability*					
	Contributing Members		Members Retired for Service and Beneficiaries of Members		Disabled Members	
	Men	Women	Men	Women	Men	Women
22	0.03 %	0.02 %	0.04 %	0.02 %	2.26 %	0.74 %
27	0.04	0.02	0.04	0.02	2.26	0.74
32	0.04	0.02	0.05	0.03	2.26	0.74
37	0.07	0.04	0.08	0.05	2.26	0.74
42	0.10	0.06	0.11	0.08	2.26	0.74
47	0.14	0.10	0.16	0.12	2.26	0.74
52	0.20	0.16	0.24	0.19	2.64	0.98
57	0.28	0.23	0.42	0.31	3.29	1.45
62	0.44	0.36	0.77	0.58	3.93	1.97
67	0.70	0.54	1.44	1.10	4.66	2.53
72	N/A	N/A	2.46	1.86	5.69	3.32
77	N/A	N/A	4.22	3.10	7.33	4.58
82	N/A	N/A	7.20	5.08	9.76	6.35
87	N/A	N/A	12.28	8.64	12.83	8.78
92	N/A	N/A	19.98	14.46	16.22	12.25

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

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

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

Years of Service	Annual Rates for Men	Annual Rates for Women
0 to 1	7.0%	8.5%
1 to 2	6.5	8.3
2 to 3	6.3	8.0
3 to 4	6.0	7.8
4 to 5	5.5	7.5
5 to 6	5.0	7.0
6 to 7	4.5	6.3
7 to 8	4.0	5.7
8 to 9	3.6	5.1
9 to 10	3.2	4.5
10 to 11	2.8	4.0
11 to 12	2.5	3.5
12 to 13	2.3	3.2
13 to 14	2.0	2.9
14 to 15	1.8	2.6
15 to 16	1.6	2.3
16 to 17	1.4	2.0
17 to 18	1.2	1.7
18 to 19	1.1	1.4
19 to 20	1.0	1.2
20 to 21	0.9	1.1
21 to 22	0.8	1.0
22 to 23	0.8	0.9
23 to 24	0.7	0.8
24 to 25	0.7	0.8
25 to 26	0.6	0.7
26 to 27	0.6	0.7
27 to 28	0.5	0.6
28 to 29	0.5	0.6
29 to 30	0.4	0.5
30 and up	0.5	0.5

Seattle City Employees' Retirement System Actuarial Valuation

Table A-7 Probability of Refund

Age	Probabilities of Refund upon Termination*
25	70.0%
30	65.0
35	55.0
40	48.0
45	43.0
50	38.0
55	36.0
60	40.0

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

Seattle City Employees' Retirement System Actuarial Valuation

Appendix B Provisions of Governing Law



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

Effective Date

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

Members' Contribution Rate

The members' contribution rate is 10.03% of salary as of January, 2012. Certain members who were contributing at a lower rate on June 23, 1972 continue to contribute at a lower rate.
(Section 4.36.110A)

City Contribution Rate

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

Final Compensation

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

Service Retirement

Eligibility

30 years of service;

Age 52 and 20 years of service;

Age 57 and 10 years of service; or

Age 62 and 5 years of service.

Normal Form

Straight life benefit.

Optional Forms

Actuarial equivalent according to the mortality and interest basis adopted by the Retirement Board for such purposes.

**Service Retirement
(continued)**

Amount of Allowance

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

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

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

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

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

Maximum Allowance

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

Minimum Allowance

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

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

Disability Retirement

Eligibility

Ten years of service credited within the 15 years preceding disability retirement. If disablement occurs in the course of City employment, there is no service requirement.

Normal Form

Modified cash refund annuity. An optional survivor's benefit is available if the spouse is the beneficiary.

Amount of Allowance

The total monthly disability allowance is the greater of:

- (a) 1.5% times final compensation times completed years of creditable service.
- (b) 1.5% times final compensation times total years of creditable service that could have been earned to age 62, but not to exceed one-third of final compensation.

Maximum Allowance

The maximum disability allowance is 60% of final compensation.

Minimum Allowance

The minimum disability allowance is \$140 per month.

(Sections 4.36.220 and 4.36.230)

Death Benefits

Retired Members

Death benefits to retired members are payable according to the form of retirement allowance elected.

Active Members

- (a) Payment to the beneficiary of accumulated contributions, including interest; or
- (b) If the member had completed 10 years of service at the time of death, a surviving spouse or a registered domestic partner may elect to receive, in place of (a) above, either:
 - (1) A monthly allowance for life equal to the benefit the spouse would have received had the member just retired with a 100% contingent annuitant option in force; or
 - (2) A cash payment of no more than one-half of the member's accumulated contributions, along with a correspondingly reduced retirement allowance.

(Section 4.36.270)

Withdrawal Benefits

Form

Payment of accumulated contributions, with interest.

(Section 4.36.190)

**Vested Withdrawal
Benefits**

Eligibility

Five years of service.

Amount of Allowance

Same as service retirement benefit.

Benefits Commence

Age 52, if 20 or more years of service;

Age 57, if 10-19 years of service; or

Age 62, regardless of years of service.

(Section 4.36.200)

**Postretirement
Benefit Increases**

Provisions

Effective January 1, 2007, the City Council adopted a 65% Restoration of Purchasing Power benefit and an automatic 1.5% annual COLA to all members.

If the System reaches a 100% Funding Ratio, the restoration amount increases to 70%.

(Sections 4.36.155 and 4.36.215)

**Death Benefit
System**

Eligibility

Mandatory for all active members; optional for retired members.

Benefits

\$2,000 upon the death of an active member or a participating retired member.

Assessment

Members pay an assessment of \$12 per year; the City pays a matching amount. If these assessments are not adequate, additional amounts may be transferred from the interest earnings in the retirement fund.

(Sections 4.36.320 and 4.36.330)

**Additional
Contributions**

Provisions

Members may voluntarily make contributions in excess of the regular rate; these are make-up contributions that apply only in specific situations.

Retirement Benefit

A monthly annuity which is the actuarial equivalent of accumulated additional contributions with interest.

Other Benefits

Accumulated additional contributions, with interest, generally become payable upon termination other than retirement.

(Sections 4.36.030 and 4.36.210)

Seattle City Employees' Retirement System Actuarial Valuation

Appendix C Valuation Data



This valuation is based upon the membership of the system as of January 1, 2012. Membership data were supplied by the System and accepted for valuation purposes without audit. However, extensive tests were performed to ensure that the data are sufficiently accurate for valuation purposes.

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

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

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

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

Seattle City Employees' Retirement System Actuarial Valuation

Table C-1 Summary of Membership Data

	Contributing Members			Annuitants		
	Number	Annual Salaries (\$1,000)	Average Annual Salaries	Number	Annual Benefits (\$1,000)	Average Annual Benefits
January 1, 2012	8,430	\$ 560,412	\$ 66,476	5,580	\$ 128,645	\$ 23,056
January 1, 2011	8,599	569,472	66,225	5,428	118,920	21,909
January 1, 2010	9,071	596,892	65,802	5,304	108,886	20,529
January 1, 2008	8,842	529,062	59,835	5,201	102,772	19,760
January 1, 2006	8,521	468,096	54,934	5,011	83,988	16,761
January 1, 2004	8,382	441,562	52,680	4,876	74,341	15,246
January 1, 2002	8,758	418,908	47,831	4,733	61,801	13,058
January 1, 2000	8,669	382,620	44,137	4,681	55,542	11,865
January 1, 1999	7,779	333,984	42,934	4,644	52,482	11,301
January 1, 1998	7,926	329,028	41,512	4,649	50,394	10,840
January 1, 1996	8,078	314,448	38,926	4,619	44,271	9,585



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

Inactive Lives

Table C-2 Members Receiving Service Retirement Benefits as of January 1, 2012

	<50	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90+	Totals
Number of Persons											
Male	1	21	127	445	715	503	363	261	241	145	2,822
Female	0	17	129	383	479	261	179	141	137	125	1,851
Total	1	38	256	828	1,194	764	542	402	378	270	4,673
Annual Benefits in Thousands											
Male \$ *	\$ 922	\$ 4,510	\$ 14,693	\$ 20,208	\$ 13,562	\$ 8,280	\$ 5,721	\$ 5,117	\$ 2,707	\$ 2,707	\$ 75,720
Female	0	576	4,000	10,791	11,187	5,149	3,263	2,234	1,621	1,267	40,088
Total	0	1,498	8,510	25,484	31,395	18,711	11,543	7,955	6,738	3,974	115,808
Average Annual Benefits											
Male \$ *	\$ 43,905	\$ 35,512	\$ 33,018	\$ 28,263	\$ 26,962	\$ 22,810	\$ 21,920	\$ 21,232	\$ 18,669	\$ 18,669	\$ 26,832
Female	0	33,882	31,008	28,175	23,355	19,728	18,229	15,844	11,832	10,136	21,657
Total	0	39,421	33,242	30,778	26,294	24,491	21,297	19,789	17,825	14,719	24,782

* Benefit amounts for groups with only one member not shown.



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

Inactive Lives

Table C-3 Members Receiving Disability Retirement Benefits as of January 1, 2012

	<50	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90+	Totals
Number of Persons											
Male	0	2	5	3	6	5	4	3	4	2	34
Female	2	5	10	5	2	3	3	0	0	1	31
Total	2	7	15	8	8	8	7	3	4	3	65
Annual Benefits in Thousands											
Male \$	0	28	85	44	81	64	43	36	45	18	444
Female	40	79	164	81	22	27	34	0	0	*	447
Total	40	107	249	125	103	91	77	36	45	18	891
Average Annual Benefits											
Male \$	0	\$ 14,000	\$ 17,000	\$ 14,667	\$ 13,500	\$ 12,800	\$ 10,750	\$ 12,000	\$ 11,250	\$ 9,000	\$ 13,059
Female	20,000	15,800	16,400	16,200	11,000	9,000	11,333	0	0	*	14,419
Total	20,000	15,286	16,600	15,625	12,875	11,375	11,000	12,000	11,250	6,000	13,694

* Benefit amounts for groups with only one member not shown.



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

Inactive Lives

Table C-4 Survivors Receiving Retirement Benefits as of January 1, 2012*

	<50	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90+	Totals
Number of Persons											
Male	0	3	6	5	6	7	3	7	2	4	43
Female	11	7	22	43	54	58	66	103	168	182	714
Total	11	10	28	48	60	65	69	110	170	186	757
Annual Benefits in Thousands											
Male \$	0	47	79	41	116	59	22	57	9	17	447
Female	136	79	386	717	858	875	961	1,609	2,316	2,283	10,220
Total	136	126	465	758	974	934	983	1,666	2,325	2,300	10,667
Average Annual Benefits											
Male \$	0	15,667	13,167	8,200	19,333	8,429	7,333	8,143	4,500	4,250	10,395
Female	12,364	11,286	17,545	16,674	15,889	15,086	14,561	15,621	13,786	12,544	14,314
Total	12,364	12,600	16,607	15,792	16,233	14,369	14,246	15,145	13,676	12,366	14,091

* In addition, 31 male survivors are receiving \$385,415 and 54 female survivors are receiving \$894,069 in Option B or Option C benefits for a certain period only.



