

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

ACTUARIAL STATEMENT
AS OF
DECEMBER 31, 1975

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

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August 27, 1976

The Retirement Board of
The Laborers' and Retirement Board
Employees' Annuity and Benefit Fund
of Chicago,
Chicago, Illinois

Gentlemen:

This is to certify that the annual statement as of December 31, 1975 of the Laborers' & Retirement Board Employees' Annuity and Benefit Fund of Chicago is, to the best of my knowledge and belief, a true and correct statement of the affairs and conditions of said Fund for the calendar year 1975. This statement has been prepared from the books of the Fund as substantiated by my letters of recommendation to the Retirement Board.

The method of valuation, or method of financing the system, and the actuarial assumptions and methods used in the valuation are shown in a separate exhibit. The attempt is made to give effect to realistic valuation factors affecting costs. No major changes from the actuarial assumptions have been made, except the mortality for active males has been changed.

The necessary actuarial assumptions are in the aggregate reasonable -- taking into account fund experience and future expectations -- and represents the best estimate of anticipated experience. The accounting procedure is outlined in Article 11 of the Illinois Pension Code.

The method of valuation is that known as a normal cost-plus-interest basis, which method is intended to continue the current provisions of the Article governing the Fund in full force and effect on a permanent basis as explained in detail under Actuarial Assumptions and Methods.

Based on the stated method of financing, I find that the minimum actuarial requirement for 1975 would be \$16,414,418.47. This minimum is based on an annual payroll of \$89,276,280.00 for 7,032 active members as of December 31, 1975.

5% Interest on an Unfunded Liability of \$90,467,773.98.....	\$ 4,523,388.70
Current Service Cost (13.32% of salary).....	<u>11,891,029.77</u>
Total Minimum Actuarial Requirements (18.3% of salary).....	\$16,414,418.47
Less Employee Contributions (8.5% of salary).....	<u>7,588,483.80</u>
Resulting Employer Requirement (9.89% of salary) to be financed by tax levy.....	\$ 8,825,934.67
Amount to be levied assuming 12-1/2% loss estimate.....	\$10,086,782.48
Required Tax Levy Multiple.....	1.33

The current multiple, authorized in Article 11 is 1.37 for 1978 and after.

The total unfunded liability as of December 31, 1975 is \$90,467,773.98. As of December 31, 1974 it was \$77,926,271.88. The increase for one year is \$12,541,502.10. The principal reasons for the change are:

1. Increase in average salaries at 7.32% over the assumed 3-1/2%. Each dollar increase in salary increases the unfunded liability by \$2.08.....	\$16,642,322.36
2. Asset loss -- sale of bonds \$1,281,917.72 and sale of stocks \$180,573.37.....	1,462,491.09
3. Investment gain yield on total assets 7.25% over the assumed 5% on assets at the beginning of the year of \$137,709,821.45.....	(3,098,470.98)
4. Deficiency in annual contributions - last year's minimum required (net) - \$8,547,431.56 less net tax levy for 1975 - \$6,699,000.00.....	1,848,431.56
5. Other miscellaneous gains.....	<u>(4,313,271.93)</u>
Total increase in Unfunded Liability for one year.....	<u>\$12,541,502.10</u>

The ratio of assets to liabilities or the Funded Ratio is 62.65% as of December 31, 1975 -- and was 63.86% as of December 31, 1974.

The ratio of active employees to annuitants and beneficiaries is 2.13 as of December 31, 1975 -- and was 2.08 as of December 31, 1974.

A measure of Plan Funding is to compare the assets to liabilities for present retirees on pension and amount of contributions of active and inactive employees. This amount would be a rough minimum measure of what it would cost to terminate the Fund as of December 31, 1975.

Liability for retired annuitants, widows and spouses of annuitants.....	\$ 56,403,573.73
Salary Deductions Contributed by Fund Members.....	<u>55,904,635.31</u>
Total.....	\$112,308,209.04
Assets.....	<u>151,749,085.37</u>
Excess Assets Over Termination.....	<u>\$ 39,440,876.33</u>

In other words, if the Pension Fund was terminated on December 31, 1975, the assets on hand -- amounting to \$151,749,085.37 -- would be sufficient to provide for the future lifetimes for all retired annuitants, widows and spouses of annuitants, for whom the total liability is \$56,403,573.73 -- the difference between the total assets and such reserve liability or \$95,345,511.64 -- could be paid to active employees. As there were 7,032 active employees on as of December 31, 1975 the average amount that could be paid to each such member

would be \$13,558.80 as compared to the average amount of salary deductions of \$7,950.03. However, the average amount of reserve required for full funding of the projected pension is \$26,423.96.

As in the past -- a continuous review of the Fund's operating experience is needed. The rates of salary increases, rates of retirement and investment earnings are of critical importance in cost estimates. Costs will need to be adjusted as these factors vary.

For example, for every \$1.00 in salary increase over the 3-1/2% increases assumed in the salary scale the unfunded liability will be increased by about \$2.08. This will be in addition to the additional current annual service cost for every dollar in salary over the 3-1/2% salary scale assumed.

These additional costs will be reduced to some extent by the annual amount of investment income earned over the assumed 5% used for valuation purposes. The extent of the reduction will depend on the relative amounts of these two items.

In order to give the Retirement Board some guidance in estimating the effects on costs of variations in the principal actuarial assumptions, I have estimated the financial effect if the 1975 valuation is made based on a 6% a year compounded investment earning assumption and a 5% a year compounded salary scale. I find that the two valuations give results that are not too different.

A comparison of the principal results as of December 31, 1975 of the two valuations is shown in the following table:

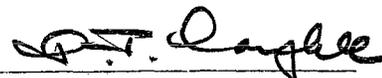
	<u>5% Interest</u> <u>3-1/2% Salary Scale</u>	<u>6% Interest</u> <u>5% Salary Scale</u>
Funded Ratio.....	62.65%	67.48%
Unfunded Liability.....	\$90,467,773.98	\$73,133,723.34
Required Gross Multiple.....	1.36	1.26

As a result, the middle-of-the-road funding method followed in the Fund valuations, which in turn is based on middle-of-the-road actuarial assumptions -- taken together with the two alternative actuarial valuations giving effect to two principal factors of cost, namely:

(1) the investment earning assumption, and (2) the salary earnings assumption gives, in my opinion, as realistic as possible a valuation of the Fund's present financial position and future trends under current conditions affecting the Fund.

