



THE SEGAL COMPANY
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July 17, 2007

Mr. Roberto Peña
Retirement Administrator
Fresno County Employees' Retirement Association
1111 H Street
Fresno, CA 93721

**Re: Fresno County Employees' Retirement Association
Revised Member Rates for Fiscal Years 2003-2004, 2004-2005 and 2005-2006**

Dear Roberto:

We have been requested by the Association to revise the member contribution rates for fiscal years 2003-2004, 2004-2005 and 2005-2006 to eliminate the payment by the member to amortize the COLA unfunded actuarial accrued liability. In addition, the revised member contribution rates are without the member rate phase-in adjustments.

Background

As part of this project, we requested that Public Pension Professionals (PPP) provide us with recalculated COLA loading factors¹ from their June 30, 2002 through June 30, 2004 valuations. We received that information on April 3, 2007 and proceeded to examine it for reasonableness by comparing it with available results from their published reports.

The information provided for fiscal years 2004-2005 and 2005-2006 appears to be reasonable and consistent with that provided in the June 30, 2003 and June 30, 2004 valuation reports. However, that is not the case for fiscal year 2003-2004 and we requested PPP to revise or explain the inconsistencies. Our inquiry eventually led to PPP revising the COLA loading factor they originally provided to us for fiscal year 2003-2004.

¹ A COLA loading factor is the amount of contributions, expressed as a percentage of a member's basic contribution rate, that is required to pay for 50% of the COLA normal cost.



Besides the COLA loading factors, we also reviewed the basic member rates from the June 30, 2002 through June 30, 2004 valuations for consistency with the actuarial assumptions and procedures adopted by the Board for those valuations. We concluded that the basic Regular member rates calculated for General were inconsistent with the actuarial assumptions and procedures adopted by the Board for the June 30, 2002 valuation. Upon our request, PPP researched the issue and provided us with revised General member rates for that valuation.

In addition, similar to the observation we made when we audited the results from the June 30, 2005 valuation, the original Safety member rates for fiscal years 2004-2005 and 2005-2006 included inflated salary increase assumptions for Safety members, and so we have revised them accordingly.

Results

The revised member rates calculated using the revised COLA loading factors and the adjusted basic member rates described above are provided in the attached exhibits. In order to assist the Board in understanding the potential impact of making these rate adjustments, we have provided in Exhibit One illustrative examples for General and Safety members from both Tier 1 and Tier 2 who entered FCERA at average entry ages of 35 or 40 for General and 30 or 35 for Safety. For these examples, we have assumed that the members earned the average salaries during the respective fiscal years. In addition, we have expanded the examples to include fiscal year 2006-2007 because the member rates through March 8, 2007 were originally calculated to include the payment by the members to amortize the COLA unfunded actuarial accrued liability.

The following table summarizes the refund or amount due from the sample calculations as of June 30, 2007.

	(Overpayment)/Underpayment
General Tier 1 – Entry Age 35	\$165
General Tier 2 – Entry Age 35	(\$244)
General Tier 1 – Entry Age 40	\$144
General Tier 2 – Entry Age 40	(\$270)
Safety Tier 1 – Entry Age 30	(\$4,461)
Safety Tier 2 – Entry Age 30	(\$1,373)
Safety Tier 1 – Entry Age 35	(\$5,139)
Safety Tier 2 – Entry Age 35	(\$1,590)

The above results have been calculated assuming an interest rate of 8.16% per annum from the original payment date to June 30, 2007. Also, as stated in Exhibit One, the illustrative calculations have been prepared assuming that the sample Tier 1 and Tier 2 members have been making contributions continuously between July 1, 2003 and March 8, 2007 and July 1, 2005 and March 8, 2007, respectively.

For Safety members all the calculations resulted in overpayments, and the total of all calculated overpayments is about \$4.4 million. For General members, as reflected in the sample calculations, all Tier 1 calculations combined resulted in underpayments which total about \$1.1 million. All Tier 2 calculations resulted in overpayments which total about \$40,000. Thus for General, the net underpayment is about \$1.1 million. All these totals are lump sum amounts as of June 30, 2007.

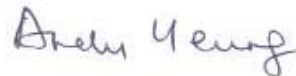
Please note that with the exception of the member contribution rates, we have not examined any other results in the above mentioned valuation reports.

Please give us a call if you have any questions.

Sincerely,



Paul Angelo, FSA, EA, MAAA
Senior Vice President & Actuary



Andy Yeung, ASA, EA, MAAA
Vice President & Associate Actuary

SUV/gxk
Enclosures

Exhibit One - Illustrative Examples to Demonstrate the Impact of Member Contribution Adjustments

Member Profile:		
	Date of Entry	Entry Age
General Tier 1	Prior to July 1, 2003	35
General Tier 2	July 1, 2005	35

	Salary Used In Calculation	Actual Rate Paid: Includes COLA UAAL and After Phase-in						Rate After Adjustments: Excludes COLA UAAL and No Phase-in						(Overpayment) or Underpayment
		Regular		Settlement		Total	\$ Contributions	Regular		Settlement		Total	\$ Contributions	
		Basic	COLA	Basic	COLA			Basic	COLA	Basic	COLA			
Fiscal Year 2003-2004														
General Tier 1 ^{(1), (2)}	\$42,985	2.48%	2.09%	0.00%	0.00%	4.57%	\$1,900	3.10%	1.81%	0.00%	0.00%	4.91%	\$2,042	\$142
General Tier 2														
Not Applicable														
Fiscal Year 2004-2005														
General Tier 1	\$43,333	3.33%	1.99%	1.54%	0.00%	6.86%	\$2,877	3.33%	2.09%	1.54%	0.97%	7.93%	\$3,325	\$448
General Tier 2														
Not Applicable														
Fiscal Year 2005-2006														
General Tier 1	\$44,332	3.33%	1.82%	1.54%	1.41%	8.10%	\$3,477	3.33%	2.20%	1.54%	1.02%	8.09%	\$3,473	(\$4)
General Tier 2	\$35,882	2.77%	1.84%			4.61%	\$1,590	2.77%	1.83%			4.60%	\$1,586	(\$4)
Fiscal Year 2006-2007 (Through March 8, 2007)														
General Tier 1	\$32,494	3.33%	2.71%	1.54%	1.87%	9.45%	\$2,980	3.33%	1.98%	1.54%	0.91%	7.76%	\$2,447	(\$533)
General Tier 2	\$24,669	2.77%	2.61%			5.38%	\$1,275	2.77%	1.65%			4.42%	\$1,048	(\$227)
Fiscal Years 2003-2004, 2004-2005, 2005-2006 and 2006-2007 (Through March 8, 2007) Adjusted With Interest to June 30, 2007														
General Tier 1														\$165
General Tier 2														(\$244)

(1) There is a correction to the basic regular contribution rate for General members.

(2) Basic and COLA settlement rates were bought down by excess earnings transferred by the Board as a result of the June 30, 2002 valuation.

