

REPORT ON
ACTUARIAL VALUATION OF THE
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
JUNE 30, 1982

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November 16, 1982

Board of Administration
City Employees' Retirement System
Room 505, City Hall South
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Los Angeles, California 90012

Members of the Board:

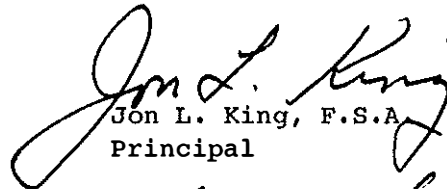
We are pleased to transmit herewith our Report setting forth the results of the valuation of your Retirement System as of June 30, 1982.


The valuation was based on financial statements and employee data furnished by the Retirement Office.

We would like to take this opportunity to express our appreciation for the courtesy and cooperation accorded us by the Retirement Office during the course of our work.

Respectfully submitted,

TOWERS, PERRIN, FORSTER & CROSBY


Jon L. King, F.S.A.
Principal


Charles L. Thorne, A.S.A.
Consultant

JLK/jh
Enclosure

REPORT ON
ACTUARIAL VALUATION OF THE
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
JUNE 30, 1982
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REPORT ON
ACTUARIAL VALUATION OF THE
LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM

SECTION I
INTRODUCTION

In accordance with our agreement we have completed the actuarial valuation of the Los Angeles City Employees' Retirement System as of June 30, 1982.

To complete this valuation, the Retirement System Office furnished us with a magnetic tape containing all the pertinent information for each active member of the System as of June 30, 1982, including such information as current compensation, years of service credited, rates of contribution and accumulated contributions. The System also furnished a tape for persons currently receiving an allowance from the Retirement System, together with the data necessary to determine the value of the allowance. We increased the benefit amounts for retired members to reflect the 3% cost-of-living increase granted as of July 1, 1982.

A summary of the active and retired membership of the System as of June 30, 1982 is shown in the following table. More detailed charts showing the distribution of active members by age and service and the distribution of pensioners by age and year of retirement are in Section VI.

Los Angeles City Employees'
Retirement System

SUMMARY OF MEMBERSHIP OF SYSTEM
AS OF JUNE 30, 1982

ACTIVE MEMBERS

	<u>Number</u>	<u>Annual Salary</u>	<u>Age</u>	<u>Average Monthly Salary</u>
Total 6-30-81	19,730	\$ 406,846,047	41.7	\$ 1,718
Total 6-30-82	18,661	431,723,128	42.2	1,928
Percent Increase	- 5.4%	6.1%	--	12.2%

PENSIONERS

	<u>Number</u>	<u>Annual Allowance</u>	<u>Average Monthly Allowance</u>
Total 6-30-81	7,414	\$ 55,972,256	629
Total 6-30-82	7,819	62,853,040	670
Percent Increase	5.5%	12.3%	6.5%

The Retirement Office also furnished an accounting balance sheet setting forth the assets and liabilities of the System as of June 30, 1982. We did not make a physical audit of these assets, and our calculations are based on the balance sheet as submitted.

The current valuation was based on the same actuarial assumptions as used in our valuation as of June 30, 1981. They are an 8% interest assumption and a 5-3/4% rate of salary increase. The current valuation was also based on various probabilities of occurrence and postretirement mortality rates as developed in the last investigation as of June 30, 1980. These probabilities are given in Section VI.

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Effective this year, the procedure for accounting for the Undistributed Earnings Account will be changed. In the process of implementing this change there will be a one-time transfer later this year of 80% of the current Undistributed Earnings Account to the City reserve accounts. This transfer has been reflected in the applicable assets used to determine the City contribution rate recommended in this valuation report.

SECTION II

MEMBER CONTRIBUTIONS

Sections 4.1031 and 4.1040(C) of the Administrative Code specify the basis for normal, survivor and cost-of-living member contribution rates. However, Los Angeles City also enters into collective bargaining agreements with its employees regarding the level of member contributions. The resulting rates need not be those indicated by the ordinance formulas and the current assumptions. To reflect this situation accurately in the current valuation, we have been directed by the Board of Administration to assume that members will contribute at the employee contribution rates specified in the June 30, 1977 valuation report. If certain members contribute at a lower rate through a collective bargaining agreement, the City should contribute 66.95% of the amount of contribution "forgiven" the member.

A complete list of member contribution rates from the June 30, 1977 valuation report is also in Section VI. The following table illustrates these rates:

Member Rates of Contribution Including 15% Factor for COL

<u>Age</u>	<u>Normal</u>	<u>Continuance</u>	<u>Total</u>
20	8.20%	.44%	8.64%
25	8.58	.63	9.21
30	9.06	.75	9.81
35	9.61	.83	10.44
40	10.19	.91	11.10
45	10.76	.97	11.73
50	11.34	1.03	12.37
55	11.85	1.09	12.94

We recommend the monthly contribution of \$5.14 per participating member be continued for Family Death Benefits.

SECTION III

RESULTS OF THE ACTUARIAL VALUATION

Introduction

The purpose of the actuarial valuation is to analyze the financial condition of the System and to recommend any necessary changes in City contributions. In this section we describe the funding method of the System and give the resulting actuarial balance sheet as of June 30, 1982. Section IV gives the recommended City contributions called for by the funding method. Section V presents various views of the funding progress of the System, including the change in accrued liability over the year as defined by the Financial Accounting Standards Board. Throughout the report, all calculations are based on the actuarial assumptions as discussed in Section II. The "Beta" formula was applied to all active members.

Funding Method

The primary funding method of the Los Angeles City Retirement System is the Entry Age Normal Cost funding method. This method defines the Normal Cost as the level percent of salary necessary to fund the projected future benefits over the period from the date of participation to the date of retirement. The Normal Cost can be considered the level percent cost for a new entrant to the System. The City's Normal Cost is the excess of the Normal Cost over members' contributions. The Supplemental Present Value is equal to the excess of total liabilities over the present value of future member contributions and the present value of future City Normal Costs. The excess of the Supplemental Present Value over the assets is called the Unfunded Supplemental Present Value (USPV). The Unfunded Supplemental Present Value is amortized over a fixed

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period of years by City contributions in addition to Normal Cost. Most of the Unfunded Supplemental Present Value is amortized over the period ending June 30, 2004 by contributions that will increase in accordance with the salary scale, i.e., 5-3/4% per year. Certain small liabilities are amortized over shorter periods by level dollar amounts.

