

CITY OF LOS ANGELES
FIRE & POLICE PENSION PLAN
ANNUAL ACTUARIAL VALUATION
June 30, 2003



Submitted to
BOARD of FIRE and POLICE PENSION COMMISSIONERS

The City of Los Angeles Fire and Police Pension Plan

June 30, 2003 Actuarial Valuation

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GABRIEL, ROEDER, SMITH & COMPANY
CONSULTANTS & ACTUARIES

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January 14, 2004

(Revised)

Board of Fire and Police Pension Commissioners
360 East Second Street, 6th Floor
Los Angeles, CA 90012

Members of the Board:

Results of the regular Annual Actuarial Valuation as of June 30, 2003 of The City of Los Angeles Fire and Police Pension Plan are summarized. The valuation is intended to provide a measure of the funding status of the retirement system and health subsidy benefits. This valuation forms the basis for the City contribution rates for the year beginning July 1, 2004.

Contributions	Retirement	Health
Normal Costs	16.83%	2.35%
Unfunded Amortization	-3.04%	0.74%
TOTAL	13.79%	3.09%

The member statistical data on which the valuation was based was furnished by staff, together with pertinent data on financial operations. Data was reviewed for reasonableness, but was not audited by the actuary.

There was an overall actuarial loss of \$399 million, which reflects 3.5% of related actuarial accrued liabilities as of June 30, 2002.

The cooperation of staff in furnishing materials requested for this valuation is deeply acknowledged with appreciation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

Rick A. Roeder, E.A., F.S.A., M.A.A.A.

The City of Los Angeles Fire and Police Pension Plan
Summary of Significant Valuation Results

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Total
I. Total Membership						
A. Active Members						
· Fire - Nonvested	0	0	10	63	1,865	1,938
· Police - Nonvested	<u>0</u>	<u>1</u>	<u>792</u>	<u>416</u>	<u>5,822</u>	<u>7,031</u>
· Total - Nonvested	0	1	802	479	7,687	8,969
· Fire - Vested	0	127	33	11	1,318	1,489
· Police - Vested	<u>0</u>	<u>199</u>	<u>401</u>	<u>82</u>	<u>1,518</u>	<u>2,200</u>
· Total - Vested	0	326	434	93	2,836	3,689
Total Active Members	0	327	1,236	572	10,523	12,658
B. Pensioners						
· Service Retirement	276	6,436	55	24	275	7,066
· Disability Retirement	257	1,935	182	11	3	2,388
· Surviving Spouses and Dependents	<u>728</u>	<u>1,572</u>	<u>56</u>	<u>2</u>	<u>2</u>	<u>2,360</u>
Total Pensioners	1,261	9,943	293	37	280	11,814
C. Total Membership	1,261	10,270	1,529	609	10,803	24,472
II. Annual Salary at June 30, 2003						
A. Total Compensation						
· Fire	0	11,318,410	3,308,194	5,280,937	252,629,191	272,536,733
· Police	<u>0</u>	<u>18,732,772</u>	<u>88,510,816</u>	<u>38,099,058</u>	<u>552,847,341</u>	<u>698,189,987</u>
· Total	0	30,051,182	91,819,010	43,379,995	805,476,533	970,726,720
B. Average						
· Fire	0	89,121	76,935	71,364	79,368	79,526
· Police	<u>0</u>	<u>93,664</u>	<u>74,192</u>	<u>76,504</u>	<u>75,320</u>	<u>75,636</u>
· Average		91,900	74,287	75,839	76,544	76,689
III. Average Monthly Benefit to Current Pensioners and Beneficiaries at June 30, 2003						
A. Service Retirement	\$1,830	\$3,818	\$2,681	\$2,984	\$6,023	\$3,814
B. Disability Retirement	2,144	3,763	2,613	3,726	4,727	3,502
C. Surviving Spouses and Dependents	2,095	3,197	3,225	6,102	7,107	2,864
D. All Pensioners	2,047	3,709	2,743	3,373	6,017	3,561

The City of Los Angeles Fire and Police Pension Plan
Summary of Significant Valuation Results

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Total
IV. Average Monthly Health Subsidy Benefits to Current Pensioners	\$294	\$356	\$366	\$364	\$392	\$357
V. Actuarial Value of Assets Available for						
A. Pension Benefits	(\$8,692,619)	\$6,862,412,750	\$344,364,486	\$173,011,150	\$4,319,654,626	\$11,690,750,393
B. Health Subsidy	<u>2,324,776</u>	<u>222,663,784</u>	<u>27,861,871</u>	<u>7,545,676</u>	<u>332,142,893</u>	<u>592,539,000</u>
C. Total	(\$6,367,843)	\$7,085,076,534	\$372,226,356	\$180,556,826	\$4,651,797,519	\$12,283,289,393
VI. Unfunded/(Surplus) Actuarial Accrued Liability						
A. Pension Benefits	\$271,998,074	(\$300,727,319)	\$15,958,780	(\$5,848,465)	(\$468,573,002)	(\$487,191,932)
B. Health Subsidy	<u>24,460,352</u>	<u>405,665,988</u>	<u>(8,817,828)</u>	<u>(896,371)</u>	<u>(86,190,198)</u>	<u>334,221,943</u>
C. Total	\$296,458,426	\$104,938,669	\$7,140,953	(\$6,744,836)	(\$554,763,200)	(\$152,969,989)
VII. Actuarial Funded Ratio						
A. Pension Benefits	-3.3%	104.6%	95.6%	103.5%	112.2%	104.3%
B. Health Subsidy	8.7%	35.4%	146.3%	113.5%	135.0%	63.9%
C. Total	-2.2%	98.5%	98.1%	103.9%	113.5%	101.3%
VIII. Budget Items						
A. Pension Benefits						
1. Normal Cost as a Percent of Pay	0.00%	22.43%	15.42%	12.45%	16.73%	16.83%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability	\$23,673,686	-1.51%	-1.84%	-4.43%	-4.34%	-3.04%
B. Health Subsidy Benefits						
1. Normal Cost as a Percent of Pay	0.00%	2.37%	2.37%	2.10%	2.36%	2.35%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability	\$2,128,937	2.04%	-6.03%	-4.05%	-0.93%	0.74%
C. Total Contribution (A+B)						
1. Normal Cost as a Percent of Pay	0.00%	24.80%	17.79%	14.55%	19.09%	19.18%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability	\$25,802,623	0.53%	-7.87%	-8.48%	-5.27%	-2.30%

Note: Tier 2 Amortization of unfunded/(surplus) AAL percentages only are applied to payroll for all Tiers combined.

The City of Los Angeles Fire and Police Pension Plan

Funded Status of Retirement Benefits			
	June 30, 2003	June 30, 2002	Percent Change
Actuarial Accrued Liability			
Pensioners and Beneficiaries	\$6,993,956,999	\$6,598,367,515	6.0%
Active Members	<u>4,209,601,462</u>	<u>4,008,457,761</u>	5.0%
Total	\$11,203,558,461	\$10,606,825,276	5.6%
Value of Assets Available for Retirement Benefits			
Market	9,793,087,872	9,621,691,610	1.8%
Actuarial	11,690,750,393	11,491,922,363	1.7%
Funding Ratio			
Market	87.4%	90.7%	
Actuarial	104.3%	108.3%	

Funded Status of Health Benefits			
	June 30, 2003	June 30, 2002	Percent Change
Actuarial Accrued Liability	\$926,760,943	\$884,371,214	4.8%
Value of Assets Available for Health Benefits			
Market	442,986,622	444,038,567	-0.2%
Actuarial	592,539,000	586,953,850	1.0%
Funding Ratio			
Market	47.8%	50.2%	
Actuarial	63.9%	66.4%	

VALUATION RESULTS
&
COMMENTS

June 30, 2003

FUNDING OBJECTIVE

The funding objective of the Retirement System is to establish and receive contributions, expressed as percents of active member payroll, which will remain approximately level from year to year and will not have to be increased for future generations of citizens.

CONTRIBUTION RATES

The System is supported by member contributions, City contributions, and investment income from Fund assets.

Contributions which satisfy the funding objective are determined by the annual actuarial valuation and are intended to:

1. cover the actuarial present value of benefits allocated to the current year by the actuarial cost method (the normal cost); and
2. finance over a period of future years the actuarial present value of benefits not covered by valuation assets and anticipated future normal costs (unfunded actuarial accrued liability).

Computed contributions for the fiscal year beginning July 1, 2004 are shown on the following pages.

The City of Los Angeles Fire and Police Pension Plan

Computed Contribution Rates

(Expressed as Percents of Active Payroll)

Valuation Date	<u>Retirement</u>		<u>Health Subsidy</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Applying to Fiscal Year	2004-05	2003-04	2004-05	2003-04
Normal Cost	16.83%	15.81%	2.35%	2.28%
UAAL Amortization	-3.04%	-4.81%	0.74%	0.70%
Total City Contribution	13.79%	11.00%	3.09%	2.98%

The above contributions assume a 1% “pick up” of Tier 5 employee contributions (which will continue to apply as long as the funded ratio exceeds 100%), and assume contributions are made, on average, at the middle of the fiscal year. Our understanding is that the City has maintained a practice of making most of the contributions at the beginning of the fiscal year and applying a 4.5% discount.

Ongoing unfunded actuarial accrued liabilities (UAAL) are a byproduct of actuarial gains and losses, as well as benefit, assumption and methodology changes. Each valuation generates an actuarial gain (loss) for each group valued. Each year’s gain (loss) is amortized as determined by policy for each separate Tier. Amortization is expressed as a percent-of-payroll and added to (or subtracted from) computed normal costs.



The City of Los Angeles Fire and Police Pension Plan
Computed Contribution Rates – Retirement Benefits

June 30, 2003

(Expressed as Percents of Active Payroll)

Elements of Normal Cost

	<u>Tier 2</u>	<u>Tier 3</u>	<u>Tier 4</u>	<u>Tier 5</u>	<u>Total</u>
Normal Retirement	21.77%	18.49%	16.66%	19.29%	19.17%
Ordinary Death	0.16%	0.18%	0.16%	0.16%	0.16%
Death-In-Service ¹	0.57%	0.73%	0.64%	0.68%	0.68%
Ordinary Disability ¹	0.16%	0.13%	0.12%	0.13%	0.13%
Duty Disability	5.17%	3.42%	2.87%	3.70%	3.68%
Contribution Refunds	<u>0.60%</u>	<u>0.47%</u>	<u>0.00%</u>	<u>0.77%</u>	<u>0.71%</u>
Total Normal Cost	28.43%	23.42%	20.45%	24.73%	24.53%
Less					
Employee Contributions ²	<u>6.00%</u>	<u>8.00%</u>	<u>8.00%</u>	<u>8.00%</u>	<u>7.70%</u>
Equals					
Employer Normal Cost	22.43%	15.42%	12.45%	16.73%	16.83%

- 1 These figures could be viewed as overstated, and Normal Retirement figures understated, since, in many cases, an active member, who dies or becomes disabled will have significant service credit accrued and may be eligible for service retirement at time of disability or death benefit grant.
- 2 Watson Wyatt had reflected the netting of the 7% employee contribution rate for Tier 2 to reflect the cessation of contributions after 30 years of service. They did no similar netting for Tiers 3-4. To be consistent with their methodology, we continued their practice and did not net after 33 years of service for newly created Tier 5.

The City of Los Angeles Fire and Police Pension Plan

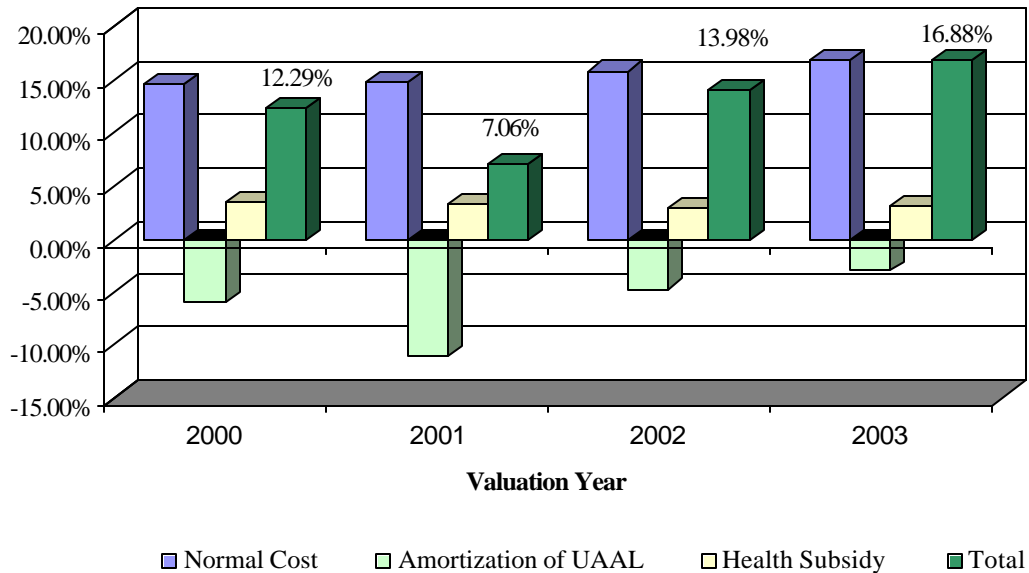
Computed Contributions – Historic Comparison

Valuation Date	Retirement	Health	Total	Valuation Payroll
6/30/00	8.68%	3.60%	12.29%	\$845,426,191
6/30/01	3.74%	3.32%	7.06%	\$882,758,282
6/30/02	11.00%	2.98%	13.98%	\$946,037,252
6/30/03	13.79%	3.09%	16.88%	\$970,726,720

Valuation Payroll is the sum of active member pays for each Tier that are reported to us by staff. In prior years, payroll amounts are also inclusive of pay raises granted on the July 1 immediately succeeding the valuation date. For the 2002 valuation, such increase was 5%. For the 2003 valuation, we did not reflect a comparable pay increase as of July 1.

The following graph illustrates the funding levels of the past few years for both the retirement benefits and the health subsidy benefits.

System Contributions as a Percent of Pay



The City of Los Angeles Fire and Police Pension Plan

Budget Amounts for Pension Benefits

	Recommended 2004 - 2005	Recommended 2003 - 2004	Percent Change
Tier 1			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 1 Payroll	N/A	N/A	N/A
2. Amortization of Unfunded Actuarial Accrued Liability	\$ 23,673,686	\$ 25,034,595	-5.4%
Tier 2			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 2 Payroll	22.43%	20.94%	7.1%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability, as a Percent of Total Payroll, All Tiers	-1.51%	-4.06%	-62.8%
Tier 3			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 3 Payroll	15.42%	15.20%	1.4%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability, as a Percent of Tier 3 Payroll	-1.84%	-4.17%	-55.8%
3. Total Contribution as a Percent of Tier 3 Payroll	13.58%	11.03%	23.1%
Tier 4			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 4 Payroll	12.45%	13.05%	-4.6%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability, as a Percent of Tier 4 Payroll	-4.43%	-4.37%	1.3%
3. Total Contribution as a Percent of Tier 4 Payroll	8.02%	8.68%	-7.6%
Tier 5			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 5 Payroll	16.73%	15.63%	7.0%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability, as a Percent of Tier 5 Payroll	-4.34%	-3.53%	22.8%
3. Total Contribution as a Percent of Tier 5 Payroll	12.39%	12.10%	2.4%

The City of Los Angeles Fire and Police Pension Plan
Budget Amounts for Health Subsidy Benefits

	Recommended 2004 - 2005	Recommended 2003 - 2004	Percent Change
Tier 1			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 1 Payroll	N/A	N/A	N/A
2. Amortization of Unfunded Actuarial Accrued Liability	\$ 2,128,937	\$ 1,119,131	90.2%
Tier 2			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 2 Payroll	2.37%	2.37%	0.0%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability, as a Percent of Total Payroll, All Tiers	2.04%	1.92%	6.3%
Tier 3			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 3 Payroll	2.37%	2.16%	9.7%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability, as a Percent of Tier 3 Payroll	-6.03%	-2.75%	119.3%
3. Total Contribution as a Percent of Tier 3 Payroll	-3.66%	-0.59%	520.3%
Tier 4			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 4 Payroll	2.10%	2.73%	-23.1%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability, as a Percent of Tier 4 Payroll	-4.05%	-2.32%	74.6%
3. Total Contribution as a Percent of Tier 4 Payroll	-1.95%	0.41%	-575.6%
Tier 5			
1. Entry Age Normal Cost Funded by City as a Percent of Tier 5 Payroll	2.36%	2.12%	11.3%
2. Amortization of Unfunded/(Surplus) Actuarial Accrued Liability, as a Percent of Tier 5 Payroll	-0.93%	0.55%	-269.1%
3. Total Contribution as a Percent of Tier 5 Payroll	1.43%	2.67%	-46.4%

The City of Los Angeles Fire and Police Pension Plan

UFLAC Settlement Amortization Schedule

The City and UFLAC settled litigation regarding the payment of investment manager fees/expenses out of plan assets in 1995. It was agreed that the City would make amortization payments plus \$500,000 each year until the \$11,040,227 agreed upon amount was paid off. The City began making the additional \$500,000 payments in the fiscal year beginning July 1, 1996.

Based on the amortization schedule below, the City should continue to make the additional \$500,000 payments through the fiscal year beginning July 1, 2006, with a final payment of \$282,582 in the fiscal year beginning July 1, 2007 along with annual required contributions to fully amortize this obligation.

