LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

ACTUARIAL STATEMENT

DECEMBER 31, 1983

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December 20, 1984

The Retirement Board of the
Laborers' and Retirement Board
Employees' Annuity and Benefit
Fund of Chicago,
Chicago, Illinois

Gentlemen:

This is to certify that the annual statement as of December 31, 1983 of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago is, to the best of our knowledge and belief, a true and correct statement of the affairs and conditions of said Fund for the calendar year 1983. This statement has been prepared from the books of the Fund as substantiated by our letters of recommendation to the Retirement Board.

The accounting procedure is outlined in Article 11 of the Illinois Pension Code.

The method of valuation, or method of financing the system, and the actuarial assumptions and methods used in the valuation are shown in a separate Exhibit. The attempt is made to give effect to realistic valuation factors affecting costs.

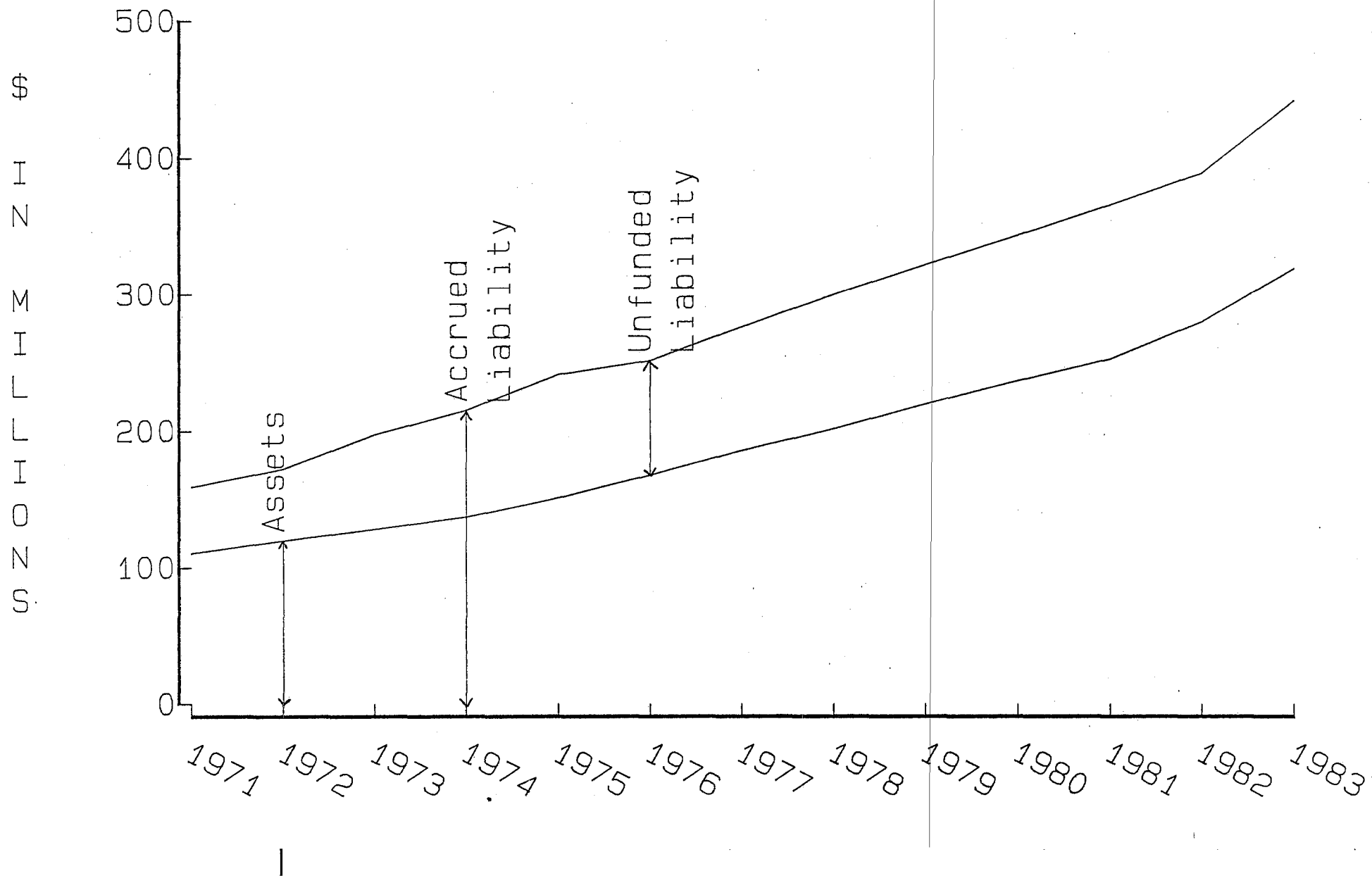
SUMMARY

The following represents a summary of 1983 Laborers' Actuarial Report:

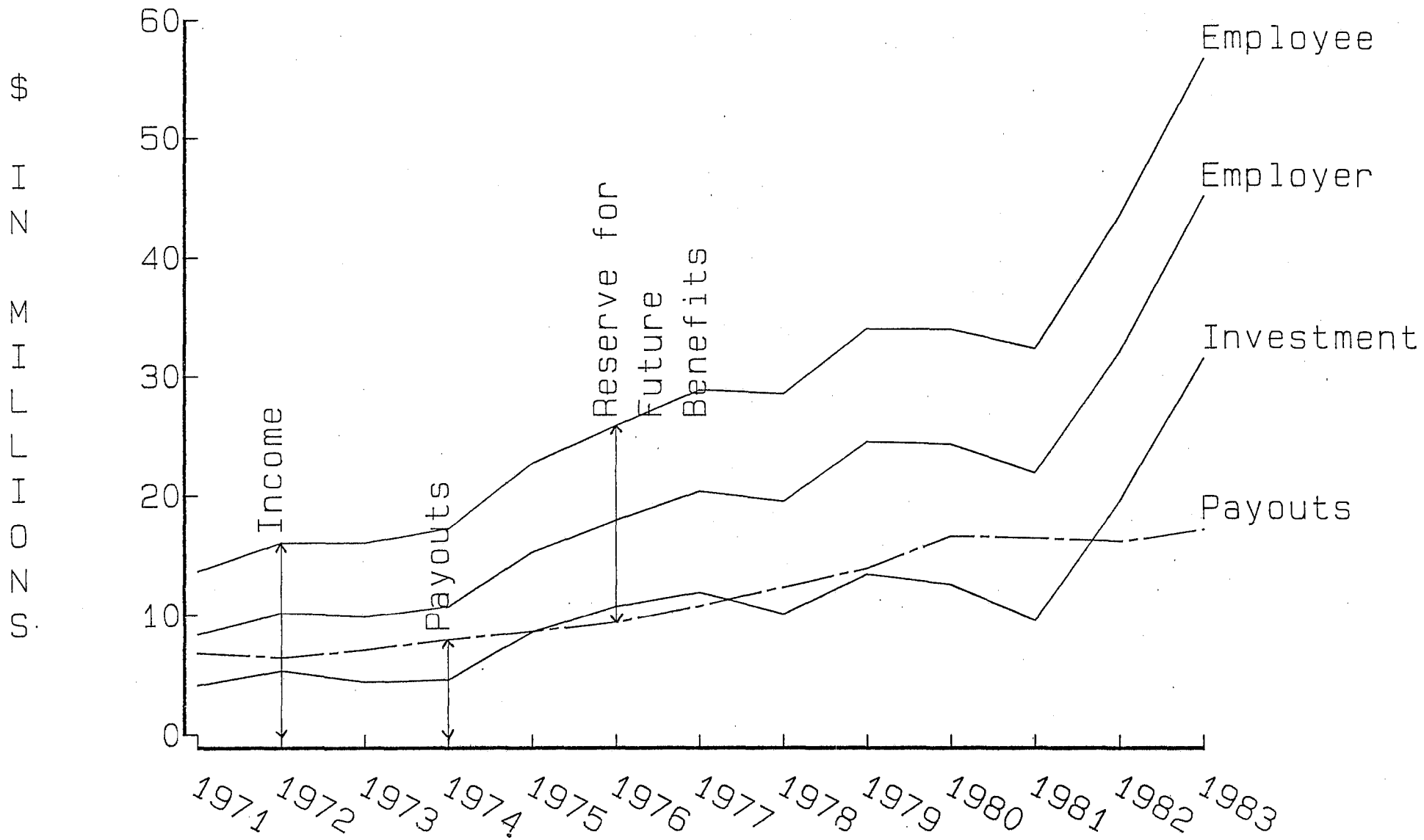
		Last Year	This Year (includes new benefits)
INCOME:	Investment	$ 19,729,269	$ 31,809,924
	Employer	12,589,417	13,681,225
	Employee	11,546,286	11,608,537
	Total	43,864,972	57,099,686
OUTGO:	Refunds, Benefits, Expenses	16,338,842	17,406,849
EXCESS OF INCOME OVER OUTGO:		27,526,130	39,692,837
ACTIVE PARTICIPANTS		5,970	5,424
BENEFICIARIES:	Employee	2,475	2,419
	Spouse	1,187	1,212
	Disabilities	138	167
	Children	109	112
	Other - reversionary	1	2
ACTUARIAL:			
Assets (Total at book value)		$281,708,565	$321,404,078
Funded Ratio		71.98%	72.27%
Accrued Liability		$391,353,993	$444,711,069
Termination Liability		$208,259,847	$235,632,452
Excess Upon Termination		$ 73,448,718	$ 85,771,626
Unfunded Liability		$109,645,428	$123,306,991
Annual Actuarial Requirement (ER & EE)		$ 24,484,651	$ 25,818,914
Expected Net Annual Actuarial Excess (Deficiency)		$ 619,932	$ 358,812
Required Employer Multiple		1.34	1.54
Amortization Period (Statutory multiple 1.37)		35 years	--
INVESTMENT:			
Yield (On Invested Assets including gains/losses)		8.09%	11.64%
Invested Assets (Book Value)		$270,677,711	$307,658,209
Invested Assets (Market Value)		--	$323,011,706
MISCELLANEOUS:			
Salary Roll		$134,293,920	$131,355,840
Average Salary		$ 22,495	$ 24,218

LABORERS' A & B FUND OF CHICAGO

Assets, Unfunded Liability, Accrued Liability



LABORERS' A & B FUND OF CHICAGO
Income and Payouts



The graph of Assets, Unfunded Liability and Accrued Liability illustrates the Fund's position with respect to asset growth and accrued liability growth. Please note that the difference between the assets and the accrued liability is what is called unfunded liability.

The next graph illustrates the Income of the Fund - investment income plus employer contributions plus employee contributions - and the current payouts of the fund benefits, refunds and expenses. The excess of income over payouts goes to build reserves for future benefit payments.

ACTUARIAL ASSUMPTIONS:

Actuarial assumptions required by ERISA must take into consideration anticipated future experience as well as past experience. As a guide to our thinking, we have attempted to learn what interest and salary scale assumptions are being used to anticipate the future in other public and private pension fund valuations.

