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Retirement System for Employees of the City of Cincinnati

Task Force Meeting
March 16, 2010

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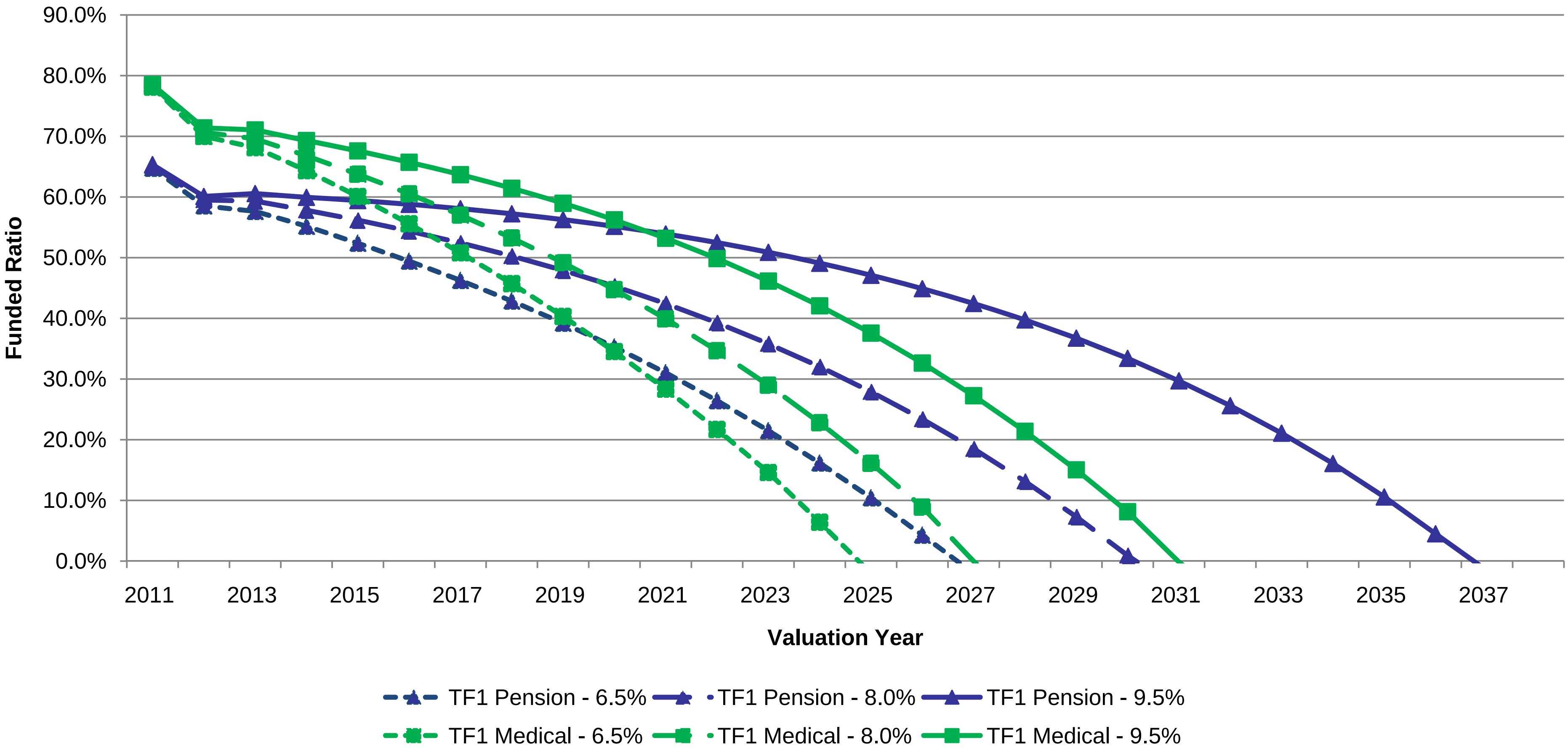
Objectives