The Entry Age Normal Cost Method is used to fund all benefits except Family Death Benefits. For Family Death Benefits, the amount contributed in any one year is the present value of expected claims arising during the year. This method is called the Term Cost Funding Method. Traditionally, the required contribution has been reviewed biennially following the valuation.

Accounting Balance Sheet

Our valuation of the Retirement System as of June 30, 1982 was based on the following accounting balance sheet furnished by the Retirement Office. As indicated, we accepted this statement of assets without audit.

Los Angeles City Employees'
Retirement System

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

Preliminary Unaudited

	June 30	
	1982	1981
ASSETS:		
Cash	\$ 4,153,976	\$ 2,038,168
Receivables:		
Accrued interest and dividend income	\$ 20,062,778	\$ 16,027,993
Other Receivables	1,475,594	1,241,882
Proceeds from sale of investments	<u>2,021,132</u>	<u>2,271,998</u>
	23,559,504	19,541,873
INVESTMENTS (Note):		
Temporary Short-Term	160,535,004	87,019,521
Bonds	683,142,397	648,348,180
Common Stocks	<u>158,959,874</u>	<u>155,410,139</u>
	1,030,350,755	912,357,881
UNEARNED PREMIUM FROM SALE OF STOCK OPTIONS	(1,258,675)	(2,597,900)
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	<u>(1,806,753)</u>	<u>(2,169,537)</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS	<u>\$1,027,285,327</u>	<u>\$907,590,444</u>
MEMBERS' CONTRIBUTIONS	\$ 239,310,491	\$219,916,264
RESERVE FOR RETIREMENT ALLOWANCE FOR RETIRED MEMBERS AT ACTUARIAL VALUATION	672,286,963	672,286,963
CITY CONTRIBUTIONS AVAILABLE FOR FUTURE RETIREES	<u>115,687,873</u>	<u>15,387,217</u>
TOTAL	<u>\$1,027,285,327</u>	<u>\$907,590,444</u>

Los Angeles City Employees'
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STATEMENT OF RESERVE AND FUND BALANCE ACCOUNTS

JUNE 30, 1982

<u>ACTUARIAL</u>	<u>JUNE 30</u>	
	<u>1982</u>	<u>1981</u>
Member Contributions	\$ 239,310,491	\$ 219,916,264
Annuities	132,832,231	117,656,678
Prior Service	0	(1,198,441)
Subsequent Service	452,299,740	410,797,363
Cost of Living	177,745,337	149,723,146
Family Death Benefit Insurance	8,217,291	7,577,655
 Total Actuarial	 <u>\$1,010,405,090</u>	 <u>\$ 904,472,665</u>
 <u>OTHER</u>		
Undistributed Earnings	\$ 8,932,244	\$ (2,192,740)
Gain/Loss on Equities	7,947,993	5,310,519
Fund Balance	0	0
 Total Other	 <u>\$ 16,880,237</u>	 <u>\$ 3,117,779</u>
 Total Reserves & Fund Balance	 <u>\$1,027,285,327</u>	 <u>\$ 907,590,444</u>

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Actuarial Balance Sheet

This actuarial valuation of the Retirement System as of June 30, 1982 is based on demographic assumptions developed during the June 30, 1980 investigation and on an 8% interest assumption, a 5-3/4% salary increase assumption and a 3% future cost-of-living increase. The resulting values of assets and liabilities developed by the valuation are set forth in the following Actuarial Balance Sheet.

Los Angeles City Employees'
Retirement System

ACTUARIAL BALANCE SHEET

AS OF JUNE 30, 1982

ASSETS

1. Total Assets from Accounting Balance Sheet				\$1,030,350,755
2. Present Value of Future Contributions of Members				338,335,300
3. Present Value of Future Contributions by the City on Account of:				
a. Basic Pensions:				
i. Normal Cost			\$105,858,200	
ii. Amortization of Certain Liabilities:				
- Prior Service Pensions	\$	7,942,813		
- Increase due to 1965 Amendments		3,486,066		
- Remaining Unfunded Supplemental Present Value		<u>342,268,297</u>	353,697,176	
b. Cost-of-Living Pensions:				
i. Normal Cost			55,189,300	
ii. Amortization of Certain Liabilities:				
- Increase due to 1967 Amendments		15,377,506		
- Remaining Unfunded Supplemental Present Value		<u>242,666,691</u>	<u>258,044,197</u>	<u>772,788,873</u>
4. Total Assets				<u>\$2,141,474,928</u>

Los Angeles City Employees'
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ACTUARIAL BALANCE SHEET

AS OF JUNE 30, 1982

LIABILITIES

5. Current Liabilities		\$	1,806,753
6. Unearned Premium From Sale of Stock Options			1,258,675
7. Present Value of Benefits Already Granted:			
a. Basic	\$	500,657,692	
b. Cost-of-Living		<u>260,494,675</u>	761,152,367
8. Present Value of Benefits to Be Granted:			
a. Basic	\$	1,059,169,300	
b. Cost-of-Living		<u>300,136,100</u>	1,359,305,400
9. Reserve for Gain or Loss on Equities			7,947,994
10. Undistributed Earnings Reserve			1,786,448
11. Family Death Benefit Insurance Reserve			8,217,291
12. Fund Balance			<u>0</u>
13. Total Liabilities			\$2,141,474,928

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TPF&C prepared the actuarial balance sheet in a condensed format using terminology we hope will aid in its review and discussion.

"Cost-of-Living Pensions" are the postretirement increases provided by Section 510.1 of Article XXXIV of the City Charter and related ordinances.

"Basic Pensions" are all benefits other than "Cost-of-Living Pensions" and Family Death Benefits provided by Article XXXIV of the City Charter and related ordinances.

"Amortization of Certain Past Service Liabilities" refers to those liabilities of the System amortized over fixed periods of time pursuant to the Charter, ordinance or Board authorization.

Items 5, 6, 9, 10, 11 and 12 were provided by the Retirement Office.

SECTION IV

RECOMMENDED CITY CONTRIBUTIONS

Based on the actuarial valuation of the Retirement System as of June 30, 1982, we respectfully submit the following recommendations in accordance with the provisions of Article XXXIV of the City Charter and related ordinances.

