Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago

Actuarial Valuation Report

For the Year Ending
December 31, 2000

April 2001

Watson Wyatt
Worldwide

Watson Wyatt
Worldwide

Watson Wyatt & Company

Suite 2400
303 West Madison Street
Chicago, IL 60606-3308

Telephone 312 704 0600
Fax 312 704 8114
TDD 312 853 6818

April 18, 2001

Board of Trustees
Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
221 North LaSalle Street, Suite 748
Chicago, IL 60601

Subject: Actuarial Valuation Report for the Year Ending December 31, 2000

Dear Members of the Board:

At your request, we have performed an actuarial valuation for the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago as of December 31, 2000. This valuation has been performed to measure the funding status of the Fund and determine the contribution levels for 2001. In addition, it includes disclosure information required under GASB Statement No. 25 and Statement No. 27. These actuarial valuations of the Fund are performed annually.

We have prepared the supporting schedules for the actuarial section of the comprehensive annual financial report, including:

- Actuarial Methods and Assumptions (page 45)
- Summary of Changes in Active Participants (Exhibit A)
- Summary of Changes in Annuitants and Beneficiaries (Exhibit B)
- Actuarial Accrued Liability Prioritized Solvency Test (Table 5)
- Development of Annual Required Contributions under GASB #25 for 2001 (Table 1)
- Reconciliation of Unfunded Actuarial Accrued Liability (Table 2)
- Summary of Basic Actuarial Values (Table 3)

We have also provided the following trend data schedules in the GASB Exhibits section of the report.

- Schedule of Funding Progress (Exhibit A-2)
- Schedule of Employer Contributions (Exhibit A-3)
- Supplementary Information for GASB #25 and #27 (Exhibit A-4)

This valuation is based upon:

a) **Data relative to the members of the Fund** — Data for all members was provided by the Fund's staff. We have tested this data for reasonableness and consistency with the prior year.

b) **Asset Values** — The value of assets of the Fund was provided by the Fund's staff. The results for GASB #25 and #27 use an actuarial value of assets.

c) **Actuarial Method** — The actuarial method utilized by the Fund is the Entry-Age Actuarial Cost Method. The objective of this method is to amortize the costs of Fund benefits over the entire career of each member as a level percentage of compensation. Any Unfunded Actuarial Accrued Liability (UAAL) under this method is separately financed. All actuarial gains and losses under this method are reflected in the UAAL.

d) **Actuarial Assumptions** — The actuarial assumptions have remained the same since last year. They are detailed beginning on page 44 of the valuation report: Actuarial Assumptions and Methods.

The funding objective is to provide employer and employee contributions sufficient to provide the benefits of the Fund when due. The provision of State Law establishing the Fund constrains employer contributions to be 1.00 multiplied by the employee contribution level in the second prior fiscal year. Based on the assumptions used in this valuation, no additional employer contributions are currently needed to adequately finance the Fund.

The valuation results set out in this report are based on the data and actuarial techniques described above, and upon the provision of the Fund as of the valuation date. Based on these items, we certify these results to be true and correct.

Very truly yours,

Dennis C. Dressel

Dennis C. Dressel, EA
Actuarial Analyst

Daniel P. Moore

Daniel P. Moore, FSA
Actuary

Michael R. Kivi, FSA
Consultant

Robert H. Clasen

Robert H. Clasen, FSA
Actuary

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LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SUMMARY OF ACTUARIAL VALUATION

		December 31, 1999		December 31, 2000	% Change
ACTUARIAL VALUES					
Termination Values					
Liability	$	895,752,982	$	846,935,408	(5.45)%
Assets - Actuarial Value		1,690,749,716		1,737,971,109	2.79%
Deficiency/(Excess)		(794,996,734)		(891,035,701)	12.08%
Funded Ratio		**188.75%**		**205.21%**	8.72%
GASB #25 Values					
Actuarial Liability	$	1,309,772,341	$	1,297,913,880	(0.91)%
Assets - Actuarial Value		1,690,749,716		1,737,971,109	2.79%
Unfunded Liabilty (Surplus)		(380,977,375)		(440,057,229)	15.51%
Funded Ratio		**129.09%**		**133.90%**	3.73%
Annual Required Contribution (ARC)	$	0	$	0	0.00%
Market Values					
Actuarial Liability	$	1,309,772,341	$	1,297,913,880	(0.91)%
Assets - Market Value		1,683,900,050		1,648,818,892	(2.08)%
Unfunded Liability		(374,127,709)		(350,905,012)	(6.21)%
Funded Ratio		**128.56%**		**127.04%**	(1.19)%
Book Values					
Actuarial Liability	$	1,309,772,341	$	1,297,913,880	(0.91)%
Assets - Book Value		1,475,747,244		1,521,046,385	3.07%
Unfunded Liability (Surplus)		(165,974,903)		(223,132,505)	34.44%
Funded Ratio		**112.67%**		**117.19%**	4.01%

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SUMMARY OF ACTUARIAL VALUATION
(Continued)

	December 31, 1999	December 31, 2000	% Change
Assets			
Market Value - Beginning of Year	$ 1,615,740,707	$ 1,683,900,050	**4.22%**
Income			
Investment Income	119,574,308	27,201,969	**(77.25)%**
Employer Contributions & Misc.	14,406,579	683,352	**(95.26)%**
Employee Contributions	15,895,882	17,011,363	**7.02%**
Subtotal	149,876,769	44,896,684	**(70.04)%**
Outgo (Refunds, Benefits & Expenses)	81,717,426	79,977,842	**(2.13)%**
Net Change	68,159,343	(35,081,158)	**(151.47)%**
Market Value - End of Year	$ 1,683,900,050	$ 1,648,818,892	**(2.08)%**
Book Value - Beginning of Year	$ 1,367,795,500	$ 1,475,747,244	**7.89%**
Income			
Investment Income	159,366,709	107,582,268	**(32.49)%**
Employer Contributions & Misc.	14,406,579	683,352	**(95.26)%**
Employee Contributions	15,895,882	17,011,363	**7.02%**
Subtotal	189,669,170	125,276,983	**(33.95)%**
Outgo (Refunds, Benefits & Expenses)	81,717,426	79,977,842	**(2.13)%**
Net Change	107,951,744	45,299,141	**(58.04)%**
Book Value - End of Year	$ 1,475,747,244	$ 1,521,046,385	**3.07%**
Smoothed Value - Beginning of Year	$ 1,530,395,014	$ 1,690,749,716	**10.48%**
Income			
Investment Income	211,769,667	109,504,520	**(48.29)%**
Employer Contributions & Misc.	14,406,579	683,352	**(95.26)%**
Employee Contributions	15,895,882	17,011,363	**7.02%**
Subtotal	242,072,128	127,199,235	**(47.45)%**
Outgo (Refunds, Benefits & Expense)	81,717,426	79,977,842	**(2.13)%**
Net Change	160,354,702	47,221,393	**(70.55)%**
Smoothed Value - End of Year	$ 1,690,749,716	$ 1,737,971,109	**2.79%**

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SUMMARY OF ACTUARIAL VALUATION
(Continued)

	December 31, 1999	December 31, 2000	% Change
Members			
Actives*	3,855	4,070	**5.58%**
Inactives	1,688	1,923	**13.92%**
Retirees	2,687	2,569	**(4.39)%**
Survivors	1,397	1,406	**0.64%**
Disabilities	120	157	**30.83%**
Children	76	67	**(11.84)%**
Payroll Data			
Valuation Payroll	$ 175,914,112	$ 185,051,048	**5.19%**
Average Salary	45,633	45,467	**(0.36)%**

*Active participants include disabled employees but do not include 235 seasonal employees for 2000.

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

DISCUSSION OF VALUATION RESULTS

This report sets out the results of the actuarial valuation of the Laborers' and Retirement Board Employees'Annuity and Benefit Fund of Chicago ("Fund") as of December 31, 2000. The purposes of this valuation are:

1. To develop the minimum actuarially determined contribution for 2001.
2. To develop the annual required contribution (ARC) under GASB #25.
3. To develop the annual pension cost under GASB #27.
4. To review the funding status of the Fund.

The funded status in basic terms, is a comparison of the Fund's liabilities to assets expressed as either unfunded liability or as a ratio of assets to liabilities. This comparison can be measured in various ways. Fund liabilities are dependent on the actuarial assumptions and actuarial cost method. Fund assets can be measured at market value, book value, or some variation to smooth the fluctuations that invariably occur from year to year.

For Fund and City financial reports, the funding status is measured using liabilities under the Entry Age Normal funding method and the Actuarial Value of Assets. The Actuarial Value of Assets is determined by annually spreading the difference between expected and actual investment earnings over a five-year period.

Summary of Results

The annual required contributions (ARC) under GASB #25 for the year ending December 31, 2001 is zero. The ARC last year, for the year ending December 31, 2000, was also zero. The ARC is determined using the Actuarial Value of Assets and a forty-year level dollar amortization of the unfunded actuarial liability.

The surplus of Actuarial Value of Assets over actuarial liabilities increased from $381 million to $440 million during the year, resulting in a change in funding ratio from 129.1% to 133.9%. The increase in the actuarial surplus is largely attributable to the effect of salary increases less than expected, excess contributions, data corrections, and the effect of smoothing on the Actuarial Value of Assets. A more thorough examination of these and other factors can be found in the Reconciliation of Unfunded Actuarial Accrued Liability (gain/loss analysis) in Table 2.

Based on the Market Value of Assets, the surplus of assets over the actuarial liabilities decreased from $374 million to $351 million, and the funded ratio decreased from 128.6% to 127.0%.

Plan Membership

The major characteristics of the data on the members of the Fund are summarized as follows:

		December 31, 1999		December 31, 2000
Active Participants*				
Number		3,855		4,070
Average Age		43.8		43.9
Average Service		13.6		13.2
Average Annual Salary	$	45,633	$	45,467
Inactive Participants				
Number		1,688		1,923
Average Age		44.4		42.9
Average Service		N/A		3.3
Retirees				
Number		2,687		2,569
Average Age		72.8		73.3
Average Annual Benefit	$	21,157	$	21,872
Surviving Spouse				
Number		1,397		1,406
Average Age		N/A		75.1
Average Annual Benefit	$	9,891	$	9,955
Children		76		67
Total Participants		9,703		10,035

* Active participants include disabled employees but do not include 235 seasonal employees.

Total participants receiving benefits under the Fund, including disability, widow, and children, decreased 1.9% during 2000 from 4,280 to 4,199. Total expenditures for benefits decreased from $78.1 million in 1999 to $75.2 million during 2000, or 3.7%.

Changes in Provisions of the Fund

See Exhibit Q for a description of all changes in plan provisions during 2000. The expected impact of these changes on plan liabilities is negligible.

Discussion of Actuarial Assumptions

Actuarial assumptions are used to project future demographic and economic expectations for purposes of valuing the liabilities of the plan. The assumptions should reflect current patterns. However, their primary orientation is the long-term outlook for each factor affecting the valuation. Thus, while actual experience will fluctuate over the short run, actuarial assumptions are chosen in an attempt to model the future long run experience.

There are two general types of actuarial assumptions:

1. Demographic Assumptions - reflect the flow of participants into and out of a retirement system, and

2. Economic Assumptions - reflect the effect of the economic climate on a retirement system.

Demographic assumptions can be readily studied over recent plan experience. Economic assumptions can be studied against recent experience; however, future experience is more likely to be a result of outside factors than of plan specifics. The most significant demographic assumptions are active turnover, retirement, and post-retirement mortality. The most significant economic assumptions are pay increases, investment return, and inflation. Other actuarial assumptions include disability incidence, active mortality, and percent married.

We have maintained many of the assumptions and methods used by the prior actuary, including the application of loads to account for liabilities for future refunds, disabilities, child annuities, and reciprocal annuities. We will review these assumptions as more data becomes available to us. However, we do not expect these changes will substantially impact the Fund's liabilities.

2000 Experience Analysis

The Fund had an investment loss in 2000 of $105 million on a market value basis. The loss on an actuarial basis was $14 million due to the deferred recognition of investment gains and losses.

The pay increase assumption consists of two parts, a base salary increase (three percent) plus a longevity-based increase (two percent). The overall 2000 salary increase was 1.3 percent for members included in both the December 31, 1999 and December 31, 2000 valuations. Because the pay increases were less than anticipated by the actuarial assumptions, there was an experience gain of $14 million.

There was an additional gain of $41 million from all other factors, including actual retirement, termination, disability, mortality experience, and data changes. This is about 3.2 percent of the December 31, 2000 liabilities, which is a reasonable variation.

Table 2 summarizes the experience gains and losses for the year.

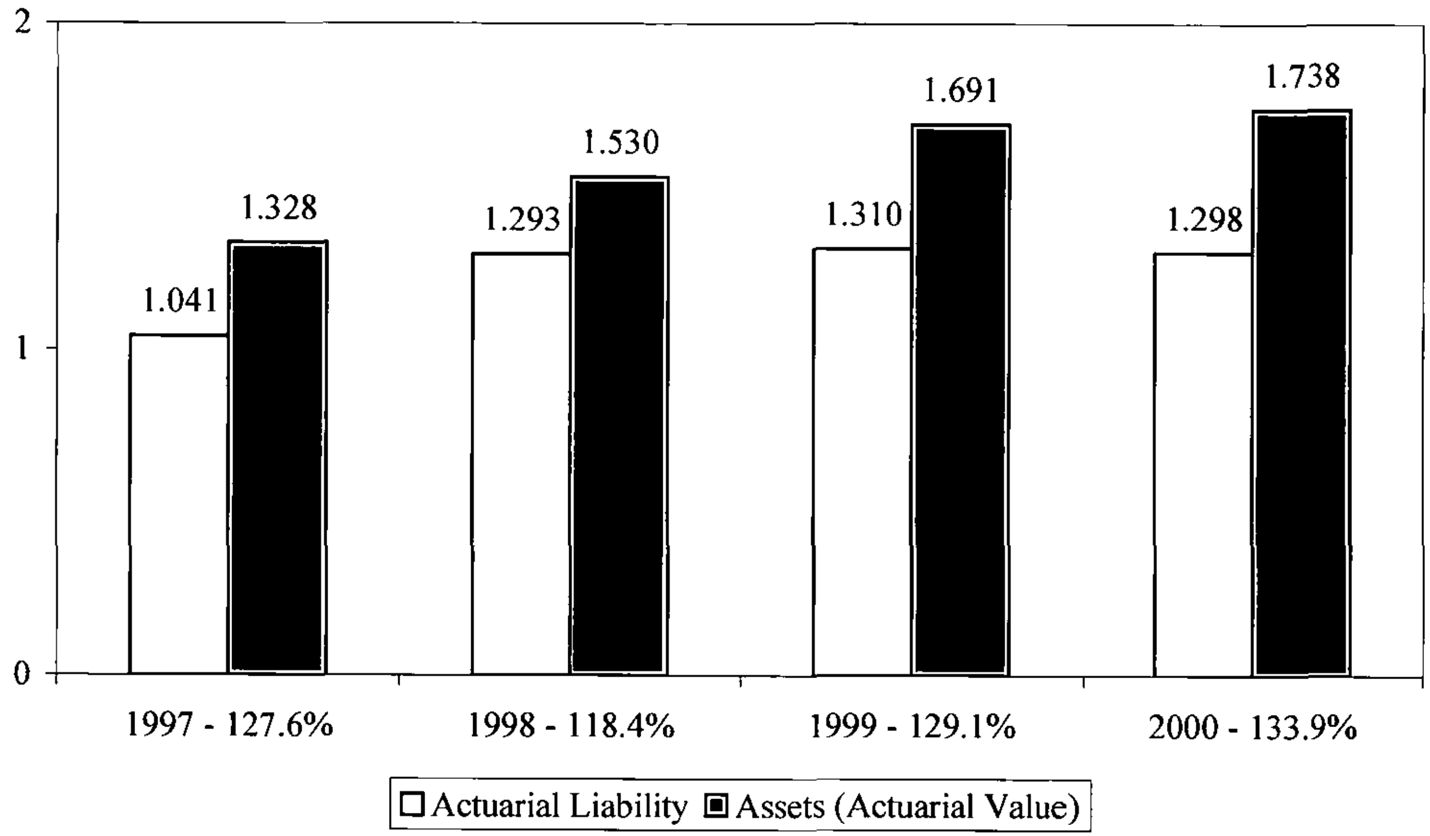
Changes in Assumptions

There have been no changes in actuarial assumptions reflected in this valuation.

