



**Report on the Retiree Healthcare
Benefits Valuation of the
School Employees Retirement System of Ohio**

Prepared as of June 30, 2009



Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

November 12, 2009

Board of Trustees
School Employees Retirement System
Of Ohio
300 East Broad Street
Suite 100
Columbus, OH 43215-3746

Dear Members of the Board:

Governmental Accounting Standards Board Statements No. 43 and 45 require actuarial valuations of retiree medical and other post employment benefit plans. We have submitted the results of the annual actuarial valuation of the Retiree Healthcare Benefits Valuation of the School Employees Retirement System of Ohio (SERS) prepared as of June 30, 2009. While not verifying the data at source, the actuary performed tests for consistency and reasonability. The valuation indicates that the Annual Required Contribution (ARC) required by GASB Statement 45 is 11.10% of active payroll payable for the fiscal year ending June 30, 2010. Any net claims or premiums paid for retiree health care are considered contributions toward the ARC.

The medical and drug benefits of the Plan are included in the actuarially calculated contribution rates which are developed using the entry age normal cost method with the normal cost rate determined as a level percentage of payroll. GASB requires the discount rate used to value a plan be based on the likely return of the assets held in trust to pay benefits. The discount rate used in this valuation is 5.25%. Gains and losses are reflected in the unfunded accrued liability that is amortized by regular annual contributions as a level percentage of payroll within a 30-year period, on the assumption that payroll will increase by 4.00% annually. The assumptions recommended by the actuary are, in the aggregate, reasonably related to the experience under the Plan and to reasonable expectations of anticipated experience under the Plan and meet the parameters for the disclosures under GASB 43 and 45.

To the best of our knowledge, this report is complete and accurate. The valuation was performed by, and under the supervision of, independent actuaries who are members of the American Academy of Actuaries with experience in performing valuations for public retirement systems. The undersigned meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

The valuation was prepared in accordance with the principles of practice prescribed by the Actuarial Standards Board.

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November 12, 2009
Board of Trustees
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Future actuarial results may differ significantly from the current results presented in this report 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; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

The actuarial calculations were performed by qualified actuaries according to generally accepted actuarial procedures and methods. The calculations are based on the current provisions of the system, and on actuarial assumptions that are, in the aggregate, internally consistent and reasonably based on the actual experience of the system.

Respectfully submitted,

Handwritten signature of Thomas J. Cavanaugh in cursive.

Thomas J. Cavanaugh, FSA, FCA, EA, MAAA
Chief Executive Officer

Handwritten signature of Alisa Bennett in cursive.

Alisa Bennett, FSA, FCA, EA, MAAA
Principal and Senior Actuary

TJC/AB:lb



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**REPORT ON THE ANNUAL VALUATION OF THE
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**

PREPARED AS OF JUNE 30, 2009

SECTION I – SUMMARY OF PRINCIPAL RESULTS

1. This report, prepared as of June 30, 2009, presents the results of the annual actuarial valuation of the retiree healthcare benefits offered to SERS members. For convenience of reference, the principal results of the valuation and a comparison with the preceding valuation results are summarized in the following table.

	June 30, 2009	June 30, 2008
Active members included in valuation		
Number	125,465	124,370
Annual Compensation	\$2,787,390,954	\$2,651,800,981
Service Retirees		
Number	34,559	34,865
Disability Retirees		
Number	4,199	4,265
Spouses of Retirees		
Number	8,671	9,050
Spouses of Deceased Retirees		
Number	2,524	2,583
Survivor Benefit Recipients		
Number	1,473	1,626
Children		
Number	439	515
Deferred Vesteds		
Number	3,892	3,716
Assets		
Market Value	\$376,459,222	\$392,680,731
Unfunded Accrued Liability	\$3,903,806,908	\$4,466,162,706
Actuarial Accrued Liability	\$4,280,266,130	\$4,858,843,437
Funded Ratio (MVA/AAL)	8.80%	8.08%
Employer Contribution Rate		
Normal	5.58%	6.77%
Accrued Liability	<u>5.52</u>	<u>6.64</u>
Total	11.10%	13.41%
Employer Contribution Toward Health Care*	1.96%	5.66%
Accrued liability amortization period	30	30

* Includes 1.50% of payroll surcharge



2. The employer health contribution rate is set at 1.96%. This rate includes the anticipated revenue from the minimum surcharge level for the 2009-2010 fiscal year of \$35,800.
3. The valuation balance sheet showing the results of the valuation is given in Schedule A.
4. Comments on the valuation results are given in Section IV, comments on the experience and actuarial gains during the valuation year are given in Section V, and the rates of contribution payable by the employer are given in Section VI.
5. There were no changes in decrement, interest rate, age related morbidity, or plan participation assumptions since the last valuation. The following changes were reflected in this valuation:
 - Effective July 1, 2009, the current SERS Express Scripts (ESI) coverage became a Medicare Part D Prescription Drug Plan (PDP). This change allows SERS to recognize the future decreases in prescription drug costs due to Medicare Part D in the OPEB valuation, unlike the Retiree Drug Subsidy (RDS).
6. Schedule B details the actuarial assumptions and methods employed. Schedule C gives a summary of the benefit and contribution provisions of the plan.



SECTION II – MEMBERSHIP DATA

Data regarding the membership of the System for use as a basis for the valuation were furnished by the System's office. The following tables summarize the membership of the system as of June 30, 2009 upon which the valuation was based. Detailed tabulations of the data are given in Schedule D.

Active Members

Number	Payroll	Group Averages		
		Salary	Age	Service
125,465	\$2,787,390,954	\$22,216	47.9	9.5

The following tables show a six-year history of active member valuation data.

SCHEDULE SERS ACTIVE MEMBER VALUATION DATA

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase in Average Pay
6/30/2004	123,139	\$2,394,068,438	\$19,442	3.3%
6/30/2005	122,855	2,452,554,365	19,963	2.7
6/30/2006	123,266	2,553,331,924	20,714	3.8
6/30/2007	123,013	2,603,300,211	21,163	2.2
6/30/2008	124,370	2,651,800,981	21,322	0.8
6/30/2009	125,465	2,787,390,954	22,216	4.2



The following table shows the number of retired members and their beneficiaries receiving health insurance benefits as of the valuation date as well as average ages.

Retired Lives

Type of Benefit Recipient	Number	Average Age
Service Retiree	34,559	75.9
Disability Retiree	4,199	65.0
Spouses	12,668	76.1
Children	439	26.2
Total	51,865	74.6

This valuation also includes 3,892 inactive members eligible for health insurance benefits at age 60.



SECTION III – ASSETS

1. As of June 30, 2009 the total market value of assets amounted to \$376,459,222.

Asset Summary Based on Market Value			
(1)	Assets at June 30, 2008	\$	392,680,731
(2)	Contributions and Misc. Revenue		260,695,835
(3)	Investment Gain (Loss)		(61,507,699)
(4)	Benefit Payments		<u>(215,409,645)</u>
(5)	Assets at June 30, 2009	\$	376,459,222
	(1) + (2) - (3) + (4)		
(6)	Annualized Rate of Return*		(14.8) %

*Based on the approximation formula: $I/[0.5 \times (A + B - I)]$, where

- I = Investment Gain (Loss)
- A = Beginning of year asset value
- B = End of year asset value



SECTION IV - COMMENTS ON VALUATION

Schedule A of this report contains the valuation balance sheet which shows the present and prospective assets and liabilities of the System as of June 30, 2009.