<u>Fiscal Year</u>	<u>Balance</u>	<u>Scheduled Payment</u>	<u>Additional Payment</u>
7/1/96	11,040,227	896,521	500,000
7/1/97	10,463,421	896,521	500,000
7/1/98	9,837,586	896,521	500,000
7/1/99	9,158,556	896,521	500,000
7/1/00	8,421,808	896,521	500,000
7/1/01	7,622,436	896,521	500,000
7/1/02	6,755,118	896,521	500,000
7/1/03	5,814,077	896,521	500,000
7/1/04	4,793,049	896,521	500,000
7/1/05	3,685,232	896,521	500,000
7/1/06	2,483,252	896,521	500,000
7/1/07	1,179,103	896,521	282,582
7/1/08	0		

The City of Los Angeles Fire and Police Pension Plan
Member Contributions as of June 30, 2003

In addition to City contributions, the System is also funded by member contributions. The current rates are 7% for Tier 2 and 8% for Tiers 3 through 5.

The Member contribution account balances (including interest) that were reported for the June 30, 2003 valuation are:

	Fire Members	Police Members	Total
Tier 2	\$19,490,760	\$31,186,168	\$50,676,928
Tier 3	2,858,399	58,107,131	60,965,530
Tier 4	3,722,380	36,835,489	40,557,869
Tier 5	309,577,915	514,074,242	823,652,157
Total	\$335,649,454	\$640,203,030	\$975,852,484



The City of Los Angeles Fire and Police Pension Plan

Unfunded Actuarial Accrued Liability

June 30, 2003

Derivation of Experience Gain (Loss)

The actuarial gains or losses realized in the operation of the System provide an experience test. Gains and losses are expected to cancel each other over a period of years and sizable year-to-year fluctuations are common.

	<u>Retirement</u>	<u>Health</u>
(1) UAAL* at beginning of year	(\$885,097,086)	\$297,417,364
(2) Contribution toward UAAL	(\$92,273,815)	\$10,127,051
(3) Interest Accrual	(\$71,391,586)	\$24,858,853
(4) Expected UAAL at the end of year (1) - (2) + (3)	(\$864,214,857)	\$312,149,166
(5) Actual End of Year UAAL	(\$487,191,932)	\$334,221,943
(6) (Gain)/Loss	\$377,022,925	\$22,072,777
(7) (Gain)/loss as percentage actuarial accrued liabilities at beginning of year	3.6%	2.5%

* Unfunded actuarial accrued liability

The City of Los Angeles Fire and Police Pension Plan

Unfunded Actuarial Accrued Liability

Components of Actuarial (Gain) Loss for Retirement Benefits

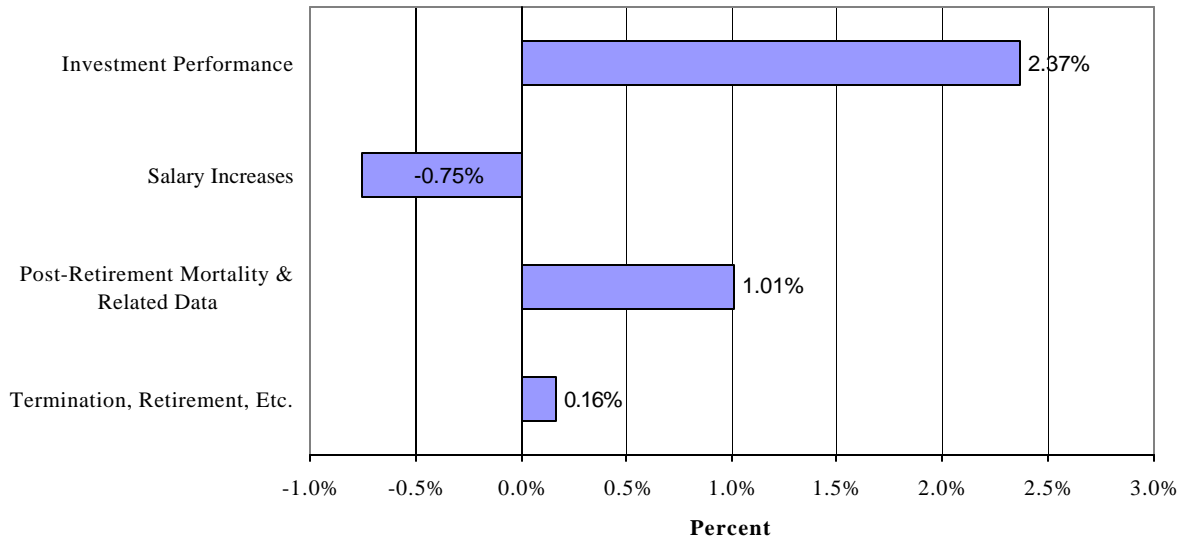
Estimated (Gain) attributed to pay increases	(120,518,175)
Estimated Loss attributed to post-retirement mortality and related data	162,643,665
Estimated (Gain) attributed to COLA increases	(98,709,008)
Estimated Loss attributed to retirement incidence	18,523,921
Estimated (Gain) attributed to lag in actual versus expected contributions	(4,887,748)
Estimated Loss attributed to employee turnover, pre-retirement mortality, retirement incidence, and miscellaneous factors	38,004,333
Estimated Loss attributed to investment experience	<u>381,965,937</u>
Total Estimated Experience Loss	377,022,925

Unfunded Actuarial Accrued Liability

Total actuarial accrued liabilities	11,203,558,461
Assets allocated to retirement plan	<u>11,690,750,393</u>
Unfunded Actuarial Accrued Liability	(487,191,932)

The graph below illustrates the effect of gains and losses over the past year on the recommended System contribution for retirement benefits.

Contribution for Retirement Benefits Increased 2.79% of Pay



The City of Los Angeles Fire and Police Pension Plan
Detail of Amortization of Unfunded Actuarial Accrued Liability

Retirement Benefits

Tier 1

Unfunded/(Surplus) Actuarial Accrued Liability is amortized as a flat dollar amount, over 34 years as of June 30, 2003.

Tier 2

Unfunded/(Surplus) Actuarial Accrued Liability is amortized as a percent of total payroll, all Tiers, over 34 years as of June 30, 2003.

Tier 3

Assumption and plan changes are amortized over 30 years and actuarial experience gains and losses are amortized over 15 years.

<u>Item</u>	<u>Years Left</u>	<u>Remaining Balance 6/30/2003</u>	<u>Amortization Amount</u>
7-1-89 (GAIN) / LOSS	1	(412,000)	(425,733)
7-1-89 ASSUMPTION CHANGE	16	(16,071,551)	(1,312,296)
7-1-90 (GAIN) / LOSS	2	(1,307,625)	(686,682)
7-1-90 AMENDMENT	17	278,951	21,760
7-1-90 ASSUMPTION CHANGE	17	(6,266,365)	(488,812)
7-1-91 (GAIN) / LOSS	3	7,645,637	2,720,305
7-1-92 (GAIN) / LOSS	4	(5,172,193)	(1,402,568)
7-1-92 ASSUMPTION CHANGE	19	2,415,922	173,681
7-1-93 (GAIN) / LOSS	5	(8,921,411)	(1,966,609)
7-1-94 (GAIN) / LOSS	6	2,042,066	381,135
7-1-95 (GAIN) / LOSS	7	(2,818,758)	(458,129)
7-1-95 ASSUMPTION CHANGE	22	(19,702,495)	(1,277,930)
7-1-96 (GAIN) / LOSS	8	(204,933)	(29,606)
7-1-96 PLAN CHANGE	23	2,733,584	172,054
7-1-95 AVA METHOD CHANGE	23	(17,670,684)	(1,112,209)
7-1-97 (GAIN) / LOSS	9	(15,157,374)	(1,977,099)
7-1-98 (GAIN) / LOSS	10	(25,372,676)	(3,025,271)
7-1-98 PLAN CHANGE	25	5,280,193	314,603
7-1-98 ASSUMPTION CHANGE	25	8,880,705	529,127
7-1-99 (GAIN) / LOSS	11	(41,638,070)	(4,583,618)
7-1-00 (GAIN) / LOSS	12	(51,248,987)	(5,251,560)
7-1-00 PLAN CHANGE	27	904,627	51,333
7-1-01 (GAIN) / LOSS	13	(41,505,697)	(3,986,427)
7-1-01 ASSUMPTION CHANGE	28	(27,685,913)	(1,536,240)
7-1-02 (GAIN) / LOSS	14	112,924,155	10,225,272
7-1-03 (GAIN) / LOSS	15	154,009,672	13,213,897
Total		15,958,780	(1,717,619)

The City of Los Angeles Fire and Police Pension Plan

Detail of Amortization of Unfunded Actuarial Accrued Liability

Retirement Benefits (continued)

Tier 4

Assumption and plan changes are amortized over 30 years and actuarial experience gains and losses are amortized over 15 years.

<u>Item</u>	<u>Years Left</u>	<u>Remaining Balance 6/30/2003</u>	<u>Amortization Amount</u>
7-1-89 (GAIN) / LOSS	1	(161,483)	(166,866)
7-1-89 ASSUMPTION CHANGE	16	(6,299,126)	(514,345)
7-1-90 (GAIN) / LOSS	2	(512,514)	(269,140)
7-1-90 AMENDMENT	17	109,334	8,529
7-1-90 ASSUMPTION CHANGE	17	(2,456,055)	(191,586)
7-1-91 (GAIN) / LOSS	3	2,996,652	1,066,204
7-1-92 (GAIN) / LOSS	4	(2,027,203)	(549,726)
7-1-92 ASSUMPTION CHANGE	19	946,903	68,073
7-1-93 (GAIN) / LOSS	5	(3,496,681)	(770,798)
7-1-94 (GAIN) / LOSS	6	800,374	149,383
7-1-95 (GAIN) / LOSS	7	(1,104,792)	(179,560)
7-1-95 ASSUMPTION CHANGE	22	(7,722,248)	(500,875)
7-1-96 (GAIN) / LOSS	8	(80,321)	(11,604)
7-1-96 PLAN CHANGE	23	1,071,408	67,435
7-1-95 AVA METHOD CHANGE	23	(6,925,895)	(435,922)
7-1-97 (GAIN) / LOSS	9	(5,940,822)	(774,909)
7-1-98 (GAIN) / LOSS	10	(9,944,635)	(1,185,733)
7-1-98 PLAN CHANGE	25	2,069,533	123,306
7-1-98 ASSUMPTION CHANGE	25	3,480,728	207,388
7-1-99 (GAIN) / LOSS	11	(16,319,736)	(1,796,515)
7-1-00 (GAIN) / LOSS	12	(20,086,666)	(2,058,310)
7-1-00 PLAN CHANGE	27	352,498	20,003
7-1-01 (GAIN) / LOSS	13	(9,596,845)	(921,732)
7-1-01 ASSUMPTION CHANGE	28	(4,633,915)	(257,127)
7-1-02 (GAIN) / LOSS	14	19,026,511	1,722,849
7-1-03 (GAIN) / LOSS	15	60,606,530	5,199,988
Total		(5,848,466)	(1,951,591)

Tier 5

Assumption and plan changes are amortized over 30 years and actuarial experience gains and losses are amortized over 15 years.

<u>Item</u>	<u>Years Left</u>	<u>Remaining Balance 6/30/2003</u>	<u>Amortization Amount</u>
ORIGINAL BASE 07/01/02	29	(149,287,075)	(8,109,786)
7-1-03 (GAIN) / LOSS	15	(319,285,927)	(27,394,457)
Total		(468,573,002)	(35,504,243)

The City of Los Angeles Fire and Police Pension Plan

Detail of Amortization of Unfunded Actuarial Accrued Liability

Health Subsidy Benefits

Tier 1

Unfunded/(Surplus) Actuarial Accrued Liability is amortized as a flat dollar amount, over 34 years as of June 30, 2003.

Tier 2

Unfunded/(Surplus) Actuarial Accrued Liability is amortized as a percent of total payroll, all Tiers, over 34 years as of June 30, 2003.

Tier 3

Assumption and plan changes are amortized over 30 years and actuarial experience gains and losses are amortized over 15 years.

<u>Item</u>	<u>Years</u> <u>Left</u>	<u>Remaining Balance</u> <u>6/30/2003</u>	<u>Amortization</u> <u>Amount</u>
ORIGINAL BASE	1	68,672,500	5,607,338
7-1-90 (GAIN) / LOSS	16	487,796	256,160
7-1-91 (GAIN) / LOSS	2	502,876	178,922
7-1-92 (GAIN) / LOSS	17	(1,729,716)	(469,055)
7-1-92 ASSUMPTION CHANGE	17	8,409,125	604,533
7-1-93 (GAIN) / LOSS	3	(6,229,326)	(1,373,174)
7-1-93 ASSUMPTION CHANGE	4	(24,316,734)	(1,685,251)
7-1-94 (GAIN) / LOSS	19	(4,124,701)	(769,843)
7-1-95 (GAIN) / LOSS	5	(10,204,084)	(1,658,457)
7-1-95 ASSUMPTION CHANGE	6	(3,317,509)	(215,178)
7-1-96 (GAIN) / LOSS	7	(22,915,136)	(3,310,468)
7-1-96 AVA METHOD CHANGE	22	(7,151,158)	(450,100)
7-1-96 ASSUMPTION CHANGE	8	(3,962,520)	(249,405)
7-1-97 (GAIN) / LOSS	23	(8,666,743)	(1,130,473)
7-1-97 PLAN CHANGE	23	12,952,349	792,525
7-1-97 ASSUMPTION CHANGE	9	(7,102,650)	(434,595)
7-1-98 (GAIN) / LOSS	10	(4,401,062)	(524,754)
7-1-98 PLAN CHANGE	25	(213,245)	(12,705)
7-1-98 ASSUMPTION CHANGE	25	(695,415)	(41,434)
7-1-99 (GAIN) / LOSS	11	(7,720,076)	(849,844)
7-1-00 (GAIN) / LOSS	12	(12,407,340)	(1,271,399)
7-1-00 PLAN CHANGE	27	12,188,261	691,627
7-1-01 (GAIN) / LOSS	13	(11,211,674)	(1,076,829)
7-1-01 PLAN CHANGE	28	11,293,316	626,645
7-1-01 PLAN CHANGE	14	(6,851,674)	(380,187)
7-1-02 (GAIN) / LOSS	15	(40,103,438)	(3,631,363)
7-1-03 (GAIN) / LOSS		60,000,149	5,147,961
Total		(8,817,829)	(5,628,803)

The City of Los Angeles Fire and Police Pension Plan

Detail of Amortization of Unfunded Actuarial Accrued Liability

Health Subsidy Benefits (continued)

Tier 4

Assumption and plan changes are amortized over 30 years and actuarial experience gains and losses are amortized over 15 years.

<u>Item</u>	<u>Years Left</u>	<u>Remaining Balance 6/30/2003</u>	<u>Amortization Amount</u>
ORIGINAL BASE	16	22,832,036	1,864,312
7-1-90 (GAIN) / LOSS	2	162,181	85,167
7-1-91 (GAIN) / LOSS	3	167,195	59,488
7-1-92 (GAIN) / LOSS	4	(575,091)	(155,950)
7-1-92 ASSUMPTION CHANGE	19	2,795,841	200,993
7-1-93 (GAIN) / LOSS	5	(2,071,109)	(456,549)
7-1-93 ASSUMPTION CHANGE	20	(8,084,759)	(560,308)
7-1-94 (GAIN) / LOSS	6	(1,371,369)	(255,955)
7-1-95 (GAIN) / LOSS	7	(3,392,625)	(551,399)
7-1-95 ASSUMPTION CHANGE	22	(1,102,995)	(71,542)
7-1-96 (GAIN) / LOSS	8	(7,618,757)	(1,100,655)
7-1-96 AVA METHOD CHANGE	23	(2,377,597)	(149,648)
7-1-96 ASSUMPTION CHANGE	23	(1,317,447)	(82,921)
7-1-97 (GAIN) / LOSS	9	(2,881,494)	(375,857)
7-1-97 PLAN CHANGE	24	4,306,360	263,496
7-1-97 ASSUMPTION CHANGE	24	(2,361,469)	(144,493)
7-1-98 (GAIN) / LOSS	10	(1,463,253)	(174,469)
7-1-98 PLAN CHANGE	25	(70,899)	(4,224)
7-1-98 ASSUMPTION CHANGE	25	(231,211)	(13,776)
7-1-99 (GAIN) / LOSS	11	(2,566,749)	(282,554)
7-1-00 (GAIN) / LOSS	12	(4,125,157)	(422,711)
7-1-00 PLAN CHANGE	27	4,021,446	228,198
7-1-01 (GAIN) / LOSS	13	(8,360,018)	(802,940)
7-1-01 PLAN CHANGE	28	3,877,478	215,154
7-1-01 ASSUMPTION CHANGE	28	(1,074,899)	(59,644)
7-1-02 (GAIN) / LOSS	14	(13,974,064)	(1,265,350)
7-1-03 (GAIN) / LOSS	15	25,962,054	2,227,522
Total		(896,371)	(1,786,615)

Tier 5

Assumption and plan changes are amortized over 30 years and actuarial experience gains and losses are amortized over 15 years.

<u>Item</u>	<u>Years Left</u>	<u>Remaining Balance 6/30/2003</u>	<u>Amortization Amount</u>
ORIGINAL BASE 07/01/02	29	6,612,248	359,200
7-1-03 (GAIN) / LOSS	15	(92,802,446)	(7,962,370)
Total		(86,190,198)	(7,603,170)

The amortization amounts shown on pages 11-14 are calculated as of the end of the year. Corresponding contribution rates are calculated by adjusting these amounts, as a percent of payroll, to midyear.

Funding Progress Indicators

June 30, 2003

There is no single all-encompassing indicator which measures a retirement system's funding progress and current funded status. A traditional measure has been the relationship of valuation assets to unfunded actuarial accrued liability – a measure that is influenced by the choice of actuarial cost method.

