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203C  
Commonwealth of Pennsylvania  
Public Employee Retirement Commission  
P. O. Box 1429  
Harrisburg, PA 17105-1429

County : ALL  
Class : 2  
Mun : Pittsburgh

**REVISED  
2011**

Code # : 02-261-2  
Plan Type : N1

**ACT 205 ACTUARIAL VALUATION REPORT:  
NONUNIFORMED PENSION PLAN  
WITH DEFINED BENEFITS**

RECEIPT **PERC** SEP 14 2011

FILING DEADLINE: March 30, 2012

FRMTYPE	REVIEW	CODE	INPUT	EDP's	LOG
C	bsk/9/19	C		OK	orig rec'd 9/2

**Special Instructions:** Where a Deferred Retirement Option Plan (DROP) is operated for members of the pension plan, the participating pension plan members should be reported as retired members in Section IV and Schedule A.

**Section I - Identification of Municipality**

INSTRUCTIONS: Print or type requested information in the space provided.

**Note:** In Part A, home rule municipalities should check the box and enter the number of their previous municipal classification.

Item No.

A. Type of Municipality ..... 2 (1)  
(Check appropriate box below and enter corresponding number.)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> City (2) | <input type="checkbox"/> Township (1 <sup>st</sup> ) (4) |
| <input type="checkbox"/> Borough (3)         | <input type="checkbox"/> Township (2 <sup>nd</sup> ) (5) |
| <input type="checkbox"/> Town (3)            | <input type="checkbox"/> Authority (6)                   |
|  | <input type="checkbox"/> COG/Regional Entity (7)         |

B. Name of Municipality CITY OF PITTSBURGH (2)

C. Name of County ALLEGHENY (3)

**Section II - Identification of Pension Plan and Specification of Valuation Date**

INSTRUCTIONS: Print or type requested information in space provided.

A. Name of Pension Plan CITY OF PITTSBURGH MUNICIPAL PENSION FUND (4)

B. Date on which pension plan was established ..... 05 / 28 / 1915 (5)  
Mo. Da. Yr.

C. Valuation date for demographic, financial and actuarial data ..... 01 / 01 / 2011 (6)  
(Use 1/1/2011 unless otherwise specified in plan document prior to 12/31/1982.)  
Mo. Da. Yr.

**Section III - General Information**

INSTRUCTIONS: Respond to each question by entering "yes" or "no" in the space provided.

	Item No.
A. Is Social Security coverage provided for the active members of the pension plan identified in Section II? .....	YES (8)
B. Do any active members of the pension plan identified in Section II participate in any other pension plan or plans that receive funding from the municipality? .....	NO (9)
C. Do any of the active members of the pension plan identified in Section II work on average less than 35 hours per week? .....	NO (10)
D. Does the pension plan identified in Section II include active members who are not employees of the municipality identified in Section I? .....	YES (11)
E. Do retired members of the pension plan identified in Section II receive any benefit, such as insurance coverage, that is provided wholly or partially by the municipality and not funded through the pension plan identified in Section II? .....	NO (12)

**Section IV - Demographic Data as of JANUARY 1, 2011 (Valuation Date)**

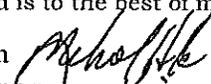
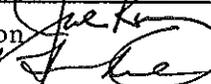
INSTRUCTIONS: Enter valuation date specified in Section II, Part C, in the space provided above and on each page of Schedule A. Print or type information requested in Part A in the space provided. Enter zero, if applicable. Do not leave blanks or refer to the schedules or exhibits. Complete Schedule A. Then complete the certification in Part B below.

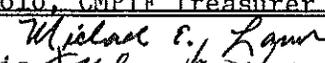
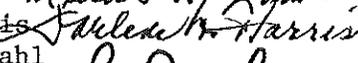
**A. Summary of Demographic Data**

1. Number of active members on valuation date .....	1,829	(13)
2. Total annual payroll of active members as of above valuation date .....	\$ 81,443,567	(14)
3. Number of members terminated with vested or deferred benefit on valuation date .....	60	(15)
4. As of valuation date, number of persons receiving:		
a. Retirement benefits		
i. As normal retired members .....	1,223	(16i)
ii. As DROP participants .....	0	(16ii)
iii. Total .....	1,223	(16iii)
b. Disability benefits .....	282	(17)
c. Surviving spouse benefits .....	92	(18)
d. Surviving child benefits .....	0	(19)
e. Total (a+b+c+d) .....	1,597	(20)
5. As of valuation date, total annual benefits payable as:		
a. Retirement benefits		
i. To normal retired members .....	\$ 13,512,852	(21i)
ii. To DROP participants .....	\$ 0	(21ii)
iii. Total .....	\$ 13,512,852	(21iii)
b. Disability benefits .....	\$ 3,394,505	(22)
c. Surviving spouse benefits .....	\$ 507,057	(23)
d. Surviving child benefits .....	\$ 0	(24)
e. Total (a+b+c+d) .....	\$ 17,414,414	(25)

**B. Certification of Demographic Data**

I hereby certify that I have prepared and reviewed the demographic data entered in Part A of this section and in Schedule A; and I further certify that the information provided is to the best of my knowledge true and accurate.

Michael Huss, CMPTF Chairperson	September 13, 2011
(Signature) 	(Date)
Joe King, CMPTF Vice Chairperson	412 255-2899
Ian Frankel, CMPTF Treasurer	( )
(Name) Richard Ruffolo, CMPTF Treasurer	(Telephone)
(Title) 	

Michael Lamb   
 Darlene Harris   
 Luke Ravenstahl 

Section V - Financial Data as of JANUARY 1, 2011 (Valuation Date)

INSTRUCTIONS: Enter valuation date specified in Section II, Part C, in the space provided above and on each page of Schedule B. Print or type the data requested in Part A, rounded to the nearest dollar, in the space provided. Enter zero, if applicable. Do not leave blanks or refer to exhibits. Complete Schedule B. Then complete the certification in Part B below.

Note: The asset values provided in Part A of this section and in Schedule B must include all the assets of the pension plan regardless of custodial arrangements involving administrative agencies.

A. Summary of Financial Data

	Item No.
1. MARKET VALUE OF ASSETS, excluding the cash surrender values of individual insurance and annuity contracts, on the above valuation date . . . . .	(26)
2. CASH SURRENDER VALUE of individual insurance and annuity contracts on the above valuation date or nearest anniversary date . . . . .	(27)
3. TOTAL FUND ASSETS (1 + 2) on the above valuation date . . . . .	(28)
4. TOTAL EARNINGS, including investment income, realized capital gains/losses, unrealized capital gains/losses, and dividends on insurance/annuity contracts for the year ended on the above valuation date . . . . .	(29)
5. MEMBER CONTRIBUTIONS to plan for the year ended on the above valuation date Include employee contributions treated as employer contributions pursuant to Section 414(h) of the Internal Revenue Code.) . . . . .	(30)
6. MUNICIPAL CONTRIBUTIONS to plan for the year ended on valuation date (6a + 6b) . . . . .	(31)
a. State Aid Portion \$ <u>3,567,864</u> b. Local Portion \$ <u>74,258,807</u>	
7. ACTUAL MUNICIPAL DEPOSIT for the year ended on the valuation date (6 + 7a - 7b) . . . . .	(32)
a. Contributions Receivable at beginning of year \$ <u>0</u> b. Contributions Receivable at End of year \$ <u>0</u> <sup>1</sup>	
8. TOTAL MONTHLY BENEFIT PAYMENTS for the year ended on the above valuation date \$ . . . . .	(33)
9. ANNUAL INSURANCE OR ANNUITY PREMIUM PAYMENTS, excluding single premium annuity purchases, for the year ended on the above valuation date . . . . .	(34)
10. ADMINISTRATIVE EXPENSES paid from the assets of the pension plan for the year ended on the above valuation date . . . . .	(35)
11. MINIMUM MUNICIPAL OBLIGATION to the pension plan for the year ended on the valuation date (Enter amount reported in Item 12 or Item 14 on page 12, whichever is applicable.) . . . . .	(36)

<sup>1</sup> A funding deficiency occurs when the actual municipal deposit is less than the Minimum Municipal Obligation. If a funding deficiency has been partially or fully rectified, complete Schedule B, Section V and Section VI, and include the specified documentation.

B. Certification of Financial Data

I hereby certify that I have prepared and reviewed the financial data entered in Part A of this section and in Schedule B; and I further certify that the information provided is to the best of my knowledge true and accurate.

Michael Huss, CMPTF Chairperson  
Joe King, CMPTF Vice Chairperson

September 13, 2011

(Signature) Ian Frankel, CMPTF Treasurer  
Richard Ruffolo, CMPTF Treasurer

(Date) \_\_\_\_\_  
(412) 255-2899  
(Telephone)

(Name) Michael Lamb (Title)  
Darlene Harris  
Luke Ravenstahl

**Section VI - Actuarial Data as of JANUARY 1, 2011 (Valuation Date)**

INSTRUCTIONS: Enter valuation date specified in Section II, Part C, in the space provided above and on each page of Schedule C. Complete Part A and Part B below in accordance with the instructions provided. Complete Schedule C. Then complete the certification in Part C below.

