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

Actuarial Valuation Report

For the Year Ending December 31, 2001

April 2002



Gabriel, Roeder, Smith & Company
Actuaries and Consultants



GABRIEL, ROEDER, SMITH & COMPANY

Consultants & Actuaries

1000 Town Center • Suite 1000 • Southfield, Michigan 48075 • 248-799-9000 • 800-521-0498 • fax 248-799-9020

April 10, 2002

The Retirement Board of the
Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
221 North LaSalle Street, Suite 748
Chicago, Illinois 60601

Subject: Actuarial Certification

Gentlemen:

At your request, we have performed an actuarial valuation for the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago ("the Fund") as of December 31, 2001. An actuarial valuation of the Fund is performed annually. The valuation has been performed to measure the funding status of the Fund. It includes disclosure information required under GASB Statement No. 25 and Statement No. 27. The assumptions and methods used were selected by the actuary and meet the parameters set for the disclosure presented in the financial section by Government Accounting Standards Board (GASB) Statement No. 25.

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

- Active Member Valuation Data
- Retirements and Beneficiaries Added to and Removed from Rolls
- Solvency (Termination) Test
- Analysis of Financial Experience

We have also provided the following schedules for the financial sections of the report. We relied on information from the prior actuary for years before 1999.

- Schedule of Funding Progress
- Schedule of Employer Contributions

April 10, 2002

This valuation is based upon:

- a. **Data Relative to the Members of the Fund** - Data for active members was provided by the Fund's staff. Data utilized for persons receiving benefits from the Fund was also provided by the Fund's staff. We have tested this data for reasonableness.
- b. **Asset Values** - The values of assets of the Fund were provided by the Fund's staff. An actuarial value of assets was used to develop actuarial results for GASB Statement No. 25 and Statement No. 27.
- c. **Actuarial Method** - The actuarial method utilized by the Fund is the Entry-Age Actuarial Cost Method. The objective of this method is to recognize the costs of Fund benefits over the entire career of each member as a level of percentage of compensation. Any Unfunded Actuarial Accrued Liability (UAAL), under this method is separately amortized. All actuarial gains and losses under this method are reflected in the UAAL.
- d. **Actuarial Assumptions** - The same actuarial assumptions as last year were used for this valuation. They are set out in the following pages.

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 times the employee contribution level in the second prior fiscal year. Thus, with an administrative lag, the employer contribution is designed to match the employee contribution in a 1:1 relationship. Employer contributions cease when all liabilities of the Fund are fully funded. The most recent actuarial valuation of the Fund on the State reporting basis indicates that these contributions are adequate to finance the Fund.

As a result of a business alliance between Gabriel, Roeder, Smith and Company and the Fund's prior actuary, Watson Wyatt Worldwide, the Fund's retained actuary is Gabriel, Roeder, Smith and Company, effective with the December 31, 2001 actuarial valuation. There are no material differences in the valuation resulting from this change.

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

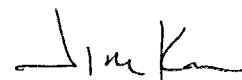
Gabriel, Roeder, Smith and Company



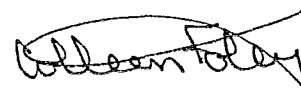
Michael R. Kivi, FSA
Consultant



Larry Langer, EA
Consultant



W. James Koss, ASA
Consultant



Colleen Foley
Analyst

MRK/WJK/LL/CF:ct

TABLE OF CONTENTS

Summary of Actuarial Valuation		1
Discussion of Valuation Results		4
Actuarial Computations		
Table 1	Development of Annual Required Contribution Under GASB #25 for 2002	13
Table 2	Reconciliation of Unfunded Actuarial Accrued Liability	14
Table 3	Summary of Basic Actuarial Values	15
Table 4	Termination Liabilities	16
Table 5	Actuarial Accrued Liability Prioritized Solvency Test	17
Table 6	Statutory Reserves as of December 31, 2001	18
Table 7	Department of Insurance Disclosure	19
Table 8	Actuarial Reserve Liabilities for the Fiscal Year Ended December 31, 2001	20
Assets of the Plan		
Table 9	Reconciliation of Asset Values as of December 31, 2001	22
Table 10	Development of Actuarial Value of Assets as of December 31, 2001	23
Plan Members Data		
Exhibit A	Summary of Changes in Active Participants for the Year Ending December 31, 2001	24
Exhibit B	Summary of Changes in Annuitants and Beneficiaries for the Year Ending December 31, 2001	25
Exhibit C	Total Lives and Annual Salaries Classified by Age and Years of Service as of December 31, 2001	
Part I	Active Male Participants	26
Part II	Active Female Participants	27
Part III	All Active Participants	28
Exhibit D	Age and Service Distribution for Inactives as of December 31, 2001	29

TABLE OF CONTENTS (Continued)

Exhibit E	Statistics on Employee Annuities Classified by Age as of December 31, 2001	30
Exhibit F	Statistics on Surviving Spouse Annuities Classified by Age as of December 31, 2001	31
Exhibit G	Numbers of Refund Payments Made During 2001	
Part I	Male Employees	33
Part II	Female Employees	33
Exhibit H	Health Insurance Supplement Classified by Age as of December 31, 2001	34
Exhibit I	Participants Receiving Disability Classified by Age and Length of Service as of December 31, 2001	
Part I	Males Receiving Duty Disability	35
Part II	Females Receiving Duty Disability	35
Part III	Males Receiving Ordinary Disability	36
Part IV	Females Receiving Ordinary Disability	36
Exhibit J	History of Average Annual Salaries	37
Exhibit K	New Annuities Granted During 2001	38
Exhibit L	New Reciprocal Annuities Granted During 2001	39
Exhibit M	Retirees and Beneficiaries by Type of Benefit	40
Exhibit N	History of Average Employee Retirement Benefits Payable	41
Exhibit O	Surviving Spouses Receiving Benefits as of December 31, 2001 by Age and Years in Pay Status	42
Exhibit P	History of Annuities 1992 – 2001	43
Actuarial Methods and Assumptions		
	Actuarial Methods and Assumptions	44
	Three Methods of Financing Unfunded Liability	50
Summary of Provisions of the Fund		
	Plan Description	52
	Summary of Provisions of the Fund as of December 31, 2001	54

TABLE OF CONTENTS (Continued)

Historic Information

Exhibit Q	Legislative Changes 1984 through 2001	61
Exhibit R	History of Recommended Employer Multiples and Taxes Levied	71
Exhibit S	Annual Required Contributions of Employer and Trend Information	72
Exhibit T	History of Retirees and Beneficiaries added to Payrolls	73

GASB Exhibits

Exhibit A-1	GASB #25 and #27 Disclosures	74
Exhibit A-2	Schedule of Funding Progress for GASB #25	76
Exhibit A-3	Schedule of Employer Contributions for GASB #25	77
Exhibit A-4	Supplementary Information for GASB #25 and GASB #27	78
Exhibit A-5	History of Annual Pension Cost and Contributions Made for GASB #27 from 1997	79
Exhibit A-6	Pension Cost Summary for GASB #27	80
Exhibit A-7	Development of Net Pension Obligation (NPO) at January 1, 1997	81

SUMMARY OF ACTUARIAL VALUATION

ACTUARIAL VALUES	<u>December 31, 2000</u>	<u>December 31, 2001</u>	<u>% Change</u>
Termination Values			
Liability	\$ 846,935,408	\$ 852,214,747	0.62 %
Assets - Actuarial Value	1,737,971,109	1,756,080,291	1.04 %
Deficiency/(Excess)	(891,035,701)	(903,865,544)	1.44 %
Funded Ratio	205.21%	206.06%	0.42 %
GASB #25 Values			
Actuarial Liability	\$1,297,913,880	\$1,402,138,620	8.03 %
Assets - Actuarial Value	1,737,971,109	1,756,080,291	1.04 %
Unfunded Liability (Surplus)	(440,057,229)	(353,941,671)	(19.57)%
Funded Ratio	133.90%	125.24%	(6.47)%
Annual Required Contribution (ARC)	\$ 0	\$ 0	0.00 %
Market Values			
Actuarial Liability	\$1,297,913,880	\$1,402,138,620	8.03 %
Assets - Market Value	1,648,818,892	1,570,707,258	(4.74)%
Unfunded Liability	(350,905,012)	(168,568,638)	(51.96)%
Funded Ratio	127.04%	112.02%	(11.82)%
Book Values			
Actuarial Liability	\$1,297,913,880	\$1,402,138,620	8.03 %
Assets - Book Value	1,521,046,385	1,537,246,317	1.07 %
Unfunded Liability (Surplus)	(223,132,505)	(135,107,697)	(39.45)%
Funded Ratio	117.19%	109.64%	(6.45)%

SUMMARY OF ACTUARIAL VALUATION
(Continued)

