

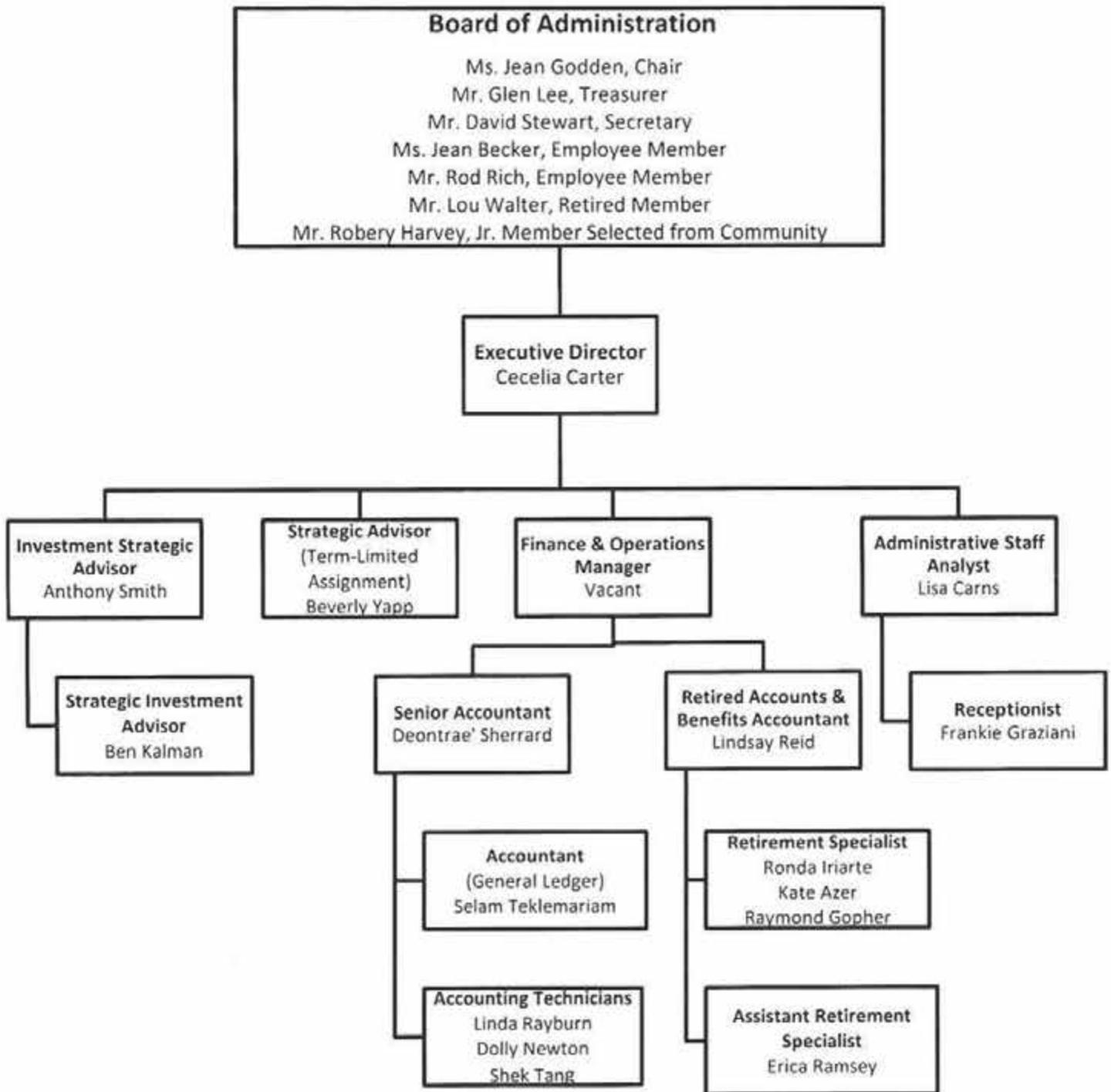
SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM

A Pension Trust Fund of the City of Seattle

ANNUAL REPORT

For the Year Ended December 31, 2011

Prepared by: Seattle City Employees' Retirement System Staff
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Seattle City Employees' Retirement System

Board of Administration

Cecelia M. Carter, Executive Director

July 1, 2012

To the Honorable Mayor and
Seattle City Council
Seattle, Washington 98104

I am pleased to transmit the 2011 Annual Report of the Seattle City Employees' Retirement System. This Annual Report consists of four sections: the Introductory Section contains the Executive Director's letter of transmittal and the identification of the administrative organization of the System; the Financial Section contains the audited financial statements of the System, as well as a letter from the System's certified public accountants; the Actuarial Section contains the independent consulting actuary's opinion, along with related actuarial data and statements; and the Statistical Section includes tables of significant data pertaining to the System operations.

The compilation of this report is the result of the combined effort of the Staff under the leadership of the Retirement Board. The intention is to provide complete and reliable information to assist in management decisions, to present evidence of compliance with legal provisions and to demonstrate responsible stewardship for the assets contributed by the members and their employers.

The Executive Director and staff have reviewed the internal accounting controls and the financial statements, supporting schedules and statistical tables, and we are of the opinion that they fairly represent the condition of the Retirement System.

The accuracy and completeness of the data contained in this report are the sole responsibility of the management of the Seattle City Employees' Retirement System.

Overview of the Seattle City Employees' Retirement System

The Retirement System was created and established by amendment to the Charter of the City of Seattle (Article XXII – Section 13) submitted to the voters at the municipal election of March 8, 1927. The System, known thereafter as the Seattle City Employees' Retirement System (SCERS), is to provide retirement income to help maintain the quality of life for its former employees. The retirement plan is a defined benefit plan, which means the employee's salary; years of service and age at the time of retirement are used to determine the amount of retirement benefits. Members of the Retirement System also participate in Social Security.

The Retirement System covers employees of the City of Seattle, the Seattle Public Library, and certain employees of King County and METRO. The Retirement System does not cover law enforcement officers and fire fighter employees. The year ended December 31, 2011, concludes our 82nd year of operations.

The City of Seattle also sponsors a voluntary deferred compensation plan which permits employees to make pre-tax contributions up to the federal limits and manage the investment allocation of their contributions. This plan is administered through the City Personnel department and a third party administrator.

Distribution of the 2011 Annual Report

The report will be posted to the System's website. We trust the departments and Retirement System members will find this report both informative and helpful.

We would like to express our gratitude to the staff, the advisors, and to the many other people who have worked so diligently to assure the successful operation of the System.

Respectfully submitted,
BOARD OF ADMINISTRATION,
SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM

A handwritten signature in black ink, appearing to read "Cecelia M. Carter".

Cecelia M. Carter
Executive Director

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ACTUARIAL SECTION

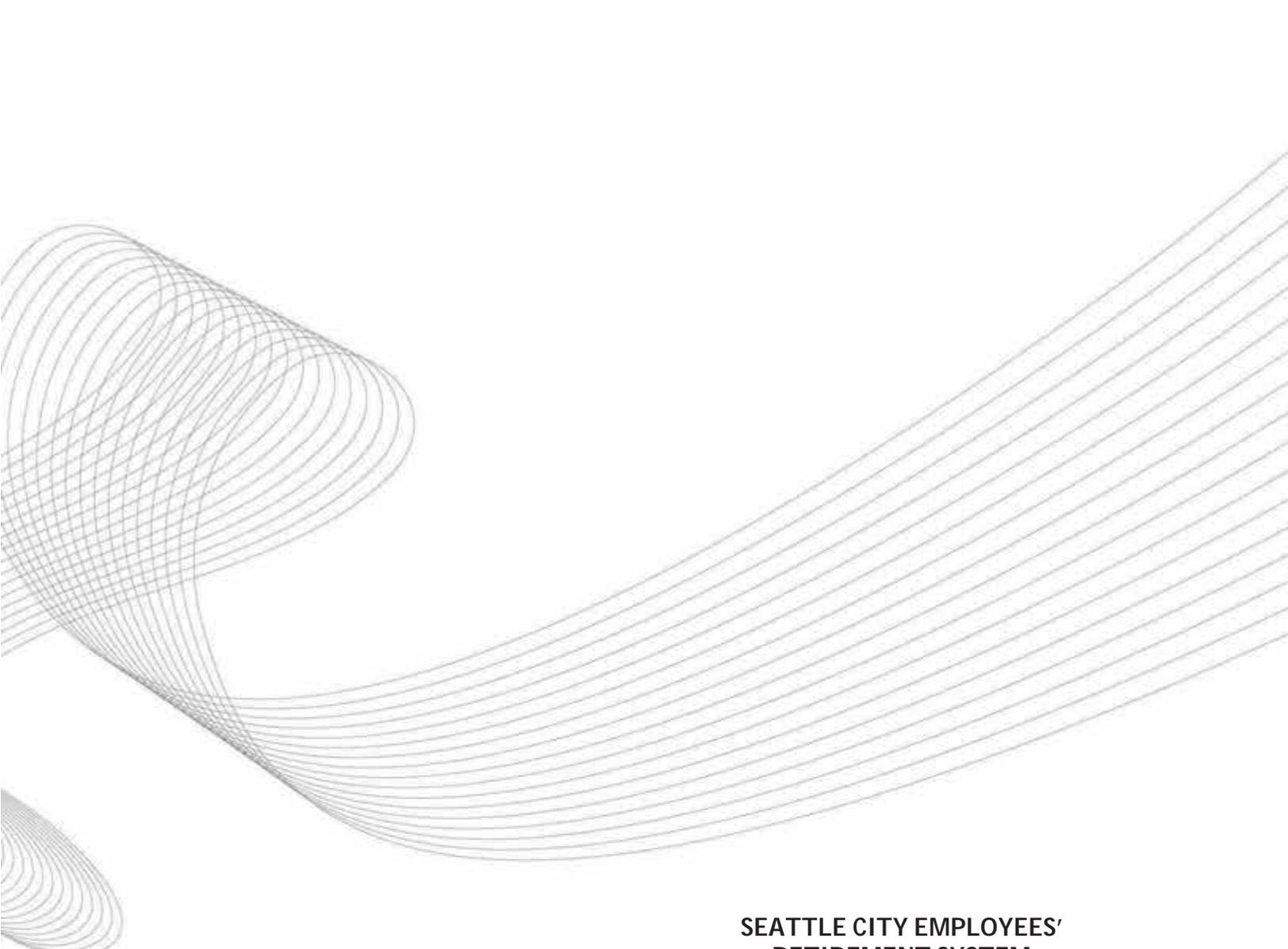
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FINANCIAL
Independent Auditors Report



**SEATTLE CITY EMPLOYEES'
RETIREMENT SYSTEM**

**Report of Independent Auditors
and Financial Statements with
Required Supplementary Information
and Additional Information**

December 31, 2011 and 2010

MOSS ADAMS_{LLP}

Certified Public Accountants | Business Consultants

Acumen. Agility. Answers.

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REPORT OF INDEPENDENT AUDITORS

To the Board of Administration
Seattle City Employees' Retirement System
Seattle, Washington

We have audited the accompanying statements of plan net assets of the Seattle City Employees' Retirement System (the "System"), a pension trust fund of the City of Seattle, as of December 31, 2011 and 2010, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the System as of December 31, 2011 and 2010, and the changes in plan net assets for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Funding Progress, and the Schedule of Employer Contributions be presented to supplement the financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedules of administrative and investment expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the financial statements. The schedules of administrative and investment expenses have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of administrative and investment expenses are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory, actuarial, and statistical sections included in the Annual Report are presented for purposes of additional analysis and are not a required part of the basic financial statements of the System. Such additional information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Moss Adams LLP

Seattle, Washington
June 28, 2012

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2011

This section presents management's discussion and analysis of the Seattle City Employees' Retirement System's (SCERS or the System) financial performance during the year ended December 31, 2011. Please read it in conjunction with the accompanying financial statements and the related notes.

The City of Seattle is responsible for establishing and maintaining an internal control structure designed to ensure the protection of assets from loss, theft, or misuse, and to ensure the accounting information generated is adequate to prepare financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, though not absolute, assurance of achieving these objectives.

As a department of the City of Seattle, the Seattle City Employees' Retirement System is subject to this internal control structure. In addition, section 4.36.140.D of the Seattle Municipal Code requires the Board of Administration to annually transmit a report of the financial condition of the System to the City Council.

This report is prepared in accordance with the principles of governmental accounting and reporting promulgated by the Governmental Accounting Standards Board (GASB). Investments are stated at fair value, and revenues include the recognition of unrealized gains and losses. The accrual basis of accounting is used to record assets, liabilities, revenues and expenses. Revenue recognition occurs when earned without regard to the date of collection. Expense recognition occurs when the corresponding liabilities are incurred, regardless of payment date. The basis of contributions to the System follows the principles of level cost financing, with current service financed on a current basis. Milliman Consultants and Actuaries, the consulting actuary, evaluates the funding status of the System.

This report contains the following information:

- 1. Basic Financial Statements** including:
 - a. Statements of Plan Assets
 - b. Statements of Changes in Plan Net Assets
 - c. Notes to the Financial Statements
- 2. Required Supplementary Information** including:
 - a. Schedule of Funding Progress
 - b. Schedule of Employer Contributions
- 3. Additional Information** including:
 - a. Schedule of Administrative Expenses
 - b. Schedule of Investment Expenses

The basic financial statements are described as follows:

- The Statement of Plan Net Assets shows the account balances at year-end and includes the net assets available for future benefit payments. The liabilities for future benefit payments are not included in this statement; however, they are shown in the Schedule of Funding Progress that is included in the Required Supplementary Information.
- The Statement of Changes in Plan Net Assets shows the sources and uses of funds during the year and illustrates the change in net assets from the previous year.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

- The Notes to the Financial Statements are an integral part of the financial statements and include additional detailed information and schedules to provide a better understanding of the financial statements.

The required supplementary information provides historical trends that help to reflect the ongoing plan perspective and the long-term nature of the defined benefit plan.

- The Schedule of Funding Progress contains actuarial information about the status of the plan.
- The Schedule of Employer Contributions contains historical trend information regarding the value of the total annual contributions the employer must pay and the actual contributions by employers in meeting this requirement.

Financial Highlights

- SCERS assets that are held in trust for the payment of future benefits do not exceed the estimate of actuarially accrued liabilities as of December 31, 2011.
- Net assets decreased by \$59 million (3.3%) during 2011. The primary drivers were a \$119 million decrease in investment assets and a 9.2% increase in retiree benefits.
- Revenue for 2011 was \$85 million which includes member and employer contributions of \$100.7 million and loss from investment activity totaling \$15.8 million.
- Expenses (deductions from net assets) for 2011 increased by \$12.6 million (9.5%) from 2010. This can be primarily attributed to a \$10.4 million increase in retiree benefits and a \$1.9 million increase in contribution refunds compared to 2010. In 2011, the net increase in the number of retirees receiving benefits was 2.8%.

Plan Net Assets

The table below provides a summary of assets and current liabilities for the years ended December 31:

	2011	2010	2009
Cash, short-term investments and receivables	\$ 70,582,367	\$ 21,115,635	\$ 34,520,842
Investments at fair value	1,687,864,677	1,806,418,126	1,624,966,184
Securities lending collateral	3,489,721	33,896,148	36,491,886
Equipment	-	-	2,273
Total assets	1,761,936,765	1,861,429,909	1,695,981,185
Securities lending payable	6,911,249	37,295,301	40,437,944
Other payables	1,501,302	11,380,120	10,245,892
Total liabilities	8,412,551	48,675,421	50,683,836
Total net assets	\$ 1,753,524,214	\$ 1,812,754,488	\$ 1,645,297,349

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

Changes in Plan Net Assets

The table below provides a summary of the changes in plan net assets and reflects the activities of the fund for the years ended December 31:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Additions			
Employer contributions	\$ 50,301,263	\$ 45,224,787	\$ 46,650,169
Member contributions	50,415,119	45,364,624	46,613,886
Net investment and other	<u>(15,740,371)</u>	<u>208,528,529</u>	<u>194,905,072</u>
Net additions	<u>84,976,011</u>	<u>299,117,940</u>	<u>288,169,127</u>
Deductions			
Retiree benefits	124,061,630	113,650,795	108,138,820
Refunds of contributions	16,677,021	14,715,000	9,742,692
Administrative expenses	<u>3,467,634</u>	<u>3,295,006</u>	<u>2,416,745</u>
Total deductions	<u>144,206,285</u>	<u>131,660,801</u>	<u>120,298,257</u>
Net increase (decrease)	<u>\$ (59,230,274)</u>	<u>\$ 167,457,139</u>	<u>\$ 167,870,870</u>

Revenues - Additions to Net Plan Assets

- In 2011, employer contributions increased by \$5.1 million (11.2%) compared to 2010. In 2010, employer contributions decreased by \$1.4 million (3.1%) compared to 2009.
- Member contributions increased by \$5.1 million (11.1%) compared to 2010. In 2010 member contributions decreased by \$1.3 million (2.7%) compared to 2009.
- Net investment change and other income was a loss of \$15.8 million in 2011 compared to a gain of \$209 million in 2010.

Expenses - Deductions from Net Plan Assets

- Retiree benefits increased in 2011 by \$10.4 million (9.2%) compared to 2010, primarily due to the increased number of members making application for retirement and a mandatory 1.5% COLA (Cost of Living Adjustment). As a comparison, retiree benefits increased \$5.5 million (5.1%) in 2010.
- Refunds of contributions increased in 2011 by \$2 million (13.3%) compared to amounts paid in 2010. In 2010, refunds increased \$5 million (51%) compared to amounts paid in 2009.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011**

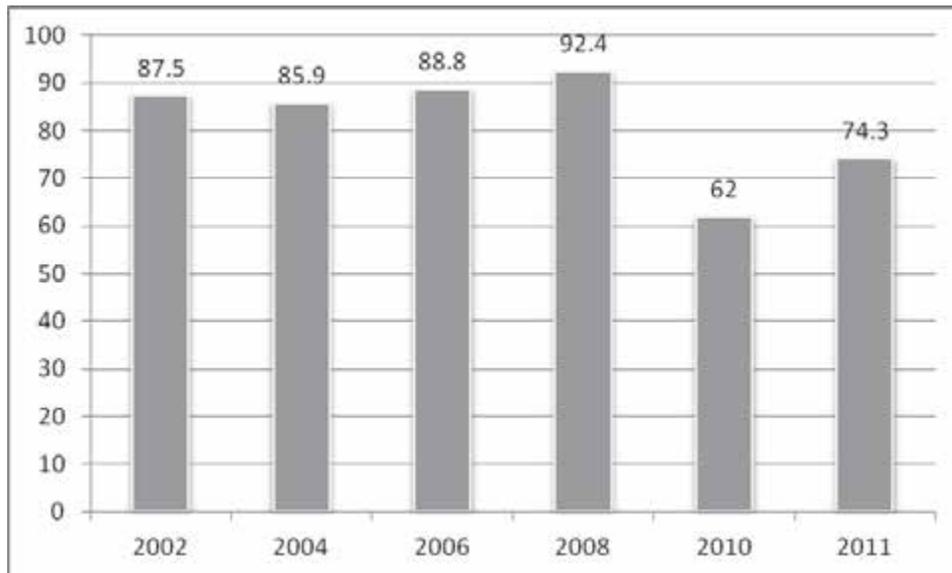
Changes in Plan Membership

The table below reflects the active membership and retiree changes for the years ended December 31:

	<u>2011</u>	<u>2010</u>	<u>Change</u>
Retirees and beneficiaries receiving benefits	<u>5,580</u>	<u>5,428</u>	2.8%
Current and terminated employees entitled to, but not yet receiving benefits			
Current employee members	8,426	8,599	(2.0%)
Vested employee members	<u>2,051</u>	<u>1,998</u>	2.7%
Total	<u>10,477</u>	<u>10,597</u>	(1.1%)

Funding Status

**Schedule of Funding Progress
Funding Ratio
As of January 1st Valuation Date**



With the January 1, 2011 Valuation and the 2007-2010 Experience Study; the Board of Administration adopted a policy of asset smoothing the funding ratio over a 5 year period. The reported funding ratio as of January 1, 2011 reflects that change. Prior to January 1, 2011 all funding ratios were reported on a marked-to-market basis.

Funds are accumulated from employer and employee contributions, and investment earnings, and are used to pay present and future benefit obligations and administrative expenses. We continue to make a constant effort to achieve a fully funded status, thereby assuring the participants of a financially sound retirement system. In 2011, most active members contributed 9.03% of their salaries to the retirement fund and the City contributes 9.03%.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

Investment Activities

One-year returns on asset classes and comparative benchmarks are presented in the table below for the years ended December 31:

2011 Investment Performance

Total Portfolio	(0.0%)
Domestic Equities	0.4%
Benchmark: Russell 3000 Index	1.0%
International Equities	(12.8%)
Benchmark: MSCI EAFE Index ND	(12.1%)
Fixed Income	7.0%
Benchmark: Barclays U.S. Universal Index	7.4%
Real Return	0.7%
Benchmark: CPI + 3%	6.3%
Private Equity	12.3%
Benchmark: Russell 3000 + 3%	3.6%
Real Estate	11.9%
Benchmark: Russell NCREIF Property Index	18.3%
Cash	1.0%
Benchmark: 91-Day T-bills	0.1%

2010 Investment Performance

Total Portfolio	13.2%
Domestic Equities	21.4%
Benchmark: Russell 3000 Index	16.9%
International Equities	12.8%
Benchmark: MSCE EAFE Index	8.2%
Fixed Income	7.4%
Benchmark: Barclays Capital Aggregate	7.2%
Real Estate	0.1%
Benchmark: Russell NCREIF Property Index	5.8%
Alternative Investments	6.8%
Benchmark: Treasury Bills + 5%	3.3%
Mezzanine Debt	10.8%
Benchmark: 9% Assumption	9.0%
Cash	2.7%
Benchmark: 91-Day T-bills	0.1%

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011**

The investments of the System are governed primarily by the prudent investor rule. The prudent investor rule, as set forth by the Revised Code of Washington, establishes a standard for all fiduciaries, which includes anyone who has authority with respect to the fund.

In 2011, the SCERS portfolio experienced a flat return on investment assets. The broader equity markets (e.g., the S&P 500; the Russell 3000, etc.) all experienced a flat return on performance. The System invests retirement funds for the long-term, anticipating both good and poor performing financial markets. The overall investment portfolio is positioned in a diversified manner to maximize return given the System's risk tolerance.

Contacting the Seattle City Employees' Retirement System

If you have questions about this report or need additional information, please contact us by telephone at: 206.386.1293 or by e-mail at: City.Retirement@Seattle.gov or you may mail your questions to:

Seattle City Employees' Retirement System
720 Third Avenue, Suite 900
Seattle, WA 98104

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF PLAN NET ASSETS
DECEMBER 31, 2011 AND 2010

	2011	2010
Assets		
Cash and equity in pooled investments	\$ 1,775,988	\$ 12,882,916
Short-term investment funds	62,878,234	3,183,239
Securities lending collateral held	3,489,721	33,896,148
Total cash and short-term investments	68,143,943	49,962,303
Receivables		
Member contributions	2,110,074	1,864,510
Employer contributions	1,536,698	1,438,899
Interest and dividends	2,281,373	1,746,071
Total receivables	5,928,145	5,049,480
Investments, at fair value		
Fixed income		
U.S. Government obligations	82,648,609	75,344,540
Corporate bonds	137,745,087	95,241,727
Mortgage backed	130,049,800	86,955,883
Government related and other	21,303,889	22,296,344
Domestic stocks	506,950,005	757,207,813
International stocks	417,843,380	368,335,407
Real estate	208,281,171	191,755,600
Alternative	183,042,736	209,280,812
Total investments	1,687,864,677	1,806,418,126
Total assets	1,761,936,765	1,861,429,909
Liabilities		
Pensions payable and other	1,501,302	11,380,120
Securities lending obligation	6,911,249	37,295,301
Total liabilities	8,412,551	48,675,421
Net assets held in trust for pension benefits	\$ 1,753,524,214	\$ 1,812,754,488

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF CHANGES IN PLAN NET ASSETS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
ADDITIONS		
Contributions		
Employer	\$ 50,301,263	\$ 45,224,787
Member	50,415,119	45,364,624
Total contributions	100,716,382	90,589,411
Investment activities		
Investment income		
Net change in fair value of investments	(36,063,232)	201,147,296
Interest	8,585,693	8,542,125
Dividends	19,183,795	7,063,945
Net investment income (loss)	(8,293,744)	216,753,366
Investment activity expenses		
Investment management fees	(6,983,854)	(7,806,465)
Performance consultant fees	(364,140)	(370,810)
Investment custodial fees	(144,093)	(111,851)
Total investment activity expenses	(7,492,087)	(8,289,126)
Net income (loss) from investment activities	(15,785,831)	208,464,240
Securities lending activities		
Securities lending income	60,594	85,693
Securities lending expenses		
Management fees	(15,134)	(21,404)
Net income from securities lending activities	45,460	64,289
Net additions	84,976,011	299,117,940
DEDUCTIONS		
Benefits	124,061,630	113,650,795
Refunds of contributions	16,677,021	14,715,000
Administrative expenses	3,467,634	3,295,006
Total deductions	144,206,285	131,660,801
NET CHANGE	(59,230,274)	167,457,139
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS		
Beginning of year	1,812,754,488	1,645,297,349
End of year	\$ 1,753,524,214	\$ 1,812,754,488

Note 1 - Plan Description

The Seattle City Employees' Retirement System (the System) is a single-employer defined benefit public employee retirement plan, covering employees of the City of Seattle and administered in accordance with Chapter 4.36 of the Seattle Municipal Code. The System is a pension trust fund of the City of Seattle.

The System is administered by the Retirement System Board of Administration (the Board). The Board consists of seven members including the Chair of the Finance Committee of the Seattle City Council, the City of Seattle Finance Director, the City of Seattle Personnel Director, two active and one retired member of the System who are elected by other system members, and one outside board member who is appointed by the other six board members. Elected and appointed board members serve for three-year terms.