A comprehensive study made in 1982 of 130 private pension plans based on 1981 actuarial reports indicated that the average interest assumption used was 6.4% and that the average salary scale assumption was 4.6%. We have also made a study of large public employee pension plans and found that the actuarial assumptions used for the rate of interest and rate of salary increase were somewhat higher. These ranged from 7% to 8% for interest and from 5-1/2% to 7% for salary. The Greenwich Research Associates Report to Participants PUBLIC PENSION FUNDS 1984 surveys state and municipal pension plans. The average plan surveyed is 55.5% funded (based on projected pensions). The average actuarial interest rate of return assumption was 6.9% and the average salary increase assumption was 5.4%. The Greenwich report LARGE CORPORATE PENSIONS 1983 indicates an average interest assumption for funding of 7.1% and an average salary increase assumption of 5.5%. For final pay benefit formula plans, similar to this plan, the average assumptions for interest and salary were 7.2% and 5.8%. Based on these studies, it is our opinion that for the Laborers' Fund, having evaluated past experience of investment earnings and having given effect both to locked in interest rates and to generally expected future interest earnings, a 6.75% future interest assumption is a reasonable rate for valuation purposes, and a 6% per year salary scale assumption is reasonable considering the generally accepted views on future salary increases for our national economy. These two assumptions could be characterized as being middle of the road.

The liabilities and costs in this report were based in part on a 6.75% per year interest assumption and a 6% per year salary scale assumption. A slightly different method of continuously amortizing the unfunded liability has been used this year for the first time. All other assumptions are the same as those used for the last report.

Recent benefit changes have been included in this report. They include:

1. 3% post retirement annuity increase for present and future retirees.

2. $500 maximum spouse annuity.

3. The use of "best factor" unisex tables.

In our opinion, these actuarial assumptions in the aggregate are reasonable, taking into account fund experience and future expectations and, represent the best estimate of anticipated experience.

ALTERNATIVE VALUATIONS:

We are making alternative valuations giving effect to different rates of salary increases and investment earnings to serve as a guide to the Retirement Board and ourselves in estimating the effects on costs of possible variations in future experience from the assumptions used. These will be submitted at a later time.

ACTUARIAL OBLIGATIONS OF THE FUND

The value of all future pension payments calculated using the actuarial assumptions contained in this report is the sum of two major groups of beneficiaries.

1) Retired Lives

For those currently receiving known benefits - i.e., current retirees, widows and children - the value is determined based on estimated future longevity with the future benefit payments discounted to the present time at the assumed investment earnings rate.

Group	Number	Present Value of Future Benefits
Employee Annuity	2,419	$ 84,394,880
Annuity Increase	2,124	17,996,033
Future Widow Benefit	1,360	8,227,257
Lump Sum Death Benefit	0	0
Health Insurance Supplement	0	0
Widow Annuity	1,211	18,224,361
Widow Compensation	3	59,294
Total Retired Reserve		$128,901,825

2) Active Lives

The value of future payments for active employees who will receive benefits in the future is estimated, since the amount of pension is only known at the actual time of retirement. This estimate is made using various actuarial assumptions as to future salary increases, probable retirement age and chance of death, withdrawal or disablement before retirement. For active employees, the goal is to have enough assets on hand at retirement to pay for all future benefits promised. To provide for an orderly accumulation of these required assets, an actuarial funding method is used. Using the Entry Age Normal Funding Method, assets are allocated as a level amount (expressed as a percentage of salary) over the employee's working lifetime. These allocated costs are called Normal Costs and are sufficient if set aside each year for an employee newly hired to accumulate to the amount required to fully fund his benefits when and if he retires. For an

employee half way completed with his working lifetime, roughly half of the required retirement assets should have been accumulated. The actuarial reserve (amount of assets needed now) is then the present value of future benefits less the value of future Normal Costs to be paid.

Group	Present Value of Benefits	Reserve
Employee Annuity	$ 338,064,771	
Annuity Increase	72,247,568	
Future Widow Benefit	19,841,680	
Lump Sum Death Benefit	0	
Health Insurance Supplement	0	
Widow of Employees - Dying in service	13,091,290	
Widow Compensation - Duty Death	0	
Miscellaneous	60,914,461	
Total Active	$ 504,159,770	
Total Active and Retired Present Value of Benefits	$ 633,061,595	
	Less Present Value of Future Normal Costs	$ 188,350,526
	Net Active Reserve	315,809,244
	Net Active Reserve & Retired	444,711,069
	Less Present Assets	321,404,078
	Unfunded Liability	$ 123,306,991

The difference between the sum of the actuarial reserve for active and retired lives (sometimes called the Accrued Actuarial Liability) and the present assets is called the Unfunded Liability. The Unfunded Liability depends upon the benefits, the characteristics of the covered group of employees and retirees, the actuarial assumptions and the actuarial funding method. The Unfunded Liability can be thought of as the amount of assets that will be needed in future years that when added to the future Normal Costs determined by the actuarial funding method, will provide for all future benefits payable.

ACTUARIAL BALANCE

For the pension fund to be in actuarial balance, the present value of all benefits payable in the future must equal the sum of present assets plus present value of all contributions payable in the future.

The future contribution from the employee and employer must provide for the payment of normal costs for amortization of the unfunded liability on some reasonable basis.

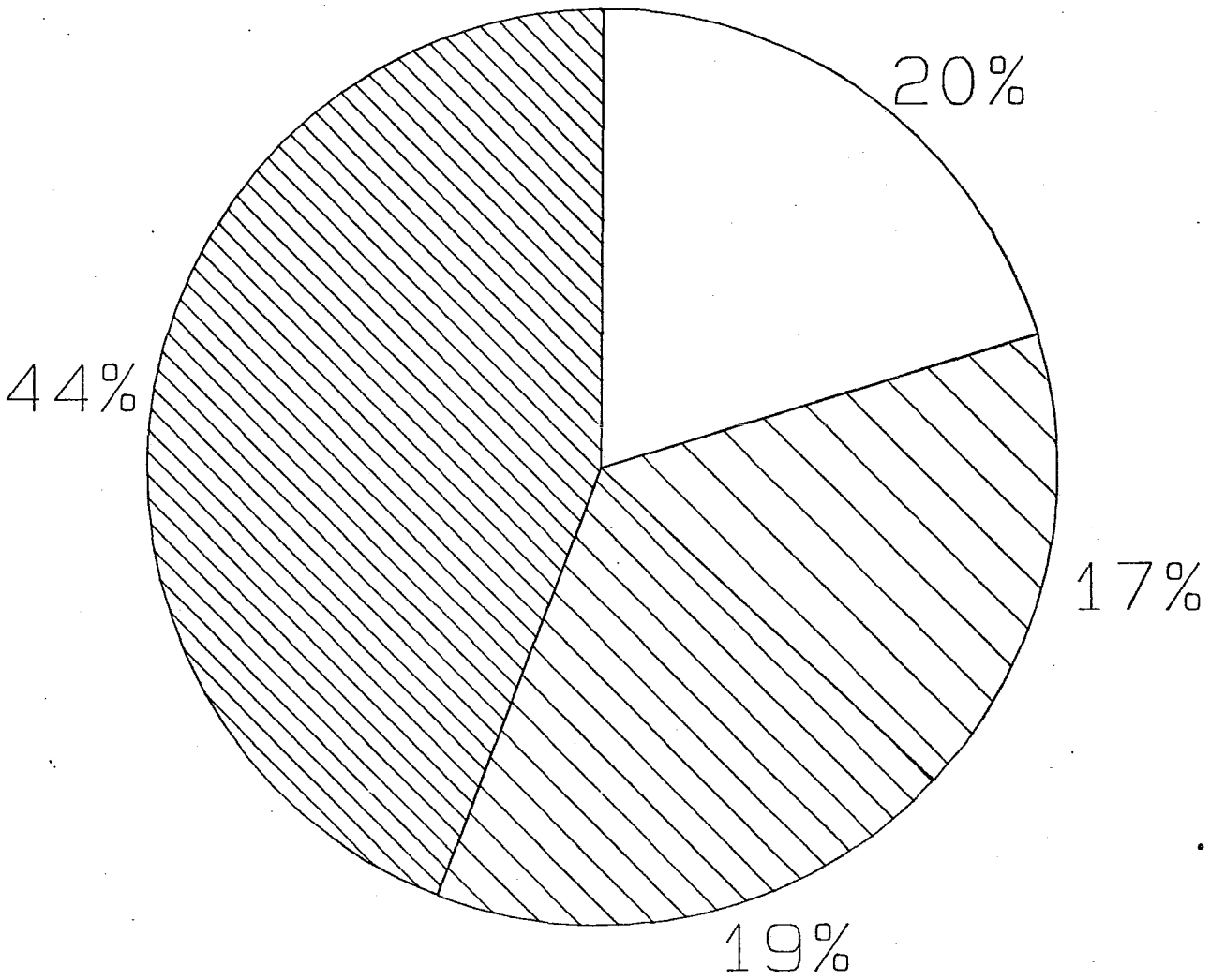
Present Value of		% of Total
Present Assets	$ 321,404,078	50.8%
Future Employee contributions	121,058,068	19.1
Future Employer contributions	159,215,570	25.2
Deficiency	31,383,879	4.9
TOTAL	$ 633,061,595	100%

Present Value of	Actuarial Assets	% of Total	Actuarial Liabilities	% of Total
Benefits				
Retired lives			$ 128,901,825	20.3%
Active lives			504,159,770	79.7%
Present Assets	$ 321,404,078	50.8%		
Normal Costs	188,350,526	29.7%		
Unfunded Liability	123,306,991	19.5%		
Total	$ 633,061,595	100%	$ 633,061,595	100%

Following are pie charts illustrating:

Actuarial Liabilities
Actuarial Assets
Actuarial Liabilities and Cost Method
Actuarial Cost Method

