

**EL PASO COUNTY
RETIREMENT PLAN**

*Actuarial Valuation Report as of
January 1, 2008*

May 2008

Submitted By:
Buck Consultants, an ACS Company
1200 Seventeenth Street, Suite 1200
Denver, CO 80202

TABLE OF CONTENTS

Letter of Certification

Purpose and Highlights	i
Summary of Principal Valuation Results	ii
Effects of Changes	iii
Section 1 Funding Results	1
1.1 Comparative Summary of Principal Valuation Results	2
1.2 Actuarially Required Contribution	4
1.3 Actuarial Gain/(Loss)	5
1.4 Normal Cost and Unfunded Actuarial Accrued Liability	6
1.5 Present Value of Projected Plan Benefits.....	7
1.6 Ten-Year Projected Cash Flow	8
Section 2 Accounting Results	9
2.1 FAS No. 35 Information	10
2.2 GASB No. 25 Information	12
Section 3 Plan Assets	14
3.1 Summary of Assets	15
3.2 Reconciliation of Assets	16
3.3 Actuarial Value of Assets	17
3.4 Average Annual Rates of Investment Return	18
Section 4 Basis of Valuation	19
4.1 Plan Participants	20
4.2 Summary of Plan Provisions	24
4.3 Summary of Actuarial Methods, Procedures, and Assumptions	28



May 6, 2008

Board of Retirement
El Paso County Retirement Plan
105 E. Vermijo, Suite 200
Colorado Springs, CO 80903-2007

Certification of Actuarial Valuation

Ladies and Gentlemen:

This report summarizes the actuarial valuation results of the El Paso County Retirement Plan as of January 1, 2008 performed by Buck Consultants, an ACS company.

The actuarial valuation is based on audited financial and member data provided by the Retirement Plan Administrator and summarized in this report. The benefits considered are those delineated in the plan as amended and restated effective January 1, 2008.

All costs, liabilities and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures, using an actuarial cost method which we believe is reasonable. This report fully and fairly discloses the actuarial position of the plan.

In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the plan and reasonable expectations, and represent our best estimate of the anticipated experience under the plan. A summary of the actuarial assumptions and methods used in this actuarial valuation are shown in Section 4.3 beginning on page 28.

Both David H. Slishinsky and Douglas J. Fiddler are Enrolled Actuaries, Associates of the Society of Actuaries and Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. This report has been prepared in accordance with all applicable Actuarial Standards of Practice and David H. Slishinsky has primary responsibility for the report.

We are available to answer any questions on the material contained in this report, or to provide explanations to further details as may be appropriate.

Respectfully submitted,

BUCK CONSULTANTS, AN ACS COMPANY

David H. Slishinsky, A.S.A., E.A., M.A.A.A.
Principal & Consulting Actuary

Douglas J. Fiddler, A.S.A., E.A., M.A.A.A.
Senior Consultant, Actuary

PURPOSE AND HIGHLIGHTS

The main purposes of this report are:

1. To determine if the Board's funding policy for the Retirement Plan is being met considering current assets and the current employer and member contribution rates;
2. To review the current funded status of the plan; and
3. To compare actual and expected experience under the plan during 2007.

The 2008 actuarial valuation is based upon the plan provisions as of January 1, 2008; as described in Section 4.2. The actuarial methods and assumptions are described in Section 4.3.

Highlights from the current and prior valuations are:

1. A contribution rate of 6% of salary by both the participating employers and members in 2008 will not be sufficient to fund the normal cost and amortize the unfunded actuarial accrued liability over 30 years from the valuation date. The total actuarially required contribution necessary to fund the plan's benefits under the Board's funding policy for 2008 is 13.3% of salary.
2. The market value of assets was sufficient to provide for 111.3% of the actuarial present value of accumulated plan benefits as of January 1, 2008 as compared with 112.3% as of January 1, 2007.
3. Actuarial gains were experienced in 2007 from asset and liability sources, resulting in a net actuarial gain which decreased the unfunded actuarial accrued liability by \$12,006,594. The net gain from liability sources of \$1,466,652 was primarily due to gains caused by fewer retirements than anticipated, more terminations than anticipated and salary increases lower than expected. The rate of return on Actuarial Value of Assets of 12.1% in 2007 was higher than the 8% assumed investment return rate, resulting in the gain from asset sources of \$10,539,942.
4. A supplemental pension payment was approved by the Retirement Board to the greater of 2% or \$120 per year of the annual pensions payable in December 2007. The cost of this additional payment resulted in a decrease in plan assets of approximately \$324,014.

SUMMARY OF PRINCIPAL VALUATION RESULTS

A summary of principal valuation results from the current valuation and the prior valuation follows. Any changes in actuarial assumptions, methods or plan provisions between the two valuations are described in the section titled "Effects of Changes."

	Actuarial Valuation as of		Change Between Years	
	January 1, 2007	January 1, 2008	Amount	Percent
Summary of Costs				
Contribution Requirement	\$ 14,219,416	\$ 13,956,365	\$ (263,051)	(1.8%)
Estimated Contributions	\$ 12,388,772	\$ 12,595,916	\$ 207,144	1.7%
Contribution Requirement as a Percentage of Pay	13.8%	13.3%	(0.5%)	(3.6%)
GASB No. 25 Funded Status				
Actuarial Accrued Liability	\$ 293,358,174	\$ 312,549,096	\$ 19,190,922	6.5%
Actuarial Value of Assets	\$ 257,214,257	\$ 285,740,434	\$ 28,526,177	11.1%
Unfunded Actuarial Accrued Liability/(Surplus)	\$ 36,143,917	\$ 26,808,662	\$ (9,335,256)	(25.8%)
Market Value of Assets and Additional Liabilities				
Market Value of Assets	\$ 275,820,902	\$ 293,324,383	\$ 17,503,481	6.3%
Actuarial Present Value of Accumulated Plan Benefits (FAS No. 35)	\$ 245,631,691	\$ 263,511,136	\$ 17,879,445	7.3%
Present Value of Projected Plan Benefits	\$ 374,027,799	\$ 394,895,944	\$ 20,868,145	5.6%
Summary of Data				
Number of Participants in Valuation:				
Active Participants	2,356 ⁽¹⁾	2,348 ⁽²⁾	(8)	(0.3%)
Participants with Deferred Benefits	281	260	(21)	(7.5%)
Retired Participants	805	865	60	7.5%
Beneficiaries	54	65	11	20.4%
Total	3,496	3,538	42	1.2%
Active Participant Statistics				
Total Annual Compensation	\$ 103,472,551	\$ 105,339,461	\$ 1,866,910	1.8%
Average Compensation	\$ 44,265 ⁽³⁾	\$ 45,241 ⁽⁴⁾	\$ 976	2.2%
Average Age	44.3	44.3	0	0.0%
Average Service	8.0	7.9	(0.1)	(1.3%)

(1) Includes 20 members on leave of absence.