	<u>December 31, 2000</u>	<u>December 31, 2001</u>	<u>% Change</u>
Assets			
Market Value - Beginning of Year	\$1,683,900,050	\$1,648,818,892	(2.08)%
Income			
Investment Income	27,201,969	(19,125,165)	(170.31)%
Employer Contributions & Misc.	683,352	659,946	(3.43)%
Employee Contributions	17,011,363	20,017,224	17.67 %
Subtotal	<u>44,896,684</u>	<u>1,552,005</u>	(96.54)%
Outgo (Refunds, Benefits & Expenses)	<u>79,977,842</u>	<u>79,663,639</u>	(0.39)%
Net Change	<u>(35,081,158)</u>	<u>(78,111,634)</u>	122.66 %
Market Value - End of Year	\$1,648,818,892	\$1,570,707,258	(4.74)%
 Book Value - Beginning of Year	 \$1,475,747,244	 \$1,521,046,385	 3.07 %
Income			
Investment Income	107,582,268	75,186,401	(30.11)%
Employer Contributions & Misc.	683,352	659,946	(3.43)%
Employee Contributions	17,011,363	20,017,224	17.67 %
Subtotal	<u>125,276,983</u>	<u>95,863,571</u>	(23.48)%
Outgo (Refunds, Benefits & Expenses)	<u>79,977,842</u>	<u>79,663,639</u>	(0.39)%
Net Change	<u>45,299,141</u>	<u>16,199,932</u>	(64.24)%
Book Value - End of Year	\$1,521,046,385	\$1,537,246,317	1.07 %
 Smoothed Value - Beginning of Year	 \$1,690,749,716	 \$1,737,971,109	 2.79 %
Income			
Investment Income	109,504,520	77,095,651	(29.60)%
Employer Contributions & Misc.	683,352	659,946	(3.43)%
Employee Contributions	17,011,363	20,017,224	17.67 %
Subtotal	<u>127,199,235</u>	<u>97,772,821</u>	(23.13)%
Outgo (Refunds, Benefits & Expense)	<u>79,977,842</u>	<u>79,663,639</u>	(0.39)%
Net Change	<u>47,221,393</u>	<u>18,109,182</u>	(61.65)%
Actuarial Value - End of Year	\$1,737,971,109	\$1,756,080,291	1.04 %

SUMMARY OF ACTUARIAL VALUATION
(Continued)

	<u>December 31, 2000</u>	<u>December 31, 2001</u>	<u>% Change</u>
Members			
Actives*	4,070	4,074	0.10 %
Inactives	1,923	2,058	7.02 %
Retirees	2,569	2,481	(3.43)%
Survivors	1,406	1,405	(0.07)%
Disabilities	157	154	(1.91)%
Children	67	59	(11.94)%
Payroll Data			
Valuation Payroll	\$185,051,048	\$211,203,088	14.13 %
Average Salary	45,467	51,842	14.02 %

* Active participants include disabled employees.

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, 2001. The purposes of this valuation are:

1. To develop the minimum actuarially determined contribution for 2002.
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, 2002 is zero. The ARC last year, for the year ending December 31, 2001, 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 decreased from \$440 million to \$354 million during the year, resulting in a change in funding ratio from 133.9% to 125.2%. The decrease in the actuarial surplus is largely attributable to the effect of salary increases larger than expected and a loss 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 \$351 million to \$169 million, and the funded ratio decreased from 127.0% to 112.0%.

Plan Membership

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

	<u>December 31, 2000</u>	<u>December 31, 2001</u>
Active Participants*		
Number	4,070	4,074
Average Age	43.9	44.5
Average Service	13.2	13.7
Average Annual Salary	\$45,467	\$51,842
Inactive Participants		
Number	1,923	2,058
Average Age	42.9	43.2
Average Service	3.3	3.3
Retirees		
Number	2,569	2,481
Average Age	73.3	73.6
Average Annual Benefit	\$21,872	\$22,750
Surviving Spouse		
Number	1,406	1,405
Average Age	75.1	75.5
Average Annual Benefit	\$ 9,955	\$10,047
Children		
	67	59
Total Participants	10,035	10,077

* Active participants include disabled employees.

Total participants receiving benefits under the Fund, including disability, widow, and children, decreased 2.4% during 2001 from 4,199 to 4,099. Total expenditures for benefits increased from \$75.2 million in 2000 to \$75.5 million during 2001, or 0.4%.

Changes in Provisions of the Fund

There were no changes in plan provisions during 2001.

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.

Experience Analysis

The Fund had an investment loss in 2001 of \$149 million relative to the 8% expected rate of return on a market value basis. The loss on an actuarial basis was \$60 million relative to the 8% expected rate of return due to the deferred recognition of investment gains and losses.

The pay increase assumption consists of two parts, a base salary increase (3%) plus a longevity-based increase (2%). The overall 2001 salary increase was 16.5% for members included in both the December 31, 2000 and December 31, 2001 valuations. Because the pay increases were larger than anticipated by the actuarial assumptions, there was an experience loss of \$43 million.

There was an additional loss of \$14 million from all other factors, including actual retirement, termination, disability, mortality experience, and data changes. This is about 1.0% of the December 31, 2001 liabilities, which is a reasonable variation.

