

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

ACTUARIAL STATEMENT
AS OF
DECEMBER 31, 1974

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September 15, 1975

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

Gentlemen:

This is to certify that the annual statement as of December 31, 1974 of the Laborers' and Retirement Board Employees Annuity and Benefit Fund of Chicago, appended hereto, consisting of the following:

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Expenditures.....--	4
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is, to the best of my knowledge and belief, a true and correct statement of the affairs and conditions of said Fund for the calendar year 1974.

This statement has been prepared from the books of the Fund as substantiated by my letters of recommendation to the Retirement Board.

The method of valuation or method of financing the system and the actuarial assumptions and methods used in the valuation are shown on page ten, eleven, twelve and thirteen of this report. The attempt is made to give effect to realistic valuation factors affecting costs.

No changes have been made in the actuarial assumptions from those used in the 1973 valuation report.

The accounting procedure is outlined in Article 8 of the Illinois Pension Code.

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

Under this method the estimated amount of City contribution consists of two parts... one part is the current service cost referred to as entry age normal cost, and the other part is an amount equal to the interest at the rate assumed for valuation purposes on the unfunded liability or deficiency. This method is also known as a minimum method of financing or funding.

The current service cost expressed as a rate is the average percentage of the salaries for new employees that is required to be paid into the Fund from the time they enter the service until they leave the service in order to accumulate sufficient funds to pay their benefits with costs computed on the bases of the actuarial assumptions set forth.

At a given valuation date the difference between these total accumulated current costs for all participants of the Fund plus liabilities for annuitants and the total Fund invested assets is the unfunded liability on that valuation date.

In determining the value of the assets on valuation date the stocks have been valued at cost and bonds on an amortized cost basis.

Based on the preceding method of financing, I find that the minimum annual City contributions would be \$9,768,493.00, which amount includes a 12-1/2% reserve for loss of collection.

This minimum annual contribution for the City is computed as follows, based on an annual payroll of \$78,526,728.00 as of December 31, 1974.

1. For Current Service Cost, City's Share, Entry Age Normal 6.77% Includes 12-1/2% Loss Estimate.....	\$5,315,563.18
2. For 5% Interest on Unfunded Liability of \$77,926,271.88 Includes 12-1/2% Loss Estimate.....	<u>4,452,929.82</u>
Total Minimum Annual Contribution by City to Maintain Fund on a Minimum Valuation Basis Includes 12-1/2% Loss Estimate.....	<u>\$9,768,493.00</u>

This minimum method of funding or financing is often referred to as a middle of the road method. It is the method the Fund has tried to follow in the past. It has evolved over the years and seeks to give effect to all interested groups including opinions expressed by the Civic Federation. This minimum annual contribution of \$9,768,493.00 would require a tax levy multiple of 1.48 based on 1974 salaries.

Page Three.

The current ultimate multiple beginning in 1978 authorized in Article 11 is 1.37. As a result, an increase in multiple of .11 is needed for a minimum funding basis. As the members contribute about 8.4% of salary, an increase of .11 in the multiple would produce an amount equal to .92% of salary. Based on the 1974 salary roll of \$78,526,728.00 a .92% increase would be \$722,445.90. The Fund would net 12% less, or \$632,140.16.

The total unfunded liability as of December 31, 1974, I estimate, amounts to \$77,926,271.88, as shown on page two of the Annual Statement. As of December 31, 1973 the unfunded liability was \$69,158,015.40.

The increase in unfunded liability of \$8,768,256.48 was due to (1) an increase in average salaries of 9.5% over the 3-1/2% salary scale which amounted to about \$9,036,253.74 plus (2) the deficiency in current annual contributions of about \$2,444,306.56 less a gain in the investment earnings due to the realized yield of 6.90% compared to the 5% assumed which accounted for about \$2,443,856.66...less miscellaneous gains of \$268,447.16.

The ratio of assets to liabilities was 64.0% as of December 31, 1974 and 65.0% as of December 31, 1973.

Recently enacted Federal legislation for private pension plans will require unfunded liabilities to be amortized over a forty year period. As the Board knows, such Federal law requires a study to be made of Public Employee Plans and a report submitted to Congress before the end of 1976.

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

For example, for every \$1.00 in salary increase over the 3-1/2% increase assumed in the salary scale the unfunded liability will be increased by about \$2.06 for male employees, and \$2.40 for female employees. This will be in addition to the additional current annual service cost of about 6.77% for every dollar of raise.

These additional costs will be reduced by the annual amount of investment income earned over the assumed 5% used for valuation purposes.

