

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

**REPORT ON THE
ACTUARIAL VALUATION
AS OF DECEMBER 31, 2000**

April 30, 2001

Board of Retirement
Santa Barbara County
Employees' Retirement System
County Administration Building, Room 301
105 East Anapamu Street
Santa Barbara, CA 93101

Members of the Board:

We are pleased to present our report on the experience analysis and actuarial valuation of your Retirement System as of December 31, 2000.

We hereby certify that the valuation was performed in accordance with generally accepted actuarial principles and practices.

We look forward to discussing this report with the Board and wish to express our appreciation for the invaluable cooperation extended to us by the Retirement Staff during the course of this study.

Respectfully submitted,



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SECTION I: EXECUTIVE SUMMARY

We were commissioned by the Board to perform an actuarial valuation and experience of the Retirement System as of December 31, 2000, using the statistical information available for the active, inactive and retired membership, and the financial statements as of December 31, 2000.

The results presented herein are based upon the unaudited data supplied by the Retirement Office and the benefits for General Plan 1, 2, 3, and 4, Safety Plan 1 and 3, Probation Plan 1, and Air Pollution Control District (APCD) Plan 1 and 2 members under Sections 31676.1, 31486.4, 31676.12, 31664, and 31676.15 of the County Employees Retirement Law of 1937. Effective January 11, 1999, General members are covered under Section 31676.12 (General Plan 4). The results presented in this report reflect this increase in benefits.

A brief summary of the results of our valuation is presented below. More comprehensive information on each topic is presented in the relevant section of the report.

Section II - Statistical Highlights

Total System membership increased from 6,845 to 7,190. Active membership increased by 4.3% while total covered payroll increased by \$20,291,000, or 10.2%.

The number of retired members went up by 4.3% and the retired pension roll increased by 9.1%.

Section III - Summary of Actuarial Assumptions

Noneconomic Assumptions

We have examined the plan experience during the three-year period January 1, 1998 through December 31, 2000. We analyzed data for those three years regarding service retirement, deaths, disabilities and terminations of employment and compared the number of actual terminations to the

incidence expected using the current actuarial assumptions. Where the results differ materially, we recommend modifying the assumptions. The summary of our findings and recommendations are incorporated in the body of this report.

Economic Assumptions

In order to ensure that the same inflationary expectations are consistently included in all of the economic assumptions, we have used a building block approach in developing the economic assumptions. That is, we assumed that the investment return earned over the long term is comprised of two components: inflation and real rate of return. In addition, we have assumed that future salary increases are comprised of inflation and merit and longevity increases.

The summary of our findings and recommendations are incorporated in the body of this report.

Section IV - Contribution Rates

A comparison between the current and recalculated employer and employee contribution rates is shown on the following page. The current and recalculated rates utilize the same actuarial assumptions as those used to conduct the December 31, 1999 valuation is shown on the following page. In addition, we show the employer and employee contribution rates that would result from using the recommended assumptions and benefit improvements. All contribution rates and corresponding annual amounts shown on the following page include the amounts payable by the Air Pollution Control District.

	EMPLOYER		EMPLOYEE	
	% of Payroll	Annual Amount	% of Payroll	Annual Amount
Current Rates – 12/31/1999*	12.00%	\$23,928,000	5.11%	\$10,033,000
Current Rates – 12/31/2000**	11.88%	\$26,101,000	5.30%	\$11,499,000
Recalculated Rates	10.51%	\$23,101,000	5.30%	\$11,499,000
Recommended Rates before benefit improvements	8.68%	\$19,076,000	5.08%	\$11,005,000
Recommended Rates with proposed benefit improvements***	11.95%	\$26,259,000	5.77%	\$12,511,000

* Based on December 31, 1999 population and payroll.

** Based on December 31, 2000 population and payroll.

*** The additional costs of the benefit improvements are based on the special studies calculated as of December 31, 1999.

The lower recalculated employer contribution rate reflects higher than expected Plan assets. The decrease in the recommended employer contribution rates without benefit improvements is primarily attributable to changes in economic assumptions. The recommended rates with benefit improvements remained virtually unchanged from the current rates.

Section V - Assets and Liabilities

Actuarial Value of Assets

An actuarial value of assets is used for purposes of determining the employer contribution rates. Under this method, realized and unrealized gains and losses are spread over five years (i.e., only 20% is recognized in any one year). As of December 31, 2000 the actuarial value of assets was \$1,171,138,192. The value of assets was \$1,062,285,468 at book value and \$1,226,876,846 at market value. The returns on an actuarial value basis, net of expenses, were 14.9% and 10.7% for 1999 and 2000 calendar years, respectively.

Actuarial Balance Sheet

The actuarial balance sheet compares the present value of all future benefits anticipated to be paid for the current membership with the sources of funds to be used to provide these benefits. It illustrates that if recommended contribution levels made in the future prove out over time, current assets plus future employer and member contributions will be adequate to meet future benefit payments for the current membership.

Funding Ratio - GASB 25

The Governmental Accounting Standards Board Statement No. 25 (GASB 25) requires that the funding progress be shown based on the same funding method which was used to develop the System's contribution requirements. The following table shows the funding ratio based on the Entry Age Normal Cost funding method:

SCHEDULE OF FUNDING PROGRESS GASB 25 (dollar amounts in thousands)						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
1/1/95	\$ 562,861	\$ 643,453	\$ 80,592	87.5%	\$ 140,571	57.3%
1/1/96	\$ 624,823	\$ 711,869	\$ 87,046	87.8%	\$ 154,120	56.5%
1/1/97	\$ 693,301	\$ 758,772	\$ 65,471	91.4%	\$ 159,906	40.9%
1/1/98	\$ 799,539	\$ 873,624	\$ 74,085	91.5%	\$ 171,602	43.2%
1/1/99	\$ 938,295	\$ 950,205	\$ 11,910	98.7%	\$ 184,291	6.5%
1/1/00	\$ 1,068,357	\$ 1,067,377	\$ (980)	100.1%	\$ 199,448	(0.5)%
1/1/01	\$ 1,171,138	\$ 1,145,519*	\$(25,619)	102.2%	\$ 219,739	(11.7)%

* Excluding benefit improvements.

Section VI - Appendix

A summary of the major provisions of the Plan is included in the Appendix, together with detailed information on the actuarial assumptions, demographic information and plan assets. General, Safety, Probation, and APCD member contribution rates, by entry age, are shown in Schedule 5.

SECTION II: STATISTICAL HIGHLIGHTS

Our December 31, 2000 actuarial valuation of your System was based on the following data. For comparison, we also show a summary of the December 31, 1999 statistical information.

SUMMARY OF INACTIVE MEMBERSHIP			
	December 31, 1999	December 31, 2000	Percentage Change During the Period
TOTAL Number*	503	577	14.7%

* Excludes pending withdrawals.

SUMMARY OF RETIRED MEMBERSHIP			
	December 31, 1999	December 31, 2000	Percentage Change During the Period
TOTAL Number	2,012	2,098	4.3%
Basic Annual Allowance	\$24,280,000	\$26,420,000	8.8%
Average Basic Monthly Allowance	\$1,006	\$1,049	4.3%
Total Annual Allowance	\$30,682,000	\$33,468,000	9.1%
Average Total Monthly Allowance	\$1,271	\$1,329	4.6%
Average Age	69.99	69.95	(0.1)%

SUMMARY OF ACTIVE MEMBERSHIP			
	December 31, 1999	December 31, 2000	Percentage Change During the Period
TOTAL Number	4,330	4,515	4.3%
Annual Payroll †	\$199,448,000	\$219,739,000	10.2%
Average Monthly Salary	\$3,838	\$4,056	5.7%
Average Age	43.22	43.28	0.1%
Average Service	9.15	9.23	0.9%

† Represents the annualization of active members' pay rates on December 31, 2000.

SUMMARY OF ACTIVE MEMBERSHIP			
	December 31, 1999	December 31, 2000	Percentage Change During the Period
GENERAL PLAN 1/4			
Number	1,920	1,800	(6.2)%
Annual Payroll*	\$90,608,000	\$91,883,000	1.4%
Average Monthly Salary	\$3,933	\$4,254	8.2%
Average Age	47.18	47.87	1.5%
Average Service	12.73	13.75	8.0%
GENERAL PLAN 2/4			
Number	78	69	(11.5)%
Annual Payroll*	\$3,149,000	\$2,974,000	(5.6)%
Average Monthly Salary	\$3,364	\$3,592	6.8%
Average Age	46.23	47.10	1.9%
Average Service	9.68	11.20	15.7%
GENERAL PLAN 3/4			
Number	1,353	1,640	21.2%
Annual Payroll*	\$52,384,000	\$68,302,000	30.4%
Average Monthly Salary	\$3,226	\$3,471	7.6%
Average Age	38.79	39.14	0.9%
Average Service	2.37	2.69	13.5%
SAFETY PLAN 1			
Number	505	493	(2.4)%
Annual Payroll*	\$30,437,000	\$30,532,000	0.3%
Average Monthly Salary	\$5,023	\$5,161	2.7%
Average Age	43.92	44.60	1.5%
Average Service	15.97	16.81	5.3%
SAFETY PLAN 3			
Number	281	325	15.7%
Annual Payroll*	\$12,399,000	\$15,353,000	23.8%
Average Monthly Salary	\$3,677	\$3,937	7.1%
Average Age	33.29	33.82	1.6%
Average Service	2.33	2.76	18.5%
PROBATION			
Number	129	127	(1.6)%
Annual Payroll*	\$6,872,000	\$7,212,000	4.9%
Average Monthly Salary	\$4,439	\$4,732	6.6%
Average Age	46.48	46.82	0.7%
Average Service	14.71	15.60	6.1%
APCD PLAN 1			
Number	52	46	(11.5)%
Annual Payroll*	\$3,105,000	\$2,876,000	(7.4)%
Average Monthly Salary	\$4,976	\$5,210	4.7%
Average Age	46.06	47.02	2.1%
Average Service	11.40	12.37	8.5%
APCD PLAN 2			
Number	12	15	25.0%
Annual Payroll*	\$494,000	\$608,000	23.1%
Average Monthly Salary	\$3,431	\$3,378	(1.5)%
Average Age	46.33	46.47	0.3%
Average Service	1.50	1.40	(6.7)%

* Represents the annualization of active members' pay rates on December 31, 2000.

SECTION III: SUMMARY OF ACTUARIAL ASSUMPTIONS

To carry out an actuarial valuation of the assets and liabilities of your System, the actuary must first adopt assumptions with respect to each of the following items:

Noneconomic assumptions

- ◊ The probabilities of members separating from active service on account of nonvested and vested withdrawal, retirement for service, death, and disability, and
- ◊ The mortality rates to be experienced among retired persons.

Economic assumptions

- ◊ Interest earnings to be realized on the funds over many years in the future, and
- ◊ The relative increases in a member's salary from the date of the valuation to the date of separation from active service.

We discuss each of the above items in the following paragraphs of this Section.

NONECONOMIC ASSUMPTIONS

Rates of Separation from Active Service

In connection with the December 31, 2000 actuarial valuation, we compared the expected number of terminations from active service to the number actually experienced during the three-year period beginning January 1, 1998 and ending December 31, 2000. Based on this comparison and the trends observed over the prior three years, the probabilities of separation were adjusted accordingly, as identified below.

During the three-year experience period, the number of deaths was lower than expected for General male and Safety members. We recommend that the *ordinary death* rates be lowered for these two groups to reflect the improved mortality.

During the three-year experience period, the incidence of *ordinary disability* was higher than expected for General female and Safety members, and lower than expected for General male members. The ordinary disability rates were increased for General female members.

The number of actual separations due to *duty disability* was higher than the number of expected separations for General male and female members. We recommend increasing the rates to reflect the experience for these two groups.

None of the other types of separation demonstrated a statistically significant trend when compared to the prior three- or six-year period; hence, we recommend continuing the existing assumptions for the remaining types of separation.

Currently, we assume that 80% of male employees and 50% of female employees are married at retirement. We analyzed the married percentage for the current retirees. Among the current retirees, 79% of male retirees and 49% of female retirees are married. We recommend that the current married percentage assumptions continue to be used.

The purpose of the following table is to provide the reader with a shorthand summary of the experience compared with the existing assumptions. A complete list of the current and recommended rates of separation from active service can be found in Schedule 6 of the Appendix. These rates should be viewed in the aggregate rather than examining each of them separately. This is due to the interdependency of the rates. For example, if turnover were to increase, there would be fewer retirements.

“Expected separation” means the number of terminations that would occur if the currently assumed probabilities were applied to your actual work force over the period under investigation.

SUMMARY OF ACTUARIAL INVESTIGATION WITH RESPECT TO RATES OF SEPARATION FROM ACTIVE SERVICE			
	Actual Separations	Expected Separations	Revised Separations
Withdrawal			
General Male	148	133.47	N/A
General Female	361	369.64	N/A
Safety	52	48.44	N/A
Pre-retirement Death			
General Male	5	7.47	6.67
General Female	7	6.60	N/A
Safety	1	3.34	3.06
Ordinary Disability			
General Male	4	5.50	N/A
General Female	10	5.90	8.84
Safety	2	1.38	N/A
Duty Disability			
General Male	6	5.34	5.88
General Female	9	4.00	6.00
Safety	10	9.69	N/A
Service Retirement*			
General Male	57	91.92	N/A
General Female	93	91.11	N/A
Safety	59	44.89	N/A
Deferred Retirement			
General Male	63	42.46	N/A
General Female	119	85.70	N/A
Safety	18	18.63	N/A
All Terminations	1,024	975.48	979.88

* Excludes General members older than 70 and Safety members older than 60. Based on our expectation that members were waiting to retire after new benefits were implemented, no adjustments were made to Service Retirement rates.

A complete listing of the rates of separation from active service can be found in Schedule 6 of the Appendix. These rates should be viewed in the aggregate rather than examining each of them separately. This is due to interdependency of the rates. For example, if turnover were to increase, there would be fewer retirements.

Recommendation

We recommend that the Board adopt the new rates of separation shown in Schedule 6 of the Appendix.

On the following pages, we show the number of members expected to eventually separate from active service for each of the various causes of termination based on the current assumptions. We also show the percentage of members expected to eventually separate from the system, in pie chart format. For purposes of the chart, we have grouped the following:

- ◇ service retirement and terminated vested into Service,
- ◇ ordinary and duty disability into Disability, and
- ◇ ordinary death, duty death, and death while eligible into Death.

GENERAL MALE MEMBERS

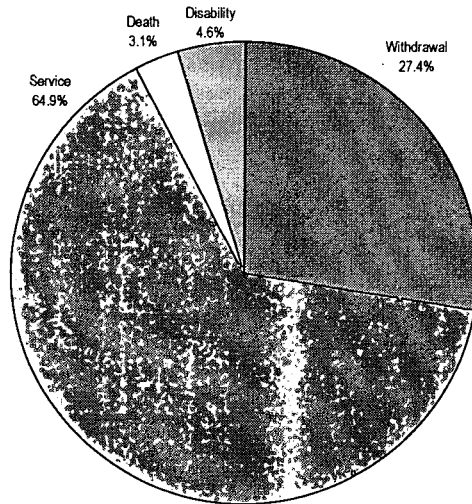
Current Assumptions

Expected Number to Eventually Separate for Indicated Cause*

Age	Number of Actives	Withdrawal	Service	Terminated Vested	Ordinary Death	Death		Ordinary Disability	Duty Disability
						White Eligible	Duty Death		
20-24	15	13	1	1	0	0	0	0	0
25-29	68	47	10	9	1	1	0	1	1
30-34	108	59	24	18	1	1	0	2	2
35-39	188	78	63	33	2	3	0	4	4
40-44	198	58	90	32	3	4	0	5	5
45-49	232	46	136	28	4	5	0	7	6
50-54	235	30	166	17	4	5	0	8	5
55-59	137	10	112	5	2	3	0	4	2
60-64	43	2	38	0	0	1	0	1	0
65 & OVER	30	0	29	0	0	0	0	0	0
TOTAL	1,254	343	670	144	16	22	2	32	26
		27.4%	53.4%	11.5%	1.3%	1.7%	0.1%	2.6%	2.0%

* The individual numbers in the columns may not add to the total shown due to rounding.

Expected Percentage to Eventually Separate for Indicated Cause



GENERAL FEMALE MEMBERS

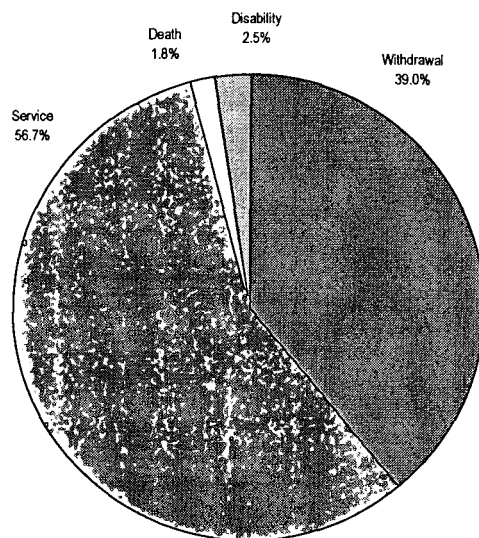
Current Assumptions

Expected Number to Eventually Separate for Indicated Cause*

Age	Number of Actives	Withdrawal	Service	Terminated					
				Vested	Ordinary Death	While Eligible	Duty Death	Ordinary Disability	Duty Disability
20-24	94	82	4	7	0	0	0	0	0
25-29	231	178	20	29	1	1	0	1	1
30-34	291	185	47	51	2	1	0	3	2
35-39	301	145	85	58	3	2	0	5	3
40-44	391	136	165	69	5	3	1	8	5
45-49	368	93	208	46	5	4	0	8	5
50-54	320	56	226	19	4	4	0	6	4
55-59	197	22	160	5	3	2	0	3	2
60-64	95	6	85	1	1	1	0	1	0
65 & OVER	28	1	27	0	0	0	0	0	0
TOTAL	2,316	903	1,027	284	24	17	2	35	23
		39.0%	44.4%	12.3%	1.0%	0.7%	0.1%	1.5%	1.0%

* The individual numbers in the columns may not add to the total shown due to rounding.