**Note:** The asset values provided in Part A of this section must include all the assets of the pension plan regardless of custodial arrangements involving administrative agencies.

**A. Summary of Actuarial Data**

INSTRUCTIONS: Print or type the data requested, rounded to the nearest dollar, in the space provided. Enter zero or negative values, if applicable. Do not leave blanks or refer to exhibits.

	Item No.
1. ACTUARIAL PRESENT VALUE OF FUTURE BENEFITS as of valuation date . . . . .	\$ <u>317,582,544</u> (40)
2. ACTUARIAL PRESENT VALUE OF FUTURE NORMAL COST as of valuation date . . . . .	\$ <u>34,899,449</u> (41)
3. ACTUARIAL ACCRUED LIABILITY as of valuation date . . . . .	\$ <u>282,683,095</u> (42)
4. ACTUARIAL VALUE OF ASSETS, including aggregate insurance/annuity cash surrender value, as of valuation date . . . . .	\$ <u>187,041,985</u> (43)
5. UNFUNDED ACTUARIAL ACCRUED LIABILITY as of valuation date (+ or -) . . . . .	\$ <u>95,641,110</u> (44)
6. NORMAL COST (employer & employee), <i>excluding administrative expenses</i> , payable as of valuation date for the plan year beginning on valuation date:	
a. As a dollar amount . . . . .	\$ <u>4,840,288</u> (45)
b. As a percentage of total annual payroll . . . . .	<u>5.943 %</u> (46)
7. AVERAGE ADMINISTRATIVE EXPENSES payable from the assets of the pension plan in the prior plan year and the plan year beginning on valuation date <sup>1</sup> . . . . .	\$ <u>895,879</u> (47)
8. ANNUAL COVERED PAYROLL of active members as of valuation date . . . . .	\$ <u>81,443,567</u> (48)
9. AMORTIZATION CONTRIBUTIONS	
a. For amortization of initial unfunded actuarial accrued liability established 1/1/85. <sup>2</sup>	
1) Amortization period remaining (years) . . . . .	<u>27</u> (49)
2) Amortization contribution calculated as a level dollar amount for the plan year beginning on valuation date . . . . .	\$ <u>3,132,592</u> (50)
3) Amortization contribution calculated as a level percentage of payroll for the plan year beginning on valuation date <sup>3</sup> . . . . .	\$ <u>N/A</u> (51)
b. For amortization of all increases or decreases in unfunded actuarial accrued liability occurring after 1/1/85 or the initial UAL's establishment. <sup>2</sup>	
1) Aggregated amortization period (years) . . . . .	<u>12</u> (52)
2) Aggregated amortization contribution calculated as a level dollar amount for the plan year beginning on valuation date . . . . .	\$ <u>2,745,418</u> (53)
c. Modified Total Amortization Requirement <sup>4</sup> . . . . .	\$ <u>N/A</u> (54)
d. Total Amortization Requirement (Item 50 + Item 53 or Item 51 + Item 53 or Item 54, whichever is applicable) . . . . .	\$ <u>5,878,010</u> (55)
10. ACTUAL OR ESTIMATED MEMBER CONTRIBUTIONS to the pension plan for the year beginning on the valuation date . . . . .	\$ <u>3,150,921</u> (56)

**Section VI - Actuarial Data (Cont'd)**

**INSTRUCTIONS:** If insurance/annuity contracts are maintained pre-retirement to fund a portion of the benefits provided by the pension plan at retirement, enter the information requested in Items 57-67 below. Otherwise, do not complete Items 57-67.

**Note:** For Item 67, include "side fund" amortization contribution for the initial UAL established 1/1/85 and the aggregated "side fund" amortization contribution for increases and decreases in the UAL occurring after 1/1/85. Attach a facsimile of Schedule C, Section II, to support the entry for Item 67.

**A. Summary of Actuarial Data (Cont'd)**

	Item No.
11. ACTUARIAL PRESENT VALUE OF INSURANCE/ANNUITY CONTRACT CASH VALUES AT RETIREMENT as of valuation date . . . . .	(57)
\$ _____	
12. ADJUSTED ACTUARIAL PRESENT VALUE OF FUTURE BENEFITS as of valuation date (Item 40 - Item 57) . . . . .	(58)
\$ _____	
13. ADJUSTED ACTUARIAL PRESENT VALUE OF FUTURE NORMAL COST as of valuation date . . . . .	(59)
\$ _____	
14. ADJUSTED ACTUARIAL ACCRUED LIABILITY as of valuation date . . . . .	(60)
\$ _____	
15. ACTUARIAL VALUE OF ASSETS, excluding aggregate insurance/annuity cash surrender value, as of valuation date . . . . .	(61)
\$ _____	
16. ADJUSTED UNFUNDED ACTUARIAL ACCRUED LIABILITY as of valuation date (+ or -) . . . . .	(62)
\$ _____	
17. ADJUSTED NORMAL COST, excluding administrative expenses, payable as of valuation date for the plan year beginning on valuation date . . . . .	(63)
\$ _____	
18. ANNUAL INSURANCE/ANNUITY PREMIUM PAYMENTS for the plan year beginning on valuation date . . . . .	(64)
\$ _____	
19. GROSS ADJUSTED NORMAL COST for the plan year beginning on valuation date (Item 63 + Item 64):	
a. As a dollar amount . . . . .	(65)
\$ _____	
b. As a percentage of payroll . . . . .	(66)
_____ %	
20. ADJUSTED AMORTIZATION CONTRIBUTION calculated as a level dollar amount for the plan year beginning on valuation date . . . . .	(67)
\$ _____	

<sup>1</sup> The average of the prior year's administrative expenses and the estimated administrative expenses for the current year. If the amount entered exceeds the prior year's expenses (Section V, Part A, Item 35) by more than 10%, attach an exhibit detailing the administrative expenses for the year beginning on the valuation date.

<sup>2</sup> Initial unfunded actuarial accrued liability may be established later than 1/1/1985 if coincidental with the establishment of the pension plan or with the initiation of a new amortization schedule authorized by Act 82 of 1998.

<sup>3</sup> Enter N/A unless municipality has been certified to use level percentage of payroll amortization pursuant to Section 607 of Act 205.

<sup>4</sup> If the municipality has formally elected to apply the limit on the amortization contribution under section 202(b)(4), enter the modified total amortization requirement calculated as the amount required to amortize the unfunded actuarial accrued liability over ten years. Otherwise, enter N/A.

Section VI - Actuarial Data (Cont'd)

B. Additional Information

INSTRUCTIONS: Print or type the information requested in the space provided. Enter "N/A" if applicable. Do not leave blanks or refer to exhibits.

Item No.

1. MAJOR ECONOMIC ACTUARIAL ASSUMPTIONS

a. Interest or investment earnings rate ..... 8.00% (68)

b. Salary projection ..... 4.00% (69)

2. ADMINISTRATIVE ARRANGEMENT (Enter corresponding number. => ) ..... 1 (70)

- 1 - Self administered fund, 2 - Bank or other trust fund, 3 - Split-funded plan - Insurance plus side fund, 4 - Insured deposit administration contract, 5 - Immediate participation guarantee contract, 6 - Pennsylvania Municipal Retirement System, 7 - Other (Describe)

3. COST FOR ACTUARIAL SERVICES to be billed or charged for completing this reporting form and for preparing the associated actuarial valuation report ..... \$ 9,000 (71)

C. Certification of Actuarial Data

I hereby certify that I have prepared and reviewed the actuarial data and information entered in Part A and Part B of this section and in Schedule C and that the data and information provided is to the best of my knowledge true and accurate.

I further certify that I have five years of actuarial experience with public pension plans and that I am (Check appropriate box.)

[X] a member of the American Academy of Actuaries enrolled in 1979.

[X] an enrolled actuary pursuant to the Employee Retirement Income Security Act of 1974, No. 11-544.

G. Herbert Loomis (Signature)

9/12/11 (Date)

G. HERBERT LOOMIS (Name)

(412 ) 394-9660 (72) (Telephone)

MOCKENHAUPT BENEFITS GROUP (Name of Firm) (73)

HERB.LOOMIS@MBGBENEFITS.COM (E-mail Address) (74)

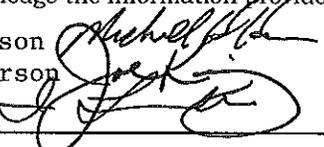
**Section VII - Certification of Report by the Chief Administrative Officer of the Municipality**

**INSTRUCTIONS:** Ensure that Schedule A, Schedule B and Schedule C are completed and attached to the reporting form. Review the information entered in each section of the reporting form and the information provided in the schedules. Then complete the certification below and return the original reporting form to the Commission. **Retain a copy of the completed reporting form for audit compliance purposes.**

**Note:** To be completed by the person officially designated as the Chief Administrative Officer of the municipality under Act 205 of 1984.

