Agenda Item 9
May 14, 2013
Public Hearing

MEMORANDUM

May 10, 2013

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney

SUBJECT: **Public Hearing:** Expedited Bill 12-13, Deferred Retirement Option Plans – Group G – Amendments

Expedited Bill 12-13, Deferred Retirement Option Plans – Group G – Amendments, sponsored by the Council President at the request of the County Executive, was introduced on May 7.

Background

Under current law, a Group G member (Fire and Rescue Employees) who is eligible for normal retirement may enter the Deferred Retirement Option Plan (DROP). Each member's participation in the DROP must end after 3 years or an earlier date chosen by the member. The pension payment the member would have received if the member had not participated in the DROP is deposited into a DROP account until the member leaves County service. The Board of Investment Trustees invests the funds along with other funds in the Retirement Trust Fund. The member receives a guaranteed interest rate of 8.25% of the account balance while the member is in the DROP. Because the retirement date is the date when the member began participating in the DROP, no further County or member contributions are made to the retirement system. The member continues to earn sick and annual leave and can participate in health and life insurance programs. When the member leaves County service, the DROP account balance is distributed to the member either directly or rolled over to an eligible retirement plan and the member begins to receive his or her monthly pension. The Executive and the IAFF recently negotiated changes to the DROP as part of the new Collective Bargaining Agreement. Bill 12-13 would implement these changes.

Bill 12-13 would amend the DROP for Group G. The Bill would:

(1) reduce the guaranteed interest rate from 8.25% to 7.5% for all members entering the DROP on or after July 1, 2013;

(2) allow members exiting the DROP to keep their DROP account balance in the Employee's Retirement System (ERS) with an annual interest rate of 4%; and

(3) require an immediate distribution of the account balance to the beneficiary of a member who elected to keep the DROP account in the ERS after retirement if the member dies with a DROP account balance.

The County's Actuary has estimated that this change to the DROP would reduce the County's annual contribution to the retirement plan by $46,050. However, some of these savings would be lost due to an additional administrative cost to implement the changes estimated between $10,000 and $15,000 each year. The Fiscal Impact Statement is at ©11-12 and the letter from the actuary is at ©14-18. On April 30, 2013, the Council adopted Resolution No. 17-732, indicating its intent to approve the provision of the new IAFF Agreement amending the DROP. This Bill would implement that provision.

This packet contains:

F:\LAW\BILLS\1312 DROP-Group G\PH Memo.Doc

Expedited Bill No. 12-13
Concerning: Deferred Retirement Option Plans - Group G - Amendments
Revised: May 1, 2013 Draft No. 2
Introduced: May 7, 2013
Expires: November 7, 2014
Enacted: ____
Executive: ____
Effective: ____
Sunset Date: None
Ch. ____, Laws of Mont. Co. ____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN EXPEDITED ACT to:
(1) amend the Deferred Retirement Option Plan for Group G members; and
(2) generally amend the law regarding the Employee's Retirement System.

By amending
Montgomery County Code
Chapter 33, Personnel and Human Resources
Section 33-38A

Boldface	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets]	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets]]	*Deleted from existing law or the bill by amendment.*
* * *	*Existing law unaffected by bill.*

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Section 33-38A is amended as follows:

33-38A. Deferred Retirement Option Plans.

* * *

(b) *DROP Plan for Group G members.*

(1) *Eligibility.* An employee who is a member of Group G and who has met the <u>minimum</u> requirements for a normal retirement may participate in the DROP Plan.

(2) *Application requirements.* An eligible employee must apply at least 45 days before the employee becomes a participant. An employee may withdraw a pending application within 2 weeks after submitting the application.

(3) *Employee participation and termination.*

(A) The employee's participation in the DROP Plan must begin on the first day of a month that begins at least 45 days, but not more than 75 days, after the employee applied.

(B) A Group G member may participate in the DROP Plan for up to 36 months. An employee who elects to stop participating before the end of the 36-month period must notify Fire and Rescue Services and the Office of Human Resources at least 60 days before stopping participation in the program.

(C) When the employee's participation in the DROP Plan ends, the employee must stop working for the County and receive a pension benefit.

(4) *Employment status.* A DROP Plan participant must continue to be a member of the retirement system, earn sick and annual

leave, and remain eligible to participate in health and life insurance programs for employees while the member participates in the DROP Plan.