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Seattle City Employees' Retirement System Actuarial Valuation

Active Lives

Table C-5 Distribution of Employees and Salaries as of January 1, 2012

Nearest Year of Service	Number of Employees - By Age Group - Males											Totals	
	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69		70+
0		8	14	16	16	16	12	12	6	3	1	1	105
1	1	9	15	12	23	13	18	7	15	7	2	2	124
2	2	8	21	21	18	23	24	18	12	9	3	3	159
3-4		11	70	105	97	97	83	87	49	29	9	1	638
5-9		4	55	143	169	171	141	151	132	76	22	5	1,069
10-14			2	33	93	151	184	176	152	107	33	12	943
15-19					8	70	89	102	84	57	20	4	434
20-24						19	83	122	126	83	23	5	461
25-29							15	73	107	81	23	6	305
30-34						2	2	49	94	65	22	1	233
35-39							1	27	44	44	10	3	85
40+		40	177	330	424	560	651	798	804	573	183	46	33
Totals	3	40	177	330	424	560	651	798	804	573	183	46	4,589

Monthly Salaries in Thousands - By Age Group - Males

Nearest Year of Service	Monthly Salaries in Thousands - By Age Group - Males											Totals	
	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69		70+
0	\$	22 \$	64 \$	82 \$	92 \$	78 \$	62 \$	61 \$	41 \$	11 \$	6 \$	1 \$	520
1	1	25	59	61	124	91	108	43	68	58	17	2	657
2	3	15	85	93	104	139	117	110	62	33	24	2	785
3-4		32	302	554	578	496	487	490	285	163	45	3	3,435
5-9		20	224	732	927	982	775	880	706	410	118	13	5,787
10-14			4	148	533	883	1,113	1,078	863	639	197	58	5,516
15-19					41	427	528	609	487	359	126	29	2,606
20-24						119	527	756	795	523	139	31	2,890
25-29							96	486	690	523	150	32	1,977
30-34						17	17	329	639	433	129	8	1,555
35-39								6	170	305	61	14	556
40+		114	738	1,670	2,399	3,215	3,830	4,848	4,806	3,537	1,102	225	204
Totals	4	114	738	1,670	2,399	3,215	3,830	4,848	4,806	3,537	1,102	225	26,488



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Seattle City Employees' Retirement System
Actuarial Valuation

Active Lives

Table C-5 Distribution of Employees and Salaries as of January 1, 2012

Average Monthly Salaries - By Age Group - Males

Nearest Year of Service	Average Monthly Salaries - By Age Group - Males											Totals	
	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69		70+
0	\$ 1,000	\$ 2,750	\$ 4,571	\$ 5,125	\$ 5,750	\$ 4,875	\$ 5,167	\$ 5,083	\$ 6,833	\$ 3,667	\$ 6,000	\$ 1,000	4,952
1	1,500	2,778	3,933	5,083	5,391	7,000	6,000	6,143	4,533	8,286	8,500	1,000	5,298
2		1,875	4,048	4,429	5,778	6,043	4,875	6,111	5,167	3,667	8,000		4,937
3-4		2,909	4,314	5,276	5,959	5,113	5,867	5,632	5,816	5,621	5,000	3,000	5,384
5-9		5,000	4,073	5,119	5,485	5,743	5,496	5,828	5,348	5,395	5,364	2,600	5,413
10-14			2,000	4,485	5,731	5,848	6,049	6,125	5,678	5,972	5,970	4,833	5,849
15-19					5,125	6,100	5,933	5,971	5,798	6,298	6,300	7,250	6,005
20-24						6,263	6,349	6,197	6,310	6,301	6,043	6,200	6,269
25-29							6,400	6,658	6,449	6,457	6,522	5,333	6,482
30-34							8,500	6,714	6,798	6,662	5,864	8,000	6,674
35-39								6,000	6,296	6,932	6,100	4,667	6,541
40+										6,667	6,000	5,667	6,182
Totals	1,333	2,850	4,169	5,061	5,658	5,741	5,883	6,075	5,978	6,173	6,022	4,891	5,772



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Seattle City Employees' Retirement System
Actuarial Valuation

Active Lives

Table C-5 Distribution of Employees and Salaries as of January 1, 2012

Nearest Year of Service	Number of Employees - By Age Group - Females										Totals		
	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64		65-69	70+
0	1	5	10	16	13	6	7	6	4	1	1	70	
1		8	12	20	15	11	13	9	9	2		102	
2	1	7	18	17	19	16	10	7	10	8	1	115	
3-4		7	51	93	75	52	72	50	40	24	4	469	
5-9		2	48	109	138	144	127	103	85	59	24	844	
10-14			3	31	86	127	136	138	113	71	28	742	
15-19					13	62	62	71	72	48	14	350	
20-24					2	24	108	132	128	109	33	537	
25-29						17		101	91	82	18	310	
30-34								45	84	70	13	213	
35-39								2	26	39	7	76	
40+										6	7	13	
Totals	2	29	142	278	366	446	552	666	662	519	150	29	3,841

Monthly Salaries in Thousands - By Age Group - Females

Nearest Year of Service	Monthly Salaries in Thousands - By Age Group - Females										Totals		
	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64		65-69	70+
0	\$ 1	\$ 9	\$ 43	\$ 70	\$ 83	\$ 32	\$ 35	\$ 32	\$ 28	\$ 12	\$ 7	\$	\$ 352
1		14	52	51	93	71	62	73	41	8			465
2	1	15	70	69	69	99	58	47	49	32	1	1	511
3-4		15	202	414	399	256	362	277	243	105	13	10	2,296
5-9		8	169	481	721	781	656	538	461	295	116	12	4,238
10-14			9	118	453	696	780	782	621	352	111	16	3,938
15-19					69	315	332	390	410	245	76	27	1,864
20-24					10	114	620	719	776	588	177	7	3,011
25-29						88		611	553	479	103	4	1,838
30-34								268	469	401	74	9	1,221
35-39								13	127	218	44	8	410
40+										31	38	69	69
Totals	2	61	545	1,203	1,897	2,364	2,993	3,750	3,778	2,766	760	94	20,213



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Seattle City Employees' Retirement System
Actuarial Valuation

Active Lives

Table C-5 Distribution of Employees and Salaries as of January 1, 2012

Average Monthly Salaries - By Age Group - Females

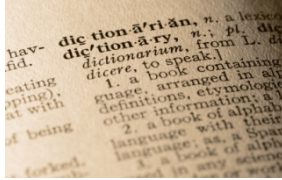
Nearest Year of Service	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+	Totals
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
0	1,000	1,800	4,300	4,375	6,385	5,333	5,000	5,333	7,000	12,000	7,000		5,029
1		1,750	4,333	4,250	4,650	4,733	4,769	6,636	4,556	4,000	1,000	1,000	4,559
2	1,000	2,143	3,889	4,059	3,632	6,188	5,800	6,714	4,900	4,000	1,000	1,000	4,443
3-4		2,143	3,961	4,452	5,320	4,923	5,028	5,540	6,075	4,375	3,250	10,000	4,896
5-9		4,000	3,521	4,413	5,225	5,424	5,165	5,223	5,424	5,000	4,833	2,400	5,021
10-14			3,000	3,806	5,267	5,480	5,735	5,667	5,496	4,958	3,964	1,778	5,307
15-19					5,308	5,081	5,355	5,493	5,694	5,104	5,429	3,375	5,326
20-24					5,000	4,750	5,741	5,447	6,063	5,394	5,364	7,000	5,607
25-29							5,176	6,050	6,077	5,841	5,722	4,000	5,929
30-34								5,956	5,583	5,729	5,692	9,000	5,732
35-39								6,500	4,885	5,590	6,286	4,000	5,395
40+										5,167	5,429		5,308
Totals	1,000	2,103	3,838	4,327	5,183	5,300	5,422	5,631	5,707	5,329	5,067	3,241	5,262



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Seattle City Employees' Retirement System Special Actuarial Valuation

Appendix D Glossary



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

Accrued Benefit

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

Actuarial Accrued Liability

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

Actuarial Assumptions

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

Actuarial Cost Method

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

Actuarial Gain (Loss)

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

Actuarial Present Value

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

Actuarial Valuation

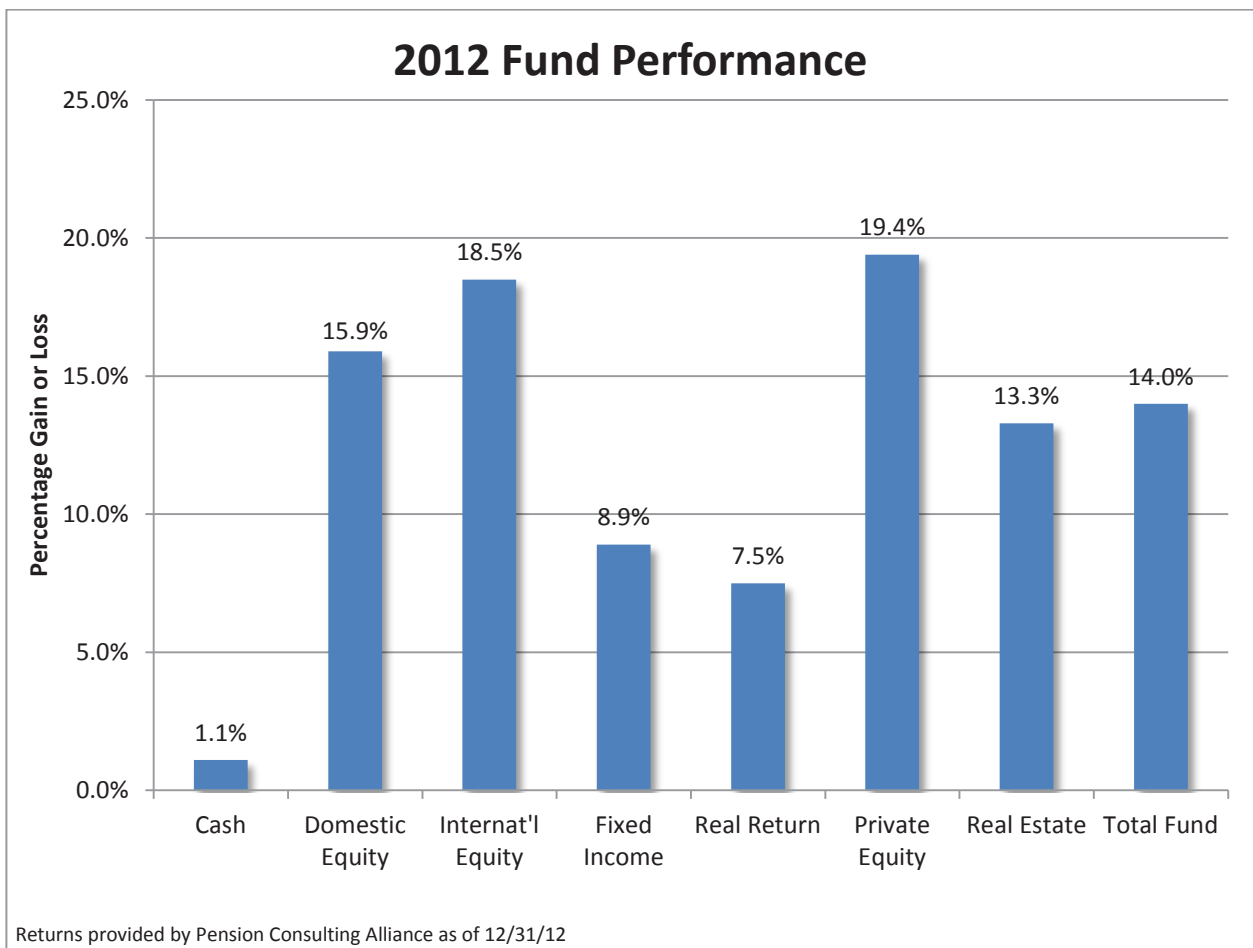
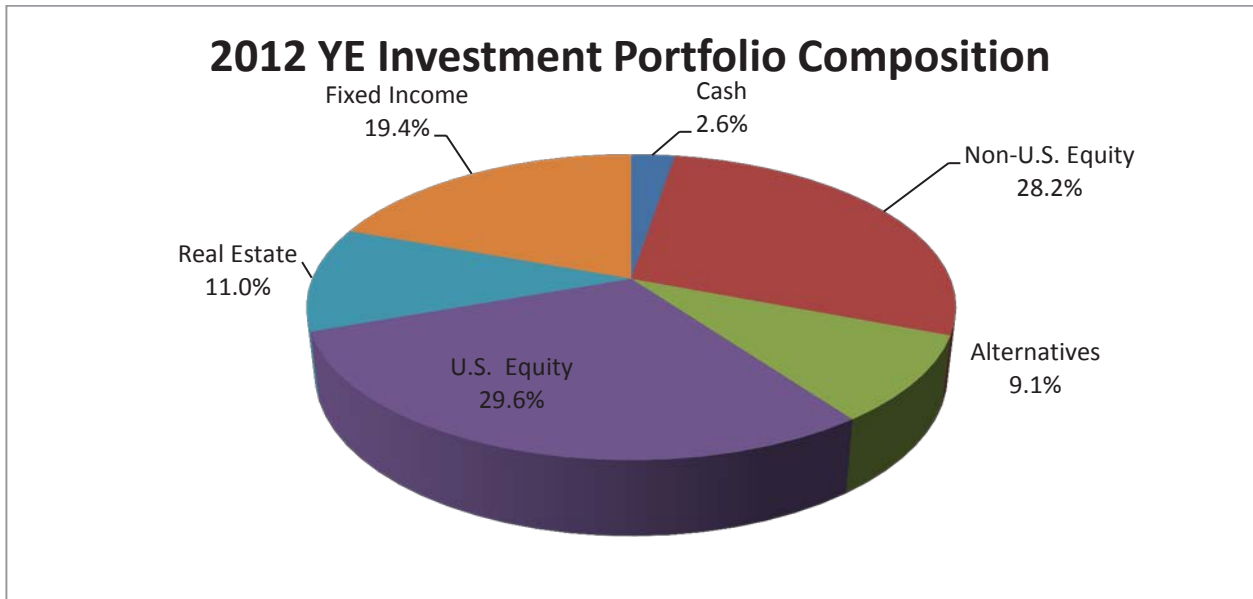
The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.

