
Government of Guam Retirement Fund

Actuarial Valuation as of September 30, 2010

Prepared by:

Richard A. Wright
FSA, MAAA

Milliman, Inc.
650 California Street, 17th Floor
San Francisco, California 94108
Tel 415 403 1333 Fax 415 403 1334
milliman.com

April 12, 2011



650 California Street, 17th Floor
San Francisco, CA 94108-2702
USA

Tel +1 415 403 1333
Fax +1 415 403 1334

milliman.com

April 12, 2011

Government of Guam Retirement Fund
424 Route 8
Maite, Guam 96910

**Government of Guam Retirement Fund –
Actuarial Valuation as of September 30, 2010**

At the request of the Trustees, we have made an actuarial valuation of the Government of Guam Retirement Fund as of September 30, 2010. The purpose of this valuation is to determine the required contribution under the provisions of GCA Section 8137 and to provide the Fund with financial disclosures under GASB Statement No. 25.

In preparing our report, we relied on financial information, employee data, and plan provisions furnished to us by the Government of Guam Retirement Fund. While Milliman has not audited the financial and census data, they have been reviewed for reasonableness and are, in our opinion, sufficient and reliable for the purposes of our calculations. If any of this information as summarized in this report is inaccurate or incomplete, the results shown could be materially affected and this report may need to be revised.

The actuarial cost method and assumptions used as well as the supporting data and principal plan provisions upon which the valuation is based are set forth in the following report. In our opinion, each actuarial assumption, method, and technique used is reasonable taking into account the experience of the Plan and reasonable expectations. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions. The results of this valuation are applicable only for the current year and are intended to be used only by the plan sponsor for the specific purposes described herein.

Milliman's work is prepared solely for the internal business use of the Government of Guam Retirement Fund. 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) GGRF may provide a copy of Milliman's work, in its entirety, to its 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 GGRF.
- (b) GGRF may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

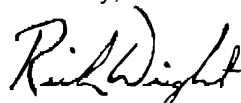
No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for GGRF, except for those presented under GASB Statement No. 25, which 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 the System's funding requirements and goals and of GASB Statement No. 25. 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.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, all costs, liabilities, and other factors under the Plan were determined in accordance with generally accepted actuarial principles and practices which are consistent with the applicable Actuarial Standards of Practice of the American Academy of Actuaries. We further certify that, to the best of our knowledge, the report is complete and accurate and the information presented herein, in our opinion, fully and fairly discloses the actuarial position of the Plan.

The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Sincerely,



Richard A. Wright, FSA, MAAA
Consulting Actuary

RAW:jh
n:\gua\corr\2011\gua2010v_(final).doc

Section	Page
I VALUATION SUMMARY	
Introduction	1
Highlights	1
Results of Valuation	3
5-Year Historical Summary	4
Actuarial Assumptions	5
Alternative Funding Strategies	6
II FUND ASSETS	
Exhibit 1. Summary of DB Plan Assets	7
Exhibit 2. DB Plan Asset Allocation.....	8
Exhibit 3. Changes in DB Plan Assets	9
Exhibit 4. Actuarial Value of Assets	10
Exhibit 5. Historical Returns on DB Plan Assets	11
III MEMBERSHIP DATA	
Exhibit 6. Active Employees.....	12
Exhibit 7. Active Employees by Agency	13
Exhibit 8. Retired Employees	14
Exhibit 9. Terminated and Inactive Members	15
Exhibit 10. Reconciliation of Membership Data	16
IV VALUATION EXHIBITS	
Exhibit 11. Accrued Liability	17
Exhibit 12. Calculation of Unfunded Liability	18
Exhibit 13. Calculation of Actuarial Gain/Loss.....	19
Exhibit 14. Normal Cost	20
Exhibit 15. Amortization of Unfunded Liability	21
Exhibit 16. Contribution Requirements.....	22
Exhibit 17. GASB No. 25 Schedule of Funding Progress.....	23
Exhibit 18. GASB No. 25 Schedule of Employer Contributions.....	24
Exhibit 19. Projection of Contribution Rate.....	25-26
Exhibit 20. Projection of Security Ratio	27-28
V APPENDICES	
Appendix A. Summary of Pension Plan	29-33
Appendix B. Actuarial Cost Method and Assumptions.....	34-36
Appendix C. Summary of Participant Data.....	37-42
Appendix D. Glossary of Key Terms.....	43

INTRODUCTION

Milliman, Inc. has been retained by the Government of Guam Retirement Fund to provide an actuarial valuation of the retirement fund. In our valuation we:

- Summarize the membership data.
- Calculate the actuarial accrued liability and normal cost.
- Determine the contribution requirements.
- Provide financial information required by GASB No. 25.
- Project the fund balance and security ratio forward 40 years.

The results contained in this report represent our best estimates. However, it is likely that actual experience will vary from these estimates. To the extent that actual experience differs from the anticipated experience, actual plan costs will vary as well.

HIGHLIGHTS

- The required contribution under GCA Section 8137 is **30.09%** of payroll. Of this amount, 23.75% is for the unfunded liability of the defined benefit (DB) plan, 3.03% is for the normal cost of the DB plan, and 3.31% is for contributions and expenses for the defined contribution (DC) plan.

The primary reasons for the increase in the contribution rate are (1) the recognition of the final 1/3rd of the investment loss from the 2007-08 fiscal year, and (2) a lower than expected increase in total payroll.

Contribution rate from 9/30/09 actuarial valuation	28.06%
2007-08 investment loss (final 1/3 rd recognition) *	1.45%
2008-09 investment gain (second 1/3 rd recognition) *	(0.01%)
2009-10 investment gain (first 1/3 rd recognition) *	(0.30%)
Total payroll increase of 1.2% (vs. assumption of 3.5%)	0.52%
Other factors	<u>0.37%</u>
Contribution rate in 9/30/10 actuarial valuation	30.09%

* Investment returns that differ from the actuarial assumption of 7% are recognized over a 3 year period.

- Public Law 28-150 provided that the current employer contribution rate will increase over a 5-year period until it reaches the actuarial contribution rate. The employer contribution rate for the 2010-11 fiscal year is 27.46%.
- The defined benefit payroll for the 2009-10 fiscal year was \$175.8 million compared with \$182.0 million for the 2008-09 fiscal year. The total defined benefit and defined contribution payroll for the 2009-10 fiscal year, was \$429.0 million compared with \$423.8 million for the 2008-09 fiscal year, an increase of 1.2%. This is below the long term assumption of 3.5% annual growth in total payroll. If total payroll had increased by 3.5%, the required contribution rate would have been 29.54%.

- The unfunded accrued liability increased from \$1.444 billion as of September 30, 2009, to \$1.545 billion as of September 30, 2010. The primary cause of the increase was a lower return on the actuarial value of assets than the 7% assumption, due to the final 1/3rd recognition of investment losses from the 2007-08 fiscal year. The payment required to amortize the unfunded accrued liability under GCA Section 8137 has increased from \$95.4 million to \$105.5 million. The payment as a percentage of payroll has increased from 21.75% to 23.75%.
- Based on the audited financial statements, we calculated an investment return on the total market value of assets of 11.7% for the fiscal year ending September 30, 2010. The average annual return on the market value of assets for the last 5 fiscal years has been 4.8%.
- There have been no changes in plan provisions since the prior actuarial valuation.

RESULTS OF VALUATION

	9/30/2010		9/30/2009	
Participant Counts				
Active				
– Non-Uniformed (DB)		3,237		3,365
– Uniformed (DB)		<u>357</u>		<u>367</u>
– Total (DB)		3,594		3,732
Retired (DB)		<u>7,082</u>		<u>7,112</u>
Total Actives and Retirees (DB)		10,676		10,844
Inactive and Terminated Members with Accumulated Contributions (DB)		6,466		6,525
Active Participants (DC)		7,471		7,107
		(\$millions)		(\$millions)
Actual Payroll for Prior Fiscal Year				
Defined benefit (DB) payroll		\$175.8		\$182.0
Total payroll (DB and DC)		429.0		423.8
Expected Payroll for Next Fiscal Year				
Defined benefit (DB) payroll		\$177.8		\$177.0
Total payroll (DB and DC)		444.1		438.6
Financial Status				
Accrued liability		\$2,790.5		\$2,738.8
Actuarial value of assets		<u>1,245.9</u>		<u>1,294.6</u>
Unfunded accrued liability		\$1,544.7		\$1,444.2
Security ratio		44.65%		47.27%
		% of DB Payroll		% of DB Payroll
Normal Cost				
Total normal cost	\$ 30.4*	17.07%	\$ 30.1*	17.00%
Estimated employee contributions	<u>(16.9)</u>	<u>(9.50%)</u>	<u>(16.8)</u>	<u>(9.50%)</u>
Government normal cost	\$ 13.5	7.57%	\$ 13.3	7.50%
		% of Total Payroll		% of Total Payroll
Required Contribution per GCA §8137				
Unfunded liability cost	\$ 105.5	23.75%	\$ 95.4	21.75%
Government DB normal cost	13.5	3.03%	13.3	3.03%
Expected government DC contributions	<u>14.7*</u>	<u>3.31%</u>	<u>14.4*</u>	<u>3.28%</u>
Total DB and DC contribution	\$ 133.6	30.09%	\$ 123.1	28.06%
Yield on Market Value of Assets		11.7%		7.2%

* Includes budgeted administrative expenses allocated 77% to DB and 23% to DC.

5-YEAR HISTORICAL SUMMARY

The following table summarizes the principal valuation results over the last 5 years.

	9/30/2010	9/30/2009	9/30/2008	9/30/2007	9/30/2006
Participant Counts					
Active (DB)	3,594	3,732	3,952	4,061	4,298
Retired (DB)	7,082	7,112	7,085	7,037	7,055
Inactives (DB)	<u>6,466</u>	<u>6,525</u>	<u>6,634</u>	<u>6,738</u>	<u>6,978</u>
Total (DB)	17,142	17,369	17,671	17,836	18,331
Active (DC)	7,471	7,107	6,759	6,686	5,992
Actual Payroll					
DB payroll	\$175.8	\$182.0	\$186.0	\$180.8	\$192.4
DC payroll	<u>253.3</u>	<u>241.8</u>	<u>225.4</u>	<u>196.3</u>	<u>184.2</u>
Total payroll	\$429.0	\$423.8	\$411.4	\$377.0	\$376.6
Financial Status					
Accrued liability	\$2,790.5	\$2,738.8	\$2,718.7	\$2,682.1	\$2,656.0
Actuarial assets	<u>1,245.9</u>	<u>1,294.6</u>	<u>1,211.0</u>	<u>1,448.7</u>	<u>1,320.9</u>
UAL	\$1,544.7	\$1,444.2	\$1,507.7	\$1,233.5	\$1,335.1
Security ratio	44.65%	47.27%	44.54%	54.01%	49.73%
Contribution Rate					
DB Normal Cost (as % of DB payroll)	7.57%	7.50%	8.84%	7.86%	8.44%
% of Total Payroll					
UAL Rate	23.75%	21.75%	22.69%	19.68%	20.75%
DB Normal Cost	3.03%	3.03%	3.73%	3.70%	3.99%
DC Contribution	<u>3.31%</u>	<u>3.28%</u>	<u>2.89%</u>	<u>2.64%</u>	<u>2.63%</u>
Actuarial Rate *	30.09%	28.06%	29.31%	26.02%	27.38%
Budget Rate *	tbd	27.46%	26.04%	25.20%	24.07%
Investment Yield	11.7%	7.2%	(14.6%)	14.7%	8.0%

* "Actuarial Rate" is the contribution rate determined in the actuarial valuation. "Budget Rate" is the contribution rate set by the legislature. Contribution rates apply to the fiscal year beginning one year after the valuation date.

ACTUARIAL ASSUMPTIONS

The following are the major assumptions used in the actuarial valuation, which should be reviewed for reasonableness. The assumptions for mortality, withdrawal, disability, and probability of marriage have been revised from those used for the prior valuation, based upon recommendations from the actuarial experience study for the period from October 1, 2002, to September 30, 2007. In addition, the administrative expense assumption and the asset valuation method have been revised as described below. To the extent that actual experience differs from the assumptions below, future pension costs will differ.