Exhibit One - Illustrative Examples to Demonstrate the Impact of Member Contribution Adjustments

	<u>Member Profile:</u>	
	<u>Date of Entry</u>	<u>Entry Age</u>
General Tier 1	Prior to July 1, 2003	40
General Tier 2	July 1, 2005	40

	Salary Used In Calculation	<u>Actual Rate Paid: Includes COLA UAAL and After Phase-in</u>						<u>Rate After Adjustments: Excludes COLA UAAL and No Phase-in</u>						(Overpayment or Underpayment)
		<u>Regular</u>	<u>Settlement</u>	<u>Regular</u>	<u>Settlement</u>	<u>Total</u>	<u>\$ Contributions</u>	<u>Regular</u>	<u>Settlement</u>	<u>Regular</u>	<u>Settlement</u>	<u>Total</u>	<u>\$ Contributions</u>	
		Basic	COLA	Basic	COLA			Basic	COLA	Basic	COLA			
Fiscal Year 2003-2004														
General Tier 1 ^{(1), (2)}	\$42,985	2.74%	2.30%	0.00%	0.00%	5.04%	\$2,096	3.41%	1.99%	0.00%	0.00%	5.40%	\$2,246	\$150
General Tier 2														
Not Applicable														
Fiscal Year 2004-2005														
General Tier 1	\$43,333	3.65%	2.21%	1.69%	0.00%	7.55%	\$3,166	3.65%	2.29%	1.69%	1.06%	8.69%	\$3,644	\$478
General Tier 2														
Not Applicable														
Fiscal Year 2005-2006														
General Tier 1	\$44,332	3.65%	2.01%	1.69%	1.55%	8.90%	\$3,821	3.65%	2.41%	1.69%	1.12%	8.87%	\$3,808	(\$13)
General Tier 2	\$35,882	3.04%	2.02%			5.06%	\$1,745	3.04%	2.01%			5.05%	\$1,741	(\$4)
Fiscal Year 2006-2007 (Through March 8, 2007)														
General Tier 1	\$32,494	3.65%	2.97%	1.69%	2.06%	10.37%	\$3,270	3.65%	2.17%	1.69%	1.00%	8.51%	\$2,683	(\$587)
General Tier 2	\$24,669	3.04%	2.87%			5.91%	\$1,401	3.04%	1.81%			4.85%	\$1,150	(\$251)
Fiscal Years 2003-2004, 2004-2005, 2005-2006 and 2006-2007 (Through March 8, 2007) Adjusted With Interest to June 30, 2007														
General Tier 1														\$144
General Tier 2														(\$270)

(1) There is a correction to the basic regular contribution rate for General members.

(2) Basic and COLA settlement rates were bought down by excess earnings transferred by the Board as a result of the June 30, 2002 valuation.

Exhibit One - Illustrative Examples to Demonstrate the Impact of Member Contribution Adjustments

	<u>Member Profile:</u>	
	<u>Date of Entry</u>	<u>Entry Age</u>
Safety Tier 1	Prior to July 1, 2003	30
Safety Tier 2	July 1, 2005	30

	Salary Used In Calculation	Actual Rate Paid: Includes COLA UAAL and After Phase-in						Rate After Adjustments: Excludes COLA UAAL and No Phase-in						(Overpayment) or Underpayment
		Regular		Settlement		Total	\$ Contributions	Regular		Settlement		Total	\$ Contributions	
		Basic	COLA	Basic	COLA			Basic	COLA	Basic	COLA			
Fiscal Year 2003-2004														
Safety Tier 1 ⁽¹⁾	\$59,321	3.80%	3.19%	0.00%	0.00%	6.99%	\$4,049	3.80%	2.22%	0.00%	0.00%	6.02%	\$3,487	(\$562)
Safety Tier 2							Not Applicable							
Fiscal Year 2004-2005														
Safety Tier 1 ⁽²⁾	\$59,800	4.25%	4.54%	1.06%	0.00%	9.85%	\$5,752	4.01%	2.52%	1.00%	0.63%	8.16%	\$4,765	(\$987)
Safety Tier 2							Not Applicable							
Fiscal Year 2005-2006														
Safety Tier 1 ⁽²⁾	\$57,434	4.25%	3.91%	1.06%	0.98%	10.20%	\$5,715	4.01%	2.65%	1.00%	0.66%	8.32%	\$4,662	(\$1,053)
Safety Tier 2 ⁽²⁾	\$41,311	4.25%	3.91%			8.16%	\$3,257	4.01%	2.65%			6.66%	\$2,658	(\$599)
Fiscal Year 2006-2007 (Through March 8, 2007)														
Safety Tier 1 ⁽²⁾	\$42,862	4.25%	4.40%	1.06%	1.29%	11.00%	\$4,609	4.01%	2.38%	1.00%	0.59%	7.98%	\$3,344	(\$1,265)
Safety Tier 2 ⁽²⁾	\$28,401	4.25%	4.55%			8.80%	\$2,415	4.01%	2.38%			6.39%	\$1,753	(\$662)
Fiscal Years 2003-2004, 2004-2005, 2005-2006 and 2006-2007 (Through March 8, 2007) Adjusted With Interest to June 30, 2007														
Safety Tier 1														(\$4,461)
Safety Tier 2														(\$1,373)

(1) Basic and COLA settlement rates were bought down by excess earnings transferred by the Board as a result of the June 30, 2002 valuation.

(2) There are adjustments to the basic regular and basic settlement contribution rates for Safety members due to an incorrect application of the salary increase assumption in the original valuation.

Exhibit One - Illustrative Examples to Demonstrate the Impact of Member Contribution Adjustments

	<u>Member Profile:</u>	
	<u>Date of Entry</u>	<u>Entry Age</u>
Safety Tier 1	Prior to July 1, 2003	35
Safety Tier 2	July 1, 2005	35

	Salary Used In Calculation	<u>Actual Rate Paid: Includes COLA UAAL and After Phase-in</u>						<u>Rate After Adjustments: Excludes COLA UAAL and No Phase-in</u>						(Overpayment or Underpayment
		<u>Regular</u>	<u>Settlement</u>					<u>Regular</u>	<u>Settlement</u>					
		Basic	COLA	Basic	COLA	Total	\$ Contributions	Basic	COLA	Basic	COLA	Total	\$ Contributions	
Fiscal Year 2003-2004														
Safety Tier 1 ⁽¹⁾	\$59,321	4.14%	3.48%	0.00%	0.00%	7.62%	\$4,414	4.14%	2.42%	0.00%	0.00%	6.56%	\$3,800	(\$614)
Safety Tier 2							Not Applicable							
Fiscal Year 2004-2005														
Safety Tier 1 ⁽²⁾	\$59,800	4.70%	5.01%	1.17%	0.00%	10.88%	\$6,354	4.37%	2.74%	1.09%	0.68%	8.88%	\$5,186	(\$1,168)
Safety Tier 2							Not Applicable							
Fiscal Year 2005-2006														
Safety Tier 1 ⁽²⁾	\$57,434	4.70%	4.32%	1.17%	1.08%	11.27%	\$6,315	4.37%	2.89%	1.09%	0.72%	9.07%	\$5,082	(\$1,233)
Safety Tier 2 ⁽²⁾	\$41,311	4.70%	4.32%			9.02%	\$3,600	4.37%	2.89%			7.26%	\$2,898	(\$702)
Fiscal Year 2006-2007 (Through March 8, 2007)														
Safety Tier 1 ⁽²⁾	\$42,862	4.70%	4.85%	1.17%	1.43%	12.15%	\$5,091	4.37%	2.60%	1.09%	0.65%	8.71%	\$3,649	(\$1,442)
Safety Tier 2 ⁽²⁾	\$28,401	4.70%	5.03%			9.73%	\$2,670	4.37%	2.60%			6.97%	\$1,912	(\$758)
Fiscal Years 2003-2004, 2004-2005, 2005-2006 and 2006-2007 (Through March 8, 2007) Adjusted With Interest to June 30, 2007														
Safety Tier 1														(\$5,139)
Safety Tier 2														(\$1,590)