Actuarial Value of Assets

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

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

STATISTICAL



SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF REVENUES BY SOURCE

Employee Contribution % *	Employer Contribution % **	Fiscal Year	Member Contributions	Employer Contribution	Investment Income	Miscellaneous Income	Total
8.03	7.91	1980	\$ 9,166,162	\$ 10,470,335	\$ 16,284,473	\$ 846	\$ 35,921,816
8.03	8.54	1981	11,845,089	13,309,388	18,488,195	2,311	43,644,983
8.03	8.54	1982	12,465,220	14,790,039	21,106,414		48,361,673
8.03	8.54	1983	12,926,545	14,265,554	27,224,215	5,050	54,421,364
8.03	8.91	1984	14,076,607	15,961,211	30,543,443	67	60,581,328
8.03	8.91	1985	14,399,465	16,280,464	25,317,826		55,997,755
8.03	8.91	1986	15,164,105	16,758,439	33,081,706		65,004,250
8.03	8.91	1987	16,088,280	17,799,789	46,029,652	410	79,918,131
8.03	8.91	1988	16,701,142	18,521,365	36,397,481		71,619,988
8.03	8.91	1989	17,246,117	18,983,634	41,803,863	545	78,034,159
8.03	8.91	1990	20,405,149	21,810,612	27,725,284		69,941,045
8.03	8.91	1991	21,111,940	21,458,952	37,758,671		80,329,563
8.03	8.91	1992	21,564,881	25,117,924	41,792,730		88,475,535
8.03	8.91	1993	23,473,485	26,139,925	100,705,007	***	150,318,417
8.03	8.91	1994	24,764,862	26,704,211	3,670,356		55,139,429
8.03	8.91	1995	26,069,124	27,816,819	181,470,912		235,356,855
8.03	8.91	1996	25,835,147	28,372,760	118,399,056		172,606,963
8.03	8.91	1997	25,571,634	28,310,353	143,719,597		197,601,584
8.03	8.91	1998	27,311,815	30,554,650	168,477,507		226,343,972
8.03	8.03	1999	29,201,844	29,898,474	240,904,299		300,004,617
8.03	8.03	2000	30,962,052	30,956,217	(79,832,672)		(17,914,403)
8.03	8.03	2001	32,602,859	32,667,381	(93,021,798)		(27,751,558)
8.03	8.03	2002	39,388,249	36,599,830	(116,907,340)		(40,919,261)
8.03	8.03	2003	36,243,490	34,200,693	296,239,050		366,683,233
8.03	8.03	2004	37,192,591	36,819,271	177,211,711		251,223,573
8.03	8.03	2005	35,962,449	35,897,345	139,866,897		211,726,691
8.03	8.03	2006	38,228,475	38,077,976	251,934,917		328,241,368
8.03	8.03	2007	40,533,554	40,299,506	149,708,740		230,541,800
8.03	8.03	2008	45,986,139	45,961,040	(612,803,880)		(520,856,701)
8.03	8.03	2009	46,613,886	46,650,169	198,417,995		291,682,050
8.03	8.03	2010	45,364,624	45,224,787	216,839,059		307,428,470
9.03	9.03	2011	50,415,119	50,301,263	(8,233,151)		92,483,231
10.03	11.01	2012	57,086,346	62,515,432	237,789,669		357,391,447

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

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

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

Note – Investment Income and Total Revenue for 2010 and 2011 have been re-stated to reflect the Statement of Changes in Plan Net Position included in SCERS' 2012 audited Financial Statement.

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

Year	Benefits	Refunds	Administrative & Investment	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
2006	87,583,509	10,553,067	10,715,425	108,852,001
2007	98,391,533	11,525,660	12,380,123	122,297,316
2008	102,703,230	10,223,415	8,188,287	121,114,932
2009	108,138,820	9,742,692	5,929,667	123,811,179
2010	113,650,795	14,715,000	11,605,536	139,971,331
2011	124,061,630	16,677,022	10,974,855	151,713,507
2012	134,135,553	14,913,574	10,431,260	159,480,387

Note – Administrative and Investment Expenses and Total Expenses for 2010 and 2011 have been re-stated to reflect the Statement of Changes in Plan Net Position included in SCERS' 2012 audited Financial Statement.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**BENEFIT EXPENSE BY TYPE****Twenty Years Ending December 31, 2012**

Year	Age & Service Retirants	Benefits Survivors	Disability Retirants Benefits	Death Benefit	Refunds	Total
1993	35,288,173	3,864,495	632,657	346,000	2,944,033	43,075,328
1994	37,177,394	4,240,343	654,621	348,000	3,412,882	45,833,240
1995	38,909,838	4,469,103	645,239	328,000	3,874,980	48,227,160
1996	40,783,384	4,530,161	618,060	326,000	3,888,043	50,145,648
1997	44,350,246	4,996,325	612,903	390,000	5,463,464	55,812,938
1998	48,684,577	6,500,622	714,624	347,988	7,502,444	63,750,255
1999	50,902,672	6,821,887	698,527	281,000	9,730,803	68,434,889
2000	54,518,311	7,260,855	714,799	350,390	11,641,902	74,486,257
2001	57,122,024	7,486,988	672,593	272,000	8,785,879	74,339,484
2002	59,991,882	7,821,555	686,121	326,000	12,019,852	80,845,410
2003	64,301,813	8,215,109	714,806	328,000	13,218,137	86,777,865
2004	67,794,624	8,486,860	711,804	296,000	9,791,692	87,080,980
2005	72,390,702	8,754,471	785,276	338,000	10,351,215	92,653,664
2006	77,320,260	9,180,292	814,957	268,000	10,553,067	98,136,576
2007	87,019,040	10,230,265	864,228	278,000	11,525,660	109,917,193
2008	91,265,085	10,282,919	885,227	270,000	10,223,415	112,926,645
2009	95,951,625	11,022,403	886,684	278,108	9,742,692	117,881,512
2010	101,965,821	10,526,966	918,009	240,000	14,714,999	128,365,795
2011	112,072,113	10,804,171	919,345	266,000	16,677,022	140,738,651
2012	122,076,194	10,904,912	924,447	230,000	14,913,574	149,049,127

REVENUE RATIOS BY SOURCE
1973 Through 2012

Year	Member Contributions %	Employer Contributions %	Investment Income %	Total Revenue %	
1973	26	32	42	100	
1974	26	31	43	100	
1975	26	31	43	100	
1976	26	31	43	100	
1977	25	29	46	100	
1978	25	29	46	100	
1979	27	30	43	100	
1980	26	29	45	100	
1981	27	31	42	100	
1982	25	31	44	100	
1983	24	26	50	100	
1984	23	26	51	100	
1985	26	29	45	100	
1986	24	26	50	100	
1987	20	22	58	100	
1988	23	26	51	100	
1989	22	24	54	100	
1990	29	31	40	100	
1991	26	27	47	100	
1992	25	28	47	100	
1993	*	16	17	67	100
1994	*	45	48	7	100
1995	**	11	12	77	100
1996	**	15	16	69	100
1997		13	14	73	100
1998		12	14	74	100
1999		10	10	80	100
2000			<i>Net Loss</i>		
2001			<i>Net Loss</i>		
2002			<i>Net Loss</i>		
2003	10	9	81	100	
2004	15	15	70	100	
2005	17	17	66	100	
2006	12	12	76	100	
2007	18	18	64	100	
2008			<i>Net Loss</i>		
2009	16	16	68	100	
2010	15	15	70	100	
2011			<i>Net Loss</i>	100	
2012	16	17	67	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.

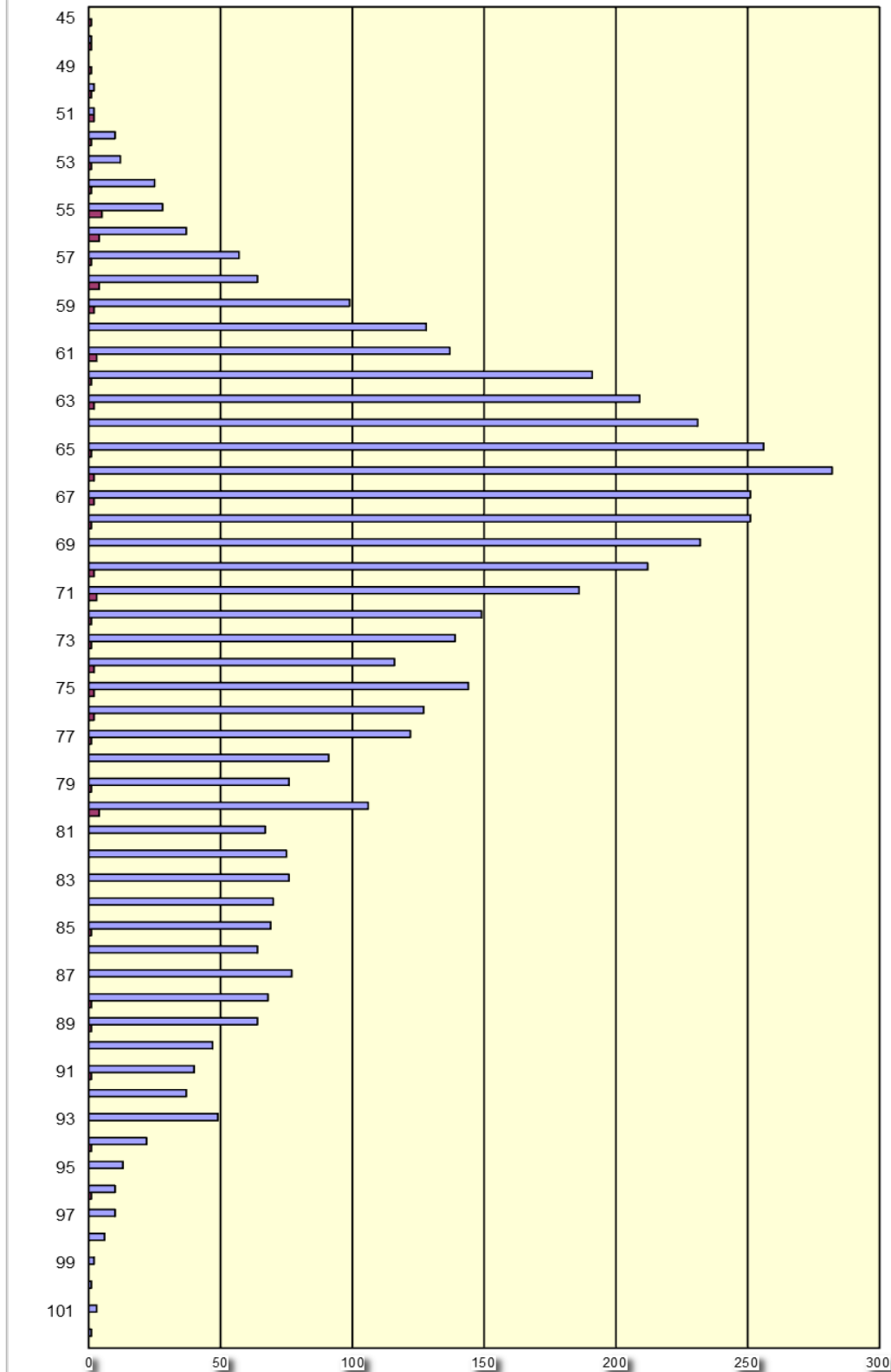
SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RESULTS
Ten Years Ending December 31, 2012