In order to give the Retirement Board some guidance in estimating the effects on costs of variations in the principal actuarial assumptions I have estimated the financial effect, if the 1974 valuation is made based on a 6% a year compounded investment earning assumption and a 5% a year compounded salary scale.

I estimate that the two valuations give results that do not differ greatly. As a result, the middle of the road funding method used in this valuation, which in turn is based on actuarial assumptions which can also be classified as being middle of the road, taken together with the two alternative actuarial valuations giving effect to two principal factors of cost, namely:

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

Future analysis of the Fund's operating experience will indicate the changes necessary in the Fund's method of financing.

Respectfully submitted,



Actuary.

DEC*rb

LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND

BENEFIT FUND

ACTUARIAL

BALANCE SHEET

AS OF

DECEMBER 31, 1974

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

ACTUARIAL BALANCE SHEET

ASSETS

AS OF DECEMBER 31, 1974

CASH ON DEPOSIT		\$ 1,920,820.88	
ACCOUNTS RECEIVABLE:			
Salary Deductions Accrued	\$ 726,474.25		
Miscellaneous from Employees	<u>87,553.45</u>		
Total Accounts Receivable		814,027.70	
INTEREST RECEIVABLE:			
Accrued Interest on Bonds		2,405,914.66	
INVESTMENTS:			
Bonds - Par Value	\$121,310,054.13		
Bonds - Premiums and Discounts	(3,089,587.34)		
Common Stocks	8,808,302.30		
Due from Broker	<u>3,487.52</u>		
Total Investments		127,032,256.61	
TAXES RECEIVABLE - (Exhibit F, Page 10)			
City:			
Uncollected Taxes	\$ 12,175,726.49		
Reserve for Loss and Cost of Collection	<u>5,543,724.00</u>		
Net Taxes Receivable		6,632,002.49	
Park District:			
Uncollected Taxes	\$ 48,953.63		
Reserve for Loss and Cost of Collection	<u>21,286.12</u>		
Net Taxes Receivable		27,667.51	
Taxes in Transit		<u>69,665.00</u>	
GROSS LEDGER ASSETS			\$138,902,354.85
LESS - ACCOUNTS PAYABLE:			
Miscellaneous to Employees	\$ 1,190,975.69		
Military Service Deductions - Excess	<u>1,557.71</u>		
Total			<u>1,192,533.40</u>
NET LEDGER ASSETS DECEMBER 31, 1974			<u>\$137,709,821.45</u>

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

ACTUARIAL BALANCE SHEET

LIABILITIES AND FUND BALANCEAS OF DECEMBER 31, 1974

LIABILITIES RESERVES AGE AND SERVICE

ANNUITY PAYMENT FUND ACCOUNT:

Employee Annuitants	\$15,203,644.90	
Employee Annuities Fixed	5,113,272.36	
Widow Annuitants	7,455,161.52	
Wives' Annuities Fixed	<u>3,545,253.24</u>	
Total Annuity Payment Fund		\$ 31,317,332.02

SALARY DEDUCTION FUND ACCOUNT:

Employees	\$43,245,342.40	
Wives of Employees	<u>8,445,659.22</u>	
Total Salary Deduction Fund		51,691,001.62

CITY CONTRIBUTIONS FUND ACCOUNT:

Employees	\$42,764,270.44	
Wives of Employees	12,890,471.70	
Supplemental Annuities	<u>8,824.88</u>	
Total City Contributions Fund		55,663,567.02

OTHER RESERVES:

Annuity Payment Fund Account	\$ 4,881,599.80	
Child's Annuity Fund Account	0	
Duty Disability Fund Account	0	
Expense of Administration Account	0	
Investments and Interest Fund Account	0	
Ordinary Disability Fund Account	<u>0</u>	
Total Other Reserves		<u>4,881,599.80</u>

TOTAL AGE AND SERVICE LIABILITIES

AND OTHER RESERVES		\$143,553,500.46
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SUPPLEMENTARY PAYMENT RESERVE

107,362.10

PRIOR SERVICE FUND ACCOUNT:

Estimated Excess Liability (1)	\$50,264,466.88	
Employee Annuitants	17,090,851.30	
Employee Annuities Fixed	37,016.64	
Widow Annuitants	961,895.81	
Wives' Annuities Fixed	958,567.26	
Contributions for Employees	2,293.37	
Contributions for Wives	1,096.82	
Salary Deductions for 2% Annuity	<u>2,659,042.69</u>	
Total Prior Service Fund		\$ 71,975,230.77