(2) Includes 24 members on leave of absence.

(3) Excludes 20 members on leave of absence.

(4) Excludes 24 members on leave of absence.

EFFECTS OF CHANGES

Changes in Actuarial Assumptions

There were no changes in the actuarial assumptions since the prior valuation.

Changes in Plan Provisions

There were no changes in the plan provisions since the prior valuation.

Changes in Actuarial Methods

There were no changes in actuarial methods since the prior valuation.

SECTION 1: FUNDING RESULTS

- Section 1.1** A comparative summary of valuation results.
- Section 1.2** The actuarially required contribution.
- Section 1.3** The actuarial gain/(loss) during the preceding year.
- Section 1.4** The normal cost and unfunded actuarial accrued liability as of the current and preceding valuation dates.
- Section 1.5** The present value of projected plan benefits.
- Section 1.6** A ten-year projection of benefit payments.

Comparative Summary of Principal Valuation Results

	Actuarial Valuation as of		Percent Change
	January 1, 2007	January 1, 2008	
A. Summary of Data			
1. Active Members			
a. Number ⁽¹⁾	2,356	2,348	(0.3%)
b. Annual Compensation	\$ 103,472,551	\$ 105,339,461	1.8%
c. Average Annual Compensation	\$ 44,265 ⁽³⁾	\$ 45,241 ⁽⁴⁾	2.2%
d. Average Age	44.3	44.3	0.0%
e. Average Service	8.0	7.9	(1.3%)
f. Accumulated Member Contributions			
i. With Interest	\$ 55,843,997	\$ 56,619,959	1.4%
ii. Without Interest	\$ 40,238,942	\$ 41,444,941	3.0%
2. Refund of Employee Contributions due			
a. Number	36	9	(75.0%)
b. Amount of Refunds Due	\$ 93,879	\$ 32,112	(65.8%)
3. Vested Terminated Members			
a. Number ⁽²⁾	245	251	2.4%
b. Annual Deferred Benefits	\$ 2,303,720	\$ 2,364,777	2.7%
c. Average Annual Deferred Benefit	\$ 9,403	\$ 9,421	0.2%
4. Retired Members			
a. Number	805	865	7.5%
b. Annual Retirement Benefits	\$ 11,437,061	\$ 12,834,880	12.2%
c. Average Annual Retirement Benefit	\$ 14,208	\$ 14,838	4.4%
5. Beneficiaries			
a. Number	54	65	20.4%
b. Annual Retirement Benefits	\$ 485,123	\$ 615,866	27.0%
c. Average Annual Retirement Benefit	\$ 8,984	\$ 9,475	5.5%
6. Total Members Included in Valuation	3,496	3,538	1.2%

⁽¹⁾ Includes 24 members on leave of absence in 2008 and 20 members on leave of absence in 2007.

⁽²⁾ Includes 14 deferred disableds in 2008 and 15 deferred disableds in 2007.

⁽³⁾ Excludes 20 members on leave of absence.

⁽⁴⁾ Excludes 24 members on leave of absence.

Section 1.1

Comparative Summary of Principal Valuation Results (continued)

	Actuarial Valuation as of		Percent Change
	January 1, 2007	January 1, 2008	
B. Summary of Assets, Liabilities and Funded Status			
1. Plan Assets on Valuation Date			
a. Actuarial Value	\$ 257,214,257	\$ 285,740,434	11.1%
b. Market Value	\$ 275,820,902	\$ 293,324,383	6.3%
2. Actuarial Accrued Liability (Valuation Basis)			
a. Funded Ratio - Actuarial Value	87.7%	91.4%	4.2%
b. Funded Ratio - Market Value	94.0%	93.8%	(0.2%)
3. Unfunded Actuarial Accrued Liability (Based on Actuarial Value of Assets)			
	\$ 36,143,917	\$ 26,808,662	25.8%
4. Present Value of Accumulated Benefits (FASB #35)			
a. Funded Ratio - Actuarial Value	104.7%	108.4%	3.5%
b. Funded Ratio - Market Value	112.3%	111.3%	(0.9%)
5. Present Value of Projected Benefits			
	\$ 374,027,799	\$ 394,895,944	5.6%

	Actuarial Valuation as of				Percent Change in Amount
	January 1, 2007		January 1, 2008		
	Amount	% of Covered Comp.	Amount	% of Covered Comp.	
C. Summary of Contribution Requirements					
1. Normal Cost Compensation	\$ 103,239,771	N/A	\$ 104,965,963	N/A	1.7%
2. Total Normal Cost Beginning of Year	\$ 11,572,327	11.2%	\$ 11,870,890	11.3%	2.6%
3. Amortization of Unfunded Actuarial Accrued Liability over 30 years from the valuation date	\$ 2,174,439	2.1%	\$ 1,612,825	1.5%	25.8%
4. Administrative Expenses	\$ 472,650	0.5%	\$ 472,650	0.5%	0.0%
5. Total Required Contribution (2. + 3. + 4.)	\$ 14,219,416	13.8%	\$ 13,956,365	13.3%	(1.8%)
6. Estimated Member Contribution ⁽¹⁾	\$ 6,194,386	6.0%	\$ 6,297,958	6.0%	1.7%
7. Required Employer Contribution (5. - 6.)	\$ 8,025,030	7.8%	\$ 7,658,407	7.3%	(4.6%)

⁽¹⁾ 6.0% of normal cost compensation for 2007 and 2008.

Section 1.2

Actuarially Required Contribution

The actuarially required contribution has been determined using the Entry Age Normal Actuarial Cost Method.