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

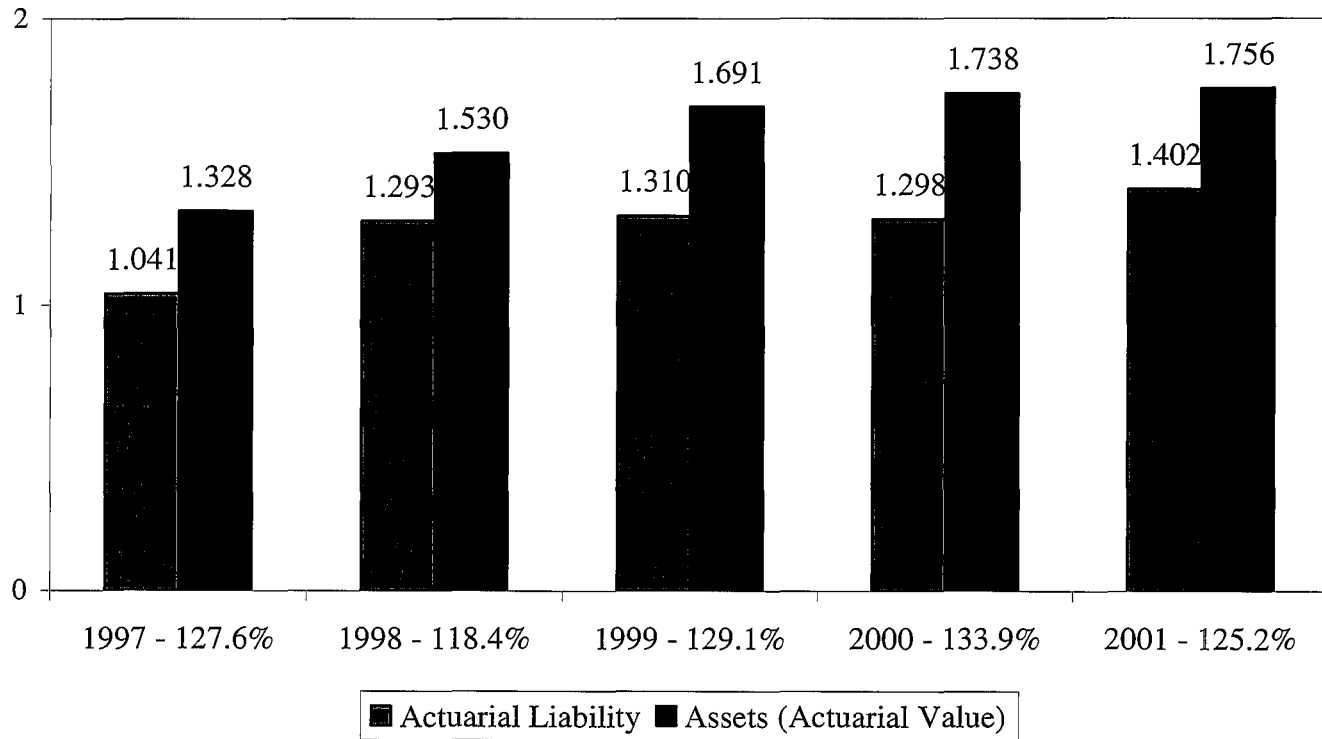
Changes in Assumptions

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

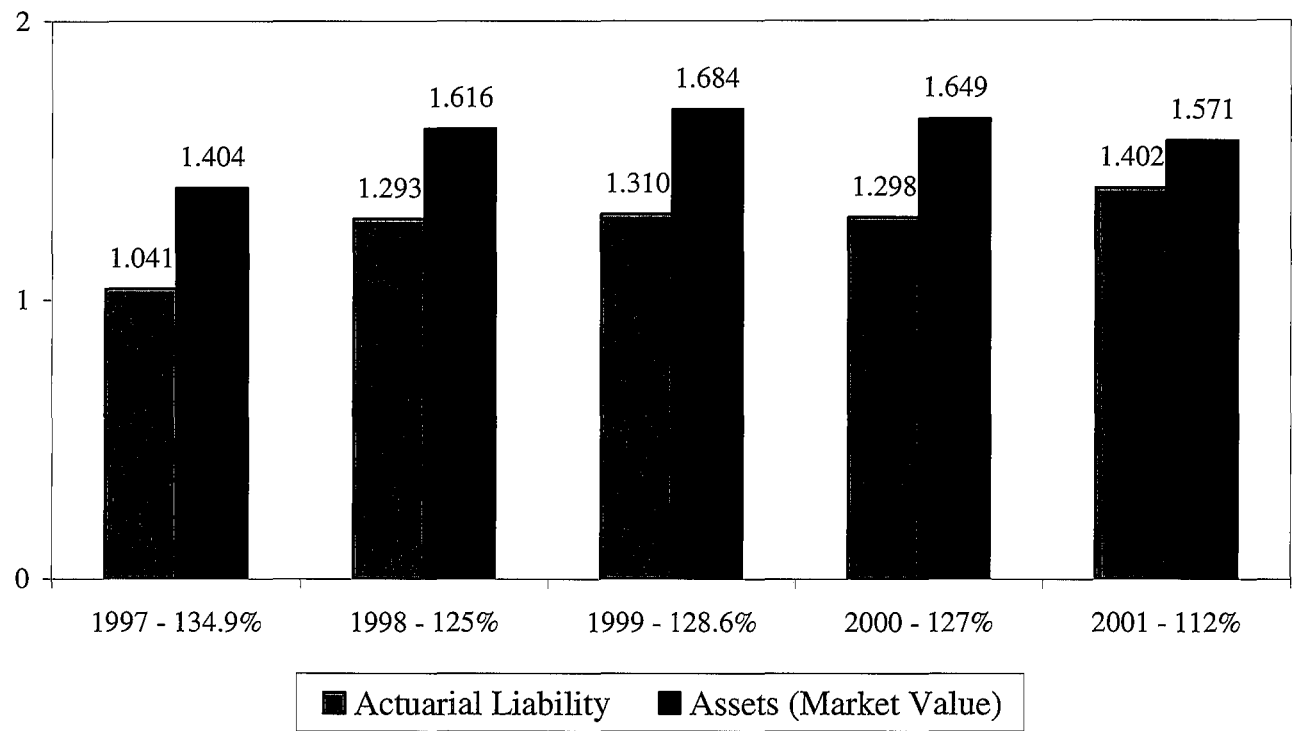
Funding Analysis

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

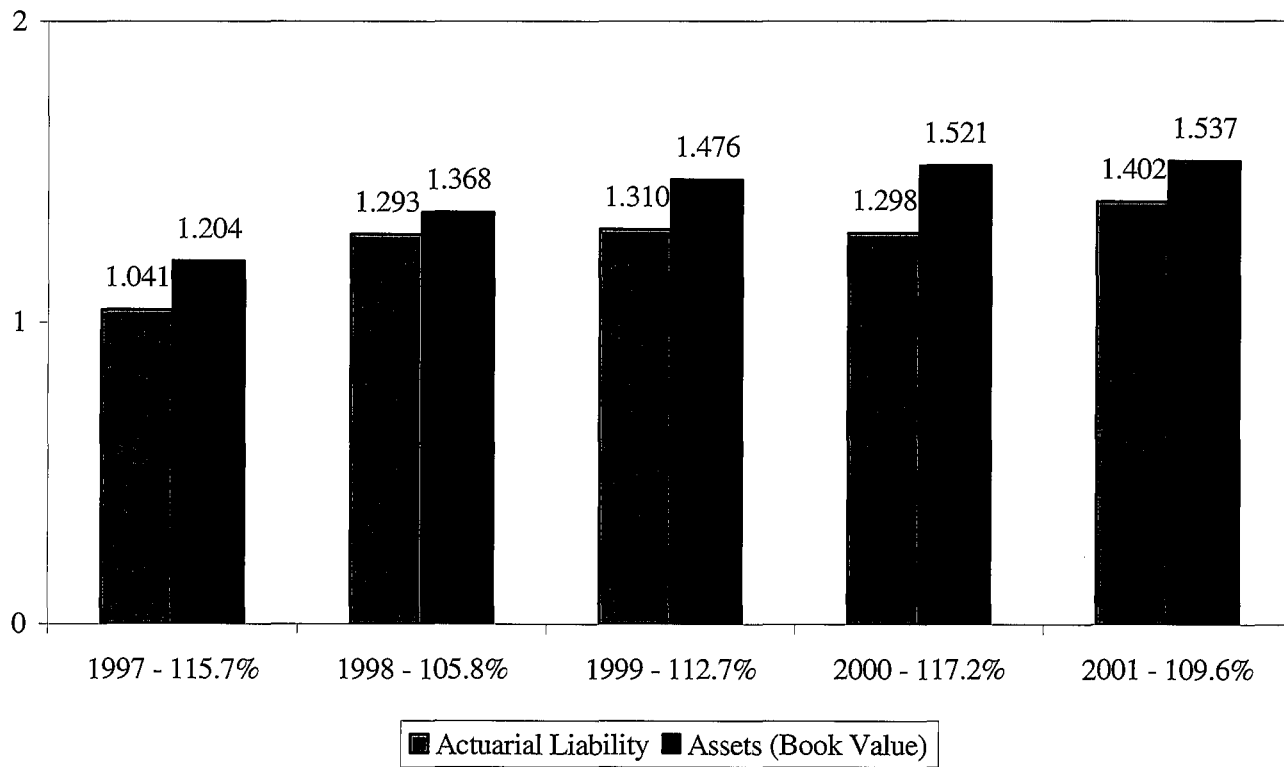
COMPONENTS OF FUNDING RATIO GASB #25/STATE REPORTING (\$ IN BILLIONS)



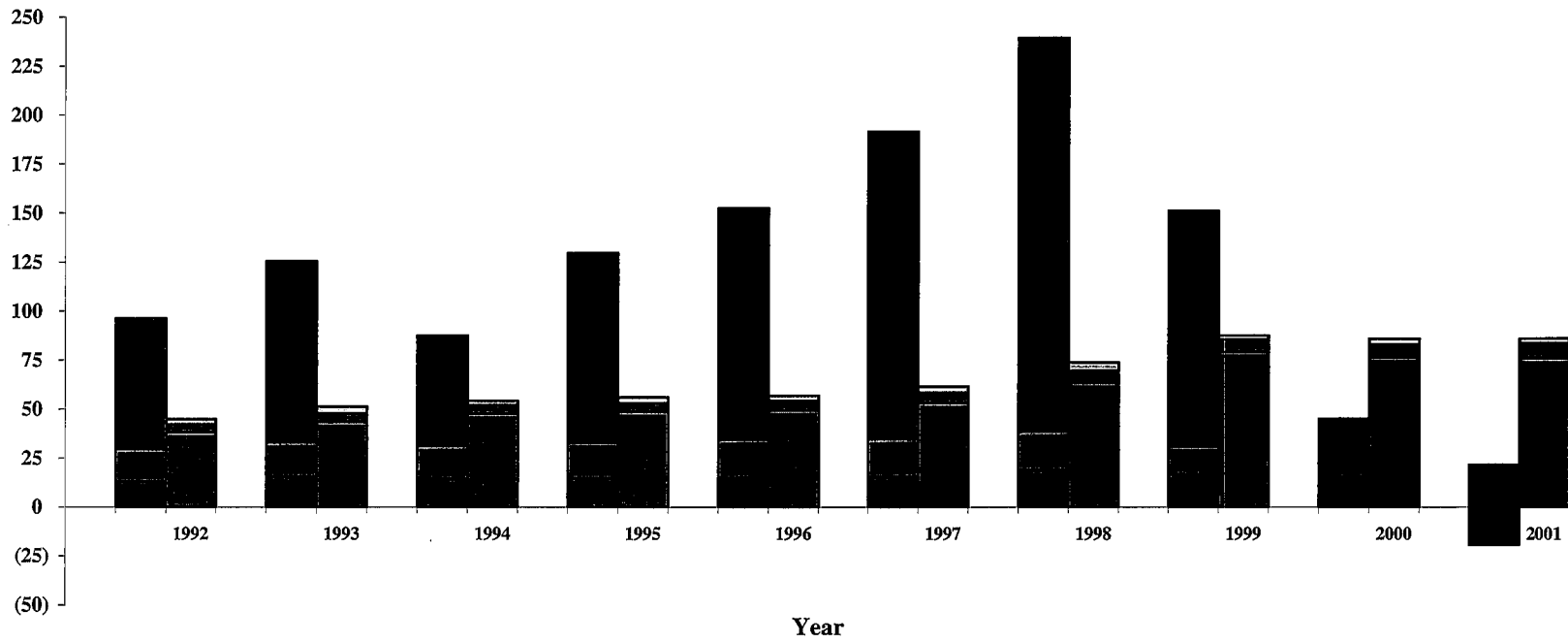
COMPONENTS OF FUNDING RATIO BASED ON MARKET VALUE (\$ IN BILLIONS)



COMPONENTS OF FUNDING RATIO BASED ON BOOK VALUE (\$ IN BILLIONS)



SUMMARY OF CASH FLOWS (\$ IN MILLIONS)



INCOME	PAY OUTS
Employee Contributions	Benefits
Employer Contributions	Expenses
Investment Income	Refunds

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 2001. When measured using the Actuarial Value of Assets, which smoothes gains and losses over a five-year period, the funding ratio decreased slightly.

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

Actuarial Computations

TABLE 1

DEVELOPMENT OF ANNUAL REQUIRED CONTRIBUTION
UNDER GASB #25 FOR 2002

	2001	2002
(1) Normal Cost	\$ 23,692,541	\$ 27,048,056
(2) Actuarial Accrued Liability (AAL)	1,297,913,880	1,402,138,620
(3) Unfunded AAL (UAAL)		
(a) Actuarial Value of Assets	1,737,971,109	1,756,080,291
(b) UAAL [2-3(a)]	(440,057,229)	(353,941,671)
(4) 40-Year Amortization (Level \$) Payable at BOY	(34,169,695)	(27,482,968)
(5) Minimum Actuarially Calculated Contribution		
(a) Interest Adjustment for Semimonthly Payment	(390,903)	(16,227)
(b) Total Minimum Contribution [1+4+5(a); but not less than zero]	0	0
(c) Total Minimum Contribution (Percent of Pay)	0.00%	0.00%
(6) Estimated Member Contributions	16,117,776	18,395,595
(7) Annual Required Contribution (ARC)		
(a) Annual Required Contribution [5(b)-6]	\$ 0	\$ 0
(b) Annual Required Contribution (Percent of Pay)	0.00%	0.00%
(8) Estimated City Contribution (after 4% loss)		
(a) Statutory Required City Contribution (After 4% loss)	15,844,464	16,216,320
(b) Less City Adjustment Due to Funding Status	(15,844,464)	(16,216,320)
(c) Tax Levied by City [(a)-(b)]	0	0
(9) City Contribution Deficiency/(Excess)		
(a) in Dollars [(7(a))-8(c)]	0	0
(b) as a Percentage of Pay	0.00%	0.00%
(10) Combined City/Member Contributions Deficiency/(Excess)		
(a) in Dollars [5(b)-6-8(c)]	\$ (16,117,776)	\$ (18,395,595)
(b) as a Percentage of Pay	(8.71)%	(8.71)%

