

REPORT ON AN ACTUARIAL VALUATION OF THE
SOUTH CAROLINA POLICE OFFICERS
RETIREMENT SYSTEM
PREPARED AS OF JUNE 30, 1986

**BUCK
CONSULTANTS**

200 Galleria Parkway, N. W. Suite 1060
Atlanta, Georgia 30339 404 | 955-2488

June 19, 1987

State Budget and Control Board
South Carolina Police Officers
Retirement System
Columbia, South Carolina 29211

Gentlemen:

Subsection 9-11-30(6) of the law governing the operation of the South Carolina Police Officers Retirement System provides that the actuary shall make an annual valuation of the assets and liabilities of the System. We have the honor to submit herewith the results of the valuation as of June 30, 1986 made in accordance with this provision of the law.

The actuarial assumptions used in this valuation are, in the aggregate, reasonable, and represent our best estimate of anticipated experience under the System. The actuarial cost method utilized is the projected benefit method with level percentage entry age normal cost and open-end unfunded accrued liability. This cost method is specifically recognized as an acceptable method by the Employee Retirement Income Security Act of 1974. The current assets applicable to the System were supplied by the Retirement System office. They are valued at adjusted amortized cost.

In our opinion, the Schedule of Valuation Results included in this report correctly presents the condition of the South Carolina Police Officers Retirement System as to those benefits which are funded on an actuarial reserve basis.

The results of the valuation indicate that the recommended rates of employer contribution, 7.80 per cent and 10.30 per cent of compensation for Class One and Class Two members, respectively, together with future contributions by members and the assets currently available are adequate to fund the actuarial liabilities on account of all benefits under the System, including all current and future post-retirement cost-of-living increases to current retired members and beneficiaries and active members currently eligible for service retirement. The liquidation period for the unfunded accrued liability is two years from June 30, 1986.

In addition, employer contributions at the rate of .40 per cent and .20 per cent of compensation for all members should be continued to cover the cost of the Pre-retirement and Accidental Death Benefit Programs, respectively.

Respectfully submitted,

(Signed) DONALD M. OVERHOLSER

Donald M. Overholser
Consulting Actuary

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REPORT ON AN ACTUARIAL VALUATION OF THE
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM
PREPARED AS OF JUNE 30, 1986

SECTION I - SUMMARY OF PRINCIPAL RESULTS

1. For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results are summarized below:

<u>Valuation Date</u>	6/30/86	6/30/85
Number of active members:		
Men	10,433	9,185
Women	1,672	1,150
Total	12,105	10,335
Annual compensation of active members during year:		
Men	\$ 181,360,922	\$ 152,313,421
Women	23,043,704	16,182,049
Total	\$ 204,404,626	\$ 168,495,470
Number of retired members and beneficiaries	2,045	1,912
Annual retirement allowances	\$ 11,186,397	\$ 9,831,818
Assets for valuation purposes	\$ 353,269,094	\$ 290,293,764
Normal contribution as per cent of compensation:		
Class One Service	4.59%	4.59%
Class Two Service	6.19	6.19
Unfunded accrued liability (UAL)	\$ 16,163,250	\$ 25,573,813
UAL contribution as per cent of compensation:		
Class One Service	3.21%	3.21%
Class Two Service	4.11	4.11
UAL liquidation period (years)	2	4
Pre-retirement death benefit contribution as per cent of compensation	.40%	.40%
Accidental death benefit contribution as per cent of compensation	.20%	.20%
Total contribution as per cent of compensation:		
Class One Service	8.40%	8.40%
Class Two Service	10.90	10.90

2. Comments on the valuation results as of June 30, 1986 are given in Section IV and further discussion of the contribution levels is set out in Section V. There were no amendments made to the provisions of the System since the June 30, 1985 valuation which affected the valuation results.
3. Schedule B of this report outlines the full set of actuarial assumptions and methods employed. The provisions of the System are summarized in Schedule C.

SECTION II - MEMBERSHIP DATA

1. Data needed with respect to each active member, retired member and beneficiary of the System and also with respect to terminations during the valuation year were furnished to the actuary by the Retirement System office on a magnetic tape.
2. From the data, tabulations were made showing as of June 30, 1986 the number and annual compensation of members classified by age and years of service and the number and retirement allowances of retired members and beneficiaries as of June 30, 1986 classified by age. These tabulations are presented in Schedule D.
3. The following table shows the number and annual compensation of active members of the Retirement System as of June 30, 1986.