We believe a better understanding of funding progress and status can be achieved using the following indicators which are independent of the actuarial cost method.

1. The ratio of valuation assets to the actuarial present value of credited projected benefits allocated in the proportion accrued service is to projected total service – a plan continuation indicator.
2. The ratio of the unfunded actuarial present value of credited projected benefits to member payroll – a plan continuation indicator. In a soundly financed retirement system, the amount of the unfunded actuarial present value of credited projected benefits will be controlled and prevented from increasing in the absence of benefit improvements or strengthening of actuarial assumptions. However, in an inflationary environment it is seldom practical to impose this control on dollar amounts which are depreciating in value. The ratio is a relative index of condition where inflation is present in both items. The ratio is expected to decrease in the absence of benefit improvements or strengthening of actuarial assumptions.

The City of Los Angeles Fire and Police Pension Plan
Funding Progress Indicators – Historic Comparison

(\$ in Thousands)

<u>Retirement</u>						
Valuation <u>Date</u>	Valuation <u>Assets</u>	Actuarial Accrued <u>Liability</u>	Unfunded <u>AAL</u>	Funded <u>Ratio</u>	Member <u>Payroll</u>	UAAL Ratio to <u>Payroll</u>
6/30/92	\$4,285,642	\$7,840,119	\$3,554,477	54.7%	\$573,922	619.3%
6/30/93	4,846,189	8,144,653	3,298,463	59.5%	562,673	586.2%
6/30/94	5,111,331	8,311,394	3,200,062	61.5%	554,627	577.0%
6/30/95	5,602,149	8,412,407	2,810,258	66.6%	608,978	461.5%
6/30/96	6,558,797	8,786,176	2,227,379	74.6%	688,572	323.5%
6/30/97	7,406,444	9,111,058	1,704,614	81.3%	749,506	227.4%
6/30/98	8,393,869	8,912,535	518,667	94.2%	808,807	64.1%
6/30/99	9,637,255	9,203,636	(433,619)	104.7%	819,741	(52.9)%
6/30/00	10,985,936	9,604,174	(1,381,763)	114.4%	845,426	(163.4)%
6/30/01	11,835,579	9,954,056	(1,881,492)	118.9%	882,758	(213.1)%
6/30/02	11,491,922	10,606,825	(885,097)	108.3%	946,037	(93.6)%
6/30/03	11,690,750	11,203,558	(487,192)	104.3%	970,727	(50.2)%

<u>Health Subsidy</u>						
Valuation <u>Date</u>	Valuation <u>Assets</u>	Actuarial Accrued <u>Liability</u>	Unfunded <u>AAL</u>	Funded <u>Ratio</u>	Member <u>Payroll</u>	UAAL Ratio to <u>Payroll</u>
6/30/92	\$54,999	\$714,129	\$659,130	7.7%	\$573,922	114.8%
6/30/93	92,738	686,751	594,013	13.5%	562,673	105.6%
6/30/94	131,848	697,230	565,382	18.9%	554,627	101.9%
6/30/95	175,793	659,806	484,013	26.6%	608,978	79.5%
6/30/96	248,229	591,778	343,549	41.9%	688,572	49.9%
6/30/97	310,852	586,429	275,577	53.0%	749,506	36.8%
6/30/98	371,411	626,670	255,258	59.3%	808,807	31.6%
6/30/99	443,492	666,566	223,074	66.5%	819,741	27.2%
6/30/00	519,241	791,338	272,097	65.6%	845,426	32.2%
6/30/01	573,844	840,288	266,444	68.3%	882,758	30.2%
6/30/02	586,954	884,371	297,417	66.4%	946,037	31.4%
6/30/03	592,539	926,761	334,222	63.9%	970,727	34.4%

The City of Los Angeles Fire and Police Pension Plan
Actuarial Balance Sheet – June 30, 2003

(\$ in Thousands)

Present Resources and Expected Future Resources

	<u>Retirement</u>	<u>Health</u>	<u>Total</u>
A. Actuarial value of system assets	\$11,690,750	\$592,539	\$12,283,289
B. Present value of expected future contributions			
1. For normal costs for present actives	1,599,380	223,324	1,822,704
2. For unfunded actuarial accrued liability	<u>(487,192)</u>	<u>334,222</u>	<u>(152,970)</u>
3. Totals	1,112,188	557,546	1,669,734
C. Present value of expected future member contributions	<u>727,936</u>	<u>0</u>	<u>727,936</u>
D. Total present and expected future resources	\$13,530,874	\$1,150,085	\$14,680,959

Present Value of Expected Future Benefit Payments and Reserve

A. To retirants and beneficiaries	\$6,993,957	\$677,061	\$7,671,018
B. To present active members			
1. Allocated to service rendered prior to valuation date	4,209,601	249,700	4,459,301
2. Allocated to service likely to be rendered after valuation date	<u>2,327,316</u>	<u>223,324</u>	<u>2,550,640</u>
3. Totals			
C. Total present value of expected future benefit payments	\$13,530,874	\$1,150,085	\$14,680,959

The City of Los Angeles Fire and Police Pension Plan

Comments & Recommendations

June 30, 2003

COMMENT A: This report supercedes the report issued last month, revised primarily for making formatting changes requested by staff.

COMMENT B: The overall contribution rate has increased from 13.98% to 16.88% of payroll. We actually expected a higher increase but were pleasantly surprised by the relatively high rates of investment return compared to other governmental entities we have observed. The actuarial rate of investment return was 4.98%. This still created a significant actuarial loss (remember we compare to your 8.5% assumption for this purpose – not zero) but was not cataclysmic.

COMMENT C: The overall funded ratio dropped from 105.1% to 101.3% using the actuarial value of assets. The funded ratio would be 84% using the market value of assets.

COMMENT D: Continued heads up! Due to the large excess of \$2 billion of actuarial value of assets over the market value of assets, contribution rates will almost certainly increase again in the June 30, 2004 valuation. The City should be informed of this likelihood soon so that appropriate plans can be made for the fiscal year beginning July 1, 2005.

COMMENT E: The ongoing migration to Tier 5 and those electing DROP create some daunting issues in comparing this year's results to the 2002 results. Obviously, benefit levels are different. Also, staff assumed that virtually all would opt into Tier 5 who could do so. The compiled contribution data reflects this assumption. This has largely happened for Firemen but not for Police officers.

It is likely that individual circumstances relating to benefit caps, disability benefits, and uncapped COLA's (Tier 2) between Tier 5 and other Tiers had an impact on those not electing to go into Tier 5.

COMMENT F: We strongly recommend simplifying certain aspects of the valuation prior to the next experience study. Asset allocations by Tier, an inordinate number of gain/loss "bases" and using different assumptions for each Tier, further subdivided by Police and Fire, make this valuation far more complex than we feel it should be – without commensurate value to the Retirement Board. Because Tier 5 will keep becoming more dominant each year, some of the rationale for such complexity has evaporated.

The City of Los Angeles Fire and Police Pension Plan

Comments & Recommendations

June 30, 2003

COMMENT G: We will continue to provide rate break outs by Tier, as this is currently required by the City Charter and City Administrative Code. For reasons expressed above, we have much more confidence in the overall rate than the Tier-specific rate. Also, there are current anomalies in the process such as a negative asset allocation to Tier 1. We believe it would make great sense for this provision in the Code to be rescinded.

COMMENT H: Average valuation pay was virtually the same as in the 2002 valuation. This is the first time in several years that there was not a pay hike on July 1 that was reflected in the valuation on the preceding June 30.

COMMENT I: It is our understanding that the City has agreed to pay a \$500,000 annual contribution in addition to our computed rates to reflect a settlement with UFLAC in 1995. Page 7 shows the related amortization schedule for this added payment.

SUMMARY OF BENEFIT PROVISIONS

&

VALUATION DATA SUBMITTED BY RETIREMENT SYSTEM

Summary of Pension Plan Benefits

	Tier 1	Tier 2	Tiers 3 and 4	Tier 5
1. SERVICE RETIREMENT				
a. Eligibility	20 years of service.	20 years of service.	Tier 3: Age 50 with 10 years of service. Tier 4: 20 years of service.	Age 50 with 20 years of service.
b. Salary Base	Normal Pension Base (Final monthly salary rate)	Normal Pension Base (Final monthly salary rate)	Final Average Salary (One-year average monthly salary)	Final Average Salary (One-year average monthly salary)
c. Pension as a percentage of salary base	40% at 20 years of service, plus 2% for each additional year up to 25 years of service, plus 1-2/3% for each additional year between 25 and 35 years of service. Maximum of 66-2/3% for 35 or more years of service.	40% at 20 years of service, plus 2% for each additional year up to 25 years of service. 55% at 25 years of service, plus 3% for each additional year between 25 and 30 years of service. Maximum of 70% for 30 or more years of service.	2% per year of service up to 20 years of service, plus 3% for each additional year of service up to 30 years of service. Maximum of 70% for 30 or more years of service.	50% at 20 years of service, plus 3% for each additional year (except 4% at 30 years of service). Maximum of 90% for 33 or more years of service.
2. SERVICE-CONNECTED DISABILITY				
a. Eligibility	Work related No age or service requirements	Work related No age or service requirements	Work related No age or service requirements	Work related No age or service requirements
b. Salary Base	Normal Pension Base (Final monthly salary rate)	Normal Pension Base (Final monthly salary rate)	Final Average Salary (One-year average monthly salary)	Final Average Salary (One-year average monthly salary)
c. Pension as a percentage of salary base	50% to 90% depending on severity of disability, with a minimum of Member's service pension percentage rate.	50% to 90% depending on severity of disability, with a minimum of Member's service pension percentage rate.	30% to 90% depending on severity of disability, with a minimum of 2% per year of service.	30% to 90% depending on severity of disability, with a minimum of 2% per year of service.
3. NONSERVICE-CONNECTED DISABILITY				
a. Eligibility	Not work related Five years of service	Not work related Five years of service	Not work related Five years of service	Not work related Five years of service
b. Salary Base	Highest monthly salary as of Member's retirement for basic rank of Police Officer III or Firefighter III, and the highest length of service pay	Nonservice-Connected Salary Base: Highest monthly salary as of Member's retirement for basic rank of Police Officer III or Firefighter III, and the highest length of service pay	Final Average Salary (One-year average monthly salary)	Final Average Salary (One-year average monthly salary)

c. Pension as a percentage of salary base	40%.	40%.	30% to 50% depending on severity of disability.	30% to 50% depending on severity of disability.
4. SERVICE-CONNECTED DEATH OR DEATH AFTER SERVICE-CONNECTED DISABILITY				
a. Eligibility	Work related No age or service requirements	Work related No age or service requirements	Work related No age or service requirements	Work related No age or service requirements
b. Salary Base	Normal Pension Base (Final monthly salary rate)	Normal Pension Base (Final monthly salary rate)	Final Average Salary (One-year average monthly salary)	Final Average Salary (One-year average monthly salary) <i>Except for Members who transferred from Tier 2 to Tier 5</i>
c. Eligible Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit as a percentage of Member's salary base	50%.	50% with less than 25 years of service with uncapped COLA. 55% with 25 or more years of service with uncapped COLA.	SERVICE-CONNECTED DEATH: 75% of Final Average Salary if service-connected death while active or death due to service-connected cause(s) within 3 years after effective date of Service-Connected Disability pension with 3% cap on COLA. DEATH AFTER SERVICE-CONNECTED DISABILITY: 75% of Final Average Salary if death due to service-connected cause(s) within 3 years after effective date of Service-Connected Disability pension, otherwise 60% of Member's Service-Connected Disability pension with 3% cap on COLA.	SERVICE-CONNECTED DEATH: <u>Former Tier 2:</u> 75% of Normal Pension Base if service-connected death while active with 3% cap on COLA and COLA Bank. Former Tier 3/Tier 4 or Tier 5 hired on or after 1/1/02: 75% of Final Average Salary if service-connected death while active or death due to service-connected cause(s) within 3 years after effective date of Service-Connected Disability pension with 3% cap on COLA and COLA Bank. DEATH AFTER SERVICE-CONNECTED DISABILITY: <u>Former Tier 2:</u> 50% of Normal Pension Base with less than 25 YOS with 3% cap on COLA and COLA Bank. 55% of Normal Pension Base with 25 or more YOS with 3% cap on COLA and COLA Bank. <u>Former Tier 3/Tier 4 or Tier 5 hired on or after 1/1/02:</u> 75% of Final Average Salary if death due to service-connected cause(s) within 3 years after effective date of Service-Connected Disability pension, otherwise 60% of Member's Service-Connected Disability pension with 3% cap on COLA and COLA Bank.

<p>d. Eligible children's benefit as a percentage of Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 unless child is disabled before age 21.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 unless child is disabled before age 21.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 (age 22 if in school full time) unless child is disabled before age 21.</p> <p>3% cap on COLA, no COLA Bank</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 (age 22 if in school full time) unless child is disabled before age 21.</p> <p>3% cap on COLA, with COLA Bank</p>
<p>e. Eligible dependent parent's benefit as a percentage of Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit</p>	<p>If no QSS/QSDP or eligible children, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>3% cap on COLA, no COLA Bank</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>3% cap on COLA, with COLA Bank</p>
<p>5. DEATH WHILE ELIGIBLE TO RECEIVE A SERVICE PENSION ON ACCOUNT OF YEARS OF SERVICE</p>				
<p>a. Eligibility</p>	<p>20 years of service.</p>	<p>20 years of service.</p>	<p>Tier 3: 10 years of service Tier 4: 20 years of service</p>	<p>20 years of service</p>
<p>b. Eligible Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit as a percentage of Member's salary base</p>	<p>100% of Member's accrued service retirement Member would have received, not to exceed 50% of Normal Pension Base.</p> <p>Uncapped COLA</p>	<p>100% of Member's accrued service retirement Member would have received, not to exceed 55% of Normal Pension Base.</p> <p>Uncapped COLA</p>	<p>Higher of 30% of Final Average Salary or, if eligible to retire based on years of service, 80% of the pension the Member would have received not to exceed 40% of Final Average Salary.</p> <p>3% cap on COLA, no COLA Bank</p>	<p><u>Former Tier 2:</u> 100% of Member's accrued service retirement Member would have received, not to exceed 55% of Normal Pension Base with 3% cap on COLA, with COLA Bank.</p> <p>Former Tier 3/Tier 4 or Tier 5 hired on or after 1/1/02: Per Section 1508(2), if member was eligible to retire based on YOS, 80% of service retirement Member would have been entitled to or 30% of Member's Final Average Salary; not to exceed 40% of Final Average Salary with 3% cap on COLA and COLA Bank.</p>

<p>c. Eligible children's benefit as a percentage of Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 unless child is disabled before age 21.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 unless child is disabled before age 21.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 (age 22 if in school full time) unless child is disabled before age 21.</p> <p>3% cap on COLA, no COLA Bank</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three more children</p> <p>Pension not payable after child reaches age 18 (age 22 if in school full time) unless child is disabled before age 21.</p> <p>3% cap on COLA, with COLA Bank</p>
<p>d. Eligible dependent parent's benefit as a percentage of Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit</p>	<p>If no QSS/QSDP or eligible children, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>3% cap on COLA, no COLA Bank</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>3% cap on COLA, with COLA Bank</p>
<p>6. DEATH AFTER SERVICE RETIREMENT</p>				
<p>a. Eligibility</p>	<p>Member was receiving a service pension.</p>	<p>Member was receiving a service pension.</p>	<p>Member was receiving a service pension.</p>	<p>Member was receiving a service pension.</p>
<p>b. Eligible Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit as a percentage of Member's salary base</p>	<p>Same as Member's pension up to 50% of Member's Normal Pension Base.</p> <p>Uncapped COLA</p>	<p>Same as Member's pension up to 55% of Member's Normal Pension Base.</p> <p>Uncapped COLA</p>	<p>60% of Member's pension benefit.</p> <p>3% cap on COLA, no COLA Bank</p>	<p><u>Former Tier 2:</u> Same as Member's pension up to 55% of Normal Pension Base, with 3% cap on COLA, with COLA Bank.</p> <p>Former Tier 3/Tier 4 or Tier 5 hired on or after 1/1/02: 60% of Member's pension benefit, with 3% cap on COLA and COLA Bank.</p>
<p>c. Eligible children's benefit as a percentage of Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 unless child is disabled before age 21.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 unless child is disabled before age 21.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 (age 22 if in school full time) unless child is disabled before age 21.</p> <p>3% cap on COLA, no COLA Bank</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three more children</p> <p>Pension not payable after child reaches age 18 (age 22 if in school full time) unless child is disabled before age 21.</p> <p>3% cap on COLA, with COLA Bank</p>