(5) *Retirement date, retirement contributions, and credited service.*

(A) The retirement date of a member who participates in the DROP Plan is the date when the employee begins to participate in the DROP Plan.

(B) The member will continue to make retirement contributions to the Optional Plan or Integrated Plan while participating in the DROP Plan. The County must not make retirement contributions on behalf of the member after the date on which the member's DROP Plan participation begins.

(C) Sick leave credited towards retirement at the beginning of the member's participation will not be available for the member's use after participation in the DROP Plan begins.

(D) A member who wishes to purchase prior service must do so before the member's participation in the DROP Plan begins.

(6) *Pension benefits.*

(A) Before a member's participation begins, the member irrevocably must choose a pension payment option under Section 33-44 for retirement pension payments.

(B) Pension benefits will not be paid to the member while the member participates in the DROP Plan. Pension payments that are deferred while the member participates in the DROP Plan must not include cost-of-living increases under Section 33-44 that were given to retirees and beneficiaries during the period of the member's participation in the DROP Plan. The participant will receive the deferred pension payments when the member's participation in the DROP Plan ends, or within 60 days after the member gives notice under paragraph (3)(B), whichever is later.

(C) After the member's participation ends, the member's pension benefit will be based on the member's:

(i) credited service, including credit for unused sick leave, before the member's participation in the DROP Plan began, adjusted to include credit for unused sick leave accrued during the period of DROP Plan participation; and

(ii) average final earnings, excluding earnings during the period of participation in the DROP Plan.

(D) The pension benefit that a member receives after the member's participation in the DROP Plan ends must be adjusted to reflect cost-of-living adjustments under Section 33-44(c) that occurred during the period of the member's participation in the DROP Plan, but the pension payments that are deferred during the participation period must not include cost-of-living adjustments.

(7) *Disability retirement.*

(A) A member may apply for disability retirement prior to the termination of the member's participation in the DROP Plan.

(B) If the Chief Administrative Officer determines that a DROP participant is eligible for a service-connected disability retirement, the participant must elect to receive either:

(i) the retirement benefit under subsection (6)(C) and the DROP Plan payoff; or

(ii) the service-connected disability retirement benefit that the member would have received if the member had continued as an active employee and not elected to participate in the DROP Plan.

(C) A member who elects to receive a service-connected disability retirement must not receive the DROP Plan payoff.

(D) If the Chief Administrative Officer determines that a DROP participant is eligible for a non-service connected disability retirement, the participant must receive:

(i) the non-service connected disability retirement benefit provided under Section 33-43(h), with the benefit calculated as of the member's DROP entry date; and

(ii) the DROP account balance.

(8) *Death benefit.* If a member dies during the member's participation in the DROP Plan, the member's beneficiary will receive the greater of:

(A) the death benefit that the beneficiary would have received if the member had retired on the date on which the member began to participate in the DROP Plan, calculated to reflect cost-of-living adjustments under Section 33-44(c) that occurred during the period of DROP Plan participation, and the value of the DROP Plan payoff, not including retroactive cost-of-living adjustments to the deferred pension payments; or

(B) the service-connected death benefit that the beneficiary would have received if the member had not elected to participate in the DROP Plan, but not the DROP Plan payoff.

(9) *DROP Plan payoff and distribution.*

(A) *DROP Plan payoff.* The DROP Plan payoff must include the total of the following, accumulated over the period of the member's participation in the DROP Plan:

(i) the member's deferred monthly pension payments, not including any cost-of-living adjustments;

(ii) the member's retirement contributions to the Optional Plan or Integrated Plan treated as picked-up contributions; and

(iii) for a member beginning DROP Plan participation before July 1, 2013, 8.25 percent annual interest rate credited monthly, compounded quarterly [, credited each calendar quarter] on the amount in the DROP Plan payoff [at the beginning of each quarter] during the member's participation in the

DROP Plan. For a member beginning DROP Plan participation on or after July 1, 2013, 7.5 percent annual interest credited monthly, compounded quarterly on the amount in the DROP Plan payoff during the member's participation in the DROP plan.