	January 1, 2007	January 1, 2008
1. Normal Cost	\$ 11,572,327	\$ 11,870,890
2. Amortization of Unfunded Actuarial Accrued Liability	\$ 2,174,439	\$ 1,612,825
3. Administrative Expenses	\$ 472,650	\$ 472,650
4. Total Required Contribution		
a. Amount (1. + 2. + 3.)	\$ 14,219,416	\$ 13,956,365
b. Percent of Normal Cost Payroll	13.8%	13.3%
5. Estimated Member Contribution ⁽¹⁾	\$ 6,194,386	\$ 6,297,958
6. Required Employer Contribution		
a. Amount (4.a. - 5.)	\$ 8,025,030	\$ 7,658,407
b. Percent of Normal Cost Payroll	7.8%	7.3%
7. Estimated Employer Contribution ⁽¹⁾	\$ 6,194,386	\$ 6,297,958
8. Amount of Total Contribution in Excess of Actuarially Required Contribution (7. - 6.a.)	\$ (1,830,644)	\$ (1,360,449)

⁽¹⁾ 6.0% of normal cost compensation for 2007 and 2008.

Section 1.3

Actuarial Gain/(Loss)

The actuarial gain/(loss) is comprised of both the liability gain/(loss) and the actuarial asset gain/(loss). Each of these represents the difference between the expected and actual values as of January 1, 2008.

1. Expected Actuarial Accrued Liability	
a. Actuarial Accrued Liability at January 1, 2007	\$ 293,358,174
b. Normal Cost and expected Administrative Expenses at January 1, 2007	12,044,977
c. Interest on a. + b. to End of Year	24,432,252
d. Benefit Payments and Administrative Expenses for Plan Year Ending December 31, 2007, with Interest to End of Year Excluding Supplemental Payment	15,819,655
e. Expected Actuarial Accrued Liability Before Changes (a. + b. + c. - d.)	314,015,748
f. Change in Actuarial Accrued Liability at January 1, 2008, Due to Change in Actuarial Assumptions	0
g. Change in Actuarial Accrued Liability at January 1, 2008, Due to Change in Plan Provisions	0
h. Expected Actuarial Accrued Liability at January 1, 2008 (e. + f. + g.)	\$ 314,015,748
2. Actuarial Accrued Liability at January 1, 2008	\$ 312,549,096
3. Liability Gain/(Loss) (1.h. - 2.)	\$ 1,466,652
4. Expected Actuarial Value of Assets	
a. Actuarial Value of Assets at January 1, 2007	\$ 257,214,257
b. Interest on a. to End of Year	20,577,141
c. Contributions Made for Plan Year Ending December 31, 2007	13,043,965
d. Interest on c. to End of Year	521,759
e. Benefit Payments and Administrative Expenses for Plan Year Ending December 31, 2007, with Interest to End of Year Excluding Supplemental Payment	15,819,655
f. Change in Actuarial Value of Assets at January 1, 2008 due to supplemental pension payment	336,975
g. Expected Actuarial Value of Assets at January 1, 2008 (a. + b. + c. + d. - e. - f.)	\$ 275,200,492
5. Actuarial Value of Assets as of January 1, 2008	\$ 285,740,434
6. Actuarial Asset Gain/(Loss) (5. - 4.g.)	\$ 10,539,942
7. Actuarial Gain/(Loss) (3. + 6.)	\$ 12,006,594

Normal Cost and Unfunded Actuarial Accrued Liability

A. Normal Cost

The components of normal cost under the Plan's funding method are:

Component	January 1, 2007	January 1, 2008
Retirement Benefits	\$ 7,427,161	\$ 7,659,431
Withdrawal Benefits	3,579,123	3,633,238
Disability Benefits	359,435	364,130
Death Benefits	206,608	214,091
Total Normal Cost	\$ 11,572,327	\$ 11,870,890

B. Unfunded Actuarial Accrued Liability

The actuarial accrued liability is the present value of projected plan benefits allocated to past service by the actuarial funding method being used. The unfunded actuarial accrued liability is the excess of the actuarial accrued liability over the actuarial value of assets.

Development of Actuarial Accrued Liability	January 1, 2007	January 1, 2008
1. Actuarial Accrued Liability		
a. Active Participants		
Retirement Benefits	\$ 152,510,848	\$ 154,981,435
Withdrawal Benefits	8,650,914	8,699,312
Disability Benefits	3,017,832	3,070,150
Death Benefits	1,973,803	2,063,323
Total	\$ 166,153,397	\$ 168,814,220
b. Participants with Deferred Benefits	8,348,167	9,008,966
c. Participants Receiving Benefits	118,856,610	134,725,910
d. Actuarial Accrued Liability (a. + b. + c.)	\$ 293,358,174	\$ 312,549,096
2. Actuarial Value of Assets	\$ 257,214,257	\$ 285,740,434
3. Unfunded Actuarial Accrued Liability (1.d.-2., not less than \$0)	\$ 36,143,916	\$ 26,808,662

Present Value of Projected Plan Benefits

The present value of projected benefits is the value of plan benefits using future earnings and service.

Present Value of Projected Benefits	January 1, 2007	January 1, 2008
1. Active Participants		
Retirement Benefits	\$ 205,327,782	\$ 209,132,232
Withdrawal Benefits	32,464,523 ⁽¹⁾	32,793,138
Disability Benefits	5,592,147 ⁽¹⁾	5,667,013
Death Benefits	3,438,570 ⁽¹⁾	3,568,685
Total	\$ 246,823,022	\$ 251,161,068
2. Participants with Deferred Benefits	8,348,167	9,008,966
3. Participants Receiving Benefits	118,856,610	134,725,910
4. Present Value of Projected Plan Benefits (1. + 2. + 3.)	\$ 374,027,799	\$ 394,895,944

(1) Allocation of present value by benefit has been revised to show values based on original cause of decrements. The total present value for active participants has not changed.

Section 1.6

Ten-Year Projected Cash Flow (Retirement Benefit Payments)

January 1, 2008			
Plan Year Ending	Actives	Retirees ⁽¹⁾	Total
12/31/2008	\$ 1,570,311	\$ 13,399,107	\$ 14,969,418
12/31/2009	3,195,791	13,291,377	16,487,168
12/31/2010	4,733,355	13,177,819	17,911,174
12/31/2011	6,272,781	13,037,129	19,309,910
12/31/2012	7,925,501	12,890,953	20,816,454
12/31/2013	\$ 9,881,999	\$ 12,768,817	\$ 22,650,816
12/31/2014	12,059,216	12,613,110	24,672,326
12/31/2015	14,302,558	12,467,633	26,770,191
12/31/2016	16,704,481	12,345,295	29,049,776
12/31/2017	19,238,915	12,230,776	31,469,691

⁽¹⁾ Includes Disabled Members, Beneficiaries, and Deferred Vested Members.