I hereby certify that to the best of my knowledge the information provided in this report is complete, true and accurate.

Michael Huss, CMPTF Chairperson  
Joe King, CMPTF Vice Chairperson  
Ian Frankel, CMPTF Treasurer



September 13, 2011

(Signature of Chief Administrative Officer)

(Date)

Richard Ruffolo, CMPTF Treasurer  
Michael Lamb

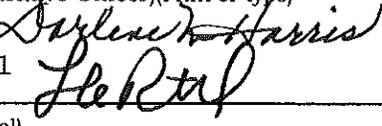


412 255-2899  
( )

(Name of Chief Administrative Officer)(Print or type)

(Telephone)

Darlene Harris  
Luke Ravenstahl



(E-mail Address) (Optional)

Inquiries regarding completion or submission of the reporting form may be directed to:

**Commonwealth of Pennsylvania  
Public Employee Retirement Commission**

Mailing Address  
P. O. Box 1429  
Harrisburg, PA 17105-1429

Phone: (717) 783-6100  
Fax: (717) 787-9531  
E-mail: perc@state.pa.us

INSTRUCTIONS: Print or type the requested information in the space provided. For totals, enter zero if applicable. Refer to attachments or exhibits only to explain or support data entered on the schedule. If you need additional space, make a photocopy of this page and insert behind this page.

Check here if there are no retired members.

Check here if there are no members terminated with vesting.

PART I - DEMOGRAPHIC DATA FOR INDIVIDUAL RETIRED MEMBERS						
Member	Current Age	Monthly Pension Payable	Retirement Age	Type *	Years of Service	Gender (M/F)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						

PART II - DEMOGRAPHIC DATA FOR INDIVIDUAL MEMBERS TERMINATED WITH VESTING					
Member	Current Age	Monthly Pension Payable	Retirement Age	Years of Service	Gender (M/F)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

\* Type: Blank = Member, S = Spouse/Child, D = Disability, DR = DROP

Part III - Active Member Data <sup>1</sup> -  Check here if there are no active members.

Member	Age	Years of Service	Total Annual Payroll	Gender (M/F)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

Member	Age	Years of Service	Total Annual Payroll	Gender (M/F)
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

<sup>1</sup> Plans with active members of 50 or more must e-mail an Excel spreadsheet containing the specified active member data to the Commission at [perc@state.pa.us](mailto:perc@state.pa.us). When submitting your data, specify the municipality, county, and plan type (police, fire, or nonuniformed) in the first line of the spreadsheet.

INSTRUCTIONS: Print or type the requested information in the space provided. Round to the nearest dollar. Enter zero, if applicable. Refer to attachments or exhibits only to explain or support data entered on the schedule.

**Section I - Statement of Net Assets Available for Benefits**

A. Assets:	As of the Above Valuation Date	As of the Previous Year (2010)	Item No.
1. Cash .....	\$	\$	(1)
2. Accrued Interest and Dividends Receivable .....	\$	\$	(2)
3. Receivables (Specify)			
Employee Contributions .....	\$	\$	(3)
Employer Contributions .....	\$	\$	(4)
State Aid .....	\$	\$	(5)
Other .....	\$	\$	(6)
.....	\$	\$	(7)
4. Investments at Market Value (Specify)			
Money Markets and Other Cash Investments .....	\$	\$ 0	(8)
Mutual Funds .....	\$	\$ 0	(9)
Stocks and Other Equities .....	\$	\$ 0	(10)
Bonds and Other Fixed Income .....	\$	\$ 0	(11)
5. Other Assets (Specify)			
Insurance Contract/Group Annuity .....	\$	\$	(12)
Other <u>PARTICIPATION IN AGGREGATE TRUST</u> ..	\$ 166,610,549	\$ 99,494,777	(13)
.....	\$	\$	(14)
6. Insurance/Annuity Cash Surrender Value (Individual Policies) ..	\$	\$	(15)
 Total Fund Assets .....	 \$ 166,610,549	 \$ 99,494,777	 (16)
 B. Current Liabilities:			
1. Accounts Payable and Accrued Administrative Expenses .....	\$	\$	(17)
2. Other Current Liabilities			
Benefits Payable .....	\$	\$	(18)
Other .....	\$	\$	(19)
.....	\$	\$	(20)
Total Current Liabilities .....	\$ 0	\$ 0	(21)
 C. Net Assets Available for Benefits (Market Value) as of valuation date ..	 \$ 166,610,549	 \$ 99,494,777	 (22)

**Section II - Statement of Revenues, Expenses and Change in Fund Assets.**

	As of the Above Valuation Date	As of the Previous Year (2010)	Item No.
A. Net Assets at Beginning of Year (Market Value) .....	\$ 99,494,777	\$ 88,709,644	(1)
B. Gross Revenues (unreduced by any fees, costs or expenses):			
Member Contributions .....	\$ 3,144,377	\$ 3,150,921	(2)
Total Municipal Contributions			
a. State Aid Portion .....	\$ 3,567,864	\$ 5,589,760	(3)
b. Local Portion .....	\$ 74,258,807	\$ 4,568,549	(4)
Interest Earnings/Dividend Income .....	\$ 1,587,060	\$ 3,521,072	(5)
Realized/Unrealized Capital Gains/Losses .....	\$ 4,294,199	\$ 12,828,343	(6)
Other Revenues or Credits (Specify)			
<u>ADJUSTMENT FOR 2006 MMO (PER AUDIT)</u> ..	\$ 0	\$ 252,593	(7)
<u>PASS THROUGH CONTRIBUTIONS</u> ..	\$ 1,768,831	\$ 1,812,009	(8)
<u>ADJUSTMENT FOR 2008 MMO (PER AUDIT)</u> ..	\$ 11,741	\$ 0	(9)
Total Revenues .....	\$ 88,632,879	\$ 31,723,247	(10)
C. Expenses			
Total Benefit Payments (Lump-Sum) .....	\$ 0	\$ 0	(11)
Total Benefit Payments (Monthly) .....	\$ 18,336,973	\$ 17,804,630	(12)
Annuity Purchases (Lump-Sum) .....	\$ 0	\$ 0	(13)
Insurance Premiums .....	\$ 0	\$ 0	(14)
Refund of Member Contributions .....	\$ 749,363	\$ 270,914	(15)
Lump-Sum Drop Account Payments .....	\$ 0	\$ 0	(16)
Actuarial Costs .....	\$ 48,090	\$ 23,985	(17)
Investment Costs .....	\$ 224,493	\$ 634,685	(18)
All Other Expenses or Debits (Specify)			
<u>PASS THROUGH PAYMENTS</u> ..	\$ 1,768,831	\$ 1,812,009	(19)
<u>OTHER ADMIN. EXPENSES</u> ..	\$ 389,357	\$ 391,891	(20)
Total Expenses .....	\$ 21,517,107	\$ 20,938,114	(21)
D. Net Assets at End of Year (Market Value) .....	\$ 166,610,549	\$ 99,494,777	(22)

**Section III - Presentation of the Determination of the Minimum Municipal Obligation (MMO) for the Year Ended on Valuation Date.**

INSTRUCTIONS: Enter data reflecting the minimum municipal obligation developed in the fall of 2009 for the plan year beginning in 2010.  
[Section 302(C) of Act 205 of 1984.]

		Item No.
A. IDENTIFICATION OF THE ACTUARIAL VALUATION REPORT (AVR)		
used to determine funding requirement. (Enter valuation date - 2009 or earlier year.)	<u>01 / 01 / 2007</u> Mo. Da. Yr.	(1)
B. DEVELOPMENT OF MINIMUM MUNICIPAL OBLIGATION under Section 302(c) of Act 205 of 1984. (If the asset value exceeded the present value of future benefits in the actuarial valuation report identified in Part A, check the box, skip Item 2 through Item 10, and complete Item 11 and Item 12, if applicable.) <input type="checkbox"/>		
1. TOTAL ANNUAL PAYROLL projected for year ended on valuation date	\$ <u>68,818,507</u>	(2)
2. TOTAL NORMAL COST, expressed as a percentage of total annual payroll, derived from actuarial valuation report identified in item 1	<u>5.405 %</u>	(3)
3. TOTAL PROJECTED NORMAL COST for year ended on valuation date (Item 2 x Item 3)	\$ <u>3,719,640</u>	(4)
4. TOTAL AMORTIZATION REQUIREMENT for year ended on valuation date <sup>1</sup>	\$ <u>8,442,587</u>	(5)
5. TOTAL ADMINISTRATIVE EXPENSES projected for year ended on valuation date	\$ <u>963,459</u>	(6)
6. TOTAL FINANCIAL REQUIREMENTS (Item 4 + Item 5 + Item 6)	\$ <u>13,125,686</u>	(7)
7. MEMBER CONTRIBUTIONS projected for year ended on valuation date	\$ <u>2,791,197</u>	(8)
8. FUNDING ADJUSTMENT determined pursuant to Section 302(c)(2) of Act 205 of 1984 for year ended on valuation date <sup>2</sup>	\$ <u>0</u>	(9)
9. MINIMUM MUNICIPAL OBLIGATION (MMO) for year ended on valuation date (Item 7 - Item 8 - Item 9)	\$ <u>10,334,489</u>	(10)
10. DELINQUENT MMO PLUS INTEREST from plan year beginning in 2009	\$ <u>0</u>	(11)
11. TOTAL MMO for year ended on valuation date (Item 10 + Item 11)	\$ <u>10,334,489</u>	(12)
C. AMORTIZATION CONTRIBUTION REDUCTION (Complete if Amortization Contribution Reduction was elected pursuant to Section 607(H.1) of Act 205.)		
1. REDUCTION OF AMORTIZATION CONTRIBUTION (Maximum is 25% of Item 5)	\$ _____	(13)
2. RE-CALCULATED MMO for year ended on valuation date (Item 12 - Item 13)	\$ _____	(14)