Based on the Entry Age Normal Cost funding method and the assumption that all members will contribute on the basis of the full rates recommended in Section II, we recommend that City contributions for fiscal year 1983-1984 be as follows:

	<u>Recommended City Contributions For 1983-1984</u>	
	<u>Percentage of Salary</u>	<u>Fixed-Dollar Amount</u>
a. For Basic Pensions:		
i. Normal Cost	3.07%	---
ii. Prior Service-Minimum Pensions (Charter-Period ending June 30, 1997)	---	\$ 927,955
iii. Increase due to 1965 Amendments (Charter-Period ending June 30, 1990)	---	606,627
iv. Unfunded Supplemental Present Value	<u>4.55%</u>	<u>---</u>
v. Total Basic Pensions:	7.62%	\$ 1,534,582

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	<u>Recommended City Contributions For 1983-1984</u>	
	<u>Percentage of Salary</u>	<u>Fixed-Dollar Amount</u>
b. For Cost-of-Living Pensions:		
i. Normal Cost	1.61%	---
ii. Increase due to 1967 Amendment (Charter-Period ending June 30, 1997)	---	\$ 1,796,547
iii. Unfunded Supplemental Present Value (Period ending June 30, 2004)	<u>3.23%</u>	<u>---</u>
iv. Total Cost-of-Living Pensions	4.84%	\$ 1,796,547
c. Total Basic and Cost-of-Living Pensions	12.46%	\$ 3,331,129

d. For Family Death Benefits:

\$5.14 per month for each participating member in the Family Death Benefit Insurance Plan. Based on our current review of this program we determined liabilities for existing claims amount to \$7.8 million. We note that this is approximately equal to the Family Death Benefit reserves as of June 30, 1982, namely \$8,217,291. We therefore recommend the \$5.14 rate be continued.

An ordinance effective in October 1975 permits the City to "subsidize" a portion of employee contributions. Since the portion subsidized by the City will not be refunded to the member upon employment termination before retirement, the City does not have to pay the total amount of employee contributions it subsidizes. Based on the actuarial valuation as of June 30, 1982, we recommend the City contribute to the System 66.95% of subsidized employee contributions, i.e., for each \$10,000 the City subsidizes, it should contribute \$6,695. We note the amount the City subsidizes is the difference between members' actual contributions and the amount of contributions if they contribute at the levels shown in Section VI.

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The following table compares present City percentage of salary contribution rates with those proposed.

	<u>City Percentage of Salary Contributions</u>		
	<u>Proposed</u>	<u>Present</u>	<u>Ratio</u>
Normal Cost	4.68	4.76	.98%
Amortization of USPV	7.78	7.16	1.09%
Total	12.46	11.92	1.05%

The City's contribution percentage for normal cost as expected under the Entry Age Funding Method remained essentially unchanged.

The main reason for the increase in the City's contribution percentage for the amortization of the USPV was a salary loss. Members' average salaries have increased 12.2% instead of the assumed 5-3/4%. We estimate this salary loss has raised the contribution percentage for the amortization of the USPV by approximately 72 basis points. On the positive side, a substantial investment gain together with the change in the method of accounting for the undistributed earnings reserve lowered the contribution percentage for the amortization of the USPV by approximately 18 basis points.

We believe if the recommendations contained herein are adopted, the System will be maintained on a sound basis in accordance with the actuarial assumptions and funding methods underlying the calculations.

SECTION V

MEASURES OF FUNDING PROGRESS

Several measures can be used to evaluate the funding progress of a retirement system. In this Section we discuss five of these measures to provide several views of the funding progress of the Los Angeles City Retirement System.

Unfunded Supplemental Present Value

A common method of measuring funding progress is to compare the change in the USPV from one year to another. Last year the USPV was \$553,902,690. This year the USPV increased to \$611,741,373. Because of inherent characteristics of the amortization method, the USPV is expected to increase for several more years before it begins to decrease.

We believe the USPV is a misleading measure of funding progress because it depends heavily on the particular funding method used and, in particular, on the definition of Normal Cost. Thus, we recommend considering other measures of funding progress which are independent of the funding method.

Traditional Funding Ratio

The schedule below compares the assets on hand with the present value of benefits earned to date. We have shown figures for the current and previous valuations to acquaint you with the funding progress.

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A funding ratio of over 100% would mean that monies had already been paid for benefits yet to be earned, and this may not be appropriate in a public retirement system.

The present value of benefits earned to date is calculated on the basis of an ongoing system, i.e., reflecting all actuarial assumptions including future salary increases. Death and disability benefits are prorated by years of service to normal retirement age. This is sometimes referred to as the "Plan Continuation Liability."

	<u>June 30, 1981</u>	<u>June 30, 1982</u>
1. Present Value of Benefits Earned to Valuation Date		
(a) Basic Benefits	\$ 918,235,481	\$1,094,664,192
(b) Cost-of-Living Benefits	<u>387,125,234</u>	<u>432,999,675</u>
(c) Total	1,368,360,715	1,527,663,867
2. Applicable Assets on Hand		
(a) Basic Benefits	724,856,292	806,065,516
(b) Cost-of-Living Benefits	<u>172,038,718</u>	<u>203,268,078</u>
(c) Total	\$ 896,895,010	\$1,009,333,594
3. Funding Ratio		
(a) Basic Benefits	73.9%	73.6%
(b) Cost-of-Living Benefits	44.4%	46.9%
(c) Total	65.5%	66.1%

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Vested Liability

We estimate that the liability for vested benefits as of June 30, 1982 amounts to \$1,490,000,000. At the request of the Retirement Board's Auditor, this calculation was done on the basis of projected salaries as described under "funding ratio." Applicable assets on hand amount to \$1,009,333,594. Thus, as of June 30, 1982, there was an excess of vested liability over applicable assets on hand amounting to \$480,000,000. Note that applicable assets on hand amount to 68% of the vested liability. The corresponding figure for June 30, 1981 was 67%.

Financial Accounting Standards Board Accrued Liability

Another measure of funding progress has recently been introduced by the Financial Accounting Standards Board (FASB) in its Opinion No. 35. The FASB has decided that if the Plan's financial statement is to be compiled in accordance with generally accepted accounting principles (GAAP), the statement must contain the "present value of accumulated benefits" determined in accordance with FASB No. 35.