TABLE I

ACTIVE MEMBERSHIP OF THE
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM
AS OF JUNE 30, 1986

GROUP	NUMBER	ANNUAL COMPENSATION
Men	10,433	\$ 181,360,922
Women	1,672	23,043,704
Total	12,105	\$ 204,404,626

Note: There are in addition 3,704 members not on the payroll as of June 30, 1986 but included in the individual accounts maintained by the System. The results of the valuation were adjusted to take these members into account.

4. The following table shows the number and annual retirement allowances of retired members and beneficiaries as of June 30, 1986.

TABLE II
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF
RETIRED MEMBERS AND BENEFICIARIES
AS OF JUNE 30, 1986

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Service and Early Retirements:		
Men	1,377	\$ 7,881,768
Women	55	248,948
Total	1,432	\$ 8,130,716
Disability Retirements:		
Men	309	\$ 1,864,219
Women	13	52,050
Total	322	\$ 1,916,269
Beneficiaries of Deceased Members:		
Men	12	\$ 31,966
Women	279	1,107,446
Total	291	\$ 1,139,412
Grand Total	2,045	\$ 11,186,397

SECTION III - ASSETS

The amounts of the present assets taken into account in this valuation are at adjusted amortized cost. The values of the assets were taken from a statement furnished by the Director of the System and exclude reserve assets creditable to separate funds for the Accidental and Group Life Insurance Pre-retirement Death Benefit Programs.

Included in the valuation are the assets of the members' account which represent the accumulated contributions of members together with interest thereon. As of June 30, 1986, these assets amounted to \$67,079,916.

Also included in the valuation are the assets of the accumulation account to which the contributions made by employers are credited and from which are paid all benefits on account of retired members and their beneficiaries. The assets of the accumulation account amounted to \$286,189,178 as of June 30, 1986.

SECTION IV - COMMENTS ON THE VALUATION

Schedule A of this report contains the results of the valuation which show present and prospective assets and liabilities of the System as of June 30, 1986. The following comments on the valuation are pertinent:

The schedule shows that the System has actuarial liabilities of \$651,768,599 of which \$123,394,029 is for the prospective benefits payable on account of present retired members and beneficiaries, and \$528,374,570 is for the prospective benefits payable on account of present active and inactive members. These liabilities include the reserves for all current and future cost-of-living increases to current retired members and beneficiaries and active members currently eligible for service retirement. Against these liabilities, the System has present assets of \$353,269,094 and

anticipated future contributions by members of \$126,136,144 leaving a balance of \$172,363,361 to be provided by future contributions of employers.

In accordance with the law each employer shall contribute 7.80 per cent of compensation of Class One members in its employ and 10.30 per cent of compensation of Class Two members in its employ. The normal rate on the basis of Class One service for the average new entrant was determined to be 4.59 per cent of compensation. Therefore, if employers contribute 7.80 per cent of payroll for Class One members in their employ and 4.59 per cent is attributable to normal contributions, then the resulting 3.21 per cent is attributable to unfunded accrued liability contributions. For Class Two service the normal rate for the average new entrant was determined to be 6.19 per cent of compensation. Subtracting 6.19 per cent from 10.30 per cent (the amount employers contribute for Class Two members in their employ) results in an unfunded accrued liability contribution of 4.11 per cent of compensation for Class Two members. Future normal contributions at the above rates have a present value of \$156,200,111. If this amount is subtracted from \$172,363,361, the present value of future contributions to be made by employers, \$16,163,250 remains as the present value of the unfunded accrued liability contributions. On this basis, it is anticipated that the unfunded accrued liability of \$16,163,250 will be liquidated within a period of two years from the valuation date.

SECTION V - CONTRIBUTIONS PAYABLE UNDER THE SYSTEM

The following table gives the recommended rates of contribution payable by employers, as determined on the basis of the present valuation.