1. The total valuation balance sheet on account of insurance benefits shows that the System has total prospective insurance benefit liabilities of \$6,078,702,065, of which \$1,865,676,342 is for the prospective benefits payable on account of present retired members and beneficiaries of deceased members, \$29,444,061 is for the prospective benefits payable to current deferred vested members, and \$4,183,581,662 is for the prospective benefits payable on account of present active members. Against these insurance benefit liabilities the System has a total market value of assets of \$376,459,222 as of June 30, 2009. The difference of \$5,702,242,843 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future on account of insurance benefits. Of this amount, \$0 is the present value of future contributions expected to be made by members, and the balance of \$5,702,242,843 represents the present value of future contributions payable by SERS.
2. SERS' contributions on account of insurance benefits consist of normal contributions and accrued liability contributions. The valuation indicates that employer normal contributions at the rate of 5.58% of payroll are required to provide the benefits of the System for the average new member of SERS.
3. Prospective employer normal contributions on account of insurance benefits at the above rates have a present value of \$1,798,435,935. When this amount is subtracted from \$5,702,242,843, which is the present value of the total future contributions to be made by the employer, there remains \$3,903,806,908 as the amount of future accrued liability contributions.
4. It is recommended that the accrued liability contribution rate payable by SERS on account of insurance benefits be set at 5.52% of payroll. This rate is sufficient to liquidate the unfunded accrued liability of \$3,903,806,908 over 30 years on the assumption that the aggregate payroll for members will increase by 4.00% each year.



SECTION V – DERIVATION OF EXPERIENCE GAINS AND LOSSES

Actual experience will never (except by coincidence) coincide exactly with assumed experience. It is assumed that gains and losses will be in balance over a period of years, but sizable year to year fluctuations are common. Detail on the derivation of the experience gain (loss) for the year ended June 30, 2009 is shown below (\$ thousands).

Experience Gain/(Loss)

(1)	UAAL* as of 6/30/08	\$	4,466,163
(2)	Normal cost from last valuation		179,396
(3)	Expected employer contributions		<u>373,789</u>
(4)	Interest accrual: [(1) + (2) - (3)] x .0525		224,268
(5)	Expected UAAL before changes: (1) + (2) - (3) + (4)	\$	4,496,038
(6)	Change due to plan amendments		(1,077,198)
(7)	Expected UAAL after changes: (5) + (6)	\$	3,418,840
(8)	Actual UAAL as of 6/30/09	\$	3,903,807
(9)	Total gain/(loss): (7) - (8)	\$	(484,967)
	(a) Contribution shortfall and investment loss		(199,374)
	(b) Experience gain/(loss) (9) - (9a)	\$	(285,593)
(10)	Accrued liabilities as of 6/30/08	\$	4,858,843
(11)	Experience gain/(loss) as percent of actuarial accrued liabilities at start of year (9b) / (10)		(5.9%)

* unfunded actuarial accrued liability



SECTION VI – REQUIRED CONTRIBUTION RATES

The valuation balance sheet gives the basis for determining the percentage rates for contributions to be made by employers to the Retirement System. The following tables show the rates of contribution payable by employers as determined from the present valuation for the 2009/2010 fiscal year.

Required Contribution Rates

Contribution for	Amount	% of Payroll
A. Normal Cost	\$ 155,541,887	5.58%
B. Member Contributions*	\$ 0	0.00%
C. Employer Normal Cost: [A - B]	\$ 155,541,887	5.58%
D. Unfunded Actuarial Accrued Liability**	\$ 153,916,257	5.52%
E. Total Recommended Employer Contribution Rate: [C+D]	\$ 309,458,144	11.10%
F. Employer Contribution Toward Health Care ⁺	\$ 54,632,863	1.96%

* The liabilities are net of retiree contributions towards their healthcare.

** Based on 30 -year amortization of the UAAL from June 30, 2009.

+ Includes 1.50% of payroll surcharge.

Ten-Year History of Employer Contribution Rates

Fiscal Year Ending June 30	Employer Health Care Contribution Rate	Surcharge Percentage	Total Health Care Contribution Rate
2000	8.45%	1.34%	9.79%
2001	9.80%	1.17%	10.97%
2002	7.44%	1.07%	8.51%
2003	5.83%	1.30%	7.13%
2004	4.91%	1.50%	6.41%
2005	3.43%	1.50%	4.93%
2006	3.42%	1.50%	4.92%
2007	3.32%	1.50%	4.82%
2008	4.18%	1.50%	5.68%
2009	4.16%	1.50%	5.66%



SECTION VII - ACCOUNTING INFORMATION

Governmental Accounting Standards Board Statements 43 and 45 set forth certain items of required supplementary information to be disclosed in the financial statements of the System and the employer. The information presented in the required supplementary schedules was determined as part of the actuarial valuation at June 30, 2009. Additional information as of the latest actuarial valuation follows.

Valuation date	6/30/2009
Actuarial cost method	Entry Age
Amortization	Level Percent Open
Remaining amortization period	30 years
Asset valuation method	Market Value
Actuarial assumptions	
Investment rate of return*	5.25%
* Includes price inflation at	3.50%
Wage increases	4.00%
Medical Trend Assumption	10.5% - 5.0%
Year of Ultimate Trend	2015 - 2016

Another required item of disclosure is the Schedule of Funding Progress shown in the following table.



SCHEDULE OF FUNDING PROGRESS
(\$ in thousands)

Actuarial Valuation Date	Value of Plan 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))
1/01/2007	\$339,505	\$4,307,372	\$3,967,867	7.9%	\$2,597,601	152.8%
1/01/2008	\$391,128	\$4,512,977	\$4,121,849	8.7%	\$2,648,497	155.6%
6/30/2008 *	\$392,681	\$4,858,843	\$4,466,163	8.1%	\$2,651,801	168.4%
6/30/2009	\$376,459	\$4,280,266	\$3,903,807	8.8%	\$2,787,391	140.1%

* Valuation date changed from January 1st to June 30th

Schedule of Employer Contributions

Year Ended	Annual Required Contribution (ARC) (a)	Employer Contribution (b)	Retiree Drug Subsidy (RDS) Contribution (c)	Total Contribution (d) = (b)+(c)	Percentage of ARC Contributed (e) = (d)/(a)
June 30, 2007	\$299,379,524	\$170,948,274	\$20,202,965	\$191,151,239	63.8%
June 30, 2008	\$307,874,094	\$158,393,761	\$21,953,659	\$180,347,420	58.6%
June 30, 2009	\$373,789,127	\$163,411,488	\$23,504,101	\$186,915,589	50.0%



SCHEDULE A

Valuation Balance Sheet

The following valuation balance sheet shows the assets and liabilities of the retirement system as of the current valuation date of June 30, 2009 and, for comparison purposes, as of the immediately preceding valuation date of June 30, 2008.