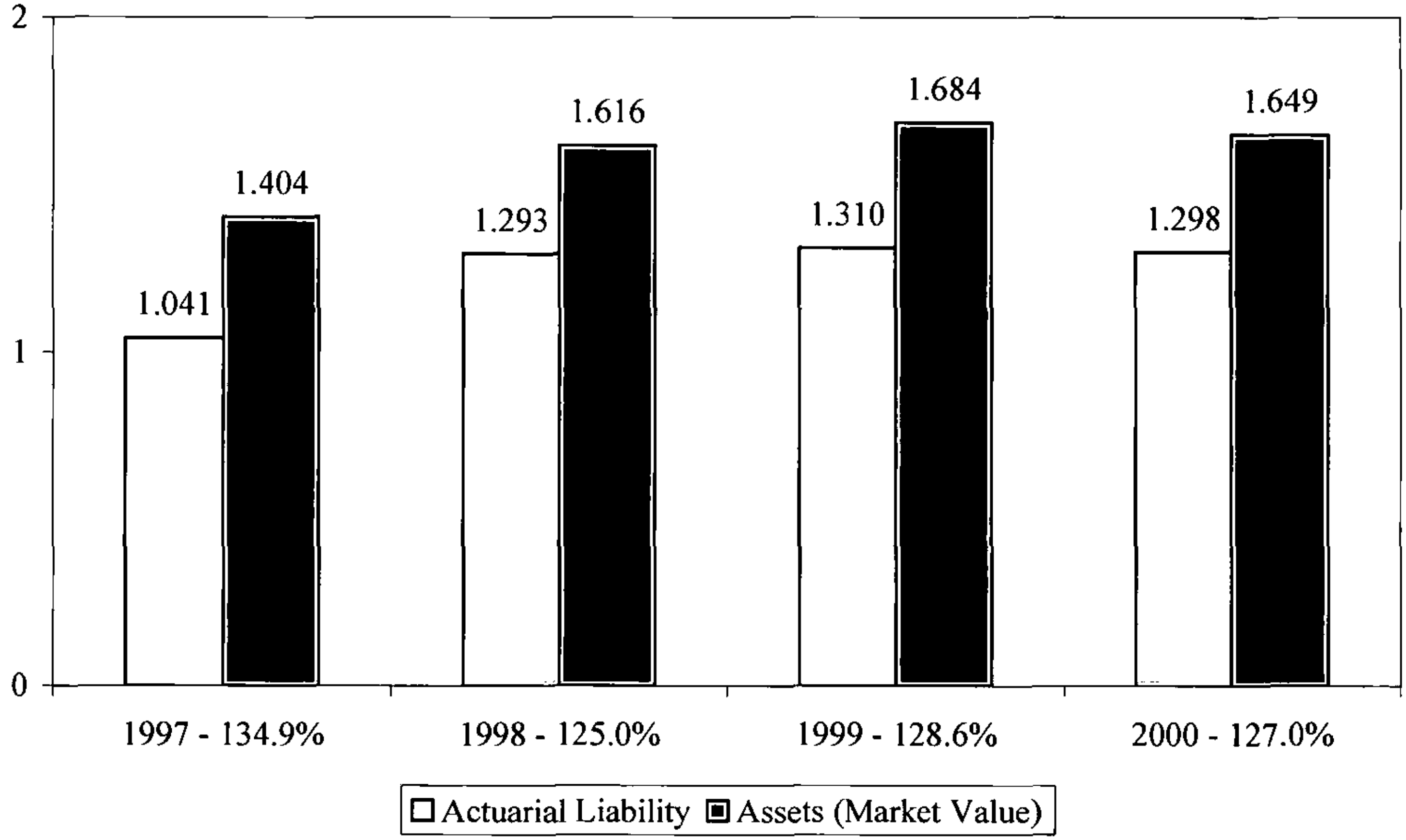
Funding Analysis

The following charts summarize the various measures of benefit security (funded ratio) examined in this valuation and highlight the trends of the measures for the last ten years.

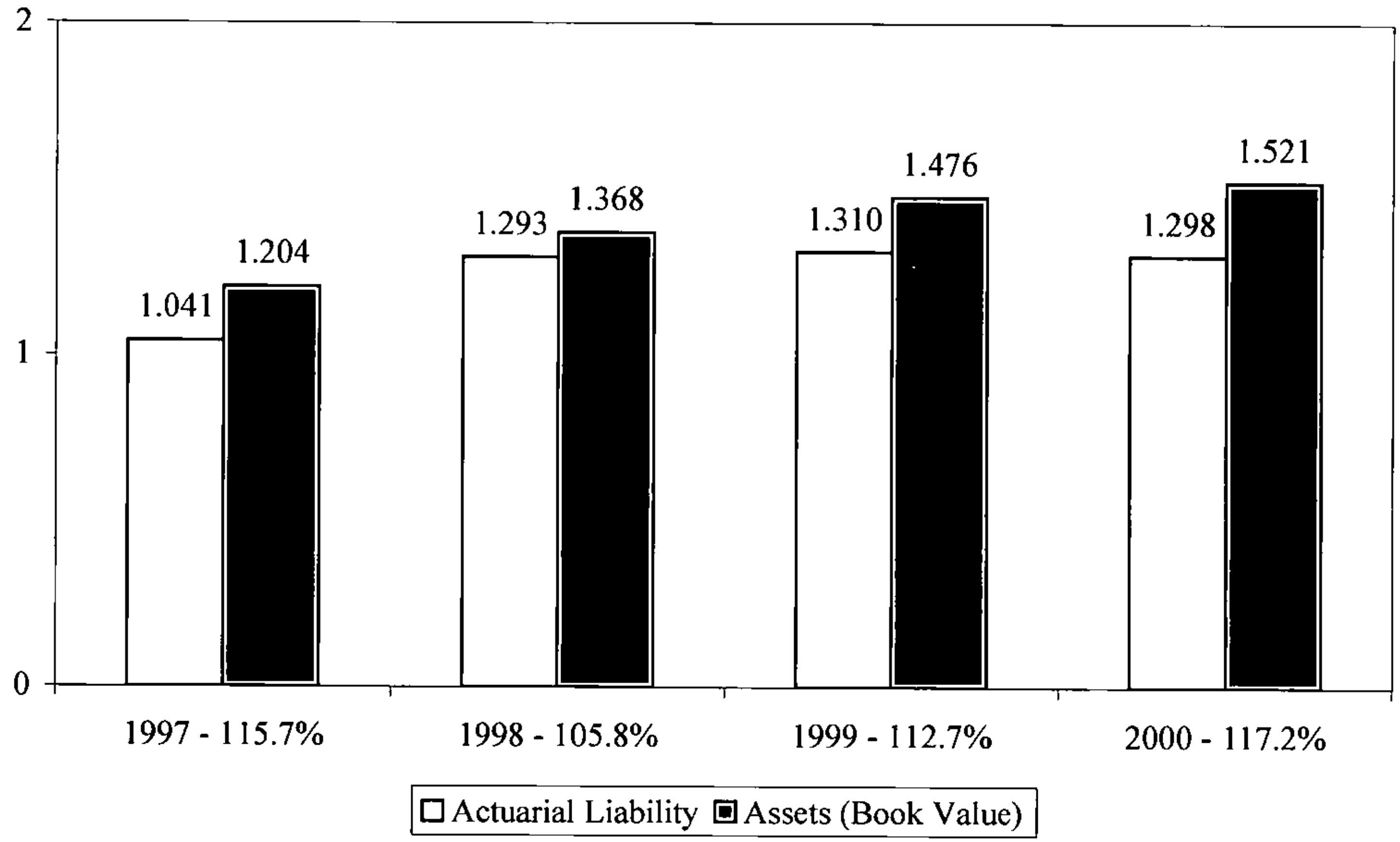
Components of Funding Ratio
GASB #25 / State Reporting
($ in Billions)



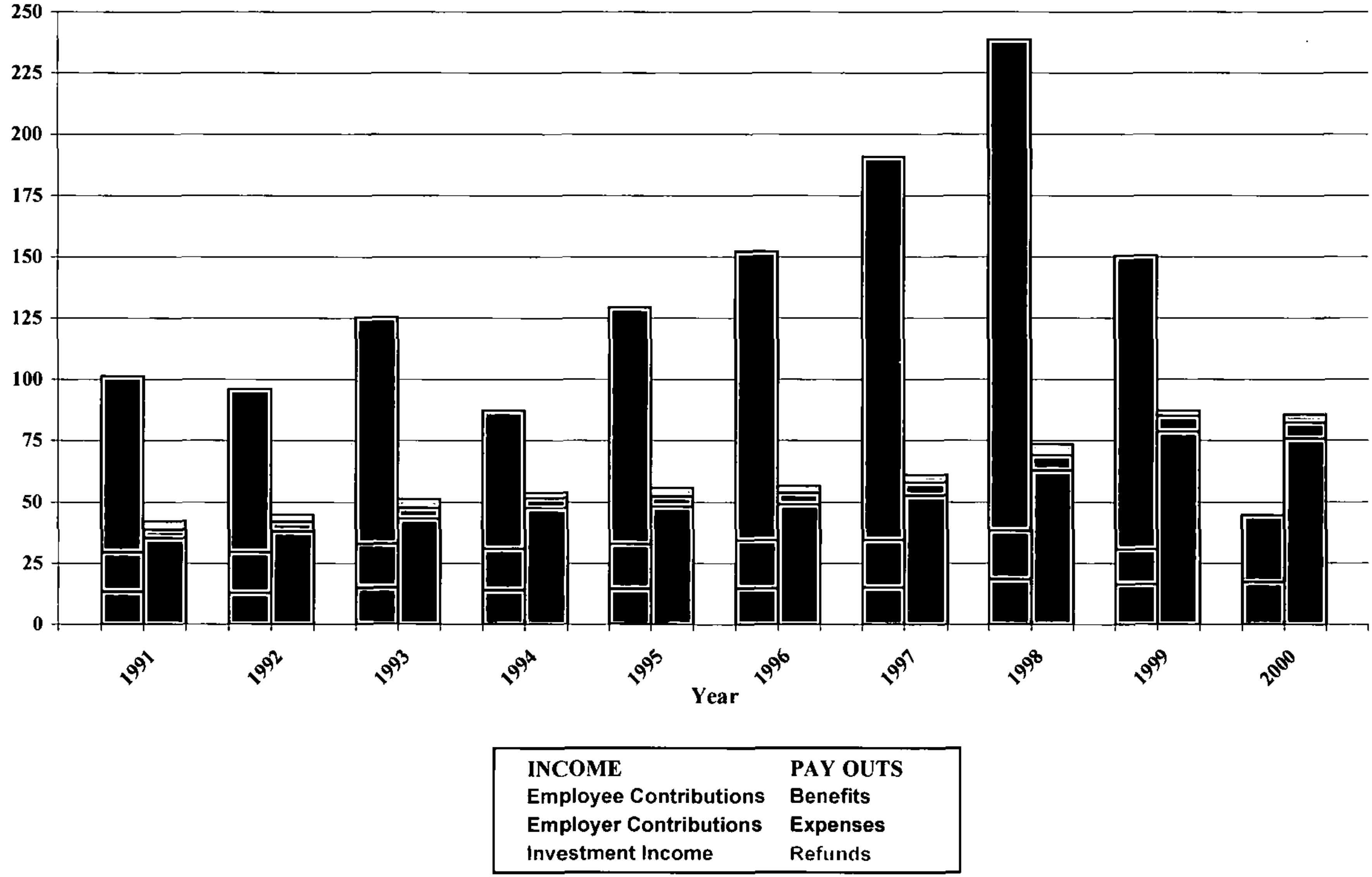
Components of Funding Ratio
Based on Market Value
($ in Billions)



Components of Funding Ratio Based on Book Value ($ in Billions)



Summary of Cash Flows
($ in Millions)



Conclusion

The Fund continues to be well funded with respect to current benefit liabilities, even after reflecting the market value rate of investment return that was below the actuarial assumption of eight percent for 2000. When measured using the Actuarial Value of Assets, which smoothes gains and losses over a five-year period, the funding ratio increased slightly.

Based on our analysis, we believe that overall, the current assumptions are doing a reasonable job of modeling the Fund's actual experience. Prior to the December 31, 2001 actuarial valuation, we plan to review certain assumptions and methods, including the mortality table, for continuing appropriateness. Based on that review, we may recommend limited changes to the methods and assumptions currently being used.

Actuarial Computations

TABLE 1

LABORERS' & RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

DEVELOPMENT OF ANNUAL REQUIRED CONTRIBUTION UNDER GASB #25 FOR 2001

(1) Normal Cost (see Table 3)	$	23,692,541
(2) Actuarial Accrued Liability (AAL)	$	1,297,913,880
(3) Unfunded AAL (UAAL)		
(a) Actuarial Value of Assets	$	1,737,971,109
(b) UAAL [2-3(a)]	$	(440,057,229)
(4) 40-Year Amortization (Level $) Payable at Beginning of Year	$	(34,169,695)
(5) Minimum Actuarially Calculated Contribution		
(a) Interest Adjustment for Semimonthly Payment	$	(390,903)
(b) Total Minimum Contribution [1+4+5(a); but not less than zero]	$	0
(c) Total Minimum Contribution (Percent of Pay)		0.00%
(6) Estimated Member Contributions	$	16,117,776
(7) Annual Required Contribution (ARC)		
(a) Annual Required Contribution [5(b)-6]	$	0
(b) Annual Required Contribution (Percent of Pay)		0.00%
(8) Estimated City Contribution (after 4% loss)		
(a) Statutory Required City Contribution (after 4% loss)	$	15,844,464
(b) Less City Adjustment Due to Funding Status		(15,844,464)
(c) Tax Levied by City [(a)-(b)]	$	0
(9) City Contribution Deficiency/(Excess)		
(a) in Dollars [7(a)-8(c)]	$	0
(b) as a Percentage of Pay		0.00%
(10) Combined City/Member Deficiency/(Excess)		
(a) in Dollars [5(b)-6-8(c)]	$	(16,117,776)
(b) as a Percentage of Pay		(8.71)%

TABLE 2

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)		
Beginning of Year	$	(380,977,375)
(Gains) Losses During the Year Attributable to:		
Contributions in Excess of Normal Cost Plus Interest	$	(17,817,120)
(Gain) Loss on Investment Return		14,154,077
(Gain) Loss from Salary Changes		(14,114,403)
(Gain) Loss from Data Corrections		(29,756,261)
(Gain) Loss from Retirement, Termination & Mortality		(11,546,147)
Net Increase (Decrease) in UAAL	$	(59,079,854)
Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)		
End of Year	$	(440,057,229)

TABLE 3

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SUMMARY OF BASIC ACTUARIAL VALUES