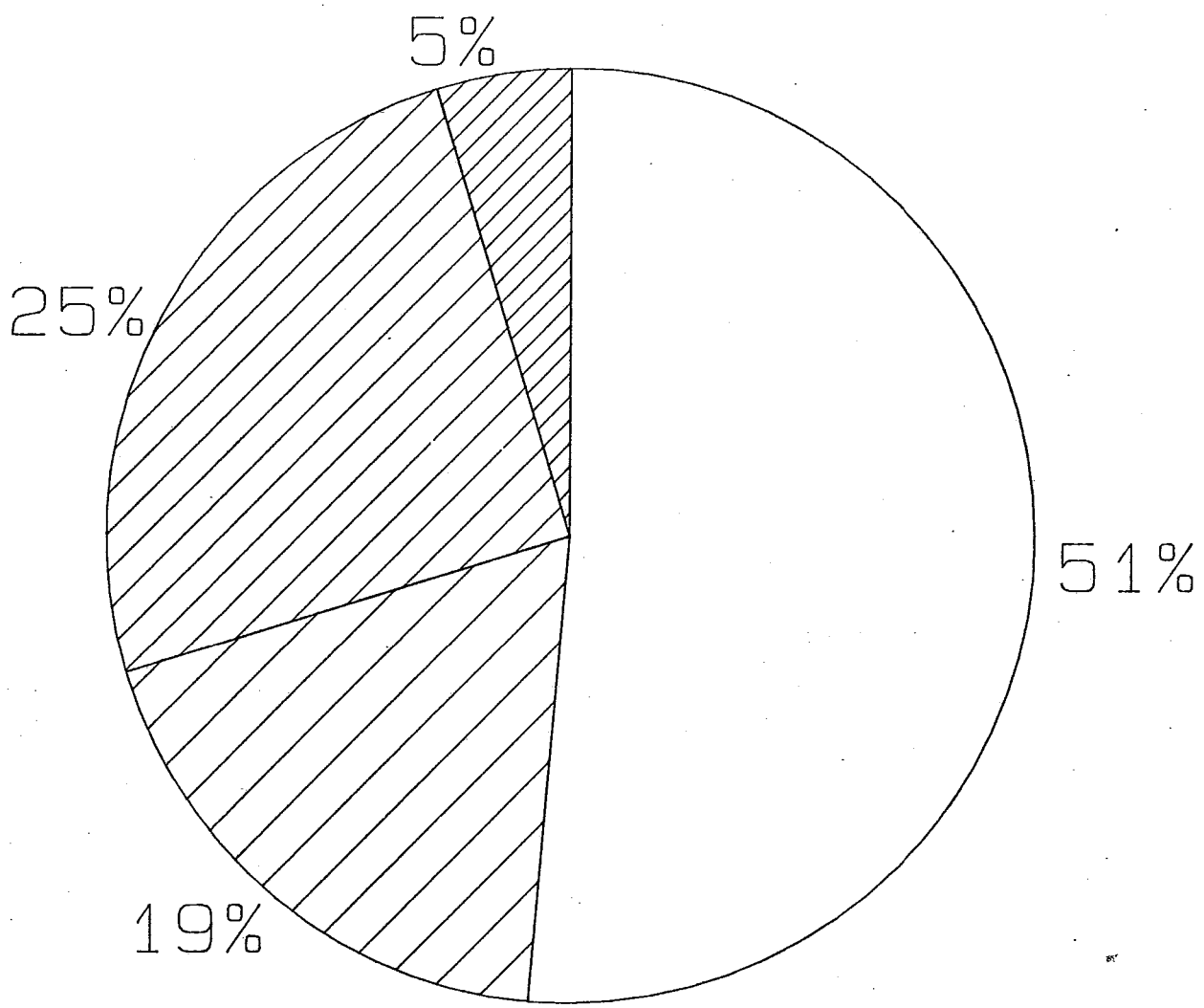
LABORERS' A & B FUND OF CHICAGO
Actuarial Liabilities



$ In Millions

- $ 128.9 - Retired
- $ 106.7 - Contributions
- $ 120.3 - Vested
- $ 277.2 - Future

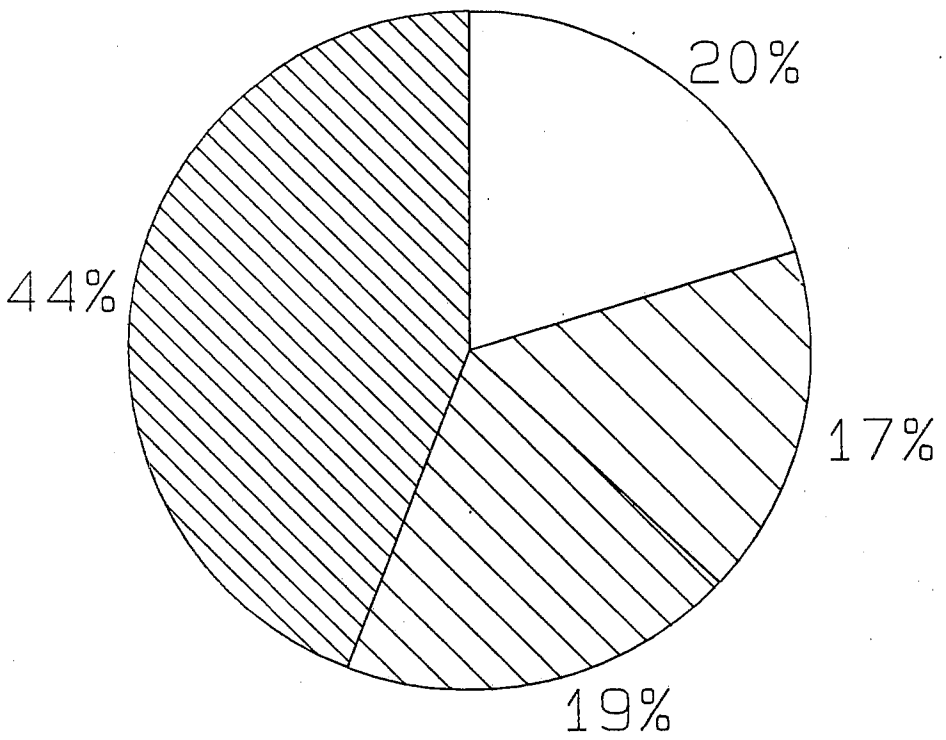
LABORERS' A & B FUND OF CHICAGO
Actuarial Assets



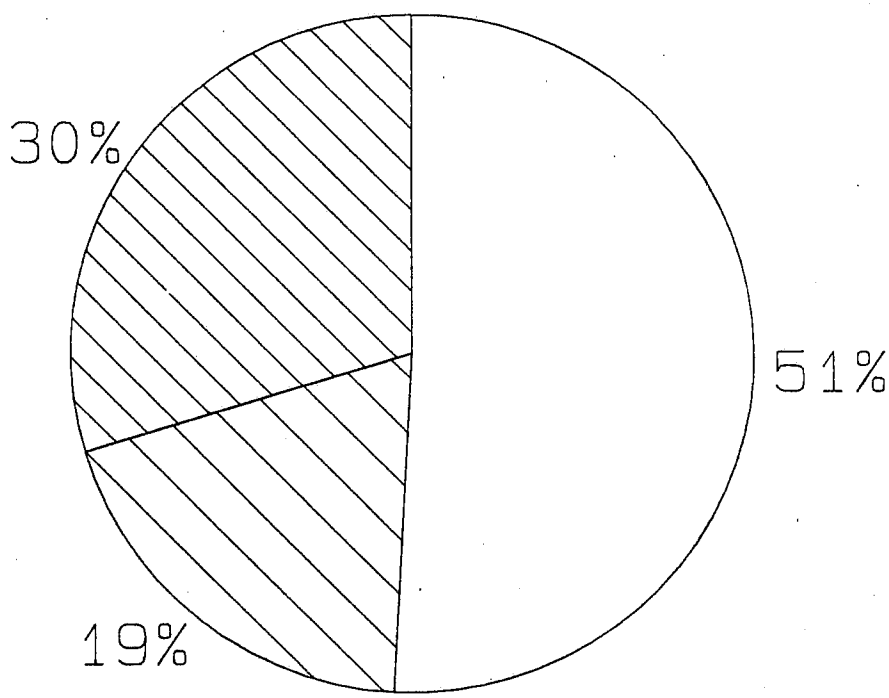
$ In Millions

	$ 321.4 - Assets
	$ 121.1 - PV Employee
	$ 159.2 - PV Employer
	$ 31.4 - Deficiency

LABORERS' A & B FUND OF CHICAGO
Actuarial Liabilities and Cost Method

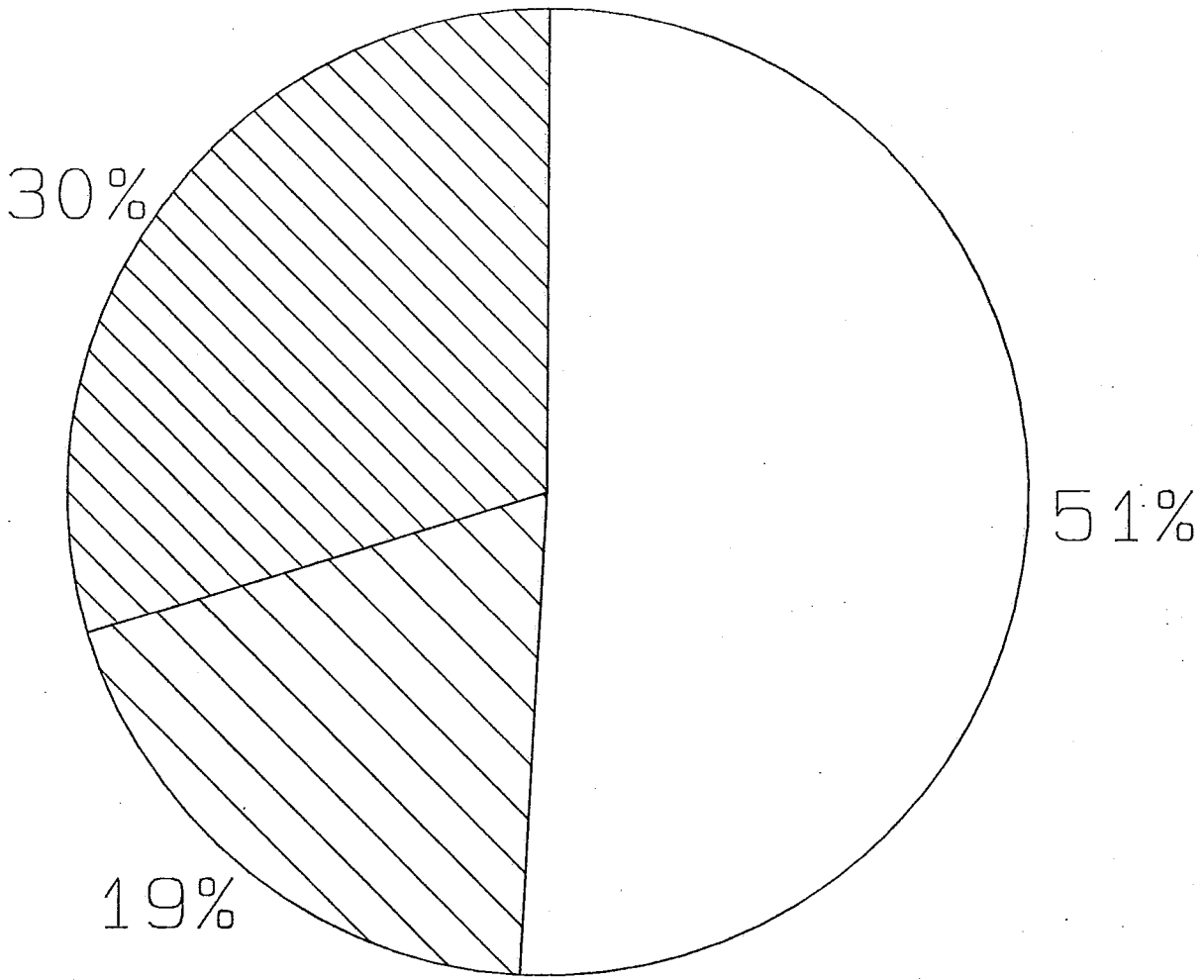


$ In Millions
- $ 128.9 - Retired
- $ 106.7 - Contributions
- $ 120.3 - Vested
- $ 277.2 - Future