History of Refunds	
Year	Refund Amount
1993	\$ 633,773
1994	544,504
1995	976,233
1996	1,003,922
1997	1,037,519
1998	1,132,847
1999	1,292,444
2000	1,407,960
2001	1,597,686
2002	998,709
2003	1,414,807
2004	1,634,848
2005	1,755,564
2006	1,545,738
2007	1,841,048

SECTION 2: ACCOUNTING RESULTS

Section 2.1 Information pertaining to the actuarial present value of accumulated plan benefits as required under FAS No. 35.

Section 2.2 Items required under GASB No. 25.

Section 2.1

FAS No. 35 Information

A. Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of vested and nonvested accumulated plan benefits was computed on an ongoing plan basis in order to provide required information under Financial Accounting Standards Board Statement No. 35. In this calculation, a determination is made of all benefits earned by current participants as of the valuation date; the actuarial present value is then computed using demographic assumptions and an assumed interest rate. Assumptions regarding future salary and Social Security increases and accrual of future benefit service are not necessary for this purpose.

Accumulated Plan Benefits	January 1, 2007	January 1, 2008
Vested Benefits		
• Active Participants	\$ 105,398,825	\$ 106,864,777
• Participants with Deferred Benefits	8,348,167	9,008,966
• Participants Receiving Benefits	118,856,610	134,725,910
Total Vested Benefits	\$ 232,603,602	\$ 250,599,653
Nonvested Benefits	13,028,089	12,911,483
Total Accumulated Plan Benefits	\$ 245,631,691	\$ 263,511,136
Assumed Rate of Interest	8.00%	8.00%
Market Value of Assets Available for Benefits	\$ 275,820,902	\$ 293,324,383
Funded Ratio	112.3%	111.3%
Change in Accumulated Plan Benefits Due to:		
• Assumption Changes	\$ 16,811,543	\$ 0
• Plan Provision Changes	\$ 0	\$ 0
Number of Members		
Vested Members		
• Active Participants	1,255	1,239
• Participants with Deferred Benefits	281 ⁽¹⁾	260 ⁽²⁾
• Participants Receiving Benefits	859	930 ⁽³⁾
Total Vested Members	2,395	2,429
Nonvested Members	1,101	1,109
Total Members	3,496	3,538

(1) Includes 36 former members due a refund of contributions.

(2) Includes 9 former members due a refund of contributions.

(3) Includes one QDRO recipient.

B. Statement of Changes in Accumulated Plan Benefits

A statement of changes in the actuarial present value of accumulated plan benefits (FAS No. 35 basis) follows. This statement shows the effect of certain events on the actuarial present value shown on the previous page.

Actuarial Present Value of Accumulated Plan Benefits as of January 1, 2007	\$ 245,631,691
Increase/(Decrease) During Year Attributable to:	
• Normal Cost	\$ 12,401,149
• Benefits Paid	(15,213,130)
• Increase for interest due to decrease in discount period	20,045,809
• Plan Amendments	0
• Assumption Changes	0
• (Gains)/Losses	645,617 ⁽¹⁾
Net Increase/(Decrease)	\$ 17,879,445
Actuarial Present Value of Accumulated Plan Benefits as of January 1, 2008	\$ 263,511,136

⁽¹⁾ Includes approximately \$511,202 increase in liability due to purchases of service.

The benefits valued include all benefits -- retirement, preretirement death and vested termination -- payable from the Plan for employee service prior to the valuation date. Benefits are assumed to accrue/(accumulate) in accordance with the plan provisions.

GASB No. 25 Information

Supplementary Schedules

The GASB has issued a statement; Financial Reporting for Defined Benefit and Note Disclosures for Defined Contribution Plans (GASB Statement No. 25). This standard became effective for periods beginning after June 15, 1996, and requires funding status to be measured based upon the actuarial funding method adopted by the El Paso County Board of Retirement. The method adopted is the Entry Age Normal Cost Method. The target value of assets is equal to the Actuarial Accrued Liability (AAL). The Actuarial Value of Assets was determined using techniques that smooth the effects of short-term volatility in the Market Value of investments over a five-year period. The actual value of assets is the Market Value.

A. Schedule of Funding Progress

The GASB Statement No. 25 liabilities and assets resulting from the last nine actuarial valuations are as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
01/01/2000	\$ 164,150,523	\$ 155,629,902	\$ (8,520,621)	105.5%	\$ 76,887,185	0.0%
01/01/2001	\$ 182,231,496	\$ 173,320,947	\$ (8,910,550)	105.1%	\$ 80,468,981	0.0%
01/01/2002	\$ 194,589,207	\$ 193,721,675	\$ (867,532)	100.4%	\$ 85,260,314	0.0%
01/01/2003	\$ 192,439,607	\$ 212,239,372	\$ 19,799,765	90.7%	\$ 89,629,062	22.1%
01/01/2004	\$ 207,538,410	\$ 230,926,211	\$ 23,387,801	89.9%	\$ 91,978,099	25.4%
01/01/2005	\$ 219,697,172	\$ 249,693,945	\$ 29,996,773	88.0%	\$ 92,757,865	32.3%
01/01/2006	\$ 234,660,873	\$ 270,180,072	\$ 35,519,199	86.9%	\$ 98,915,975	35.9%
01/01/2007	\$ 257,214,257	\$ 293,358,174	\$ 36,143,917	87.7%	\$ 103,402,651	35.0%
01/01/2008	\$ 285,740,434	\$ 312,549,096	\$ 26,808,662	91.4%	\$ 105,140,088	25.5%

B. Schedule of Employer Contributions

The GASB Statement No. 25 required contributions and actual percentages contributed over the last eight years are as follows:

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contribution ⁽¹⁾	Percentage Contributed
2000	\$ 3,982,444	116.3%
2001	\$ 4,336,783	112.9%
2002	\$ 4,225,002	125.5%
2003	\$ 5,587,954	98.9%
2004	\$ 5,936,214	92.5%
2005	\$ 6,393,770	89.1%
2006	\$ 7,069,066	87.1%
2007	\$ 8,025,030	78.2%

⁽¹⁾ Beginning of year.