TABLE III

RATES OF CONTRIBUTION RECOMMENDED FOR PAYMENT BY EMPLOYERS

RATES OF CONTRIBUTION	CLASS ONE	CLASS TWO
Regular Benefits	7.80%	10.30%
Pre-retirement Death Benefits*	.40	.40
Accidental Death Benefits*	.20	.20
Total	8.40%	10.90%

*Payable by participating employers.

It is recommended that participating employers contribute .40 per cent of compensation for pre-retirement lump sum death benefits, and .20 per cent of compensation for accidental death benefits, the same rates as were recommended last year. In view of the development of reserve assets of \$4,884,862 creditable to the Group Life Insurance Fund and \$2,555,718 creditable to the Accidental Death Fund, consideration should be given to reducing these rates in the near future.

SECTION VI - VALUATION BASIS

The valuation of the Retirement System was based on the rates of separation, the salary scales and the mortality tables last adopted by the Board. An outline of the actuarial assumptions and methods used is presented in Schedule B.

SECTION VII - ACCOUNTING INFORMATION

1. Opinion No. 8 of the Accounting Principles Board of the American Institute of Certified Public Accountants, as amended by Statement No. 36 of the Financial Accounting Standards Board, requires that certain items of information concerning retirement systems be furnished by the actuary for the State's audited financial statements.
2. Statement No. 35 of the Financial Accounting Standards Board requires that certain items of information be furnished by the actuary for the System's audited financial statements.
3. The information required by the amended Opinion No. 8 and Statement No. 35 includes the actuarial present value of accrued (accumulated) benefits as of the valuation date. The relevant amounts as of June 30, 1986 are:

Actuarial present value of accrued benefits:

Vested benefits

Members currently receiving payments	\$ 118,189,631
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Other members	<u>122,339,910</u>
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	\$ 240,529,541
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Nonvested benefits

	<u>20,291,531</u>
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Total

	\$ 260,821,072
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The actuarial present value of vested and nonvested accrued benefits is based on an interest rate of 7-1/2 per cent. This rate represents the estimated constant equivalent rate of return for the periods during which payment of these benefits will be deferred based on the interest rates in use as of the valuation date to calculate the Pension Benefit Guaranty Corporation's annuity values for terminating plans covered by the Employee Retirement Income Security Act of 1974.

SCHEDULE A

RESULTS OF THE VALUATION AS OF JUNE 30, 1986

(1) Actuarial liabilities	
Present value of prospective benefits payable in respect of:	
(a) Present retired members and beneficiaries	\$ 123,394,029
(b) Present active and inactive members	<u>528,374,570</u>
(c) Total actuarial liabilities	\$ 651,768,599
(2) Assets of the System	<u>353,269,094</u>
(3) Present value of future contributions = (1)(c) - (2)	\$ 298,499,505
(4) Present value of future contributions by members	<u>126,136,144</u>
(5) Present value of future contributions by employers = (3) - (4)	\$ 172,363,361
(6) Present value of 1 per cent of future compensation:	
(a) Class One Service	\$ 54,798
(b) Class Two Service	25,193,633
(7) Present value of future normal contributions by employers at:	
(a) 4.59% = (6)(a) x 4.59	\$ 251,523
(b) 6.19% = (6)(b) x 6.19	<u>155,948,588</u>
(c) Total	\$ 156,200,111
(8) Present value of unfunded accrued liability contributions by employers = (5) - (7)(c)	\$ 16,163,250
(9) Unfunded accrued liability rates:	
(a) Class One Service	3.21%
(b) Class Two Service	4.11%
(10) Unfunded accrued liability liquidation period	2 years
(11) Pre-retirement death benefit contribution rate	.40%
(12) Accidental death benefit contribution rate	.20%

SCHEDULE B

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

INTEREST RATE: 7% per annum, compounded annually.

SEPARATION FROM SERVICE AND SALARY INCREASES: Representative values of the adopted annual rates of separation and annual rates of salary increases are as follows:

Age	Annual Rate of				
	Withdrawal	Death	Disability	Service Retirement*	Salary Increases**
20	13.79%	.10%	.14%		11.29%
25	12.83	.13	.16		10.39
30	9.12	.16	.20		9.01
35	5.61	.20	.26		7.29
40	3.43	.27	.34		6.50
45	2.33	.40	.50		6.10
50	1.74	.57	.84		5.80
55		.88		6.50%	5.60
60		1.42		9.90	5.40
64		2.03		15.98	5.30

DEATHS AFTER RETIREMENT: Combined Annuity Mortality Tables, Modified and Makehamized, for service retirement and dependent beneficiaries with a one-year setback in ages. A special mortality table is used for disability retirements.