HR 13040 -- now before the Congress -- which would place public employee funds under most of the requirements of ERISA for reporting, disclosure and fiduciary, may also affect the funding policies for such funds.

Respectfully submitted,



Actuary.

LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND

BENEFIT FUND

ACTUARIAL

BALANCE SHEET

AS OF

DECEMBER 31, 1975

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

ACTUARIAL BALANCE SHEET

ASSETS

AS OF DECEMBER 31, 1975

CASH ON DEPOSIT		\$ 1,969,495.25	
ACCOUNTS RECEIVABLE:			
Salary Deductions Accrued	\$ 876,902.26		
Miscellaneous from Employees	<u>87,378.07</u>		
Total Accounts Receivable		964,280.33	
INTEREST RECEIVABLE:			
Accrued Interest on Bonds		2,578,332.12	
INVESTMENTS:			
Bonds - Par Value	\$127,737,076.18		
Bonds - Premiums and Discounts	(3,059,995.35)		
Common Stocks	15,228,428.54		
Due from Broker	<u>247,240.21</u>		
Total Investments		140,152,749.58	
TAXES RECEIVABLE - (Schedule A, Page 14)			
City:			
Uncollected Taxes	\$ 13,372,671.65		
Reserve for Loss and Cost of Collection	<u>6,124,110.00</u>		
Net Taxes Receivable		7,248,561.65	
Park District:			
Uncollected Taxes	\$ 53,185.10		
Reserve for Loss and Cost of Collection	<u>22,426.27</u>		
Net Taxes Receivable		30,758.83	
Taxes in Transit		<u>18,336.03</u>	
GROSS LEDGER ASSETS			\$152,962,513.79
LESS - ACCOUNTS PAYABLE:			
Miscellaneous to Employees	\$ 1,211,870.71		
Military Service Deductions - Excess	<u>1,557.71</u>		
Total			<u>1,213,428.42</u>
NET LEDGER ASSETS DECEMBER 31, 1975			<u>\$151,749,085.37</u>

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

ACTUARIAL BALANCE SHEET

LIABILITIES AND FUND BALANCE

AS OF DECEMBER 31, 1975

LIABILITIES RESERVES AGE AND SERVICE

ANNUITY PAYMENT FUND ACCOUNT:

Employee Annuitants	\$17,002,444.06	
Employee Annuities Fixed	5,788,049.16	
Spouse Annuitants	8,016,489.45	
Spouses' Annuities Fixed	<u>4,023,404.51</u>	
Total Annuity Payment Fund		\$ 34,830,387.18

SALARY DEDUCTION FUND ACCOUNT:

Employees	\$46,564,478.54	
Spouses of Employees	<u>9,340,156.77</u>	
Total Salary Deduction Fund		55,904,635.31

CITY CONTRIBUTIONS FUND ACCOUNT:

Employees	\$45,669,204.50	
Spouses of Employees	14,000,660.64	
Supplemental Annuities	<u>18,642.14</u>	
Total City Contributions Fund		59,688,507.28

OTHER RESERVES:

Annuity Payment Fund Account	\$ 5,224,558.08	
Child's Annuity Fund Account	0	
Duty Disability Fund Account	0	
Expense of Administration Account	0	
Investments and Interest Fund Account	0	
Ordinary Disability Fund Account	<u>0</u>	
Total Other Reserves		<u>5,224,558.08</u>

TOTAL AGE AND SERVICE LIABILITIES
AND OTHER RESERVES

\$155,648,087.85
84,184.94

SUPPLEMENTARY PAYMENT RESERVE

PRIOR SERVICE FUND ACCOUNT:

Estimated Excess Liability (1)	\$61,078,346.96	
Employee Annuitants	20,139,256.96	
Employee Annuities Fixed	30,855.72	
Spouse Annuitants	1,074,005.14	
Spouses' Annuities Fixed	1,085,951.18	
Contributions for Employees	2,385.10	
Contributions for Wives	1,140.69	
Salary Deductions for 2% Annuity	<u>3,072,644.81</u>	
Total Prior Service Fund		\$ 86,484,586.56

DEDUCT: Obligations of Fund for Prior
Service Fund Liabilities

90,467,773.98

(3,983,187.42)

TOTAL NET LIABILITIES AND FUND BALANCES DECEMBER 31, 1975

\$151,749,085.37

(1) For minimum annuity provisions and for other reserves.

LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND

BENEFIT FUND

INCOME

YEAR 1975

INCOME

AND

EXPENDITURES

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

INCOME

YEAR 1975

SALARY DEDUCTIONS:

Employees	\$ 5,650,746.20
Spouses of Employees	1,235,269.07
2% Retirement Annuity	<u>434,642.28</u>

Total Salary Deductions \$7,320,657.55

PAYMENTS BY EMPLOYEES FOR TEMPORARY
SERVICE AND REFUND REPAYMENTS

54,564.40

CITY CONTRIBUTIONS (\$6,676,250.00)

PARK CONTRIBUTIONS (\$ 22,750.00)

Employee Annuities	\$ 5,000,950.74
Spouse Annuities	1,663,734.18
Child Annuities	90,951.74
Duty Disability	379,144.68
Ordinary Disability	868,655.10
Expense of Administration	261,733.59
Interest on Income	113,980.91
Deficiency in Current Requirements	<u>(1,680,150.94)</u>

Total Contributions 6,699,000.00

FEDERAL CONTRIBUTIONS

0

INCOME ON INVESTMENTS: (Note #1)

Bond Interest	\$ 8,546,785.55
Dividends on Stock	<u>118,426.63</u>

8,665,212.18

TOTAL INCOME YEAR 1975

\$22,739,434.13

TOTAL EXPENDITURES YEAR 1975

8,690,763.47

TOTAL EXCESS INCOME OVER EXPENDITURES

\$14,048,670.66

LESS: DECREASE IN NET TAXES RECEIVABLE FOR PRIOR YEARS

(9,406.74)

NET EXCESS INCOME OVER EXPENDITURES YEAR 1975

\$14,039,263.92

Note #1 - Bond interest is reduced by \$1,281,917.72 which represents a loss or difference between the book value and proceeds from sales of bonds. The proceeds were invested in bonds with greater rates of coupons which will result in material gains to the Fund in the future. Dividends on stock are reduced by \$180,573.37 for loss on sales of stock.