$ In Millions
- $ 321.4 - Assets
- $ 123.3 - Unfunded Liability
- $ 188.4 - Normal Cost

LABORERS' A & B FUND OF CHICAGO
Actuarial Cost Method



$ In Millions

$ 321.4 - Assets

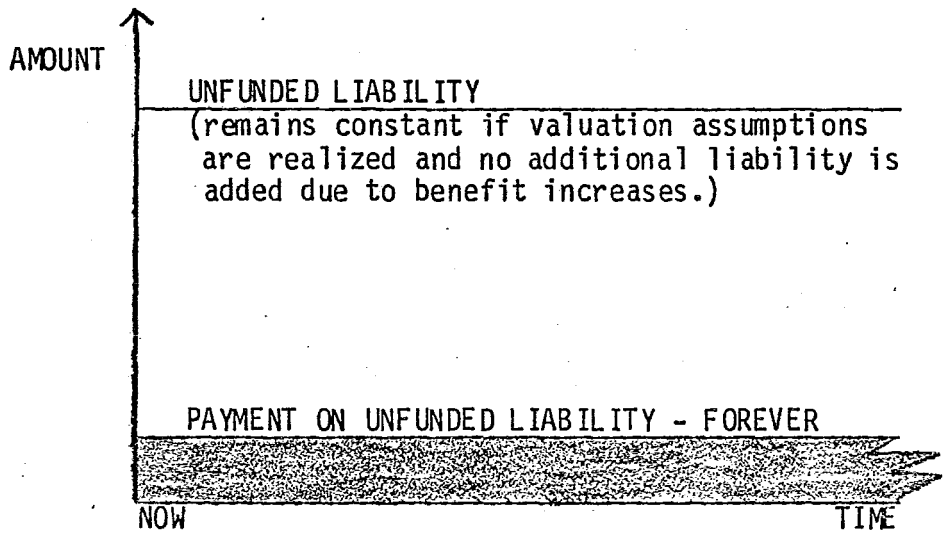
$ 123.3 - Unfunded Liability

$ 188.4 - Normal Cost

THREE METHODS OF FINANCING THE UNFUNDED LIABILITY:

1.) The method of valuation used for this report, is the same as for the last report. It is known as a Normal Cost-plus-Interest Basis and is intended to continue the current provisions of the Article governing the fund in full force and effect on a permanent basis - explained in detail under Actuarial Assumptions and Methods. The method is also referred to as a middle-of-the-road method of funding since the unfunded liability is recognized but not amortized.

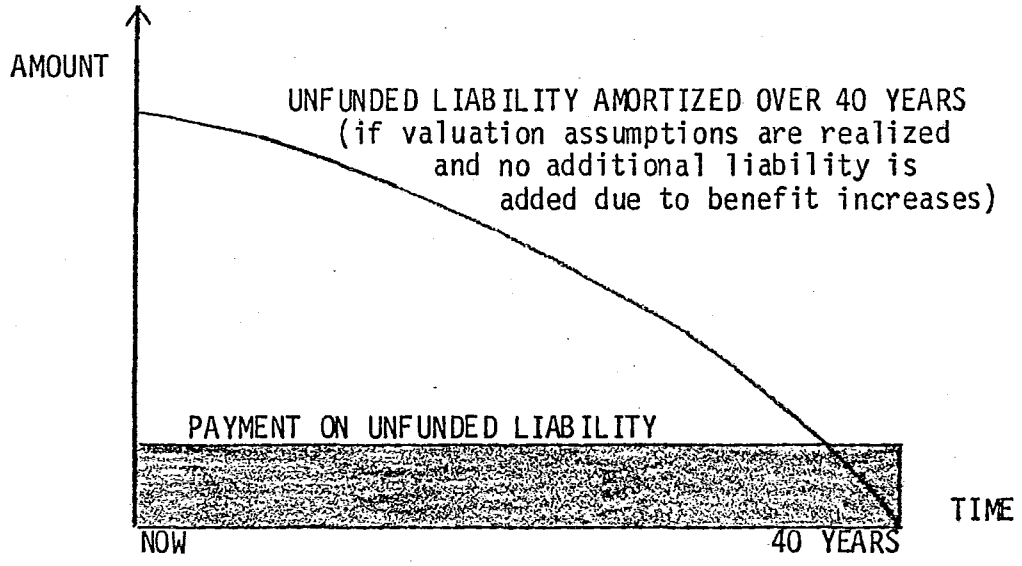
The normal cost plus interest only method of funding is that recommended by the Illinois Public Employees Pension Laws Commission. It was also the minimum required for private pension plans for IRS qualification before ERISA.



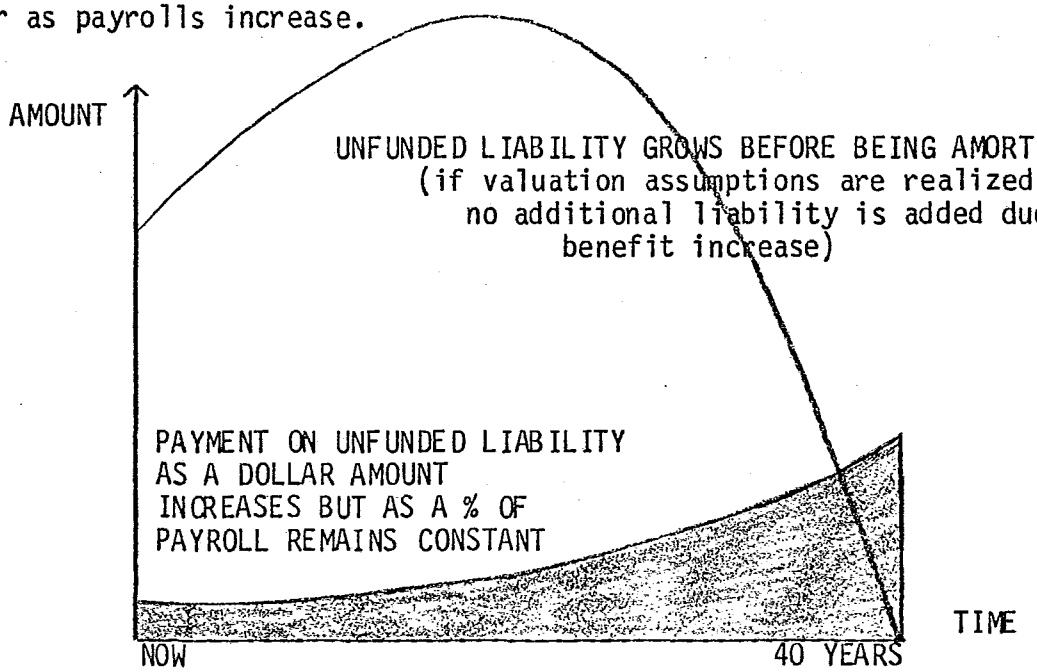
2.) ERISA now requires that initial unfunded liability be amortized over a forty year period.

The normal cost plus interest method and the Normal Cost Plus 40 Year Amortization method both express the past service costs as a level annual dollar amount. Consequently, as the total payroll increases in the future, the level annual amount becomes a decreasing percent of the total payroll.

Under both methods, level dollar amounts represent a greater percent of payroll initially and a decreasing percent of payrolls as future payrolls increase.



3.) An alternative method for funding that is receiving increased attention for public employee pension plans is a method which sets the funding standard cost objective as a Level Annual Percent Of Payroll rather than as a level annual amount. This method will result in increasingly greater dollar amounts each year as payrolls increase.



This constant percent of payroll method is not an acceptable method under ERISA. It may be more acceptable in view of the presumably permanent nature of public retirement systems, and the desire to place a relatively constant tax burden (as percentage of salary) on future generations of taxpayers. Please note that if this amount is recomputed each year with the same amortization period, the unfunded liability will never be amortized.

For the Retirement Board's guidance, we have estimated the financial effects of different amortization methods. These 3 methods meet the requirements set forth in Illinois Revised Statutes, Chapter 108½, Article 22-501.10. The results are given in the following table:

	Required 1984 Tax Levy	Ultimate Required Multiple	Unfunded Liability Will	Portion Required For Amortization Of Unfunded Liability*
1) Normal Cost + Interest Only	$15,264,237	1.54	Remain constant at $123,306,991	$8,054,347
2) ERISA: Normal Cost + 40 Year Amortization	$15,928,162	1.60	Decrease to $0	$8,691,714
3) Normal Cost + 40 Yr. Level % of Payroll Increasing 4% a Year (Inflation Only)	$12,048,005	1.21	Increase to $169,568,034 in 20 years and decrease thereafter	$4,966,763 in 1984 increases to $24,159,429 in 40 Years
4) Present Law (Includes Park)	$15,638,000	1.37		

* Assuming all valuation assumptions are realized and no future benefit liberalization.

The preceding comparative table indicates the need to take into consideration in the funding policy future annual costs expressed both as a level annual dollar amount and as a level annual percent of payroll.

The level annual percent of payroll method results in substantially increasing costs and contributions in future years, especially at the end of a funding period.

In determining funding policy it is essential to provide a margin of safety for unfavorable operating experience such as salaries over anticipated salaries, decreasing age of retirement, increasing longevity, declining fund membership.

REQUIRED ACTUARIAL CONTRIBUTION:

Based on the Normal Cost-Plus-Interest-Method of funding we find that the tax levy for 1984 should be $15,264,237 which amount includes a 4% reserve for loss on collection. This amount is based on an annual payroll as of December 31, 1983 of $131,355,840 and an active membership of 5,424 persons. The detail is as follows:

Detail of 1984 City Contribution:

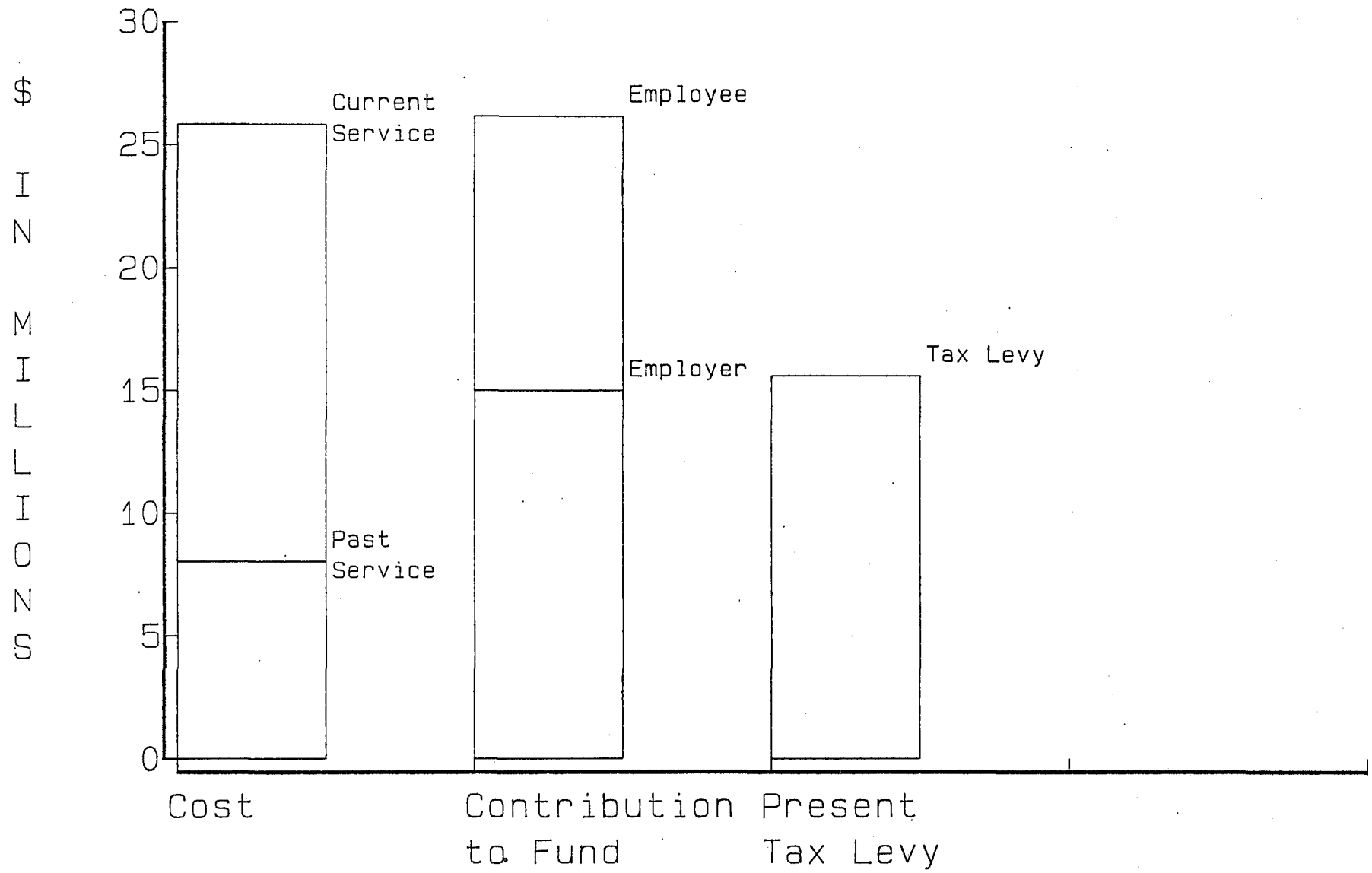
	Amount	Percent of Salary	Dollar Per Active
1. Normal Cost - For Current Service	$17,764,567	13.52%	$3,275
2. 6 3/4% Interest on Unfunded Liability	$ 8,054,347	6.13%	$1,485
3. Total Actuarial Requirement (1)+(2)	$25,818,914	19.66%	$4,760
4. Employee Contributions	$11,165,246	8.50%	$2,058
5. Employer Requirement (3)-(4)	$14,653,668	11.16%	$2,702
6. Expected Net Employer Contribution from 1984 Tax Levy of $15,638,000 after a 4% loss	$15,012,480	11.43%	$2,768
7. Expected Net Annual Excess	$ 358,812	.27%	$ 66
8. Tax Levy Required (assume 4% loss)	$15,264,237		
9. Required Ultimate Multiple	1.54		
10. Present Authorized Ultimate Multiple	1.37		

The contribution for 1984 based on the actual 1982 employee contribution is expected to be more than adequate. However, the required ultimate multiple exceeds the present authorized multiple.

The Illinois Public Employees Pension Laws Commission Impact Statement - appended to this report - illustrates both the present financial position and the direction of the financial condition.

The following bar chart illustrates the annual actuarial cost (composed of current service cost and past service cost) to be paid for by the employee and the employer. The annual cost is more than being for 1984. The employer portion is provided by tax levy (the third column).

LABORERS' A & B FUND OF CHICAGO
Annual Actuarial Cost 1984
(Normal Cost plus Interest Only)



Detail of Normal Cost (given above)	% Salary	$ Per Active
Retirement Annuity	7.70%	$1,866
Retirement Annuity Increase	1.65	400
Post-Retirement Spouse Annuity	.30	73
Spouse Annuity for Death in Service	.41	98
Child's Annuity	.08	18
Ordinary Disability	.92	224
Duty Disability	.40	96
Refunds	1.47	358
Widows Compensation	0	0
Expense of Administration	.49	118
Reciprocal Benefits	.10	24
	13.52%	$3,275

CHANGE IN THE UNFUNDED LIABILITY:

The total unfunded liability as of December 31, 1983 is $123,306,991. As of December 31, 1982, it was $109,645,428.

Detail of Change in Unfunded Liability:

1. Increase in Salaries over 6% Assumed	$ 4,185,219	Increase
2. Investment Yield over 6.75% Assumed	($12,540,094)	Decrease
3. Excess in Annual Contribution:		
1983 Total Actuarial Requirement.....$24,484,651		
Less Employer Net to Fund 1983 Tax Levy 13,681,225		
Less Employee Contributions for 1983.. 11,608,537	(805,111)	Decrease
4. Change in Benefits and Best Factor	28,057,130	Increase
5. Miscellaneous Actuarial Changes	(5,235,581)	Decrease
Net Change in Unfunded Liability	$13,661,563	Increase

FUNDED RATIO:

The ratio of assets to liabilities is 72.27% as of December 31, 1983 - and was 71.98% as of December 31, 1982. This ratio represents the extent to which present and future benefit promises are secured by present assets. The funded ratio increased because assets increased 14.1% while the liabilities increased 13.6%.

RATIO OF ACTIVE EMPLOYEES TO ANNUITANTS & BENEFICIARIES:

The ratio of active employees to annuitants and beneficiaries is 1.39 as of December 31, 1983 and was 1.53 as of December 31, 1982. This ratio illustrates the relationship between the contributors and the beneficiaries.

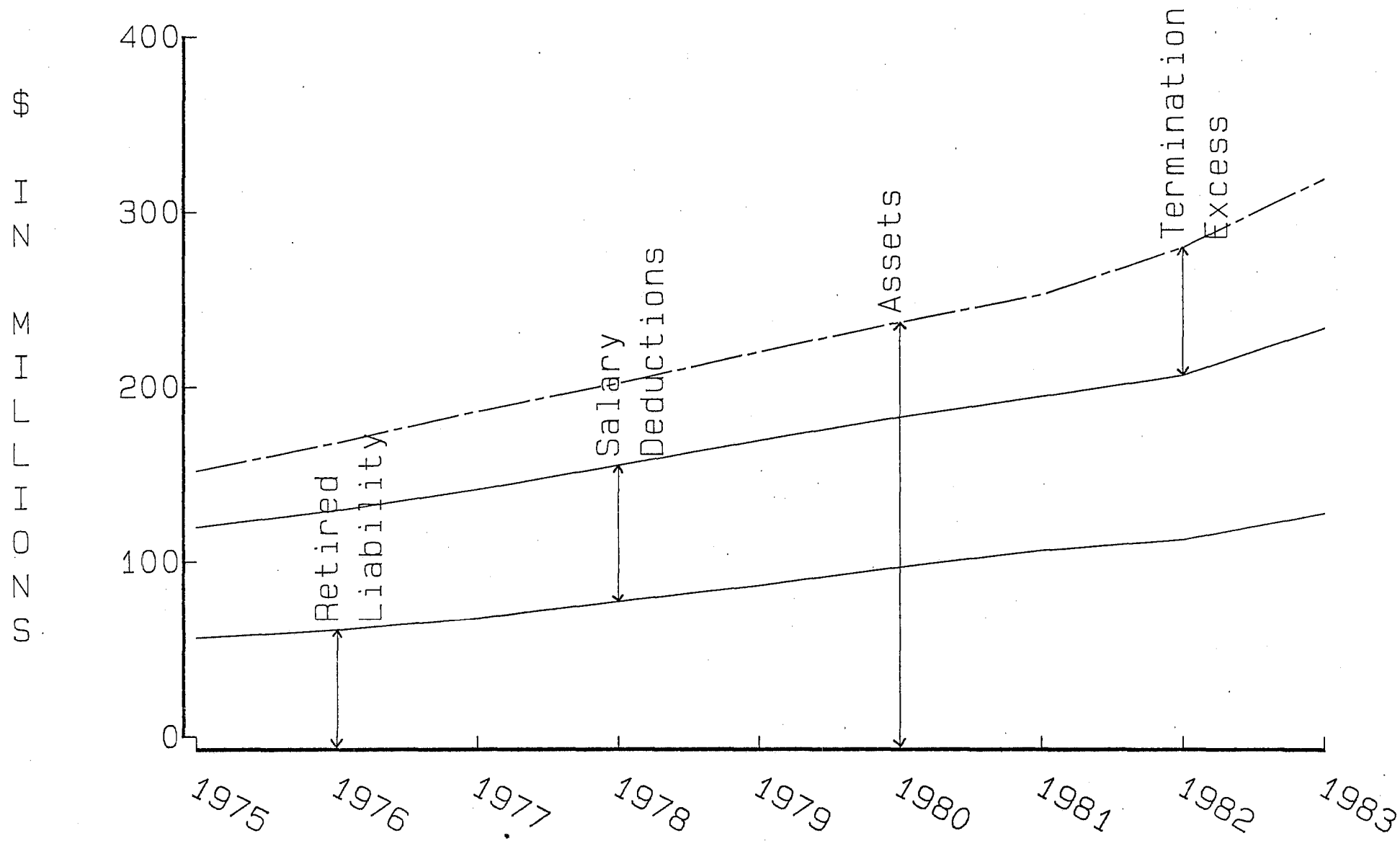
TERMINATION LIABILITY:

A measure of Plan funding is to compare the assets to liabilities for present annuitants and the amount of contributions of active and inactive employees. This amount would be a minimum measure of what it would cost to terminate the Plan as of the valuation date.

	Last Year	This Year
Liability for retired annuitants, widows & spouses of annuitants.....	$113,743,284	$128,901,825
Salary Deductions Contributed by Active Fund Members	$ 94,516,563	$106,730,627
Total	$208,259,847	$235,632,452
Assets at Book Value.....	$281,708,565	$321,404,078
Excess Upon Termination.....	$ 73,448,718	$ 85,771,626
Available Assets For Actives (with retired lives 100% funded).....	$167,965,281	$192,502,253
Available Per Active Employee	$ 28,135	$ 35,491
Refundable per Active Employee	$ 15,832	$ 19,677
Ratio of Available to Refundable	178%	180%

The following chart illustrates the remaining assets after terminating the plan.

LABORERS' A & B FUND OF CHICAGO
Termination Liability



VESTED LIABILITY

We have computed the value of vested benefits for active employees. That is, an employee who is eligible to retire, either with an immediate or deferred retirement annuity, is assumed to retire and is valued at the estimated amount of annuity for the employee's life. The value of estimated post-retirement annuity increase and estimated spouse annuity is added. No death or disability benefits for those dying or becoming disabled in the future are included. Active employees not currently eligible for a retirement benefit are valued at the amount of their refundable accumulated salary deductions with statutory interest. Retired lives are entirely vested. The total vested liability computed using the actuarial assumptions of interest and mortality in this report is greater than the Termination Liability used in previous reports. This is because the value of a retirement annuity for an eligible employee is greater than the amount of his accumulated salary deductions.