C. Actuarial Assumptions, Method and Additional Information

Valuation Date	January 1, 2008
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent Open
Remaining amortization period	30 years
Asset valuation method	Five-year smoothed market
Actuarial assumptions:	
Investment rate of return*	8.0%
Projected salary increases*	4.5 – 11.6%
*Includes inflation at	3.5%
Cost-of-living adjustments	None

SECTION 3: PLAN ASSETS

This section presents information regarding plan assets as reported by the plan administrator or the auditor. The plan assets represent the portion of total plan liabilities which has been funded as of the valuation date.

Section 3.1 Summary of Market Value of Assets.

Section 3.2 Reconciliation of Assets.

Section 3.3 Actuarial Value of Plan Assets as of January 1, 2008.

Section 3.4 Average Annual Rates of Investment Return.

Section 3.1

Summary of Assets

Asset Category	Market Value as of December 31, 2006		Market Value as of December 31, 2007	
	Amount	%	Amount	%
1. Cash and Short-Term Investments				
a. Cash in Bank	\$ 2,092,891	0.7%	\$ 2,250,789	0.8%
b. Cash – Money Manager	3,477,483	1.3	1,598,881	0.5
c. Total	\$ 5,570,374	2.0	\$ 3,849,670	1.3
2. Receivables				
a. Interest and Dividends	\$ 539,447	0.2	\$ 547,290	0.2
b. Investments Sold	398,219	0.2	14,398,962	4.9
c. Other Receivables	116,914	0.0	79,645	0.0
d. Total	\$ 1,054,580	0.4	\$ 15,025,897	5.1
3. Investments at Fair Value				
a. U.S. Treasury Notes	\$ 10,447,537	3.8	\$ 6,218,864	2.1
b. Bonds	53,439,452	19.4	53,490,483	18.2
c. Equity Stock	113,108,581	41.1	111,139,841	37.9
d. Foreign Equity	66,191,160	24.0	72,778,783	24.8
e. Real Estate	26,998,277	9.8	32,426,655	11.1
f. Notes Receivable	0	0.0	0	0.0
g. Total	\$ 270,185,007	98.0	\$ 276,054,626	94.1
4. Fixed Assets	\$ 84,690	0.0	\$ 208,084	0.1
5. Total Assets	\$ 276,894,651	100.4	\$ 295,138,277	100.6
6. Liabilities				
a. Payable for Investments Purchased	\$ 677,493	0.2	\$ 1,509,778	0.5
b. Accounts Payable and Accrued Liabilities	396,256	0.2	304,115	0.1
c. Total	\$ 1,073,749	0.4	\$ 1,813,893	0.6
7. Net Assets for Pension Benefits [5. – 6.c.]	\$ 275,820,902	100.0	\$ 293,324,384	100.0

Section 3.2

Reconciliation of Assets

Transactions	2006 Plan Year	2007 Plan Year
Additions		
1. Contributions		
a. Contributions from Employers	\$ 6,155,876	\$ 6,276,030
b. Contributions from Plan Members	6,866,369	6,767,935
c. Total	\$ 13,022,244	\$ 13,043,965
2. Net Investment Income		
a. Interest and Dividends	\$ 4,590,638	\$ 8,005,467
b. Net Appreciation(Depreciation)	31,346,373	12,542,544
c. Rental Income	1,372,257	1,076,567
d. Net Securities Lending Income	47,773	85,215
e. Miscellaneous	19,658	15,088
f. Total	\$ 37,376,699	\$ 21,724,881
g. Investment Expense	\$ (1,696,196)	\$ (1,730,143)
h. Net Investment Income	\$ 35,680,503	\$ 19,994,738
3. Total Additions	\$ 48,702,748	\$ 33,038,703
Deductions		
4. Benefits and Expenses		
a. Retirement Benefits	\$ 11,187,026	\$ 12,566,745
b. Refund of Contributions	1,545,739	1,841,048
c. Death	541,881	481,323
d. Supplemental Payment	N/A	324,014
e. Administrative Expenses	340,454	322,091
5. Total Deductions	\$ 13,615,100	\$ 15,535,221
6. Net Increase	\$ 35,087,648	\$ 17,503,482
7. Net Assets Held in Trust for Pension Benefits		
a. Beginning of Year	\$ 240,733,254	\$ 275,820,902
b. End of Year	\$ 275,820,902	\$ 293,324,384

Section 3.3

Actuarial Value of Assets

Schedule of Asset Gains/(Losses)				
Year Ending December 31	Original Amount	Recognized in Prior Years	Recognized This Year	Recognized in Future Years
2003	29,558,966	23,647,172	5,911,794	0
2004	5,979,397	3,587,637	1,195,880	1,195,880
2005	(4,755,592)	(1,902,236)	(951,118)	(1,902,238)
2006	16,445,557	3,289,111	3,289,111	9,867,335
2007	(1,971,286)	0	(394,257)	(1,577,029)
Total	\$ 45,257,043	\$ 28,621,684	\$ 9,051,410	\$ 7,583,949

Development of Actuarial Value of Assets	
1. Initial Actuarial Value as of January 1, 2007	\$ 257,214,257
2. Contributions	
a. Employers	\$ 6,276,030
b. Members	6,767,935
c. Total (a. + b.)	\$ 13,043,965
3. Decreases during Year	
a. Benefit Payments	\$ 13,048,068
b. Return of Member Contributions	1,841,048
c. Supplemental Payment	324,014
d. Non-investment Expenses	322,091
e. Total (a. + b. + c. + d. + e.)	\$ 15,535,221
4. Expected Return at 8.0% on:	
a. Actuarial Value of Assets as of January 1, 2007	\$ 20,577,141
b. Item 2 (one-half year)	521,759
c. Item 3 (one-half year)	621,409
d. Item 6	1,488,532
e. Total (a. + b. - c. + d.)	\$ 21,966,023
5. Expected Actuarial Value of Assets December 31, 2007 (1. + 2. - 3. + 4.)	\$ 276,689,024
6. Unrecognized Asset Gain as of December 31, 2007	18,606,644
7. Expected Actuarial Value December 31, 2007, plus Previous Year's Unrecognized Asset Gain (5. + 6.)	\$ 295,295,668
8. Market Value December 31, 2007	\$ 293,324,384
9. 2007 Asset Gain/(Loss) (8. - 7.)	\$ (1,971,284)
10. Asset Gain/(Loss) to be Recognized as of December 31, 2007	\$ 9,051,410
11. Initial Actuarial Value January 1, 2008 (5. + 10.)	\$ 285,740,434
12. Constraining Values:	
a. 80% of Market Value (8. x .8)	\$ 234,659,507
b. 120% of Market Value (8. x 1.2)	\$ 351,989,260
13. Actuarial Value January 1, 2008 (11.), but not less than (12a.), nor greater than (12b.)	\$ 285,740,434