All employees of the City of Seattle are eligible for membership in the System with the exception of uniformed police and fire personnel who are covered under a retirement system administered by the State of Washington. Employees of METRO and the King County Health Department who established membership in the System when these organizations were City of Seattle departments were allowed to continue their System membership. There are currently 5,580 retirees and beneficiaries receiving benefits, and 8,426 active members of the System. There are 2,051 terminated employees entitled to future benefits.

The System provides retirement, death, and disability benefits. Retirement benefits vest after five years of credited service, while death and disability benefits vest after ten years of service. Retirement benefits are calculated as 2% multiplied by years of creditable service, multiplied by average salary, based on the highest 24 consecutive months. The benefit is actuarially reduced for early retirement.

Note 2 - Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting - The financial statements were prepared using the accrual basis of accounting.

Cash and Equity in Pooled Investments - The System classifies cash and equity in pooled investments as cash on deposit in financial institutions and cash on deposit in the City of Seattle's internal cash management pool. The System also recognizes certain short-term highly liquid securities with an original maturity of three months or less as cash equivalents.

Method Used to Value Investments - U.S. equities, non-U.S. equities, U.S. fixed income, non-U.S. fixed income, and short-term investments are reported at fair market value, which is based on the quoted market price. Private equity and real estate equities are reported at fair value which has been determined by independent appraisers and, to a limited extent, in-house appraisers. The investment portfolio includes a \$12.85 million reserve for potential losses on certain investments. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments, interest income earned, less investment expense, plus income from securities lending activities, less deduction for security lending expenses. Securities and securities transactions are reflected in the financial statements on a trade-date basis. Investments are made in accordance with the Prudent Person Rule as defined by the State of Washington RCW 35.39.060.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

Note 2 - Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

Contributions - Member and employer contributions are reported in the period and for the calendar year in which the contributions are due.

Equipment and Fixtures - Equipment and fixtures are stated at actual cost less accumulated depreciation. Estimated useful lives of major classes include three years for computer equipment and 15 years for office furniture and equipment. The straight-line method of depreciation method is used.

Benefits and Refunds of Contributions - Benefits and refunds of contributions are recognized when due and are payable in accordance with the System's policy.

Reclassifications - Certain reclassifications have been made to prior year amounts to conform to the presentation used in the current year. These reclassifications had no effect on the change in net assets held in trust for pension benefits.

Note 3 - Contributions

Member and employer contributions rates are established by the Seattle Municipal Code Chapter 4.36.

The employer contribution rate is determined by the actuarial formula identified as the Entry Age Cost Method. The formula determines the amount of contributions necessary to fund the current service cost, representing the estimated amount necessary to pay for benefits earned by the employees during the current service year and the amount of contributions necessary to pay for prior service costs. Total required contributions, including amounts necessary to pay administrative costs, are determined through biannual actuarial valuations.

Actuarially determined contribution rates were 9.03% for most members and 9.03% for the employer. There are no long-term contracts for contributions outstanding and currently no legally required reserves.

As of January 1, 2011, the most recent valuation date, the funded status of the fund was 74.3%. The schedule of funding progress, immediately following the notes to the financial statements, presents multi-year trend information about the funded status, actuarial value of assets, and actuarial accrued liability.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

Valuation date	January 1, 2011
Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	Does not amortize at current rate
Asset valuation method	Five-year asset smoothing applied retroactively, effective January 1, 2011

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

Note 3 - Contributions (Continued)

Actuarial assumptions:	
Investment rate of return*	7.75%
Projected salary increases*	4.00%
Post-retirement benefit increases	1.50% annual COLA and 65% Restoration of Purchasing Power
Funding progress:	
Actuarial value of assets	\$ 2,013.7 million
Actuarial accrued liability	\$ 2,709.0 million
Unfunded actuarial accrued liability	\$ 695.4 million

* Includes inflation as a cost-of-living adjustment at 3.5%.

Note 4 - Cash and Equity in Pooled Investments

The Federal Deposit Insurance Corporation (FDIC) insures the cash deposits up to \$250,000. As provided by the State of Washington RCW 43.84, the Washington Public Deposit Protection Commission (PDPC) collateralizes deposits in excess of \$100,000. The bank balances of deposits of a FDIC institution as of the balance sheet date are insured.

Note 5 - Investments

The System's investments include investments that are insured or registered or securities and interests held by the System or its agents in the System's name.

Short-term investment funds (STIF) represent a collective trust that may include certificates of deposit, treasury bills, and mutual funds. The Alternative Investments category currently includes private equity, hedge funds and real estate funds.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of the failure of a financial institution or a bank, the System will not be able to recover the value of its deposits or investments that are in the possession of an outside party. The System mitigates custodial credit risk by having its investment securities held by the System's custodian (BNY Mellon) and the investments are registered in the System's name. The System's short-term investments are created through daily sweeps of excess cash by the System's custodian, and invested in a vehicle managed by the custodian. Additionally, the System keeps on hand with the City of Seattle such cash dollar amounts to support two months equivalent of pension payments and other administrative expenses.

Credit Risk - Credit risk is the risk that an issuer, or other counterparty, to an investment will not fulfill its obligations. In accordance with the System's Investment Policy, the Retirement Board provides each of the System's investment managers with a set of investment guidelines. These guidelines specify eligible investments, minimum diversification standards, and applicable investment restrictions necessary for diversification and risk control. In general, these guidelines require that at least 70 percent of the net asset value of a manager's portfolio be invested in investment-grade securities. Managers do not have authority to depart from their guidelines.

Note 5 - Investments (Continued)

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. In accordance with the System's Investment Policy, the Retirement Board provides each of the System's investment managers with a set of investment guidelines. These guidelines specify eligible investments, minimum diversification standards, and applicable investment restrictions necessary for diversification and risk control. In general, these guidelines require that investments in any one issuer may not exceed 5 percent of the net asset value of a manager's portfolio. Managers do not have authority to depart from their guidelines.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. Market or interest rate risk is the greatest risk faced by an investor in the debt securities market. The price of a debt security typically moves in the opposite direction of the change in interest rates. In accordance with the System's Investment Policy, the Retirement Board provides each of the System's investment managers with a set of investment guidelines. These guidelines specify eligible investments, minimum diversification standards, and applicable investment restrictions necessary for diversification and risk control. In general, these guidelines require that the weighted average duration of the security holdings of a manager's portfolio not vary from that of the applicable benchmark by more than 20 percent. Managers do not have authority to depart from their guidelines.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The System's currency risk exposures, or exchange rate risk, primarily reside within the international equity investment holdings. The System expects these managers to maintain adequately diversified portfolios to limit foreign currency and security risk.

The fixed income portfolio is primarily managed by four external money management firms, hired through a competitive bid process, to manage a diversified portfolio of fixed income securities. Managers have agreed to a set of guidelines that provide ranges and limits for varying types of securities that may be held within the portfolio. A consultant is hired to measure performance and monitor the investment style. The Investment Committee reviews the consultant's results quarterly.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

Note 5 - Investments (Continued)

As of December 31, 2011, the fixed income portfolio of the System had the following investment maturities and ratings:

Investment	Fair Value	Investment Maturities (in years)				
		< 1	1 - 5	6 - 10	> 10	
Fixed Income						
U.S. Government						
Treasury Notes and Bonds	\$ 53,835,379	\$ 12,578,673	\$ 13,747,836	\$ 1,633,357	\$ 25,875,513	
Treasury Inflation-Protected Securities	14,966,305	686,532	-	14,279,773	-	
Agencies	13,846,925	6,038,432	3,470,347	3,079,654	1,258,492	
Mortgage-Backed						
Government Pass Through	102,253,384	-	32,067,788	7,563,747	62,621,849	
Corporate Pass Through	10,216,034	943,657	-	-	9,272,377	
Government CMO's	17,580,381	4,423,168	473,156	585,593	12,098,464	
Corporate						
Bonds	102,610,281	1,115,698	16,560,939	70,435,808	14,497,836	
Asset-Backed	33,535,103	10,699,036	10,516,455	6,447,022	5,872,590	
Private Placements	1,599,704	531,732	696,522	356,014	15,436	
Government Related and Other						
Foreign Sovereign	16,150,802	794,472	-	-	15,356,330	
Municipal	5,050,915	388,738	298,214	1,015,477	3,348,486	
Other	102,172	68,945	-	-	33,227	
	<u>\$ 371,747,385</u>	<u>\$ 38,269,083</u>	<u>\$ 77,831,257</u>	<u>\$ 105,396,445</u>	<u>\$ 150,250,600</u>	

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

Note 5 - Investments (Continued)

Investment	Fair Value	Ratings										Not Rated		
		AAA	AA	A	BBB	BB	B	CCC & Below						
Fixed Income														
U.S. Government Treasury Notes and Bonds	\$ 53,835,379	\$ -	\$ 53,835,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treasury Inflation-Protected Securities Agencies	14,966,305 13,846,925	13,708,618 -	1,257,687 12,785,884	- 1,061,041	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Mortgage-Backed Government Pass Through	102,253,384	32,067,787	35,347,995	-	-	-	-	-	-	-	-	-	-	34,837,602
Corporate Pass Through Government CMO's	10,216,034 17,580,381	7,407,662 2,340,672	55,562 12,305,934	2,015,255 201,689	649,073 364,638	88,482 380,037	- 145,390	- 1,702,699	- -	- -	- -	- -	- -	- 139,322
Corporate Bonds	102,610,281	30,446	8,890,865	33,028,035	45,372,073	13,739,557	1,549,305	-	-	-	-	-	-	-
Asset-Backed Private Placements	33,535,103 1,599,704	16,952,519 1,546,605	3,729,708 -	4,259,021 -	4,608,230 -	890,745 -	481,598 -	1,252,152 53,099	-	-	-	-	-	1,361,130
Government Related and Other														
Foreign Sovereign Municipal	16,150,802 5,050,915	- -	9,613,193 827,747	794,472 4,223,168	- -	- -	5,743,137 -	- -	- -	- -	- -	- -	- -	- -
Other	102,172	-	-	-	-	95,528	-	-	-	-	-	-	-	6,644
	<u>\$ 371,747,385</u>	<u>\$ 74,054,309</u>	<u>\$ 138,649,954</u>	<u>\$ 45,582,681</u>	<u>\$ 50,994,014</u>	<u>\$ 15,194,349</u>	<u>\$ 7,919,430</u>	<u>\$ 3,007,950</u>	<u>\$ 36,344,698</u>					

Fixed income portfolio investments are included in U.S. Government obligations and corporate bonds on the Statements of Plan Net Assets as of December 31, 2011 and 2010 along with related investments held in other federal and corporate securities, mutual funds and short-term investments.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

Note 6 - Securities Lending Transactions

Gross income from securities lending transactions are recorded in the operating statements as well as the various fees paid to the institution that oversees the lending activity. The value of the collateral that is being held is represented as an asset and a liability on the Statement of Plan Net Assets.

Under the authority of State of Washington RCW 41.28.005 and the Seattle Municipal Code 4.36.130, the System's Board of Administration adopted investment policies that define eligible investments, which include securities lending transactions. Through a custodial agent, the System participates in a securities lending program whereby securities are lent for the purpose of generating additional income to the System. The System lends securities from its investment portfolio on a collateralized basis to third parties, primarily financial institutions. The market value of the required collateral must meet or exceed 102% of the market value of the securities lent, providing a margin against a decline in the market value of the collateral, and is limited to a volume of less than \$75 million. The contractual agreement with the System's custodian provides indemnification in the event the borrower fails to return the securities lent or fails to pay the System income it is due on the securities lent. Cash and U.S. government securities were received as collateral for these loans. The System invests cash collateral received; accordingly, investments made with cash collateral appear as an asset. A corresponding liability is recorded as the System must return the cash collateral to the borrower upon the expiration of the loan. As of December 31, the System has no credit risk exposure to borrowers; amounts owed to borrowers exceeds the amount the borrower owes the System.

	2011		2010	
	Fair Value of Securities Lent	Collateral	Fair Value of Securities Lent	Collateral
Types of Securities Lent				
U.S. Government and Agencies	\$ 99,983	\$ 102,000	\$ 14,338,459	\$ 14,630,175
U.S. Corporate Fixed Income	1,660,266	1,705,250	2,866,505	2,936,675
U.S. Equities	4,970,161	5,103,594	19,274,570	19,728,451
Total Securities Lent	\$ 6,730,410	\$ 6,910,844	\$ 36,479,534	\$ 37,295,301
		2011		2010
Collateral Report				
U.S. Corporate Obligations		\$ 3,500,438		\$ 3,500,438
Repurchase Agreements		1,828,565		31,796,237
Asset Backed Securities		1,581,841		1,998,626
Total Collateral		\$ 6,910,844		\$ 37,295,301
Fair Value of Collateral Held		\$ 3,489,721		\$ 33,896,148

Note 7 - Commitments

The System has entered into capital commitments to fund partnership interests in certain alternative investments. At December 31, 2011, the System has unfunded commitments of approximately \$28 million to these partnerships.

REQUIRED SUPPLEMENTARY INFORMATION

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS
(Dollar Amounts in Millions)
YEAR ENDED DECEMBER 31, 2011

Actuarial Valuation Date January 1	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) - Entry Age ¹ (b)	Unfunded AAL (UAAL) ² (b-a)	Funded Ratio (a/b)	Covered Payroll ³ (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2002	\$ 1,383.7	\$ 1,581.4	\$ 197.7	87.5%	\$ 405.1	48.8%
2004	\$ 1,527.5	\$ 1,778.9	\$ 251.4	85.9%	\$ 424.7	59.2%
2006	\$ 1,791.8	\$ 2,017.5	\$ 225.7	88.8%	\$ 447.0	50.5%
2008	\$ 2,119.4	\$ 2,294.6	\$ 175.2	92.4%	\$ 501.9	34.9%
2010	\$ 1,645.3	\$ 2,653.8	\$ 1,008.5	62.0%	\$ 580.9	173.6%
2011 ⁴	\$ 2,013.7	\$ 2,709.0	\$ 695.3	74.3%	\$ 563.2	123.5%

¹ Actuarial present value of benefits less actuarial present value of future normal cost based on Entry Age Actuarial Cost Method.

² Actuarial accrued liabilities less actuarial value of assets.

³ Covered Payroll includes compensation paid to all active employees on which contributions are calculated.

⁴ Beginning with the January 1, 2011 Actuarial Valuation and 2007 - 2010 Experience Study, SCERS has adopted five-year asset smoothing.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(Dollar Amounts in Millions)
YEAR ENDED DECEMBER 31, 2011

<u>Year Ended December 31</u>	<u>Actual Employer Contributions</u>	<u>Percentage Contributed</u>
2006	\$ 37.9	100%
2007	\$ 40.3	100%
2008	\$ 46.0	100%
2009	\$ 46.6	100%
2010	\$ 45.2	100%
2011	\$ 50.3	100%

For additional information regarding employer contributions, see the notes to the financial statements.

ADDITIONAL INFORMATION

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF ADMINISTRATIVE EXPENSES
YEARS ENDED DECEMBER 31, 2011 AND 2010

	Budget	Actual Expenses	
	2011	2011	2010
Personnel Services			
Salaries	\$ 1,265,424	\$ 1,144,068	\$ 966,058
Payroll Taxes and Benefits	408,346	391,299	319,243
Total Personnel Services	<u>1,673,770</u>	<u>1,535,367</u>	<u>1,285,301</u>
Maintenance and Operations			
Professional Services	585,060	784,138	854,285
Office Rent	95,000	89,278	136,143
Data Processing	993,063	796,481	663,589
Office Supplies	167,336	147,078	259,730
Postage	60,000	48,622	41,205
Telephone	17,825	37,966	33,350
Travel	77,691	22,461	11,250
Training	34,000	6,243	7,880
Gain/Loss Disposition Fixed Asset	-	-	2,273
Total Maintenance and Operations	<u>2,029,975</u>	<u>1,932,267</u>	<u>2,009,705</u>
Total Administrative Expenses	<u>\$ 3,703,745</u>	<u>\$ 3,467,634</u>	<u>\$ 3,295,006</u>

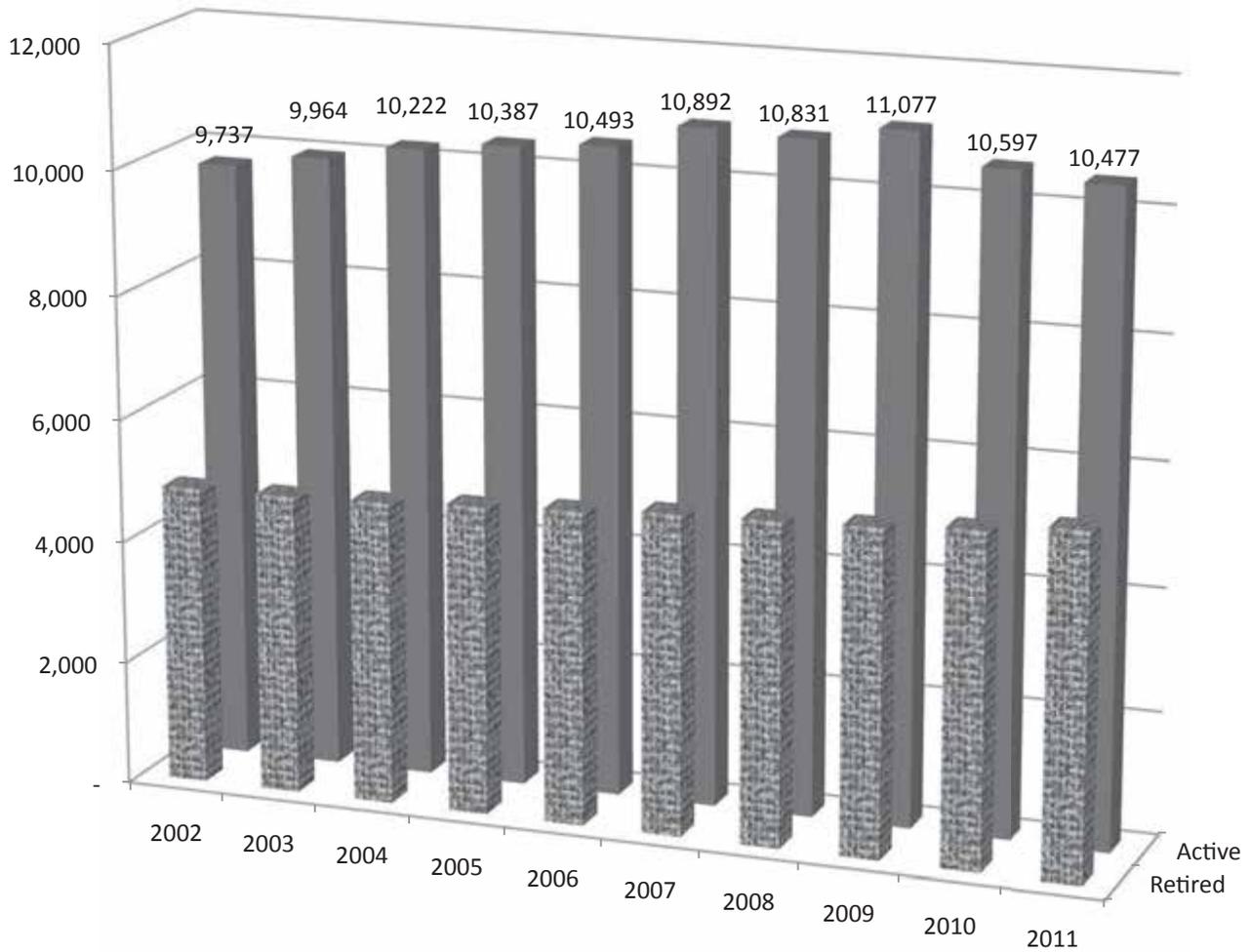
SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT EXPENSES
YEAR ENDED DECEMBER 31, 2011

Investment Services	
Advent	\$ 113,675
American Core Realty Fund	121,824
Attalus	127,254
Attucks Cap	753,086
Babson Tower Square Partners II	80,265
Bison Capital Equity Partners II	45,556
BlackRock	692,518
Capital Point Partners	66,656
Capri Select Income Fund	19,909
Carlyle Mezzanine Partners	42,580
Carlyle Realty Fund IV	190,788
Coast Diversified Fund	18,931
Dimensional	705,799
Fisher Investments	450,757
Hearthstone M.S.R. Value Added Fund III	3,951
JP Morgan	1,289,384
Nogales Investors Fund II	40,334
Oaktree Capital Mezzanine Fund II	132,235
PCCP Mezzanine Recovery Fund I	104,789
PIMCO	318,978
PIMCO Liquidating	7,179
Pugh	118,867
Reams Asset Management	156,935
Rhumblin	84,060
Smith Whiley Pelham Fund III	166,452
TA Associates	601,161
TCW Crescent Mezzanine Partners IV	125,688
Washington Capital Management	103,944
Western Asset Management	300,299
	<u>6,983,854</u>
Performance Measurement	
Pension Consulting Alliance	364,140
Custodial Services	
Bank of New York Mellon	144,093
Securities Lending Services	
Bank of New York Mellon	<u>15,134</u>
Total Investment Expenses	<u><u>\$ 7,507,221</u></u>

ACTUARIAL

Actuarial Valuation

Membership - Active and Retired



Seattle City Employees' Retirement System



Actuarial Valuation As of January 1, 2011

By

Nick J. Collier

Associate, Society of Actuaries
Enrolled Actuary
Member, American Academy of Actuaries

And

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July 6, 2011

Retirement Board
Seattle City Employees' Retirement System
720 Third Avenue, Suite 1000
Seattle, WA 98104

Dear Members of the Board:

As requested, we have made an actuarial valuation of the Seattle City Employees' Retirement System (SCERS) as of January 1, 2011. This report reflects the benefit provisions and contribution rates in effect as of January 1, 2011 (including the maximum increases in member rates that were negotiated in 2010). There are three changes since the prior valuation (January 1, 2010) that we consider material:

- 5-year asset smoothing was adopted, effective January 1, 2011 as though it had always been in place.
- New demographic assumptions were adopted with the recent (2011) investigation of experience study.
- Increases in the city contribution rate are reflected in this valuation. As defined in the Seattle Municipal Code, the city's contribution rate increased to 9.03% in 2011 and is scheduled to increase to 10.03% in 2012.

Actuarial Certification

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by SCERS staff. This information includes, but is not limited to, statutory provisions, employee data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

All costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the System and reasonable expectations), and which, in combination, offer a reasonable estimate of anticipated experience affecting the System.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or

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additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix A.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for SCERS. Actuarial computations under GASB Statement No. 25 are for purposes of fulfilling financial accounting requirements. The computations prepared for these two purposes may differ as disclosed in our report. The calculations in the enclosed report have been made on a basis consistent with our understanding of SCERS' funding requirements and goals. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Milliman's work is prepared solely for the internal business use of SCERS. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

- a) SCERS may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
- b) SCERS may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

On the basis of the foregoing, I hereby certify that, to the best of our knowledge and belief, this report, along with the information contained in the CAFR, is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.



I would like to express appreciation to the system staff who gave substantial assistance in supplying the data on which this report is based.

Respectfully submitted,

A handwritten signature in black ink that reads "Nick Collier".

Nick J. Collier, ASA, EA, MAAA
Principal and Consulting Actuary

NJC/nlo

Seattle City Employees' Retirement System Actuarial Valuation

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Seattle City Employees' Retirement System Actuarial Valuation

Section 1 Summary of the Findings



Contribution Sufficiency

Based on the actuarial valuation of the benefits in effect under the Seattle City Employees' Retirement System as of January 1, 2011, **the currently scheduled contribution rates are not sufficient to adequately fund the current benefits**, assuming future experience follows the actuarial assumptions. This is mainly due to the recent large asset losses that were reflected in this valuation.

The current Retirement Board funding policy states that "if the Funding Ratio is less than 100% and a UAAL (Unfunded Actuarial Accrued Liability) occurs which cannot be amortized over a period of less than 20 years by the combined total contribution rates, additional employer contributions may be considered." The practical goal of SCERS is to amortize the UAAL over a period of 30 years or less.

It should be noted that a 30-year amortization period is the longest acceptable period under current GASB standards, and is often used by retirement systems as a benchmark for funding. We prefer an amortization period shorter than 30 years, as it provides stronger funding.

The contribution rates currently in effect are not projected to amortize the UAAL over a period 30 years or less. Additional contributions will be required if the System is to both fund ongoing benefits, and amortize the UAAL over a period of 30 years. If the necessary increase were implemented as of January 1, 2012, the Total Contribution Rate would need to be increased from 18.06% of pay to 21.30% of pay. This figure takes into account the additional 1.00% member rate (currently set to take effect January, 2012) in the calculation of the Normal Cost Rate.

It should be noted that this 21.30% of pay is calculated based on the Actuarial Value of Assets (AVA); see Section 3 of this report for details. This AVA currently defers a large asset loss due to the asset smoothing method. This means that if no actuarial asset gains or losses occur in the future, the Total Contribution Rate needed would increase as the deferred asset losses are phased into the AVA.

Section 8 of this report provides details on potential contribution rate increase schedules, as well as an analysis of projected contribution rates.

The current contribution rates for the death benefit program are sufficient to finance the \$2,000 death benefit.

Funding Progress

On the basis of the January 1, 2010 actuarial valuation the Funding Ratio was 62.0%. Based on the January 1, 2011 valuation, the Funding Ratio is 74.3%. The increase in the Funding Ratio is due mainly to the adoption of the asset smoothing method (see Section 3 of this report for full discussion). A summary of the historical Funding Ratio and other measurements are shown on Graph 1 and 2.

Because SCERS has adopted asset smoothing (effective January 1, 2011) as though the smoothing had always been in place, it retroactively smoothes gains and losses that occurred within the previous five years. Therefore, a portion of the large 2008 asset loss is currently being deferred.