	Last Year	This Year
Liability For Retired Annuitants, Widows and Spouses of Annuitants	$113,743,284	$128,901,825
Value of Active Employees Eligible To Retire	$199,833,610	$226,975,458
Accumulated Salary Deductions of Active Employees Eligible for Refund And not Annuity	$ 55,002,973	$ 58,102,306
Active Vested Liability	$254,836,583	$285,077,764
Total Vested Liability	$368,579,867	$413,979,589
Assets at Book Value	$281,708,565	$321,404,078
Unfunded Vested Liability	$ 86,871,302	$ 92,575,411

The average amount of assets required per active employee to provide for vested benefits as of the valuation date is $52,559. This should be compared to the average amount of assets required per active employee to fully fund the present amount required to provide for future projected retirement annuity assuming future service and salary increments - using the Entry Age Normal funding method described in the actuarial assumptions and methods. This amount per active employee is $58,224.

THE FUTURE

As in the past - a continuous review of the Fund's operating experience is needed. The rates of salary increases, rates of retirement and investment earnings are of critical importance in cost estimates. Costs will need to be adjusted as these factors vary.

For example, for every $1.00 in salary increase over the 6% increases assumed in the salary scale the unfunded liability will be increased by about $2.40. This will be in addition to the additional current annual service cost for every dollar in salary over the 6% salary scale assumed.

These additional costs will be reduced to some extent by the annual amount of investment income earned over the assumed 6.75% used for valuation purposes. The extent of the reduction will depend on the relative amounts of these two items.

The alternative funding methods indicate the imperative need to monitor Fund income if future Fund obligations are to be met.

The disadvantage of funding methods that use the level percent of payroll funding of past service is that the unfunded liability will continually increase if salaries continue at the predicted rates. Subject, however, to projections of contributions and disbursements for potential cost flow problems the level percent of payroll method would appear to provide a long range level funding method on a minimum funding basis whether for interest only or over 40 year period.

Respectfully submitted,

Donald F. Campbell

Donald F. Campbell, F.C.A., M.A.A.A.
Enrolled Actuary # 1248

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LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND BENEFIT

FUND OF CHICAGO

ACTUARIAL BALANCE SHEET

AS OF

DECEMBER 31, 1983

ASSETS

AND

LIABILITIES

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

LIABILITIES AND FUND BALANCES

ACTUARIAL BALANCE SHEET AS OF DECEMBER 31, 1983

ANNUITY PAYMENT FUND ACCOUNT:		
(Based on 4% Amer. Exp. & 3% Comb.)		
Employee Annuitants	$39,169,218.84	
Employee Annuities Fixed	2,217,732.12	
Spouse Annuitants	15,542,915.52	
Spouses' Annuities Fixed	8,018,679.69	
Total Annuity Payment Fund		$ 64,948,546.17
SALARY DEDUCTION FUND ACCOUNT:		
Employees	$76,378,344.31	
Spouses of Employees	16,980,666.06	
Total Salary Deduction Fund		$ 93,359,010.37
CITY CONTRIBUTION FUND ACCOUNT:		
Employees	$72,001,318.88	
Spouses of Employees	23,520,595.96	
Supplemental Annuities	13,204.59	
Total City Contribution Fund		$ 95,535,119.43
OTHER RESERVES:		
Supplementary Payment Reserve	$ 37,690.75	
Annuity Payment Fund Account	9,763,423.69	
Total Other Reserves		$ 9,801,114.44
PRIOR SERVICE FUND ACCOUNT:		
(Based on 4% Amer. Exp. & 3% Comb.)		
Employee Annuitants	$59,938,261.68	
Employee Annuities Fixed	8,942,252.76	
Spouse Annuitants	3,008,635.80	
Spouses' Annuities Fixed	5,208,342.00	
Salary Deductions 3% Annuity Increase	7,358,910.36	
Estimated Excess Liability (Note 1)	96,610,876.69	
Total Prior Service Account		$181,067,279.29
TOTAL LIABILITIES		$444,711,069.70
Obligations of Fund for Prior Service Liabilities (Note 1)		($123,306,991.19)
TOTAL NET LIABILITIES AND FUND BALANCES		$321,404,078.51

Note 1 - The letter of transmittal attached hereto sets forth the manner in which this liability was determined.

LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND BENEFIT

FUND OF CHICAGO

INCOME

YEAR 1983

INCOME

AND

EXPENDITURES

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

EXPENDITURES FOR YEAR 1983

TOTAL INCOME FORWARDED			$57,099,686.05
ANNUITIES AND BENEFITS PAID:			
Employees' Annuities	$10,909,532.06		
Spouses' Annuities	2,035,247.33		
Compensation Annuities	5,124.44		
Children's Annuities	98,840.00		
Ordinary Disability	1,214,324.92		
Duty Disability	522,070.62		
Supplementary Payments	50,763.12		
Total Benefits Paid	$14,835,902.49		
Reciprocal Act Re-imbursements	(6,940.68)		
Net Benefits Paid		$14,828,961.81	
EXPENSE OF ADMINISTRATION:			
Salaries:			
Regular Employees	$ 109,896.96		
Blue Cross & Blue Shield	11,751.00		
Services:			
Legal Expense	7,560.00		
Medical Expense	15,120.00		
Actuarial & Data Processing	209,394.57		
Auditing	22,500.00		
Investment	176,883.77		
Office Supplies and Equipment	2,583.68		
Printing and Stationery	14,516.40		
Postage	12,000.00		
Rent & Electricity	42,030.75		
Telephone & Telegraph	1,443.31		
Miscellaneous	15,669.00		
Total Expenses		$ 641,349.44	
REFUNDS		1,936,537.45	
TOTAL EXPENDITURES			$17,406,848.70
EXCESS INCOME OVER EXPENDITURES			$39,692,837.35
Net Change in Reserve for Loss on Collection and Taxes Receivable for Prior Years			2,675.86
INCREASE IN NET ASSETS FOR YEAR			$39,695,513.21

LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND BENEFIT

FUND OF CHICAGO

COMPARATIVE ANALYSIS

YEAR 1983

ASSETS

AND

LIABILITIES

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

COMPARATIVE ANALYSIS

LIABILITIES AND FUND BALANCES

LIABILITY RESERVES:	01/01/1983	12/31/1983	Increase (Decrease)
ANNUITY PAYMENT FUND:			
Employee Annuitants	$ 37,119,303	$ 39,169,219	$ 2,049,916
Emp. Annuities Fixed	2,834,400	2,217,732	(616,668)
Spouse Annuitants	14,124,628	15,542,916	1,418,288
Spouses' Annuities Fixed	7,658,482	8,018,680	360,198
Total	$ 61,736,813	$ 64,948,547	3,211,734
SALARY DEDUCTION FUND ACCOUNT:			
Employees	$ 71,450,917	$ 76,378,344	$ 4,927,427
Spouses of Employees	15,784,358	16,980,666	$ 1,196,308
Total	$ 87,235,275	$ 93,359,010	$ 6,123,735
CITY CONT. FUND ACCOUNT:			
Employees	$ 67,579,160	$ 72,001,319	$ 4,422,159
Spouses of Employees	22,008,945	23,520,596	$ 1,511,651
Supplemental Annuities	12,697	13,204	$ 507
Total	$ 89,600,802	$ 95,535,119	$ 5,934,317
OTHER RESERVES:			
Supplemental Pymt. Res.	$ 88,454	$ 37,691	($ 50,763)
Annuity Fund Account	9,260,522	9,763,423	$ 502,901
Total	$ 9,348,976	$ 9,801,114	$ 452,138
PRIOR SERVICE FUND ACCOUNT:			
Employee Annuitants	$ 54,518,765	$ 59,938,262	$ 5,419,497
Emp. Annuities Fixed	6,768,367	8,942,253	$ 2,173,886
Spouse Annuitants	2,495,900	3,008,636	512,736
Spouses' Annuities Fixed	4,419,211	5,208,342	789,131
Sal. Ded. 2% Annuity	6,525,471	7,358,910	833,439
Estimated Excess Liability	68,704,413	96,610,876	27,906,463
Total	$143,432,127	$181,067,279	$37,635,152
TOTAL LIABILITIES	$391,353,993	$444,711,069	$53,357,076
UNFUNDED OBLIGATIONS	(109,645,428)	($123,306,991)	($13,661,563)
TOTAL NET LIABILITIES	$281,708,565	$321,404,078	$39,695,513

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

TAXES RECEIVABLE

DECEMBER 31, 1983

Year	Uncollected Taxes 12-31-83	Estimate for Loss 12-31-82	Additional Est. Setup 12-31-83	Total Est. for loss 12-31-83	Taxes Collectible 12-31-83
CITY:					
1979	$ 388,354.71	$ 394,199.03	($ 5,844.32)	$ 388,354.71	$ 0
1980	468,683.59	447,221.00	(1,710.00)	445,511.00	23,172.59
1981	729,357.73	556,956.00	(65,574.00)	491,382.00	237,975.73
1982	903,007.88	536,233.00		536,233.00	366,774.88
1983	11,546,500.00		577,325.00	577,325.00	10,959,175.00
	$14,035,903.91	$1,934,609.03	$504,196.68	$2,438,805.71	$11,597,098.20
1983	$ 2,684,500.00	Replacement tax due from State			$ 2,684,500.00
	$16,720,403.91				$14,281,598.20
PARK DISTRICT:					
1979	$ 2,974.87	$ 1,400.00	$	$ 1,400.00	$ 1,574.87
1980	0.00	0.00		0.00	0.00
1981	1,266.83	1,350.00	(83.17)	1,266.83	0.00
1982	1,767.37	1,350.00		1,350.00	417.37
1983	29,000.00	---	1,450.00	1,450.00	27,550.00
	$ 35,009.07	$ 4,100.00	$ 1,366.83	$ 5,466.83	$ 29,542.24
TOTAL:					
	$16,755,412.98	$1,938,709.03	$505,563.51	$2,444,272.54	$14,311,140.44

Note: The loss on the 1983 tax levy was 5%. Due to the 100% collection of the personal property replacement tax, the overall loss is 4%. The statutory requirement of $14,260,000.00 is the sum of $14,231,000.00 plus $29,000.00.