Expected Percentage to Eventually Separate for Indicated Cause



SAFETY MEMBERS

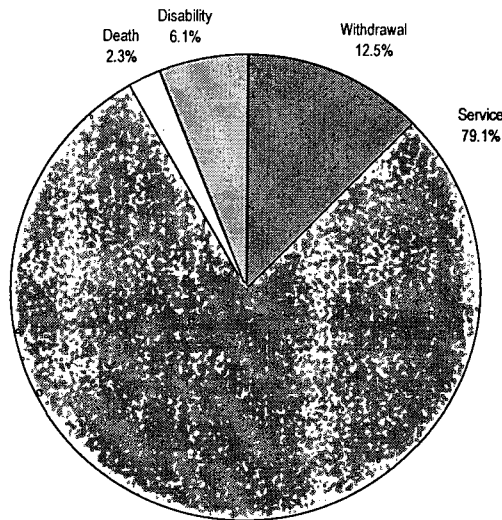
Current Assumptions

Expected Number to Eventually Separate for Indicated Cause*

Age	Number of Actives	Withdrawal	Service	Terminated Vested	Ordinary Death	Death While Eligible	Duty Death	Ordinary Disability	Duty Disability
20-24	22	10	7	3	0	0	0	0	1
25-29	133	44	58	19	1	1	1	1	8
30-34	145	32	83	14	1	1	1	2	10
35-39	136	17	95	8	1	2	1	2	10
40-44	158	9	127	4	1	2	1	2	11
45-49	141	4	124	1	1	1	1	1	7
50-54	131	1	124	0	1	1	1	0	3
55 & OVER	79	0	78	0	0	0	0	0	0
TOTAL	945	118	698	50	7	9	6	7	50
		12.5%	73.8%	5.3%	0.8%	0.9%	0.6%	0.8%	5.3%

* The individual numbers in the columns may not add to the total shown due to rounding.

Expected Percentage to Eventually Separate for Indicated Cause



GENERAL MALE MEMBERS

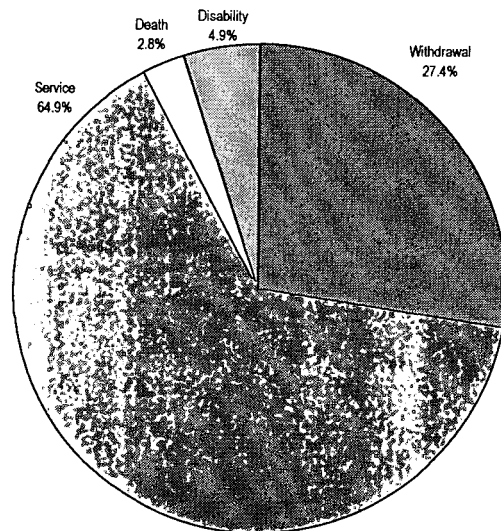
Recommended Assumptions

Expected Number to Eventually Separate for Indicated Cause*

Age	Number of Actives	Withdrawal	Service	Terminated Vested	Ordinary Death	Death		Ordinary Disability	Duty Disability
						While Eligible	Duty Death		
20-24	15	13	1	1	0	0	0	0	0
25-29	68	47	10	9	0	1	0	1	1
30-34	108	59	25	18	1	1	0	2	2
35-39	188	78	63	33	2	3	0	4	5
40-44	198	58	90	32	2	4	0	5	6
45-49	232	46	136	28	3	5	0	7	6
50-54	235	30	166	17	3	5	0	8	6
55-59	137	10	112	5	1	3	0	4	2
60-64	43	2	38	0	0	1	0	1	0
65 & OVER	30	0	29	0	0	0	0	0	0
TOTAL	1,254	343	671	144	12	22	2	32	28
		27.4%	53.4%	11.5%	1.0%	1.7%	0.1%	2.6%	2.3%

* The individual numbers in the columns may not add to the total shown due to rounding.

Expected Percentage to Eventually Separate for Indicated Cause



GENERAL FEMALE MEMBERS

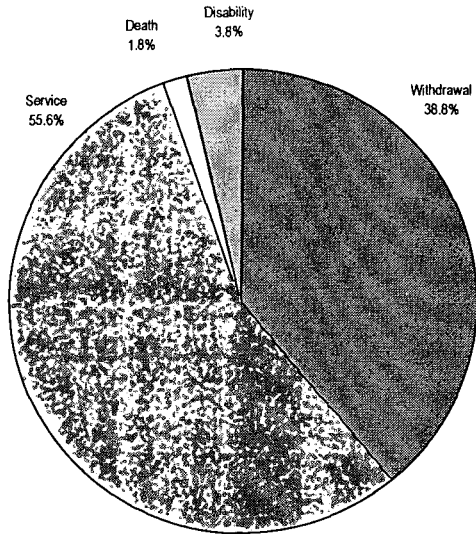
Recommended Assumptions

Expected Number to Eventually Separate for Indicated Cause*

Age	Number of Actives	Withdrawal	Service	Terminated Vested	Ordinary Death	Death		Ordinary Disability	Duty Disability
						While Eligible	Duty Death		
20-24	94	82	4	6	0	0	0	0	0
25-29	231	178	19	29	1	1	0	2	1
30-34	291	184	45	51	2	1	0	4	3
35-39	301	144	82	58	3	2	0	7	5
40-44	391	135	160	68	5	3	1	12	8
45-49	368	92	203	45	5	4	0	12	8
50-54	320	55	222	19	4	3	0	10	6
55-59	197	22	158	5	3	2	0	5	3
60-64	95	6	85	1	1	1	0	1	1
65 & OVER	28	1	27	0	0	0	0	0	0
TOTAL	2,316	899	1,006	283	23	17	2	52	34
		38.8%	43.4%	12.2%	1.0%	0.7%	0.1%	2.3%	1.5%

* The individual numbers in the columns may not add to the total shown due to rounding.

Expected Percentage to Eventually Separate for Indicated Cause



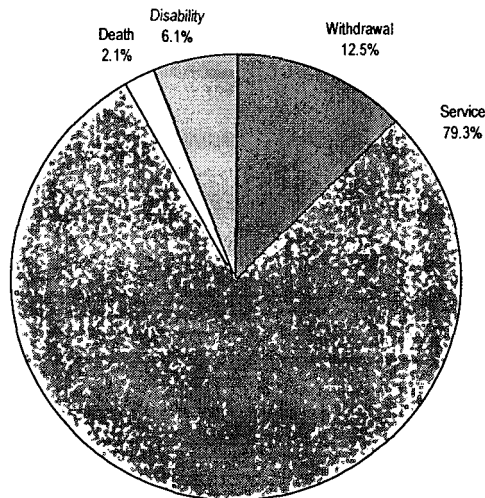
SAFETY MEMBERS
Recommended Assumptions

Expected Number to Eventually Separate for Indicated Cause*

Age	Number of Actives	Withdrawal	Service	Terminated Vested	Ordinary Death	Death While Eligible	Duty Death	Ordinary Disability	Duty Disability
20-24	22	10	7	3	0	0	0	0	1
25-29	133	44	58	19	1	1	1	1	8
30-34	145	32	83	14	1	2	1	2	10
35-39	136	17	96	8	1	2	1	2	10
40-44	158	9	128	4	1	2	1	2	11
45-49	141	4	124	1	1	1	1	1	7
50-54	131	1	124	0	1	1	1	0	3
55 & OVER	79	0	78	0	0	0	0	0	0
TOTAL	945	118	699	50	5	9	6	7	51
		12.5%	74.0%	5.3%	0.6%	0.9%	0.6%	0.8%	5.3%

* The individual numbers in the columns may not add to the total shown due to rounding.

Expected Percentage to Eventually Separate for Indicated Cause



Mortality After Retirement

We have also analyzed mortality after retirement by comparing the expected number of deaths with the actual incidence of death after service retirement. The comparison was made by utilizing the following mortality tables currently in use:

Service Retirement Mortality Tables

- ◊ General Males 1983 Group Annuity Mortality Table for Males, with no setback
- ◊ General Females 1983 Group Annuity Mortality Table for Females, set forward 1 year
- ◊ Safety 1983 Group Annuity Mortality Table for Males, set forward 1 year

The results of the experience analysis are as follows:

NUMBER OF DEATHS AFTER SERVICE RETIREMENT			
	Actual	Expected	Revised
General Males and Male Beneficiaries	82	98	86
General Females and Female Beneficiaries	92	95	92
Safety Members	7	11	8

During the three-year period under investigation, the number of actual deaths was lower than expected for all groups. Based on these results, we recommend changing to a new mortality table, the 1994 Group Annuity Mortality Table. The number of expected deaths based on the recommended mortality tables is shown in the chart above in the column labeled "Revised".

Revised Service Retirement Mortality Tables

- ◊ General Males 1994 Group Annuity Mortality Table for Males, with no setback
- ◊ General Females 1994 Group Annuity Mortality Table for Females, set forward 1 year
- ◊ Safety Males 1994 Group Annuity Mortality Table for Males, with no setback
- ◊ Safety Females 1994 Group Annuity Mortality Table for Females, set forward 1 year

Note: No setback means that the table is used as published. When the table is set forward one year, the member's life expectancy is that of someone one year older.

A full listing of the life expectancies based on these tables is shown in Schedule 7 of the Appendix.

Mortality After Disability Retirement

In addition, we analyzed mortality after disability retirement. This comparison was made by utilizing the following mortality tables currently in use:

Disability Retirement Mortality Tables

- ◇ General 1981 Disability Mortality Table for General Members, with no setback
- ◇ Safety 1981 Disability Mortality Table for Safety Members, with no setback

The results of the experience analysis are as follows:

NUMBER OF DEATHS AFTER DISABILITY RETIREMENT			
	Actual	Expected	Revised
General Male Members	9	8	N/A
General Female Members	2	6	N/A
Safety Members	6	7	N/A

During the three-year period under investigation, the number of actual deaths after disability retirement was slightly higher than expected for General male members and lower than expected for General female and Safety members. However, these numbers were very close over the past six years. Based on this experience, we recommend that the current disability mortality tables continue to be used.

A full listing of the life expectancies based on these tables is shown in Schedule 7 of the Appendix. The costs developed for this report are based upon these tables.

Mortality Tables for Employee Contribution Rates

In 1976, the law was changed to remove the sex differential in employee contribution rates. Currently, employee contribution rates are based on the following unisex mortality tables, which were adopted for use during the December 31, 1997 valuation.

- ◊ General 1983 Group Annuity Mortality Table for Males, set back 3 years
- ◊ Safety 1983 Group Annuity Mortality Table for Males, set forward 1 year

Based on the recommended changes to the mortality tables mentioned above, we recommend that employee contribution rates be developed based on the following unisex mortality tables:

- ◊ General 1994 Group Annuity Mortality Table for Males, set back 2 years
- ◊ Safety 1994 Group Annuity Mortality Table for Males, set back 1 year

The full set of employee contribution rates is shown in Schedule 5 of the Appendix.

ECONOMIC ASSUMPTIONS

In setting the economic assumptions, we take a building block approach. Specifically, we first look at the rate of inflation which underlies both the total rate of return and the salary scale assumptions. To aid us in determining an appropriate inflation rate for your System, we have reviewed long-term historical inflation averages, recent trends, and the assumptions adopted by other public retirement systems governed by the 1937 Act. It should be noted that we have placed more emphasis on long-term historical averages and long-term future predictions than on the more recent, short-term trends. This helps to minimize fluctuations which are more apparent in short-term trends.

Secondly, we review the anticipated real rate of return on investments. The real rate of return is dependent on the anticipated returns on classes of investments and the asset allocation of the

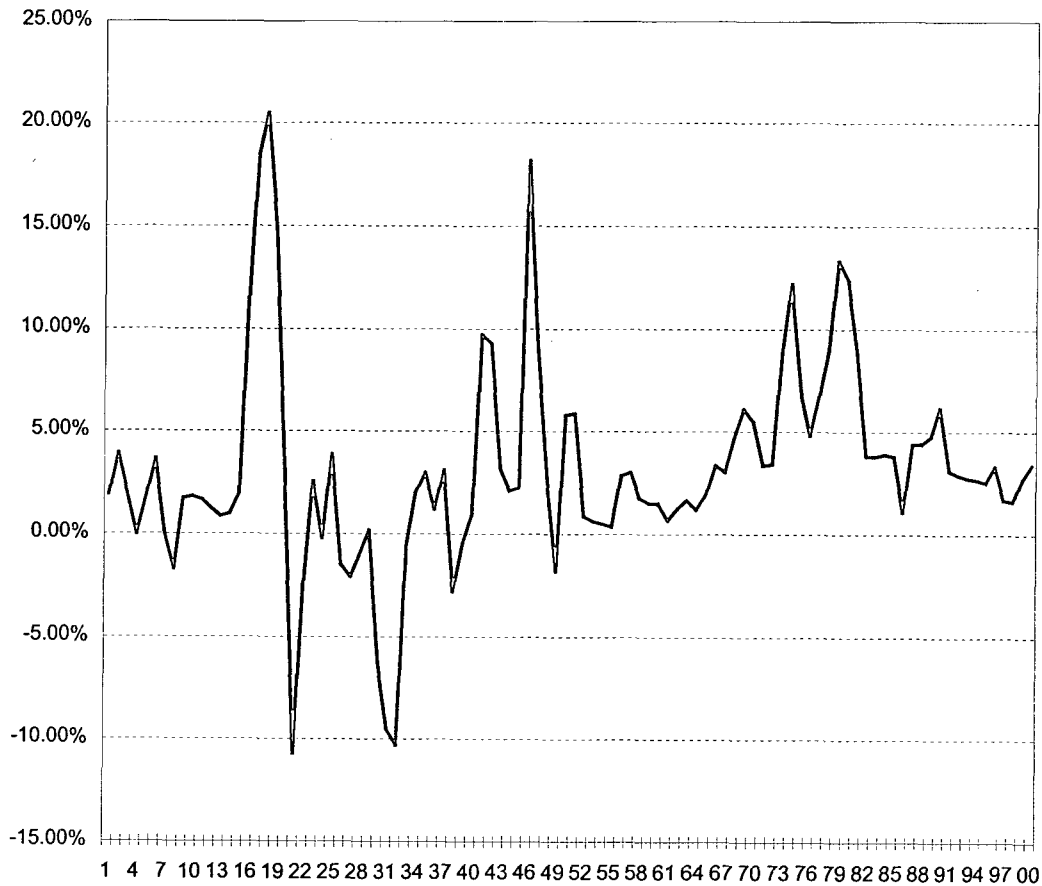
System's funds. To develop the individual real rates of return we utilize various empirical studies. By applying the results of these studies to the System's target asset allocation, we develop the real rate of return. This rate may then be adjusted for any known or anticipated changes in the economy that may occur. Using our building block approach, we combine the underlying inflation assumption with the real rate of return to develop the total rate of return assumption (interest rate assumption).

The salary scale assumption is developed in a similar manner. The inflation rate is combined with merit and longevity increases to produce a total salary scale assumption.

Inflation

One of the most important assumption used in valuing the System's liabilities is the rate of inflation. This assumption underlies both the investment return assumption and the salary increases assumption. These in turn directly impact the employer and employee contribution rates.

If the pattern of inflation during the last 90-year period is analyzed, it may be extrapolated that the current low rates will not continue into the future indefinitely. Inflation appears to move in a cyclical fashion as may be seen in the following graph.



* US City Average (December index)

Year

From	To	Years	Average
1991	2000	10	2.67%
1981	2000	20	3.59%
1971	2000	30	5.09%
1961	2000	40	4.55%
1951	2000	50	4.02%
1941	2000	60	4.36%
1931	2000	70	3.55%
1921	2000	80	2.88%
1911	2000	90	3.39%

Because of the cyclical nature of inflation and the long-term nature of the System's liabilities, we believe that it is appropriate to assume that the average inflation rate to be experienced over the next 30 to 50 years (which is approximately the lifetime of the present obligations of the System) will be between 4.00% and 5.00%.

The current long-term inflation assumptions adopted by the 1937 act counties are shown in the following chart. The average inflation assumption for these systems is currently 4.45%.

CURRENT LONG-TERM INFLATION ASSUMPTIONS ADOPTED BY OTHER 1937 ACT COUNTIES			
Retirement Association	Assumed Inflation Rate	Retirement Association	Assumed Inflation Rate
Alameda	4.50%	Sacramento	4.25%
Contra Costa	4.25%	San Bernardino	4.50%
Fresno	4.75%	San Diego	4.00%
Imperial	5.00%	San Joaquin	4.50%
Kern	4.50%	San Mateo	4.25%
Los Angeles	4.00%	Santa Barbara	4.75%
Marin	4.25%	Sonoma	4.50%
Mendocino	4.75%	Stanislaus	4.50%
Merced	4.50%	Tulare	4.50%
Orange	4.50%	Ventura	4.25%

Based on the information presented in the economic assumption section, we recommend that the current inflation rate assumption of 4.75% be lowered to 4.50%.

Real Rate of Return

The first step in developing a real rate of return is to analyze how the System’s assets are allocated among the various investment classes. Based on this information, we can then apply the anticipated rate of return to the respective classes and develop an overall estimated real rate of return. The System has adopted the target asset allocation shown on the following page.