Additionally, new demographic assumptions were adopted by the Board based on the recent (2011) Investigation of Experience.

A summary of the changes in the Funding Ratio is shown below.

Sources of Change	Funding Ratio
January 1, 2010 Actuarial Valuation	62.0 %
Expected Valuation-to-Valuation Change	(0.6)%
Asset Gain/(Loss) on Market Value	3.0 %
Salary Less/(Greater) Than Expected	2.2 %
Assumption Changes (Demographic)	0.6 %
Asset Smoothing Adoption	7.5 %
Other	(0.4)%
Total Change	12.3 %
January 1, 2011 Actuarial Valuation	74.3 %

Contingent COLA Benefits

The Seattle Municipal Code allows for an increase in the cost-of-living adjustment (COLA) available to current and future retired members. Currently, the Floor COLA is at the 65% level. The enhanced COLA benefit (70% Floor COLA) does not become effective until the System attains at least a 100% funding level.

Since it is unknown when this benefit will become effective, especially given the current funded status of the System, we have not included the valuation of these potential benefit changes in this valuation.

Summary Exhibit

A summary of the key results of this valuation, along with a comparison to the January 1, 2010 valuation, is shown in Table 1. Note that the valuation measures are now based on the Actuarial Value of Assets which smoothes asset gains and losses over a five-year period; however, we have also shown key measures using the Market Value of Assets (MVA).

Projected Contribution Rates

As outlined above (and discussed further in Section 3 of this report), the Total Contribution Rate needed calculated in this valuation is based on the Actuarial Value of Assets. This AVA is currently deferring a relatively large asset loss.

All other things being equal, if assets earned 7.75% on a market value basis and no other actuarial asset gains or losses occurred, the Total Contribution Rate needed would be projected to increase as the deferred asset losses are phased in over the coming years.

We have performed a five-year projection of the contribution rates if 7.75% were returned on the market value of assets in each future year. Additionally, we have performed a projection of the contribution rates at the 5th and 95th percentile expected returns (thereby yielding a 90% asset-return-based confidence interval for the specified rates). These projections are illustrated in the chart below.

The 90% confidence interval results are based on the 5th and 95th percentile compounded returns for 1, 2, 3, 4 and 5-year periods. Since actuarial assets are used, deferred gains or losses would continue to decrease or increase the total contribution rate needed after these dates.

Please see Section 8 of this report for a detailed discussion of the projected contribution rates, as well as an analysis of phased-in contribution rate increases.

Projected Total Contribution Rate Needed**		
Contribution Year"	Assuming 7.75% Future Returns	90% Confidence Interval
2012	21.30%	21.30% - 21.30%
2013	22.55%	21.89% - 23.08%
2014	23.70%	22.13% - 24.91%
2015	23.43%	20.71% - 25.41%
2016	23.29%	19.24% - 26.14%
2017	23.28%	17.72% - 27.03%

* Contribution year lags valuation year by 1. For example: Contribution Year 2012 is based on the 2011 valuation results, amortized over 30 years beginning in 2011, if the increase takes place in 2012.

** Assumes actual total contribution rate is 18.06% in 2011 and 20.06% in 2012 and later.

*** Compounded average return for period

	Percentile	
	5th	95th
1-Year Period	29.2%	-9.5%
2-Year Period	22.7%	-4.6%
3-Year Period	19.9%	-2.4%
4-Year Period	18.2%	-1.0%
5-Year Period	17.1%	-0.1%

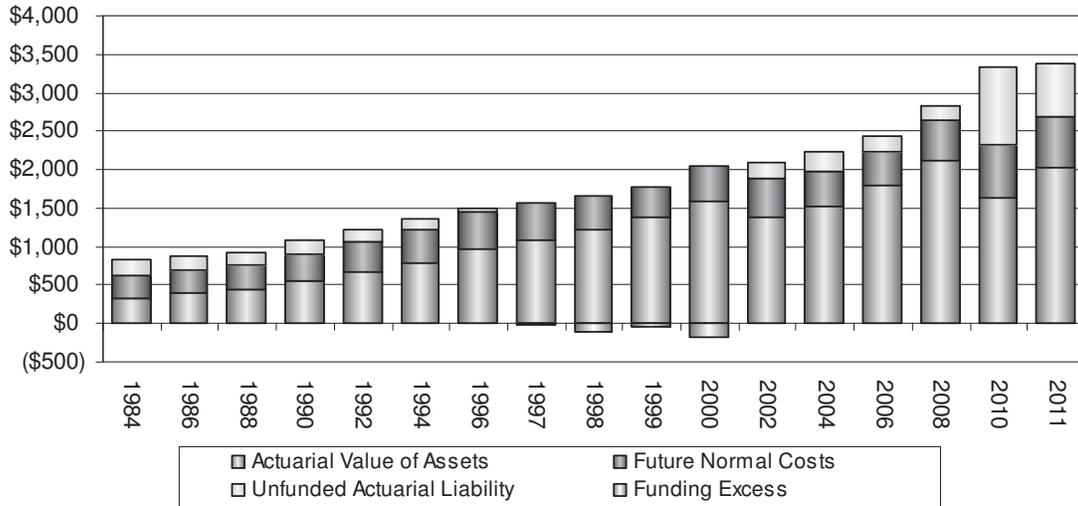
Seattle City Employees' Retirement System Actuarial Valuation

Table 1 Summary of Results

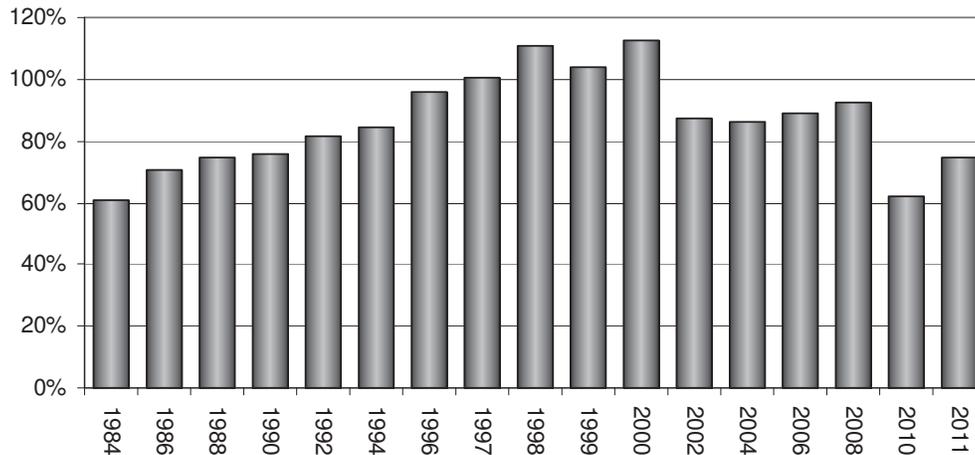
	Valuation January 1, 2011	Valuation January 1, 2010	Percentage Change
I. Total Membership			
A. Active Members	8,599	9,071	(5.2)%
B. Retired Members & Beneficiaries	5,428	5,304	2.3%
C. Vested Terminated Members	1,998	2,006	(0.4)%
D. Total	16,025	16,381	(2.2)%
II. Pay Rate as of January 1, 2011			
A. Annual Total (\$millions)	\$ 569.5	\$ 597.0	(4.6)%
B. Annual Average	\$ 66,225	\$ 65,810	0.6%
III. Average Monthly Benefit Paid to Current Retirees and Beneficiaries			
A. Service Retirement	\$ 1,977	\$ 1,862	6.1%
B. Disability Retirement	1,104	1,071	3.1%
C. Surviving Spouse and Dependents	1,081	1,024	5.6%
D. Total	\$ 1,826	\$ 1,712	6.6%
IV. Actuarial Accrued Liability			
A. Active Members	\$ 1,418.1	\$ 1,477.4	(4.0)%
B. Retired Members	1,169.0	1,062.5	10.0%
C. Vested Terminated Members	121.9	113.9	7.1%
D. Total	\$ 2,709.0	\$ 2,653.8	2.1%
V. Assets			
A. Actuarial Value of Assets (\$millions)*	\$ 2,013.7	\$ 1,645.3	22.4%
<i>*For years prior to 2011, all figures are shown using the Market Value of Assets.</i>			
VI. Unfunded Actuarial Accrued Liability or Surplus Funding (\$millions)	\$ 695.4	\$ 1,008.5	(31.0)%
VII. Amortization of UAAL			
A. Period Based on Current Contribution	does not amortize	does not amortize	
B. Total Contribution Rate Needed for 30-Year Amortization (as a % of Payroll)	21.30%	25.03%	(14.9)%
VIII. Funding Ratio	74.3%	62.0%	19.9%
IX. Normal Cost as a Percent of Salary	15.19%	15.23%	(0.3)%
Market Value of Assets (MVA) -- For Informational Purposes Only			
X. Assets Based on MVA			
A. Market Value of Assets (\$millions)	\$ 1,812.8	\$ 1,645.3	10.2%
XI. Amortization of UAAL Based on MVA			
A. Total Contribution Rate Needed for 30-Year Amortization (as a % of Payroll)	23.11%	25.03%	(7.7)%
XII. Funding Ratio Based on MVA	66.9%	62.0%	7.9%

Seattle City Employees' Retirement System Actuarial Valuation

Graph 1 Historical Asset and Liability Comparison



Graph 2 Historical Funding Ratios



Year	(in Millions)				Funding Ratio
	PVB	Assets	PVFNC	UAAL	
1994	1,358.9	781.8	432.7	144.4	84.4%
1996	1,492.0	980.2	472.3	39.5	96.1%
1998	1,539.3	1,224.6	433.5	(118.8)	110.7%
2000	1,872.4	1,582.7	469.3	(179.6)	112.8%
2002	2,088.7	1,383.7	507.3	197.7	87.5%
2004	2,229.8	1,527.5	450.9	251.4	85.9%
2006	2,448.5	1,791.8	431.0	225.8	88.8%
2008	2,825.8	2,119.4	531.2	175.2	92.4%
2010	3,328.7	1,645.3	674.9	1,008.5	62.0%
2011	3,379.6	2,013.7	670.6	695.4	74.3%

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Seattle City Employees' Retirement System Actuarial Valuation

Section 2 Scope of the Report



This report presents the actuarial valuation of the Seattle City Employees' Retirement System as of January 1, 2011.

A summary of the findings resulting from this valuation is presented in the previous section. Section 3 describes the assets of the System. A summary of the assets is set forth in Table 2. Sections 3, 4, and 5 describe how the obligations of the System are to be met under the actuarial cost method in use.

Section 6 discloses actuarial information based on the requirements of Statements No. 25 and 27 of the Governmental Accounting Standards Board. Section 7 sets forth estimated actuarial gains or losses from the various sources. Section 8 shows projections of the System's funding under both optimistic and pessimistic scenarios.

Appendix A is a summary of the actuarial procedures and assumptions used to compute the liabilities and contributions shown in this report.

The current benefit structure, as determined by the provisions of the governing law on January 1, 2011, is summarized in Appendix B. Schedules of valuation data classifying the data used in the valuation by various categories of contributing members, former contributing members, and beneficiaries make up Appendix C.

Comparative statistics are presented on the System's membership and contribution rates. Appendix D is a glossary of actuarial terms used in this report.

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Seattle City Employees' Retirement System Actuarial Valuation

Section 3 Assets



In many respects, an actuarial valuation can be regarded as an inventory process. The inventory is taken as of the actuarial valuation date, which for this valuation is January 1, 2011. On that date, the assets available for the payment of benefits are appraised. These assets are compared with the actuarial liabilities, which are generally well in excess of the assets. The actuarial process thus leads to a method of determining what contributions by members and their employers are needed to pay expected benefits.

This section of the report deals with the asset determination. In the next section, the actuarial liabilities will be discussed. Section 5 will deal with the process for determining required contributions, based on the relationship between the assets and the actuarial liabilities.

Beginning with the January 1, 2011 actuarial valuation, SCERS has adopted five-year asset smoothing. This smoothing process will recognize the asset gain or loss occurring in each year evenly over a five-year period, including all gains and losses occurring prior to the January 1, 2011 valuation date. (Note that, as the smoothing method was adopted for the January 1, 2011 valuation, no previous valuation results will be affected.)

Table 2 shows the calculation of the Actuarial Value of Assets as of January 1, 2011. Note that a large net loss is currently being deferred due to the 2008 market downturn. This means that, if the system earns 7.75% in the future, the AVA will experience actuarial losses over the next two years as the remaining portions of this loss are recognized. In both the Executive Summary and Section 8 of this report, we discuss projections of the required contribution rates resulting from this expected decrease in the AVA.

Table 3 summarizes the financial resources of the System on January 1, 2011 on a Market Value basis. Of the total assets, a minor portion is set aside for the payment of current liabilities and expenses. Table 3 shows the Market Value of Assets at January 1, 2011 and January 1, 2010. For years prior to 2011, the Actuarial Value of Assets is equal to the Market Value.

Seattle City Employees' Retirement System Actuarial Valuation

Table 2 Calculation of Actuarial Value of Assets at January 1, 2011
(All dollar amounts in millions)

Year Ended	Market Value at Beginning of Year	Total Contributions	Benefit Payments Plus Admin. Expenses	Interest	Market Value of Assets		Asset Gain/(Loss)	Current Phase Out	Deferred Amount	
					Expected*	Actual				
December 31, 2006					1,906.1	2,011.2	105.1	0%	-	
December 31, 2007	2,011.2	80.8	111.7	154.7	2,135.0	2,119.4	(15.6)	20%	(3.1)	
December 31, 2008	2,119.4	91.9	115.0	163.4	2,259.7	1,477.4	(782.3)	40%	(312.9)	
December 31, 2009	1,477.4	93.0	120.3	113.5	1,563.6	1,645.3	81.7	60%	49.0	
December 31, 2010	1,645.3	90.6	131.7	125.9	1,730.1	1,812.8	82.7	80%	66.2	
							Total Deferred at Jan. 1, 2011:		(200.9)	
							Market Value of Assets at Jan. 1, 2011:		1,812.8	
							Less Total Deferred at Jan. 1, 2011:		(200.9)	
							Actuarial Value of Assets at Jan. 1, 2011:		<u>2,013.7</u>	

*Expected Market Value of Assets assumes 7.75% return, taking into account actual cashflows during year.



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Seattle City Employees' Retirement System Actuarial Valuation

Table 3 Summary of Plan Net Assets (at Market Value)

	January 1, 2011		January 1, 2010	
	Market Value	Distribution	Market Value	Distribution
Assets				
Cash and short-term investments	16,066,155	0.9%	29,374,301	1.8%
Securities lending collateral	33,896,148	1.9%	36,491,886	2.2%
Receivables				
Employee	1,864,510	0.1%	1,989,617	0.1%
Employer	1,438,899	0.1%	1,332,367	0.1%
Interest and Dividends	1,746,071	0.1%	1,824,557	0.1%
Total Receivables	5,049,480	0.3%	5,146,541	0.3%
Investments at fair value				
US Government obligations	198,587,785	11.0%	178,650,109	10.9%
Domestic corporate bonds	81,250,709	4.5%	108,951,282	6.6%
Domestic stocks	757,207,813	41.8%	631,591,667	38.4%
International stocks	368,335,407	20.3%	305,943,218	18.6%
Real estate	186,161,603	10.3%	183,024,765	11.1%
Alternative/Venture capital	165,780,515	9.1%	159,010,143	9.7%
Mezzanine debt	49,094,294	2.7%	57,795,000	3.5%
Total investments	1,806,418,126	99.7%	1,624,966,184	98.8%
Equipment	-	0.0%	2,273	0.0%
Total assets	1,861,429,909	102.7%	1,695,981,185	103.1%
Liabilities				
Pension & Other payables	11,380,120	-0.6%	10,245,892	-0.6%
Securities lending collateral	37,295,301	-2.1%	40,437,944	-2.5%
Total Liabilities	48,675,421	-2.7%	50,683,836	-3.1%
Market Value of Net Assets Held in Trust For Pension				
Benefits	1,812,754,488	100.0%	1,645,297,349	100.0%

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Seattle City Employees' Retirement System Actuarial Valuation

Section 4 Actuarial Liabilities



In the previous section, an actuarial valuation was related to an inventory process, and an analysis was given of the inventory of assets of the System as of the valuation date, January 1, 2011. In this section, the discussion will focus on the commitments of the System, which will be referred to as its actuarial liabilities.

Table 4 contains an analysis of the actuarial present value of all future benefits for contributing members, for former contributing members, and for beneficiaries. The analysis is given by type of benefit.

The actuarial liabilities summarized in Table 4 include the actuarial present value of all future benefits expected to be paid with respect to each member. For an active member, this value includes a measure of both benefits already earned and future benefits to be earned. Thus, for all members, active and retired, the value extends over benefits earnable and payable for the rest of their lives and, if an optional benefit is chosen, for the lives of their surviving beneficiaries.

**Seattle City Employees' Retirement System
Actuarial Valuation**

Table 4 Actuarial Present Value of Future Benefits
(All dollar amounts in millions)

	<u>January 1, 2011</u>	<u>January 1, 2010</u>
A. Active Members		
Service Retirement	\$ 1,959.5	\$ 2,010.3
Vested Retirement	58.1	58.4
Disability Retirement	12.0	15.6
Survivor Benefits	24.9	27.0
Refund of Member Contributions	<u>34.2</u>	<u>41.0</u>
Total	\$ 2,088.7	\$ 2,152.3
B. Inactive Members and Annuitants		
Service Retirement	\$ 1,076.4	\$ 970.5
Disability Retirement	9.8	9.5
Beneficiaries	82.8	82.5
Inactive Members	<u>121.9</u>	<u>113.9</u>
Total	\$ 1,290.9	\$ 1,176.4
C. Grand Total	\$ 3,379.6	\$ 3,328.7

Seattle City Employees' Retirement System Actuarial Valuation

Section 5 Employer Contributions



Funding

As shown in Tables 2 and 4, the total actuarial liability exceeds the current Actuarial Value of Assets. This is to be expected, because the System is anticipating future member and employer contributions. The actuarial valuation develops a contribution method to fund this shortfall.

The actuarial cost method utilized is the Entry Age Actuarial Cost Method. This cost method has two components:

1. A normal cost, and
2. An amortization of the unfunded actuarial accrued liability.

Most actuarial cost methods utilize a cost method with these two components. The vast majority of public pension plans utilize the entry age (EA) actuarial cost method, as does SCERS.

The normal cost under EA is developed so that benefits are funded as a level percentage of payroll for each member from the member's membership date to the member's termination date. One key feature of this method is that costs tend to be stable from year to year because most members' entry age cost percentages do not change materially from year to year, and because the population does not change considerably from year to year. Normal costs by benefit type are shown in Table 5.

The Normal Cost Rate for the January 1, 2011 actuarial valuation is slightly lower than the rate as of the January 1, 2010 valuation. This is because of the new active demographic assumptions adopted with the 2011 Investigation of Experience, which went into effect for the January 1, 2011 valuation.

When the present value of future normal costs is subtracted from the present value of total benefits, the result is the actuarial accrued liability. This can also be thought of as the present value of past normal costs, or the amount which would be in the fund if all prior assumptions had been exactly met. To the extent that this actuarial accrued liability exceeds plan assets, an unfunded actuarial accrued liability (UAAL) exists. This is currently the situation for the SCERS.

Because a UAAL exists, the total System costs must reflect an amortization of this UAAL. In general, a UAAL exists when liabilities increase more than anticipated or assets increase less than anticipated.

Actuarial Gains and Losses

When experience is different from actuarial expectation, an actuarial gain or loss occurs. Section 7 illustrates the historical actuarial gains and losses by source. Ongoing actuarial gains and losses decrease and increase the UAAL.

Amortization of UAAL

Table 7 compares the current 18.06% total contribution rate with the necessary funding components: normal cost and amortization of UAAL. The table shows that the total contribution rate exceeds the normal cost, with the remaining contribution going toward an amortization of the UAAL. The resulting amortization payment of 2.87% is not projected to amortize the UAAL over any period of time as of January 1, 2011. This means that if the contribution rate is not increased, and all actuarial assumptions are met, the UAAL is not projected to be paid off in the future. Note that the total contribution rate is scheduled to increase to 20.06% in 2012; however, this is still not sufficient to fund the UAAL over a 30-year period.

The current Retirement Board funding policy states that “if the Funding Ratio is less than 100% and a UAAL occurs which can not be amortized over a period of less than 20 years by the combined total contribution rates, additional employer contributions may be considered.” The contribution rates currently in effect do not amortize the UAAL over any period of time. In Section 8 of this report, we discuss optional increases to the contribution rate that would be projected to amortize the UAAL over a period of 30 years.

If SCERS were to immediately (i.e., as of the beginning of the next calendar year) increase the contribution rate to amortize the UAAL over 30 years from January 1, 2011, the Total Contribution Rate would increase from 18.06% of pay to 21.30% of pay. Because this figure is based on an Actuarial Value of Assets which is currently deferring a large loss, this 21.30% would be projected to increase over the next two years if no other actuarial asset gains or losses were to occur.

In Section 8 of this report, we have included a five-year projection of the total contribution rate needed, including optimistic and pessimistic investment return scenarios.

**Seattle City Employees' Retirement System
Actuarial Valuation**

Table 5 Normal Cost Contribution Rates as Percentages of Salary*

	<u>January 1, 2011</u>	<u>January 1, 2010</u>
Service Retirement	11.80 %	11.57 %
Vested Retirement	1.31	1.25
Disability Retirement	0.14	0.18
Survivor Benefits	0.20	0.21
Refund of Member Contributions	1.34	1.62
Administrative Expenses	<u>0.40</u>	<u>0.40</u>
Total	15.19 %	15.23 %

* The normal cost rate calculations reflect the expected increase in member contribution rates to 10.03%, currently scheduled to go into effect on January 1, 2012

Seattle City Employees' Retirement System Actuarial Valuation

Table 6 **Unfunded Actuarial Accrued Liability**
(All dollar amounts in millions)

	January 1, 2011	January 1, 2010
A. Actuarial present value of all future benefits for present and former members and their survivors (Table 3)	\$ 3,379.6	\$ 3,328.7
B. Less actuarial present value of total future normal costs for present members	670.6	674.9
C. Actuarial accrued liability [A - B]	\$ 2,709.0	\$ 2,653.8
D. Less actuarial value of assets available for benefits (Table 2)	2,013.7	1,645.3
E. Unfunded actuarial accrued liability (Funding Excess, if negative) [C - D]	\$ 695.4	\$ 1,008.5
F. Funding Ratio [D ÷ C]	74.3%	62.0%

**Seattle City Employees' Retirement System
Actuarial Valuation**

Table 7 Contribution Rates as Percentages of Salary

	<u>January 1, 2011</u>	<u>January 1, 2010</u>
A. Employer contribution rate	9.03 %	8.03 %
B. Member contribution rate	<u>9.03</u>	<u>8.03</u>
C. Total contribution rate ⁽¹⁾	18.06 %	16.06 %
D. Less total normal cost rate ⁽²⁾	<u>15.19</u>	<u>15.23</u>
E. Excess of contribution rate over normal cost rate	2.87 %	0.83 %
F. Amortization period	does not amortize	does not amortize
G. Allocation of employer contribution rate ⁽³⁾		
Normal cost	6.16 %	7.20 %
Amortization payment	<u>2.87</u>	<u>0.83</u>
Total employer contribution rate	9.03 %	8.03 %

⁽¹⁾ 18.06% is the current rate being contributed as of January, 2011. To maintain a 30-year amortization, the rate must be increased as discussed on page 1 of this report.

⁽²⁾ Reflects anticipated increase in member rate to 10.03% of payroll.

⁽³⁾ If member contributions are all allocated to paying normal cost.

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Seattle City Employees' Retirement System Actuarial Valuation

Section 6 Actuarial Information for Accounting Purposes



The Governmental Accounting Standards Board (GASB) has issued standards under Statements No. 25 and 27. Statement 25 is required reporting by the plan (the System) and Statement 27 is reporting by state and local governmental employers (the City).

Statement 25 includes certain supplementary information:

1. A schedule of funding progress, and
2. A schedule of employer contributions.

The schedule of funding progress is shown in Table 9 and compares assets and liabilities over the years. In particular, it shows the funded ratio and UAAL. As shown by Table 9, the plan was fully funded or nearly fully funded from 1996 through 2000. In this case, “fully funded” means that assets exceed actuarial accrued liabilities, so that no positive UAAL exists. This can also be seen as a funded ratio in excess of 100%. Because of the poor investment returns of 2000 through 2003, as well as the extreme market downturn of 2008, the plan is not fully funded.

The schedule of employer contributions is shown in Table 11 and shows that, except for the most recent year (ending December 31, 2010), the employer has consistently made contributions equal to or greater than the ARC.

Table 8 develops the Annual Pension Cost (APC) and Net Pension Obligation (NPO). The NPO can be thought of as the accumulated value of APC in excess of employer contributions. Because contributions have exceeded the APC in prior years, a negative NPO has built up. The current Board policy is to set the Actuarial Required Contribution (ARC) equal to the fixed contribution rate, solving for the amortization period.

If the fixed rate is not sufficient to fund the UAAL over a period of 30 years or less, the ARC will be equal to the amount to fund the normal cost for the year plus a 30-year amortization payment of the UAAL. This is the minimum allowed for accounting purposes under current GASB parameters.

Despite the large increase in the ARC, which was not fully funded by SCERS, the NPO remains negative due to the large negative balance previously accumulated through past contributions in excess of the ARC.