LOADING OR CONTINGENCY RESERVES:

*A loading was included to cover additional liabilities on the basis of an expected increase in the rates of service retirement in conjunction with the improved benefits under the average final compensation formula.

**Reserves were included to provide for an annual inflation factor of 5 per cent in the flat benefit formula.

VALUATION METHOD: Projected benefit method with level percentage entry age normal cost and open-end unfunded accrued liability. Gains and losses are reflected in the period remaining to liquidate the unfunded accrued liability. Lump sum death benefits are provided on a one-year term cost basis.

ASSET VALUATION METHOD: Adjusted amortized cost.

SCHEDULE CSUMMARY OF MAIN SYSTEM PROVISIONS
AS INTERPRETED FOR VALUATION PURPOSESBACKGROUND

The South Carolina Police Officers Retirement System was established as of July 1, 1962. Firemen were eligible to participate in the System on July 1, 1976. Membership in the System is open to any police officer or fireman of the State or other employer (county, municipality or other political subdivision of the State and any agency or department thereof) that has been admitted to the System. A police officer or fireman whose period of active duty during a year is at least 1,600 hours and whose compensation for such service is at least \$2,000 per year is eligible to join. Membership is compulsory with employees who become police officers or firemen of the State or other employers after the employer's date of admission to the System. Police officers and firemen in service on the employer's date of admission become members as of such date unless they file elections not to become members of the System and execute a waiver of all present and prospective benefits which would otherwise inure to them on account of their participation in the System. Contributions to provide the benefits under the System are made jointly by the members and the employers.

A summary of the main benefit and contribution provisions of the System as interpreted for the valuation is presented in the following digest. Credited service of a member includes all service as a police officer or fireman since he last became a member of the System and also includes, in the case of a member who became such on or before June 30, 1963, remains a member until

death or retirement under the System and who immediately prior to his becoming a member was a participant in another fund, service which was credited to him under such other fund. "Supplemental Allowance Program" is the Supplemental Allowance Program established under the System as of July 1, 1966 and as in effect on June 30, 1974. There are two classes of members under the System. Class Two includes each member who was a participant in the Supplemental Allowance Program as of June 30, 1974 and any other police officer who became a member prior to July 1, 1974 and is employed by the State or by an employer which was participating in the Supplemental Allowance Program as of June 30, 1974 or which elected to provide Class Two membership for police officers in its employ and elected by written notice filed with the Board within 60 days after July 1, 1974 to become a Class Two member as of said date, provided that any such member who was not in service as of July 1, 1974 may make such election within 60 days after his return to service. Any police officer becoming a member on or after July 1, 1974 who is employed by the State or by an employer which has elected to provide Class Two membership for police officers in its employ and any police officer or fireman who is a member and is employed by an employer whose date of admission is on or after July 1, 1974 is a Class Two member. Any member who is not a Class Two member is a Class One member. "Class Two service" is credited service subsequent to June 30, 1974 as a Class Two member, and credited service prior to July 1, 1974, or date of membership, if later, with respect to which required contributions have been made. "Class One service" is credited service which is not "Class Two service". "Average final compensation" is the average annual compensation of a member during the twelve consecutive quarters of credited service producing the highest such average.

BENEFITS

Service Retirement Allowance

Condition for Allowance

A member may retire on a service retirement allowance upon the attainment of age 55 and the completion of 5 years of credited service, or at any age upon the completion of 30 years of credited service.

Amount of Allowance

Upon service retirement a member receives a service retirement allowance which is equal to:

- (1) A monthly retirement allowance equal to nine dollars multiplied by the number of years of his Class One service.
- (2) A monthly retirement allowance equal to $1/12$ of $1-3/4\%$ of his average final compensation multiplied by the number of years of his Class Two service.
- (3) An additional monthly retirement allowance which is the actuarial equivalent of the member's accumulated additional contributions at retirement.