ASSET ALLOCATION AS OF DECEMBER 31, 2000 (MARKET VALUE)	
	Target
Equity	65%*
Fixed Income/Bonds	33%*
Real Estate	0%
Short Term Cash Equivalents	2%

*Includes International Equity and Fixed Income

There have been numerous studies performed which analyze the expected long-term real rates of return for use in asset allocation models. Roger Ibbotson and Rex A. Sinquefield produced one of these studies for the period 1926-1999 called Stocks, Bonds and Inflation: Simulations of the Future. The results of this study are presented below.

IBBOTSON-SINQUEFIELD REAL RATES OF RETURN (1926 - 1999)	
Stocks	8.0%
Long-term government bonds	2.0%
Long-term corporate bonds	2.5%
Treasury bills	0.7%

Applying the System's target asset allocation to the real rates of return in the table above produces a real rate of return of approximately 5.96% (assuming an equal proportion of government and corporate bonds). After adjusting for expenses and potential adverse future experience, we believe that a real rate of return of 3.50% provides a reasonable degree of conservatism when used with a 4.50% inflation rate. Thus, we recommend that the 8.00% investment return assumption be continued.

In addition, since the reserves are credited at the assumed interest rate biannually, we recommend that the 8.00% interest rate be compounded for valuation purposes.

The return on assets, net of expenses, experienced by the Fund since 1981 is shown below. The increase in the Consumer Price Index is also shown for comparative purposes.

NET RETURN ON ASSETS vs. INCREASE IN CONSUMER PRICE INDEX			
Year Ended June 30,	Net Return @ Book Value	Net Return @ Market Value	Increase in Consumer Price Index*
1981	10.2%		9.6%
1982	11.7%		7.1%
1983	10.9%		2.6%
1984	3.0%		4.2%
1985	13.7%		3.8%
1986	24.2%		1.8%
1987	16.6%		3.7%
1988	4.0%	1.9%	4.0%
1989	10.3%	17.6%	5.2%
1990	11.3%	10.8%	4.7%
1991	8.6%	9.7%	4.7%
1992	13.0%	18.5%	3.1%
1993	13.0%	13.2%	3.0%
1994	9.3%	(0.7)%	2.5%
1995	5.9%	17.7%	3.0%
1996	14.2%	15.6%	2.8%
1997	10.2%	19.9%	2.3%
1998	21.6%	18.9%	1.7%
1999	11.8%	10.5%	2.0%
2000	6.6%	6.4%	3.7%
20-Year Compound Average	11.4%	N/A	3.8%
13-Year Compound Average	10.7%	12.1%	3.3%

* Based on All Urban Consumers – U.S. City Average, June indices.

The returns on an actuarial value of assets basis, net of expenses, were 14.9% and 10.7% for 1999 and 2000 calendar years, respectively.

Merit and Longevity Increases

The merit and longevity component of the total salary scale assumption reflects increases in members' salaries due to promotions, advances in pay grades, etc. These increases are dependent on an individual's membership and are graded downward as members age.

The overall effect of the merit and longevity increases is to add approximately 1.00% to the total salary scale assumption.

Recommendation

Since interest is credited biannually at a nominal rate of 4.00%, we recommend that an effective rate of 8.16% be used. We also recommended that a 4.50% inflation rate assumption and a total salary scale assumption of 5.50% (approximately) be used to develop the System's costs.

SECTION IV: CONTRIBUTION RATES

Below we show a comparison between the contribution rates that are currently being paid, the recalculated rates, and the recommended rates developed for this valuation. The recommended rates shown below are based upon the recommended actuarial assumptions which are described in the Appendix.

	EMPLOYER		EMPLOYEE	
	% of Payroll	Annual Amount	% of Payroll	Annual Amount
Current Rates – 12/31/1999*	12.00%	\$23,928,000	5.11%	\$10,033,000
Current Rates – 12/31/2000**	11.88%	\$26,101,000	5.30%	\$11,499,000
Recalculated Rates	10.51%	\$23,101,000	5.30%	\$11,499,000
Recommended Rates before benefit improvements	8.68%	\$19,076,000	5.08%	\$11,005,000
Recommended Rates with Proposed benefit improvements***	11.95%	\$26,259,000	5.77%	\$12,511,000

* Based on December 31, 1999 population and payroll.

** Based on December 31, 2000 population and payroll.

*** The additional costs of the benefit improvements are based on the special studies calculated as of December 31, 1999.

MEMBER CONTRIBUTION RATES

Member Basic Contributions

Sections 31621.5 and 31621.2 set forth the basis for the determination of the normal rates of contribution for General Plan 1/4 and Plan 3/4 members, respectively. Sections 31639.5 and 31639.25 set forth the basis for the normal rates of contribution for Safety and Probation Plan 1 and Safety Plan 3 members, respectively. Section 31621.6 sets forth the basis for the determination of the normal rates of contribution for APCD Plan 1 and Plan 2 members.

The law further provides that the contribution rates of members will be based on the age nearest birthday at the time of entrance into the Retirement System. Section 31453 states that no adjustment will be included in the rates of contribution for time prior to the effective date of any

revisions. Note that the law was changed in 1976 to remove the sex differential in member contribution rates.

Currently, the basic employee contribution rates for General and APCD members were calculated on a unisex basis using the 1983 Group Annuity Mortality Table for Males with a 3-year setback. The Safety and Probation basic employee rates were based upon the 1983 Group Annuity Mortality Table for Males set forward 1 year.

Based on the recommended changes to the mortality tables mentioned in Section III, we recommend that employee contribution rates be developed based on the following unisex mortality tables:

- ◊ General 1994 Group Annuity Mortality Table for Males, set back 2 years
- ◊ Safety 1994 Group Annuity Mortality Table for Males, set back 1 year

A summary of the average employee contribution rates and rates at sample ages are shown below. The employee new rates reflect the recommended economic and noneconomic assumptions and the benefit improvements.

AVERAGE MEMBER BASIC CONTRIBUTION RATES							
	GENERAL		SAFETY		PROBATION	APCD	
	Plan 1/4	Plan 3/4	Plan 1	Plan 3	Plan 1	Plan 1	Plan 2
Current Rates	3.42%	7.23%	4.26%	8.50%	8.82%	4.26%	8.85%
New Rates	3.36%	7.22%	5.50%	11.71%	11.71%	4.05%	9.15%

SAMPLE GENERAL PLAN 1/4 MEMBER CONTRIBUTION RATES		
Entry Age	Current Rates	New Rate
25	3.31%	3.21%
35	3.52%	3.49%
59	4.61%	4.81%

SAMPLE GENERAL PLAN 3/4 MEMBER CONTRIBUTION RATES		
Entry Age	Current Rates	New Rate
25	6.62%	6.43%
35	7.05%	6.99%
59	9.23%	9.63%

SAMPLE SAFETY PLAN 1 MEMBER CONTRIBUTION RATES		
Entry Age	Current Rates	New Rate
25	4.37%	5.67%
35	4.72%	6.28%
54	5.24%	7.63%

SAMPLE SAFETY PLAN 3 MEMBER CONTRIBUTION RATES		
Entry Age	Current Rates	New Rate
25	8.22%	11.35%
35	8.88%	12.56%
54	9.85%	15.26%

SAMPLE PROBATION PLAN 1 MEMBER CONTRIBUTION RATES		
Entry Age	Current Rates	New Rate
25	8.74%	11.35%
35	9.45%	12.56%
54	10.47%	15.26%

SAMPLE APCD PLAN 1 MEMBER CONTRIBUTION RATES		
Entry Age	Current Rates	New Rate
25	4.05%	3.79%
35	4.28%	4.09%
54	5.18%	5.15%

SAMPLE APCD PLAN 2 MEMBER CONTRIBUTION RATES		
Entry Age	Current Rates	New Rate
25	7.69%	7.58%
35	8.12%	8.18%
54	9.83%	10.30%

Schedule 5 in the Appendix contains the complete set of members' basic contribution rates. The interest rate, mortality table and inflation rate are indicated on the bottom of the schedules.

Cost of Living Contributions

The employees do not pay for any portion of the cost-of-living contribution rates.

EMPLOYER CONTRIBUTION RATES

Employer contributions have been determined under the Entry Age Normal Actuarial Cost Method, permitted by Section 31453.5. The Entry Age Normal method defines the Normal Cost as the level percentage of salary necessary to fund the projected future benefit over the period from the date of entry to the date of separation from active service. The Actuarial Accrued Liability is the cost allocated to years prior to the actuarial valuation date; it is the excess of the total value of benefits over the value of future member contributions and the value of future Normal Costs. The difference between the Actuarial Accrued Liability and the plan assets is called the Unfunded Actuarial Accrued Liability and is funded (amortized) as a level percentage of projected future payroll over 5 years from December 31, 2000.

The following charts specify the current and recalculated employer contributions and components thereof (expressed as a level percentage of payroll). A breakdown between basic and cost of living benefits is provided.

TOTAL EMPLOYER CONTRIBUTION RATES – CURRENT Based on 12/31/2000 Payroll								
	GENERAL			SAFETY		PROBATION	APCD	
	Plan 1/4	Plan 2	Plan 3/4	Plan 1	Plan 3	Plan 1	Plan 1	Plan 2
Total Employer Contribution Rate	10.36%	3.27%	9.51%	19.58%	16.11%	15.12%	12.47%	14.59%

Average Rate for Total Group: 11.88%

RECOMMENDED RATES

Rates Before Benefit Improvements - Breakdown between basic and cost of living benefits:

TOTAL EMPLOYER CONTRIBUTION RATES - BEFORE BENEFIT IMPROVEMENTS BREAKDOWN BETWEEN BASIC AND COST OF LIVING BENEFITS Based on 12/31/2000 Payroll								
	GENERAL			SAFETY		PROBATION	APCD	
	Plan 1/4	Plan 2	Plan 3/4	Plan 1	Plan 3	Plan 1	Plan 1	Plan 2
Basic Benefits	4.02%	0.04%	2.97%	5.53%	2.30%	1.64%	3.91%	5.12%
Cost of Living Benefits	3.76	0.93	4.24	8.52	8.69	8.44	3.35	4.84
Total	7.78%	0.97%	7.21%	14.05%	10.99%	10.08%	7.26%	9.96%

Average Rate for Total Group:

Basic	3.65%
COL	5.03
Total	<u>8.68%</u>

Rates After Benefit Improvements - Breakdown between basic and cost of living benefits:

TOTAL EMPLOYER CONTRIBUTION RATES - AFTER BENEFIT IMPROVEMENTS								
	GENERAL			SAFETY		PROBATION	APCD	
	Plan 1/4	Plan 2	Plan 3/4	Plan 1	Plan 3	Plan 1	Plan 1	Plan 2
Basic Benefits	5.37%	0.13%	4.02%	7.79%	3.10%	3.10%	4.53%	6.07%
Cost of Living Benefits	5.02	2.91	5.75	12.00	12.78	12.78	3.88	5.74
Total	10.39%	3.04%	9.77%	19.79%	15.88%	15.88%	8.41%	11.81%

New Recommended Average Rate for Total Group:

Basic	4.97%
COL	6.98
Total	<u>11.95%</u>

TOTAL EMPLOYER CONTRIBUTION RATES – RECALCULATED Based on 12/31/2000 Payroll								
	GENERAL			SAFETY		PROBATION	APCD	
	Plan 1/4	Plan 2	Plan 3/4	Plan 1	Plan 3	Plan 1	Plan 1	Plan 2
Total Employer Contribution Rate	9.70%	2.67%	8.97%	15.86%	12.61%	11.85%	9.61%	12.01%

Average Rate for Total Group: 10.51%

TOTAL EMPLOYER CONTRIBUTION RATES – RECOMMENDED Without Benefit Improvements - Based on 12/31/2000 Payroll								
	GENERAL			SAFETY		PROBATION	APCD	
	Plan 1/4	Plan 2	Plan 3/4	Plan 1	Plan 3	Plan 1	Plan 1	Plan 2
Total Employer Contribution Rate	7.78%	0.97%	7.21%	14.05%	10.99%	10.08%	7.26%	9.96%

Average Rate for Total Group: 8.68%

TOTAL EMPLOYER CONTRIBUTION RATES – RECOMMENDED With Benefit Improvements – Based on 12/31/2000 Payroll								
	GENERAL			SAFETY		PROBATION	APCD	
	Plan 1/4	Plan 2	Plan 3/4	Plan 1	Plan 3	Plan 1	Plan 1	Plan 2
Total Employer Contribution Rate	10.39%	3.04%	9.77%	19.79%	15.88%	15.88%	8.41%	11.81%

New Recommended Average Rate for Total Group: (11.95%)

The overall decrease in the recalculated employer contribution rates is primarily attributable to higher than expected Plan assets. The decrease in the recommended employer contribution rates without benefit improvements is primarily attributable to changes in economic assumptions. The recommended rates with benefit improvements remained virtually unchanged from the current rates.

RECOMMENDATIONS

Rates Before Benefit Improvements:

TOTAL EMPLOYER CONTRIBUTION RATES - BEFORE BENEFIT IMPROVEMENTS								
Without Benefit Improvements - Based on 12/31/2000 Payroll								
	GENERAL			SAFETY		PROBATION	APCD	
	Plan 1/4	Plan 2	Plan 3/4	Plan 1	Plan 3	Plan 1	Plan 1	Plan 2
Total Employer Contribution Rate	7.78%	0.97%	7.21%	14.05%	10.99%	10.08%	7.26%	9.96%

Average Rate for Total Group: 8.68%

The following summarizes the cost for proposed benefit improvements effective in September, 2001, based on 12/31/99 valuation results.

- 12/31/99 Special Study Exhibit 4 (Retroactive 31676.12 benefits):
 - Additional UAAL \$16.5 million
 - Less pending transfer 16.5 million
 - Additional Liability \$ 0.0 million
- 12/31/99 Special Study Exhibit 6 (3% @55 Safety formula):
 - Additional UAAL \$11.9 million
 - Less pending transfer 11.9 million
 - Additional Liability \$ 0.0 million
- 12/31/99 Special Study Exhibit 3a2 (1Year Final Average Salary):
 - Additional Normal Cost rate 0.65%
 - Additional UAAL rate 2.62%*
 - Additional Employer contribution rate 3.27%

*16.5
11.9

27.4
Trans.
Need Breakdown*

*8.68
3.27

11.95*

We provide a breakdown between normal cost and unfunded actuarial accrued liability (UAAL) portions of the employer rates based on the proposed benefit improvements below.

Rates After Benefit Improvements:

TOTAL EMPLOYER CONTRIBUTION RATES - AFTER BENEFIT IMPROVEMENTS								
	GENERAL			SAFETY		PROBATION	APCD	
	Plan 1/4	Plan 2	Plan 3/4	Plan 1	Plan 3	Plan 1	Plan 1	Plan 2
Normal Cost	10.36%	3.01%	9.74%	19.32%	15.41%	15.41%	12.23%	15.63%
UAAL	0.03	0.03	0.03	0.47	0.47	0.47	(3.82)	(3.82)
Total	10.39%	3.04%	9.77%	19.79%	15.88%	15.88%	8.41%	11.81%

*26,488,000
5
5.5*

For County

This for APCD

New Recommended Average Rate for Total Group: Normal Cost 11.87%
UAAL 0.08
Total 11.95%

We recommend that the Board adopt the contribution rates as of December 31, 2000 as shown in this section. These rates reflect the recommended noneconomic and economic assumptions. They are also based on the Entry Age Normal Actuarial Cost Method with an unfunded actuarial accrued liability amortized as a level percentage of payroll over 5 years from December 31, 2000, and utilize an actuarial value of assets. This combination of assumptions and methods reflects our best judgment of future long-term experience for the System.

The employee contribution rates based on the recommended economic and noneconomic assumptions and the proposed benefit improvements are shown in Schedule 5 of the Appendix.

SECTION V: ASSETS AND LIABILITIES

ACTUARIAL VALUE OF ASSETS

For purposes of calculating the required contribution rates for the valuation, a modified book value of the Fund's assets was used. Under this approach, recognition is given each year to total earnings of the Fund to date.

The current approach used by your System is to spread each year's gains and losses over five years. In other words, only 20% of gains and losses are to be recognized in any one year. Starting with the 1993-1994 Fiscal Year realized and unrealized gains and losses are treated the same. This was done on a prospective basis only i.e., the effect of this change was reflected for the first time in the December 31, 1994 actuarial valuation.

These modified assets, which we called the Actuarial Value of Assets, were determined as follows:

1. Gains (Losses)

Year Ending June 30	Total Gains (Losses)	Percentage Recognized to 12/31/00	Total Gains (Losses) Recognized to 12/31/00
1996*	\$ 188,755,548	100%	\$ 188,755,548
1997	116,069,874	90%	104,462,887
1998	134,655,421	70%	94,258,795
1999	74,490,983	50%	37,245,492
2000	36,241,602	30%	10,872,481
2000**	(87,132,130)	10%	(8,713,213)
2. Total Gains (Losses) Recognized to December 31, 2000			\$ 426,881,990
3. Net Book Value as of December 31, 2000			1,018,662,300
4. Less Realized Gains Through December 31, 2000			(298,489,919)
5. Total Gains (Losses) Recognized Through December 31, 2000			426,881,990
6. Item 3 + Item 4 + Item 5			\$ 1,147,054,371
7. Corridor Limit: (Net assets at Market: \$1,183,253,677)			
a. 80% of Net Market Value			\$ 946,602,942
b. 120% of Net Market Value			\$ 1,419,904,413
8. Item 6 After Corridor Applied			\$ 1,147,054,371
9. Actuarial Value Ratio (Item 8/Item 3)			1.12604

*Total as of June 30, 1996.