<p>d. Eligible dependent parent's benefit as a percentage of Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit</p>	<p>If no QSS/QSDP or eligible children, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>3% cap on COLA, no COLA Bank</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>3% cap on COLA, with COLA Bank</p>
<p>7. NONSERVICE-CONNECTED DEATH OR DEATH AFTER NONSERVICE-CONNECTED DISABILITY</p>				
<p>a. Eligibility</p>	<p>Five years of service.</p>	<p>Five years of service.</p>	<p>Five years of service.</p>	<p>Five years of service.</p>
<p>b. Eligible Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit as a percentage of Member's salary base</p>	<p>40% of highest monthly salary as of Member's retirement for basic rank of Police Officer III or Firefighter III, and the highest length of service pay</p> <p>Uncapped COLA</p>	<p>40% of highest monthly salary as of Member's retirement for basic rank of Police Officer III or Firefighter III, and the highest length of service pay (nonservice-connected pension base)</p> <p>Uncapped COLA</p>	<p><i>NONSERVICE-CONNECTED DEATH</i></p> <p>30% of Final Average Salary or, if eligible to retire based on years of service, 80% of the pension the Member would have received not to exceed 40% of Final Average Salary</p> <p>3% COLA Cap, no COLA Bank</p> <p><i>DEATH AFTER NONSERVICE-CONNECTED DISABILITY</i></p> <p>60% of Member's pension.</p> <p>3% COLA Cap, no COLA Bank</p>	<p><i>NONSERVICE-CONNECTED DEATH</i></p> <p><u>Former Tier 2:</u> 40% of highest monthly salary as of Member's retirement for basic rank of Police Officer III or Firefighter III, and the highest length of service pay with 3% cap on COLA and COLA Bank</p> <p><u>Former Tier 3/Tier 4 or Tier 5 hired on or after 1/1/02:</u> 30% of Final Average Salary or, if eligible to retire based on years of service, 80% of the pension the Member would have received not to exceed 40% of Final Average Salary with 3% cap on COLA and COLA Bank</p> <p><i>DEATH AFTER NONSERVICE-CONNECTED DISABILITY</i></p> <p><u>Former Tier 2:</u> 40% of highest monthly salary as of Member's retirement for basic rank of Police Officer III or Firefighter III, and the highest length of service pay with 3% cap on COLA and COLA Bank</p> <p><u>Former Tier 3/Tier 4 or Tier 5 hired on or after 1/1/02:</u> 60% of Member's Pension with 3% cap on COLA and COLA Bank</p>

<p>c. Eligible children's benefit as a percentage of Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 unless child is disabled before age 21.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 unless child is disabled before age 21.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 (age 22 if in school full time) unless child is disabled before age 21.</p> <p>3% cap on COLA, no COLA Bank</p>	<p>If no QSS/QSDP, the eligible children will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive, otherwise:</p> <p>25% for one child 40% for two children 50% for three or more children</p> <p>Pension not payable after child reaches age 18 (age 22 if in school full time) unless child is disabled before age 21.</p> <p>3% cap on COLA, with COLA Bank</p>
<p>d. Eligible dependent parent's benefit as a percentage of Qualified Surviving Spouse's (QSS) or Qualified Surviving Domestic Partner's (QSDP) benefit</p>	<p>If no QSS/QSDP or eligible children, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>Uncapped COLA</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>3% cap on COLA, no COLA Bank</p>	<p>If no QSS/QSDP, the eligible dependent parent will receive a monthly pension equal to the pension the QSS/QSDP would have been eligible to receive.</p> <p>3% cap on COLA, with COLA Bank</p>
<p>8. COST-OF-LIVING</p>				
<p>a. Generally applicable provisions</p>	<p>Full annual cost-of-living increase.</p> <p>Cost-of-living increases compound, and are based upon the Consumer Price Index for local Urban Consumers.</p> <p>Survivors' pension includes the percentage of cost-of-living increases applied to the Member's pension prior to death.</p>	<p>Full annual cost-of-living increase.</p> <p>Cost-of-living increases compound, and are based upon the Consumer Price Index for local Urban Consumers.</p> <p>Survivors' pension includes the percentage of cost-of-living increases applied to the Member's pension prior to death.</p>	<p>Annual cost-of-living increase not to exceed 3%.</p> <p>Cost-of-living increases compound, and are based upon the Consumer Price Index for local Urban Consumers.</p> <p>City Council may grant discretionary cost-of-living increases once every three years.</p> <p>Survivors' pension includes the percentage of cost-of-living increases applied to the Member's pension prior to death.</p> <p>Pro rata adjustment in the first year of retirement.</p>	<p><i>Annual cost-of-living increase not to exceed 3%.</i></p> <p>Amounts above the maximum of 3% are banked to be credited during years when the CPI is less than the maximum.</p> <p>Cost-of-living increases compound, and are based upon the Consumer Price Index for local Urban Consumers.</p> <p>City Council may grant discretionary cost-of-living increases once every three years. Such discretionary COLAs reduce the member's COLA Bank.</p> <p><i>Survivors' pension includes the percentage of cost-of-living increases applied to the Member's pension prior to death.</i></p> <p>Pro rata adjustment in the first year of retirement.</p>

b. Effective date of cost-of-living increases				
i. Service retirement	Annual increases commence on July 1 following the later of the effective date or the date the Member would have been age 55.	Annual increases commence on the July 1 following the later of the effective date or the date the Member would have completed 25 years of service.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.
ii. Service-connected disability, service connected death	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.
iii. Nonservice-connected disability	Annual increases commence on the July 1 following the date the Member would have been age 55 or 5 years after the effective date of the pension if earlier.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.
iv. Nonservice-connected death, death while eligible for service retirement	Annual increases commence on the July 1 following the date the Member would have been age 55 or 5 years after the effective date of the pension if earlier.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.
v. Death after nonservice-connected disability, death after service-connected disability.	Annual increases commence on the July 1 following the date the Member would have been age 55 or 5 years after the effective date of the pension if earlier.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.	Annual increases commence on the July 1 following the effective date.
9. MEMBERS' CONTRIBUTIONS AS AN ANNUAL PERCENTAGE OF PAY				
	6%. No Member contributions required after 30 years of service.	6% plus 1/2 cost of cost-of living benefit up to 1%. (Currently 7%) No Member contributions required after 30 years of service.	8%. No Member contributions required after 30 years of service.	9%. City pays 1% of 9% if Plan is at least 100% actuarially funded. No Member contributions required after 33 years of service.

10. QUALIFIED SURVIVORS				
a. Qualified Surviving Spouse (QSS) or Qualified Surviving Domestic Partner (QSDP) eligibility requirements				
i. Nonservice-connected death	Married at least one year prior to date of nonservice-connected death and as of date of death.	Married or registered the domestic partner at least one year prior to date of nonservice-connected death and as of date of death.	Married or registered the domestic partner at least one year prior to date of nonservice-connected death and as of date of death.	Married or registered the domestic partner at least one year prior to date of nonservice-connected death and as of date of death.
ii. Service-connected death	Married as of the date of service-connected death.	Married or registered the domestic partner as of the date of service-connected death.	Married or registered the domestic partner as of the date of service-connected death.	Married or registered the domestic partner as of the date of service-connected death.
iii. Death after service pension	Married at least one year prior to the effective date of service pension and as of date of death.	Married or registered the domestic partner at least one year prior to the effective date of service pension and as of date of death.	Married or registered the domestic partner at least one year prior to the effective date of service pension and as of date of death.	Married or registered the domestic partner at least one year prior to the effective date of service pension and as of date of death.
iv. Death after nonservice-connected disability	Married at least one year prior to effective date of nonservice-connected disability pension and as of date of death.	Married or registered the domestic partner at least one year prior to effective date of nonservice-connected disability pension and as of date of death.	Married or registered the domestic partner at least one year prior to effective date of nonservice-connected disability pension and as of date of death.	Married or registered the domestic partner at least one year prior to effective date of nonservice-connected disability pension and as of date of death.
v. Death after service-connected disability	Married as of effective date of service-connected disability pension and as of date of death.	Married or registered the domestic partner as of effective date of service-connected disability pension and as of date of death.	Married or registered the domestic partner as of effective date of service-connected disability pension and as of date of death.	Married or registered the domestic partner as of effective date of service-connected disability pension and as of date of death.
b. Minor Child eligibility requirements	Legitimate or adopted child of a deceased member, until age 18 or marries, whichever comes first.	Legitimate or adopted child of a deceased member, until age 18 or marries, whichever comes first.	Child or adopted child of a deceased member, until age 18 (22 if a full-time student) or marries, whichever comes first.	Child or adopted child of a deceased member, until age 18 (22 if a full-time student) or marries, whichever comes first.
c. Dependent child eligibility requirements	Legitimate or adopted child of a deceased member who, prior to turning age 21, became mentally or physically disabled and cannot earn a livelihood.	Legitimate or adopted child of a deceased member who, prior to turning age 21, became mentally or physically disabled and cannot earn a livelihood.	Child of a deceased member who, prior to turning age 21, became mentally or physically disabled and cannot earn a livelihood.	Child of a deceased member who, prior to turning age 21, became mentally or physically disabled and cannot earn a livelihood.
d. Dependent parent eligibility requirements	Natural parent of a deceased member who had at least one-half of their necessary living expenses provided by the member for at least one year prior to the member's death and be unable to pay necessary living expenses without the pension.	Natural parent of a deceased member who had at least one-half of their necessary living expenses provided by the member for at least one year prior to the member's death and be unable to pay necessary living expenses without the pension.	Parent of a deceased member who had at least one-half of their necessary living expenses provided by the member for at least one year prior to the member's death and be unable to pay necessary living expenses without the pension.	Parent of a deceased member who had at least one-half of their necessary living expenses provided by the member for at least one year prior to the member's death and be unable to pay necessary living expenses without the pension.

11. MISCELLANEOUS				
a. Vesting of service retirement	After 20 years of service.	After 20 years of service.	Tier 3: After 10 years of service. Tier 4: No vesting until retirement (20 years)	After 20 years of service.
b. Return of contributions with interest	On termination or death if no other benefits are payable.	On termination or death if no other benefits are payable.	<u>Tier 3</u> : On termination or death if no other benefits are payable (except basic death benefit). <u>Tier 4</u> : Upon death if no other benefits are payable (except basic death benefit). No refund upon termination.	On termination or death if no other benefits are payable (except basic death benefit).
c. Basic death benefit	None.	None.	If Member has at least one year of service, in addition to return of contributions, beneficiary receives the Member's one-year average monthly salary times years of completed service (not to exceed 6 years).	If Member has at least one year of service, in addition to return of contributions, beneficiary receives the Member's one-year average monthly salary times years of completed service (not to exceed 6 years).
d. Optional forms of benefit for Qualified Surviving Spouse (QSS) or Qualified Surviving Domestic Partner (QSDP)	None.	None.	At service or disability retirement, Member may elect higher QSS/QSDP benefit with corresponding actuarial reduction of retirement benefit.	At service or disability retirement, Member may elect higher QSS/QSDP benefit with corresponding actuarial reduction of retirement benefit.
e. Deferred Pension Option	None.	None.	Tier 3: Upon termination, can elect deferred pension option if member has at least 10 YOS and leaves contributions in Fund. Upon reaching age 50, member is entitled to receive a service pension using Tier 3 retirement formula. <u>Tier 4</u> : No Deferred Pension Option	<u>Tier 5</u> : Upon termination, can elect deferred pension option if member has at least 20 YOS and leaves contributions in Fund. Upon reaching age 50, member is entitled to receive a service pension using Tier 3 retirement formula.

The City of Los Angeles Fire and Police Pension Plan
Summary of Pension Plan Benefits

(concluded)

Deferred Retirement Option Plan (DROP): Elective after 25 years of service. Members in Tiers 3 and 5 must also be age 50.
Interest crediting rate on DROP monies is 5% per annum.
5-year maximum DROP period.
COLA amounts on DROP apply, with 3% cap for all tiers.
Employee contributions continue until year of service cap is met.

NOTE: The summary of major plan provisions is designed to outline principal plan benefits. If the Pension Board should find the plan summary not in accordance with the actual provisions, the Pension Board should alert the actuary so they can both be sure the proper provisions are valued.

The City of Los Angeles Fire and Police Pension Plan
Summary of Health Subsidy Benefit Provisions

BASIC SUBSIDY

Eligibility:	Retired Members age 55 and over who retired with 10 or more years of service. Members who retire prior to July 1, 1998 are subject to an eligibility requirement of age 60 with 10 or more years of service. Subsidy is paid only to Members on service or disability retirements. Surviving spouses/domestic partners are eligible for benefits upon the death of the Member. Basic subsidy is paid until age 65, or after age 65 if Member is not covered by Medicare Part A.
Amount of Subsidy:	4% per year of service, to a maximum of 100%, times Maximum Subsidy, subject to a maximum of the actual premium paid to City approved health carrier.
Maximum Subsidy:	Lesser of monthly amount paid to active Fire and Police Members and retired CERS Members. As of July 1, 2003, maximum is \$563 per month. For surviving spouses, the maximum subsidy is \$400.04 per month.
Increase in Subsidy:	Based on subsidy increases to active Fire and Police Members, providing increased subsidy maximum does not exceed civilian retiree subsidy maximum, subject to Board approval.
Spousal/Domestic Partner Portion:	Difference between Basic Subsidy amount and single-party premium.



The City of Los Angeles Fire and Police Pension Plan

Summary of Health Subsidy Benefits

MEDICARE-RELATED SUBSIDY

Eligibility: Retired Members over age 65 with 10 or more years of service who participate in Medicare Parts A & B.

Amount of Subsidy to Participant: 100% of actual premium up to civilian retiree limit to City approved health carrier with 20+ years of service.

90% of actual premium up to civilian retiree limit City approved health carrier with 15-19 years of service.

75% of actual premium up to civilian retiree limit to City approved health carrier with 10-14 years of service.

Surviving spouses/domestic partners are eligible for benefits upon the death of the Member.

Spousal Portion: Calculation based on Board of Fire and Police Pension Commissioners Resolution No. 9320: equal to the amount payable on behalf of the dependents of a retired member in the same plan, with the same years of service, who qualifies for a basic or Part B only subsidy, whichever is greater, providing such subsidy does not exceed the civilian retiree dependent subsidy.

SPECIAL SUBSIDY

Eligibility: Various, based on effective date of retirement, rank at retirement, years of service and type of pension.

The benefit is paid temporarily until the Basic Subsidy becomes effective and is only available to eligible Members who retired between July 2, 1988 and June 30, 1998.

Amount of Subsidy:

Flat Amount Based on Years of Service	
20-24 years	\$75 - \$150 per month
25-29 years	\$150 - \$225 per month
30 and over	\$225 - \$300 per month

The City of Los Angeles Fire and Police Pension Plan

Summary of Health Subsidy Benefits

**MEDICARE PREMIUM
SUBSIDY**

For retired Members enrolled in Medicare A & B who are receiving a subsidy, the Plan provides payment of Part B premiums (\$58.70 per month for calendar year 2003).

DENTAL SUBSIDY

Eligibility:	Retired Members age 55 and over who retired with 10 or more years of service. Subsidy is paid only to Members on service or disability retirements. Surviving spouses/domestic partners are not eligible for benefits upon the death of the Member.
Amount of Subsidy:	4% per year of service, to a maximum of 100%, times Maximum Subsidy, subject to a maximum of the single-party premium paid to City approved dental carrier.
Maximum Subsidy:	Lesser of monthly amount paid to active Fire and Police Members and retired CERS Members. Effective January 1, 2003, maximum is \$38.38 per month

NOTE: The summary of major plan provisions is designed to outline principal plan benefits. If the Pension Board should find the plan summary not in accordance with the actual provisions, the Pension Board should alert the actuary so they can both be sure the proper provisions are valued.

The City of Los Angeles Fire and Police Pension Plan

Summary of Reported Asset Information

Submitted for the June 30, 2003 Valuation

Plan Assets:

The rates of return on plan assets are shown below. Asset information was provided by the Department of Pensions. We have not audited or verified these figures. These figures represent both pension and health subsidy reserves. The actuarial value of assets as of June 30, 2003 is a market-related value, described in detail on the following page.

<u>All Tiers Combined</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Actuarial Value</u>
Value of Assets at 6/30/2002	\$10,143,166,766	\$10,065,730,176	\$12,078,876,212
Contributions			
City ¹	\$98,529,049	\$98,529,049	\$98,529,049
Members	\$73,270,752	\$73,270,752	\$73,270,752
Benefits Paid to Participants	\$530,621,472	\$530,621,472	\$530,621,472
Expenses Paid	\$30,871,278	\$30,871,278	\$30,871,278
Investment Earnings	(\$102,760,257)	\$560,537,267	\$594,606,130
Value of Assets at 6/30/2003	\$9,650,213,560	\$10,236,074,494	\$12,283,289,393
Rate of Return	-1.03%	5.65%	4.98%

¹ Adjusted to include \$500,000 added contribution per the UFLAC settlement.

The breakdown of total plan assets between those available for pension benefits and those available for health subsidy benefits is as follows:

	<u>Book Value</u>	<u>Market Value</u>	<u>Actuarial Value</u>
Pension Benefits	\$9,184,692,663	\$9,793,087,872	\$11,690,750,393
Health Subsidy	<u>465,520,897</u>	<u>442,986,622</u>	<u>592,539,000</u>
Total	\$9,650,213,560	\$10,236,074,494	\$12,283,289,393

The City of Los Angeles Fire and Police Pension Plan
Derivation of Actuarial Value of Assets

	Year Ending				
	<u>June 30, 2003</u>	<u>June 30, 2002</u>	<u>June 30, 2001</u>	<u>June 30, 2000</u>	<u>June 30, 1999</u>
1. Beginning of Year Market Value	\$10,065,730,177	\$11,393,229,337	\$13,014,087,014	\$11,465,641,579	\$10,073,850,556
2. City Contributions	98,529,049 ¹	103,447,209	138,933,173	190,837,163	248,388,667
3. Member Contributions	73,270,752	60,805,614	58,165,860	57,134,923	55,556,643
4. Benefit Payments	530,621,472	500,387,023	477,341,383	446,619,051	418,254,182
5. Expenses Paid	30,871,278	34,523,358	29,405,558	43,464,739	28,385,841
6. Expected Return Based on 8.5% Assumption	844,168,369	957,068,054	1,098,942,020	972,400,366	860,769,290
7. Expected End of Year Market Value	10,543,194,286	11,979,639,833	13,803,381,126	12,195,930,241	10,791,925,133
8. Actual End of Year Market Value	10,236,074,494	10,065,730,177	11,393,229,337	13,014,087,014	11,465,641,579
9. Gain/(Loss)	(307,119,792)	(1,913,909,656)	(2,410,151,789)	818,156,773	673,716,446

¹ Adjusted to include \$500,000 added contribution per the UFLAC settlement.