Average Annual Rates of Investment Return

Year Ending December 31	Actuarial Value		Market Value	
	Annual	Cumulative	Annual	Cumulative
1995	11.2%	11.2%	21.4%	21.4%
1996	12.0%	11.6%	16.4%	18.9%
1997	12.4%	11.9%	16.5%	18.1%
1998	14.0%	12.4%	11.4%	16.4%
1999	13.7%*	12.7%	4.8%	14.0%
2000	9.5%	12.1%	0.8%	11.7%
2001	5.7%	11.2%	(2.5%)	9.5%
2002	(2.4%)	9.4%	(8.0%)	7.2%
2003	3.0%	8.7%	26.3%	9.1%
2004	5.7%	8.4%	10.9%	9.3%
2005	6.9%	8.2%	5.9%	9.0%
2006	9.9%	8.4%	14.8%	9.5%
2007	12.1%	8.6%	7.3%	9.3%

* Includes change in Asset valuation method.

SECTION 4: BASIS OF VALUATION

This section presents and describes the basis of the valuation. The census of participants, actuarial basis and provisions of the Plan are the foundation of the valuation, since these are the present facts on which the projection of benefit payments will depend. The valuation is based on the premise that the Plan will continue in existence.

Section 4.1 The participant data used for the actuarial valuation.

Section 4.2 The plan provisions valued in the actuarial valuation.

Section 4.3 The actuarial funding method, procedures and actuarial assumptions.

Section 4.1

Plan Participants

A. Participant Data Reconciliation

	Active Members	Inactive Members ⁽¹⁾			Total	
		With Deferred Benefits	Retired Members	Disabled Members		Bene- ficiaries
As of January 1, 2007	2,356	245	797	8⁽²⁾	54	3,460
Age Retirements	(77)	(11)	85	3	0	0
Disability Retirements	0	0	0	0	0	0
Deaths Without Beneficiary	(4)	0	(17)	0	(2)	(23)
Deaths With Beneficiary	(1)	0	(11)	0	13 ⁽³⁾	1
Nonvested Terminations	(3)	0	0	0	0	(3)
Vested Terminations	(31)	31	0	0	0	0
Rehires	2	(2)	0	0	0	0
Cashouts	(238)	(12)	0	0	0	(250)
Expiration of Benefits	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Transfers In	0	0	0	0	0	0
Net Change	(352)	6	57	3	11	(275)
New Entrants During the Year	344	0	0	0	0	344
As of January 1, 2008	2,348	251	854	11	65	3,529

⁽¹⁾ Excludes nonvested terminated members who are due a refund of member contributions as of the valuation date.

⁽²⁾ Included in Retired Member count in January 1, 2007 report.

⁽³⁾ Includes one new QDRO.

Section 4.1

B. Count of Active Members

Age ⁽¹⁾	Years of Service ⁽²⁾								Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	Over 35	
Under 20	2	0	0	0	0	0	0	0	2
20-24	78	0	0	0	0	0	0	0	78
25-29	188	21	0	0	0	0	0	0	209
30-34	159	66	6	0	0	0	0	0	231
35-39	174	68	51	8	0	0	0	0	301
40-44	149	68	49	43	19	1	0	0	329
45-49	128	88	65	55	46	13	0	0	395
50-54	111	73	66	48	45	10	3	0	356
55-59	70	59	44	48	27	9	14	0	271
60-64	28	32	17	30	11	3	5	0	126
65-69	4	4	5	7	1	1	0	0	22
Over 70	0	0	1	0	0	3	0	0	4
Total	1,091	479	304	239	149	40	22	0	2,324

C. Average Compensation

Age ⁽¹⁾	Years of Service ⁽²⁾								Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	Over 35	
Under 20	29,639	0	0	0	0	0	0	0	29,639
20-24	32,466	0	0	0	0	0	0	0	32,466
25-29	39,496	46,699	0	0	0	0	0	0	40,220
30-34	41,607	49,101	53,524	0	0	0	0	0	44,057
35-39	38,999	48,640	54,545	48,085	0	0	0	0	44,053
40-44	40,494	47,665	50,396	54,646	56,225	56,489	0	0	46,258
45-49	39,658	47,139	49,321	52,609	56,328	55,217	0	0	47,172
50-54	40,205	46,338	47,799	51,890	57,381	56,142	44,085	0	47,097
55-59	44,751	42,969	48,939	49,209	54,034	58,334	67,943	0	48,407
60-64	33,830	45,826	39,326	50,771	49,267	82,956	72,374	0	45,699
65-69	43,116	38,792	56,122	45,988	43,420	63,279	0	0	47,130
Over 70	0	0	36,741	0	0	45,795	0	0	43,531
Total	39,636	46,885	49,580	51,572	55,609	57,756	65,697	0	45,241

(1) Attained age last birthday.

(2) Attained service last hire date. Excludes 24 members on leave of absence.

D. Inactive Members - Annual Benefits

Attained Age	Members With Deferred Benefits ⁽¹⁾		Retired Members ⁽²⁾		Beneficiaries	
	No.	Benefit	No.	Benefit	No.	Benefit
Under 50	152	\$ 1,396,124	8	\$ 248,379	8	\$ 79,927
50 - 54	68	727,021	44	1,333,823	0	0
55 - 59	22	183,702	146	2,841,462	3	15,079
60 - 64	9	57,931	201	2,931,794	11	130,563
65 - 69	0	0	158	2,162,997	10	116,380
70 - 74	0	0	128	1,569,471	9	85,690
75 - 79	0	0	90	992,602	15	143,769
80 - 84	0	0	60	510,909	5	23,079
Over 84	0	0	30	243,443	4	32,458
Total	251	\$ 2,364,777	865	\$ 12,834,880	65	\$ 626,945

(1) Includes 14 deferred disabled participants.

(2) Includes 11 disabled participants.