Interest Rate: The interest rate used as of September 30, 2010, was 7.0%. Milliman’s expected long-term returns on various asset classes is shown below. The target asset allocation is the expected long-term asset allocation and is based on the Fund’s investment policy.

Asset Class	(a) Target Asset Allocation	x	(b) Expected Nominal Return ¹	=	(c) Component Return
U.S. Equities (large cap)	30.00%		9.09%		2.73%
U.S. Equities (small cap)	10.00%		10.63%		1.06%
Non-U.S. Equities	14.25%		9.24%		1.32%
Non-U.S. Equities (emerging markets)	5.75%		11.68%		0.67%
U.S. Fixed Income (aggregate)	30.00%		5.10%		1.53%
Real Estate (REITs)	10.00%		8.90%		<u>0.89%</u>
Expected average return for one year					8.20%
Expected geometric mean (50 years)					7.40%
25 th to 75 th Percentile Return					6.14% - 8.65%

¹ Assumes annual inflation of 3.0%.

The current assumption of 7.0% is slightly less than the geometric average expected return over the next 50 years, and is well within the 25th to 75th percentile of expected results. Note that if investments fail to achieve the assumed interest rate, future pension costs will increase.

Mortality. The mortality table used as of September 30, 2010, was the RP-2000 combined mortality table, set forward by 3 years for males and 1 year for females. The mortality table used for disabled lives was the RP-2000 disability mortality table for males and females. This assumption is unchanged from the prior valuation.

Salary Increases. Salaries are assumed to increase 8.5% per year for employees in their first 5 years of service, 7.0% for service between 6 and 10 years, 6.0% for service between 11 and 15 years, 5.0% for service between 16 and 20 years, and 4.0% for service after 20 years. This assumption is unchanged from the prior valuation.

Total Payroll Growth. Total payroll for defined benefit and defined contribution members is assumed to increase 3.5% per year. This assumption is unchanged from the prior valuation.

Retirement Age. We have assumed 50% of employees will retire when first eligible for unreduced retirement. Thereafter, 20% of employees will retire at each year until age 70, at which time all remaining employees are assumed to retire. This assumption is unchanged from the prior valuation.

Return of Contributions. We have assumed 100% of employees who withdraw prior to retirement and who have less than 20 years of service will elect a return of contributions in lieu of a deferred benefit. This assumption is unchanged from the prior valuation.

Administrative Expenses. Total administrative expenses are assumed to be \$5,995,000, which is the amount budgeted for the year ending September 30, 2011. Administrative expenses are assumed to be allocated 77% to the defined benefit plan and 23% to the defined contribution plan.

Rates of Withdrawal and Disability. The assumed rates of withdrawal and disability are shown in Appendix B. These assumptions are unchanged from the prior valuation.

Probability of Marriage. We have assumed that 75% of retirees will be married at retirement. This assumption is unchanged from the prior valuation.

Asset Valuation Method. Investment gains/losses relative to the assumed investment return are phased in over a period of 3 years. Certain receivables and liabilities whose payments are deducted from employer contributions to the Fund are excluded from the actuarial value of assets. This valuation method is unchanged from the prior valuation.

A complete summary of actuarial assumptions is in Appendix B.

ALTERNATIVE FUNDING STRATEGIES

GCA Section 8137 requires a contribution sufficient to fully fund the unfunded liability by 2031 (within 80 years from May 1, 1951). The required contribution shown in this report includes a payment for the normal cost of active members of the Fund, and amortizes the unfunded liability over the remaining 20.58 years as a level percentage of total payroll (including both defined benefit and defined contribution members).

Any change in contribution requirements requires legislative action. One alternative strategy is to achieve a funding target of less than 100% after a certain number of years. Another strategy recognizes the decreasing size of the active population covered by the defined benefit plan, and develops contribution requirements that decrease as a percentage of payroll.

Exhibits 19 and 20 project the employer and employee contributions, fund balance, accrued liability and security ratio forward 40 years under current funding requirements. Any study of alternative funding strategies should consider the effect on the projected fund balance and security ratio.

EXHIBIT 1. SUMMARY OF DB PLAN ASSETS

Listed below are the assets reported for the defined benefit (DB) pension plan in the Fund's audited financial statements as of September 30, 2010, excluding certain receivables and liabilities whose payments are deducted from employer contributions to the Fund, along with the audited assets as of September 30, 2009.

	9/30/2010	9/30/2009
Investments		
Common stocks	\$ 684,028,213	\$ 557,712,039
Mutual funds	113,818,273	176,980,098
U.S. government securities	168,578,770	196,463,854
Non-U.S. fixed income	5,079,117	1,291,992
Corporate bonds and notes	187,808,045	209,334,557
Money market funds	<u>21,269,147</u>	<u>22,526,943</u>
Total investments	1,180,581,565	1,164,309,483
Receivables		
Employer contributions, net	10,353,465	10,413,984
Member contributions	4,576,642	4,650,500
Accrued investment income	4,461,187	4,426,240
Due from brokers for unsettled trades	74,234,246	6,045,882
Notes receivable for service credits	1,527,200	2,285,674
Notes receivable ERIP	4,761,094	5,947,312
Interest and penalties	1,097,393	232,941
Supplemental/insurance benefits advanced	3,511,711	4,311,138
Other receivables	3,580,301	2,738,706
Due from DC plan	<u>583,036</u>	<u>274,244</u>
Total receivables	108,686,275	41,326,621
Cash and cash equivalents	1,713,436	2,894,073
Property and equipment	<u>1,034,371</u>	<u>964,374</u>
Total assets	\$ 1,292,015,647	\$ 1,209,494,551
Liabilities		
Accounts payable and accrued expenses	\$ 1,575,250	\$ 3,353,328
Due to brokers for unsettled trades	<u>4,787,206</u>	<u>4,666,581</u>
Total liabilities	\$ 6,362,456	\$ 8,019,909
Valuation Assets	<u>\$ 1,285,653,191</u>	<u>\$ 1,201,474,642</u>
Excluded Assets ¹		
Receivable – ERIP employer share	\$ 15,227	\$ 269,915
Supplemental/COLA benefits receivable	67,636,261	72,993,528
Deferred revenue for service credits	<u>(6,852,502)</u>	<u>(8,965,445)</u>
Total excluded assets	\$ 60,798,986	\$ 64,297,998

¹ Excluded because payments towards these receivables are deducted from employer contributions.

EXHIBIT 2. DB PLAN ASSET ALLOCATION

The allocation of assets among various investment classes is an important determinant of expected future investment returns.

	DB ASSET ALLOCATION	
	9/30/2010	9/30/2009
Common stocks and mutual funds	67.6%	63.1%
U.S. government securities	14.3%	16.9%
Non-U.S. fixed Income	0.4%	0.1%
Corporate bonds and notes	15.9%	18.0%
Money market funds	<u>1.8%</u>	<u>1.9%</u>
Total	100.0%	100.0%

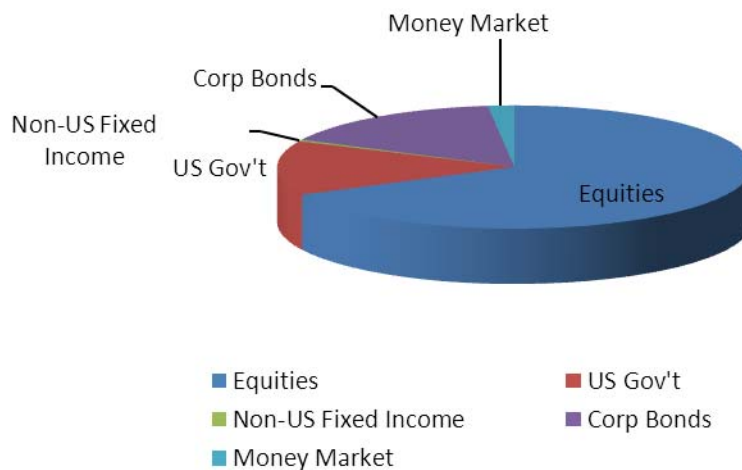


EXHIBIT 3. CHANGES IN DB PLAN ASSETS

Assets increase or decrease each year due to employer contributions, investment income, benefit payments to retiring participants, plan expenses paid by the trust fund, and any realized and unrealized gains and losses from investments.

	FISCAL YEAR ENDING	
	9/30/2010	9/30/2009
Beginning Balance	\$ 1,201,474,642	\$ 1,180,895,253
Contributions		
Employer contributions	97,732,952	89,482,900
Member contributions	18,020,144	18,583,330
Recovery of bad debt	0	4,095,893
Decrease/(increase) in excluded assets	<u>3,499,012</u>	<u>3,438,218</u>
Total contributions	119,252,108	115,600,341
Investment Income		
Net appreciation in fair value	108,837,367	31,783,352
Interest	26,991,531	43,096,056
Dividends	12,761,512	10,381,191
Other investment income	780,665	3,052,774
Investment expenses	<u>(3,615,702)</u>	<u>(2,933,886)</u>
Total investment income	145,755,373	85,379,487
Benefit Payments		
Age and service annuities	146,781,373	145,113,609
Disability annuities	7,761,618	8,048,239
Survivor annuities	19,265,554	18,346,271
Refunds to separated employees	2,871,814	4,008,697
Interest on refunded contributions	1,362,795	1,866,299
Balances transferred to DC plan	<u>6,836</u>	<u>90,393</u>
Total benefit payments	178,049,990	177,473,508
Administrative Expenses	2,778,942	2,926,931
Ending Balance	\$ 1,285,653,191	\$ 1,201,474,642

EXHIBIT 4. ACTUARIAL VALUE OF ASSETS

The actuarial value of assets as of September 30, 2010, is equal to the market value of DB plan assets adjusted to phase in gains and losses relative to the assumed rate of return over a 3-year period, and to exclude certain receivables and liabilities whose payments are deducted from employer contributions to the Fund.

	9/30/2010	9/30/2009
Valuation assets at market value	\$ 1,285,653,191	\$ 1,201,474,642
(Gains)/Losses excluded from actuarial value (see below)	(39,802,780)	93,129,083
Actuarial value of assets	\$ 1,245,850,411	\$ 1,294,603,725
Actuarial value as % of market value	96.9%	107.8%

3-Year Phase-in of Gains and (Losses)

YEAR	EXPECTED RETURN ¹	ACTUAL RETURN	GAIN/(LOSS)	PERCENT EXCLUDED	EXCLUDED FROM MARKET VALUE
2009/2010	\$ 87,049,474	\$ 145,755,373	\$ 58,705,899	66.67%	\$ 39,137,266
2008/2009	83,382,946	85,379,487	1,996,541	33.33%	665,514
2007/2008	91,899,683	(191,480,646)	(283,380,329)	0.00%	<u>0</u>
Total					\$ 39,802,780

¹ Expected return is based on the assumed investment return, which is 7.0%.

EXHIBIT 5. HISTORICAL RETURNS ON DB PLAN ASSETS

The following table shows the historical return on DB plan assets over the last 5 years: The assumed actuarial valuation rate is 7.0%.

Fiscal Year Ending 9/30	Return on Market Value	Return on Actuarial Value
2010	11.7%	1.0%
2009	7.2%	4.8%*
2008	(14.6%)	(12.4%)
2007	14.7%	14.9%
2006	8.0%	7.2%
2005	9.7%	10.7%
2004	9.3%	10.4%
2003	9.9%	13.0%
2002	(0.5%)	(2.7%)
2001	0.7%	(2.3%)
Average of last 5 years	4.8%	2.7%
Average of last 10 years	5.3%	4.1%

* Based on the asset valuation method as of September 30, 2008 (i.e., fixed income investments are valued at amortized cost).