TABLE 2

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY
(GAIN/LOSS ANALYSIS)

Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	
Beginning of Year	\$(440,057,229)
(Gains) Losses During the Year Attributable to:	
Contributions in excess of Normal Cost plus Interest	(31,104,979)
(Gain) Loss on Investment Return	59,627,970
(Gain) Loss from Salary Changes	43,312,402
(Gain) Loss from Retirement, Termination, & Mortality	14,280,165
Net Increase (Decrease) in UAAL	86,115,558
Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	
End of Year	\$(353,941,671)

TABLE 3

SUMMARY OF BASIC ACTUARIAL VALUES

	APV of Projected Benefits	2002 Normal Cost
(1) Values for Active Members		
(a) Retirement	\$ 798,764,095	\$ 17,975,689
(b) Termination	22,552,096	2,354,116
(c) Death	22,373,176	962,835
(d) Health Insurance	9,955,115	282,890
(e) Disability, Children's Benefit & Reciprocal	147,851,225	3,666,263
(f) Expenses of Administration	0	1,806,263
Total for Actives	\$1,001,495,707	\$ 27,048,056
(2) Values for Members in Payment Status	\$ 638,327,325	\$ 0
(3) Grand Totals	\$1,639,823,032	\$ 27,048,056
Actuarial Present Value of Future Compensation		\$2,031,720,328

TABLE 4

TERMINATION LIABILITIES

	<u>2000</u>	<u>2001</u>
Liability for Retired Annuitants, Widows/Widowers, and Spouses of Annuitants	\$ 641,573,414	\$ 638,327,325
Salary Deductions Contributed by Active Fund Members (with Interest)	<u>205,361,994</u>	<u>213,887,422</u>
Total	\$ 846,935,408	\$ 852,214,747
Actuarial Asset Value	1,737,971,109	1,756,080,291
Excess Upon Termination	<u>\$ 891,035,701</u>	<u>\$903,865,544</u>
Percent Funded	205.21%	206.06%

TABLE 5

ACTUARIAL ACCRUED LIABILITY PRIORITIZED SOLVENCY TEST

Valuation Date 12/31	(1)	(2)	(3)	Actuarial Value of Assets	Portion (%) of Present Value Covered By Assets		
	Active Member Contribution	Retirees and Beneficiaries	Active Members (ER Financed Portion)		(1)	(2)	(3)
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%
2001	213,887,422	638,327,325	549,923,873	1,756,080,291	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) is covered by the remainder of present assets. Generally, if the system has been following a system of amortizing the Unfunded Liability, the funded portion of present value (3) will increase over time.

TABLE 6
STATUTORY RESERVES AS OF DECEMBER 31, 2001

	New in 2001			Continuing from 2000			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	\$2,132,600	\$ 16,252,443	\$18,385,043	\$128,230,137	\$ 396,809,465	\$525,039,602	\$ 130,362,737	\$ 413,061,908	\$543,424,645
Future Surviving Spouses	\$ 444,655	\$ 1,226,507	\$ 1,671,162	\$ 32,751,424	\$ 29,701,391	\$ 62,452,815	\$ 33,196,079	\$ 30,927,898	\$ 64,123,977
Spouses	\$3,601,168	\$ 3,193,488	\$ 6,794,656	\$ 36,031,454	\$ 51,822,416	\$ 87,853,870	\$ 39,632,622	\$ 55,015,904	\$ 94,648,526
Annual Benefits									
Retirees	\$ 210,438	\$ 1,068,248	\$ 1,278,686	\$ 16,330,499	\$ 38,834,669	\$ 55,165,168	\$ 16,540,937	\$ 39,902,917	\$ 56,443,854
Future Surviving Spouses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spouses	\$ 412,444	\$ 429,278	\$ 841,722	\$ 4,829,263	\$ 8,445,371	\$ 13,274,634	\$ 5,241,707	\$ 8,874,649	\$ 14,116,356

TABLE 7

DEPARTMENT OF INSURANCE DISCLOSURE

	2000	2001
APV of Credited Projected Benefits		
Payable to Retirees and Beneficiaries	\$ 641,573,414	\$ 638,327,325
Current Employees:		
Accumulated Employee Contributions	205,361,994	213,887,422
Payable to Vested and Non-Vested Employees	197,640,976	206,422,581
Total APV	\$ 1,044,576,384	\$ 1,058,637,328
Net Assets Available for Benefits, Actuarial Value	1,737,971,109	1,756,080,291
Unfunded AAL (assets in excess of AAL)	\$ (693,394,725)	\$ (697,442,963)
Percent Funded	166.38%	165.88%
Unfunded AAL as Percent of Payroll	(374.70)%	(330.22)%
Payroll	\$ 185,051,048	\$ 211,203,088

TABLE 8

ACTUARIAL RESERVE LIABILITIES

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

Accrued Liabilities for Active Participants	\$ 651,108,831
Reserves For:	
Service Retirement Pension	536,651,832
Ordinary Disability Benefit ¹	46,268,909
Duty Disability Benefit ¹	49,521,271
Surviving Spouse Pension	101,675,493
Children Annuitants ¹	5,203,780
Reciprocal Benefits ¹	11,708,504
Total Accrued Liabilities	1,402,138,620
Unfunded Actuarial Liabilities	(353,941,671)
Actuarial Net Assets	\$1,756,080,291

¹ *Liabilities for these benefits are included with Active Members' liabilities in the remainder of this report.*

Assets of the Plan



ASSETS OF THE PLAN

The book value of plan assets, net of accounts payable, increased from \$1.52 billion as of December 31, 2000 to \$1.54 billion as of December 31, 2001, while the market value of plan assets decreased from \$1.65 billion as of December 31, 2000 to \$1.57 billion as of December 31, 2001. Table 9 details the development of asset values during 2001 and Table 10 shows the development of the actuarial value of assets as of December 31, 2001.

TABLE 9

**RECONCILIATION OF ASSET VALUES
AS OF DECEMBER 31, 2001**

	<u>Market Value</u>	<u>Book Value</u>
(1) Value of Assets as of 12/31/2000	\$1,648,818,892	\$1,521,046,385
(2) Income for Plan Year:		
(a) Member Contributions	\$ 20,017,224	\$ 20,017,224
(b) City Contributions & Miscellaneous	659,946	659,946
(c) Investment Income Net of Expenses	(19,125,165)	75,186,401
(d) Total Income	<u>\$ 1,552,005</u>	<u>\$ 95,863,571</u>
(3) Disbursements for Plan Year:		
(a) Benefit Payments	\$ 75,503,260	\$ 75,503,260
(b) Refunds and Rollovers	2,354,116	2,354,116
(c) Administration	1,806,263	1,806,263
(d) Total Disbursements	<u>\$ 79,663,639</u>	<u>\$ 79,663,639</u>
(4) Value of Assets as of 12/31/2001	\$1,570,707,258	\$1,537,246,317
(5) Estimated Rate of Return in 2001:		
(a) Gross (Investment Expense of \$5,902,056)	(0.82)%	5.44%
(b) Net of Investment Expense	(1.18)%	5.04%

TABLE 10
DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS
AS OF DECEMBER 31, 2001

(1) Expected Return on Market Value of Assets for Prior Year				
(a) Market Value of Assets as of 12/31/2000				\$1,648,818,892
(b) Actual Income and Disbursements in Prior Year Weighted for Timing				
	<u>Item</u>	<u>Amount</u>	<u>Weight for Timing</u>	<u>Weighted Amount</u>
i)	Member Contributions	\$ 20,017,224	50.0%	\$ 10,008,612
ii)	City Contributions & Misc.	659,946	50.0%	329,973
iii)	Benefit Payments	(75,503,260)	50.0%	(37,751,630)
iv)	Refunds	(2,354,116)	50.0%	(1,177,058)
v)	Administration	(1,806,263)	50.0%	(903,132)
vi)	Total			<u>\$(29,493,235)</u>
(c) Market Value of Assets Adj. for Actual Income and Disbursements [(a) + (b)(vi)]				\$1,619,325,657
(d) Assumed Rate of Return on Plan Assets for the Year				8.00%
(e) Expected Return [(c) * (d)]				\$ 129,546,053
(2) Actual Return on Market Value of Assets for Prior Year				
(a) Market Value of Assets as of 12/31/2000				\$1,648,818,892
(b) Income (less investment income) for Prior Plan Year				20,677,170
(c) Disbursements Paid in Prior Year				79,663,639
(d) Market Value of Assets as of 12/31/2001				<u>1,570,707,258</u>
(e) Actual Return [(d) + (c) - (b) - (a)]				\$ (19,125,165)
(3) Investment Gain/(Loss) for Prior Year [2(e) - 1(e)]				\$ (148,671,218)
(4) Actuarial Value of Assets as of 12/31/2001				
(a) Market Value of Assets as of 12/31/2001				\$1,570,707,258
(b) Deferred Investment Gains and (Losses) for Last 5 Years				
	<u>Plan Year</u>	<u>Gain/(Loss)</u>	<u>Weight for Timing</u>	<u>Deferred Amount</u>
i)	1997	\$ -	0.00%	\$ -
ii)	1998	-	20.00%	-
iii)	1999	(8,562,082)	40.00%	(3,424,833)
iv)	2000	(105,018,710)	60.00%	(63,011,226)
v)	2001	(148,671,218)	80.00%	(118,936,974)
vi)	Total	<u>(262,252,010)</u>		<u>\$(185,373,033)</u>
(c) Actuarial Value of Assets				\$1,756,080,291
Note: The calculated value is determined by adjusting the market value of assets to reflect the investment gains and losses (the difference between 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

SUMMARY OF CHANGES IN ACTIVE PARTICIPANTS FOR THE YEAR ENDING DECEMBER 31, 2001

	Male	Female	Total
Number of Active Members at Beginning of Fiscal Year*	3,639	431	4,070
Increases			
Members Added During Year	122	39	161
Members Returning From Inactive	83	26	109
Totals	3,844	496	4,340
Decreases			
Terminations During Year	231	35	266
Number of Active Members at End of the Year*	3,613	461	4,074
Total Inactive Members	1,870	188	2,058
Terminations			
Withdrawal (Without Refund)	147	25	172
Withdrawal (With Refund)#	30	3	33
Retirement	40	3	43
Death	9	3	12
Data Corrections	5	1	6
Totals	231	35	266

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

In 2001, 62 additional members who were not active last year elected to receive a refund of their contributions.