(B) *DROP Plan payoff distribution options.* At the time that a member's DROP Plan participation ends, the member must elect to have the DROP Plan payoff:

(i) distributed as a:

[(i)](a) lump sum payment;

[(ii)](b) annuity; or

[(iii)](c) direct rollover distribution, in compliance with the Internal Revenue Code, to an eligible retirement plan; or

(ii) remain in the retirement system in a DROP Plan Payoff Account and receive interest at a 4.0 percent annual rate, credited monthly, for the period of time during which the DROP Plan Payoff Account remains in the retirement system.

(C) *Distribution of DROP Plan Payoff Account*

(i) A former member may elect to receive a distribution of the DROP Plan Payoff Account in a single lump sum payment or a single direct rollover distribution to an eligible retirement plan at any time, but must receive a distribution by the date required under Internal Revenue Code Section

401(a)(9)k, as amended, and the corresponding regulations.

(ii) The Chief Administrative Officer must pay the balance of the DROP Plan Payoff Account to a designated beneficiary of a former member who dies without receiving the DROP Plan Payoff Account as soon as practicable after the former member's death.

Sec. 2. Expedited Effective Date.

The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on June 30, 2013.

Approved:

Nancy Navarro, President, County Council — Date

Approved:

Isiah Leggett, County Executive — Date

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council — Date

LEGISLATIVE REQUEST REPORT

Expedited Bill 12 -13
Deferred Retirement Option Plans – Group G - Amendments

DESCRIPTION: The Bill would amend the Deferred Retirement Option Plan (DROP) for Group G. The Bill would (1) reduce the interest rate from 8.25% to 7.5% for all members entering DROP on or after July 1, 2013 and (2) allow members exiting DROP to keep their DROP account balance in the ERS with an annual interest rate of 4%. The Bill would also require an immediate distribution of the account balance to the beneficiary of a member who elected to keep the DROP account in the ERS after retirement if the member dies with a DROP account balance.

PROBLEM: The Bill would implement Appendix VI of the recently negotiated Memorandum of Agreement between the Montgomery County Government and the County Career Firefighters Association, International Association of Firefighters, Local 1664, AFL-CIO (IAFF).

GOALS AND OBJECTIVES: To implement the terms of Appendix VI of the Agreement recently negotiated with the IAFF.

COORDINATION: Office of Human Resources

FISCAL IMPACT: Office of Management and Budget

ECONOMIC IMPACT: See OMB Fiscal Impact Statement.

EVALUATION: n/a

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Bill

Corrected copy
(Economic Impact Statement)

MF
cc
SBF
LL
JD
AM
JF
EMC

OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

072385

MEMORANDUM

April 25, 2013

TO: Nancy Navarro, President
Montgomery County Council

FROM: Isiah Leggett, County Executive

SUBJECT: Expedited Bill - Deferred Retirement Option Plan for Group G Members

I am attaching for Council introduction an Expedited Bill which would amend the County Retirement Law for the Group G, Deferred Retirement Option Plan (DROP).

This bill would (1) reduce the interest rate from 8.25% to 7.5% for all members entering DROP on or after July 1, 2013; (2) allow members exiting DROP to elect either (a) to receive DROP Account balance, or (b) to keep DROP account balance in the Employee Retirement System (ERS) and receive annual interest of 4% on the DROP account balance; and (3) provide for an immediate distribution to the beneficiary if the individual who elected to keep the DROP account in the ERS dies with a DROP account balance.

This bill is the outcome from an agreement with the County Career Firefighters Association, International Association of Firefighters, Local 1664.

Attachments

Fiscal Impact Statement

1. **Legislative Summary.**
   a. The Bill amends the County's retirement law to reduce the interest rate earned on DROP account balances for employees entering DROP on July 1, 2013 or thereafter from 8.25% to 7.5%. The 8.25% interest rate will continue to be paid to participants who entered DROP prior to June 30, 2013.
   b. The Bill also includes an additional distribution option which allows DROP participants to have their DROP account balance remain in the ERS and earn 4% interest annually until such time as they request a distribution or have met the mandatory distribution requirements.