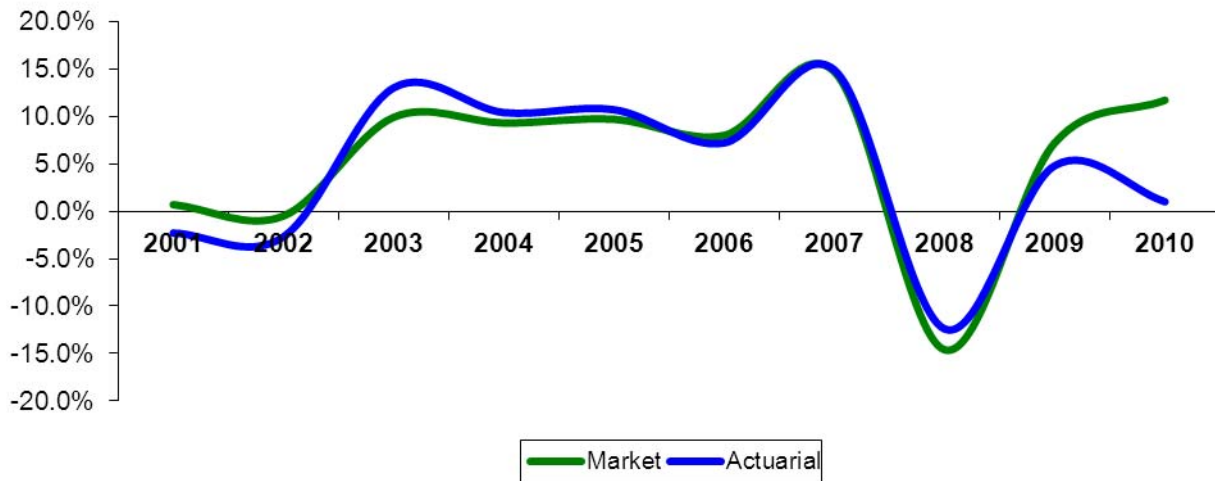


EXHIBIT 6. ACTIVE EMPLOYEES (DB)

	9/30/2010	9/30/2009
Reconciliation of Census		
Members reported in raw data	10,076	10,268
Number excluded due to:		
Reported as inactive	4,775	4,799
Reported as terminated	256	257
Zero earnings	1,433	1,465
Refund of contributions	2	4
Duplicate retiree records	<u>16</u>	<u>11</u>
Total exclusions	6,482	6,644
Active employees in valuation	3,594	3,732
Active Employees – Non-Uniformed		
Number vested	3,181	3,307
Number not vested	<u>56</u>	<u>58</u>
Total	3,237	3,365
Average age	50.6	49.9
Average service	21.7	20.8
Average earnings	\$ 49,355	\$ 47,530
Average accumulated contributions	\$ 101,829	\$ 95,444
Active Employees – Uniformed		
Number vested	356	367
Number not vested	<u>1</u>	<u>0</u>
Total	357	367
Average age	46.7	45.8
Average service	22.6	21.8
Average earnings	\$ 67,484	\$ 60,692
Average accumulated contributions	\$ 136,931	\$ 125,226
Active Employees – Total		
Number vested	3,537	3,674
Number not vested	<u>57</u>	<u>58</u>
Total	3,594	3,732
Average age	50.2	49.5
Average service	21.8	20.9
Average earnings	\$ 51,156	\$ 48,824
Average accumulated contributions	\$ 105,316	\$ 98,373

EXHIBIT 7. ACTIVE EMPLOYEES BY AGENCY

	9/30/2010 (DC)	9/30/2010 (DB)	9/30/2009 (DC)	9/30/2009 (DB)
Agency For Human Resources Development	33	17	25	15
Bureau of Budget & Management Research	8	10	8	11
Bureau of Planning	11	26	8	26
Chamorro Land Trust	0	4	6	3
Chief Medical Examiner	2	1	2	1
Civil Service Commission	8	-	4	-
Customs & Quarantine	97	46	96	44
Dept of Administration	75	58	75	62
Dept of Agriculture	43	35	41	36
Dept of Corrections	159	64	132	65
Dept of Education	2,555	1,178	2,524	1,222
Dept of Labor	28	16	25	19
Dept of Land Management	26	27	19	27
Dept of Law	109	40	107	39
Dept of Mental Health & Substance Abuse	119	38	107	40
Dept of Military Affairs	32	10	28	10
Dept of Parks and Recreation	38	32	35	32
Dept of Public Health & Social Services	261	145	253	150
Dept of Public Works	209	180	211	191
Dept of Revenue and Taxation	93	68	90	67
Dept of Vocational Rehabilitation	17	15	17	17
Dept of Youth Affairs	53	29	51	31
Government of Guam Retirement Fund	27	15	28	15
Governor's office	88	11	95	14
Guam Airport Authority	126	85	138	90
Guam CAHA	3	2	2	2
Guam Community College	175	84	150	91
Guam Economic Development Agency	20	6	20	6
Guam Election Commission	6	-	5	1
Guam Energy Office	12	3	9	1
Guam Environmental Protection Agency	37	13	40	15
Guam Fire Dept	140	156	139	158
Guam Housing & Urban Renewal Agency	71	31	76	33
Guam Housing Corporation	17	6	18	6
Guam Legislature	53	14	57	17
Guam Memorial Hospital Authority	784	223	719	241
Guam Police Dept	249	123	229	132
Guam Power Authority	321	202	313	210
Guam Reparation Commission	8	5	9	6
Guam Visitors Bureau	21	7	21	7
Guam Waterworks Authority	207	95	193	97
KGTF	3	7	3	6
Lt. Governor's Office	19	3	19	2
Mayor's Council	212	20	165	21
Nieves M. Flores Memorial Library	22	7	23	8
Port Authority Of Guam	230	109	216	111
Public Defender	28	21	28	21
Supreme Court Of Guam	240	112	215	114
Territorial Auditors	15	1	9	1
University Of Guam	360	193	302	197
Veteran's Affairs Office	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>
TOTAL	7,471	3,594	7,107	3,732

EXHIBIT 8. RETIRED EMPLOYEES (DB)

	9/30/2010	9/30/2009
Service Retirees		
Count	4,936	4,947
Average age	66.6	66.0
Average benefit	\$29,698	\$29,257
Disabled Retirees		
Count	377	394
Average age	64.6	64.2
Average benefit	\$20,254	\$20,069
Survivors		
Count	1,503	1,463
Average age	69.6	69.3
Average benefit	\$12,634	\$12,311
Child Pensioners		
Count	266	308
Average age	15.1	15.1
Average benefit	\$2,160	\$2,160
Total Retirees and Survivors		
Count	7,082	7,112
Average age*	67.2	66.6
Average benefit*	\$25,413	\$25,081

* Excludes child pensioners.

EXHIBIT 9. TERMINATED AND INACTIVE MEMBERS (DB)

	9/30/2010	9/30/2009
Reported as Inactive		
Count	4,775	4,799
Accumulated contributions	\$ 1,561,831	\$ 1,608,351
Reported as Terminated		
Count	256	257
Accumulated contributions	\$ 1,146,892	\$ 1,073,697
Zero Earnings		
Count	1,433	1,465
Accumulated contributions	\$ 11,921,501	\$ 11,117,857
Refund of Contributions		
Count	2	4
Accumulated contributions	\$ 573	\$ 44,341
Total Terminateds and Inactives		
Count	6,466	6,525
Accumulated contributions	\$ 14,630,797	\$ 13,844,246

EXHIBIT 10. RECONCILIATION OF MEMBERSHIP DATA (DB)

	Act	Inact	Term	Zero	Refund	Ret	Surv	Disab	Child	Total
9/30/2009	3,732	4,799	257	1,465	4	4,947	1,463	394	308	17,369
Additions from:										
Actives		0	5	29	2	59	0	5	0	100
Inactives	4		0	5	0	0	0	0	0	9
Terminations	1	0	0	0	0	1	0	0	0	2
Zero earnings	21	0	0		0	2	0	1	0	24
Refunds	0	0	0	2		1	0	0	0	3
Retiree	0	0	0	0	0		0	0	0	0
Survivor	0	0	0	0	0	0		0	0	0
Disability	0	0	0	0	0	0	0		0	0
Child	0	0	0	0	0	0	0	0		0
Other adds ¹	0	0	0	2	0	70	102	0	25	199
Subtotal	26	0	5	38	2	133	102	6	25	337
Subtractions due to:										
Actives		-4	-1	-21	0	-1	0	0	0	-26
Inactives	0		0	0	0	0	0	0	0	0
Terminations	-5	0		0	0	0	0	0	0	-5
Zero earnings	-29	-5	0		-2	0	0	0	0	-36
Refunds	-2	0	0	0		0	0	0	0	-2
Retiree	-59	0	-1	-2	-1		0	0	0	-63
Survivor	0	0	0	0	0	0		0	0	0
Disability	-5	0	0	-1	0	0	0		0	-6
Child	0	0	0	0	0	0	0	0		0
Other drops ²	-64	-15	-4	-46	-1	-144	-62	-23	-67	-426
Subtotal	-164	-24	-6	-70	-4	-144	-62	-23	-67	-564
9/30/2010	3,594	4,775	256	1,433	2	4,936	1,503	377	266	17,142

1 Other additions indicate members or beneficiaries who were reported this year but who were not included in the prior year's valuation (e.g. a new beneficiary, etc.).

2 Other drops indicate members or beneficiaries who were in the prior year's valuation but who were not reported in this year's census data (e.g. members who received a complete refund, retirees or beneficiaries who are now deceased, children who have reached the maximum age, etc.).

EXHIBIT 11. ACCRUED LIABILITY

The accrued liability has been calculated using the Entry Age Normal actuarial cost method, and is equal to the present value of benefits for all DB members less the present value of future normal costs for active DB employees.

	9/30/2010	9/30/2009
Present Value of Benefits		
Active employees –		
Retirement	\$ 1,036,432,455	\$ 991,133,795
Disability	60,357,548	61,890,232
Death	19,677,851	19,695,892
Withdrawal	<u>51,788,277</u>	<u>53,072,372</u>
Total active PVB	1,168,256,131	1,125,792,291
Retirees and Survivors		
Retirees	1,531,602,169	1,535,819,040
Disabled retirees	72,110,685	75,595,056
Survivors	<u>188,839,011</u>	<u>181,072,066</u>
Total retirees and survivors	1,792,551,865	1,792,486,162
Terminated and inactive members	14,630,797	13,844,246
Total PVB	\$ 2,975,438,793	\$ 2,932,122,699
Present Value of Future Normal Cost		
Active employees –		
Retirement	\$ 134,824,029	\$ 140,755,734
Disability	20,482,490	21,566,497
Death	6,423,998	6,789,519
Withdrawal	<u>23,175,823</u>	<u>24,246,190</u>
Total active PVFNC	\$ 184,906,340	\$ 193,357,940
Accrued Liability		
Active members	\$ 983,349,791	\$ 932,434,351
Retirees and survivors	1,792,551,865	1,792,486,162
Terminations and inactives	<u>14,630,797</u>	<u>13,844,246</u>
Total accrued liability	\$ 2,790,532,453	\$ 2,738,764,759

EXHIBIT 12. CALCULATION OF UNFUNDED ACCRUED LIABILITY

The unfunded accrued liability is used to determine the funding requirements. The unfunded accrued liability equals the accrued liability less the valuation assets.