**Last six months of 2000.

The ratio arrived at in Item 9 adjusts only the reserves used in determining the employer contribution rate. These are the Member Deposit, County & District Advance, Employer Supplemental, Retired Member, Sick Leave, Spousal Continuance, Burial Allowance and Interest Apportionment Reserves. Total Actuarial Value of Assets, with the ratio applied only to these reserves, are \$1,171,138,192. These assets were derived as follows:

1. Member Deposit, County & District Advance, Employer Supplemental, Retired Member, Sick Leave, Spousal Continuance, Burial Allowance and Interest Apportionment Reserves	\$ 863,636,331
2. Actuarial Value Ratio	1.12604
3. Item 1 * Item 2	\$ 972,489,054
4. Health Coverage Reserve, Special Allowance, Supplemental Health Coverage Reserve, Strategic Reserve, Benefit Enhancement Reserve, Special Reserve for Interest Fluctuation, Undesignated Earnings and Interest Apportionment for these reserves	\$ 155,025,969
5. Net Actuarial Value of Assets (Item 3 + Item 4)	\$ 1,127,515,023
6. Accounts Payable and Miscellaneous Liabilities	\$ 43,623,169
7. Total Actuarial Value of Assets	\$ 1,171,138,192

RESERVE CERTIFICATIONS

Certain reserves are excluded from the actuarial valuation of assets for purposes of determining contribution rates. The following section clarifies the purpose of these reserves in supporting the liabilities of the Santa Barbara County Employees' Retirement System.

Special Reserve for Interest Fluctuation

The Special Reserve for Interest Fluctuation of \$30,559,869 as of December 31, 2000 has been funded by investment income that has exceeded the interest crediting benchmark over the years. It will be utilized to supplement investment income in shortfall periods. The following describes its importance in the operation of the 1937 Act and the setting of actuarial interest rates.

There are two aspects to the application of the actuarial interest rate in 1937 Act retirement systems: (1) The expected long-term total rate of return on the funds, and (2) a short-term benchmark for the semiannual crediting of interest on the fund's reserves.

With respect to the second application, six-month returns on the fund are volatile, due to the short measuring period. In some six-month periods, the returns will exceed the benchmark, and in others they will fall short. Given that the actuarial rate serves as a benchmark, there is a natural tendency to minimize the probability of a shortfall by setting a lower benchmark. The restricted balance counteracts this tendency by serving as a stabilizing mechanism which allows the county retirement systems to consistently maintain a higher level of interest crediting on reserve accounts that are used to determine employer contribution rates.

Thus, the restricted balance mechanism is a factor in the actuarial interest rate setting process. We can focus on the expected long-term total rate of return in setting the interest rate assumption rather than on the short-term downside risks.

ACTUARIAL BALANCE SHEET

The Actuarial Balance Sheet provides insight into the ongoing employer and employee financial commitment necessary to fund the benefits provided by the System.

We first determine the amount and timing of all future payments that will be made by the System. We then discount these payments at the assumed interest rate to the date of the valuation, thereby determining their present value.

Second, in the upper portion, we determine how this liability will be met. Item 1 in the Balance Sheet represents the amount of assets already accumulated by the System at Actuarial Value. Item 2 is the present value of the contributions anticipated to be received in the future from the current members. Item 3 is the present value of future employer normal costs with respect to current members, using the Entry Age Normal Cost method. The employer is budgeting a percentage of

payroll on behalf of each member. The Entry Age Normal Cost percentage is, simply stated, the employer's level percentage of payroll needed to fund benefits for new entrants to the System.

Finally, we compare the existing assets plus the present value of the future normal costs and future member contributions to the present value of the benefits to be paid from the System. This shortfall (or balancing item) is known as the Unfunded Actuarial Accrued Liability of your System. In the text we will abbreviate it as UAAL. The UAAL is amortized as a level percentage of payroll for the next 5 years from December 31, 2000.

ACTUARIAL BALANCE SHEET AS OF DECEMBER 31, 2000	
ASSETS	
1. Total actuarial value of assets	\$ 1,171,138,192
2. Present value of future contributions by members	97,883,243
3. Present value of future employer contributions for normal cost	215,323,792
4. Present value of other future employer contributions (UAAL)	(25,618,733)
5. Total actuarial assets	\$ 1,458,726,494
LIABILITIES	
6. Present value of retirement allowances payable to retired members and their survivors	\$ 396,274,734
7. Present value of service retirement allowances payable to presently active members and their survivors	676,818,504
8. Present value of allowances payable to vested terminated members and their survivors	86,929,354
9. Present value of disability retirement allowances payable to presently active members and their survivors	54,501,027
10. Present value of death benefits payable on behalf of presently active members	14,212,840
11. Present value of members' contributions to be returned upon withdrawal	31,340,897
12. Contingency reserves	30,559,869
13. Other designated reserves	124,466,100
14. Miscellaneous liabilities	43,623,169
15. Total actuarial liabilities	\$ 1,458,726,494

FUNDING RATIO -- GASB 25

SCHEDULE OF FUNDING PROGRESS GASB 25 (dollar amounts in thousands)						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
1/1/95	\$ 562,861	\$ 643,453	\$ 80,592	87.5%	\$ 140,571	57.3%
1/1/96	\$ 624,823	\$ 711,869	\$ 87,046	87.8%	\$ 154,120	56.5%
1/1/97	\$ 693,301	\$ 758,772	\$ 65,471	91.4%	\$ 159,906	40.9%
1/1/98	\$ 799,539	\$ 873,624	\$ 74,085	91.5%	\$ 171,602	43.2%
1/1/99	\$ 938,295	\$ 950,205	\$ 11,910	98.7%	\$ 184,291	6.5%
1/1/00	\$ 1,068,357	\$ 1,067,377	\$ (980)	100.1%	\$ 199,448	(0.5)%
1/1/01	\$ 1,171,138	\$ 1,145,519*	\$(25,619)	102.2%	\$ 219,739	(11.7)%

* Excluding benefit improvements.

SCHEDULE OF EMPLOYER CONTRIBUTIONS GASB 25 (dollar amounts in thousands)		
Year Ended	Annual Required Contribution	Percentage Contributed
12/31/94	\$ 24,678	100%
12/31/95	\$ 27,664	100%
12/31/96	\$ 27,114	100%
12/31/97	\$ 31,692	100%
12/31/98	\$ 28,414	100%
12/31/99	\$ 30,484	100%
12/31/00	\$ 29,272	100%

For comparative purposes, we provide on the following page a summary of the current GASB #25 ratios and the underlying interest rate assumptions for all of the 1937 Act counties.

COUNTY	VALUATION DATE	INTEREST RATE	GASB #25 RATIO
Alameda	01/01/00	8.25%	109%
Contra Costa	01/01/00	8.50%	88%
Fresno	07/01/98	8.25%	106%
Imperial	07/01/97	8.00%	80%
Kern	01/01/98	8.25%	98%
Los Angeles	07/01/97	8.00%	101%
Marin	07/01/99	8.25%	83%
Mendocino	07/01/00	8.00%	82%
Merced	07/01/99	8.00%	101%
Orange	01/01/98	8.00%	104%
Sacramento	07/01/99	8.00%	101%
San Bernardino	07/01/00	8.00%	108%
San Diego	07/01/99	8.25%	108%
San Joaquin	01/01/00	8.25%	108%
San Mateo	07/01/99	8.25%	83%
Santa Barbara	01/01/01	8.00%	102%
Sonoma	01/01/00	8.25%	99%
Stanislaus	07/01/00	8.00%	102%
Tulare	07/01/99	8.25%	102%
Ventura	07/01/99	8.25%	115%
Average		8.15%	99%

SECTION VI - APPENDIX

SCHEDULE 1

SUMMARY OF ACTUARIAL ASSUMPTIONS

The Entry Age Normal Actuarial Cost Method was used in conjunction with the following actuarial assumptions. The UAAL is being funded over 5 years from the December 31, 2000 valuation date.

1. Interest: 8.00% per annum, compounded biannually.
2. Interest Credited to Employee Accounts: 8.00% per annum, compounded biannually.
3. Inflation: 4.50% per annum.
4. Asset Valuation: Actuarial book value.
5. Salary Scale: See Schedule 9
6. Spouses and Dependents: 80% of male employees and 50% of female employees assumed married at retirement, with wives assumed three years younger than husbands.
7. Rates of Termination of Employment: See Schedule 6
8. Years of Life Expectancy After Retirement: See Schedule 7
9. Years of Life Expectancy After Disability: See Schedule 7
10. Life Expectancy After Retirement for Employee Contribution Rate Purposes
 - ♦ General Members: 1994 Group Annuity Table for Males, set back two years.
 - ♦ Safety Members: 1994 Group Annuity Table for Males, set back one year.
11. Reciprocity Assumption: 50% of members who terminate with a vested benefit are assumed to enter a reciprocal system.
12. Deferral Age for Vested Terminations: 62 for General members; 55 for Safety members

SCHEDULE 2

SUMMARY OF MAJOR PLAN PROVISIONS

Effective January 11, 1999, General members are covered under Section 31676.12.

1. ELIGIBILITY

First of pay period following date of employment.

2. DEFINITION OF SALARY

Highest 12 consecutive months of compensation earnable for Plan 1 members and highest 36 consecutive months of compensation earnable for Plan 2, 3 and 4 members.

3. SERVICE RETIREMENT

♦ Normal retirement age

Age 57 for Sections 31676.1 (General Plans 1 and 3) and 31676.12 (General Plan 4), age 65 for Section 31486.4 (General Plan 2), age 50 for Section 31664 (Safety and Probation), and age 55 for Section 31676.15 (APCD Plans 1 and 2).

♦ Early retirement

Age 50 and 10 years for Plans 1, 3 and 4 and APCD Plan 2 and age 55 and 10 years for General Plan 2; or 30 years for General Plans 1, 3 and 4 and APCD, and 20 years for Safety and Probation.

♦ Benefit

1/60 times final average salary per year of service for General Plans 1 and 3,

2% of final average salary per year of service (max. 35 years) plus 1% of final average salary per year of service in excess of 35 (max. 10 years) reduced by 1/35 of Social Security benefit at age 65 per year of service (max. 35 years) for General Plan 2, and

1/50 times final average salary per year of service for General Plan 4, Safety, Probation and APCD.

♦ Benefit adjustments

Reduced for retirement before age 57 for Sections 31676.1 and 31676.12, age 65 for Section 31486.4, age 50 for Section 31664, and age 55 for Section 31676.15. Reductions for Section 31486.4 are actuarial equivalents.

Increased for retirement after age 57 for Sections 31676.1 and 31676.12, age 50 for Section 31664, and age 55 for Section 31676.15.

4. DISABILITY RETIREMENT

- ◊ Nonservice connected for Plans 1, 3 and 4 and APCD Plan 2
1.5% (General Plans 1 and 3) and 1.8% (General Plan 4, Safety, Probation and APCD) of final average salary per year of service, with a maximum of 33-1/3% if projected service is used (age 65 for General Plans 1 and 3 and APCD, age 62 for General Plan 4, age 55 for Safety and Probation), or 90% of the accrued service retirement benefit without a benefit adjustment, or service retirement benefit (if eligible).
- ◊ Service connected for Plans 1, 3 and 4 and APCD Plan 2
Greater of 50% of final average salary or service retirement benefit (if eligible).
- ◊ Benefit for General Plan 2
60% of salary provided outside of the Plan. Payments are reduced by other disability income benefits. Service retirement at age 65 (credit given toward service retirement while disabled under the LTD plan).

5. DEATH BEFORE RETIREMENT

- ◊ Nonservice connected before eligible to retire, for Plans 1, 3 and 4 and APCD Plan 2
Refund of contributions plus 1/12 of last years' salary per year of service up to 6 years.
- ◊ Eligible for nonservice connected disability or service retirement for Plans 1, 3 and 4 and APCD Plan 2
60% of member's accrued allowance.
- ◊ Service connected for Plans 1, 3 and 4 and APCD Plan 2
50% of salary.
- ◊ Benefit for General Plan 2
1/12 of last years' salary per year of service up to 6 years.

6. DEATH AFTER RETIREMENT

- ◊ \$5,000 lump sum death benefit for Plans 1, 3 and 4 and APCD Plan 2.
- ◊ Service retirement or nonservice connected disability
60% of member's allowance payable to an eligible spouse for Plans 1, 3 and 4 and APCD Plan 2.
50% of member's allowance payable to an eligible spouse for General Plan 2.
- ◊ Service connected disability
100% of member's allowance payable to an eligible spouse for Plans 1, 3 and 4 and APCD Plan 2.
50% of member's allowance payable to an eligible spouse for General Plan 2.

7. **VESTING**

- ◊ Must leave contributions on deposit.
- ◊ Five years of service for Plans 1, 3 and 4 and APCD Plan 2.
- ◊ Ten years of service for General Plan 2.

8. **MEMBERS' CONTRIBUTIONS**

- ◊ Based on entry age.
- ◊ Half rates for General Plan 1/4, Safety Plan 1 and APCD Plan 1. Full rates for General Plan 3/4, Safety Plan 3, Probation, and APCD Plan 2. General Plan 2 is noncontributory.

9. **MAXIMUM BENEFIT**

- ◊ 100% of final average salary for Plans 1, 3 and 4 and APCD Plan 2.
- ◊ Benefit and Social Security combined cannot exceed 70% of final average salary if service is less than 35, otherwise 80% for General Plan 2.

10. **COST-OF-LIVING**

- ◊ "Automatic" 3% COLA for Plans 1, 3 and 4 and APCD Plan 2.
- ◊ None for General Plan 2.

SCHEDULE 3

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY
OF ACTIVE GENERAL MEMBERS
AS OF DECEMBER 31, 2000
PLAN 1/4

CURRENT AGE	YEARS OF SERVICE							TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Below 19	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
20-24	2	0	0	0	0	0	0	2
	25,054	0	0	0	0	0	0	25,054
25-29	1	26	2	0	0	0	0	29
	40,612	35,978	36,456	0	0	0	0	36,171
30-34	3	78	36	2	0	0	0	119
	44,195	41,467	41,800	35,177	0	0	0	41,531
35-39	3	81	99	26	1	0	0	210
	40,799	44,673	47,055	44,477	51,092	0	0	45,747
40-44	3	95	116	74	29	0	0	317
	34,820	49,418	51,695	50,991	44,976	0	0	50,074
45-49	4	104	114	76	53	9	0	360
	70,236	49,839	50,856	53,229	58,702	45,237	0	52,293
50-54	1	86	112	78	56	31	13	377
	33,696	50,410	55,075	62,769	59,626	62,355	46,117	56,512
55-59	1	53	80	44	33	17	17	245
	30,547	42,779	57,770	56,028	54,778	57,368	63,448	54,066
60-64	1	25	30	17	11	7	10	101
	32,109	46,998	44,565	50,914	60,281	44,692	57,405	49,104
65-69	0	14	5	6	2	2	2	31
	0	50,636	35,564	63,598	35,344	73,718	45,817	50,905
70 & Over	0	5	1	0	1	2	0	9
	0	39,616	41,243	0	129,222	39,163	0	49,652
TOTAL	19	567	595	323	186	68	42	1,800
	43,550	46,474	51,053	54,656	56,324	56,676	55,805	51,046

SCHEDULE 3

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY
OF ACTIVE GENERAL MEMBERS
AS OF DECEMBER 31, 2000
PLAN 2

CURRENT AGE	YEARS OF SERVICE							TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Below 19	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
20-24	2	0	0	0	0	0	0	2
	30,059	0	0	0	0	0	0	30,059
25-29	1	0	0	0	0	0	0	1
	36,396	0	0	0	0	0	0	36,396
30-34	4	3	1	0	0	0	0	8
	49,351	50,798	34,173	0	0	0	0	47,996
35-39	3	3	3	2	0	0	0	11
	53,673	33,867	31,801	55,845	0	0	0	42,701
40-44	1	4	2	2	0	0	0	9
	54,987	34,616	43,418	33,277	0	0	0	38,538
45-49	1	2	6	2	1	0	0	12
	39,384	40,220	33,866	41,637	54,069	0	0	38,364
50-54	2	2	0	0	3	2	1	10
	36,229	43,422	0	0	45,513	64,698	54,589	47,983
55-59	1	0	3	1	0	0	0	5
	30,384	0	55,847	90,162	0	0	0	57,617
60-64	1	1	0	0	0	1	0	3
	16,317	135,200	0	0	0	35,604	0	62,374
65-69	0	1	2	1	0	0	0	4
	0	18,991	34,957	52,043	0	0	0	35,237
70 & Over	0	1	2	1	0	0	0	4
	0	15,398	34,954	35,153	0	0	0	30,115
TOTAL	16	17	19	9	4	3	1	69
	41,779	42,902	38,262	48,764	47,652	55,000	54,589	43,099

SCHEDULE 3

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY
OF ACTIVE GENERAL MEMBERS
AS OF DECEMBER 31, 2000
PLAN 3/4

CURRENT AGE	YEARS OF SERVICE							TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Below 19	3	0	0	0	0	0	0	3
	28,929	0	0	0	0	0	0	28,929
20-24	102	0	0	0	0	0	0	102
	30,097	0	0	0	0	0	0	30,097
25-29	243	26	0	0	0	0	0	269
	36,206	37,319	0	0	0	0	0	36,314
30-34	235	34	0	0	0	0	0	269
	39,297	40,159	0	0	0	0	0	39,406
35-39	225	29	2	1	1	0	0	258
	43,410	46,414	66,496	42,208	47,315	0	0	43,937
40-44	214	28	4	6	0	0	0	252
	43,035	41,813	44,432	62,186	0	0	0	43,377
45-49	181	28	0	2	1	0	0	212
	45,251	43,137	0	48,146	58,310	0	0	45,061
50-54	130	21	1	2	1	0	0	155
	47,897	43,125	76,493	39,086	34,032	0	0	47,232
55-59	69	10	0	0	0	0	0	79
	48,229	52,049	0	0	0	0	0	48,713
60-64	25	6	0	0	0	0	0	31
	42,352	53,841	0	0	0	0	0	44,576
65-69	5	0	0	2	0	0	0	7
	42,854	0	0	34,338	0	0	0	40,421
70 & Over	1	2	0	0	0	0	0	3
	34,173	44,476	0	0	0	0	0	41,042
TOTAL	1,433	184	7	13	3	0	0	1,640
	41,325	42,926	55,316	50,651	46,552	0	0	41,648