Section 4.1

E. Participant Statistics

Inactive Participants as of January 1, 2008	No.	Amount of Annual Benefit
Participants Receiving Benefits		
• Retired	865	\$ 12,834,880
• Beneficiaries	65	626,945
Total	930	\$ 13,461,825
Participants with Deferred Benefits		
• Vested Terminated	237	\$ 2,209,285
• Beneficiaries	0	0
• Disabled	14	155,492
Total	251	\$ 2,364,777

Statistics for Active Participants	No.	Average		
		Age	Service ⁽¹⁾	Earnings
As of January 1, 2007				
• Continuing	1,955	45.7	9.4	\$ 45,832
• New ⁽²⁾	381	37.0	0.7	36,225
Total	2,336	44.3	8.0	\$ 44,265
As of January 1, 2008				
• Continuing	1,972	45.5	9.3	\$ 46,991
• New ⁽²⁾	352	37.5	0.7	35,436
Total	2,324	44.3	7.9	\$ 45,241

⁽¹⁾ Service since date of hire.

⁽²⁾ Includes rehires.

Summary of Plan Provisions ***El Paso County Retirement Plan***

Effective Date and Plan Year

Originally effective September 1, 1967; the plan was last amended and restated effective January 1, 2008. The plan year is January 1, through December 31.

Administration

The plan is administered by the El Paso County Board of Retirement which consists of five voting members including the Treasurer of El Paso County, two non-elected employees of participating employers, and two registered electors of El Paso County appointed by the Board of County Commissioners.

Type of Plan

A self-administered defined benefit pension plan.

Employers Included

El Paso County, Colorado, El Paso County Health Department, Pikes Peak Library District, Office of the 4th Judicial District, El Paso County Board of Retirement.

Employees Included

A Covered Employee is any elected or appointed officer or any person employed by the employer who is defined as a full-time employee or a job-share employee by the employer. A Covered Employee participates in the plan on the first date of employment.

Service

Credited Service

Credited Service is the sum of Past Service, Membership Service and Purchased Service and is used in determining the amount of pension benefits and benefit eligibility. Past Service and Membership Service are periods of employment before and after September 1, 1967, respectively, and are measured in years and fractions thereof. Past Service is limited to five years, and Purchased Service is also limited to 5 years and is subject to additional conditions.

Compensation

Total regular compensation excluding bonuses, extra pay, overtime, etc., but including any deferred compensation. The amount of compensation for plan purposes for any participant, who first became a participant on or after January 1, 1996, is limited in any year to a maximum of \$220,000 (as indexed).

Final Average Monthly Compensation

The average compensation of the highest paid 36 consecutive calendar months within the last 120 calendar months of Credited Service.

County Contributions

The County will contribute an amount that along with participant contributions will be sufficient to provide benefits provided by the plan and pay all administrative expenses of the plan. Such County contributions must at least match participant contributions.

Participant Contributions

Effective January 1, 1986, participants are required to make monthly contributions equal to 6% of earnings. The rate of interest credited on participant contributions after July 1, 2005 is 3% per year compounded annually, or such other rate as established by the Retirement Board.

Normal Form of Benefit

The Normal Form of Benefit provided by the plan is a 10-year certain and life annuity payable monthly.

Accrued Benefit

The benefit determined as for normal retirement payable at the member's normal retirement date considering current earnings and service.

Normal Retirement Benefit

Normal retirement date is the first of the month on or after attainment of age 62. The monthly benefit payable at normal retirement is equal to 2.22% times final average monthly compensation, times years of Credited Service. But such benefit will not be greater than 75% of the participant's final average monthly compensation and not less than \$25.00 per year of Credited Service.

Late Retirement Benefit

The benefit is equal to the Normal Retirement Benefit, recognizing Credited Service and increased compensation to postponed retirement date.

Special Early Retirement Benefit

An active participant may elect to retire with a special early benefit if the sum of his age and years of employment equals at least 75 upon termination of employment. The benefit will be equal to his accrued benefit unreduced for early payment.

Regular Early Retirement Benefit

An active or vested terminated participant who has five or more years of Credited Service may elect to retire on the first of any month after the attainment of age 55. The benefit will be equal to his accrued benefit reduced by .25% per month for each month by which his early retirement date precedes age 62.

Terminated Vested Benefit

A participant who terminates employment with five or more years of Credited Service before he is eligible to receive immediate retirement benefits may elect to receive either his accumulated contributions, in lieu of all other benefits, or his vested accrued benefit payable at his normal retirement date. The participant may also elect to receive a reduced benefit at an earlier commencement date.

A participant who terminates employment before becoming vested is entitled to a refund of his accumulated contributions with interest.

Disability Benefit

An active participant who becomes permanently and totally disabled under their employer's long-term disability insurance program, or Social Security disability, is entitled to receive a benefit payable at his normal retirement date. This benefit is based on his average monthly compensation for the calendar year prior to the calendar year in which disablement occurred and the Credited Service he would have accumulated to such retirement date. Payments will be made for ten years certain and life thereafter.

Death Benefit

Death of a Participant Prior to Benefit Commencement

In the event a Participant, either actively accruing service, disabled or terminated vested, dies before payments commence, the following benefits shall be paid:

If such Participant is not married at his death, there shall be paid the Beneficiary two times the Participant's accumulated contributions at the date of death.

If such Participant is married at his death, one of the following death benefits shall be payable to his spouse, at her sole option:

Two times the Participant's accumulated contributions at the date of death; or

A monthly benefit, payable for life, in an amount equal to 60% of the Participant's Accrued Benefit on his date of death, reduced if the spouse is more than five years younger than the participant. Such death benefit shall commence on the first day of the month coincident with or following the later of the date the Participant would have attained age 55 or date of death. If the member dies while in active service, on or after attainment of age 62 or attaining eligibility under the special early retirement provision, if earlier, the surviving spouse is eligible to receive a monthly benefit payable for life as if the member retired the day before death and elected the 100% joint and survivor annuity.

Death After Retirement

A lump sum death benefit of \$3,000 is payable to the participant's designated beneficiary. In addition, applicable benefits will be paid if the Participant has elected an option providing for payments to a beneficiary, or has elected the normal form of benefit and dies prior to having received benefits for 120 months, or prior to having received benefits equal to his total accumulated contributions as of the date of his retirement.

Optional Retirement Benefits

In lieu of the Normal Form of Benefit (10-year certain and life), a Participant may elect to receive an adjusted amount, payable for life only, or an amount payable as a 100% or 50% joint and survivor benefit. 100% and 50% joint and survivor benefits with benefits increases if beneficiary dies first are also available options.

Summary of Actuarial Methods, Procedures and Assumptions

A. Entry Age Actuarial Cost Method

Liabilities and contributions shown in this report are computed using the **Entry Age** actuarial method of funding.