EXHIBIT B

SUMMARY OF CHANGES IN ANNUITANTS AND BENEFICIARIES FOR THE YEAR ENDING DECEMBER 31, 2001

	Number at Beginning of Year	Additions During Year	Terminations During Year	Number at End of Year
Employee Annuitants	2,569	53	141	2,481
Surviving Spouse Annuitants	1,406	74	75	1,405
Child Annuitants	67	3	11	59
Ordinary Disability Benefit	57	25	36	46
Duty Disability Benefit	100	56	48	108
Totals	4,199	211	311	4,099

EXHIBIT C

PART I – TOTAL LIVES AND ANNUAL SALARIES OF ACTIVE MALE PARTICIPANTS CLASSIFIED BY AGE AND YEARS OF SERVICE AS OF DECEMBER 31, 2001

Attained Age	0	1-4	5-9	10-15	15-19	20-24	25-29	30-34	35 & Up	Total
Under 20	1	3	0	0	0	0	0	0	0	4
	\$ 41,184	\$ 135,096	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 176,280
20-24	3	75	8	0	0	0	0	0	0	86
	100,235	3,403,338	422,583	0	0	0	0	0	0	3,926,156
25-29	3	128	102	4	0	0	0	0	0	237
	90,106	5,615,582	5,388,573	222,290	0	0	0	0	0	11,316,551
30-34	9	148	130	54	2	0	0	0	0	343
	288,621	6,713,864	7,036,929	2,835,492	107,328	0	0	0	0	16,982,234
35-39	3	107	132	95	53	29	0	0	0	419
	107,973	4,851,663	7,040,068	4,871,867	3,084,428	1,742,590	0	0	0	21,698,589
40-44	5	115	129	91	98	201	36	0	0	675
	164,272	5,299,719	6,860,813	4,718,499	5,394,104	11,582,928	2,236,256	0	0	36,256,591
45-49	6	82	100	72	74	210	195	8	0	747
	177,216	3,723,747	5,182,937	3,679,255	4,053,401	11,925,435	11,464,057	450,602	0	40,656,650
50-54	3	43	46	42	60	136	130	69	9	538
	115,003	1,929,594	2,450,385	2,128,966	3,189,710	7,517,149	7,554,946	3,925,274	566,968	29,377,995
55-59	0	17	34	23	42	70	65	36	14	301
	0	709,169	1,806,483	1,103,504	2,238,276	3,710,782	3,666,090	2,092,677	855,486	16,182,467
60-64	0	6	27	13	15	48	31	15	21	176
	0	210,412	1,390,128	635,814	766,082	2,560,701	1,676,234	820,878	1,342,088	9,402,337
65 & Over	0	2	9	7	14	25	11	8	11	87
	0	78,936	474,968	335,962	652,592	1,326,665	602,262	516,488	642,278	4,630,151
Total										
Count	33	726	717	401	358	719	468	136	55	3,613
Pay	\$1,084,610	\$32,671,120	\$38,053,867	\$20,531,649	\$19,485,921	\$40,366,250	\$27,199,845	\$7,805,919	\$3,406,820	\$190,606,001

EXHIBIT C

PART II – TOTAL LIVES AND ANNUAL SALARIES OF ACTIVE FEMALE PARTICIPANTS CLASSIFIED BY AGE AND YEARS OF SERVICE AS OF DECEMBER 31, 2001

Attained Age	0	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	Total
Under 20	0	0	0	0	0	0	0	0	0	0
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0	\$0	\$ 0	\$ 0
20-24	0	19	3	0	0	0	0	0	0	22
	0	732,028	152,235	0	0	0	0	0	0	884,263
25-29	2	29	18	1	0	0	0	0	0	50
	57,554	1,144,365	806,151	34,416	0	0	0	0	0	2,042,486
30-34	3	30	21	12	0	0	0	0	0	66
	87,110	1,295,127	995,712	588,454	0	0	0	0	0	2,966,403
35-39	0	40	15	17	6	0	0	0	0	78
	0	1,633,515	756,438	866,384	327,083	0	0	0	0	3,583,420
40-44	0	36	27	19	11	2	0	0	0	95
	0	1,411,571	1,404,552	906,195	592,355	91,193	0	0	0	4,405,866
45-49	0	15	15	25	9	0	0	0	0	64
	0	594,611	701,134	1,220,699	480,987	0	0	0	0	2,997,431
50-54	1	10	8	18	6	2	0	0	0	45
	29,940	451,792	419,592	801,830	283,050	115,492	0	0	0	2,101,696
55-59	0	7	3	8	2	0	0	0	1	21
	0	287,228	144,850	308,328	98,532	0	0	0	18,054	856,992
60-64	0	1	3	5	3	1	0	0	1	14
	0	28,517	111,198	220,793	162,320	55,432	0	0	18,054	596,314
65 & Over	0	0	1	2	0	0	0	0	3	6
	0	0	15,142	77,084	0	0	0	0	69,990	162,216
Total										
Count	6	187	114	107	37	5	0	0	5	461
Pay	\$174,604	\$7,578,754	\$5,507,004	\$5,024,183	\$1,944,327	\$262,117	\$0	\$0	\$106,098	\$20,597,087

EXHIBIT C

PART III – TOTAL LIVES AND ANNUAL SALARIES OF ALL ACTIVE PARTICIPANTS CLASSIFIED BY AGE AND YEARS OF SERVICE AS OF DECEMBER 31, 2001

Attained Age	0	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	Total
Under 20	1	3	0	0	0	0	0	0	0	4
	\$ 41,184	\$ 135,096	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 176,280
20-24	3	94	11	0	0	0	0	0	0	108
	100,235	4,135,366	574,818	0	0	0	0	0	0	4,810,419
25-29	5	157	120	5	0	0	0	0	0	287
	147,659	6,759,951	6,194,724	256,706	0	0	0	0	0	13,359,040
30-34	12	178	151	66	2	0	0	0	0	409
	375,731	8,008,992	8,032,641	3,423,946	107,328	0	0	0	0	19,948,638
35-39	3	147	147	112	59	29	0	0	0	497
	107,973	6,485,177	7,796,505	5,738,251	3,411,511	1,742,590	0	0	0	25,282,007
40-44	5	151	156	110	109	203	36	0	0	770
	164,272	6,711,290	8,265,365	5,624,694	5,986,459	11,674,121	2,236,256	0	0	40,662,457
45-49	6	97	115	97	83	210	195	8	0	811
	177,216	4,318,358	5,884,071	4,899,954	4,534,389	11,925,432	11,464,055	450,602	0	43,654,077
50-54	4	53	54	60	66	138	130	69	9	583
	144,943	2,381,388	2,869,977	2,930,796	3,472,760	7,632,641	7,554,946	3,925,274	566,968	31,479,693
55-59	0	24	37	31	44	70	65	36	15	322
	0	996,397	1,951,333	1,411,832	2,336,808	3,710,782	3,666,090	2,092,677	873,541	17,039,460
60-64	0	7	30	18	18	49	31	15	22	190
	0	238,928	1,501,326	856,607	928,402	2,616,133	1,676,234	820,878	1,360,142	9,998,650
65 & Over	0	2	10	9	14	25	11	8	14	93
	0	78,936	490,110	413,045	652,592	1,326,665	602,262	516,488	712,269	4,792,367
Total										
Count	39	913	831	508	395	724	468	136	60	4,074
Pay	\$1,259,213	\$40,249,879	\$43,560,870	\$25,555,831	\$21,430,249	\$40,628,364	\$27,199,843	\$7,805,919	\$3,512,920	\$211,203,088

EXHIBIT D

AGE AND SERVICE DISTRIBUTION FOR INACTIVES AS OF DECEMBER 31, 2001

(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	2	22	0	0	0	0	0	0	0	24
20-24	8	150	0	0	0	0	0	0	0	158
25-29	32	113	5	0	0	0	0	0	0	150
30-34	27	119	23	4	0	0	0	0	0	173
35-39	34	184	22	12	5	1	0	0	0	258
40-44	154	229	12	8	18	14	1	0	0	436
45-49	107	148	13	4	19	19	9	0	0	319
50-54	61	81	14	7	9	23	10	4	0	209
55-59	30	54	8	4	7	6	2	2	0	113
60-64	10	35	6	0	2	2	3	1	0	59
65-69	7	29	4	3	3	1	1	0	0	48
70 & Over	29	49	11	9	3	4	5	1	0	111
w/o DOB	0	0	0	0	0	0	0	0	0	0
Total	501	1,213	118	51	66	70	31	8	0	2,058
Average Age										43.2
Average Service										3.3