SCHEDULE 3

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY
OF ACTIVE SAFETY MEMBERS
AS OF DECEMBER 31, 2000
PLAN 1

CURRENT AGE	YEARS OF SERVICE							TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Below 19	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
25-29	1	4	0	0	0	0	0	5
	46,760	57,374	0	0	0	0	0	55,251
30-34	3	29	20	0	0	0	0	52
	49,880	53,394	55,902	0	0	0	0	54,156
35-39	3	28	38	20	1	0	0	90
	55,691	55,431	56,219	63,168	52,098	0	0	57,455
40-44	0	22	35	28	24	0	0	109
	0	54,290	60,900	63,038	63,784	0	0	60,750
45-49	2	6	18	23	41	8	0	98
	55,868	67,607	56,454	66,046	66,005	70,241	0	64,497
50-54	0	6	6	15	16	34	15	92
	0	59,031	61,758	56,932	64,230	70,637	78,933	67,305
55-59	0	2	6	6	2	12	15	43
	0	47,198	51,131	62,063	71,352	74,048	69,461	66,204
60-64	0	0	1	0	0	2	0	3
	0	0	96,456	0	0	73,212	0	80,960
65-69	1	0	0	0	0	0	0	1
	44,508	0	0	0	0	0	0	44,508
70 & Over	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
TOTAL	10	97	124	92	84	56	30	493
	51,972	55,449	57,870	62,759	64,994	71,403	74,197	61,931

SCHEDULE 3

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY
OF ACTIVE SAFETY MEMBERS
AS OF DECEMBER 31, 2000
PLAN 3

CURRENT AGE	YEARS OF SERVICE							TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Below 19	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
20-24	22	0	0	0	0	0	0	22
	44,985	0	0	0	0	0	0	44,985
25-29	112	15	0	0	0	0	0	127
	45,844	50,267	0	0	0	0	0	46,366
30-34	68	11	0	0	0	0	0	79
	46,924	51,723	0	0	0	0	0	47,592
35-39	30	3	0	0	0	0	0	33
	48,486	49,670	0	0	0	0	0	48,594
40-44	19	6	0	1	0	0	0	26
	47,835	49,660	0	24,194	0	0	0	47,347
45-49	16	1	0	0	0	0	0	17
	46,246	61,685	0	0	0	0	0	47,154
50-54	7	2	0	0	0	0	0	9
	45,759	54,095	0	0	0	0	0	47,611
55-59	9	0	0	0	0	0	0	9
	57,963	0	0	0	0	0	0	57,963
60-64	1	0	0	0	0	0	0	1
	41,880	0	0	0	0	0	0	41,880
65-69	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
70 & Over	1	1	0	0	0	0	0	2
	40,422	46,265	0	0	0	0	0	43,344
TOTAL	285	39	0	1	0	0	0	325
	46,816	50,925	0	24,194	0	0	0	47,240

SCHEDULE 3

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY
OF ACTIVE PROBATION MEMBERS
AS OF DECEMBER 31, 2000
PLAN 1

CURRENT AGE	YEARS OF SERVICE							TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Below 19	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
25-29	0	1	0	0	0	0	0	1
	0	43,230	0	0	0	0	0	43,230
30-34	0	11	3	0	0	0	0	14
	0	52,128	56,223	0	0	0	0	53,006
35-39	0	6	6	1	0	0	0	13
	0	50,440	54,504	56,447	0	0	0	52,778
40-44	0	5	7	11	0	0	0	23
	0	48,413	52,792	58,904	0	0	0	54,763
45-49	0	1	5	9	10	1	0	26
	0	46,469	60,112	54,384	65,026	42,663	0	58,823
50-54	0	6	6	3	8	6	1	30
	0	44,542	53,600	54,384	63,460	64,058	129,652	59,123
55-59	0	0	4	3	4	2	2	15
	0	0	46,069	60,503	57,660	75,522	82,359	60,812
60-64	0	1	2	0	0	0	1	4
	0	47,170	45,190	0	0	0	75,491	53,260
65-69	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
70 & Over	0	0	0	1	0	0	0	1
	0	0	0	52,419	0	0	0	52,419
TOTAL	0	31	33	28	22	9	4	127
	0	49,104	53,396	56,819	63,117	64,228	92,465	56,785

SCHEDULE 3

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY
OF ACTIVE APCD MEMBERS
AS OF DECEMBER 31, 2000
PLAN 1

CURRENT AGE	YEARS OF SERVICE							TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Below 19	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
30-34	0	1	0	0	0	0	0	1
	0	41,284	0	0	0	0	0	41,284
35-39	0	3	6	0	0	0	0	9
	0	62,421	52,055	0	0	0	0	55,510
40-44	0	1	6	2	0	0	0	9
	0	59,771	65,031	73,111	0	0	0	66,242
45-49	0	2	6	2	1	0	0	11
	0	55,592	63,467	82,782	65,867	0	0	65,765
50-54	0	3	7	0	1	0	0	11
	0	46,083	70,792	0	73,744	0	0	64,322
55-59	0	1	1	0	0	0	0	2
	0	53,614	56,667	0	0	0	0	55,141
60-64	0	0	3	0	0	0	0	3
	0	0	65,867	0	0	0	0	65,867
65-69	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
70 & Over	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
TOTAL	0	11	29	4	2	0	0	46
	0	53,760	63,211	77,947	69,806	0	0	62,519

SCHEDULE 3

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY
OF ACTIVE APCD MEMBERS
AS OF DECEMBER 31, 2000
PLAN 2

CURRENT AGE	YEARS OF SERVICE							TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Below 19	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
30-34	2	0	0	0	0	0	0	2
	40,217	0	0	0	0	0	0	40,217
35-39	1	0	0	0	0	0	0	1
	14,702	0	0	0	0	0	0	14,702
40-44	2	0	0	0	0	0	0	2
	35,904	0	0	0	0	0	0	35,904
45-49	5	0	0	0	0	0	0	5
	52,093	0	0	0	0	0	0	52,093
50-54	2	0	0	0	0	0	0	2
	46,276	0	0	0	0	0	0	46,276
55-59	3	0	0	0	0	0	0	3
	29,201	0	0	0	0	0	0	29,201
60-64	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
65-69	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
70 & Over	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
TOTAL	15	0	0	0	0	0	0	15
	40,504	0	0	0	0	0	0	40,504

SCHEDULE 3

AVERAGE ANNUAL BENEFIT AND MEMBERSHIP DISTRIBUTION OF RETIRED GENERAL MEMBERS AS OF DECEMBER 31, 2000

MALES

CURRENT AGE	YEARS OF RETIREMENT							TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Below 45	7	1	0	0	0	0	0	8
	8,804	17,177	0	0	0	0	0	9,851
45-49	1	2	0	0	0	0	0	3
	20,630	16,836	0	0	0	0	0	18,101
50-54	23	1	3	0	0	0	0	27
	11,240	9,971	14,719	0	0	0	0	11,580
55-59	35	13	1	1	0	1	0	51
	16,749	12,110	10,710	14,027	0	12,638	0	15,314
60-64	44	34	18	1	1	0	0	98
	31,032	14,511	11,156	9,157	10,522	0	0	21,217
65-69	30	41	18	13	4	0	1	107
	17,054	23,753	13,782	7,038	10,994	0	8,616	17,548
70-74	14	35	45	30	13	1	0	138
	16,557	24,617	23,313	12,287	6,058	12,912	0	18,861
75-79	8	12	26	39	35	6	0	126
	7,936	11,086	17,941	17,080	8,306	4,653	0	13,077
80-84	5	1	4	35	32	8	3	88
	4,725	5,711	37,280	15,220	13,972	8,292	11,248	14,299
85 & Over	5	1	1	6	21	16	9	59
	8,920	8,708	20,549	7,328	8,043	16,237	5,216	10,059
TOTAL	172	141	116	125	106	32	13	705
	18,416	19,110	18,870	13,809	9,811	11,862	6,870	16,008

SCHEDULE 3

AVERAGE ANNUAL BENEFIT AND MEMBERSHIP DISTRIBUTION OF RETIRED GENERAL MEMBERS AS OF DECEMBER 31, 2000

FEMALES

CURRENT AGE	YEARS OF RETIREMENT							TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Below 45	9	2	1	0	0	0	0	12
	12,337	5,913	14,875	0	0	0	0	11,478
45-49	8	2	1	0	0	0	0	11
	20,680	13,943	23,238	0	0	0	0	19,688
50-54	41	2	1	0	2	0	0	46
	9,098	16,330	7,425	0	9,579	0	0	9,397
55-59	55	24	2	.1	1	0	0	83
	12,602	6,583	10,938	9,155	8,021	0	0	10,725
60-64	69	38	13	2	2	2	0	126
	14,526	9,574	9,873	13,098	13,072	7,268	0	12,392
65-69	46	52	26	15	3	2	2	146
	14,335	15,669	9,305	6,012	6,010	5,790	5,179	12,646
70-74	23	58	49	25	22	2	0	179
	11,980	13,279	13,053	8,311	6,214	5,076	0	11,396
75-79	20	17	52	39	40	14	1	183
	11,859	13,341	14,545	10,235	4,767	6,042	2,965	10,370
80-84	7	5	10	37	53	21	5	138
	3,970	9,543	17,483	8,843	7,708	8,552	10,068	8,811
85 & Over	7	0	1	8	29	32	19	96
	5,351	0	6,040	10,408	6,570	6,753	5,157	6,577
TOTAL	285	200	156	127	152	73	27	1,020
	12,569	12,268	12,913	8,999	6,564	7,076	5,987	10,656

SCHEDULE 3

AVERAGE ANNUAL BENEFIT AND MEMBERSHIP DISTRIBUTION OF RETIRED SAFETY MEMBERS AS OF DECEMBER 31, 2000

TOTAL

CURRENT AGE	YEARS OF RETIREMENT							TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Below 45	8	0	0	0	0	0	0	8
	20,305	0	0	0	0	0	0	20,305
45-49	4	0	2	1	1	0	0	8
	22,842	0	19,667	23,526	16,838	0	0	21,383
50-54	19	3	1	2	5	0	0	30
	24,745	26,554	25,391	21,323	15,618	0	0	23,198
55-59	78	16	5	6	6	5	0	116
	47,129	29,612	25,475	17,106	12,856	12,509	0	38,962
60-64	34	22	14	9	15	5	1	100
	39,128	39,783	27,423	19,385	16,540	13,531	9,503	30,892
65-69	7	18	13	7	3	2	0	50
	22,264	34,507	34,643	27,506	11,427	16,106	0	29,727
70-74	1	3	3	4	5	4	2	22
	18,913	27,094	43,654	32,074	15,420	10,795	10,641	22,773
75-79	0	2	1	2	6	7	4	22
	0	41,838	8,958	43,687	15,621	11,662	8,588	17,715
80-84	0	0	0	2	2	4	2	10
	0	0	0	14,209	29,848	21,550	11,375	19,706
85 & Over	0	0	0	0	0	0	7	7
	0	0	0	0	0	0	14,377	14,377
TOTAL	151	64	39	33	43	27	16	373
	39,107	34,606	29,905	23,633	15,929	13,831	11,783	30,330

SCHEDULE 4

SUMMARY OF ANNUAL RETIREMENT ALLOWANCES

as of December 31, 2000

GENERAL MEMBERS		
	Number	Annual Allowance
Service		
Males	592	\$ 10,176,570
Females	748	8,307,236
Total	1,340	\$ 18,483,806
Disability		
Males	56	\$ 808,512
Females	52	791,118
Total	108	\$ 1,599,630
Beneficiaries		
Males	57	\$ 300,884
Females	220	1,770,960
Total	277	\$ 2,071,844
Total	1,725	\$ 22,155,280

SAFETY MEMBERS		
	Number	Annual Allowance
Service		
Males	210	\$ 8,231,014
Females	20	393,379
Total	230	\$ 8,624,393
Disability		
Males	80	\$ 1,654,403
Females	13	262,502
Total	93	\$ 1,916,905
Beneficiaries		
Males	4	\$ 49,496
Females	46	722,204
Total	50	\$ 771,700
Total	373	\$ 11,312,998

SCHEDULE 5

GENERAL PLAN 1/4 MEMBERS' CONTRIBUTION RATES

(expressed as a percentage of biweekly compensation)

CURRENT

SECTION 31676.12 – HALF RATES

Entry Age	Rate	Entry Age	Rate
20	3.28%	40	3.69%
21	3.28	41	3.73
22	3.28	42	3.76
23	3.29	43	3.80
24	3.30	44	3.84
25	3.31	45	3.89
26	3.32	46	3.93
27	3.34	47	3.97
28	3.36	48	4.02
29	3.37	49	4.07
30	3.40	50	4.12
31	3.42	51	4.17
32	3.44	52	4.22
33	3.47	53	4.27
34	3.49	54	4.32
35	3.52	55	4.38
36	3.55	56	4.43
37	3.59	57	4.49
38	3.62	58	4.55
39	3.65	59+	4.61
INTEREST:		8.00%	
INFLATION:		4.75%	
MORTALITY:		83 GA (Male, - 3)	

SCHEDULE 5

GENERAL PLAN 3/4 MEMBERS' CONTRIBUTION RATES
(expressed as a percentage of biweekly compensation)

CURRENT

SECTION 31676.12 – FULL RATES

Entry Age	Rate	Entry Age	Rate
20	6.55%	40	7.38%
21	6.56	41	7.45
22	6.57	42	7.53
23	6.58	43	7.61
24	6.60	44	7.69
25	6.62	45	7.77
26	6.65	46	7.86
27	6.68	47	7.95
28	6.71	48	8.04
29	6.75	49	8.13
30	6.79	50	8.23
31	6.84	51	8.33
32	6.88	52	8.43
33	6.93	53	8.54
34	6.99	54	8.64
35	7.05	55	8.75
36	7.11	56	8.87
37	7.17	57	8.99
38	7.24	58	9.11
39	7.31	59 +	9.23
INTEREST:		8.00%	
INFLATION:		4.75%	
MORTALITY:		83 GA (Male, - 3)	

SCHEDULE 5

SAFETY PLAN 1 MEMBERS' CONTRIBUTION RATES
 (expressed as a percentage of biweekly compensation)

CURRENT

Entry Age	Rate	Entry Age	Rate
20	4.20%	35	4.72%
21	4.23	36	4.76
22	4.26	37	4.80
23	4.30	38	4.83
24	4.33	39	4.87
25	4.37	40	4.91
26	4.40	41	4.95
27	4.44	42	4.98
28	4.47	43	5.02
29	4.51	44	5.06
30	4.54	45	5.09
31	4.58	46	5.13
32	4.61	47	5.16
33	4.65	48	5.20
34	4.69	49 +	5.24
INTEREST:		8.00%	
INFLATION:		4.75%	
MORTALITY:		83 GA (Male, + 1)	

SCHEDULE 5

SAFETY PLAN 3 MEMBERS' CONTRIBUTION RATES
 (expressed as a percentage of biweekly compensation)

CURRENT

Entry Age	Rate	Entry Age	Rate
20	7.89%	35	8.88%
21	7.96	36	8.95
22	8.02	37	9.02
23	8.09	38	9.09
24	8.15	39	9.16
25	8.22	40	9.23
26	8.28	41	9.30
27	8.35	42	9.37
28	8.41	43	9.44
29	8.48	44	9.51
30	8.54	45	9.58
31	8.61	46	9.64
32	8.68	47	9.71
33	8.74	48	9.78
34	8.81	49+	9.85
INTEREST:		8.00%	
INFLATION:		4.75%	
MORTALITY:		83 GA (Male, + 1)	

SCHEDULE 5

PROBATION PLAN 1 MEMBERS' CONTRIBUTION RATES
 (expressed as a percentage of biweekly compensation)

CURRENT

Entry Age	Rate	Entry Age	Rate
20	8.39%	35	9.45%
21	8.46	36	9.52
22	8.53	37	9.59
23	8.60	38	9.67
24	8.67	39	9.74
25	8.74	40	9.82
26	8.81	41	9.89
27	8.88	42	9.97
28	8.95	43	10.04
29	9.01	44	10.11
30	9.08	45	10.18
31	9.16	46	10.25
32	9.23	47	10.33
33	9.30	48	10.40
34	9.37	49+	10.47
INTEREST:		8.00%	
INFLATION:		4.75%	
MORTALITY:		83 GA (Male, + 1)	

SCHEDULE 5

APCD PLAN 1 MEMBERS' CONTRIBUTION RATES
 (expressed as a percentage of biweekly compensation)

CURRENT

Entry Age	Rate	Entry Age	Rate
20	4.03%	38	4.38%
21	4.03	39	4.42
22	4.03	40	4.46
23	4.03	41	4.51
24	4.04	42	4.55
25	4.05	43	4.59
26	4.06	44	4.64
27	4.08	45	4.69
28	4.10	46	4.74
29	4.12	47	4.79
30	4.14	48	4.84
31	4.16	49	4.89
32	4.19	50	4.94
33	4.22	51	5.00
34	4.25	52	5.06
35	4.28	53	5.12
36	4.31	54+	5.18
37	4.35		
INTEREST:		8.00%	
INFLATION:		4.75%	
MORTALITY:		83 GA (Male, - 3)	