(1) Basic and COLA settlement rates were bought down by excess earnings transferred by the Board as a result of the June 30, 2002 valuation.

(2) There are adjustments to the basic regular and basic settlement contribution rates for Safety members due to an incorrect application of the salary increase assumption in the original valuation.

Exhibit Two – Revised Member Contribution Rates for Fiscal Year 2003-2004

General Members' Contribution Rates based on the June 30, 2002 Actuarial Valuation as a percentage of payroll

Age	Basic Regular	Basic Regular	COLA Regular	COLA Regular	Basic Settlement	Basic Settlement	COLA Settlement	COLA Settlement	Combined	Combined
	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month
15	1.63%	2.44%	0.95%	1.43%	N/A	N/A	N/A	N/A	2.58%	3.87%
16	1.63%	2.44%	0.95%	1.43%	N/A	N/A	N/A	N/A	2.58%	3.87%
17	1.63%	2.44%	0.95%	1.43%	N/A	N/A	N/A	N/A	2.58%	3.87%
18	1.63%	2.44%	0.95%	1.43%	N/A	N/A	N/A	N/A	2.58%	3.87%
19	1.63%	2.44%	0.95%	1.43%	N/A	N/A	N/A	N/A	2.58%	3.87%
20	1.63%	2.44%	0.95%	1.43%	N/A	N/A	N/A	N/A	2.58%	3.87%
21	1.64%	2.46%	0.96%	1.44%	N/A	N/A	N/A	N/A	2.60%	3.90%
22	1.66%	2.49%	0.97%	1.46%	N/A	N/A	N/A	N/A	2.63%	3.95%
23	1.68%	2.52%	0.98%	1.47%	N/A	N/A	N/A	N/A	2.66%	3.99%
24	1.71%	2.56%	1.00%	1.50%	N/A	N/A	N/A	N/A	2.71%	4.06%
25	1.73%	2.59%	1.01%	1.52%	N/A	N/A	N/A	N/A	2.74%	4.11%
26	1.75%	2.63%	1.03%	1.54%	N/A	N/A	N/A	N/A	2.78%	4.17%
27	1.78%	2.67%	1.04%	1.56%	N/A	N/A	N/A	N/A	2.82%	4.23%
28	1.81%	2.72%	1.06%	1.59%	N/A	N/A	N/A	N/A	2.87%	4.31%
29	1.85%	2.77%	1.08%	1.62%	N/A	N/A	N/A	N/A	2.93%	4.39%
30	1.87%	2.81%	1.09%	1.64%	N/A	N/A	N/A	N/A	2.96%	4.45%
31	1.91%	2.87%	1.12%	1.68%	N/A	N/A	N/A	N/A	3.03%	4.55%
32	1.95%	2.92%	1.14%	1.71%	N/A	N/A	N/A	N/A	3.09%	4.63%
33	1.99%	2.98%	1.16%	1.74%	N/A	N/A	N/A	N/A	3.15%	4.72%
34	2.03%	3.04%	1.19%	1.78%	N/A	N/A	N/A	N/A	3.22%	4.82%
35	2.07%	3.10%	1.21%	1.81%	N/A	N/A	N/A	N/A	3.28%	4.91%
36	2.11%	3.16%	1.23%	1.85%	N/A	N/A	N/A	N/A	3.34%	5.01%
37	2.15%	3.22%	1.25%	1.88%	N/A	N/A	N/A	N/A	3.40%	5.10%
38	2.19%	3.28%	1.28%	1.92%	N/A	N/A	N/A	N/A	3.47%	5.20%
39	2.23%	3.35%	1.31%	1.96%	N/A	N/A	N/A	N/A	3.54%	5.31%
40	2.27%	3.41%	1.33%	1.99%	N/A	N/A	N/A	N/A	3.60%	5.40%
41	2.32%	3.48%	1.36%	2.04%	N/A	N/A	N/A	N/A	3.68%	5.52%
42	2.36%	3.54%	1.38%	2.07%	N/A	N/A	N/A	N/A	3.74%	5.61%
43	2.41%	3.61%	1.41%	2.11%	N/A	N/A	N/A	N/A	3.82%	5.72%
44	2.45%	3.68%	1.43%	2.15%	N/A	N/A	N/A	N/A	3.88%	5.83%
45	2.50%	3.75%	1.46%	2.19%	N/A	N/A	N/A	N/A	3.96%	5.94%
46	2.55%	3.82%	1.49%	2.23%	N/A	N/A	N/A	N/A	4.04%	6.05%
47	2.59%	3.89%	1.52%	2.28%	N/A	N/A	N/A	N/A	4.11%	6.17%
48	2.64%	3.96%	1.55%	2.32%	N/A	N/A	N/A	N/A	4.19%	6.28%
49	2.69%	4.04%	1.57%	2.36%	N/A	N/A	N/A	N/A	4.26%	6.40%
50	2.74%	4.11%	1.60%	2.40%	N/A	N/A	N/A	N/A	4.34%	6.51%
51	2.79%	4.18%	1.63%	2.45%	N/A	N/A	N/A	N/A	4.42%	6.63%
52	2.84%	4.26%	1.66%	2.49%	N/A	N/A	N/A	N/A	4.50%	6.75%
53	2.89%	4.34%	1.69%	2.54%	N/A	N/A	N/A	N/A	4.58%	6.88%
54	2.94%	4.41%	1.72%	2.58%	N/A	N/A	N/A	N/A	4.66%	6.99%
55	2.99%	4.49%	1.75%	2.63%	N/A	N/A	N/A	N/A	4.74%	7.12%
56	3.05%	4.57%	1.78%	2.67%	N/A	N/A	N/A	N/A	4.83%	7.24%
57	3.10%	4.65%	1.81%	2.72%	N/A	N/A	N/A	N/A	4.91%	7.37%
58	3.15%	4.73%	1.85%	2.77%	N/A	N/A	N/A	N/A	5.00%	7.50%
59	3.21%	4.82%	1.88%	2.82%	N/A	N/A	N/A	N/A	5.09%	7.64%

COLA Loading Factor: 58.50% for Regular Benefits Only

Settlement Benefits were brought down by excess earnings.