<sup>1</sup> If the amount entered differs from the amount reported in the actuarial valuation report identified in Item 1 above due to the scheduled termination of one or more amortization bases established pursuant to Chapter 2 of Act 205, attach an exhibit reconciling the difference.

<sup>2</sup> Funding adjustment is applicable where assets exceed actuarial accrued liability and is equal to 10% of the amount of the excess.

**Section IV - Presentation of the Determination of the Minimum Municipal Obligation (MMO) for the Plan Year Beginning in 2009.**

INSTRUCTIONS: Enter data reflecting the minimum municipal obligation developed in the fall of 2008 for the plan year beginning in 2009.  
[Section 302(C) of Act 205 of 1984.]

Item No.

A. IDENTIFICATION OF THE ACTUARIAL VALUATION REPORT (AVR)				
used to determine funding requirement. (Enter valuation date - 2007 or earlier year.)		<u>01</u>	<u>01</u>	<u>2007</u>
		Mo.	Da.	Yr.
				(1)
B. DEVELOPMENT OF MINIMUM MUNICIPAL OBLIGATION under Section 302(c) of Act 205 of 1984. (If the asset value exceeded the present value of future benefits in the actuarial valuation report identified in Part A, check the box, skip Item 2 through Item 10, and complete Item 11 and Item 12, if applicable.) <input type="checkbox"/>				
1.	TOTAL ANNUAL PAYROLL projected for year ended on valuation date	\$	<u>68,262,788</u>	(2)
2.	TOTAL NORMAL COST, expressed as a percentage of total annual payroll, derived from actuarial valuation report identified in Item 1		<u>5.405 %</u>	(3)
3.	TOTAL PROJECTED NORMAL COST for year ended on valuation date (Item 2 x Item 3)	\$	<u>3,689,604</u>	(4)
4.	TOTAL AMORTIZATION REQUIREMENT for year ended on valuation date <sup>1</sup>	\$	<u>8,442,587</u>	(5)
5.	TOTAL ADMINISTRATIVE EXPENSES projected for year ended on valuation date	\$	<u>955,679</u>	(6)
6.	TOTAL FINANCIAL REQUIREMENTS (Item 4 + Item 5 + Item 6)	\$	<u>13,087,870</u>	(7)
7.	MEMBER CONTRIBUTIONS projected for year ended on valuation date	\$	<u>2,929,560</u>	(8)
8.	FUNDING ADJUSTMENT determined pursuant to Section 302(c)(2) of Act 205 of 1984 for year ended on valuation date <sup>2</sup>	\$	<u>0</u>	(9)
9.	MINIMUM MUNICIPAL OBLIGATION (MMO) for year ended on valuation date (Item 7 - Item 8 - Item 9)	\$	<u>10,158,310</u>	(10)
10.	DELINQUENT MMO PLUS INTEREST from plan year beginning in 2008	\$	<u>0</u>	(11)
11.	TOTAL MMO for year ended on valuation date (Item 10 + Item 11)	\$	<u>10,158,310</u>	(12)

<sup>1</sup> If the amount entered differs from the amount reported in the actuarial valuation report identified in Item 1 above due to the scheduled termination of one or more amortization bases established pursuant to Chapter 2 of Act 205, attach an exhibit reconciling the difference.

<sup>2</sup> Funding adjustment is applicable where assets exceed actuarial accrued liability and is equal to 10% of the amount of the excess.

**Section V - Documentation of Compliance with Act 205 Funding Standard Requirements**

- INSTRUCTIONS: 1. Complete the information below if a funding deficiency has been partially or fully rectified and provide the following:
- a. Documentation showing the development of the pension plan's municipal funding requirements (Minimum Municipal Obligation (MMO)) pursuant to Section 302 and, if applicable, Section 607(H.1) of Act 205 for the years reported.
  - b. Signature in Section VI below by the approved actuary and the municipality's chief administrative officer certifying, subject to the penalties of 18 Pa. C. S. §4904 relating to unsworn falsification to authorities, that the accompanying documentation is accurate and that the funding requirements prescribed by Section 302, and if applicable Section 607(H.1), of Act 205 are satisfied.
2. Documentation showing the actual municipal contributions to the pension plan for the years reported, including copies of specific supporting documents such as the development of the MMO, bank statements, evidence of deposit, and cancelled checks should be maintained by the municipality for audit and other purposes.

	2009	2010	Item No.
A) Prior Year's Deficiency <sup>1</sup> .....	\$	\$	(1)
B) Interest Rate .....	%	%	(2)
C) Monthly Interest Rate (B ÷ 12) .....	%	%	(3)
D) Amount Due on Payment Date (A x (1 + C) <sup>Time in months</sup> ) .....	\$	\$	(4)
E) Minimum Municipal Obligation .....	\$	\$	(5)
F) Total Minimum Municipal Obligation (D + E) .....	\$	\$	(6)
G) Amount Deposited <sup>2</sup> .....	\$	\$	(7)
H) Funding Deficiency .....	\$	\$	(8)

<sup>1</sup> Development of the MMOs must include the reported funding deficiency with interest.  
<sup>2</sup> Must equal amount deposited as shown on supporting documentation maintained by the municipality.

**Section VI - Certification of Compliance with Act 205 Funding Standard Requirements**

\_\_\_\_\_  
 (Signature of Actuary) (Date) (Signature of Chief Administrative Officer) (Date)

\_\_\_\_\_  
 (Name of Actuary) (Name of Chief Administrative Officer)

\_\_\_\_\_  
 (Actuarial Firm)

INSTRUCTIONS: Complete all items using the entry age normal actuarial cost method. Enter zero, if applicable, and round to the nearest dollar. Refer to attachments or exhibits only to explain or support data entered on the schedule.

**Section I - Presentation of Actuarial Present Value of Future Benefits as of the Valuation Date**

Item No.

A. Actuarial Present Values for Active Members

(Enter values for ancillary benefits only if valued using EAN.)

1. Retirement Benefits .....	\$	<u>141,165,903</u>	(1)
2. Disability Benefits .....	\$	<u>15,002,676</u>	(2)
3. Survivor Benefits .....	\$	<u>0</u>	(3)
4. Liability for the Refund of Member Contributions .....	\$	<u>2,071,902</u>	(4)
5. Vested Withdrawal Benefits .....	\$	<u>4,463,402</u>	(5)
6. Other (Specify) <u>PRE-RETIREMENT DEATH AND MEDICARE PREMIUM BENEFITS</u> ...	\$	<u>13,304,590</u>	(6)
Subtotal for Active Members .....	\$	<u>176,008,473</u>	(7)

B. Actuarial Present Values for Non-Active Members and Benefit Recipients

1. Deferred Vested Benefits .....	\$	<u>5,604,884</u>	(8)
2. Retirement Benefits .....	\$	<u>103,995,505</u>	(9)
3. Disability Benefits .....	\$	<u>28,241,890</u>	(10)
4. Survivor Benefits .....	\$	<u>3,731,792</u>	(11)
5. Total Monies Accumulated in DROP Participant Accounts .....	\$	<u>0</u>	(12)
6. Other (Specify) _____ .....	\$	<u>0</u>	(13)
Subtotal for Non-Active Members and Benefit Recipients .....	\$	<u>141,574,071</u>	(14)

C. Total Actuarial Present Value of Future Benefits (Without adjustments) ..... \$ 317,582,544 (15)

D. Total Adjustments for Ancillary Benefits Valued through Approximation Techniques <sup>1</sup> ..... \$ 0 (16)

E. Total Actuarial Present Value of Future Benefits (Item 15 + Item 16) ..... \$ 317,582,544 (17)

<sup>1</sup> A signed statement and accompanying documentation, as specified in Section 203.5 of the Act 205 regulations, must be attached if adjustments are made.