	9/30/2010	9/30/2009
Accrued Liability		
Active members	\$ 983,349,791	\$ 932,434,351
Retirees and survivors	1,792,551,865	1,792,486,162
Terminations and inactives	<u>14,630,797</u>	<u>13,844,246</u>
Total accrued liability	\$ 2,790,532,453	\$ 2,738,764,759
Actuarial Value of Assets	1,245,850,411	1,294,603,725
Unfunded accrued liability	\$ 1,544,682,042	\$ 1,444,161,034
Security Ratio = (Assets/AL)	44.65%	47.27%

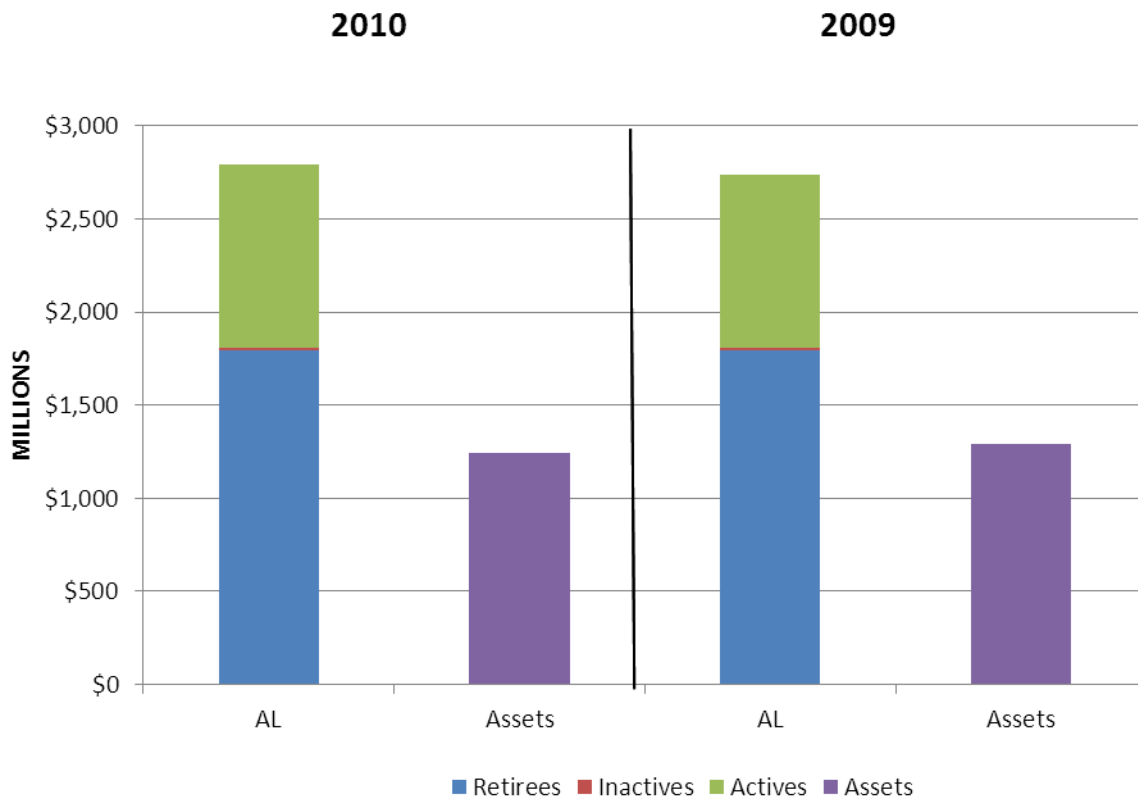


EXHIBIT 13. CALCULATION OF ACTUARIAL GAIN/LOSS

	9/30/2010	9/30/2009
Unfunded Accrued Liability, beginning of year	\$ 1,444,161,034	\$ 1,507,703,311
Additions:		
Normal cost	12,833,196	15,338,110
Interest to end of year	<u>101,989,596</u>	<u>106,612,899</u>
Total additions	114,822,792	121,951,009
Deductions:		
Employer contributions for year	101,231,964	92,921,118
Interest on contributions	<u>3,483,194</u>	<u>3,197,234</u>
Total deductions	104,715,158	96,118,352
Other Changes:		
Plan amendments	0	0
Changes in assumptions and methods	<u>0</u>	<u>(119,869,093)</u>
Net other changes	0	(119,869,093)
Expected UAL, end of year	\$ 1,454,268,668	\$ 1,413,666,875
Actual UAL, end of year	<u>1,544,682,042</u>	<u>1,444,161,034</u>
Actuarial Gain/(Loss)	\$ (90,413,374)	\$ (30,494,159)
Components of Actuarial Gain/(Loss):		
Investment gain/(loss) on actuarial value of assets	\$ (76,213,624)	\$ (26,566,097)
Other changes	<u>(14,199,750)</u>	<u>(3,928,062)</u>
Total actuarial gain/(loss)	\$ (90,413,374)	\$ (30,494,159)

EXHIBIT 14. NORMAL COST

The normal cost has been calculated using the Entry Age Normal actuarial cost method.

	9/30/2010		9/30/2009	
Expected defined benefit payroll for next fiscal year	\$ 177,846,327		\$ 176,969,758	
		% of DB Payroll		% of DB Payroll
Normal cost ¹				
Retirement	\$ 18,901,279	10.63%	\$ 18,832,445	10.64%
Disability	2,855,161	1.61%	2,871,859	1.62%
Withdrawal	3,073,408	1.73%	3,050,623	1.72%
Death	<u>907,319</u>	<u>0.51%</u>	<u>918,961</u>	<u>0.52%</u>
Total active normal cost	\$ 25,737,167	14.47%	\$ 25,673,888	14.51%
Assumed DB administrative expenses	<u>4,616,000</u>	<u>2.60%</u>	<u>4,413,000</u>	<u>2.49%</u>
Total normal cost and expenses	\$ 30,353,167	17.07%	\$ 30,086,888	17.00%
Expected member contributions	<u>(16,895,401)</u>	<u>(9.50%)</u>	<u>(16,812,127)</u>	<u>(9.50%)</u>
Government portion of normal cost	\$ 13,457,766	7.57%	\$ 13,274,761	7.50%

¹ Includes interest to mid-year.

EXHIBIT 15. AMORTIZATION OF UNFUNDED LIABILITY

Pursuant to GCA Section 8137, the unfunded liabilities of the Government of Guam Retirement Fund are to be completely funded within 80 years from May 1, 1951. As of September 30, 2010, there are 20.58 years remaining in the funding period. The amortization of the unfunded liability is calculated as a constant percentage of total payroll, which is assumed to grow at 3.5% per year.

	9/30/2010	9/30/2009
Total payroll (DB and DC) for fiscal year following	\$ 444,060,635	\$ 438,606,090
Unfunded accrued liability	1,544,682,042	1,444,161,034
Remaining funding period	20.58 years	21.58 years
Annual amortization	105,453,928	95,415,286
As % of total payroll (DB and DC)	23.75%	21.75%

EXHIBIT 16. CONTRIBUTION REQUIREMENTS

The required contribution is equal to the sum of (1) the government normal cost for the defined benefit (DB) plan, (2) the amortization payment towards the unfunded liability of the defined benefit (DB) plan, and (3) the expected government contributions to the defined contribution (DC) plan. The required contribution is then divided by the sum of the DB and DC payroll to determine the contribution rate as a percentage of payroll.

	9/30/2010	9/30/2009
Expected payroll for next fiscal year		
Defined benefit (DB)	\$ 177,846,327	\$ 176,969,758
Defined contribution (DC)	<u>266,214,308</u>	<u>261,636,332</u>
Total payroll (DB and DC)	\$ 444,060,635	\$ 438,606,090
Government normal cost excluding expenses (DB)	13,457,766	13,274,761
As % of DB payroll	7.57%	7.50%
As % of total payroll (DB and DC)	3.03%	3.03%
Amortization of Unfunded Liability (DB)	105,453,928	95,415,286
As % of total payroll (DB and DC)	23.75%	21.75%
Government DC contributions	14,689,715	14,397,817
As % of DC payroll	5.52%	5.50%
As % of total payroll (DB and DC)	3.31%	3.28%
Total DB and DC contributions	\$ 133,601,409	\$ 123,087,864
% of total payroll (DB and DC)	30.09%	28.06%

CONTRIBUTION RATE

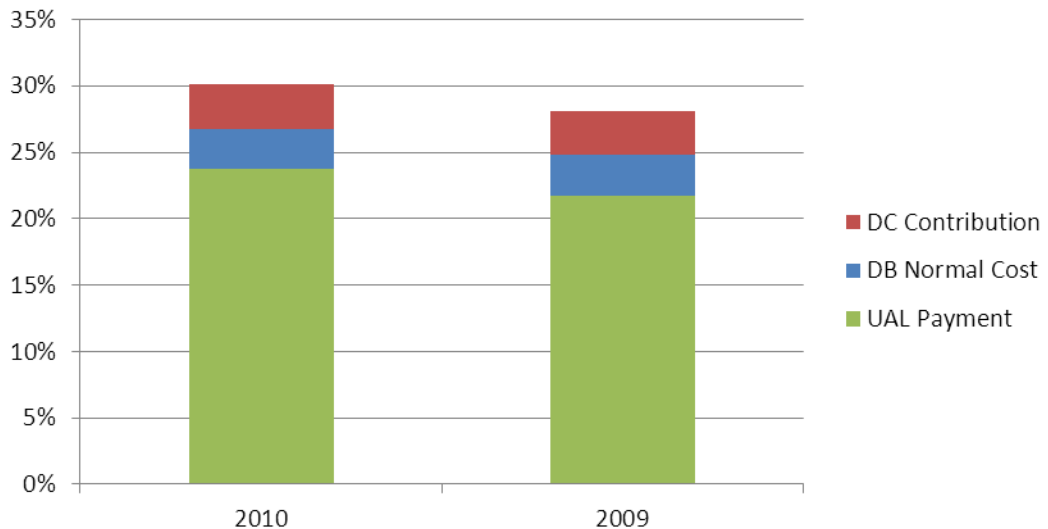


EXHIBIT 17. GASB NO. 25 SCHEDULE OF FUNDING PROGRESS

Government Accounting Standards Board (GASB) Statement No. 25 – Financial Reporting for Defined Benefit Pension Plans requires disclosure of the Schedule of Funding Progress.

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Normal Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Total Government Covered Payroll	UAAL as a Percentage of Covered Payroll
9/30/2001	\$1,265,001,000	\$2,333,862,000	\$1,068,861,000	54.2%	\$403,061,000	265.2%
9/30/2002	1,135,666,000	2,378,399,000	1,242,733,000	47.7%	395,967,000	313.8%
9/30/2003	1,206,911,000	2,614,840,000	1,407,929,000	46.2%	398,112,000	353.7%
9/30/2004	1,245,305,000	2,599,747,000	1,354,442,000	47.9%	365,592,000	370.5%
9/30/2005	1,293,564,000	2,583,366,000	1,289,802,000	50.1%	368,712,000	349.8%
9/30/2006	1,320,914,000	2,656,047,000	1,335,133,000	49.7%	389,786,000	342.5%
9/30/2007	1,448,655,000	2,682,118,000	1,233,463,000	54.0%	390,246,000	316.1%
9/30/2008	1,210,960,000	2,718,664,000	1,507,704,000	44.5%	425,781,000	354.1%
9/30/2009	1,294,604,000	2,738,765,000	1,444,161,000	47.3%	438,606,000	329.3%
9/30/2010	1,245,850,000	2,790,532,000	1,544,682,000	44.7%	444,061,000	347.9%

EXHIBIT 18. GASB NO. 25 SCHEDULE OF EMPLOYER CONTRIBUTIONS

Government Accounting Standards Board (GASB) Statement No. 25 – Financial Reporting for Defined Benefit Pension Plans requires disclosure of the Schedule of Employer Contributions.