Actuarial Assumptions are from the June 30, 2002 Valuation.

Exhibit Two – Revised Member Contribution Rates for Fiscal Year 2003-2004

Safety Members' Contribution Rates based on the June 30, 2002 Actuarial Valuation as a percentage of payroll

Age	Basic Regular	Basic Regular	COLA Regular	COLA Regular	Basic Settlement	Basic Settlement	COLA Settlement	COLA Settlement	Combined	Combined
	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month
15	2.17%	3.25%	1.27%	1.90%	N/A	N/A	N/A	N/A	3.44%	5.15%
16	2.17%	3.25%	1.27%	1.90%	N/A	N/A	N/A	N/A	3.44%	5.15%
17	2.17%	3.25%	1.27%	1.90%	N/A	N/A	N/A	N/A	3.44%	5.15%
18	2.17%	3.25%	1.27%	1.90%	N/A	N/A	N/A	N/A	3.44%	5.15%
19	2.17%	3.25%	1.27%	1.90%	N/A	N/A	N/A	N/A	3.44%	5.15%
20	2.17%	3.25%	1.27%	1.90%	N/A	N/A	N/A	N/A	3.44%	5.15%
21	2.20%	3.29%	1.28%	1.92%	N/A	N/A	N/A	N/A	3.48%	5.21%
22	2.23%	3.34%	1.30%	1.95%	N/A	N/A	N/A	N/A	3.53%	5.29%
23	2.26%	3.39%	1.32%	1.98%	N/A	N/A	N/A	N/A	3.58%	5.37%
24	2.30%	3.44%	1.34%	2.01%	N/A	N/A	N/A	N/A	3.64%	5.45%
25	2.33%	3.50%	1.37%	2.05%	N/A	N/A	N/A	N/A	3.70%	5.55%
26	2.37%	3.55%	1.39%	2.08%	N/A	N/A	N/A	N/A	3.76%	5.63%
27	2.41%	3.61%	1.41%	2.11%	N/A	N/A	N/A	N/A	3.82%	5.72%
28	2.45%	3.67%	1.43%	2.15%	N/A	N/A	N/A	N/A	3.88%	5.82%
29	2.49%	3.73%	1.45%	2.18%	N/A	N/A	N/A	N/A	3.94%	5.91%
30	2.53%	3.80%	1.48%	2.22%	N/A	N/A	N/A	N/A	4.01%	6.02%
31	2.58%	3.86%	1.51%	2.26%	N/A	N/A	N/A	N/A	4.09%	6.12%
32	2.62%	3.93%	1.53%	2.30%	N/A	N/A	N/A	N/A	4.15%	6.23%
33	2.67%	4.00%	1.56%	2.34%	N/A	N/A	N/A	N/A	4.23%	6.34%
34	2.71%	4.07%	1.59%	2.38%	N/A	N/A	N/A	N/A	4.30%	6.45%
35	2.76%	4.14%	1.61%	2.42%	N/A	N/A	N/A	N/A	4.37%	6.56%
36	2.81%	4.22%	1.65%	2.47%	N/A	N/A	N/A	N/A	4.46%	6.69%
37	2.86%	4.30%	1.68%	2.52%	N/A	N/A	N/A	N/A	4.54%	6.82%
38	2.92%	4.38%	1.71%	2.56%	N/A	N/A	N/A	N/A	4.63%	6.94%
39	2.97%	4.46%	1.74%	2.61%	N/A	N/A	N/A	N/A	4.71%	7.07%
40	3.02%	4.54%	1.77%	2.66%	N/A	N/A	N/A	N/A	4.79%	7.20%
41	3.08%	4.62%	1.80%	2.70%	N/A	N/A	N/A	N/A	4.88%	7.32%
42	3.14%	4.70%	1.83%	2.75%	N/A	N/A	N/A	N/A	4.97%	7.45%
43	3.19%	4.79%	1.87%	2.80%	N/A	N/A	N/A	N/A	5.06%	7.59%
44	3.25%	4.87%	1.90%	2.85%	N/A	N/A	N/A	N/A	5.15%	7.72%
45	3.31%	4.96%	1.93%	2.90%	N/A	N/A	N/A	N/A	5.24%	7.86%
46	3.37%	5.05%	1.97%	2.95%	N/A	N/A	N/A	N/A	5.34%	8.00%
47	3.42%	5.14%	2.01%	3.01%	N/A	N/A	N/A	N/A	5.43%	8.15%
48	3.48%	5.23%	2.04%	3.06%	N/A	N/A	N/A	N/A	5.52%	8.29%
49	3.55%	5.32%	2.07%	3.11%	N/A	N/A	N/A	N/A	5.62%	8.43%

COLA Loading Factor: 58.50% for Regular Benefits Only

Settlement Benefits were brought down by excess earnings.

Actuarial Assumptions are from the June 30, 2002 Valuation.

Exhibit Three – Revised Member Contribution Rates for Fiscal Year 2004-2005

General Members' Contribution Rates based on the June 30, 2003 Actuarial Valuation as a percentage of payroll