Sometimes called a “funding method,” this is a particular technique used by actuaries for establishing the amount and incidence of the annual actuarial cost of pension plan benefits, or normal cost, and the related unfunded actuarial accrued liability. Ordinarily the annual contribution to the plan is comprised of (1) the normal cost and (2) an amortization payment on the unfunded actuarial accrued liability.

Under the Entry Age Actuarial Cost Method, the **Normal Cost** is computed as the level percentage of pay which, if paid from the earliest time each Member would have been eligible to join the plan if it then existed (thus, entry age) until his retirement or termination, would accumulate with interest at the rate assumed in the valuation to a fund sufficient to pay all benefits under the plan.

The normal cost for the Plan is determined by summing individual results for each active Member and determining an average normal cost rate by dividing the summed individual normal costs by the total payroll of Members before assumed retirement age.

The **Actuarial Accrued Liability** under this method at any point in time is the theoretical amount of the fund that would have accumulated had annual contributions equal to the normal cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date.) The **Unfunded Actuarial Accrued Liability** is the excess of the actuarial accrued liability over the actuarial value of plan assets actually on hand on the valuation date.

Under this method experience gains or losses, i.e. decreases or increases in accrued liabilities attributable to deviations in experience from the actuarial assumptions, adjust the unfunded actuarial accrued liability.

B. Asset Valuation Method

The actuarial value of assets is based on a five-year moving average of expected and market values determined as follows:

- at the beginning of each plan year, a preliminary expected actuarial asset value is calculated as the sum of the previous year’s actuarial value increased with a year’s interest at the plan valuation rate, plus net cash flow (including investment expenses) adjusted for interest (at the same rate) to the end of the previous plan year, plus interest (at the same rate) on the prior year’s unrecognized asset bases to the end of the previous plan year;
- the expected actuarial asset value is set equal to the preliminary expected actuarial value plus the unrecognized investment gains and losses as of the end of the previous plan year;
- the difference between the expected actuarial asset value and the market value is the investment gain or loss for the previous plan year;
- the final actuarial asset value is the preliminary value plus 20% of the investment gains and losses for each of the five previous plan years, but in no case more than 120% of the market value or less than 80% of the market value,

C. Valuation Procedures

No actuarial liability is included for members who terminated nonvested prior to the valuation date, except those due a refund of contributions.

The compensation amounts used in the projection of benefits and liabilities were January 1, 2008, rates of pay.

In computing accrued benefits, average earnings were determined using actual earnings histories supplied by El Paso County.

No benefits were projected to be greater than the dollar limitation required by the Internal Revenue Code Section 415 for governmental plans.

D. Actuarial Assumptions

Interest: 8.0% per annum, compounded annually, net of investment expenses.
Mortality: Sample rates are as follows:

**1994 Group Annuity
Mortality Table
Setback 1 Year**

Per 100 Members		
Age	Male	Female
20	0.05	0.03
25	0.06	0.03
30	0.08	0.03
35	0.09	0.05
40	0.10	0.07
45	0.15	0.09
50	0.23	0.13
55	0.40	0.21
60	0.71	0.39
64	1.15	0.67

Withdrawal:

Per 100 Members		
Age	Male	Female
20	24.50	28.26
25	20.23	23.95
30	15.95	19.63
35	12.30	15.06
40	9.26	11.30
45	6.68	8.29
50	4.48	6.04
55	2.81	5.07
60	1.15	4.10
64	0.80	2.42

Withdrawal rates are not applied after a member becomes eligible for retirement benefits.

Disability:

Disability rates are the rates at which active Plan members are expected to become disabled, and to be eligible for plan disability retirement. Sample rates are as follows:

Per 100 Members	
Age	Disablement
20	0.06
25	0.06
30	0.06
35	0.09
40	0.12
45	0.20
50	0.28
55	0.50
60	0.72
64	0.77

Post-Disability Mortality:

Participants who are receiving disability retirement benefits are expected to have a higher mortality risk than other retirees or active plan members. The disability mortality is based on the 1983 Railroad Board Disabled Mortality Table. Sample rates are as follows:

Per 100 Members	
Age	Disabled Mortality
20	1.01
25	1.68
30	1.06
35	1.14
40	1.35
45	2.00
50	3.16
55	3.78
60	4.25
64	4.88

Salary Increase:

Anticipated salary increases include both inflationary and merit increases. Merit increases are anticipated to be greater at younger ages. A composite salary increase assumption based on age is, therefore, applied. Sample rates are as follows:

Attained Age	Percentage Increase at Attained Age			Ratio of Salary at Age 65 to Salary at Attained Age
	Merit	Inflation	Total	
20	8.1%	3.5%	11.6%	22.84
25	6.5	3.5	10.0	13.42
30	4.4	3.5	7.9	8.60
35	3.5	3.5	7.0	5.87
40	2.9	3.5	6.4	4.19
45	2.7	3.5	6.2	3.08
50	2.5	3.5	6.0	2.28
55	2.3	3.5	5.8	1.71
60	2.0	3.5	5.5	1.29
64	1.2	3.5	4.7	1.05

Salary Limit Increase:

3.5% per year, rounded down to nearest \$10,000.

Section 4.3

Retirement Rates:

According to the following table based on eligibility for reduced or unreduced retirement benefits.

Per 100 Members		
Attained Age	Unreduced	Reduced
49 & Before	5.0	-
50	30.0	-
51	30.0	-
52	30.0	-
53	30.0	-
54	40.0	-
55	40.0	1.6
56	40.0	2.1
57	30.0	2.6
58	30.0	3.1
59	25.0	3.6
60	25.0	4.1
61	30.0	4.6
62	30.0	-
63	20.0	-
64	20.0	-
65	30.0	-
66-69	20.0	-
70	100.0	-

Expense Loading:

Loading for administrative expenses is based on an estimate for the year, provided by the Retirement Board. For 2008, the administrative expense loading is \$472,650.

Percent Married:

85% of all members are assumed to have eligible spouses.

Age Difference:

A husband is assumed to be three years older than his wife.

**Age for
Commencement of
Deferred Vested Benefits:**

Age 62.

**Amortization of the
Unfunded Actuarial
Accrued Liability**

The unfunded actuarial accrued liability is amortized as a level percent of payroll over an open amortization period of 30 years. Payroll is assumed to increase 3.5% per year for this purpose.