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

EXPENDITURES

YEAR 1975

BENEFITS PAID:

Annuities - Employees	\$4,625,745.68
Annuities - Spouses	995,682.92
Compensation Spouses' Annuities	4,433.88
Child's Annuities	90,951.74
Duty Disability Benefits	373,991.60
Ordinary Disability Benefits	868,433.69
Supplementary Payment Annuities	<u>83,177.16</u>

Total Benefits Paid \$7,042,416.67

Less: Reimbursement Reciprocal Account 13,483.58

Net Annuities Paid \$7,028,933.09

EXPENSE OF ADMINISTRATION:

Salaries	\$ 78,911.11
Audit	7,500.00
Investment Counsel	26,500.00
Postage	5,000.00
Actuarial Department	105,678.03
Printing	7,994.08
Telephone	967.31
Rent and Electricity	20,867.07
Miscellaneous	2,367.16
Office Equipment and Supplies	3,668.83
Blue Cross and Blue Shield	<u>2,280.00</u>

Total Expense of Administration \$ 261,733.59

REFUNDS 1,400,096.79

TOTAL EXPENDITURES YEAR 1975 \$8,690,763.47

LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND

BENEFIT FUND

HISTORY

YEAR 1975

SALARIES

AND

YIELDS

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

HISTORY 1964 TO 1975

AVERAGE ANNUAL SALARIES ENTIRE FUND

Year	Average Annual Salary			Increase of Preceding Year
	Male	Female	Both	
1964	\$ 6,814.13	\$ 2,675.20	\$ 5,648.41	
1965	7,016.04	2,647.02	5,773.80	2.2%
1966	7,310.22	2,735.50	5,953.54	3.1
1967	7,762.28	2,934.24	6,451.28	8.4
1968	8,306.37	3,420.74	7,117.62	10.3
1969	8,900.03	3,890.10	7,782.34	12.0
1970	9,907.10	4,393.16	8,714.23	12.0
1971	10,977.90	4,805.00	9,636.11	10.6
1972	11,274.80	5,177.51	10,035.00	4.2
1973	12,097.00	5,551.62	10,827.73	8.0
1974	12,953.19	6,360.30	11,829.32	9.3
1975	13,705.68	6,941.76	12,695.72	7.3
Average of last 5 years.....				7.88%

Annual salary compounded 1964 to 1975 for 11 years, between 7-1/2% and 8%.

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

HISTORY OF INVESTMENT YIELDS

<u>Year</u>	<u>Investment Yield on Total Assets</u>	<u>Investment Yield on Invested Assets</u>
December 31, 1970	4.54%	4.78%
December 31, 1971	4.75	4.99
December 31, 1972	5.47	5.70
December 31, 1973	5.76	6.03
December 31, 1974	6.58	6.98
December 31, 1975	7.25	7.73
Average of last 6 years.....	5.96%	6.29%

Notes:
$$\text{Yield} = \frac{\text{Investment Income}}{\text{Mean Assets}}$$

Bonds valued at amortized value, stocks at cost.

Market values are not considered.

Nonrecurring gains and losses are excluded from income.

LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND

BENEFIT FUND

COMPARATIVE ANALYSIS

YEAR 1975

ASSETS

AND

LIABILITIES

LABORERS' AND RETIREMENT BOARD EMPLOYEES ANNUITY AND BENEFIT FUND

COMPARATIVE ANALYSIS

ASSETS

	<u>Jan. 1, 1975</u>	<u>Dec. 31, 1975</u>	<u>Increase or (Decrease)</u>
CASH ON DEPOSIT	\$ 1,920,820.88	\$ 1,969,495.25	\$ 48,674.37
ACCOUNTS RECEIVABLE:			
Salary Deductions Accrued	\$ 726,474.25	\$ 876,902.26	\$ 150,428.01
Miscellaneous from Employees	87,553.45	87,378.07	(175.38)
Total Accounts Receivable	<u>\$ 814,027.70</u>	<u>\$ 964,280.33</u>	<u>\$ 150,252.63</u>
INTEREST RECEIVABLE:			
Accrued Interest on Bonds	\$ 2,405,914.66	\$ 2,578,332.12	\$ 172,417.46
Accrued Interest on Tax			
Anticipation Warrants	0	0	0
Due Bond Interest Receivable	0	0	0
Total Interest Receivable	<u>\$ 2,405,914.66</u>	<u>\$ 2,578,332.12</u>	<u>\$ 172,417.46</u>
INVESTMENTS:			
Bonds--Par Value	\$121,310,054.13	\$127,737,076.18	\$ 6,427,022.05
Bonds--Premiums and Discounts	(3,089,587.34)	(3,059,995.35)	29,591.99
Common Stocks	8,808,302.30	15,228,428.54	6,420,126.24
Due from Broker	3,487.52	247,240.21	243,752.69
Total Investments	<u>\$127,032,256.61</u>	<u>\$140,152,749.58</u>	<u>\$13,120,492.97</u>
TAXES RECEIVABLE:			
City:			
Uncollected Taxes	\$ 12,175,726.49	\$ 13,372,671.65	\$ 1,196,945.16
Taxes in Transit	69,665.00	18,336.03	(51,328.97)
Reserve for Loss and Cost of Collection	<u>5,543,724.00</u>	<u>6,124,110.00</u>	<u>580,386.00</u>
Net Taxes Receivable	<u>\$ 6,701,667.49</u>	<u>\$ 7,266,897.68</u>	<u>\$ 565,230.19</u>
Park District:			
Uncollected Taxes	\$ 48,953.63	\$ 53,185.10	\$ 4,231.47
Reserve for Loss and Cost of Collection	<u>21,286.12</u>	<u>22,426.27</u>	<u>1,140.15</u>
Net Taxes Receivable	<u>\$ 27,667.51</u>	<u>\$ 30,758.83</u>	<u>\$ 3,091.32</u>
GROSS LEDGER ASSETS	<u>\$138,902,354.85</u>	<u>\$152,962,513.79</u>	<u>\$14,060,158.94</u>
LESS--ACCOUNTS PAYABLE:			
Miscellaneous to Employees	\$ 1,190,975.69	\$ 1,211,870.71	\$ 20,895.02
Military Service Deductions			
Excess from Refunds	<u>1,557.71</u>	<u>1,557.71</u>	<u>0</u>
Total Accounts Payable	<u>\$ 1,192,533.40</u>	<u>\$ 1,213,428.42</u>	<u>\$ 20,895.02</u>
NET LEDGER ASSETS	<u>\$137,709,821.45</u>	<u>\$151,749,085.37</u>	<u>\$14,039,263.92</u>