EXHIBIT E
STATISTICS ON EMPLOYEE ANNUITIES
CLASSIFIED BY AGE AS OF DECEMBER 31, 2001

Age	Male		Female	
	No.	Annual Payments	No.	Annual Payments
Under 50	6	\$ 54,101	1	\$ 1,200
50	0	0	1	4,463
51	8	237,281	0	0
52	3	52,184	0	0
53	14	294,668	0	0
54	15	495,977	0	0
55	15	603,675	0	0
56	20	620,149	2	20,400
57	24	787,966	0	0
58	36	1,119,956	0	0
59	55	1,611,107	1	3,229
60	51	1,576,465	1	34,966
61	52	1,593,750	1	15,358
62	64	2,044,849	4	73,688
63	74	2,155,672	5	74,177
64	55	1,613,781	3	66,165
65	81	2,293,500	4	84,498
66	71	1,987,017	4	66,030
67	71	1,853,976	5	120,094
68	71	1,784,822	7	107,194
69	58	1,567,385	6	109,685
70	89	2,567,954	10	174,777
71	70	1,825,085	9	110,552
72	77	2,177,971	12	213,971
73	81	1,945,837	13	181,052
74	91	2,418,748	16	209,604
75	84	2,089,483	13	171,714
76	65	1,544,274	16	254,783
77	66	1,372,159	19	239,347
78	65	1,447,955	21	235,536
79	62	1,281,403	26	352,262
80	67	1,378,203	20	246,386
81	61	1,257,751	32	400,196
82	58	1,119,089	31	395,472
83	33	611,525	24	261,987
84	34	579,056	25	304,160
85 & Over	132	2,024,396	170	1,921,738
Totals	1979	\$49,989,168	502	\$6,454,686

Exhibit F
STATISTICS ON SURVIVING SPOUSE ANNUITIES
CLASSIFIED BY AGE AS OF DECEMBER 31, 2001

Age	Male		Female	
	No.	Annual Payments	No.	Annual Payments
Under 30	0	\$ 0	2	\$ 10,800
33	0	0	1	9,600
37	0	0	1	9,600
39	0	0	1	9,600
40	0	0	2	19,200
41	0	0	2	19,200
42	1	9,600	3	28,800
43	0	0	3	28,800
44	0	0	3	28,800
45	0	0	2	19,200
46	0	0	2	19,200
47	0	0	3	22,594
48	0	0	7	67,200
49	0	0	3	32,436
50	0	0	5	54,911
51	0	0	3	28,800
52	0	0	4	51,682
53	0	0	9	96,264
54	0	0	10	101,502
55	0	0	9	85,225
56	0	0	13	116,438
57	0	0	13	127,493
58	0	0	10	112,587
59	0	0	13	141,503
60	0	0	16	191,217
61	0	0	9	88,981
62	1	9,600	26	298,493
63	1	9,600	35	389,621
64	1	9,600	23	235,272
65	0	0	22	237,089
66	0	0	28	306,720
67	0	0	19	202,099
68	0	0	29	310,522
69	1	9,600	37	405,956

Exhibit F
STATISTICS ON SURVIVING SPOUSE ANNUITIES
CLASSIFIED BY AGE AS OF DECEMBER 31, 2001
(CONTINUED)

Age	Male		Female	
	No.	Annual Payments	No.	Annual Payments
70	2	\$ 19,200	33	\$ 338,427
71	0	0	34	328,867
72	0	0	44	475,320
73	2	10,313	62	616,293
74	1	9,600	43	447,334
75	3	28,800	49	477,731
76	5	48,000	49	511,344
77	2	19,200	63	633,480
78	0	0	57	564,553
79	1	9,600	47	475,856
80	1	12,320	52	516,717
81	1	9,600	62	599,807
82	1	9,600	53	512,684
83	2	19,200	55	523,452
84	2	19,200	43	409,038
85 & Over	9	86,400	254	2,429,015
Totals*	37	\$ 349,033	1,368	\$13,767,323

* Includes \$14,959 in reversionary annuities being paid to three spouse annuities.

EXHIBIT G

PART I – NUMBER OF REFUND PAYMENTS MADE DURING 2001 TO MALE EMPLOYEES

Age at Date of Refund	Length of Service at Date of Refund						Total
	Under 1 Year	Between 1 and 2	Between 2 and 3	Between 3 and 4	Between 4 and 5	5 and Over	
Without Record							
Under 20	0	0	0	0	0	0	0
20 to 24	3	3	1	0	0	0	7
25 to 29	3	1	0	3	2	0	9
30 to 34	4	1	3	0	0	1	9
35 to 39	1	2	3	0	0	4	10
40 to 44	1	2	1	1	0	9	14
45 to 49	0	2	0	2	0	12	16
50 to 54	2	1	0	1	0	1	5
55 to 59	3	1	0	0	0	1	5
60 & Over	0	0	1	0	0	0	1
Totals	17	13	9	7	2	28	76

Part II – Number of Refund Payments Made During 2001 To Female Employees

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

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

EXHIBIT H

HEALTH INSURANCE SUPPLEMENT CLASSIFIED BY AGE AS OF DECEMBER 31, 2001

Age	Single Coverage	Family Coverage	Total Participants	Total Non-Participants	Total Annuitants	% Participant Annuitants
Employee Annuitants						
30-39	1	0	1	0	1	100.00%
40-49	4	1	5	1	6	83.33%
50-59	70	89	159	35	194	81.96%
60-69	205	320	525	163	688	76.31%
70-79	330	339	669	236	905	73.92%
80-89	260	132	392	203	595	65.88%
90 & Over	35	6	41	51	92	44.57%
Total	905	887	1,792	689	2,481	72.23%
Surviving Spouse Annuitants						
Under 30	0	1	1	1	2	50.00%
30-39	0	3	3	0	3	100.00%
40-49	6	14	20	11	31	64.52%
50-59	35	4	39	50	89	43.82%
60-69	136	4	140	108	248	56.45%
70-79	291	1	292	205	497	58.75%
80-89	219	1	220	239	459	47.93%
90 & Over	22	0	22	54	76	28.95%
Total	709	28	737	668	1,405	52.46%

EXHIBIT I

PART I – MALE PARTICIPANTS RECEIVING DUTY DISABILITY CLASSIFIED BY AGE AND LENGTH OF SERVICE AS OF DECEMBER 31, 2001

Service: Attained Age	Under 1 Year		1 to 4		5 to 9		10 to 14		15 to 19		20 & Over		Total	
	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	4	\$ 144,678	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	4	\$ 144,678
30 to 34	0	0	3	105,442	3	120,118	0	0	0	0	0	0	6	225,560
35 to 39	0	0	1	36,303	5	182,785	2	81,636	2	52,071	0	0	10	352,795
40 to 44	0	0	4	137,809	3	107,080	2	65,430	2	71,325	1	34,274	12	415,918
45 to 49	0	0	3	104,303	2	79,982	1	36,303	4	97,608	13	503,536	23	821,732
50 to 54	1	41,574	1	32,715	2	77,625	3	101,368	2	51,480	5	185,300	14	490,062
55 to 59	0	0	1	29,594	2	80,293	1	23,867	2	70,701	10	306,231	16	510,686
60 & Over	0	0	0	0	1	32,525	1	34,368	1	29,594	5	158,953	8	255,440
Totals	1	\$ 41,574	17	\$ 590,844	18	\$ 680,408	10	\$ 342,972	13	\$ 372,779	34	\$ 1,188,294	93	\$ 3,216,871

PART II – FEMALE PARTICIPANTS RECEIVING DUTY DISABILITY CLASSIFIED BY AGE AND LENGTH OF SERVICE AS OF DECEMBER 31, 2001

Service: Attained Age	Under 1 Year		1 to 4		5 to 9		10 to 14		15 to 19		20 & Over		Total	
	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	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	2	57,050	1	34,368	1	29,594	1	42,822	0	0	5	163,834
40 to 44	0	0	1	32,715	0	0	1	32,715	0	0	1	32,715	3	98,145
45 to 49	0	0	1	34,368	0	0	1	31,153	0	0	0	0	2	65,521
50 to 54	0	0	0	0	0	0	2	64,711	1	35,723	0	0	3	100,434
55 to 59	0	0	0	0	1	39,639	1	32,715	0	0	0	0	2	72,354
60 & Over	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals	0	\$ 0	4	\$ 124,133	2	\$ 74,007	6	\$ 190,888	2	\$ 78,545	1	\$ 32,715	15	\$ 500,288

Benefit payments are annual amount before Workers' Compensation offset.

EXHIBIT I
PART III – MALE PARTICIPANTS RECEIVING ORDINARY DISABILITY
CLASSIFIED BY AGE AND LENGTH OF SERVICE AS OF DECEMBER 31, 2001

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	\$ 19,017	1	\$ 21,933	0	\$ 0	0	\$ 0	0	\$ 0	2	\$ 40,950
30 to 34	0	0	1	20,086	0	0	0	0	0	0	0	0	1	20,086
35 to 39	0	0	1	20,086	0	0	1	20,086	0	0	0	0	2	40,172
40 to 44	0	0	2	32,189	0	0	2	37,117	0	0	1	20,112	5	89,418
45 to 49	0	0	0	0	0	0	0	0	2	42,592	7	147,862	9	190,454
50 to 54	0	0	0	0	0	0	0	0	2	36,314	6	125,319	8	161,633
55 to 59	0	0	0	0	0	0	1	17,239	0	0	1	18,100	2	35,339
60 & Over	0	0	0	0	1	20,086	0	0	3	55,246	4	79,665	8	154,997
Totals	0	\$ 0	5	\$ 91,378	2	\$ 42,019	4	\$ 74,442	7	\$ 134,152	19	\$ 391,058	37	\$ 733,049

PART IV – FEMALE PARTICIPANTS RECEIVING ORDINARY DISABILITY
CLASSIFIED BY AGE AND LENGTH OF SERVICE AS OF DECEMBER 31, 2001