		APV of Projected Benefits		2001 Normal Cost
(1) Values for Active Members				
(a) Retirement - Employees	$	619,706,857	$	13,748,899
(d) Retirement - Spouses		62,646,676		1,385,151
(b) Termination		29,872,509		3,121,175
(c) Death		19,106,648		656,343
(e) Health Insurance		9,304,709		209,368
(f) Disability, Children's Benefit & Reciprocal		111,836,246		2,901,812
(g) Expense of Administration		0		1,669,793
Total for Actives	$	852,473,645	$	23,692,541
(2) Values for Members in Payment Status	$	641,573,414	$	0
(3) Grand Totals	$	1,494,047,059	$	23,692,541
Actuarial Present Value of Future Compensation			$	1,767,604,100

TABLE 4

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

TERMINATION LIABILITIES

	1999	2000
Liability for Retired Annuitants, Widows/Widowers, and Spouses of Annuitants	$ 701,998,792	$ 641,573,414
Salary Deductions Contributed by Active Fund Members (with Interest)	193,754,190	205,361,994
Total	$ 895,752,982	$ 846,935,408
Actuarial Asset Value	1,690,749,716	1,737,971,109
Excess Upon Termination	$ 794,996,734	$ 891,035,701
Percent Funded	188.75%	205.21%

TABLE 5

LABORERS' & RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

ACTUARIAL ACCRUED LIABILITY PRIORITIZED SOLVENCY TEST

Valuation Date 12/31	(1) Active Member Contribution	(2) Retirees and Beneficiaries	(3) Active Members (ER Financed Portion)	Actuarial Value of Assets	Portion (%) of Present Value Covered By Assets (1)	(2)	(3)
1989 [a,b]	$ 143,445,325	$ 241,519,125	$ 248,930,090	$ 671,449,305	100.00%	100.00%	100.00%
1990 [a,b]	150,398,932	271,401,625	294,804,047	705,841,707	100.00%	100.00%	96.35%
1991 [b]	156,649,525	291,757,778	312,649,299	772,520,978	100.00%	100.00%	100.00%
1992	161,298,914	311,642,762	304,443,486	844,916,889	100.00%	100.00%	100.00%
1993 [b]	152,059,845	403,591,438	291,642,162	937,094,502	100.00%	100.00%	100.00%
1994	166,182,247	395,721,090	304,589,872	960,327,842	100.00%	100.00%	100.00%
1995 [b]	175,400,781	401,047,985	313,926,621	1,063,261,239	100.00%	100.00%	100.00%
1996	187,040,430	405,010,948	344,572,341	1,172,316,925	100.00%	100.00%	100.00%
1997 [a,b]	199,007,766	455,856,814	385,785,954	1,328,085,799	100.00%	100.00%	100.00%
1998 [a,b]	177,746,739	771,214,483	343,650,489	1,530,395,014	100.00%	100.00%	100.00%
1999 [a,c]	193,754,190	701,998,792	414,019,359	1,690,749,716	100.00%	100.00%	100.00%
2000	205,361,994	641,573,414	450,978,472	1,737,971,109	100.00%	100.00%	100.00%

[a] Change in actuarial assumptions
[b] Change in benefits
[c] Change in actuary

The prioritized solvency test is another means of checking a system's progress under its funding program, based on the Actuarial Accrued Liability. In this test the plan's present assets (cash and investments) are compared with obligations in order of priority: (1) active member contributions on deposit; (2) the present value of future benefits to present retired lives; (3) the employer financed portion for present active members. In a system that has been following the discipline of financing, the obligation for active member contributions on deposit (present value 1) and the present value of future benefits to present retired lives (present value 2) will be fully covered by present assets (except in rare circumstances). In addition, the Actuarial Accrued Liability for present active members (present value 3) will be partially covered by the remainder of present assets. Generally, if the system has been following a process of amortizing the Unfunded Liability, the funded portion of present value (3) will increase over time.

TABLE 6

LABORERS' & RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

STATUTORY RESERVES AS OF DECEMBER 31, 2000

	New in 2000			Continuing from 1999			Total		
	Annuity Payment Fund	Prior Service Fund	Total	Annuity Payment Fund	Prior Service Fund	Total	Annuity Payment Fund	Prior Service Fund	Total
Statutory Reserve									
Retirees	$ 5,375,944	$ 11,654,779	$ 17,030,723	$132,269,750	$401,686,642	$533,956,392	$137,645,694	$413,341,421	$550,987,115
Future Surviving Spouses	$ 1,003,511	$ 737,794	$ 1,741,305	$ 28,678,374	$ 35,279,623	$ 63,957,997	$ 29,681,885	$ 36,017,417	$ 65,699,302
Spouses	$ 3,637,577	$ 3,218,326	$ 6,855,903	$ 31,862,742	$ 48,686,218	$ 80,548,960	$ 35,500,319	$ 51,904,544	$ 87,404,863
Annual Benefits									
Retirees	$ 490,101	$ 682,448	$ 1,172,549	$ 16,577,522	$ 38,438,980	$ 55,016,502	$ 17,067,623	$ 39,121,428	$ 56,189,051
Future Surviving Spouses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spouses	$ 452,582	$ 455,547	$ 908,129	$ 4,574,940	$ 8,513,042	$ 13,087,982	$ 5,027,522	$ 8,968,589	$ 13,996,111

Assets of the Plan

ASSETS OF THE PLAN

The book value of plan assets, net of accounts payable, increased from $1.48 billion as of December 31, 1999 to $1.52 billion as of December 31, 2000, while the market value of plan assets decreased from $1.68 billion as of December 31, 1999 to $1.65 billion as of December 31, 2000. Table 7 details the development of asset values during 2000 and Table 8 shows the development of the actuarial value of assets as of December 31, 2000.

TABLE 7

LABORERS' & RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

RECONCILIATION OF ASSET VALUES
As of December 31, 2000

		Market Value		Book Value
1. Value of Assets as of 12/31/1999	$	1,683,900,050	$	1,475,747,244
2. Income for Plan Year:				
a) Member Contributions	$	17,011,363	$	17,011,363
b) City Contributions & Misc.		683,352		683,352
c) Investment Income Net of Expenses		27,201,969		107,582,268
d) Total Income	$	44,896,684	$	125,276,983
3. Disbursements for Plan Year:				
a) Benefit Payments	$	75,186,874	$	75,186,874
b) Refunds and Rollovers		3,121,175		3,121,175
c) Administration		1,669,793		1,669,793
d) Total Disbursements	$	79,977,842	$	79,977,842
4. Value of Assets as of 12/31/2000	$	1,648,818,892	$	1,521,046,385
5. Estimated Rate of Return in 2000:				
a) Gross (Investment Expense of $4,899,677)		1.94%		7.79%
b) Net of Investment Expense		1.65%		7.45%

TABLE 8

LABORERS' & RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS
As of December 31, 2000

1. Expected Return on Market Value of Assets for Prior Year

a) Market Value of Assets as of 12/31/1999 — $ 1,683,900,050

b) Actual Income and Disbursements in Prior Year Weighted for Timing

Item	Amount	Weight for Timing	Weighted Amount
i) Member Contributions	$ 17,011,363	50.0%	$ 8,505,682
ii) City Contributions & Misc.	683,352	50.0%	341,676
iii) Benefit Payments	(75,186,874)	50.0%	(37,593,437)
iv) Refunds	(3,121,175)	50.0%	(1,560,588)
v) Administration	(1,669,793)	50.0%	(834,897)
vi) Total			$ (31,141,564)

c) Market Value of Assets Adj. for Actual Income and Disbursements [(a) + (b)(vi))] — $ 1,652,758,486

d) Assumed Rate of Return on Plan Assets for the Year — 8.00%

e) Expected Return [(c) * (d)] — $ 132,220,679

2. Actual Return on Market Value of Assets for Prior Year

a) Market Value of Assets as of 12/31/1999 — $ 1,683,900,050

b) Income (less investment income) for Prior Plan Year — 17,694,715

c) Disbursements Paid in Prior Year — 79,977,842

d) Market Value of Assets as of 12/31/2000 — 1,648,818,892

e) Actual Return [(d) + (c) - (b) - (a)] — $ 27,201,969

3. Investment Gain/(Loss) for Prior Year [2(e) - 1(e)] — $ (105,018,710)

4. Actuarial Value of Assets as of 12/31/2000

a) Market Value of Assets as of 12/31/2000 — $ 1,648,818,892

b) Deferred Investment Gains and (Losses) for Last 5 Years

	Plan Year	Gain/(Loss)	Percent Deferred	Deferred Amount
i)	1996	-	0.00%	-
ii)	1997	-	20.00%	-
iii)	1998	-	40.00%	-
iv)	1999	$ (8,562,082)	60.00%	$ (5,137,249)
v)	2000	(105,018,710)	80.00%	(84,014,968)
vi)	Total	$ (113,580,792)		$ (89,152,217)

c) Actuarial Value of Assets — $ 1,737,971,109

Note: The calculated value is determined by adjusting the market value of assets to reflect the investment gains and losses (the difference beween the actual investment return and the expected investment return) during each of the last 5 years at the rate of 20% per year.

Plan Members Data

EXHIBIT A

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SUMMARY OF CHANGES IN ACTIVE PARTICIPANTS FOR FISCAL YEAR ENDING DECEMBER 31, 2000

	Male	Female	Total
Number of Active Members at Beginning of Fiscal Year*	3,474	381	3,855
Increases			
Members Added During Year	270	73	343
Members Returning From Inactive	99	27	126
Totals	3,843	481	4,324
Decreases			
Terminations During Year	204	50	254
Number of Active Members at End of Fiscal Year*	3,639	431	4,070
Total Inactive Members	1,731	192	1,923
Terminations			
Withdrawal (Without Refund)	117	33	150
Withdrawal (With Refund)	37	12	49
Ordinary Disability Benefit	0	0	0
Duty Disability Benefit	0	0	0
Transfer	1	2	3
Retirement	40	2	42
Death	9	1	10
Totals	204	50	254

* All employees receiving ordinary and duty disability benefits are included in the active count.

EXHIBIT B

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SUMMARY OF CHANGES IN ANNUITANTS AND BENEFICIARIES FOR FISCAL YEAR ENDING DECEMBER 31, 2000

	Number at Beginning of Year	Additions During Year	Terminations During Year	Number at End of Year
Employee Annuitants	2,687	56	174	2,569
Surviving Spouse Annuitants	1,397	83	74	1,406
Child Annuitants	76	7	16	67
Ordinary Disability Benefit	38	44	25	57
Duty Disability Benefit	82	59	41	100
Totals	4,280	249	330	4,199

EXHIBIT C

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

PART I - TOTAL LIVES AND ANNUAL SALARIES OF ACTIVE MALE PARTICIPANTS CLASSIFIED BY AGE AND YEARS OF SERVICE AS OF DECEMBER 31, 2000

Attained Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 and up	Total	Annual Salary
Under 20	1	4	1	0	0	0	0	0	0	0	0	0	0	6	$ 229,133
20-24	16	25	30	11	11	8	0	0	0	0	0	0	0	101	3,875,019
25-29	26	41	27	17	30	87	6	0	0	0	0	0	0	234	9,690,536
30-34	25	33	48	33	24	123	64	2	0	0	0	0	0	352	15,327,042
35-39	24	32	31	25	28	118	121	76	38	0	0	0	0	493	22,380,641
40-44	27	34	27	25	21	105	90	117	230	40	0	0	0	716	34,090,136
45-49	17	15	16	14	12	84	74	93	208	142	15	0	0	690	33,183,224
50-54	15	10	15	10	8	40	44	71	129	109	61	2	0	514	24,508,652
55-59	11	2	4	5	4	31	33	46	60	47	28	13	4	288	13,703,691
60-64	3	3	0	3	4	21	15	18	43	20	15	13	0	158	7,291,498
65-69	2	0	0	1	1	7	7	8	18	9	3	0	5	61	2,853,262
70 & Over	2	0	0	0	0	1	3	5	6	0	4	1	4	26	1,283,626
Total	169	199	199	144	143	625	457	436	732	367	126	29	13	3,639	$ 168,416,460

EXHIBIT C

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

PART II - TOTAL LIVES AND ANNUAL SALARIES OF ACTIVE FEMALE MEMBERS CLASSIFIED BY AGE AND YEARS OF SERVICE AS OF DECEMBER 31, 2000

Attained Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 and up	Total	Annual Salary
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 0
20-24	8	7	13	2	6	0	0	0	0	0	0	0	0	36	996,406
25-29	5	6	4	7	11	9	1	0	0	0	0	0	0	43	1,497,611
30-34	6	10	8	2	12	12	14	0	0	0	0	0	0	64	2,538,049
35-39	9	14	7	7	2	15	21	4	0	0	0	0	0	79	3,206,020
40-44	3	4	4	7	9	15	23	8	0	0	0	0	0	73	3,058,767
45-49	3	1	2	5	3	14	24	5	0	0	0	0	0	57	2,377,145
50-54	2	2	3	3	1	7	19	1	2	0	0	0	0	40	1,657,786
55-59	2	1	0	3	1	0	9	2	0	0	1	0	0	19	664,778
60-64	0	0	0	0	3	1	5	1	1	0	1	2	0	14	488,300
65-69	0	0	0	0	0	0	0	0	0	0	0	0	1	1	17,534
70 & Over	2	0	0	0	0	1	0	0	0	0	0	2	0	5	132,193
Total	40	45	41	36	48	74	116	21	3	0	2	4	1	431	$ 16,634,588

EXHIBIT C

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

PART III - TOTAL LIVES AND ANNUAL SALARIES OF ALL ACTIVE MEMBERS CLASSIFIED BY AGE AND YEARS OF SERVICE AS OF DECEMBER 31, 2000

Attained Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 and up	Total	Annual Salary
Under 20	1	4	1	0	0	0	0	0	0	0	0	0	0	6	$ 229,133
20-24	24	32	43	13	17	8	0	0	0	0	0	0	0	137	4,871,425
25-29	31	47	31	24	41	96	7	0	0	0	0	0	0	277	11,188,147
30-34	31	43	56	35	36	135	78	2	0	0	0	0	0	416	17,865,091
35-39	33	46	38	32	30	133	142	80	38	0	0	0	0	572	25,586,661
40-44	30	38	31	32	30	120	113	125	230	40	0	0	0	789	37,148,903
45-49	20	16	18	19	15	98	98	98	208	142	15	0	0	747	35,560,369
50-54	17	12	18	13	9	47	63	72	131	109	61	2	0	554	26,166,437
55-59	13	3	4	8	5	31	42	48	60	47	29	13	4	307	14,368,468
60-64	3	3	0	3	7	22	20	19	44	20	16	15	0	172	7,779,798
65-69	2	0	0	1	1	7	7	8	18	9	3	0	6	62	2,870,797
70 & Over	4	0	0	0	0	2	3	5	6	0	4	3	4	31	1,415,818
Total	209	244	240	180	191	699	573	457	735	367	128	33	14	4,070	$ 185,051,048

EXHIBIT D

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

AGE AND SERVICE DISTRIBUTION FOR INACTIVES AS OF DECEMBER 31, 2000

(Males and Females Combined)

Attained Age	Years of Service									Total
	0	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	
Under 20	0	22	0	0	0	0	0	0	0	22
20-24	14	118	1	0	0	0	0	0	0	133
25-29	29	118	5	0	0	0	0	0	0	152
30-34	27	102	17	5	0	0	0	0	0	151
35-39	58	209	19	12	6	1	0	0	0	305
40-44	156	185	15	11	20	10	2	0	0	399
45-49	94	135	18	6	18	14	9	1	0	295
50-54	49	63	15	11	6	18	13	3	0	178
55-59	20	46	6	4	7	5	1	3	0	92
60-64	8	32	4	4	0	3	1	0	0	52
65-69	7	29	2	3	3	1	0	0	0	45
70 & Over	23	43	11	10	3	3	5	1	0	99
w/o DOB	0	0	0	0	0	0	0	0	0	0
Total	485	1,102	113	66	63	55	31	8	0	1,923
Average Age										42.9
Average Service										3.3

* For inactives without a birthdate on record, we assumed an average age of 44.