Year	Investment Income *	Investments Market Value	Securities Lending Collateral	Return on Market Value
2003	296,239,050	1,517,907,621	148,226,605	23.6%
2004	177,211,711	1,664,178,577	239,087,447	11.5%
2005	139,866,897	1,777,219,827	122,862,720	8.1%
2006	251,934,917	1,986,714,717	145,097,240	13.9%
2007	149,708,740	2,106,345,982	103,323,467	7.3%
2008	(612,803,880)	1,467,556,416	69,838,616	(26.8)%
2009	198,417,995	1,635,993,047	36,491,886	10.8%
2010	216,839,059	1,809,331,365	33,896,148	13.2%
2011	(8,233,150)	1,750,742,911	3,489,721	(0.0)%
2012	237,789,669	1,945,901,181	10,154,781	14.0%

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

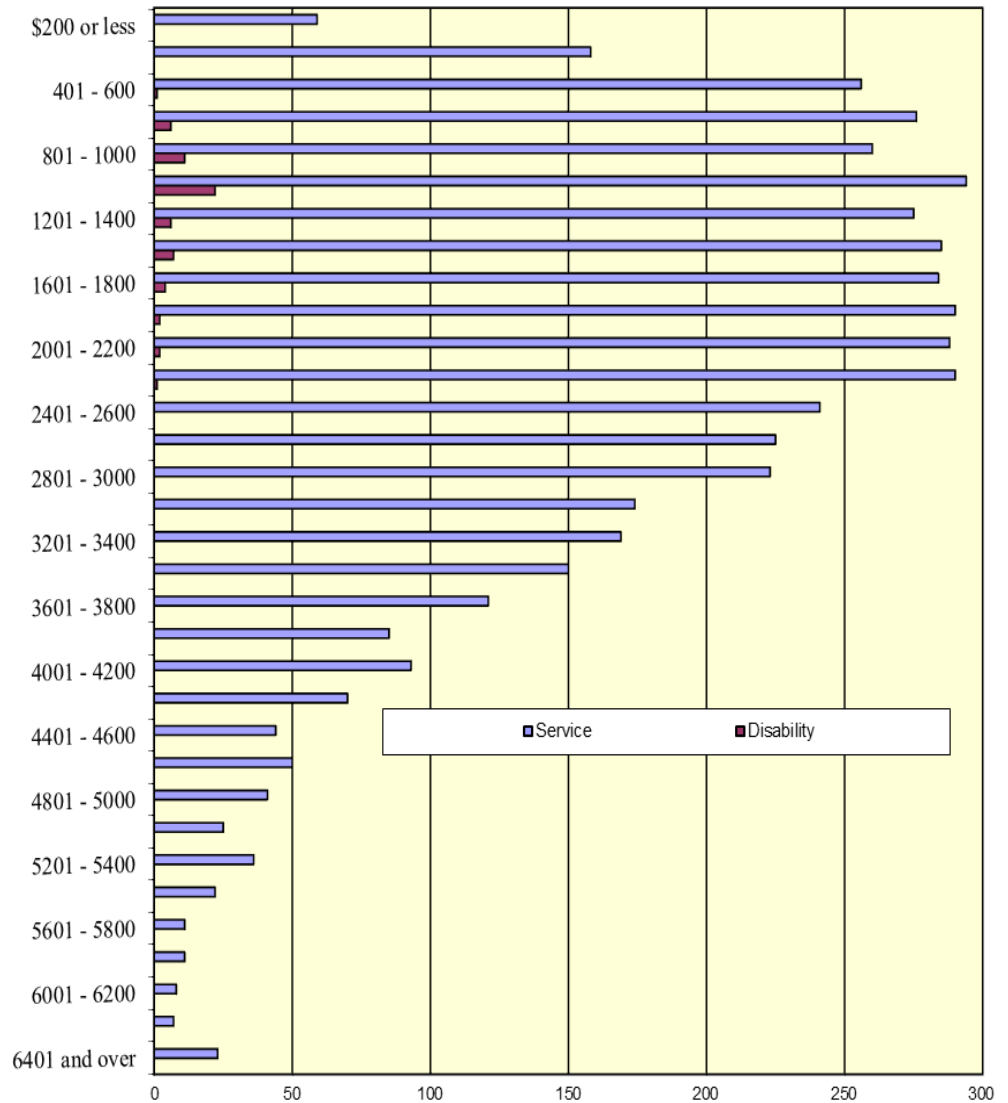
SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM SERVICE AND DISABILITY PENSIONERS BY AGE As of December 31, 2012

Current Age	Service	Disability
45		1
48	1	1
49		1
50	2	1
51	2	2
52	10	1
53	12	1
54	25	1
55	28	5
56	37	4
57	57	1
58	64	4
59	99	2
60	128	
61	137	3
62	191	1
63	209	2
64	231	
65	256	1
66	282	2
67	251	2
68	251	1
69	232	
70	212	2
71	186	3
72	149	1
73	139	1
74	116	2
75	144	2
76	127	2
77	122	1
78	91	
79	76	1
80	106	4
81	67	
82	75	
83	76	
84	70	
85	69	1
86	64	
87	77	
88	68	1
89	64	1
90	47	
91	40	1
92	37	
93	49	
94	22	1
95	13	
96	10	1
97	10	
98	6	
99	2	
100	1	
101	3	
102	1	
	4844	62



SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM RETIREMENT ALLOWANCE DISTRIBUTION As of December 31, 2012

\$	\$	Service	Disability
200	or less	59	
201	- 400	158	
401	- 600	256	1
601	- 800	276	6
801	- 1000	260	11
1001	- 1200	294	22
1201	- 1400	275	6
1401	- 1600	285	7
1601	- 1800	284	4
1801	- 2000	290	2
2001	- 2200	288	2
2201	- 2400	290	1
2401	- 2600	241	
2601	- 2800	225	
2801	- 3000	223	
3001	- 3200	174	
3201	- 3400	169	
3401	- 3600	150	
3601	- 3800	121	
3801	- 4000	85	
4001	- 4200	93	
4201	- 4400	70	
4401	- 4600	44	
4601	- 4800	50	
4801	- 5000	41	
5001	- 5200	25	
5201	- 5400	36	
5401	- 5600	22	
5601	- 5800	11	
5801	- 6000	11	
6001	- 6200	8	
6201	- 6400	7	
over	6401	23	
		4844	62



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

Year	Members at End of Period	New Members During Period	Withdrawals During Period	Re-entering & Re-depositing	Deaths During Period	Pensions Granted During Period
1983	6,870	471	363	50	13	247
1984	6,710	531	522	57	16	210
1985	6,946	628	244	72	11	209
1986	7,020	570	382	77	11	180
1987	7,196	622	312	72	16	190
1988	7,252	542	361	45	10	160
1989	7,544	672	251	51	12	168
1990	7,813	872	454	45	12	182
1991	8,037	681	354	43	13	133
1992	8,171	463	220	32	17	124
1993	8,317	537	279	39	15	136
1994	8,553	512	201	133	16	192
1995	8,741	477	284	136	12	153
1996	8,584	339	270	13	12	227
1997	8,572	435	287	36	18	178
1998	8,743	557	236	29	9	170
1999	9,576	1,289	238	14	17	215
2000	9,836	876	393	17	13	227
2001	10,111	706	241	25	18	197
2002	9,737	426	503	16	12	301
2003	9,964	628	202	5	14	190
2004	10,222	636	123	4	8	251
2005	10,387	635	212	3	11	247
2006	10,493	710	325	15	16	278
2007	10,892	948	292	37	8	286
2008	10,831	833	340	83	9	187
2009	11,077	347	313	122	16	221
2010	10,597	273	397	17	15	355
2011	10,477	317	239	16	12	321
2012	10,075	405	219	15	9	351

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

	AVERAGE SERVICE RETIREMENT ALLOWANCE	AVERAGE AGE OF SERVICE PENSIONERS	AVERAGE DISABILITY RETIREMENT ALLOWANCE	AVERAGE AGE OF DISABILITY PENSIONERS	ACTIVE MEMBERS DECEASED	
					# OF DEATHS	AVERAGE AGE
1983	501.76	70.18	272.98	66.55	13	52.54
1984	530.44	69.97	281.36	66.29	16	51.28
1985	556.72	70.26	290.71	66.22	11	53.66
1986	582.18	70.57	296.27	66.70	11	48.18
1987	608.43	70.80	314.43	66.60	16	49.13
1988	655.62	70.02	357.61	66.40	14	49.93
1989	664.36	71.45	343.74	66.53	12	49.17
1990	697.54	71.72	352.75	65.88	12	47.67
1991	757.07	72.19	378.41	66.61	13	57.77
1992	749.31	72.44	366.23	66.30	17	50.94
1993	775.72	73.42	394.13	67.80	15	53.00
1994	811.55	73.28	407.60	67.52	16	55.00
1995	850.50	73.45	431.19	67.78	12	53.67
1996	904.11	73.43	423.86	68.88	12	44.92
1997	961.30	73.29	448.15	68.12	18	54.72
1998 *	1,063.66	73.30	594.09	68.13	9	56.11
1999	1,114.34	73.10	609.19	68.25	17	55.24
2000	1,167.60	72.88	622.66	68.69	13	50.77
2001	1,222.42	72.70	654.53	67.84	18	51.39
2002	1,289.77	72.16	703.83	67.25	12	54.33
2003	1,338.49	72.14	734.85	66.78	14	53.14
2004	1,404.86	71.93	788.94	65.40	8	50.62
2005	1,477.58	71.78	827.46	65.15	11	53.18
2006	1,552.57	71.53	877.96	64.75	16	51.94
2007	1,768.13	71.42	1,010.15	65.53	8	53.13
2008	1,822.44	71.92	1,038.93	65.49	9	52.33
2009	1,873.39	71.51	1,077.33	64.15	16	58.00
2010	1,965.36	71.32	1,110.10	65.84	15	55.73
2011	2,043.56	71.29	1,144.88	65.61	12	54.00
2012	2,152.85	71.21	1,203.52	66.08	9	57.67

* 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					
	<u>0-10</u>	<u>11-15</u>	<u>16-20</u>	<u>21-25</u>	<u>26-30</u>	<u>31 +</u>
Jan. 1, 2003 to Dec. 31, 2012						
Period 1/1/03 to 12/31/03						
Average Monthly Benefit	\$ 496.91	1,034.44	1,432.09	1,744.45	2,579.91	2,628.56
Average Final Salary	\$ 3,782.43	4,261.52	4,669.55	4,653.31	4,901.87	4,953.21
Number of Active Retirees	32	23	22	41	39	39
Period 1/1/04 to 12/31/04						
Average Monthly Benefit	\$ 613.97	1,056.92	1,449.54	1,773.54	2,480.00	2,812.38
Average Final Salary	\$ 4,393.80	4,349.56	4,737.24	4,405.97	5,210.92	5,259.10
Number of Active Retirees	27	21	39	46	76	42
Period 1/1/05 to 12/31/05						
Average Monthly Benefit	\$ 674.26	1,137.59	1,706.94	2,270.53	2,653.34	2,807.79
Average Final Salary	\$ 4,928.96	4,733.59	4,915.39	5,423.36	5,164.89	4,973.41
Number of Active Retirees	30	27	33	55	65	37
Period 1/1/06 to 12/31/06						
Average Monthly Benefit	\$ 656.56	1,124.37	1,662.58	2,196.45	2,831.74	3,053.19
Average Final Salary	\$ 4,902.33	4,671.23	4,823.60	5,170.19	5,313.48	5,472.54
Number of Active Retirees	37	42	38	50	55	56
Period 1/1/07 to 12/31/07						
Average Monthly Benefit	\$ 658.92	1,406.25	1,650.87	2,132.89	2,814.90	3,129.50
Average Final Salary	\$ 5,017.90	5,992.08	4,865.08	5,096.68	5,414.43	5,412.96
Number of Active Retirees	53	36	37	54	61	44
Period 1/1/08 to 12/31/08						
Average Monthly Benefit	\$ 693.96	1,307.50	1,683.04	2,237.23	3,032.86	3,467.66
Average Final Salary	\$ 5,616.72	5,133.11	5,029.50	5,470.66	5,896.14	5,682.79
Number of Active Retirees	25	18	20	37	41	46