Seattle City Employees' Retirement System Actuarial Valuation

**Table 8 GASB Statement No. 27 Annual Pension Cost
and Net Pension Obligation**

For Fiscal Year Ending December 31, 2010
Based on January 1, 2010 Valuation

	Fiscal Year Ended December 31	
	2009	2010
1a Total Normal Cost Rate	13.32%	15.23%
1b Employee Contribution Rate	<u>8.03%</u>	<u>8.03%</u>
1c Employer Normal Cost Rate (1a - 1b)	5.29%	7.20%
2a Total Employer Contribution Rate	8.03%	8.03%
2b Amortization Payment Rate (2a - 1c)	2.74%	0.83%
2c Amortization Period	16.2	does not amortize
2d GASB 27 Amortization Rate	2.74%	9.80%
3 Total Annual Required Contribution (ARC) Rate (1c + 2d)*	8.03%	17.00%
4 Covered Employee Payroll**	580,948,555	563,197,846
5a ARC (3 x 4)	46,650,169	95,743,634
5b Interest on Net Pension Obligation (NPO)	(6,056,564)	(6,034,612)
5c ARC Adjustment	<u>6,339,817</u>	<u>4,214,432</u>
5d Annual Pension Cost (APC) (5a + 5b + 5c)	46,933,422	93,923,454
6 Employer Contribution	46,650,169	45,224,787
7a Change in NPO (5d - 6)	283,253	48,698,667
7b NPO at Beginning of Year	<u>(78,149,216)</u>	<u>(77,865,963)</u>
7c NPO at End of Year (7a + 7b)	(77,865,963)	(29,167,296)

* If the amortization period determined by the actual contribution rate exceeds the maximum amortization period required by GASB Statement No. 27, the ARC is determined using an amortization of the UAAL over 30 years.

** Covered payroll includes compensation paid to all active employees on which contributions were made in the year preceding the valuation date.

Seattle City Employees' Retirement System Actuarial Valuation

Table 9 Schedule of Funding Progress

(All dollar amounts in millions)

Actuarial Valuation Date January 1	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll ⁽¹⁾	UAAL as a Percentage of Covered Payroll
1984	\$ 329.8	\$ 544.0	\$ 214.2	60.6%	\$ 159.4	134.4%
1986	395.7	561.3	165.6	70.5	182.0	91.0
1988	445.4	595.3	149.9	74.8	199.0	75.3
1990	558.8	737.9	179.1	75.7	212.3	84.4
1992	660.0	810.5	150.5	81.4	239.4	62.9
1994	781.8	926.2	144.4	84.4	291.8	49.5
1996	980.2	1,019.7	39.5	96.1	310.6	12.7
1997	1,094.8	1,087.3	(7.5)	100.7	316.9	(2.4)
1998 ⁽²⁾	1,224.6	1,266.7	42.1	96.7	341.5	12.3
1999	1,375.0	1,326.6	(48.4)	103.6	370.4	(13.1)
2000	1,582.7	1,403.1	(179.6)	112.8	383.6	(46.5)
2002	1,383.7	1,581.4	197.7	87.5	405.1	48.8
2004	1,527.5	1,778.9	251.4	85.9	424.7	59.2
2006	1,791.8	2,017.5	225.8	88.8	447.0	50.5
2008	2,119.4	2,294.6	175.2	92.4	501.9	34.9
2010	1,645.3	2,653.8	1,008.5	62.0	580.9	173.6
2011	2,013.7	2,709.0	695.4	74.3	563.2	123.5

⁽¹⁾ Covered Payroll includes compensation paid to all active employees on which contributions are calculated. Covered Payroll differs from the Active Member Valuation Payroll shown in Table 1, which is an annualized compensation of only those members who were active on the actuarial valuation date.

⁽²⁾ Reflects increased COLA benefits adopted by the City Council after the valuation was completed.

Seattle City Employees' Retirement System Actuarial Valuation

Table 10 Solvency Test
(All dollar amounts in millions)

Actuarial Valuation Date January 1	Actuarial Value of Valuation Assets	Actuarial Accrued Liabilities for			Total	Portion of Actuarial Accrued Liabilities Covered by Assets			
		(A) Active Member Contributions	(B) Inactive, Retirees and Beneficiaries	(C) Active Members (Employer Financed Portion)		(D)	(A)	(B)	(C)
1984	\$ 329.8	\$ 90.1	\$ 243.0	\$ 210.9	\$ 544.0	100.0%	98.6%	0.0%	60.6%
1986	395.7	110.7	263.1	187.5	561.3	100.0	100.0	11.7	70.5
1988	445.4	136.0	303.6	155.7	595.3	100.0	100.0	3.7	74.8
1990	558.8	164.0	332.8	241.1	737.9	100.0	100.0	25.7	75.7
1992	660.0	202.6	357.9	250.0	810.5	100.0	100.0	39.8	81.4
1994	781.8	248.4	383.1	294.7	926.2	100.0	100.0	51.0	84.4
1996	980.2	294.1	409.3	316.3	1,019.7	100.0	100.0	87.5	96.1
1997	1,094.8	313.1	449.8	324.4	1,087.3	100.0	100.0	100.0	100.7
1998 ⁽¹⁾	1,224.6	337.3	551.8	377.6	1,266.7	100.0	100.0	88.9	96.7
1999	1,375.0	358.4	577.6	390.6	1,326.6	100.0	100.0	100.0	103.6
2000	1,582.7	385.2	599.4	418.5	1,403.1	100.0	100.0	100.0	112.8
2002	1,383.7	434.3	675.6	471.5	1,581.4	100.0	100.0	58.1	87.5
2004	1,527.5	482.5	758.9	537.5	1,778.9	100.0	100.0	53.2	85.9
2006	1,791.8	539.7	902.2	575.6	2,017.5	100.0	100.0	60.8	88.8
2008	2,119.4	590.1	1,084.9	619.6	2,294.6	100.0	100.0	71.7	92.4
2010	1,645.3	684.7	1,176.4	792.7	2,653.8	100.0	81.7	0.0	62.0
2011	2,013.7	683.7	1,290.9	734.4	2,709.0	100.0	100.0	5.3	74.3

⁽¹⁾ Reflects increased COLA benefits adopted by the City Council after the valuation was completed.



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Seattle City Employees' Retirement System Actuarial Valuation

Table 11 **Schedule of Employer Contributions**
(All dollar amounts in millions)

Fiscal Year Ending December 31	Covered Employee Payroll ⁽¹⁾	Actual Employer Contributions ⁽²⁾	Actual Employer Contribution % ⁽³⁾	Annual Required Contribution (ARC) % ⁽⁴⁾	Percentage of ARC Contributed
1989	\$ 212.3	\$ 25.1	8.91%	8.91%	159.4%
1990	243.2	21.8	8.91	8.91	100.0
1991	239.4	21.5	8.91	8.91	100.0
1992	280.4	25.1	8.91	8.91	100.0
1993	291.8	26.1	8.91	8.91	100.0
1994	298.0	26.7	8.91	8.91	100.0
1995	310.6	27.8	8.91	8.91	100.0
1996	316.9	28.4	8.91	8.91	100.0
1997	316.3	28.3	8.91	8.91	100.0
1998 ⁽⁴⁾	341.5	30.6	8.91	8.91	100.0
1999	370.4	29.7	8.03	4.50	178.0
2000	383.6	30.8	8.03	4.50	178.0
2001	405.1	32.7	8.03	3.04	264.0
2002	454.5	36.6	8.03	3.04	264.0
2003	424.7	34.2	8.03	8.03	100.0
2004	456.8	36.7	8.03	8.03	100.0
2005	447.0	35.9	8.03	8.03	100.0
2006	472.5	37.9	8.03	8.03	100.0
2007	501.9	40.3	8.03	8.03	100.0
2008	572.4	46.0	8.03	8.03	100.0
2009	580.9	46.7	8.03	8.03	100.0
2010	563.2	45.2	8.03	17.00	47.2

⁽¹⁾ Computed as the dollar amount of the actual employer contribution made as a percentage of payroll divided by the contribution rate, expressed as a percentage of payroll.

⁽²⁾ The actual and required employer contributions are expressed as a percentage of payroll, after first recognizing the \$12 per employee assessment made for the death benefits. This assessment per employee is included in the actual employer contributions reported and has been previously recognized by the actuary in determining the ARC.

⁽³⁾ The City makes employer contributions as a percentage of actual payroll as set in the City Ordinance. Thus, as long as the percentage equals the percentage required by the most recent actuarial valuation, the dollar amount of the Annual Required Contributions (ARC) is equal to the actual dollar amount of the employer contributions. The City Ordinance does not permit a reduction in the employer contribution rate less than the employee contribution rate. Thus, the City's contributions exceeded the ARC for 1999 through 2001 and resulted in a negative NPO amount.

⁽⁴⁾ ARC reflects the increased COLA benefits adopted in 1998.



**Seattle City Employees' Retirement System
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Table 12 GASB Statement No. 27 Five-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Contribution as a Percentage of APC</u>	<u>Net Pension Obligation (NPO)</u>
December 31, 2006	37,754,849	100%	(78,248,556)
December 31, 2007	40,114,562	100%	(78,433,500)
December 31, 2008	46,245,324	99%	(78,149,216)
December 31, 2009	46,933,422	99%	(77,865,963)
December 31, 2010	93,923,454	48%	(29,167,296)

Seattle City Employees' Retirement System Actuarial Valuation

Table 13 GASB Statement No. 27 Annual Development of Pension Cost

<u>Fiscal Year Ending</u>	<u>ARC at EOY</u>	<u>Interest on NPO</u>	<u>ARC Adjustment</u>	<u>Annual Pension Cost (APC)</u>	<u>Total Employer Contributions</u>	<u>Change in NPO</u>	<u>NPO Balance</u>	<u>Gain/Loss</u>	<u>Amort. Factor</u>	<u>Amort. Of Gain/Loss</u>	<u>Ending Balance</u>
December 31, 2006	37,939,358	(6,049,964)	5,865,455	37,754,849	37,939,358	(184,509)	(78,248,556)	-	13.30912	(5,865,455)	(78,248,556)
December 31, 2007	40,299,506	(6,064,263)	5,879,319	40,114,562	40,299,506	(184,944)	(78,433,500)	-	13.30912	(5,879,319)	(78,433,500)
December 31, 2008	45,961,040	(6,078,596)	6,362,880	46,245,324	45,961,040	284,284	(78,149,216)	-	12.32673	(6,362,880)	(78,149,216)
December 31, 2009	46,650,169	(6,056,564)	6,339,817	46,933,422	46,650,169	283,253	(77,865,963)	-	12.32673	(6,339,817)	(77,865,963)
December 31, 2010	95,743,634	(6,034,612)	4,214,432	93,923,454	45,224,787	48,698,667	(29,167,296)	50,518,847	18.47603	(4,214,432)	(29,167,296)

Amortization Period: Open 30 years, unless fixed rate amortizes in less than 30 years.

Amortization Method: Level Percentage of Projected Payroll.

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Seattle City Employees' Retirement System Actuarial Valuation

Section 7 Actuarial Gains or Losses



An analysis of actuarial gains or losses was performed in conjunction with the January 1, 2008, January 1, 2010 and January 1, 2011 actuarial valuations.

The results of our analysis of the financial experience of the System in the three most recent actuarial valuations are presented in Table 14. Each gain or loss shown represents our estimate of how much the given type of experience caused the UAAL to change in the period since the previous actuarial valuation.

Gains and losses due to demographic sources are approximate. Demographic experience is analyzed in greater detail in our periodic assumption studies.

Seattle City Employees' Retirement System Actuarial Valuation

Table 14 Analysis of Actuarial Gains or Losses

(All dollar amounts in millions)*

	Gain (Loss) for Period		
	2010	2008-2009	2006-2007
Investment Income. Investment income on MVA was greater (less) than expected.	\$82.7	\$(765.5)	\$ 93.7
Pay Increases. Pay increases were less (greater) than expected.	96.0	(6.4)	(15.2)
Age and Service Retirements. Members retired at older (younger) ages or with less (greater) final average pay than expected.	0.7	2.1	2.8
Disability Retirements. Disability claims were less (greater) than expected.	(0.2)	(0.3)	(0.4)
Death-in-Service Benefits. Survivor claims were less (greater) than expected.	0.0	0.0	0.0
Withdrawal from Employment. More (less) reserves were released by withdrawals than expected.	(8.5)	34.8	7.4
Death after Retirement. Retirees died younger (lived longer) than expected.	<u>(3.7)</u>	<u>(3.9)</u>	<u>(12.8)</u>
Total Gain or (Loss) during Period from Financial Experience.	\$167.0	\$(739.2)	\$75.6
Nonrecurring Items:			
Changes in actuarial assumptions and plan amendments caused a gain (loss).	23.8	(119.1)	(43.6)
Change in actuarial asset valuation method caused a gain (loss).	<u>200.9</u>	<u>N/A</u>	<u>N/A</u>
Composite Gain (Loss) during Period.	\$391.7	\$(858.3)	\$32.0

* Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the UAAL.

Seattle City Employees' Retirement System Actuarial Valuation

Section 8 Contribution Rate Projections and Increases



This section of the January 1, 2011 actuarial valuation is devoted to a detailed discussion of the contribution rates needed, and projected to be needed, in order to effectively fund the System.

The goals of this section are twofold:

1. As mentioned throughout this report, the adoption of an asset smoothing method means that the AVA does not equal the MVA for the January 1, 2011 valuation. The current AVA is deferring a relatively large loss based on the 2008 market downturn. As a result, if no actuarial asset gains or losses were to occur over the next several years (i.e., the market return equals 7.75%), the Funding Ratio would be projected to decrease as the remaining deferred losses are fully phased in.
2. Currently, SCERS plans 1.00% increases in both the employer and the member contribution rates (from 9.03% to 10.03%) to take effect January 2012. The actual contribution rate needed will vary in the future. We have shown projections to roughly quantify the potential impact of good and bad experience.

Projection of Total Contribution Rate Needed

We have performed a five-year projection of the Total Contribution Rate needed under three different scenarios:

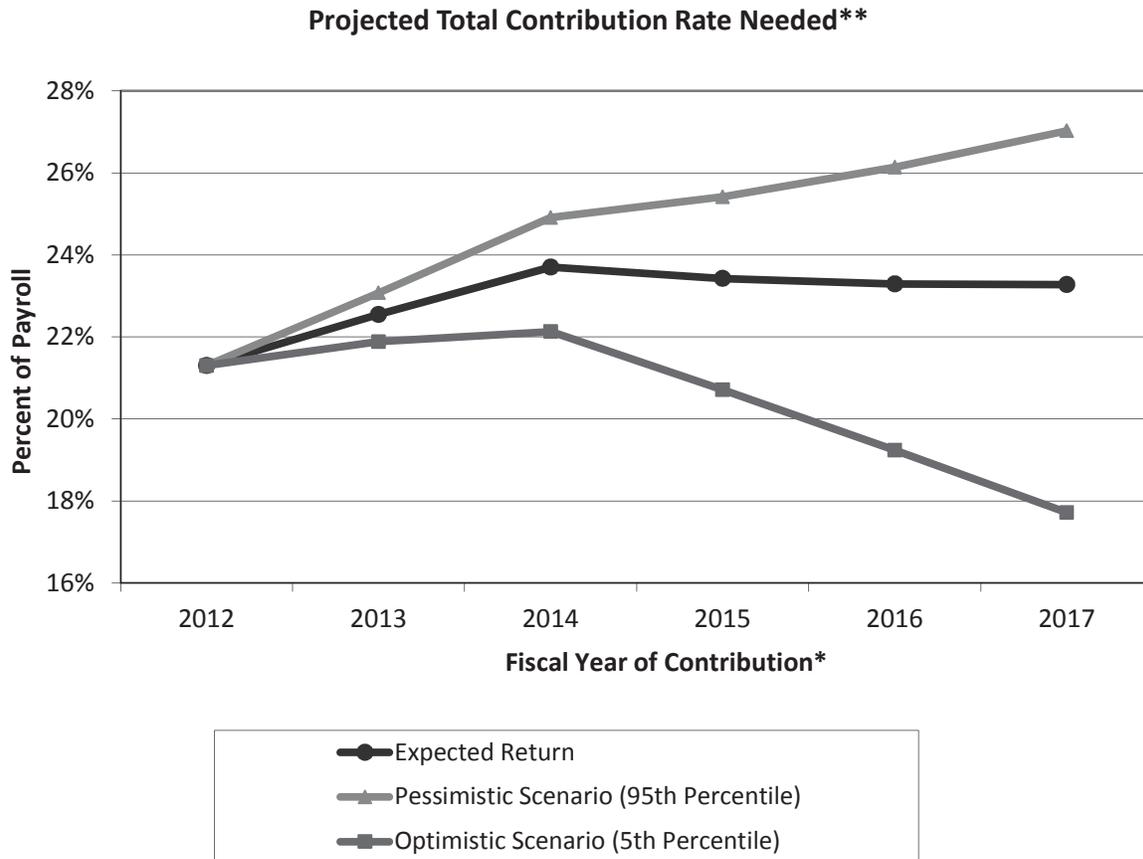
1. Assuming that the investment return assumption is met in each future year.
2. Assuming that the assets return at the 5th percentile.
3. Assuming that the assets return at the 95th percentile.

The result is effectively a 90% confidence interval (based on asset returns) of the projected contribution rates in these years.

Table 15 provides the results of these projections.

Seattle City Employees' Retirement System Actuarial Valuation

Table 15 Projected Total Contribution Rates



Projected Total Contribution Rate Needed**

Contribution Year*	Investment Return		
	5th Percentile	Assumption	95th Percentile
2012	21.30%	21.30%	21.30%
2013	23.08%	22.55%	21.89%
2014	24.91%	23.70%	22.13%
2015	25.41%	23.43%	20.71%
2016	26.14%	23.29%	19.24%
2017	27.03%	23.28%	17.72%

* Contribution year lags calculation year by 1. For example: Contribution Year 2012 is based on the 2011 valuation results, amortized over 30 years beginning in 2011, if the increase takes place in 2012.

** Assumes actual total contribution rate is 18.06% in 2011 and 20.06% in 2012 and later.

Contribution Increases

As discussed in this report, the current contribution rate is not sufficient to amortize the UAAL over a 30-year period. If the entire contribution rate increase needed to amortize the UAAL over 30 years from the valuation date were to be implemented on January 1, 2012, a Total Contribution Rate of 21.30% would be needed.

This represents a needed increase of 3.24% of pay, in addition to the current 18.06% of pay being contributed (by the employer and members combined). Since the member increases are capped at an additional 1.00% of payroll in 2012 and later (an ultimate 10.03% contribution rate), the employer increase needed would be 2.24% of pay greater than the current city rate of 9.03%. Note that due to the future recognition of deferred asset losses, this amount is expected to increase in the next valuation.

Seattle City Employees' Retirement System Actuarial Valuation

Appendix A Actuarial Procedures and Assumptions



This section of the report describes the actuarial procedures and assumptions used in this valuation. The assumptions used in this valuation were adopted by the SCERS Board at their June, 2011 meeting.

The actuarial assumptions used in the valuation are intended to estimate the future experience of the members of the System and of the System itself in areas that affect the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of the System's benefits. Table A-1 summarizes the actuarial assumptions.

Table A-2 presents expected annual salary increases for various years of service. Tables A-3 through A-6 show rates of decrement for service retirement, disablement, mortality, and other terminations of employment. Table A-7 shows probabilities of vesting upon termination.

Actuarial Cost Method

The actuarial valuation was prepared using the entry age actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit. The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets, and (b) the actuarial present value of future normal costs is called the unfunded actuarial accrued liability or UAAL. The UAAL is amortized as a level percentage of the projected salaries of present and future members of the System.

Records and Data	The data used in the valuation consist of financial information; records of age, sex, service, salary, and contribution rates and account balances of contributing members; and records of age, sex, and amount of benefit for retired members and beneficiaries. All of the data were supplied by the System and are accepted for valuation purposes without audit.
Replacement of Terminated Members	The ages at entry and distribution by sex of future members are assumed to average the same as those of the present members they replace. If the number of active members should increase, it is further assumed that the average entry age of the larger group will be the same, from an actuarial standpoint, as that of the present group. Under these assumptions, the normal cost rates for active members will not vary with the termination of present members.
Employer Contributions	For 2011, the total employer contribution rate for normal costs and amortization of the UAAL was 9.03% of members' salaries. This rate is scheduled to increase to 10.03% in January, 2012.
Administrative Expense	The annual contribution assumed to be necessary to meet general administrative expenses of the system, excluding investment expenses, is 0.40% of members' salaries. This figure is included in the calculation of the normal cost rate.
Valuation of Assets	The assets are valued using a five-year smoothing method based on the difference between the expected market value and the actual market value of the assets in each year. The expected market value is the prior year's market value increased with the net increase in the cash flow, all increased with interest during the past fiscal year at the expected investment return rate assumption.
Investment Earnings	The annual rate of investment earnings of the assets of the System is assumed to be 7.75%. This rate is compounded annually and is net of investment expenses.
Postretirement Benefit Increases	Postretirement benefit increases include: <ul style="list-style-type: none">■ Automatic 1.5% Annual COLA – This benefit applies to all members.■ 65% Restoration of Purchasing Power (ROPP) – The member's benefit is the greater of 65% of the annual initial benefit adjusted for CPI or their applicable benefit. This minimum benefit is available to all retirees and beneficiaries. The financial impact of the ROPP benefit is valued assuming an annual price inflation rate of 3.5%.

Postretirement Benefit Increases (continued) Additional contingent COLA increases that were adopted in 2001, but will not be effective until the System reaches at least a 100% Funding Ratio, are not included in the valuation results.

Future Salaries Table A-2 illustrates the rates of future salary increases assumed for the purpose of the valuation. In addition to increases in salary due to promotions and longevity, this scale includes an assumed 4.0% per annum rate of increase in the general wage level of the membership.

Service Retirement Table A-3 shows the annual assumed rates of retirement among members eligible for service retirement or reduced retirement. Separate rates are also used during the first year a member is eligible for service retirement.

Disablement The rates of disablement used in this valuation are illustrated in Table A-4. It is assumed that one-third of all disabilities are duty related and two-thirds occur while off duty.

Mortality The mortality rates used in this valuation are illustrated in Table A-5. A written description of each table used is included in Table A-1.

Other Terminations of Employment The rates of assumed future withdrawal from active service for reasons other than death, disability or retirement are shown for representative ages in Table A-6. Note that this assumption only applies to members who terminate and are not yet eligible for retirement.

Probability of Refund Terminating members may forfeit a vested right to a deferred benefit if they elect a refund of their accumulated contributions. Table A-7 gives the assumed probability, at selected ages, that a terminating member will elect to receive a refund of his accumulated contributions instead of a deferred benefit.

If a member terminates with more than 20 years of service, there is assumed to be a 20% probability that the member will elect a refund.

Note that the probability of refund assumption only applies to members who terminate with a vested benefit and are not yet eligible for retirement.

Interest on Member Contributions Interest on member contributions is assumed to accrue at a rate of 5.75% per annum, compounded annually.

Portability	The cost of portability with other public retirement systems is not included in this valuation.
Probability of Marriage	We assumed 60% of the active members are married or have a registered domestic partner.
Commencement for Terminated Vested Members	Vested members who terminate but elect to leave their contributions in the System are assumed to commence receiving benefits at age 62.

Seattle City Employees' Retirement System Actuarial Valuation

Table A-1 Summary of Valuation Assumptions as of January 1, 2011

I. Economic assumptions		
A. Price inflation		3.50%
B. General wage increases		4.00
C. Investment return		7.75
D. Increase in membership		1.00
E. Interest on member accounts		5.75
II. Demographic assumptions		
A. Salary increases due to promotion and longevity		Table A-2
B. Retirement		Table A-3
C. Disablement		Table A-4
D. Mortality* among contributing members		Table A-5
Men	RP 2000 Employees Table for Males, with ages set back three years.	
Women	RP 2000 Employees Table for Females, with ages set back three years.	
E. Mortality* among service retired members and beneficiaries		Table A-5
Men	RP2000 Combined Healthy Males, with ages set back one year.	
Women	RP2000 Combined Healthy Females, with ages set back one year.	
F. Mortality* among disabled members		Table A-5
Men	RP2000 Disabled Males, with ages set back four years.	
Women	RP2000 Disabled Females, with ages set back four years.	
G. Other terminations of employment		Table A-6
H. Probabilities of vesting on termination		Table A-7

** All mortality tables are generational using Projection Scale AA*

Seattle City Employees' Retirement System Actuarial Valuation

Table A-2 Future Salaries

Annual Rate of Increase		
Years of Service	Promotion and Longevity	Total
0 to 1	4.50%	8.68%
1 to 2	3.50	7.64
2 to 3	2.75	6.86
3 to 4	2.00	6.08
4 to 5	1.50	5.56
9 to 10	0.80	4.83
14 to 15	0.45	4.47
19 to 20	0.29	4.30
24 to 25	0.25	4.26
29 to 30	0.25	4.26
35 or more	0.25	4.26

Seattle City Employees' Retirement System Actuarial Valuation

Table A-3 Retirement

Age	Annual Probability					
	Men			Women		
	Eligible for Full Benefits			Eligible for Full Benefits		
	Eligible for Reduced Benefits	Less than 30 years of service	30 years or more of service	Eligible for Reduced Benefits	Less than 30 years of service	30 years or more of service
Less than 50	0.0%	10.0%	8.0%	0.0%	10.0%	10.0%
50	6.0	10.0	10.0	5.0	10.0	12.0
51	6.0	10.0	10.0	5.0	10.0	12.0
52	6.0	12.0	12.0	5.0	10.0	12.0
53	5.0	9.0	12.0	4.0	10.0	12.0
54	5.0	8.0	12.0	5.0	10.0	13.0
55	6.0	10.0	12.0	5.0	10.0	15.0
56	6.0	8.0	12.0	5.0	10.0	13.0
57	6.0	8.0	12.0	5.0	13.0	15.0
58	6.0	8.0	12.0	5.0	13.0	13.0
59	6.0	10.0	15.0	8.0	13.0	14.0
60	7.0	10.0	15.0	8.0	15.0	17.0
61	9.0	16.0	15.0	13.0	15.0	16.0
62	16.0	27.0	30.0	18.0	21.0	28.0
63	12.0	18.0	22.0	13.0	17.0	22.0
64	12.0	18.0	22.0	13.0	17.0	22.0
65		40.0	32.0		35.0	30.0
66		37.0	32.0		40.0	33.0
67		32.0	32.0		35.0	33.0
68		28.0	26.0		30.0	30.0
69		28.0	26.0		30.0	30.0
70		*	*		*	*

* Immediate retirement is assumed for every person age 70 or over.