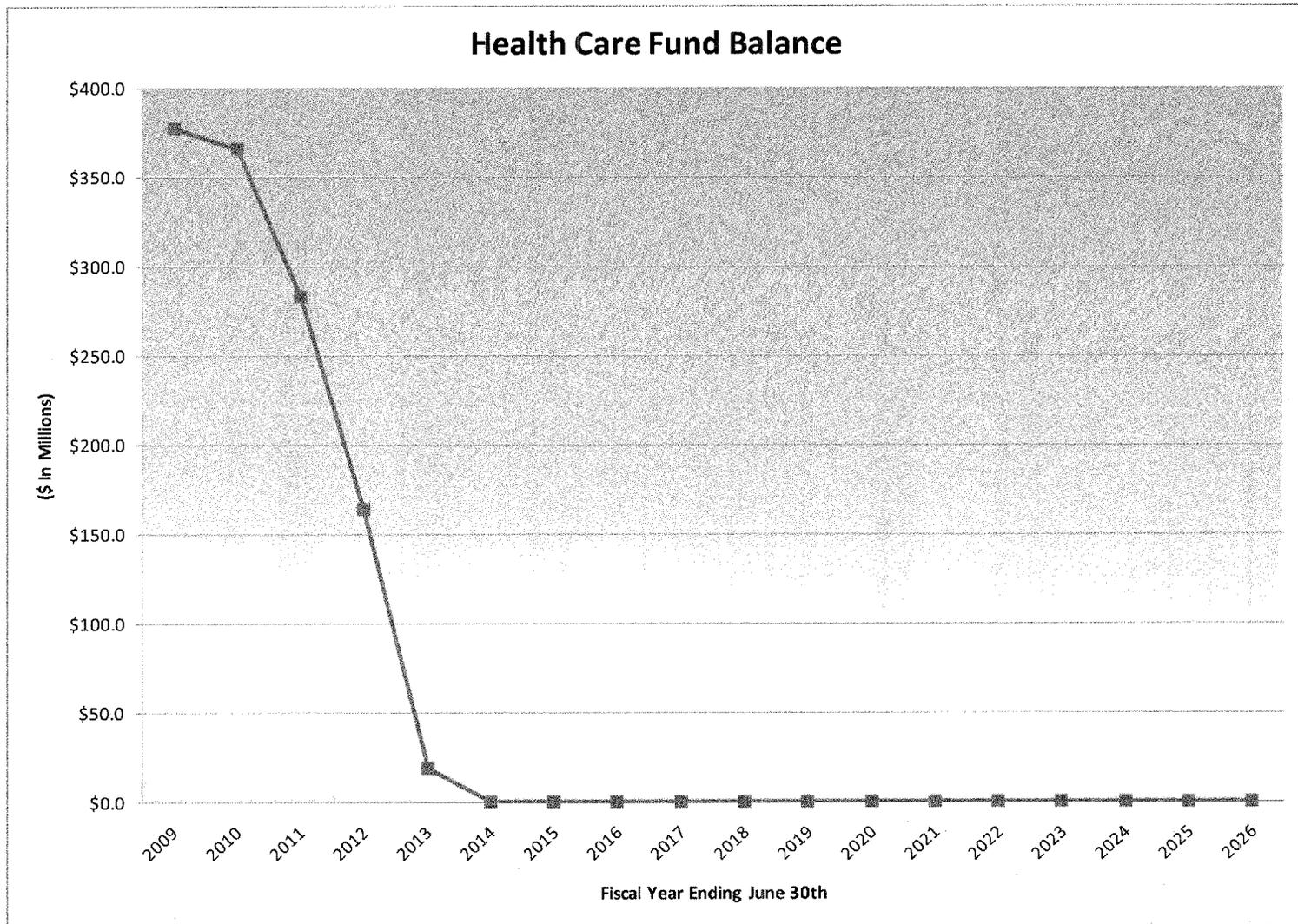
VALUATION BALANCE SHEETS SHOWING THE ASSETS AND LIABILITIES OF THE SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

	June 30, 2009	June 30, 2008
ASSETS		
Current market value of assets	\$ 376,459,222	\$ 392,680,731
Prospective contributions		
Employer normal contributions	1,798,435,935	2,100,464,565
Unfunded accrued liability contributions	3,903,806,908	4,466,162,706
Total prospective contributions	<u>\$ 5,702,242,843</u>	<u>\$ 6,566,627,271</u>
Total assets	<u>\$ 6,078,702,065</u>	<u>\$ 6,959,308,002</u>
LIABILITIES		
Present value of benefits payable on account of present retired members and beneficiaries	\$ 1,865,676,342	\$ 2,109,329,171
Present value of benefits payable on account of active members	4,183,581,662	4,811,860,442
Present value of benefits payable on account of deferred vested members	<u>29,444,061</u>	<u>38,118,389</u>
Total liabilities	<u>\$ 6,078,702,065</u>	<u>\$ 6,959,308,002</u>



Solvency Chart

The following chart shows the Health Care Fund Balance assuming an 8.0% future asset rate of return and, starting with Fiscal Year 2010/2011, a future maximum Health Care Contribution Rate of 1.5% percent of payroll.





SCHEDULE B

STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

INTEREST RATE: 5.25% per annum, compounded annually (net after all System expenses).

HEALTH CARE COST TREND RATES: Following is a chart detailing trend assumptions:

Calendar Year	PPO	HMO
2009	10.50%	10.00%
2010	9.50%	9.00%
2011	8.50%	8.00%
2012	7.50%	7.00%
2013	6.50%	6.00%
2014	6.00%	5.50%
2015	5.50%	5.00%
2016 and beyond	5.00%	5.00%

AGE RELATED MORBIDITY: Per capita costs are adjusted to reflect expected cost changes related to age. The increase to the net incurred claims was assumed to be:

Participant Age	Annual Increase	
	Medical	Prescription Drug
Under 41	0.00%	0.00%
41 – 45	2.50%	1.25%
46 – 50	2.60%	1.30%
51 – 55	3.20%	1.60%
56 – 60	3.40%	1.70%
61 – 65	3.70%	1.85%
66 – 70	3.20%	1.60%
71 – 75	2.40%	1.20%
76 – 80	1.80%	0.90%
81 – 85	1.30%	0.65%
85 and over	0.00%	0.00%

ANTICIPATED PLAN PARTICIPATION: The assumed annual rates of member participation and spouse coverage are as follows:

Member Gender	Spouse Coverage
Male	50.0%
Female	40.0%

Wives are assumed to be three years younger than husbands.



Years of Service at Retirement*	Member Participation
10 – 14	25.0%
15 – 19	45.0%
20 – 24	70.0%
25 – 29	75.0%
30 – 34	80.0%
35 and over	90.0%

* 100% of disabled retirees are assumed to participate. 50% of members retiring from inactive status are assumed to participate.

ANTICIPATED PLAN ELECTIONS: The assumed annual rates of member plan elections are as follows:

Plan Type	Future Retirees	
	Non-Medicare	Medicare
Indemnity/PPO/PFFS	67.0%	93.3%
HMO	33.0%	6.7%

Anticipated plan elections within the above plan types are further expanded below:

Plan Type	Future Retirees	
	Non-Medicare	Medicare
<u>PPO</u>		
MMO PPO	92.8%	0.0%
Aetna Medicare Plan	0.0%	99.9%
AultCare PPO	7.2%	0.1%
<u>HMO</u>		
Aetna HMO	85.3%	0.0%
AultCare Medicare Advantage HMO	0.0%	40.3%
Kaiser HMO	11.0%	38.8%
Paramount HMO	3.7%	20.9%

ANTICIPATED MEDICARE COVERAGE AT AGE 65: The assumed annual rates of future retirees obtaining Medicare coverage at age 65 are as follows:

Medicare Coverage	Percent Covered
No Medicare at age 65	1.0%
Medicare Part A	98.0%
Medicare Part B Only	1.0%

Current retirees under age 65 were assumed to have similar Medicare coverage at age 65 as their post-Medicare counterparts.