The sum of the retirement allowances under (1) and (2) above is not to be less than the allowance which would have been provided under (1) if all of the member's credited service were Class One service. In the case of a police officer who became a member prior to July 1, 1974 and who was a participant in the Supplemental Allowance Program, the portion of his service retirement allowance not provided by his accumulated contributions is not to be less than it would have been if the provisions of the System in effect on June 30, 1974 had continued in effect until his date of retirement.

Early Retirement Allowance

Condition for Allowance

A member who has completed 5 years of credited service may retire on an early retirement allowance.

Amount of Allowance

Upon early retirement a member is entitled to a deferred allowance commencing at age 55 which is equal to a service retirement allowance computed on the basis of his average final compensation and credited service at his early retirement date.

If the member has attained age 50 and completed 25 years of credited service at early retirement date, in lieu of such deferred allowance, he may elect to receive a reduced allowance commencing immediately which is equal to the deferred allowance computed on the basis of Class One and Class Two service reduced by $5/12$ of 1% for each month by which his age at retirement is less than age 55, plus the actuarial equivalent of the member's accumulated additional contributions.

Disability Retirement Allowance

Condition for Allowance

A member who has completed 5 or more years of credited service or who is disabled as a result of an injury arising out of and in the course of the performance of his duties regardless of length of service and who is permanently incapacitated for duty, mentally or physically, may retire or be retired on a disability retirement allowance.

Amount of Allowance

Upon disability retirement a member receives a disability retirement allowance computed as a service retirement allowance based on the years of credited service the member would have completed had he remained in active service until age 55, and his accumulated additional contributions at disability retirement. For the purpose of calculating the disability retirement allowance, the additional credited service so determined is either Class One service or Class Two service depending upon the classification of the member at time of retirement. The compensation to be used for purposes of computing this benefit is the average final compensation as of the date of disability.

Return of Contribution

Should a member cease to be a police officer or fireman except by death or retirement his accumulated contributions are returned to him. Should a member die

before retirement the amount of his accumulated contributions is paid to his designated beneficiary or estate.

Death Benefit

Upon the death of a member in service a lump sum amount is paid to his designated beneficiary or estate equal to:

- (1) The amount of his accumulated contributions, excluding any additional contributions, or \$1,000, whichever is greater; plus
- (2) The amount of his accumulated additional contributions.

Upon the death of a retired member who has not elected Option 1 or Option 2, the excess of his total accumulated contributions at the time his allowance commenced over the sum of the retirement allowance payments made to him is paid to his designated beneficiary or estate.

In the event of the death before retirement of a member who has attained age 55 and completed 20 or more years of credited service, or who, regardless of age, has completed 30 or more years of credited service, his designated beneficiary may elect to receive in lieu of the lump sum settlement otherwise payable based on (1) above an allowance for life in the same amount as if the member had retired at the time of death and had chosen Option 1.

Upon the death of a member before retirement who had 15 years of creditable service, the person nominated to receive the amount of the member's accumulated contributions may elect to receive, in lieu of such accumulated contributions and the Group Life Insurance payment, an allowance for life in an amount as if the member had retired on the date of his death and had elected for payment to commence at age 55 under Option 1 as described below. The compensation to be used for purposes of computing this benefit is the average final compensation as of the date of death.

Such beneficiary may elect to receive in lieu of the member's accumulated additional contributions, an allowance for life which is the actuarial equivalent of the amount of contributions left on deposit in the System.

**Pre-retirement Death
Benefit Program**

Upon the death of a contributing member in service who had completed at least one full year of membership or who had died as a result of an injury arising out of and in the course of the performance of his duties regardless of length of service, a death benefit is payable to his designated beneficiary or estate, equal to the annual compensation of the member at the time his death occurs. Such death benefit is payable apart and separate from the payment of the member's accumulated contributions. Benefits under this program are to be provided in the form of group life insurance.

**Accidental Death
Benefit Program**

Upon the death in active service as a result of the actual performance of duty of a member whose employer participates under the Program, a pension equal to 50% of the member's compensation at the time of death is paid to his widow during her widowhood. If there is no eligible widow before the youngest child attains age 18 the pension is paid to surviving children under age 18 or, if at the time of the member's death there is no widow or child under age 18, the pension is paid to his surviving father or mother. Such death benefit is payable apart and separate from any other benefits payable upon death.