Retirement Effective Dates	Years Credited Service					
	<u>0-10</u>	<u>11-15</u>	<u>16-20</u>	<u>21-25</u>	<u>26-30</u>	<u>31 +</u>
<u>Jan. 1, 2003 to Dec. 31, 2012</u>						
Period 1/1/09 to 12/31/09						
Average Monthly Benefit	\$ 725.01	1,200.14	1,633.91	2,191.40	2,895.97	3,517.60
Average Final Salary	\$ 6,221.46	5,346.25	5,391.47	5,637.85	5,937.71	6,298.57
Number of Active Retirees	35	36	26	34	33	57
Period 1/1/10 to 12/31/10						
Average Monthly Benefit	\$ 743.52	1,230.93	1,819.18	2,553.58	3,152.03	3,738.60
Average Final Salary	\$ 4,657.13	5,098.76	5,424.67	6,829.01	6,418.87	6,161.06
Number of Active Retirees	35	32	59	57	90	82
Period 1/1/11 to 12/31/11						
Average Monthly Benefit	\$ 770.06	1,387.07	1,986.83	2,439.29	3,370.92	3,912.57
Average Final Salary	\$ 5,937.02	5,547.89	6,190.33	6,320.57	6,492.13	6,399.97
Number of Active Retirees	41	39	31	64	58	90
Period 1/1/12 to 12/31/12						
Average Monthly Benefit	\$ 846.84	1,988.33	2,004.20	2,942.30	3,331.36	3,859.10
Average Final Salary	\$ 5,698.96	6,197.59	5,938.01	6,511.90	6,562.86	6,479.21
Number of Active Retirees	59	36	45	57	74	80
Period 1/1/03 to 12/31/12						
Average Monthly Benefit	\$ 688.00	1,287.35	1,702.92	2,248.17	2,914.30	3,292.70
Average Final Salary	\$ 5,115.67	5,133.16	5,198.48	5,551.95	5,731.33	5,709.28
Average Number of Retirees	37	31	35	50	59	57

**NEW MEMBERS IN THE RETIREMENT SYSTEM IN 2012
BY DEPARTMENT**

DEPARTMENT NAME	COUNT
Arts and Cultural Affairs	6
City Budget Office	5
City Employees Retirement	2
City Light	97
Executive Offices	10
Dept of Finance & Admin Svc	16
Fire	4
Human Services	30
Information Technology	9
Law Department	8
Legislative	3
Municipal Court	8
Dept of Neighborhoods	4
Parks	8
Personnel	14
Planning and Development	16
Police	30
Seattle Center	6
Seattle Dept of Transportation	41
Seattle Public Library	26
Seattle Public Utilities	62
Total	405

**RETURNING MEMBERS IN THE RETIREMENT SYSTEM IN 2012
BY DEPARTMENT**

REDEPOSITING	#
City Light	2
Human Services	1
Seattle Public Library	1
Police	1
Planning and Development	1
Seattle Dept of Transportation	1
Total	7

RE-ENTERING	#
City Light	2
Seattle Public Library	2
Parks	1
Planning and Development	1
Seattle Dept of Transportation	2
Total	8

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SERVICE RETIREMENTS GRANTED IN 2012**

Retiree	Dept Name	Position	Yrs	Days	Age
Abston,Michael A	Vested	Vested	12	278	63
Abuan,Flordelina L	Parks	Mgmt Sys Anlyst Sr	33	150	62
Ackland,Doreen T	SDOT	Acct Tech II - BU	10	1	59
Aho, Samisoni	SPU	Constr&Maint Equip Op.	32	42	66
Aldridge,Janet Rae	City Light	Food Svc Supv	31	184	56
Allen,Greg L	Vested	Vested	18	118	65
Alsup,Timothy I	Parks	Maint Laborer	20	233	64
An, Jiahong	Vested	Vested	12	296	57
Anderson,David A	SDOT	Civil Engrng Spec, Sr	30	20	59
Anderson,Sherry G	SPU	Solid Wst Fld Rep,Lead	25	135	66
Applegate,Douglas C	Vested	Vested	5	199	62
Armstrong,James J	Vested	Vested	31	106	59
Atayde, Teresita V.	FAS	Accountant Prin	25	199	62
Au,Nguyet T	SPU	Mgmt Sys Anlyst Sr	31	169	56
Baird,Gary O	City Light	Hydro Op Chief	22	136	61
Balmaceda, Florante G.	Library	Delivery Drvr I	10	215	62
Banks,Pamela L	Neighborhoods	Manager 2	29	333	52
Barnett,Katherine A	FAS	Sr Claims Adjuster	30	0	61
Bartley, Robert	City Light	Economist	29	0	68
Bauer, Brenda L.	Vested	Vested	24	261	55
Beaver Sr,James E	SDOT	Maint Laborer	10	108	66
Bedker, Carol A	Police	Data Tech	20	8	65
Belvin, Allan E. Jr.	City Light	Meter Electrician	19	20	62
Bennedsen, Elizabeth A	Vested	Vested	0	245	68
Berrian,David B	Human Services	Proj Fund & Agreemts Coord	9	349	66
Berry,Martha F	Human Services	Counslr	6	330	63
Blankenship, Cheryl K.	VESTED	Vested	13	124	65
Blevins,Sharon G	Parks	Gardener Sr	19	337	65
Blumer,Ruth Anna E	Vested	Vested	1	48	76
Boden,Terry C	Parks	Grounds Maint Lead Wkr	33	297	66
Boley,Mary K	DPD	Elect Inspect Sr	33	221	55
Boman,Janice M	City Light	Strat Advisor 2	23	343	54
Bookman,Charles A	SDOT	Executive 2	11	362	64
Booth,Richard L	Parks	Maint Laborer	29	326	63
Borja,Florina L	Library	Tech I	34	336	63
Bouie, Lesia F.	Law	Admin Spec I	31	227	53
Bowden,Violeta R	SDOT	Acct Tech III	14	238	59
Brady,Gloria D	Law	Admin Spec I	18	156	64
Brewer,Stephen C	City Light	Line C CC	39	108	62
Brisbois,Dwight D	SDOT	Civil Engrng Spec, Sr	30	45	62
Brooks,Renee T	City Light	Real Property Agent Sr	31	52	54
Broom,David C	Vested	Vested	17	312	66
Brotherton,Helen J	Police	Police Comms Dispatcher I	14	311	60
Brown, Cheri K	SPU	Actg Tech 111-BU	31	8	54
Brown, Robert W.	SPU	Constr & Maint Equip Op, Sr.	30	18	50
Bryant,Ann J	Vested	Vested	18	1	57
Bucasas,Gregory P	Parks	Parks Maint CC	35	140	63

Retiree	Dept Name	Position	Yrs	Days	Age
Buchanan,B Wayne	Parks	Syst Analyst	32	253	63
Budd,William T	Personnel	Indust Hygienist	9	52	66
Burns,Byron L	City Light	Warehouser	29	4	53
Burton,Linda D	Vested	Vested	5	215	67
Butler,Dennis F	Vested	Vested	5	255	72
Bynum,Michael J	Vested	Vested	10	125	62
Carr, Elizabeth H	Library	Librarian	6	72	64
Carter,Joe L	SPU	Civil Engr Spec Supv	31	199	63
Casey, Patricia A	Vested	Vested	6	139	63
Chase,Larry J	Human Services	Info Tech Prof C	21	28	70
Chase,Lowell B	Parks	Painter	30	24	
Chavez,Geraldeen A	Police	Latent Print Examiner	18	353	66
Chien,Grace Y	Vested	Vested	10	168	57
Childs,Vicki A	FAS	Executive 2	17	31	62
Ciske,Sandra	Vested	Vested	1	277	64
Clay,Iris	City Light	Capital Proj Coord	24	171	54
Clemence,Doris	City Light	Pwer Anlyst,Sr	13	58	64
Clemente,Romeo D	Municipal Courts	Info Tech Prof C-BU	31	158	54
Coby,Dwight A	Vested	Vested	11	110	66
Coldwell, Charles P.	Library	IT Info Tech	25	114	63
Cole,Holly P	Vested	Vested	6	58	65
Cook,Carroll L	Library	Delivery Driver	20	35	63
Copeland,Kerry L	SPU	Trng & Ed Coord,Sr	30	339	55
Crevensten, Daniel C.	City Light	Capital Projects Coordinator	8	347	67
Czeisler,Linda M	Fire	Executive 2	9	197	65
Dahle,Carolyn J	Vested	Vested	10	164	58
Damron,Edwin J	SPU	Accountant	32	297	61
Daniels,Derek J	SPU	Truck Drvr,Heavy	20	1	55
Darling, Michael J.	Parks	Plng & Dev Spec, Sr.	11	312	58
Daye,Eddie Carolynn	SPU	Util Acct Rep I	22	108	68
de Anguera,Paul G	FAS	Info Tech Prof	38	144	64
De Bernal,Ofelia S	Parks	Pool Maint Wkr	21	226	60
Demps, S.L.	Parks	Contr&Maint Equip Op.	50	312	78
Denning,Carolyn G	DoIT	Info Tech Prof B	32	249	65
Deymonaz, James L.	Parks	Civil Engrng Spec, Sr.	33	306	58
Diangson,Ticiang P	SPU	Manager 2	30	321	70
Dimola,Donna J	Police	Acct Tech III	22	305	65
Dolphin,Jacqueline M	Vested	Vested	11	266	63
Donnelly,Kevin S	DPD	Civil Engrng Spec,Sr	21	157	63
Drake,Barbara E	Parks	Rec Center Coord Asst	26	155	54
Dubuque,Richard P	City Light	Mgmt Sys Anlyst Sr	20	233	71
Ducey,Anne M	City Light	Marketing Dev Coord	24	130	57
Dunning,Terrance	Parks	Manager 2 P&FM	17	211	67
Durland Jr,William W	City Light	Enrgy Mgmt Anlyst	30	66	58
Effertz,Mary E	Vested	Vested	13	12	58
Eisner,Nancy E	Parks	Aquatic Cntr Coord	26	223	59
Ellisor,Elizabeth A	City Light	Res&Eval Asst	16	310	69
Erickson,Cynthia A	Human Services	Manager 2 Exec	25	54	58
Espiritu,Anita N	K.C. Health	Microbiologist	31	62	58
Evans,Sandra L	Municipal Courts	Court Clerk	27	306	62