MONTHLY EXPECTED MEDICAL/PRESCRIPTION DRUG CLAIMS (INCLUDES ADMINISTRATIVE EXPENSES): Following are charts detailing expected claims for the year following the valuation date:

Retiree Costs						
Medicare Status	Aetna Managed Care/Aetna Medicare	Medical Mutual PPO	AultCare	Aetna HMO	Kaiser HMO	Paramount HMO
Non-Medicare	\$1,233	\$1,155	\$912	\$1,221	\$1,099	\$1,352
Medicare A	\$221		\$117		\$284	\$198
Medicare B Only	\$604		\$912		\$1,048	\$577

Spouse Costs						
Medicare Status	Aetna Managed Care/Aetna Medicare	Medical Mutual PPO	AultCare	Aetna HMO	Kaiser HMO	Paramount HMO
Non-Medicare	\$981	\$919	\$728	\$971	\$882	\$1,075
Medicare A	\$221		\$117		\$284	\$198
Medicare B Only	\$604		\$728		\$1,048	\$577

Children Costs						
Medicare Status	Aetna Managed Care/Aetna Medicare	Medical Mutual PPO	AultCare	Aetna HMO	Kaiser HMO	Paramount HMO
Non-Medicare	\$213	\$199	\$160	\$213	\$197	\$232
Medicare A	\$221		\$117		\$284	\$198
Medicare B Only	\$604		\$160		\$1,048	\$577

Above amounts are shown as average costs. In the valuation, the claims costs are converted to age 65 amounts and age adjusted.



SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed rates of separation from active service are as follows:

Service	Annual Rates of Withdrawal
0	55.00%
1	20.00
2	15.00
3	10.00
4	7.50
5	6.50
10	5.00
15	3.75
20	3.50
25	3.00

Age	Annual Rates of			
	Death		Disability	
	Male	Female	Male	Female
20	.026%	.014%	.015%	.023%
25	.033	.015	.015	.023
30	.044	.017	.112	.075
35	.050	.022	.371	.075
40	.053	.033	.405	.157
45	.075	.046	.506	.187
50	.114	.065	.825	.394
55	.193	.104	.825	.608
60	.335	.193	.825	.608
65	.609	.381	.825	.608
70	1.082	.635	.825	.608
74	1.557	.917	.825	.608

Annual Rates of Service Retirements		
Age	Male	Female
50	40.0%	33.0%
55	25.0	25.0
60	10.0	20.0
62	15.0	15.0
65	25.0	25.0
70	20.0	20.0
75	100.0	100.0



SALARY INCREASES: Representative values of the assumed annual rates of salary increases are as follows:

Service	Annual Rates of		
	Merit & Seniority	Base (Economy)	Increase Next Year
0	20.75%	4.00%	24.75%
1	13.25	4.00	17.25
2	10.75	4.00	14.75
3	8.75	4.00	12.75
4	7.75	4.00	11.75
5	5.75	4.00	9.75
6	4.75	4.00	8.75
7	3.75	4.00	7.75
8	2.75	4.00	6.75
9	1.75	4.00	5.75
10-14	0.75	4.00	4.75
15 & over	0.50	4.00	4.50

PAYROLL GROWTH: 4.00% per annum, compounded annually.

PRICE INFLATION: 3.50% per annum, compounded annually.

DEATH AFTER RETIREMENT: Assumed rates are as follows:

Age	Annual Rates of Post-Retirement Death			
	Healthy		Disabled	
	Male	Female	Male	Female
20	0.048%	0.028%	2.104%	1.826%
30	0.078	0.033	2.204	1.958
40	0.100	0.065	2.304	2.090
50	0.233	0.131	2.404	2.222
60	0.709	0.386	3.906	2.366
70	2.173	1.271	4.861	2.601
80	5.586	3.536	7.812	5.547

VALUATION METHOD: Entry age normal cost method. Entry age is established on an individual basis.

ASSET VALUATION METHOD: Market value.



SCHEDULE C

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO Summary of Main Plan Provisions as of June 30, 2009

ELIGIBILITY FOR ACCESS TO RETIREE HEALTH CARE BENEFITS:

Service Retirement: *Members prior to May 14, 2008* Attainment of age 60 with at least ten years of creditable service, or completion of 30 years of creditable service, regardless of age, or has attained age 55 with at least 25 years of service.

Members after May 13, 2008 Attainment of age 62 with at least ten years of creditable service, or attainment of age 55 with at least 30 years of creditable service or attainment of age 60 with at least 25 years of creditable service.

Disability Retirement: Permanently disabled after completion of at least 5 years of total service credit.

Survivor (Death-in-Service) Allowances: Beneficiary must be receiving monthly benefits due to the death of a member, age and service retiree or disability benefit recipient.

Termination Benefits: Members that terminated with at least ten years of creditable service and have attained age 60 (age 62 for those becoming members after May 13, 2008).

PREMIUM PAYMENTS:

Members pay either all or a portion of the cost of health care and prescription drug coverage. The remainder of the cost is paid by SERS.

The following schedule lists the percentage of the premium paid by those members retiring prior to August 1, 2008:

Years of Service at Retirement	Member Percentage
10 – 14	100.0%
15 – 19	50.0%
20 – 24	25.0%
25 – 29	17.5%
30 and over	17.5%



PREMIUM PAYMENTS (Continued):

The following schedule lists the percentage of the premium paid by those members retiring on or after August 1, 2008:

Years of Service at Retirement	Member Percentage
10 – 19	100.0%
20 – 24	50.0%
25 – 29	30.0%
30 – 34	20.0%
35*	15.0%

* 1% reduction for each year over 35.

Disabled Retirees pay 17.5% of the premium. Disability recipients under the new disability plan who convert to a service retirement and do not have 10 years of service at the time of conversion will be denied access to the healthcare insurance plans.

Members may qualify for the Health Care Premium Discount Program if their household income falls at or below a specified level. Members qualifying will receive a 25% discount in their monthly health insurance premiums.

The following schedule lists the percentage of the premium paid by spouses of retirees:

Retiree or Deceased Member's Years of Service at Retirement*	Spouse Percentage
1.5 – 24	100.0%
25 – 29	90.0%
30 and over	80.0%

Children of members pay 70.0% of the premium.

OTHER POST EMPLOYMENT BENEFITS: Health care and prescription drug coverage is provided in all of the group health insurance plan options. Dental coverage is available to members at the full cost.



RETIREE GROUP HEALTH INSURANCE PLAN OPTIONS:

Options available to members without Medicare

- Medical Mutual of Ohio (MMO) PPO with Express Scripts, Inc. (ESI) prescription drug coverage
- AultCare PPO with BioScrip prescription drug coverage
- Aetna HMO with ESI prescription drug coverage
- Kaiser HMO and Kaiser prescription drug coverage
- Paramount HMO with ESI prescription drug coverage

Options available to members with Medicare:

- Aetna Medicare Plan (PPO) with ESI Medicare Part D Prescription Drug Plan (PDP)
- AultCare PrimeTime HMO Plan with BioScrip prescription drug coverage
- Kaiser HMO Plan with Kaiser prescription drug coverage
- Paramount Elite HMO Plan with ESI Medicare Part D Prescription Drug Plan (PDP)

The following pages contain information that was listed in the 2010 SERS Health Care Manual.