EXHIBIT E

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

STATISTICS ON EMPLOYEE ANNUITIES CLASSIFIED BY AGE AS OF DECEMBER 31, 2000

	Male		Female	
Age	No.	Annual Payments	No.	Annual Payments
30-34	0	$ 0	0	$ 0
35-39	2	20,400	0	0
40-44	1	10,200	0	0
45-49	4	33,701	1	4,463
50-54	45	1,346,681	0	0
55-59	171	5,218,832	4	57,577
60-64	314	9,198,382	15	277,582
65-69	362	9,543,211	32	560,721
70-74	432	10,865,478	64	866,394
75-79	342	7,140,237	102	1,290,519
80-84	239	4,326,060	151	1,758,641
85-89	92	1,413,828	113	1,269,692
90-94	30	406,478	35	375,016
95-99	3	42,639	12	129,855
100 & Over	0	0	3	32,464
Totals	2,037	$ 49,566,127	532	$ 6,622,924

EXHIBIT F

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

STATISTICS ON SURVIVING SPOUSE ANNUITIES CLASSIFIED BY AGE AS OF DECEMBER 31, 2000

	Male		Female	
Age	No.	Annual Payments	No.	Annual Payments
20-24	0	$ 0	1	$ 1,200
25-29	0	0	1	9,600
30-34	0	0	1	9,600
35-39	0	0	4	38,400
40-44	1	9,600	14	134,400
45-49	0	0	17	175,411
50-54	0	0	31	320,853
55-59	0	0	60	608,784
60-64	2	19,200	107	1,150,198
65-69	3	28,800	138	1,460,790
70-74	5	39,113	226	2,260,884
75-79	8	79,520	276	2,756,608
80-84	8	76,800	274	2,622,472
85-89	6	57,600	154	1,480,031
90-94	1	9,600	56	539,590
95 & Over	0	0	12	107,057
Totals	34	$ 320,233	1,372	$ 13,675,878

EXHIBIT G

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

PART I - NUMBER OF REFUND PAYMENTS MADE DURING 2000 TO MALE EMPLOYEES

Age at Date of Refund	Length of Service at Date of Refund						
	Under 1 Year	Between 1 and 2	Between 2 and 3	Between 3 and 4	Between 4 and 5	5 and over	Total
Without Record							
Under 20	0	0	0	0	0	0	0
20 to 24	0	2	4	3	2	0	11
25 to 29	4	0	1	1	0	5	11
30 to 34	2	2	1	2	1	3	11
35 to 39	5	3	2	0	0	6	16
40 to 44	9	0	2	0	0	8	19
45 to 49	7	1	2	0	0	6	16
50 to 54	0	0	3	1	0	6	10
55 to 59	1	0	1	0	0	1	3
60 & Over	1	0	0	0	0	0	1
Totals	29	8	16	7	3	35	98

PART II - NUMBER OF REFUND PAYMENTS MADE DURING 2000 TO FEMALE EMPLOYEES

Age at Date of Refund	Length of Service at Date of Refund						
	Under 1 Year	Between 1 and 2	Between 2 and 3	Between 3 and 4	Between 4 and 5	5 and over	Total
Without Record							
Under 20	0	0	0	0	0	0	0
20 to 24	0	2	5	3	0	0	10
25 to 29	0	0	1	1	0	0	2
30 to 34	0	0	2	0	0	2	4
35 to 39	1	1	0	1	0	1	4
40 to 44	0	0	0	0	0	1	1
45 to 49	0	0	0	0	0	0	0
50 to 54	1	0	0	0	0	0	1
55 to 59	0	0	0	0	0	0	0
60 & Over	0	0	0	0	0	0	0
Totals	2	3	8	5	0	4	22

Includes those who took a refund from both active and active inactive status.

EXHIBIT H

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

HEALTH INSURANCE SUPPLEMENT CLASSIFIED BY AGE AS OF DECEMBER 31, 2000

Age	Single Coverage	Family Coverage	Total Participants	Total Non-Participants	Total Annuitants	% Participant Annuitants
Employee Annuitants						
30-39	2	0	2	0	2	100.00%
40-49	3	3	6	0	6	100.00%
50-59	73	104	177	43	220	80.45%
60-69	224	341	565	158	723	78.15%
70-79	336	357	693	247	940	73.72%
80-89	243	127	370	225	595	62.18%
90 & Over	31	7	38	45	83	45.78%
Total	912	939	1,851	718	2,569	72.05%
Surviving Spouse Annuitants						
Under 30	0	1	1	1	2	50.00%
30-39	0	5	5	0	5	100.00%
40-49	8	10	18	14	32	56.25%
50-59	34	6	40	51	91	43.96%
60-69	135	4	139	111	250	55.60%
70-79	306	1	307	208	515	59.61%
80-89	197	1	198	244	442	44.80%
90 & Over	22	0	22	47	69	31.88%
Total	702	28	730	676	1,406	51.92%

EXHIBIT I

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

PART I - MALE PARTICIPANTS RECEIVING DUTY DISABILITY CLASSIFIED BY AGE AND LENGTH OF SERVICE AS OF DECEMBER 31, 2000

Service:	Under 1 Year		1 to 4		5 to 9		10 to 14		15 to 19		20 & Over		Total	
Attained Age	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments
Under 30	0	$ 0	3	$ 10,962	2	$ 6,786	1	$ 3,393	0	$ 0	0	$ 0	6	$ 21,140
30 to 34	0	0	0	0	3	12,762	2	9,875	0	0	0	0	5	22,637
35 to 39	0	0	4	16,821	3	13,758	5	20,053	0	0	0	0	12	50,632
40 to 44	0	0	2	19,841	3	12,675	9	42,109	1	5,538	1	3,393	16	83,555
45 to 49	0	0	2	8,070	3	12,943	9	50,138	0	0	0	0	14	71,151
50 to 54	0	0	1	3,967	1	4,381	9	37,826	1	4,088	0	0	12	50,263
55 to 59	0	0	1	3,967	3	12,887	13	84,839	0	0	0	0	17	101,693
60 & Over	0	0	2	8,952	0	0	5	15,262	0	0	0	0	7	24,215
Totals	0	$ 0	15	$ 72,581	18	$ 76,191	53	$ 263,495	2	$ 9,626	1	$ 3,393	89	$ 425,286

PART II - FEMALE PARTICIPANTS RECEIVING DUTY DISABILITY CLASSIFIED BY AGE AND LENGTH OF SERVICE AS OF DECEMBER 31, 2000

Service:	Under 1 Year		1 to 4		5 to 9		10 to 14		15 to 19		20 & Over		Total	
Attained Age	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments
Under 30	0	$ 0	0	$ 0	0	$ 0	0	$ 0	0	$ 0	0	$ 0	0	$ 0
30 to 34	0	0	1	3,638	0	0	2	8,974	0	0	0	0	3	12,612
35 to 39	0	0	0	0	1	3,814	1	4,045	0	0	0	0	2	7,859
40 to 44	0	0	0	0	0	0	1	3,393	0	0	0	0	1	3,393
45 to 49	0	0	0	0	0	0	1	3,393	0	0	0	0	1	3,393
50 to 54	0	0	0	0	1	3,967	2	7,580	0	0	0	0	3	11,547
55 to 59	0	0	0	0	0	0	1	3,393	0	0	0	0	1	3,393
60 & Over	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals	0	$ 0	1	$ 3,638	2	$ 7,782	8	$ 30,777	0	$ 0	0	$ 0	11	$ 42,197

Annual payments shown represent an annualized rate of payment for those on disability as of the valuation date.

EXHIBIT I

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

PART III - MALE PARTICIPANTS RECEIVING ORDINARY DISABILITY CLASSIFIED BY AGE AND LENGTH OF SERVICE AS OF DECEMBER 31, 2000

Service:	Under 1 Year		1 to 4		5 to 9		10 to 14		15 to 19		20 & Over		Total	
Attained Age	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments
Under 30	0	$ 0	2	$ 40,421	0	$ 0	0	$ 0	0	$ 0	0	$ 0	2	$ 40,421
30 to 34	0	0	1	17,286	0	0	0	0	0	0	0	0	1	17,286
35 to 39	0	0	2	35,202	2	35,667	0	0	0	0	0	0	4	70,869
40 to 44	0	0	2	27,717	2	39,462	4	81,988	0	0	0	0	8	149,167
45 to 49	0	0	2	34,572	1	17,286	6	111,670	0	0	1	18,983	10	182,511
50 to 54	0	0	3	53,791	4	75,469	4	70,320	0	0	0	0	11	199,580
55 to 59	0	0	1	23,270	1	17,286	2	40,648	0	0	0	0	4	81,204
60 & Over	0	0	3	49,139	3	53,096	2	32,190	0	0	0	0	8	134,424
Totals	0	$ 0	16	$ 281,399	13	$ 238,266	18	$ 336,815	0	$ 0	1	$ 18,983	48	$ 875,463

PART IV - FEMALE PARTICIPANTS RECEIVING ORDINARY DISABILITY CLASSIFIED BY AGE AND LENGTH OF SERVICE AS OF DECEMBER 31, 2000

Service:	Under 1 Year		1 to 4		5 to 9		10 to 14		15 to 19		20 & Over		Total	
Attained Age	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments
Under 30	0	$ 0	1	$ 10,387	0	$ 0	0	$ 0	0	$ 0	0	$ 0	1	$ 10,387
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	1	17,286	0	0	0	0	0	0	0	0	1	17,286
40 to 44	0	0	0	0	1	20,211	0	0	0	0	0	0	1	20,211
45 to 49	0	0	2	29,210	1	17,286	0	0	0	0	0	0	3	46,497
50 to 54	0	0	1	20,686	0	0	1	20,211	0	0	0	0	2	40,897
55 to 59	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60 & Over	0	0	0	0	0	0	1	$ 13,706.70	0	0	0	0	1	13,707
Totals	0	$ 0	5	$ 77,570	2	$ 37,497	2	$ 33,917	0	$ 0	0	$ 0	9	$ 148,984

Annual payments shown represent an annualized rate of payment for those on disability as of the valuation date.

EXHIBIT J

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

HISTORY OF AVERAGE ANNUAL SALARIES

Year End	Members in Service	Percent Increase	Annual Salaries	Percent Increase	Average Salary	Percent Increase	Actuarial Salary Assumption	CPI Chicago
1990	4,498	(2.05)%	$ 145,612,704	2.53%	$ 32,373	4.67%	6.00%	5.40%
1991	4,304	(4.31)%	149,054,136	2.36%	34,632	6.98%	6.00%	4.00%
1992	4,022	(6.55)%	141,618,648	(4.99)%	35,211	1.67%	6.00%	3.00%
1993	3,867	(3.85)%	147,076,752	3.85%	38,034	8.02%	6.00%	3.00%
1994	3,891	0.62%	155,213,016	5.53%	39,890	4.88%	6.00%	2.20%
1995	3,832	(1.52)%	152,996,856	(1.43)%	39,926	0.09%	6.00%	3.20%
1996	3,785	(1.23)%	162,276,840	6.07%	42,874	7.38%	6.00%	2.70%
1997	3,876	2.40%	171,175,944	5.48%	44,163	3.01%	5.00%	2.70%
1998	3,753	(3.17)%	170,627,112	(0.32)%	45,464	2.95%	5.00%	2.01%
1999	3,855	2.72%	175,914,112	3.10%	45,633	0.37%	5.00%	2.57%
2000	4,070	5.58%	185,051,048	5.19%	45,467	(0.36)%	5.00%	4.03%
Average Increase (Decrease) for the Last 5 Years		1.26%		3.90%		2.67%		2.80%

EXHIBIT K

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

NEW ANNUITIES GRANTED DURING 2000

	Male Annuitants	Female Annuitants	Spouse of Deceased Employees	Spouse of Deceased Annuitants
Number retired/deceased	52	4	14	69
Average age attained	60.4	63.3	53.7	71.7
Average length of service	20.6	11.8	N/A	N/A
Average annual final salary	$ 42,844	$ 35,798	N/A	N/A
Total annual annuity	$ 1,132,243	$ 40,306	$ 133,782	$ 774,347
Average annual annuity	$ 21,774	$ 10,076	$ 9,556	$ 11,222
Total actuarial liability	$ 13,749,715	$ 451,750	$ 1,411,472	$ 6,250,976
Average actuarial liability	$ 264,418	$ 112,938	$ 100,819	$ 90,594
Total contributed by EE	$ 2,638,123	$ 117,960	N/A	N/A
Average investment	$ 50,733	$ 29,490	N/A	N/A
Liability/contributions	5.21	3.83	N/A	N/A
Liability/final pay	6.17	3.15	N/A	N/A

We do not have the contribution history for spouses of deceased employees and annuitants.

EXHIBIT L

LABORERS' & RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

RECIPROCAL ANNUITIES GRANTED DURING 2000

	Reciprocal	
	Male Annuitants	Female Annuitants
Number Retired	8	1
Average Age Attained	60.8	64.0
Number With Spouses	6	0
Average Spouse Age	52.2	0
Percentage with Spouse	75%	0%
Total Annual Annuity	$ 99,940	$ 3,629
Average Annual Annuity	$ 12,492	$ 3,629
Total Liability (8% 1983 GAM)	$ 1,086,828	$ 47,816
Average Liability	$ 135,853	$ 47,816

EXHIBIT M

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

RETIREES AND BENEFICIARIES BY TYPE OF BENEFIT

	Annuitants			Disability			Reciprocal	
Years	Employee	Spouse	Child	Ordinary	Duty	Compensation Spouse	Employee	Spouse
1989	2,384	1,261	80	79	138	1	92	34
1990	2,391	1,279	86	70	145	1	190	38
1991	2,397	1,296	88	75	143	1	104	39
1992	2,416	1,296	88	70	156	1	118	37
1993	2,534	1,322	79	42	103	0	142	39
1994	2,534	1,359	75	55	106	0	146	41
1995	2,445	1,362	72	49	93	0	155	39
1996	2,378	1,388	74	38	109	0	159	43
1997	2,296	1,374	73	54	91	0	161	48
1998	2,628	1,365	83	35	77	0	180	49
1999	2,507	1,345	76	38	82	0	180	52
2000	2,384	1,350	67	57	100	0	185	56

EXHIBIT N

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

AVERAGE EMPLOYEE RETIREMENT BENEFITS PAYABLE

Years Ended	Average Annual Benefit	Average Current Age of	Average Annual Benefit at Retirement Current Year	Average Age at Retirement Current Year	Average Years of Service at Retirement Current Year
1989	$ 9,036	72.6	$ 12,582	64.7	26.4
1990	10,045	72.6	15,732	64.6	28.1
1991	10,807	73.0	16,444	64.2	27.0
1992	11,586	73.2	17,010	65.2	27.1
1993*	13,515	72.2	21,804	63.6	30.4
1994	14,059	72.7	15,866	63.3	23.2
1995	14,797	72.9	20,634	64.0	27.7
1996	15,476	73.3	21,109	61.4	25.9
1997	16,634	72.8	18,339	62.6	24.1
1998*	20,530	71.2	30,889	60.6	32.0
1999	21,157	72.8	18,366	61.9	18.3
2000	21,872	73.3	20,938	61.1	20.0

* Early retirement incentive offered to employees.