FASB No. 35 requires a straightforward determination of the present value of accrued benefits similar to our traditional approach. However, they require one change to that definition; namely, no projection of future salary increases is made. Thus, while the traditional accrued liability is calculated on the basis of an ongoing system, the FASB accrued liability is more appropriate if

Los Angeles City Employees'
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no future salary increases are made. Using the FASB approach, we have determined the following:

	<u>June 30, 1981</u>	<u>June 30, 1982</u>
(1) Present Value of Accrued Benefits	\$1,186,946,935	\$1,325,277,167
(2) Assets	896,895,010	1,009,333,594
(3) Percent Funded (2)/(1)	75.6%	76.2%

The above results are based on the actuarial assumptions as described in Section II including an interest rate of 8%. The 8% may be judged low by FASB standards, which require realistic returns based on a market valuation of assets. However, we feel an 8% rate is appropriate for your System since you use a book valuation of assets.

Quick Liability

A simple measure of a plan's condition is to compare the liability for inactive members plus deposits of active members versus accumulated assets. We have termed this liability the "Quick Liability." The comparison to assets is as follows:

	<u>June 30, 1981</u>	<u>June 30, 1982</u>
(1) Liability for Retired and Vested Terminations	\$ 672,286,963	\$ 761,152,367
(2) Accumulated Active Member Deposits with Interest	213,838,672	232,997,000
(3) Total (1)+(2)	886,125,635	994,149,367
(4) Assets	896,895,010	1,009,333,594

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In a well-funded system, the assets should at least exceed the liability for members no longer providing services plus the active members' "own" money.

This is the case for the Los Angeles City Retirement System.

To summarize, there are two basic considerations in contemplating the funding status of a system. The first is the assets accumulated to pay benefits and how they compare to the current liability for benefits already earned. The various funding measures presented above are intended to evaluate this aspect of funding. However, the second consideration is normally more important: what is the financial commitment of the plan sponsor to continue to fund both benefits earned to date and benefits to be earned in the future, and does the plan sponsor have the financial resources to meet future budgetary obligations, as recommended in Section IV?

SECTION VI

STATISTICAL INFORMATION

- o Mortality after Service Retirement

- o Mortality after Disability Retirement

- o Probability of Occurrence (of Decrements from Active Service)
 - Male

 - Female

- o Member Contribution Rates

- o Distribution of Active Members by Age and Service

- o Summary of Major Plan Provisions

Los Angeles City Employees'
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EXPECTATION OF LIFE
1971 Group Annuity*
(x-0) (x-6)

<u>Age</u>	<u>Male</u>	<u>Female</u>
15	60.13 years	65.97 years
20	55.26	61.10
25	50.40	56.23
30	45.57	51.37
35	40.76	46.53
40	36.01	41.72
45	31.36	36.96
46	30.45	36.01
47	29.55	35.07
48	28.66	34.13
49	27.78	33.20
50	26.91	32.28
51	26.05	31.36
52	25.20	30.45
53	24.36	29.55
54	23.53	28.66
55	22.71	27.78
56	21.90	26.91
57	21.10	26.05
58	20.31	25.20
59	19.53	24.36
60	18.76	23.53
61	18.00	22.71
62	17.26	21.90
63	16.53	21.10
64	15.81	20.31
65	15.00	19.53
66	14.43	18.76
67	13.77	18.00
68	13.13	17.26
69	12.50	16.53
70	11.91	15.81

* This table was used with a two-year age setback.

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EXPECTATION OF LIFE
1971 Group Annuity*
(x-0) (x-6)

<u>Age</u>	<u>Male</u>	<u>Female</u>
71	11.33 years	15.11 years
72	10.79	14.43
73	10.26	13.77
74	9.74	13.13
75	9.24	12.50
76	8.76	11.91
77	8.28	11.33
78	7.83	10.79
79	7.41	10.26
80	7.00	9.74
81	6.63	9.24
82	6.27	8.76
83	5.94	8.28
84	5.63	7.83
85	5.34	7.41
86	5.06	7.00
87	4.80	6.63
88	4.55	6.27
89	4.31	5.94
90	4.08	5.63
91	3.87	5.34
92	3.66	5.06
93	3.46	4.80
94	3.26	4.55
95	3.07	4.31
96	2.89	4.08
97	2.71	3.87
98	2.54	3.66
99	2.37	3.46
100	2.20	3.26
101	2.04	3.07
102	1.88	2.89
103	1.72	2.71
104	1.55	2.54
105	1.38	2.37

* This table was used with a two-year age setback.

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EXPECTATION OF LIFE
1971 Group Annuity*
(x-0) (x-6)

<u>Age</u>	<u>Male</u>	<u>Female</u>
106	1.21 years	2.20 years
107	1.04	2.04
108	.88	1.88
109	.71	1.72
110	.50	1.55

* This table was used with a two-year age setback.

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EXPECTATION OF LIFE

1973 DISABILITY

<u>Age</u>		<u>Age</u>		<u>Age</u>	
20	33.87	50	18.50	80	6.35
21	33.37	51	18.06	81	6.02
22	32.86	52	17.61	82	5.70
23	32.34	53	17.18	83	5.39
24	31.82	54	16.75	84	5.11
25	31.29	55	16.32	85	4.84
26	30.76	56	15.90	86	4.59
27	30.22	57	15.48	87	4.35
28	29.67	58	15.07	88	4.12
29	29.13	59	14.66	89	3.90
30	28.58	60	14.25	90	3.70
31	28.03	61	13.84	91	3.50
32	27.48	62	13.44	92	3.31
33	26.94	63	13.03	93	3.12
34	26.40	64	12.62	94	2.95
35	25.87	65	12.22	95	2.77
36	25.34	66	11.81	96	2.61
37	24.82	67	11.40	97	2.44
38	24.30	68	10.99	98	2.28
39	23.78	69	10.58	99	2.13
40	23.27	70	10.17	100	1.98
41	22.77	71	9.77	101	1.83
42	22.28	72	9.36	102	1.68
43	21.78	73	8.95	103	1.53
44	21.30	74	8.55	104	1.38
45	20.82	75	8.15	105	1.22
46	20.34	76	7.77	106	1.05
47	19.88	77	7.40	107	.92
48	19.41	78	7.04	108	.75
49	18.96	79	6.69	109	.50

LOS ANGELES CITY EMPLOYEES
MALE GENERAL MEMBERS
PROBABILITY OF OCCURRENCE (INCLUDING ELIGIBILITY)