**2010 Rates
Retirees, Spouses and Children
For those that retire before 8/1/2008**

YEARS OF SERVICE	Aetna Managed Care/Aetna Medicare	Medical Mutual PPO	AultCare	Aetna HMO Non- Medicare	Kaiser HMO	Paramount HMO
10-14.999 years (100%)						
Without Medicare	\$1,233	\$1,155	\$912	\$1,221	\$1,099	\$1,352
With Medicare A & B	\$ 221		\$117		\$ 284	\$ 198
15-19.999 years (50%)						
Without Medicare	\$617	\$578	\$456	\$610	\$549	\$676
With Medicare A & B	\$111		\$ 59		\$142	\$ 99
20-24.999 years (25%)						
Without Medicare	\$308	\$289	\$228	\$305	\$275	\$338
With Medicare A & B	\$ 55		\$ 29		\$ 71	\$ 49
25 years & over (17.5%)						
Without Medicare	\$216	\$202	\$160	\$214	\$192	\$237
With Medicare A & B	\$ 39		\$ 21		\$ 50	\$ 35
SPOUSE PREMIUMS						
Retiree's Qualified Years						
Up to 25 years						
Without Medicare	\$981	\$919	\$728	\$971	\$882	\$1,075
With Medicare A & B	\$221		\$117		\$284	\$ 198
25-29.999 years						
Without Medicare	\$883	\$827	\$655	\$874	\$794	\$968
With Medicare A & B	\$199		\$106		\$255	\$178
30 years & over						
Without Medicare	\$785	\$735	\$583	\$777	\$705	\$860
With Medicare A & B	\$177		\$ 94		\$227	\$158
Child w/o Medicare A	\$149	\$139	\$112	\$149	\$138	\$162
Child with Medicare A & B	\$155		\$ 82		\$199	\$138
Disability Retirees (17.5%)						
Without Medicare	\$216	\$202	\$160	\$214	\$192	\$237
With Medicare A & B	\$ 39		\$ 21		\$ 50	\$ 35



**2010 Rates
Retirees, Spouses and Children
For those that retire on or after 8/1/2008**

YEARS OF SERVICE	Aetna Managed Care/Aetna Medicare	Medical Mutual PPO	AultCare	Aetna HMO Non- Medicare	Kaiser HMO	Paramount HMO
10-19.999 years (100%)						
Without Medicare	\$1,233	\$1,155	\$912	\$1,221	\$1,099	\$1,352
With Medicare A & B	\$ 221		\$117		\$ 284	\$ 198
20-24.999 years (50%)						
Without Medicare	\$617	\$578	\$456	\$610	\$549	\$676
With Medicare A & B	\$111		\$ 59		\$142	\$ 99
25-29.999 years (30%)						
Without Medicare	\$370	\$347	\$274	\$366	\$330	\$406
With Medicare A & B	\$ 66		\$ 35		\$ 85	\$ 59
30-34.999 years (20%)						
Without Medicare	\$247	\$231	\$182	\$244	\$220	\$270
With Medicare A & B	\$ 44		\$ 23		\$ 57	\$ 40
35 years* (15%)						
Without Medicare	\$185	\$173	\$137	\$183	\$165	\$203
With Medicare A & B	\$ 33		\$ 18		\$ 43	\$ 30
SPOUSE PREMIUMS						
Retiree's Qualified Years						
Up to 25 years						
Without Medicare	\$981	\$919	\$728	\$971	\$882	\$1,075
With Medicare A & B	\$221		\$117		\$284	\$ 198
25-29.999 years						
Without Medicare	\$883	\$827	\$655	\$874	\$794	\$968
With Medicare A & B	\$199		\$106		\$255	\$178
30 years & over						
Without Medicare	\$785	\$735	\$583	\$777	\$705	\$860
With Medicare A & B	\$177		\$ 94		\$227	\$158
Child w/o Medicare A	\$149	\$139	\$112	\$149	\$138	\$162
Child with Medicare A & B	\$155		\$ 82		\$199	\$138
Disability Retirees (17.5%)						
Without Medicare	\$216	\$202	\$160	\$214	\$192	\$237
With Medicare A & B	\$ 39		\$ 21		\$ 50	\$ 35

* 1% reduction for each year over 35.



Medical Mutual of Ohio PPO and AultCare PPO

The Medical Mutual of Ohio (MMO) PPO (Preferred Provider Organization) plan is a comprehensive hospital and medical coverage that offers both in-network and out-of-network levels of coverage. The MMO PPO is available to all Ohio residents. MMO PPO also is available in most other areas. Members enrolled in the MMO PPO will have Express Scripts, Inc. (ESI) prescription drug coverage.

The AultCare PPO plan is a comprehensive hospital and medical coverage that offers both in-network and out-of-network levels of coverage. The AultCare PPO is available in select areas in Ohio. Members enrolled in the AultCare PPO will have BioScrip prescription drug coverage.

Members will receive the maximum coverage by using participating providers. Members choosing doctors or hospitals outside the network will have to pay more of the cost, including a higher deductible and hospital admission co-pay.

Features of the MMO PPO and AultCare PPO in-network coverage include the following:

- \$340 calendar year deductible per person
- \$1500 coinsurance (out-of-pocket) limit per person per calendar year, not including the deductible, inpatient admission co-pay, and office visit co-pays
- \$25 office visit co-pay
- \$250 hospital admission co-pay, then 80% coverage
- 80% Durable Medical Equipment (DME) coverage after calendar year deductible
- 80% reimbursement for Home Health Care (HHC) after calendar year deductible
- 100% preventive coverage



Aetna Medicare Plan (PPO)

The Aetna Medicare Plan (PPO) is a Medicare Advantage (MA) plan. Members must be enrolled in Medicare Part A and Part B or Medicare Part B only and provide proof of Medicare to SERS before they can be enrolled in the Aetna Medicare Plan (PPO). If members or their dependent do not send SERS proof of their Medicare Part A and/or Medicare Part B enrollment, SERS will automatically enroll the member or the member's dependent in an indemnity plan at the indemnity premium rate.

A Medicare Advantage Plan is a plan offered by an insurance company that contracts with Medicare to provide Medicare services. A Medicare Advantage plan usually covers more services and has lower out-of-pocket costs than the original Medicare plan. All hospital and medical claims will be processed by the Aetna Medicare Plan (PPO), while the member is enrolled in that plan. Express Scripts, Inc. (ESI) is the Medicare Part D Prescription Drug Plan (PDP) for those enrolled in the Aetna Medicare Plan (PPO).

With the SERS Aetna Medicare Plan (PPO) members must:

- Keep all Medicare Part A and/or Part B coverage active
- Not be enrolled in any other Medicare Advantage plan
- Not be enrolled in any other Medicare Part D (PDP) plan

Features of this plan include the following:

- No calendar year deductible
- No balance billing after the paid co-pay
- \$25 office visit co-pay
- \$250 hospital admission co-pay, then 100% inpatient hospital coverage
- 100% coverage for Durable Medical Equipment (DME)
- 100% coverage for Home Health Care (HHC)
- Members can use the PPO network, but are not limited to PPO providers
- 100% preventive coverage



Kaiser HMO, Paramount HMO, and Aetna HMO Plans

Eligibility for coverage by one of the HMOs depends on the members' county of residence. Any recipient who leaves the HMO service area for more than a consecutive 90-day period cannot enroll in an HMO.

There are some differences between an HMO and a PPO plan. With an HMO, precertification is not required and there are no claim forms. However, an HMO participant must select an HMO participating primary care physician. HMO participants must use doctors and hospitals in the HMO network for all health care, including prescription drugs. There is no coverage outside the HMO network except for a medical emergency.