**Section II - Unfunded Actuarial Accrued Liability and Amortization Contributions as of Valuation Date**

Part A - Initial Unfunded Actuarial Accrued Liability.

Amount of Initial Liability	Date Established	Target Date	Original Amortization Period	Remaining Balance	Level-Dollar Amortization Contribution
\$ 53,226,758	1998	2037	40	\$ 27	\$ 3,132,592 <sup>(1)</sup>

Part B - Changes in Unfunded Actuarial Accrued Liability since the last actuarial valuation report prepared and submitted under Act 205.<sup>2</sup>

Source	Amount of Liability	Date Established	Target Date	Amortization Period	Amortization Contribution
Benefit Plan Modification	N/A	N/A	N/A	N/A	N/A
Actuarial Assumption Modification	N/A	N/A	N/A	N/A	N/A
Actuarial Losses (+) or Gains (-)	(56,098,421) <sup>3</sup>	2011	2030	20	(5,290,507)
Post-Retirement Adjustments	N/A	N/A	N/A	N/A	N/A
Total	\$ (56,098,421)	XXXXX	XXXXX	XXXXX	\$ (5,290,507) <sup>(2)</sup>

Part C - Aggregation of Changes in Unfunded Actuarial Accrued Liability since initially established in 1985.

Description	Remaining Balance of Aggregated Liability	Date of Aggregation	Aggregated Target Date	Aggregated Amortization Period	Aggregated Amortization Contribution
Aggregation of all prior changes (exclude changes in Section B)	\$ 77,857,455	2009	2027	17	\$ 8,035,925 <sup>(3)</sup>
Aggregation of all changes (include changes in Section B)	\$ 21,759,034	Current Valuation Date	2022	12	\$ 2,745,418 <sup>(4)</sup>

<sup>1</sup> Level percentage of future payroll amortization contribution should be entered where the municipality has previously implemented that amortization approach pursuant to Section 607 of Act 205.

<sup>2</sup> Attach exhibit specifying the individual factors contributing to each change in unfunded actuarial accrued liability summarized in Part B.

<sup>3</sup> Attach exhibit of the actuarial valuation report showing development of expected unfunded actuarial accrued liability.

**Section III - Presentation of Actuarial Assumptions and Methods**

---

A. Actuarial Assumptions

1. Interest Rate -

2. Salary Projection -

SEE ATTACHED

3. Disability Rates -

4. Termination Rates -

5. Mortality -

6. Retirement Age -

7. Asset Smoothing -

8. Other (Specify) -

9. Other (Specify) -

B. Actuarial Cost Method (Specify)

Section IV - Presentation of Benefit Plan Provisions

SEE ATTACHED

A. Eligibility Requirements

Normal Retirement \_\_\_\_\_  
Early Retirement \_\_\_\_\_  
Vesting \_\_\_\_\_

B. Retirement Benefit (Describe fully including Social Security offsets, service increments, etc. and include period over which final average salary is determined if benefit salary related.)

C. Survivor Benefit (Describe fully including indication of whether benefit is automatic or provided at the election of individual members.)

D. Disability Benefit (Describe fully including offset provisions, service requirements, extent of disability, etc.)

Service Related

Non-Service Related

E. Post Retirement Adjustments (Describe fully including frequency of adjustment, basis for adjustment, minimum/maximum adjustments, etc.)

F. DROP Benefit (Specify and describe.)

G. Other Benefit (Specify and describe.)

H. Member Contributions

Amount or Rate \_\_\_\_\_

Interest Rate Credited to Member Contributions \_\_\_\_\_%

## Attachment to Schedule C, Section III

### Actuarial Basis of Valuation

---

#### Actuarial Assumptions: January 1, 2011

##### Economic

Interest Rate	8.00 percent increase per annum
Salary Projection	4.0 percent increase per annum
	Merit Increases: 0.5 percent per annum
	Inflation: 3.5 percent increase per annum
Social Security Benefits	Actives: Offset based on social security law in 2011, projected using an annual increase in the National Average Wage of 4 percent and annual increase in the Social Security Consumer Price Index of 3 percent.
	Retirees: Offset based on:
	<input type="checkbox"/> Actual benefit if 65 or older
	<input type="checkbox"/> One third of original pension amount, if younger than 65

##### Medicare Premiums

For 2011, either \$96.40 per month, \$110.50 per month, or \$115.40 per month based on regulations. The premium for years thereafter is assumed to increase at a rate of 6.5 percent per annum.

##### Employee Characteristics

Mortality:	RP-2000 Mortality Tables, with adjustments to reflect Pittsburgh Pension Plan mortality experience as confirmed by experience studies. The adjusted rates are based upon the following:
Active Participants	RP-2000 Mortality Tables -- Employee Rates of Mortality
Inactive Participants	RP-2000 Mortality Tables for Healthy Annuitants, adjusted by blue collar ratios (Table 5-5 of <i>RP-2000 Mortality Tables Report</i> ) and set forward 2 years in age for healthy and deferred retirees and set forward 5 years in age for disabled retirees.
Surviving Beneficiaries:	RP-2000 Rates, adjusted for healthy inactives as above, and further adjusted by ratios of female beneficiary experience to overall female RP-2000 Healthy Annuitant Mortality Rates (Appendix D of <i>RP-2000 Mortality Tables Report</i> )

## Attachment to Schedule C, Section III - Continued

Sample Rates (Rounded):

Age	Active Male Participant	Male Regular Retiree	Male Disabled Retiree	Male Beneficiary
45	0.15 %	0.45 %	0.56 %	0.57 %
55	0.30 %	0.88 %	1.06 %	1.16 %
65	0.76 %	2.01 %	2.68 %	2.54 %
75	N/A	5.27 %	7.05 %	5.60 %
85	N/A	13.86 %	18.34 %	14.36 %

Age	Active Female Participant	Female Regular Retiree	Female Disabled Retiree	Female Beneficiary
45	0.11 %	0.19 %	0.23 %	0.23 %
55	0.23 %	0.44 %	0.62 %	0.62 %
65	0.58 %	1.37 %	1.86 %	1.74 %
75	N/A	3.69 %	4.90 %	3.93 %
85	N/A	10.24 %	13.67 %	10.61 %

Withdrawal

Sample rates:

Age	Rate
20	8.20%
25	7.98%
30	7.67%
35	7.18%
40	6.40%
45	5.24%
50	3.49%
55	1.28%
60	0.12%

Disablement

Sample rates:

Age	Male	Female
30	0.06%	0.07%
40	0.14%	0.27%
50	0.42%	0.53%
60	1.25%	0.96%

## Attachment to Schedule C, Section III – Continued

Retirement Age

Percentage of employees eligible for retirement who retire at each age:

Age	Non-Emergency Medical Services	Emergency Medical Services/EE
50	4	3
51	3	3
52	3	3
53	3	3
54	3	3
55	3.5	50
56	3.5	20
57	3.5	20
58	3.5	20
59	3.5	20
60	6.5	20
61	10	20
62	20	40
63	20	40
64	20	40
65	20	100
66	40	N/A
67	50	N/A
68	100	N/A

Exclusions

Non-participants

Percentage Married

Active: 80 percent of male participants and 65 percent of female participants

Spouse Age

Female spouse assumed to be two years younger than male spouse

## Attachment to Schedule C, Section III – Continued

### Actuarial Value of Assets

#### Description of Method

The Actuarial Value of Assets is determined by a Tabular Smoothing Method which takes the Actuarial Value of Assets from the prior valuation report and brings it forward using a specified interest rate. The Actuarial Value of assets in the prior report, contributions by year and annual disbursements are each credited with interest at a rate of one percent less than the prior valuation's interest rate assumption. The resulting value is further subject to a minimum of 70% and a maximum of 130% of the market value of assets.

## Attachment to Schedule C, Section IV

### Summary of Plan Provisions

---

<i>Plan Year</i>	▼ Twelve-month period beginning January 1 and ending December 31
<i>Plan Established</i>	▼ May 28, 1915
<b>Principal Definitions</b>	
<i>Employee</i>	▼ Any full-time employee of the City of Pittsburgh other than a firefighter or police officer, and full-time employees of the Pittsburgh Water and Sewer Authority
<i>Retirement Benefit Commencement Date</i>	▼ Assumed to be the first day of the month coincident with or next following eligibility for and election to retire
<i>Service Increment</i>	▼ An additional monthly benefit of 1 percent of average compensation for each completed year of service in excess of 20 years to a maximum of \$100
<i>Service</i>	▼ Assumed to be completed years of service calculated from date of hire through date of retirement or severance
<i>Normal Form of Payment</i>	▼ Monthly pension benefit payable for life
<b>Participation Requirements</b>	
<i>Entry Date</i>	▼ Following completion of 90-day probationary period
<b>Compensation</b>	▼ Base wages, plus "acting" or "in-grade" pay
<i>Average Compensation</i>	▼ Averaged over the 3-year period prior to retirement or severance
<i>Members hired after December 31, 1987</i>	▼ Averaged over the 4-year period prior to retirement or severance
<b>Normal Retirement</b>	
<i>Eligibility</i>	
<i>Employees other than Emergency Medical Services</i>	▼ Later of age 60 or completion of 8 years of service
<i>Emergency Medical Services Employees</i>	▼ Later of age 55 or completion of 8 years of service
<i>Monthly Benefit</i>	▼ Equal to 50% of average compensation and service increment, if any
	▼ Prorated for service less than 20 years
	▼ Upon reaching age 65 reduced by 50% of social security benefit; the reduction shall not exceed 50% of the monthly benefit. This reduction shall not apply to Pittsburgh Water and Sewer Employees (regardless of hire date) or Emergency Medical Services Employees hired on or before January 1, 2006. City non-union employees and union employees whose union has negotiated to eliminate the reduction, who were hired on or before June 29, 2004 will not be subject to the reduction.