Fiscal Year Ending	Annual Required Contribution	Employer Contribution	Percentage Contributed
September 30, 1991	\$ 83,988,000	\$ 51,612,000	61.5%
September 30, 1992	88,187,000	54,111,000	61.4%
September 30, 1993	94,552,000	59,117,000	62.5%
September 30, 1994	99,280,000	80,965,000	81.6%
September 30, 1995	67,650,000	66,904,000	98.9%
September 30, 1996	71,187,000	68,969,000	96.9%
September 30, 1997	67,521,000	81,546,000	120.8%
September 30, 1998	61,929,000	81,877,000	132.2%
September 30, 1999	63,985,000	96,134,000	150.2%
September 30, 2000	52,463,000	85,831,000	163.6%
September 30, 2001	75,494,000	73,386,000	97.2%
September 30, 2002	75,906,000	78,087,000	102.9%
September 30, 2003	98,630,000	63,486,000	64.4%
September 30, 2004	115,978,000	63,388,000	54.7%
September 30, 2005	123,958,000	70,658,000	57.0%
September 30, 2006	117,041,000	85,771,000	73.3%
September 30, 2007	113,207,000	76,973,000	68.0%
September 30, 2008	116,063,000	86,806,000	74.8%
September 30, 2009	107,009,000	92,921,000	86.8%
September 30, 2010	129,196,000	101,232,000	78.4%

EXHIBIT 19. PROJECTION OF CONTRIBUTION RATE

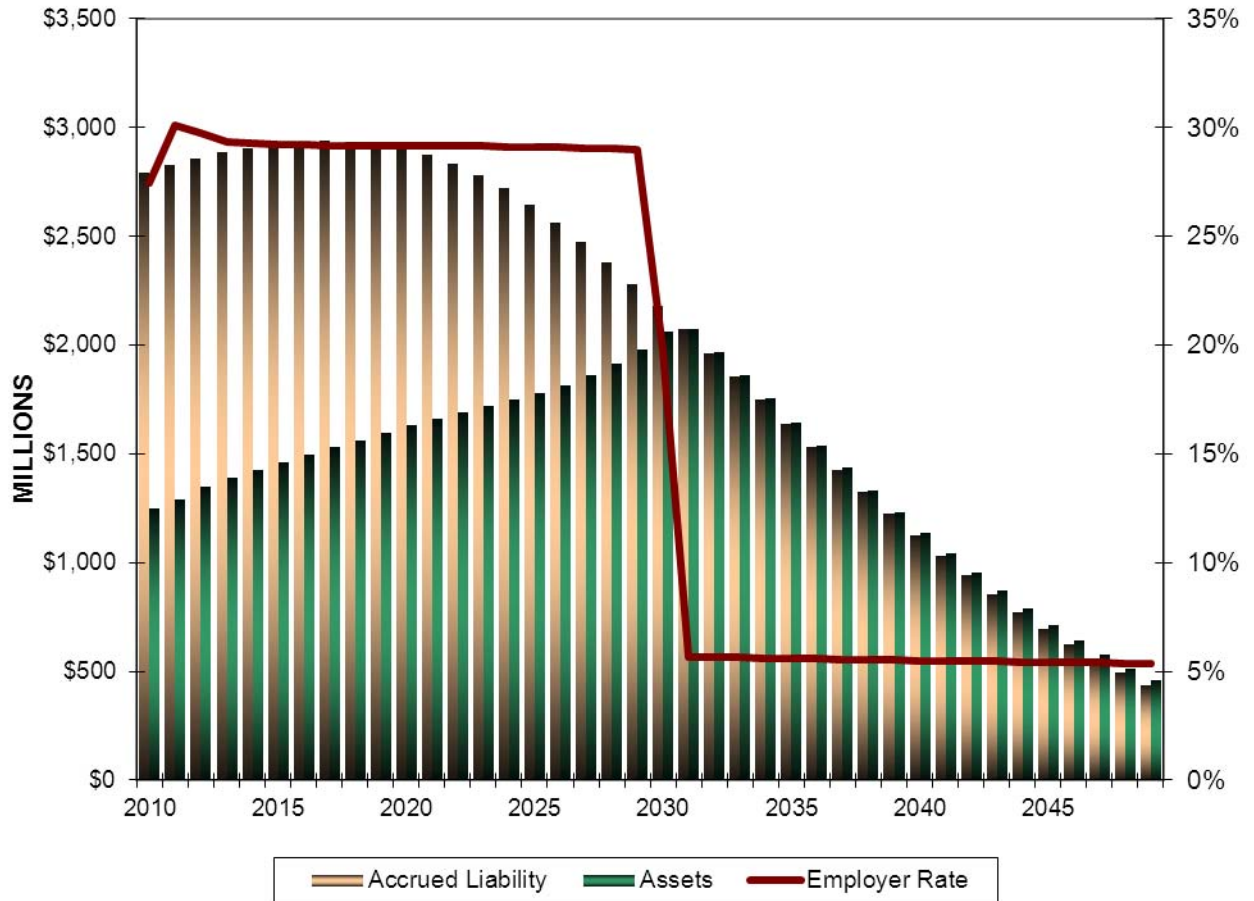


EXHIBIT 19. PROJECTION OF CONTRIBUTION RATE (values)

Year Ending	PAYROLL ¹		CONTRIB RATE		CONTRIBUTIONS			Invest Gain ²	Benefits/ Expenses	DB Fund Actuarial
	DB	DC	DB	DC	DB	DC	EE			
2010										\$1,245.85
2011	\$177.85	\$ 266.21	27.46%	21.94%	\$48.84	\$ 58.41	\$16.93	\$ 87.04	\$(184.52)	1,292.78
2012	172.61	286.99	30.09%	24.61%	51.93	70.62	16.43	89.22	(189.38)	1,351.17
2013	166.42	309.27	29.73%	24.28%	49.48	75.11	15.85	91.79	(194.55)	1,388.84
2014	159.41	332.93	29.34%	23.93%	46.77	79.66	15.19	94.25	(199.94)	1,424.78
2015	151.63	357.94	29.26%	23.88%	44.37	85.48	14.43	96.63	(205.67)	1,460.02
2016	142.91	384.49	29.24%	23.88%	41.78	91.80	13.62	98.97	(211.62)	1,494.56
2017	134.09	411.78	29.21%	23.87%	39.16	98.30	12.77	101.27	(217.35)	1,528.72
2018	125.21	439.76	29.17%	23.86%	36.53	104.93	11.93	103.55	(222.72)	1,562.94
2019	115.13	469.61	29.16%	23.86%	33.57	112.06	10.97	105.82	(228.74)	1,596.62
2020	103.79	501.42	29.16%	23.89%	30.26	119.77	9.90	108.03	(235.38)	1,629.20
2021	91.69	534.71	29.16%	23.90%	26.73	127.79	8.76	110.16	(242.36)	1,660.27
2022	79.23	569.08	29.16%	23.91%	23.10	136.09	7.57	112.18	(249.26)	1,689.96
2023	66.93	604.07	29.15%	23.92%	19.51	144.52	6.41	114.14	(255.56)	1,718.97
2024	55.34	639.16	29.14%	23.93%	16.13	152.94	5.30	116.09	(260.97)	1,748.46
2025	44.79	674.01	29.13%	23.92%	13.05	161.24	4.30	118.14	(264.88)	1,780.31
2026	35.56	708.39	29.11%	23.92%	10.35	169.42	3.42	120.44	(267.33)	1,816.59
2027	28.21	741.79	29.08%	23.90%	8.20	177.26	2.72	123.13	(267.78)	1,860.13
2028	22.54	774.40	29.05%	23.87%	6.55	184.85	2.18	126.42	(266.25)	1,913.88
2029	18.06	806.78	29.01%	23.84%	5.24	192.35	1.75	130.49	(263.45)	1,980.25
2030	14.39	839.32	28.98%	23.81%	4.17	199.86	1.40	135.51	(259.46)	2,061.73
2031	11.33	872.26	19.71%	14.55%	2.23	126.89	1.10	138.81	(254.61)	2,076.16
2032	8.87	905.64	5.68%	0.53%	0.50	4.76	0.86	135.78	(248.78)	1,969.29
2033	6.92	939.60	5.66%	0.51%	0.39	4.78	0.68	128.55	(242.13)	1,861.56
2034	5.29	974.36	5.63%	0.49%	0.30	4.79	0.52	121.29	(234.77)	1,753.70
2035	3.91	1,010.03	5.61%	0.48%	0.22	4.81	0.39	114.05	(226.87)	1,646.29
2036	2.86	1,046.56	5.59%	0.46%	0.16	4.81	0.28	106.85	(218.56)	1,539.84
2037	2.09	1,084.06	5.57%	0.44%	0.12	4.82	0.21	99.75	(209.62)	1,435.11
2038	1.51	1,122.66	5.55%	0.43%	0.08	4.82	0.15	92.78	(200.35)	1,332.60
2039	1.07	1,162.45	5.53%	0.42%	0.06	4.83	0.11	85.98	(190.67)	1,232.90
2040	0.72	1,203.51	5.52%	0.40%	0.04	4.82	0.08	79.39	(180.81)	1,136.42
2041	0.45	1,245.93	5.50%	0.39%	0.02	4.83	0.05	73.02	(170.81)	1,043.54
2042	0.27	1,289.74	5.48%	0.37%	0.01	4.83	0.03	66.92	(160.75)	954.57
2043	0.14	1,335.02	5.46%	0.36%	0.01	4.83	0.02	61.08	(150.71)	869.81
2044	0.07	1,381.82	5.45%	0.35%	-	4.83	0.01	55.54	(140.72)	789.46
2045	0.04	1,430.22	5.43%	0.34%	-	4.83	0.00	50.30	(130.89)	713.71
2046	0.02	1,480.30	5.42%	0.33%	-	4.83	0.00	45.38	(121.25)	642.66
2047	0.01	1,532.12	5.40%	0.31%	-	4.83	0.00	40.78	(111.87)	576.40
2048	0.00	1,585.75	5.39%	0.30%	-	4.83	0.00	36.50	(102.77)	514.95
2049	0.00	1,641.25	5.38%	0.29%	-	4.83	0.00	32.54	(94.00)	458.31

¹ Payroll is assumed to increase 3.5% per year.

² Investment earnings are assumed to be 7.0% per year on the market value of assets.

EXHIBIT 20. PROJECTION OF SECURITY RATIO

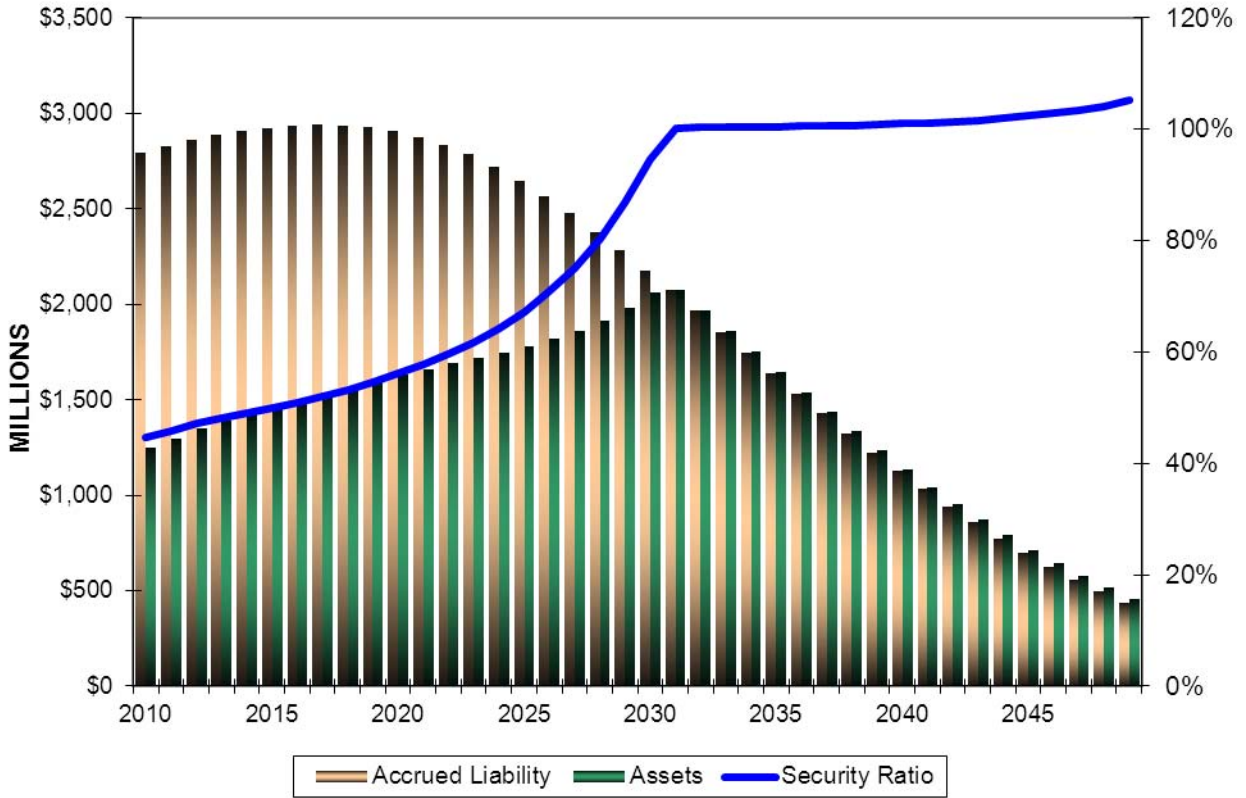


EXHIBIT 20. PROJECTION OF SECURITY RATIO (values)