2. **An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.**
   a. The ERS will incur lower interest expenses related to those participants who enter DROP on July 1, 2013 or thereafter. GRS, the Plan's actuary, has estimated the impact of both the reduction in the interest rate paid on the account balance from 8.25% to 7.5%, as well as the impact of participants leaving their balance in the ERS and earning the 4% crediting rate, as a reduction of $360,263 in the actuarial accrued liability and $46,050 in the annual County contribution. However, there will be minimal offsetting costs incurred in establishing and monitoring the new DROP rate since a new account will need to be established at the recordkeeper. These costs are estimated to be $10,000 to $15,000 annually. The ERS will incur costs in setting up and transmitting the new file to the recordkeeper (for those who enter DROP after July 1).
   b. In addition, the County will need to establish a new Plan account with the recordkeeper to maintain the DROP distribution balances, those that elect to remain in the Plan and earn 4%, and will incur costs related to the monitoring of those individuals. These costs are included in the $10,000 to $15,000 noted above.

3. **Revenue and expenditure estimates covering at least the next 6 fiscal years.**

   See response to 2 above. Assuming a reduction of $46,050 in the annual County contribution, savings over six years are estimated to be $276,300. Assuming annual implementation costs of $10,000 to $15,000, costs over six years are estimated to be $60,000 to $90,000. The estimated reduction in the annual contribution will be reflected in the County's next actuarial valuation and in the FY15 operating budget.

4. **An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.**

   See response to 2 and 3 above.

5. **Later actions that may affect future revenue and expenditures if the bill authorizes future spending.**

   Not applicable.

6. **An estimate of the staff time needed to implement the bill.**

   Staff time includes establishment of the recordkeeping accounts and testing of the setup with the recordkeeper, estimated at a total of 3 to 4 days for one staff person.

7. **An explanation of how the addition of new staff responsibilities would affect other duties.**

   None.

8. **An estimate of costs when an additional appropriation is needed.**

   Additional recordkeeping costs will be included in future ERS retirement fund budgets. The administrative budgets of the retirement funds are not appropriated.

9. **A description of any variable that could affect revenue and cost estimates.**

   The cost savings from a reduction to a 7.5% crediting rate relates to new people who enter DROP after July 1, 2013. GRS made assumptions regarding the financial impact of this change, as well as the number of participants who would select a distribution option of leaving their account balance in the ERS to earn the 4% crediting rate, based on past participation in the DROP. The total dollars saved are dependent on 1) how many people enter DROP and what their balances are compared to the people who are currently in DROP and what their balances are and 2) what the ERS investment return is.

10. **Ranges of revenue or expenditures that are uncertain or difficult to project.**

    See response to 9 above.

11. **If a bill is likely to have no fiscal impact, why that is the case.**

    Not applicable.

12. **Other fiscal impacts or comments.**

    Not applicable.

13. **The following contributed to and concurred with this analysis:**

    Linda Herman, Executive Director, Montgomery County Employee Retirement Plans; Lori O'Brien, Office of Management and Budget.

J. Hughes

Jennifer A. Hughes, Director
Office of Management and Budget

4/25/13
Date

Economic Impact Statement
Expedited Bill – Deferred Retirement Option Plan for Group G Members

Background: The Bill amends the County's retirement law to reduce the interest rate earned on DROP account balances for employees entering DROP on or after July 1, 2013, from 8.25% to 7.5%. The Bill also includes an additional distribution option which allows DROP participants to have their DROP account balance remain in the ERS and earn 4% interest annually until they request a distribution or have met the mandatory distribution requirements. The Bill further provides that there be an immediate distribution to beneficiaries of DROP account balances in the ERS for members that have died.

1. **The sources of information, assumptions, and methodologies used.**

Section 33-38A of the County Code.

2. **A description of any variable that could affect the economic impact estimates.**

This bill has no material economic impact as it only reduces the interest rate earned on DROP account balances for a limited number of employees and makes other technical changes to the DROP program.

3. **The Bill's positive or negative effect, if any on employment, spending, saving, investment, incomes, and property values in the County.**

The bill has no real effect on employment, spending, saving, investment, incomes or property values in the County.

4. **If a Bill is likely to have no economic impact, why is that the case?**

The bill has no economic impact because it is mostly technical in nature, and the interest rate reduction pertains only to prospective DROP participants entering the program beginning in fiscal year 2014.

5. **The following contributed to and concurred with this analysis:** David Platt and Mike Coveyou, Finance.