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	1	\$ 23,006	0	\$ 0	0	\$ 0	0	\$ 0	1	\$ 23,006
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	2	39,102	0	0	0	0	0	0	2	39,102
40 to 44	0	0	0	0	0	0	1	20,086	0	0	0	0	1	20,086
45 to 49	0	0	0	0	1	20,086	1	18,100	0	0	0	0	2	38,186
50 to 54	0	0	0	0	0	0	2	31,646	0	0	0	0	2	31,646
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	21,933	0	0	0	0	1	21,933
Totals	0	\$ 0	0	\$ 0	4	\$ 82,194	5	\$ 91,765	0	\$ 0	0	\$ 0	9	\$ 173,959

EXHIBIT J

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
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%
2001	4,074	0.10 %	211,203,088	14.13 %	51,842	14.02 %	5.00%	0.82%
Average Increase (Decrease) for the Last 5 Years		1.53 %		5.52 %		4.00 %		2.43 %

EXHIBIT K

NEW ANNUITIES GRANTED DURING 2001

	<u>Male Annuitants</u>	<u>Female Annuitants</u>	<u>Spouse of Deceased Employees</u>	<u>Spouse of Deceased Annuitants</u>
Number retired/deceased	49	4	9	65
Average age attained	61.2	60.7	57.5	73.9
Average length of service	20.6	23.8	N/A	N/A
Average annual final salary	\$ 46,126	\$ 26,287	N/A	N/A
Total annual annuity	\$ 1,231,590	\$ 47,096	\$ 80,086	\$ 761,635
Average annual annuity	\$ 25,134	\$ 11,774	\$ 8,898	\$ 11,717
Total actuarial liability	\$ 14,602,006	\$553,130	\$851,484	\$ 5,676,929
Average actuarial liability	\$ 298,000	\$138,283	\$ 94,609	\$ 87,337
Total contributed by EE	\$ 3,444,582	\$107,217	N/A	N/A
Average investment	\$ 70,298	\$ 26,804	N/A	N/A
Liability/contributions	4.24	5.16	N/A	N/A
Liability/final pay	6.46	5.26	N/A	N/A

EXHIBIT L

NEW RECIPROCAL ANNUITIES GRANTED DURING 2001

	Reciprocal	
	Male Annuitants	Female Annuitants
Number Retired	6	0
Average Age Attained	64.1	N/A
Number With Spouses	5	N/A
Average Spouse Age	60.9	N/A
Percentage With Spouse	83%	N/A
Total Annual Annuity	\$ 50,083	\$ 0
Average Annual Annuity	\$ 8,347	\$ 0
Total Liability (8% 1983 GAM)	\$597,576	\$ 0
Average Liability	\$ 99,596	\$ 0

EXHIBIT M

RETIREES AND BENEFICIARIES BY TYPE OF BENEFIT

Years	Annuitants			Disability		Compensation	Reciprocal	
	Employee	Spouse	Child	Ordinary	Duty	Spouse	Employee	Spouse
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
2001	2,299	1,345	59	46	108	0	182	60

EXHIBIT N

AVERAGE EMPLOYEE RETIREMENT BENEFITS PAYABLE

Year Ended	Average Annual Benefit	Average Current Age of Retirees	Average Annual Benefit at Retirement Current Year	Average Age at Retirement Current Year	Average Years of Service at Retirement Current Year
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
2001	22,750	73.6	24,126	61.2	20.8

* Early retirement incentive offered to employees.

EXHIBIT O

SURVIVING SPOUSES RECEIVING BENEFITS AS OF DECEMBER 31, 2001 BY AGE AND YEARS IN PAY STATUS

Attained Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 & Over	Total
Under 30	0	2	0	0	0	0	2
30 to 34	0	0	1	0	0	0	1
35 to 39	0	0	2	0	0	0	2
40 to 44	0	6	5	1	2	0	14
45 to 49	3	6	2	3	3	0	17
50 to 54	2	14	7	5	3	0	31
55 to 59	3	16	17	6	10	6	58
60 & Over	48	250	274	229	179	300	1,280
Totals	56	294	308	244	197	306	1,405

EXHIBIT P

HISTORY OF ANNUITIES 1992-2001

Employee Annuitants (Male and Female)			
Year End	Number of Annuitants	Total Annuities	Average Annuities
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
2001	2,481	56,443,854	22,750
Surviving Spouse Annuities			
Year End	Number of Annuitants	Total Annuities	Average Annuities
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
2001	1,405	14,116,356	10,047

ACTUARIAL METHODS AND ASSUMPTIONS AS OF DECEMBER 31, 2001

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.

**Actuarial Methods and Assumptions
as of December 31, 2001**



RATE OF RETIREMENT:

Entry Ages <i>Male</i>										
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										
<i>Male</i>										
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										
<i>Female</i>										
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		0.01	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% general wage 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.

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, 2001**

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, 2001 was \$211,203,088. At December 31, 2001, the Laborers' Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits (includes 154 disabilities)	4,099
Terminated inactive employees entitled to benefits or a refund of contributions but not yet receiving them	2,058
Current employees (includes 154 disabilities)	4,074

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 $\frac{1}{4}$ 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.

**SUMMARY OF
PRINCIPAL ELIGIBILITY AND BENEFIT PROVISIONS
AS OF DECEMBER 31, 2001**

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

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

Members are required to contribute 8.5% of their salary to the Laborer's Plan.

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

LEGISLATIVE CHANGES 1984 THROUGH 2001

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.

- 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 upon the death of the annuitant.
- 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.

2001 Session

EGTRRA

- On June 7, 2001, the Economic Growth and Tax Relief Reconciliation Act of 2001 was signed by President Bush.
- Beginning January 1, 2002, payments for eligible optional service credits may be made with funds rolled over from a 457 deferred compensation plan or a 403(b) tax deferred annuity plan (if allowed by the 457 or 403(b) plan).

EXHIBIT R

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	Normal Cost		Total Tax Levy
						City	Park	
1982 ^{a,b}	1.37	1.34	1.92	1.03	1982	\$13,073,000	\$27,000	\$13,100,000
1983 ^{a,b}	1.37	1.54	2.16	1.21	1983	14,231,000	29,000	14,260,000
1984	1.37	1.58	2.04	1.30	1984	15,606,000	32,000	15,638,000
1985 ^b	1.37	1.60	2.08	1.33	1985	15,618,000	29,000	15,647,000
1986 ^a	1.37	0.99	1.84	0.94	1986	15,373,000	25,000	15,398,000
1987 ^a	1.37	1.13	1.90	1.03	1987	15,260,000	21,000	15,281,000
1988	1.37	1.03	1.87	0.98	1988	15,380,000	20,000	15,400,000
1989 ^{a,b}	1.37	0.56	1.49	0.56	1989	15,442,000	14,000	15,456,000
1990 ^{a,b}	1.37	1.01	1.80	0.93	1990	15,261,000	12,000	15,273,000
1991	1.37	0.93	1.70	0.90	1991	16,382,000	10,000	16,392,000
1992 ^b	1.37	0.80	1.75	0.80	1992	16,835,000	11,000	16,846,000
1993 ^b	1.37	0.83	1.96	0.83	1993	18,036,000	11,000	18,047,000
1994 ^{a,b}	1.37	0.64	1.84	0.64	1994	17,069,000	12,000	17,081,000
1995 ^b	1.37	0.75	1.87	0.75	1995	18,726,000	9,500	18,735,500
1996	1.37	0.66	1.75	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,c,d}	1.00	N/A	N/A	N/A	1999	14,676,000	1,898	14,677,898
2000 ^d	1.00	N/A	N/A	N/A	2000 ^f	0	0	0
2001 ^d	1.00	N/A	N/A	N/A	2001 ^g	0	0	0

^a Change in actuarial assumptions

^b Change in benefits

^c Change in asset valuation method to GASB

^d No 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

^g Tax levy based on the statutory multiple would be \$16,504,660

EXHIBIT S

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
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	1080.81%
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
2001 ⁴	0	15,844,464	659,946	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 or 2001.

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
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%
2001	125.24%	(167.58)%	0.36%

EXHIBIT T

HISTORY OF RETIREES AND BENEFICIARIES ADDED TO PAYROLLS

Year	Added to Payroll		Removed from Payroll		Payroll End of Year		Average Annual Benefit	Increase in Average Benefit
	No.	Ann. Benefits	No.	Ann. Benefits	No.	Ann. Benefits		
Employee Annuitants (Male and Female)								
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%
2001	53	1,278,686	141	1,023,883	2,481	56,443,854	22,750	4.01%
Surviving Spouse Annuitants (Not Including Compensation)								
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	0.77%
2000	83	908,129	74	729,344	1,406	13,996,111	9,955	0.64%
2001	74	841,721	75	721,476	1,405	14,116,356	10,047	0.92%

GASB Exhibits



EXHIBIT A-1

GASB #25 AND #27 DISCLOSURES

In an effort to enhance the understanding and usefulness of the pension information that is included in the financial reports of pension plans for state and local governments, the Governmental Accounting Standards Board (GASB) has issued Statement No. 25 – Financial Reporting for Defined Benefit Pension Plans and Statement No. 27 – Accounting for Pensions by State and Local Governmental Employers.

