



Roberto L. Peña
Retirement Administrator

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DATE: February 1, 2008

TO: Roberto L. Peña
Retirement Administrator

FROM: Frankie D. Dorsey
Retirement Coordinator

SUBJECT: Final Compensation Project-Update

The Final Compensation Project is nearly 97% complete. In fact, all 4,268 member benefits have been recalculated but 138 of those calculations are in different processing stages from review by permanent staff to payroll processing for payment through the new benefit disbursement bank (Bank). As for the groups, Phase One is 99% completed, Phase II is nearly 98% completed and Phase III is nearly 96% completed.

We expect the remaining 138 files to be completed by the end of March 2008 barring any unforeseen delays in processing, such as new processing payroll requirements from the new bank or extra-help employees leaving for permanent jobs.

As mentioned in the December 19, 2007 memo, the remaining files were the most difficult of all to complete due to the length of retirement and the inconsistency or lack of adequate documentation. Due to the impending conversion to a new Bank, the worksheets used to calculate payment amounts had to be modified to comply with the new Bank's requirements. This was a time-intensive project that was only completed on January 11, 2008.

In order to keep the project on schedule, staff continued to prepare calculations using the worksheets for the prior bank, but these calculations could not be finalized until after the conversion was completed. Thus, calculations prepared during the period of November 15, 2007 through January 11, 2008 using the parameters required by the prior bank must now be transferred to the worksheets for the new Bank. Then they must go through a final review process before forwarding to the bank for payment. Therefore, we expect to complete the processing of the remaining 138 files by the end of March, with the final checks going out to recipients in April 2008.

Group/Phases	Period Covered	Number of Members	Calculations Remaining as of January 31, 2008
III	Prior to 10/7/1997	2,560	113
II	10/7/1997 to 12/30/00	496	10
I	1/1/01 to 03/1/04	1, 026	15
I	3/2/04 to 10/31/04	186	0
	Totals	4,268	138*

The following table presents the current totals for the Final Compensation project:

Please let me know if you have any questions.

Thank you.

*9 Actuary files, 127 Compound Adjustments files, and 2 Divorces files