

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM

A Pension Trust Fund of the City of Seattle

ANNUAL REPORT

For the Year Ended December 31, 2009

Prepared by: Seattle City Employees' Retirement System Staff
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Board of Administration



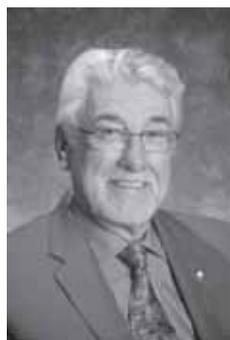
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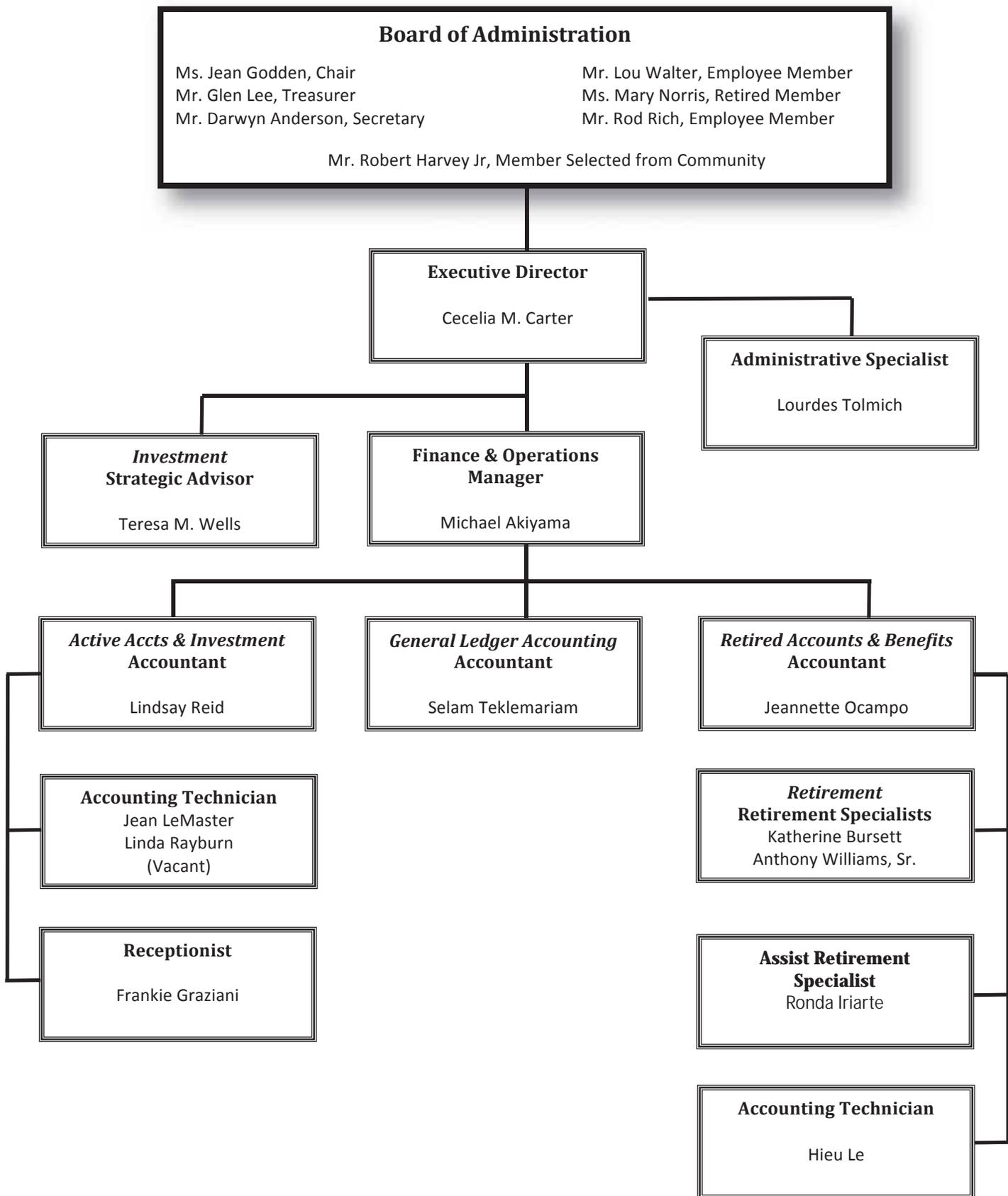
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City of Seattle

Seattle City Employees' Retirement System

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May 19, 2010

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

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 Statements Section contains the financial statements of the System as well as a letter from the System's certified public accountants; the Actuarial Section contains the independent consulting actuary's opinion along with related actuarial data and statements; and the last section is the Statistical Section including tables of significant data pertaining to the operation of the System.

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

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

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

The Retirement System covers employees of the City of Seattle, and certain employees of King County, METRO and the Seattle City Library. The Retirement System does not cover uniform Police and Fire Department employees. The year ended December 31, 2009, concludes our 80th year of operations. This longevity is a tribute to the hard work and conscientious efforts of the past and present Board members, staff, advisors and elected officials who have made the Retirement System the strong, exemplary system it is today.

The report is being mailed to all departments of the City. They form the link between the Seattle City Employees' Retirement System and its membership. Their cooperation contributes significantly to the success of the Retirement System. We trust the 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
AS OF DECEMBER 31, 2009

A handwritten signature in black ink, appearing to read "Cecelia M. Carter".

Cecelia M. Carter
Executive Director

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FINANCIAL

MOSS-ADAMS

Independent Auditors Report

MOSSES ADAMS

**SEATTLE CITY EMPLOYEES'
RETIREMENT SYSTEM**

**Independent Auditor's Report
and Financial Statements with
Required Supplementary Information
and Additional Information**

December 31, 2009 and 2008

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of plan net assets of the Seattle City Employees' Retirement System (the "System"), as of December 31, 2009 and 2008, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the System as of December 31, 2009 and 2008, and the changes in net assets for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

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

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

Moss Adams LLP

Seattle, Washington
June 7, 2010

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2009 AND 2008

This section presents management's discussion and analysis of the Seattle City Employees' Retirement System's (SCERS or the System) financial performance during the year ended December 31, 2009. 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 or losses. The accrual basis of accounting is used to record assets, liabilities, revenues and expenses. Revenue recognition occurs when earned without regard to the date of collection. Expense recognition occurs when the corresponding liabilities are incurred, regardless of payment date. The basis of contributions to the System follows the principles of level cost financing, with current service financed on a current basis. Milliman Consultants and Actuaries, the consulting actuary, evaluates the funding status of the System.

This report contains the following information:

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

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

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

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEARS ENDED DECEMBER 31, 2009 AND 2008**

The basic financial statements are described as follows:

- The Statement of Plan Net Assets shows the account balances at year-end and includes the net assets available for future benefit payments. The liabilities for future benefit payments are not included in this statement; however, they are shown in the Schedule of Funding Progress that is included in the Required Supplementary Information.
- The Statement of Changes in Plan Net Assets shows the sources and uses of funds during the year and illustrates the change in net assets from the previous year.
- The Notes to the Financial Statements are an integral part of the financial statements and include additional detailed information and schedules to provide a better understanding of the financial statements.

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

- The Schedule of Funding Progress contains actuarial information about the status of the plan from an ongoing long-term perspective, in the accumulation of sufficient assets to pay future benefits when due.
- 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 actuarial accrued liabilities as of December 31, 2009.
- Net assets increased by \$168 million (11.4%) during 2009, primarily due to the increase in the diversified portfolio invested in the U.S. and equity markets abroad as well as the fixed income and alternative investments.
- Revenue for 2009 was \$288 million which includes member and employer contributions of \$93.2 million and increases from investment activity totaling \$195 million.
- Expenses (deductions from net assets) for 2009 increased by \$5.3 million (4.4%) from 2008. This can be attributed to a \$5.4 million increase in retiree benefits.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEARS ENDED DECEMBER 31, 2009 AND 2008**

Plan Net Assets

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

	2009	2008	2007
Cash, Short-term Investments and Receivables	\$ 34,520,842	\$ 31,851,993	\$ 89,803,563
Investments at Fair Value	1,624,966,184	1,461,014,814	2,039,406,451
Securities Lending Collateral	36,491,886	69,838,616	103,323,467
Equipment	2,273	2,618	2,963
Total Assets	<u>1,695,981,185</u>	<u>1,562,708,041</u>	<u>2,232,536,444</u>
Securities Lending Payable	40,437,944	75,393,782	103,323,467
Other Payables	10,245,892	9,887,781	9,814,866
Total Liabilities	<u>50,683,836</u>	<u>85,281,563</u>	<u>113,138,333</u>
Total Net Assets	<u>\$ 1,645,297,349</u>	<u>\$ 1,477,426,478</u>	<u>\$ 2,119,398,111</u>

Changes in Plan Net Assets

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

	2009	2008	2007
Additions			
Member Contributions	\$ 46,613,886	\$ 45,986,139	\$ 40,533,554
Employer Contributions	46,650,169	45,961,040	40,299,506
Net Investment and Other	194,905,072	(618,956,502)	139,153,765
Total Additions	<u>288,169,127</u>	<u>(527,009,323)</u>	<u>219,986,825</u>
(Deductions)			
Retiree Benefits	108,138,820	102,703,230	98,391,533
Refunds of Contributions	9,742,691	10,223,415	11,525,660
Administrative Expenses	2,416,745	2,035,665	1,825,148
Total Deductions	<u>120,298,256</u>	<u>114,962,310</u>	<u>111,742,341</u>
Net Increase (Decrease)	<u>\$ 167,870,871</u>	<u>\$ (641,971,633)</u>	<u>\$ 108,244,484</u>

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEARS ENDED DECEMBER 31, 2009 AND 2008**

Revenues - Additions to Net Plan Assets

- In 2009 member contributions increased by \$.6 million (1.4%) compared to 2008. In 2008 member contributions increased by \$5.4 million (13.5%) compared to 2007.
- Employer contributions increased by \$.7 million (1.5%) compared to 2008. Employer contributions in 2008 increased by \$5.7 million (14.0%) compared to 2007.
- Net investment change and other income was a gain of \$195 million in 2009 as compared to a loss of \$619 million in 2008, and a gain of \$139 million in 2007.

Expenses - Deductions from Net Plan Assets

- Retiree benefits increased in 2009 by \$5.4 million (5.3%) compared to 2008, primarily due to the increased number of members making application for retirement in 2009, as well as the mandatory COLA increase implemented in 2008. Retiree benefits increased in 2008 by \$4.3 million (4.4%) compared to 2007, due to the new COLA requirement implemented in late 2007.
- Refunds of contributions decreased in 2009 by \$.5 million (4.7%) as compared to amounts paid in 2008. This is likely to residual recessionary economic consequences attributable to the financial credit crisis of 2008. Refunds of contributions decreased in 2008 by \$1.3 million (11.3%) compared to 2007.

Changes in Plan Membership

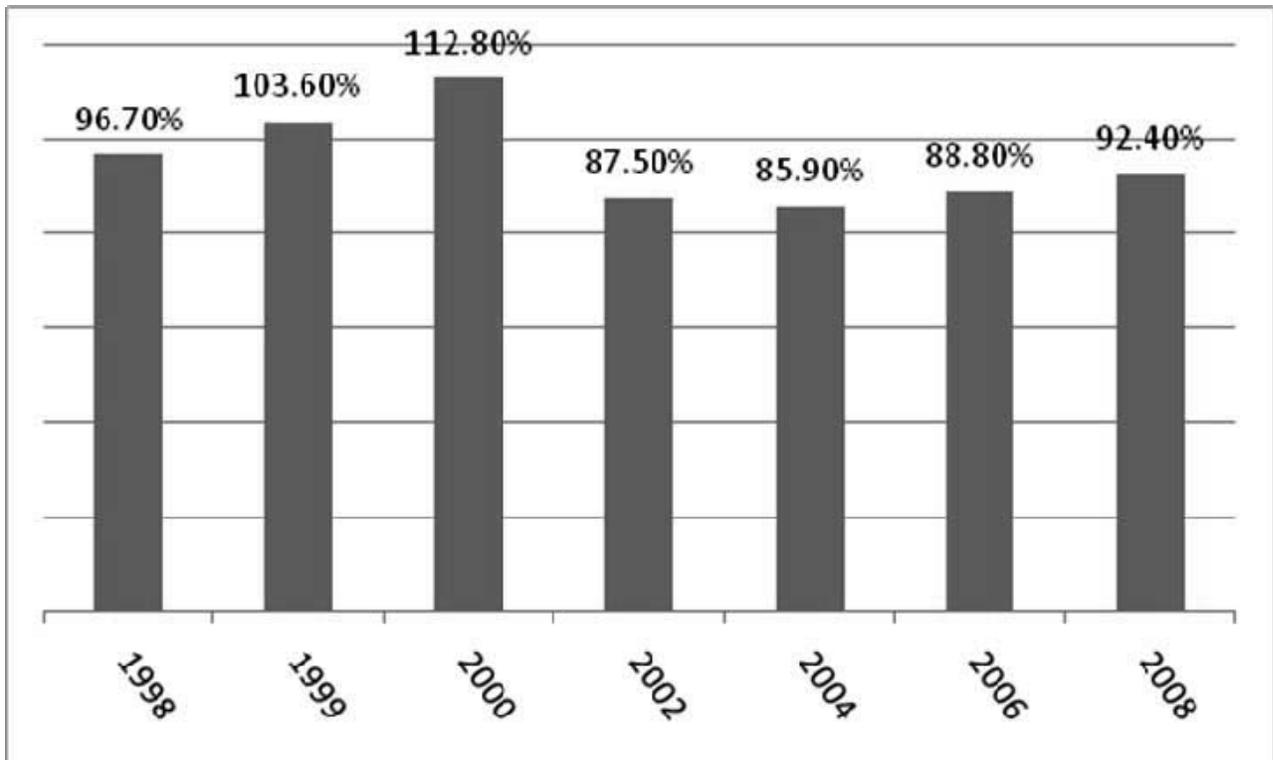
The table below reflects the active membership and retiree changes for the years ended December 31:

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Retirees and Beneficiaries Receiving Benefits	<u>5,304</u>	<u>5,247</u>	1.1%
Current and Terminated Employees Entitled To, But Not Yet Receiving Benefits			
Current Employee Members	9,071	8,793	3.2%
Vested Employee Members	<u>2,006</u>	<u>2,038</u>	(1.6%)
Total	<u>11,077</u>	<u>10,831</u>	

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEARS ENDED DECEMBER 31, 2009 AND 2008**

Funding Status

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



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

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEARS ENDED DECEMBER 31, 2009 AND 2008**

Investment Activities

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

	<u>2009</u>	<u>2008</u>
Total Portfolio	10.8%	(26.8%)
Domestic Equities	29.3%	(38.2%)
Benchmark: Russell 3000 Index	28.3%	(37.3%)
International Equities	36.1%	(43.7%)
Benchmark: MSCE EAFE Index	32.5%	(43.1%)
Fixed Income	19.5%	(4.3%)
Benchmark: Barclays Capital Aggregate	8.6%	2.4%
Real Estate	(31.3%)	(10.6%)
Benchmark: Russell NCREIF Property Index	(16.8%)	(6.5%)
Alternative Investments	14.2%	(16.9%)
Benchmark: Treasury Bills + 5%	3.2%	4.9%
Mezzanine Debt	(39.8%)	(12.9%)
Benchmark: 9% Assumption	9.0%	9.0%
Cash	2.9%	1.2%
Benchmark: 91-Day T-bills	0.2%	0.3%

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

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

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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: RetireCity@seattle.gov or you may mail your questions to:

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

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF PLAN NET ASSETS
DECEMBER 31, 2009 AND 2008