Joseph F. Beach
Joseph F. Beach, Director
Department of Finance

4-29-13
Date

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GRS

Gabriel Roeder Smith & Company
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February 6, 2013

Ms. Linda Herman
Executive Director
Montgomery County Employees' Retirement System
Rockville, Maryland

CONFIDENTIAL

Subject: **Cost Impact of Decreasing the Interest Crediting Rate on the DROP from 8.25 Percent to 7.50 Percent**

Dear Linda:

As requested, we have measured the cost impact to the Montgomery County Employees' Retirement System (ERS) of decreasing the interest crediting on DROP accounts from 8.25 percent to 7.50 percent for eligible members of Group G (IAFF members).

This change is assumed to impact members that enter the DROP on or after July 1, 2013, and does not affect current members in DROP.

The main current provisions of the DROP include:

- Members may enter the DROP once minimum age and service requirements have been met for normal retirement
    - Age 55 with 15 years of credited service or 20 years of credited service at any age
- The following amounts are accumulated in the DROP account and are credited with 8.25 percent interest compounded quarterly during participation in DROP (7.50 percent interest under the proposal):
    - The accrued benefit frozen at time of DROP
        - The DROP account does not collect COLAs granted during the DROP period
    - Member contributions during the DROP period
- The current maximum DROP period is equal to three years.
- Upon exit from DROP, the member receives:
    - The monthly benefit amount equal to the frozen accrued benefit at time of DROP plus the COLA increases granted during the DROP period, plus
    - Distribution of the DROP account balance OR
    - The member may leave the DROP account balance with ERS (up to the maximum time allowed by federal law). The account balance after the DROP period will earn 4.00 percent interest compounded quarterly. (We have not assumed members will keep their balances with the ERS after the DROP period.)

The illustrated cost impact is shown in Exhibit I and includes the following assumptions and methods:

- The same assumptions and methods as used and disclosed in the actuarial valuation as of July 1, 2012.
- Members will withdraw their DROP account balances at the end of the DROP period.

The data is summarized in Exhibit II. All active members of Group G assumed to participate in the DROP would be impacted by the changes.

Exhibit III illustrates the rates of retirement and the DROP assumptions used in this analysis.

<u>Summary of Results</u>
Decreasing the interest crediting on the DROP account would decrease the actuarial liabilities and contribution requirements of the Plan.

Future actuarial measurements may differ significantly from the current measurements presented in this cost analysis, due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions, contribution amounts or applicable law.

If any of the provisions, underlying data or assumptions used in this analysis appear to be incorrect or unreasonable, please let us know as soon as possible so we can update the analysis.

The signing actuaries are independent of the plan sponsor.

The undersigned are members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions or would like to discuss the results of this analysis further.