1. Market Value at June 30, 2003	\$10,236,074,494
2. Less Amounts to be Recognized in Future Years:	
2003 Gain/(Loss) x 80%	(245,695,834)
2002 Gain/(Loss) x 60%	(1,148,345,794)
2001 Gain/(Loss) x 40%	(964,060,716)
2000 Gain/(Loss) x 20%	163,631,355
1999 Gain/(Loss) x 0%	0
3. Preliminary Actuarial Value at June 30, 2003	12,430,545,483
4. 80% of Market Value at June 30, 2003	8,188,859,595
5. 120% of Market Value at June 30, 2003	12,283,289,393
6. Actuarial Value at June 30, 2003 (3), but no less than (4) and no more than (5)	\$12,283,289,393

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2003

Tier 2 - Fire Members

Attained Age	Years of Service											Total	
	<u>0 - 1</u>	<u>1 - 2</u>	<u>2 - 3</u>	<u>3 - 4</u>	<u>4 - 5</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>		<u>Over 34</u>
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
30 - 34	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
35 - 39	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
40 - 44	0	0	0	0	0	0	0	0	12	0	0	0	12
Average Salary	0	0	0	0	0	0	0	0	87,349	0	0	0	87,349
45 - 49	0	0	0	0	0	0	0	0	21	34	0	0	55
Average Salary	0	0	0	0	0	0	0	0	88,186	88,636	0	0	88,464
50 - 54	0	0	0	0	0	0	0	0	8	21	1	0	30
Average Salary	0	0	0	0	0	0	0	0	83,029	93,266	80,588	0	90,113
55 - 59	0	0	0	0	0	0	0	0	1	18	8	0	27
Average Salary	0	0	0	0	0	0	0	0	81,358	93,607	80,887	0	89,384
60 - 64	0	0	0	0	0	0	0	0	0	0	2	1	3
Average Salary	0	0	0	0	0	0	0	0	0	0	92,828	102,241	95,965
Over 64	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	42	73	11	1	127
Average Salary	0	0	0	0	0	0	0	0	86,802	91,194	83,031	102,241	89,121
Average Age:	50.0												
Average Service:	26.1												

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2003

Tier 2 - Police Members

Attained Age	Years of Service											Total	
	<u>0 - 1</u>	<u>1 - 2</u>	<u>2 - 3</u>	<u>3 - 4</u>	<u>4 - 5</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>		<u>Over 34</u>
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
30 - 34	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
35 - 39	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
40 - 44	0	0	0	0	0	0	0	0	11	0	0	0	11
Average Salary	0	0	0	0	0	0	0	0	95,659	0	0	0	95,659
45 - 49	0	0	0	0	0	0	1	0	70	46	0	0	117
Average Salary	0	0	0	0	0	0	71,635	0	93,953	93,273	0	0	93,495
50 - 54	0	0	0	0	0	0	0	0	3	31	13	0	47
Average Salary	0	0	0	0	0	0	0	0	89,293	94,166	99,776	0	95,406
55 - 59	0	0	0	0	0	0	0	0	0	11	8	0	19
Average Salary	0	0	0	0	0	0	0	0	0	94,589	90,982	0	93,070
60 - 64	0	0	0	0	0	0	0	0	0	2	4	0	6
Average Salary	0	0	0	0	0	0	0	0	0	78,697	82,945	0	81,529
Over 64	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	1	0	84	90	25	0	200
Average Salary	0	0	0	0	0	0	71,635	0	94,010	93,417	94,269	0	93,664
Average Age:	49.3												
Average Service:	25.8												

The City Of Los Angeles Fire and Police Pension Systems
 Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2003

Tier 3 - Fire Members

Attained Age	Years of Service												Total	
	<u>0 - 1</u>	<u>1 - 2</u>	<u>2 - 3</u>	<u>3 - 4</u>	<u>4 - 5</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>	<u>Over 34</u>		
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 - 34	0	0	0	0	0	3	1	0	0	0	0	0	0	4
Average Salary	0	0	0	0	0	65,588	84,665	0	0	0	0	0	0	70,357
35 - 39	0	0	0	0	0	5	11	2	0	0	0	0	0	18
Average Salary	0	0	0	0	0	75,517	78,039	82,231	0	0	0	0	0	77,804
40 - 44	0	0	0	0	0	0	6	5	0	0	0	0	0	11
Average Salary	0	0	0	0	0	0	79,815	75,529	0	0	0	0	0	77,867
45 - 49	0	0	0	0	0	1	2	2	1	0	0	0	0	6
Average Salary	0	0	0	0	0	72,393	75,762	81,332	80,588	0	0	0	0	77,862
50 - 54	0	0	0	0	0	1	1	2	0	0	0	0	0	4
Average Salary	0	0	0	0	0	70,542	79,290	76,373	0	0	0	0	0	75,644
55 - 59	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Over 64	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	10	21	11	1	0	0	0	0	43
Average Salary	0	0	0	0	0	71,728	78,705	77,956	80,588	0	0	0	0	76,935
Average Age:	40.8													
Average Service:	12.4													

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2003

Tier 3 - Police Members

Attained Age	Years of Service												Total
	<u>0 - 1</u>	<u>1 - 2</u>	<u>2 - 3</u>	<u>3 - 4</u>	<u>4 - 5</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>	<u>Over 34</u>	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	44	0	0	0	0	0	0	44
Average Salary	0	0	0	0	0	68,862	0	0	0	0	0	0	68,862
30 - 34	0	0	1	1	7	345	9	0	0	0	0	0	363
Average Salary	0	0	54,787	54,787	65,740	71,180	73,781	0	0	0	0	0	71,049
35 - 39	0	0	0	2	2	215	153	10	0	0	0	0	382
Average Salary	0	0	0	65,749	66,414	72,271	78,208	78,123	0	0	0	0	74,737
40 - 44	0	0	2	1	1	80	92	41	3	0	0	0	220
Average Salary	0	0	68,214	59,030	67,995	72,435	77,956	79,647	89,093	0	0	0	76,195
45 - 49	0	0	0	0	0	53	44	23	2	0	0	0	122
Average Salary	0	0	0	0	0	73,740	79,871	79,982	73,445	0	0	0	77,123
50 - 54	0	0	0	0	1	24	3	7	3	0	0	0	38
Average Salary	0	0	0	0	86,856	76,773	76,762	85,281	74,797	0	0	0	78,448
55 - 59	0	0	0	0	0	8	2	8	0	0	0	0	18
Average Salary	0	0	0	0	0	82,680	94,026	82,235	0	0	0	0	83,743
60 - 64	0	0	0	0	0	2	0	1	0	0	0	0	3
Average Salary	0	0	0	0	0	79,789	0	73,611	0	0	0	0	77,730
Over 64	0	0	0	0	1	2	0	0	0	0	0	0	3
Average Salary	0	0	0	0	102,315	72,238	0	0	0	0	0	0	82,264
Total	0	0	3	4	12	773	303	90	8	0	0	0	1,193
Average Salary	0	0	63,738	61,329	70,848	71,975	78,331	80,164	79,820	0	0	0	74,192

Average Age: 37.9
Average Service: 9.3

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2003

Tier 4 - Fire Members

Attained Age	Years of Service												Total
	<u>0 - 1</u>	<u>1 - 2</u>	<u>2 - 3</u>	<u>3 - 4</u>	<u>4 - 5</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>	<u>Over 34</u>	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	4	9	7	3	0	0	0	0	0	0	0	0	23
Average Salary	56,966	58,959	60,319	68,212	0	0	0	0	0	0	0	0	60,233
30 - 34	4	2	2	0	0	1	3	0	0	0	0	0	12
Average Salary	69,384	65,348	73,476	0	0	69,377	80,644	0	0	0	0	0	72,207
35 - 39	4	0	2	1	0	0	4	4	0	0	0	0	15
Average Salary	58,859	0	69,533	58,478	0	0	83,651	93,338	0	0	0	0	76,062
40 - 44	1	1	0	0	1	0	0	10	4	0	0	0	17
Average Salary	74,318	55,649	0	0	68,732	0	0	79,756	79,781	0	0	0	77,375
45 - 49	0	0	0	0	0	0	0	0	6	0	0	0	6
Average Salary	0	0	0	0	0	0	0	0	82,376	0	0	0	82,376
50 - 54	0	0	0	0	0	0	0	0	1	0	0	0	1
Average Salary	0	0	0	0	0	0	0	0	78,520	0	0	0	78,520
55 - 59	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
Over 64	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	13	12	11	4	1	1	7	14	11	0	0	0	74
Average Salary	62,704	59,748	64,386	65,778	68,732	69,377	82,362	83,636	81,082	0	0	0	71,364
Average Age:	35.3												
Average Service:	8.8												

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2003

Tier 4 - Police Members

Attained Age	Years of Service												Total	
	<u>0 - 1</u>	<u>1 - 2</u>	<u>2 - 3</u>	<u>3 - 4</u>	<u>4 - 5</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>	<u>Over 34</u>		
Under 25	0	4	0	0	0	0	0	0	0	0	0	0	0	4
Average Salary	0	53,250	0	0	0	0	0	0	0	0	0	0	0	53,250
25 - 29	1	14	32	27	25	6	0	0	0	0	0	0	0	105
Average Salary	56,098	53,530	57,414	59,938	62,894	67,681	0	0	0	0	0	0	0	59,424
30 - 34	1	3	5	15	10	26	5	0	0	0	0	0	0	65
Average Salary	50,378	55,792	57,880	60,556	64,075	71,955	80,964	0	0	0	0	0	0	66,644
35 - 39	0	1	0	2	4	3	89	24	0	0	0	0	0	123
Average Salary	0	50,378	0	60,244	62,300	73,416	83,019	82,933	0	0	0	0	0	81,459
40 - 44	0	0	1	1	2	2	7	97	50	0	0	0	0	160
Average Salary	0	0	54,648	64,438	61,866	74,766	83,684	85,258	88,112	0	0	0	0	85,336
45 - 49	0	0	0	0	0	0	0	9	31	0	0	0	0	40
Average Salary	0	0	0	0	0	0	0	85,585	89,573	0	0	0	0	88,676
50 - 54	0	0	0	0	0	0	0	0	1	0	0	0	0	1
Average Salary	0	0	0	0	0	0	0	0	94,379	0	0	0	0	94,379
55 - 59	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Over 64	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Salary	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	2	22	38	45	41	37	101	130	82	0	0	0	0	498
Average Salary	53,238	53,644	57,403	60,258	63,074	71,532	82,963	84,852	88,741	0	0	0	0	76,504
Average Age:	36.6													
Average Service:	12.3													

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2003

Tier 5 - Fire Members

Attained Age	Years of Service												Total	
	<u>0 - 1</u>	<u>1 - 2</u>	<u>2 - 3</u>	<u>3 - 4</u>	<u>4 - 5</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>	<u>Over 34</u>		
Under 25	31	11	5	0	0	0	0	0	0	0	0	0	0	47
Average Salary	47,337	55,317	57,346	0	0	0	0	0	0	0	0	0	0	50,269
25 - 29	99	85	82	20	3	3	0	0	0	0	0	0	0	292
Average Salary	49,621	57,521	60,829	67,427	73,917	59,817	0	0	0	0	0	0	0	56,642
30 - 34	66	75	84	40	24	59	30	0	0	0	0	0	0	378
Average Salary	50,895	58,997	62,850	68,301	70,759	74,268	81,631	0	0	0	0	0	0	64,350
35 - 39	25	34	22	13	17	69	184	83	0	0	0	0	0	447
Average Salary	56,240	57,605	62,071	67,447	72,793	74,522	81,213	84,995	0	0	0	0	0	76,027
40 - 44	6	8	7	1	8	29	188	245	152	2	0	0	0	646
Average Salary	49,906	58,561	63,400	77,114	71,844	72,449	79,442	84,166	88,007	127,009	0	0	0	82,278
45 - 49	1	1	0	0	0	1	31	149	260	129	0	0	0	572
Average Salary	54,746	59,779	0	0	0	68,732	80,393	81,302	87,849	94,181	0	0	0	87,027
50 - 54	0	0	0	0	0	0	2	19	106	273	28	0	0	428
Average Salary	0	0	0	0	0	0	80,833	79,791	86,698	92,153	94,481	0	0	90,353
55 - 59	0	0	0	0	0	0	2	3	10	146	104	12	0	277
Average Salary	0	0	0	0	0	0	84,879	80,201	86,260	90,220	90,951	98,141	0	90,547
60 - 64	0	0	0	0	0	0	0	0	6	8	28	31	0	73
Average Salary	0	0	0	0	0	0	0	0	87,109	84,843	87,026	94,313	0	89,888
Over 64	0	0	0	0	0	0	0	0	3	1	1	18	0	23
Average Salary	0	0	0	0	0	0	0	0	88,846	79,290	80,588	97,051	0	94,493
Total	228	214	200	74	52	161	437	499	537	559	161	61	0	3,183
Average Salary	50,435	57,988	61,817	68,034	71,773	73,745	80,436	83,258	87,634	92,113	90,818	95,874	0	79,368
Average Age:	42.6													
Average Service:	16.2													

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2003

Tier 5 - Police Members

Attained Age	Years of Service												
	<u>0 - 1</u>	<u>1 - 2</u>	<u>2 - 3</u>	<u>3 - 4</u>	<u>4 - 5</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>	<u>Over 34</u>	<u>Total</u>
Under 25	181	13	2	0	0	0	0	0	0	0	0	0	196
Average Salary	48,868	52,974	56,285	0	0	0	0	0	0	0	0	0	49,216
25 - 29	331	81	108	110	102	130	0	0	0	0	0	0	862
Average Salary	49,588	54,535	58,070	61,144	64,408	68,925	0	0	0	0	0	0	57,260
30 - 34	176	52	75	115	153	1,039	30	0	0	0	0	0	1,640
Average Salary	50,332	55,567	59,192	62,462	66,123	72,507	79,588	0	0	0	0	0	67,811
35 - 39	68	9	24	41	60	620	598	92	0	0	0	0	1,512
Average Salary	50,094	57,415	58,993	62,175	65,492	73,320	80,967	84,322	0	0	0	0	75,034
40 - 44	12	2	3	9	20	201	442	405	93	0	0	0	1,187
Average Salary	48,712	63,611	59,900	62,215	67,383	74,505	81,546	85,708	90,463	0	0	0	81,670
45 - 49	2	0	2	3	7	42	114	223	316	98	0	0	807
Average Salary	66,862	0	61,422	61,268	65,984	75,157	81,930	85,711	89,786	94,462	0	0	86,917
50 - 54	1	0	1	0	1	10	12	79	142	309	103	0	658
Average Salary	50,378	0	54,787	0	67,995	74,793	79,144	85,776	87,016	91,076	94,826	0	89,533
55 - 59	0	0	0	0	0	1	2	17	40	116	200	22	398
Average Salary	0	0	0	0	0	69,971	81,827	81,080	84,972	89,419	92,365	98,673	90,521
60 - 64	0	0	0	0	0	0	0	1	0	15	30	25	71
Average Salary	0	0	0	0	0	0	0	75,525	0	86,143	89,676	92,332	89,666
Over 64	0	0	0	0	0	0	0	0	0	1	4	4	9
Average Salary	0	0	0	0	0	0	0	0	0	86,986	87,386	88,348	87,769
Total	771	157	215	278	343	2,043	1,198	817	591	539	337	51	7,340
Average Salary	49,666	55,028	58,589	61,877	65,578	72,787	81,221	85,450	88,901	91,190	92,819	94,755	75,320
Average Age:	38.9												
Average Service:	12.0												

The City Of Los Angeles Fire and Police Pension Systems
Age/Service/Salary Distribution by Attained Age For Active Members as of June 30, 2003

Total For All Fire And Police Members

Attained Age	Years of Service												Total	
	0 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	Over 34		
Under 25	212	28	7	0	0	0	0	0	0	0	0	0	0	247
Average Salary	48,644	53,934	57,043	0	0	0	0	0	0	0	0	0	0	49,482
25 - 29	435	189	229	160	130	183	0	0	0	0	0	0	0	1,326
Average Salary	49,679	56,014	59,035	61,859	64,336	68,720	0	0	0	0	0	0	0	57,732
30 - 34	247	132	167	171	194	1,473	78	0	0	0	0	0	0	2,462
Average Salary	50,791	57,669	61,137	63,616	66,577	72,241	79,897	0	0	0	0	0	0	67,752
35 - 39	97	44	48	59	83	912	1,039	215	0	0	0	0	0	2,497
Average Salary	52,040	57,402	60,843	63,330	66,856	73,176	80,759	84,286	0	0	0	0	0	75,509
40 - 44	19	11	13	12	32	312	735	803	325	2	0	0	0	2,264
Average Salary	50,437	59,214	62,660	63,377	68,215	73,785	80,565	84,736	88,869	127,009	0	0	0	81,618
45 - 49	3	1	2	3	7	97	192	406	707	307	0	0	0	1,725
Average Salary	62,823	59,779	61,422	61,268	65,984	74,288	81,092	83,744	89,307	93,520	0	0	0	86,750
50 - 54	1	0	1	0	2	35	18	107	264	634	145	0	0	1,207
Average Salary	50,378	0	54,787	0	77,426	76,029	78,943	84,505	86,650	91,763	95,105	0	0	89,667
55 - 59	0	0	0	0	0	9	6	28	51	291	320	34	0	739
Average Salary	0	0	0	0	0	81,268	86,911	81,316	85,154	90,275	91,584	98,485	0	90,390
60 - 64	0	0	0	0	0	2	0	2	6	25	64	57	0	156
Average Salary	0	0	0	0	0	79,789	0	74,568	87,109	85,132	88,195	93,583	0	89,349
Over 64	0	0	0	0	1	2	0	0	3	2	5	22	0	35
Average Salary	0	0	0	0	102,315	72,238	0	0	88,846	83,138	86,026	95,469	0	91,716
Total	1,014	405	467	405	449	3,025	2,068	1,561	1,356	1,261	534	113	0	12,658
Average Salary	50,013	56,657	60,045	62,856	66,215	72,610	80,690	84,326	88,518	91,758	92,082	95,425	0	76,689
Average Age:	39.9													
Average Service:	13.2													