## Attachment to Schedule C, Section IV - Continued

*Members hired prior to January 1, 1975  
whose union has not negotiated the benefits level  
for employees hired on or after January 1, 1975  
and before January 1, 1988.*

If pay is less than \$450:

- ▼ Equal to 60% of 3-year average pay
- ▼ Not less than \$130
- ▼ Plus service increment, if any

OR

If pay is greater than \$450:

- ▼ 55% of first \$650 of 3-year average pay  
and 30% of excess
- ▼ Not less than \$270
- ▼ Plus service increment, if any
- ▼ Eligible retired members and spouses will  
receive additional monthly payment equal  
to coverage premium
- ▼ Employees hired after December 31, 1987  
not eligible

*Supplemental Medical*

### Early Retirement

*Eligibility  
Benefit Amount*

- ▼ Later of age 50 or completion of 8 years of service
- ▼ Normal retirement benefit based upon  
average compensation at actual retirement
- ▼ May be deferred to age 60 or paid  
immediately in reduced amount
- ▼ Reduction will be 1/2 percent per  
month for each month that payment  
commences prior to age 60
- ▼ If 25 years of service, reduction applied only  
on benefits attributed to earnings in excess  
of \$7,800

*Members hired prior to January 1, 1975*

### Disability

*Eligibility  
Benefit Amount*

- ▼ Permanent disablement in line of duty or
- ▼ Permanent disablement (not in line of  
duty) after completing 8 years of service
- ▼ Normal retirement benefit at date of  
disablement
- ▼ Not prorated for service less than 20  
years
- ▼ Participants hired after December 31, 1974 will have  
their benefit reduced by 50% of their social security  
benefit upon reaching age 65. The reduction shall  
not exceed 50% of the benefit.

## Attachment to Schedule C, Section IV - Continued

- Members Hired After December 31, 1987*
- ▼ Normal retirement benefit if at least age 60 with 8 years of service
  - ▼ Upon reaching age 65, reduced by 50% of the social security benefit. The reduction shall not exceed 50 percent of the benefit
  - ▼ Disabled before age 60 with at least 8 years of service calculated as of age 60 with service being greater of:
    - (a) Service at disablement or
    - (b) The lesser of 20 years and completed service (assuming work until age 60)
  - ▼ Benefit is reduced so that the sum of the plan benefit and workers' compensation does not exceed member's regular salary at time of disablement
- Benefit Commencement Date*
- ▼ First day of calendar month following determination of disablement *and*
  - ▼ Continuing for the duration of disability prior to normal retirement date and life thereafter
- Vesting**
- ▼ Attainment of age 40 *and*
  - ▼ Completion of 8 years of service
- Members hired prior to January 1, 1975*
- ▼ Completion of 15 years of service/no age requirement
- Vested Terminated Participants*
- ▼ Normal retirement benefit if contributions continue to age 50
  - ▼ Benefit deferred to age 60, a benefit reduced as for early retirement may be elected at age 50.
- Death Benefits Before Retirement**
- Death After Early Retirement Eligibility*
- ▼ Surviving spouse entitled to 50% of pension that would have been payable if member retired at date of death
- Death Before Early Retirement Eligibility*
- ▼ Member's beneficiary receives amount equal to member's contributions
- Death Benefits After Retirement**
- ▼ Member's beneficiary receives amount equal to the excess, if any, of member's contributions over retirement benefit paid on member's behalf
- Members Hired Prior to 1988*
- ▼ Married employee may deduct up to \$100 per month from retirement benefit to provide a \$100 per month benefit payable to surviving spouse until death or remarriage
- Spouse Predeceases Retiree*
- ▼ Monthly benefit restored to full level for remainder of retiree's life
  - ▼ At no time shall total benefit payment on behalf of member be less than the member's contributions to the fund

## Attachment to Schedule C, Section IV

*Members Hired After December 31, 1987*

- ▼ Married member may elect a reduced pension
- ▼ Spouse will receive 50% of the reduced pension
- ▼ Member's pension not restored to full level if spouse predeceases retiree
- ▼ Total benefit payments on behalf of member will be no less than member's contribution to fund

### **Employee Contributions**

*Members hired prior to January 1, 1988*

- ▼ 4% of compensation
- ▼ 5% of compensation

### **Interest Credit**

*For non-union employees  
and members of unions that negotiated for  
the interest credit, who were hired on or before June 29, 2004*

- ▼ 5% compound interest per year

PC-203C

**EXHIBIT TO SECTION VI**  
**ACT 205 FORM FOR 2011**

**Anticipated Administrative Expenses for the Year Following the Valuation Date**

Actuarial Fees:	\$ 4,500
Financial Expenses:	\$ 1,125,318
Other Fees:	\$ 0
<b>Total:</b>	<b>\$ 1,129,818</b>





COMMONWEALTH OF PENNSYLVANIA  
PUBLIC EMPLOYEE RETIREMENT COMMISSION  
P.O. BOX 1429, HARRISBURG, PA 17105-1429

March 2, 2010

Mr. Scott Kunka, Executive Director  
City of Pittsburgh [ALL]  
Room 526 City County Building  
414 Grant Street  
Pittsburgh, PA 15219

Dear Mr. Kunka:

We are writing to you as the Chief Administrative Officer of a municipal pension plan to follow up on a letter that was originally sent by the Public Employee Retirement Commission (Commission) on May 27, 2009. We have received your documentation and have re-examined the appropriateness of the actuarial assumptions being used by the municipal pension plan. **The Commission finds the actuarial assumptions being used to be appropriate and is hereby notifying you that the municipal pension plan may continue to utilize these economic actuarial assumptions that are outside the generally allowable ranges with the actuarial valuation report.**

Thank you for your cooperation with this review.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. McAneny".

James L. McAneny  
Executive Director

cc: ~~Mr. Herbert Loomis~~



## Exhibit I

Actuarial Data as of JANUARY 1, 2011. For: MUNICIPAL of CITY OF PITTSBURGH in ALLEGHENY  
 Page 1 of 6 (Valuation Date) (Pension Plan) (Municipality) (County)

**GENERAL INSTRUCTIONS:** This exhibit is to be completed only if the municipality is reporting the issuance of bonds (or notes, if applicable) to fund unfunded actuarial accrued liabilities under section 404 of Act 205 of 1984. The bond issue proceeds contributed to the pension plan are amortization contributions allocated under section 202(b)(4) of Act 205. The data requested in this exhibit is modified to reflect the funded status of the pension plan that would exist had the bond issue proceeds not been contributed to the pension plan. Print or type the data requested, rounded to the nearest dollar, in the space provided. Enter zero or negative values, if applicable. Do not leave blanks or refer to exhibits.

**NOTE:** Earnings on bond issue proceeds contributed to the pension fund are to be calculated proportionately, based on the ratio of borrowed assets to total assets at market value as of the valuation date occurring on or immediately following the date on which the borrowed assets were contributed.

### A. Summary of Modified Actuarial Data

1.	ACTUARIAL ACCRUED LIABILITY as of valuation date.....	\$	282,683,095	(E1)
	(Enter amount reported in item 42 on page 4 of the reporting form.)			
2.	TOTAL FUND ASSETS			
a.	Market Value of Assets <sup>1</sup> .....	\$	68,734,967	(E2)
b.	Actuarial Value of Assets reported in Item 2a above .....	\$	70,099,618	(E3)
3.	UNFUNDED ACTUARIAL ACCRUED LIABILITY as of valuation date (+ or -)....	\$	212,583,477	(E4)
	(Item 1 minus Item 2b)			
4.	AMORTIZATION CONTRIBUTIONS			
a.	For amortization of initial unfunded actuarial accrued liability established 1/1/85. <sup>2</sup>			
1)	Amortization period remaining (years) .....			27 (E5)
2)	Amortization contribution calculated as a level dollar amount for the plan year beginning on valuation date. ....	\$	9,121,224	(E6)
3)	Amortization contribution calculated as a level percentage of payroll for the plan year beginning on valuation date <sup>3</sup> .....	\$		N/A (E7)
b.	For amortization of all increases or decreases in unfunded actuarial accrued liability occurring after 1/1/85 or the initial UAL's establishment. <sup>2</sup>			
1)	Aggregated amortization period (years) .....			N/A (E8)
2)	Aggregated amortization contribution calculated as a level dollar amount for the plan year beginning on valuation date. ....	\$	637,508	(E9)
c.	Modified Total Amortization Requirement <sup>4</sup> .....	\$		N/A (E10)
d.	Total Amortization Requirement (Item E6 + E9 or Item E7 + E9 or Item E10, whichever is applicable) .....	\$	9,758,732	(E11)

<sup>1</sup>The value must equal the Total Fund Assets that would have existed had the bond issue proceeds not been contributed to the pension fund, as developed in Schedule II of this exhibit.