Year Ending	Payroll ¹	EMPLOYER CONTRIBUTIONS		Fund Balance ²	Accrued Liability	Security Ratio
		DB Rate	Contribs DB Plan			
2010				\$ 1,245.85	\$ 2,790.53	44.65%
2011	\$ 444.06	27.46%	\$107.25	1,292.78	2,825.60	45.75%
2012	459.60	30.09%	122.55	1,351.17	2,857.14	47.29%
2013	475.69	29.73%	124.58	1,388.84	2,884.52	48.15%
2014	492.34	29.34%	126.43	1,424.78	2,907.06	49.01%
2015	509.57	29.26%	129.85	1,460.02	2,924.01	49.93%
2016	527.40	29.24%	133.58	1,494.56	2,934.66	50.93%
2017	545.86	29.21%	137.46	1,528.72	2,938.71	52.02%
2018	564.97	29.17%	141.46	1,562.94	2,936.15	53.23%
2019	584.74	29.16%	145.62	1,596.62	2,925.79	54.57%
2020	605.21	29.16%	150.03	1,629.20	2,906.20	56.06%
2021	626.39	29.16%	154.52	1,660.27	2,876.30	57.72%
2022	648.32	29.16%	159.20	1,689.96	2,835.35	59.60%
2023	671.01	29.15%	164.03	1,718.97	2,783.22	61.76%
2024	694.49	29.14%	169.07	1,748.46	2,720.11	64.28%
2025	718.80	29.13%	174.29	1,780.31	2,646.97	67.26%
2026	743.96	29.11%	179.77	1,816.59	2,564.74	70.83%
2027	769.99	29.08%	185.47	1,860.13	2,475.13	75.15%
2028	796.94	29.05%	191.39	1,913.88	2,379.95	80.42%
2029	824.84	29.01%	197.59	1,980.25	2,280.32	86.84%
2030	853.71	28.98%	204.03	2,061.73	2,177.31	94.69%
2031	883.59	19.71%	129.12	2,076.16	2,071.66	100.22%
2032	914.51	5.68%	5.26	1,969.29	1,964.30	100.25%
2033	946.52	5.66%	5.17	1,861.56	1,856.02	100.30%
2034	979.65	5.63%	5.09	1,753.70	1,747.58	100.35%
2035	1,013.94	5.61%	5.03	1,646.29	1,639.54	100.41%
2036	1,049.42	5.59%	4.97	1,539.84	1,532.41	100.48%
2037	1,086.15	5.57%	4.94	1,435.11	1,426.95	100.57%
2038	1,124.17	5.55%	4.90	1,332.60	1,323.65	100.68%
2039	1,163.52	5.53%	4.88	1,232.90	1,223.11	100.80%
2040	1,204.24	5.52%	4.86	1,136.42	1,125.73	100.95%
2041	1,246.39	5.50%	4.85	1,043.54	1,031.89	101.13%
2042	1,290.01	5.48%	4.84	954.57	941.89	101.35%
2043	1,335.16	5.46%	4.84	869.81	856.02	101.61%
2044	1,381.89	5.45%	4.83	789.46	774.50	101.93%
2045	1,430.26	5.43%	4.83	713.71	697.48	102.33%
2046	1,480.32	5.42%	4.83	642.66	625.08	102.81%
2047	1,532.13	5.40%	4.83	576.40	557.37	103.42%
2048	1,585.75	5.39%	4.83	514.95	494.37	104.16%
2049	1,641.25	5.38%	4.83	458.31	436.07	105.10%

¹ Payroll is assumed to increase 3.5% per year.

² Investment earnings are assumed to be 7.0% per year on the market value of assets.

APPENDIX A. SUMMARY OF PLAN PROVISIONS

The following description is only a brief summary of the more important provisions of the retirement plan. Actual plan provisions are contained in Chapter 8 of the Guam Code.

Membership Conditions and Exclusions: All employees of the Government of Guam hired on or before September 30, 1995 are required to participate as a condition of employment, except:

- a) Persons who are compensated on a fee basis;
- b) Independent contractors;
- c) Persons employed for a specific project;
- d) Persons employed in the Senior Citizens' Community Employment Program; and
- e) Persons with less than 20 years of service prior to September 30, 1995 who elect to transfer to the Government of Guam Defined Contribution Fund. Participants have an annual opportunity to transfer.

Membership is optional for:

- a) Temporary, seasonal, intermittent and part-time employees;
- b) Persons employed for a specific period of time and not domiciled in Guam; and
- c) Employees of a public corporation of the Government of Guam.

Membership is also applicable to members of the Legislature with special provisions for:

- a) The determination of average annual salary for pension computation purposes; and
- b) Contributions.

Pension Credits: Employees are entitled to pension credit for:

- a) Service rendered to the Government prior to May 1, 1951 when the Fund began operations.
- b) Service on or after May 1, 1951 for which contributions are required to be made by the employees.
- c) Casual or part-time employment under prescribed conditions for which contributions must be made.
- d) Unused and accumulated sick and annual (vacation) leaves with 12 days of service counted as a full month; 6 to 11 days, ½ month; and less than 6 days disregarded.
- e) For employees hired before June 1, 1989, pension credit is granted up to a maximum of 5 years for Federal service, provided the employee terminates membership in the Federal Civil Service Retirement Fund and makes a contribution to the Government of Guam Retirement Fund equal to the amount contributed by the member and his employer during the period which is equal in length to the period for which service credit is requested, and which ends on the member's termination date of such employment with interest from the date of such termination to the date of payment.
- f) For employees hired before June 1, 1989, educational leave time or periods of termination for educational training purposes, if contributions are made to the Fund with interest. Members who first joined the fund prior to January 31, 1987, may receive credit for up to the normal period of time required to complete degree without having been employed by the government prior to the period during which the degree was earned.

- g) Military service prior to May 1, 1951, if not considered for any Federal Government Pension other than for disability. If entry into military service occurred after May 1, 1951, total pension credit is limited to 5 years in the aggregate, provided the employee was in the service of the Government of Guam at date of entry into military service and returned to the Government of Guam service within one year following discharge from military service under conditions other than dishonorable, or within 6 months after completion of education under the various education benefits programs for veterans; otherwise the total credit is limited to three years.

Schedule for Computing Service: The following schedule shall govern the computation of pension credit: 12 days or more during any month constitutes a month of service; 6 to 11 days, ½ month; less than 6 days is disregarded. Nine months or more during any year constitutes a year of service.

Vesting of Pension Credit: If entrance to service was prior to October 1, 1981, vesting occurs after at least 3 years of service. If entrance to service was on or after October 1, 1981, vesting occurs after at least 5 years of service.

Upon separation from service, an employee may optionally leave the contribution credits in the Fund and qualify for a deferred retirement annuity, based upon the total pension credit. If the pension credit is 20 years or more, no refund of contributions is payable and the employee must accept a deferred retirement annuity.

Conditions for Service Retirement: With respect to any employee who originally became a member of the Fund prior to October 1, 1981:

- a) Such member may retire on a service retirement annuity at age 60 or over, or at age 55 in the case of a member of the uniformed personnel after at least 10 years of service. Upon retirement, a member of the uniformed personnel shall be considered one grade above that held at date of retirement.
- b) A member with at least 25 years of service may retire at any age on an unreduced retirement annuity.
- c) Any retired employee with at least 25 years of credit service shall be entitled to the full retirement annuity on and after September 30, 1981.
- d) Any member, active or inactive, may retire after 20 years of service, regardless of age. In such case, the retirement annuity shall be reduced ¼ of 1% for each month that the age of the member is less than 60 years (3% per year).

With respect to an employee who became a member of the Fund on or after October 1, 1981, and prior to August 22, 1984, the following provisions shall govern:

- a) Such member may retire on a service retirement annuity at age 60 or over, or at age 55 if a member of the uniformed personnel after at least 15 years of service and upon retirement shall be considered one rank grade above that held at such date.
- b) A member with at least 30 years of service shall be eligible for service retirement, regardless of age, without reduction for early retirement.
- c) Any member, whether in an active or inactive status, may retire after 25 years of service, at any age, on an annuity reduced ¼ of 1% per month (3% per year) for each month member's age is less than 60.

With respect to any employee becoming a member of the Fund on or after August 22, 1984:

- a) Such member may retire on a service retirement annuity at age 65 or over, or at age 60 in the case of a member of the uniformed personnel after at least 15 years of service. Upon retirement, a member of the uniformed personnel shall be considered one grade above that held at date of retirement.
- b) A member with at least 30 years of service may retire at any age on an unreduced retirement annuity.
- c) Any member, active or inactive, may retire after 25 years of service, regardless of age. In such case, the retirement annuity shall be reduced $\frac{1}{4}$ of 1% for each month that the age of the member is less than 65 years (3% per year).

Amount of Service Retirement Annuity: A basic annuity of 2.00% of “average annual salary” for each of the first 10 years of credited service; and 2.5% of “average annual salary” for each full year of pension credit above 10 years, plus twenty dollars (\$20.00) multiplied by years of credited service reduced by an amount equal to one hundredth of one percent (.01%) of said amount for each one dollar (\$1.00) that a member’s average annual salary exceeds the amount of six thousand dollars (\$6,000).

The minimum amount of service retirement annuity payable by the Fund is \$1,200 per year. The maximum retirement annuity is 85% of “average annual salary.”

Average Annual Salary: Average of three highest annual salaries received by a member during the entire period of pension credit, or \$6,000, whichever is greater.

The annual salary of the member shall include the basic rate of salary on which contributions were made by the member and any salary on which the member made contributions as required under GCA, Section 8136(a). Effective October 1, 1986, salary can include payment for unused annual leave upon retirement.

In case of members of the Legislature, the average annual salary is the salary of the Director of Administration at the member’s date of retirement, or the average of the three highest annual salaries received by the member during the period of membership credit, whichever is greater.

Automatic Increase in Annuity: Effective July 1, 1984, any member retiring from service and entitled to benefits after September 1, 1972, is to receive each year, on the anniversary date of retirement, an increment of \$600 if the annual annuity is \$3,500 or less; \$400 if the annuity is between \$3,500 and \$6,300 per year; \$300 if the annuity is between \$6,300 and \$10,100; and \$200 if the annuity exceeds \$10,100 per year.

Disability Retirement: Upon total and permanent disability due to physical or mental causes, an employee under age 65 is entitled to a disability retirement annuity. For employees hired prior to August 22, 1984, the amount of the disability retirement annuity will be 66-2/3% of the employee’s salary in effect on the date of disability. Subsequent employees will have an annuity amount based on 66-2/3% of the average of the highest three years of salary. If the disability was not due to occupational causes, the employee must have Government of Guam service credit of at least six years, or five years in the case of terminal illness, in order to qualify, except that new members since May 28, 1985, may not retire if a disability arises from impairment or conditions existing prior to employment.

A disability retirement annuitant must submit to a medical examination at least once a year during the first five years of disability, and at least once every three years thereafter, by a physician or physicians designated by the Board in order to establish continuing disability and entitlement to benefits. Should a disability annuitant resume gainful employment in a position other than the particular job in which he was engaged when declared disabled, the disability retirement benefit shall continue as initially determined.

A member receiving disability retirement benefits since December 1, 1972, is entitled to receive on the anniversary date of retirement, an annual increase of \$300 if the benefit is \$3,000 per year or less; \$250 per year where the annuity is between \$3,000 and \$6,000 per year; \$200 per year where the annuity is between \$6,000 and \$10,000 per year; and \$100 if the annuity exceeds \$10,000 per year.

Re-entry Into Service: A member on retirement who re-enters services as an employee eligible for membership shall have the annuity suspended during the period of employment without losing rights to automatic increases in the retirement annuity during the period of re-employment. This provision does not apply to Department of Education employees who occupy positions dealing with the Chamorro Language and Culture Program in Guam schools, persons employed as classroom teachers, guidance or health counselors when critical need arises, nor elected officials.

Benefits to Survivors: Benefits are payable to a surviving spouse and children under age 21, upon the death of a member while in service after at least three years of service, or occurring while on retirement. The benefit to children of an annuitant or member whose death occurs while in service, after at least three years of service is payable until age 24, if they are full-time students in an accredited educational institution and for disabled children regardless of age, if disability occurred before age 21.