The Aetna HMO and the Paramount HMO include prescription drug coverage through Express Scripts, Inc. (ESI). The Kaiser HMO includes Kaiser prescription drug coverage.

Features of HMO plans are:

- No annual deductible
- Out-of-pocket expense limited to co-pays
- No lifetime maximum
- \$250 hospital admission co-pay, then 100% inpatient hospital coverage
- 100% coverage for surgery



Prescription Drug Coverage

Prescription drug coverage for those enrolled in the Aetna Medicare PPO Plan, the Aetna HMO plan, the Medical Mutual of Ohio PPO, and Paramount HMO health plans is available through Express Scripts, Inc. Kaiser has its own pharmacy and AultCare prescriptions are handled by BioScrip.

Express Scripts Prescription Plan

Members enrolled in the Medical Mutual PPO, Paramount HMO, or Aetna HMO plans who do not have Medicare may receive up to a 34-day supply per prescription. A supply of more than 34 days could be available from Medicare participating pharmacies for participants in the ESI Medicare PDP plan (those in the Aetna or Paramount Medicare programs). Members pay 20% of the cost for generic or preferred brand and 35% for non-preferred brand. There is no deductible to meet. Members may also receive a 90-day supply of their prescriptions via mail-order with a co-pay of \$15 for generic, \$45 for preferred brand, and \$80 for non-preferred brand.

Medicare and Prescription Drugs

Medicare Part D helps cover the cost of prescription drugs. Medicare beneficiaries must join a Medicare Prescription Drug Plan (PDP) to have prescription drug coverage. A PDP plan is available through private companies that work with Medicare to provide prescription drug coverage. SERS has a Medicare PDP plan with its Express Scripts prescription coverage for Medicare beneficiaries.

SERS' health plan participants with Medicare are automatically covered under a Part D plan through SERS and should not enroll in a separate Medicare Part D plan. Enrolling in another Part D plan would cause cancellation of SERS coverage for both medical and prescription benefits.

SERS' Medicare participants in the Aetna or Paramount Medicare programs are covered under a Part D group plan through SERS and ESI. The formulary is different for the Medicare D plan than the formulary for the non-Medicare plan.



Prescription Drug Coverage (continued)

Kaiser Prescription Plan

Members enrolled in the Kaiser HMO Plan who do not have Medicare may receive up to a 31-day supply per prescription with a co-pay of \$10. Members may also receive a 90-day supply of their prescriptions via mail-order with a co-pay of \$25.

Members enrolled in Kaiser HMO Medicare Plan may receive up to a 31-day supply per prescription. The co-pay is \$15 for generic and \$30 for brand formulary. Members may also receive a 90-day supply of their prescriptions via mail-order with co-pay of \$15 for generic and a co-pay of \$30 for brand formulary.

BioScrip Pharmacy Prescription Plan

Members enrolled in the AultCare PPO Plan who do not have Medicare may receive up to a 34-day supply per prescription. Members pay 20% of the cost for generic or preferred brand and 35% for non-preferred brand. Members may also receive a 90-day supply of their prescriptions via mail-order with a co-pay of \$15 for generic, \$45 for preferred brand, and \$80 for non-preferred brand.

Members enrolled in the AultCare PrimeTime HMO Plan who have Medicare may receive up to a 30-day supply per prescription. The co-pay is \$5 for generic, \$15 for preferred brand, and \$30 for non-preferred brand. Members may also receive a 90-day supply of their prescriptions via mail-order with a co-pay of \$10 for generic, \$30 for preferred brand, and \$60 for non-preferred brand.



Non-Medicare Plan Benefits

	MMO PPO In Network	AultCare PPO In Network	Aetna HMO	Kaiser	Paramount HMO
Calendar Year Deductible	\$340/person \$700/family	\$340/person \$700/family	None	None	None
Calendar Year Co-Insurance Limit	\$1,500/person \$3,000/family	\$1,500/person \$3,000/family	\$1,500/single \$3,000/family	\$2,000/single \$6,000/family	\$1,500/single \$3,000/family
Lifetime Max	\$2,500,000	\$2,500,000	None	None	None
Office visit	\$25 co-pay	\$25 co-pay	\$25 co-pay	\$15 co-pay	\$15 co-pay
Specialist	\$25 co-pay	\$25 co-pay	\$30 co-pay	\$15 co-pay	\$30 co-pay
Surgery	80% after \$340 deductible	80% after \$340 deductible	100% coverage	100% coverage	100% coverage
Inpatient Hospital	80% after \$250 hospital co-pay and \$340 deductible	80% after \$250 hospital co-pay and \$340 deductible	\$250 co-pay for each admission	\$250 co-pay per benefit period	\$250 co-pay for each admission
Emergency Room	80% after \$340 deductible	80% after \$340 deductible	\$50 co-pay, waived if admitted	\$50 co-pay, waived if admitted	\$50 co-pay, waived if admitted
Ambulance	80% after \$340 deductible	80% after \$340 deductible	100% if emergency	\$50 co-pay	100% coverage
Outpatient Diagnostic X-Ray	80% after \$340 deductible	80% after \$340 deductible	100% coverage	100% coverage	100% coverage
Outpatient Diagnostic Lab	80% after \$340 deductible	80% after \$340 deductible	100% coverage	100% coverage	100% coverage
Outpatient Surgery (Facility Only)	100% after \$340 deductible	80% after \$340 deductible	100% coverage	\$15 co-pay	100% coverage
Chiropractic	80% after \$340 deductible	80% after \$340 deductible	Not covered	Not covered	Not covered
Durable Medical Equipment	80% after \$340 deductible	80% after \$340 deductible	80% coverage	80% coverage	80% coverage
Skilled Nursing Facility	80% coverage /365 day maximum	80% coverage /365 day maximum	Co-pay: \$0 per day 1-20, \$75 per day 21-100	100%/100 days	Co-pay: \$0 per day 1-15, \$95 day per 16-100
Home Health Care	80% after \$340 deductible	80% after \$340 deductible	100% coverage	100% coverage	100% coverage
Hospice	Refer to Certificate of Coverage Medical Plan Description	Inpatient: 100% after deductible, refer to plan description	100% coverage	100% coverage	100% coverage
Prescription Drugs	Express Scripts Retail 34 day max supply 20% Generic or Preferred Brand, 35% Non-Preferred Brand Mail Order 90 day max supply \$15 Generic, \$45 Preferred Brand, \$80 Non-Preferred Brand	BioScrip Pharmacy Retail 34 day max supply 20% Generic or Preferred Brand, 35% Non-Preferred Brand Mail Order 90 day max supply \$15 Generic, \$45 Preferred Brand, \$80 Non-Preferred Brand	Express Scripts Retail 34 day max supply 20% Generic or Preferred Brand, 35% Non-Preferred Brand Mail Order 90 day max supply \$15 Generic, \$45 Preferred Brand, \$80 Non-Preferred Brand	Kaiser Pharmacy Retail 31 day max supply \$10 Co-payment Mail Order 90 day max supply \$25 Co-payment	Express Scripts Retail 34 day max supply 20% Generic or Preferred Brand, 35% Non-Preferred Brand Mail Order 90 day max supply \$15 Generic, \$45 Preferred Brand, \$80 Non-Preferred Brand