Age	Basic Regular	Basic Regular	COLA Regular	COLA Regular	Basic Settlement	Basic Settlement	COLA Settlement	COLA Settlement	Combined	Combined
	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month
15	1.67%	2.50%	1.05%	1.57%	0.78%	1.17%	0.49%	0.73%	3.99%	5.97%
16	1.67%	2.50%	1.05%	1.57%	0.78%	1.17%	0.49%	0.73%	3.99%	5.97%
17	1.67%	2.50%	1.05%	1.57%	0.78%	1.17%	0.49%	0.73%	3.99%	5.97%
18	1.67%	2.50%	1.05%	1.57%	0.78%	1.17%	0.49%	0.73%	3.99%	5.97%
19	1.67%	2.50%	1.05%	1.57%	0.78%	1.17%	0.49%	0.73%	3.99%	5.97%
20	1.67%	2.50%	1.05%	1.57%	0.78%	1.17%	0.49%	0.73%	3.99%	5.97%
21	1.70%	2.55%	1.07%	1.60%	0.79%	1.19%	0.50%	0.75%	4.06%	6.09%
22	1.73%	2.60%	1.09%	1.63%	0.81%	1.21%	0.51%	0.76%	4.14%	6.20%
23	1.77%	2.65%	1.11%	1.66%	0.82%	1.23%	0.51%	0.77%	4.21%	6.31%
24	1.80%	2.70%	1.13%	1.70%	0.84%	1.26%	0.53%	0.79%	4.30%	6.45%
25	1.83%	2.75%	1.15%	1.73%	0.85%	1.28%	0.53%	0.80%	4.36%	6.56%
26	1.87%	2.81%	1.17%	1.76%	0.87%	1.30%	0.55%	0.82%	4.46%	6.69%
27	1.91%	2.86%	1.20%	1.80%	0.89%	1.33%	0.56%	0.84%	4.56%	6.83%
28	1.95%	2.92%	1.22%	1.83%	0.90%	1.35%	0.57%	0.85%	4.64%	6.95%
29	1.98%	2.97%	1.25%	1.87%	0.92%	1.38%	0.58%	0.87%	4.73%	7.09%
30	2.02%	3.03%	1.27%	1.90%	0.93%	1.40%	0.59%	0.88%	4.81%	7.21%
31	2.06%	3.09%	1.29%	1.94%	0.95%	1.43%	0.60%	0.90%	4.90%	7.36%
32	2.10%	3.15%	1.32%	1.98%	0.97%	1.45%	0.61%	0.91%	5.00%	7.49%
33	2.14%	3.21%	1.35%	2.02%	0.99%	1.48%	0.62%	0.93%	5.10%	7.64%
34	2.18%	3.27%	1.37%	2.05%	1.01%	1.51%	0.63%	0.95%	5.19%	7.78%
35	2.22%	3.33%	1.39%	2.09%	1.03%	1.54%	0.65%	0.97%	5.29%	7.93%
36	2.26%	3.39%	1.42%	2.13%	1.04%	1.56%	0.65%	0.98%	5.37%	8.06%
37	2.30%	3.45%	1.45%	2.17%	1.06%	1.59%	0.67%	1.00%	5.48%	8.21%
38	2.35%	3.52%	1.47%	2.21%	1.08%	1.62%	0.68%	1.02%	5.58%	8.37%
39	2.39%	3.59%	1.50%	2.25%	1.10%	1.65%	0.69%	1.04%	5.68%	8.53%
40	2.43%	3.65%	1.53%	2.29%	1.13%	1.69%	0.71%	1.06%	5.80%	8.69%
41	2.48%	3.72%	1.56%	2.34%	1.15%	1.72%	0.72%	1.08%	5.91%	8.86%
42	2.53%	3.79%	1.59%	2.38%	1.17%	1.76%	0.74%	1.11%	6.03%	9.04%
43	2.57%	3.86%	1.61%	2.42%	1.19%	1.79%	0.75%	1.12%	6.12%	9.19%
44	2.63%	3.94%	1.65%	2.47%	1.22%	1.83%	0.77%	1.15%	6.27%	9.39%
45	2.67%	4.01%	1.68%	2.52%	1.25%	1.88%	0.79%	1.18%	6.39%	9.59%
46	2.73%	4.09%	1.71%	2.57%	1.28%	1.92%	0.81%	1.21%	6.53%	9.79%
47	2.78%	4.17%	1.75%	2.62%	1.32%	1.98%	0.83%	1.24%	6.68%	10.01%
48	2.83%	4.25%	1.78%	2.67%	1.36%	2.04%	0.85%	1.28%	6.82%	10.24%
49	2.89%	4.33%	1.81%	2.72%	1.41%	2.12%	0.89%	1.33%	7.00%	10.50%
50	2.95%	4.42%	1.85%	2.78%	1.48%	2.22%	0.93%	1.39%	7.21%	10.81%
51	3.01%	4.52%	1.89%	2.84%	1.40%	2.10%	0.88%	1.32%	7.18%	10.78%
52	3.08%	4.62%	1.93%	2.90%	1.32%	1.98%	0.83%	1.24%	7.16%	10.74%
53	3.15%	4.72%	1.97%	2.96%	1.23%	1.84%	0.77%	1.16%	7.12%	10.68%
54	3.23%	4.85%	2.03%	3.05%	1.13%	1.70%	0.71%	1.07%	7.10%	10.67%
55	3.33%	4.99%	2.09%	3.13%	1.03%	1.55%	0.65%	0.97%	7.10%	10.64%
56	3.31%	4.97%	2.08%	3.12%	1.05%	1.57%	0.66%	0.99%	7.10%	10.65%
57	3.30%	4.95%	2.07%	3.11%	1.06%	1.59%	0.67%	1.00%	7.10%	10.65%
58	3.29%	4.93%	2.07%	3.10%	1.07%	1.61%	0.67%	1.01%	7.10%	10.65%
59	3.27%	4.91%	2.05%	3.08%	1.09%	1.63%	0.68%	1.02%	7.09%	10.64%

COLA Loading Factor: 62.80% for Regular and Settlement Benefits.

Actuarial Assumptions are from the June 30, 2003 Valuation.

Exhibit Three – Revised Member Contribution Rates for Fiscal Year 2004-2005

Safety Members' Contribution Rates based on the June 30, 2003 Actuarial Valuation as a percentage of payroll

Age	Basic Regular	Basic Regular	COLA Regular	COLA Regular	Basic Settlement	Basic Settlement	COLA Settlement	COLA Settlement	Combined	Combined
	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month
15	2.25%	3.38%	1.41%	2.12%	0.57%	0.85%	0.35%	0.53%	4.58%	6.88%
16	2.25%	3.38%	1.41%	2.12%	0.57%	0.85%	0.35%	0.53%	4.58%	6.88%
17	2.25%	3.38%	1.41%	2.12%	0.57%	0.85%	0.35%	0.53%	4.58%	6.88%
18	2.25%	3.38%	1.41%	2.12%	0.57%	0.85%	0.35%	0.53%	4.58%	6.88%
19	2.25%	3.38%	1.41%	2.12%	0.57%	0.85%	0.35%	0.53%	4.58%	6.88%
20	2.25%	3.38%	1.41%	2.12%	0.57%	0.85%	0.35%	0.53%	4.58%	6.88%
21	2.29%	3.44%	1.44%	2.16%	0.57%	0.86%	0.36%	0.54%	4.66%	7.00%
22	2.33%	3.50%	1.47%	2.20%	0.59%	0.88%	0.37%	0.55%	4.76%	7.13%
23	2.37%	3.56%	1.49%	2.24%	0.59%	0.89%	0.37%	0.56%	4.82%	7.25%
24	2.41%	3.62%	1.51%	2.27%	0.61%	0.91%	0.38%	0.57%	4.91%	7.37%
25	2.46%	3.69%	1.55%	2.32%	0.61%	0.92%	0.39%	0.58%	5.01%	7.51%
26	2.50%	3.75%	1.57%	2.36%	0.63%	0.94%	0.39%	0.59%	5.09%	7.64%
27	2.54%	3.81%	1.59%	2.39%	0.63%	0.95%	0.40%	0.60%	5.16%	7.75%
28	2.59%	3.88%	1.63%	2.44%	0.65%	0.97%	0.41%	0.61%	5.28%	7.90%
29	2.63%	3.94%	1.65%	2.47%	0.66%	0.99%	0.41%	0.62%	5.35%	8.02%
30	2.67%	4.01%	1.68%	2.52%	0.67%	1.00%	0.42%	0.63%	5.44%	8.16%
31	2.72%	4.08%	1.71%	2.56%	0.68%	1.02%	0.43%	0.64%	5.54%	8.30%
32	2.77%	4.15%	1.74%	2.61%	0.69%	1.04%	0.43%	0.65%	5.63%	8.45%
33	2.81%	4.22%	1.77%	2.65%	0.70%	1.05%	0.44%	0.66%	5.72%	8.58%
34	2.86%	4.29%	1.79%	2.69%	0.71%	1.07%	0.45%	0.67%	5.81%	8.72%
35	2.91%	4.37%	1.83%	2.74%	0.73%	1.09%	0.45%	0.68%	5.92%	8.88%
36	2.96%	4.44%	1.86%	2.79%	0.74%	1.11%	0.47%	0.70%	6.03%	9.04%
37	3.01%	4.52%	1.89%	2.84%	0.75%	1.13%	0.47%	0.71%	6.12%	9.20%
38	3.07%	4.60%	1.93%	2.89%	0.77%	1.15%	0.48%	0.72%	6.25%	9.36%
39	3.12%	4.68%	1.96%	2.94%	0.78%	1.17%	0.49%	0.73%	6.35%	9.52%
40	3.17%	4.76%	1.99%	2.99%	0.79%	1.19%	0.50%	0.75%	6.45%	9.69%
41	3.23%	4.85%	2.03%	3.05%	0.81%	1.21%	0.51%	0.76%	6.58%	9.87%
42	3.29%	4.94%	2.07%	3.10%	0.83%	1.24%	0.52%	0.78%	6.71%	10.06%
43	3.33%	4.99%	2.09%	3.13%	0.83%	1.25%	0.53%	0.79%	6.78%	10.16%
44	3.36%	5.04%	2.11%	3.17%	0.84%	1.26%	0.53%	0.79%	6.84%	10.26%
45	3.40%	5.10%	2.13%	3.20%	0.85%	1.27%	0.53%	0.80%	6.91%	10.37%
46	3.43%	5.15%	2.15%	3.23%	0.86%	1.29%	0.54%	0.81%	6.98%	10.48%
47	3.47%	5.20%	2.18%	3.27%	0.87%	1.30%	0.55%	0.82%	7.07%	10.59%
48	3.50%	5.25%	2.20%	3.30%	0.87%	1.31%	0.55%	0.82%	7.12%	10.68%
49	3.54%	5.31%	2.22%	3.33%	0.89%	1.33%	0.56%	0.84%	7.21%	10.81%