If only a spouse survives the active or retired member, the annuity payable is 50% of the service or disability retirement annuity earned by the member, subject to a minimum of \$1,200 per year.

The annuity to a child is \$2,160 per year, subject to a maximum payment to five or more minor children of \$10,800 per year. The term "child" or "children" includes any natural child or adopted child under age 21, or any permanently disabled child whose incapacity began before the child attained age 21.

A survivor annuitant is entitled to an automatic increase in annuity each year on the anniversary date of the annuity of \$600 if the annuity is \$3,500 per year or less; \$400 if the annuity is between \$3,500 and \$6,300 per year; \$300 if the annuity is between \$6,300 and \$10,100; and \$200 if the annuity is more than \$10,100 per year.

A surviving spouse or minor child surviving the member is entitled, in addition to the above, a death benefit of \$1,000 payable in a lump sum.

A survivor's annuity terminates upon death or re-marriage under the age of 40, attainment of age 21 of the child, or the termination of the incapacity of a disabled child.

Optional Privilege at Retirement: Upon retirement from service, any unmarried employee, if in good health as determined by medical examination, may elect to receive, on an actuarial equivalent basis in lieu of the full retirement annuity, a reduced retirement annuity payable during the

annuitant's lifetime, plus an annuity to a designated beneficiary to become payable at death of the annuitant. The annuity to the beneficiary is to be paid at the same rate and under the same conditions that apply to a survivor of a married member whose death occurs while in service.

Death Benefit – Active and Retired Members Without Survivors: Upon death of a member while in service, leaving no survivors eligible for annuities, the designated beneficiary or estate is entitled to a refund of the contribution credits, plus interest, together with a death benefit of \$1,000 payable in a lump sum.

Upon death of a retired member, if no survivors' annuities are payable, the death benefit to a designated beneficiary or the estate of the member consists of the excess, if any, of: (1) the total contribution credits of the member at retirement, plus interest, over (2) the total amount of annuity payments made to the retired member, plus the sum of \$1,000.

Death Benefit – Inactive Members: Upon the death of an inactive member with at least 20 years of pension credit, and survived by a spouse or minor children, the following benefit options are provided: (a) the surviving spouse or children, as the case may be, may elect to receive the annuities prescribed if the death of a member occurs while in service; or (b) a refund of the deceased member's total contribution credits, plus interest.

Refund of Members' Contributions: Upon complete separation from service, or transfer to the Government of Guam Defined Contribution Fund, a member with less than 25 years of pension credit may receive a refund of the total contributions, plus interest (except that no interest is payable if the total pension credit is less than one year).

Contributions by Members: Each member shall contribute to the Fund 9½% of salary earned and accruing after October 1, 1997; and at the member's option, 10½% of non-base pay subsequent to October 1, 1997.

APPENDIX B. ACTUARIAL COST METHOD AND ASSUMPTIONS

	September 30, 2010		September 30, 2009	
Actuarial Cost Method	Entry Age Normal		Entry Age Normal	
Interest Rate	7.00%		7.00%	
Salary Increases	<u>Service</u>	<u>% Increase</u>	<u>Service</u>	<u>% Increase</u>
	0 – 5	8.5%	0 – 5	8.5%
	6 – 10	7.0%	6 – 10	7.0%
	11 – 15	6.0%	11 – 15	6.0%
	16 – 20	5.0%	16 – 20	5.0%
	Over 20	4.0%	Over 20	4.0%
Total Payroll Growth (DB and DC)	3.50%		3.50%	
Cost of Living Adjustment	Specified in Plan		Specified in Plan	
Mortality	RP-2000 Combined Healthy table +3 for males +1 for females No provision was made for future mortality improvement.		RP-2000 Combined Healthy table +3 for males +1 for females No provision was made for future mortality improvement.	
Disability				
Incidence	1974-78 SOA LTD Non-Jumbo		1974-78 SOA LTD Non-Jumbo	
Post-disability mortality	RP 2000 Disability male/female tables		RP 2000 Disability male/female tables	
Withdrawal Rates	Service-based rates (see attached)		Service-based rates (see attached)	
Retirement Age	50% assumed to retire at earliest eligibility for unreduced benefits.		50% assumed to retire at earliest eligibility for unreduced benefits.	
	20% per year thereafter until age 70		20% per year thereafter until age 70	
	100% at age 70		100% at age 70	

	September 30, 2010	September 30, 2009
Return of Contributions	<p>100% of those who withdraw before retirement and who have less than 20 years of service are assumed to elect a return of contributions</p> <p>All employees who have previously withdrawn are assumed to elect a return of contributions.</p> <p>Contributions earn 4.5% interest</p>	<p>100% of those who withdraw before retirement and who have less than 20 years of service are assumed to elect a return of contributions</p> <p>All employees who have previously withdrawn are assumed to elect a return of contributions.</p> <p>Contributions earn 4.5% interest</p>
Marital Status	<p>Retiree data included spouse information. For active employees, 75% are assumed to have spouses at retirement. The assumed age difference is 3 years (+3 for a male spouse; -3 for a female spouse).</p>	<p>Retiree data included spouse information. For active employees, 75% are assumed to have spouses at retirement. The assumed age difference is 3 years (+3 for a male spouse; -3 for a female spouse).</p>
Sick Leave Adjustments	<p>Assumed to add 1.5 years of service and increase average earnings by 10% at retirement</p>	<p>Assumed to add 1.5 years of service and increase average earnings by 10% at retirement</p>
Administrative Expenses	<p>\$5,995,000 per year (equal to budgeted expense for year ending 9/30/11), allocated 77% to DB and 23% to DC</p>	<p>\$5,729,000 per year (equal to budgeted expense for year ending 9/30/10), allocated 77% to DB and 23% to DC</p>
Survivor Benefit – Minor Children	<p>Assumed to increase value of retirement benefits by 0.5% and survivor benefits by 15% for active members</p>	<p>Assumed to increase value of retirement benefits by 0.5% and survivor benefits by 15% for active members</p>
Asset Valuation Method	<p>3-year phase-in of gains/losses relative to interest rate assumption</p>	<p>3-year phase-in of gains/losses relative to interest rate assumption</p>
Data Inconsistencies	<p>None</p>	<p>None</p>

Probabilities of Separation from Active Service
(per 100 working at each age)

MALE					FEMALE				
Age	Death	Disability	Service	Withdrawal	Age	Death	Disability	Service	Withdrawal
20	0.04	0.10	0	15.0	20	0.02	0.10	0	15.0
21	0.04	0.10	1	14.0	21	0.02	0.10	1	14.0
22	0.04	0.10	2	13.0	22	0.02	0.10	2	13.0
23	0.04	0.10	3	12.0	23	0.02	0.10	3	12.0
24	0.04	0.10	4	11.0	24	0.02	0.10	4	11.0
25	0.04	0.10	5	10.0	25	0.02	0.10	5	10.0
26	0.04	0.10	6	9.0	26	0.02	0.10	6	9.0
27	0.04	0.10	7	8.0	27	0.02	0.10	7	8.0
28	0.05	0.10	8	7.0	28	0.02	0.10	8	7.0
29	0.06	0.10	9	6.0	29	0.03	0.10	9	6.0
30	0.06	0.10	10	5.0	30	0.03	0.10	10	5.0
31	0.07	0.10	11	4.5	31	0.04	0.10	11	4.5
32	0.08	0.10	12	4.0	32	0.04	0.10	12	4.0
33	0.08	0.10	13	3.5	33	0.04	0.10	13	3.5
34	0.09	0.10	14	3.0	34	0.05	0.10	14	3.0
35	0.10	0.10	15	2.5	35	0.05	0.10	15	2.5
36	0.10	0.10	16	2.0	36	0.06	0.10	16	2.0
37	0.11	0.10	17	2.0	37	0.06	0.10	17	2.0
38	0.11	0.10	18	2.0	38	0.06	0.10	18	2.0
39	0.12	0.10	19	2.0	39	0.07	0.10	19	2.0
40	0.13	0.20	20 & over	2.0	40	0.08	0.20	20 & over	2.0
41	0.14	0.20			41	0.09	0.20		
42	0.15	0.20			42	0.09	0.20		
43	0.16	0.20			43	0.10	0.20		
44	0.17	0.20			44	0.11	0.20		
45	0.19	0.36			45	0.12	0.36		
46	0.20	0.36			46	0.13	0.36		
47	0.21	0.36			47	0.14	0.36		
48	0.24	0.36			48	0.16	0.36		
49	0.27	0.36			49	0.17	0.36		
50	0.29	0.63			50	0.19	0.63		
51	0.32	0.63			51	0.20	0.63		
52	0.36	0.63			52	0.22	0.63		
53	0.42	0.63			53	0.24	0.63		
54	0.47	0.63			54	0.27	0.63		
55	0.53	1.06			55	0.31	1.06		
56	0.59	1.06			56	0.35	1.06		
57	0.67	1.06			57	0.39	1.06		
58	0.77	1.06			58	0.44	1.06		
59	0.88	1.06			59	0.51	1.06		
60	1.00	1.51			60	0.58	1.51		
61	1.13	1.51			61	0.67	1.51		
62	1.27	1.51			62	0.76	1.51		
63	1.44	1.51			63	0.86	1.51		
64	1.61	1.51			64	0.97	1.51		

APPENDIX C. SUMMARY OF PARTICIPANT DATA

Active Non-Uniformed

Age	COUNT			ANNUAL SALARIES		
	Males	Females	Total	Males	Females	Total
Under 20	-	-	-	-	-	-
20 – 24	-	-	-	-	-	-
25 – 29	-	1	1	-	*	*
30 – 34	10	4	14	*	*	*
35 – 39	108	106	214	\$ 4,212,807	\$ 4,417,301	\$8,630,108
40 – 44	257	284	541	11,186,148	12,953,639	24,139,787
45 – 49	371	417	788	17,465,043	20,132,366	37,597,409
50 – 54	331	364	695	16,457,797	18,092,685	34,550,482
55 – 59	212	298	510	11,280,726	15,086,254	26,366,980
60 – 64	117	195	312	6,443,592	9,230,313	15,673,905
65 – 69	37	64	101	2,152,749	3,118,622	5,271,371
70 & Over	<u>34</u>	<u>27</u>	<u>61</u>	<u>2,073,519</u>	<u>1,390,075</u>	<u>3,463,594</u>
Total	1,477	1,760	3,237	\$71,272,381	\$84,421,255	\$155,693,636

* Not shown if less than 20 members. The totals only sum the cells that are displayed.

Age	SERVICE									Total
	0 - 4	5 - 9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 20	-	-	-	-	-	-	-	-	-	-
20 – 24	-	-	-	-	-	-	-	-	-	-
25 – 29	-	1	-	-	-	-	-	-	-	1
30 – 34	2	1	1	9	1	-	-	-	-	14
35 – 39	7	18	25	146	18	-	-	-	-	214
40 – 44	13	11	18	269	208	22	-	-	-	541
45 – 49	17	10	28	217	309	192	15	-	-	788
50 – 54	17	9	18	166	205	188	80	12	-	695
55 – 59	5	4	19	114	158	111	79	18	2	510
60 – 64	2	2	8	81	109	61	31	9	9	312
65 – 69	1	3	3	24	26	26	11	6	1	101
70 & Over	<u>1</u>	<u>-</u>	<u>1</u>	<u>16</u>	<u>21</u>	<u>13</u>	<u>4</u>	<u>3</u>	<u>2</u>	<u>61</u>
Total	65	59	121	1,042	1,055	613	220	48	14	3,237

Active Uniformed

Age	COUNT			ANNUAL SALARIES		
	Males	Females	Total	Males	Females	Total
Under 20	-	-	-	-	-	-
20 – 24	-	-	-	-	-	-
25 – 29	-	-	-	-	-	-
30 – 34	1	-	1	*	-	*
35 – 39	35	1	36	\$ 1,827,822	*	\$ 1,827,822
40 – 44	90	3	93	5,808,374	*	5,808,374
45 – 49	117	7	124	8,119,648	*	8,119,648
50 – 54	74	1	75	5,295,521	*	5,295,521
55 – 59	18	-	18	*	-	*
60 – 64	8	-	8	*	-	*
65 – 69	2	-	2	*	-	*
70 & Over	-	-	-	-	-	-
Total	345	12	357	\$21,051,365	*	\$21,051,365

* Not shown if less than 20 members. The totals only sum the cells that are displayed.