SCHEDULE 5

APCD PLAN 2 MEMBERS' CONTRIBUTION RATES
 (expressed as a percentage of biweekly compensation)

CURRENT

Entry Age	Rate	Entry Age	Rate
20	7.64%	38	8.32%
21	7.64	39	8.39
22	7.64	40	8.47
23	7.65	41	8.55
24	7.67	42	8.63
25	7.69	43	8.71
26	7.71	44	8.80
27	7.74	45	8.89
28	7.77	46	8.98
29	7.81	47	9.08
30	7.85	48	9.18
31	7.90	49	9.28
32	7.94	50	9.38
33	8.00	51	9.49
34	8.06	52	9.60
35	8.12	53	9.71
36	8.18	54+	9.83
37	8.25		
INTEREST:		8.00%	
INFLATION:		4.75%	
MORTALITY:		83 GA (Male, - 3)	

SCHEDULE 5

GENERAL PLAN 1/4 MEMBERS' CONTRIBUTION RATES
 (expressed as a percentage of biweekly compensation)

RECOMMENDED

SECTION 31676.12 & FAS1 – HALF RATES

Entry Age	Rate	Entry Age	Rate
20	3.15%	40	3.70%
21	3.16	41	3.74
22	3.17	42	3.79
23	3.18	43	3.84
24	3.20	44	3.89
25	3.21	45	3.94
26	3.23	46	3.99
27	3.25	47	4.05
28	3.28	48	4.10
29	3.30	49	4.16
30	3.33	50	4.21
31	3.36	51	4.28
32	3.39	52	4.34
33	3.42	53	4.40
34	3.46	54	4.46
35	3.49	55	4.53
36	3.53	56	4.60
37	3.57	57	4.67
38	3.61	58	4.74
39	3.65	59+	4.81
INTEREST:		8.16%	
INFLATION:		4.50%	
MORTALITY:		94 GA (Male, - 2)	

SCHEDULE 5

GENERAL PLAN 3/4 MEMBERS' CONTRIBUTION RATES
 (expressed as a percentage of biweekly compensation)

RECOMMENDED

SECTION 31676.12 & FAS1 – FULL RATES

Entry Age	Rate	Entry Age	Rate
20	6.30%	40	7.40%
21	6.32	41	7.49
22	6.34	42	7.58
23	6.36	43	7.68
24	6.39	44	7.78
25	6.43	45	7.88
26	6.47	46	7.98
27	6.51	47	8.09
28	6.56	48	8.20
29	6.61	49	8.31
30	6.66	50	8.43
31	6.72	51	8.55
32	6.78	52	8.67
33	6.85	53	8.80
34	6.92	54	8.93
35	6.99	55	9.06
36	7.06	56	9.20
37	7.14	57	9.34
38	7.22	58	9.48
39	7.31	59 +	9.63
INTEREST:		8.16%	
INFLATION:		4.50%	
MORTALITY:		94 GA (Male, - 2)	

SCHEDULE 5

SAFETY PLAN 1 MEMBERS' CONTRIBUTION RATES
 (expressed as a percentage of biweekly compensation)

RECOMMENDED

SECTION 31664.2 & FAS1 – HALF RATES

Entry Age	Rate	Entry Age	Rate
20	5.38%	38	6.47%
21	5.44	39	6.54
22	5.50	40	6.60
23	5.56	41	6.67
24	5.62	42	6.73
25	5.67	43	6.80
26	5.73	44	6.86
27	5.79	45	6.93
28	5.85	46	7.00
29	5.91	47	7.07
30	5.97	48	7.14
31	6.03	49	7.21
32	6.09	50	7.29
33	6.15	51	7.37
34	6.22	52	7.45
35	6.28	53	7.54
36	6.34	54 +	7.63
37	6.41		
INTEREST:		8.16%	
INFLATION:		4.50%	
MORTALITY:		94 GA (Male, - 1)	

SCHEDULE 5

SAFETY PLAN 3 AND PROBATION PLAN 1 MEMBERS' CONTRIBUTION RATES
 (expressed as a percentage of biweekly compensation)

RECOMMENDED

SECTION 31664.2 & FAS1 – FULL RATES

Entry Age	Rate	Entry Age	Rate
20	10.77%	38	12.94%
21	10.88	39	13.07
22	11.00	40	13.20
23	11.12	41	13.33
24	11.23	42	13.47
25	11.35	43	13.60
26	11.47	44	13.73
27	11.58	45	13.86
28	11.70	46	13.99
29	11.82	47	14.13
30	11.94	48	14.28
31	12.06	49	14.43
32	12.18	50	14.58
33	12.31	51	14.74
34	12.43	52	14.90
35	12.56	53	15.08
36	12.69	54+	15.26
37	12.81		
INTEREST:		8.16%	
INFLATION:		4.50%	
MORTALITY:		94 GA (Male, - 1)	

SCHEDULE 5

APCD PLAN 1 MEMBERS' CONTRIBUTION RATES
 (expressed as a percentage of biweekly compensation)

RECOMMENDED

FAS1 – HALF RATES

Entry Age	Rate	Entry Age	Rate
20	3.73%	38	4.22%
21	3.74	39	4.26
22	3.75	40	4.31
23	3.76	41	4.36
24	3.78	42	4.41
25	3.79	43	4.46
26	3.81	44	4.52
27	3.83	45	4.57
28	3.86	46	4.63
29	3.88	47	4.69
30	3.91	48	4.75
31	3.94	49	4.81
32	3.98	50	4.87
33	4.01	51	4.94
34	4.05	52	5.01
35	4.09	53	5.08
36	4.13	54+	5.15
37	4.17		
INTEREST:		8.16%	
INFLATION:		4.50%	
MORTALITY:		94 GA (Male, - 2)	

SCHEDULE 5

APCD PLAN 2 MEMBERS' CONTRIBUTION RATES
 (expressed as a percentage of biweekly compensation)

RECOMMENDED

FAS1 – FULL RATES

Entry Age	Rate	Entry Age	Rate
20	7.46%	38	8.43%
21	7.48	39	8.53
22	7.50	40	8.62
23	7.52	41	8.72
24	7.55	42	8.82
25	7.58	43	8.93
26	7.62	44	9.04
27	7.67	45	9.15
28	7.71	46	9.26
29	7.77	47	9.38
30	7.83	48	9.50
31	7.89	49	9.62
32	7.95	50	9.75
33	8.02	51	9.88
34	8.10	52	10.02
35	8.18	53	10.16
36	8.26	54+	10.30
37	8.34		
INTEREST:		8.16%	
INFLATION:		4.50%	
MORTALITY:		94 GA (Male, - 2)	

SCHEDULE 6

PROBABILITIES OF SEPARATION FROM ACTIVE SERVICE

The following pages indicate the probability of separation from active service for each of eight separate sources of termination:

- ♦ *Withdrawal:* member terminates and elects refund of member contributions.
- ♦ *Vested termination:* member terminates and contributions are left on deposit.
- ♦ *Ordinary death:* member dies prior to eligibility for retirement; death not employment-related.
- ♦ *Ordinary disability:* member receives disability retirement; disability not employment-related.
- ♦ *Service retirement:* member retires after satisfaction of requirements of age and/or service for reasons other than disability.
- ♦ *Duty disability:* member receives disability retirement; disability is employment-related.
- ♦ *Duty death:* member dies prior to retirement; death is employment-related.
- ♦ *Death while eligible:* member dies prior to retirement but after satisfaction of age and/or service requirements for service retirement or ordinary disability.

The probabilities shown for each cause of termination represent the probability that a given member will terminate at a particular age for the indicated reason. For example, if the probability of withdrawal at age 25 is .1200, then we are assuming that 12.0% of the active members at age 25 will terminate without vested rights during the next year.

SCHEDULE 6

PROBABILITIES OF SEPARATION FROM ACTIVE SERVICE

(CURRENT ASSUMPTIONS)

GENERAL MEMBERS -- MALES

Age	Withdrawal	Ordinary Death	Ordinary Disability	Service	Death While Eligible	Duty Death	Duty Disability	Terminated Vested
20	0.16500	0.00015	0.00000	0.00000	0.00000	0.00013	0.00010	0.00000
21	0.15500	0.00015	0.00000	0.00000	0.00000	0.00013	0.00010	0.00000
22	0.14500	0.00015	0.00000	0.00000	0.00000	0.00013	0.00010	0.00000
23	0.13500	0.00015	0.00000	0.00000	0.00000	0.00013	0.00010	0.00000
24	0.12500	0.00015	0.00000	0.00000	0.00000	0.00013	0.00010	0.00000
25	0.12000	0.00023	0.00000	0.00000	0.00008	0.00013	0.00010	0.00000
26	0.11500	0.00023	0.00000	0.00000	0.00008	0.00013	0.00010	0.00000
27	0.10750	0.00023	0.00000	0.00000	0.00008	0.00013	0.00010	0.00000
28	0.10000	0.00023	0.00000	0.00000	0.00008	0.00013	0.00010	0.00100
29	0.09250	0.00023	0.00000	0.00000	0.00008	0.00013	0.00010	0.00200
30	0.08500	0.00030	0.00000	0.00000	0.00017	0.00013	0.00020	0.00450
31	0.08000	0.00030	0.00000	0.00000	0.00017	0.00013	0.00020	0.00650
32	0.07500	0.00030	0.00000	0.00000	0.00017	0.00013	0.00020	0.00850
33	0.07000	0.00030	0.00000	0.00000	0.00017	0.00013	0.00020	0.01100
34	0.06500	0.00030	0.00000	0.00000	0.00017	0.00013	0.00020	0.01200
35	0.06000	0.00038	0.00014	0.00000	0.00017	0.00013	0.00030	0.01300
36	0.05500	0.00038	0.00014	0.00000	0.00017	0.00013	0.00040	0.01350
37	0.05100	0.00038	0.00014	0.00000	0.00025	0.00013	0.00050	0.01400
38	0.04800	0.00038	0.00014	0.00000	0.00025	0.00013	0.00060	0.01300
39	0.04500	0.00045	0.00028	0.00000	0.00025	0.00013	0.00070	0.01200
40	0.04300	0.00045	0.00028	0.00000	0.00025	0.00013	0.00080	0.01200
41	0.04100	0.00045	0.00028	0.00000	0.00034	0.00013	0.00090	0.01250
42	0.03900	0.00052	0.00042	0.00000	0.00034	0.00013	0.00110	0.01300
43	0.03600	0.00052	0.00056	0.00000	0.00042	0.00013	0.00120	0.01400
44	0.03300	0.00052	0.00070	0.00000	0.00042	0.00013	0.00130	0.01500
45	0.03000	0.00060	0.00084	0.00000	0.00051	0.00013	0.00150	0.01650
46	0.02800	0.00068	0.00098	0.00000	0.00059	0.00013	0.00160	0.01800
47	0.02600	0.00075	0.00112	0.00000	0.00068	0.00013	0.00170	0.02000
48	0.02500	0.00082	0.00126	0.00000	0.00085	0.00013	0.00180	0.01800
49	0.02400	0.00090	0.00154	0.00000	0.00102	0.00013	0.00190	0.01650
50	0.02300	0.00097	0.00182	0.04500	0.00119	0.00013	0.00200	0.01500
51	0.02200	0.00105	0.00210	0.02500	0.00136	0.00013	0.00220	0.01400
52	0.02100	0.00120	0.00238	0.02500	0.00153	0.00013	0.00240	0.01300
53	0.02000	0.00135	0.00266	0.02500	0.00178	0.00013	0.00250	0.01200
54	0.01900	0.00150	0.00294	0.03000	0.00204	0.00013	0.00260	0.01100
55	0.01800	0.00165	0.00322	0.06000	0.00230	0.00013	0.00280	0.01000
56	0.01700	0.00180	0.00350	0.04000	0.00255	0.00013	0.00300	0.00950
57	0.01600	0.00195	0.00378	0.04500	0.00280	0.00013	0.00310	0.00850
58	0.01500	0.00210	0.00420	0.07000	0.00306	0.00013	0.00320	0.00800
59	0.01400	0.00225	0.00462	0.09000	0.00331	0.00013	0.00340	0.00750
60	0.01300	0.00240	0.00518	0.11000	0.00348	0.00013	0.00350	0.00700
61	0.01200	0.00255	0.00574	0.25000	0.00374	0.00013	0.00370	0.00650
62	0.01100	0.00270	0.00630	0.31000	0.00399	0.00013	0.00380	0.00600
63	0.01000	0.00285	0.00686	0.12000	0.00425	0.00013	0.00400	0.00550
64	0.01000	0.00300	0.00742	0.20000	0.00450	0.00013	0.00420	0.00500
65	0.01000	0.00315	0.00798	0.29000	0.00476	0.00013	0.00000	0.00000
66	0.01000	0.00337	0.00854	0.22000	0.00501	0.00013	0.00000	0.00000
67	0.01000	0.00360	0.00924	0.22000	0.00527	0.00013	0.00000	0.00000
68	0.01000	0.00383	0.00994	0.30000	0.00561	0.00013	0.00000	0.00000
69	0.01000	0.00405	0.01064	0.40000	0.00595	0.00013	0.00000	0.00000
70	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000

SCHEDULE 6

**PROBABILITIES OF SEPARATION FROM ACTIVE SERVICE
(CURRENT ASSUMPTIONS)**

GENERAL MEMBERS -- FEMALES

Age	Withdrawal	Ordinary Death	Ordinary Disability	Service	Death While Eligible	Duty Death	Duty Disability	Terminated Vested
20	0.17250	0.00010	0.00000	0.00000	0.00000	0.00010	0.00008	0.00000
21	0.16500	0.00010	0.00000	0.00000	0.00000	0.00010	0.00008	0.00000
22	0.15750	0.00010	0.00000	0.00000	0.00000	0.00010	0.00008	0.00000
23	0.14750	0.00010	0.00000	0.00000	0.00000	0.00010	0.00008	0.00000
24	0.13750	0.00010	0.00000	0.00000	0.00000	0.00010	0.00008	0.00000
25	0.13250	0.00010	0.00012	0.00000	0.00010	0.00010	0.00008	0.00000
26	0.13000	0.00010	0.00012	0.00000	0.00010	0.00010	0.00008	0.00000
27	0.12500	0.00020	0.00012	0.00000	0.00010	0.00010	0.00008	0.00400
28	0.12000	0.00020	0.00012	0.00000	0.00010	0.00010	0.00008	0.00600
29	0.11500	0.00020	0.00012	0.00000	0.00010	0.00010	0.00008	0.00800
30	0.11000	0.00020	0.00012	0.00000	0.00010	0.00010	0.00008	0.01000
31	0.10500	0.00020	0.00012	0.00000	0.00010	0.00010	0.00008	0.01200
32	0.10000	0.00020	0.00023	0.00000	0.00010	0.00010	0.00008	0.01400
33	0.09500	0.00020	0.00023	0.00000	0.00010	0.00010	0.00008	0.01600
34	0.09100	0.00020	0.00023	0.00000	0.00010	0.00010	0.00008	0.01700
35	0.08700	0.00030	0.00033	0.00000	0.00010	0.00010	0.00016	0.01800
36	0.08200	0.00030	0.00033	0.00000	0.00010	0.00010	0.00016	0.01800
37	0.07600	0.00030	0.00033	0.00000	0.00010	0.00010	0.00024	0.01800
38	0.06900	0.00030	0.00033	0.00000	0.00010	0.00010	0.00024	0.01800
39	0.06200	0.00030	0.00033	0.00000	0.00010	0.00010	0.00032	0.01800
40	0.05500	0.00040	0.00045	0.00000	0.00010	0.00010	0.00040	0.01850
41	0.05000	0.00040	0.00057	0.00000	0.00010	0.00010	0.00048	0.01900
42	0.04500	0.00040	0.00057	0.00000	0.00010	0.00010	0.00056	0.01900
43	0.04000	0.00040	0.00078	0.00000	0.00010	0.00010	0.00064	0.01900
44	0.03600	0.00040	0.00090	0.00000	0.00010	0.00010	0.00064	0.01900
45	0.03200	0.00050	0.00102	0.00000	0.00020	0.00010	0.00072	0.01900
46	0.03000	0.00050	0.00112	0.00000	0.00020	0.00010	0.00072	0.01900
47	0.02900	0.00050	0.00112	0.00000	0.00020	0.00010	0.00080	0.01850
48	0.02800	0.00060	0.00123	0.00000	0.00030	0.00010	0.00088	0.01850
49	0.02700	0.00060	0.00135	0.00000	0.00030	0.00010	0.00096	0.01800
50	0.02600	0.00060	0.00146	0.02000	0.00040	0.00010	0.00096	0.01750
51	0.02500	0.00060	0.00157	0.01200	0.00050	0.00010	0.00104	0.01650
52	0.02400	0.00070	0.00168	0.01200	0.00060	0.00010	0.00112	0.01500
53	0.02300	0.00080	0.00168	0.01300	0.00070	0.00010	0.00120	0.01300
54	0.02200	0.00090	0.00180	0.01300	0.00080	0.00010	0.00128	0.01000
55	0.02100	0.00100	0.00191	0.05000	0.00090	0.00010	0.00136	0.00800
56	0.02000	0.00110	0.00203	0.03000	0.00100	0.00010	0.00144	0.00600
57	0.01900	0.00120	0.00213	0.02500	0.00110	0.00010	0.00144	0.00500
58	0.01800	0.00140	0.00236	0.03500	0.00120	0.00010	0.00152	0.00400
59	0.01700	0.00160	0.00258	0.04000	0.00130	0.00010	0.00160	0.00400
60	0.01650	0.00180	0.00281	0.06000	0.00140	0.00010	0.00168	0.00400
61	0.01550	0.00200	0.00305	0.10000	0.00150	0.00010	0.00176	0.00400
62	0.01500	0.00220	0.00337	0.20000	0.00160	0.00010	0.00184	0.00400
63	0.01500	0.00240	0.00371	0.15000	0.00170	0.00010	0.00192	0.00400
64	0.01500	0.00260	0.00405	0.15000	0.00180	0.00010	0.00200	0.00400
65	0.01500	0.00280	0.00000	0.30000	0.00200	0.00010	0.00000	0.00000
66	0.01500	0.00300	0.00000	0.25000	0.00220	0.00010	0.00000	0.00000
67	0.01500	0.00330	0.00000	0.25000	0.00240	0.00010	0.00000	0.00000
68	0.01500	0.00360	0.00000	0.30000	0.00260	0.00010	0.00000	0.00000
69	0.01500	0.00390	0.00000	0.50000	0.00280	0.00010	0.00000	0.00000
70	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000

