

Pension Contributions

FY 2011 Contribution Components

4(c)
4/4/2011

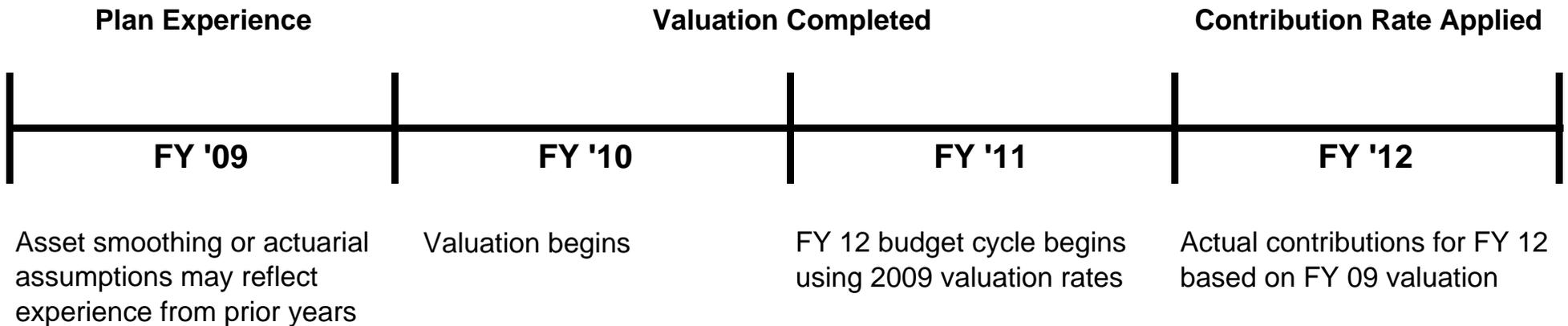
	Fire & Police	VRS 1	Supplemental	
			General	Deputy
Normal Cost (Ongoing cost):				
Employee	8.00%	5.00%	2.00%	0.00%
Employer	<u>14.47%</u>	<u>4.01%</u>	<u>1.57%</u>	<u>5.44%</u>
Total	22.47%	9.01%	3.57%	5.44%
Unfunded Liability (Additional employer contributions):				
	10.70%	3.77%	2.82%	4.30%
TOTAL	33.17%	12.78%	6.39%	9.74%

The **Normal Cost** is the amount, if paid from hire date until retirement, will fund the benefit in full if all assumptions are met and there are no changes in benefits.

The **Unfunded Liability** is the amortization of investment losses, benefit increases, past underfunding, amounts, retirees living longer than expected, etc.

Timeline

Valuation, Budgeting, Contribution Changes



The purpose of this chart is to demonstrate the time lags involved in the process - from experience, data gathering, valuation, budgeting, and finally to applying new contribution rates.