Seattle City Employees' Retirement System Actuarial Valuation

Table A-4 Disablement*

Age	Annual Rates	
	Men	Women
20	.00%	.00%
25	.00	.00
30	.04	.04
35	.04	.04
40	.05	.05
45	.05	.05
50	.08	.08
55	.08	.08
60	.08	.08
65	.00	.00

**It is assumed that one-third of all disabilities are duty related and two-thirds are non-duty related.*

Seattle City Employees' Retirement System Actuarial Valuation

Table A-5 Mortality

Age	Annual Probability*					
	Contributing Members		Members Retired for Service and Beneficiaries of Members		Disabled Members	
	Men	Women	Men	Women	Men	Women
22	0.03 %	0.02 %	0.04 %	0.02 %	2.26 %	0.74 %
27	0.04	0.02	0.04	0.02	2.26	0.74
32	0.04	0.02	0.05	0.03	2.26	0.74
37	0.07	0.04	0.08	0.05	2.26	0.74
42	0.10	0.06	0.11	0.08	2.26	0.74
47	0.14	0.10	0.16	0.12	2.26	0.74
52	0.20	0.16	0.24	0.19	2.64	0.98
57	0.28	0.23	0.42	0.31	3.29	1.45
62	0.44	0.36	0.77	0.58	3.93	1.97
67	0.70	0.54	1.44	1.10	4.66	2.53
72	N/A	N/A	2.46	1.86	5.69	3.32
77	N/A	N/A	4.22	3.10	7.33	4.58
82	N/A	N/A	7.20	5.08	9.76	6.35
87	N/A	N/A	12.28	8.64	12.83	8.78
92	N/A	N/A	19.98	14.46	16.22	12.25

*The mortality rates shown above are generationally projected on an individual basis using Projection Scale AA for the valuation.

**Seattle City Employees' Retirement System
Actuarial Valuation**

Table A-6 Other Terminations of Employment Among Members Not Eligible to Retire

Years of Service	Annual Rates for Men	Annual Rates for Women
0 to 1	7.0%	8.5%
1 to 2	6.5	8.3
2 to 3	6.3	8.0
3 to 4	6.0	7.8
4 to 5	5.5	7.5
5 to 6	5.0	7.0
6 to 7	4.5	6.3
7 to 8	4.0	5.7
8 to 9	3.6	5.1
9 to 10	3.2	4.5
10 to 11	2.8	4.0
11 to 12	2.5	3.5
12 to 13	2.3	3.2
13 to 14	2.0	2.9
14 to 15	1.8	2.6
15 to 16	1.6	2.3
16 to 17	1.4	2.0
17 to 18	1.2	1.7
18 to 19	1.1	1.4
19 to 20	1.0	1.2
20 to 21	0.9	1.1
21 to 22	0.8	1.0
22 to 23	0.8	0.9
23 to 24	0.7	0.8
24 to 25	0.7	0.8
25 to 26	0.6	0.7
26 to 27	0.6	0.7
27 to 28	0.5	0.6
28 to 29	0.5	0.6
29 to 30	0.4	0.5
30 and up	0.5	0.5

Seattle City Employees' Retirement System Actuarial Valuation

Table A-7 Probability of Refund

Age	Probabilities of Refund upon Termination*
25	70.0%
30	65.0
35	55.0
40	48.0
45	43.0
50	38.0
55	36.0
60	40.0

**If service is 20 or more years at termination,
probability of refund is equal to 20%.*

Seattle City Employees' Retirement System Actuarial Valuation

Appendix B Provisions of Governing Law



All actuarial calculations are based upon our understanding of the provisions governing the Seattle City Employees' Retirement System, Chapter 4.36 of the Seattle City Code. The benefit and contribution provisions are summarized briefly below, along with corresponding references to the City code. This summary encompasses the major provisions of the System; it does not attempt to cover all of the detailed provisions.

Effective Date

The effective date of the retirement system was July 1, 1929. (Section 4.36.080)

Members' Contribution Rate

The members' contribution rate is 9.03% of salary as of January, 2011. Certain members who were contributing at a lower rate on June 23, 1972 continue to contribute at a lower rate. (Section 4.36.110A)

Note: For purposes of the 2011 valuation, rates are assumed to increase to 10.03% in January, 2012 to reflect recent negotiated changes and the current funded situation.

City Contribution Rate

The City contribution rate is the amount that is actuarially determined to be necessary to fund that portion of the retirement allowances not covered by the members' contributions. This amount shall be at least the members' contribution rate and is 9.03% in 2011 and scheduled to increase to 10.03% in 2012. (Sections 4.36.110C and 4.36.170)

Final Compensation

Final compensation is based on highest average compensation (excluding overtime) during any consecutive 24 months. (Sections 4.36.040C and 4.36.050B)

Service Retirement

Eligibility

30 years of service;

Age 52 and 20 years of service;

Age 57 and 10 years of service; or

Age 62 and 5 years of service.

Normal Form

Straight life benefit.

Optional Forms

Actuarial equivalent according to the mortality and interest basis adopted by the Retirement Board for such purposes.

**Service Retirement
(continued)**

Amount of Allowance

The total monthly allowance is generally 2% times final compensation times total years of creditable service.

However, if the member does not qualify in one of the following ways, the 2% factor is reduced by 0.1% for each year that retirement precedes the earliest date the member would be:

- (a) any age with 30 years of service;
- (b) age 51-59, providing the member's age and years of service total 80 or more;
- (c) age 60 or older with 20 years of service; or
- (d) age 65 or older with five years of service.

The reduction is somewhat less than 0.1% for members with less than 20 years of service.

For those hired on or after January 1, 1988, creditable service excludes the first six months of service.

Maximum Allowance

The formula-based retirement allowance (as described above) of any member shall be limited to 60% of final compensation, except where the minimum allowance described below applies.

Minimum Allowance

A monthly benefit based on twice the actuarial value of accumulated member contributions. This is not subject to the 60% of final compensation maximum.
(Sections 4.36.200, 4.36.210 and 4.36.260)

Note: Effective January 1, 2011, the conversion of the contributions to an annuity benefit in the minimum allowance reflects option factors that use the new mortality rates.

Disability Retirement

Eligibility

Ten years of service credited within the 15 years preceding disability retirement. If disablement occurs in the course of City employment, there is no service requirement.

Normal Form

Modified cash refund annuity. An optional survivor's benefit is available if the spouse is the beneficiary.

Amount of Allowance

The total monthly disability allowance is the greater of:

- (a) 1.5% times final compensation times completed years of creditable service; and
- (b) 1.5% times final compensation times total years of creditable service that could have been earned to age 62, but not to exceed one-third of final compensation.

Maximum Allowance

The maximum disability allowance is 60% of final compensation.

Minimum Allowance

The minimum disability allowance is \$140 per month.

(Sections 4.36.220 and 4.36.230)

Death Benefits

Retired Members

Death benefits to retired members are payable according to the form of retirement allowance elected.

Active Members

- (a) Payment to the beneficiary of accumulated contributions, including interest; or
- (b) If the member had completed 10 years of service at the time of death, a surviving spouse or a registered domestic partner may elect to receive, in place of (a) above, either:
 - (1) a monthly allowance for life equal to the benefit the spouse would have received had the member just retired with a 100% contingent annuitant option in force; or
 - (2) a cash payment of no more than one-half of the member's accumulated contributions, along with a correspondingly reduced retirement allowance.

(Section 4.36.270)

Withdrawal Benefits

Form

Payment of accumulated contributions, with interest.

(Section 4.36.190)

**Vested Withdrawal
Benefits**

Eligibility

Five years of service.

Amount of Allowance

Same as service retirement benefit.

Benefits Commence

Age 52, if 20 or more years of service;

Age 57, if 10 - 19 years of service; or

Age 62, otherwise.

(Section 4.36.200)

**Postretirement
Benefit Increases**

Provisions

Effective January 1, 2007, the City Council adopted a 65% Restoration of Purchasing Power benefit and an automatic 1.5% annual COLA to all members.

If the System reaches a 100% Funding Ratio, the restoration amount increases to 70%.

(Sections 4.36.155 and 4.36.215)

**Death Benefit
System**

Eligibility

Mandatory for all active members; optional for retired members.

Benefits

\$2,000 upon the death of an active member or a participating retired member.

Assessment

Members pay an assessment of \$12 per year; the City pays a matching amount. If these assessments are not adequate, additional amounts may be transferred from the interest earnings in the retirement fund.

(Sections 4.36.320 and 4.36.330)

**Additional
Contributions**

Provisions

Members may voluntarily make contributions in excess of the regular rate; these are make-up contributions that apply only in specific situations.

Retirement Benefit

A monthly annuity which is the actuarial equivalent of accumulated additional contributions with interest.

Other Benefits

Accumulated additional contributions, with interest, generally become payable upon termination other than retirement.

(Sections 4.36.030 and 4.36.210)

Seattle City Employees' Retirement System Actuarial Valuation

Appendix C Valuation Data



This valuation is based upon the membership of the system as of January 1, 2011. Membership data were supplied by the System and accepted for valuation purposes without audit. However, extensive tests were performed to ensure that the data are sufficiently accurate for valuation purposes.

The data for all contributing members, former contributing members, and their survivors are summarized in Table C-1.

Tables C-2 through C-4 present distributions of members receiving service retirement benefits, members receiving disability retirement benefits, and survivors receiving benefits. Shown in the tables are the numbers of persons receiving benefits, the total annual benefits received (including payments for the annual bonus), and the average annual benefit per recipient.

Table C-5 contains summaries of the data for contributing members. Values shown in the tables are the numbers of members and their total and average annual salaries.

The valuation also includes liabilities attributable to members who have terminated employment but have neither retired nor withdrawn their contributions.

**Seattle City Employees' Retirement System
Actuarial Valuation**

Table C-1 Summary of Membership Data

	Contributing Members			Annuitants		
	Number	Annual Salaries (\$1,000)	Average Annual Salaries	Number	Annual Benefits (\$1,000)	Average Annual Benefits
January 1, 2011	8,599	\$ 569,472	\$ 66,225	5,428	\$ 118,920	\$ 21,909
January 1, 2010	9,071	596,892	65,802	5,304	108,886	20,529
January 1, 2008	8,842	529,062	59,835	5,201	102,772	19,760
January 1, 2006	8,521	468,096	54,934	5,011	83,988	16,761
January 1, 2004	8,382	441,562	52,680	4,876	74,341	15,246
January 1, 2002	8,758	418,908	47,831	4,733	61,801	13,058
January 1, 2000	8,669	382,620	44,137	4,681	55,542	11,865
January 1, 1999	7,779	333,984	42,934	4,644	52,482	11,301
January 1, 1998	7,926	329,028	41,512	4,649	50,394	10,840
January 1, 1996	8,078	314,448	38,926	4,619	44,271	9,585



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**Seattle City Employees' Retirement System
Actuarial Valuation**

Inactive Lives

Table C-2 Members Receiving Service Retirement Benefits as of January 1, 2011

	<50	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90+	Totals
Number of Persons											
Male	1	19	144	481	649	456	340	275	240	140	2,745
Female	0	18	146	390	406	229	169	137	142	128	1,765
Total	1	37	290	871	1,055	685	509	412	382	268	4,510
Annual Benefits in Thousands											
Male \$	45	\$ 827	\$ 4,939	\$ 15,010	\$ 17,666	\$ 11,542	\$ 7,575	\$ 6,170	\$ 4,558	\$ 2,526	\$ 70,858
Female	0	580	4,462	10,413	8,628	4,311	2,934	2,000	1,559	1,242	36,129
Total	45	1,407	9,401	25,423	26,294	15,853	10,509	8,170	6,117	3,768	106,987
Average Annual Benefits											
Male \$	0	\$ 43,526	\$ 34,299	\$ 31,206	\$ 27,220	\$ 25,311	\$ 22,279	\$ 22,436	\$ 18,992	\$ 18,043	\$ 25,813
Female	0	32,222	30,562	26,700	21,251	18,825	17,361	14,599	10,979	9,703	20,470
Total	0	38,027	32,417	29,188	24,923	23,143	20,646	19,830	16,013	14,060	23,722



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**Seattle City Employees' Retirement System
Actuarial Valuation**

Inactive Lives

Table C-3 Members Receiving Disability Retirement Benefits as of January 1, 2011

	<50	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90+	Totals
Number of Persons											
Male	0	3	4	4	5	4	6	2	3	4	35
Female	3	8	8	4	3	4	1	0	1	0	32
Total	3	11	12	8	8	8	7	2	4	4	67
Annual Benefits in Thousands											
Male \$	0	\$ 42	\$ 66	\$ 55	\$ 60	\$ 51	\$ 69	\$ 15	\$ 33	\$ 39	\$ 430
Female	52	147	104	64	32	38	11	0	10	0	458
Total	52	189	170	119	92	89	80	15	43	39	888
Average Annual Benefits											
Male \$		\$ 14,000	\$ 16,500	\$ 13,750	\$ 12,000	\$ 12,750	\$ 11,500	\$ 7,500	\$ 11,000	\$ 9,750	\$ 12,286
Female	17,333	18,375	13,000	16,000	10,667	9,500	11,000	0	10,000	0	14,313
Total	17,333	17,182	14,167	14,875	11,500	11,125	11,429	7,500	10,750	9,750	13,254



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**Seattle City Employees' Retirement System
Actuarial Valuation**

Inactive Lives

Table C-4 Survivors Receiving Retirement Benefits as of January 1, 2011*

	<50	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90+	Totals
Number of Persons											
Male	0	3	6	5	6	6	4	5	2	5	42
Female	11	8	21	41	50	53	71	118	175	177	725
Total	11	11	27	46	56	59	75	123	177	182	767
Annual Benefits in Thousands											
Male \$	0	46	78	32	81	57	30	42	9	23	398
Female	129	111	315	660	802	734	1,083	1,571	2,256	1,782	9,443
Total	129	157	393	692	883	791	1,113	1,613	2,265	1,805	9,841
Average Annual Benefits											
Male \$	0	15,333	13,000	6,400	13,500	9,500	7,500	8,400	4,500	4,600	9,476
Female	11,727	13,875	15,000	16,098	16,040	13,849	15,254	13,314	12,891	10,068	13,025
Total	11,727	14,273	14,556	15,043	15,768	13,407	14,840	13,114	12,797	9,918	12,831

* In addition, 25 male survivors are receiving \$268,375 and 59 female survivors are receiving \$935,962 in Option B or Option C benefits for a certain period only.



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Seattle City Employees' Retirement System Actuarial Valuation

Active Lives

Table C-5 Distribution of Employees and Salaries as of January 1, 2011

		Number of Employees - By Age Group - Males												
		<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+	Totals
Nearest Year of Service	0	3	6	3	11	6	10	4	8	2	1		54	
	1	12	26	21	23	26	24	18	13	10	2	1	176	
	2	1	33	44	38	43	30	31	28	10	2	2	272	
	3-4	1	21	84	121	106	96	73	58	37	10	2	706	
	5-9		4	39	121	159	125	146	119	66	20	5	965	
	10-14			3	37	87	169	173	152	90	31	11	915	
	15-19					10	76	106	90	52	21	3	453	
	20-24					22	90	130	138	89	22	9	500	
	25-29						18	80	101	76	20	3	298	
	30-34						3	48	99	66	20	4	240	
	35-39								24	48	6	3	81	
	40+									12	12	5	29	
	Totals	2	52	191	347	593	660	809	830	558	167	46	4,689	

		Monthly Salaries in Thousands - By Age Group - Males																							
		<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+	Totals											
Nearest Year of Service	0	\$	9	\$	22	\$	17	\$	47	\$	41	\$	65	\$	12	\$	36	\$	12	\$	1	\$	2	\$	262
	1		24	98	93	133	149	118	99	70	43	22	2	851											
	2		1	44	147	236	212	180	171	151	39	5	1,401												
	3-4		1	76	359	626	596	551	451	329	210	56	8	3,813											
	5-9			9	174	609	845	696	824	656	369	108	17	5,248											
	10-14				11	174	944	1,004	1,035	846	544	189	65	5,325											
	15-19					54	468	591	628	546	329	125	22	2,763											
	20-24					137	137	586	820	835	562	137	53	3,130											
	25-29						103	103	546	672	492	129	19	1,961											
	30-34						22	22	313	675	459	119	23	1,611											
	35-39								157	157	322	35	16	530											
	40+										73	28	28	187											
	Totals	2	162	811	1,755	2,403	3,442	3,916	4,899	4,973	3,467	999	253	27,082											



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Seattle City Employees' Retirement System
Actuarial Valuation

Active Lives

Table C-5 Distribution of Employees and Salaries as of January 1, 2011

Average Monthly Salaries - By Age Group - Males

Nearest Year of Service	Average Monthly Salaries - By Age Group - Males											Totals		
	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69		70+	
0	\$	\$ 3,000	\$ 3,667	\$ 5,667	\$ 4,273	\$ 6,833	\$ 6,500	\$ 3,000	\$ 4,500	\$ 6,000	\$ 1,000	\$	\$	4,852
1		2,000	3,769	4,429	5,783	5,731	4,917	5,500	5,385	4,300	11,000	2,000		4,835
2	1,000	3,667	4,455	5,364	5,658	4,930	6,000	5,516	5,393	3,900	2,500			5,151
3-4	1,000	3,619	4,274	5,174	5,623	5,670	5,740	6,178	5,672	5,676	5,600	4,000		5,401
5-9		2,250	4,462	5,033	5,314	5,845	5,568	5,644	5,513	5,591	5,400	3,400		5,438
10-14			3,667	4,703	5,897	5,827	5,941	5,983	5,566	6,044	6,097	5,909		5,820
15-19					5,400	6,158	6,221	5,925	6,067	6,327	5,952	7,333		6,099
20-24						6,227	6,511	6,308	6,051	6,315	6,227	5,889		6,260
25-29							5,722	6,825	6,653	6,474	6,450	6,333		6,581
30-34							7,333	6,521	6,818	6,955	5,950	5,750		6,713
35-39									6,542	6,708	5,833	5,333		6,543
40+										7,167	6,083	5,600		6,448
Totals	1,000	3,115	4,246	5,058	5,537	5,804	5,933	6,056	5,992	6,213	5,982	5,500		5,776



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Seattle City Employees' Retirement System
Actuarial Valuation

Active Lives

Table C-5 Distribution of Employees and Salaries as of January 1, 2011

Number of Employees - By Age Group - Females

Nearest Year of Service	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+	Totals
0		7	6	8	8	7	5	6	5	1		1	54
1	2	8	26	19	18	20	7	11	8	6	1	1	127
2	2	8	28	40	30	24	23	20	23	12			210
3-4	2	8	70	111	77	73	76	64	52	22	4	1	560
5-9		2	40	103	125	122	119	104	72	49	18	7	761
10-14			2	33	91	121	135	131	101	59	25	7	705
15-19				1	14	75	83	79	74	57	10	7	400
20-24						22	115	123	133	121	20	2	536
25-29							20	99	85	63	10	1	278
30-34							3	43	77	63	10	3	199
35-39								2	31	30	5	3	71
40+										4	5		9
Totals	6	33	172	315	363	464	586	682	661	487	108	33	3,910

Monthly Salaries in Thousands - By Age Group - Females

Nearest Year of Service	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+	Totals
0	\$	12 \$	23 \$	33 \$	39 \$	28 \$	29 \$	40 \$	20 \$	2 \$		\$	227
1	3	14	98	73	66	115	41	63	41	28	1	1	544
2	4	16	109	193	146	120	104	98	131	41			962
3-4	3	21	270	514	394	349	391	348	302	107	17	10	2,726
5-9		4	144	460	672	671	634	560	402	248	67	14	3,876
10-14			8	128	468	665	736	759	541	283	101	9	3,698
15-19				6	71	360	462	446	425	293	40	25	2,128
20-24						105	627	695	769	712	111	11	3,030
25-29							120	604	500	363	57	4	1,648
30-34							19	256	422	356	51	17	1,121
35-39								14	154	160	31	11	370
40+										22	22		44
Totals	10	67	652	1,407	1,856	2,413	3,163	3,883	3,707	2,615	498	103	20,374



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Seattle City Employees' Retirement System
Actuarial Valuation

Active Lives

Table C-5 Distribution of Employees and Salaries as of January 1, 2011

Average Monthly Salaries - By Age Group - Females

Nearest Year of Service	Average Monthly Salaries - By Age Group - Females													Totals
	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+	Totals	
0	\$ 1,500	\$ 1,714	\$ 3,833	\$ 4,125	\$ 4,875	\$ 4,000	\$ 5,800	\$ 6,667	\$ 4,000	\$ 2,000	\$ 1,000	\$ 1,000	\$ 4,204	
1	1,500	1,750	3,769	3,842	3,667	5,750	5,857	5,727	5,125	4,667	1,000	1,000	4,283	
2	2,000	2,000	3,893	4,825	4,867	5,000	4,522	4,900	5,696	3,417			4,581	
3-4	1,500	2,625	3,857	4,631	5,117	4,781	5,145	5,438	5,808	4,864	4,250	10,000	4,868	
5-9		2,000	3,600	4,466	5,376	5,500	5,328	5,385	5,583	5,061	3,722	2,000	5,093	
10-14			4,000	3,879	5,143	5,496	5,452	5,794	5,356	4,797	4,040	1,286	5,245	
15-19				6,000	5,071	4,800	5,566	5,646	5,743	5,140	4,000	3,571	5,320	
20-24						4,773	5,452	5,650	5,782	5,884	5,550	5,500	5,653	
25-29							6,000	6,101	5,882	5,762	5,700	4,000	5,928	
30-34							6,333	5,953	5,481	5,651	5,100	5,667	5,633	
35-39								7,000	4,968	5,333	6,200	3,667	5,211	
40+										5,500	4,400		4,889	
Totals	1,667	2,030	3,791	4,467	5,113	5,200	5,398	5,694	5,608	5,370	4,611	3,121	5,211	



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Seattle City Employees' Retirement System Special Actuarial Valuation

Appendix D Glossary



The following definitions are largely excerpts from a list adopted in 1981 by the major actuarial organizations in the United States. In some cases the definitions have been modified for specific applicability to the Seattle City Employees' Retirement System. Defined terms are capitalized throughout this Appendix.

Accrued Benefit

The amount of an individual's benefit (whether or not vested) as of a specific date, determined in accordance with the terms of a pension plan and based on compensation and service to that date.

Actuarial Accrued Liability

That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.

Actuarial Assumptions

Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disablement, and retirement; changes in compensation, rates of investment earnings, and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; and other relevant items.

Actuarial Cost Method

A procedure for determining the Actuarial Present Value of pension plan benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.

Actuarial Gain (Loss)

A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.

Actuarial Present Value

The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions.