AGE NEAREST	ORDINARY WITHDRAWAL	VESTED WITHDRAWAL	ORDINARY DEATH	ORDINARY DISABILITY	SERVICE RETIRE	SERVICE DISABILITY	SERVICE DEATH	DWE SVC RET	DWE DIS RET
19	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	0.3210	0.0	0.0003	0.0	0.0	0.0	0.0	0.0	0.0
21	0.2860	0.0	0.0003	0.0	0.0	0.0	0.0	0.0	0.0
22	0.2710	0.0	0.0004	0.0	0.0	0.0	0.0	0.0	0.0
23	0.2500	0.0	0.0004	0.0	0.0	0.0	0.0	0.0	0.0
24	0.2310	0.0	0.0004	0.0	0.0	0.0	0.0	0.0	0.0
25	0.2140	0.0	0.0005	0.0001	0.0	0.0	0.0	0.0	0.0
26	0.1950	0.0	0.0005	0.0001	0.0	0.0	0.0	0.0	0.0
27	0.1790	0.0	0.0006	0.0001	0.0	0.0	0.0	0.0	0.0
28	0.1670	0.0	0.0006	0.0001	0.0	0.0	0.0	0.0	0.0
29	0.1520	0.0	0.0007	0.0002	0.0	0.0	0.0	0.0	0.0
30	0.1410	0.0	0.0007	0.0003	0.0	0.0	0.0	0.0	0.0
31	0.1290	0.0	0.0008	0.0003	0.0	0.0	0.0	0.0	0.0
32	0.1150	0.0	0.0009	0.0004	0.0	0.0	0.0	0.0	0.0
33	0.1090	0.0	0.0009	0.0005	0.0	0.0	0.0	0.0	0.0
34	0.0950	0.0	0.0010	0.0006	0.0	0.0	0.0	0.0	0.0
35	0.0910	0.0	0.0011	0.0007	0.0	0.0	0.0	0.0	0.0
36	0.0830	0.0	0.0012	0.0008	0.0	0.0	0.0	0.0	0.0
37	0.0760	0.0	0.0013	0.0009	0.0	0.0	0.0	0.0	0.0
38	0.0690	0.0	0.0015	0.0010	0.0	0.0	0.0	0.0	0.0
39	0.0640	0.0	0.0016	0.0011	0.0	0.0	0.0	0.0	0.0
40	0.0600	0.0	0.0018	0.0013	0.0	0.0	0.0	0.0	0.0
41	0.0560	0.0	0.0020	0.0014	0.0	0.0	0.0	0.0	0.0
42	0.0510	0.0	0.0021	0.0015	0.0	0.0	0.0	0.0	0.0
43	0.0460	0.0	0.0022	0.0017	0.0	0.0	0.0	0.0	0.0
44	0.0420	0.0	0.0024	0.0018	0.0	0.0	0.0	0.0	0.0
45	0.0400	0.0	0.0026	0.0020	0.0	0.0	0.0	0.0	0.0
46	0.0380	0.0	0.0029	0.0022	0.0	0.0	0.0	0.0	0.0
47	0.0360	0.0	0.0031	0.0024	0.0	0.0	0.0	0.0	0.0
48	0.0340	0.0	0.0033	0.0026	0.0	0.0	0.0	0.0	0.0
49	0.0330	0.0	0.0036	0.0028	0.0	0.0	0.0	0.0	0.0
50	0.0310	0.0	0.0041	0.0030	0.00030	0.0	0.0	0.0	0.0
51	0.0290	0.0	0.0044	0.0032	0.00070	0.0	0.0	0.0	0.0
52	0.0280	0.0	0.0048	0.0034	0.00110	0.0	0.0	0.0	0.0
53	0.0260	0.0	0.0054	0.0036	0.00160	0.0	0.0	0.0	0.0
54	0.0250	0.0	0.0059	0.0039	0.00210	0.0	0.0	0.0	0.0
55	0.0230	0.0	0.0040	0.0042	0.00300	0.0	0.0	0.0026	0.0
56	0.0210	0.0	0.0044	0.0044	0.00500	0.0	0.0	0.0030	0.0
57	0.0200	0.0	0.0047	0.0047	0.00700	0.0	0.0	0.0032	0.0
58	0.0190	0.0	0.0053	0.0050	0.00900	0.0	0.0	0.0036	0.0
59	0.0180	0.0	0.0055	0.0052	0.01000	0.0	0.0	0.0040	0.0
60	0.0170	0.0	0.0060	0.0055	0.01400	0.0	0.0	0.0044	0.0
61	0.0160	0.0	0.0074	0.0057	0.01250	0.0	0.0	0.0049	0.0
62	0.0100	0.0	0.0082	0.0061	0.01300	0.0	0.0	0.0054	0.0
63	0.0070	0.0	0.0090	0.0064	0.01500	0.0	0.0	0.0060	0.0
64	0.0070	0.0	0.0100	0.0067	0.01900	0.0	0.0	0.0066	0.0
65	0.0	0.0	0.0110	0.0	0.03000	0.0	0.0	0.0074	0.0
66	0.0	0.0	0.0122	0.0	0.02000	0.0	0.0	0.0081	0.0
67	0.0	0.0	0.0135	0.0	0.02000	0.0	0.0	0.0090	0.0
68	0.0	0.0	0.0140	0.0	0.02000	0.0	0.0	0.0097	0.0
69	0.0	0.0	0.0150	0.0	0.02500	0.0	0.0	0.0107	0.0
70	0.0	0.0	0.0	0.0	1.0000	0.0	0.0	0.0	0.0

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LOS ANGELES CITY EMPLOYEES
FEMALE GENERAL MEMBERS
PROBABILITY OF OCCURRENCE (INCLUDING ELIGIBILITY)