DEDUCT: Obligations of Fund for Prior

Service Fund Liabilities (includes A & S \$2,628,504.24)		<u>(77,926,271.88)</u>
---	--	------------------------

(5,951,041.11)

TOTAL NET LIABILITIES AND FUND BALANCES DECEMBER 31, 1974

\$137,709,821.45

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

LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND

BENEFIT FUND

INCOME

YEAR 1974

INCOME

AND

EXPENDITURES

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

INCOME

YEAR 1974

SALARY DEDUCTIONS:

Employees	\$ 5,064,671.62
Wives of Employees	1,028,861.90
2% Retirement Annuity	<u>389,538.13</u>

Total Salary Deductions \$6,483,071.65

PAYMENTS BY EMPLOYEES FOR TEMPORARY SERVICE AND REFUND REPAYMENTS

113,939.88

CITY CONTRIBUTIONS (\$6,081,250.00)

PARK CONTRIBUTIONS (\$ 21,875.00)

Employee Annuities	\$ 4,547,699.23
Wife Annuities	1,405,460.02
Child Annuities	93,152.45
Duty Disability	323,007.99
Ordinary Disability	845,581.65
Expense of Administration	231,454.61
Interest on Income	103,830.12
Deficiency in Current Requirements	<u>(1,447,061.07)</u>

Total Contributions 6,103,125.00

FEDERAL CONTRIBUTIONS

0

INCOME ON INVESTMENTS: (Note #1)

Bond Interest	\$ 4,545,692.03
Dividends on Stock	<u>100,388.46</u>

4,646,080.49

TOTAL INCOME YEAR 1974

\$17,346,217.02

TOTAL EXPENDITURES YEAR 1974

7,999,286.59

TOTAL EXCESS INCOME OVER EXPENDITURES

9,346,930.43

LESS: INCREASE IN NET TAXES RECEIVABLE FOR PRIOR YEARS

(261,143.81)

NET EXCESS INCOME OVER EXPENDITURES YEAR 1974

\$ 9,085,786.62

Note #1 - Bond interest is reduced by \$3,766,788.84 which represents a loss or difference between the book value and proceeds from sales of bonds. The proceeds were invested in bonds with greater rates of coupons which will result in material gains to the Fund in the future. Dividends on stock are reduced by \$65,770.54 for loss on sales of stock.

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

EXPENDITURESYEAR 1974

BENEFITS PAID:

Annuities - Employees	\$4,075,482.01	
Annuities - Widows	917,183.27	
Compensation Widows' Annuities	4,433.88	
Child's Annuities	93,152.45	
Duty Disability Benefits	318,419.19	
Ordinary Disability Benefits	844,746.22	
Supplementary Payment Annuities	<u>85,834.20</u>	
Total Benefits Paid		\$6,339,251.22
Less: Reimbursement Reciprocal Account		<u>9,775.13</u>
Net Annuities Paid		\$6,329,476.09

EXPENSE OF ADMINISTRATION:

Salaries	\$ 67,845.42	
Audit	7,500.00	
Investment Counsel	20,500.00	
Postage	5,000.00	
Actuarial Department	94,034.80	
Printing	6,790.69	
Telephone	1,013.36	
Rent and Electricity	20,433.23	
Miscellaneous	1,712.69	
Office Equipment and Supplies	3,847.38	
Blue Cross and Blue Shield	<u>2,777.04</u>	
Total Expense of Administration		\$ 231,454.61

REFUNDS

1,438,355.89

TOTAL EXPENDITURES YEAR 1974

\$7,999,286.59

LABORERS' AND RETIREMENT BOARD EMPLOYEES ANNUITY AND BENEFIT FUND

HISTORY 1964 TO 1974AVERAGE ANNUAL SALARIES ENTIRE FUND

AND

INVESTMENT YIELDS EXCLUDING GAINS AND LOSSES(BONDS AT AMORTIZED VALUES. STOCKS AT COST)

Year	Average Annual Salary			Increase of Preceding Year %	Investment Yields % Excluding Gains and Losses
	Male	Female	Both		
1964	\$ 6,814.13	\$ 2,675.20	\$ 5,648.41		
1965	7,016.04	2,647.02	5,773.80	1.022%	3.83%
1966	7,310.22	2,735.50	5,953.54	1.031	4.08
1967	7,762.28	2,934.24	6,451.28	1.084	4.17
1968	8,306.37	3,420.74	7,117.62	1.103	4.30
1969	8,900.03	3,890.10	7,782.34	1.120	4.59
1970	9,907.10	4,393.16	8,714.23	1.120	4.76
1971	10,977.90	4,805.00	9,636.11	1.106	4.97
1972	11,274.80	5,177.51	10,035.00	1.042	5.68
1973	12,097.00	5,551.62	10,827.73	1.080	5.97
1974	12,953.19	6,360.30	11,859.32	1.095	6.90

Annual salary compounded 1964 to 1974, for 10 years, 7-1/2%.

LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND

BENEFIT FUND

COMPARATIVE ANALYSIS

YEAR 1974

ASSETS

AND

LIABILITIES

LABORERS' AND RETIREMENT BOARD EMPLOYEES ANNUITY AND BENEFIT FUND

COMPARATIVE ANALYSIS

ASSETS

	<u>Jan. 1, 1974</u>	<u>Dec. 31, 1974</u>	Increase or (Decrease)
CASH ON DEPOSIT	\$ 1,004,331.23	\$ 1,920,820.88	\$ 916,489.65
ACCOUNTS RECEIVABLE:			
Salary Deductions Accrued	\$ 853,020.33	\$ 726,474.25	\$(126,546.08)
Miscellaneous from Employees	87,908.37	87,553.45	(354.92)
Total Accounts Receivable	<u>\$ 940,928.70</u>	<u>\$ 814,027.70</u>	<u>\$(126,901.00)</u>
INTEREST RECEIVABLE:			
Accrued Interest on Bonds	\$ 2,096,057.02	\$ 2,405,914.66	\$ 309,857.64
Accrued Interest on Tax			
Anticipation Warrants	0	0	0
Due Bond Interest Receivable	0	0	0
Total Interest Receivable	<u>\$ 2,096,057.02</u>	<u>\$ 2,405,914.66</u>	<u>\$ 309,857.64</u>
INVESTMENTS:			
Bonds--Par Value	\$115,868,774.71	\$121,310,054.13	\$ 5,441,279.42
Bonds--Premiums and Discounts	(2,500,852.92)	(3,089,587.34)	(588,734.42)
Common Stocks	5,498,656.69	8,808,302.30	3,309,645.61
Due from Broker	1,049,586.11	3,487.52	(1,046,098.59)
Total Investments	<u>\$119,916,164.59</u>	<u>\$127,032,256.61</u>	<u>\$ 7,116,092.02</u>
TAXES RECEIVABLE:			
City:			
Uncollected Taxes	\$ 10,574,992.40	\$ 12,175,726.49	\$ 1,600,734.09
Taxes in Transit	0	69,665.00	69,665.00
Reserve for Loss and Cost of Collection	4,739,088.00	5,543,724.00	804,636.00
Net Taxes Receivable	<u>\$ 5,835,904.40</u>	<u>\$ 6,701,667.49</u>	<u>\$ 865,763.09</u>
Park District:			
Uncollected Taxes	\$ 46,827.30	\$ 48,953.63	\$ 2,126.33
Reserve for Loss and Cost of Collection	22,529.70	21,286.12	(1,243.58)
Net Taxes Receivable	<u>\$ 24,297.60</u>	<u>\$ 27,667.51</u>	<u>\$ 3,369.91</u>
GROSS LEDGER ASSETS	<u>\$129,817,683.54</u>	<u>\$138,902,354.85</u>	<u>\$ 9,084,671.31</u>
LESS--ACCOUNTS PAYABLE:			
Miscellaneous to Employees	\$ 1,192,091.00	\$ 1,190,975.69	\$(1,115.31)
Military Service Deductions Excess from Refunds	1,557.71	1,557.71	0
Total Accounts Payable	<u>\$ 1,193,648.71</u>	<u>\$ 1,192,533.40</u>	<u>\$(1,115.31)</u>
NET LEDGER ASSETS	<u>\$128,624,034.83</u>	<u>\$137,709,821.45</u>	<u>\$ 9,085,786.62</u>