	2009	2008
Assets:		
Cash and equity in pooled investments	\$ 18,347,438	\$ 16,126,337
Short-term investment funds	11,026,863	6,541,602
Securities lending collateral held	36,491,886	69,838,616
Total cash and short-term investments	65,866,187	92,506,555
Receivables:		
Members	1,989,617	3,659,707
Employer	1,332,367	2,886,243
Interest and dividends	1,824,557	2,638,104
Total receivables	5,146,541	9,184,054
Investments, at fair value:		
U.S. Government obligations	178,650,109	93,240,454
Corporate bonds	108,951,282	156,963,787
Domestic stocks	631,591,667	482,487,914
International stocks	305,943,218	225,342,531
Real estate	183,024,765	216,700,592
Alternative/venture capital	159,010,143	163,164,971
Mezzanine debt	57,795,000	123,114,565
Total investments	1,624,966,184	1,461,014,814
Equipment and fixtures, at cost, net of accumulated depreciation of \$201,830 and \$199,212, respectively	2,273	2,618
Total assets	1,695,981,185	1,562,708,041
Liabilities:		
Pensions payable and other	10,245,892	9,887,781
Securities lending obligation	40,437,944	75,393,782
Total liabilities	50,683,836	85,281,563
Net Assets Held in Trust for Pension Benefits	\$ 1,645,297,349	\$ 1,477,426,478

(A schedule of funding progress is presented on page 20)

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF CHANGES IN PLAN NET ASSETS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
ADDITIONS:		
Contributions:		
Employer	\$ 46,650,169	\$ 45,961,040
Member	46,613,886	45,986,139
Total Contributions	93,264,055	91,947,179
Investment Activities:		
Investment Income (Loss):		
Net change in fair value of investments	183,523,735	(639,878,566)
Interest	13,405,079	18,009,176
Dividends	1,127,943	5,543,040
Net Investment Income (Loss)	198,056,757	(616,326,350)
Investment Activity Expenses:		
Investment management fees	(3,015,468)	(3,107,420)
Performance consultant fees	(256,170)	(165,000)
Investment custodial fees	(95,376)	(94,311)
Total Investment Activity Expenses	(3,367,014)	(3,366,731)
Net Income (Loss) from Investment Activities	194,689,743	(619,693,081)
Securities Lending Activities:		
Securities lending income	361,238	3,522,470
Securities lending expenses:		
Borrower rebates	(75,156)	(2,541,728)
Management fees	(70,753)	(244,163)
Total Securities Lending Expenses	(145,909)	(2,785,891)
Net Income From Securities Lending Activities	215,329	736,579
Total Additions (Deductions)	288,169,127	(527,009,323)
DEDUCTIONS:		
Benefits	108,138,820	102,703,230
Refunds of contributions	9,742,691	10,223,415
Administrative expenses	2,416,745	2,035,665
Total Deductions	120,298,256	114,962,310
NET CHANGE	167,870,871	(641,971,633)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS		
Beginning of Year	1,477,426,478	2,119,398,111
End of Year	\$ 1,645,297,349	\$ 1,477,426,478

See accompanying notes.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

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 5,304 retirees and beneficiaries receiving benefits, and 9,071 active members of the System. There are 2,006 terminated employees entitled to future benefits.

The System provides retirement, death, and disability benefits. Retirement benefits vest after five years of credited service, while death and disability benefits vest after 10 years of service. Retirement benefits are calculated as 2% multiplied by years of creditable service, multiplied by average salary, based on the highest 24 consecutive months. The benefit is actuarially reduced for early retirement.

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

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

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

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

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

(Continued)

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

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

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

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

Note 3 - Contributions

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

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

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

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Note 3 - Contributions (Continued)

As of January 1, 2008, the most recent valuation date, the funded status of the fund was 92.4%. The schedule of funding progress, immediately following the notes to the financial statements, presents multi-year trend information about the funded status, actuarial value of assets, and actuarial accrued liability.

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

Valuation date	January 1, 2008
Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	16.2 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return*	7.75%
Projected salary increases*	4.00%
Post-retirement benefit increases	1.50% annual COLA and 65% Restoration of Purchasing Power
Funding progress:	
Actuarial value of assets	\$ 2,119.4 million
Actuarial accrued liability	\$ 2,294.6 million
Unfunded actuarial accrued liability	\$ 175.2 million

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

Note 4 - Cash and Equity in Pooled Investments

The Federal Deposit Insurance Corporation (FDIC) insures the cash deposits up to \$250,000 per member of the System. 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.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Note 5 - Investments

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

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

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

Credit Risk - Credit risk is the risk that an issuer, or other counterparty, to an investment will not fulfill its obligations. In accordance with the System's Investment Policy, the Retirement Board provides each of the System's investment managers with a set of investment guidelines. These guidelines specify eligible investments, minimum diversification standards, and applicable investment restrictions necessary for diversification and risk control. Managers do not have authority to depart from their guidelines.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The System's operational guidelines for investments in any corporate entity are stated in each individual manager's specific portfolio guidelines. In line with policy, the System does not have any investments from a single issuer (excluding explicitly guaranteed governments) that represent more than 5% of the System's net assets.

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

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Note 5 - Investments (Continued)

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

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Note 5 - Investments (Continued)

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

As of December 31, 2009, the fixed income portfolio of the System had the following investment maturities and ratings:

Investment	Fair Value	Investment Maturities (in years)				
		< 1	1 - 5	6 - 10	> 10	
Fixed Income						
U.S. Government	\$ 59,471,245	\$ 9,443,471	\$ 29,994,920	\$ 14,050,161	\$ 5,982,693	
Treasury Notes and Bonds	1,615,568	-	-	-	1,615,568	
Treasury Inflation-Protected Securities	10,891,367	19,000	5,838,749	1,355,798	3,677,820	
Agencies	1,534,678	1,383,980	-	-	150,698	
Municipal						
Mortgage-Backed						
Government Pass Through	56,303,461	17,445,673	247	9,895,011	28,962,530	
Corporate Pass Through	23,219,499	2,751	16,206	340,797	22,859,745	
Government CMO's	3,279,203	-	-	-	3,279,203	
Corporate						
Bonds	80,235,784	23,428,211	22,001,224	23,961,298	10,845,051	
Asset-Backed	20,366,121	1,017,806	10,746,942	2,147,973	6,453,400	
Private Placements	9,921,694	146,200	5,146,255	2,574,349	2,054,890	
CDO's and CLO's	7,977,874	-	16,395	4,960,489	3,000,990	
Foreign Sovereign						
Bonds	2,523,178	1,326,978	449,492	545,798	200,910	
	<u>\$ 277,339,672</u>	<u>\$ 54,214,070</u>	<u>\$ 74,210,430</u>	<u>\$ 59,831,674</u>	<u>\$ 89,083,498</u>	

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Note 6 - Securities Lending Transactions

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

Under the authority of State of Washington RCW 41.28.005 and the Seattle Municipal Code 4.36.130, the System's Board of Administration adopted investment policies that define eligible investments, which include securities lending transactions. Through a custodial agent, the System participates in a securities lending program whereby securities are loaned for the purpose of generating additional income to the System. The System lends securities from its investment portfolio on a collateralized basis to third parties, primarily financial institutions. The market value of the required collateral must meet or exceed 102% of the market value of the securities loaned, providing a margin against a decline in the market value of the collateral. The contractual agreement with the System's custodian provides indemnification in the event the borrower fails to return the securities lent or fails to pay the System income distribution by the securities' issuers while the securities are on loan. Cash and U.S. government securities were received as collateral for these loans. The System invests cash collateral received; accordingly, investments made with cash collateral appear as an asset. In 2009, the custodian has been instructed to limit the volume of securities that can be lent to less than \$75 million. A corresponding liability is recorded as the System must return the cash collateral to the borrower upon the expiration of the loan.

As of December 31, 2009, the value of cash collateral received exceeded the fair value of collateral held by the System totaled approximately \$3.9 million. As of the financial statement report date, the System continues to hold the investments in these securities and the fair value of collateral held continues to be below the value of cash collateral received balance.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Note 6 - Securities Lending Transactions (Continued)

	2009		2008	
	Fair Value of Securities Lent	Collateral	Fair Value of Securities Lent	Collateral
Types of Securities Lent				
U.S. Government and Agencies	\$ 14,597,822	\$ 14,911,180	\$ 11,359,914	\$ 11,691,164
U.S. Corporate Fixed Income	1,211,466	1,228,985	9,809,779	10,043,177
U.S. Equities	23,557,576	24,297,779	53,017,833	53,659,441
Total Securities Lent	\$ 39,366,864	\$ 40,437,944	\$ 74,187,526	\$ 75,393,782
		2009		2008
Collateral Report				
U.S. Corporate Obligations		\$ 20,500,000		\$ 22,500,291
Bank Obligations		5,535,035		11,000,000
Repurchase Agreements		1,875,000		8,428,000
Asset Backed Securities		7,650,909		9,465,606
Certificates of Deposits		4,877,000		23,999,885
Total Collateral		\$ 40,437,944		\$ 75,393,782
Fair Value of Collateral Held		\$ 36,491,886		\$ 69,838,616

Note 7 - Commitments

The System has entered into capital commitments to fund partnership interests in certain mezzanine debt and alternative investments. At December 31, 2009, the System has unfunded commitments of approximately \$26.4 million to these partnerships.

REQUIRED SUPPLEMENTARY INFORMATION

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS
(Dollar Amounts in Millions)
YEAR ENDED DECEMBER 31, 2009

Actuarial Valuation Date January 1	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) - Entry Age ¹ (b)	Unfunded AAL (UAAL) ² (b-a)	Funded Ratio (a/b)	Covered Payroll ³ (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2000	\$ 1,582.7	\$ 1,403.1	\$ (179.6)	112.8%	\$ 383.6	(46.8%)
2001 ⁴	\$ 1,493.1	\$ 1,490.3	\$ (2.8)	100.2%	\$ 405.0	(0.7%)
2002	\$ 1,383.7	\$ 1,581.4	\$ 197.7	87.5%	\$ 405.1	48.8%
2004	\$ 1,527.5	\$ 1,778.9	\$ 251.4	85.9%	\$ 424.7	59.2%
2006	\$ 1,791.8	\$ 2,017.5	\$ 225.7	88.8%	\$ 447.0	50.5%
2008	\$ 2,119.4	\$ 2,294.6	\$ 175.2	92.4%	\$ 501.9	34.9%

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 These amounts were provided by an actuarial study, rather than a full valuation.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(Dollar Amounts in Millions)
YEAR ENDED DECEMBER 31, 2009

<u>Year Ended December 31</u>	<u>Actual Employer Contributions</u>	<u>Percentage Contributed</u>
2004	\$ 36.7	100%
2005	\$ 35.9	100%
2006	\$ 37.9	100%
2007	\$ 40.3	100%
2008	\$ 46.0	100%
2009	\$ 46.6	100%

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, 2009 AND 2008

	Budget 2009	Actual Expenses	
		2009	2008
Personnel Services			
Salaries	\$ 1,009,192	\$ 758,830	\$ 767,418
Payroll Taxes and Benefits	311,313	255,545	249,921
Total Personnel Services	1,320,505	1,014,375	1,017,339
Maintenance and Operations			
Professional Services	256,269	393,623	192,323
Office Rent	160,290	153,696	142,510
Data Processing	770,758	681,322	536,955
Office Supplies	159,224	88,815	61,341
Postage	55,000	40,093	34,356
Telephone	34,000	20,171	18,149
Travel	42,000	13,638	18,534
Training	30,464	10,667	13,813
Depreciation	-	345	345
Total Maintenance and Operations	1,508,005	1,402,370	1,018,326
 Total Administrative Expenses	 \$ 2,828,510	 \$ 2,416,745	 \$ 2,035,665

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT EXPENSES
YEAR ENDED DECEMBER 31, 2009

Investment Services	
Advent Capital	\$ 79,387
Calmos	118,120
Capital Management	82,019
Dimensional	473,961
Earnest	193,398
Evergreen	161,669
Maxam Cap	109,620
Attucks Cap	403,408
BlackRock	232,114
Pugh	66,464
JP Morgan	512,878
Reams Asset Management	129,942
Washington Capital Management	104,021
Western Asset Management	348,467
	<u>3,015,468</u>
Performance Measurement	
Pension Consulting Alliance	256,170
Custodial Services	
Bank of New York Mellon	95,376
Securities Lending Services	
Bank of New York Mellon	145,909
	<u>145,909</u>
Total Investment Expenses	<u><u>\$ 3,512,923</u></u>

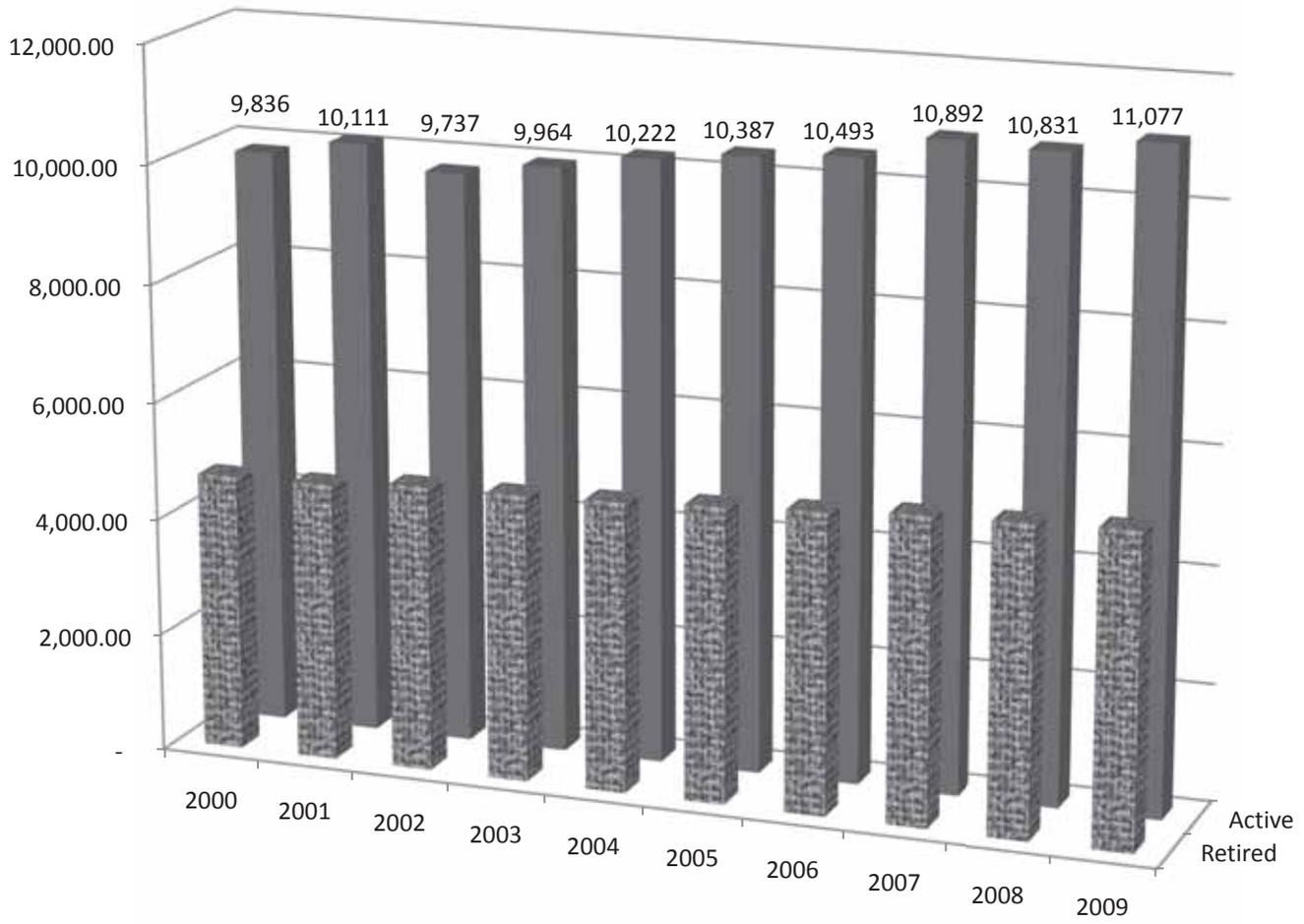
ACTUARIAL

MILLIMAN

Actuarial Valuation

Membership - Active and Retired

■ Retired
■ Active



Seattle City Employees' Retirement System



Actuarial Valuation (As of January 1, 2008)

By

Nick J. Collier

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





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June 3, 2008

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, 2008. This report reflects the benefit provisions and contribution rates in effect as of January 1, 2008. The one material change since the prior valuation (January 1, 2008) is the reflection of the new COLA provisions that became effective in 2007. New assumptions were also recently adopted, although they only had a minor impact.

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. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Actuarial Standards of Practice promulgated by the Actuarial Standards Board and the applicable Guides to Professional Conduct, amplifying Opinions, and supporting Recommendations of the American Academy of Actuaries.