COLA Loading Factor: 62.80% for Regular and Settlement Benefits.

Actuarial Assumptions are from the June 30, 2003 Valuation.

Exhibit Four – Revised Member Contribution Rates for Fiscal Year 2005-2006

General Tier 1 Members' Contribution Rates based on the June 30, 2004 Actuarial Valuation as a percentage of payroll

Age	Basic Regular	Basic Regular	COLA Regular	COLA Regular	Basic Settlement	Basic Settlement	COLA Settlement	COLA Settlement	Combined	Combined
	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month
15	1.67%	2.50%	1.10%	1.65%	0.78%	1.17%	0.51%	0.77%	4.06%	6.09%
16	1.67%	2.50%	1.10%	1.65%	0.78%	1.17%	0.51%	0.77%	4.06%	6.09%
17	1.67%	2.50%	1.10%	1.65%	0.78%	1.17%	0.51%	0.77%	4.06%	6.09%
18	1.67%	2.50%	1.10%	1.65%	0.78%	1.17%	0.51%	0.77%	4.06%	6.09%
19	1.67%	2.50%	1.10%	1.65%	0.78%	1.17%	0.51%	0.77%	4.06%	6.09%
20	1.67%	2.50%	1.10%	1.65%	0.78%	1.17%	0.51%	0.77%	4.06%	6.09%
21	1.70%	2.55%	1.13%	1.69%	0.79%	1.19%	0.53%	0.79%	4.15%	6.22%
22	1.73%	2.60%	1.15%	1.72%	0.81%	1.21%	0.53%	0.80%	4.22%	6.33%
23	1.77%	2.65%	1.17%	1.75%	0.82%	1.23%	0.54%	0.81%	4.30%	6.44%
24	1.80%	2.70%	1.19%	1.78%	0.84%	1.26%	0.55%	0.83%	4.38%	6.57%
25	1.83%	2.75%	1.21%	1.82%	0.85%	1.28%	0.57%	0.85%	4.46%	6.70%
26	1.87%	2.81%	1.24%	1.86%	0.87%	1.30%	0.57%	0.86%	4.55%	6.83%
27	1.91%	2.86%	1.26%	1.89%	0.89%	1.33%	0.59%	0.88%	4.65%	6.96%
28	1.95%	2.92%	1.29%	1.93%	0.90%	1.35%	0.59%	0.89%	4.73%	7.09%
29	1.98%	2.97%	1.31%	1.96%	0.92%	1.38%	0.61%	0.91%	4.82%	7.22%
30	2.02%	3.03%	1.33%	2.00%	0.93%	1.40%	0.62%	0.93%	4.90%	7.36%
31	2.06%	3.09%	1.36%	2.04%	0.95%	1.43%	0.63%	0.95%	5.00%	7.51%
32	2.10%	3.15%	1.39%	2.08%	0.97%	1.45%	0.64%	0.96%	5.10%	7.64%
33	2.14%	3.21%	1.41%	2.12%	0.99%	1.48%	0.65%	0.98%	5.19%	7.79%
34	2.18%	3.27%	1.44%	2.16%	1.01%	1.51%	0.67%	1.00%	5.30%	7.94%
35	2.22%	3.33%	1.47%	2.20%	1.03%	1.54%	0.68%	1.02%	5.40%	8.09%
36	2.26%	3.39%	1.49%	2.24%	1.04%	1.56%	0.69%	1.03%	5.48%	8.22%
37	2.30%	3.45%	1.52%	2.28%	1.06%	1.59%	0.70%	1.05%	5.58%	8.37%
38	2.35%	3.52%	1.55%	2.33%	1.08%	1.62%	0.71%	1.07%	5.69%	8.54%
39	2.39%	3.59%	1.58%	2.37%	1.10%	1.65%	0.73%	1.09%	5.80%	8.70%
40	2.43%	3.65%	1.61%	2.41%	1.13%	1.69%	0.75%	1.12%	5.92%	8.87%
41	2.48%	3.72%	1.64%	2.46%	1.15%	1.72%	0.76%	1.14%	6.03%	9.04%
42	2.53%	3.79%	1.67%	2.51%	1.17%	1.76%	0.77%	1.16%	6.14%	9.22%
43	2.57%	3.86%	1.70%	2.55%	1.19%	1.79%	0.79%	1.18%	6.25%	9.38%
44	2.63%	3.94%	1.73%	2.60%	1.22%	1.83%	0.81%	1.21%	6.39%	9.58%
45	2.67%	4.01%	1.77%	2.65%	1.25%	1.88%	0.83%	1.24%	6.52%	9.78%
46	2.73%	4.09%	1.80%	2.70%	1.28%	1.92%	0.85%	1.27%	6.66%	9.98%
47	2.78%	4.17%	1.84%	2.76%	1.32%	1.98%	0.87%	1.31%	6.81%	10.22%
48	2.83%	4.25%	1.87%	2.81%	1.36%	2.04%	0.90%	1.35%	6.96%	10.45%
49	2.89%	4.33%	1.91%	2.86%	1.41%	2.12%	0.93%	1.40%	7.14%	10.71%
50	2.95%	4.42%	1.95%	2.92%	1.48%	2.22%	0.98%	1.47%	7.36%	11.03%
51	3.01%	4.52%	1.99%	2.99%	1.40%	2.10%	0.93%	1.39%	7.33%	11.00%
52	3.08%	4.62%	2.03%	3.05%	1.32%	1.98%	0.87%	1.31%	7.30%	10.96%
53	3.15%	4.72%	2.08%	3.12%	1.23%	1.84%	0.81%	1.22%	7.27%	10.90%
54	3.23%	4.85%	2.14%	3.21%	1.13%	1.70%	0.75%	1.12%	7.25%	10.88%
55	3.33%	4.99%	2.20%	3.30%	1.03%	1.55%	0.68%	1.02%	7.24%	10.86%
56	3.31%	4.97%	2.19%	3.29%	1.05%	1.57%	0.69%	1.04%	7.24%	10.87%
57	3.30%	4.95%	2.18%	3.27%	1.06%	1.59%	0.70%	1.05%	7.24%	10.86%
58	3.29%	4.93%	2.17%	3.26%	1.07%	1.61%	0.71%	1.06%	7.24%	10.86%
59	3.27%	4.91%	2.17%	3.25%	1.09%	1.63%	0.72%	1.08%	7.25%	10.87%