Sincerely,

Lance J. Weiss

Lance J. Weiss, E.A., F.C.A., M.A.A.A.
Senior Consultant

Amy Williams

Amy Williams, A.S.A., M.A.A.A.
Consultant

cc: Mr. Paul Wood, Gabriel, Roeder, Smith, and Company

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	Valuation as of July 1, 2012			Impact - DROP Interest Crediting from 8.25% to 7.50%			Change		
	Group G	Total ERS	% of Payroll	Group G	Total ERS	% of Payroll	Group G	Total ERS	% of Payroll
Total All Plans									
Actuarial Accrued Liability									
Active Members	$ 284,688,964	$ 1,303,031,570		$ 284,328,701	$ 1,302,671,307		$ (360,263)	$ (360,263)	
DRSP/DROP Members	107,077,222	203,738,279		107,077,222	203,738,279		-	-	
Terminated Vested Members	106,601	17,468,410		106,601	17,468,410		-	-	
Retired Members and Beneficiaries		2,244,507,703			2,244,507,703			-	
Total		3,768,745,962			3,768,385,699			(360,263)	
Actuarial Value of Assets		2,891,435,563			2,891,435,563			-	
Unfunded Actuarial Accrued Liability		877,310,399			876,950,136			(360,263)	
Funded Ratio (Actuarial Value of Assets)		76.7%			76.7%			0.0%	
Annual Gross Normal Cost									
Benefits	$ 18,672,743	$ 74,340,043	(21.70%)	$ 18,650,918	$ 74,318,218	(21.70%)	$ (21,825)	$ (21,825)	(0.00%)
Expenses of Administration	692,037	3,177,300	(0.93%)	692,037	3,177,300	(0.93%)	-	-	(0.00%)
Total	19,364,780	77,517,343	(22.63%)	19,342,955	77,495,518	(22.62%)	(21,825)	(21,825)	-(0.01%)
				Excluding Retirement Incentive					
Amortization of Unfunded Liability	$ 20,084,267	$ 67,164,489	(19.61%)	$ 20,060,042	$ 67,140,264	(19.60%)	$ (24,225)	$ (24,225)	-(0.01%)
Annual Contribution Requirement:									
County Portion	$ 34,479,250	$ 123,224,933	(35.97%)	$ 34,433,200	$ 123,178,883	(35.95%)	$ (46,050)	$ (46,050)	-(0.02%)
Employee Portion	4,969,797	21,456,899	(6.27%)	4,969,797	21,456,899	(6.27%)	-	-	(0.00%)
Total	39,449,047	144,681,832	(42.24%)	39,402,997	144,635,782	(42.22%)	(46,050)	(46,050)	-(0.02%)
County Public Safety Contribution		$ 80,528,172			$ 80,482,122			$ (46,050)	
				Including Retirement Incentive					
Amortization of Unfunded Liability	$ 20,084,267	$ 69,161,593	(20.19%)	$ 20,060,042	$ 69,137,368	(20.18%)	$ (24,225)	$ (24,225)	-(0.01%)
Annual Contribution Requirement:									
County Portion	$ 34,479,250	$ 125,222,037	(36.56%)	$ 34,433,200	$ 125,175,987	(36.54%)	$ (46,050)	$ (46,050)	-(0.02%)
Employee Portion	4,969,797	21,456,899	(6.26%)	4,969,797	21,456,899	(6.26%)	-	-	(0.00%)
Total	39,449,047	146,678,936	(42.82%)	39,402,997	146,632,886	(42.80%)	(46,050)	(46,050)	-(0.02%)
County Public Safety Contribution		80,615,596			$ 80,569,546			$ (46,050)	

Exhibit II

	Valuation as of July 1, 2012						
	Non-Public Safety		Public Safety				
	Group A	Group H	Group E	Group F	Group G	GRIP	Total
Total All Plans							
Active Members							
Number	609	963	614	1,040	1,036	1,102	5,364
Average Age	55.8	55.5	43.4	38.7	38.0	38.0	46.3
Average Service	25.3	23.1	12.1	13.5	12.3	8.0	15.0
Total Base Payroll	$ 55,278,025	$ 64,285,054	$ 41,165,673	$ 77,946,056	$ 71,842,678	$ 69,255,000	$ 379,772,487
Contribution Basis Payroll	47,681,140	55,807,312	36,461,856	72,524,767	66,872,031	63,189,877	342,536,983
DRSP/DROP Members							
Number				85	105		190
Total Base Payroll				$ 8,370,461	$ 10,317,300		$ 18,687,761
Total Benefits				6,145,388	6,608,297		$ 12,753,685
Terminated Vested Members							
Number	89	109	27	41	20	127	413
Total Benefits	$ 1,011,052	$ 845,997	$ 303,181	$ 598,299	$ 151,881		$ 2,910,410
Retired Members and Beneficiaries							
Number							5,824
Total Benefits							203,710,715
Total Membership							11,791

	Rates of Retirement	
	Group G	
Age	1st Elig. For Normal Ret	Ultimate Rate
Under 45	20.00%	3.00%
45	20.00%	3.00%
46	20.00%	7.00%
47	20.00%	7.00%
48	20.00%	7.00%
49	20.00%	7.00%
50	20.00%	10.00%
51	20.00%	10.00%
52	30.00%	15.00%
53	30.00%	15.00%
54	30.00%	15.00%
55	40.00%	40.00%
56	40.00%	40.00%
57	40.00%	40.00%
58	40.00%	40.00%
59	40.00%	40.00%
60	100.00%	100.00%

	Group G DROP Assumptions	
	Current Provisions	Proposed Provisions
Percent Assumed to Participate	70%	70%
DROP Interest Crediting	8.25%	7.50%
Timing of DROP balance withdrawal	End of DROP Period	End of DROP Period