We further certify that all costs, liabilities, rates of interest, and other factors for SCERS have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of SCERS and reasonable expectations) and which, in combination, offer our best estimate of anticipated experience affecting SCERS. Nevertheless, the emerging costs will vary from those presented in this report to the extent that actual experience differs from that projected by the actuarial assumptions. The Retirement Board has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix A.

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.

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 this purpose 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's funding requirements as stated under their Interim Funding Policy, the Retirement Benefit Enhancement Agreement, and of GASB Statement No. 25. 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 product was prepared exclusively for SCERS for a specific and limited purpose. It is a complex, technical analysis that assumes a high level of knowledge concerning SCERS's operations, and uses SCERS's data, which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its own specific needs.

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

I, Nick Collier, am a member of the American Academy of Actuaries and an Associate of the Society of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,



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

NJC/nlo

Seattle City Employees' Retirement System Actuarial Valuation

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

Seattle City Employees' Retirement System Actuarial Valuation

Section 1 Summary of the Findings



Contribution Sufficiency

Based on the actuarial valuation of the benefits in effect under the Seattle City Employees' Retirement System as of January 1, 2008, the current employer contribution rate, 8.03% of members' salaries, is sufficient to maintain current benefits, assuming future experience follows the actuarial assumptions. Note that the valuation does not reflect any asset losses that have occurred in 2008.

The combined contribution rate of 16.06% includes a small amount that, together with the required \$12 annual employee and \$12 matching employer contribution, finances the \$2,000 death benefit program.

Funding Progress

On the basis of the January 1, 2006 actuarial valuation the funding ratio was 88.8%. Based on the January 1, 2008 valuation, the funding ratio is 92.4%. The increase in the funding ratio resulted from the difference between actual and expected experience over the past two years, primarily asset returns greater than the assumed rate of return. This was somewhat offset by the reflection of the new COLA provisions that became effective in 2007. A summary of the historical funding ratio and other measurements are shown on Graph 1 and 2.

All assumptions for the January 1, 2008 actuarial valuation are the same as those used for both the January 1, 2006 actuarial valuation, except for minor changes in the termination rates, probabilities of refund, retirement rates, merit salary scale, and administrative expense assumption that were adopted by the Board earlier this year.

A summary of all changes in the funding ratio is shown below.

Sources of Change	Funding Ratio
January 1, 2006 Actuarial Valuation	88.8%
Expected Year-to-Year Change	1.9%
Asset Gain/Loss	3.8%
Salary Variation	-0.6%
New COLA Provisions	-2.0%
Assumption Changes	0.2%
Other	0.3%
Total Change	3.6%
January 1, 2008 Actuarial Valuation	92.4%

Summary Exhibit

A summary of the key results of this valuation, along with a comparison to the January 1, 2006 valuation is shown in Table 1.

Impact of Contingent COLA

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, we have not included it in the valuation. However, in Section 8, we have shown the hypothetical cost impact if the increased benefits had been in effect on the valuation date.

Note that this valuation does reflect the revised COLA provisions (1.5% compounding COLA for all members and retirees and a 65% Floor COLA) that became effective based on the special April 30, 2007 actuarial valuation.

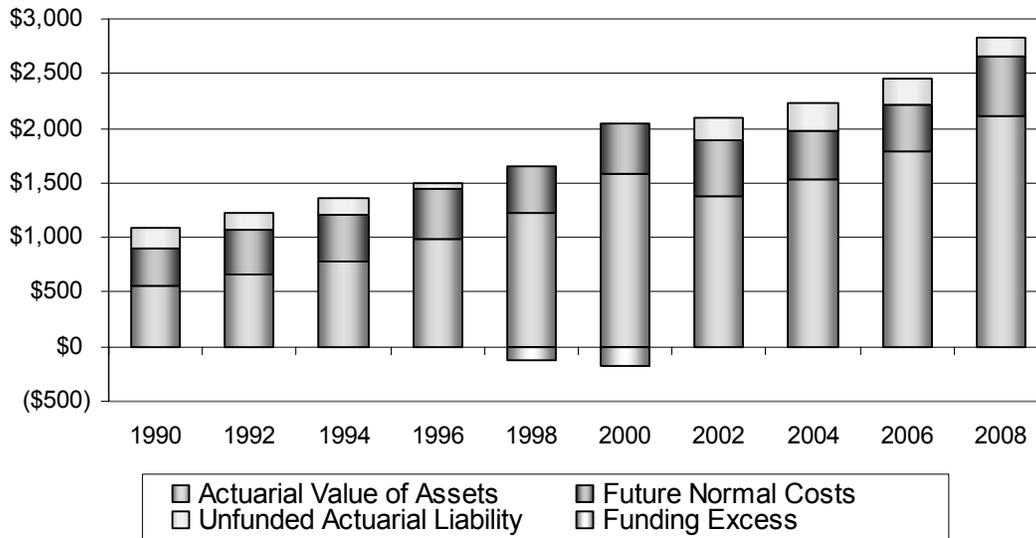
Seattle City Employees' Retirement System Actuarial Valuation

Table 1 Summary of Results

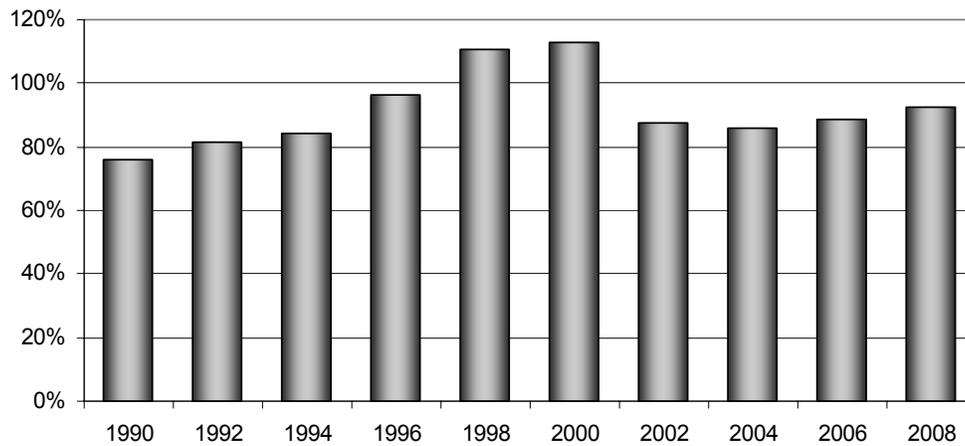
	January 1, 2008	January 1, 2006	Percentage Change
I. Total Membership			
A. Active Members	8,842	8,521	3.8%
B. Retired Members & Beneficiaries	5,201	5,011	3.8%
C. Vested Terminated Members	<u>2,050</u>	<u>1,866</u>	9.9%
D. Total	16,093	15,398	4.5%
II. Pay Rate as of January 1, 2008			
A. Annual Total (\$millions)	\$ 529.1	\$ 468.1	13.0%
B. Annual Average	\$ 59,835	\$ 54,934	8.9%
III. Average Monthly Benefit Paid to Current Retirees and Beneficiaries			
A. Service Retirement	\$ 1,781	\$ 1,576	13.0%
B. Disability Retirement	1,090	977	11.6%
C. Surviving Spouse and Dependents	<u>1,057</u>	<u>849</u>	24.5%
D. Total	\$ 1,647	\$ 1,397	17.9%
IV. Actuarial Accrued Liability			
A. Active Members	\$ 1,209.7	\$ 1,115.3	8.5%
B. Retired Members	959.9	796.6	20.5%
C. Vested Terminated Members	<u>125.0</u>	<u>105.6</u>	18.3%
D. Total	\$ 2,294.6	\$ 2,017.5	13.7%
V. Assets			
A. Market Value of Fund (\$millions)	\$ 2,119.4	\$ 1,791.8	18.3%
VI. Unfunded Actuarial Accrued Liability or Surplus Funding (\$millions)	\$ 175.2	\$ 225.7	(22.4)%
VII. Amortization Period	16.2 years	18.0 years	
VIII. Funded Ratio	92.4%	88.8%	4.0%
IX. Normal Cost as a Percent of Salary	13.32%	12.50%	6.6%

Seattle City Employees' Retirement System Actuarial Valuation

Graph 1 Historical Asset and Liability Comparison



Graph 2 Historical Funding Ratios



Year	(in Millions)				Funding Ratio
	PVB	Assets	PVFNC	UAAL	
1990	\$1,087.5	\$558.8	\$349.6	\$179.1	75.7%
1992	1,221.2	660.0	410.7	150.5	81.4%
1994	1,358.9	781.8	432.7	144.4	84.4%
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%

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, 2008.

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 the hypothetical cost impact of the contingent COLA benefits, had they been in effect on the valuation date.

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, 2008, 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, 2008. On that date, the assets available for the payment of benefits are appraised. These assets are compared with the actuarial liabilities, which are generally well in excess of the assets. The actuarial process thus leads to a method of determining what contributions by members and their employers are needed to strike a balance.

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

Table 2 summarizes the financial resources of the System on January 1, 2008. Of the total assets, a minor portion is set aside for the payment of current liabilities and expenses. Table 2 shows the market value of assets at January 1, 2008 and January 1, 2006. The actuarial value of assets is equal to the market value.

Seattle City Employees' Retirement System Actuarial Valuation

Table 2 Summary of Assets

	January 1, 2008		January 1, 2006	
	Market Value	Distribution	Market Value	Distribution
Assets				
Cash and short-term investments	81,770,726	3.9%	92,342,495	4.6%
Securities lending collateral	103,323,467	4.9%	145,097,240	7.2%
Receivables				
Employee	1,029,194	0.0%	1,181,695	0.1%
Employer	4,387,860	0.2%	3,929,995	0.2%
Interest and Dividends	2,615,783	0.1%	2,328,299	0.1%
Total Receivables	8,032,837	0.4%	7,439,989	0.4%
Investments at fair value				
US Government obligations	134,906,565	6.4%	139,700,403	6.9%
Domestic corporate bonds	102,791,739	4.9%	71,833,915	3.6%
Domestic stocks	763,843,752	36.0%	970,965,137	48.3%
International stocks	402,965,990	19.0%	212,328,995	10.6%
Real estate	286,646,176	13.5%	237,796,406	11.8%
Alternative/Venture capital	233,789,609	11.0%	199,070,322	9.9%
Mezzanine debt	114,462,620	5.4%	88,390,057	4.4%
Total investments	2,039,406,451	96.2%	1,920,085,235	95.5%
Equipment	2,963	0.0%	3,308	0.0%
Total assets	2,232,536,444	105.3%	2,164,968,267	107.6%
Liabilities				
Pensions payable	7,586,549	-0.4%	6,398,172	-0.3%
Other payables	2,228,317	-0.1%	2,319,228	-0.1%
Securities lending collateral	103,323,467	-4.9%	145,097,240	-7.2%
Total Liabilities	113,138,333	-5.3%	153,814,640	-7.6%
Market Value of Net Assets Held in Trust For Pension Benefits				
	2,119,398,111	100.0%	2,011,153,627	100.0%

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, 2008. In this section, the discussion will focus on the commitments of the System, which will be referred to as its actuarial liabilities.

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

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

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

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

	January 1, 2008	January 1, 2006
A. Active Members		
Service Retirement	\$ 1,619.6	\$ 1,423.8
Vested Retirement	47.1	38.1
Disability Retirement	12.9	11.7
Survivor Benefits	27.3	24.4
Refund of Member Contributions	34.0	48.3
Total	\$ 1,740.9	\$ 1,546.3
 B. Inactive Members and Annuitants		
Service Retirement	\$ 864.0	\$ 718.8
Disability Retirement	9.4	7.0
Beneficiaries	86.5	70.8
Vested Terminated Members	125.0	105.6
Total	\$ 1,084.9	\$ 902.2
 C. Grand Total		
	\$ 2,825.8	\$ 2,448.5

Seattle City Employees' Retirement System Actuarial Valuation

Section 5 Employer Contributions



Funding

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

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

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

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

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

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

Actuarial Gains and Losses

Because a UAAL exists, the total System costs must reflect an amortization of this UAAL. In general, a UAAL exists when liabilities increase more than anticipated or assets increase less than anticipated. Both have occurred as benefits were recently improved and investment returns fell significantly short of expectations earlier in this decade.

When experience is different from actuarial expectation, an actuarial gain or loss occurs. Section 7 illustrates the historical actuarial gains and losses by source. Note that the strong investment return during 2006 and 2007 resulted in an actuarial gain of \$97 million. Ongoing actuarial gains and losses decrease and increase the UAAL.

Amortization of UAAL

Table 6 compares the 16.06% total contribution rate with the necessary funding components: normal cost and amortization of UAAL. The table shows that the total contribution rate exceeds the normal cost, with the remaining contribution going toward an amortization of the UAAL. The resulting amortization payment of 2.74% results in an amortization period of 16.2 years from January 1, 2008.

The current Retirement Board funding policy states that “if the Funding Ratio is less than 100% and a UAAL occurs which can not be amortized over a period of less than 20 years by the combined total contribution rates, additional employer contributions may be considered.” The remaining amortization period is now 18.0 years.

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

Table 4 Normal Cost Contribution Rates as Percentages of Salary

	<u>January 1, 2008</u>	<u>January 1, 2006</u>
Service Retirement	10.23 %	9.21 %
Vested Retirement	1.00	0.82
Disability Retirement	0.17	0.16
Survivor Benefits	0.21	0.15
Refund of Member Contributions	1.31	1.81
Administrative Expenses	<u>0.40</u>	<u>0.35</u>
Total	13.32 %	12.50 %

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

Table 5 Unfunded Actuarial Accrued Liability

(All dollar amounts in millions)

	January 1, 2008	January 1, 2006
A. Actuarial present value of all future benefits for present and former members and their survivors (Table 3)	\$ 2,825.8	\$ 2,448.5
B. Less actuarial present value of total future normal costs for present members	531.2	431.0
C. Actuarial accrued liability [A - B]	\$ 2,294.6	\$ 2,017.5
D. Less actuarial value of assets available for benefits (Table 2)	2,119.4	1,791.8
E. Unfunded actuarial accrued liability (Funding Excess, if negative) [C - D]	\$ 175.2	\$ 225.7
F. Funding Ratio [D ÷ C]	92.4%	88.8%

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

Table 6 Recommended Contribution Rates as Percentages of Salary

	<u>January 1, 2008</u>	<u>January 1, 2006</u>
A. Employer contribution rate	8.03 %	8.03 %
B. Member contribution rate	<u>8.03</u>	<u>8.03</u>
C. Total contribution rate	16.06 %	16.06 %
D. Less total normal cost rate	<u>13.32</u>	<u>12.50</u>
E. Excess of contribution rate over normal cost rate	2.74 %	3.56 %
F. Amortization period	16.2 years	18.0 years
G. Allocation of employer contribution rate*		
Normal cost	5.29 %	4.47 %
Amortization payment	<u>2.74</u>	<u>3.56</u>
Total employer contribution rate	8.03 %	8.03 %



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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 included certain supplementary information:

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

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

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

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

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

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

For Fiscal Year Ending December 31, 2007
Based on January 1, 2006 Valuation

	Fiscal Year Ended December 31	
	2006	2007
1a Total Normal Cost Rate	12.50%	12.50%
1b Employee Contribution Rate	8.03%	8.03%
1c Employer Normal Cost Rate (1a - 1b)	<u>4.47%</u>	<u>4.47%</u>
2a Total Employer Contribution Rate	8.03%	8.03%
2b Amortization Payment Rate (2a - 1c)	3.56%	3.56%
2c Amortization Period	18.0	18.0
2d GASB 27 Amortization Rate	3.56%	3.56%
3 Total Annual Required Contribution (ARC) Rate (1c + 2d)	8.03%	8.03%
4 Covered Employee Payroll**	472,470,212	501,861,843
5a ARC (3 x 4)	37,939,358	40,299,506
5b Interest on Net Pension Obligation (NPO)	(6,049,964)	(6,064,263)
5c ARC Adjustment	<u>5,865,455</u>	<u>5,879,319</u>
5d Annual Pension Cost (APC) (5a + 5b + 5c)	<u>37,754,849</u>	<u>40,114,562</u>
6 Employer Contribution	37,939,358	40,299,506
7a Change in NPO (5d - 6)	(184,509)	(184,944)
7b NPO at Beginning of Year	<u>(78,064,047)</u>	<u>(78,248,556)</u>
7c NPO at End of Year (7a + 7b)	<u>(78,248,556)</u>	<u>(78,433,500)</u>

