

Replacement Ratio #1

3(ii)
9/19/2011

Fire & Police

	Age 51	Age 62	Age 67
Salary			
All actives *	\$71,734	\$71,734	\$71,734
Final Average Salary **	\$92,971	\$92,971	\$92,971
Social Security ***	\$0	\$1,314	\$2,030
Social Security Ratio		17%	26%
Monthly Pension ****	<u>\$6,353</u>	<u>\$6,353</u>	<u>\$6,353</u>
	\$6,353	\$7,667	\$8,383
Total Replacement Ratio	82.0%	99.0%	108.2%

* Employed at beginning & end of the year

** Estimated using all active employees with 25 years of service credit

*** Based on average salary & assumes a 35 year work history
NOTE: Amounts are subject to future changes by Congress

**** 30 Year benefit based on single life (maximum benefit)

When the chart was prepared the average monthly pension was \$4,552. This reflects work histories that may have been shorter than 30 years, joint and survivor reductions, and pensions for those disabled who have reached normal retirement age.

See last page for illustration of how the benefit formula works.

Replacement Ratio #2

Supplemental Plan plus VRS

	<u>General Schedule</u>		<u>VA. Dept. Health</u>		<u>Part Time *****</u>		<u>Sheriffs, Medics, Fire Mar.</u>		
	Age 62	Age 67	Age 62	Age 67	Age 62	Age 67	Age 51	Age 62	Age 67
Salary									
All actives *	\$63,681	\$63,681	\$55,093	\$55,093	\$23,095	\$23,095	\$70,546	\$70,546	\$70,546
Final Average Salary **	\$73,222	\$73,222	\$58,116	\$58,116	\$49,895	\$49,895	\$89,495	\$89,495	\$89,495
Social Security ***	\$1,203	\$1,855	\$1,085	\$1,668	\$644	\$971	\$0	\$1,298	\$2,005
Social Security Ratio	20%	30%	22%	34%	31%	47%	0%	17%	27%
Monthly Pension ****	<u>\$4,576</u>	<u>\$4,576</u>	<u>\$3,632</u>	<u>\$3,632</u>	<u>\$499</u>	<u>\$499</u>	<u>\$5,817</u>	<u>\$5,817</u>	<u>\$5,817</u>
	\$5,779	\$6,431	\$4,717	\$5,300	\$1,143	\$1,470	\$5,817	\$7,115	\$7,822
Total Replacement Ratio	94.7%	105.4%	97.4%	109.4%	27.5%	35.4%	78.0%	95.4%	104.9%
			City pays Supp. State Pays VRS & Social Security		No VRS Coverage				

* Employed at beginning & end of the year

** Estimated using all active with 25 years of service credit, except Part time which used over age 60

*** Based on average salary & assumes a 35 year work history
NOTE: Amounts are subject to future changes made by Congress

**** 30 Year benefit based on single life payment option. The Monthly Pension estimates may be different if the employee works other than 30 years, receives a disability retirement, or elects to receive a joint and survivor retirement.

***** Part time employees are assumed to be in a position paying \$46,190 per FTE, but they are half time earning \$23,095 annually. Also, the Final Average Salary reflects the FTE wage, but the pension would use 15 years of service for a 30 year half time employee. Part time employees are not covered under VRS.

For reasonable comparison we illustrate all with 30 year careers. In practice, some groups will approximate 30 years, others much less than that.

See last page for illustration of how the benefit formula works.

Replacement Ratio #3

Benefit Accrual Rate

<u>Years</u>	<u>Fire & Police</u>	<u>Supplemental General Schedule</u>	<u>Deputy Sheriff</u>	<u>VRS</u>
0-5	2.5%	0.8%	0.6%	1.7%
5-15	2.5%	0.8%	0.9%	1.7%
15-20	2.5%	0.8%	1.0%	1.7%
20-30	3.2%	0.8%	1.0%	1.7%
30+	0.0%	0.8%	1.0%	1.7%

Total Benefit

<u>Years</u>	<u>Fire & Police</u>	<u>General Schedule</u>	<u>Deputy Sheriff</u>
5	12.5%	12.5%	11.5%
10	25.0%	25.0%	24.5%
15	37.5%	37.5%	37.5%
20	50.0%	50.0%	51.0%
25	66.0%	62.5%	64.5%
30	82.0%	75.0%	78.0%
35	82.0%	87.5%	91.5%

Total benefit as a percent of final average salary
Assumes retirement is unreduced.