COLA Loading Factor: 66.10% for Regular and Settlement Benefits.

Actuarial Assumptions are from the June 30, 2004 Valuation.

Exhibit Four – Revised Member Contribution Rates for Fiscal Year 2005-2006

General Tier 2 Members' Contribution Rates based on the June 30, 2004 Actuarial Valuation as a percentage of payroll

Age	Basic Regular First \$350 per month	Basic Regular Over \$350 per month	COLA Regular First \$350 per month	COLA Regular Over \$350 per month	Combined First \$350 per month	Combined Over \$350 per month
15	1.39%	2.08%	0.91%	1.37%	2.30%	3.45%
16	1.39%	2.08%	0.91%	1.37%	2.30%	3.45%
17	1.39%	2.08%	0.91%	1.37%	2.30%	3.45%
18	1.39%	2.08%	0.91%	1.37%	2.30%	3.45%
19	1.39%	2.08%	0.91%	1.37%	2.30%	3.45%
20	1.39%	2.08%	0.91%	1.37%	2.30%	3.45%
21	1.41%	2.12%	0.93%	1.40%	2.34%	3.52%
22	1.45%	2.17%	0.95%	1.43%	2.40%	3.60%
23	1.47%	2.21%	0.97%	1.46%	2.44%	3.67%
24	1.50%	2.25%	0.99%	1.49%	2.49%	3.74%
25	1.53%	2.29%	1.01%	1.51%	2.54%	3.80%
26	1.56%	2.34%	1.03%	1.55%	2.59%	3.89%
27	1.59%	2.38%	1.05%	1.57%	2.64%	3.95%
28	1.62%	2.43%	1.07%	1.61%	2.69%	4.04%
29	1.65%	2.48%	1.09%	1.64%	2.74%	4.12%
30	1.68%	2.52%	1.11%	1.67%	2.79%	4.19%
31	1.71%	2.57%	1.13%	1.70%	2.84%	4.27%
32	1.75%	2.62%	1.15%	1.73%	2.90%	4.35%
33	1.78%	2.67%	1.17%	1.76%	2.95%	4.43%
34	1.81%	2.72%	1.20%	1.80%	3.01%	4.52%
35	1.85%	2.77%	1.22%	1.83%	3.07%	4.60%
36	1.89%	2.83%	1.25%	1.87%	3.14%	4.70%
37	1.92%	2.88%	1.27%	1.90%	3.19%	4.78%
38	1.95%	2.93%	1.29%	1.94%	3.24%	4.87%
39	1.99%	2.99%	1.32%	1.98%	3.31%	4.97%
40	2.03%	3.04%	1.34%	2.01%	3.37%	5.05%
41	2.07%	3.10%	1.37%	2.05%	3.44%	5.15%
42	2.11%	3.16%	1.39%	2.09%	3.50%	5.25%
43	2.15%	3.22%	1.42%	2.13%	3.57%	5.35%
44	2.19%	3.28%	1.45%	2.17%	3.64%	5.45%
45	2.23%	3.34%	1.47%	2.21%	3.70%	5.55%
46	2.27%	3.41%	1.50%	2.25%	3.77%	5.66%
47	2.31%	3.47%	1.53%	2.29%	3.84%	5.76%
48	2.36%	3.54%	1.56%	2.34%	3.92%	5.88%
49	2.41%	3.61%	1.59%	2.39%	4.00%	6.00%
50	2.45%	3.68%	1.62%	2.43%	4.07%	6.11%
51	2.51%	3.76%	1.66%	2.49%	4.17%	6.25%
52	2.57%	3.85%	1.69%	2.54%	4.26%	6.39%
53	2.63%	3.94%	1.73%	2.60%	4.36%	6.54%
54	2.69%	4.04%	1.78%	2.67%	4.47%	6.71%
55	2.77%	4.16%	1.83%	2.75%	4.60%	6.91%
56	2.76%	4.14%	1.83%	2.74%	4.59%	6.88%
57	2.75%	4.13%	1.82%	2.73%	4.57%	6.86%
58	2.74%	4.11%	1.81%	2.72%	4.55%	6.83%
59	2.73%	4.10%	1.81%	2.71%	4.54%	6.81%

COLA Loading Factor: 66.10% for Regular and Settlement Benefits.

Actuarial Assumptions are from the June 30, 2004 Valuation.