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 five 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: History of Annual Pension Cost and Contributions Made for GASB #27 from 1997

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 for years 1997-2001. 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' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SCHEDULE OF FUNDING PROGRESS FOR GASB #25

Actuarial Valuation Date	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]
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)%
2001	1,756,080,291	1,402,138,620	(353,941,671)	125.24%	211,203,088	(167.58)%

EXHIBIT A-3

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR GASB #25

	2001	2000	1999	1998	1997
1. Contribution Multiplier	1.00	1.00	1.00	1.37	1.37
2. Payroll (beginning of year)	\$185,051,048	\$175,914,112	\$170,627,112	\$171,175,944	\$162,276,840
3. City of Chicago Contribution, Net of Reserve for Loss in Tax Collection	659,946	683,352	14,406,579	19,724,301	19,328,981
4. City of Chicago Contribution as a Percent of Covered Payroll	0.36%	0.39%	8.44%	11.52%	11.91%
5. Employee Contributions	20,017,224	17,011,363	15,895,882	18,687,316	15,332,208
6. Employee Contributions as a Percent of Covered Payroll	10.82%	9.67%	9.32%	10.92%	9.45%
7. Current Year Normal Cost	23,692,541	21,039,274	24,059,897	21,761,436	21,544,208
8. Normal Cost as a Percent of Covered Payroll	12.80%	11.96%	14.10%	12.71%	13.28%
9. 40-Year Level Dollar Amortization of the Unfunded Liability	(34,169,695)	(29,582,245)	(19,187,799)	(23,194,439)	(19,019,140)
10. 40-Year Level Dollar Amortization as a Percent of Covered Payroll	(18.47)%	(16.82)%	(11.25)%	(13.55)%	(11.72)%
11. Interest Adjustment for Semi-Monthly Payment	(390,903)	(318,738)	N/A	N/A	N/A
12. Actuarially Determined Contribution (ADC)* (NC + 40-year level dollar + interest adjustment)	0	0	4,872,098	0	2,525,068
13. ADC as a Percent of Covered Payroll	0.00%	0.00%	2.86%	0.00%	1.56%
14. Annual Required Contribution (ARC)* (ADC - estimated employee contributions)	0	0	0	0	0
15. ARC as a Percent of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

* ADC and ARC amounts can not be less than zero.

In the year 2001, city contributions and miscellaneous income totaled \$659,946 or 0.36% of payroll. In addition, employee contributions were \$20,017,224 or 10.82% of payroll. As the Annual Required Contribution (ARC) was not applicable, there was an excess of contributions and miscellaneous income of \$20,677,170 or 11.18% of payroll.

EXHIBIT A-4

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, 2001
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
* Includes Inflation at:	3.0% per year
Post Retirement Benefit Increases	3.0% per year beginning after annuitant reaches age 60

Actuarial Accrued Liability (AAL)

	<u>December 31, 2000</u>	<u>December 31, 2001</u>
Payable to Retirees and Beneficiaries	\$ 641,573,414	\$ 638,327,325
Current Employees:		
Accumulated Employee Contributions		
Including Statutory Interest	205,361,994	213,887,422
Payable to Vested and Non-Vested Employees (not split)	450,978,472	549,923,873
Total Actuarial Accrued Liability	<u>\$1,297,913,880</u>	<u>\$1,402,138,620</u>
Net Plan Actuarial Assets	<u>1,737,971,109</u>	<u>1,756,080,291</u>
Unfunded AAL (assets in excess of AAL)	\$ (440,057,229)	\$ (353,941,671)
Percent Funded	133.90 %	125.24 %
Unfunded AAL as Percent of Payroll	(237.80)%	(167.58)%
Payroll	\$ 185,051,048	\$ 211,203,088

EXHIBIT A-5

HISTORY OF ANNUAL PENSION COST AND CONTRIBUTIONS MADE FOR GASB #27 FROM 1997

Year Ending December 31:	1997	1998	1999	2000	2001
Contribution Rates					
Plan Members:	8.5%	8.5%	8.5%	8.5%	8.5%
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:					
	1.37	1.37	1.00	1.00	1.00
Annual Pension Cost					
Annual Required Contribution (ARC)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest on NPO	(10,936,776)	(13,500,288)	(15,344,702)	(17,724,805)	(19,010,060)
Adjustment to ARC	<u>10,936,776</u>	<u>13,500,288</u>	<u>0</u>	<u>2,342,460</u>	<u>1,984,628</u>
Annual Pension Cost	\$ 0	\$ 0	\$ (15,344,702)	\$ (15,382,345)	\$ (17,025,432)
Employer Contributions ¹	\$ 32,043,902	\$ 23,055,176	\$ 14,406,579	\$ 683,352 ²	\$ 659,946 ²
Net Pension Obligations (NPO)					
NPO at Beginning of Year	\$ (136,709,698)	\$ (168,753,600)	\$ (191,808,776)	\$ (221,560,057)	\$ (237,625,754)
Increase/(Decrease) in NPO	<u>(32,043,902)</u>	<u>(23,055,176)</u>	<u>(29,751,281)</u>	<u>(16,065,697)</u>	<u>(17,685,378)</u>
NPO at End of Year	\$ (168,753,600)	\$ (191,808,776)	\$ (221,560,057)	\$ (237,625,754)	\$ (255,311,132)

¹ Provided by prior actuary for years before 1999.

² The City of Chicago did not levy a tax for Laborers' in 2000 and 2001. These amounts include changes in reserves for tax loss and collections for tax years prior to 2000.

EXHIBIT A-6

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)
2001	(17,025,432)	N/A	(255,311,132)

EXHIBIT A-7

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)

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

	<u>2000</u>	<u>2001</u>
Member Counts		
Active	4,070	4,074
Inactives	1,923	2,058
Retirees	2,569	2,481
Survivors	1,406	1,405
Disabilities	157	154
Children	67	59
Accumulated EE Contribution	205,361,994	213,887,422
Total Current Pay	185,051,048	211,203,088
Present Value Future Pay	1,767,604,100	2,031,720,328

Term Costs		
Children's Annuities	204,791	174,110
Duty Disability	644,364	1,039,027
Duty Disability Payments in Lieu	528,045	573,250
Ordinary Disability	997,524	1,255,351
Ordinary Disability Payments in Lieu	211,280	245,755

APV of Projected Benefits(1) Values for Active Members

(a) Retirement	619,706,857	\$ 798,764,095
(b) Termination	29,872,509	22,552,096
(c) Death - in Service (Survivor Benefits)	19,106,648	22,373,176
(d) Post-Retirement Spouse Annuity	62,646,676	0
(e) Hospitalization Supplement	9,304,709	9,955,115
(f) Disability, Children's Benefit & Reciprocal	111,836,246	147,851,225
i. Children's Annuities	7,850,756	6,829,156
ii. Ordinary Disability Benefits	46,586,092	60,694,123
iii. Duty Disability Benefits	45,178,831	64,962,345
iv. Load For Reciprocal Benefits	12,220,517	13,365,601
(g) Expense of Administration	0	0
Total for Actives	\$ 852,473,645	\$ 1,001,495,707

(2) Values for Inactive Members

(a) Retirees	466,382,509	461,306,282
(b) Future Widows	64,935,035	67,181,815
(c) Health Insurance Supplement	11,475,879	11,177,685
(d) Spouse Beneficiaries	98,779,991	98,661,543
Total for Inactives	\$ 641,573,414	\$ 638,327,325

(3) Grand Totals

	1,494,047,059	1,639,823,032
--	---------------	---------------

Normal Cost - EAN Numbers(1) Values for Active Members

(a) Retirement	\$ 13,748,899	\$ 17,975,639
(b) Termination	3,121,175	2,354,116
(c) Death - in Service (Survivor Benefits)	656,343	962,835
(d) Post-Retirement Spouse Annuity	1,385,151	0
(e) Hospitalization Supplement	209,368	282,890
(f) Disability, Children's Benefit & Reciprocal	2,901,812	3,666,263
i. Children's Annuities	204,791	174,110
iii. Ordinary Disability Benefits	1,208,804	1,501,105
ii. Duty Disability Benefits	1,172,409	1,612,277
iv. Load For Reciprocal Benefits	315,808	378,770
(g) Expense of Administration	1,669,793	1,806,263
(h) Other	-	0
Total for Actives	23,692,541	27,048,056

(2) Values for Inactive Members

	0	0
--	---	---

(3) Grand Totals

	\$ 23,692,541	\$ 27,048,056
--	---------------	---------------

Actuarial Liability - EAN Numbers(1) Values for Active Members

(a) Retirement	\$498,559,809	629,382,201
(b) Termination	(0)	0
(c) Death - in Service (Survivor Benefits)	14,905,886	14,075,964
(d) Post-Retirement Spouse Annuity	50,823,350	0
(e) Hospitalization Supplement	7,789,800	7,650,666
(f) Disability, Children's Benefit & Reciprocal	84,261,621	112,702,464
i. Children's Annuities	5,906,391	5,203,780
iii. Ordinary Disability Benefits	35,096,665	46,268,909
ii. Duty Disability Benefits	34,042,975	49,521,271
iv. Load For Reciprocal Benefits	9,215,590	11,708,504
(g) Expense of Administration	0	0
Total for Actives	656,340,466	763,811,295

(2) Values for Inactive Members

(a) Retirees	466,382,509	461,306,282
(b) Future Widows	64,935,035	67,181,815
(c) Health Insurance Supplement	11,475,879	11,177,685
(d) Spouse Beneficiaries	98,779,991	98,661,543
Total for Inactives	641,573,414	638,327,325

(3) Grand Totals

	\$ 1,297,913,880	\$1,402,138,620
--	------------------	-----------------

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
For the Year Ending December 31, 2001**

	NC\$	NC%	PVFNC	Unloaded NC	NC Load	Unloaded PVFB	PVFB Loads	AAL
Active Run				8.75%		821,137,271		
Health Run				0.13%		9,955,115		
Vesting	2,354,116	1.11%	22,552,096	1.11%		22,552,096		0
				9.99%		853,644,482		
Total Dis.	3,666,263	1.73%	35,148,761				147,851,225	112,702,464
Children's	174,110	0.08%	1,625,376		0.80%		6,829,156	5,203,780
Ord. Dis.	1,501,106	0.71%	14,425,214		7.11%		60,694,123	46,268,909
Duty Dis.	1,612,277	0.76%	15,441,074		7.61%		64,962,345	49,521,271
Load for Rec.	378,770	0.18%	3,657,097		1.80%		15,365,601	11,708,504