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

MEMBERSHIP STATISTICS

YEAR 1983

	Number at Beginning of Year	Increases	Decreases	Number At End of Year
A. Changes in Active Participants				
Male	5,484	245	746	4,983
Female	486	14	59	441
Total	5,970	259	805	5,424
B. Changes In Annuitants & Beneficiaries				
Employee Annuitants	2,419	168	224	2,363
Spouse Annuitants	1,174	101	79	1,196
Children's Annuities	109	7	4	112
Ordinary Disability Benefits	113	42	45	110
Duty Disability Benefits	25	616	584	57
Reversionary (Beneficiaries)	1	1	0	2
Reciprocal: Employee	56	6	6	56
Spouse	11	2	---	13
Widow Compensation Annuities	2	1	0	3
Total	3,910	366	364	3,912
C. Ratio of Active Participants to Annuitants & Beneficiaries	1.53			1.39

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SALARY AND AGE STATISTICS

YEAR 1983

Ages and Salaries as of December 31, 1983

Male

Ages	Number	Annual Salaries	Average Annual Salaries
Under 20	8	$ 178,656	$22,332
20 - 24	303	7,383,192	24,367
25 - 29	663	16,671,576	25,146
30 - 34	636	16,384,056	25,761
35 - 39	451	11,607,936	25,738
40 - 44	481	12,627,864	26,253
45 - 49	477	12,242,256	25,665
50 - 54	534	13,499,784	25,280
55 - 59	621	15,809,448	25,458
60 - 64	496	12,420,888	25,042
65 - 69	189	4,764,432	25,209
70 & Over	75	1,854,528	24,727
Without Record	49	1,180,272	24,087
Total	4983	$126,624,888	$25,411

Female

20 - 24	3	$ 41,736	$13,912
25 - 29	3	45,624	15,208
30 - 34	1	17,424	17,424
35 - 39	5	90,600	18,120
40 - 44	10	177,456	17,746
45 - 49	29	404,064	13,933
50 - 54	55	593,376	10,789
55 - 59	106	1,114,800	10,517
60 - 64	156	1,593,336	10,214
65 - 69	70	617,424	8,820
70 & Over	3	35,112	11,704
Total	441	$ 4,730,952	$10,728

TOTAL MALE AND FEMALE	5424	$131,355,840	$24,218

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SALARY AND AGE STATISTICS

YEAR 1983

Ages at Entrance

	MALE		FEMALE	
	Number	Annual Salaries	Number	Annual Salaries
Under 25	1,707	$ 44,485,080	13	$ 214,632
25 - 29	983	25,116,384	31	408,792
30 - 34	672	16,861,488	55	660,792
35 - 39	500	12,589,272	117	1,214,880
40 - 44	457	11,212,344	131	1,313,208
45 - 49	315	7,855,656	77	730,968
50 - 54	171	4,130,640	9	96,504
55 - 59	103	2,558,232	6	73,104
60 & Over	26	635,520	2	18,072
W/O record	49	1,180,272	---	---
Totals	4,983	$126,624,888	441	$4,730,952

Average Annual Salary	$25,411	$10,728
Average Attained Age	43.8	58.1
Average Service	12.9	18.9
Average Age at Entrance	30.9	39.2

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

AGE AND SERVICE DISTRIBUTION

YEAR 1983

Average Salaries by Age And Service Grouping (Showing The Number of Members and The Average Salaries of Male and Female Combined)

Ages	Years of Service									
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
00-20		8 22332								8 22332
20-24	3 21624	239 23961	64 25521							306 24264
25-29	1 28392	271 23996	367 25644	27 28694						666 25101
30-34	3 20336	169 24232	323 25720	123 27644	19 28290					637 25748
35-39	2 21900	111 24315	157 26008	108 25393	74 27203	4 29268				456 25655
40-44	1 21792	82 23662	115 24843	77 26902	126 26445	84 28559	6 30648			491 26080
45-49		67 23446	117 25819	78 25343	115 23956	98 25294	30 27478	1 19728		506 24993
50-54	2 25764	47 23376	98 24241	71 23855	118 21918	89 22436	100 26105	62 26274	2 25452	589 23927
55-59		33 22557	79 24933	87 24328	140 19516	103 19644	117 23750	143 26956	25 28185	727 23280
60-64	1 12816	31 24604	58 23113	58 23655	157 18115	131 17930	96 23700	95 25421	25 25725	652 21494
65-69		3 24416	21 23550	32 23975	59 17836	59 17504	44 22363	29 24100	12 23244	259 20779
70+		1 29736	2 9468	8 27351	17 24428	14 21941	11 25580	18 24776	7 24624	78 24226
W/O		16 21593	20 24906	8 23778	1 28392	1 26664	1 13656	2 38868		49 24087
No. Sal. Age Service	13 21862	1078 23903	1421 25342	677 25589	826 22150	583 21836	405 24572	350 26117	71 26056	5424 24218

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

ANNUITANTS CLASSIFIED BY AGE AS OF DECEMBER 31, 1983

Retirement Annuities

Ages	Male Number	Annual Payments	Average Annual Payments	Female Number	Annual Payments	Average Annual Payments
25 - 29						
30 - 34	2	$ 1,800.00	$ 900.00		$	$
35 - 39						
40 - 44						
45 - 49	2	1,740.96	870.48			
50 - 54	1	4,610.52	4,610.52			
55 - 59	58	326,739.12	5,633.43	6	8,216.04	1,369.34
60 - 64	195	1,675,453.20	8,592.07	54	166,445.52	3,082.32
65 - 69	404	2,804,450.28	6,941.71	204	631,105.68	3,093.66
70 - 74	389	2,445,668.88	6,287.07	252	631,022.40	2,504.06
75 - 79	221	1,203,858.84	5,447.33	207	426,543.00	2,060.59
80 - 84	148	549,955.80	3,715.92	102	187,949.76	1,842.64
85 - 89	54	211,854.96	3,923.24	56	104,656.92	1,868.87
90 - 94	35	120,870.96	3,453.46	21	32,753.88	1,559.71
95 - 99	5	9,875.76	1,975.15	2	2,604.96	1,302.48
100-105				1	2,278.80	2,278.80
Totals	1514	$9,356,879.28	$6,180.24	905	$2,193,576.96	$2,423.84
Average Age			71			74

Spouses Annuities (Not Including Compensation)

Ages	Male Number	Annual Payments	Average Annual Payments	Female Number	Annual Payments	Average Annual Payments
20 - 24		$	$		$	$
25 - 29				3	3,600.00	1,200.00
30 - 34						
35 - 39				10	15,819.36	1,581.94
40 - 44				18	27,543.48	1,530.19
45 - 49				15	27,468.60	1,831.24
50 - 54	1	1,200.00	1,200.00	50	90,390.12	1,807.80
55 - 59				124	258,473.64	2,084.46
60 - 64	1	1,200.00	1,200.00	168	351,740.04	2,093.69
65 - 69	4	5,124.12	1,281.03	226	443,004.00	1,960.19
70 - 74	3	3,600.00	1,200.00	219	399,570.48	1,824.52
75 - 79				164	249,437.76	1,520.96
80 - 84				117	156,292.08	1,335.83
85 - 89				59	72,467.88	1,228.27
90 - 94				22	17,567.04	798.50
95 - 99				6	3,519.60	586.60
100-105				1	719.28	719.28
Totals	9	$ 11,124.12	$1,236.01	1,202	$2,117,613.36	$1,761.74
Average Age			66			69

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

NEW ANNUITIES GRANTED

AS OF DECEMBER 31, 1983

	Male Annuitants	Female Annuitants	Widows of Deceased Employees	Widows of Deceased Annuitants
Number Retired	128	46	35	68
Average Attained Age	64.8	66.7	55.5	68.5
Average Length of Service	25.1	20.8	21.8	N/A
Average Annual Salary (4 out of 10)	$ 17,844	$ 8,148	N/A	N/A
Average Annual Final Salary	$ 22,836	$ 9,324	24,528	N/A
Total Annual Annuity	$ 1,155,769	$ 152,730	$ 111,912	$ 176,201
Average Annual Annuity	$ 9,029	$ 3,320	$ 3,197	$ 2,591
Total Liability (6.75% UP-1984)	$13,548,048	$1,752,904	$1,207,361	$1,489,156
Average Liability	$ 105,844	$ 38,107	$ 34,496	$ 21,899
Total Cost For Income Tax Purposes	$ 2,284,998	$ 337,777	$ 629,721	N/A
Average Cost	$ 17,852	$ 7,343	$ 17,992	N/A
Expected Future lifetime (yrs.)	15.35	17.42	26.04	16.02
Payback Period (yrs.)	1.98	2.21	5.62	N/A
Replacement ratio	39.5%	35.6%	N/A	N/A
Liability divided by Salary	4.63	4.09	N/A	N/A

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

HISTORY 1964 to 1983

AVERAGE ANNUAL SALARIES ENTIRE FUND

Year End	Total Members In Service(1)	Percentage Increase Of Preceding Year	Total Salaries	Percentage Increase Of Preceding Year	Average Annual Salaries	Percentage Increase Of Preceding Year
1965	7,936	0.9%	$ 45,872,832	3.2%	$ 5,780	2.3%
1966	7,995	0.7	47,598,552	3.8	5,954	3.0
1967	8,102	1.3	52,268,304	9.8	6,451	8.3
1968	7,891	(2.6)	56,165,136	7.5	7,118	10.3
1969	7,777	(1.4)	60,523,296	7.8	7,782	9.3
1970	7,220	(7.2)	62,916,768	4.0	8,714	12.0
1971	6,864	(4.9)	66,142,320	5.1	9,636	10.6
1972	6,971	1.6	69,950,692	5.8	10,035	4.1
1973	6,752	(3.1)	73,108,848	4.5	10,828	7.9
1974	6,638	(1.7)	78,526,728	7.4	11,830	9.3
1975	7,032	5.9	89,276,280	13.7	12,696	7.3
1976	6,811	(3.1)	90,487,008	1.4	13,285	4.6
1977	6,752	(0.9)	98,029,296	8.3	14,519	9.3
1978	6,613	(2.1)	103,399,152	5.5	15,636	7.7
1979	6,175	(6.6)	105,825,264	2.3	17,138	9.6
1980	5,847	(5.3)	108,854,496	2.9	18,617	8.6
1981	5,765	(1.4)	118,054,512	8.5	20,478	10.0
1982	5,970	3.6	134,293,920	13.8	22,495	9.8
1983	5,424	(9.1)	131,355,840	(2.2)	24,218	7.7
Average Increase for the last 5 years		(3.8)%		5.1%		9.1%

(1) Includes those members who were on disability

(2) Average annual increase in salary 1964 - 1983 about 7.98% compounded.