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

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

Seattle City Employees' Retirement System Actuarial Valuation

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

Actuarial Valuation Date January 1	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

⁽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 9 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)	(D)		(A)	(B)	(C)
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

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

Seattle City Employees' Retirement System Actuarial Valuation

Table 10 Schedule of Employer Contributions
(All dollar amounts in millions)

Fiscal Year Ending December 31	Covered Employee Payroll ⁽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

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

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

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

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Contribution as a Percentage of APC</u>	<u>Net Pension Obligation (NPO)</u>
December 31, 2003	31,882,527	107%	74,500,706
December 31, 2004	34,920,836	105%	76,261,567
December 31, 2005	34,094,865	105%	78,064,047
December 31, 2006	37,754,849	100%	78,248,556
December 31, 2007	40,114,562	100%	78,433,500

Seattle City Employees' Retirement System Actuarial Valuation

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

<u>Fiscal Year Ending</u>	<u>ARC at EOY</u>	<u>Interest on NPO</u>	<u>ARC Adjustment</u>	<u>Annual Pension Cost (APC)</u>	<u>Total Employer Contributions</u>	<u>Change in NPO</u>	<u>NPO Balance</u>	<u>Gain/Loss</u>	<u>Amort. Factor</u>	<u>Amort. Of Gain/Loss</u>	<u>Ending Balance</u>
December 31, 2003	34,100,457	(5,744,603)	3,556,673	31,882,527	34,200,693	(2,318,166)	(74,500,706)	(100,236)	19.05650	(3,556,673)	(74,500,706)
December 31, 2004	36,681,697	(5,773,805)	4,012,944	34,920,836	36,681,697	(1,760,861)	(76,261,567)	-	18.49780	(4,012,944)	(76,261,567)
December 31, 2005	35,897,345	(5,910,271)	4,107,791	34,094,865	35,897,345	(1,802,480)	(78,064,047)	-	18.49780	(4,107,791)	(78,064,047)
December 31, 2006	37,939,358	(6,049,964)	5,865,455	37,754,849	37,939,358	(184,509)	(78,248,556)	-	13.30912	(5,865,455)	(78,248,556)
December 31, 2007	40,299,506	(6,064,263)	5,879,319	40,114,562	40,299,506	(184,944)	(78,433,500)	-	13.30912	(5,879,319)	(78,433,500)

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

Amortization Method: Level Percentage of Projected Payroll.



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San Mateo County Employees' Retirement Association

Section 7 Actuarial Gains or Losses



An analysis of actuarial gains or losses was performed in conjunction with the January 1, 2004, January 1, 2006 and January 1, 2008 actuarial valuations.

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

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

Seattle City Employees' Retirement System Actuarial Valuation

Table 13 Analysis of Actuarial Gains or Losses

(All dollar amounts in millions)*

	Gain (Loss) for Period		
	2006-2007	2004-2005	2002-2003
Investment Income. Investment income was greater (less) than expected.	\$93.7	\$ 54.5	\$ (64.0)
Pay Increases. Pay increases were less (greater) than expected.	(15.2)	23.0	16.1
Age and Service Retirements. Members retired at older (younger) ages or with less (greater) final average pay than expected.	2.8	(6.2)	(14.5)
Disability Retirements. Disability claims were less (greater) than expected.	(0.4)	(0.3)	(0.5)
Death-in-Service Benefits. Survivor claims were less (greater) than expected.	0.0	0.9	(0.5)
Withdrawal from Employment. More (less) reserves were released by withdrawals than expected.	7.4	(8.1)	14.0
Death after Retirement. Retirees died younger (lived longer) than expected.	<u>(12.8)</u>	<u>(8.3)</u>	<u>0.4</u>
Total Gain or (Loss) during Period from Financial Experience.	\$75.6	\$ 55.5	\$ (49.0)
Nonrecurring Items:			
Changes in actuarial assumptions and plan amendments caused a gain (loss).	(43.6)	(17.9)	(0.9)
Change in actuarial asset valuation method caused a gain (loss).	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Composite Gain (Loss) during Period.	\$32.0	\$ 37.6	\$ (49.9)

* 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 Impact of Future Contingent COLAS



As discussed in Section 1, increased Cost-of-Living Adjustments (COLA's) will become effective when the funding ratio increases to a certain level. Since it is unknown at what point in the future this will occur, the cost of these COLA's is not included in the actuarial valuation. To give the Board an idea of the potential impact of these changes, Table 14 shows the cost if these adjustments were to have been adopted on January 1, 2008. The actual cost will vary depending on when the System reaches the required level of funding.

When the System reaches the 100% funding ratio, the 70% Floor COLA will become effective.

Seattle City Employees' Retirement System Actuarial Valuation

Table 14 **Summary of Impact of Future Contingent COLAs**
(All dollar amounts in millions)

	January 1, 2008 Actuarial Valuation	
	Current Provisions	With Potential Change
Floor COLA	65%	70%
Funding Ratio Threshold	N/A	100%
Normal Cost Rate (with Expenses)	13.32%	13.41%
<i>Change from valuation</i>		0.09%
Actuarial Accrued Liability	\$2,294.6	\$2,324.8
<i>Change from valuation</i>		\$30.2

NOTE: The information shown above is based on the benefit provisions that were adopted by the City Council but which will not become effective until SCERS reaches a 100% Funding Ratio. This information is for disclosure purposes only and assumes that the benefits were effective on January 1, 2008.

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 May, 2008 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	At the time of this valuation, the total employer contribution rate for normal costs and amortization of the UAAL was 8.03% of members' salaries.
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	All assets are valued at market as of the valuation date, January 1, 2008.
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: <ul style="list-style-type: none">■ 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%.

Postretirement Benefit Increases (continued)	Additional contingent COLA increases that were adopted in 2001, but not 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 is assumed to accrue at a rate of 5.75% per annum, compounded annually.

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.

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Table A-1 Summary of Valuation Assumptions as of January 1, 2008

I. Economic assumptions		
A. Price inflation		3.50%
B. General wage increases		4.00
C. Investment return		7.75
D. Increase in membership		0.00
E. Interest on member accounts		5.75
II. Demographic assumptions		
A. Salary increases due to promotion and longevity		Table A-2
B. Retirement		Table A-3
C. Disablement		Table A-4
D. Mortality among contributing members		Table A-5
Men	50% of the rates from the 1994 Group Annuity Mortality (GAM) Table for Males, with ages set forward one year.	
Women	75% of the rates from the 1994 GAM Table for Females, with ages set forward one year.	
E. Mortality among service retired members and beneficiaries		Table A-5
Men	1994 GAM Table for Males, with ages set forward one year.	
Women	1994 GAM Table for Females, with no age adjustment.	
F. Mortality among disabled members		Table A-5
	1992 Railroad Retirement Board Disabled Annuitants Ultimate Mortality Table, with ages set back four years (minimum rate of 2%).	
G. Other terminations of employment		Table A-6
H. Probabilities of vesting on termination		Table A-7

**Seattle City Employees' Retirement System
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Table A-2 Future Salaries

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

Seattle City Employees' Retirement System Actuarial Valuation

Table A-3 Retirement

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

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

Seattle City Employees' Retirement System Actuarial Valuation

Table A-4 Disablement*

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

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

Seattle City Employees' Retirement System Actuarial Valuation

Table A-5 Mortality

Age	Annual Probability				
	Contributing Members		Members Retired for Service and Beneficiaries of Members		Disabled Members
	Men	Women	Men	Women	Men & Women
22	.03%	.02%	.06%	.03%	2.00%
27	.04	.02	.08	.03	2.00
32	.04	.03	.08	.04	2.00
37	.05	.04	.09	.06	2.00
42	.07	.07	.14	.08	2.00
47	.11	.09	.21	.11	2.00
52	.18	.14	.36	.17	2.00
57	.32	.25	.63	.29	2.00
62	.58	.50	1.15	.58	2.00
67	1.00	.89	1.99	1.08	3.40
72	N/A	N/A	3.12	1.65	5.52
77	N/A	N/A	5.02	2.84	8.56
82	N/A	N/A	8.25	4.92	12.75
87	N/A	N/A	12.70	8.40	18.30
92	N/A	N/A	19.84	14.20	25.43

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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	11.0%	13.0%
1 to 2	10.0	12.0
2 to 3	9.0	10.0
3 to 4	8.0	9.0
4 to 5	7.0	8.0
5 to 6	6.0	7.0
6 to 7	5.3	6.3
7 to 8	4.6	5.7
8 to 9	4.0	5.1
9 to 10	3.5	4.5
10 to 11	3.1	4.0
11 to 12	2.8	3.5
12 to 13	2.5	3.0
13 to 14	2.3	2.6
14 to 15	2.0	2.3
15 to 16	1.8	2.0
16 to 17	1.6	1.8
17 to 18	1.4	1.5
18 to 19	1.3	1.3
19 to 20	1.1	1.1
20 to 21	1.0	1.0
21 to 22	0.9	0.9
22 to 23	0.9	0.9
23 to 24	0.8	0.8
24 to 25	0.8	0.8
25 to 26	0.7	0.7
26 to 27	0.7	0.7
27 to 28	0.6	0.6
28 to 29	0.6	0.6
29 to 30	0.5	0.5
30 and up	0.5	0.5

Seattle City Employees' Retirement System Actuarial Valuation

Table A-7 Probability of Refund

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

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

Seattle City Employees' Retirement System Actuarial Valuation

Appendix B Provisions of Governing Law



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

Effective Date

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

Members' Contribution Rate

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

City Contribution Rate

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

Final Compensation

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

Service Retirement

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; or
- (d) age 65 or older with 5 years of service.

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

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

Maximum Allowance The retirement allowance of any member shall be limited to 60% of final compensation.

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)

Disability Retirement	<i>Eligibility</i>	Ten years of service credited within the 15 years preceding disability retirement. If disablement occurs in the course of City employment, there is no service requirement.
	<i>Normal Form</i>	Modified cash refund annuity. An optional survivor's benefit is available if the spouse is the beneficiary.
	<i>Amount of Allowance</i>	The total monthly disability allowance is the greater of: <ul style="list-style-type: none"> (a) 1.5% times final compensation times completed years of creditable service; and (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.
	<i>Maximum Allowance</i>	The maximum disability allowance is 60% of final compensation.
	<i>Minimum Allowance</i>	The minimum disability allowance is \$140 per month. (Sections 4.36.220 and 4.36.230)

Death Benefits	<i>Retired Members</i>	Death benefits to retired members are payable according to the form of retirement allowance elected.
	<i>Active Members</i>	<ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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. <p style="text-align: center;">(Section 4.36.270)</p>

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

Seattle City Employees' Retirement System Actuarial Valuation

Appendix C Valuation Data



This valuation is based upon the membership of the system as of January 1, 2007. 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. There are 2,050 such members.

**Seattle City Employees' Retirement System
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Table C-1 Summary of Membership Data

	Contributing Members			Annuitants		
	<u>Number</u>	<u>Annual Salaries (\$1,000)</u>	<u>Average Annual Salaries</u>	<u>Number</u>	<u>Annual Benefits (\$1,000)</u>	<u>Average Annual Benefits</u>
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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Inactive Lives

Table C-2 Members Receiving Service Retirement Benefits as of January 1, 2008

	<50	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90+	Totals
Number of Persons											
Male	0	27	206	490	479	423	319	326	291	102	2,663
Female	1	25	185	315	248	200	163	166	160	104	1,567
Total	1	52	391	805	727	623	482	492	451	206	4,230
Annual Benefits in Thousands											
Male	0	837	6,311	13,947	12,221	9,236	6,730	6,512	5,009	1,557	62,360
Female	18	681	5,197	7,256	4,657	3,463	2,435	1,951	1,523	883	28,064
Total	18	1,518	11,508	21,203	16,878	12,699	9,165	8,463	6,532	2,440	90,424
Average Annual Benefits											
Male		31,000	30,636	28,463	25,514	21,835	21,097	19,975	17,213	15,265	23,417
Female	18,000	27,240	28,092	23,035	18,778	17,315	14,939	11,753	9,519	8,490	17,909
Total	18,000	29,192	29,432	26,339	23,216	20,384	19,015	17,201	14,483	11,845	21,377



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**Seattle City Employees' Retirement System
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Inactive Lives

Table C-3 Members Receiving Disability Retirement Benefits as of January 1, 2008

	<50	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90+	Totals
Number of Persons											
Male	1	4	3	6	4	4	4	6	4	2	38
Female	4	11	6	1	4	2	2	0	3	1	34
Total	5	15	9	7	8	6	6	6	7	3	72
Annual Benefits in Thousands											
Male	26	59	43	86	43	44	49	51	36	16	453
Female	52	196	125	8	37	21	22	0	22	6	489
Total	78	255	168	94	80	65	71	51	58	22	942
Average Annual Benefits											
Male	26,000	14,750	14,333	14,333	10,750	11,000	12,250	8,500	9,000	8,000	11,921
Female	13,000	17,818	20,833	8,000	9,250	10,500	11,000		7,333	6,000	14,382
Total	15,600	17,000	18,667	13,429	10,000	10,833	11,833	8,500	8,286	7,333	13,083



This work product was prepared solely for SCERS for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to C-4 benefit and assumes no duty or liability to other parties who receive this work.

**Seattle City Employees' Retirement System
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Inactive Lives

Table C-4 Survivors Receiving Retirement Benefits as of January 1, 2008*

	<50	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90+	Totals
Number of Persons											
Male	0	7	3	4	7	1	6	2	7	3	40
Female	9	11	23	45	37	53	100	166	191	152	787
Total	9	18	26	49	44	54	106	168	198	155	827
Annual Benefits in Thousands											
Male	0	93	30	83	61	9	55	16	42	17	406
Female	110	177	319	738	486	839	1,271	2,181	2,276	1,495	9,892
Total	110	270	349	821	547	848	1,326	2,197	2,318	1,512	10,298
Average Annual Benefits											
Male		13,286	10,000	20,750	8,714	9,000	9,167	8,000	6,000	5,667	10,150
Female	12,222	16,091	13,870	16,400	13,135	15,830	12,710	13,139	11,916	9,836	12,569
Total	12,222	15,000	13,423	16,755	12,432	15,704	12,509	13,077	11,707	9,755	12,452

* In addition, 27 male survivors are receiving \$312,743 and 45 female survivors are receiving \$781,819 in Option B or Option C benefits for a certain period only.