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2003

Tier 1 - Service Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1984	0	0	1	14	18	22	162	35	252
1984	0	0	2	2	0	0	0	0	4
1985	0	0	1	2	0	0	0	0	3
1986	0	0	2	2	0	1	0	0	5
1987	0	0	2	0	0	1	0	0	3
1988	0	0	1	0	0	0	0	0	1
1989	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0
1991	0	0	1	0	0	0	0	0	1
1992	0	0	0	1	0	0	0	0	1
1993	0	0	2	0	0	0	0	0	2
1994	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0
1996	0	0	1	0	0	0	0	0	1
1997	0	0	0	1	0	0	0	0	1
1998	0	0	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0	0	0
2000	0	0	1	1	0	0	0	0	2
2001	0	0	0	0	0	0	0	0	0
2002	0	0	0	0	0	0	0	0	0
2003	0	0	0	0	0	0	0	0	0
TOTALS	0	0	14	23	18	24	162	35	276

Group Averages

Age at Retirement:

46.6

Attained Age:

80.8

Annual Pension:

\$21,964

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2003

Tier 2 - Service Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1984	0	0	42	209	358	703	1,120	67	2,499
1984	0	0	38	43	24	6	1	0	112
1985	0	0	35	46	27	16	1	0	125
1986	0	4	34	54	31	6	0	0	129
1987	0	8	48	57	36	11	3	0	163
1988	0	22	65	64	36	8	1	0	196
1989	0	59	64	64	23	5	0	0	215
1990	0	51	105	61	34	11	1	0	263
1991	0	55	92	53	12	3	0	0	215
1992	0	74	144	72	26	8	0	0	324
1993	0	99	140	52	10	0	1	0	302
1994	0	132	63	19	4	1	0	0	219
1995	0	125	71	20	3	1	0	0	220
1996	0	108	64	28	4	0	0	0	204
1997	1	103	51	17	4	0	0	0	176
1998	3	98	92	19	3	1	0	0	216
1999	2	216	104	17	2	0	0	0	341
2000	13	215	61	11	1	0	0	0	301
2001	15	100	30	4	1	0	0	0	150
2002	12	36	3	0	0	0	0	0	51
2003	6	8	1	0	0	0	0	0	15
TOTALS	52	1,513	1,347	910	639	780	1,128	67	6,436

Group Averages

Age at Retirement:

50.8

Attained Age:

67.5

Annual Pension:

\$45,813

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2003

Tier 3 - Service Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1984	0	0	0	0	0	0	0	0	0
1984	0	0	0	0	0	0	0	0	0
1985	0	0	0	0	0	0	1	0	1
1986	0	0	0	0	1	1	0	0	2
1987	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	1	0	0	0	1
1989	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0
1992	0	0	0	1	0	0	0	0	1
1993	0	0	0	0	0	0	0	0	0
1994	0	0	0	2	0	0	0	0	2
1995	0	1	2	0	0	0	0	0	3
1996	0	4	0	0	0	0	0	0	4
1997	0	2	1	0	0	0	0	0	3
1998	0	5	0	0	0	0	0	0	5
1999	0	4	3	1	0	0	0	0	8
2000	0	5	2	0	0	0	0	0	7
2001	0	7	1	0	0	0	0	0	8
2002	0	4	1	0	0	0	0	0	5
2003	0	5	0	0	0	0	0	0	5
TOTALS	0	37	10	4	2	1	1	0	55

Group Averages

Age at Retirement: 52.6
Attained Age: 57.9
Annual Pension: \$32,175

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2003

Tier 4 - Service Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1984	0	0	0	0	0	0	0	0	0
1984	0	0	0	0	0	0	0	0	0
1985	0	0	0	0	0	0	0	0	0
1986	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	0	0	0	0	0
1989	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0
1992	0	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0	0	0
1999	0	3	0	0	0	0	0	0	3
2000	1	0	0	0	0	0	0	0	1
2001	6	0	0	0	0	0	0	0	6
2002	8	0	0	0	0	0	0	0	8
2003	5	1	0	0	0	0	0	0	6
TOTALS	20	4	0	0	0	0	0	0	24

Group Averages

Age at Retirement:

44.2

Attained Age:

46.0

Annual Pension:

\$35,804

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2003

Tier 5 - Service Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1984	0	0	0	0	0	0	0	0	0
1984	0	0	0	0	0	0	0	0	0
1985	0	0	0	0	0	0	0	0	0
1986	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	0	0	0	0	0
1989	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0
1992	0	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0	0	0
2000	0	0	0	0	0	0	0	0	0
2001	0	0	0	0	0	0	0	0	0
2002	0	145	50	16	1	0	0	0	212
2003	0	52	8	2	1	0	0	0	63
TOTALS	0	197	58	18	2	0	0	0	275

Group Averages

Age at Retirement:

56.3

Attained Age:

57.4

Annual Pension:

\$72,272

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2003

Tier 1 - Disability Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1984	0	2	18	25	38	61	97	10	251
1984	0	0	1	0	0	1	0	0	2
1985	0	0	1	0	0	0	0	0	1
1986	0	0	1	0	0	0	0	0	1
1987	0	0	0	1	0	0	0	0	1
1988	0	0	0	0	0	0	0	0	0
1989	0	0	1	0	0	0	0	0	1
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0
1992	0	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0	0	0
2000	0	0	0	0	0	0	0	0	0
2001	0	0	0	0	0	0	0	0	0
2002	0	0	0	0	0	0	0	0	0
2003	0	0	0	0	0	0	0	0	0
TOTALS	0	2	22	26	38	62	97	10	257

Group Averages

Age at Retirement:

37.9

Attained Age:

76.3

Annual Pension:

\$25,722

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2003

Tier 2 - Disability Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1984	4	236	202	163	109	80	66	1	861
1984	2	30	22	20	15	4	0	0	93
1985	0	13	22	19	7	6	1	0	68
1986	0	16	19	12	9	6	1	0	63
1987	2	12	14	13	13	4	0	0	58
1988	2	25	18	15	10	6	0	0	76
1989	1	12	16	12	5	3	0	0	49
1990	0	16	19	8	11	2	0	0	56
1991	0	21	14	8	5	2	0	0	50
1992	0	33	26	21	6	0	1	0	87
1993	1	25	16	13	5	1	0	0	61
1994	2	23	14	11	6	0	0	0	56
1995	0	33	12	10	4	0	0	0	59
1996	0	15	12	15	3	1	0	0	46
1997	4	18	16	7	1	0	0	0	46
1998	3	11	11	3	2	0	0	0	30
1999	2	20	21	7	2	0	0	0	52
2000	2	31	16	5	1	1	0	0	56
2001	1	21	6	5	0	1	0	0	34
2002	1	15	3	2	1	0	0	0	22
2003	1	10	1	0	0	0	0	0	12
TOTALS	28	636	500	369	215	117	69	1	1,935

Group Averages

Age at Retirement: 45.4
Attained Age: 62.9
Annual Pension: \$45,156

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2003

Tier 3 - Disability Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1984	0	3	0	0	0	0	0	0	3
1984	0	1	0	0	1	0	0	0	2
1985	0	0	0	0	0	0	0	0	0
1986	1	3	1	2	0	0	0	0	7
1987	1	2	0	0	1	0	0	0	4
1988	1	3	0	0	0	0	0	0	4
1989	4	1	1	0	0	0	0	0	6
1990	3	0	1	0	0	0	0	0	4
1991	2	1	0	0	0	0	0	0	3
1992	4	4	0	0	0	0	0	0	8
1993	4	7	0	0	0	0	0	0	11
1994	12	2	0	0	0	0	0	0	14
1995	6	3	0	0	0	0	0	0	9
1996	13	1	1	0	0	0	0	0	15
1997	10	6	0	0	0	0	0	0	16
1998	15	6	0	0	0	0	0	0	21
1999	12	7	1	0	0	0	0	0	20
2000	16	5	0	0	0	0	0	0	21
2001	8	0	0	0	0	0	0	0	8
2002	3	1	0	0	0	0	0	0	4
2003	2	0	0	0	0	0	0	0	2
TOTALS	117	56	5	2	2	0	0	0	182

Group Averages

Age at Retirement:

38.5

Attained Age:

46.5

Annual Pension:

\$31,361

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2003

Tier 4 - Disability Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1984	0	0	0	0	0	0	0	0	0
1984	0	0	0	0	0	0	0	0	0
1985	0	0	0	0	0	0	0	0	0
1986	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	0	0	0	0	0
1989	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0
1992	0	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0
1998	1	0	0	0	0	0	0	0	1
1999	0	0	0	0	0	0	0	0	0
2000	0	0	0	0	0	0	0	0	0
2001	0	1	0	0	0	0	0	0	1
2002	6	0	0	0	0	0	0	0	6
2003	3	0	0	0	0	0	0	0	3
TOTALS	10	1	0	0	0	0	0	0	11

Group Averages

Age at Retirement:

42.1

Attained Age:

43.7

Annual Pension:

\$44,712

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2003

Tier 5 - Disability Retirement

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1984	0	0	0	0	0	0	0	0	0
1984	0	0	0	0	0	0	0	0	0
1985	0	0	0	0	0	0	0	0	0
1986	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	0	0	0	0	0
1989	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0
1992	0	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0	0	0
2000	0	0	0	0	0	0	0	0	0
2001	0	0	0	0	0	0	0	0	0
2002	0	0	0	0	0	0	0	0	0
2003	0	3	0	0	0	0	0	0	3
TOTALS	0	3	0	0	0	0	0	0	3

Group Averages

Age at Retirement:

51.4

Attained Age:

52.0

Annual Pension:

\$56,719

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2003

Tier 1 - Surviving Spouses and Dependents

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1984	3	3	7	10	14	32	130	74	273
1984	0	0	0	0	1	2	14	6	23
1985	0	0	0	0	1	2	6	4	13
1986	0	0	0	0	1	1	8	5	15
1987	0	0	0	1	1	3	7	3	15
1988	0	0	0	0	1	3	7	5	16
1989	0	0	1	1	1	1	9	7	20
1990	0	0	0	0	3	3	13	5	24
1991	0	0	0	1	1	5	6	3	16
1992	0	0	2	1	3	2	9	3	20
1993	1	0	1	0	1	4	10	7	24
1994	0	0	2	1	1	3	4	4	15
1995	0	0	0	3	0	6	14	1	24
1996	2	1	0	0	5	3	13	5	29
1997	0	0	0	0	1	4	12	5	22
1998	0	0	0	1	4	6	10	2	23
1999	0	1	0	2	6	5	8	2	24
2000	0	0	1	0	6	8	8	1	24
2001	0	1	5	4	4	10	26	3	53
2002	0	1	2	0	3	8	11	5	30
2003	0	0	0	2	2	4	14	3	25
TOTALS	6	7	21	27	60	115	339	153	728

Group Averages

Age at Retirement:

N/A

Attained Age:

82.2

Annual Pension:

\$25,134

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2003

Tier 2 - Surviving Spouses and Dependents

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1984	1	30	24	29	35	60	98	12	289
1984	1	4	5	2	5	8	14	1	40
1985	1	4	5	7	2	6	14	2	41
1986	1	3	1	5	5	7	5	3	30
1987	0	4	0	4	4	7	14	3	36
1988	0	11	4	2	5	9	15	3	49
1989	0	3	2	3	3	6	10	1	28
1990	0	5	3	3	6	8	15	1	41
1991	2	5	5	0	4	14	29	3	62
1992	0	5	7	8	7	11	14	5	57
1993	3	9	5	3	6	12	18	2	58
1994	1	9	2	3	12	12	18	2	59
1995	2	4	8	5	11	19	28	0	77
1996	2	6	4	13	11	20	40	1	97
1997	6	7	3	4	9	14	20	4	67
1998	2	14	7	8	10	24	26	5	96
1999	0	10	3	10	9	15	20	1	68
2000	1	11	3	13	11	23	36	1	99
2001	4	9	14	9	16	30	28	2	112
2002	5	8	7	11	12	21	26	2	92
2003	2	5	5	17	10	16	15	4	74
TOTALS	34	166	117	159	193	342	503	58	1,572

Group Averages

Age at Retirement:

N/A

Attained Age:

73.3

Annual Pension:

\$38,368

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2003

Tier 3 - Surviving Spouses and Dependents

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1984	0	0	0	0	0	0	0	0	0
1984	0	0	0	0	0	0	0	0	0
1985	1	2	0	0	0	0	0	0	3
1986	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	0	0	0	0	0
1989	4	0	0	1	0	0	0	0	5
1990	1	0	0	0	1	0	0	0	2
1991	2	0	0	0	0	0	0	0	2
1992	2	0	1	0	0	0	0	0	3
1993	2	1	0	0	0	0	0	0	3
1994	1	1	0	1	0	0	0	0	3
1995	3	0	0	0	0	0	0	0	3
1996	0	0	1	0	0	0	0	0	1
1997	7	0	1	0	0	0	0	0	8
1998	6	0	0	0	0	0	0	0	6
1999	8	0	0	0	0	0	0	0	8
2000	2	0	0	0	0	0	0	0	2
2001	2	0	0	1	0	0	0	0	3
2002	3	0	0	0	0	0	0	0	3
2003	1	0	0	0	0	0	0	0	1
TOTALS	45	4	3	3	1	0	0	0	56

Group Averages

Age at Retirement:

N/A

Attained Age:

38.0

Annual Pension:

\$38,697

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2003

Tier 4 - Surviving Spouses and Dependents

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1984	0	0	0	0	0	0	0	0	0
1984	0	0	0	0	0	0	0	0	0
1985	0	0	0	0	0	0	0	0	0
1986	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	0	0	0	0	0
1989	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0
1992	0	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0	0	0
2000	1	0	0	0	0	0	0	0	1
2001	0	0	0	0	0	0	0	0	0
2002	0	0	0	0	0	0	0	0	0
2003	1	0	0	0	0	0	0	0	1
TOTALS	2	0	0	0	0	0	0	0	2

Group Averages

Age at Retirement:

N/A

Attained Age:

41.2

Annual Pension:

\$73,221

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2003

Tier 5 - Surviving Spouses and Dependents

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1984	0	0	0	0	0	0	0	0	0
1984	0	0	0	0	0	0	0	0	0
1985	0	0	0	0	0	0	0	0	0
1986	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	0	0	0	0	0
1989	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0
1992	0	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0	0	0
2000	0	0	0	0	0	0	0	0	0
2001	0	0	0	0	0	0	0	0	0
2002	0	1	1	0	0	0	0	0	2
2003	0	0	0	0	0	0	0	0	0
TOTALS	0	1	1	0	0	0	0	0	2

Group Averages

Age at Retirement:

N/A

Attained Age:

58.6

Annual Pension:

\$85,281

The City Of Los Angeles Fire and Police Pension Systems

Distribution of Pensioners by Plan Year of Retirement and by Attained Age as of June 30, 2003

Total for All Pensioners

<u>Year Retired</u>	<u>Age Groups</u>								<u>Total</u>
	<u>Under 50</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre-1984	8	274	294	450	572	958	1,673	199	4,428
1984	3	35	68	67	46	21	29	7	276
1985	2	19	64	74	37	30	23	6	255
1986	2	26	58	75	47	22	14	8	252
1987	3	26	64	76	55	26	24	6	280
1988	3	61	88	81	53	26	23	8	343
1989	9	75	85	81	32	15	19	8	324
1990	4	72	128	72	55	24	29	6	390
1991	6	82	112	62	22	24	35	6	349
1992	6	116	180	104	42	21	24	8	501
1993	11	141	164	68	22	17	29	9	461
1994	16	167	81	37	23	16	22	6	368
1995	11	166	93	38	18	26	42	1	395
1996	17	135	83	56	23	24	53	6	397
1997	28	136	72	29	15	18	32	9	339
1998	30	134	110	31	19	31	36	7	398
1999	24	261	132	37	19	20	28	3	524
2000	36	267	84	30	19	32	44	2	514
2001	36	139	56	23	21	41	54	5	375
2002	38	211	67	29	17	29	37	7	435
2003	21	84	15	21	13	20	29	7	210
TOTALS	314	2,627	2,098	1,541	1,170	1,441	2,299	324	11,814

Group Averages

Age at Retirement:

49.1

Attained Age:

68.1

Annual Pension:

\$42,735

The City of Los Angeles Fire and Police Pension Plan

Membership Summary

In the June 30, 2003 Actuarial Valuation

Active Members		No.	Annual Compensation ¹	Averages		
				Annual Compensation	Age	Service
TIER 2						
Fire	6/30/2003	127	\$11,318,410	\$89,121	50.0	26.1
	6/30/2002	747	\$67,882,976	\$90,874	50.2	25.8
	Percent Change	-83.0%	-83.3%	-1.9%	-0.4%	1.2%
Police	6/30/2003	200	18,732,772	93,664	49.3	25.8
	6/30/2002	820	75,337,751	91,875	50.5	26.2
	Percent Change	-75.6%	-75.1%	1.9%	-2.4%	-1.5%
TIER 3						
Fire	6/30/2003	43	3,308,194	76,935	40.8	12.4
	6/30/2002	798	63,203,447	79,202	41.0	13.9
	Percent Change	-94.6%	-94.8%	-2.9%	-0.5%	-10.7%
Police	6/30/2003	1,193	88,510,816	74,192	37.9	9.3
	6/30/2002	4,093	307,646,865	75,164	37.3	9.5
	Percent Change	-70.9%	-71.2%	-1.3%	1.6%	-2.1%
TIER 4						
Fire	6/30/2003	74	5,280,937	71,364	35.3	8.8
	6/30/2002	800	54,135,903	67,670	34.8	8.2
	Percent Change	-90.8%	-90.2%	5.5%	1.4%	7.3%
Police	6/30/2003	498	38,099,058	76,504	36.6	12.3
	6/30/2002	1,614	113,736,817	70,469	34.4	8.7
	Percent Change	-69.1%	-66.5%	8.6%	6.4%	41.4%
TIER 5						
Fire	6/30/2003	3,183	252,629,192	79,368	42.6	16.2
	6/30/2002	1,034	81,644,036	78,959	44.2	17.6
	Percent Change	207.8%	209.4%	0.5%	-3.6%	-8.0%
Police	6/30/2003	7,340	552,847,341	75,320	38.9	12.0
	6/30/2002	2,400	182,449,456	76,021	40.2	13.5
	Percent Change	205.8%	203.0%	-0.9%	-3.2%	-11.1%

The City of Los Angeles Fire and Police Pension Plan

Membership Summary

In the June 30, 2003 Actuarial Valuation

Active Members		<u>No.</u>	<u>Annual Compensation</u> ¹	<u>Averages</u>		
				<u>Annual Compensation</u>	<u>Age</u>	<u>Service</u>
TOTAL						
Fire	6/30/2003	3,427	272,536,733	79,526	42.7	16.4
	6/30/2002	3,379	266,866,363	78,978	42.6	16.3
	Percent Change	1.4%	2.1%	0.7%	0.2%	0.6%
Police	6/30/2003	9,231	698,189,987	75,635	38.9	12.0
	6/30/2002	8,927	679,170,889	76,081	38.8	12.0
	Percent Change	3.4%	2.8%	-0.6%	0.3%	0.0%
Grand Total	6/30/2003	12,658	\$970,726,720	\$76,689	39.9	13.2
Grand Total	6/30/2002	12,306	\$946,037,252	\$76,876	39.8	13.2
Percent Change		2.9%	2.6%	-0.2%	0.3%	0.0%

¹ These numbers for June 30, 2002 include a 5% negotiated July 1, 2002 pay increase that we have reflected in liabilities for 2002. For the 2003 valuation, we did not reflect a comparable pay increase as of July 1.

The City of Los Angeles Fire and Police Pension Plan

Membership Summary

In the June 30, 2003 Actuarial Valuation

Pensioners

		<u>No.</u>	<u>Annual Allowance</u>	<u>Average</u>			<u>New Retirees</u>		
				<u>Annual Allowance</u>	<u>Attained Age</u>	<u>Age at Retirement</u>	<u>No.</u>	<u>Age</u>	<u>Average Allowance</u>
TIER 1									
Service Retirement	6/30/2003	276	\$6,062,167	\$21,964	80.8	46.6	N/A	N/A	N/A
	6/30/2002	306	\$6,527,295	\$21,331	80.6	46.7	N/A	N/A	N/A
	Percent Change	-9.8%	-7.1%	3.0%					
Disability Retirement	6/30/2003	257	6,610,567	25,722	76.3	37.9	N/A	N/A	N/A
	6/30/2002	280	6,935,152	24,768	75.6	38.1	N/A	N/A	N/A
	Percent Change	-8.2%	-4.7%	3.9%					
Survivors & Dependents	6/30/2003	728	18,297,842	25,134	82.2	N/A	N/A	N/A	N/A
	6/30/2002	742	18,390,069	24,784	81.9	N/A	N/A	N/A	N/A
	Percent Change	-1.9%	-0.5%	1.4%					
TIER 2									
Service Retirement	6/30/2003	6,436	\$294,853,266	\$45,813	67.5	50.8	33	50.3	54,963
	6/30/2002	6,543	\$288,981,811	\$44,167	66.8	50.9	86	53.7	55,674
	Percent Change	-1.6%	2.0%	3.7%					
Disability Retirement	6/30/2003	1,935	87,376,634	45,156	62.9	45.4	12	54.8	67,219
	6/30/2002	1,941	84,145,361	43,352	62.1	45.4	20	56.6	62,222
	Percent Change	-0.3%	3.8%	4.2%					
Survivors & Dependents	6/30/2003	1,572	60,314,153	38,368	73.3	N/A	N/A	N/A	N/A
	6/30/2002	1,515	55,968,548	36,943	72.5	N/A	N/A	N/A	N/A
	Percent Change	3.8%	7.8%	3.9%					

The City of Los Angeles Fire and Police Pension Plan

Membership Summary

In the June 30, 2003 Actuarial Valuation

Pensioners

		<u>No.</u>	<u>Annual Allowance</u>	<u>Annual Allowance</u>	<u>Average Attained Age</u>	<u>Age at Retirement</u>	<u>New Retirees</u>		
							<u>No.</u>	<u>Age</u>	<u>Average Allowance</u>
TIER 3									
Service Retirement	6/30/2003	55	\$1,769,630	\$32,175	57.9	52.6	6	52.4	24,676
	6/30/2002	49	\$1,551,751	\$31,668	57.5	52.7	4	51.0	24,312
	Percent Change	12.2%	14.0%	1.6%					
Disability Retirement	6/30/2003	182	5,707,781	31,361	46.5	38.5	3	43.6	42,388
	6/30/2002	174	5,202,316	29,898	45.6	38.3	1	47.8	26,455
	Percent Change	4.6%	9.7%	4.9%					
Survivors & Dependents	6/30/2003	56	2,167,017	38,697	38.0	N/A	N/A	N/A	N/A
	6/30/2002	56	2,128,959	38,017	37.8	N/A	N/A	N/A	N/A
	Percent Change	0.0%	1.8%	1.8%					
TIER 4									
Service Retirement	6/30/2003	24	\$859,289	\$35,804	46.0	44.2	8	43.9	35,989
	6/30/2002	17	\$589,661	\$34,686	45.6	44.2	10	43.3	33,617
	Percent Change	41.2%	45.7%	3.2%					
Disability Retirement	6/30/2003	11	491,836	44,712	43.7	42.1	5	41.8	56,471
	6/30/2002	4	118,100	29,525	44.0	42.3	2	39.7	25,327
	Percent Change	175.0%	316.5%	51.4%					
Survivors & Dependents	6/30/2003	2	146,441	73,221	41.2	N/A	N/A	N/A	N/A
	6/30/2002	0	0	0	N/A	N/A	N/A	N/A	N/A
	Percent Change	N/A	N/A	N/A					

The City of Los Angeles Fire and Police Pension Plan

Membership Summary

In the June 30, 2003 Actuarial Valuation

Pensioners

		<u>No.</u>	<u>Annual Allowance</u>	<u>Annual Allowance</u>	<u>Average Attained Age</u>	<u>Age at Retirement</u>	<u>No.</u>	<u>Age</u>	<u>Average Allowance</u>
TIER 5									
Service Retirement	6/30/2003	275	\$19,874,796	\$72,272	57.4	56.3	98	55.6	72,863
	6/30/2002	131	\$9,038,374	\$68,995	56.8	56.4	131	56.4	68,995
	Percent Change	109.9%	119.9%	4.7%					
Disability Retirement	6/30/2003	3	170,157	56,719	52.0	51.4	3	51.4	56,719
	6/30/2002	0	0	0	N/A	N/A	N/A	N/A	N/A
	Percent Change	N/A	N/A	N/A					
Survivors & Dependents	6/30/2003	2	170,561	85,281	58.6	N/A	N/A	N/A	N/A
	6/30/2002	2	140,902	70,451	57.6	N/A	N/A	N/A	N/A
	Percent Change	0.0%	21.0%	21.1%					
ALL TIERS COMBINED									
Service Retirement	6/30/2003	7,066	323,419,148	\$45,771	67.5	50.8	145	53.6	\$64,761
	6/30/2002	7,046	\$306,688,892	\$43,524	67.1	50.8	231	54.7	\$61,730
	Percent Change	0.3%	5.5%	5.2%					
Disability Retirement	6/30/2003	2,388	100,356,975	\$42,026	63.0	44.1	23	50.1	\$60,274
	6/30/2002	2,399	96,400,929	40,188	62.4	44.0	23	54.7	\$57,459
	Percent Change	-0.5%	4.1%	4.6%					
Survivors & Dependents	6/30/2003	2,360	81,096,014	\$34,363	75.2	N/A	N/A	N/A	N/A
	6/30/2002	2,315	76,628,478	33,096	74.7	N/A	N/A	N/A	N/A
	Percent Change	1.9%	5.8%	3.8%					
Total - All Pensioners	6/30/2003	11,814	504,872,137	\$42,735	68.1	49.1	168	53.1	\$64,147
	6/30/2002	11,760	\$479,718,298	\$40,792	67.6	49.1	254	54.7	\$61,344
	Percent Change	0.5%	5.2%	4.8%					

The City of Los Angeles Fire and Police Pension Plan

Membership Summary

In the June 30, 2003 Actuarial Valuation

New Retirees	Fire			Police			Total		
	<u>No.</u>	<u>Age</u>	<u>Years of Service</u>	<u>No.</u>	<u>Age</u>	<u>Years of Service</u>	<u>No.</u>	<u>Age</u>	<u>Years of Service</u>
TIER 2									
Service Retirement	8	51.5	26.8	25	50.0	25.7	33	50.3	25.9
Disability Retirement	7	56.7	29.7	5	52.2	27.0	12	54.8	28.6
Total	15	53.9	28.1	30	50.3	25.9	45	51.5	26.6
TIER 3									
Service Retirement	0	N/A	N/A	6	52.4	16.2	6	52.4	16.2
Disability Retirement	0	N/A	N/A	3	43.6	16.3	3	43.6	16.3
Total	0	N/A	N/A	9	49.5	16.2	9	49.5	16.2
TIER 4									
Service Retirement	1	40.7	20.0	7	44.4	20.3	8	43.9	20.3
Disability Retirement	1	47.3	19.0	4	40.4	17.3	5	41.8	17.6
Total	2	44.0	19.5	11	43.0	19.2	13	43.1	19.2
TIER 5									
Service Retirement	24	57.0	29.9	74	55.2	29.4	98	55.6	29.5
Disability Retirement	2	52.2	23.0	1	49.8	19.0	3	51.4	21.7
Total	26	56.7	29.4	75	55.1	29.3	101	55.5	29.3
ALL TIERS COMBINED									
Service Retirement	33	55.2	28.9	112	53.2	27.3	145	53.6	27.7
Disability Retirement	10	54.9	27.3	13	46.4	20.9	23	50.1	23.7
Total - All New Retirees	43	55.1	28.5	125	52.5	26.6	168	53.1	27.1

ACTUARIAL COST METHODS, ACTUARIAL ASSUMPTIONS

AND

DEFINITIONS OF TECHNICAL TERMS

The City of Los Angeles Fire and Police Pension Plan

Actuarial Cost Methods - June 30, 2003

Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an individual entry age actuarial cost method having the following characteristics:

- (i) the annual normal costs for each active member, payable from the date of entry into the system to the date of retirement, are sufficient to accumulate the value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is a constant percentage of the member's year-by-year projected covered pay.

Financing of Unfunded Actuarial Accrued Liability. For Tiers 3-5, each year's actuarial gain (loss) is funded (or credited, if negative) in fifteen installments. Any liability changes due to benefit or assumption changes are funded over 30 years. For Tier 1, level-dollar amortization is used ending on June 30, 2037. For Tier 2, level-percent-of-payroll amortization is used ending on June 30, 2037 as a percent of TOTAL valuation payroll.

Active member payroll in aggregate is assumed to increase 5% a year for the purpose of determining the level percent contributions, although individual annual pay increase rates will increase by greater percentages per year for the purpose of projecting individual pays.

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2003 Valuation

The contribution requirements and benefit values of the Fund are calculated by applying actuarial assumptions to the benefit provisions and member information furnished, using the actuarial cost methods described on the previous page.

The principal areas of financial risk which require assumptions about future experiences are:

- (i) long-term rates of investment return to be generated by the assets of the Fund.
- (ii) patterns of pay increases to members.
- (iii) rates of mortality among members, retirants, and beneficiaries.
- (iv) rates of withdrawal of active members (without entitlement to a retirement benefit).
- (v) rates of disability among members.
- (vi) the age patterns of actual retirements.

In making a valuation, the monetary effect of each assumption is calculated for as long as a present covered person survives -- a period of time which can be as long as a century.

Actual experience of the System will not coincide exactly with assumed experience, regardless of the choice of the assumptions, the skill of the actuary and the precision of the many calculations made. Each valuation provides a complete recalculation of assumed future experience and takes into account all past differences between assumed and actual experience. The result is a continual series of adjustments (usually small) to the computed contribution rate. From time to time it becomes appropriate to modify one or more of the assumptions, to reflect experience trends (but not random year-to-year fluctuations).

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2003 Valuation

(Continued)

The Entry Age Normal Actuarial Cost Method was used in conjunction with the following actuarial assumptions.

The investment return rate used for the actuarial valuation calculations was 8.5% a year, net of administrative expenses, compounded annually. This assumption, used to equate the value of payments due at different points in time, is adopted by the Pension Board. The rate is comprised of two elements:

General Inflation	5.0%
Real Rate of Return	<u>3.5%</u>
Total	8.5%

The general inflation rate used for the actuarial valuation calculations was 5% per year, compounded annually. It represents the difference between the investment return rate and the assumed real rate of return.

Inflation actually experienced, as measured by the Consumer Price Index for urban wage earners, has been as follows:

Consumer Price Index	
Urban Wage Earners and Clerical Workers Before 1978	
All Urban Consumers After 1977	
<u>10 Year Moving Averages</u>	
June 30, 1963	1.4 %
June 30, 1973	3.7%
June 30, 1983	8.4%
June 30, 1993	3.8%
June 30, 2003	2.4%
50-Year Average	3.9%

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2003 Valuation
(Continued)

Compensation increase rates used to project current pays to those, upon which a benefit will be based, are represented by the following table.

Annual Rate of Compensation Increase

General Inflation 5.0%

plus

Merit & Longevity See Table Below
for Sample Ages

<u>Age</u>	<u>Additional Salary Increase</u>
20	5.00%
25	4.00%
30	3.00%
35	2.00%
40	1.00%
45	0.75%
50	0.50%
55	0.50%
60	0.50%

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2003 Valuation

(Continued)

Rates of separation from active membership are shown below (rates do not include separation on account of retirement). This assumption measures the probabilities of members remaining in employment. All decrements are assumed to occur at the beginning of the valuation year.

Fire Members

Sample Ages	% of Active Members Separating Within Next Year						
	<u>Withdrawal*</u>	<u>Death</u>		<u>Death while eligible for:</u>		<u>Disability</u>	
		<u>Ordinary</u>	<u>Service</u>	<u>Service Retirement</u>	<u>Disability Retirement</u>	<u>Ordinary</u>	<u>Service</u>
20	7.75%	0.00%	0.02%	0.00%	0.00%	0.00%	0.03%
25	3.78%	0.00%	0.03%	0.00%	0.00%	0.00%	0.03%
30	1.99%	0.01%	0.04%	0.01%	0.01%	0.00%	0.03%
35	1.11%	0.01%	0.05%	0.02%	0.02%	0.02%	0.07%
40	0.54%	0.02%	0.06%	0.03%	0.03%	0.02%	0.16%
45	0.26%	0.02%	0.07%	0.03%	0.03%	0.03%	0.40%
50	0.00%	0.03%	0.08%	0.04%	0.04%	0.03%	0.90%
55	0.00%	0.04%	0.09%	0.06%	0.06%	0.04%	3.00%
60	0.00%	0.05%	0.10%	0.07%	0.07%	0.05%	7.00%

Police Tier 2 Members

Sample Ages	% of Active Members Separating Within Next Year						
	<u>Withdrawal*</u>	<u>Death</u>		<u>Death while eligible for:</u>		<u>Disability</u>	
		<u>Ordinary</u>	<u>Service</u>	<u>Service Retirement</u>	<u>Disability Retirement</u>	<u>Ordinary</u>	<u>Service</u>
20	7.88%	0.06%	0.02%	0.00%	0.06%	0.00%	0.03%
25	4.68%	0.06%	0.03%	0.00%	0.04%	0.00%	0.03%
30	2.78%	0.06%	0.04%	0.00%	0.04%	0.02%	0.05%
35	1.65%	0.06%	0.05%	0.01%	0.04%	0.02%	0.11%
40	0.98%	0.08%	0.06%	0.02%	0.05%	0.03%	0.30%
45	0.58%	0.08%	0.07%	0.03%	0.05%	0.03%	0.55%
50	0.00%	0.09%	0.08%	0.04%	0.06%	0.03%	0.80%
55	0.00%	0.12%	0.10%	0.05%	0.08%	0.03%	1.60%
60	0.00%	0.15%	0.10%	0.06%	0.10%	0.03%	2.00%

*No withdrawal is assumed once a member is vested.