<sup>2</sup>Initial unfunded actuarial accrued liability may be established later than 1/1/85 if coincidental with the establishment of the pension plan or with the initiation of a new amortization schedule authorized by Act 82 of 1998.

<sup>3</sup>Enter N/A unless municipality has been certified to use level percentage of payroll amortization pursuant to Section 607 of Act 205.

<sup>4</sup>If the municipality has formally elected to apply the limit on the amortization contribution under section 202(b)(4), enter the modified total amortization requirement calculated as the amount required to amortize the unfunded actuarial accrued liability over ten years. Otherwise, enter N/A.

**Exhibit I**

Actuarial Data as of JANUARY 1, 2011. For: MUNICIPAL of CITY OF PITTSBURGH in ALLEGHENY  
 Page 2 of 6 (Valuation Date) (Pension Plan) (Municipality) (County)

**INSTRUCTIONS:** A modified aggregated amortization period must be developed for each contribution to the pension fund comprised of bond issue proceeds. The modified aggregated amortization period will not change once it is calculated and reported in this exhibit. The modified aggregated amortization period is not used for funding purposes.

**B. Development of Modified Aggregated Amortization Period**

	Contribution Comprised of Bond Issue Proceeds <sup>1</sup>	Date of Contribution	Modified Aggregated Amortization Contribution Target Date <sup>2</sup> (MO/DA/YR)	Modified Aggregated Amortization Period Initially Established <sup>2</sup> (Years)	Modified Aggregated Amortization Period Remaining (Years)
1.	\$ 36,509,996	12/15/96	12/15/2035	40	25
2.	\$ 57,041,911	03/10/98	03/10/2037	40	27
3.	\$				
4.	\$				
5.	\$				
6.	\$				
7.	\$				
8.	\$				
9.	\$				
10.	\$				

<sup>1</sup> Contributions to the pension plan shall consist of original bond issue proceeds used to fund unfunded actuarial accrued liability and shall not include refinancing of an amount previously borrowed.

<sup>2</sup> Determined under section 404 of Act 205 using the unfunded accrued liability and total amortization requirement shown in Part A of this exhibit and the plan's assumed rate of investment earnings. In the event that the period calculated is indeterminate or is in excess of 30 years, the amortization period initially established shall not exceed 30 years.

Commission Use Only	
I	5,436,830
P	1,802,250
<b>Total \$</b>	<b>7,239,080</b>

### Exhibit I

Actuarial Data as of JANUARY 1, 2011. For: MUNICIPAL of CITY OF PITTSBURGH in ALLEGHENY  
 Page 3 of 6 (Valuation Date) (Pension Plan) (Municipality) (County)

**INSTRUCTIONS:** Provide unfunded actuarial accrued liability and amortization contributions as of valuation date developed under section 404 of Act 205. Bond issue proceeds used to fund unfunded actuarial accrued liabilities are not reflected in the data provided. Submission of the exhibits prepared in compliance with section 202(b)(3) of Act 205 may be required.

**Part C - Modified Unfunded Actuarial Accrued Liability and Amortization Contributions**

Initial Unfunded Actuarial Accrued Liability					
Amount of Initial Liability	Date Established	Target Date	Original Amortization Period	Remaining Balance	Level Dollar Amortization Contribution <sup>1</sup>
\$ 154,981,297	1998	2037	40	\$ 27	\$ 9,121,224 (E11)

Changes in Unfunded Actuarial Accrued Liability Since the Last Actuarial Valuation Report Prepared and Submitted Under Act 205						
Source	Amount of Liability	Date Established	Target Date	Amortization Period	Amortization Contribution	
Benefit Plan Modification	N/A	N/A	N/A	N/A	N/A	N/A
Actuarial Assumption Modification	N/A	N/A	N/A	N/A	N/A	N/A
Actuarial Losses (+) or Gains (-)	(53,453,311)	2011	2030	20	(5,041,054)	
Post-Retirement Adjustments	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$ (53,453,311)	XXXXXX	XXXXXX	XXXXXX	\$ (5,041,054)	(E12)

Aggregation of Changes in Unfunded Actuarial Accrued Liability Since Initially Established in 1985					
Description	Remaining Balance of Aggregated Liability	Date of Aggregation	Aggregated Target Date	Agg. Amortization Period	Aggregated Amortization Contribution
Aggregation of all prior changes (exclude changes in Section B)	\$ 50,913,040	2009	2025	15	5,678,562 (E13)
Aggregation of all changes (include changes in Section B)	\$ (2,540,271) <sup>2</sup>	Current Valuation Date	*	*	\$ 637,508 (E14)

<sup>1</sup>Level percentage of future payroll amortization contribution should be entered where the municipality has previously implemented that amortization approach pursuant to Section 607 of Act 205.

<sup>2</sup>The sum of this item (aggregated balance of all changes in UAL) and the remaining balance of the initial liability must equal the amount in Exhibit I, Part A, Item E4.

**Exhibit I**

Actuarial Data as of JANUARY 1, 2011. For: MUNICIPAL of CITY OF PITTSBURGH in ALLEGHENY  
 Page 4 of 6 (Valuation Date) (Pension Plan) (Municipality) (County)

**INSTRUCTIONS:** A separate Part D for debt service requirements is required for each instance where bond issue proceeds are contributed to the pension plan. If more than one Part D is required, please submit color coded copies or request additional originals from the Commission's office.

**NOTES:** 1) If the bond issue proceeds contributed to an individual pension plan were less than 100% of the total bond issue proceeds contributed, the total debt service requirements must be proportionately allocated among the individual pension plans based on the ratio of the bond issue proceeds contributed to each individual pension plan to the total bond issue proceeds contributed.

2) Debt service requirements determined and reported on this exhibit are not modified if refinancing occurs.

**D. Identification and Allocation of Total Debt Service Requirements for Debt Issued to Finance Pension Plan Contributions**

Date of Original Borrowing	Total Principal Amount Borrowed and Contributed to Pension Plans	Amount of Total Principal Contributed to this Pension Plan	Percentage of Total Debt Service Allocated to this Pension Plan	Date of Refinancing
12/15/96	\$ 37,710,000.00 (A)	\$ 37,710,000.00 (B)	100 % (B÷A)	N/A

Plan Year	Required Principal Payment	Required Interest Payment	Premium or Discount Amortized	Principal Balance at Valuation Date
1. 1997	\$ -	\$1,834,529.78	\$ -	\$37,710,000.00
2. 1998	525,000.00	2,564,976.25	-	37,710,000.00
3. 1999	560,000.00	2,533,905.00	-	37,185,000.00
4. 2000	590,000.00	2,499,965.00	-	36,625,000.00
5. 2001	630,000.00	2,463,050.00	-	36,035,000.00
6. 2002	670,000.00	2,423,065.00	-	34,405,000.00
7. 2003	715,000.00	2,379,772.50	-	34,735,000.00
8. 2004	760,000.00	2,332,930.00	-	34,020,000.00
9. 2005	810,000.00	2,282,285.00	-	33,260,000.00
10. 2006	865,000.00	2,227,631.25	-	32,450,000.00
11. 2007	925,000.00	2,169,008.75	-	31,585,000.00
12. 2008	985,000.00	2,106,210.00	-	30,660,000.00
13. 2009	1,055,000.00	2,038,890.00	-	29,675,000.00
14. 2010	1,125,000.00	1,966,950.00	-	28,620,000.00
15. 2011	1,200,000.00	1,890,225.00	-	27,495,000.00
16. 2012	1,285,000.00	1,808,220.00	-	26,295,000.00
17. 2013	1,375,000.00	1,717,690.00	-	25,010,000.00
18. 2014	1,475,000.00	1,617,940.00	-	23,635,000.00
19. 2015	1,580,000.00	1,511,015.00	-	22,160,000.00
20. 2016	1,695,000.00	1,396,390.00	-	20,580,000.00

(Continue on additional pages, if necessary.)