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

COMPARATIVE ANALYSIS

LIABILITIES AND FUND BALANCES

	<u>Jan. 1, 1975</u>	<u>Dec. 31, 1975</u>	<u>Increase or (Decrease)</u>
FOR SERVICES AFTER JULY 1, 1935:			
LIABILITY RESERVES:			
ANNUITY PAYMENT FUND ACCOUNT:			
Employee Annuities	\$ 15,203,644.90	\$ 17,002,444.06	\$ 1,798,799.16
Employees' Annuities Fixed	5,113,272.36	5,788,049.16	674,776.80
Spouse Annuitants	7,455,161.52	8,016,489.45	561,327.93
Spouses' Annuities Fixed	3,545,253.24	4,023,404.51	478,151.27
Total Annuity Payment Fund	<u>\$ 31,317,332.02</u>	<u>\$ 34,830,387.18</u>	<u>\$ 3,513,055.16</u>
SALARY DEDUCTION FUND ACCOUNT:			
Employees	\$ 43,245,342.40	\$ 46,564,478.54	\$ 3,319,136.14
Spouses of Employees	8,445,659.22	9,340,156.77	894,497.55
Total Salary Deduction Fund	<u>\$ 51,691,001.62</u>	<u>\$ 55,904,635.31</u>	<u>\$ 4,213,633.69</u>
CITY CONTRIBUTION FUND ACCOUNT:			
Employees	\$ 42,764,270.44	\$ 45,669,204.50	\$ 2,904,934.06
Spouses of Employees	12,890,471.70	14,000,660.64	1,110,188.94
Supplemental Annuities	8,824.88	18,642.14	9,817.26
Total City Contribution Fund	<u>\$ 55,663,567.02</u>	<u>\$ 59,688,507.28</u>	<u>\$ 4,024,940.26</u>
OTHER RESERVES:			
Annuity Payment Fund Account	\$ 4,881,599.80	\$ 5,224,558.08	\$ 342,958.28
Childs' Annuity Fund Account			
Duty Disability Fund Account			
Investment and Interest Account			
Expense of Administration Account			
Ordinary Disability Fund Account			
Total Other Reserves	<u>\$ 4,881,599.80</u>	<u>\$ 5,224,558.08</u>	<u>\$ 342,958.28</u>
TOTAL LIABILITY AND OTHER RESERVES FOR SERVICE AFTER JULY 1, 1935	<u>\$143,553,500.46</u>	<u>\$155,648,087.85</u>	<u>\$12,094,587.39</u>
SUPPLEMENTARY RESERVE	<u>\$ 107,362.10</u>	<u>\$ 84,184.94</u>	<u>\$ (23,177.16)</u>
PRIOR SERVICE FUND ACCOUNT:			
Estimated Excess Minimum			
Annuity Provision	\$ 50,264,466.88	\$ 61,078,346.96	\$10,813,880.08
Employee Annuitants	17,090,851.30	20,139,256.96	3,048,405.66
Employees' Annuities Fixed	37,016.64	30,855.72	(6,160.92)
Spouse Annuitants	961,895.81	1,074,005.14	112,109.33
Spouses' Annuities Fixed	958,567.26	1,085,951.18	127,383.92
Contributions for Employees	2,293.37	2,385.10	91.73
Contributions for Wives	1,096.82	1,140.69	43.87
Salary Deductions for 2% Annuity	2,659,042.69	3,072,644.81	413,602.12
Total Prior Service Fund	<u>\$ 71,975,230.77</u>	<u>\$ 86,484,586.56</u>	<u>\$14,509,355.79</u>
DEDUCT: (PER CONTRA):			
Obligations of City for Prior Service Credits	<u>\$(77,926,271.88)</u>	<u>\$(90,467,773.98)</u>	<u>\$(12541,502.10)</u>
NET LIABILITIES FOR SERVICE PRIOR TO JULY 1, 1935	<u>\$(5,951,041.11)</u>	<u>\$(3,983,187.42)</u>	<u>\$ 1,967,853.69</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$137,709,821.45</u>	<u>\$151,749,085.37</u>	<u>\$14,039,263.92</u>

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

CASH RECONCILIATION

RECEIPTS AND DISBURSEMENTS

YEAR 1975

Balance as of January 1, 1975 \$1,920,820.88

RECEIPTS:

Salary Deductions:

Errors in Deductions	\$ 104,404.21
Salary Deductions	7,050,261.74
Interest on Bonds	9,650,649.27
Dividends on Stocks	299,000.00
Installments on Taxes - City	6,101,622.01
Installments on Taxes - Park	19,667.29
Treasurer's Receipts	73,823.69
Candelled Checks	43,756.49
Bonds Matured and Redeemed (Par Value)	15,217,000.00
Bonds Sold	14,253,305.79
Principal Prepayment	104,447.92
Stocks Sold	1,291,478.46
Reimbursement a/c Forged Checks	540.68

Total Receipts \$54,209,957.55

DISBURSEMENTS:

Annuities - Employees	\$ 4,721,887.80
Annuities - Widows	1,020,459.99
Annuities - Children	91,031.74
O. D. Benefits	725,483.91
D. D. Benefits	295,658.60
Refunds	1,600,216.32
Operating Expenses	262,406.90
Securities Purchases	37,357,770.58
Accrued Interest Purchased	150,148.59
Stocks Purchased	7,892,178.07
Interest due Broker due to sale of Pkg. #470	43,500.00
Forged Checks	540.68

Total Disbursements 54,161,283.18

Excess Receipts Over Disbursements 48,674.37

Balance December 31, 1975 \$1,969,495.25

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

TAXESDECEMBER 31, 1975

TAXES RECEIVABLE - CITY:

Year	Uncollected 12/31/75	Estimate for Loss and Cost 12/31/74	Additional Estimate Set Up 12/31/75	Total Estimate for Loss and Cost 12/31/75	Net Taxes Collectible 12/31/75
1966	\$ 363,726.39	\$ 357,690.00	\$	\$ 357,690.00	\$ 6,036.39
1967	501,976.36	497,037.00		497,037.00	4,939.36
1968	446,238.15	441,673.00		441,673.00	4,565.15
1969	509,336.83	486,347.00	14,996.00	501,343.00	7,993.83
1970	512,943.00	522,492.00	(15,697.00)	506,795.00	6,148.00
1971	604,397.08	587,494.00		587,494.00	16,903.08
1972	714,471.09	656,574.00		656,574.00	57,897.09
1973	939,885.54	753,068.00		753,068.00	186,817.54
1974	1,149,697.21	868,750.00	(64.00)	868,686.00	281,011.21
1975	<u>7,630,000.00</u>	<u>-</u>	<u>953,750.00</u>	<u>953,750.00</u>	<u>6,676,250.00</u>
Total	<u>\$13,372,671.65</u>	<u>\$5,171,125.00</u>	<u>\$952,985.00</u>	<u>\$6,124,110.00</u>	<u>\$7,248,561.65</u>

TAXES RECEIVABLE - PARK DISTRICT:

1966	\$ 2,330.79	\$ 2,332.60	\$(1.81)	\$ 2,330.79	\$ -
1967	2,688.66	2,510.16		2,510.16	178.50
1968	660.32	665.39	(5.07)	660.32	-
1969	2,930.92	2,200.00		2,200.00	730.92
1970	2,259.48	2,000.00		2,000.00	259.48
1971	2,633.57	2,025.00		2,025.00	608.57
1972	3,897.34	2,125.00		2,125.00	1,772.34
1973	3,295.24	2,200.00		2,200.00	1,095.24
1974	6,488.78	3,125.00		3,125.00	3,363.78
1975	<u>26,000.00</u>	<u>-</u>	<u>3,250.00</u>	<u>3,250.00</u>	<u>22,750.00</u>
Total	<u>\$ 53,185.10</u>	<u>\$ 19,183.15</u>	<u>\$ 3,243.12</u>	<u>\$ 22,426.27</u>	<u>\$ 30,758.83</u>
Grand Total	<u>\$13,425,856.75</u>	<u>\$5,190,308.15</u>	<u>\$956,228.12</u>	<u>\$6,146,536.27</u>	<u>\$7,279,320.48</u>

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

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

Method: The actuarial funding method used is the ENTRY AGE NORMAL METHOD.

This cost method assigns to each year of employment a constant percentage of an employees salary, called the CURRENT SERVICE COST (sometimes referred to as NORMAL COST), sufficient to accumulate the necessary funds to provide for the full prospective costs of the employee's projected retirement pension. The amount of pension must be estimated using various assumptions as to future compensation levels, employee turnover, mortality, and pension fund earnings, since the actual pension can only be known at the time of retirement. These are called actuarial assumptions.

It should be emphasized that the actuarial assumptions do not directly affect the cost of the pension plan. Benefits are fixed by statute and will become payable as various members and their dependents satisfy the contingencies covered. The actual cost of the plan can only be determined after all benefits have been paid, and is equal to the total benefits paid, plus total administrative expenses minus total investment income.

The ACCRUED LIABILITY of the fund at any point in time is the accumulated value of all CURRENT SERVICE COSTS which should have been paid to that for active employees plus the full prospective cost of pensions for all retired employees. The extent that the actual plan ASSETS are less than the ACCRUED LIABILITY is called the UNFUNDED LIABILITY.

An amount of money is required each year to keep the UNFUNDED LIABILITY from increasing if all assumptions are realized. This amount is called INTEREST ONLY on the UNFUNDED LIABILITY.

The total actuarial contribution required to the fund is equal to the CURRENT SERVICE COSTS plus INTEREST ONLY on the UNFUNDED LIABILITY. This is the funding policy. This minimum method of funding, often referred to as middle-of-the-road method, is the method the fund has tried to follow in the past. It has evolved over the years and seeks to give effect to all interested groups including opinions often expressed by the Civil Federation. No funds are provided for amortization of the UNFUNDED LIABILITY.

Reserves for employee retirement annuities, spouses retirement annuities and death benefit annuities are valued on the entry age normal method. Grouped ages of entry used are under 25, 25-59 based on 5 year intervals and 60 and over.

The costs for the following items are valued on an annual cost basis. No reserves are set up as these items tend to stabilize on a cash basis.

- 1) Duty Disability Benefits
- 2) Ordinary Disability Benefits
- 3) Children's Annuities
- 4) Refunds - including refunds for no wife
(a percentage of members is assumed married)
- 5) Expense of administration

Reserves are set up for duty, and ordinary disability recipients as if they were in active service.

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

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

ACTUARIAL ASSUMPTIONS:

MORTALITY: For mortality for members in the active service the 1951 Group Annuity Table was used. These rates of mortality approximate those experienced by the members of the Municipal Fund, the experience of which is similar to that of the Laborers' Fund, for the years 1971 and 1972. For retirement annuitants and wives the 1951 Group Annuity Mortality Table was used.