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

COMPARATIVE ANALYSISLIABILITIES AND FUND BALANCES

	<u>Jan. 1, 1974</u>	<u>Dec. 31, 1974</u>	Increase or (Decrease)
FOR SERVICES AFTER JULY 1, 1935:			
LIABILITY RESERVES:			
ANNUITY PAYMENT FUND ACCOUNT:			
Employee Annuities	\$ 12,613,262.89	\$ 15,203,644.90	\$ 2,590,382.01
Employees' Annuities Fixed	4,418,904.84	5,113,272.36	694,367.52
Widow Annuitants	5,968,313.56	7,455,161.52	1,486,847.96
Wives' Annuities Fixed	2,733,405.03	3,545,253.24	811,848.21
Total Annuity Payment Fund	<u>\$ 25,733,886.32</u>	<u>\$ 31,317,332.02</u>	<u>\$ 5,583,445.70</u>
SALARY DEDUCTION FUND ACCOUNT:			
Employees	\$ 40,648,943.42	\$ 43,245,342.40	\$ 2,596,398.98
Wives of Employees	7,805,103.67	8,445,659.22	640,555.55
Total Salary Deduction Fund	<u>\$ 48,454,047.09</u>	<u>\$ 51,691,001.62</u>	<u>\$ 3,236,954.53</u>
CITY CONTRIBUTION FUND ACCOUNT:			
Employees	\$ 40,527,562.65	\$ 42,764,270.44	\$ 2,236,707.79
Wives of Employees	12,124,116.05	12,890,471.70	766,355.65
Supplemental Annuities	12,826.40	8,824.88	(4,001.52)
Total City Contribution Fund	<u>\$ 52,664,505.10</u>	<u>\$ 55,663,567.02</u>	<u>\$ 2,999,061.92</u>
OTHER RESERVES:			
Annuity Payment Fund Account	\$ 3,860,082.95	\$ 4,881,599.80	\$ 1,021,516.85
Child's Annuity Fund Account	0	0	0
Duty Disability Fund Account	0	0	0
Investment and Interest Account	0	0	0
Expense of Administration Account	0	0	0
Ordinary Disability Fund Account	0	0	0
Total Other Reserves	<u>\$ 3,860,082.95</u>	<u>\$ 4,881,599.80</u>	<u>\$ 1,021,516.85</u>
TOTAL LIABILITY AND OTHER RESERVES			
FOR SERVICE AFTER JULY 1, 1935	<u>\$130,712,521.46</u>	<u>\$143,553,500.46</u>	<u>\$ 12,840,979.00</u>
SUPPLEMENTARY RESERVE	<u>\$ 93,196.30</u>	<u>\$ 107,362.10</u>	<u>\$ 14,165.80</u>
PRIOR SERVICE FUND ACCOUNT:			
Estimated Excess Minimum			
Annuity Provision	\$ 49,396,721.14	\$ 50,264,466.88	\$ 867,745.74
Employee Annuitants	13,573,230.04	17,090,851.30	3,517,621.26
Employees' Annuities Fixed	53,958.84	37,016.64	(16,942.20)
Widow Annuitants	851,211.76	961,895.81	110,684.05
Wives' Annuities Fixed	739,734.09	958,567.26	218,833.17
Contributions for Employees	12,402.28	2,293.37	(10,108.91)
Contributions for Wives	5,931.55	1,096.82	(4,834.73)
Salary Deductions for 2% Annuity	2,343,142.77	2,659,042.69	315,899.92
Total Prior Service Fund	<u>\$ 66,976,332.47</u>	<u>\$ 71,975,230.77</u>	<u>\$ 4,998,898.30</u>
DEDUCT: (PER CONTRA):			
Obligations of City for Prior			
Service Credits	<u>\$(69,158,015.40)</u>	<u>\$(77,926,271.88)</u>	<u>\$(8,768,256.48)</u>
NET LIABILITIES FOR SERVICE			
PRIOR TO JULY 1, 1935	<u>\$(2,181,682.93)</u>	<u>\$(5,951,041.11)</u>	<u>\$(3,769,358.18)</u>
TOTAL LIABILITIES AND			
FUND BALANCES	<u>\$128,624,034.83</u>	<u>\$137,709,821.45</u>	<u>\$ 9,085,786.62</u>

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

CASH RECONCILIATIONRECEIPTS AND DISBURSEMENTSYEAR 1974

Balance as of January 1, 1974

\$1,004,331.23

RECEIPTS:

Salary Deductions:

Errors in Deductions	\$ 55,811.47
Salary Deductions	6,514,864.70
Interest on Bonds	8,127,867.44
Dividends on Stocks	166,159.00
Installments on Taxes - City	4,954,225.17
Installments on Taxes - Park	18,703.02
Treasurer's Receipts	127,198.02
Cancelled Checks	55,482.46
Bonds Matured and Redeemed (Par Value)	36,114,000.00
Bonds Sold	105,286,552.49
Principal Prepayment	68,233.06
Received for Bonds Sold in 1973	1,049,586.11
Stocks Sold	271,881.56
Miscellaneous (Returned Overpay- ment on Stocks in Trade)	86.83

Total Receipts

\$162,810,651.33

DISBURSEMENTS:

Annuities - Employees	\$ 4,170,617.19
Annuities - Widows	941,942.86
Annuities - Children	93,392.45
O. D. Benefits	705,605.01
D. D. Benefits	260,033.46
Refunds	1,626,731.58
Operating Expenses	231,523.47
Securities Purchases	149,826,481.26
Accrued Interest Purchased	363,494.86
Stocks Purchased	3,647,384.54
Ref. to M.E.A. & B. Fund Account	
Bond Interest Erroneously Paid to Laborers' Fund	26,875.00
Miscellaneous (Adjustment to Cancel 1973 Adjustment Made in Error)	80.00
Total Disbursements	161,894,161.68

Excess Receipts Over Disbursements

916,489.65

Balance December 31, 1974

\$1,920,820.88

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

TAXES

DECEMBER 31, 1974

TAXES COLLECTIBLE - CITY:

TAXES RECEIVABLE - CITY:

Year	Uncollected 12-31-74	Estimate for Loss and Cost 12-31-73	Additional Estimate Set Up 12-31-74	Total Estimate for Loss and Cost 12-31-74	Net Taxes Collectible 12-31-74
1965	\$ 382,504.99	\$ 372,599.00	\$	\$ 372,599.00	\$ 9,905.99
1966	364,018.96	353,964.00	3,726.00	357,690.00	6,328.96
1967	501,976.36	484,369.00	12,668.00	497,037.00	4,939.36
1968	447,070.09	431,858.00	9,815.00	441,673.00	5,397.09
1969	515,407.86	486,347.00		486,347.00	29,060.86
1970	541,658.30	515,765.00	6,727.00	522,492.00	19,166.30
1971	636,959.04	554,594.00	32,900.00	587,494.00	49,465.04
1972	753,407.69	620,385.00	36,189.00	656,574.00	96,833.69
1973	1,082,723.20	602,500.00	150,568.00	753,068.00	329,655.20
1974	6,950,000.00		868,750.00	868,750.00	6,081,250.00
Total	<u>\$12,175,726.49</u>	<u>\$4,422,381.00</u>	<u>\$1,121,343.00</u>	<u>\$5,543,724.00</u>	<u>\$6,632,002.49</u>

TAXES RECEIVABLE - PARK DISTRICT:

1965	\$ 2,102.97	\$ 2,102.88	\$.09	\$ 2,102.97	\$ 0
1966	2,332.60	2,333.33	(.73)	2,332.60	0
1967	2,692.98	2,510.16		2,510.16	182.82
1968	665.39	861.53	(196.14)	665.39	0
1969	3,051.27	2,200.00		2,200.00	851.27
1970	2,380.55	2,000.00		2,000.00	380.55
1971	2,749.90	2,025.00		2,025.00	724.90
1972	4,048.07	2,125.00		2,125.00	1,923.07
1973	3,929.90	2,200.00		2,200.00	1,729.90
1974	25,000.00		3,125.00	3,125.00	21,875.00
Total	<u>\$ 48,953.63</u>	<u>\$ 18,357.90</u>	<u>\$ 2,928.22</u>	<u>\$ 21,286.12</u>	<u>\$ 27,667.51</u>
Grand Total	<u>\$12,224,680.12</u>	<u>\$4,440,738.90</u>	<u>\$1,124,271.22</u>	<u>\$5,565,010.12</u>	<u>\$6,659,670.00</u>

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

METHOD:

The unfunded liability or obligations of the Fund for Prior Service Liabilities, or liabilities which have been accrued prior to the valuation date, have been computed on the entry-age-normal method of valuation with interest at the valuation rate on the unfunded liability. No funds are provided for amortization of this liability.

Age at entrance valuation groups were 20-24, 25-29, 30-34, 35-39, 40-44, 45-49, 50-54, and 55-59.

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

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

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

ACTUARIAL ASSUMPTIONS:

MORTALITY: For mortality for members in the active service the 1951 Group Annuity Table was used for female lives, and the Combined Annuity Mortality Table for male lives. These rates of mortality approximate those experienced by the members of the Municipal Fund for the years 1971 and 1972. For retirement annuitants and wives the 1951 Group Annuity Mortality Table was used. The experience for 1971--1972 based on Municipal experience indicates this Table's adequacy.

INTEREST: 5% a year, compounded annually. On page five of this report a statement indicates the investment yields the Fund actually realized on investments valued over the past ten years. The average for the last five years was 5.66%. Interest earnings over the assumed 5% rate can be used to reduce losses which may result from variations in other cost factors such as increased costs resulting from salary increases greater than the 3-1/2% rate assumed.