Optional Allowances

Until the first payment on account of a retirement allowance becomes normally due, any member may elect to receive his retirement allowance in accordance with one of the following forms, which are computed to be actuarially equivalent:

Option 1. A reduced retirement allowance payable during the retired member's life, with the provision that after his death the reduced allowance will be continued to his designated beneficiary.

Option 2. A reduced retirement allowance payable during the retired member's life, with the provision that after his death one-half of the reduced allowance will be continued to his designated beneficiary.

Option 3. A retirement allowance in such amount that, together with his Social Security benefit, he will receive approximately the same income per annum before and after the earliest age at which he is eligible for a Social Security benefit.

Option 4. A member may elect Option 1 or Option 2 with the added provision that in the event the designated beneficiary predeceases the member, the retirement allowance payable to the member after the designated beneficiary's death shall be equal to the retirement allowance which would have been payable had the member not elected the option.

Cost-of-Living Adjustments in Allowance

If the increase in the Consumer Price Index for the previous year ending December 31 equals or exceeds 3%, the retirement allowance, exclusive of any part thereof derived from accumulated additional contributions, of each beneficiary in receipt of an allowance for at least one year as of said December 31, is to be increased by 4%. Any such increase in allowances becomes effective only if the additional liabilities on account of such increase in allowance do not require an increase in the employer rate of contribution. Any increase in allowance granted hereunder is to be permanent, irrespective of any subsequent decrease in the Consumer Price Index, and is to be included in determining any subsequent increase.

The allowance of a surviving annuitant of a beneficiary whose allowance is increased under this section is to be increased by the same per cent, when and if payable.

CONTRIBUTIONS

By Members

Each Class One member contributes \$16 per month. Each Class Two member contributes 5% of compensation.

By Employers

Each employer contributes 7.80% of the compensation of Class One members and 10.30% of the compensation of Class Two members in its employ. Such rates are subject to adjustment on the basis of actuarial valuations. In addition each employer contributes .60% of the compensation of both Class One and Class Two members to cover the cost of the Accidental and Group Life Insurance Pre-retirement Death Benefit Programs.

SCHEDULE D

TABLE 1

THE DISTRIBUTION OF THE NUMBER AND
ANNUAL COMPENSATION OF ACTIVE MEMBERS BY
AGE AS OF JUNE 30, 1986

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
19	6	\$ 68,280	2	\$ 19,837
20	22	252,800	4	32,087
21	41	469,962	14	161,151
22	181	2,128,330	21	241,811
23	277	3,579,031	54	687,934
24	353	4,856,198	75	901,463
25	360	5,164,043	68	827,077
26	400	5,830,025	87	1,115,898
27	378	5,566,853	72	937,514
28	344	5,160,417	107	1,478,480
29	375	5,821,289	77	1,019,083
30	376	5,922,151	75	977,647
31	373	6,057,130	65	963,895
32	346	5,771,977	99	1,351,989
33	383	6,593,379	78	1,166,388
34	330	5,811,998	65	952,225
35	357	6,376,597	50	644,037
36	342	6,076,885	51	726,537
37	342	6,322,764	61	864,269
38	364	7,014,551	47	633,839
39	367	6,943,672	43	621,224
40	305	5,916,471	47	646,354
41	268	5,201,585	36	486,450
42	243	4,415,478	34	547,997
43	251	4,744,012	33	567,970
44	249	4,827,206	38	545,377
45	186	3,527,765	31	458,294
46	192	3,597,152	23	320,762
47	201	3,857,015	18	283,160
48	158	3,036,834	28	428,667
49	178	3,526,264	21	305,865
50	183	3,319,754	30	459,914
51	172	3,286,097	28	421,057
52	176	3,403,871	16	228,219
53	176	3,371,008	6	70,917
54	146	2,837,432	6	99,444
55	139	2,803,772	10	152,941