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**Seattle City Employees' Retirement System
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Active Lives

Table C-5 Distribution of Employees and Salaries as of January 1, 2008

Number of Employees - By Age Group - Males

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		22	47	37	34	34	24	23	10	10	2		243
1	1	32	62	66	50	42	34	38	25	9	2	2	363
2	1	11	37	38	54	41	35	27	24	11	3		282
3-4		13	46	65	82	73	81	55	33	17	5	2	472
5-9		3	38	121	160	196	186	180	134	67	20	7	1,112
10-14			1	9	79	106	100	119	84	43	17	7	565
15-19					14	82	133	145	113	64	15	8	574
20-24					12	12	70	117	141	53	14	5	412
25-29					1		47	112	126	59	10	1	356
30-34							5	45	65	61	12	3	191
35-39								3	26	40	19	4	92
40+									2	7	12	4	25
Totals	2	81	231	336	473	587	715	864	783	441	131	43	4,687

Monthly Salaries in Thousands - By Age Group - Males

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		77	188	162	145	176	108	135	56	61	14		1,122
1	2	102	242	291	245	214	174	205	114	41	7	8	1,645
2	1	35	144	169	267	178	174	106	114	59	5		1,252
3-4		31	180	295	386	360	420	252	177	89	18	2	2,210
5-9		5	137	543	863	1,018	984	952	700	341	100	20	5,663
10-14			5	34	407	571	538	604	484	236	83	32	2,994
15-19					71	440	719	838	625	346	80	38	3,157
20-24					68	68	412	684	830	308	82	27	2,411
25-29					5	5	282	695	788	356	56	6	2,188
30-34							27	252	385	355	67	16	1,102
35-39								17	177	232	113	18	557
40+									11	43	66	20	140
Totals	3	250	896	1,494	2,384	3,030	3,838	4,740	4,461	2,467	691	187	24,441



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

Seattle City Employees' Retirement System
Actuarial Valuation

Active Lives

Table C-5 Distribution of Employees and Salaries as of January 1, 2008

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		3,500	4,000	4,378	4,265	5,176	4,500	5,870	5,600	6,100	7,000		4,617
1	2,000	3,188	3,903	4,409	4,900	5,095	5,118	5,395	4,560	4,556	3,500	4,000	4,532
2	1,000	3,182	3,892	4,447	4,944	4,341	4,971	3,926	4,750	5,364	1,667		4,440
3-4		2,385	3,913	4,538	4,707	4,932	5,185	4,582	5,364	5,235	3,600	1,000	4,682
5-9		1,667	3,605	4,488	5,394	5,194	5,290	5,289	5,224	5,090	5,000	2,857	5,093
10-14			5,000	3,778	5,152	5,387	5,380	5,076	5,762	5,488	4,882	4,571	5,299
15-19					5,071	5,366	5,406	5,779	5,531	5,406	5,333	4,750	5,500
20-24						5,667	5,886	5,846	5,887	5,811	5,857	5,400	5,852
25-29						5,000	6,000	6,205	6,254	6,034	5,600	6,000	6,146
30-34							5,400	5,600	5,923	5,820	5,583	5,333	5,770
35-39								5,667	6,808	5,800	5,947	4,500	6,054
40+									5,500	6,143	5,500	5,000	5,600
Totals	1,500	3,086	3,879	4,446	5,040	5,162	5,368	5,486	5,697	5,594	5,275	4,349	5,215



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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, 2008

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	17	48	27	28	34	25	19	10	6			215
1	1	27	62	62	50	39	34	30	32	9			346
2		19	34	49	40	34	31	31	21	9			268
3-4	1	11	42	73	63	43	55	35	25	21	5		374
5-9		5	39	97	136	150	158	151	93	60	18	10	917
10-14				15	57	83	98	76	60	38	17	1	445
15-19				1	32	101	132	135	134	66	13	7	621
20-24					2	17	97	132	140	58	5	2	453
25-29							41	100	99	49	18	2	309
30-34							4	46	67	32	9	5	163
35-39									14	18	4		36
40+													8
Totals	3	79	225	324	408	501	675	755	695	371	92	27	4,155

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	2	54	178	124	134	154	110	89	59	26			930
1	2	76	241	264	232	176	145	139	154	33			1,462
2		46	106	190	178	147	132	171	100	32			1,102
3-4	1	23	137	325	296	220	248	164	110	92	9		1,625
5-9		13	138	419	641	760	774	787	430	276	50	17	4,305
10-14				54	266	393	494	401	300	179	64	1	2,152
15-19				3	125	508	641	708	665	309	64	23	3,046
20-24					6	76	496	718	760	316	27	7	2,406
25-29							223	520	494	261	96	9	1,603
30-34							19	210	338	171	36	21	795
35-39									63	101	22		186
40+													34
Totals	5	212	800	1,379	1,878	2,434	3,282	3,907	3,473	1,817	381	78	19,646



This work product was prepared solely for SCERS for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to C-8 benefit and assumes no duty or liability to other parties who receive this work.

Seattle City Employees' Retirement System
Actuarial Valuation

Active Lives

Table C-5 Distribution of Employees and Salaries as of January 1, 2008

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	2,000	3,176	3,708	4,593	4,786	4,529	4,400	4,684	5,900	4,333			4,326
1	2,000	2,815	3,887	4,258	4,640	4,513	4,265	4,633	4,813	3,667			4,225
2		2,421	3,118	3,878	4,450	4,324	4,258	5,516	4,762	3,556			4,112
3-4	1,000	2,091	3,262	4,452	4,698	5,116	4,509	4,686	4,400	4,381	1,800		4,345
5-9		2,600	3,538	4,320	4,713	5,067	4,899	5,212	4,624	4,600	2,778	1,700	4,695
10-14				3,600	4,667	4,735	5,041	5,276	5,000	4,711	3,765	1,000	4,836
15-19				3,000	3,906	5,030	4,856	5,244	4,963	4,682	4,923	3,286	4,905
20-24					3,000	4,471	5,113	5,439	5,429	5,448	5,400	3,500	5,311
25-29							5,439	5,200	4,990	5,327	5,333	4,500	5,188
30-34							4,750	4,565	5,045	5,344	4,000	4,200	4,877
35-39									4,500	5,611	5,500		5,167
40+										4,200	4,333		4,250
Totals	1,667	2,684	3,556	4,256	4,603	4,858	4,862	5,175	4,997	4,898	4,141	2,889	4,728



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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

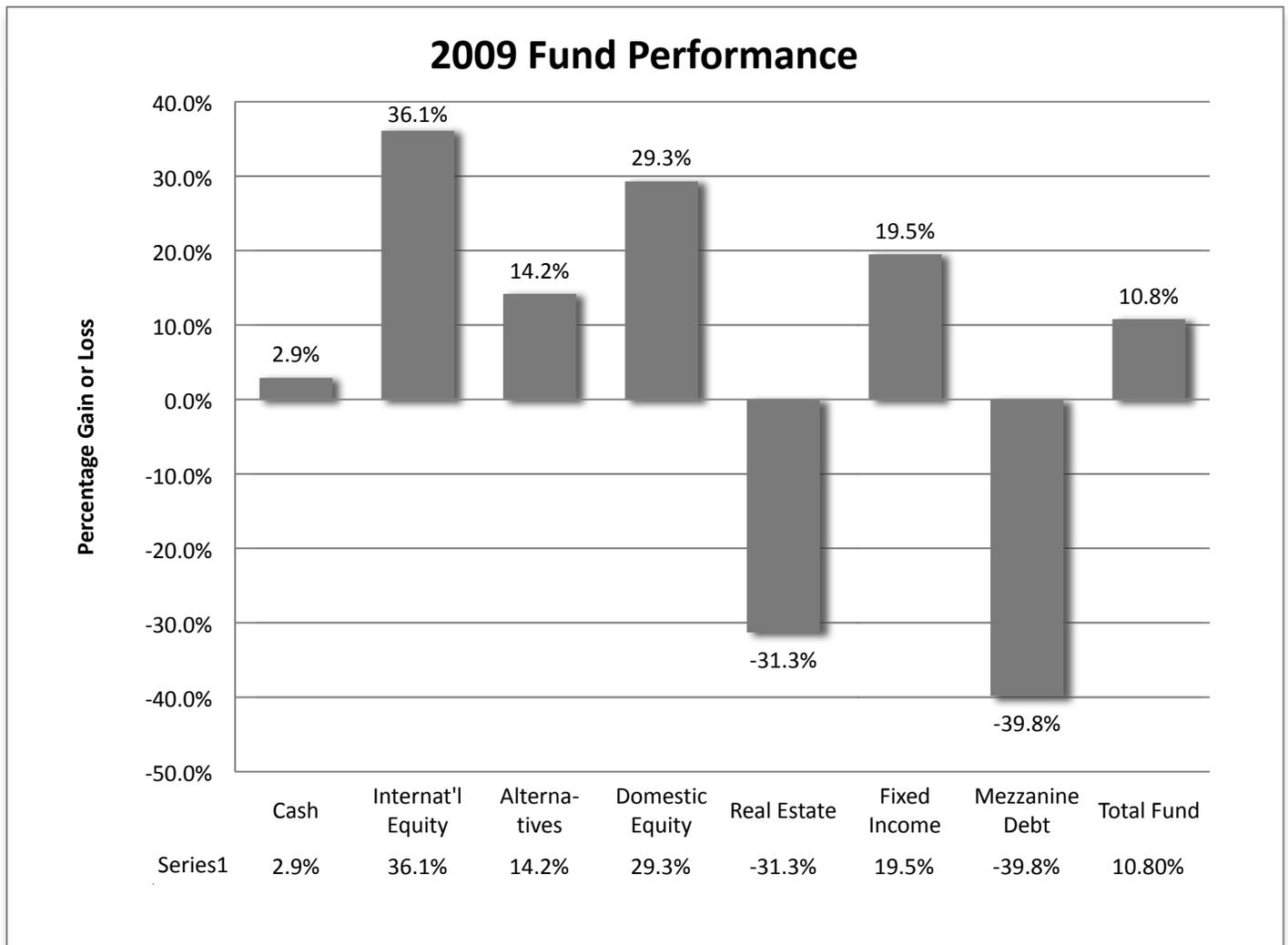
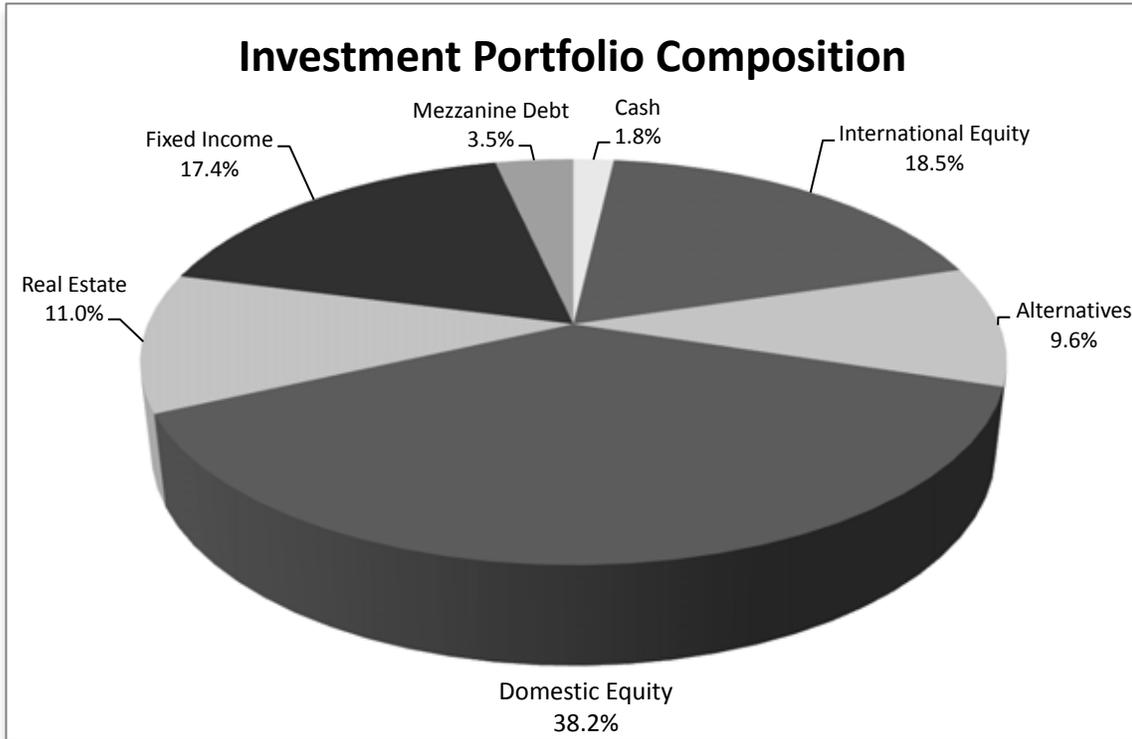
The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.

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

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

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

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

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

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

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
BENEFIT EXPENSE BY TYPE
Twenty Years Ending December 31, 2009

Year	Age & Service Retirants	Benefits Survivors	Disability Retirants Benefits	Death Benefit	Refunds	Total
1990	\$ 32,353,431	\$ 3,124,159	\$ 656,673	\$ 297,000	\$ 3,592,483	\$ 40,023,746
1991	33,567,142	3,323,900	626,986	344,000	3,731,762	41,593,790
1992	34,273,859	3,368,285	626,647	346,000	3,585,672	42,470,463
1993	35,288,173	3,864,495	632,657	346,000	2,944,033	43,075,328
1994	37,177,394	4,240,343	654,621	348,000	3,412,882	45,833,240
1995	38,909,838	4,469,103	645,239	328,000	3,874,980	48,227,160
1996	40,783,384	4,530,161	618,060	326,000	3,888,043	50,145,648
1997	44,350,246	4,996,325	612,903	390,000	5,463,464	55,812,938
1998	48,684,577	6,500,622	714,624	347,988	7,502,444	63,750,255
1999	50,902,672	6,821,887	698,527	281,000	9,730,803	68,434,889
2000	54,518,311	7,260,855	714,799	350,390	11,641,902	74,486,257
2001	57,122,024	7,486,988	672,593	272,000	8,785,879	74,339,484
2002	59,991,882	7,821,555	686,121	326,000	12,019,852	80,845,410
2003	64,301,813	8,215,109	714,806	328,000	13,218,137	86,777,865
2004	67,794,624	8,486,860	711,804	296,000	9,791,692	87,080,980
2005	72,390,702	8,754,471	785,276	338,000	10,351,215	92,653,664
2006	77,320,260	9,180,292	814,957	268,000	10,553,067	98,136,576
2007	87,019,040	10,230,265	864,228	278,000	11,525,660	109,917,193
2008	91,265,085	10,282,919	885,227	270,000	10,223,415	112,926,645
2009	95,951,625	11,022,403	886,684	278,108	9,742,692	117,881,512

REVENUE RATIOS BY SOURCE
1973 Through 2009

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	

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

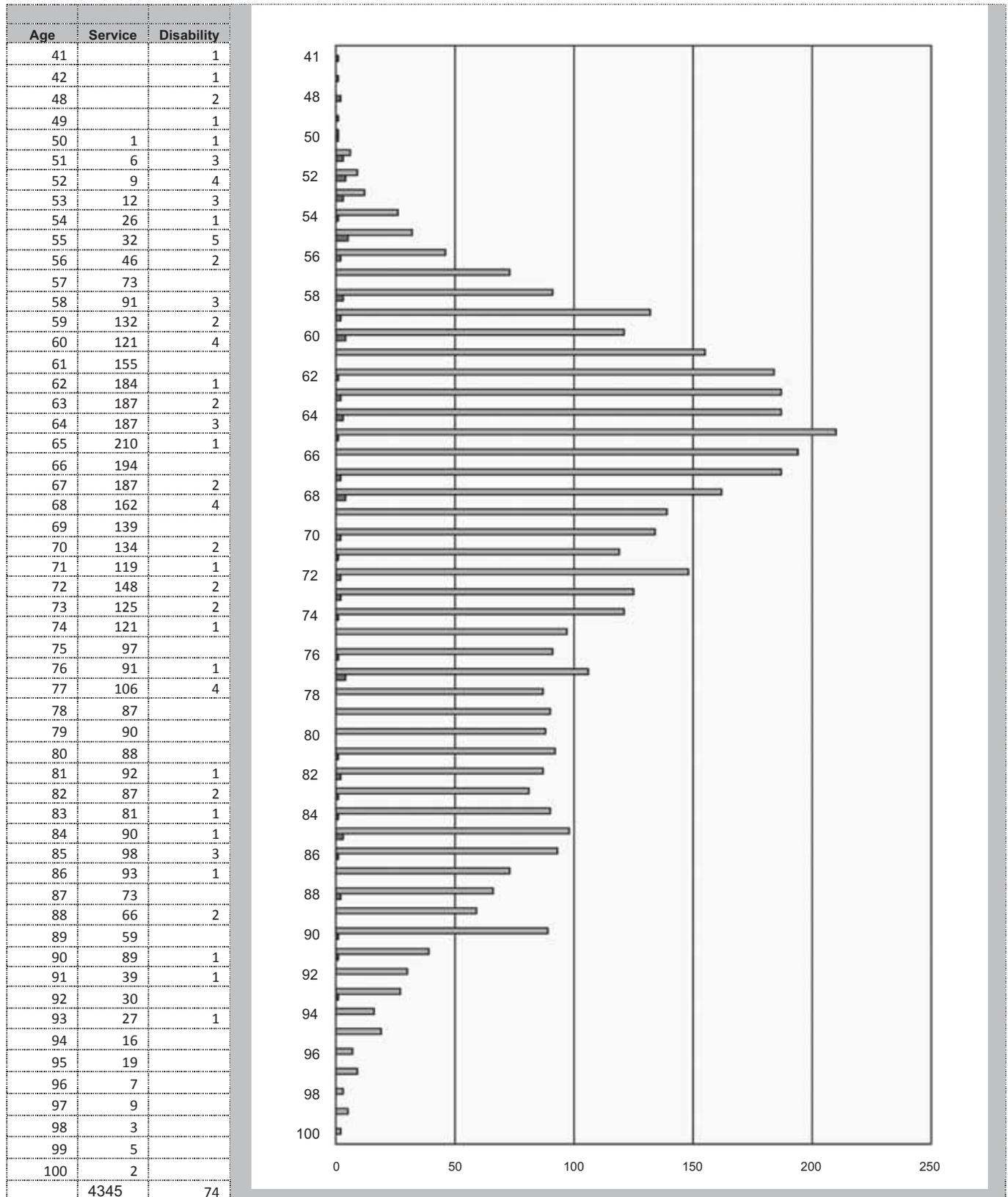
** Beginning with 1996 (and 1995 has been restated) investment income includes the gross income from Securities Lending as required by GASB 28.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RESULTS
Ten Years Ending December 31, 2009