SALARY SCALE: 3-1/2% a year, compounded annually. Page five of this report shows that the annual increase in total average salary for the past ten years has been about 7-1/2%. If it is believed that a 7-1/2% pattern, or greater, will continue in the long range future, the salary scale assumption will need to be increased.

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

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

Some Social Security contributions studies are now based on a projection of 6% compounded annually for future wages and salary. Such a pattern will have a powerful influence on salary scales.

RATES OF RETIREMENT OR PROBABILITY OF WITHDRAWAL: The rates of retirement used in this 1973 valuation are shown on page 12.....for each age of entrance group into the service and are based on the combined 1971 and 1972 experience of the Municipal Fund...modified to give effect to the greater rates of retirement in 1972 resulting from the impact of the first full calendar year during which the new annuity formula was in effect.

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

TERMINATION RATES OR PROBABILITY OF WITHDRAWAL: These rates are shown on page 13. They are slightly greater than those used in the 1972 valuation and are based on the experience of the Laborers' Fund for the year 1971 and 1972. They are slightly greater than the corresponding rates of the Municipal Fund.

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

ACTIVE MEMBERSHIP: It is assumed that the future active membership of the Fund will approximate its present membership, which as of December 31, 1974 was made up of 5,507 males and 1,131 females.

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

SERVICE TABLE FUNCTIONS

Probability of Retirement
%

Male

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

Female

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

Attained Age	Salary Scale 3-1/2% Per Year	Male	Male Death	Female Death	Proportion
		Combined Rate	Rate 1951 GA Per 1,000	Rate 1951 GA Per 1,000	of Males Married %
22	1.035	2.1	.6	.4	81
27	1.229	2.2	.8	.5	81
32	1.459	2.6	1.1	.7	81
37	1.733	3.6	1.5	1.0	80
42	2.059	5.5	2.4	1.5	83
47	2.445	8.1	4.5	2.3	83
52	2.905	12.1	7.9	3.5	84
57	3.450	18.1	12.2	5.6	82
62	4.097	27.0	18.3	9.8	80
67	4.866	40.1	30.1	16.5	78
70	5.396	50.8	39.3	23.1	74
75	6.408	69.5	62.4	44.3	74

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

SERVICE TABLE FUNCTIONS

Probability of Withdrawal from Service with Refund

%

Male

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

Female

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

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

MEMBERSHIP STATISTICS

YEAR 1974

	Number at Beginning of Year	Increases	Decreases	Number At End of Year
A. CHANGES IN ACTIVE PARTICIPANTS:				
Male	5,443	834	770	5,507
Female	<u>1,309</u>	<u>5</u>	<u>183</u>	<u>1,131</u>
	<u>6,752</u>	<u>839</u>	<u>953</u>	<u>6,638</u>
B. CHANGES IN ANNUITANTS AND BENEFICIARIES:				
Employee Annuities	1,777	226	172	1,831
Widow Annuities	967	96	66	997
Children Annuities	208	32	37	203
Ordinary Disability Benefits	124	197	183	138
Duty Disability Benefits	22	332	335	19
Widow Compensation Annuities	3	0	1	2
Reversionary	1	0	0	1
Reciprocal	<u>21</u>	<u>5</u>	<u>2</u>	<u>24</u>
	<u>3,123</u>	<u>888</u>	<u>796</u>	<u>3,215</u>

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

SALARY AND AGE STATISTICS

AS OF DECEMBER 31, 1974

MALE

	Ages at Entrance and Salaries as of December 31, 1974		Ages and Salaries as of December 31, 1974	
	<u>Number</u>	<u>Salaries</u>	<u>Number</u>	<u>Salaries</u>
Under 20		\$	67	\$ 815,136.00
20 to 24	1,279	16,924,608.00	363	4,559,808.00
25 to 29	899	11,827,152.00	429	5,422,176.00
30 to 34	828	10,778,976.00	420	5,477,328.00
35 to 39	744	9,719,856.00	488	6,322,296.00
40 to 44	697	8,854,656.00	498	6,448,896.00
45 to 49	445	5,637,096.00	736	9,790,848.00
50 to 54	293	3,634,680.00	783	10,243,992.00
55 to 59	160	1,982,472.00	734	9,581,784.00
60 to 64	43	525,408.00	583	7,527,000.00
65 to 69	0	0	200	2,587,152.00
70 and Over	0	0	87	1,108,488.00
Without Record	<u>119</u>	<u>1,448,328.00</u>	<u>119</u>	<u>1,448,328.00</u>
	<u>5,507</u>	<u>\$71,333,232.00</u>	<u>5,507</u>	<u>\$71,333,232.00</u>