EXHIBIT O

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SURVIVING SPOUSES RECEIVING BENEFITS AS OF 12/31/2000 BY AGE AND YEARS IN PAY STATUS

ATTAINED AGE	Under 1 Annual No. Payments	1 to 4 Annual No. Payments	5 to 9 Annual No. Payments	10 to 14 Annual No. Payments	15 to 19 Annual No. Payments	20 & Over Annual No. Payments	Total Annual No. Payments
Under 30	0	0	0	0	0	0	0
30 to 34	1	1	0	0	0	0	2
35 to 39	0	0	1	0	0	0	1
40 to 44	1	1	2	0	0	0	4
45 to 49	2	5	4	1	3	0	15
50 to 54	1	10	2	2	2	0	17
55 to 59	7	6	10	3	3	2	31
60 & Over	65	32	153	255	269	562	1,336
Totals	77	55	172	261	277	564	1,406

EXHIBIT P

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

HISTORY OF ANNUITIES 1990-2000

Employee Annuitants (Male and Female)			
Year End	Number of Annuitants	Total Annuities	Average Annuities
1990	2,481	$ 24,922,371	$ 10,045
1991	2,501	27,029,083	10,807
1992	2,534	29,359,490	11,586
1993	2,802	37,868,791	13,515
1994	2,680	37,679,445	14,059
1995	2,600	38,471,969	14,797
1996	2,537	39,261,371	15,476
1997	2,457	40,869,959	16,634
1998	2,808	57,648,658	20,530
1999	2,687	56,848,916	21,157
2000	2,569	56,189,051	21,872
Surviving Spouse Annuities			
Year End	Number of Annuitants	Total Annuities	Average Annuities
1990	1,317	$ 5,292,391	$ 4,019
1991	1,335	5,502,954	4,122
1992	1,359	5,743,428	4,226
1993	1,398	6,077,755	4,347
1994	1,403	6,264,691	4,465
1995	1,427	6,586,402	4,616
1996	1,417	6,777,664	4,783
1997	1,413	9,439,234	6,680
1998	1,414	13,878,195	9,815
1999	1,397	13,817,326	9,891
2000	1,406	13,996,111	9,955

Actuarial Methods and Assumptions

as of December 31, 2000

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

ACTUARIAL METHODS AND ASSUMPTIONS AS OF DECEMBER 31, 2000

ACTUARIAL COST METHOD

An Actuarial Cost Method is a set of techniques used by the actuary to develop contribution levels under a retirement plan. The principal Actuarial Cost Method used in this valuation is the Entry Age Actuarial Cost Method. Under this Method, a Normal Cost is developed by amortizing the actuarial value of benefits expected to be received by each active participant over the total working lifetime of that participant, from hire to termination.

To the extent that current assets and future Normal Costs do not support participants' expected future benefits, an Unfunded Actuarial Accrued liability ("UAAL") develops. The UAAL is generally amortized over a defined period of time (e.g., 40 years). The total contribution developed under this method is the sum of the Normal Cost and the payment toward the UAAL.

CURRENT ACTUARIAL ASSUMPTIONS

Demographic Assumptions

Mortality: 1983 Group Annuity Mortality Table set forward two years.

Rate of Retirement:

	Entry Ages Male									
Age	22	27	32	37	42	47	52	57	62	67
30										
31										
32	0.002									
33	0.002									
34	0.002									
35	0.002									
36	0.002									
37	0.002	0.002								
38	0.002	0.002								
39	0.002	0.002								
40	0.001	0.002								
41	0.001	0.002								
42	0.001	0.002	0.002							
43	0.001	0.002	0.002							
44	0.001	0.002	0.002							
45	0.001	0.001	0.002							
46	0.001	0.001	0.001							
47	0.001	0.001	0.001	0.002						
48	0.001	0.001	0.001	0.002						
49	0.001	0.001	0.001	0.002						
50	0.001	0.001	0.001	0.002						
51	0.001	0.001	0.001	0.002						
52	0.200	0.001	0.001	0.001	0.002					
53	0.100	0.001	0.001	0.001	0.002					
54	0.100	0.001	0.001	0.001	0.002					
55	0.300	0.300	0.010	0.001	0.001					
56	0.300	0.200	0.010	0.001	0.001					
57	0.300	0.200	0.200	0.070	0.010	0.001				
58	0.300	0.200	0.090	0.020	0.010	0.001				
59	0.350	0.200	0.090	0.040	0.010	0.001				
60	0.500	0.200	0.090	0.100	0.040	0.020	0.020	0.020		
61	0.500	0.220	0.090	0.120	0.040	0.020	0.020	0.050		
62	0.500	0.250	0.150	0.330	0.070	0.030	0.030	0.100		
63	0.750	0.300	0.240	0.400	0.090	0.050	0.030	0.100	0.020	
64	0.750	0.350	0.280	0.450	0.110	0.060	0.050	0.150	0.050	
65	1.000	0.500	0.400	0.650	0.080	0.080	0.300	0.200	0.100	
66		0.750	0.450	0.650	0.420	0.130	0.150	0.200	0.150	
67		1.000	0.500	0.700	0.460	0.220	0.200	0.500	0.200	
68			0.750	0.750	0.500	0.500	0.500	0.500	0.500	
69			0.750	0.750	0.750	0.750	0.750	0.750	0.750	
70			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Rate of Retirement:

	Entry Ages Female									
Age	22	27	32	37	42	47	52	57	62	67
30										
31										
32	0.002									
33	0.002									
34	0.002									
35	0.002									
36	0.002									
37	0.002	0.002								
38	0.002	0.002								
39	0.001	0.002								
40	0.001	0.002								
41	0.001	0.002								
42	0.001	0.002	0.002							
43	0.001	0.002	0.002							
44	0.001	0.001	0.002							
45	0.001	0.001	0.002							
46	0.001	0.001	0.001							
47	0.001	0.001	0.001	0.002						
48	0.001	0.001	0.001	0.002						
49	0.001	0.001	0.001	0.002						
50	0.001	0.001	0.001	0.002						
51	0.001	0.001	0.001	0.002						
52	0.200	0.001	0.001	0.002	0.002					
53	0.100	0.001	0.001	0.002	0.002					
54	0.100	0.001	0.001	0.001	0.002					
55	0.250	0.300	0.040	0.001	0.001					
56	0.250	0.200	0.040	0.001	0.001					
57	0.350	0.200	0.200	0.010	0.010	0.010				
58	0.100	0.200	0.120	0.020	0.010	0.010				
59	0.250	0.200	0.120	0.030	0.010	0.010				
60	0.400	0.280	0.120	0.100	0.020	0.020	0.020	0.020		
61	0.500	0.300	0.150	0.130	0.040	0.020	0.030	0.030		
62	0.500	0.330	0.300	0.140	0.080	0.030	0.030	0.030		
63	0.750	0.500	0.330	0.150	0.090	0.030	0.040	0.030	0.020	
64	0.750	0.500	0.220	0.150	0.100	0.030	0.050	0.040	0.040	
65	1.000	0.750	0.240	0.420	0.250	0.130	0.050	0.060	0.150	
66		0.750	0.270	0.200	0.270	0.150	0.060	0.080	0.180	
67		1.000	0.300	0.300	0.330	0.250	0.070	0.120	0.220	
68			0.500	0.500	0.500	0.500	0.500	0.500	0.500	
69			0.750	0.750	0.750	0.750	0.750	0.750	0.750	
70			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Rate of Termination:

	Entry Ages Male									
Age	22	27	32	37	42	47	52	57	62	67
22	0.22									
23	0.19									
24	0.17									
25	0.15									
26	0.13									
27	0.12	0.26								
28	0.10	0.19								
29	0.09	0.16								
30	0.07	0.14								
31	0.06	0.12								
32	0.05	0.10	0.22							
33	0.04	0.09	0.19							
34	0.03	0.07	0.16							
35	0.03	0.06	0.14							
36	0.02	0.05	0.11							
37	0.02	0.04	0.10	0.22						
38	0.02	0.04	0.08	0.18						
39	0.02	0.03	0.06	0.16						
40	0.01	0.03	0.05	0.14						
41	0.01	0.03	0.04	0.11						
42	0.01	0.02	0.02	0.09	0.18					
43	0.01	0.02	0.02	0.07	0.16					
44	0.01	0.02	0.01	0.06	0.14					
45	0.01	0.02	0.01	0.05	0.12					
46	0.01	0.01	0.01	0.04	0.10					
47	0.01	0.01	0.01	0.03	0.08	0.14				
48	0.00	0.01	0.01	0.03	0.07	0.13				
49	0.00	0.01	0.01	0.02	0.05	0.11				
50	0.00	0.01	0.01	0.02	0.04	0.10				
51	0.00	0.01	0.01	0.02	0.04	0.09				
52		0.01	0.00	0.02	0.03	0.08	0.12			
53		0.00	0.00	0.01	0.02	0.06	0.10			
54		0.00	0.00	0.01	0.02	0.05	0.09			
55						0.04	0.07			
56						0.03	0.06			
57							0.05	0.11		
58							0.04	0.09		
59							0.03	0.08		
60										

Rate of Termination:

	Entry Ages Female									
Age	22	27	32	37	42	47	52	57	62	67
22	0.14									
23	0.13									
24	0.13									
25	0.12									
26	0.11									
27	0.11	0.17								
28	0.10	0.15								
29	0.09	0.13								
30	0.07	0.12								
31	0.06	0.10								
32	0.05	0.09	0.11							
33	0.04	0.07	0.10							
34	0.04	0.06	0.09							
35	0.03	0.05	0.08							
36	0.03	0.05	0.07							
37	0.02	0.04	0.06	0.07						
38	0.02	0.03	0.05	0.07						
39	0.01	0.03	0.05	0.06						
40	0.01	0.03	0.04	0.06						
41	0.01	0.02	0.04	0.06						
42	0.01	0.02	0.03	0.05	0.05					
43	0.01	0.02	0.03	0.05	0.05					
44	0.00	0.02	0.02	0.04	0.05					
45	0.00	0.02	0.02	0.04	0.04					
46	0.00	0.01	0.02	0.03	0.04					
47		0.01	0.02	0.03	0.03	0.06				
48		0.10	0.02	0.02	0.03	0.06				
49		0.01	0.01	0.02	0.03	0.05				
50		0.01	0.01	0.02	0.03	0.04				
51		0.01	0.01	0.02	0.02	0.04				
52		0.00	0.01	0.01	0.02	0.03	0.05			
53		0.00	0.01	0.01	0.02	0.03	0.05			
54		0.00	0.01	0.01	0.01	0.03	0.05			
55						0.03	0.04			
56						0.02	0.04			
57							0.04	0.06		
58							0.03	0.05		
59							0.03	0.05		
60										

Economic Assumptions

Investment Return Rate:	8.00% per annum (net of investment expense). This assumption contains a 3% inflation assumption and a 5% real rate of return assumption.
Future Salary Increases:	The assumed rate of individual salary increases is 5.0% per year. The salary assumption includes a 3% inflation and 2% merit and longevity assumption.
Asset Value:	The Actuarial Value of Assets is smoothed by using a five-year phase-in of each year's unexpected investment gains and losses.

Other Assumptions

Marital Status:	It is assumed that 85% of members have an eligible spouse. The male spouse is assumed four years older than the female spouse. No assumption is made about other dependents.
Group Health Insurance:	It is assumed for valuation purposes that the current health insurance supplement will continue for life for all employee annuitants (and their future surviving spouses). The amount of the Fund paid health insurance from January 1, 1993 until June 30, 2002 is $75.00 per month for each annuitant (employees and surviving spouses) not qualified to receive Medicare benefits, and $45.00 if qualified. It is assumed that all annuitants age 65 and older will be eligible for Medicare and all annuitants less than age 65 will not be eligible for Medicare. Future surviving spouses of retirees are assumed to be eligible for Medicare, as well as surviving spouse annuitants that are currently receiving a health insurance supplement.
Required Ultimate Multiple:	Is based on the actuarial requirements (adjusted for tax levy loss) less expected employee contributions divided by the actual employee contributions made in the second prior year.
Loss in Tax Levy:	4% overall loss on tax levy is assumed.

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

THREE METHODS OF FINANCING UNFUNDED LIABILITY

Normal Cost Plus Interest Method:	This is the method of valuation that was used in reports prior to 1997. It is intended to continue the current provisions of the Article governing the Fund in full force and effect on a permanent basis, and in the amount required each year to keep the unfunded liability from increasing if all assumptions are realized. The normal cost plus interest only method of funding is that recommended by the former Illinois Public Employees' Pension Laws Commission. It was also the minimum required for private pension plans for IRS qualification before ERISA.
Normal Cost Plus 40 Year Amortization Method:	GASB #25 now requires an amortization of the unfunded liability, as does ERISA's minimum funding standards which require the initial unfunded liability existing on January 1, 1976, be amortized over a 40 year period. We have calculated the cost of amortizing the existing unfunded liability. Both of these cost methods, the normal cost plus interest method and the normal cost plus 40 year amortization method, express the past service costs as a level annual dollar amount. It assumes that there will be a stable membership with a growing payroll. Consequently, as the total payroll increases in the future, the level annual amount becomes a decreasing percent of the total payroll. Under both methods, level dollar amounts represent a greater percent of payroll initially and a decreasing percent of payroll as future payrolls increase.

Level Annual Percent of Payroll Method:

An alternative method for funding that is receiving increased attention for public employee pension plans is a method that sets the funding standard cost objective as a level annual percent of payroll rather than as a level annual amount. This method will result in increasingly greater dollar amounts each year as payrolls increase.

This constant percent of payroll method is not an acceptable method under ERISA, but is permitted under GASB #25. It may be more acceptable in the future in view of the presumably permanent nature of public retirement systems with a constant flow of new entrants and the desire to place a relatively constant tax burden (as percentage of salary) on future generations of taxpayers. Please note that if this amount is recomputed each year with the same "open" amortization period, the unfunded liability will never be amortized.

In determining funding policy, it is essential to provide a margin of safety for unfavorable operating experience such as salaries over anticipated salaries, decreasing age of retirement, increasing longevity, and declining fund membership.

Summary of Provisions

of the Fund

as of December 31, 2000

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SUMMARY OF PRINCIPAL ELIGIBILITY AND BENEFIT PROVISIONS AS OF DECEMBER 31, 2000

PARTICIPANTS

Any person employed by the City in a position classified as labor service of the employer, any person employed by the Board, and any person employed by the Retirement Board of any other Annuity and Benefit Fund which is in operation for the employer.

SERVICE

For all purposes except minimum annuity and ordinary disability credit, service in four months in any calendar year constitutes one year of service credit.

For minimum annuity, one half-year credit is given for one complete month of service and a full year credit is given for one complete month of service plus service in at least 5 other months. For Ordinary Disability credit, the exact number of days, months and years is used.

RETIREMENT ANNUITY

Money Purchase Formula

Maximum is 60% of highest salary. Applies in cases where an employee is age 55 or older and has a minimum of 10 years of service. If employee is age 55 to 60 with service less than 20 years, the annuity is based on all employee deductions plus 1/10 of the City contributions for each year over 10. In the case of withdrawal before age 55 and application after age 55, the annuity is based on employee deductions plus 1/10 of the City contributions for each year over 10, with interest to date of application or age 55, whichever is later. The age factor for age 55 is used.

The annuity is based on all employee deductions and City contributions in cases where the employee is (a) age 55 to 60 with 20 or more years of service; (b) age 60 or older; or (c) resigning at the time of disability credit expiration.

Minimum Annuity Formula

Maximum is 75% of final average salary.

(a) An employee age 60 or older with at least 10 years of service withdrawing on or after January 1, 1999, or an employee age 55 or older withdrawing on or after July 1, 1990, with at least 20 years of service, or an employee age 50 or older withdrawing on or after June 27, 1997 with at least 30 years of service, is qualified for an annuity equal to 2.2%, for each year of service, of the final average salary during the four highest consecutive years within the last 10 years of service prior to retirement. This annuity is discounted 0.25% for each month the employee is younger than age 60 unless he has at least 25 years of service, or 30 years of service if the employee withdrew before June 27, 1997. The employee could also choose the old factors (1.8%, 2.0%, 2.2%, and 2.4%) for each 10 years of service credit if it is to his benefit.