Year	Investment Income *	Investments Market Value	Securities Lending Collateral	Return on Market Value
2000	\$ (79,832,672)	\$ 1,484,124,485	\$ 80,511,612	(3.7)%
2001	(93,021,798)	1,366,651,234	120,215,604	(6.0)%
2002	(116,907,340)	1,245,668,385	133,817,297	(8.4)%
2003	296,239,050	1,517,907,621	148,226,605	23.6%
2004	177,211,711	1,664,178,577	239,087,447	11.5%
2005	139,866,897	1,777,219,827	122,862,720	8.1%
2006	251,934,917	1,986,714,717	145,097,240	13.9%
2007	149,708,740	2,106,345,982	103,323,467	7.3%
2008	(612,803,880)	1,467,556,416	69,838,616	(40.0)%
2009	198,417,995	1,635,993,047	36,491,886	12.0%

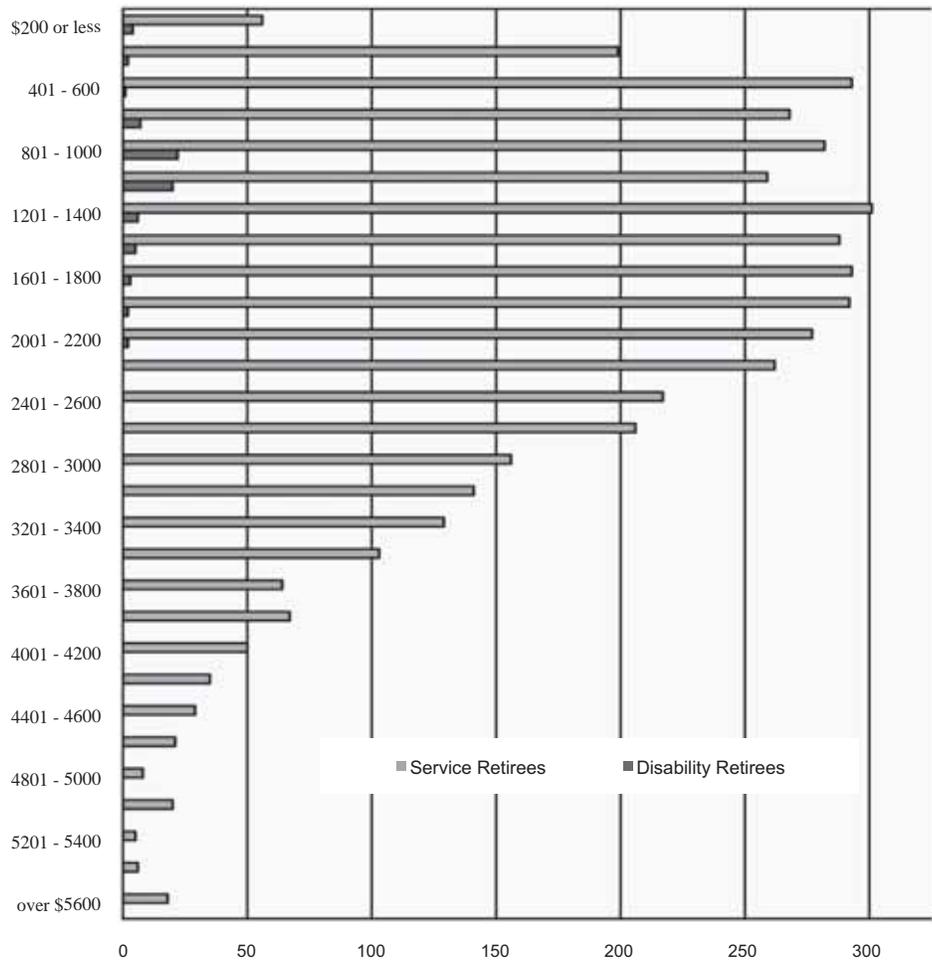
* Investment Income includes market gains and losses, and gross income from Securities Lending.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM SERVICE AND DISABILITY PENSIONERS BY AGE As of December 31, 2009



SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM RETIREMENT ALLOWANCE DISTRIBUTION As of December 31, 2009

\$	\$	Service	Disability
200	or less	56	4
201	- 400	199	2
401	- 600	293	1
601	- 800	268	7
801	- 1000	282	22
1001	- 1200	259	20
1201	- 1400	301	6
1401	- 1600	288	5
1601	- 1800	293	3
1801	- 2000	292	2
2001	- 2200	277	2
2201	- 2400	262	
2401	- 2600	217	
2601	- 2800	206	
2801	- 3000	156	
3001	- 3200	141	
3201	- 3400	129	
3401	- 3600	103	
3601	- 3800	64	
3801	- 4000	67	
4001	- 4200	50	
4201	- 4400	35	
4401	- 4600	29	
4601	- 4800	21	
4801	- 5000	8	
5001	- 5200	20	
5201	- 5400	5	
5401	- 5600	6	
over	5600	18	
		4345	74



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

Year	Members at End of Period	New Members During Period	Withdrawals During Period	Re-entering & Re-depositing	Deaths During Period	Pensions Granted During Period
1980	6,894	901	631	67	12	228
1981	7,037	776	467	77	13	230
1982	6,972	555	439	73	14	240
1983	6,870	471	363	50	13	247
1984	6,710	531	522	57	16	210
1985	6,946	628	244	72	11	209
1986	7,020	570	382	77	11	180
1987	7,196	622	312	72	16	190
1988	7,252	542	361	45	10	160
1989	7,544	672	251	51	12	168
1990	7,813	872	454	45	12	182
1991	8,037	681	354	43	13	133
1992	8,171	463	220	32	17	124
1993	8,317	537	279	39	15	136
1994	8,553	512	201	133	16	192
1995	8,741	477	284	136	12	153
1996	8,584	339	270	13	12	227
1997	8,572	435	287	36	18	178
1998	8,743	557	236	29	9	170
1999	9,576	1,289	238	14	17	215
2000	9,836	876	393	17	13	227
2001	10,111	706	241	25	18	197
2002	9,737	426	503	16	12	301
2003	9,964	628	202	5	14	190
2004	10,222	636	123	4	8	251
2005	10,387	635	212	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

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
COMPARATIVE STATEMENT OF EXPERIENCE OF SERVICE AND DISABILITY RETIREMENT PAYROLLS
From Inception in 1929, Through 2009
Figures Quoted as of the End of Each Fiscal Period

	Number Retired		Number Deceased		Pensions Discontinued		Benefit Cont' to Beneficiary Service		Number on Payroll at End of Period			
	Service	Sec. 19-b	Disability	Service	Disability	Service	Disability	Service	Disability	Service	Disability	
1929 - 1974 Inclusive	4,362	348	844	2,474	518	3	198	322	84	1,853	440	223
December 31, 1975	324	12	18	90	12		35	32		2,166	484	248
December 31, 1976	328	7	23	110	15		10	37		2,384	518	256
December 31, 1977	292	15	10	109	20		19	28		2,567	542	246
December 31, 1978	246	9	13	87	14		24	29		2,726	556	245
December 31, 1979	237	7	10	112	17		12	35		2,851	586	238
December 31, 1980	220	14	8	101	13		19	35		2,970	616	233
December 31, 1981	223	7	7	94	15		25	33		3,099	631	225
December 31, 1982	254	12	5	120	23		38	41		3,233	646	207
December 31, 1983	248	12	5	137	10		29	55		3,344	684	202
December 31, 1984	206	9	4	135	14		28	51		3,415	716	192
December 31, 1985	202	4	7	115	18		19	48	1	3,505	743	183
December 31, 1986	175	10	4	140	9		13	20		3,540	760	178
December 31, 1987	184	6	7	132	16		6	16		3,592	776	169
December 31, 1988	158	2	3	120	9		25	37		3,627	790	163
December 31, 1989	163	8	5	141	12		5	43		3,660	780	154
December 31, 1990	181	10	1	128	16		7	44		3,695	827	140
December 31, 1991	129		4	158	12		31	70		3,665	866	132
December 31, 1992	121		3	161	4		32	50		3,625	884	131
December 31, 1993	133	6	3	157	6		42	45		3,601	894	127
December 31, 1994	181	10	1	159	10		53	55		3,608	922	117
December 31, 1995	148	5	2	162	5		54	38		3,591	914	114
December 31, 1996	225	3	1	173	8		44	49		3,659	907	106
December 31, 1997	170	9	1	186	9		75	69		3,622	931	98
December 31, 1998	166	2	2	170	9	1	45	51		3,614	942	91
December 31, 1999	208	5	2	167	5		67	51		3,662	931	88
December 31, 2000	222	4	1	142	4		46	43		3,699	933	84
December 31, 2001	192	4	1	152	8		53	33		3,733	924	76
December 31, 2002	290	5	6	170	5		49	48		3,836	945	77
December 31, 2003	189	6	1	163	5		67	57		3,858	945	73
December 31, 2004	243	2	6	172	6		61	39		3,924	930	73
December 31, 2005	235	6	6	164	3		66	70		3,993	942	76
December 31, 2006	270	6	2	151	6		72	33		4,113	908	72
December 31, 2007	277	6	2	155	2		70	59		4,231	897	72
December 31, 2008	192	5	1	158	2		72	51		4,295	875	77
December 31, 2009	221	16	1	144	4		60	47		4,345	885	74
										2009 Grand Total		5,304

**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
1980	\$ 418.84	69.69	\$ 261.76	65.05	12	55.54
1981	441.69	69.86	267.88	65.12	13	49.31
1982	468.28	70.07	269.71	65.64	14	48.54
1983	501.76	70.18	272.98	66.55	13	52.54
1984	530.44	69.97	281.36	66.29	16	51.28
1985	556.72	70.26	290.71	66.22	11	53.66
1986	582.18	70.57	296.27	66.70	11	48.18
1987	608.43	70.80	314.43	66.60	16	49.13
1988	655.62	70.02	357.61	66.40	14	49.93
1989	664.36	71.45	343.74	66.53	12	49.17
1990	697.54	71.72	352.75	65.88	12	47.67
1991	757.07	72.19	378.41	66.61	13	57.77
1992	749.31	72.44	366.23	66.30	17	50.94
1993	775.72	73.42	394.13	67.80	15	53.00
1994	811.55	73.28	407.60	67.52	16	55.00
1995	850.50	73.45	431.19	67.78	12	53.67
1996	904.11	73.43	423.86	68.88	12	44.92
1997	961.30	73.29	448.15	68.12	18	54.72
1998 *	1,063.66	73.30	594.09	68.13	9	56.11
1999	1,114.34	73.10	609.19	68.25	17	55.24
2000	1,167.60	72.88	622.66	68.69	13	50.77
2001	1,222.42	72.70	654.53	67.84	18	51.39
2002	1,289.77	72.16	703.83	67.25	12	54.33
2003	1,338.49	72.14	734.85	66.78	14	53.14
2004	1,404.86	71.93	788.94	65.40	8	50.62
2005	1,477.58	71.78	827.46	65.15	11	53.18
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

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

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF AVERAGE BENEFIT PAYMENTS**

Retirement Effective Dates	Years Credited Service					
	0-10	11-15	16-20	21-25	26-30	31 +
Jan. 1, 2000 to Dec. 31, 2009						
Period 1/1/00 to 12/31/00						
Average Monthly Benefit	\$ 482.19	880.93	1,190.87	1,720.94	2,346.89	2,383.68
Average Final Salary	\$ 4,659.08	3,519.82	3,833.71	4,508.72	4,473.41	4,602.86
Number of Active Retirees	33	28	21	36	70	39
Period 1/1/01 to 12/31/01						
Average Monthly Benefit	\$ 478.66	837.60	1,349.54	1,719.53	2,369.43	2,374.36
Average Final Salary	\$ 4,756.88	3,715.90	4,241.27	4,121.40	4,654.58	4,544.36
Number of Active Retirees	30	23	25	30	65	24
Period 1/1/02 to 12/31/02						
Average Monthly Benefit	\$ 503.66	1,054.23	1,254.66	1,925.74	2,458.67	2,616.86
Average Final Salary	\$ 4,404.61	4,203.54	3,773.37	4,571.61	4,653.62	4,919.14
Number of Active Retirees	40	31	34	58	96	42
Period 1/1/03 to 12/31/03						
Average Monthly Benefit	\$ 496.91	1,034.44	1,432.09	1,744.45	2,579.91	2,628.56
Average Final Salary	\$ 3,782.43	4,261.52	4,669.55	4,653.31	4,901.87	4,953.21
Number of Active Retirees	32	23	22	41	39	39
Period 1/1/04 to 12/31/04						
Average Monthly Benefit	\$ 613.97	1,056.92	1,449.54	1,773.54	2,480.00	2,812.38
Average Final Salary	\$ 4,393.80	4,349.56	4,737.24	4,405.97	5,210.92	5,259.10
Number of Active Retirees	27	21	39	46	76	42
Period 1/1/05 to 12/31/05						
Average Monthly Benefit	\$ 674.26	1,137.59	1,706.94	2,270.53	2,653.34	2,807.79
Average Final Salary	\$ 4,928.96	4,733.59	4,915.39	5,423.36	5,164.89	4,973.41
Number of Active Retirees	30	27	33	55	65	37
Period 1/1/06 to 12/31/06						
Average Monthly Benefit	\$ 656.56	1,124.37	1,662.58	2,196.45	2,831.74	3,053.19
Average Final Salary	\$ 4,902.33	4,671.23	4,823.60	5,170.19	5,313.48	5,472.54
Number of Active Retirees	37	42	38	50	55	56
Period 1/1/07 to 12/31/07						
Average Monthly Benefit	\$ 658.92	1,406.25	1,650.87	2,132.89	2,814.90	3,129.50
Average Final Salary	\$ 5,017.90	5,992.08	4,865.08	5,096.68	5,414.43	5,412.96
Number of Active Retirees	53	36	37	54	61	44
Period 1/1/08 to 12/31/08						
Average Monthly Benefit	\$ 693.96	1,307.50	1,683.04	2,237.23	3,032.86	3,467.66
Average Final Salary	\$ 5,616.72	5,133.11	5,029.50	5,470.66	5,896.14	5,682.79
Number of Active Retirees	25	18	20	37	41	46
Period 1/1/09 to 12/31/09						
Average Monthly Benefit	\$ 725.01	1,200.14	1,633.91	2,191.40	2,895.97	3,517.60
Average Final Salary	\$ 6,221.46	5,346.25	5,391.47	5,637.85	5,937.71	6,298.57
Number of Active Retirees	35	36	26	34	33	57
Period 1/1/00 to 12/31/09						
Average Monthly Benefit	\$ 560.48	1,035.43	1,375.87	1,884.40	2,466.84	2,780.15
Average Final Salary	\$ 4,796.79	4,510.47	4,511.16	4,813.66	5,133.90	5,198.88
Average Number of Active Retirees	34	29	30	44	60	42

**NEW ACTIVE MEMBERS IN THE RETIREMENT SYSTEM IN 2009
BY DEPARTMENT**

DEPARTMENT NAME	COUNT
City Employees' Retirement	3
DoIT	4
Executive Departments	4
FFD	17
Finance	8
Fire	3
Fire Pension	1
Human Services	17
Law	2
Legislative	2
Library	11
Municipal Court	4
Neighborhoods	4
Parks	49
Personnel	4
Planning & Dev	3
Police	17
SCL	58
SDOT	36
Seattle Center	37
SPU	63
Total	347