Medicare Plan Benefits

	AultCare PrimeTime Medicare Advantage HMO	Aetna Medicare Plan (PPO) Medicare Advantage	Kaiser HMO Medicare	Paramount Elite Medicare Advantage HMO
Deductible	None	None	None	None
Co-Insurance Limit	None	None	\$2,000/single \$6,000/family	None
Life Time Max	None	None	None	None
Office visit	\$20 co-pay	\$25 co-pay	\$25 co-pay	\$20 co-pay
Specialist	\$25 co-pay	\$25 co-pay	\$25 co-pay	\$25 co-pay
Surgery	100% coverage	100% coverage	100% coverage	100% coverage
Inpatient Hospital	\$250 co-pay per admission	\$250 co-pay per admission	\$250 co-pay per admission	\$250 co-pay per admission
Emergency Room	\$50 co-pay, waived if admitted	\$50 co-pay, waived if admitted	\$50 co-pay, waived if admitted	\$50 co-pay, waived if admitted
Ambulance	\$75 co-pay	20% co-pay/80% coverage	\$50 co-pay	100% coverage
Outpatient Diagnostic X-Ray	100% coverage	\$25 co-pay	100% coverage	100% coverage
Outpatient Diagnostic Lab	100% coverage	100% coverage	100% coverage	100% coverage
Outpatient Surgery	100% coverage	100% coverage	\$25 co-pay	100% coverage
Chiropractic	\$25 co-pay limited to Medicare coverage	\$35 co-pay limited to Medicare coverage	\$25 co-pay for manual manipulations/sublux	\$25 co-pay limited to Medicare coverage
Durable Medical Equipment	85% coverage	100% coverage	100% coverage	80% coverage
Skilled Nursing Facility	Co-pay: \$0 per day 1-15, \$20 per day 16-30, \$0 per day 31-100 (100 day maximum)	Co-pay: \$0 per day 1-10, \$25 per day 11-20, \$50 per day 21-100 (100 day maximum)	100% coverage/100 day maximum	Co-pay: \$0 per day 1-15, \$95 per day 16-100 (100 day maximum)
Home Health Care	100% coverage	100% coverage	100% coverage	100% coverage
Hospice	100% coverage	Covered per Medicare rules	100% coverage	Covered per Medicare rules
Prescription Drugs	BioScrip Pharmacy <u>Retail 30 day max supply</u> \$5 Generic, \$15 Preferred Brand, \$30 Non-Preferred Brand <u>Mail Order 90 day max supply \$10</u> Generic, \$30 Preferred Brand, \$60 Non-Preferred Brand Subject to Medicare Part D out-of pocket and catastrophic limits	Express Scripts Medicare D PDP <u>Retail</u> 20% Generic or Preferred Brand, 35% Non-Preferred Brand <u>Mail Order 90 day max supply \$15</u> Generic, \$45 Preferred Brand, \$80 Non-Preferred Brand	Kaiser <u>Retail 31 day max supply</u> \$15 Generic, \$30 Brand Formulary <u>Mail Order 90 day max supply \$15</u> Generic, \$30 Brand Formulary	Express Scripts Medicare D PDP <u>Retail</u> 20% Generic or Preferred Brand, 35% Non-Preferred Brand <u>Mail Order 90 day max supply \$15</u> Generic, \$45 Preferred Brand, \$80 Non-Preferred Brand



SCHEDULE D

DETAILED TABULATIONS OF THE DATA

**All Retirees, Spouses and Dependents Receiving Health Insurance Benefits
Male and Female Demographic Breakdown
June 30, 2009
Tabulated by Attained Ages**

Attained Age	Number of		Total Number
	Males	Females	
Under 20	129	125	254
20-24	26	36	62
25-29	1	2	3
30-34	3	5	8
35-39	9	7	16
40-44	30	48	78
45-49	116	138	254
50-54	369	445	814
55-59	732	1,062	1,794
60-64	1,110	2,932	4,042
65-69	2,357	5,567	7,924
70-74	3,409	6,701	10,110
75-79	3,028	5,946	8,974
80-84	2,346	5,867	8,213
85-89	1,561	4,655	6,216
90-94	575	1,890	2,465
95-99	88	489	577
100	4	22	26
101	3	20	23
102	3	5	8
103	0	4	4
104	0	0	0
105 & Over	0	0	0
Total	15,899	35,966	51,865



**Terminated Vested Members Eligible for Health Insurance Benefits at Age 60
Male and Female Demographic Breakdown
June 30, 2009
Tabulated by Attained Ages**

Attained Age	Number of		Total Number
	Males	Females	
30-34	9	8	17
35-39	18	41	59
40-44	57	124	181
45-49	171	385	556
50-54	245	789	1,034
55-59	232	1,094	1,326
60 & Over	129	590	719
Total	861	3,031	3,892



**Total Active Members as of June 30, 2009
Tabulated by Attained Ages and Years of Service**

Attained Age	Years of Service to Valuation Date							Totals
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
Under 20	784	1						
Avg Pay	\$5,565	\$28,799						\$4,392,067
20-24	4,927	95						
Avg Pay	\$8,761	\$22,760						\$45,328,152
25-29	4,948	828	83					
Avg Pay	\$13,752	\$27,712	\$32,348					\$93,676,669
30-34	4,639	1,577	505	35				
Avg Pay	\$14,287	\$27,932	\$33,858	\$39,535				\$128,808,431
35-39	6,335	2,902	1,275	315	48			
Avg Pay	\$13,368	\$25,243	\$33,777	\$39,697	\$36,832			\$215,279,927
40-44	7,489	4,580	2,604	829	451	83	1	
Avg Pay	\$12,861	\$22,296	\$28,886	\$38,934	\$40,947	\$42,991	\$43,020	\$328,005,553
44-49	7,064	6,076	4,940	1,984	1,212	740	138	
Avg Pay	\$13,478	\$22,172	\$26,019	\$31,701	\$40,147	\$46,117	\$46,291	\$510,524,954
50-54	5,126	5,012	5,376	3,476	2,199	1,151	565	
Avg Pay	\$14,290	\$23,200	\$25,779	\$29,237	\$34,254	\$42,461	\$45,310	\$579,536,602
55-59	3,383	3,085	3,255	2,967	3,087	1,356	635	
Avg Pay	\$14,627	\$23,841	\$26,705	\$28,305	\$31,503	\$36,518	\$42,352	\$467,601,104
60-64	2,045	1,853	1,450	1,499	1,902	1,307	719	
Avg Pay	\$13,534	\$22,541	\$27,212	\$29,175	\$30,863	\$32,699	\$34,427	\$278,825,699
65-69	971	788	558	434	510	458	571	
Avg Pay	\$9,498	\$19,630	\$23,813	\$27,353	\$29,173	\$29,304	\$29,459	\$94,970,108
70 & over	539	437	289	171	211	179	413	
Avg Pay	\$7,956	\$13,475	\$19,010	\$23,477	\$21,821	\$27,040	\$27,389	\$40,441,688
Totals	48,250	27,234	20,335	11,710	9,620	5,274	3,042	125,465
Avg Pay	\$12,891	\$23,214	\$27,064	\$30,255	\$33,228	\$37,369	\$36,755	\$22,216