Exhibit Four – Revised Member Contribution Rates for Fiscal Year 2005-2006

**Safety Tier 1 Members' Contribution Rates based on the June 30, 2004
Actuarial Valuation as a percentage of payroll**

Age	Basic Regular	Basic Regular	COLA Regular	COLA Regular	Basic Settlement	Basic Settlement	COLA Settlement	COLA Settlement	Combined	Combined
	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month
15	2.25%	3.38%	1.49%	2.23%	0.57%	0.85%	0.37%	0.56%	4.68%	7.02%
16	2.25%	3.38%	1.49%	2.23%	0.57%	0.85%	0.37%	0.56%	4.68%	7.02%
17	2.25%	3.38%	1.49%	2.23%	0.57%	0.85%	0.37%	0.56%	4.68%	7.02%
18	2.25%	3.38%	1.49%	2.23%	0.57%	0.85%	0.37%	0.56%	4.68%	7.02%
19	2.25%	3.38%	1.49%	2.23%	0.57%	0.85%	0.37%	0.56%	4.68%	7.02%
20	2.25%	3.38%	1.49%	2.23%	0.57%	0.85%	0.37%	0.56%	4.68%	7.02%
21	2.29%	3.44%	1.51%	2.27%	0.57%	0.86%	0.38%	0.57%	4.75%	7.14%
22	2.33%	3.50%	1.54%	2.31%	0.59%	0.88%	0.39%	0.58%	4.85%	7.27%
23	2.37%	3.56%	1.57%	2.35%	0.59%	0.89%	0.39%	0.59%	4.92%	7.39%
24	2.41%	3.62%	1.59%	2.39%	0.61%	0.91%	0.40%	0.60%	5.01%	7.52%
25	2.46%	3.69%	1.63%	2.44%	0.61%	0.92%	0.41%	0.61%	5.11%	7.66%
26	2.50%	3.75%	1.65%	2.48%	0.63%	0.94%	0.41%	0.62%	5.19%	7.79%
27	2.54%	3.81%	1.68%	2.52%	0.63%	0.95%	0.42%	0.63%	5.27%	7.91%
28	2.59%	3.88%	1.71%	2.56%	0.65%	0.97%	0.43%	0.64%	5.38%	8.05%
29	2.63%	3.94%	1.73%	2.60%	0.66%	0.99%	0.43%	0.65%	5.45%	8.18%
30	2.67%	4.01%	1.77%	2.65%	0.67%	1.00%	0.44%	0.66%	5.55%	8.32%
31	2.72%	4.08%	1.80%	2.70%	0.68%	1.02%	0.45%	0.67%	5.65%	8.47%
32	2.77%	4.15%	1.83%	2.74%	0.69%	1.04%	0.46%	0.69%	5.75%	8.62%
33	2.81%	4.22%	1.86%	2.79%	0.70%	1.05%	0.46%	0.69%	5.83%	8.75%
34	2.86%	4.29%	1.89%	2.84%	0.71%	1.07%	0.47%	0.71%	5.93%	8.91%
35	2.91%	4.37%	1.93%	2.89%	0.73%	1.09%	0.48%	0.72%	6.05%	9.07%
36	2.96%	4.44%	1.95%	2.93%	0.74%	1.11%	0.49%	0.73%	6.14%	9.21%
37	3.01%	4.52%	1.99%	2.99%	0.75%	1.13%	0.50%	0.75%	6.25%	9.39%
38	3.07%	4.60%	2.03%	3.04%	0.77%	1.15%	0.51%	0.76%	6.38%	9.55%
39	3.12%	4.68%	2.06%	3.09%	0.78%	1.17%	0.51%	0.77%	6.47%	9.71%
40	3.17%	4.76%	2.10%	3.15%	0.79%	1.19%	0.53%	0.79%	6.59%	9.89%
41	3.23%	4.85%	2.14%	3.21%	0.81%	1.21%	0.53%	0.80%	6.71%	10.07%
42	3.29%	4.94%	2.18%	3.27%	0.83%	1.24%	0.55%	0.82%	6.85%	10.27%
43	3.33%	4.99%	2.20%	3.30%	0.83%	1.25%	0.55%	0.83%	6.91%	10.37%
44	3.36%	5.04%	2.22%	3.33%	0.84%	1.26%	0.55%	0.83%	6.97%	10.46%
45	3.40%	5.10%	2.25%	3.37%	0.85%	1.27%	0.56%	0.84%	7.06%	10.58%
46	3.43%	5.15%	2.27%	3.40%	0.86%	1.29%	0.57%	0.85%	7.13%	10.69%
47	3.47%	5.20%	2.29%	3.44%	0.87%	1.30%	0.57%	0.86%	7.20%	10.80%
48	3.50%	5.25%	2.31%	3.47%	0.87%	1.31%	0.58%	0.87%	7.26%	10.90%
49	3.54%	5.31%	2.34%	3.51%	0.89%	1.33%	0.59%	0.88%	7.36%	11.03%

COLA Loading Factor: 66.10% for Regular and Settlement Benefits.

Actuarial Assumptions are from the June 30, 2004 Valuation.

Exhibit Four – Revised Member Contribution Rates for Fiscal Year 2005-2006

**Safety Tier 2 Members' Contribution Rates based on the June 30, 2004
Actuarial Valuation as a percentage of payroll**

Age	Basic Regular First \$350 per month	Basic Regular Over \$350 per month	COLA Regular First \$350 per month	COLA Regular Over \$350 per month	Combined First \$350 per month	Combined Over \$350 per month
15	2.25%	3.38%	1.49%	2.23%	3.74%	5.61%
16	2.25%	3.38%	1.49%	2.23%	3.74%	5.61%
17	2.25%	3.38%	1.49%	2.23%	3.74%	5.61%
18	2.25%	3.38%	1.49%	2.23%	3.74%	5.61%
19	2.25%	3.38%	1.49%	2.23%	3.74%	5.61%
20	2.25%	3.38%	1.49%	2.23%	3.74%	5.61%
21	2.29%	3.44%	1.51%	2.27%	3.80%	5.71%
22	2.33%	3.50%	1.54%	2.31%	3.87%	5.81%
23	2.37%	3.56%	1.57%	2.35%	3.94%	5.91%
24	2.41%	3.62%	1.59%	2.39%	4.00%	6.01%
25	2.46%	3.69%	1.63%	2.44%	4.09%	6.13%
26	2.50%	3.75%	1.65%	2.48%	4.15%	6.23%
27	2.54%	3.81%	1.68%	2.52%	4.22%	6.33%
28	2.59%	3.88%	1.71%	2.56%	4.30%	6.44%
29	2.63%	3.94%	1.73%	2.60%	4.36%	6.54%
30	2.67%	4.01%	1.77%	2.65%	4.44%	6.66%
31	2.72%	4.08%	1.80%	2.70%	4.52%	6.78%
32	2.77%	4.15%	1.83%	2.74%	4.60%	6.89%
33	2.81%	4.22%	1.86%	2.79%	4.67%	7.01%
34	2.86%	4.29%	1.89%	2.84%	4.75%	7.13%
35	2.91%	4.37%	1.93%	2.89%	4.84%	7.26%
36	2.96%	4.44%	1.95%	2.93%	4.91%	7.37%
37	3.01%	4.52%	1.99%	2.99%	5.00%	7.51%
38	3.07%	4.60%	2.03%	3.04%	5.10%	7.64%
39	3.12%	4.68%	2.06%	3.09%	5.18%	7.77%
40	3.17%	4.76%	2.10%	3.15%	5.27%	7.91%
41	3.23%	4.85%	2.14%	3.21%	5.37%	8.06%
42	3.29%	4.94%	2.18%	3.27%	5.47%	8.21%
43	3.33%	4.99%	2.20%	3.30%	5.53%	8.29%
44	3.36%	5.04%	2.22%	3.33%	5.58%	8.37%
45	3.40%	5.10%	2.25%	3.37%	5.65%	8.47%
46	3.43%	5.15%	2.27%	3.40%	5.70%	8.55%
47	3.47%	5.20%	2.29%	3.44%	5.76%	8.64%
48	3.50%	5.25%	2.31%	3.47%	5.81%	8.72%
49	3.54%	5.31%	2.34%	3.51%	5.88%	8.82%

COLA Loading Factor: 66.10% for Regular and Settlement Benefits.

Actuarial Assumptions are from the June 30, 2004 Valuation.