**RETURNING MEMBERS IN THE RETIREMENT SYSTEM IN 2009
BY DEPARTMENT**

REDEPOSITING	#
Parks	2
Police	1
SDOT	1
SPU	1
Total	5
RE-ENTERING	#
FFD	1
Library	1
Finance	1
Human Services	2
Parks and Recreation	14
SCL	4
Personnel	6
Police	2
Seattle Center	52
SDOT	4
Planning & Development	8
Civil Service Commission	1
SPU	19
Executive and Office of Housing	2
Total	117

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SERVICE RETIREMENTS GRANTED IN 2009**

Retiree	Dept Name	Position	Yrs	Days	Age
Aaron, Patricia Jean	City Light	Admin. Spec.	17	90	70
Acido, Zosima V	Fleets & Facilities	Accountant	30	90	63
Acker, Christine D	SPU	Vested	10	14	57
Alcantara, Demetrio R	Fleets & Facilities	Manager 2	20	67	65
Anderson, Roland C	Parks	Aquarium Biologist 3	29	344	62
Anderson, Rose Marie	City Light	Admin. Spec. II	28	199	65
Angkico, Nazario E.	SPU	Painter	9	296	70
Aquino, Russell E	SDOT	Cement Finisher	29	31	63
Bailey, Gail M.	Parks	Cashier	20	125	58
Bailey, Willie R	SDOT	Radio Dispatcher	22	264	64
Barnes, Ray L	SDOT	Civil Engrng Spec, Sr	35	339	60
Bass, Susanne J	SDOT	Admin Spec III	20	209	55
Beaurain, Joanne L.	SDOT	Vested	3	287	62
Bell, Essie L	Parks	Vested	23	320	58
Beller, Thomas A	City Light	Cable Splicer	35	205	60
Bestor, Frank H	SCL	SCL	3	54	69
Bicknell, Cealda M	Neighborhoods	Cust Svc Rep	19	228	62
Blandon, Alejandro M	SPU	Civil Engr, Assoc	20	144	53
Boccamazzo, Frank Ralph	DPD	Bldg Inspector, Strucl	20	87	65
Botzheim, Wilhelm M	City Light	Hydro Maint Wkr 1 (Boundry)	14	236	66
Bound, Virginia	Parks	Zoo Keeper	17	332	58
Bradley, Houston O	SPU	Painter	34	45	59
Brock, Patricia E	Library	Admn Sec. to Dir	28	158	63
Browne, Colleen L	Parks	Manager 3	20	149	60
Bruker, Robert E	DCLU	Vested	10	309	65
Buffer, Marilyn J.	SPU	Water Treatment Operator	29	151	53
Burden, James M.	Seattle Center	Parking Attendant	14	193	63
Butler, Carol M	Police	Admin Spec II-BU	10	138	66
Cady, Gary L	Parks	Golf Course Tech	13	96	60
Campbell, Willie L	Parks	Naturalist	32	48	66
Chaney, John S.	DHHS	Vested	10	24	58
Charles, Wesly J	K.C. Jail	Corrections Captain	36	309	66
Chinn, Allen James	Parks	Rec Cntr Coord	24	252	52
Christman, Salud D	City Light	Actg Support Asst-BU	29	350	72
Clapp, Sally A	City Light	Material Supplier	35	93	58
Clarke, Charles C	SPU	Executive 4	8	186	60
Collins, Peter S	City Light	Pwr Dispatcher	30	180	60
Corcoro, Erlinda Y	DEA	Comptroller	1	321	60
Cox, Michael J	City Light	Asg CC Coordinator	27	60	63
Crume, Jonathan W	SDOT	Truck Drvr	10	182	62
Cruz, Maria Victoria	Arts	Vested	15	16	57
Dagg, Carole L	Library	Vested	3	303	65
Dailing, Joan Patricia	City Light	Customer Service Rep	21	362	59
Dare, Margret Lynn Hoth	City Light	Vested	10	141	57
Dawson, Karen H	DHS	Vested	20	13	57

Retiree	Dept Name	Position	Yrs	Days	Age
De La Fuente, M. Elizabeth	Library	Mnging Libr I	19	153	66
Degginger, Wendy C.	Library	Library Assoc. III	28	260	52
Delovino, Jemima O	City Light	Actg Tech III	30	144	66
Dominguez, Oscar G.	City Light	Elctn-Con	31	233	59
Douglas, Diana K	City Light	Vested	21	151	64
Eng, Joel C	City Light	Meter Electr	23	268	57
Engler, Wendy C	Parks	Vested	12	21	58
Estrada, Alfred T.	Police	Police Commun.Dispatch III	32	146	62
Evans, Francis J	SPU	Drainage& Wstwtr Coll Lead Wkr	29	11	53
Evans, Ray G	Fleets & Facilities	Auto Equip Pntr	30	124	52
Fearn, Milton L.	Parks	Manager 3	11	300	62
Fenker, Lois A	Library	Director of Library Services	10	218	61
Ferguson, Evelyn L.	Library	Library Associate 3	30	41	58
Flavors, Lillie L	SDOT	Admin Spec 2	13	271	57
Flowers, Victoria J.	K.C. Health	Application Ref Coord	23	110	58
Foley, Nancy A.	Library	Librarian	30	31	62
Ford, Joyce A.	Parks	Vested	12	169	57
Foss, Lorraine Kay	Fire	Administrative Specialist II	10	72	62
Gergich Jr., John E	Police	Pol Comms Dispatcher, Chief	11	350	62
Gertsch, Cheryl L	Health	Vested	18	174	52
Gertsch, Terrance E	SDOT	Truck Driver	17	306	61
Girdis, Carol Ann	City Light	Power House CC	22	259	56
Glass, Donald P	City Light	Comms Elctn II	35	123	66
Go, Sotero Y	DPD	Mech Plans Engr	29	71	68
Goronczy, Kathy M	K.C. Health	Fiscal Specialist III	24	118	57
Gotidoc, Edgardo L	Municipal Courts	Muni Court Marshall	9	168	62
Groom, Larry Dean	Muni-court	Vested	8	26	63
Grotting, Leroy B.	Seattle Center	Util Laborer	41	277	63
Guernsey, Dorothy A	Parks	Grounds	30	37	61
Guevarra, Felicidad Esteban	Police	Admn. Spec I	15	213	63
Hagarty, Roger Anthony	Police	Vested	18	78	60
Hale, Ronald K	Police	Vested	22	197	52
Handley, Jon M	SPU	Vested	29	135	52
Hansen, Diane M	Fire	Strat. Advsr 3, General Govt	31	295	54
Hansen, Martin P	SCL	Civil Engr, Sr	33	314	56
Harris, Feloneze M	SPU	Util Act Rep II	13	58	57
Hartman, John A	K.C. Health	Vested	1	157	64
Hastig, John D	City Light	Civil Engineer	13	229	65
Hermann, John D	Parks	Rec. Cntr Coord	36	20	65
Hong-Willard, Mei Fu	DEA	Aco 1	24	219	53
Horswill, Stephen R	DPD	Compl Insp & JCEO	27	3	59
Houlihan, Carol A	K.C. Health	Vested	14	120	64
Hughes, Lester R	Fleets & Facilities	Auto Mechanic	30	181	64
Hutchison, Shirley N	K.C. Health	Program Project Manager	21	227	60
Irvin, Philip C.	City Light	Pwr Analyst, Sr.	31	19	59
Jackson, Gary	SPU	Water Pipe Helper	17	205	57
Jacobs, Deborah Lynn	Library	Vested	10	192	57
Jacobson, June A	City Light	Strat Advsr I	25	287	58
Jarvis, Cathleen	Vested - Law	Manager I	12	15	57
Jenkins, Rubi Lee	Seattle Center	Admin Spec I	14	336	62
Johnson, Aaron Jeffery	City Light	Strucl Iron Wkr	22	354	56

Retiree	Dept Name	Position	Yrs	Days	Age
Johnson, Kent David	DPD	Bldg Inspector Sr (Expert)	10	2	66
Johnson, Stephanie E	Parks	Gardener, Sr	29	260	58
Jones, Richard L	City Light	Info Techol Prof B-BU	10	364	62
Keeler, Karyn Cassandra	SDOT	Civil Engrng Spec., Assoc.	30	248	62
Kelly, Carol A	Police	Vested	16	235	64
Kilaouy, Norma Melara	DHHS	Admn. Spec II	12	196	58
King Jr., John P	DCLU	Manger 3, Engrng & Plans Rev	27	27	65
Komedal, Neal Allen	Parks	Maint Laborer	22	78	59
Kongaika, Sione T.	SDOT	CMEO	30	12	55
Kwan,Cecilia C	DEA	Accountant	26	117	56
Ladiser, Craig R	DPD	Vested- Deputy Director	8	308	59
LaFrance, Donald A	DHS	Vested	17	246	62
Lagerwey, Peter A	SDOT	Transp. Plnr, Sr	24	9	57
Landicho, Michel G	Fleets & Facilities	Accountant	26	245	52
Langi, Semisi P.	City Light	Maint Laborer	19	184	64
Larrimore, Ethlyanne	Library	Librarian	38	70	68
Larsen, Donald	Parks	Plumber	7	299	66
Lawall, Nancy J	SDOT	Manager 2 Fin, Bud & Actg	32	243	56
Leighton, John Charles	City Light	Mat Sup	20	245	63
Lenning, David A	K.C. Health	Vested	3	75	63
Lewis, Robert Samuel	City Light	Hydroelectric Maint Mech	15	241	60
Lopez, Anthony L	SPU	Acct Exec	25	12	61
Lovelace, Judith A	Personnel - TES	Vested	12	272	57
Lu, Franklin S .	City Light	Manager 3	30	10	55
Lucarelli, Pamela J	Parks	Admin Spec - II	29	44	65
Lush, Stephen D	City Light	Strat Advsr 2	20	44	63
Lynch, Leslie W	City Light	Meter Reader	30	19	57
Maricich, Dominic D	DPD	Permit Process Leader	30	207	65
Martin, Phister H.	City Light	Manger 2 , UTILS	22	16	62
Martinez, Jesse M	DEA	Admin Spec-1	12	264	67
Mayes, Jean S	Info Tech	Manager 2	30	12	66
McCullough-Ellis, Julia M	Library	Library Assoc II	17	183	61
McDonald, Melvin A	DEA	Strat Advsr 3	15	8	60
McKenna, Kathleeen Auld	DHHS	Vested	5	120	62
McLaughlin, Kathleen B.	Seattle Center	Capital Prjts Coord, Sr	10	3	59
Mead, William P	Library	Library Assoc IV	18	339	62
Meyer, John P	City Light	System Analyst	12	168	62
Mickelson, Joseph N.	SPU	Executive 2	29	249	52
Mikulas_Serletti, Sally	SDOT	Admn.Spec-III-BU	16	284	63
Miles, Terry Joe	Fleets & Facilities	HVAC Tech	10	155	57
Moore, Dalene H	SCL	Vested	10	146	61
Moreno, Linda D	SPU	Strat Advsr 2 Exempt	30	162	51
Morgan, Robert A	Legislative	Strat Advsr - Legislative	26	250	55
Morrison , Greta Lynn	Vested	Training Manager	7	306	63
Moss, Patricia L	Human Services	Counselor	9	38	66
Moua, Chia	K.C. Health	Health Care Assistant	26	318	60
Myers, Esther M	Library	Library Resource Spec	24	71	57
Nakatsu, Kenneth J.	ESD	Executive 4	31	44	61
Nelson, Frank R	SDOT	Civil Engrng Spec., Sr	40	57	62
Oakland, Mary B	K.C. Health	Vested	8	306	62

Retiree	Dept Name	Position	Yrs	Days	Age
Olson, Marlen Joseph	Metro Transit	Functional Analyst 3	36	326	62
Opiniano, Rodolfo V	Seattle Center	Parking Attendant	6	277	70
Ordon, Erlinda	DEA	Admin Spec II	27	294	57
Osgood, Leland M	City Light	Elctrn-Con	39	203	63
Palafox, Librado S.	City Light	Mech Engr, Assoc	30	178	61
Palmason, Debra K	City Light	Admin Staff Anlyst	17	275	59
Palmason, James E	SDOT	Sign Pntr CC	29	4	62
Parker, Cathy L	Law	Vested	1	0	60
Paxson, Sandra A	K.C. Health	Nurse	39	349	70
Pearson, Bobby Ann	Human Services	Vested	11	351	61
Pearson, Dennis A	City Light	Enrgy Res & Eval Anlyst	25	146	61
Peppin, Donna S.	Personnel	Vested	5	311	67
Perry, Sheryl A	Police	Vested	13	299	62
Peterson, Donna Jean	K.C. Health	Shipping Clerk	33	43	55
Peterson, Douglas H	SDOT	Truck Driver	25	203	62
Phillips, Patty A	SPU	Personnel Spec., Sr.	18	334	57
Pierides, Rosario B	Parks	Admin Spec I	20	133	58
Pippin, Judith E.	Legislative	Exec. Manager	16	273	63
Poasi, Sosaia Nguauamo	SPU	Maint Laborer	9	343	62
Poggi, Alice V	Parks	Vested	13	223	57
Poort, Leo E	Police	Legal Advisor	32	5	64
Ragozin, Arlene S	Law	City Attorney Asst	17	172	66
Randle, James A	Seattle Center	Opns CC,Sr-SC	38	272	62
Reilly, James J	SPU	Water Pipe Crew Chief	23	361	64
Renee, Kathy	SPU	Vested	17	5	57
Rice, Norman B	Mayor's Office	Mayor	7	362	66
Roberts, Robert D	SDOT	Signal Maint./Benefit Program	33	238	57
Robinson-Martin, Patria N	Women's Rights	Vested	4	94	65
Rough, Douglas H.	City Light	Power Marketer	29	348	52
Sampson, Charles E	Police	Com Srv Ofcr	36	240	59
Sawyer, Patricia A	Law	Vested	7	55	62
Scoggin, Linda R	Library	Vested	3	214	62
Scott-Miller, Gwen	Library	Vested	7	217	59
Seldal, Ronny Dean	SPU	Info Tech Prof	20	16	61
Sellin, Charlotte A.	SCL	Vested	2	199	66
Sheck, Marilyn Ann	Library	Executive 2	9	162	62
Sheehan, Thomas S	Law	Asst.City Attorney	30	289	59
Shewman, Helen L	Parks	Assistant Keeper - Parks	23	150	57
Shimada, Jon M	SPU	Strategic Advisor	30	120	53
Skoglund, Linnea Elaine	SDOT	Senior Bridge Operator	21	322	58
Skogseth, Shirleen M	Municipal Courts	Info Tech Prof B-Bu	28	315	59
Smiley, Dee Ann	City Light	Manager 3, Engrng & Plans Rev	30	111	63
Smith, Herman	SPU	Manager 1 Utils	30	24	56
Smith, Ralph G.	Police	Equip Svcr	32	1	64
Smith, Robert G	City Light	Line CCC	42	172	65
Snyder, Stephen L.	Parks	Maint Laborer	30	269	54
Spade, Thomas G.	City Light	Maint Laborer	31	238	66
Stewart, Charles	SPU	Info Tech Prof A	7	6	62
Stuart, Patricia A	Human Services	Human Svcs Prgm Supv	12	328	69
Sullivan, Michael E	SCL	Comms Elctn Jnywrk-In Chg-Skt	21	12	57

Retiree	Dept Name	Position	Yrs	Days	Age
Sun, Lionel L	SPU	Civil Engr Supv	30	9	60
Sundblad, Larry L	Parks	Rec.Prgm.Coord	31	103	63
Sutton-Fuller, Rebecca V	Library	Coordinating Library Assoc	32	342	53
Takai, Tevita	SDOT	Cement Finisher	16	294	62
Takemura, Ronald M	City Light	Vested	11	350	65
Tamura, Mitsuru	SPU	Drainage & Wstwtr Spec	34	341	69
Tokuda, Kip	Human Services	Executive 2	7	116	62
Trent, David R	Police	Parking Enf. Ofcr	8	257	63
Trijonis, Kathryn E	DHHS	Counselor	5	141	65
Tugublimas, Eric T	Fleets & Facilities	Admn.Spec III	30	353	51
Tupou, Elone T	SDOT	Truck Driver	29	302	54
Viney, George Stephen	SDOT	Manager 3, Fin,Bud. & Actg	19	192	64
Wade, Michelle D	City Light	Util Acts Supv	30	1	50
Walker, Caroline A.	City Light	Accountant, Prin	22	46	64
Walkup, Hugh R.	OHR	Vested	2	126	65
Weight, Maureen M	Human Services	Admn Spec I	1	309	63
Wendt, Patricia K	Police	Parking Enforcement Officer	27	336	66
Wheeler, Gerald E.	DEA	Vested	5	119	62
White, Sharon K	SPU	Executive 3	25	24	59
Wichser, Kellie M	Parks	Graphic Arts Designer	31	247	52
Woo, David A	City Audit	Vested	22	45	53
Wyatt, Lila M	Fleets & Facilities	Admin Spec -II BU	25	56	55
Yeager, Sarah T.	City Light	Vested	15	128	57
Zajanc, Jacqueline R	Library	Mnging Libr II	9	305	63
Zdenek, Joseph C	Fleets & Facilities	Carpenter CC	28	269	62
		Total Service Retirements	221		