SCHEDULE 6

PROBABILITIES OF SEPARATION FROM ACTIVE SERVICE

(CURRENT ASSUMPTIONS)

SAFETY AND PROBATION MEMBERS

Age	Withdrawal	Ordinary Death	Ordinary Disability	Service	Death While Eligible	Duty Death	Duty Disability	Terminated Vested
20	0.07000	0.00010	0.00000	0.00000	0.00000	0.00006	0.00014	0.00000
21	0.06700	0.00010	0.00000	0.00000	0.00000	0.00006	0.00014	0.00200
22	0.06400	0.00010	0.00000	0.00000	0.00000	0.00006	0.00014	0.00450
23	0.06100	0.00010	0.00000	0.00000	0.00000	0.00006	0.00014	0.00700
24	0.05800	0.00010	0.00000	0.00000	0.00000	0.00006	0.00018	0.00950
25	0.05500	0.00020	0.00004	0.00000	0.00008	0.00013	0.00027	0.01200
26	0.05200	0.00020	0.00004	0.00000	0.00008	0.00013	0.00036	0.01450
27	0.04900	0.00020	0.00004	0.00000	0.00008	0.00013	0.00049	0.01650
28	0.04500	0.00020	0.00004	0.00000	0.00008	0.00013	0.00063	0.01850
29	0.04100	0.00020	0.00004	0.00000	0.00008	0.00013	0.00077	0.01800
30	0.03800	0.00020	0.00004	0.00000	0.00008	0.00013	0.00094	0.01750
31	0.03500	0.00020	0.00007	0.00000	0.00008	0.00013	0.00112	0.01650
32	0.03200	0.00020	0.00010	0.00000	0.00015	0.00013	0.00130	0.01500
33	0.02900	0.00020	0.00017	0.00000	0.00015	0.00013	0.00153	0.01300
34	0.02700	0.00020	0.00025	0.00000	0.00015	0.00013	0.00175	0.01050
35	0.02500	0.00020	0.00032	0.00000	0.00015	0.00013	0.00202	0.00950
36	0.02300	0.00020	0.00038	0.00000	0.00022	0.00013	0.00234	0.00900
37	0.02100	0.00020	0.00046	0.00000	0.00030	0.00013	0.00265	0.00850
38	0.01900	0.00020	0.00052	0.00000	0.00030	0.00013	0.00297	0.00800
39	0.01700	0.00020	0.00059	0.00000	0.00038	0.00013	0.00329	0.00750
40	0.01500	0.00030	0.00066	0.00000	0.00045	0.00020	0.00360	0.00700
41	0.01300	0.00030	0.00074	0.00000	0.00045	0.00020	0.00391	0.00650
42	0.01100	0.00030	0.00081	0.00000	0.00045	0.00020	0.00427	0.00600
43	0.00900	0.00030	0.00084	0.00000	0.00052	0.00020	0.00464	0.00500
44	0.00700	0.00030	0.00084	0.00000	0.00052	0.00020	0.00499	0.00400
45	0.00600	0.00040	0.00088	0.00600	0.00060	0.00026	0.00540	0.00350
46	0.00500	0.00040	0.00088	0.00800	0.00068	0.00033	0.00581	0.00300
47	0.00450	0.00040	0.00091	0.01000	0.00068	0.00039	0.00621	0.00250
48	0.00400	0.00050	0.00091	0.01000	0.00075	0.00045	0.00661	0.00200
49	0.00400	0.00050	0.00094	0.01000	0.00075	0.00052	0.00702	0.00150
50	0.00400	0.00060	0.00094	0.05000	0.00082	0.00058	0.00742	0.00100
51	0.00400	0.00070	0.00098	0.04000	0.00090	0.00065	0.00788	0.00080
52	0.00400	0.00080	0.00098	0.04000	0.00097	0.00071	0.00833	0.00070
53	0.00400	0.00090	0.00102	0.03500	0.00105	0.00078	0.00877	0.00060
54	0.00400	0.00100	0.00105	0.03500	0.00112	0.00084	0.00922	0.00050
55	0.00000	0.00110	0.00000	0.10000	0.00120	0.00091	0.00000	0.00000
56	0.00000	0.00120	0.00000	0.07500	0.00127	0.00097	0.00000	0.00000
57	0.00000	0.00130	0.00000	0.07500	0.00135	0.00104	0.00000	0.00000
58	0.00000	0.00140	0.00000	0.15000	0.00142	0.00117	0.00000	0.00000
59	0.00000	0.00150	0.00000	0.40000	0.00150	0.00130	0.00000	0.00000
60	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000

SCHEDULE 6

**PROBABILITIES OF SEPARATION FROM ACTIVE SERVICE
(RECOMMENDED ASSUMPTIONS)
GENERAL MEMBERS – MALES**

Age	Withdrawal	Ordinary Death	Ordinary Disability	Service	Death While Eligible	Duty Death	Duty Disability	Terminated Vested
20	0.16500	0.00011	0.00000	0.00000	0.00000	0.00013	0.00011	0.00000
21	0.15500	0.00011	0.00000	0.00000	0.00000	0.00013	0.00011	0.00000
22	0.14500	0.00011	0.00000	0.00000	0.00000	0.00013	0.00011	0.00000
23	0.13500	0.00011	0.00000	0.00000	0.00000	0.00013	0.00011	0.00000
24	0.12500	0.00011	0.00000	0.00000	0.00000	0.00013	0.00011	0.00000
25	0.12000	0.00017	0.00000	0.00000	0.00008	0.00013	0.00011	0.00000
26	0.11500	0.00017	0.00000	0.00000	0.00008	0.00013	0.00011	0.00000
27	0.10750	0.00017	0.00000	0.00000	0.00008	0.00013	0.00011	0.00000
28	0.10000	0.00017	0.00000	0.00000	0.00008	0.00013	0.00011	0.00100
29	0.09250	0.00017	0.00000	0.00000	0.00008	0.00013	0.00011	0.00200
30	0.08500	0.00023	0.00000	0.00000	0.00017	0.00013	0.00022	0.00450
31	0.08000	0.00023	0.00000	0.00000	0.00017	0.00013	0.00022	0.00650
32	0.07500	0.00023	0.00000	0.00000	0.00017	0.00013	0.00022	0.00850
33	0.07000	0.00023	0.00000	0.00000	0.00017	0.00013	0.00022	0.01100
34	0.06500	0.00023	0.00000	0.00000	0.00017	0.00013	0.00022	0.01200
35	0.06000	0.00029	0.00014	0.00000	0.00017	0.00013	0.00033	0.01300
36	0.05500	0.00029	0.00014	0.00000	0.00017	0.00013	0.00044	0.01350
37	0.05100	0.00029	0.00014	0.00000	0.00025	0.00013	0.00055	0.01400
38	0.04800	0.00029	0.00014	0.00000	0.00025	0.00013	0.00066	0.01300
39	0.04500	0.00034	0.00028	0.00000	0.00025	0.00013	0.00077	0.01200
40	0.04300	0.00034	0.00028	0.00000	0.00025	0.00013	0.00088	0.01200
41	0.04100	0.00034	0.00028	0.00000	0.00034	0.00013	0.00099	0.01250
42	0.03900	0.00039	0.00042	0.00000	0.00034	0.00013	0.00121	0.01300
43	0.03600	0.00039	0.00056	0.00000	0.00042	0.00013	0.00132	0.01400
44	0.03300	0.00039	0.00070	0.00000	0.00042	0.00013	0.00143	0.01500
45	0.03000	0.00045	0.00084	0.00000	0.00051	0.00013	0.00165	0.01650
46	0.02800	0.00051	0.00098	0.00000	0.00059	0.00013	0.00176	0.01800
47	0.02600	0.00056	0.00112	0.00000	0.00068	0.00013	0.00187	0.02000
48	0.02500	0.00062	0.00126	0.00000	0.00085	0.00013	0.00198	0.01800
49	0.02400	0.00068	0.00154	0.00000	0.00102	0.00013	0.00209	0.01650
50	0.02300	0.00073	0.00182	0.04500	0.00119	0.00013	0.00220	0.01500
51	0.02200	0.00079	0.00210	0.02500	0.00136	0.00013	0.00242	0.01400
52	0.02100	0.00090	0.00238	0.02500	0.00153	0.00013	0.00264	0.01300
53	0.02000	0.00101	0.00266	0.02500	0.00178	0.00013	0.00275	0.01200
54	0.01900	0.00112	0.00294	0.03000	0.00204	0.00013	0.00286	0.01100
55	0.01800	0.00124	0.00322	0.06000	0.00230	0.00013	0.00308	0.01000
56	0.01700	0.00135	0.00350	0.04000	0.00255	0.00013	0.00330	0.00950
57	0.01600	0.00146	0.00378	0.04500	0.00280	0.00013	0.00341	0.00850
58	0.01500	0.00157	0.00420	0.07000	0.00306	0.00013	0.00352	0.00800
59	0.01400	0.00169	0.00462	0.09000	0.00331	0.00013	0.00374	0.00750
60	0.01300	0.00180	0.00518	0.11000	0.00348	0.00013	0.00385	0.00700
61	0.01200	0.00191	0.00574	0.25000	0.00374	0.00013	0.00407	0.00650
62	0.01100	0.00203	0.00630	0.31000	0.00399	0.00013	0.00418	0.00600
63	0.01000	0.00214	0.00686	0.12000	0.00425	0.00013	0.00440	0.00550
64	0.01000	0.00225	0.00742	0.20000	0.00450	0.00013	0.00462	0.00500
65	0.01000	0.00236	0.00798	0.29000	0.00476	0.00013	0.00000	0.00000
66	0.01000	0.00253	0.00854	0.22000	0.00501	0.00013	0.00000	0.00000
67	0.01000	0.00270	0.00924	0.22000	0.00527	0.00013	0.00000	0.00000
68	0.01000	0.00287	0.00994	0.30000	0.00561	0.00013	0.00000	0.00000
69	0.01000	0.00304	0.01064	0.40000	0.00595	0.00013	0.00000	0.00000
70	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000

SCHEDULE 6

**PROBABILITIES OF SEPARATION FROM ACTIVE SERVICE
(RECOMMENDED ASSUMPTIONS)
GENERAL MEMBERS – FEMALES**

Age	Withdrawal	Ordinary Death	Ordinary Disability	Service	Death While Eligible	Duty Death	Duty Disability	Terminated Vested
20	0.17250	0.00010	0.00000	0.00000	0.00000	0.00010	0.00012	0.00000
21	0.16500	0.00010	0.00000	0.00000	0.00000	0.00010	0.00012	0.00000
22	0.15750	0.00010	0.00000	0.00000	0.00000	0.00010	0.00012	0.00000
23	0.14750	0.00010	0.00000	0.00000	0.00000	0.00010	0.00012	0.00000
24	0.13750	0.00010	0.00000	0.00000	0.00000	0.00010	0.00012	0.00000
25	0.13250	0.00010	0.00018	0.00000	0.00010	0.00010	0.00012	0.00000
26	0.13000	0.00010	0.00018	0.00000	0.00010	0.00010	0.00012	0.00000
27	0.12500	0.00020	0.00018	0.00000	0.00010	0.00010	0.00012	0.00400
28	0.12000	0.00020	0.00018	0.00000	0.00010	0.00010	0.00012	0.00600
29	0.11500	0.00020	0.00018	0.00000	0.00010	0.00010	0.00012	0.00800
30	0.11000	0.00020	0.00018	0.00000	0.00010	0.00010	0.00012	0.01000
31	0.10500	0.00020	0.00018	0.00000	0.00010	0.00010	0.00012	0.01200
32	0.10000	0.00020	0.00035	0.00000	0.00010	0.00010	0.00012	0.01400
33	0.09500	0.00020	0.00035	0.00000	0.00010	0.00010	0.00012	0.01600
34	0.09100	0.00020	0.00035	0.00000	0.00010	0.00010	0.00012	0.01700
35	0.08700	0.00030	0.00050	0.00000	0.00010	0.00010	0.00024	0.01800
36	0.08200	0.00030	0.00050	0.00000	0.00010	0.00010	0.00024	0.01800
37	0.07600	0.00030	0.00050	0.00000	0.00010	0.00010	0.00036	0.01800
38	0.06900	0.00030	0.00050	0.00000	0.00010	0.00010	0.00036	0.01800
39	0.06200	0.00030	0.00050	0.00000	0.00010	0.00010	0.00048	0.01800
40	0.05500	0.00040	0.00068	0.00000	0.00010	0.00010	0.00060	0.01850
41	0.05000	0.00040	0.00085	0.00000	0.00010	0.00010	0.00072	0.01900
42	0.04500	0.00040	0.00085	0.00000	0.00010	0.00010	0.00084	0.01900
43	0.04000	0.00040	0.00117	0.00000	0.00010	0.00010	0.00096	0.01900
44	0.03600	0.00040	0.00135	0.00000	0.00010	0.00010	0.00096	0.01900
45	0.03200	0.00050	0.00153	0.00000	0.00020	0.00010	0.00108	0.01900
46	0.03000	0.00050	0.00168	0.00000	0.00020	0.00010	0.00108	0.01900
47	0.02900	0.00050	0.00168	0.00000	0.00020	0.00010	0.00120	0.01850
48	0.02800	0.00060	0.00185	0.00000	0.00030	0.00010	0.00132	0.01850
49	0.02700	0.00060	0.00203	0.00000	0.00030	0.00010	0.00144	0.01800
50	0.02600	0.00060	0.00219	0.02000	0.00040	0.00010	0.00144	0.01750
51	0.02500	0.00060	0.00236	0.01200	0.00050	0.00010	0.00156	0.01650
52	0.02400	0.00070	0.00252	0.01200	0.00060	0.00010	0.00168	0.01500
53	0.02300	0.00080	0.00252	0.01300	0.00070	0.00010	0.00180	0.01300
54	0.02200	0.00090	0.00270	0.01300	0.00080	0.00010	0.00192	0.01000
55	0.02100	0.00100	0.00286	0.05000	0.00090	0.00010	0.00204	0.00800
56	0.02000	0.00110	0.00305	0.03000	0.00100	0.00010	0.00216	0.00600
57	0.01900	0.00120	0.00319	0.02500	0.00110	0.00010	0.00216	0.00500
58	0.01800	0.00140	0.00354	0.03500	0.00120	0.00010	0.00228	0.00400
59	0.01700	0.00160	0.00387	0.04000	0.00130	0.00010	0.00240	0.00400
60	0.01650	0.00180	0.00422	0.06000	0.00140	0.00010	0.00252	0.00400
61	0.01550	0.00200	0.00458	0.10000	0.00150	0.00010	0.00264	0.00400
62	0.01500	0.00220	0.00506	0.20000	0.00160	0.00010	0.00276	0.00400
63	0.01500	0.00240	0.00557	0.15000	0.00170	0.00010	0.00288	0.00400
64	0.01500	0.00260	0.00608	0.15000	0.00180	0.00010	0.00300	0.00400
65	0.01500	0.00280	0.00000	0.30000	0.00200	0.00010	0.00000	0.00000
66	0.01500	0.00300	0.00000	0.25000	0.00220	0.00010	0.00000	0.00000
67	0.01500	0.00330	0.00000	0.25000	0.00240	0.00010	0.00000	0.00000
68	0.01500	0.00360	0.00000	0.30000	0.00260	0.00010	0.00000	0.00000
69	0.01500	0.00390	0.00000	0.50000	0.00280	0.00010	0.00000	0.00000
70	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000