(CONTINUED FROM PAGE 4 OF 6)

Plan Year	Required Principal Payment	Required Interest Payment	Premium or Discount Amortized	Principal Balance at Valuation Date
1 2017	\$ 1,820,000.00	\$ 1,273,365.00	\$ -	\$ 18,885,000.00
2 2018	1,950,000.00	1,141,415.00	-	17,065,000.00
3 2019	2,095,000.00	998,792.50	-	15,115,000.00
4 2020	2,250,000.00	844,545.00	-	13,020,000.00
5 2021	2,415,000.00	678,937.50	-	10,770,000.00
6 2022	2,590,000.00	501,260.00	-	8,355,000.00
7 2023	2,780,000.00	310,625.00	-	5,765,000.00
8 2024	2,985,000.00	105,967.50		2,985,000.00
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(Continue on additional pages, if necessary.)



**Exhibit I**

Actuarial Data as of JANUARY 1, 2011. For: MUNICIPAL of CITY OF PITTSBURGH in ALLEGHENY  
 Page 4 of 6 (Valuation Date) (Pension Plan) (Municipality) (County)

**INSTRUCTIONS:** A separate Part D for debt service requirements is required for each instance where bond issue proceeds are contributed to the pension plan. If more than one Part D is required, please submit color coded copies or request additional originals from the Commission's office.

- NOTES:** 1) If the bond issue proceeds contributed to an individual pension plan were less than 100% of the total bond issue proceeds contributed, the total debt service requirements must be proportionately allocated among the individual pension plans based on the ratio of the bond issue proceeds contributed to each individual pension plan to the total bond issue proceeds contributed.
- 2) Debt service requirements determined and reported on this exhibit are not modified if refinancing occurs.

**D. Identification and Allocation of Total Debt Service Requirements for Debt Issued to Finance Pension Plan Contributions**

Date of Original Borrowing	Total Principal Amount Borrowed and Contributed to Pension Plans	Amount of Total Principal Contributed to this Pension Plan	Percentage of Total Debt Service Allocated to this Pension Plan	Date of Refinancing
03/10/98	\$ 255,865,000.00 (A)	\$ 57,569,624.42 (B)	22.3 % (B÷A)	N/A

Plan Year	Required Principal Payment	Required Interest Payment	Premium or Discount Amortized	Principal Balance at Valuation Date
1. 1998	\$ -	\$1,873,403.84	\$ -	\$57,569,624.42
2. 1999	225,000.00	3,740,451.43	-	57,569,624.42
3. 2000	225,000.00	3,727,795.18	-	57,344,624.42
4. 2001	225,000.00	3,715,071.43	-	57,119,624.42
5. 2002	225,000.00	3,702,111.43	-	56,894,624.42
6. 2003	225,000.00	3,689,050.18	-	56,669,624.42
7. 2004	225,000.00	3,675,853.93	-	56,444,624.42
8. 2005	563,624.99	3,652,273.94	-	56,219,624.42
9. 2006	521,999.99	3,619,574.69	-	55,655,999.43
10. 2007	553,499.99	3,586,902.44	-	55,133,999.44
11. 2008	577,124.99	3,552,346.23	-	54,580,499.45
12. 2009	623,249.99	3,512,858.03	-	54,003,374.46
13. 2010	677,249.99	3,469,880.22	-	53,380,124.47
14. 2011	726,749.99	3,426,005.22	-	52,702,874.48
15. 2012	1,775,249.98	3,347,373.91	-	51,976,124.49
16. 2013	2,471,624.98	3,212,979.43	-	50,200,874.51
17. 2014	2,630,249.97	3,049,022.22	-	47,729,249.53
18. 2015	2,860,874.97	2,870,560.66	-	45,098,999.56
19. 2016	3,050,999.97	2,678,424.72	-	42,238,124.59
20. 2017	4,105,124.96	2,445,850.66	-	39,187,124.62

(Continue on additional pages, if necessary.)

(CONTINUED FROM PAGE 4 OF 6)

	Plan Year	Required Principal Payment	Required Interest Payment	Premium or Discount Amortized	Principal Balance at Valuation Date
1	2018	\$ 2,977,874.97	\$ 2,215,653.17	\$ -	\$ 35,081,999.66
2	2019	4,506,749.95	1,970,149.48	-	32,104,124.69
3	2020	4,814,999.95	1,662,531.73	-	27,597,374.74
4	2021	5,143,499.95	1,333,901.23	-	22,782,374.79
5	2022	5,495,624.94	982,810.12	-	17,638,874.84
6	2023	5,871,374.95	607,699.11	-	12,143,249.90
7	2024	6,271,874.95	206,971.86	-	6,271,874.95
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(Continue on additional pages, if necessary.)

**Exhibit I**

Actuarial Data as of JANUARY 1, 2011. For: MUNICIPAL of CITY OF PITTSBURGH in ALLEGHENY  
 Page 5 of 6 (Valuation Date) (Pension Plan) (Municipality) (County)

Schedule I

STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 INCLUDING BOND ISSUE ASSETS  
 FOR THE PERIOD ENDING JANUARY 1, 2011

TOTAL FUND ASSETS AT JANUARY 1, 2009 <sup>1</sup> .....	\$	88,709,644
RECEIPTS:		
Employer Contributions.....	\$	79,091,690
Employee Contributions.....	\$	6,295,298
State Aid.....	\$	9,157,624
Supplemental State Assistance.....	\$	0
Investment Income.....	\$	5,108,132
Net Change in Market Value.....	\$	17,122,542
Other Receipts (Identify).....	\$	3,580,840
	PASS THROUGH CONTRIBUTIONS	
TOTAL RECEIPTS.....	\$	120,356,126
DISBURSEMENTS:		
Monthly Benefit Payments.....	\$	36,141,603
Refund of Employee Contributions.....	\$	1,020,277
Administrative Expenses.....	\$	1,712,501
Other Disbursements (Identify).....	\$	3,580,840
	PASS THROUGH PAYMENTS	
TOTAL DISBURSEMENTS.....	\$	42,455,221
TOTAL FUND ASSETS AT JANUARY 1, 2011 <sup>2</sup> .....	\$	166,610,549

<sup>1</sup> All filers should prepare this schedule for a two-year period. Value must equal Total Fund Assets at Market Value reported in Section V of the January 1, 2009, actuarial valuation reporting form if bonds were issued on or after that date. If bonds were issued prior to that date, the assets reported should be from Exhibit I of the January 1, 2009, actuarial valuation reporting form.

<sup>2</sup> Value must equal Total Fund Assets at market value reported in Section V of the current Act 205 actuarial valuation reporting form.

**Exhibit I**

Actuarial Data as of JANUARY 1, 2011. For: MUNICIPAL of CITY OF PITTSBURGH in ALLEGHENY  
 Page 6 of 6 (Valuation Date) (Pension Plan) (Municipality) (County)

Schedule II

STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 EXCLUDING BOND ISSUE ASSETS  
 FOR THE PERIOD ENDING JANUARY 1, 2011

TOTAL FUND ASSETS AT JANUARY 1, 2009 <sup>1</sup> ..... \$ 6,935,414

RECEIPTS:

Employer Contributions <sup>2</sup> .....	\$ <u>82,722,960</u>
Employee Contributions .....	\$ <u>6,295,298</u>
State Aid .....	\$ <u>9,157,624</u>
Supplemental State Assistance .....	\$ <u>0</u>
Investment Income <sup>3</sup> .....	\$ <u>393,658</u>
Net Change in Market Value <sup>4</sup> .....	\$ <u>1,313,691</u>
Other Receipts (Identify) .....	\$ <u>3,580,840</u>
	PASS THROUGH CONTRIBUTIONS
TOTAL RECEIPTS .....	\$ <u>103,464,071</u>

DISBURSEMENTS:

Monthly Benefit Payments .....	\$ <u>36,141,603</u>
Refund of Employee Contributions .....	\$ <u>1,020,277</u>
Administrative Expenses <sup>5</sup> .....	\$ <u>921,798</u>
Other Disbursements (Identify) .....	\$ <u>3,580,840</u>
	PASS THROUGH PAYMENTS
TOTAL DISBURSEMENTS .....	\$ <u>41,664,518</u>
TOTAL FUND ASSETS AT JANUARY 1, 2011 <sup>6</sup> .....	\$ <u>68,734,967</u>

<sup>1</sup> All filers should prepare this schedule for a two-year period. Value must equal Total Fund Assets at Market Value reported in Section V of the January 1, 2009, actuarial valuation reporting form if bonds were issued on or after that date. If bonds were issued prior to that date, the assets reported should be from Exhibit I of the January 1, 2009, actuarial valuation reporting form.

<sup>2</sup> This amount includes hypothetical amortization contributions that would have been made had bond issue proceeds not been deposited.

<sup>3</sup> This amount does not include earnings on bond issue proceeds, but does include assumed interest earnings on hypothetical amortization contributions.

<sup>4</sup> This amount represents the proportionate change in market value attributable to assets excluding bond issue proceeds.

<sup>5</sup> Investment expenses attributable to bond issue proceeds should be excluded from this amount.

<sup>6</sup> Value must equal Total Fund Assets at market value reported in Exhibit I, Page 1, Item E2.