INTEREST: 5% a year, compounded annually. An exhibit of this report indicates the investment yields the Fund actually realized on investments valued over the past years. The average for the last five years was 6.29%. Interest earnings over the assumed 5% rate can be used to reduce losses which may result from variations in other cost factors such as increased costs resulting from salary increases greater than the 3-1/2% rate assumed.

SALARY SCALE: 3-1/2% a year, compounded annually. An exhibit of this report shows that the annual increase in total average salary for the past eleven years has been between 7-1/2 and 8%. It should be remembered that pensions are based directly on salary. If it is believed that a 7% pattern, or greater, will continue in the long range future, the salary scale assumption will need to be increased.

Increased costs will necessarily result with the extent of the increase in cost depending on the extent of the increase in salary over the assumed long range 3-1/2% assumption.

PROBABILITY OF RETIREMENT: The rates of retirement used in this valuation are shown...for each age of entrance group into the service and are based on the combined 1971 and 1972 experience of the Municipal Fund...modified to give effect to the greater rates of retirement in 1972 resulting from the impact of the first full calendar year during which the new annuity formula was in effect.

The Municipal Fund experience with a greater number of employees into a similar experience was thought to be representative of the Laborers' Fund.

PROBABILITY OF WITHDRAWAL: These rates are shown on page 18. They are slightly greater than those used in the 1972 valuation and are based on the experience of the Laborers' Fund for the year 1971 and 1972. They are slightly greater than the corresponding rates of the Municipal Fund.

THE SALARY SCALE AND PROPORTION OF MALES MARRIED ARE SHOWN ON
PAGE SIXTEEN.

ACTIVE MEMBERSHIP: It is assumed that the future active membership of the Fund will approximate its present membership, which as of December 31, 1975 was made up of 5,982 males and 1,050 females.

ASSET VALUE: Bonds are at amortized value, stocks are at cost.

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

SERVICE TABLE FUNCTIONS

Probability of Retirement
%

Male

Attained Age	Age at Entrance							
	22	27	32	37	42	47	52	57
60	10.2	6.6	5.1	3.9	1.9			
61	13.2	8.4	6.3	4.8	2.8	0.7	0.5	0.4
62	15.6	10.2	8.1	6.0	3.9	1.8	1.5	0.3
63	17.4	12.0	10.5	7.8	5.1	3.0	2.5	1.2
64	18.5	13.8	12.4	11.1	6.3	5.0	3.5	1.8
65	32.0	26.0	23.2	21.5	14.5	7.5	5.0	2.5
70	36.5	33.0	30.8	29.2	26.5	22.5	16.0	9.0
75	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Female

55	4.8	3.5	3.0	2.0	1.0			
56	5.8	4.5	4.0	2.8	1.5	0.5		
57	6.8	5.5	4.5	3.5	2.3	1.0		
58	8.0	6.3	5.5	4.2	3.0	1.8	0.2	
59	9.5	7.3	6.5	5.0	3.6	2.5	1.0	
60	11.0	8.0	7.0	5.5	4.5	3.0	2.0	
61	12.5	9.5	8.5	6.5	5.5	4.0	3.0	0.8
62	15.0	10.8	10.0	7.5	6.5	5.0	3.7	2.0
63	18.5	12.5	11.5	9.0	7.5	6.0	4.5	3.0
64	25.0	14.5	13.0	10.5	9.5	7.5	5.7	4.0
65	30.8	23.5	15.0	12.5	11.0	9.0	7.0	5.0
70	35.0	32.0	28.5	24.0	20.5	17.5	14.5	12.5
75	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Attained Age	Salary Scale 3-1/2% Per Year	Male Death Rate 1951 GA Per 1,000	Female Death Rate 1951 GA Per 1,000	Proportion of Males Married %
22	1.035	.6	.4	81
27	1.229	.8	.5	81
32	1.459	1.1	.7	81
37	1.733	1.5	1.0	80
42	2.059	2.4	1.5	83
47	2.445	4.5	2.3	83
52	2.905	7.9	3.5	84
57	3.450	12.2	5.6	82
62	4.097	18.3	9.8	80
67	4.866	30.1	16.5	78
70	5.396	39.3	23.1	74
75	6.408	62.4	44.3	74

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

SERVICE TABLE FUNCTIONSProbability of Withdrawal from Service with Refund

%

Male

<u>Attained Age</u>	<u>Age at Entrance</u>							
	<u>22</u>	<u>27</u>	<u>32</u>	<u>37</u>	<u>42</u>	<u>47</u>	<u>52</u>	<u>57</u>
22	19.0	-	-	-	-	-	-	-
27	10.0	16.0	-	-	-	-	-	-
32	4.8	8.0	12.5	-	-	-	-	-
37	2.5	4.5	7.0	12.5	-	-	-	-
42	1.0	2.5	3.4	5.7	12.0	-	-	-
47	0	.5	1.5	2.4	5.0	11.0	-	-
52	0	0	0	.6	1.5	3.5	8.5	-
57	0	0	0	0	0	.5	3.2	8.0

Female

22	16.5	-	-	-	-	-	-	-
27	12.0	13.0	-	-	-	-	-	-
32	7.0	8.0	9.0	-	-	-	-	-
37	3.5	4.0	5.5	6.5	-	-	-	-
42	1.2	2.0	3.2	4.5	5.0	-	-	-
47	0.5	1.0	1.8	2.5	3.1	4.0	-	-
52	0	0	0.6	1.0	2.0	2.6	3.5	-
57	0	0	0	0	0.7	1.5	2.1	3.5

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

MEMBERSHIP STATISTICS

YEAR 1975

	<u>Number at Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Number At End of Year</u>
A. CHANGES IN ACTIVE PARTICIPANTS:				
Male	5,507	1,224	749	5,982
Female	<u>1,131</u>	<u>15</u>	<u>96</u>	<u>1,050</u>
	<u>6,638</u>	<u>1,239</u>	<u>845</u>	<u>7,032</u>
B. CHANGES IN ANNUITANTS AND BENEFICIARIES:				
Employee Annuities	1,807	211	132	1,886
Spouse Annuities	994	91	66	1,019
Children Annuities	203	26	31	198
Ordinary Disability Benefits	138	167	164	141
Duty Disability Benefits	19	427	406	40
Widow Compensation Annuities	2	0	0	2
Reversionary	1	0	0	1
Reciprocals	<u>24</u>	<u>1</u>	<u>4</u>	<u>21</u>
	<u>3,188</u>	<u>923</u>	<u>803</u>	<u>3,308</u>
Ratio of Active Employees to Annuitants and Beneficiaries	2.08			2.13