Retiree	Dept Name	Position	Yrs	Days	Age
Everson,Carol K	Parks	Executive 2	23	232	65
Eyre,Andrea M	Parks	Facility Maint Supv	27	144	54
Faris,Joseph	City Light	Enrgy Mgmt Anlyst,Asst	33	14	52
Fevold,Constance L	City Light	Pwr Anlyst,Sr	33	49	62
Field,Alex	Library	Events Services Manager	15	36	69
Fisher,Kari A	K.C. Health	Nutrition Consultant	19	33	57
Flynn,Marlene S	City Light	Manager 3	26	105	54
Foster,Jacqueline L	Police	Police Comms Dispatch I	23	44	60
Fountain,Virginia L	Office of Housing	Admin Staff Asst	13	1	64
Fowble,Mark N	SPU	Grants and Contracts Spec	36	364	62
Fowler, Cynthia S.	SPU	StratAdvsr 1	21	350	55
Foz,Norma V	Parks	Acct Tech II -BU	20	2	79
Francis,Roy	SDOT	Manager 3	16	171	68
French, Dwight G.	Vested	Vested	16	209	59
Frost Jr,George W	SDOT	Capital Proj Coord	15	292	62
Fulton,John D	City Light	Manager 3	26	186	66
Galinato, Victoria	FAS	Executive 2	25	262	62
Gallegos,B Christina	Parks	Naturalist	26	187	52
Gaylord,Catherine L	Vested	Vested	7	55	64
Gibbs,Mark R	DPD	Elect Insprtr Supv	26	345	61
Gibson,Janet K	Vested	Vested	20	114	57
Glembotski,Gary B	Parks	Electrician	13	27	62
Goldberg, Jennie S	City Light	Strat Advsr 2	21	131	58
Golley, Susie A.	Parks	Util Laborer	23	130	57
Gonzaga,Edgar F	FAS	Admin Spec II-BU	26	307	74
Gonzales,Ellen J	Police	Ident Data Spec	21	283	65
Good,Anna M	SPU	Strat Advsr 2	9	15	56
Goodfellow,Debra K	Police	Latent Print Examiner	23	357	56
Grady, James C.	DPD	Elevator Inspector	6	243	63
Grant,Judith A	Vested	Vested	1	278	58
Gratton,Nancy K	Police	Admin Spec II - BU	11	84	66
Green,John M	SDOT	Info Tech Prof A	32	25	60
Grimm,Thomas A	City Light	Meter Elect Crew Chief	27	48	59
Grow,Jacob P	Library	Janitor	5	46	63
Habte-Egzy, Tewelde T.	Seattle Center	Parking Attendant Sr.	16	130	75
Habtu,Shashe-Werq	Vested	Vested	15	291	58
Hageman, Robert J.	Library	Librarian	23	147	65
Halbeck,David H	DPD	Pressure Sys Inspector	7	218	63
Halvorsen,Jan F	DPD	Elevator Inspect Sr	10	349	69
Harp,Robert K	SPU	Wtrworks Maint Spec	23	101	56
Harrington,Laurel S	SPU	Manager 3	28	97	58
Harris, Frank	Parks	Carpenter	28	93	66
Harrison,Daniel J	City Light	Elect Constructor	37	156	65
Hawley,Catherine	Vested	Vested	6	117	67
Hayashi,Ray Y	Metro Transit	Equipment Dispatcher	40	30	74
Hayes, Marian G.	K.C. Health	Nutritionist	18	207	67
Heitsch-Voorheis,Katherine	Parks	Manager 2	21	306	59

Retiree	Dept Name	Position	Yrs	Days	Age
Hellwig, Raymond K.	City Light	Vested	6	6	62
Hernandez,Nancie G	Parks	Facilities Maint Wkr	30	102	51
Hess,Gary P	Seattle Center	Stage Tech, Lead	24	122	58
Hill,Joseph G	FAS	Strat Adv II	20	10	63
Hilliard,Barney H	FAS	Manager I	5	0	74
Hirano,Robert K	SDOT	Truck Driver	29	153	60
Hirano-Kramer, Betty L.	Human Services	Microbiologist	28	257	60
Hobson,Marleen	Police	Police Comm Dispatcher, Chief	26	213	62
Holden, Steve	SPU	Const&Maint Equip Op, Sr.	32	81	51
Hoover,Sidney D	Municipal Courts	Prob Counsler II	28	175	68
Howard, Mark J	Police	Strat Advsr 2	37	18	60
Hunnicuttt,Karl K	DPD	Sign Inspector Sr	17	33	68
Huynh,Minh L	SDOT	Maint Laborer Sr Traffic	27	181	66
Inglebritson,Scott C	City Light	Info Tech Prof	26	142	59
James,Joan C	DPD	Admin Spec III -BU	16	353	71
Jessel, James F.	Vested	Vested	4	207	66
Johnson,Debra A	City Light	Manager 3	23	242	57
Johnson,Gerald D	City Light	Hydroelec Op II	34	174	55
Johnson,Joyce M	SPU	Util Acct Rep I	44	102	65
Johnson,Lonnie L	City Light	Generation Supv-BU	40	129	59
Johnstone,Lindsey N	Vested	Vested	10	1	59
Jones, Tony D.	Parks	Maint Laborer	20	0	54
Jung,Mal Ho	Parks	Laborer	10	281	70
Keller,James R	Metro Transit	IT Customer Service Director	39	93	62
Kelley, Robert A.	SPU	Civil Engr, Sr.	26	351	66
Kelso,Dianne R	DPD	Inspect Support Anlyst	28	6	66
Kemp,James S	DPD	Land Use Planner III	21	158	59
Kennedy,Jacqueline O	Parks	Delivery Wkr	17	67	62
Kerr,Uinins E	Library	Custodian	26	210	66
Kessler,Ronald B	Vested	Vested	13	347	65
King,Donna L	DPD	Admin Staff Asst	25	122	60
Kjemhus,Kay L	City Light	Admin Spec II	8	211	69
Knutsen,Sheila M	Library	Librarian	27	293	73
Kokorowski, Cathleen S.	Police	Admin Spec I-BU	17	205	61
Kraft,Elaine J	Vested	Vested	0	192	60
Kraus,Sandra R	Police	Plan & Dev Spec,Sr	8	265	62
Krisman,Lana M	Parks	Plng & Dev Spec I	14	92	62
Kunka, William J.	City Light	Jrnywkr in Chg	30	25	66
Kurko,Keith W	SPU	Manager 2	30	123	60
Kusnadi,Sugiana	Parks	Acct Tech II - BU	10	132	57
Ladan,John L	SDOT	Maint Laborer	30	173	63
LaFond,Eileen M	City Light	Info Tech Prof B	26	94	67
Larson,Michael C	SDOT	Parking Pay Stat Tech	26	233	66
Lea,Robinn D	SPU	Util Acct Rep II	27	347	59
Lee,Merry	SPU	Civil Engr Supv	32	338	60
Lee,Sue O	City Light	Actg Tech III - BU	31	62	62
Le-Huynh,J Hongnhan	FAS	Info Tech Prof B -BU	30	166	52
Leuschen,Bryan C	City Light	Manager 2 Utils	39	319	61
Levine,Susan E	Human Services	Mgmt Sys Anlyst Sr	25	2	57
Lewis,Ronda L	Police	Admin Staff Anlyst	30	3	51

Retiree	Dept Name	Position	Yrs	Days	Age
Locsin,Genevieve C	City Light	Strat Advsr 2	30	37	52
Lord,Janet T	DPD	Permit Spec 1	21	15	64
Losteter,Thomas I	City Light	Accountant Prin	19	6	66
Love,Cyrus D	Parks	Plumber CC	34	14	62
Luhr, John H.	City Light	Hydroelec Maint Mach CC	31	352	66
Luhr,Diane M	City Light	Admin Spec II	17	93	65
Lux,Marleen T	Police	Mgmt Sys Anlyst	32	72	61
Lyle,Luther A	FAS	Licenses & Standards Inspector	21	203	61
Lyles, George R.	SPU	Pmp Stat Maint Leadwkr	32	76	55
Magee,Clyde	Vested	Vested	5	338	62
Maguddayao,Petronio	City Light	Strut Pntr CC	33	272	65
Maher,Daniel J	City Light	Electl Svc Rep,Sr	14	140	65
Majors,Maggie M	Vested	Vested	0	70	63
Manaloto,Zenaida B	DPD	Accountant Prin	25	24	65
Manaro,Judith J	K.C. Health	Admin Supp Asst - BU	21	323	69
Mar,Mary Ellen	SPU	Util Acct Rep I	28	5	58
Mason,Steve C	Vested	Vested	28	193	52
McAllister, Deborah H.	DPD	Housing/Zone Inspector	10	227	62
McCarty,Mark S	Police	Executive 1	10	119	59
McClure,Susan	City Light	Personnel Spec	29	111	64
McConnell, Ross J.	City Light	Hydroelec Maint Mach CC	16	297	63
McElhose,Robert L	DPD	Land Use Planner IV	27	340	61
McKenzie,Eileen L	FAS	Admin Spec II-BU	17	267	63
McKnight,Sandra J	City Light	Mgmt Sys Anlyst Sr	28	58	66
McLane,Terrance A	City Light	Strucl Iron Wrk	11	196	68
McManigal,Nancy E	Law	Victim Adocate Supv	24	64	59
Meyerholtz,Marita D	Library	Librarian	19	80	62
Moddemeyer,Steven D	Vested	Vested	13	290	59
Moritz,Joan	Seattle Center	Manager I	16	88	66
Morrison,Susan D	SPU	Info Tech Prof B	32	110	54
Moss, Robert L. Jr.	City Light	LNWKR	22	2	58
Mount,D'Anne	DoIT	Strat Advsr 2	27	265	64
Muranaka,Randy H	City Light	Info Tech Prof	31	163	61
Murphy,Richard L	City Light	Civil Engr Spec,Sr	32	30	66
Myers,Ruby D	Municipal Courts	Admin Spec I	33	146	60
Nelson,Kathryn L	Human Services	Admin Suport Asst-BU	23	191	70
Nelson,Sherry D	Municipal Courts	Admin Spec II	26	143	65
Ness, Rosemary L.	SDOT	Exec Asst	12	174	65
Noble,Judith G	SPU	Manager 3	19	130	65
Nogaki,Kurt W	City Light	Lineworker	29	91	62
Nolze, Joseph	Parks	Metal Fabricator	19	38	59
Olsen,Jane K	Vested	Vested	8	122	66
O'Neill,Maureen A	Parks	Manager 2	31	121	63
Osaka,Gale Y	K.C. Health	Health Envirmt Investator IV	32	340	57
Parker,LaVern	Police	Police Dispatch	30	251	59
Partridge,Sue	SDOT	Cap Proj Coord, Sr	24	177	63
Paschke,Elizabeth J	SDOT	Manager 2	31	30	61
Patton,Amy L	SDOT	Trans Plr, Sr	26	0	54
Patton,Brian W	Vested	Vested	28	114	54
Peabody,Dana	Parks	Golf Course Tech	29	264	60
Peralez,Juan S	City Light	Plng & Dev Spec II	29	39	63

Retiree	Dept Name	Position	Yrs	Days	Age
Pete,David E	City Light	Maint Wrk	34	122	56
Pjerrou-Paynter,Patricia	Library	Library Assoc II	11	307	63
Polidoro,Elaine M	Vested	Vested	11	230	59
Powell,Virginia K	Library	Library Tech I	22	33	62
Preus,Mary E	Parks	Gardener,Sr	12	86	65
Pullen Sr,R Douglas	City Light	Manager 2, P&FM-BU	36	238	62
Quinn, Michael A	Police	StratAdvser2	16	135	66
Rash,Timothy A	OED	Manager 2	31	135	49
Raught,Richard W	City Light	Carpenter	25	215	65
Rice,Richard C	City Light	Elect Engr Spec Asst III	13	292	72
Rigali,Patricia R	SDOT	Accountant Sr	23	226	64
Rinehart,Ann M	Vested	Vested	10	321	57
Robinson, Kimberly S.	Vested	Vested	21	38	53
Roetter,Freida L	Library	Library Assoc III	23	260	65
Rose, David L.	Vested	Vested	7	187	64
Ross,William J	Vested	Vested	18	262	57
Rossmann,Mary J	Parks	Maint Laborer	26	309	56
Sam,Deborah J	SPU	Wtr Pipe Wkr Sr	30	217	52
Sargent,Eugene C	Vested	Vested	5	247	66
Sarkadi-Nagy,Lajos	FAS	Electrician	12	150	72
Sato,Harry	City Light	Mgmt Sys Anlyst,Sr	26	232	67
Schluter,Catherine A	City Light	Info Tech Prof B	6	20	62
Schrier,William M	DoIT	Executive 4	29	171	63
Seaton,William A	Parks	Human Svcs Coord	21	48	62
Sellers,Lillie H	Municipal Courts	Admin Spec II	5	51	67
Sharp,Kathleen T	City Light	Admin Spec II	16	154	68
She,Nian	SPU	Civil Engr Spec Sr	17	237	55
Shelley,Lynne	Library	Lib Assoc I	10	7	64
Shields,Linh D	Vested	Vested	22	237	65
Shiratori, Faye M	DoIT	Telephone Services	38	22	66
Shure, Ronald A.	Vested	Vested	14	107	65
Siburg,Jeannette M	Vested	Vested	3	84	62
Singh, Judy D.	DPD	Permit Spec II	30	101	51
Siverson,Rodrick F	City Light	Manager 3	34	350	62
Skiffington,Daniel D	SPU	Maint Laborer	30	177	66
Skinnarland, Kirvil M.	Vested	Vested	9	75	62
Skinner,M K	Parks	Maint Laborer	33	219	66
Small,Angela G	Vested	Vested	26	38	54
Smith,John W	Office of Housing	Property Rehab Spec	5	11	68
Smith,Richard A	SPU	Strat Advsr 2	32	203	63
Snow,Stephen R	Parks	Admin Staff Asst	33	70	67
Solomon,Judith E	Library	Librarian	26	4	65
Spencer,Frederick F	Vested	Vested	8	185	63
Staeheli,Mary Ann	Library	Library Tech I	31	198	63
Stanchfield,Dennis J	Vested	Vested	13	196	64
Staub,Janet B	Vested	Vested	20	27	60
Stixrood,Anne B	Vested	Vested	14	217	67
Strode,Anne D	Vested	Vested	12	150	63
Sugiyama, Richard M	Human Services	Manager 3	31	220	64
Summer,Angela M	DPD	Housing Zoning Inspr, Sr	20	96	58