(b) An employee who is at least age 65 with 15 or more years of service is qualified for an annuity equal to 1% for each year of service multiplied by the final average salary added to the sum of $25 for each year of service.

(c) The employee will receive a minimum annuity of $850 per month if the employee retires at age 60 or older with at least 10 years of service on or after January 1, 1999.

Reversionary Annuity

An employee may elect to reduce his or her annuity by an amount less than or equal to $400 to provide a reversionary annuity for a spouse, parent, child, brother, or sister, to begin upon the employee's death. The election must be made before retirement and have been in effect one year prior to death. The one-year requirement is waived if the beneficiary is the employee's spouse. The death of the employee before retirement voids this election. The reversionary annuity cannot exceed 100% of the employee's reduced annuity. If the employee resigns after June 30, 1983, the 3% automatic annual increase in the annuity will be computed on the original, not the reduced, annuity; if the beneficiary dies before the employee annuitant, the full annuity is restored for annuities granted after June 30, 1983. The amount of the monthly reversionary annuity is determined by multiplying the amount of the monthly reduction in the employee's annuity by a factor based on the age of the employee and the difference between the ages of the employee and the reversionary annuitant at the starting date of the employee's annuity.

Reciprocal Annuity

Under reciprocal retirement, an employee can receive an annuity based on combined service credits in two or more governmental units in Illinois to whose pension funds he or she has contributed.

Automatic Increase in Annuity

An employee who is age 60 or older is entitled to receive an increase of 3% of the original annuity. This increase begins in January of the year immediately following the year of the first anniversary of retirement. An employee who retires prior to age 60 will receive such increase beginning in January of the year following the year he attained age 60. Effective for retirements on or after January 1, 1987, the first increase shall begin upon the first annuity payment date following the first anniversary of retirement, or age 60 if later. Beginning January 1, 1999, increases are calculated as 3% of the monthly annuity payable at the time of increase. Increases apply only to life annuities.

SPOUSE ANNUITY

The surviving spouse annuity is the greater of the annuity under the money purchase formula or the minimum annuity formula. Surviving spouses who remarry on or after September 4, 2000 will not have their annuities terminated.

Money Purchase Formula

When an employee retires, the spouse's annuity is fixed, based on employee deductions and City contributions made for spouses' annuity purposes and a joint life age factor. (If the employee is a female, these are deductions accumulated since October 1974).

If the employee dies in service, the spouse's annuity is based on all sums accumulated to their credit.

For 3% annuities fixed on or after August 1, 1983, the "Combined Annuity Mortality Table" shall continue to be used; however, surviving spouse's single life annuities and reversionary annuities shall be computed using the best factor (the factor producing the highest annuity), without regard to gender.

Spouses' Minimum Annuity Formula

If the employee retires or dies in service before July 1, 1990, and is at least age 60 with 20 or more years of service, the spouse's annuity is equal to half the amount of annuity that the employee was entitled to receive at the time of death, if death occurred before retirement, or was entitled to receive on the date of retirement, if the employee died after retirement. The spouse's annuity must then be discounted .25% for each month that the spouse is under age 60 at the time the annuity is fixed.

If the employee retires or dies in service after July 1, 1990 and is at least age 55 with 20 or more years of service, or if the employee retires or dies in service on or after June 27, 1997 and is at least age 50 with 30 or more years of service, the spouse's annuity is equal to half the amount of annuity the employee was entitled to receive at the time of retirement or death in service. This annuity must then be discounted .25% for each month the spouse is under age 55 at the time the employee retires or dies in service.

If the employee dies on or after June 27, 1997 while receiving a retirement annuity, the spouse may choose an annuity of one-half of the employee's annuity at death. This annuity is discounted for his/her age under 55 at the time of the employee's death, unless the employee was at least age 50 with 30 or more years of service, or at least age 55 with 25 or more years of service, and died on or after January 1, 1998 and withdrew from service on or after June 27, 1997, in which case the spouse annuity would be discounted for spouse age under 50 at the time of the employee's death.

In the case of the spouse of a female employee, the employee must have made contributions for her spouse for at least 20 years to qualify for the minimum annuity formula. Current female employees may elect to pay spouse contributions for their full service before October 1974.

The spouse will receive a minimum annuity of $800 per month if the employee retires with at least 10 years of service or dies in service with at least five years of service on or after January 1, 1999.

Child's Annuity

A child's annuity is provided for unmarried children of a deceased employee who are under the age of 18, if the child was conceived or born before the withdrawal from service, or legally adopted at least one year before the child's annuity becomes payable. The annuity is $220 per month while the spouse of the deceased employee is alive and $250 per month if the spouse is deceased. Except for duty death, the deceased employee must have had four years of service or at least two years from latest re-entrance if he had previously resigned from service.

Family Maximum

Non-Duty Death: 60% of final monthly salary.
Duty Death: 70% of final monthly salary.

DISABILITIES

Duty Disability Benefits

Any employee who becomes disabled as the result of an injury incurred in the performance of any act of duty shall have a right to receive a duty disability benefit in the amount of 75% of salary at date of injury, plus $10 a month for each unmarried child (the issue of the employee) less than age 18. Child's duty disability benefit is limited to 15% of the employee's salary as of the date of injury. Duty disability benefits begin one day after the later of the last day worked or the last day paid.

If the disability has resulted from any mental disorder, physical defect or disease which existed at the time such injury was sustained, the duty disability benefit shall be 50% of salary at date of injury. Disablement because of heart attacks, strokes, or any disablement due to heart disease shall not be considered the result of an accident suffered in the performance of duty. However, the employee will receive service credit and the City will contribute salary deductions for annuity purposes if the employee is receiving Workers' Compensation.

A duty disability benefit is payable to age 65 if the disability benefits begin before age 60. For an employee who begins disability on or after age 60, disability will continue for five years or to age 70, whichever occurs first. The age 70 limitation was removed beginning January 1, 1987. As of January 1, 1991, a duty disability benefit which continues for more than five years and which starts before the employee's age 60, will be increased by 10% on January 1st of the sixth year.

The City contributes salary deductions for annuity purposes for the duty disability benefit. Such amounts contributed by the City after December 31, 1983, while the employee is receiving duty disability benefits, are not refundable to the employee and will be used for annuity purposes only.

Ordinary Disability Benefit

This benefit is granted for disability incurred other than in performance of an act of duty and is 50% of salary as of the last day worked less the sum ordinarily deducted from salary for annuity purposes. The first payment shall be made one month after the disablement occurs. Disability is payable until age 65 and limited to a maximum of 25% of the employee's total service or five years, whichever occurs first if disability benefits begin before age 60. For an employee who begins disability on or after age 60, disability will continue for a period not greater than 25% of the employee's total service, but not more than five years or age 70, whichever occurs first. The age 70 limitation was removed beginning January 1, 1987.

GROUP HEALTH HOSPITAL AND SURGICAL INSURANCE PREMIUMS

The pension fund may provide up to a maximum of $75 per month for non-Medicare eligible annuitants (employees or surviving spouses, without regard to age or years of service) and up to $45 per month for Medicare eligible annuitants until June 30, 2002.

REFUNDS

To Employees

Upon separation from service, an employee is entitled to all salary deductions, plus interest, if the employee is under age 55. If older than age 55, the employee is eligible for a refund if he has less than 10 years of service or would be eligible for a temporary rather than life annuity. Effective July 6, 2000, the employee may choose a refund in lieu of annuity if the calculated annuity would be less than $800 per month.

Spouse's annuity deductions are payable to the employee if not married when he retires.

To Spouses

In lieu of annuity if the annuity would be temporary rather than life, and the spouse so chooses. Effective July 6, 2000, the spouse may choose a refund in lieu of annuity if the calculated annuity would be less than $800 per month.

Remaining Amounts

Amounts contributed by the employee excluding 0.5% deductions for annuity increases, and which have not yet been paid out as annuity, are refundable to his estate with interest to his retirement or death if he died in service.

DEDUCTIONS AND CONTRIBUTIONS

	Deductions	City Contributions[1]
Employee	6.5%	6.0%
Spouse	1.5%	2.0%
Annuity Increase	0.5%	0.0%
	8.5%	8.0%

[1]Financing

The City shall annually levy a tax which, when added to the amounts deducted from the salaries of the employees, or otherwise contributed by them, will be sufficient for the requirements of the Fund. The tax will produce an amount that does not exceed the amount of contributions by the employees to the Fund made in the calendar year two years prior to the year for which the annual applicable tax is levied, multiplied by 1.00 for the year 1999 and each year thereafter.

When the balance of the prior service reserve equals its liabilities (including in addition to all other liabilities, the present value of all annuities, present or prospective, according to the applicable mortality tables and rates of interest), the City shall cease to contribute the amounts to provide prior service annuities and other annuities and benefits.

TAX SHELTER OF EMPLOYEE SALARY DEDUCTIONS

Beginning January 1, 1982, the City employee salary deductions were designated for income tax purposes to be made by the employer. The W-2 salary is therefore reduced by the amount of contributions. For pension purposes the salary remains unchanged. Income tax will be paid when a refund or annuity is granted. For the purposes of benefits, refunds, or financing, these contributions are treated as employee contributions. Beginning September 1, 1981, the Board of Education paid contributions in the amount of 7% of the employee's salary. The 1985 amendments contained a provision whereby the amount of pick-up, if any, is included in the pensionable salary for contributions and benefits. Such provision was retroactive to September 1, 1981. Beginning May 28, 2000, the remainder of contributions due for Board of Education employee salary deductions was designated for income tax purposes to be made by the employer and treated in the same manner as city employee salary deductions.

Historic Information

EXHIBIT Q

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

LEGISLATIVE CHANGES 1984 THROUGH 2000

1984 Session

- Direct deposit.
- Illinois Public Employees' Pension Laws Commission abolished.

1985 Session

HB 398

- 1.80, 2.00, 2.20, 2.40% benefit accrual rate for those born before January 1, 1936 and retiring after August 16, 1985.
- Reduction in age discount factor (employee and widow) from 0.5% to 0.25% for employees born before January 1, 1936 and retiring or dying in service after August 16, 1985.
- Health insurance supplement up to $25 per month if the employee is age 65 or older with at least 15 years of service (for each employee annuitant in receipt of annuity and for each employee who retires on annuity in the future).
- Disability provisions extended to age 70 in certain cases.
- Unisex money purchase factors for widows/widowers.
- Membership provisions extended to age 70.
- Board of Education employee contribution "pick up" included in the definition of salary for contribution and benefit purposes.

1986 Session

HB 2630

- Cap removed on spouse maximum annuity.
- Automatic post-retirement increase to begin on first anniversary of retirement following attainment at age 60.

1987 Session

HB 2715

- 1.80, 2.00, 2.20, 2.40% benefit accrual rate for those born on or after January 1, 1936 and retiring on or after January 1, 1988.
- Reduction in age discount factor (employee and widow) from .5% to .25% for employees born on or after January 1, 1936 and retiring or dying in service on or

after January 1, 1988. No discount for employee age less than 60 if employee has at least 35 years of service.

- Minimum employee annuity of $250 and minimum spouse annuity of $200 under certain conditions.
- Change amount of children's benefits to $120 or $150 effective January 1, 1988.
- Provide for certain "Good Government" initiatives.
- Remove chronic alcoholism restriction for ordinary disability.

1988 Session

- No changes.

1989 Session

SB 95

- Signed August 23, 1989. Changed the amount of fund paid health insurance "supplement" from January 1, 1988 until December 31, 1992 to $65 per month for each annuitant not qualified to receive Medicare benefits (and $35 if qualified) and from January 1, 1993 until December 31, 1997 the amounts are $75 and $45, respectively. Widows will now be supplemented and employee annuitants will no longer be required to meet the age 65 and 15 years of service requirements. The City will be required to pay 50% of the aggregated cost of health care claims for the retired group under all health care plans offered by the City. A procedure was established for the City to determine, with the help of an independent actuary, the aggregate cost of claims and premiums for each calendar year from 1989 through 1997 for the retired group.

HB 332

- Signed August 23, 1989. Eliminated age related discriminatory provisions as required by Federal law or regulation. Provided for Age Discrimination changes effective January 1, 1988 to eliminate age 65 requirements for marriage in service and children's benefits, provided contributions after age 65 for spouse benefits, provided employee accumulation annuities be computed after age 70, provided employee and spouse accumulation annuities not be "fixed" at age 65, provided no age 70 restriction on disability benefits, provided for active members over age 65 that their accounts be "unfixed" and accumulate interest until the date of withdrawal, and provided that there be no age 70 membership limitation and removed the permitted "no spouse" refund at age 65.
- Eliminated the $300, $400 or $500 maximum spouse annuity limitation for spouses of employees who retired before January 23, 1987 but die after January 23, 1987.
- Allow for local labor officials on a leave of absence from the Fund to contribute for their current service as a local labor official.

1990 Session

SB 136

- Amends Chapter 120, Paragraph 671 of the Revenue Act to provide for a separate listing on the tax bill of the dollar amount of tax due from the person assessed which is allocable to a tax levied under the Illinois Pension Code, or any other tax levied by a municipality or township for public pension or retirement purposes. Effective January 1, 1990.

SB 1951

- Signed January 14, 1991. Beginning for withdrawals on or after January 1, 1991, annuity payments will be made as of the first day of the calendar month during the annuity payment period.
- 2.2% benefit accrual rate for employees retiring on or after July 1, 1990.
- No discount for employee age less than 60 if employee has at least 30 years of service and retires on or after July 1, 1990.
- Minimum employee annuity of $350 and minimum spouse of $300 under certain conditions.
- Spouses and widows of employees retiring or dying in service on or after July 1, 1990 with 20 or more years of service at age 55 or over will be eligible for half of the employees annuity discounted .25% for each month the spouse or widow is less than 55.
- Retroactive eligibility for 35 years no discount and spouse and widow annuities computed as half of employee annuity.
- Refund in lieu of $300 annuity.
- Disability benefit retroactive one year from application; duty disability deductions in lieu for heart attach or stroke; 10% increase in duty disability benefit January 1 of the sixth year.
- Collateral for securities lending expanded.
- Fractional payment for refund repayment and temporary service authorized. Credit established by fractional payment shall be earliest service for which credit may be established.

1991 Session

- No changes.

1992 Session

SB 1650

- Signed January 25, 1993.
- Transfer provisions for County elected officers and judges.
- Early Retirement Incentive was created for withdrawals from December 31, 1992 to June 30, 1993.

–Requires a total of 20 years of service (with at least 10 in this fund, and up to 5 purchased under ERI).
–Requires age 55 or older.
–Requires an election form to be filed before June 1, 1993.
–Requires a member to be a current contributor on November 1, 1992 and have not previously retired under this Article.
–Provides for elimination of the age discount for employees 55-60.
–Provides for 80% maximum final average salary compared to the present 75%.
–Provides for an optional purchase of up to 5 years of service credit for 4.25% of the November 1, 1992 salary.
–Provides for a 24-month option to pay for ERI service.
–Provides for a tax levy derived from ERI contributions.

1993 Session

- No changes.

1994 Session

- No changes.

1995 Session

SB 114

- Approved July 14, 1995.
- The amount of earnings that may be taken into account by any retirement system is limited to the maximum dollar limitation specified in Section 401(a)(17) of the Internal Revenue Code, except for persons who became participants before 1996.
- The Fund is authorized to make certain involuntary distributions required by Section 401(a)(9) of the Internal Revenue Code.

SB 424

- Approved July 7, 1995.
- The Pension Laws Commission was created as a legislative support services agency.

1996 Session

SBJPA

- On August 20, 1996 the Small Business Job Protection Act was signed by President Clinton.