Actuarial Valuation

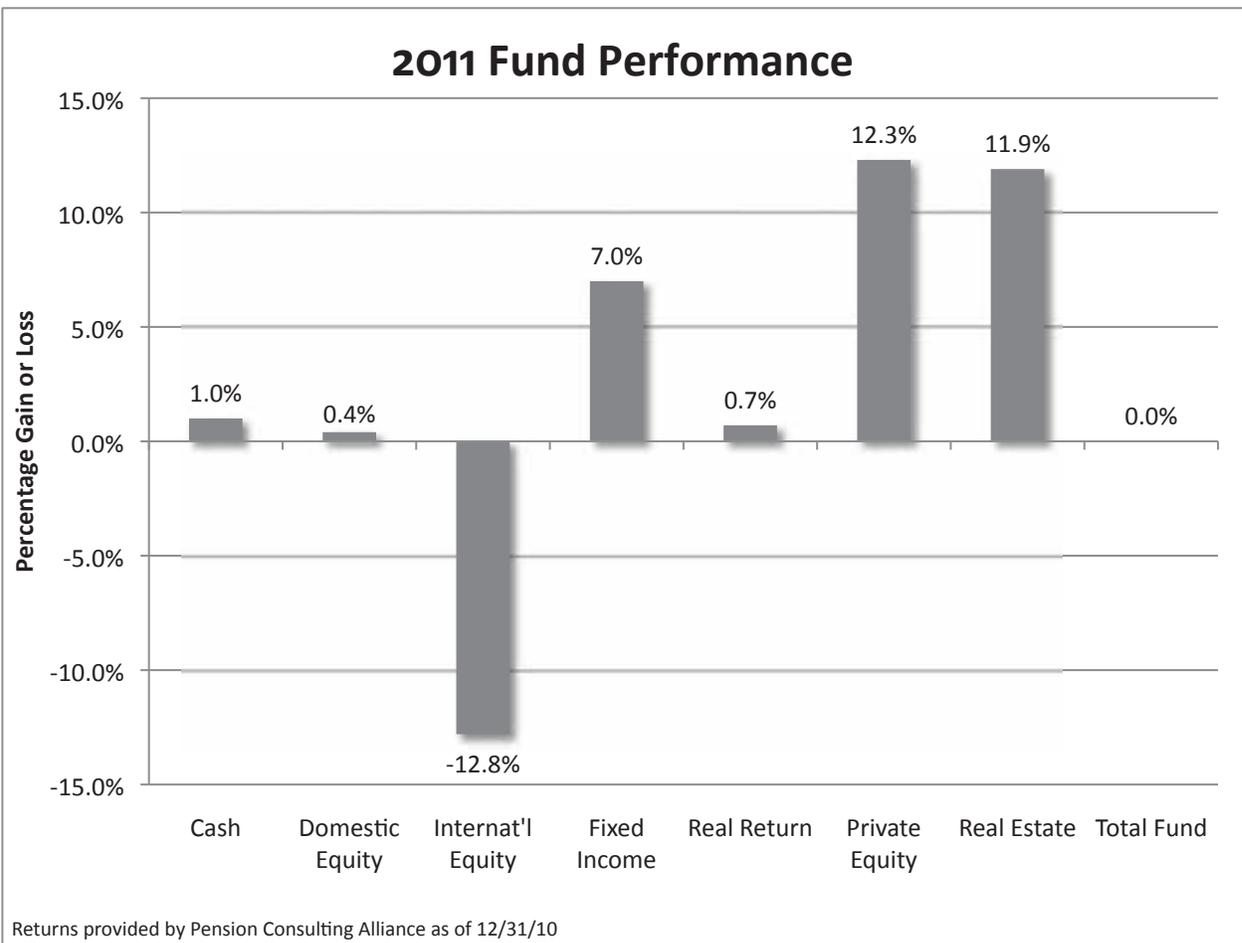
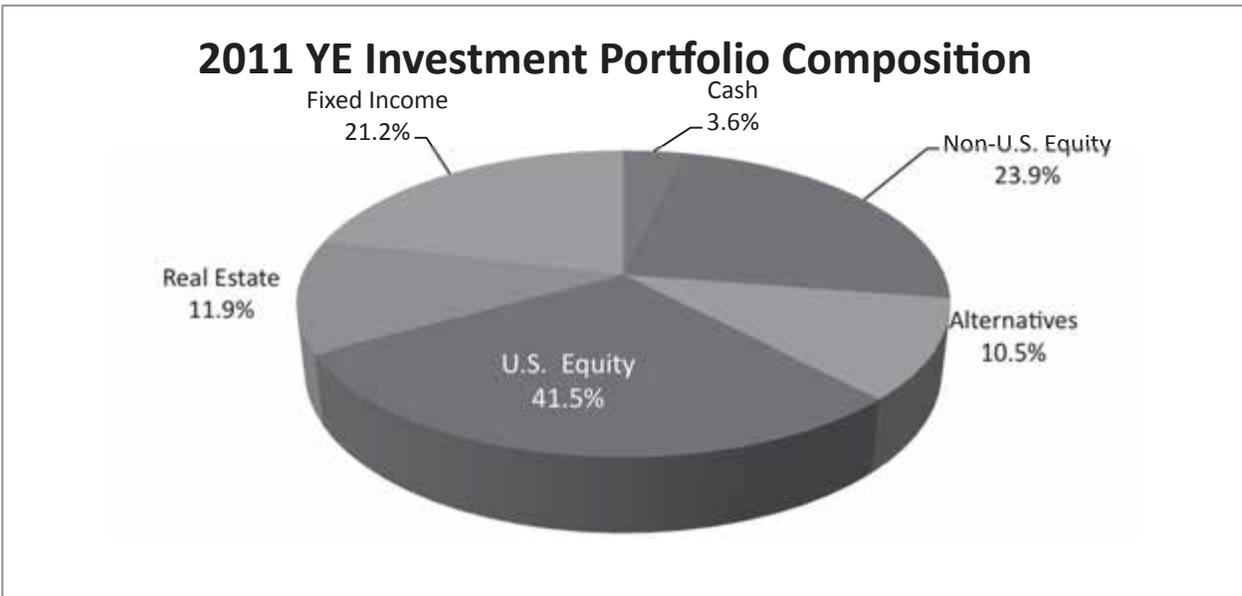
The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.

Actuarial Value of Assets

The value of cash, investments and other property belonging to a pension plan, as used by the actuary for the purpose of an Actuarial Valuation.

Actuarially Equivalent	Of equal Actuarial Present Value, determined as of a given date with each value based on the same set of Actuarial Assumptions.
Amortization Payment	That portion of the pension plan contribution that is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability or (UAAL).
Entry Age Actuarial Cost Method	A method under which the Actuarial Present Value of the Projected Benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion of this Actuarial Present Value not provided for at a valuation date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.
Normal Cost	That portion of the Actuarial Present Value of pension plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.
Projected Benefits	Those pension plan benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits.
Surplus Funding	The excess of the Actuarial Value of Assets over the Actuarial Accrued Liability.
Unaccrued Benefit	The excess of an individual's Projected Benefits over the Accrued Benefits as of a specified date.
Unfunded Actuarial Accrued Liability	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

STATISTICAL



**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF REVENUES BY SOURCE**

Employee Contribution % *	Employer Contribution % **	Fiscal Year	Member Contributions	Employer Contribution	Investment Income	Miscellaneous Income	Total
8.03	7.91	1980	\$ 9,166,162	\$ 10,470,335	\$ 16,284,473	\$ 846	\$ 35,921,816
8.03	8.54	1981	11,845,089	13,309,388	18,488,195	2,311	43,644,983
8.03	8.54	1982	12,465,220	14,790,039	21,106,414		48,361,673
8.03	8.54	1983	12,926,545	14,265,554	27,224,215	5,050	54,421,364
8.03	8.91	1984	14,076,607	15,961,211	30,543,443	67	60,581,328
8.03	8.91	1985	14,399,465	16,280,464	25,317,826		55,997,755
8.03	8.91	1986	15,164,105	16,758,439	33,081,706		65,004,250
8.03	8.91	1987	16,088,280	17,799,789	46,029,652	410	79,918,131
8.03	8.91	1988	16,701,142	18,521,365	36,397,481		71,619,988
8.03	8.91	1989	17,246,117	18,983,634	41,803,863	545	78,034,159
8.03	8.91	1990	20,405,149	21,810,612	27,725,284		69,941,045
8.03	8.91	1991	21,111,940	21,458,952	37,758,671		80,329,563
8.03	8.91	1992	21,564,881	25,117,924	41,792,730		88,475,535
8.03	8.91	1993	23,473,485	26,139,925	100,705,007	***	150,318,417
8.03	8.91	1994	24,764,862	26,704,211	3,670,356		55,139,429
8.03	8.91	1995	26,069,124	27,816,819	181,470,912		235,356,855
8.03	8.91	1996	25,835,147	28,372,760	118,399,056		172,606,963
8.03	8.91	1997	25,571,634	28,310,353	143,719,597		197,601,584
8.03	8.91	1998	27,311,815	30,554,650	168,477,507		226,343,972
8.03	8.03	1999	29,201,844	29,898,474	240,904,299		300,004,617
8.03	8.03	2000	30,962,052	30,956,217	(79,832,672)		(17,914,403)
8.03	8.03	2001	32,602,859	32,667,381	(93,021,798)		(27,751,558)
8.03	8.03	2002	39,388,249	36,599,830	(116,907,340)		(40,919,261)
8.03	8.03	2003	36,243,490	34,200,693	296,239,050		366,683,233
8.03	8.03	2004	37,192,591	36,819,271	177,211,711		251,223,573
8.03	8.03	2005	35,962,449	35,897,345	139,866,897		211,726,691
8.03	8.03	2006	38,228,475	38,077,976	251,934,917		328,241,368
8.03	8.03	2007	40,533,554	40,299,506	149,708,740		230,541,800
8.03	8.03	2008	45,986,139	45,961,040	(612,803,880)		(520,856,701)
8.03	8.03	2009	46,613,886	46,650,169	198,417,995		291,682,050
8.03	8.03	2010	45,364,624	45,224,787	213,082,710		303,655,168
9.03	9.03	2011	50,415,119	50,301,263	4,616,850		105,333,232

* Employee Contributions reflected above are representative for the overall majority of active members. There are a small percentage of active members whose employee contribution rate is "grandfathered" at a slightly lower rate.

** Employer Contributions reflected as a percentage of covered payroll.

*** Beginning with 1993, the investment income reflects unrealized gains (losses) required by GASB 25.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EXPENSES BY TYPE**

Year	Benefits	Refunds	Administrative & Investment	Total
1980	\$ 17,584,611	\$ 1,786,654	\$ 331,600	\$ 19,702,865
1981	19,114,992	2,074,078	419,568	21,608,638
1982	21,358,214	2,151,528	458,261	23,968,003
1983	23,029,611	2,086,102	538,059	25,653,772
1984	25,175,469	3,366,999	737,445	29,279,913
1985	27,090,615	2,753,418	1,076,324	30,920,357
1986	28,777,844	3,212,415	1,340,874	33,331,133
1987	30,499,027	3,141,868	1,494,189	35,135,084
1988	32,093,902	3,293,088	1,408,946	36,795,936
1989	34,121,917	3,257,432	1,538,544	38,917,893
1990	36,431,265	3,592,483	1,636,911	41,660,659
1991	37,862,028	3,731,762	1,870,922	43,464,712
1992	38,884,790	3,585,672	2,109,340	44,579,802
1993	40,131,325	2,944,003	2,525,620	45,600,948
1994	42,420,358	3,412,882	2,639,538	48,472,778
1995	44,352,180	3,874,980	7,217,337	55,444,497
1996	46,257,605	3,888,043	7,989,200	58,134,848
1997	50,349,474	5,463,464	11,875,158	67,688,096
1998	56,247,811	7,502,444	12,145,939	75,896,194
1999	58,704,086	9,730,803	10,447,151	78,882,040
2000	62,844,355	11,641,902	10,634,557	85,120,814
2001	65,553,605	8,785,879	7,293,821	81,633,305
2002	68,825,558	12,019,852	7,250,214	88,095,624
2003	73,559,728	13,218,137	7,081,030	93,858,895
2004	77,289,288	9,791,692	7,188,848	94,269,828
2005	82,268,449	10,385,215	11,773,914	104,427,578
2006	87,583,509	10,553,067	10,715,425	108,852,001
2007	98,391,533	11,525,660	12,380,123	122,297,316
2008	102,703,230	10,223,415	8,188,287	121,114,932
2009	108,138,820	9,742,692	5,929,667	123,811,179
2010	113,650,795	14,714,999	7,834,508	136,200,302
2011	124,061,630	16,677,022	10,931,745	151,670,397

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
BENEFIT EXPENSE BY TYPE
Twenty Years Ending December 31, 2011

Year	Age & Service Retirants	Benefits Survivors	Disability Retirants Benefits	Death Benefit	Refunds	Total
1992	34,273,859	3,368,285	626,647	346,000	3,585,672	42,470,463
1993	35,288,173	3,864,495	632,657	346,000	2,944,033	43,075,328
1994	37,177,394	4,240,343	654,621	348,000	3,412,882	45,833,240
1995	38,909,838	4,469,103	645,239	328,000	3,874,980	48,227,160
1996	40,783,384	4,530,161	618,060	326,000	3,888,043	50,145,648
1997	44,350,246	4,996,325	612,903	390,000	5,463,464	55,812,938
1998	48,684,577	6,500,622	714,624	347,988	7,502,444	63,750,255
1999	50,902,672	6,821,887	698,527	281,000	9,730,803	68,434,889
2000	54,518,311	7,260,855	714,799	350,390	11,641,902	74,486,257
2001	57,122,024	7,486,988	672,593	272,000	8,785,879	74,339,484
2002	59,991,882	7,821,555	686,121	326,000	12,019,852	80,845,410
2003	64,301,813	8,215,109	714,806	328,000	13,218,137	86,777,865
2004	67,794,624	8,486,860	711,804	296,000	9,791,692	87,080,980
2005	72,390,702	8,754,471	785,276	338,000	10,351,215	92,653,664
2006	77,320,260	9,180,292	814,957	268,000	10,553,067	98,136,576
2007	87,019,040	10,230,265	864,228	278,000	11,525,660	109,917,193
2008	91,265,085	10,282,919	885,227	270,000	10,223,415	112,926,645
2009	95,951,625	11,022,403	886,684	278,108	9,742,692	117,881,512
2010	101,965,821	10,526,966	918,009	240,000	14,714,999	128,365,795
2011	112,072,113	10,804,171	919,345	266,000	16,677,022	140,738,651

REVENUE RATIOS BY SOURCE
1973 Through 2011

Year	Member Contributions %	Employer Contributions %	Investment Income %	Total Revenue %	
1973	26	32	42	100	
1974	26	31	43	100	
1975	26	31	43	100	
1976	26	31	43	100	
1977	25	29	46	100	
1978	25	29	46	100	
1979	27	30	43	100	
1980	26	29	45	100	
1981	27	31	42	100	
1982	25	31	44	100	
1983	24	26	50	100	
1984	23	26	51	100	
1985	26	29	45	100	
1986	24	26	50	100	
1987	20	22	58	100	
1988	23	26	51	100	
1989	22	24	54	100	
1990	29	31	40	100	
1991	26	27	47	100	
1992	25	28	47	100	
1993	*	16	17	67	100
1994	*	45	48	7	100
1995	**	11	12	77	100
1996	**	15	16	69	100
1997		13	14	73	100
1998		12	14	74	100
1999		10	10	80	100
2000			<i>Net Loss</i>		
2001			<i>Net Loss</i>		
2002			<i>Net Loss</i>		
2003	10	9	81	100	
2004	15	15	70	100	
2005	17	17	66	100	
2006	12	12	76	100	
2007	18	18	64	100	
2008			<i>Net Loss</i>		
2009	16	16	68	100	
2010	15	15	70	100	
2011			<i>Net Loss</i>	100	

* Beginning with 1993, the investment income reflects unrealized gains (losses) required by GASB 25.

** Beginning with 1996 (and 1995 has been restated) investment income includes the gross income from Securities Lending as required by GASB 28.

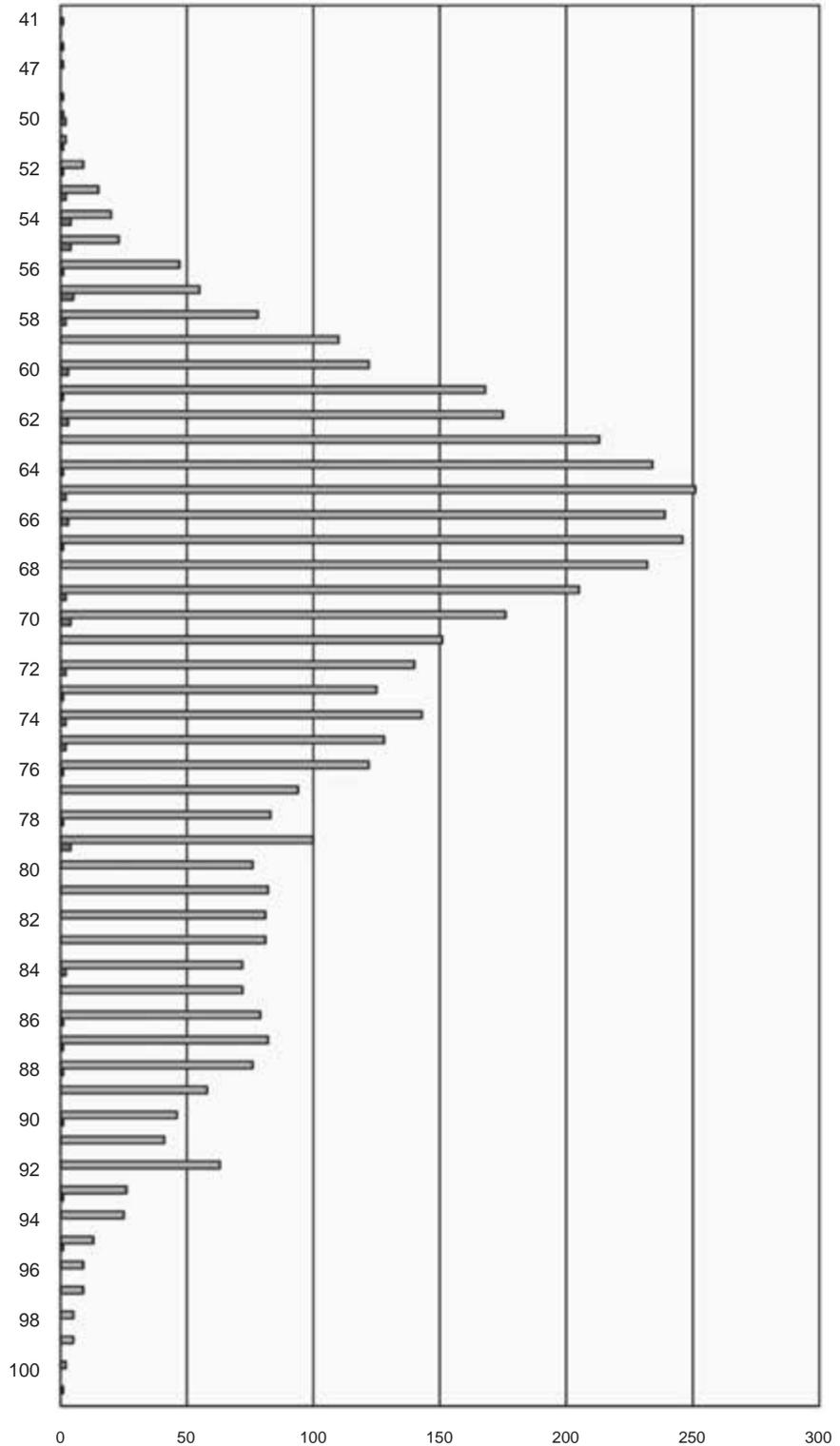
SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RESULTS
Ten Years Ending December 31, 2011

Year	Investment Income *	Investments Market Value	Securities Lending Collateral	Return on Market Value
2002	(116,907,340)	1,245,668,385	133,817,297	(8.4)%
2003	296,239,050	1,517,907,621	148,226,605	23.6%
2004	177,211,711	1,664,178,577	239,087,447	11.5%
2005	139,866,897	1,777,219,827	122,862,720	8.1%
2006	251,934,917	1,986,714,717	145,097,240	13.9%
2007	149,708,740	2,106,345,982	103,323,467	7.3%
2008	(612,803,880)	1,467,556,416	69,838,616	(26.8)%
2009	198,417,995	1,635,993,047	36,491,886	10.8%
2010	216,839,059	1,809,331,365	33,896,148	13.2%
2011	(8,233,150)	1,750,742,911	3,489,721	(0.0)%

* Investment Income includes market gains and losses, and gross income from Securities Lending.

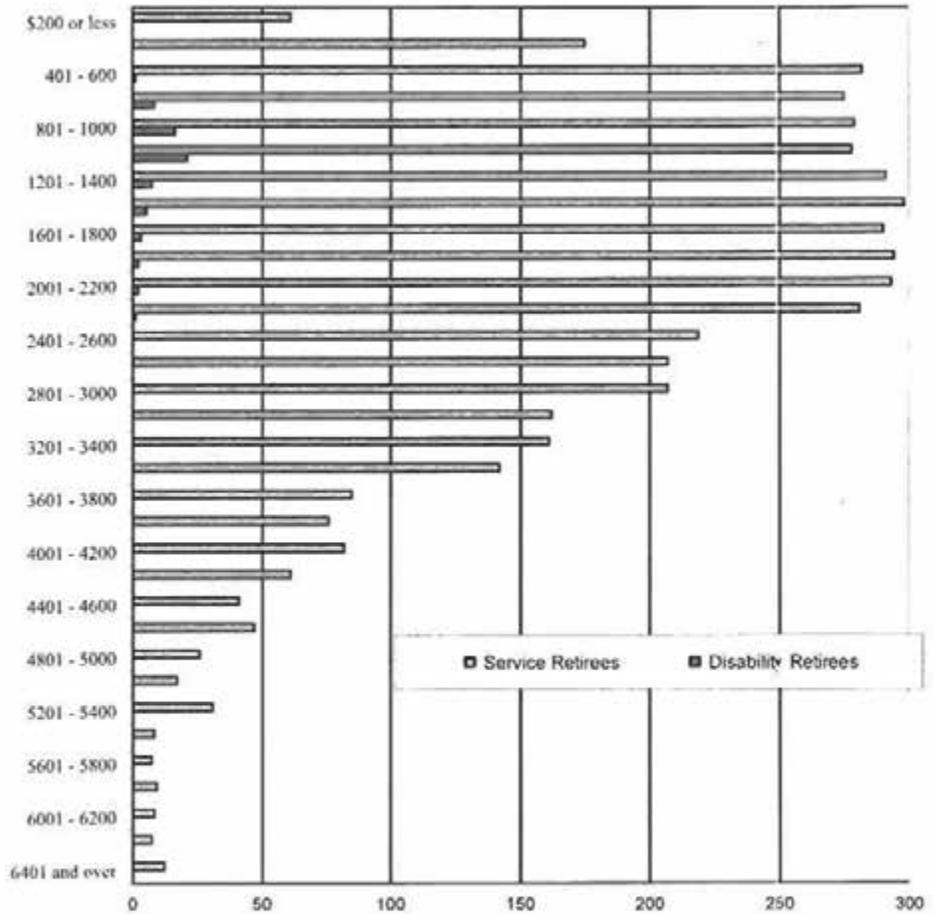
SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM SERVICE AND DISABILITY PENSIONERS BY AGE As of December 31, 2011

Age	Service	Disability
41		1
43		1
47	1	
48		1
50	1	2
51	2	1
52	9	1
53	15	2
54	20	4
55	23	4
56	47	1
57	55	5
58	78	2
59	110	
60	122	3
61	168	1
62	175	3
63	213	
64	234	1
65	251	2
66	239	3
67	246	1
68	232	
69	205	2
70	176	4
71	151	
72	140	2
73	125	1
74	143	2
75	128	2
76	122	1
77	94	
78	83	1
79	100	4
80	76	
81	82	
82	81	
83	81	
84	72	2
85	72	
86	79	1
87	82	1
88	76	1
89	58	
90	46	1
91	41	
92	63	
93	26	1
94	25	
95	13	1
96	9	
97	9	
98	5	
99	5	
100	2	
101	1	
	4712	66



SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM RETIREMENT ALLOWANCE DISTRIBUTION As of December 31, 2011

\$	\$	Service	Disability
200	or less	61	
201	- 400	175	
401	- 600	282	1
601	- 800	275	8
801	- 1000	279	16
1001	- 1200	278	21
1201	- 1400	291	7
1401	- 1600	298	5
1601	- 1800	290	3
1801	- 2000	294	2
2001	- 2200	293	2
2201	- 2400	281	1
2401	- 2600	219	
2601	- 2800	207	
2801	- 3000	207	
3001	- 3200	162	
3201	- 3400	161	
3401	- 3600	142	
3601	- 3800	85	
3801	- 4000	76	
4001	- 4200	82	
4201	- 4400	61	
4401	- 4600	41	
4601	- 4800	47	
4801	- 5000	26	
5001	- 5200	17	
5201	- 5400	31	
5401	- 5600	8	
5601	- 5800	7	
5801	- 6000	9	
6001	- 6200	8	
6201	- 6400	7	
over	6401	12	
		4,712	66



SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
ACTIVE MEMBERSHIP EXPERIENCE
For the Last Thirty Years

Year	Members at End of Period	New Members During Period	Withdrawals During Period	Re-entering & Re-depositing	Deaths During Period	Pensions Granted During Period
1982	6,972	555	439	73	14	240
1983	6,870	471	363	50	13	247
1984	6,710	531	522	57	16	210
1985	6,946	628	244	72	11	209
1986	7,020	570	382	77	11	180
1987	7,196	622	312	72	16	190
1988	7,252	542	361	45	10	160
1989	7,544	672	251	51	12	168
1990	7,813	872	454	45	12	182
1991	8,037	681	354	43	13	133
1992	8,171	463	220	32	17	124
1993	8,317	537	279	39	15	136
1994	8,553	512	201	133	16	192
1995	8,741	477	284	136	12	153
1996	8,584	339	270	13	12	227
1997	8,572	435	287	36	18	178
1998	8,743	557	236	29	9	170
1999	9,576	1,289	238	14	17	215
2000	9,836	876	393	17	13	227
2001	10,111	706	241	25	18	197
2002	9,737	426	503	16	12	301
2003	9,964	628	202	5	14	190
2004	10,222	636	123	4	8	251
2005	10,387	635	212	3	11	247
2006	10,493	710	325	15	16	278
2007	10,892	948	292	37	8	286
2008	10,831	833	340	83	9	187
2009	11,077	347	313	122	16	221
2010	10,597	273	397	17	15	355
2011	10,477	317	239	16	12	321

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
COMPARATIVE STATEMENT OF EXPERIENCE OF SERVICE AND DISABILITY RETIREMENT PAYROLLS**
From Inception in 1929, Through 2011
Figures Quoted as of the End of Each Fiscal Period

	Number Retired		Number Deceased		Pensions Discontinued		Benefit Cont' to Beneficiary Service		Number on Payroll at End of Period		
	Service	Disability	Service	Disability	Service	Disability	Service	Disability	Service	Disability	
1929 - 1977 Inclusive	5,306	895	2,783	565	3	262	419	84	6,586	1,466	717
December 31, 1978	246	13	87	14		24	29		2,726	556	245
December 31, 1979	237	10	112	17		12	35		2,851	586	238
December 31, 1980	220	8	101	13		19	35		2,970	616	233
December 31, 1981	223	7	94	15		25	33		3,099	631	225
December 31, 1982	254	5	120	23		38	41		3,233	646	207
December 31, 1983	248	5	137	10		29	55		3,344	684	202
December 31, 1984	206	4	135	14		28	51		3,415	716	192
December 31, 1985	202	4	115	18		19	48	1	3,505	743	183
December 31, 1986	175	4	140	9		13	20		3,540	760	178
December 31, 1987	184	7	132	16		6	16		3,592	776	169
December 31, 1988	158	3	120	9		25	37		3,627	790	163
December 31, 1989	163	5	141	12		5	43		3,660	780	154
December 31, 1990	181	1	128	16		7	44		3,695	827	140
December 31, 1991	129	4	158	12		31	70		3,665	866	132
December 31, 1992	121	3	161	4		32	50		3,625	884	131
December 31, 1993	133	3	157	6		42	45		3,601	894	127
December 31, 1994	181	1	159	10		53	55		3,608	922	117
December 31, 1995	148	2	162	5		54	38		3,591	914	114
December 31, 1996	225	3	173	8		44	49		3,659	907	106
December 31, 1997	170	1	186	9		75	69		3,622	931	98
December 31, 1998	166	2	170	9	1	45	51		3,614	942	91
December 31, 1999	208	2	167	5		67	51		3,662	931	88
December 31, 2000	222	4	142	4		46	43		3,699	933	84
December 31, 2001	192	4	152	8		53	33		3,733	924	76
December 31, 2002	290	5	170	5		49	48		3,836	945	77
December 31, 2003	189	6	163	5		67	57		3,858	945	73
December 31, 2004	243	2	172	6		61	39		3,924	930	73
December 31, 2005	235	6	164	3		66	70		3,993	942	76
December 31, 2006	270	6	151	6		72	33		4,113	908	72
December 31, 2007	277	6	155	2		70	59		4,231	897	72
December 31, 2008	192	5	158	2		72	51		4,295	875	77
December 31, 2009	221	16	144	4		60	47		4,345	885	75
December 31, 2010	355	5	159	0		68	41		4,546	808	74
December 31, 2011	321	4	136	2		76	50		4,712	802	66
									2011 Grand Total		5,580