AGE NEAREST	ORDINARY WITHDRAW	MENTED WITHDRAW	ORDINARY DEATH	ORDINARY DISABILITY	SERVICE RETIRE	SERVICE DISABILITY	SERVICE DEATH	DWE SVC RET	DWE DIS RET
18	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	0.2110	0.0	0.0002	0.0	0.0	0.0	0.0	0.0	0.0
21	0.2040	0.0	0.0002	0.0	0.0	0.0	0.0	0.0	0.0
22	0.1970	0.0	0.0002	0.0	0.0	0.0	0.0	0.0	0.0
23	0.1900	0.0	0.0002	0.0	0.0	0.0	0.0	0.0	0.0
24	0.1830	0.0	0.0003	0.0	0.0	0.0	0.0	0.0	0.0
25	0.1760	0.0	0.0004	0.0	0.0	0.0	0.0	0.0	0.0
26	0.1690	0.0	0.0004	0.0	0.0	0.0	0.0	0.0	0.0
27	0.1620	0.0	0.0005	0.0	0.0	0.0	0.0	0.0	0.0
28	0.1550	0.0	0.0005	0.0	0.0	0.0	0.0	0.0	0.0
29	0.1480	0.0	0.0006	0.0	0.0	0.0	0.0	0.0	0.0
30	0.1410	0.0	0.0006	0.0001	0.0	0.0	0.0	0.0	0.0
31	0.1340	0.0	0.0007	0.0001	0.0	0.0	0.0	0.0	0.0
32	0.1300	0.0	0.0007	0.0001	0.0	0.0	0.0	0.0	0.0
33	0.1230	0.0	0.0007	0.0001	0.0	0.0	0.0	0.0	0.0
34	0.1160	0.0	0.0008	0.0001	0.0	0.0	0.0	0.0	0.0
35	0.1090	0.0	0.0008	0.0002	0.0	0.0	0.0	0.0	0.0
36	0.1000	0.0	0.0010	0.0002	0.0	0.0	0.0	0.0	0.0
37	0.0930	0.0	0.0010	0.0002	0.0	0.0	0.0	0.0	0.0
38	0.0860	0.0	0.0011	0.0003	0.0	0.0	0.0	0.0	0.0
39	0.0790	0.0	0.0012	0.0003	0.0	0.0	0.0	0.0	0.0
40	0.0710	0.0	0.0013	0.0004	0.0	0.0	0.0	0.0	0.0
41	0.0640	0.0	0.0014	0.0005	0.0	0.0	0.0	0.0	0.0
42	0.0570	0.0	0.0015	0.0005	0.0	0.0	0.0	0.0	0.0
43	0.0510	0.0	0.0015	0.0006	0.0	0.0	0.0	0.0	0.0
44	0.0450	0.0	0.0015	0.0010	0.0	0.0	0.0	0.0	0.0
45	0.0380	0.0	0.0017	0.0012	0.0	0.0	0.0	0.0	0.0
46	0.0320	0.0	0.0018	0.0014	0.0	0.0	0.0	0.0	0.0
47	0.0250	0.0	0.0019	0.0014	0.0	0.0	0.0	0.0	0.0
48	0.0180	0.0	0.0020	0.0016	0.0	0.0	0.0	0.0	0.0
49	0.0110	0.0	0.0021	0.0019	0.0	0.0	0.0	0.0	0.0
50	0.0040	0.0	0.0022	0.0020	0.0030	0.0	0.0	0.0	0.0
51	0.0000	0.0	0.0024	0.0024	0.0070	0.0	0.0	0.0	0.0
52	0.0300	0.0	0.0026	0.0028	0.0120	0.0	0.0	0.0	0.0
53	0.0350	0.0	0.0028	0.0032	0.0170	0.0	0.0	0.0	0.0
54	0.0330	0.0	0.0030	0.0036	0.0230	0.0	0.0	0.0	0.0
55	0.0310	0.0	0.0033	0.0040	0.0300	0.0	0.0	0.0	0.0
56	0.0290	0.0	0.0035	0.0040	0.0400	0.0	0.0	0.0	0.0
57	0.0270	0.0	0.0038	0.0040	0.0500	0.0	0.0	0.0	0.0
58	0.0250	0.0	0.0043	0.0040	0.0700	0.0	0.0	0.0	0.0
59	0.0230	0.0	0.0047	0.0040	0.0900	0.0	0.0	0.0	0.0
60	0.0220	0.0	0.0052	0.0	0.2500	0.0	0.0	0.0	0.0
61	0.0210	0.0	0.0057	0.0	0.1200	0.0	0.0	0.0	0.0
62	0.0200	0.0	0.0065	0.0	0.1500	0.0	0.0	0.0	0.0
63	0.0190	0.0	0.0073	0.0	0.1800	0.0	0.0	0.0	0.0
64	0.0170	0.0	0.0081	0.0	0.2100	0.0	0.0	0.0	0.0
65	0.0160	0.0	0.0091	0.0	0.2500	0.0	0.0	0.0	0.0
66	0.0150	0.0	0.0100	0.0	0.2000	0.0	0.0	0.0	0.0
67	0.0140	0.0	0.0121	0.0	0.2300	0.0	0.0	0.0	0.0
68	0.0130	0.0	0.0138	0.0	0.2700	0.0	0.0	0.0	0.0
69	0.0120	0.0	0.0155	0.0	0.3500	0.0	0.0	0.0	0.0
70	0.0110	0.0	0.0	0.0	1.0000	0.0	0.0	0.0	0.0

Los Angeles City Employees'
Retirement System

APPLICABLE TO MEMBERS COVERED UNDER "BETA" FORMULA

115% NORMAL CONTRIBUTION RATES

<u>Age</u>	<u>Normal Contribution Rate</u>	<u>Age</u>	<u>Normal Contribution Rate</u>
16	8.00%	40	10.19%
17	8.04	41	10.29
18	8.08	42	10.41
19	8.14	43	10.52
		44	10.64
20	8.20	45	10.76
21	8.27	46	10.89
22	8.34	47	11.01
23	8.42	48	11.12
24	8.50	49	11.24
25	8.58	50	11.34
26	8.66	51	11.44
27	8.75	52	11.55
28	8.86	53	11.65
29	8.96	54	11.75
30	9.06	55	11.85
31	9.17	56	11.94
32	9.28	57	12.03
33	9.40	58	12.11
34	9.50	59	12.19
35	9.61		
36	9.73		
37	9.84		
38	9.96		
39	10.07		

71 GAM
5-3/4%
3-1/2% S/S

Los Angeles City Employees'
Retirement System

APPLICABLE TO MEMBERS COVERED UNDER "BETA" FORMULA

115% NORMAL CONTRIBUTION RATES

<u>Age</u>	<u>Survivor Contribution Rate</u>	<u>Age</u>	<u>Survivor Contribution Rate</u>
16	.22%	40	.91%
17	.28	41	.92
18	.33	42	.93
19	.39	43	.94
		44	.95
20	.44	45	.97
21	.48	46	.98
22	.53	47	.99
23	.56	48	1.00
24	.60	49	1.01
25	.63	50	1.03
26	.66	51	1.05
27	.68	52	1.06
28	.70	53	1.07
29	.72	54	1.08
30	.75	55	1.09
31	.77	56	1.10
32	.79	57	1.12
33	.81	58	1.13
34	.82	59 and over	1.14
35	.83		
36	.85		
37	.86		
38	.87		
39	.90		