TABLE 1

THE DISTRIBUTION OF THE NUMBER AND
ANNUAL COMPENSATION OF ACTIVE MEMBERS BY
AGE AS OF JUNE 30, 1986

CONTINUED

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
56	160	\$ 3,175,357	9	\$ 137,793
57	112	2,184,994	7	95,231
58	123	2,340,841	7	69,075
59	111	2,323,104	8	135,100
60	71	1,313,954	4	33,264
61	72	1,587,477	2	34,576
62	86	1,741,829	3	36,520
63	43	880,218	4	58,404
64	25	460,516	4	41,982
65	26	580,888	2	19,269
66	20	447,805	1	20,421
67	18	296,768	1	14,296
68	10	290,456		
69	3	60,712		
70	5	72,135		
71	2	18,125		
72	2	60,544		
73	1	9,056		
75	1	16,030		
77	1	22,509		
80	1	17,556		
TOTAL	10,433	\$ 181,360,922	1,672	\$ 23,043,704

SEE FOOTNOTE TABLE I

TABLE 2

THE DISTRIBUTION OF THE NUMBER AND
ANNUAL COMPENSATION OF ACTIVE MEMBERS BY
YEARS OF CREDITED SERVICE AS OF JUNE 30, 1986

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	1,114	\$ 11,409,125	434	\$ 4,033,929
1	1,537	21,645,150	329	4,307,593
2	1,035	15,300,864	181	2,515,630
3	726	12,141,973	147	2,365,764
4	575	9,194,476	76	1,104,203
5	585	9,730,473	115	1,809,581
6	424	7,168,635	71	1,097,011
7	502	8,939,700	82	1,365,514
8	445	8,089,793	61	1,089,710
9	391	7,549,718	45	770,316
10	403	7,842,660	33	593,168
11	314	6,369,636	30	572,479
12	332	6,893,495	23	459,924
13	286	6,003,638	15	332,489
14	237	5,248,055	14	280,957
15	185	4,092,913	4	80,552
16	150	3,373,609	3	72,463
17	139	3,202,061	2	46,964
18	130	3,036,662	1	27,512
19	135	3,148,886		
20	92	2,183,875		
21	85	2,055,085	2	52,239
22	71	1,779,322		
23	76	1,869,943		
24	43	1,069,306	1	15,907
25	61	1,582,757		
26	43	1,090,654		
27	39	955,708		
28	39	1,053,571	2	24,423
29	47	1,293,840		
30	30	918,569	1	25,376
31	32	875,023		
32	20	613,882		
33	12	399,537		
34	30	945,103		
35	14	461,185		

TABLE 2

THE DISTRIBUTION OF THE NUMBER AND
ANNUAL COMPENSATION OF ACTIVE MEMBERS BY
YEARS OF CREDITED SERVICE AS OF JUNE 30, 1986

CONTINUED

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
36	9	\$ 256,281		
37	8	275,796		
38	4	129,092		
39	6	213,462		
40	7	218,912		
41	8	271,425		
42	6	225,888		
43	4	151,554		
44	1	32,966		
45	1	56,664		
TOTAL	10,433	\$ 181,360,922	1,672	\$ 23,043,704

SEE FOOTNOTE TABLE I

TABLE 3

THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF RETIRED MEMBERS
BY AGE AS OF JUNE 30, 1986

SERVICE AND EARLY RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
41	1	\$ 1,384		
46	1	4,009		
48	1	1,875		
50	2	24,226		
51	1	14,414		
52	4	43,163		
53	5	50,079		
54	5	79,047		
55	9	102,651		
56	35	236,221		
57	22	191,770		
58	38	384,905	1	\$ 1,101
59	43	414,486	1	1,631
60	38	323,314		
61	34	295,502	5	35,039
62	54	399,557	5	43,137
63	35	202,773	6	15,234
64	72	463,477	4	10,673
65	62	353,566	5	11,805
66	92	511,875	4	13,975
67	65	326,565	1	4,138
68	85	528,567	3	12,918
69	64	290,785	5	14,734
70	77	398,721	1	1,377
71	55	335,110		
72	69	308,475	2	6,900
73	60	229,005	2	5,804
74	43	163,851	2	5,232
75	48	157,214	2	40,712
76	42	186,338	1	4,067
77	40	185,215		
78	43	186,662	4	14,732
79	29	107,332		
80	18	82,822		

TABLE 3
THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF RETIRED MEMBERS
BY AGE AS OF JUNE 30, 1986