Averages:
 Age: 47.9
 Service: 9.5
 Annual Pay: \$22,216



**Male Active Members as of June 30, 2009
Tabulated by Attained Ages and Years of Service**

Attained Age	Years of Service to Valuation Date							Totals
	0-4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	
Under 20	419	1						
Avg Pay	\$6,054	\$28,799						\$2,565,556
20-24	2,424	62						
Avg Pay	\$9,001	\$25,628						\$23,406,555
25-29	2,260	407	40					
Avg Pay	\$13,850	\$31,967	\$40,185					\$45,919,503
30-34	1,706	539	228	22				
Avg Pay	\$14,922	\$34,702	\$40,933	\$40,898				\$54,393,937
35-39	1,841	676	420	136	19			
Avg Pay	\$15,245	\$35,620	\$43,028	\$45,254	\$40,068			\$77,132,897
40-44	2,046	822	558	329	217	40	1	
Avg Pay	\$14,442	\$32,624	\$42,401	\$49,369	\$44,800	\$48,347	\$43,020	\$107,965,660
44-49	2,103	1,000	707	382	480	429	74	
Avg Pay	\$14,535	\$32,195	\$40,239	\$44,729	\$48,917	\$49,592	\$48,755	\$156,660,338
50-54	1,889	1,152	767	498	508	523	306	
Avg Pay	\$15,473	\$32,126	\$38,489	\$42,416	\$46,585	\$49,646	\$48,816	\$181,448,716
55-59	1,473	968	638	498	500	363	247	
Avg Pay	\$16,348	\$29,802	\$37,793	\$41,424	\$44,609	\$47,380	\$50,609	\$149,674,715
60-64	1,079	786	428	310	318	242	127	
Avg Pay	\$15,515	\$26,941	\$35,861	\$40,544	\$42,841	\$45,704	\$45,385	\$96,281,960
65-69	522	463	241	136	120	67	58	
Avg Pay	\$10,860	\$22,198	\$28,535	\$36,141	\$40,774	\$40,700	\$43,441	\$37,878,002
70 & over	272	220	159	66	52	40	32	
Avg Pay	\$9,479	\$16,961	\$22,706	\$29,705	\$29,391	\$38,553	\$38,686	\$16,188,943
Totals	18,034	7,096	4,186	2,377	2,214	1,704	845	36,456
Avg Pay	\$13,729	\$30,646	\$38,363	\$42,734	\$45,157	\$47,947	\$48,060	\$26,046

Averages:
 Age: 46.5
 Service: 8.2
 Annual Pay: \$26,046



**Female Active Members as of June 30, 2009
Tabulated by Attained Ages and Years of Service**

Attained Age	Years of Service to Valuation Date							Totals
	0-4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	
Under 20 Avg Pay	365 \$5,004							\$1,826,511
20-24 Avg Pay	2,503 \$8,529	33 \$17,372						\$21,921,596
25-29 Avg Pay	2,688 \$13,670	421 \$23,599	43 \$25,059					\$47,757,166
30-34 Avg Pay	2,933 \$13,918	1,038 \$24,416	277 \$28,034	13 \$37,228				\$74,414,494
35-39 Avg Pay	4,494 \$12,599	2,226 \$22,092	855 \$29,233	179 \$35,475	29 \$34,712			\$138,147,029
40-44 Avg Pay	5,443 \$12,267	3,758 \$20,036	2,046 \$25,200	500 \$32,068	234 \$37,374	43 \$38,009		\$220,039,892
44-49 Avg Pay	4,961 \$13,029	5,076 \$20,197	4,233 \$23,645	1,602 \$28,594	732 \$34,396	311 \$41,325	64 \$43,443	\$353,864,616
50-54 Avg Pay	3,237 \$13,599	3,860 \$20,536	4,609 \$23,663	2,978 \$27,033	1,691 \$30,550	628 \$36,478	259 \$41,168	\$398,087,887
55-59 Avg Pay	1,910 \$13,299	2,117 \$21,116	2,617 \$24,002	2,469 \$25,659	2,587 \$28,970	993 \$32,547	388 \$37,095	\$317,926,389
60-64 Avg Pay	966 \$11,321	1,067 \$19,299	1,022 \$23,589	1,189 \$26,211	1,584 \$28,458	1,065 \$29,744	592 \$32,076	\$182,543,739
65-69 Avg Pay	449 \$7,915	325 \$15,973	317 \$20,222	298 \$23,342	390 \$25,603	391 \$27,351	513 \$27,878	\$57,092,106
70 & over Avg Pay	267 \$6,405	217 \$9,940	130 \$14,490	105 \$19,562	159 \$19,346	139 \$23,727	381 \$26,441	\$24,252,745
Totals Avg Pay	30,216 \$12,390	20,138 \$20,596	16,149 \$24,135	9,333 \$27,077	7,406 \$29,662	3,570 \$32,320	2,197 \$32,408	89,009 \$20,648

Averages:
 Age: 48.5
 Service: 10.1
 Annual Pay: \$20,648



Active Members as of June 30, 2009
By Annual Pay

Annual Pay	Number of Active Members			Portion of Total Number	
	Men	Women	Totals	Group	Cumulative
Less than \$1,000	191	281	472	0.4%	0.4%
\$1,000 - 1,999	1,140	1,324	2,464	2.0%	2.3%
2,000 - 2,999	2,144	2,143	4,287	3.4%	5.8%
3,000 - 3,999	2,152	2,239	4,391	3.5%	9.3%
4,000 - 4,999	1,515	2,431	3,946	3.1%	12.4%
5,000 - 5,999	1,209	2,356	3,565	2.8%	15.2%
6,000 - 6,999	902	2,247	3,149	2.5%	17.8%
7,000 - 7,999	739	2,279	3,018	2.4%	20.2%
8,000 - 8,999	655	2,268	2,923	2.3%	22.5%
9,000 - 9,999	621	2,468	3,089	2.5%	25.0%
10,000 - 11,999	1,280	4,878	6,158	4.9%	29.9%
12,000 - 13,999	1,256	5,197	6,453	5.1%	35.0%
14,000 - 15,999	1,182	6,377	7,559	6.0%	41.0%
16,000 - 17,999	1,139	7,249	8,388	6.7%	47.7%
18,000 - 19,999	1,054	6,430	7,484	6.0%	53.7%
20,000 - 24,999	2,219	12,520	14,739	11.7%	65.4%
25,000 - 29,999	2,290	8,113	10,403	8.3%	73.7%
30,000 - 35,999	3,674	7,304	10,978	8.7%	82.5%
36,000 and over	11,094	10,905	21,999	17.5%	100.0%
Totals	36,456	89,009	125,465		



SCHEDULE E

GLOSSARY

Actuarial Accrued Liability. The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as "accrued liability" or "past service liability".

Accrued Service. The service credited under the plan which was rendered before the date of the actuarial valuation.

Actuarial Assumptions. Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future plan benefits" between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the "actuarial funding method".

Actuarial Equivalent. A series of payments is called an actuarial equivalent of another series of payments if the two series have the same actuarial present value.

Actuarial Present Value. The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Age-Related Morbidity. Assumed increase to the net incurred claims related to increase in age.

Amortization. Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

Experience Gain (Loss). A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.

Health Care Cost Trend Rates. The annual assumed rate of increase for both claims and contributions.

Normal Cost. The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as "current service cost". Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

Plan Termination Liability. The actuarial present value of future plan benefits based on the assumption that there will be no further accruals for future service and salary. The termination liability will generally be less than the liabilities computed on a "going concern" basis and is not normally determined in a routine actuarial valuation.

Reserve Account. An account used to indicate that funds have been set aside for a specific purpose and are not generally available for other uses.



Unfunded Actuarial Accrued Liability. The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as "unfunded accrued liability".

Valuation Assets. The value of current plan assets recognized for valuation purposes. Generally based on book value plus a portion of unrealized appreciation or depreciation.