71 GAM
5-3/4%
3-1/2% S/S

Los Angeles City Employees'
Retirement System

APPLICABLE TO MEMBERS COVERED UNDER "BETA" FORMULA

115% NORMAL CONTRIBUTION RATES

Applicable Only to Employees Whose Normal and Survivor
Contribution Rates Are Assigned by the Same Age

<u>Age</u>	<u>Total Contribution Rate</u>	<u>Age</u>	<u>Total Contribution Rate</u>
		40	11.10%
16	8.22%	41	11.21
17	8.32	42	11.34
18	8.41	43	11.46
19	8.53	44	11.59
20	8.64	45	11.73
21	8.75	46	11.87
22	8.87	47	12.00
23	8.98	48	12.12
24	9.10	49	12.25
25	9.21	50	12.37
26	9.32	51	12.49
27	9.43	52	12.61
28	9.56	53	12.72
29	9.68	54	12.83
30	9.81	55	12.94
31	9.94	56	13.04
32	10.07	57	13.15
33	10.21	58	13.24
34	10.32	59	13.33
35	10.44		
36	10.58		
37	10.70		
38	10.83		
39	10.97		

71 GAM
5-3/4%
3-1/2% S/S

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

AGE/SERVICE DISTRIBUTION TOTAL MEMBERS

AGE *****	** SERVICE **												TOTAL *****	
	0-1 *****	1-2 *****	2-3 *****	3-4 *****	4-5 *****	5-9 *****	10-14 *****	15-19 *****	20-24 *****	25-29 *****	30-34 *****	35- *****		
15-19	*NO. *	31	16	1	0	0	0	0	0	0	0	0	0	48
	TOT. AMT	416111	210413	13306	0	0	0	0	0	0	0	0	0	639830
	AVE. AMT*	13423	13151	13306	0	0	0	0	0	0	0	0	0	13330
20-24	*NO. *	284	422	191	24	28	8	0	0	0	0	0	0	957
	TOT. AMT	4108269	6397783	3165626	364888	483864	131890	0	0	0	0	0	0	14652320
	AVE. AMT*	14466	15161	16574	15204	17281	16486	0	0	0	0	0	0	15311
25-29	*NO. *	308	513	362	105	229	486	20	0	0	0	0	0	2023
	TOT. AMT	5049827	9117682	6906364	2007440	4359879	9252155	388402	0	0	0	0	0	37081749
	AVE. AMT*	16396	17773	19078	19118	19039	19037	19420	0	0	0	0	0	18330
30-34	*NO. *	212	342	296	136	241	1011	613	8	0	0	0	0	2859
	TOT. AMT	3811758	6482860	6281818	2914647	5650219	22826099	13306479	170849	0	0	0	0	61444729
	AVE. AMT*	17980	18956	21222	21431	23445	22578	21707	21356	0	0	0	0	21492
35-39	*NO. *	118	208	198	75	173	717	944	263	16	0	0	0	2712
	TOT. AMT	2193374	4080343	4309074	1798412	3993678	18397080	24227137	6868047	359632	0	0	0	66226777
	AVE. AMT*	18588	19617	21763	23979	23085	25658	25664	26114	22477	0	0	0	24420
40-44	*NO. *	77	138	102	47	96	417	664	513	160	9	0	0	2223
	TOT. AMT	1441525	2627522	2099547	1067741	2228324	9929727	16457444	14049647	4318329	249433	0	0	54469239
	AVE. AMT*	18721	19040	20584	22718	23212	23812	24785	27387	26990	27715	0	0	24503
45-49	*NO. *	41	75	70	25	55	307	479	423	398	174	3	0	2050
	TOT. AMT	809565	1659600	1455236	608734	1257380	7312724	11159647	11018931	10780337	4664270	67009	0	50793433
	AVE. AMT*	19745	22128	20789	24349	22861	23820	23298	26049	27086	26806	22336	0	24777
50-54	*NO. *	40	55	56	21	51	242	378	340	476	359	87	3	2108
	TOT. AMT	744655	1118270	1211439	523016	1100308	5571648	8835645	8493947	13040287	9576288	2458333	79448	52753284
	AVE. AMT*	18616	20332	21633	24906	21575	23023	23375	24982	27396	26675	28257	26483	25025
55-59	*NO. *	29	34	39	23	55	225	350	289	334	333	290	46	2047
	TOT. AMT	685370	626705	879949	445409	1227020	5325494	8538740	7324487	8249594	9090383	8894251	1409333	52696735
	AVE. AMT*	23633	18433	22563	19366	22309	23669	24396	25344	24699	27298	30670	30638	25743
60-64	*NO. *	7	21	29	8	39	147	249	190	172	171	141	46	1220
	TOT. AMT	148387	502702	768701	238593	938672	3438446	5741806	4618400	4129848	4462157	4149780	1559460	30696952
	AVE. AMT*	21198	23938	26507	29824	24069	23391	23059	24307	24011	26094	29431	33901	25161
65-	*NO. *	4	7	4	5	7	64	94	85	60	34	33	17	414
	TOT. AMT	107521	109908	130508	83193	216544	1589874	2189548	2153755	1432121	801841	961472	491795	10268080
	AVE. AMT*	26880	15701	32627	16639	30935	24842	23293	25338	23869	23584	29136	28929	24802
TOTAL	*NO. *	1151	1831	1348	469	974	3624	3791	2111	1616	1080	554	112	18661
	TOT. AMT	19516362	32933788	27221568	10052073	21455888	83775137	90844848	54698063	42310148	28844372	16530845	354003643	1723128
	AVE. AMT*	16956	17987	20194	21433	22029	23117	23963	25911	26182	26708	29839	31607	23135