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
EXPERIENCE IN MISCELLANEOUS AVERAGES
For the Last Thirty Years**

	AVERAGE SERVICE RETIREMENT ALLOWANCE	AVERAGE AGE OF SERVICE PENSIONERS	AVERAGE DISABILITY RETIREMENT ALLOWANCE	AVERAGE AGE OF DISABILITY PENSIONERS	ACTIVE MEMBERS DECEASED	
					# OF DEATHS	AVERAGE AGE
1982	\$ 468.28	70.07	\$ 269.71	65.64	14	48.54
1983	501.76	70.18	272.98	66.55	13	52.54
1984	530.44	69.97	281.36	66.29	16	51.28
1985	556.72	70.26	290.71	66.22	11	53.66
1986	582.18	70.57	296.27	66.70	11	48.18
1987	608.43	70.80	314.43	66.60	16	49.13
1988	655.62	70.02	357.61	66.40	14	49.93
1989	664.36	71.45	343.74	66.53	12	49.17
1990	697.54	71.72	352.75	65.88	12	47.67
1991	757.07	72.19	378.41	66.61	13	57.77
1992	749.31	72.44	366.23	66.30	17	50.94
1993	775.72	73.42	394.13	67.80	15	53.00
1994	811.55	73.28	407.60	67.52	16	55.00
1995	850.50	73.45	431.19	67.78	12	53.67
1996	904.11	73.43	423.86	68.88	12	44.92
1997	961.30	73.29	448.15	68.12	18	54.72
1998 *	1,063.66	73.30	594.09	68.13	9	56.11
1999	1,114.34	73.10	609.19	68.25	17	55.24
2000	1,167.60	72.88	622.66	68.69	13	50.77
2001	1,222.42	72.70	654.53	67.84	18	51.39
2002	1,289.77	72.16	703.83	67.25	12	54.33
2003	1,338.49	72.14	734.85	66.78	14	53.14
2004	1,404.86	71.93	788.94	65.40	8	50.62
2005	1,477.58	71.78	827.46	65.15	11	53.18
2006	1,552.57	71.53	877.96	64.75	16	51.94
2007	1,768.13	71.42	1,010.15	65.53	8	53.13
2008	1,822.44	71.92	1,038.93	65.49	9	52.33
2009	1,873.39	71.51	1,077.33	64.15	16	58.00
2010	1,965.36	71.32	1,110.10	65.84	15	55.73
2011	2043.56	71.29	1144.88	65.61	12	54.00

* Beginning in 1998 the average retirement allowance numbers include the monthly COLA amounts.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF AVERAGE BENEFIT PAYMENTS**

Retirement Effective Dates	Years Credited Service					
	<u>0-10</u>	<u>11-15</u>	<u>16-20</u>	<u>21-25</u>	<u>26-30</u>	<u>31+</u>
<u>Jan. 1, 2002 to Dec. 31, 2011</u>						
Period 1/1/02 to 12/31/02						
Average Monthly Benefit	\$ 503.66	1,054.23	1,254.66	1,925.74	2,458.67	2,616.86
Average Final Salary	\$ 4,404.61	4,203.54	3,773.37	4,571.61	4,653.62	4,919.14
Number of Active Retirees	40	31	34	58	96	42
Period 1/1/03 to 12/31/03						
Average Monthly Benefit	\$ 496.91	1,034.44	1,432.09	1,744.45	2,579.91	2,628.56
Average Final Salary	\$ 3,782.43	4,261.52	4,669.55	4,653.31	4,901.87	4,953.21
Number of Active Retirees	32	23	22	41	39	39
Period 1/1/04 to 12/31/04						
Average Monthly Benefit	\$ 613.97	1,056.92	1,449.54	1,773.54	2,480.00	2,812.38
Average Final Salary	\$ 4,393.80	4,349.56	4,737.24	4,405.97	5,210.92	5,259.10
Number of Active Retirees	27	21	39	46	76	42
Period 1/1/05 to 12/31/05						
Average Monthly Benefit	\$ 674.26	1,137.59	1,706.94	2,270.53	2,653.34	2,807.79
Average Final Salary	\$ 4,928.96	4,733.59	4,915.39	5,423.36	5,164.89	4,973.41
Number of Active Retirees	30	27	33	55	65	37
Period 1/1/06 to 12/31/06						
Average Monthly Benefit	\$ 656.56	1,124.37	1,662.58	2,196.45	2,831.74	3,053.19
Average Final Salary	\$ 4,902.33	4,671.23	4,823.60	5,170.19	5,313.48	5,472.54
Number of Active Retirees	37	42	38	50	55	56
Period 1/1/07 to 12/31/07						
Average Monthly Benefit	\$ 658.92	1,406.25	1,650.87	2,132.89	2,814.90	3,129.50
Average Final Salary	\$ 5,017.90	5,992.08	4,865.08	5,096.68	5,414.43	5,412.96
Number of Active Retirees	53	36	37	54	61	44

Retirement Effective Dates	Years Credited Service					
	<u>0-10</u>	<u>11-15</u>	<u>16-20</u>	<u>21-25</u>	<u>26-30</u>	<u>31 +</u>
Jan. 1, 2002 to Dec. 31, 2011						
Period 1/1/08 to 12/31/08						
Average Monthly Benefit	\$ 693.96	1,307.50	1,683.04	2,237.23	3,032.86	3,467.66
Average Final Salary	\$ 5,616.72	5,133.11	5,029.50	5,470.66	5,896.14	5,682.79
Number of Active Retirees	25	18	20	37	41	46
Period 1/1/09 to 12/31/09						
Average Monthly Benefit	\$ 725.01	1,200.14	1,633.91	2,191.40	2,895.97	3,517.60
Average Final Salary	\$ 6,221.46	5,346.25	5,391.47	5,637.85	5,937.71	6,298.57
Number of Active Retirees	35	36	26	34	33	57
Period 1/1/10 to 12/31/10						
Average Monthly Benefit	\$ 743.52	1,230.93	1,819.18	2,553.58	3,152.03	3,738.60
Average Final Salary	\$ 4,657.13	5,098.76	5,424.67	6,829.01	6,418.87	6,161.06
Number of Active Retirees	35	32	59	57	90	82
Period 1/1/11 to 12/31/11						
Average Monthly Benefit	\$ 770.06	1387.07	1986.83	2439.29	3370.92	3912.57
Average Final Salary	\$ 5937.02	5547.89	6190.33	6320.57	6492.13	6399.97
Number of Active Retirees	41	39	31	64	58	90
Period 1/1/02 to 12/31/11						
Average Monthly Benefit	\$ 653.68	1193.94	1627.96	2146.51	2827.03	3168.47
Average Final Salary	\$ 4986.24	4933.75	4982.02	5357.92	5540.41	5553.28
Average Number of Retirees	36	31	34	50	61	54

**NEW MEMBERS IN THE RETIREMENT SYSTEM IN 2011
BY DEPARTMENT**

DEPARTMENT NAME	COUNT
Arts and Cultural Affairs	1
City Employees Retirement	4
City Light	100
Construction and Land Use	7
Dept of Executive Admin	1
Dept of Finance & Admn Svc	13
Executive	4
Fire	1
Human Services	15
Information Technology	5
Law Department	10
Legislative	3
Municipal Court	9
Neighborhoods	1
Parks	25
Personnel	6
Police	25
Seattle Center	21
Seattle Dept of Transportation	10
Seattle Public Library	24
Water Department	32
Total	317

**RETURNING MEMBERS IN THE RETIREMENT SYSTEM IN 2011
BY DEPARTMENT**

REDEPOSITING	#
Police	1
SDOT	1
SCL	3
Human Services	2
Total	7
RE-ENTERING	#
Library	2
Parks and Recreation	3
SCL	2
Legislative	1
SPU	1
Total	9

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
SERVICE RETIREMENTS GRANTED IN 2011**

Retiree	Dept Name	Position	Yrs	Days	Age
Abbey,Pamela	Vested	Vested	6	6	64
Abelsen,Winfield C	SDOT	Landscape Supv	34	136	58
Alexander,Fay M	SDOT	Sr Real Property Agent	25	227	62
Allen,Donald P	Parks	Grounds Maint CC	29	349	67
Alvarez,Fidel	SDOT	Tranp Plnr,Assoc	22	291	66
Ancich,Martin P	DCLU	Strucl Plans Engr Sr	13	37	65
Anderson,Alene A	Vested	Vested	7	354	62
Anderson,C Eric	Human Services	Executive 1	28	203	59
Anderson,Gary A	Police	Pol Comms Dispatch,Chief	23	5	66
Angeles,Ranesto	Neighborhoods	Ngrbrhd Dist Coord	31	137	61
Argudo,Luis A	City Light	Strucl Iron Wkr	23	231	62
Atkins,Paralee I	City Light	Cable Spl-Jrnywkr	26	110	55
Ayengar,Gopal K N	City Light	Electrical Engineer, Assoc	32	29	71
Backmon,James E	DCLU	Housing/Zoning Inspector	26	182	67
Bagocki,Joseph M	City Light	Line CC	32	162	60
Baker,Ernest D	Finance	Mech Engr Sr	8	75	62
Baker,Thomas M	Fleets & Facilities	Auto Mechanic	6	13	62
Barrett,Paula A	Vested	Vested	20	42	61
Beckwith,Carolyn J	Vested	Vested	25	57	52
Bell Jr,Robert L	SDOT	Constr&Maint Equip Op	23	162	64
Bell,Joe C	SDOT	Executive 2	12	344	64
Bell,Karen L	Neighborhoods	Admin Spec 1-BU	17	78	57
Bennett,Sharon J	Vested	Vested	15	129	57
Berglund,Robert F	Police	Systs Anlyst	38	119	64
Binion Jr,Milton	Municipal Courts	Muni Court Marshal	13	186	63
Bjorkman,Jane M	K.C. Health		37	174	58
Blake,Pamela J	Parks	Admin Spec I-BU	11	321	66
Blaser,Philip F	SPU	Util Act Rep Supv 1	27	47	60
Boehm,William D	Vested	Vested	5	64	65
Bonamy,Lance R	City Light	Maint Laborer	23	260	52
Borgstom,Sue C	K.C. Health	Public Health Nurse	21	322	65
Bottom,B Gregory	Police	Info Technol Prof B	12	15	62
Bradley,Sharon	Seattle Center	Parking Attendant	5	89	62
Briggs,Jerrold D	Finance	Shop Ops Supv	30	2	60
Brom,Evelyn	Vested	Vested	5	280	58
Brown, Keith A	SPU	Manager 1, Utils	30	319	55
Brown,Judy L	Neighborhoods	Fin Anlyst Asst	29	188	66
Burke, Edith M	Police	Admin Staff Asst	20	26	62
Busch,Nina	Parks	Laborer	32	346	61
Bushnell,Donald L	City Light	Hydroelec Maint Mech	29	99	62
Butler,Eddie	City Light	Mach Spec	47	350	72
Butterworth,Gerald K	SPU	Carpenter Sr	29	288	60
Cannon,Linda S	Legislative	Executive 2	35	361	65
Carr,Richard D	Police	Equip & Fac Coord	10	72	69
Carson,Katherine L	K.C. Health	Regional Health Adminstr	39	79	64
Carter,Myrtre F	Finance	Personnel Spec Sr	21	194	66

Retiree	Dept Name	Position	Yrs	Days	Age
Cerezo,Ester	SPU	Acctg Tech II	32	224	72
Chapman,Mike D	Parks	Maint Laborer	24	89	57
Chen,James Cheng-Hsiung	DCLU	Permit Process Leader	27	59	66
Chesterman,Paul W	SPU	Civil Engr Spec Sr	33	182	51
Chow,Selina H	Human Services	Manager III	30	209	62
Christensen,Keith R	City Light	Meter Electrician	26	54	61
Church-Nicholson,Sharonlee	Personnel	Personnel Anlyst Sr	21	346	67
Clack,Charles E	City Light	Mat Suplr,Elect-Asg Equip Cust	36	49	70
Conover,James R	Parks	Painter	19	242	66
Crawford,Cheryl	City Light	Executive 2	26	230	58
Cuplin,Robert L	Vested	Vested	12	223	57
Dahl,Janice	Personnel	Manager 2 General Gov	16	145	63
Dalton,Virginia T	Finance	Manager I	20	224	55
Damo,Narciso A	Finance	Accountant	27	20	79
Daves,Susan L	Fire	Strat Advsr2	12	165	63
Davis,Walter L	City Light	Civil Engr Supv	26	57	59
De Laittre,Judith L	K.C. Health	Health Program Asst 1	40	355	64
Del Donno,Elizabeth	SPU	Util Act Rep Supv II	31	321	57
Dela Cruz,Sylvia C	City Light	Actg Tech II-BU	35	241	67
Dixon,Patricia L	SPU	Util Act Rep I	20	3	59
Doane,Toni S	Vested	Vested	2	91	62
Drouillard,Linda L	Library	Mobile Services	24	37	65
Dunlap,Julie R	City Light	Elec Svr Rep	21	22	59
Dunn,Bob P	Parks	Rec Attendant	5	1	65
Dunn,Elaine M	Parks	Rec Attendant	16	116	64
Easton,Brud E	City Light	Economist Prin	34	286	69
Ebenal,Joan L	Human Services	Grants & Contracts Spec Sr	30	254	63
Edrada,Oesterico H	Vested	Vested	12	269	62
Elmore, Willma E	K.C. Health	Chief of Nursing Services	30	118	62
Empenger,Daniel H	Vested	Vested	3	61	58
Eng,Rodney S	Law	City Attorney, Asst	30	194	58
Engstrom,Carlene S	Vested	Vested	7	315	65
Erickson,Kenneth A	SPU	Act Exec	27	21	60
Esterberg,Ela Frank	City Light	Envrmtl Anlyst,Sr	17	105	65
Evans,Barbara J	Human Services	Program Intake Rep	21	142	68
Farrar, Gerald A	City Light	Struct Pntr	28	13	67
Firth,Barry T	Parks	Parks Concss Coord	10	258	64
Fleming,Theresa M	City Light	Info Tech Prof B	17	173	57
Franklin,David T	DCLU	Elevator Inspector,Chief	10	102	65
Freeman,Barbara	SPU	Info Tech Prof C-BU	13	11	59
Fregien,Clifford Jerome	SPU	Opns Response Center Op	16	289	70
Fuller,Gregory D	Law	Asst City Attorney	11	37	64
Funk,Curtis C	Personnel	Personnel Anlyst,Sr-Comp	30	208	65
Gabay,Julita F	Police	Actg Tech III-BU	28	163	63
Gamet,Lester L	SDOT	Civil Engrng Spec Assoc	28	86	63
Gates,Sara J	SPU	Info Tech Prof B-BU	20	110	63
Gee,Warner K K	SPU	Civil Engr Sr	30	158	61
Germann,Michael R	Police	Manager 3	18	73	68
Getchman,Geoffrey H	Police	Transp Plnr,Assoc	5	327	64
Gibson,Gary R	DoIT	Executive 2	9	2	68

Retiree	Dept Name	Position	Yrs	Days	Age
Gilbertson,Gale W	Parks	Drainage&Wstwtr Coll CC	25	188	62
Givler,Lynne A	Parks	Vested	16	261	57
Gordon,Margaret A	Fleets & Facilities	Executive 3	36	10	62
Granquist,Carl A	Vested	Vested	20	2	60
Griffin,Carolyn	Vested	Vested	3	219	65
Griffin,Michael P	DCLU	Housing/Zoning Inspector	20	182	66
Grob,Karyn A	City Light	Manager 3, Info Tech-BU	24	246	63
Grosso,William A	SDOT	Street Maint CC	30	136	64
Grubbs,Elizabeth J	SDOT	Truck Driver	24	329	52
Guyott,Robert J	City Light	Elctn-Con-Wkg CC	41	62	64
Haferkamp,Donald	City Light	Structural Iron Worker	31	324	65
Hall,Shirley C	City Light	Actg Tech II-BU	35	238	82
Hamberg,David J	City Light	Electn-Con	30	357	61
Hamilton,Darlene E	Library	Librarian Sr	40	12	67
Hamlin,Christopher M	Municipal Courts	Marshal	5	83	63
Hammerschmidt, Vera J	Vested		18	348	66
Hancock,E L	SPU	Civil Engr Assoc	16	347	70
Haney,Peter J	Fire	Actg Tech II-BU	30	218	66
Harig,Kathleen S	Neighborhoods	Cust Svc Rep	35	254	64
Harris,Keith A	Vested	Vested	7	216	67
Harrison,Laraine M	Police	Admin Spec I - BU	11	1	67
Hartley,Grace E	Vested	Vested	5	135	62
Hatfield,Suzanne M	Law	Manager 1, Exempt	14	171	60
Haviland,Richard E	Vested	Vested	5	211	71
Hay,Anna V	Vested	Vested	8	248	63
Haynes,Joan K	K.C. Health	Div Direct Com	21	181	65
Heiden,Cynthia E	Library	Bookmobile Driver	22	52	60
Henriksen,James M	Human Services	Envir. Health Supervisor	40	364	67
High,Jana J	City Light	Warehouser,Sr	31	50	52
Hill,Mamie D	Vested	Vested	5	0	75
Hillman,Nancy L	SPU	Acct Tech II-BU	24	129	60
Hodge,Iris A	City Light	Elect Workload Supv	10	356	63
Hoff,Patricia L	Library	Library Assoc I	25	68	72
Hogan,John F	DCLU	Strat Advsr 2	30	10	59
Holden,Ted J	Parks	Landscape Architect Sr	20	212	64
Holifield,George W.	Municipal Courts	Muni Judge	21	12	75
Hollingsworth,Ethel L	Parks	Sea Conserv Corps Supv	7	334	74
Hopkins,Anthony W	City Light	Customer Svc Rep	24	305	56
Horswill,Diane L	Police	Crime Prev Coord	35	328	59
Howard,J Midori	Vested	Vested	13	296	63
Howland,Brian A	Police	Dispatcher III	39	11	65
Hughes,Kathleen A	K.C. Health	Public Health Nurse	18	129	57
Hull,Leonard E	Seattle Center	Opns CC,Sr SC	26	312	53
Humburgs,Christina L	SPU	Exec Asst,Sr	32	333	59
Hurtado,Michael S	Municipal Courts	Muni Judge	17	96	62
Huus,Kathryn A	Vested	Vested	5	358	66
Hwang,Michelle H	Finance	Info Tech Prof B -BU	21	173	57

Retiree	Dept Name	Position	Yrs	Days	Age
Ingle, Jamie M	Vested	Vested-Counslr	11	139	64
Inman, Michelle S	Library	Asst Mgr Library	31	80	63
Iranon, Philip A	SPU	Util Act Rep 1	24	72	63
Ismael, William F	SPU	Wtr Pipe Wkr	17	351	62
Ito, Melanie S	K.C. Health	Staff Physician	15	264	61
Jackson, Gaynell K	SPU	Water Pipe Wrkr-Sr-WDM II	29	93	58
Jackson, Ronald	K.C. Health	As II	15	196	67
Jacoby, Daniel M	Vested	Vested	7	165	63
James, Ellinor M	Library	Librarian	12	306	68
Janos, Paul M	DCLU	Land Use Planner	15	149	57
Johnson, Rod Davis	Fleets & Facilities	Strat Advsr 1, Genl Govt	19	35	64
Jones, Margy L.	City Light	Manager 3, Utils-BU	31	166	58
Jones, Weldon R	SDOT	Bridge Elec CC	24	1	61
Jose, Frank R	Vested	Vested	17	94	60
Joy, Vicky L	Vested	Vested	5	174	62
Kain, John A	City Light	Elect Contr & Maint Supv	31	200	54
Kaiser, Charles W	Seattle Center	Janitor	13	178	65
Kapusinski, James P	SPU	Strat Advsr 2	29	32	60
Kashner, Beth E	Library	Librarian	28	145	64
Kelleppan, Ratish S	Library	Admin Supp	30	14	47
Keniston-Longrie, Joy L	SPU	Executive 2	9	279	55
Kimball, Theresa J	Human Services	Executive 1	5	106	60
Kinlow, Benjamin M	Police	Crime Prevention Coord	36	142	61
Koenig, J Victor	City Light	Info Tech Prof B-BU	21	189	59
Kosbab, Edwin S	City Light	Strucl Pntr	30	360	57
Kotas, Frederic J	Vested	Vested	10	61	67
Kotts, Stephen H	City Light	Lnwkr	12	8	65
Kretsch, Michael J	Vested	Vested	15	58	60
Krohn, Stanley C	City Light	Civil Engrng Spec, Sr	36	132	64
Kurimura, Alan G	Vested	Vested	4	15	63
Kurosu, Robert N	Police	VESTED	1	113	66
Labadie, John R	SPU	StratAdvsr1, Utils	11	202	65
LaCasse, Carol M	K.C. Health	Public Health Social Worker	20	151	69
Langi, Keith H	City Light	Pwr Struct Mechanic CC	31	218	64
Leal, Elifonso J	City Light	Elecl Svc Rep, Sr	27	133	56
Leask, Lucinda A	City Light	MatSup, Elec-Asg	27	247	54
Leatherwood, Clifton L	City Light	Cust Service Rep, Sr	26	79	62
Lebens, Elizabeth A	Vested	Vested	14	316	66
Leck, James L	City Light	Elecl Hlpr	40	212	70
Lee, Alvin B	City Light	Jrnywrk in Chg	23	296	60
LeMaster, Jean	Retirement	Actg Tech 1-BU	18	281	57
Lewy, Barbara J	Human Services	Manager 3	27	5	56
Liem, Robby Kim Ho	DCLU	Mech Plans Engr Supv	30	301	59
Little, Christa M.	Vested	Vested	3	270	63
Long, Toni R	Vested	Vested	3	174	65
Loo, Jerry	Parks	Maintenance Laborer	29	279	66
Lopez, Donna M.	DEA	Acctg Tech II	31	330	67
Lukhang, Golden R.	Seattle Center	Util Laborer	19	351	66
Madsen, Bruce A	SPU	Util Acts Supv	33	26	53
Mamiya, Ron	Municipal Courts	Muni Judge	25	85	61

Retiree	Dept Name	Position	Yrs	Days	Age
Mangahas,Armando E	SDOT	Signal Elctn V	8	126	62
Manion Jr,Kenneth J	Personnel	Sfty Occp Hlth Coord	17	218	67
Mar,Michael K	SPU	Manager 3	30	218	52
Mason,Joseph	DCLU	Elect. Inspector, Sr	19	315	71
Matkovich,Stephanie L	City Light	Meter Elctn	29	93	55
Matteson,Kathy L	Vested	Vested	10	162	62
Mc Ialwain	Human Services	Human Services Program Supv	10	107	64
McArthur,Kay L	Police	Admin Spec II-BU	30	2	52
McClellan,Robert L	City Light	Meter Elctn Working CC	37	275	61
McClure,Connie J	Parks	Accountant Prin	31	191	56
McCoy,Robert E	Police	Mgmt Sys Anlyst Sr	7	90	67
McEnerney,Kevin M	Police	Pol Comms Dispatch I	20	353	55
McFarland,Gregory E	SPU	Info Technol Prof B-BU	31	201	63
McPhillips,Wayne L	SDOT	Civil Engr Supv	42	199	64
Merz,William G	SPU	Info Tech Prof B BU	21	271	69
Miller,Julie A	Human Services	Plng & Dev Spec I	17	263	63
Miller,Patrick D	Fleets & Facilities	Manager1,P&FM	35	150	64
Milne,Kathleen A	Police	Admin Spec I-BU	36	2	64
Mimier,Dennis N	City Light	Supervisor	40	136	64
Moffat,Nancy A	Vested	Vested	12	38	57
Moimoi,Litani	Parks	Laborer	6	61	65
Moore,Frank O	Municipal Courts	Muni Court Mar,Sr	14	12	67
Morris,Daniel F	City Light	Meter Elctn	30	260	61
Morris,Kristina L	City Light	Admin Spec	27	130	60
Mudra,Valerie H	SPU	Labor Relations Coord	23	309	65
Munoz,Salvador	Parks	Aquarium Biologist 3	20	214	54
Murray,Brian E	SDOT	Civil Engrng Spec Assoc	37	14	62
Naidu,Yenkat	Vested	Vested	9	211	62
Nakagawara,Jon H	K.C. Health	PPM3 Prev FT	30	263	62
Nelson,Patricia J.	Vested	Vested	12	362	65
Nicholson,Bryan T	SPU	Civil Engr Sr	33	70	57
Noboa,Carlos F	City Light	Elect Con Core CC	23	344	62
Norton,Karen D	Vested	Vested	7	266	64
Odgers,Lynnette D	SPU	Cust Svc Rep	32	246	63
Okamura,Betty F	Human Services	Admin Spec I-BU	11	179	76
Oki,Arlene Takako	Human Services	Planning & Devel. Spec II	32	360	76
Olsen,Jerald	City Light	Electn Con	24	172	58
Orton,Keith B	Legislative	Strat Advsr 2	24	155	64
Owens,Vera A	Human Services	Prgm Intake Rep	12	338	69
Pahlman,John M	City Light	Lnwkr	33	226	60
Paneris,Pythagoras J	City Light	Meter Electrician	30	99	70
Pascual,Benjamin P	DEA	Manager III	29	189	64
Pealy,Nicholas	Vested	Vested	23	191	52
Pearson,Mary L	Fleets & Facilities	Deputy Director	27	98	60
Peloquin,Thomas C	SDOT	Civil Engr,Sr	20	152	61
Perry,James R	Parks	Senior Gardener	28	353	64
Petty,Sharon	Municipal Courts	Admin Spec II	28	184	60
Pflug,Elizabeth C	Neighborhoods	Neighb District Coord	25	66	64
Phillips, M T	SPU	Heavy Truck Driver	26	120	62
Piering,M Pamela	Human Services	Executive 2	27	60	62
Pino,John T Jr	Police	Marine Equip Supvr	30	126	55