SERVICE AND EARLY RETIREMENTS

CONTINUED

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
81	21 \$	84,208		
82	10	43,590		
83	15	48,648	1 \$	5,739
84	8	20,809		
85	5	11,802		
86	9	29,553		
87	5	16,670		
88	2	7,845		
89	4	14,845		
90	1	1,983		
91	2	8,371		
92	1	4,601		
93	1	920		
94	1	2,967		
TOTAL	1,377 \$	7,881,768	55 \$	248,948

SUMMARY

LIFE ANNUITY	824 \$	3,826,557	43 \$	197,475
100% J+S	129	551,383	3	6,156
50% J+S	156	992,638		
SOC. SEC. LEVELING	165	1,699,672	9	45,317
100% POP-UP	39	228,225		
50% POP-UP	64	583,293		

TABLE 4

THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF RETIRED MEMBERS
BY AGE AS OF JUNE 30, 1986

DISABILITY RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
29	2 \$	11,475		
33	1	10,705		
34	1	8,838		
35	1	7,704		
36	5	40,315		
37	3	27,344	2 \$	10,656
38			1	7,172
39	7	46,394		
40	6	55,124		
41	4	23,550	1	5,776
42	7	45,273		
43	2	17,250		
44	5	32,681	1	2,740
45	5	31,144	2	8,994
46	15	112,860		
47	8	65,724		
48	7	41,557		
49	5	41,305		
50	17	127,938		
51	6	62,847	3	7,445
52	12	80,646		
53	13	81,035		
54	12	61,774	1	2,858
55	17	84,533		
56	13	95,446		
57	11	54,980	1	3,135
58	9	45,205		
59	8	39,355		
60	9	47,587		

TABLE 4

THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF RETIRED MEMBERS
BY AGE AS OF JUNE 30, 1986

DISABILITY RETIREMENTS

CONTINUED

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
61	14	\$ 79,678		
62	14	67,445		
63	6	12,420		
64	9	48,952		
65	10	46,226		
66	11	66,331		
67	10	32,585		
68	7	34,997	1	\$ 3,274
69	9	60,172		
70	2	2,142		
71	3	6,279		
72	1	1,791		
73	2	4,612		
TOTAL	309	\$ 1,864,219	13	\$ 52,050

SUMMARY

LIFE ANNUITY	201	\$ 1,271,886	11	\$ 44,499
100% J+S	53	245,367	1	2,661
50% J+S	34	224,530		
100% POP-UP	8	37,591		
50% POP-UP	13	84,845	1	4,890

TABLE 5

THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF BENEFICIARIES
BY AGE AS OF JUNE 30, 1986

BENEFICIARIES OF DECEASED ACTIVE
AND RETIRED MEMBERS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
21			1	\$ 4,050
33			1	10,684
34			1	5,874
36			1	1,277
37			1	882
38			1	3,530
39			1	1,758
40			1	7,628
41			1	1,217
42			1	1,406
44			2	12,616
45			2	5,556
46			3	22,261
47			2	9,915
48			6	56,037
49			1	4,325
50			1	13,136
51			2	8,982
52			3	13,963
53			3	8,678
54			2	7,728
55	1	\$ 1,726	4	31,977
56			5	28,098
57			2	14,956
58	1	2,624	5	11,212
59			4	19,117
60			6	36,741

TABLE 5

THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF BENEFICIARIES
BY AGE AS OF JUNE 30, 1986

BENEFICIARIES OF DECEASED ACTIVE
AND RETIRED MEMBERS

CONTINUED

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
61	1 \$	7,972	6 \$	18,241
62	1	2,896	8	9,884
63			6	22,460
64			7	41,874
65			21	81,394
66	1	1,217	5	9,684
67			14	67,235
68			10	30,446
69			6	16,186
70	1	1,807	18	69,273
71			19	83,529
72	2	5,479	16	49,833
73			14	53,949
74	2	4,183	12	41,886
75			11	56,225
76			5	16,458
77			7	18,065
78			8	24,816
79			6	7,886
80			5	12,850
81			5	9,572
82			1	488
83			3	12,996
84	1	615		
85	1	3,447	2	6,708
87			1	1,904
TOTAL	12 \$	31,966	279 \$	1,107,446