- Treatment of governmental plans under Code Section 415:
  - –Rule limiting annual benefit to 100% of the average of the highest 3 year compensation no longer applies.
  - –Excess benefit plans are permitted to provide participants with benefits in excess of the Code Section 415 limits.
  - –Early retirement reduction does not apply to certain survivor and disability benefits.
  - –The definition of compensation now includes elective deferrals.
- Taxation of distributions:
  - –$5,000 death benefit exclusion was repealed for deaths after August 20, 1996.
  - –5 year averaging for lump sum distributions was repealed effective January 1, 2000.
  - –Annuity payments will be taxed according to a simplified general rule which uses investment and age as of annuity starting date for annuities which start on or after November 19, 1996.

1997 Session

HB 15

- Approved June 27, 1997.
- For withdrawals from service occurring on or after July 1, 1990, an alternate method of calculating salary using the annual equivalent of average salary instead of the salary rate applicable for the greatest part of the year is allowed.
- Annuities effective on or after January 1, 1998 will be payable on the first day of the calendar month.
- The prudent person rule for investing is allowed.
- An eligible employee is allowed to contribute for all periods of temporary service while still in City service, for up to 90 days after withdrawal from City service, or while in reciprocal service.
- The Board is allowed to adopt rules prescribing the manner of repaying refunds and purchasing any optional credit including accepting rollovers for payments.
- The City is allowed to use deposits from any legal source (including borrowing) in lieu of all or part of the tax levy on or after June 27, 1997.
- The requirement that any person employed by a retirement board of any other annuity and benefit fund in the City apply for participation in the Fund is eliminated.
- Payment is allowed for service as a police officer, firefighter, or public school teacher in the City.

HB 313

- Approved June 27, 1997.
- For withdrawals from service occurring on or after June 27, 1997, an employee (and spouse) age 50 or over with at least 30 years of service is eligible to receive an annuity based on the minimum annuity formula.

- For withdrawals from service occurring on or after June 27, 1997, an employee under age 60 with at least 25 years of service is not subject to an age discount.
- The spouse of an employee dying on or after June 27, 1997, while receiving an annuity is eligible for one half of the employee's annuity at death, discounted for the spouse's age under 55 at the time of employee's death. Excess spouse refund, if any, must be repaid.
- Beginning June 27, 1997, employees already receiving annuity will receive a minimum annuity of $550 for life (reciprocal annuitants must have at least 5 years of Laborers' service). Any future employee annuitant withdrawing from service after attainment of age 60 with 10 or more years of service would qualify for this minimum.
- Beginning June 27, 1997, widow(er)s already receiving annuity will receive a minimum annuity of $500 for life (reciprocal annuitants must have at least 5 years of Laborers' service). For future spouses of retirees, 10 years of service is required. For spouses of employees dying in service in the future, 5 years of service is required.
- Beginning June 27, 1997, the child's annuity will be increased to $220 per month if the spouse of the deceased employee parent survives or $250 per month if no such spouse survives.
- Coverage in the City group health insurance is extended through June 30, 2002, with some modification in the plans offered. Pension fund supplement remains $45 and $75 for Medicare eligible and non-Medicare eligible annuitants respectively.
- Beginning June 27, 1997, spouses of employees dying in service after age 50, with at least 30 years of service or after age 55 with 25 years of service, will be eligible to receive 50% of the annuity that the employee would have received. This annuity will be reduced by .25% per month for each month that the spouse is below the age of 55.

HB 1641

- Approved August 22, 1997.
- Beginning August 22, 1997, for spouses of employees who retired or died in service before January 23, 1987, the previous $300, $400, or $500 maximum spouse annuity limitation is removed. If an excess spouse refund was paid, it must be repaid with interest.
- Service paid under Section 11-221 can be counted for ordinary disability purposes for periods of disability on or after August 22, 1997.
- Early Retirement Incentive was created for withdrawals from December 31, 1997 to June 30,1998.
  - –Requires a total of 20 years of service (with at least 10 in this fund, up to 5 in a Reciprocal fund, and up to 5 purchased under ERI) and age 55 or older.
  - –Requires a total of 30 years of service (with at least 10 years of that service in this fund and without including any service purchased under the ERI provisions) and age 50 or older.

–Requires an election form to be filed before June 1, 1998.
–Requires a member to be a current contributor on November 1, 1997 and have not previously retired under this Article.
–Provides for elimination of the age discount for employees age 55 to 60.
–Provides for 80% maximum final average salary compared to the present 75%.
–Provides for an optional purchase of up to 5 years of service credit for 4.25% of the November 1, 1997 salary.
–Provides for a 24 month option to pay for ERI service.
–Provides for a tax levy derived from ERI contributions.

1998 Session

HB 3515

- Approved August 14, 1998.
  - Beginning January 1, 1999, the automatic increase for employee annuitants changed to 3% compounded for all past, current, and future annuitants regardless of the effective date of the annuity. Term annuities are not eligible for the increase.
  - Employees withdrawing after January 1, 1999 will be eligible for the minimum formula upon attainment of age 60 if they have at least 10 years of service.
  - Beginning January 1, 1999, employees already receiving an annuity as of August 14, 1998 will receive a minimum annuity of $850 for life (reciprocal annuitants must have at least 5 years of Laborers' service). Any future employee annuitant withdrawing from service after August 14, 1998 after attainment of age 60 with 10 or more years of service would qualify for this minimum.
  - Beginning January 1, 1999, widow(er)s already receiving annuity as of August 14, 1998 will receive a minimum of $800 for life (reciprocal annuitants must have at least 5 years of Laborers' service). For future spouses of retirees dying after August 14, 1998, 10 years of service is required. For spouses of employees dying in service after August 14, 1998, 5 years of service is required.
  - The conditions of the reversionary option were changed as follows:
    –The nullification of reversionary payment due to employee dying was reduced to 365 days after written designation was filed with the board and now applies only to parents, children and siblings (not spouses).
    –Employees may reduce their monthly annuity by as much as $400.
    –The increased annuity for spouse may now be as much as 100% of the reduced employee annuity.
  - Spouses and widows that are eligible for the "50% employee amount" will no longer have this amount reduced for under age 55 if the employee dies on or after January 1, 1998 and withdrew from service on or after June 27, 1997, and the employee retired after age 55 with at least 25 years of service or after age 50 with at least 30 years of service. The age discount will only apply if the spouse is under age 50.
  - The child of an annuitant who withdraws after January 1, 1998 having attained age 50 with at least 30 years of service is eligible for a child annuity.

- The required employer multiple has been set at 1.00 for 1999 and beyond.
- Money deposited under 5/11-169(f) may be used by the Fund for any of the purposes for which the proceeds of the tax levied by the City under this section may be used.
- The number of board members is changed from 5 to 8. The makeup of the board is 2 ex-officio members, 3 appointed persons, 2 employees and 1 annuitant.

HB 1612

- Qualified Illinois Domestic Relations Orders recognized effective July 1, 1999.

1999 Session

- No Change

2000 Session

HB 1583

- Approved July 6, 2000.
- An employee or widow whose annuity would amount to less than $800 per month may elect to receive a refund in lieu of annuity. Formerly, only employees and widows whose annuity would be less than $300 per month could choose a refund.
- The reversionary annuity tables have been extended down to age 50 from age 55 to comply with the change in the law allowing retirement at age 50 with 30 years of service.
- The Board is allowed to pay an annuity (if the person qualifies) directly to a Medicare approved, State certified nursing home or to a publicly owned and operated nursing home, hospital, or mental institution. Each person must qualify under the provisions of this amendment.
- Annuities of widows who remarry on or after the date 60 days after the effective date of this amendment would not be terminated upon remarriage.
- For annuities effective before January 1, 1998, all annuity payments will be made on the first day of the calendar month, for the entire month without proration.

EXHIBIT R

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

HISTORY OF RECOMMENDED EMPLOYER MULTIPLES AND TAXES LEVIED

Year of Report	Statutory Multiple	Normal Cost Plus Interest	Normal Cost Plus 40 Year Amortization	Normal Cost Plus 40 Year % of Salary Amortization	Tax Levy Year	City	Park	Total Tax Levy
1982[a,b]	1.37	1.34	1.40	1.03	1982	$13,073,000	$27,000	$13,100,000
1983[a,b]	1.37	1.54	1.60	1.21	1983	14,231,000	29,000	14,260,000
1984	1.37	1.58	1.63	1.30	1984	15,606,000	32,000	15,638,000
1985[b]	1.37	1.60	1.64	1.33	1985	15,618,000	29,000	15,647,000
1986[a]	1.37	0.99	1.00	0.94	1986	15,373,000	25,000	15,398,000
1987[a]	1.37	1.13	1.15	1.03	1987	15,260,000	21,000	15,281,000
1988	1.37	1.03	1.04	0.98	1988	15,380,000	20,000	15,400,000
1989[a,b]	1.37	0.56	0.56	0.56	1989	15,442,000	14,000	15,456,000
1990[a,b]	1.37	1.01	1.02	0.93	1990	15,261,000	12,000	15,273,000
1991	1.37	0.93	0.94	0.90	1991	16,382,000	10,000	16,392,000
1992[b]	1.37	0.80	0.80	0.80	1992	16,835,000	11,000	16,846,000
1993[b]	1.37	0.83	0.83	0.83	1993	18,036,000	11,000	18,047,000
1994[a,b]	1.37	0.64	0.64	0.64	1994	17,069,000	12,000	17,081,000
1995[b]	1.37	0.75	0.75	0.75	1995	18,726,000	9,500	18,735,500
1996	1.37	0.66	0.66	0.66	1996	20,037,300	6,900	20,044,200
1997[a,b,c,d]	1.37	N/A	N/A	N/A	1997	19,645,400	4,300	19,649,700
1998[a,b,d]	1.37	N/A	N/A	N/A	1998	19,757,000	4,600	19,761,600
1999[a,e]	1.00	N/A	N/A	N/A	1999	14,676,000	1,898	14,677,898
2000[d,f]	1.00	N/A	N/A	N/A	2000	0	0	0

[a] Change in actuarial assumptions
[b] Change in benefits
[c] Change in asset valuation method to GASB
[d] No employer contribution is required under these valuation methods
[e] Change in actuary
[f] Tax levy based on the statutory multiple would be $16,726,700, of which $100 is for Park.

GASB

Exhibits

Exhibit A-1

GASB #25 and #27 Disclosures

The Governmental Accounting Standards Board (GASB) adopted Statement #25, which became effective for Fund and City reporting in 1997.

GASB #25 and #27 made a number of significant changes to retirement plan reporting. They eliminate the dual reporting of actuarial liabilities that was required under GASB #5. Under GASB #5, many plans, including the Fund, reported liabilities determined under one actuarial cost method for internal purposes, but were required to also provide liabilities determined under the Projected Unit Credit method for financial reports. Under GASB #25 and #27, systems select one actuarial method from several acceptable alternatives, and report all information on this one basis.

This report includes the following Exhibits with information required to be reported under GASB #25 and #27.

Exhibit A-2: Schedule of Funding Progress for GASB #25
This exhibit shows the first four years of a history of funding progress under GASB (we included additional years prior to GASB #25) that will ultimately include six years. The funding progress is a comparison of Actuarial Value of Assets with the Actuarial Accrued Liability (AAL), and a comparison of the unfunded AAL (UAAL) with payroll.

Exhibit A-3: Schedule of Employer Contributions for GASB #25
This exhibit shows the Annual Required Contribution (ARC) as computed under GASB #25, and the percent of this amount actually received. This exhibit will ultimately include a six-year history.

Exhibit A-4: Supplementary Information for GASB #25 and #27
This exhibit has certain information required in the notes to the Fund and City financial reports.

Exhibit A-5: Annual Pension Cost and Contributions Made for GASB #27
This exhibit shows the components of annual pension cost (ARC, interest on the Net Pension Obligation (NPO), and the adjustment to the ARC), increase or decrease in the NPO, and the NPO at the end of the year. The exhibit also includes the dollar amount of city contributions made.

Exhibit A-6: Pension Cost Summary for GASB #27
This exhibit shows a six-year summary of annual pension cost, percentage of annual pension cost contributed that year and NPO at the end of the year.

Exhibit A-7: Development of Net Pension Obligation (NPO) at January 1, 1997

This exhibit documents the calculation of the pension liability at transition in accordance with GASB #27.

EXHIBIT A-2

LABORERS' & RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SCHEDULE OF FUNDING PROGRESS FOR GASB #25

Actuarial Valuation Date 12/31	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a) / c]
1990	$ 705,841,707	$ 716,604,604	$ 10,762,897	98.50%	$ 145,612,704	7.39%
1991	772,520,978	761,056,602	(11,464,376)	101.51%	149,054,136	(7.69)%
1992	844,916,889	777,385,162	(67,531,727)	108.69%	141,618,648	(47.69)%
1993	937,094,502	847,293,445	(89,801,057)	110.60%	147,076,752	(61.06)%
1994	960,327,842	866,493,209	(93,834,633)	110.83%	155,213,016	(60.46)%
1995	1,063,261,239	890,375,387	(172,885,852)	119.42%	152,996,856	(113.00)%
1996	1,172,316,925	936,623,719	(235,693,206)	125.16%	162,276,840	(145.24)%
1997	1,328,085,799	1,040,650,534	(287,435,265)	127.62%	171,175,944	(167.92)%
1998	1,530,395,014	1,292,611,712	(237,783,302)	118.40%	170,627,112	(139.36)%
1999	1,690,749,716	1,309,772,341	(380,977,375)	129.09%	175,914,112	(216.57)%
2000	1,737,971,109	1,297,913,880	(440,057,229)	133.90%	185,051,048	(237.80)%

EXHIBIT A-3

LABORERS' & RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR GASB #25

	1997	1998	1999	2000
1. Contribution Multiplier	1.37	1.37	1.00	1.00
2. Payroll (beginning of year)	$ 162,276,840	$ 171,175,944	$ 170,627,112	$ 175,914,112
3. City of Chicago Contributions and Miscellaneous Income, Net of Reserve for Loss in Tax Collection*	$ 19,328,981	$ 19,724,301	$ 14,406,579	$ 683,352
4. City of Chicago Contribution as a Percent of Covered Payroll	11.91%	11.52%	8.44%	0.39%
5. Employee Contributions	$ 15,332,208	$ 18,687,316	$ 15,895,882	$ 17,011,363
6. Employee Contributions as a Percent of Covered Payroll	9.45%	10.92%	9.32%	9.67%
7. Current Year Normal Cost (NC)	$ 21,544,208	$ 21,761,436	$ 24,059,897	$ 21,039,274
8. Normal Cost as a Percent of Covered Payroll	13.28%	12.71%	14.10%	11.96%
9. 40-Year Level Dollar Amortization of the Unfunded Liability	$ (19,019,140)	$ (23,194,439)	$ (19,187,799)	$ (29,582,245)
10. 40-Year Level Dollar Amortization as a Percent of Covered Payroll	(11.72)%	(13.55)%	(11.25)%	(16.82)%
11. Interest Adjustment for Semi-Monthly Payment	N/A	N/A	N/A	$ (318,738)
12. Actuarially Determined Contribution (ADC)** (NC + 40-year level dollar + interest adjustment)	$ 2,525,068	$ 0	$ 4,872,098	$ 0
13. ADC as a Percent of Covered Payroll	1.56%	0.00%	2.86%	0.00%
14. Annual Required Contribution (ARC)** (ADC - employee contributions)	$ 0	$ 0	$ 0	$ 0
15. ARC as a Percent of Covered Payroll	0.00%	0.00%	0.00%	0.00%

* The City of Chicago did not levy a tax for Laborers' in 2000.