DISABILITY RETIREMENTS GRANTED IN 2009

Retiree	Dept Name	Position	Yrs	Days	Age
Jallits, Brenda Mae (Schull)	SDOT	Civil Engineering Spec, Sr	12	142	45
		Total Disability Retirements	1		

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
RETIRED MEMBERS DECEASED IN 2009**

Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
Adleberg,Carol A	Personnel	service	07-Jan-06	13-Jul-09	62
Alexander,Donnetta Y	Mayor's Office	service	01-Aug-79	22-Dec-09	82
Amante,Rosauro R	Engineering	service	01-Mar-90	18-Nov-09	84
Angvik,Norman R	Water	service	01-Jan-83	03-Mar-09	87
Baker,Robert C	Metro	service	01-Apr-78	18-Apr-09	87
Bandulin,Proceso R	Library	service	01-Aug-87	20-Dec-09	85
Barker,Bruce F	Library	service	01-Mar-99	06-Jul-09	63
Bekkedal,L Verona	Library	service	01-Dec-76	02-Jun-09	97
Benedetti,George	Light	service	01-Jan-84	28-Nov-09	90
Berg,Dorothy A	Personnel	service	02-May-90	25-Jun-09	83
Berg,Roy E	Sea Ctr	service	01-Mar-81	28-Mar-09	90
Boman,Carl Edwin	Light	service	01-Sep-81	26-Jan-09	89
Born,John	Metro	service	01-Dec-90	26-Jul-09	87
Braman Jr,James D	Comm Development	service	01-Jul-82	09-May-09	84
Brown,Allen R.	ESD	service	05-Mar-97	02-Jan-09	78
Carter,Vernon J	Water	service	01-Jan-82	23-Apr-09	89
Cedarland,Valgene F	Personnel	service	01-Jan-78	02-May-09	96
Chase,John W	Light	service	11-May-85	08-May-09	82
Collins,Mildred E	Health	service	01-Jan-87	22-May-09	87
Converse,Wilma A	Library	service	01-Dec-73	28-Mar-09	100
Cook,John E H	Health	service	01-Jul-87	29-Mar-09	88
Corya,Sylvia A	Health	service	01-Jan-78	16-Dec-09	96
Crider,Jack W	Light	service	03-Jan-87	27-Aug-09	84
Darling,Ray L	Metro	service	01-Jun-89	10-May-09	81
Davidson,Laird J	Lights	service	07-Feb-90	05-Feb-09	71
Davis,Juanita	Health	service	01-Mar-77	04-May-09	89
Dawson,Charles N	Engineering	service	09-Mar-78	25-Jan-09	90
Edglie,Jean J	Light	service	01-Mar-87	23-Dec-09	86
Edmundson,A Marie	Light	service	01-Jan-80	08-Feb-09	91
Ellingsen,Arthur J	Admin Svcs	service	14-Jun-85	04-Mar-09	77
Ellis,Harry E	Light	service	01-Jan-77	11-Mar-09	95
Erickson,Opal R	DCLU	service	01-Apr-87	05-Jan-09	83
Ewing,Clyde	Water	service	01-Jul-78	28-Jul-09	93
Fordice,Howard C	DoIT	service	01-Feb-75	07-Nov-09	88
Foster,Elizabeth	ESD	service	08-Nov-00	03-Feb-09	71
Franzin,Frank V	Health	service	01-Jun-89	24-May-09	96
Frombach,Elmer W	Light	service	01-Jun-75	09-Jan-09	86
Gath,Nellie P	Health	service	01-Dec-76	08-Nov-09	95
Given,Roland	Engineer	service	06-Jan-95	23-Apr-09	90
Gregory,Barbara R	Light	service	01-Jan-87	24-Feb-09	79
Haarsaker,Irene J	Light	service	01-Jul-72	09-Oct-09	98
Harris,Robert B	Parks	service	05-Aug-98	01-Sep-09	73
Harrison,Douglas L	Water	service	01-Feb-78	16-Mar-09	93
Hartzell,Mary	Library	service	01-Aug-79	21-Feb-09	93
Hellstrom,Donald	Parks	service	02-Aug-00	19-Sep-09	60

Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
Hirata,Satoshi	Water	service	01-Jan-83	25-Dec-09	82
Holmquist,Carolyn J	Library	service	01-Feb-90	03-Mar-09	71
Jellum,Lloyd K	Library	service	01-Jan-83	18-Jan-09	89
Jenkins,Paul S	DAS	service	01-Jul-91	01-Dec-09	84
Jensen,Howard I	Water	service	01-Mar-86	15-Aug-09	88
Jinkens,Bertha W	Light	service	01-Jun-87	28-May-09	87
Johnson,Eunice C	Health	service	01-Aug-85	07-Mar-09	84
Johnston,Harold W	Parks	service	01-Apr-80	18-Apr-09	91
Jones,Bertha A	Health	service	01-Oct-74	23-Nov-09	95
Jones,Virginia P	Comm Development	service	01-Sep-87	29-Jul-09	86
Kidd,Edward L	Finance	service	01-Jan-80	14-Jun-09	89
Kimmons,Flinnor	Parks	service	01-Apr-84	09-Jun-09	90
Kipper,Joseph N	Light	service	01-Feb-75	21-Nov-09	97
Kramer,Frederick W	Transportation	disability	01-Jun-69	31-Jan-09	82
Kreklow,Edwin A	General Svcs	service	01-Aug-80	17-Feb-09	91
Kronblad,H Eleanor	Health	service	01-Feb-70	27-Feb-09	100
Kubo,Katherine Y	SCL	service	01-Mar-88	14-Aug-09	83
Labrant,Gene A	Transit	service	03-Dec-85	30-May-09	83
Larkin,Wayne D	Legislative	service	17-May-89	03-Sep-09	82
Lindquist,Paul V	Building	service	01-Aug-73	06-Aug-09	98
Locken,Randon B	SEATRAN	service	07-Aug-04	13-Dec-09	57
Loving,Robert O	Parks	service	01-Oct-84	02-Dec-09	86
Lowe,David T	Metro	service	01-Aug-91	19-Jun-09	74
Lundquist,Richard R	Human Services	service	03-May-06	12-Aug-09	63
Lunke,Kristine A	Health	service	01-Jan-89	02-Mar-09	81
Mandapat,Alfredo A	Light	service	01-Feb-93	09-Jan-09	77
Martin, Gloria J.	DCLU	service	22-Jun-00	28-Mar-09	73
Matronic,Carl J	Metro	service	04-Sep-76	28-Dec-09	95
Mccarty,Robert G	Engineering	service	01-Oct-76	29-Apr-09	88
Mcilraith,Donald L	Light	service	01-Jan-89	08-Oct-09	81
McLaughlin,Norma A	Police	service	01-Jan-86	01-Oct-09	86
McClellan,Arlene M	Light	service	01-Dec-88	20-Aug-09	83
McClellan,Peter M	Police	service	01-Aug-94	18-Jul-09	82
Miller,George D	Library	service	02-Jul-05	19-Feb-09	62
Moreau, Alice	ESD	service	02-Apr-02	04-Feb-09	76
Moua, Chia	K.C. Health	service	07-May-09	26-Jun-09	60
Mugford,Berta A	Health	service	01-Sep-85	16-Jul-09	88
Myers, James A	City Light	service	02-Apr-08	19-Jan-09	53
O'brien,James E	Engineering	service	01-Jan-83	05-Mar-09	87
Olson,Gilman O	Sea Ctr	disability	01-May-78	10-Aug-09	91
Olson,Violet C	Light	disability	01-Jan-73	17-Mar-09	90
Omeara Jr,John E	Admin. Svcs	service	06-Mar-93	26-Feb-09	78
Ossman,William H	Public Safety Comm.	service	01-Jan-87	11-Oct-09	91
Packard,Kerry P	Light	service	01-Jun-94	23-Dec-09	72
Papajani, Vicki K.	Dual Member	service	14-Jul-03	10-Nov-09	62
Parsons,Richard A	Sea Ctr	service	01-Dec-93	20-Feb-09	76
Pastores,Francisco	Park	service	24-Jul-97	30-Sep-09	72
Paulsene Jr,Henry M	City Light	service	02-Jun-83	26-Sep-09	79
Petersen,Arthur W	Light	service	22-Jan-86	07-Jul-09	84
Peterson,Donald F	DAS	service	08-Sep-84	11-Feb-09	89

Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
Plews,Howard G	Metro	service	01-Jan-75	28-Sep-09	98
Porter,John A	Library	service	01-Oct-84	11-Apr-09	86
Proszek,Isabel L	Muni Ct	service	01-Sep-86	10-Mar-09	83
Richards,Tyne L	Light	service	01-Jul-79	01-Jun-09	95
Rollins,Max H	Light	service	01-Jun-75	13-Aug-09	96
Sack,Jeanne M	DHHS	service	01-Dec-94	11-Feb-09	82
Sartin,Harold A	Water	service	01-Oct-79	17-Apr-09	91
Schellbach,Donald W	Parks	service	01-Mar-85	15-Nov-09	79
Schimmel,Donald K.	City Light	service	27-Jan-97	21-Aug-09	73
Seger,George G	Metro	service	01-Nov-84	17-Jul-09	89
Sell,Mary O	Light	service	01-Oct-81	15-Mar-09	93
Selvar,Dorothy D	Muni Cts	service	01-Apr-93	29-Apr-09	78
Senchuk,Walter	Light	service	01-Jan-80	18-May-09	94
Senour,Grant M	DHHS	service	01-Jan-79	20-Oct-09	95
Sharar, David M	Dual Member - Light	service	01-Jul-02	24-Mar-09	61
Sidell,Betty E	Lic & Consumer Aff	service	01-Dec-82	01-Feb-09	88
Skaw , Martin L	Parks	service	02-Sep-08	18-Mar-09	52
Slough,Nathan P	Metro	service	01-May-78	08-Jun-09	86
SMITH,JOHN R JR	Seattle Center	service	18-May-99	30-Jul-09	80
Smith,Pat	Gen Services	service	12-Jan-77	18-May-09	93
Stepp, William P.	City Light	service	06-Jul-07	20-Jul-09	67
Stevens, Lloyd	Parks	service	09-Sep-96	16-Apr-09	67
Stevens,Minnie E	Engineering	service	01-Jan-81	19-Mar-09	92
Stipcich,Alice M	Water	service	01-Sep-79	30-Jan-09	90
Strait,Ethel G	Metro	service	01-Dec-82	30-Apr-09	93
Stroud,Charles R	Light	service	01-Mar-78	21-May-09	84
Stuart,Robert N	Water	service	01-May-84	25-Feb-09	80
Sullivan,Patricia A	Police	service	01-Sep-82	20-Mar-09	91
Swanson,Lewis	Light	service	01-Mar-77	28-Nov-09	93
Sward,Walter T	Engineering	disability	01-Aug-72	06-Jun-09	82
Taber-Wilson,Barbara	DEA	service	01-Feb-94	18-Nov-09	73
Tegard, Ronald	Personnel	service	02-Oct-96	17-Apr-09	74
Thompson,Andrew E	Light	service	01-Jul-83	20-Oct-09	88
Thomsen,Frances L	Engineering	service	01-May-82	23-Mar-09	89
Tobey,Russell L	Engineering	service	01-Aug-88	17-Jan-09	83
Travino,Moises C	SCL	service	01-Mar-88	01-Jan-09	87
Tupou, Elone T	SDOT	service	02-Jun-09	20-Sep-09	54
Valla,Rachel L	Personnel	service	01-Jul-88	07-Feb-09	85
Vaughn,Richard L	City Light	service	05-Oct-05	28-Jan-09	78
Walsh,Daniel T	Water	service	01-Mar-88	16-Jan-09	86
Wasser,Shirley A	Health	service	01-Jun-76	14-Jun-09	95
Watson,Warren W	LC&A	service	01-Oct-84	09-Oct-09	82
Webb,Rhohelia J	Health	service	01-Nov-79	28-May-09	87
Webber,Gladys	Light	service	01-Aug-76	09-Sep-09	97
Whitmarsh,Donald O	Seattle Center	service	12-Jan-99	02-Dec-09	88
Wicks,Charles	Treasury	service	01-Jul-81	27-Apr-09	89
Wilson,Cecelia E	Library	service	01-May-81	13-Dec-09	94
Wold, Kenneth M	City Light	service	02-Jun-04	10-Nov-09	84
Wright,Chester M	Light	service	05-Sep-79	10-May-09	84

Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
Yasuda, Margaret M	Health	service	01-Aug-87	29-May-09	85
Young, Rose M	SCL	service	01-Apr-85	01-Sep-09	86
Zier, Don	Metro	service	07-Jul-79	20-Oct-09	88
Zier, William E	DCLU	service	01-Dec-81	12-Aug-09	95
Average Age of Deceased Pensioner					83.81
Average Age of Deceased Disability Pensioner					86.25
Number of Service Pensioners Deceased					144
Number of Disability Pensioners Deceased					4
Death Benefits for Deceased Active and Retired					278,108
Refunds Under Option "A"					335,958
Refunds Under Disability					0

DEATHS IN ACTIVE SERVICE DURING 2009

Name	Position	Department	Age
Amaro, Daniel M	Utility Construction Worker	Light	49
Atterberry Jr., Jimmy Lee	Delivery Worker	Fleets	39
Baijot, Dale Allan	Meter Electrician	SCL	56
Brown-Carter, Gwendolyn J	Admin Support Supervisor	DPD	62
Ginther, Darrell B	Electrical Helper	SCL	64
Green, Gregory S	Assistant Counselor	HSD	59
Kondrak, Robert James	Custodian	Library	61
Kubly, Gerald A	Pmp Stat Elecl Tech	Maintenance	68
Kusakabe, William D	Recreation Attendant	Parks	55
Latu, Amelia T	Accounting Technician	DHHS	52
Napoleon, Rose M	Supply & Inventory Tech	Light	70
Patka, Hugh J	Utility Worker	SPU	42
Ramsby, Richard D	Marine Biologist	Parks	61
Robbins, Patricia H	Admin Spec I	Police	64
Ruggles, Lloyd B	Cable Splicer	Light	66
Wilson, John Thomas	Planning & Dev Spec, Sr	Personnel	60
		Count	16
		Average Age	58

DEATH BENEFIT SYSTEM
For The Year Ended December 31, 2009

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

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

There were 13 payouts for deaths in active service and 126 claims from retired employees - a total of 139 claims. This compares with 5 deaths in active service in 2008, and 130 claims from retired employees - a total of 135. The claims totaled \$270,000 in 2008, and \$278,000 in 2007.

Income from Active and Retired Employees:		\$ 145,697
Income from Employers:		
Seattle City Light	\$ 31,176	
General Fund	33,642	
Engineering / Transportation	12,966	
Seattle Parks Department	15,660	
Seattle Public Utilities	21,036	
Administrative Services	5,340	
Library	8,952	
Seattle Center	5,555	
Planning and Development	5,832	
Metro Transit Fund	1,896	
Employees' Retirement System	258	
King County Health & Custodial	3,384	
Total Employers Fund	\$ 145,697	
Total from Employer Funds		\$ <u>145,697</u>
Total paid into Death Benefit Reserve		\$ 291,393
Transfer from Undistributed Investment Earnings		\$ 13,285
<u>Less: Death Benefit Claims - 2009</u>		<u>\$ 278,108</u>
Death Benefit Reserve Balance December 31, 2009		\$ (278,108)

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 221 service retirements during 2009, 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.