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2003 Valuation

(Continued)

Police Tier 3-5 Members

Sample Ages	% of Active Members Separating Within Next Year						
	<u>Withdrawal*</u>	<u>Death</u>		<u>Death while eligible for:</u>		<u>Disability</u>	
		<u>Ordinary</u>	<u>Service</u>	<u>Service Retirement</u>	<u>Disability Retirement</u>	<u>Ordinary</u>	<u>Service</u>
20	7.00%	0.06%	0.02%	0.00%	0.06%	0.00%	0.03%
25	5.18%	0.06%	0.03%	0.00%	0.04%	0.00%	0.03%
30	3.53%	0.06%	0.04%	0.00%	0.04%	0.02%	0.05%
35	2.21%	0.06%	0.05%	0.01%	0.04%	0.02%	0.11%
40	1.41%	0.08%	0.06%	0.02%	0.05%	0.03%	0.30%
45	1.25%	0.08%	0.07%	0.03%	0.05%	0.03%	0.55%
50	0.00%	0.09%	0.08%	0.04%	0.06%	0.03%	0.80%
55	0.00%	0.12%	0.10%	0.05%	0.08%	0.03%	1.60%
60	0.00%	0.15%	0.10%	0.06%	0.10%	0.03%	2.00%

*No withdrawal is assumed once a member is vested. Withdrawal rates for Members with less than five years of service is the greater of the above rate and 5.5%.

The post-retirement mortality table used was the 1994 Group Annuity Mortality Basic Table. This assumption is used to measure the probabilities of members dying after retirement and the probabilities of each benefit payment being made after retirement. Spouses use the same table with a four-year set back.

Sample Ages	Future Life Expectancy (Years)		% Dying Within Next Year	
	Non-disabled Retirees		Non-disabled Retirees	
	<u>Members</u>	<u>Spouses</u>	<u>Members</u>	<u>Spouses</u>
45	34.7	38.5	0.17%	0.12%
50	30.0	33.7	0.28	0.19
55	25.5	29.1	0.48	0.31
60	21.2	24.6	0.86	0.53
65	17.3	20.4	1.56	0.97
70	13.8	16.5	2.55	1.75
75	10.7	13.1	4.00	2.79

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2003 Valuation

(Continued)

The 1984 PBGC Disabled Life Mortality Table is used for disability retirants, with a three-year setback. Related values are shown below.

Sample	Future Life Expectancy (Years)		% Dying Within Next Year	
	Disabled Retirees		Disabled Retirees	
<u>Ages</u>	<u>Members</u>		<u>Members</u>	
45	30.4		0.38%	
50	26.0		0.62	
55	22.0		0.99	
60	18.1		1.55	
65	14.7		2.48	
70	11.7		3.77	
75	9.0		5.78	

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2003 Valuation

(Continued)

The rates of retirement used to measure the probability of eligible members retiring during the next year.

Retirement Ages	Fire Members Tiers 2 & 4	Police Members Tiers 2 & 4	Fire Members Tiers 3 & 5	Police Members Tiers 3 & 5
41	1.00%	6.00%	0.00%	0.00%
42	1.00%	6.00%	0.00%	0.00%
43	1.00%	6.00%	0.00%	0.00%
44	1.10%	6.00%	0.00%	0.00%
45	1.15%	6.00%	0.00%	0.00%
46	1.20%	7.16%	0.00%	0.00%
47	1.25%	8.32%	0.00%	0.00%
48	1.40%	9.47%	0.00%	0.00%
49	1.60%	10.63%	0.00%	0.00%
50	2.00%	11.79%	20.00%	25.00%
51	2.75%	12.95%	18.00%	22.50%
52	3.60%	14.11%	16.00%	20.00%
53	4.70%	15.26%	14.00%	18.00%
54	5.75%	16.42%	12.00%	16.00%
55	7.30%	17.58%	10.00%	15.42%
56	8.86%	18.74%	8.86%	16.11%
57	9.85%	19.89%	9.85%	16.84%
58	10.94%	21.05%	10.94%	17.60%
59	12.16%	22.21%	12.16%	18.40%
60	13.52%	23.37%	13.52%	19.23%
61	15.03%	24.53%	15.03%	20.10%
62	16.70%	25.68%	16.70%	21.01%
63	18.56%	26.84%	18.56%	21.96%
64	20.63%	28.00%	20.63%	22.95%
65	100.00%	100.00%	100.00%	100.00%

The City of Los Angeles Fire and Police Pension Plan
Actuarial Assumptions Used for the June 30, 2003 Valuation

(Continued)

Survivor Benefits. Marital status and spouses' census data were imputed with respect to active members.

Marital Status – 86% are assumed married or having a domestic partner at retirement.

Spouse Census – Spouses are assumed to be 3 years younger than members.

Dependent Children – Members are assumed to have two children with a three-year difference in age.
 The elder is assumed to reach age 21 when the participant reaches age 45.

Interest Credit on Employee

Contributions: 5.0% (was 8.5%)

Cost of Living:

5.0% for Tiers 1 and 2
 3.0% for Tiers 3, 4, and 5

Average Service-Connected

Disability Benefits:

Benefits are assumed to follow this schedule:

Years of Service at Time of Disability	Percent of Salary Base
Less than 20	50%
20-30	60%
Over 30	70%

Average Nonservice-Connected
 Disability benefit for
 Tiers 3, 4, & 5:

40% of Salary Base.

Funding Method:

Entry Age Normal Funding Method.

Asset Valuation Method:

The actuarial value of assets is determined by phasing in, over five years, the difference between the actual and expected realized and unrealized appreciation. The expected appreciation is based on the assumed 8.5% rate of return. The actuarial value of assets can be no less than 80% and no greater than 120% of the market value of assets.

DROP Program:

The DROP program became effective in May of 2002. Since it was priced on a cost neutral basis there have been no assumption changes in this valuation for DROP program consideration. As the program matures, it would be beneficial to study actual DROP experience and consider explicitly reflecting actual experience.

The City of Los Angeles Fire and Police Pension Plan
Summary of Actuarial Assumptions and Methods
Used for Valuation of Health Subsidy Benefits

Funding Method: Entry Age Normal Funding Method

Discount Rate: 8.5%

Health Trend Rates:

	Medical Trend		Dental Trend	Medicare Part B
	<u>Pre-65</u>	<u>Post 65</u>		
2003-2004	7.00%	6.75%	7.00%	6.50%
2004-2005	6.75%	6.50%	6.75%	6.50%
2005+	6.50%	6.50%	6.50%	6.50%

Members Assumed to Receive Subsidy: 85% of all retirees are assumed to receive a subsidy for an approved health carrier.

Spouses and Domestic Partners: 86% of retirees who receive a subsidy are assumed to be married or have a qualified domestic partner and elect dependent coverage, with members being three years older than spouses/domestic partners.

Medicare Coverage: 90% of retirees are assumed to elect Medicare Parts A & B.

Dental Coverage: 65% of retirees are assumed to elect dental coverage.

Spousal Coverage: With regard to Members who are currently alive, 70% of eligible spouse or domestic partners are assumed to elect continued health coverage after the Member's death. With regard to deceased Members, 70% of the current eligible survivors are assumed to elect health coverage.

All other Assumptions and Methods: Same as used for valuation of retirement benefits.

City of Los Angeles Fire and Police Pension Plan
Summary of Actuarial Assumptions and Methods
Used for Valuation of Health Subsidy Benefits

The following methodology is used to develop blended subsidy amounts to be used in the valuation of current active member health subsidies. The participation percent for carrier elections is assumed to be the same as the current retiree participation rates. These participation percents are used to determine a blend of the different carrier amounts. Utilization assumption factors are then applied to the blended rates. Our valuation software then prorates on service to determine the portion subsidized. This methodology is done separately for those with and without Medicare Parts A & B coverage, and for single, married, and surviving spouse coverage as shown below. Finally, since subsidies are revised every January 1, we apply a half year of medical trend assumed from January 1, 2003 to June 30, 2003 to bring rates forward to the July 1 valuation year.

For Participants without Medicare Part A & B

Plan	Participation Percent	Single Maximum Subsidy	Married Maximum Subsidy	Surviving Spouse	Utilization			
				Maximum Subsidy				
Fire Medical	15.8%	\$367.00	\$563.00	\$367.00	85%			
Blue Cross PPO	57.7%	462.29	563.00	400.04	85%			
California Care	11.9%	245.54	563.00	245.54	85%			
Fire Kaiser	14.6%	253.77	563.00	253.77	85%			
Dental	100.0%	38.38	38.38	0.00	65%			
Blended Monthly Premiums								
Coverage type	Fire Med	Blue Cross	Cal Care	Fire Kaiser	Dental	Medicare	Sum	Half Year of Trend
Single	\$49.24	\$226.75	\$24.84	\$31.51	\$24.95	\$0.00	\$357.29	\$370
Married	75.54	276.15	56.96	69.90	24.95	0.00	503.50	521
Surviving Spouse	49.24	196.22	24.84	31.51	0.00	0.00	301.81	312

City of Los Angeles Fire and Police Pension Plan
Summary of Actuarial Assumptions and Methods
Used for Valuation of Health Subsidy Benefits

For Participants with Medicare Parts A & B

Plan	Participation Percent	Single	Married	Surviving Spouse	Utilization
		Maximum Subsidy	Maximum Subsidy	Maximum Subsidy	
Fire Kaiser	6.1%	\$294.94	\$519.94	\$294.94	85%
Fire Medical	37.6%	249.00	478.00	249.00	85%
Blue Cross PPO	42.4%	269.81	494.04	269.81	85%
Police Kaiser	14.0%	167.82	333.64	167.82	85%
Dental	100.0%	38.38	38.38	0.00	65%
Medicare Part B	100.0%	58.70	58.70	58.70	100%

Blended Monthly Premiums

Coverage type								Sum	Trend
	Fire Kaiser	Fire Med	Blue Cross	Police Kaiser	Dental	Medicare	Half Year of		
Single	\$15.32	\$79.53	\$97.13	\$19.91	\$24.95	\$58.70	\$295.54	\$305	
Married	27.00	152.67	177.86	39.59	24.95	58.70	480.77	497	
Surviving Spouse	15.32	79.53	97.13	19.91	0.00	58.70	270.59	280	

For the valuation of current retirees, subsidies valued are based on actual average subsidies, shown below. Averages are calculated on a health participant basis and include medical, dental, and Medicare Part B premium subsidies. We apply a half year of medical trend assumed from January 1, 2003 to June 30, 2003 to bring rates forward to the July 1 valuation year.

Monthly Average Retiree Subsidies

Single	\$379
Married	553
Surviving Spouse	337

Definitions of Technical Terms

Actuarial Accrued Liability. The difference between the actuarial present value of system benefits and the actuarial value of future normal costs. Also referred to as "accrued liability" or "actuarial liability".

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

Accrued Service. Service credited under the System which was rendered before the date of the actuarial valuation.

Actuarial Equivalent. A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.

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

Actuarial Gain (Loss). The difference between actual experience and actuarial assumption anticipated experience during the period between two actuarial valuation dates.

Actuarial Present Value. The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment.

Amortization. Paying off an interest-discounted amount with periodic payments of interest and principal -- as opposed to paying off with lump sum payment.

Normal Cost. The actuarial present value of retirement system benefits allocated to the current year by the actuarial cost method.

(Concluded on Next Page)

The City of Los Angeles Fire and Police Pension Plan

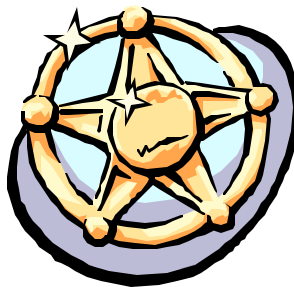
Definitions of Technical Terms

(Concluded)

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

Most retirement systems have unfunded actuarial accrued liability. They arise each time new benefits are added and each time an actuarial loss is realized.

The existence of unfunded actuarial accrued liability is not in itself bad, any more than a mortgage on a house is bad. Unfunded actuarial accrued liability does not represent a debt that is payable today. What is important is the ability to amortize the unfunded actuarial accrued liability and the trend in its amount (after due allowance for devaluation of the dollar). Unfunded actuarial accrued liability must be controlled.



**DISCLOSURES REQUIRED BY
STATEMENT NO. 25 OF
THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD**

The City of Los Angeles Fire and Police Pension Plan

**GASB No. 25 Disclosure
Schedule of Funding Progress
Retirement Benefits**

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	UAAL	Funded Ratio	Total Plan Payroll as of July 1	UAAL as a % of Total Plan Payroll
June 30, 1998	8,393,868,685	8,912,535,199	518,666,514	94.2%	808,807,269	64.1%
June 30, 1999	9,637,255,489	9,203,636,397	(433,619,092)	104.7%	819,740,647	-52.9%
June 30, 2000	10,985,936,206	9,604,173,676	(1,381,762,529)	114.4%	845,426,191	-163.4%
June 30, 2001	11,835,548,939	9,954,056,461	(1,881,492,478)	118.9%	882,758,282	-213.1%
June 30, 2002	11,491,922,362	10,606,825,276	(885,097,086)	108.3%	946,037,252	-93.6%
June 30, 2003	11,690,750,393	11,203,558,461	(487,191,932)	104.3%	970,726,720	-50.2%

**GASB No. 25 Disclosure
Schedule of Employer Contributions
Retirement Benefits**

Fiscal Year Ending	Annual Required Contribution	Percent Contributed
1998	231,170,833	100%
1999	221,755,064	100%
2000	163,380,843	100%
2001	113,849,004	100%
2002	73,120,666	100%
2003	64,634,125 ¹	100%

¹ Inclusive of \$500,000 added contribution per the UFLAC settlement. The percent contributed does not reflect this amount.

The City of Los Angeles Fire and Police Pension Plan

**Schedule of Funding Progress
Health Benefits**

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	UAAL	Funded Ratio	Total Plan Payroll	UAAL as a % of Total Plan Payroll
June 30, 1998	371,411,413	626,669,733	255,258,320	59.3%	808,807,269	31.6%
June 30, 1999	443,492,170	666,565,679	223,073,509	66.5%	819,740,647	27.2%
June 30, 2000	519,240,573	791,337,962	272,097,389	65.6%	845,426,191	32.2%
June 30, 2001	573,844,190	840,287,944	266,443,754	68.3%	882,758,282	30.2%
June 30, 2002	586,953,850	884,371,214	297,417,364	66.4%	946,037,252	31.4%
June 30, 2003	592,539,000	926,760,943	334,221,943	63.9%	970,726,720	34.4%

**Schedule of Employer Contributions
Health Benefits**

Fiscal Year Ending	Annual Contribution	Percent Contributed
1998	29,585,834	100%
1999	26,633,603	100%
2000	27,456,320	100%
2001	25,084,169	100%
2002	30,326,543	100%
2003	33,894,924	100%

**APPENDIX:
FIVE YEAR PROJECTION OF
VALUATION RESULTS**

**The City of Los Angeles Fire and Police Pension Plan
Five-Year Projection of Valuation Results¹**

Scenario 1: 5.0% Return on Market Value of Assets

<u>Valuation Year</u>	<u>Fiscal Year End</u>	<u>Fiscal Year Pay (in thousands)</u>	<u>Normal Cost</u>	<u>Amortization</u>	<u>Total Rate</u>	<u>UAAL (in thousands)</u>	<u>Funded Ratio</u>
2002	2004	\$994,699	18.09%	-4.11%	13.98%	(\$152,970)	105.1%
2003	2005	\$1,044,434	19.18%	-2.30%	16.88%	(\$587,680)	101.3%
2004	2006	\$1,096,656	19.16%	4.61%	23.77%	\$764,838	94.0%
2005	2007	\$1,151,489	18.25%	6.11%	24.36%	\$2,200,309	83.5%
2006	2008	\$1,209,063	18.30%	1.94%	20.24%	\$3,259,044	76.7%
2007	2009	\$1,269,516				\$4,044,077	72.3%
2008	2010	\$1,332,992				\$4,880,548	68.0%

Scenario 2: 8.5% Return on Market Value of Assets

<u>Valuation Year</u>	<u>Fiscal Year End</u>	<u>Fiscal Year Pay (in thousands)</u>	<u>Normal Cost</u>	<u>Amortization</u>	<u>Total Rate</u>	<u>UAAL (in thousands)</u>	<u>Funded Ratio</u>
2002	2004	\$994,699	18.09%	-4.11%	13.98%	(\$152,970)	105.1%
2003	2005	\$1,044,434	19.18%	-2.30%	16.88%	(\$587,680)	101.3%
2004	2006	\$1,096,656	19.16%	4.00%	23.16%	\$691,983	94.6%
2005	2007	\$1,151,489	18.25%	4.91%	23.16%	\$1,977,316	85.2%
2006	2008	\$1,209,063	18.30%	0.19%	18.49%	\$2,806,773	79.9%
2007	2009	\$1,269,516				\$3,281,590	77.5%
2008	2010	\$1,332,992				\$3,725,194	75.6%

Scenario 3: 11.0% Return on Market Value of Assets

<u>Valuation Year</u>	<u>Fiscal Year End</u>	<u>Fiscal Year Pay (in thousands)</u>	<u>Normal Cost</u>	<u>Amortization</u>	<u>Total Rate</u>	<u>UAAL (in thousands)</u>	<u>Funded Ratio</u>
2002	2004	\$994,699	18.09%	-4.11%	13.98%	(\$152,970)	105.1%
2003	2005	\$1,044,434	19.18%	-2.30%	16.88%	(\$587,680)	101.3%
2004	2006	\$1,096,656	19.16%	3.56%	22.72%	\$639,944	95.0%
2005	2007	\$1,151,489	18.25%	4.05%	22.30%	\$1,818,036	86.4%
2006	2008	\$1,209,063	18.30%	-1.06%	17.24%	\$2,483,723	82.2%
2007	2009	\$1,269,516				\$2,736,957	81.3%
2008	2010	\$1,332,992				\$2,899,941	81.0%

¹ All analyses incorporate deferred losses of \$2,047,214,899 at June 2003.