** ADC and ARC amounts cannot be less than zero.

In the year 2000, city contributions and miscellaneous income totaled $683,352, or 0.39% of payroll. In addition, employee contributions were $17,011,363, or 9.67% of payroll. As the Annual Required Contribution (ARC) was not applicable, there was an excess of contributions and miscellaneous income over payroll of $17,694,715, or 10.06% of payroll.

It is estimated for 2001 that the Annual Required Contribution will be zero.

EXHIBIT A-4

LABORERS' & RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SUPPLEMENTARY INFORMATION FOR GASB #25 AND GASB #27

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

Valuation date	December 31, 2000
Actuarial Cost Method	Entry Age Normal
Actuarial Value of Assets	5-year smoothed market
Amortization Method	Level dollar; open
Remaining Amortization Period	40 years
Actuarial Assumptions:	
Investment Rate of Return	8.0%
Projected Salary Increases	5.0% per year
Post Retirement Benefit Increases	3.0% per year beginning after annuitant reaches age 60

Actuarial Accrued Liability (AAL)

	December 31, 1999	December 31, 2000
Payable to Retirees and Beneficiaries	$ 701,998,792	$ 641,573,414
Current Employees:		
Accumulated Employee Contributions Including Statutory Interest	193,754,190	205,361,994
Payable to Vested and Non-Vested Employees (not split)	414,019,359	450,978,472
Total Actuarial Accrued Liability	$ 1,309,772,341	$ 1,297,913,880
Net Plan Actuarial Assets	1,690,749,716	1,737,971,109
Unfunded AAL (assets in excess of AAL)	$ (380,977,375)	$ (440,057,229)
Percent Funded	129.09%	133.90%
Unfunded AAL as Percent of Payroll	(216.57)%	(237.80)%
Payroll	$ 175,914,112	$ 185,051,048

EXHIBIT A-5

LABORERS' & RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

ANNUAL PENSION COST AND CONTRIBUTIONS MADE FOR GASB #27

Contribution Rates	
City	Proceeds from a tax levy not more than an amount equal to the total amount of contributions by the employees to the Fund made in the calendar year two years prior to the year for which the annual applicable tax is levied, multiplied by 1.00.
Plan Members	8.5%
Annual Pension Cost for 2000	
Annual Required Contribution (ARC)	$ 0
Interest on Net Pension Obligation	(17,724,805)
Adjustment to ARC	2,342,460
Total	$ (15,382,345)
City Contributions Made in 2000*	$ 683,352
Net Pension Obligation (NPO):	
NPO at 1/1/2000	$ (221,560,057)
Increase/(Decrease) in NPO	(16,065,697)
NPO at 12/31/2000	$ (237,625,754)
Pension Liability at Transition (January 1, 1997)	$ (136,709,698)

* The City of Chciago did not levy a tax for Laborers' in 2000. This amount includes miscellaneous income.

EXHIBIT A-6

LABORERS' & RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

PENSION COST SUMMARY FOR GASB #27

Year Ended December 31	Annual Pension Cost	% of Annual Pension Cost Contributed	Net Pension Obligation
1995	$ 0	N/A	$ (109,693,214)
1996	0	N/A	(136,709,698)
1997	0	N/A	(168,753,600)
1998	0	N/A	(191,808,776)
1999	(15,344,702)	N/A	(221,560,057)
2000	(15,382,345)	N/A	(237,625,754)

EXHIBIT A-7

LABORERS' & RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

DEVELOPMENT OF NET PENSION OBLIGATION (NPO) AT JANUARY 1, 1997

Year Ending December 31:	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Assumptions and Method										
Interest Rate	7.5%	7.5%	7.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Amortization Period (years)	40	40	40	40	40	40	40	40	40	40
Cost Method	EAN	EAN	EAN	EAN	EAN	EAN	EAN	EAN	EAN	EAN
Annual Pension Cost										
Actuarially Determined Contribution (ADC)										
Normal Cost	$ 18,826,921	$ 20,008,465	$ 19,803,585	$ 17,819,965	$ 20,777,427	$ 21,637,649	$ 20,261,167	$ 21,316,661	$ 20,451,183	$ 21,340,898
40 Year Amortization	(693,500)	935,719	(151,802)	(3,030,467)	868,508	(925,113)	(5,449,447)	(7,246,462)	(7,571,950)	(13,950,958)
Total ADC	$ 18,133,421	$ 20,944,184	$ 19,651,783	$ 14,789,498	$ 21,645,935	$ 20,712,536	$ 14,811,720	$ 14,070,199	$ 12,879,233	$ 7,389,940
Interest on NPO	0	(628,987)	(1,146,199)	(1,796,270)	(2,998,697)	(3,639,511)	(4,348,031)	(5,806,534)	(7,176,840)	(8,775,457)
Adjustment to ADC	0	642,102	1,155,863	1,811,417	3,023,982	3,670,199	4,384,694	5,855,495	7,237,356	8,849,453
Annual Pension Cost	$ 18,133,421	$ 20,957,299	$ 19,661,447	$ 14,804,645	$ 21,671,220	$ 20,743,224	$ 14,848,383	$ 14,119,160	$ 12,939,749	$ 7,463,936
Contributions for Year										
Employer Contributions	$ 14,745,709	$ 15,157,663	$ 15,257,738	$ 17,029,493	$ 15,989,678	$ 16,574,721	$ 17,734,532	$ 16,954,732	$ 18,311,622	$ 19,623,717
Employee Contributions	11,774,209	11,740,621	12,529,606	12,805,486	13,691,711	13,025,003	15,345,146	14,293,250	14,610,842	14,856,703
Total Contributions	$ 26,519,918	$ 26,898,284	$ 27,787,344	$ 29,834,979	$ 29,681,389	$ 29,599,724	$ 33,079,678	$ 31,247,982	$ 32,922,464	$ 34,480,420
Net Pension Obligations (NPO)										
NPO at Beginning of Year	$ 0	$ (8,386,497)	$ (14,327,482)	$ (22,453,379)	$ (37,483,713)	$ (45,493,882)	$ (54,350,382)	$ (72,581,677)	$ (89,710,499)	$ (109,693,214)
Annual Pension Cost	18,133,421	20,957,299	19,661,447	14,804,645	21,671,220	20,743,224	14,848,383	14,119,160	12,939,749	7,463,936
Total Contributions	(26,519,918)	(26,898,284)	(27,787,344)	(29,834,979)	(29,681,389)	(29,599,724)	(33,079,678)	(31,247,982)	(32,922,464)	(34,480,420)
NPO at End of Year	$ (8,386,497)	$ (14,327,482)	$ (22,453,379)	$ (37,483,713)	$ (45,493,882)	$ (54,350,382)	$ (72,581,677)	$ (89,710,499)	$ (109,693,214)	$ (136,709,698)

Other

Exhibits

EXHIBIT B-1

LABORERS' & RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

DEPARTMENT OF INSURANCE DISCLOSURE

	1999	2000
APV of Credited Projected Benefits		
Payable to Retirees and Beneficiaries	$ 701,998,792	$ 641,573,414
Current Employees:		
Accumulated Employee Contributions	193,754,190	205,361,994
Payable to Vested and Non-Vested Employees	168,995,588	197,640,976
Total APV	$ 1,064,748,570	$1,044,576,384
Net Assets Available for Benefits, Actuarial Value	1,690,749,716	1,737,971,109
Unfunded AAL (assets in excess of AAL)	$ (626,001,146)	$ (693,394,725)
Percent Funded	158.79%	166.38%
Unfunded AAL as Percent of Payroll	(355.86)%	(374.70)%
Payroll	$ 175,914,112	$ 185,051,048

EXHIBIT B-2
LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

PLAN DESCRIPTION

Any employee of the City of Chicago or the Board of Education employed under the provisions of the municipal personnel ordinance as labor service or any person employed by a retirement board of any annuity and benefit fund in the city is covered by the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (Laborers' Plan) which is a defined benefit single employer pension plan with a defined contribution minimum. Although this is a single employer plan, the defined benefits, as well as the employer and employee contribution levels, are mandated in Illinois Compiled Statutes (chapter 40, Pensions, Article 5/11) and may be amended only by the Illinois legislature. The City of Chicago accounts for the plan as a pension trust fund. The City of Chicago payroll for employees covered by the Laborers' Plan for the year ended December 31, 2000 was \$185,051,048. At December 31, 2000, the Laborers' Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits (includes 157 disabilities)	4,199
Terminated inactive employees entitled to benefits or a refund of contributions but not yet receiving them	1,923
Current employees (includes 157 disabilities)	4,070

The Laborers' Fund provides retirement benefits as well as death and disability benefits. Employees age 55 or more with at least 10 years of service are entitled to receive a money purchase annuity with partial city contributions if under age 60 with less than 20 years of service. Employees age 55 or more with at least 20 years of service or age 50 or more with at least 30 years of service are entitled to receive a minimum formula annuity of 2.2% per year of service times the final average salary (highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of retirement). If the employee retires prior to age 60, the annuity shall be reduced by ¼ of 1% for each month the employee is under age 60 if the employee has less than 25 years of service. The annuity is not discounted if the employee is age 50 with at least 30 years of service. Beginning January 1, 1999, there is a 10 year deferred vested benefit payable at age 60. The original annuity is limited to 75% of the highest average annual salary. Employees who retire at age 60 or over with at least 10 years of service are entitled to a minimum of \$850 per month. The monthly annuity is increased by 3% at the first payment date following the later of age 60 or the first anniversary of retirement, and by 3% annually thereafter.

Covered employees are required to contribute 8.5% of their salary to the Laborers' Plan. If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with interest (3% or 4% depending on when an employee became a participant).

The City of Chicago is required by state statutes to contribute the remaining amounts necessary to finance the requirements of the Fund. It is required to levy a tax at a rate not more than an amount equal to the total amount of contributions by the employees to the Fund made in the calendar year two years prior to the year for which the annual applicable tax is levied, multiplied by 1.00 annually.

EXHIBIT B-3
LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

ANNUAL REQUIRED CONTRIBUTIONS OF EMPLOYER AND TREND INFORMATION

Year	Annual Required Contribution (ARC) of the Employer[1]	Required Statutory Basis[2]	Actual[3]	Percent of ARC Contributed
1986	$ 14,190,554	$ 14,765,250	$ 14,765,250	104.05%
1987	7,123,405	14,659,550	14,745,709	207.00%
1988	9,276,456	14,784,800	15,157,663	163.40%
1989	8,290,572	14,483,700	15,257,738	184.04%
1990	2,717,433	14,668,000	17,029,493	626.68%
1991	9,159,274	15,736,320	15,989,678	174.57%
1992	7,987,976	16,172,160	16,574,721	207.50%
1993	2,774,135	17,278,850	17,734,532	639.28%
1994	1,568,675	16,346,450	16,954,372	1,080.81%
1995	0	17,976,768	18,311,622	N/A
1996	0	19,242,432	19,623,717	N/A
1997	0	18,863,712	19,328,981	N/A
1998	0	18,971,520	19,724,301	N/A
1999	0	14,089,822	14,406,579	N/A
2000[4]	0	16,057,536	683,352	N/A

[1] Under Normal Cost plus 40 Year Level-dollar Amortization. Negative ARC values are set to zero, as no contribution is then required.
[2] Tax levy after 4% overall loss.
[3] Net tax levy plus miscellaneous. Includes prior year adjustments for taxes beginning in 1991.
[4] The City of Chicago did not levy a tax for Laborers' in 2000.

Year	Assets Available for Benefits as a % of Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (Surplus) as a % of Covered Payroll End of Year	Employer Contribution as a % of Covered Payroll Beginning of Year
1986	101.78%	(7.21)%	0.00%
1987	97.91%	9.50%	11.74%
1988	100.31%	(1.39)%	11.79%
1989	105.92%	(28.30)%	11.26%
1990	98.50%	7.58%	12.83%
1991	101.51%	(7.87)%	11.26%
1992	108.69%	(45.31)%	11.38%
1993	110.60%	(63.41)%	11.90%
1994	110.83%	(60.46)%	11.97%
1995	119.42%	(113.00)%	11.80%
1996	125.16%	(145.24)%	12.83%
1997	127.62%	(167.92)%	11.91%
1998	118.40%	(139.36)%	11.52%
1999	129.09%	(216.57)%	8.44%
2000	133.90%	(237.80)%	0.39%

EXHIBIT B-4
LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

HISTORY OF RETIREES AND BENEFICIARIES ADDED TO PAYROLLS

Year	Added to Payroll		Removed from Payroll		Payroll End of Year		Average	Increase to
	No.	Ann Benefits	No.	Ann. Benefits	No.	Ann. Benefits	Annual Benefit	Average Benefit
Employee Annuitants (Male or Female)								
1983	174	$ 1,308,499	230	$ 483,759	2,419	$11,523,456	$ 4,764	10.20%
1984	223	2,057,564	173	484,160	2,469	13,096,860	5,305	11.35%
1985	170	1,829,800	220	759,172	2,419	14,167,488	5,857	10.41%
1986	248	3,008,908	180	465,898	2,487	16,710,498	6,719	14.72%
1987	190	3,546,317	179	463,252	2,498	19,793,563	7,924	17.93%
1988	154	2,009,373	158	589,873	2,494	21,213,063	8,506	7.34%
1989	133	1,660,782	151	527,914	2,476	22,345,931	9,025	6.11%
1990	157	3,080,832	152	531,392	2,481	24,895,371	10,034	11.18%
1991	170	2,795,428	150	688,716	2,501	27,002,083	10,797	7.59%
1992	188	3,197,921	155	867,514	2,534	29,332,490	11,576	7.22%
1993	439	9,572,020	171	1,062,719	2,802	37,841,791	13,505	16.67%
1994	52	1,676,720	174	1,866,066	2,680	37,652,445	14,049	4.03%
1995	106	3,056,851	186	2,264,327	2,600	38,444,969	14,787	5.25%
1996	91	2,762,022	154	1,972,620	2,537	39,234,371	15,465	4.59%
1997	84	3,589,997	164	1,981,409	2,457	40,842,959	16,623	7.49%
1998	485	14,764,834	134	2,040,866	2,808	57,648,658	20,530	23.50%
1999	44	808,122	165	2,650,429	2,687	56,848,916	21,157	3.05%
2000	56	1,172,549	174	2,592,545	2,569	56,189,051	21,872	3.38%
Surviving Spouse Annuitants (Not Including Compensation)								
1983	104	$ 288,113	79	$ 87,119	1,211	$ 2,128,737	$ 1,758	8.15%
1984	81	250,957	64	74,700	1,228	2,304,994	1,877	6.78%
1985	95	307,723	113	150,198	1,210	2,462,519	2,035	8.42%
1986	83	240,415	67	92,512	1,226	2,610,422	2,129	4.62%
1987	90	1,140,315	76	104,939	1,240	3,645,798	2,940	38.09%
1988	84	323,567	59	148,700	1,265	3,820,665	3,020	2.73%
1989	88	367,359	58	148,734	1,295	4,039,290	3,119	3.27%
1990	87	1,419,786	65	166,685	1,317	5,292,391	4,019	28.83%
1991	89	472,698	71	262,135	1,335	5,502,954	4,122	2.58%
1992	87	490,172	63	249,698	1,359	5,743,428	4,226	2.53%
1993	95	548,635	56	214,308	1,398	6,077,755	4,347	2.87%
1994	71	446,490	66	259,554	1,403	6,264,691	4,465	3.71%
1995	88	586,632	64	264,921	1,427	6,586,402	4,616	3.37%
1996	77	549,825	87	358,563	1,417	6,777,664	4,783	3.63%
1997	83	3,034,013	87	372,443	1,413	9,439,234	6,680	39.66%
1998	83	3,694,619	82	744,341	1,414	13,878,195	9,815	46.93%
1999	85	932,266	102	936,528	1,397	13,817,326	9,891	.77%
2000	83	908,129	74	729,344	1,406	13,996,111	9,955	.64%