AVERAGE AGE * 42.2 * AVERAGE SERVICE * 10.8 *

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

DISTRIBUTION OF PENSIONERS BY YEAR OF RETIREMENT AND BY ATTAINED AGE AS OF 6/82

TOTAL OF ALL MEMBERS

ATTAINED AGE *****	PRE '62 ***	** YEAR OF RETIREMENT **																			TOTAL *****	AVG AMT *****		
		'62 ***	'63 ***	'64 ***	'65 ***	'66 ***	'67 ***	'68 ***	'69 ***	'70 ***	'71 ***	'72 ***	'73 ***	'74 ***	'75 ***	'76 ***	'77 ***	'78 ***	'79 ***	'80 ***			'81 ***	
0- 29 25	4	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	2	3	1	11	4071	
30- 34	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	1	0	4	9	6	2	24	5918	
35- 39	0	0	0	0	0	0	0	0	0	0	0	0	0	3	7	5	2	10	4	13	2	46	5927	
40- 44	0	0	0	0	0	0	1	0	1	2	3	4	3	4	6	4	11	14	16	6	4	79	5261	
45- 49	0	0	0	0	0	0	2	0	1	2	6	3	5	2	9	14	6	10	20	10	4	94	5589	
50- 54	0	1	0	0	1	1	2	0	0	1	8	9	5	7	13	17	19	20	13	20	14	151	6035	
55- 59	3	0	2	1	1	4	5	6	3	5	16	9	17	23	22	30	48	123	117	120	129	684	9468	
60- 64	8	1	4	3	0	8	12	9	10	12	15	33	33	56	89	124	182	238	197	208	198	1440	10415	
65- 69	61	14	21	6	29	18	33	35	56	47	69	70	112	104	184	213	177	192	161	128	117	1847	8819	
70- 74	35	10	30	16	38	37	65	58	59	63	80	97	148	113	136	126	101	68	45	33	34	1392	7406	
75- 79	119	34	53	36	61	71	69	71	54	49	67	78	102	46	56	30	7	4	2	1	1	1011	6504	
80- 84	149	34	52	27	60	35	42	56	21	21	29	12	3	0	0	1	0	1	0	1	0	544	6350	
85- 89	211	28	30	31	41	19	17	3	2	1	1	1	1	0	0	0	0	0	0	0	0	386	5047	
90- 94	87	4	3	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	96	4573	
95- 99	12	0	0	0	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	14	3771	
100-104	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
105-999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOT NUM	689	126	195	121	232	194	249	238	207	203	294	318	430	358	522	565	553	684	586	549	506	7819		
AVG AMT	4141	5320	4873	4501	5974	5471	5493	5859	5663	5805	6214	6330	8201	7881	9080	9985	9621	9918	10225	10175	11905			

* AVG AMT * 8039

* TOT.PEN. 62853040 *

Los Angeles City Employees'
Retirement System

SUMMARY OF MAJOR PLAN PROVISIONS

1. Membership Requirements

First of month following employment.

2. Final Monthly Compensation

Highest 12-month average salary.

3. Service Retirement

A. Eligibility

10 years of service and age 55, or 30 years of service any age, or age 70.

B. Allowance

"Beta" Formula - 2.16% of final monthly compensation for each year of service (reduced if retirement prior to age 60).

Prior Formula - 2% of final monthly compensation for each year of service (reduced if retirement prior to age 58-3/4).

C. Form of Payment

Monthly allowance payable for life with 50% continuance to eligible spouse. Larger continuance available as option with reduced allowance.

4. Disability Retirement

A. Eligibility

Five or more years of continuous service and physically or mentally incapacitated so unable to perform duties of position.

Los Angeles City Employees'
Retirement System

B. Allowance

1/70 of final monthly compensation for each year of continuous service.
If service is less than 23-1/3 years, then service is projected to retirement, with a maximum total service (actual plus projected) of 23-1/3 years.

C. Form of Payment

Monthly allowance payable for life, with 50% continuance to eligible surviving spouse if employee had that coverage at time of retirement.

5. Deferred Service Retirement

A. Eligibility

Terminate City service with five or more years of retirement credit, apply in writing within three years after termination, and agree to leave accumulated contributions on deposit.

Application required for retirement at any time after attaining age 55, provided at least 10 years have elapsed when employee first became a member, or at age 70 without any elapsed time requirement.

B. Allowance

Same as service retirement.

C. Form of Payment

Same as service retirement.

Los Angeles City Employees'
Retirement System

6. Death Prior to Retirement

A. Not Eligible to Retire

The sum of:

- i. accumulated contributions,
- ii. a monthly pension to the surviving spouse, minor children, or dependent parents of the deceased member, payable for a period equal to two months times the number of completed years of service credit to a maximum period of 12 months at the rate of 1/2 of the average monthly salary for the year prior to death, and
- iii. if deceased member was a qualified member of the Family Death Benefit Insurance Plan, such benefits as are payable under that Plan.

B. Eligibility for Disability Retirement or Duty-Related Death

The sum of the following:

- i. 60% of the allowance the member would have received if he had been granted a disability retirement allowance the day before he died, payable for the lifetime of the member's surviving spouse, and
- ii. if the deceased member was a qualified member of the Family Death Benefit Insurance Plan, such benefits as are payable under the Plan.

Los Angeles City Employees'
Retirement System

C. Eligible for Retirement

Surviving spouse receives a lifetime survivorship allowance based on an actuarially computed percentage of the retirement allowance the member would have been entitled to if he had been granted an Option 1 service retirement the day before he died. Benefits under the Family Death Benefit Insurance Plan, if any, are not payable. The surviving spouse may elect A or B in lieu of C.

7. Death After Retirement

- A. 50% continuance to surviving eligible spouse, if covered under the plan.
- B. Upon the death of both the member and surviving spouse, designated beneficiary receives any unused contributions which may remain (provided the normal cash refund annuity was selected) and any accrued but unpaid retirement allowance due at time of death.
- C. \$500 death benefit paid to designated beneficiary of deceased member for assumption of obligation to pay expense of burial.

8. Postretirement Cost-of-Living Benefits

As of each July 1, benefits being paid increased (proportionately if paid less than 12 months) by increase in Consumer Price Index (to a maximum of 3%). Increases in CPI above 3% are "banked" to apply in years when CPI increase is less than 3%.

Los Angeles City Employees'
Retirement System

9. Employee Contributions

For purposes of this valuation each member is assumed to contribute to the System at the rates specified previously in the Section. These rates were recommended in our 1977 valuation and adopted through union negotiations; they are being phased in and are assumed to be totally effective after June 30, 1981. To the extent that members contribute less than the full rates, the City should make compensating contributions as discussed in Section V. Contribution rates for members not covered by the BETA formula are 8% less than rates for members covered by the BETA formula.

10. Family Death Benefit Insurance Plan

A. Eligibility

Employee may elect coverage after 18 months of City retirement service credit.

B. Benefits

Benefits similar to those provided by Survivors' Insurance under Social Security payable if member dies in active service after 18 months of Plan membership.

C. Cost

Member and City share cost of Plan (currently \$5.14 per month contribution for each).