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

SALARY AND AGE STATISTICS

AS OF DECEMBER 31, 1975

Ages and Salaries as of December 31, 1975

				<u>Male</u>	
	<u>Number</u>	<u>Average Age</u>	<u>Annual Salaries</u>	<u>Average Annual Salaries</u>	
Under 20	81	18.7	\$ 988,968.00	\$12,209.00	
20 to 24	559	22.1	7,056,000.00	12,623.00	
25 to 29	559	26.9	7,289,232.00	13,040.00	
30 to 34	465	32.2	6,374,328.00	13,708.00	
35 to 39	524	37.0	7,270,440.00	13,875.00	
40 to 44	493	42.2	6,871,200.00	13,938.00	
45 to 49	735	47.1	10,472,880.00	14,249.00	
50 to 54	780	52.1	10,915,512.00	13,994.00	
55 to 59	800	56.9	11,278,152.00	14,098.00	
60 to 64	568	61.8	7,821,288.00	13,770.00	
65 to 69	220	66.5	3,077,904.00	13,990.00	
70 and Over	76	73.6	1,036,176.00	13,634.00	
Without Record	<u>122</u>	---	<u>1,535,448.00</u>	<u>12,586.00</u>	
Total	<u>5,982</u>	<u>44.4</u>	<u>\$81,987,528.00</u>	<u>\$13,705.68</u>	

Average Service 11.2 years

				<u>Female</u>	
	<u>Number</u>	<u>Average Age</u>	<u>Annual Salaries</u>	<u>Average Annual Salaries</u>	
Under 20					
20 to 24	3	21.7	\$ 24,216.00	\$ 8,072.00	
25 to 29					
30 to 34	5	32.2	38,568.00	7,714.00	
35 to 39	18	38.0	134,904.00	7,495.00	
40 to 44	43	41.4	337,824.00	7,856.00	
45 to 49	101	47.3	719,112.00	7,120.00	
50 to 54	199	52.2	1,335,552.00	6,711.00	
55 to 59	309	57.1	2,217,144.00	7,175.00	
60 to 64	275	61.9	1,837,080.00	6,680.00	
65 to 69	73	66.3	470,856.00	6,450.00	
70 and Over	24	71.6	173,496.00	7,224.00	
Without Record	---	---	---	---	
Total	<u>1,050</u>	<u>56.3</u>	<u>\$ 7,288,752.00</u>	<u>\$ 6,942.00</u>	

Average Service 13.9 years

Grand Total 7,032 46.2 \$89,276,280.00 \$12,696.00

Average Service 11.6 years

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

SALARY AND AGE STATISTICS

AS OF DECEMBER 31, 1975

				<u>Male</u>	
<u>Age at Entrance</u>	<u>Number</u>	<u>Annual Salaries</u>	<u>Average Annual Salaries</u>		
24 and Under	1,575	\$21,579,072.00	\$13,700.88		
25 to 29	1,019	14,141,568.00	13,878.00		
30 to 34	855	11,858,400.00	13,869.36		
35 to 39	753	10,497,744.00	13,941.12		
40 to 44	702	9,570,048.00	13,632.48		
45 to 49	447	6,049,248.00	13,532.88		
50 to 54	296	3,942,120.00	13,318.08		
55 to 59	170	2,252,184.00	13,248.24		
60 and Over	43	561,696.00	13,062.72		
Without Record	<u>122</u>	<u>1,535,448.00</u>	<u>12,585.60</u>		
Total	<u>5,982</u>	<u>\$81,987,528.00</u>	<u>\$13,705.68</u>		
				<u>Female</u>	
24 and Under	12	\$ 141,840.00	\$11,820.00		
25 to 29					
30 to 34	141	1,143,216.00	8,107.82		
35 to 39	186	1,382,760.00	7,434.24		
40 to 44	275	1,960,368.00	7,128.72		
45 to 49	273	1,751,808.00	6,416.88		
50 to 54	124	692,280.00	5,582.88		
55 to 59	33	173,472.00	5,256.72		
60 and Over	6	43,008.00	7,168.00		
Without Record					
Total	<u>1,050</u>	<u>\$ 7,288,752.00</u>	<u>\$ 6,941.76</u>		
Grand Total	<u>7,032</u>	<u>\$89,276,280.00</u>	<u>\$12,695.72</u>		

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

ANNUITANTS CLASSIFIED BY AGE

YEAR 1975

Retirement Annuities
(Includes Reciprocal Annuities)

<u>Age</u>	<u>Number</u>	<u>Annual Payments</u>	<u>Average Annual Payments</u>	<u>Female Number</u>	<u>Annual Payments</u>	<u>Average Annual Payments</u>
25-29	1	\$ 600.00	\$ 600.00		\$	\$
40-44	1	540.96	540.96			
45-49	4	3,608.76	902.19			
50-54	5	4,681.44	936.29			
55-59	16	50,231.28	3,139.46	14	15,515.40	1,108.24
60-64	146	616,539.36	1,259.33	72	95,104.20	1,320.89
65-69	279	1,121,719.44	4,020.50	216	297,345.00	1,376.60
70-74	275	911,438.16	3,314.32	191	268,243.08	1,404.41
75-79	198	587,234.64	2,965.83	161	224,835.36	1,396.49
80-84	134	367,833.24	2,745.02	99	125,096.76	1,263.60
85-89	50	131,718.36	2,634.37	30	38,854.68	1,295.16
90-94	9	19,361.76	2,151.31	5	5,332.08	1,066.42
95-99	1	1,913.16	1,913.16			
Totals	<u>1,119</u>	<u>\$3,817,420.56</u>	<u>\$3,411.46</u>	<u>788</u>	<u>\$1,070,326.56</u>	<u>\$1,358.28</u>