- Provide three scenarios of investment rates of return to test sensitivity of the financial position due to varying rates of return:
  - Expected return of 8.0% per year
  - Optimistic return of 9.5% per year
  - Pessimistic return of 6.5% per year
- Provide 12/31/2009 Active and Retiree Demographic Information
  - Age and service for active members
  - Age and pension benefit for retirees

Projection Assumptions

- 12/31/2008 Valuation Basis
  - 5-yr asset smoothing with a 20% corridor
  - Liabilities valued with 8.00% discount rate
  - 17% employer contribution rate
    - Allocated to pension and medical using past methodology
- 2009 Investment Return to Date
  - Positive 2009 – assumed 19.76% return
- First Task Force Changes (effective 1/1/2010)
  - Amortization period changed to 30 years
  - Increase in employee contribution percentages
  - New tier pension changes
    - Reduced benefit formula
    - Increased retirement eligibility
  - Blue Modified PPO and Blue Access 80/20 PPO
    - Includes carve-out plan

Cincinnati Retirement System
30-Year Projection of Funded Ratio
Based Upon Various Investment Rate Scenarios
Task Force 1 Benefits
Liability Discount Rate of 8.00%



Updated Demographic Information

- Based upon preliminary 12/31/2009 valuation census
  - Unaudited
- Active member data
  - Age
  - Service
  - Average pay
- Retired member data
  - Those receiving benefits
    - Does not include deferred vested members
  - Pension only
    - Medical counts typically a little lower
  - Age
  - Annual benefits

Active Members by Age and Service as of 12/31/2009

Age	Completed Years of Service 0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30+	Total
Under 20	15							15
Avg Pay	1,373							1,373
20 - 24	47	2						49
Avg Pay	26,798	40,235						27,347
25 - 29	133	48	1					182
Avg Pay	32,255	42,499	54,467					35,079
30 - 34	98	84	27	1				210
Avg Pay	37,307	45,002	49,619	38,306				41,973
35 - 39	93	109	76	35	1			314
Avg Pay	42,748	48,420	48,782	52,733	43,321			47,292
40 - 44	71	117	78	110	88	2		466
Avg Pay	43,525	46,958	53,090	54,506	55,703	49,920		50,907
45 - 49	66	77	84	147	211	52	3	640
Avg Pay	39,875	45,834	53,112	54,596	58,452	60,402	56,061	53,579
50 - 54	50	67	61	112	171	153	21	635
Avg Pay	52,570	44,430	49,555	51,026	55,117	61,920	58,262	54,276
55 - 59	24	45	47	64	128	82	22	412
Avg Pay	55,995	49,649	52,226	51,616	55,005	59,837	69,654	55,378
60 - 64	12	28	18	38	48	12	12	168
Avg Pay	65,317	54,828	50,741	52,151	52,825	57,426	65,293	54,894
65 - 69		3	7	10	10	7	4	41
Avg Pay		34,781	51,268	56,294	57,099	59,804	61,321	55,148
70 & Over			3		6		7	16
Avg Pay			51,558		39,341		58,845	50,164
Total	609	580	402	517	663	308	69	3,148
Avg Pay	38,883	46,642	51,264	53,130	55,938	60,808	63,258	50,505

Retired Members and Beneficiaries as of 12/31/2009

Pension Plan Only

Attained Age	Number of Members	Total Annual Benefits	Average Annual Benefit
39 & Under	4	61,301	15,325
40 - 44	9	73,467	8,163
45 - 49	36	593,889	16,497
50 - 54	220	8,349,327	37,951
55 - 59	550	22,126,706	40,230
60 - 64	798	28,684,156	35,945
65 - 69	579	18,786,435	32,446
70 - 74	611	17,347,375	28,392
75 - 79	572	15,153,432	26,492
80 - 84	498	11,273,787	22,638
85 - 89	353	7,213,538	20,435
90 - 94	126	2,018,776	16,022
95 - 99	49	813,737	16,607
100 & Over	8	148,576	18,572
Total	**4,413**	**132,644,502**	**30,058**