Retiree	Dept Name	Position	Yrs	Days	Age
Sutherland, Mariah	Library	Library Assoc I	8	213	66
Swetlow, William J	DoIT	Info Tech Prof B	31	249	54
Sykes, Cynthia J	Police	Police Comm Dispatch II	32	320	61
Taimi, Sitiveni	Parks	Maint Laborer	35	163	61
Tamsky, Daniel M.	Vested	Vested	12	181	57
Tate, Gloria L	Police	Parking Eng Offr Supv	38	329	62
Taylor, Ian P	SDOT	Info Tech Prof A	2	115	63
Taylor, Lorene M	SPU	Manager 2	25	79	60
Teshima, Jean S	Office of Housing	Strat Advsr I	32	359	59
Thompson, Wiley C	FAS	Buyer Sr	22	251	74
Tierney Jr, Thomas M	Vested	Vested	13	115	65
Tilton Jr., William H.	City Light	Crew Chief	33	242	61
Tipton, Jack W	SPU	Civil Engr Spec	23	316	62
Tolliver, Karen E	SPU	Solid Wst Fld Rep II	25	279	60
Tom, Brenda M	Library	Librn	45	45	68
Tomlinson, John J	Parks	Manager 2, Info Tech	37	236	62
Tracy, Patsy L	SPU	Util Acct Rep II	31	50	
Triesch, Stephen J	SPU	Fin Sys Anylst	35	219	62
Tsao, Karen L	Vested	Vested	18	211	61
Tugublimas, J Arthur	DoIT	Info Tech Prof C	24	255	55
Tullio, Marla R	Parks	Aquarium Biologist 3	26	3	58
Usui, Eugene H	Library	Library Shelving Oper	44	75	63
Veetutu, Viliami N	Police	Maint Laborer	34	37	68
Vert, Michael A.	Vested	Vested	2	361	62
Victa, Teodoro I	SPU	Transmission CC - WDM II	31	82	62
Vincent, Richard B	FAS	Info Tech Prof B-BU	22	89	63
Vorhis, Linda M	City Light	Electn-Con	27	186	60
Waggoner, Janet A	Vested	Vested	5	150	66
Wallace, Hugh P. Jr.	Police	Util Laborer	9	338	68
Ward, Michael D	SPU	Drainage & Wstwtr Coll Wkr I	33	280	58
Warme Jr, John L	Parks	Maint Laborer	45	218	69
Washer-Ezelle, Savannah	SPU	Heavy Truck Driver	21	232	61
Watson, William C	DPD	Manager 2	25	133	65
Weatherspoon, Sharon A	SPU	Strat Advsr 1	30	95	55
Weimann, Gary	DoIT	Info Tech Prof A	36	150	58
Welsh, Gordon L	City Light	Mech Engr Supvr	12	181	59
Wermcrantz, Sally S	Library	Librarian	16	198	62
Wessenberg, Nancy S	K.C. Health	PHN	43	144	68
Wester, William G	City Light	Jrnywkr in Chg	33	249	60
White, Karen A	DPD	Executive 2	22	201	55
Whitley, Dennis D	Vested	Vested	29	116	59
Williams, Cherie J	Parks	Public Ed Prgm Supv	22	244	71
Williams, Gretchen C	Vested	Vested	10	1	59
Williams, Stephen J	Vested	Vested	17	41	66
Wilson, Kathi A	City Light	Generation Supv	30	1	51
Wokal, Linda J	FAS	Ex Staff Assist	30	0	61
Wong, Millie S	Human Services	Financial Analyst Supervisor	25	244	66
Woo, Rita K	City Light	Actg Tech II - BU	33	338	64
Works, Lawrence G	City Light	Cust Svc Rep, Sr	38	13	62
Woyak, Patrick M	SPU	Manager II Utils	27	59	54
Wrighton, Judy L	Human Services	Admin Supoprt Asst	5	207	65

Retiree	Dept Name	Position	Yrs	Days	Age
Wu, Stanley L	DoIT	Exec. 2	27	357	69
Yang, Chu-Mei	Parks	Accountant Sr	31	29	67
Yoshida, Keith E	Vested	Vested	25	28	55
Young, Roy	SDOT	Gardener	14	246	64
Yutuc, Augusto V	SDOT	Parking Pay Stat Tech	30	164	65
		Total Service Retirements	349		

DISABILITY RETIREMENTS GRANTED IN 2012

Retiree	Dept Name	Position	Yrs	Days	Age
Bursett, Katherine L	Retirement	Retirement Specialist	11	130	50
Groshong, Steven A	City Light	Truck Driver	8	84	48
Total Disability Retirements			2		

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
RETIRED MEMBERS DECEASED IN 2012**

Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
Allen,Margaret G	Police	Service	9/1/1986	6/9/2012	91
Andersen,George A P	Water	Disability	6/1/1993	3/29/2012	66
Armstrong,Leta J	Metro	Service	2/1/1992	1/12/2012	91
Ashe,Helen E	Health	Service	10/1/1985	5/18/2012	89
Ayengar,Gopal K N	City Light	Service	1/1/2011	8/28/2012	72
BADER,MAX	K.C. Health	Service	7/5/2000	4/30/2012	74
Barnes,Raymond G	Water	Service	9/1/1983	12/18/2012	84
Beach,Genevieve M	Health	Service	3/1/1978	6/13/2012	99
BELL,VIRGINIA L	K.C. Health	Service	5/15/1999	11/5/2012	81
Berry,William A	Metro	Service	1/1/1993	10/19/2012	81
Binder,Mary E	Light	Service	7/1/1982	5/13/2012	93
Bjorseth,Leif H	Water	Service	8/1/1980	3/5/2012	92
Boas, Joan	Health	Service	8/11/1996	6/20/2012	81
Bolibol,Marlene	Police	Service	6/1/1994	6/24/2012	75
Brazell,V Jewel	Judicial-Probation	Service	7/1/1983	10/20/2012	93
Bull,Robert H	Engineering	Service	1/1/1984	3/28/2012	88
Burns,Marjorie B	Library	Service	11/1/1983	2/28/2012	85
Burston,Robert M	Metro-Transit	Service	11/1/1992	7/13/2012	84
Byers,Arthur L.	SPU-Water	Service	1/3/1997	7/3/2012	81
Callia,Joseph E	Parks	Service	10/7/2006	8/18/2012	65
Carlson,Richard J	Engineering	Service	5/1/1982	1/6/2012	84
Carr,Dee L	Fire	Service	9/1/1977	6/29/2012	96
Carroll,Patricia M	SEATRAN	Service	8/4/2004	6/28/2012	72
Chen,James Cheng-Hsiung	DCLU	Service	3/16/2011	9/30/2012	68
Chisman,Barbara J	K.C. Health	Service	5/1/1983	10/27/2012	82
Christensen,Keith R	City Light	Service	3/28/2011	2/27/2012	62
Cole,Robert E	Health	Service	4/1/1983	6/30/2012	89
Cooper,Peter M	Health	Service	8/1/1985	11/8/2012	84
Crickmer,John M	Housing & Human Svcs	Service	9/1/1992	12/4/2012	84
Crider,Betty A	Library	Service	4/1/1992	10/12/2012	82
Cummings,Marian B	Engineering	Service	5/1/1977	7/1/2012	95
Cunningham, William	Light	Service	8/28/1996	11/23/2012	78
Cunningham,Freedly	Metro-Transit	Service	4/1/1982	10/11/2012	88
Dahms,Dale E	Engineers	Service	10/1/1992	5/19/2012	73
Dawson,Jess J	Metro-Transit	Service	5/1/1979	6/6/2012	90

Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
De La Cruz,Ernestine	ESD	Disability	5/3/2001	12/2/2012	58
Deen, Mary Louise	SPU	Service	4/28/2010	11/2/2012	65
Dietrich,John M	Light	Service	7/1/1978	1/20/2012	89
Dyson,Paul W	Community Dev	Service	1/1/1982	1/25/2012	96
Eaton,Viola D	Health	Service	10/1/1970	5/31/2012	99
Ellingsen,Bobbie Jeanne	Administrative Svc	Service	6/1/1994	10/18/2012	79
Ellingson,Margaret J	Off of Mgt & Budget	Service	11/1/1976	6/16/2012	95
Embree,Elsie V	Personnel-Civil Svc	Service	7/1/1976	9/27/2012	96
Engstrom,Glenn P	City Light	Service	7/1/1995	8/20/2012	68
Euse,Franklin V	Metro-Transit	Service	5/1/1984	1/17/2012	92
Faist, John A	Fleets & Facilities	Service	2/3/2010	9/2/2012	63
Finney, Earl L.	SDOT	Service	12/4/2007	6/7/2012	69
Finnie,Elizabeth	Fleets of DAS	Service	9/1/1994	11/22/2012	86
Fisher,Donna M	Light	Service	7/1/1987	10/7/2012	87
Forester,Leslie W	Parks	Service	8/4/2010	9/25/2012	67
Gaeth,Harry C	Metro-Transit	Service	3/1/1988	12/19/2012	86
Geiger,Raymond	SEATRAN	Service	5/10/2000	2/20/2012	72
Gooden,Maureen C	Light	Service	11/1/1988	1/17/2012	85
Green,Earl D	Light	Service	9/1/1984	12/4/2012	98
Grochow,Gladys B	Light	Service	3/1/1985	6/28/2012	89
Gustanoff,June C	City Comptrollers	Service	9/1/1971	5/23/2012	95
Hagen,Dorothy M	Water	Service	5/1/1985	4/10/2012	92
Hamilton,Wallace	Engineering	Disability	3/1/1974	12/1/2012	85
Harris,Phoebe M	Library	Service	11/1/1975	2/29/2012	93
Harrison,Bert A	Metro-Transit	Service	1/1/1978	2/21/2012	88
Healy,Myron J	Parks	Service	4/1/1976	8/20/2012	95
Henry Jr,Cj	Metro-Sewer	Service	11/1/1983	9/13/2012	92
Hernandez,Richard E	Light	Service	4/1/1987	6/6/2012	89
Herold,Veronica M	Library	Service	8/1/1985	9/16/2012	90
High,Phyllis E	Licenses&Consum er Af	Service	3/1/1989	12/5/2012	89
Hoveland,Albin C	Water	Service	12/1/1979	12/6/2012	95
Ivie,Bill E	City Light	Service	8/9/2006	7/11/2012	69
James,Gilbert C	License&Consum er Aff	Service	8/1/1979	3/15/2012	94
James,John D	Parks	Service	4/1/1994	9/14/2012	85
Johnston,James	Light	Service	1/5/1996	9/26/2012	82
Jones,Albert D	Engineering	Service	3/1/1990	7/25/2012	87
Jordan,Carl E	General Services	Service	5/1/1979	4/15/2012	91

Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
Kanekoa,Roychelle	Light	Service	6/1/1991	3/9/2012	81
Katayama,Sid S	Metro-Transit	Service	12/1/1983	4/29/2012	92
Kenney,Scotty	Engineering	Service	7/1/1984	12/31/2012	90
Kepler,David G	Light	Service	1/1/1985	11/20/2012	89
King,Robert J	Light	Service	4/1/1987	1/15/2012	87
Klinge, Louis P	Engineering	Service	3/1/1979	3/9/2012	88
Knaff,Edward J	Admin Services	Service	10/1/1981	3/28/2012	89
Komura,Betty T	Constrn & Land Use	Service	9/1/1986	12/10/2012	91
Krie, Mary J.	DHHS	Service	11/2/1998	11/4/2012	77
Kuniyuki,Tad T	Community Dev	Service	8/1/1984	8/3/2012	99
Lambert,James L	Enginerring	Service	12/1/1988	11/6/2012	83
Larson,Carl E	Water	Service	5/1/1983	12/8/2012	85
Leach,Robert E	Metro-Transit	Service	2/1/1985	10/11/2012	89
Lee,Jeanne M	Light	Service	4/1/1983	2/10/2012	93
Lim,William	City Light	Service	7/4/2001	3/5/2012	67
Locklin,Darrell W	Dual-Member	Service	11/1/1995	10/6/2012	78
Losik,Robert E	City Light	Service	4/7/2004	8/23/2012	66
Love,Roy R	Engineering	Disability	1/1/1976	6/5/2012	87
Lundquist,Robert D	Light	Service	7/1/1977	12/4/2012	94
Malstrom,Fred C	Engineering	Service	7/1/1989	6/2/2012	84
Mariotto,Lucretia A	Muni Court	Service	6/1/1991	10/26/2012	78
Mattox,Donald N	Light	Service	12/1/1991	6/18/2012	75
Mcdonald,Donald D	Seattle Center	Service	3/1/1983	3/14/2012	93
Mckay,Eva	Ord Violatn- Judicial	Service	9/1/1980	9/2/2012	89
Meier,Maurice M	Water	Service	3/1/1986	12/27/2012	87
Millard,Samuel M	Water	Service	9/1/1982	1/16/2012	82
Miller,John S	ESD	Service	6/23/2004	5/4/2012	72
Moen,Roy I	Metro-Transit	Service	3/1/1979	6/2/2012	94
MONTOYA,DENNIS JR.	K.C. Health	Service	6/2/2000	8/26/2012	74
Moos,Harvey J	Water	Service	7/1/1992	9/8/2012	82
Moretro,May H	License & Consumer A	Service	5/1/1984	1/17/2012	86
Morrison,Allan D	Parks	Service	8/1/1978	1/10/2012	88
Nielsen,Kenneth E	Fire	Service	5/1/1985	10/31/2012	87
Norris,Mary D	Light	Service	12/1/1976	7/12/2012	88
Olsheski,Hazel R	Library	Service	1/1/1977	2/13/2012	98
Osborne Jr,Hugh P	Light	Service	10/1/1994	10/27/2012	74
Palmateer,Wilma	Engineering	Service	12/1/1976	11/11/2012	97

Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
Pearson,James R	Health	Service	1/1/1982	7/13/2012	88
Petorak,Mary M	General Services	Service	5/1/1976	10/9/2012	93
Polk,Helen V	Parks	Service	5/1/1976	1/30/2012	99
Pye,Billie	Engineering	Service	2/3/1996	9/6/2012	80
Quinn,Daniel J	Parks	Service	3/1/1988	11/4/2012	89
Radford,Earl S	Metro-Transit	Service	8/1/1983	9/21/2012	91
Richard,Gehla S	Vested	Service	4/11/2006	11/19/2012	63
Richards,Myrna R	Light	Service	10/1/1990	1/17/2012	81
Richmire,Richard F	Vested	Service	12/23/2010	4/7/2012	65
Robertson,Clifford	Light	Service	6/1/1984	12/6/2012	88
Rockstad,Donald F	Light	Service	6/1/1990	1/25/2012	83
Ryan,Mary Robinson	DCLU	Service	4/1/1994	1/2/2012	81
Saito,Michiko L	Engineers	Service	3/1/1984	3/31/2012	93
Sanderson,Leslie A	Treasurer's	Service	3/1/1990	7/20/2012	84
Sasaki,Takashi	Engineering	Service	4/1/1988	7/26/2012	86
Sawyer,Christine	City Light	Service	12/2/1989	3/18/2012	90
Schweizer,William R	Light	Service	9/1/1985	11/6/2012	82
Seiwald,Ruth G	Police	Service	12/1/1981	11/23/2012	93
Shigaya,Harry S	DAS	Service	5/1/1991	12/10/2012	86
Shimizu,Fusako T	Library	Service	8/1/1979	1/9/2012	87
Short,Clare J	Health	Service	11/1/1980	6/15/2012	94
Sickler,W.r.	Light	Service	7/1/1989	2/13/2012	85
Siesling,Joe	Dual Member	Service	11/10/1998	2/4/2012	75
Skogseth, Shirleen M	Municipal Courts	Service	3/4/2009	7/3/2012	62
Smith,Lindsay L	Engineering	Disability	7/1/1992	2/5/2012	62
Sparkman, Jerry R.	SDOT	Service	5/2/2007	1/14/2012	60
Sparks,Fumiko	Water	Service	12/1/1984	5/6/2012	89
SPICKARD,LYN	Municipal Courts	Service	6/7/2000	7/3/2012	70
Stecher, Debbera J.	Parks	Service	2/9/2004	7/20/2012	60
Strong,J Michael	Engineering	Service	10/1/1993	1/13/2012	67
Sundvall,Christy A	Library	Service	7/1/1981	11/8/2012	92
Tangborn,Melvin A	DEA	Service	1/1/2011	10/19/2012	69
TANINO,MATAMI	SEATRAN	Service	1/2/2000	3/15/2012	77
Telgenhoff,James W	Light	Service	2/1/1994	5/26/2012	76
Thai, Peter	Police	Service	3/22/1996	4/20/2012	76
Thomson, William A	City Light	Service	3/3/2010	10/5/2012	59
Tonkyn,Arthur	Light	Service	2/1/1981	4/14/2012	88
Towner,June B	Health	Service	7/1/1991	8/10/2012	86
Varness,Carl J	DEA	Service	4/5/2006	1/19/2012	68

Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
Vulliet,Allan L	Seattle Center	Service	7/21/2005	6/23/2012	66
Weeks,George E	Metro	Service	6/1/1990	7/14/2012	87
Wetzel,Thomas J	Law	Service	2/1/1990	11/26/2012	87
Wilde,Alice M	Enginerring	Service	4/1/1980	11/23/2013	94
Wilhelm,Erica	Library	Service	4/1/1988	12/10/2012	86
Wilson,Winnifred H	Light	Service	4/1/1980	11/20/2012	94
Wing,David L	Engineering	Service	7/1/1979	7/8/2012	94
Wokal,Linda J	Finance	Service	4/6/2012	12/1/2012	62
Wood,Clarence G	Light	Service	1/1/1982	3/14/2012	84
Wood,Tommy A	Parks	Service	9/1/1990	10/13/2012	84
Yamamoto,Tatsuya	City Light	Service	3/1/1992	8/5/2012	90
Yoneyama,Molly F	K.C. Health	Service	6/3/1997	2/7/2012	74
Average Age of Deceased Pensioner					83.6
Average Age of Deceased Disability Pensioner					71.6
Number of Service Pensioners Deceased					155
Number of Disability Pensioners Deceased					5
Death Benefits for Deceased Active and Retired					230,000
Refunds Under Option "A"					1
Refunds Under Disability					0

DEATHS IN ACTIVE SERVICE DURING 2012

Name	Position	Department	Age
Schulz,Susan S	Admin Spec II	Parks	65
Matlock,Anthony	Plng&Dev Spec Sr	SPU	57
Krabbenhof,Patricia E	Hydro Maint Wkr	City Light	61
Mortensen,Edward V	Manager 2	SDOT	59
Chave,Elizabeth F	Admin Spec II	Neighborhoods	56
Sugiyama,Kathryn A	Strat Advsr 2	FAS	65
Rickey,Alice R	Coordinating Library Tech	Library	54
Stuker Sr.,Chris A	Truck Driver	SDOT	47
Bullock,Ronald L	Info Tech Prof	Parks	55
		Count	9
		Average Age	57.7

DEATH BENEFIT SYSTEM
For The Year Ended December 31, 2012

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 9 payouts for deaths in active service and 160 claims from retired employees - a total of 169 claims. This compares with 17 deaths in active service in 2011, and 116 claims from retired employees - a total of 133. The claims totaled \$240,000 in 2010, and \$266,000 in 2011.

Income from Active and Retired Employees:		\$	139,812
Income from Employers:			
Seattle City Light	\$		30,654
General Fund			28,560
Seattle Public Utilities			20,964
Seattle Parks Department			14,610
Transportation			12,012
Administrative Services			9,150
Library			8,964
Seattle Center			5,424
Planning and Development			4,902
King County/Metro			4,260
Employees' Retirement System			312
Total from Employer Funds		\$	139,812
Total paid into Death Benefit Reserve		\$	279,624
<u>Less: Death Benefit Claims – 2012</u>		\$	<u>230,000</u>
Total 2012 Return to Operating Fund Balance		\$	49,624

UNUSED SICK LEAVE

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

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

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

Of the 349 service retirements during 2012, there were no retirees that deposited the value of their sick leave payout to an account that will be used to pay their medical premiums.

RETIREMENT ESTIMATE INFORMATION

Percentage of Average Salary

Years of Retirement Credit

Years of Retirement Credit

		Age															
		Any	52	53	54	55	56	57	58	59	60	61	62	63	64	65	
30	60	60.0	60.0	60.0	60.0	60.0	60.0	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60	30
29		58.0	58.0	58.0	58.0	58.0	58.0	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58	29
28		56.0	56.0	56.0	56.0	56.0	56.0	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56	28
27		51.3	54.0	54.0	54.0	54.0	54.0	54.00	54.00	54.00	54.00	54.00	54.00	54.00	54.00	54	27
26		46.8	49.4	52.0	52.0	52.0	52.0	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52	26
25		42.5	45.0	47.5	50.0	50.0	50.0	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50	25
24		38.4	40.8	43.2	45.6	48.0	48.0	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48	24
23		34.5	36.8	39.1	41.4	43.7	46.0	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46	23
22		30.8	33.0	35.2	37.4	39.6	41.80	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44	22
21		27.3	29.4	31.5	33.6	35.7	37.80	39.90	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42	21
20		24.0	26.0	28.0	30.0	32.0	34.00	36.00	38.00	40.00	40.00	40.00	40.00	40.00	40.00	40	20
19							28.88	30.02	31.16	32.30	33.44	34.58	35.72	36.86	38	19	
18							27.36	28.44	29.52	30.60	31.68	32.76	33.84	34.92	36	18	
17							25.84	26.86	27.88	28.90	29.92	30.94	31.96	32.98	34	17	
16							24.32	25.28	26.24	27.20	28.16	29.12	30.08	31.04	32	16	
15							22.80	23.70	24.60	25.50	26.40	27.30	28.20	29.10	30	15	
14							21.28	22.12	22.96	23.80	24.64	25.48	26.32	27.16	28	14	
13							19.76	20.54	21.32	22.10	22.88	23.66	24.44	25.22	26	13	
12		Not Eligible To Retire						18.24	18.96	19.68	20.40	21.12	21.84	22.56	23.28	24	12
11							16.72	17.38	18.04	18.70	19.36	20.02	20.68	21.34	22	11	
10							15.20	15.80	16.40	17.00	17.60	18.20	18.80	19.40	20	10	
9												16.38	16.92	17.46	18	9	
8												14.56	15.04	15.52	16	8	
7												12.74	13.16	13.58	14	7	
6												10.92	11.28	11.64	12	6	
5												9.10	9.40	9.70	10	5	

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

Percentages increase with each day of service.

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

Average Salary = Average of Highest Consecutive 24 months.

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

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

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

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

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