Average Age

71.9

72.4

Spouses' Annuities
(Includes Compensation Annuities)

<u>Age</u>	<u>Number</u>	<u>Annual Payments</u>	<u>Average Annual Payments</u>
25-29			
30-34	2	\$ 900.00	\$ 450.00
35-39	15	12,587.04	839.14
40-44	17	14,427.84	848.65
45-49	34	37,239.72	1,095.29
50-54	77	81,135.24	1,053.70
55-59	119	142,787.28	1,199.89
60-64	162	210,110.16	1,296.98
65-69	175	197,226.96	1,127.01
70-74	147	146,679.60	997.82
75-79	140	122,391.00	874.22
80-84	79	53,653.92	679.16
85-89	43	28,687.56	667.15
90-94	11	5,334.60	484.96
95-99	1	655.20	655.20
Totals	<u>1,022</u>	<u>\$1,053,816.12</u>	<u>\$1,031.13</u>

Average Age

66.7

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

NEW ANNUITANTS AS OF DECEMBER 31, 1975

	<u>Male Annuitants</u>	<u>Female Annuitants</u>	<u>Spouse Annuitants</u>
Number	136	76	91
Average Age	66.2	66.3	66.2
Average Annual Annuity	\$4,703.74	\$1,791.30	\$1,607.53
Average expected years remaining to be lived based on average ages	13	18	18

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

PLAN SUMMARY

Participant

Person employed by the City in a position classified by the Civil Service Commission of the employer as labor service of the employer.

Service

For all purposes except formula minimum annuity and ordinary disability credit, service in 4 months in any calendar year constitutes one year of service credit. No more than one year of service is allowed during any calendar year.

Retirement Annuity

Accumulation Annuity: Age 55, 10 years service (entire sum accumulated from deductions plus 1/10 City contributions for each year after 10). Full City contributions are added for age 60 and over regardless of service. This annuity is known as the money purchase plan and does not increase after age 70 nor does it apply after age 65 if participant has 20 years service.

Formula Minimum Annuity: Age 55, 20 years service; 1.67% for the first 10 years, 1.90% for the second 10 years, 2.1% for the third 10 years. 2.3% for all service over 30 years times the final average salary (highest 4 consecutive years within the last 10 years). Under age 60 the annuity is reduced by a percentage equal to $\frac{1}{2}$ of 1% for each month and fraction thereof that the employee is under age 60 unless he has 35 or more years service credit. Maximum annuity is 75% of highest average monthly salary.

Age 65, 15 years service; 1% of final average salary for each year of service plus the sum of \$25.00 per year for each year of service.

Service during 6 or more months in any year constitutes a year of service credit and service of less than 6 months and at least 1 month in any year constitutes a half a year of service credit for formula minimum annuity.

Automatic Increase In Annuity: Retirement at age 60 -- 2% of annuity starting January of the year following the year in which the first anniversary of retirement occurs. If retirement is before age 60, increases begin with January of the year immediately following the year in which he attains the age of 60 years. Increases apply only to life annuities.

Spouse's Annuity

Payable until remarriage or termination of temporary annuity.

Death In Service (Non-Duty): Money Purchase based on total salary deductions and City contributions for both employee and spouse, limited to amount payable at employee's age 65 if deceased employee has less than 20 years service and is under age 60. Maximum \$400.00 per month.

Formula Minimum Annuity if deceased employee is age 60 or over and has at least 20 years service. Widow's annuity is $\frac{1}{2}$ of annuity that would have been payable to employee discounted $\frac{1}{2}$ of 1% for each month spouse is under age 60. Maximum \$400.00 per month.

Death After Retirement: Fixed at date of retirement. Annuity is determined to be based on money purchase plan or formula minimum annuity depending on rules in effect at the date participant retires.

Children's Annuity (on death of City employee, either active or retired)

Child must be unmarried, under age 18, born before participant is age 65 and before his separation from City service or legally adopted at least one year before child's annuity becomes payable and prior to the attainment of age 55 by the adopting parent. Annuity is \$80.00 per month while a surviving parent is alive and \$120.00 per month if neither parent is alive. Except for duty death deceased employee must have had 4 years of service and at least 2 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.

Duty Disability Benefit

Disability as the result of accidental injury in an act or acts of duty... 75% of salary at the time of injury less any award or compensation under the Workmen's Compensation Act plus \$10.00 per month for any child under age 18 (total children's benefit is limited to 15% of employee's salary as of date of injury). Duty disability is payable to age 65 and City pays deductions for pension purposes.

Ordinary Disability Benefit

Disability other than in performance of an act of duty and other than as a result of childbirth or pregnancy... 50% of salary as of last day worked payable until age 65 and limited to a maximum of $\frac{1}{4}$ service or 5 years, whichever is less. City pays deductions for pension purposes. Service for this purpose is actual service -- one day of service is given for each day paid, exclusive of any overtime payments.

Refunds

To Employee: Upon separation from service -- deductions plus interest if employee is under age 55. If over age 55 employee is eligible for refund if he has less than 10 years of service or would be eligible for temporary rather than life annuity. Employee forfeits all rights.

Spouse's annuity deductions -- payable to employee if unmarried when he retires or at age 65.

To Spouse: In lieu of annuity if annuity would be temporary rather than life and spouse so chooses.

Remaining Amounts: Excess over total annuity payments may be paid to designated beneficiary or children, estate or heirs.

Deductions And Contributions

	<u>Deductions</u>	<u>City Contributions*</u>
Employee	$6\frac{1}{2}\%$	6%
Spouse	$1\frac{1}{2}\%$ to employee age 65	2% to employee age 65
Annuity Increase	$\frac{1}{2}\%$	-
Total:	<u>$8\frac{1}{2}\%$</u>	<u>8%</u>

*Financing

The City shall levy a tax annually equal to the total amount of contributions in the 2 years prior multiplied by 1.280 for 1976, 1.325 for 1977 and 1.370 for 1978 and each year thereafter.