Retiree	Dept Name	Position	Yrs	Days	Age
Pomada,Robert F	DCLU	Mech Inspector (J)	5	309	63
Pomerantz,Mark L	Vested	Vested	7	71	62
Possenti,Rosalie M	Police	Personnel Spec Asst	26	3	58
Price,Toni W	Library	Brch Mgr II	39	197	64
Provido,Josephine C	City Light	Admin Spec I	30	3	67
Quarfoth,Gary R	Vested	Vested	20	96	61
Rao,Vijaya B	Vested	Vested	4	97	66
Reed,Jerry E	Parks	Maint Laborer	35	362	57
Rice,Molly	Vested	Vested	7	13	57
Richards,Jacqueline L	DEA	Actg Tech III	16	121	71
Rivera,Nickola M	Parks	Personnel Spec, Sr	21	164	66
Robins,Donna	Human Services	Grants&Contracts Spec Sr	10	81	65
Robinson,Anthony	Parks	Maint Laborer	22	24	58
Robinson,Jack D	Law	Administrator - Law	14	36	70
Ruoff,John R	Municipal Courts	Admin Spec 1 MC	29	100	54
Saechao,Yao Vang	Parks	Util Laborer	12	46	58
Saunto,Linda L	Library	Librarian	33	225	65
Schlichting,Joan Mary	Library	Graph Web Spcl	25	92	55
Scollan,Ruth M	SDOT	Strat Advisor 2	28	318	52
Sell,Wayne B	Parks	Maint Laborer	35	179	70
Shahid,Barbara S	City Light	Fin Anlyst Sr	23	151	59
Sheppard,Mark S	Police	Executive 2	27	242	62
Sherwin,William A	SPU	Drainage & Waste Coll CC	30	336	56
Shiebert,Stanley	Library	Librarian	31	245	77
Shimmel,Patricia L	Vested	Vested	8	340	62
Silvernale,Garth P	City Light	Elecl Const & Maint Supv-BU	31	233	50
Singh,Joytinder R	Seattle Center	Executive 1	23	257	57
Singleton,Harold L	SPU	Manager 2, Engr & Plans Rev	26	99	59
Skeers,Bonnie J	Library	Shelving Ops	21	162	57
Smith Sr,Roosevelt	SPU	Wtr Pipe CC WDM II	30	51	66
Smith,Charles F	City Light	Structural Iron Worker	34	91	63
Smithson,Shahma	SPU	Info Tech Sys Analyst	19	11	60
Song,Myung J	DCLU	Permit Spec I	26	129	67
Staaf,Clinton A	Parks	Carpenter	25	82	66
Stachurski,John M	City Light	Elecl Pwr Svsts Engr	41	166	69
Stanley,Douglas A	SDOT	Civil Eng Supv	26	18	56
Stark,Dan A	Fleets & Facilities	Painter	25	30	53
Stennis,Charelyn Lee	City Light	Strat Advsr 2, Info Tech BU	20	70	62
Stenzel,Bonnie M	SPU	Mgmt Svsts Anlyst,Sr	20	118	59
Stinson,Michael J	City Light	Rights of Way Maint Worker	34	280	61
Stratton,Rex W	SDOT	Civil Engr Sr	28	339	53
Swanson,Susanne L	Finance	Info Tech Prof	22	214	56
Takekawa,Anne C	Neighborhoods	Plng&Dev Spec II	22	87	59
Talbot,C. Heather	City Light	Elctn-Con	26	282	65
Tangborn,Melvin A	DEA	Animal Control Officer II	38	185	67
Tapp,Roger L	City Light	Elec Svc Rep, Supvsng	41	299	68
Thomas,Jacqueline S	K.C. Health	Admin Spec III	32	187	60
Thompson,John R	Vested	Vested	10	192	64
Titalii,Folasa	Parks	Rec Prgm Spec	10	247	60
Tong,Diana	City Light	Elecl Engr Spec, Asst III	24	146	64

Retiree	Dept Name	Position	Yrs	Days	Age
Vale,Jack J	Police	Equip&Facilities Coord	18	289	65
Vanderpol,Sandra J	Vested	Vested	10	363	66
Verzosa,Alfredo O	Parks	Admin Staff Asst	20	218	56
Vuong,Harry D	K.C. Health	PH Interpreter	30	155	66
Walthev,James F	City Light	Accountant Sr	23	279	69
Wells,Beatrice D	Vested	Vested	5	364	65
Welty,John P	DCLU	Permit Process Leader	11	240	66
Whalen,Michael P	City Light	Line CC-Asg C Coord	43	151	61
White,Susan A	Finance	Contract Analyst Supvr	25	170	63
Widhalm,Carol D	SPU	Util Svc Rep	29	6	61
Wilcoxson,Patricia R	Human Services	Admin Support Asst	16	39	74
Willard,Walter B	Seattle Center	Facility Tech Supv	30	0	56
Willhight,Kathryn A	SDOT	Personnel Spec	27	192	65
Williams,Catheline D	Finance	Manager I	30	49	50
Williams,Eryl	Vested	Vested	3	92	64
Williamson,Laurence	Library	Property & Procurement Ofcr	37	193	64
Williams-Pratt,Barbara K	K.C. Health	Admin spec III	20	153	56
Willis,Sharla M	Fleets & Facilities	Carpenter	24	330	58
Winslow,Mary T	City Light	Power Anlyst, Sr.	27	43	65
Woodhouse, Philip R	SPU	Capital Prjts Coord	23	193	72
Woods,Teri L	Vested	Vested	21	72	56
Woodside,Helene R	Police	Parking Enf Offr Supv	32	8	59
Yapjoco,Lourdes I	Municipal Courts	Court Cashier	20	91	75
Young,Anna Lisa	City Light	Meter Electrician	33	99	58
Yukubousky,Richard P	Vested	Vested	11	72	65
Yuthok,Tsering C	Legislative	StratAdvsr2,Exempt	23	290	64
Zemanke,Cara L	Vested	Vested	21	200	55
		Total Service Retirements	321		

DISABILITY RETIREMENTS GRANTED IN 2011

Retiree	Dept Name	Position	Yrs	Days	Age
Armstrong,David L	SPU	Civil Engineer	18	346	55
		Total Disability Retirements	1		

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM
RETIRED MEMBERS DECEASED IN 2011**

Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
Adler,Vernon	Metro Transit	Service	1/29/2005	11/3/2011	66
Amundsen,Robert C	Light	Service	5/1/1984	5/2/2011	78
Andreas,Margaret V	DAS	Service	9/1/1994	2/11/2011	82
Aratani,Augustine F	Light	Disability	8/1/1974	3/7/2011	90
Arms,Tommy E	Light	Service	3/1/1994	1/5/2011	82
Baer,Rachel E	Light	Service	7/1/1967	11/11/2011	101
Bell,William L	City Light	Service	7/7/2004	1/11/2011	71
Benedetti,William C	Light	Service	3/1/1993	12/15/2011	82
Best,Gary J	Engineering	Service	6/11/1997	5/6/2011	70
Birdsey,Frances E	Light	Service	2/1/1975	4/14/2011	101
Bissegger,Melvin S	Municipal Courts	Service	3/8/2006	4/23/2011	70
Boyer,John R	Water	Service	12/1/1978	6/8/2011	94
Bramblett, Dwight L.	Vested	Service	1/17/2008	3/12/2011	55
Brough,Ernest A	Seattle Center	Service	6/1/1991	10/17/2011	83
Burns,Joan L	Light	Service	2/1/1990	7/9/2011	78
Butzerin, Marcus	Light	Service	8/3/1996	7/5/2011	79
Callahan,James	Health	Service	8/1/1979	8/30/2011	86
Carlson,Helen D	Light	Service	3/1/1978	3/29/2011	93
Carr,Genevieve A	Health	Service	4/1/1985	7/26/2011	92
Carulli,Evelyn	Health	Service	1/1/1976	1/8/2011	95
Casady,Edward	Metro-Transit	Service	7/1/1982	7/4/2011	91
Cheyne,Marjorie E	Building	Service	3/1/1979	7/29/2011	94
Collyer,Darlene	Metro	Service	9/1/1984	6/19/2011	92
Compton,Arabelle M	Public Health	Service	2/1/1982	3/1/2011	91
Crandall,Gordon F	Law	Service	9/1/1989	8/16/2011	87
Deshaw,Arnold M	Light	Service	2/1/1986	3/8/2011	90
Dion,John F	Light	Service	5/1/1995	8/4/2011	68
Doxsee,Dorothy D	KC/Detention	Service	2/1/1985	4/16/2011	87
Dunbar, Theresa L	Legislative	Service	7/31/2010	5/29/2011	56
Dunlap, Thomas E.	Finance	Service	4/9/2008	12/31/2011	65
DuRall, Richard	Dual Member	Service	10/4/2002	7/20/2011	74
Eaton,Robert B	Light	Service	7/1/1979	7/27/2011	95
Eidsness,Margret M	Light	Service	4/1/1974	5/24/2011	100
Ellefson,Lyle M	Light	Service	9/1/1976	9/1/2011	92
Ellingson,Muriel M	Law	Service	10/1/1977	11/27/2011	99
Erickson,John O	Light	Service	6/1/1978	8/21/2011	91

Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
Estep,Ralph D	Health	Service	1/1/1991	11/17/2011	83
Fainga,Viliani	Engineering	Disability	9/1/1994	2/10/2011	64
Ferguson, Evelyn L.	Library	Service	12/4/2009	8/26/2011	60
Fewel,Ellison	Light	Service	10/1/1983	4/14/2011	96
Frost,Millicent D		Service	3/1/1986	4/8/2011	82
Fujita,Kazuma	Engineering	Service	9/1/1984	1/16/2011	87
Gall,Robert J.	Parks	Service	1/1/1997	11/1/2011	82
Gibbs,Charles W	Vested	Service	7/1/2006	3/30/2011	70
Gilbert,Janice E.	City Light	Service	12/25/2004	5/10/2011	67
Glasscock,Wayne	Light	Service	2/1/1978	9/10/2011	90
Gochanour,Vernon	Water	Service	5/1/1983	7/13/2011	82
Gray,Adelaide J	Light	Service	1/1/1975	3/26/2011	99
Green,Gilbert	Light	Service	4/1/1975	2/14/2011	91
Gregory,Dean R	Light	Service	1/1/1987	10/19/2011	86
Griffin,William R	Light	Service	12/1/1972	10/12/2011	90
Gross,Edward G	Light	Service	1/1/1975	12/18/2011	99
Hanson,Willard H	Police	Service	4/1/1977	11/5/2011	97
Harris, Feloneze M	SPU	Service	4/2/2009	2/22/2011	60
Harrison,Robert	Engineering	Service	9/18/1996	10/4/2011	73
Hastig,Marguerite W	Water	Service	1/1/1979	1/10/2011	94
Hayashi,Fujiko	Seattle Center	Service	7/2/1998	1/21/2011	75
Hayum,Renate	Library	Service	2/1/1987	1/27/2011	81
Hernandez,San Juana	SPU	Service	12/11/2001	11/9/2011	77
Hiller,Robert L	Engineering	Service	3/1/1990	7/17/2011	83
Hughes,Wilbur G	Metro-Transit	Service	10/1/1984	11/2/2011	89
Hyde, Phil	DAS	Service	10/4/1996	7/12/2011	78
Jenkins, Rubi Lee	Seattle Center	Service	4/1/2009	5/17/2011	64
Johanson,Bernice L	Light	Service	10/1/1985	12/28/2011	89
Karr,Nellie E	KC	Service	11/1/1991	2/15/2011	77
Kemp,Helen J	Health	Service	10/1/1983	8/13/2011	89
King,Berniece G	Light	Service	7/1/1979	5/14/2011	96
Kokko,William J	Police	Service	5/1/1993	1/8/2011	84
Koselke, Larry	DAS	Service	7/13/1996	3/25/2011	63
Lama,Anthony F	Light	Service	3/1/1995	9/7/2011	78
Langi,Keith H	City Light	Service	4/13/2011	8/16/2011	65
Laymon,Edward E	Police	Service	5/1/1993	10/23/2011	83
Leyva,Michael	City Light	Service	4/22/2000	3/20/2011	63
Lindquist,Bernice M	Retirement	Service	11/1/1977	7/11/2011	96

Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
Linstedt,Jeffrey A.	Metro	Service	8/16/1997	12/20/2011	65
Love,John D	Metro-Transit	Service	12/1/1987	9/30/2011	85
Mason,Norma A	Muni Court	Service	10/1/1983	4/7/2011	89
Mathews,Kenneth E	Police	Service	10/5/2005	1/12/2011	68
Mcbride,Nancy Lee	Treasurer's	Service	5/1/1982	11/2/2011	91
Mcgeough,John P	Engineering	Service	1/1/1981	9/21/2011	92
McVay, Roland L.C.	Metro Transit	Service	12/7/2010	7/12/2011	71
Merida,Edward	Metro Transit	Service	5/3/2001	1/21/2011	65
Miles,James E	Light	Service	3/1/1979	5/1/2011	87
Moore,Harriet E	SPU	Service	5/1/1986	4/15/2011	88
Moore,Samuel V	Engineering	Service	1/1/1985	8/9/2011	87
Murphy,Martha	Seattle Center	Service	2/1/1990	12/4/2011	91
Nacinovich,Evelyn M.	City Light	Service	4/20/2005	2/20/2011	86
Nakamura,Kay	Light	Service	5/1/1995	11/5/2011	79
Nakashima,Isao P	Metro-Transit	Service	6/1/1988	10/27/2011	89
Olson,Shirley G	Seattle Center	Service	2/1/1984	9/19/2011	90
Omoto,Taketo	Water	Service	1/1/1984	11/11/2011	94
Orlob,Lloyd C	Engineering	Service	7/1/1984	10/23/2011	80
Pacifico,Felicidad S	Library	Service	1/1/1995	6/17/2011	85
Page,Lloyd H	Light	Service	8/1/1982	9/20/2011	91
Peace,L B	Engineering	Service	12/1/1982	1/17/2011	88
Peterson,William L	Gen. Services	Service	3/1/1978	2/18/2011	84
Potter,Ernest C	Water	Service	1/6/1998	12/31/2011	73
Power,Betty Jane	Health	Service	9/1/1990	3/29/2011	86
Rankin, Duane D	SDOT	Service	7/30/2010	11/6/2011	60
Rauen,Frank T	Light	Service	12/1/1975	2/24/2011	92
Rea,Robert A	DAS	Service	4/1/1995	12/5/2011	74
Rice,Edward J	Comptroller's	Service	10/1/1980	9/26/2011	92
Rohman Jr.,Ray	Parks	Service	7/1/1988	2/19/2011	85
Rose,Sofia A	Police	Service	1/1/1980	5/4/2011	86
Russell,Albert L	Metro	Service	10/1/1991	4/25/2011	81
Sanders Jr,Joshua	Parks	Service	3/1/1985	11/11/2011	90
Saxe,Glen M	Light	Service	8/1/1992	9/24/2011	81
Schorneck, Ray P	City Light	Service	3/5/2008	2/4/2011	79
Scott,David R	Municipal Courts	Service	2/4/1998	12/31/2011	68
Sheridan,Robert F	Metro	Service	11/1/1976	2/6/2011	91
Shiple, Steven C	SPU	Service	8/6/2008	6/11/2011	64
Simms,Donald	Light	Service	10/1/1977	12/18/2011	93

Name	Dept Name	Retired For	Date Retired	Date of Death	Age At Death
Skaw,Floyd M	Light	Service	8/1/1981	6/17/2011	91
Sreenivasan,Krishna	DCLU	Service	5/28/1997	1/4/2011	74
Stevenson,John M	Water	Service	11/1/1973	1/26/2011	91
Stewart,Doris H	Health	Service	10/1/1987	8/28/2011	85
Stowe,Keith W	Light	Service	1/1/1989	1/29/2011	84
Streit,Roland J	Light	Service	5/1/1986	11/16/2011	87
Strong,Betty L	OMB/MIS	Service	9/1/1980	11/22/2011	91
Sundberg,Doris E	Purchasing	Service	3/1/1977	12/24/2011	94
Tapp Jr,Jesse W	Health	Service	2/1/1989	8/5/2011	81
Thirasawat, Jane M	DEA	Service	3/3/2010	8/21/2011	63
Thompson,James P	PERS I	Service	8/29/1998	8/7/2011	77
Tilson, William	Light	Service	4/2/1996	7/17/2011	80
Tyson, Christy	Library	Service	3/1/2008	1/1/2011	63
Vanoswell,Kelsie	Engineering	Service	5/2/1996	6/23/2011	80
Walker,Barbara R J	Library	Service	6/1/1990	3/31/2011	80
Walker,Curtis	Light	Service	11/1/1986	7/26/2011	75
Webb,Glennie R.	Library	Service	6/15/2005	11/23/2011	69
Weston,Anne M	Comptrollers	Service	1/1/1984	1/22/2011	91
Whiting,Edwin M	Engineering	Service	10/1/1981	6/4/2011	82
Wilhelm,Ralph L	Light	Service	6/1/1981	1/31/2011	83
Williams, Doris	Finance	Service	8/2/1996	7/14/2011	78
Williams,Lonnie W	Planning	Service	10/1/1986	5/26/2011	86
Wilson, Janet T.	Parks	Service	12/4/2002	7/19/2011	63
Woo,Mary L	Police	Service	6/1/1980	9/7/2011	93
Wooten,Octavius		Service	1/1/1985	1/8/2011	89
Zachariasen,Donald	Engineering	Service	1/1/1990	11/2/2011	85
Average Age of Deceased Pensioner					82
Average Age of Deceased Disability Pensioner					77
Number of Service Pensioners Deceased					136
Number of Disability Pensioners Deceased					2
Death Benefits for Deceased Active and Retired					266,000
Refunds Under Option "A"					1
Refunds Under Disability					0

DEATHS IN ACTIVE SERVICE DURING 2011

Name	Position	Department	Age
Ahlgren,Russell D	Rec Attendant	Parks	61
Brown,Brenda M	MAINT LABORER	Parks	58
Ervin,Carl Wayne	Traffic Engineer	SDOT	53
Hines,Melissa	Arts Administrator	Arts and Cultural Affairs	63
Kennedy,Ann Marie	Electn Con	SCL	45
Linard,Frank W	Caretaker	Parks	55
Meyer,Justin	Signal Elect	SDOT	26
Mezich,Rosemary	Usher	Seattle Center	73
Rubio,Mario G	Family Support	HSD	39
Smith,Randal N	ADM STAFF ASSIST	SCL	58
Velasquez,Samuel Joseph	Warehouse	Seattle Center	57
Williams,Steven Ira	Chief Marshal	Municipal Court	60
		Count	12
		Average Age	54

DEATH BENEFIT SYSTEM**For The Year Ended December 31, 2011**

All active members and those retired members who so elect are covered by the Death Benefit System. The Death Benefit System is similar to a life insurance policy and pays \$2,000 to the beneficiary of an active or retired member.

The annual premium for each member is \$12, with the City matching this amount. Any additional funds needed to fund the Death Benefit System come from the undistributed earnings of the Retirement System.

There were 17 payouts for deaths in active service and 116 claims from retired employees - a total of 133 claims. This compares with 13 deaths in active service in 2010, and 107 claims from retired employees - a total of 120. The claims totaled \$278,108 in 2009, and \$240,000 in 2010.

Income from Active and Retired Employees:		\$ 139,698
Income from Employers:		
Seattle City Light	\$ 30,630	
General Fund	28,238	
Engineering / Transportation	12,468	
Seattle Parks Department	15,083	
Seattle Public Utilities	20,790	
Administrative Services	7,992	
Library	8,748	
Seattle Center	5,064	
Planning and Development	4,764	
Metro Transit Fund	2,616	
Employees' Retirement System	300	
King County Health & Custodial	2,004	
Total Employers Fund	\$ 139,698	
Total from Employer Funds		\$ 139,698
Total paid into Death Benefit Reserve		\$ 279,396
Transfer from Undistributed Investment Earnings		\$ 13,396
<u>Less: Death Benefit Claims - 2010</u>		<u>\$ 266,000</u>
Death Benefit Reserve Balance December 31, 2010		\$ 0

UNUSED SICK LEAVE

At the time of retirement, some members may elect to receive a cash payment equal to 25% of the monetary value of their "unused sick leave." The monetary value is developed by multiplying the number of hours of unused sick leave by the hourly rate, and is calculated and paid to the employee by the employing department when the person retires immediately following employment. Vested members retiring at a future date do not receive a sick leave payout. This may not apply to certain represented positions.

The member may elect to write a check payable to the City, and deliver it to the Retirement System, for the amount of the sick leave payout, and this amount will be placed in an account to be used to pay health care premiums for self and spouse. Since the health care premiums are paid from the Health Care Fund, these funds do not accrue interest. If the retiree dies before the credit is exhausted, the surviving spouse may use the remaining credit to pay for health care coverage.

In the event of the death of an active employee eligible for sick leave benefits, the employing department will pay the beneficiary an amount equal to 25% of said employees' accumulated unused sick leave.

Of the 321 service retirements during 2011, there were no retirees that deposited the value of their sick leave payout to an account that will be used to pay their medical premiums.

RETIREMENT ESTIMATE INFORMATION

Percentage of Average Salary

Years of Retirement Credit

Years of Retirement Credit

		Age															
		Any	52	53	54	55	56	57	58	59	60	61	62	63	64	65	
30	60	60.0	60.0	60.0	60.0	60.0	60.0	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60	30
29		58.0	58.0	58.0	58.0	58.0	58.0	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58	29
28		56.0	56.0	56.0	56.0	56.0	56.0	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56	28
27		51.3	54.0	54.0	54.0	54.0	54.0	54.00	54.00	54.00	54.00	54.00	54.00	54.00	54.00	54	27
26		46.8	49.4	52.0	52.0	52.0	52.0	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52	26
25		42.5	45.0	47.5	50.0	50.0	50.0	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50	25
24		38.4	40.8	43.2	45.6	48.0	48.0	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48	24
23		34.5	36.8	39.1	41.4	43.7	46.0	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46	23
22		30.8	33.0	35.2	37.4	39.6	41.80	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44	22
21		27.3	29.4	31.5	33.6	35.7	37.80	39.90	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42	21
20		24.0	26.0	28.0	30.0	32.0	34.00	36.00	38.00	40.00	40.00	40.00	40.00	40.00	40.00	40	20
19							28.88	30.02	31.16	32.30	33.44	34.58	35.72	36.86	38	19	
18							27.36	28.44	29.52	30.60	31.68	32.76	33.84	34.92	36	18	
17							25.84	26.86	27.88	28.90	29.92	30.94	31.96	32.98	34	17	
16							24.32	25.28	26.24	27.20	28.16	29.12	30.08	31.04	32	16	
15							22.80	23.70	24.60	25.50	26.40	27.30	28.20	29.10	30	15	
14							21.28	22.12	22.96	23.80	24.64	25.48	26.32	27.16	28	14	
13							19.76	20.54	21.32	22.10	22.88	23.66	24.44	25.22	26	13	
12							18.24	18.96	19.68	20.40	21.12	21.84	22.56	23.28	24	12	
11							16.72	17.38	18.04	18.70	19.36	20.02	20.68	21.34	22	11	
10							15.20	15.80	16.40	17.00	17.60	18.20	18.80	19.40	20	10	
9												16.38	16.92	17.46	18	9	
8												14.56	15.04	15.52	16	8	
7												12.74	13.16	13.58	14	7	
6												10.92	11.28	11.64	12	6	
5												9.10	9.40	9.70	10	5	

Identify percentage factor above that applies to your age and years of service.

Percentages increase with each day of service.

Maximum percentage factor = 60% with 30 years of retirement credit.

Average Salary = Average of Highest Consecutive 24 months.

If expected retirement date is 2 years or more from now, use today's salary as estimated Final Average Salary.

Eligibility for Retirement
5 to 9 years of service - and are age 62 or older
10 to 19 years of service - and are age 57 or older
20 to 29 years of service - and are age 52 or older
30 years of service - any age

Example: 22 years of credit, age 56, and final average salary is \$2,500

$$\begin{array}{rcccl}
 \underline{\$ 2,500} & & \underline{39.6\%} & & \underline{\$ 990} \\
 \text{Final Average Salary} & \times & \text{percentage factor from table} & = & \text{Estimated Un-modified} \\
 & & \text{based on age and years of credit} & & \text{Monthly Amount}
 \end{array}$$

Note: This form is only intended to provide a general profile of how an estimated pension amount is calculated. Any unpaid leave during your career is not counted towards retirement credit, but may be purchased under certain circumstances.