SCHEDULE 6

**PROBABILITIES OF SEPARATION FROM ACTIVE SERVICE
(RECOMMENDED ASSUMPTIONS)
SAFETY AND PROBATION MEMBERS**

Age	Withdrawal	Ordinary Death	Ordinary Disability	Service	Death While Eligible	Duty Death	Duty Disability	Terminated Vested
20	0.07000	0.00007	0.00000	0.00000	0.00000	0.00006	0.00014	0.00000
21	0.06700	0.00007	0.00000	0.00000	0.00000	0.00006	0.00014	0.00200
22	0.06400	0.00007	0.00000	0.00000	0.00000	0.00006	0.00014	0.00450
23	0.06100	0.00007	0.00000	0.00000	0.00000	0.00006	0.00014	0.00700
24	0.05800	0.00007	0.00000	0.00000	0.00000	0.00006	0.00018	0.00950
25	0.05500	0.00015	0.00004	0.00000	0.00008	0.00013	0.00027	0.01200
26	0.05200	0.00015	0.00004	0.00000	0.00008	0.00013	0.00036	0.01450
27	0.04900	0.00015	0.00004	0.00000	0.00008	0.00013	0.00049	0.01650
28	0.04500	0.00015	0.00004	0.00000	0.00008	0.00013	0.00063	0.01850
29	0.04100	0.00015	0.00004	0.00000	0.00008	0.00013	0.00077	0.01800
30	0.03800	0.00015	0.00004	0.00000	0.00008	0.00013	0.00094	0.01750
31	0.03500	0.00015	0.00007	0.00000	0.00008	0.00013	0.00112	0.01650
32	0.03200	0.00015	0.00010	0.00000	0.00015	0.00013	0.00130	0.01500
33	0.02900	0.00015	0.00017	0.00000	0.00015	0.00013	0.00153	0.01300
34	0.02700	0.00015	0.00025	0.00000	0.00015	0.00013	0.00175	0.01050
35	0.02500	0.00015	0.00032	0.00000	0.00015	0.00013	0.00202	0.00950
36	0.02300	0.00015	0.00038	0.00000	0.00022	0.00013	0.00234	0.00900
37	0.02100	0.00015	0.00046	0.00000	0.00030	0.00013	0.00265	0.00850
38	0.01900	0.00015	0.00052	0.00000	0.00030	0.00013	0.00297	0.00800
39	0.01700	0.00015	0.00059	0.00000	0.00038	0.00013	0.00329	0.00750
40	0.01500	0.00023	0.00066	0.00000	0.00045	0.00020	0.00360	0.00700
41	0.01300	0.00023	0.00074	0.00000	0.00045	0.00020	0.00391	0.00650
42	0.01100	0.00023	0.00081	0.00000	0.00045	0.00020	0.00427	0.00600
43	0.00900	0.00023	0.00084	0.00000	0.00052	0.00020	0.00464	0.00500
44	0.00700	0.00023	0.00084	0.00000	0.00052	0.00020	0.00499	0.00400
45	0.00600	0.00030	0.00088	0.00600	0.00060	0.00026	0.00540	0.00350
46	0.00500	0.00030	0.00088	0.00800	0.00068	0.00033	0.00581	0.00300
47	0.00450	0.00030	0.00091	0.01000	0.00068	0.00039	0.00621	0.00250
48	0.00400	0.00038	0.00091	0.01000	0.00075	0.00045	0.00661	0.00200
49	0.00400	0.00038	0.00094	0.01000	0.00075	0.00052	0.00702	0.00150
50	0.00400	0.00045	0.00094	0.05000	0.00082	0.00058	0.00742	0.00100
51	0.00400	0.00052	0.00098	0.04000	0.00090	0.00065	0.00788	0.00080
52	0.00400	0.00060	0.00098	0.04000	0.00097	0.00071	0.00833	0.00070
53	0.00400	0.00068	0.00102	0.03500	0.00105	0.00078	0.00877	0.00060
54	0.00400	0.00075	0.00105	0.03500	0.00112	0.00084	0.00922	0.00050
55	0.00000	0.00082	0.00000	0.10000	0.00120	0.00091	0.00000	0.00000
56	0.00000	0.00090	0.00000	0.07500	0.00127	0.00097	0.00000	0.00000
57	0.00000	0.00097	0.00000	0.07500	0.00135	0.00104	0.00000	0.00000
58	0.00000	0.00105	0.00000	0.15000	0.00142	0.00117	0.00000	0.00000
59	0.00000	0.00112	0.00000	0.40000	0.00150	0.00130	0.00000	0.00000
60	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000

SCHEDULE 7

YEARS OF LIFE EXPECTANCY AFTER SERVICE RETIREMENT
 (Current Assumptions)

Age	GENERAL		SAFETY	Age	GENERAL		SAFETY
	Male	Female			Male	Female	
50	29.18	33.97	28.30	81	7.21	9.09	6.81
51	28.30	33.03	27.42	82	6.81	8.57	6.43
52	27.42	32.10	26.55	83	6.43	8.07	6.07
53	26.55	31.16	25.68	84	6.07	7.58	5.73
54	25.68	30.24	24.83	85	5.73	7.11	5.41
55	24.83	29.31	23.98	86	5.41	6.66	5.10
56	23.98	28.39	23.13	87	5.10	6.23	4.82
57	23.13	27.48	22.29	88	4.82	5.81	4.54
58	22.29	26.57	21.46	89	4.54	5.41	4.28
59	21.46	25.67	20.64	90	4.28	5.02	4.04
60	20.64	24.78	19.83	91	4.04	4.66	3.80
61	19.83	23.89	19.02	92	3.80	4.31	3.58
62	19.02	23.02	18.23	93	3.58	3.98	3.37
63	18.23	22.15	17.45	94	3.37	3.67	3.16
64	17.45	21.29	16.69	95	3.16	3.37	2.98
65	16.69	20.43	15.95	96	2.98	3.10	2.80
66	15.95	19.59	15.23	97	2.80	2.84	2.62
67	15.23	18.76	14.52	98	2.62	2.60	2.45
68	14.52	17.94	13.84	99	2.45	2.36	2.28
69	13.84	17.13	13.18	100	2.28	2.14	2.11
70	13.18	16.34	12.54	101	2.11	1.94	1.95
71	12.54	15.57	11.92	102	1.95	1.74	1.78
72	11.92	14.81	11.31	103	1.78	1.55	1.61
73	11.31	14.08	10.72	104	1.61	1.37	1.43
74	10.72	13.38	10.15	105	1.43	1.19	1.26
75	10.15	12.69	9.60	106	1.26	1.03	1.09
76	9.60	12.03	9.08	107	1.09	.87	.92
77	9.08	11.40	8.57	108	.92	.71	.74
78	8.57	10.79	8.10	109	.74	.50	.50
79	8.10	10.20	7.64	110	.50	--	--
80	7.64	9.63	7.21				

1983 GA (x, y+1) for General Members

1983 GA (x+1) for Safety Members

SCHEDULE 7

YEARS OF LIFE EXPECTANCY AFTER SERVICE RETIREMENT
 (Recommended Assumptions)

Age	GENERAL		SAFETY		Age	GENERAL		SAFETY	
	Male	Female	Male	Female		Male	Female	Male	Female
50	30.69	33.94	30.69	33.94	81	7.89	9.14	7.89	9.14
51	29.77	32.99	29.77	32.99	82	7.44	8.58	7.44	8.58
52	28.85	32.05	28.85	32.05	83	7.00	8.05	7.00	8.05
53	27.95	31.11	27.95	31.11	84	6.59	7.54	6.59	7.54
54	27.04	30.17	27.04	30.17	85	6.19	7.06	6.19	7.06
55	26.15	29.24	26.15	29.24	86	5.80	6.59	5.80	6.59
56	25.27	28.31	25.27	28.31	87	5.43	6.15	5.43	6.15
57	24.39	27.40	24.39	27.40	88	5.07	5.73	5.07	5.73
58	23.52	26.49	23.52	26.49	89	4.73	5.34	4.73	5.34
59	22.67	25.59	22.67	25.59	90	4.42	4.98	4.42	4.98
60	21.83	24.70	21.83	24.70	91	4.13	4.64	4.13	4.64
61	21.00	23.82	21.00	23.82	92	3.86	4.33	3.86	4.33
62	20.18	22.96	20.18	22.96	93	3.61	4.04	3.61	4.04
63	19.39	22.11	19.39	22.11	94	3.37	3.76	3.37	3.76
64	18.60	21.28	18.60	21.28	95	3.16	3.51	3.16	3.51
65	17.84	20.46	17.84	20.46	96	2.98	3.28	2.98	3.28
66	17.10	19.65	17.10	19.65	97	2.81	3.06	2.81	3.06
67	16.37	18.86	16.37	18.86	98	2.66	2.86	2.66	2.86
68	15.66	18.08	15.66	18.08	99	2.52	2.67	2.52	2.67
69	14.97	17.31	14.97	17.31	100	2.39	2.50	2.39	2.50
70	14.29	16.54	14.29	16.54	101	2.26	2.34	2.26	2.34
71	13.63	15.78	13.63	15.78	102	2.15	2.19	2.15	2.19
72	12.98	15.04	12.98	15.04	103	2.04	2.06	2.04	2.06
73	12.34	14.31	12.34	14.31	104	1.93	1.94	1.93	1.94
74	11.72	13.60	11.72	13.60	105	1.84	1.83	1.84	1.83
75	11.12	12.90	11.12	12.90	106	1.75	1.74	1.75	1.74
76	10.53	12.22	10.53	12.22	107	1.68	1.66	1.68	1.66
77	9.96	11.57	9.96	11.57	108	1.62	1.59	1.62	1.59
78	9.40	10.93	9.40	10.93	109	1.57	1.54	1.57	1.54
79	8.88	10.31	8.88	10.31	110	1.52	1.50	1.52	1.50
80	8.37	9.71	8.37	9.71					

1994 GA (x , y+1) for General Members

1994 GA (x , y+1) for Safety Members

SCHEDULE 7

YEARS OF LIFE EXPECTANCY AFTER DISABILITY RETIREMENT

GENERAL MEMBERS					
Age	Years of Life Expectancy	Age	Years of Life Expectancy	Age	Years of Life Expectancy
20	38.73	51	20.59	82	6.27
21	37.98	52	20.11	83	5.94
22	37.26	53	19.63	84	5.63
23	36.56	54	19.16	85	5.34
24	35.87	55	18.68	86	5.06
25	35.19	56	18.22	87	4.80
26	34.53	57	17.75	88	4.55
27	33.87	58	17.29	89	4.31
28	33.23	59	16.83	90	4.09
29	32.60	60	16.37	91	3.87
30	31.98	61	15.91	92	3.66
31	31.37	62	15.45	93	3.46
32	30.76	63	14.99	94	3.26
33	30.17	64	14.53	95	3.07
34	29.58	65	14.07	96	2.89
35	29.00	66	13.60	97	2.71
36	28.43	67	13.13	98	2.54
37	27.87	68	12.66	99	2.37
38	27.31	69	12.18	100	2.20
39	26.76	70	11.70	101	2.04
40	26.21	71	11.21	102	1.88
41	25.67	72	10.72	103	1.72
42	25.14	73	10.22	104	1.55
43	24.61	74	9.73	105	1.38
44	24.09	75	9.24	106	1.21
45	23.57	76	8.76	107	1.04
46	23.06	77	8.28	108	.88
47	22.56	78	7.83	109	.72
48	22.06	79	7.41	110	.50
49	21.57	80	7.00		
50	21.08	81	6.63		

1981 Disability (General)

SCHEDULE 7

YEARS OF LIFE EXPECTANCY AFTER DISABILITY RETIREMENT

SAFETY AND PROBATION MEMBERS					
Age	Years of Life Expectancy	Age	Years of Life Expectancy	Age	Years of Life Expectancy
20	49.29	51	22.80	81	6.63
21	48.39	52	22.03	82	6.27
22	47.48	53	21.26	83	5.94
23	46.58	54	20.50	84	5.63
24	45.68	55	19.77	85	5.34
25	44.79	56	19.06	86	5.06
26	43.89	57	18.40	87	4.80
27	43.01	58	17.78	88	4.55
28	42.12	59	17.20	89	4.31
29	41.24	60	16.64	90	4.09
30	40.36	61	16.11	91	3.87
31	39.48	62	15.59	92	3.66
32	38.61	63	15.08	93	3.46
33	37.74	64	14.58	94	3.26
34	36.88	65	14.09	95	3.07
35	36.02	66	13.61	96	2.89
36	35.16	67	13.13	97	2.71
37	34.31	68	12.66	98	2.54
38	33.46	69	12.18	99	2.37
39	32.61	70	11.70	100	2.20
40	31.77	71	11.21	101	2.04
41	30.93	72	10.72	102	1.88
42	30.09	73	10.22	103	1.72
43	29.26	74	9.73	104	1.55
44	28.43	75	9.24	105	1.38
45	27.61	76	8.75	106	1.21
46	26.80	77	8.28	107	1.04
47	25.99	78	7.83	108	.88
48	25.18	79	7.41	109	.72
49	24.38	80	7.00	110	.50
50	23.59				

1981 Disability (Safety)

SCHEDULE 8

GLOSSARY OF TERMS

Following is a glossary of some of the commonly used actuarial terms.

Actuarial Accrued Liability

The portion, as determined by a particular cost method, of the total present value of benefits that is attributable to past service credit.

Actuarial Gain (Loss)

A measure of the difference between actual and expected experience based upon a set of actuarial assumptions. Examples include higher than expected salary increases (loss) and a higher return on fund assets than anticipated (gain).

Actuarial Present Value

Also referred to as the present value of benefits. It is the value, as of a specified date, of an amount payable in the future, where the amount has been adjusted to reflect both the time value of money and the probability that the payment is actually made.

Amortization or UAAL Payment

That portion of the pension plan contribution which is designed to pay off (amortize) the unfunded actuarial accrued liability in a systematic fashion. Equivalently, it is a series of periodic payments required to pay off a debt.

Annual Amount

Estimated contributions due for the year in order to ensure the orderly funding of the pension plan (equal to the contribution rate multiplied by the annual payroll). The annual amount is comprised of normal cost and UAAL payments.

Entry Age Actuarial Cost Method

This method assumes that the annual costs are the level premiums needed from entry age until retirement age to fund the ultimate retirement benefit. These premiums are expressed as a percentage of salary. The portion of this actuarial present value allocated to a valuation year is called the normal cost.

Final Average Salary

The average amount of compensation earned over a specified number of consecutive months preceding retirement during which compensation was highest.

Funding Policy

The policy for the amounts and timing of contributions to be made by the employer, members, and any other sources to provide the benefits promised by the pension plan.

Noneconomic Actuarial Assumptions

Probabilities that members will separate from active service for causes such as retirement, disability, death and withdrawal, as well as rates of post-retirement mortality. The probabilities reflect the experience of the System membership.

Normal Cost

The ongoing annual cost allocated to the system by a particular actuarial cost method for providing benefits (future cost). Normal cost payments are made during the working lifetime of the member.

Unfunded Actuarial Accrued Liability

The excess of the actuarial accrued liability over the actuarial value of assets.

Vested Benefit

The benefit an employee is entitled to even if the employee separates from active service prior to normal retirement age.

SCHEDULE 10

ASSET STATEMENT

SANTA BARBARA EMPLOYEES' RETIREMENT SYSTEM
BALANCE SHEET
12/31/00

CASH	48,956,043.30
RECEIVABLES	
CONTRIBUTIONS	1,394,751.37
INVESTMENT	8,897,777.69
TRADE	7,741,467.80
INVESTMENTS AT COST	
CORPORATE BONDS (MARKET VALUE 419,981,489)	444,735,097.10
GOVERNMENT BONDS (MARKET VALUE 70,394,270)	71,805,832.01
REAL ESTATE (MARKET VALUE 30,649)	30,648.62
EQUITY SECURITIES (MARKET VALUE 669,480,398)	478,723,850.55
	<u>1,062,285,468.44</u>
ACCOUNTS PAYABLE	3,062,855.20
TRADES PAYABLE	29,599,460.03
DEFERRED REVENUE ACCT	<u>10,960,853.57</u>
TOTAL LIABILITIES	43,623,168.80
FUND EQUITY	
MEMBER DEPOSIT RESERVES	
GENERAL	
NORMAL	65,265,165.31
COL	3,973,248.33
SAFETY	
NORMAL	26,464,001.54
COL	1,494,635.43
APCD	
NORMAL	1,008,196.77
INACTIVE	9,714.29
MEMBERS SUPPLEMENTAL RESERVE	
TOTAL MEMBER	98,214,961.67
COUNTY & DISTRICT ADVANCE RESERVES	
GENERAL	
CURRENT SERVICE	115,141,534.37
COL	94,625,477.81
SUPPLEMENTAL CURRENT SERVICE	10,558,046.88
SUPPLEMENTAL COL	120,640.50
NON-CONTRIBUTORY	10,500,103.27
NON-CONTRIBUTORY COL	1,482,944.39
DEATH BENEFITS	716,519.98
SAFETY	
CURRENT SERVICE	92,069,232.19
COL	58,021,775.63
SUPPLEMENTAL CURRENT SERVICE	22,323,126.41
SUPPLEMENTAL COL	691,717.68
DEATH BENEFITS	900,397.51
APCD CURRENT SERVICE	5,676,949.50
APCD COL	1,882,610.26
SUPPLEMENTAL CURRENT SERVICE	41,866.20
SICK LEAVE RESERVE	3,826,542.73
HEALTH COVERAGE RESERVE	36,922,900.21
STRATEGIC RESERVE	25,268,944.90
BENEFIT ENHANCEMENT	<u>12,406,436.56</u>
TOTAL EMPLOYER	493,177,766.98
RETIRED MEMBER RESERVES	
GENERAL	
ANNUITY	36,357,664.12
PENSION	130,734,050.68
COL	37,054,067.47
PRIOR BENEFIT	349,202.18
SAFETY	
ANNUITY	18,190,966.69
PENSION	82,784,804.69
COL	35,300,201.32
PRIOR BENEFIT	131,959.34
SPECIAL ALLOWANCE	23,820,649.75
SUPPLEMENTAL HEALTH COVERAGE RESERVE	34,079,626.11
SPOUSAL CONTINUANCE	1,094,855.24
BURIAL ALLOWANCE	4,844,112.45
UNDESIGNATED	
TOTAL RETIRED	404,742,160.04
DESIGNATED	
INVESTMENT CONTINGENCY	30,559,868.98
UNDESIGNATED EARNINGS	<u>(6,032,458.03)</u>
TOTAL FUND EQUITY	<u>22,527,410.95</u>
TOTAL LIABILITIES & FUND EQUITY	<u>1,062,285,468.44</u>

*UNAUDITED