Age	SERVICE									Total
	0 - 4	5 – 9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 20	-	-	-	-	-	-	-	-	-	-
20 – 24	-	-	-	-	-	-	-	-	-	-
25 – 29	-	-	-	-	-	-	-	-	-	-
30 – 34	-	-	1	-	-	-	-	-	-	1
35 – 39	-	-	8	25	3	-	-	-	-	36
40 – 44	1	-	2	36	47	7	-	-	-	93
45 – 49	-	-	1	24	41	53	5	-	-	124
50 – 54	-	-	-	13	19	29	13	1	-	75
55 – 59	-	-	-	6	4	6	2	-	-	18
60 – 64	-	-	-	-	5	1	2	-	-	8
65 – 69	-	-	-	-	-	2	-	-	-	2
70 & Over	-	-	-	-	-	-	-	-	-	-
Total	1	-	12	104	119	98	22	1	-	357

Active Total

Age	COUNT			ANNUAL SALARIES		
	Males	Females	Total	Males	Females	Total
Under 20	-	-	-	-	-	-
20 – 24	-	-	-	-	-	-
25 – 29	-	1	1	-	*	*
30 – 34	11	4	15	*	*	*
35 – 39	143	107	250	\$ 6,040,629	\$ 4,417,301	\$10,457,930
40 – 44	347	287	634	16,994,522	12,953,639	29,948,161
45 – 49	488	424	912	25,584,691	20,132,366	45,717,057
50 – 54	405	365	770	21,753,318	18,092,685	39,846,003
55 – 59	230	298	528	11,280,726	15,086,254	26,366,980
60 – 64	125	195	320	6,443,592	9,230,313	15,673,905
65 – 69	39	64	103	2,152,749	3,118,622	5,271,371
70 & Over	<u>34</u>	<u>27</u>	<u>61</u>	<u>2,073,519</u>	<u>1,390,075</u>	<u>3,463,594</u>
Total	1,822	1,772	3,594	\$92,323,746	\$84,421,255	\$176,745,001

* Not shown if less than 20 members. The totals only sum the cells that are displayed.

Age	SERVICE									Total
	0 - 4	5 – 9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 20	-	-	-	-	-	-	-	-	-	-
20 – 24	-	-	-	-	-	-	-	-	-	-
25 – 29	-	1	-	-	-	-	-	-	-	1
30 – 34	2	1	2	9	1	-	-	-	-	15
35 – 39	7	18	33	171	21	-	-	-	-	250
40 – 44	14	11	20	305	255	29	-	-	-	634
45 – 49	17	10	29	241	350	245	20	-	-	912
50 – 54	17	9	18	179	224	217	93	13	-	770
55 – 59	5	4	19	120	162	117	81	18	2	528
60 – 64	2	2	8	81	114	62	33	9	9	320
65 – 69	1	3	3	24	26	28	11	6	1	103
70 & Over	<u>1</u>	<u>-</u>	<u>1</u>	<u>16</u>	<u>21</u>	<u>13</u>	<u>4</u>	<u>3</u>	<u>2</u>	<u>61</u>
Total	66	59	133	1,146	1,174	711	242	49	14	3,594

Service Retirees

Age	COUNT			ANNUAL BENEFITS		
	Males	Females	Total	Males	Females	Total
Under 25	-	1	1	-	*	*
25 – 29	-	-	-	-	-	-
30 – 34	-	-	-	-	-	-
35 – 39	-	-	-	-	-	-
40 – 44	3	1	4	*	*	*
45 – 49	36	18	54	\$ 986,099	*	\$ 986,099
50 – 54	175	137	312	6,130,820	\$ 3,997,663	10,128,483
55 – 59	466	402	868	17,307,880	12,143,549	29,451,429
60 – 64	530	509	1,039	18,637,438	15,269,413	33,906,851
65 – 69	432	445	877	14,973,925	12,583,092	27,557,017
70 – 74	356	377	733	10,891,701	9,090,209	19,981,910
75 – 79	260	289	549	6,653,712	6,653,706	13,307,418
80 – 84	153	165	318	3,616,404	3,525,161	7,141,565
85 – 89	66	78	144	1,374,785	1,474,055	2,848,840
90 & Over	<u>11</u>	<u>26</u>	<u>37</u>	<u>*</u>	<u>427,204</u>	<u>427,204</u>
Total	2,488	2,448	4,936	\$80,572,764	\$65,164,052	\$145,736,816

* Not shown if less than 20 members. The totals only sum the cells that are displayed. Payees receiving benefits under Qualified Domestic Relations Orders (QDROs) are included with service retirees.

Age	ANNUAL BENEFIT LEVEL									Total
	<\$5k	\$5-10k	\$10-15k	\$15-20k	\$20-25k	\$25-30k	\$30-40k	\$40-50k	\$50k+	
Under 40	-	-	-	-	1	-	-	-	-	1
40 – 44	-	-	-	1	-	3	-	-	-	4
45 – 49	-	2	3	8	11	8	15	6	1	54
50 – 54	-	8	16	27	46	55	81	45	34	312
55 – 59	2	7	46	55	116	141	266	134	101	868
60 – 64	3	11	58	88	170	170	298	136	105	1,039
65 – 69	-	22	72	106	130	155	194	111	87	877
70 – 74	2	36	97	130	110	106	147	53	52	733
75 – 79	-	34	119	99	94	71	73	35	24	549
80 – 84	-	15	84	86	32	40	37	5	19	318
85 – 89	-	-	61	38	17	12	10	2	4	114
90 & Over	<u>-</u>	<u>1</u>	<u>17</u>	<u>11</u>	<u>4</u>	<u>1</u>	<u>-</u>	<u>2</u>	<u>1</u>	<u>37</u>
Total	7	136	573	649	731	762	1,121	529	428	4,936

Disabled Retirees

Age	COUNT			ANNUAL BENEFITS		
	Males	Females	Total	Males	Females	Total
Under 25	-	-	-	-	-	-
25 – 29	-	-	-	-	-	-
30 – 34	-	-	-	-	-	-
35 – 39	2	1	3	*	*	*
40 – 44	4	2	6	*	*	*
45 – 49	12	6	18	*	*	*
50 – 54	21	17	38	\$ 495,673	*	\$ 495,673
55 – 59	27	33	60	607,314	\$ 662,786	1,270,100
60 – 64	35	38	73	838,677	792,894	1,631,571
65 – 69	33	26	59	695,520	512,355	1,207,875
70 – 74	28	21	49	575,364	427,436	1,002,800
75 – 79	15	24	39	*	403,662	403,662
80 – 84	6	14	20	*	*	*
85 – 89	3	7	10	*	*	*
90 & Over	<u>1</u>	<u>1</u>	<u>2</u>	<u>*</u>	<u>*</u>	<u>*</u>
Total	187	190	377	\$3,212,548	\$2,799,133	\$6,011,681

* Not shown if less than 20 members. The totals only sum the cells that are displayed.

Age	ANNUAL BENEFIT LEVEL									Total
	<\$5k	\$5-10k	\$10-15k	\$15-20k	\$20-25k	\$25-30k	\$30-40k	\$40-50k	\$50k+	
Under 40	-	-	1	2	-	-	-	-	-	3
40 – 44	-	-	-	3	-	2	1	-	-	6
45 – 49	-	-	1	7	4	2	4	-	-	18
50 – 54	-	-	2	18	9	4	3	2	-	38
55 – 59	-	-	9	22	16	6	6	1	-	60
60 – 64	-	-	8	26	18	11	7	3	-	73
65 – 69	-	-	14	19	13	8	4	1	-	59
70 – 74	-	-	8	13	19	5	4	-	-	49
75 – 79	-	-	14	16	4	4	1	-	-	39
80 – 84	-	-	16	2	2	-	-	-	-	20
85 – 89	-	1	6	3	-	-	-	-	-	10
90 & Over	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total	-	1	81	131	85	42	30	7	-	377

Surviving Spouses and Child Pensioners

Age	COUNT			ANNUAL BENEFITS		
	Males	Females	Total	Males	Females	Total
Under 25	115	121	236	\$ 252,549	\$ 261,360	\$ 513,909
25 – 29	2	2	4	*	*	*
30 – 34	4	5	9	*	*	*
35 – 39	2	11	13	*	*	*
40 – 44	2	22	24	*	232,175	232,175
45 – 49	9	45	54	*	514,404	514,404
50 – 54	11	76	87	*	1,118,155	1,118,155
55 – 59	18	136	154	*	1,927,131	1,927,131
60 – 64	30	175	205	334,009	2,320,510	2,654,519
65 – 69	35	153	188	434,233	2,178,186	2,612,419
70 – 74	41	194	235	508,309	2,440,833	2,949,142
75 – 79	40	175	215	460,910	2,035,127	2,496,037
80 – 84	41	136	177	481,675	1,611,257	2,092,932
85 – 89	28	92	120	345,496	1,023,845	1,369,341
90 & Over	<u>4</u>	<u>44</u>	<u>48</u>	<u>*</u>	<u>475,236</u>	<u>475,236</u>
Total	382	1,387	1,769	\$2,817,181	\$16,138,219	\$18,955,400

* Not shown if less than 20 members. The totals only sum the cells that are displayed.

Surviving Spouses Only

Age	ANNUAL BENEFIT LEVEL									Total
	<\$5k	\$5-10k	\$10-15k	\$15-20k	\$20-25k	\$25-30k	\$30-40k	\$40-50k	\$50k+	
Under 40	-	11	3	2	-	-	-	-	-	16
40 – 44	1	8	9	2	1	-	-	-	-	21
45 – 49	-	23	16	6	2	1	-	-	-	48
50 – 54	1	17	34	21	5	1	1	1	2	83
55 – 59	-	38	65	23	14	8	4	-	-	152
60 – 64	1	50	101	34	8	6	2	-	-	202
65 – 69	-	41	90	28	18	5	5	-	-	187
70 – 74	3	70	115	26	10	5	5	-	-	234
75 – 79	-	72	112	20	8	2	1	-	-	215
80 – 84	1	46	111	11	6	1	-	-	1	177
85 – 89	-	30	79	8	1	2	-	-	-	120
90 & Over	<u>-</u>	<u>16</u>	<u>30</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48</u>
Total	7	422	765	183	73	31	18	1	3	1,503

APPENDIX D. GLOSSARY OF KEY TERMS

Accrued Liability. The Present Value of Future Benefits allocated to past service in accordance with the actuarial cost method.

Actuarial Cost Method. A method of allocating the present value of benefits to past and future periods. Actuarial cost methods take into consideration the effect of wage inflation.

Actuarial Gains and Losses. Changes to the Accrued Liability due to deviations from the actuarial assumptions. These can include gains and losses from investments, employee turnover, disability, retirement, mortality, and administrative expenses.

Actuarial Value of Assets. A method of valuing Fund assets that may smooth gains and losses that occur in the market value over a period of time.

GASB. Government Accounting Standards Board. GASB No. 25 and No. 27 are accounting standards issued by GASB that require certain items be disclosed in the Fund's financial statements.

Normal Cost. The value of benefits earned for one year of service. The normal cost is calculated in accordance with the actuarial cost method. The accumulation of all normal costs assigned to past service equals the Accrued Liability.

Present Value of Benefits. The sum of all benefits expected to be paid in the future by the retirement system, with the payments discounted to the present using the valuation interest rate. This includes benefits to be earned in the future for current employees.

Present Value of Future Normal Cost. The sum of all future normal costs expected for current employees, with the costs discounted back to the present using the valuation interest rate.

Security Ratio. The percentage of the Accrued Liability that is funded by the Fund assets. A fully funded plan will have a security ratio of 100%.

Unfunded Accrued Liability. The dollar value of the Accrued Liability that exceeds the value of the Fund assets. A fully funded plan will have no unfunded accrued liability.