Total Average Annual Salary \$12,953.19

FEMALE

Under 20		\$		\$
20 to 24	11	114,576.00	2	15,096.00
25 to 29	47	359,496.00	1	3,024.00
30 to 34	105	772,920.00	3	17,088.00
35 to 39	200	1,362,816.00	20	130,800.00
40 to 44	291	1,931,496.00	57	397,392.00
45 to 49	284	1,675,056.00	124	820,152.00
50 to 54	142	750,456.00	228	1,454,592.00
55 to 59	40	154,608.00	321	2,076,168.00
60 to 64	7	47,064.00	273	1,685,424.00
65 to 69	0	0	75	412,776.00
70 and Over	0	0	23	155,976.00
Without Record	<u>4</u>	<u>25,008.00</u>	<u>4</u>	<u>25,008.00</u>
	<u>1,131</u>	<u>\$7,193,496.00</u>	<u>1,131</u>	<u>\$7,193,496.00</u>

Total Average Annual Salary \$6,360.30

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

ANNUITANTS CLASSIFIED BY AGE AND AMOUNTS

YEAR 1974

ANNUITANTS

	<u>Male</u>	<u>Amount</u>	<u>Female</u>	<u>Amount</u>	<u>Widows</u>	<u>Amount</u>
Under 50	6	\$ 3,356.76	0	\$ 0	75	\$ 65,028.60
50 to 54	4	4,081.44	0	0	73	76,533.00
55 to 59	23	64,280.52	17	17,873.04	124	131,186.04
60 to 64	130	492,104.04	69	77,978.52	148	182,700.48
65 to 69	264	995,532.24	213	283,182.00	157	164,620.08
70 to 74	267	784,393.32	189	255,074.40	155	145,068.00
75 and Over	<u>378</u>	<u>1,011,728.28</u>	<u>271</u>	<u>342,024.36</u>	<u>265</u>	<u>194,495.40</u>
	<u>1,072</u>	<u>\$3,355,476.60</u>	<u>759</u>	<u>\$976,132.32</u>	<u>997</u>	<u>\$959,631.60</u>
Total Average						
Annual Annuity		<u>\$ 3,130.11</u>		<u>\$ 1,286.08</u>		<u>\$ 962.52</u>
Average						
Monthly Annuity		<u>\$ 260.84</u>		<u>\$ 107.17</u>		<u>\$ 80.21</u>

THE LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

	<u>December 31, 1974</u>	<u>Ratio Change</u>	<u>December 31, 1973</u>
LIABILITIES:			
1. Retired	\$ 49,971,201.34	1.17	\$ 42,809,860.01
2. Active	164,318,744.18	1.07	153,804,993.92
3. Other	1,346,147.81		1,074,000.00
4. Total	<u>\$215,636,093.33</u>	1.09	<u>\$197,782,050.23</u>
5. ASSETS (Book Value)	137,709,821.45	1.07	128,624,034.83
6. UNFUNDED LIABILITY	<u>\$ 77,926,271.88</u>	1.13	<u>\$ 69,158,015.40</u>
7. FUNDING RATIO	64%		65%
ANNUAL COST:			
8. Interest On Unfunded	\$ 3,896,313.59	1.13	\$ 3,457,900.77
9. Level Cost	8,289,925.90	1.03	8,032,705.24
10. Current Cost	2,957,437.22	1.14	2,604,572.94
11. Total	<u>\$ 15,143,676.71</u>	1.07	<u>\$ 14,095,178.95</u>
12. Less Ee. Contributions	6,596,245.15	1.10	5,973,562.34
13. Total	<u>\$ 8,547,431.56</u>		<u>\$ 8,121,616.61</u>
14. Loss	÷ .875		÷ .90
15. Required Employer Contri. Multiple	<u>\$ 9,768,493.00</u> (1.48)		<u>\$ 9,024,018.46</u> (1.51)
17. Actual Employer Contri.	<u>\$ 6,975,000.00</u>		
18. Tax Levy Multiple	(1.19) for '74		
19. Ultimate Employer Contri. Multiple	<u>\$ 9,036,855.86</u> (1.37) for '78 & after		
21. Salaries	\$ 78,526,728.00	1.07	\$ 73,108,848.00
22. (Average)	(11,859.00)	1.10	(10,827.00)
23. Active Members	6,638	.98	6.752
24. Retired Employees	1,830	1.04	1,763
25. Widows	997	1.04	957
26. Yield (Excluding Unrealized Gain or Loss	6.90		5.97