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

HISTORY OF TOTAL ANNUITIES

Employee Annuitants (Male & Female)

Year End	Number Of Annuitants	Total Annuities	Average Annuities
1969	1,593	$2,495,396	$1,566
1970	1,651	2,779,061	1,683
1971	1,675	2,927,594	1,748
1972	1,724	3,373,308	1,957
1973	1,777	3,781,854	2,128
1974	1,831	4,331,609	2,366
1975	1,907	4,887,747	2,563
1976	2,009	5,633,971	2,804
1977	2,087	6,287,310	3,013
1978	2,188	7,162,866	3,274
1979	2,227	7,976,776	3,582
1980	2,379	8,958,700	3,766
1981	2,420	9,950,080	4,112
1982	2,419	10,725,716	4,434
1983	2,419	11,550,456	4,775

Spouse Annuitants (Not Including Compensation)

1969	909	$ 640,079	$ 704
1970	928	673,352	726
1971	921	711,618	773
1972	932	775,469	832
1973	967	860,410	890
1974	997	959,632	963
1975	1,022	1,053,816	1,031
1976	1,041	1,142,064	1,097
1977	1,059	1,267,194	1,197
1978	1,075	1,381,263	1,285
1979	1,111	1,523,370	1,371
1980	1,154	1,689,076	1,464
1981	1,153	1,768,868	1,534
1982	1,174	1,927,743	1,642
1983	1,211	2,128,737	1,758

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

HISTORY OF INVESTMENT YIELDS

Nonrecurring Gains and Losses are Excluded from Income

Year End	Investment Yield on Total Assets	Investment Yield on Invested Assets
1971	4.75%	4.99%
1972	5.47	5.70
1973	5.76	6.03
1974	6.58	6.98
1975	7.25	7.73
1976	7.23	7.65
1977	7.01	7.35
1978	6.61	6.97
1979	7.38	7.82
1980	7.69	8.20
1981	8.46	9.11
1982	9.88	10.47
1983*	9.37 (9.30)*	9.79 (9.72)*
Average of Last 5 Years	8.56%	9.08%

Nonrecurring Gains and Losses are Included in Income

Year End	Investment Yield on Total Assets	Investment Yield on Invested Assets
1971	3.95%	4.14%
1972	4.79	5.00
1973	3.60	3.77
1974	3.55	3.76
1975	6.17	6.58
1976	6.98	7.39
1977	7.00	7.35
1978	5.34	5.62
1979	6.61	7.00
1980	5.66	6.03
1981	3.99	4.29
1982	7.64	8.09
1983*	11.14 (11.07)*	11.64 (11.57)*
Average of Last 5 Years	7.01%	7.41%

Notes: *Investment Income is net of investment expenses.

$$\text{Yield} = \frac{\text{Investment Income}}{\frac{1}{2}\,(\text{Assets at beginning} + \text{end}) - \frac{1}{2}\,\text{Investment Income}}$$

Bonds valued at amortized value, stocks at cost.
Market values are not considered.

LABORERS' AND RETIREMENT BOARD

HISTORY OF RECOMMENDED EMPLOYER MULTIPLES

Year of Report	Statutory Multiple	Normal Cost Plus Interest	Normal Cost Plus 40 Year Amortization	Normal Cost Plus 40 Year % of Salary Amortization
1974	1.235	1.48	---	---
1975	1.280	1.33	---	---
1976A	1.325	1.54	1.62	1.24
1977	1.370	1.53	1.62	1.24
1978A	1.370	1.69	1.78	1.38
1979	1.370	1.62	1.71	1.34
1980	1.370	1.96	2.04	1.67
1981	1.370	1.59	1.67	1.30
1982A	1.370	1.34	1.40	1.03
1983B	1.370	1.54	1.60	1.21

A = Change in actuarial assumptions
B = Change in benefits

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

HISTORY OF FINANCIAL INFORMATION

Year End	Employee Contributions(1)	Employer Contributions(2)	Investment Income (3)	Total Income
71	$ 5,254,928	$ 4,241,819	$ 4,145,156	$13,641,903
72	5,928,386	4,793,135	5,391,547	16,113,068
73	6,269,104	5,463,149	4,394,426	16,126,679
74	6,597,012	6,103,125	4,646,080	17,346,217
75	7,375,222	6,699,000	8,665,212	22,739,434
76	7,887,179	7,287,000	10,785,585	25,959,764
77	8,568,248	8,470,000	11,993,200	29,031,448
78	9,077,825	9,477,125	10,112,216	28,667,166
79	9,571,764	11,108,298	13,547,589	34,227,651
80	9,729,912	11,791,330	12,626,861	34,148,103
81	10,522,389	12,392,694	9,631,793	32,546,876
82	11,546,286	12,589,417	19,729,269	43,864,972
83	11,608,537	13,681,225	31,809,924	57,099,686

Year End	Pay Outs(4)	Income Less Pay Outs(5)	Pay Outs To Assets	Income To Assets	Pay Outs To Income
71	$ 6,829,674	$ 6,812,229	6.2%	12.4%	50.1%
72	6,425,129	9,687,939	5.4	13.4	39.9
73	7,125,454	9,001,225	5.5	12.5	44.2
74	7,999,287	9,346,930	5.8	12.6	46.1
75	8,690,763	14,048,671	5.7	15.0	38.2
76	9,482,736	16,477,028	5.6	15.4	36.5
77	10,819,180	18,212,268	5.8	15.6	37.3
78	12,454,451	16,212,715	6.1	14.1	43.4
79	14,055,673	20,171,977	6.4	15.5	41.1
80	16,796,949	17,351,154	7.1	14.3	49.2
81	16,596,246	15,950,630	6.5	12.8	51.0
82	16,338,842	27,526,130	5.8	15.6	37.2
83	17,406,849	39,692,837	5.4	17.8	30.5

Statistical material suggested by the Laborers' Finance Officers Association in the disclosure guidelines for security offerings by the State and Local Government.

(1) Includes Deductions In Lieu for Disability.
(2) Net Tax Levy and Miscellaneous Income.
(3) Includes Realized Net Loss on Sale and Exchange of Bonds.
(4) Includes Pensions, Benefits, Refunds and Administrative Expenses.
(5) Does Not Include Prior Year Adjustments.

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

HISTORY OF FINANCIAL INFORMATION

ANNUAL ACTUARIAL REQUIREMENTS

Actuarial Recommended Contribution (Employer and Employee)
Normal Cost Plus Various Amortization Methods.

Year	A NC Plus Interest	B NC Plus ERISA 40 Year Amortization	C NC Plus Increasing % of Salary	A Expressed as Percentage of Salary Beginning of Year	B	C
77A	$17,063,326	$17,607,328	$15,240,172	18.86%	19.46%	16.84%
78	18,468,103	19,054,056	16,504,353	18.84	19.44	16.84
79A	20,575,276	21,211,686	18,442,428	19.90	20.51	17.84
80	21,699,408	22,362,086	19,478,525	20.50	21.13	18.41
81	25,019,195	25,711,368	22,699,461	22.98	23.62	20.85
82	23,885,754	24,620,727	21,422,580	20.23	20.86	18.15
83A	24,484,651	25,070,322	21,442,931	18.23	18.67	15.97
84B	25,818,914	26,456,281	22,731,331	19.66	20.14	17.31

ACTUAL EMPLOYER AND EMPLOYEE CONTRIBUTION

Year	D Employer	E Employee	D Expressed as a Percentage of Salary Beginning of Year	E
77A	$ 8,470,000	$ 8,568,248	9.36%	9.47%
78	9,477,125	9,077,825	9.67	9.26
79A	11,108,298	9,571,764	10.74	9.26
80	11,791,330	9,729,912	11.14	9.19
81	12,392,694	10,522,389	11.38	9.67
82	12,589,417	11,546,286	10.66	9.78
83A	13,681,225	11,608,537	10.19	8.64
84B EST	15,012,480	11,165,246	11.43	8.50

DEFICIENCY (EXCESS) IN ANNUAL CONTRIBUITON

Year	F NC Plus Interest	G NC Plus ERISA 40 Year Amortization	H NC Plus Increasing % of Salary	F Expressed as a Percentage of Salary Beginning of Year	G	H
77A	$ 25,078	$ 569,080	($1,798,076)	.03%	.63%	(1.99)%
78	(86,847)	499,106	(2,050,597)	(.09)	.51	(2.09)
79A	(104,786)	531,624	(2,237,634)	(.10)	.51	(2.16)
80	178,166	840,844	(2,042,717)	.17	.79	(1.93)
81	2,104,112	2,796,285	(215,622)	1.93	2.57	(.20)
82	(249,949)	485,024	(2,713,123)	(.21)	.41	(2.30)
83A	(805,111)	(219,440)	(3,846,831)	(.60)	(.16)	(2.86)
84B EST	(358,812)	278,555	(3,446,395)	(.27)	.21	(2.62)

A Change in actuarial assumptions
B Change in benefits

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

HISTORY OF FINANCIAL INFORMATION

ACCRUED AND UNFUNDED LIABILITIES

Year End	Accrued Liability	Assets At Book Value	Funded Ratio	Unfunded Accrued Liability	Payroll	Unfunded Accrued % Payroll
71A	$158,815,569	$110,423,040	69.5%	$ 48,392,529	$ 66,142,320	73%
72	172,160,657	120,072,655	69.7	52,088,002	69,950,692	74
73	197,782,050	128,624,035	65.0	69,158,015	73,108,848	95
74	215,636,093	137,709,821	63.9	77,926,272	78,526,728	99
75	242,216,859	151,749,085	62.7	90,467,774	89,276,280	101
76A	252,410,689	168,219,982	66.6	84,190,707	90,487,008	93
77	277,111,671	186,428,465	67.3	90,683,205	98,029,296	93
78A	301,135,468	202,643,520	67.3	98,491,948	103,399,152	95
79	323,368,034	220,810,778	68.3	102,557,256	105,825,264	97
80	345,364,820	238,242,772	69.0	107,122,048	108,854,496	98
81	367,980,498	254,234,605	69.1	113,745,893	118,054,512	96
82A	391,353,993	281,708,565	72.0	109,645,428	134,293,920	82
83B	444,711,069	321,404,078	72.3	123,306,991	131,355,840	94

SOLVENCY (TERMINATION) TEST

Year End	Retired Liability	Active Member Salary Deductions	Total Term. Liab.	Assets At Book Value	Termination Cost (Excess)	Quick Ratio Assets to Term. Liab.
75	$56,403,573	$63,162,106	$119,565,679	$151,749,085	$(32,183,406)	127%
76A	61,271,047	68,189,205	129,460,252	168,219,982	(38,759,730)	130
77	67,977,467	73,608,310	141,585,777	186,428,466	(44,842,689)	132
78A	77,603,101	78,072,062	155,675,163	202,643,520	(46,968,357)	130
79	86,918,802	83,057,007	169,975,809	220,810,778	(50,834,969)	130
80	97,598,923	85,989,360	183,588,283	238,242,772	(54,654,489)	130
81	107,291,048	88,378,748	195,669,796	254,234,605	(58,564,809)	130
82A	113,743,284	94,516,563	208,259,847	281,708,565	(73,448,718)	135
83B	128,901,825	106,730,627	235,632,452	321,404,078	(85,771,626)	136

A Change in valuation assumptions
B Change in benefits

Quick ratio is defined as assets divided by the termination liability

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

Method: The actuarial funding method used is the ENTRY AGE NORMAL METHOD.

This cost method assigns to each year of employment a constant percentage of an employees salary, called the CURRENT SERVICE COST (sometimes referred to as NORMAL COST), sufficient to accumulate the necessary funds to provide for the full prospective costs of the employee's projected retirement pension. The amount of pension must be estimated using various assumptions as to future compensation levels, employee turnover, mortality and pension fund earnings, since the actual pension can only be known at the time of retirement. These are called actuarial assumptions.

It should be emphasized that the actuarial assumptions do not directly affect the cost of the pension plan. Benefits are fixed by statute and will become payable as various members and their dependents satisfy the contingencies covered. The actual cost of the plan can only be determined after all benefits have been paid, and is equal to the total benefits paid, plus total administrative expenses minus total investment income.

The ACCRUED LIABILITY of the fund at any point in time is the accumulated value of all CURRENT SERVICE COSTS which should have been paid at that time for active employees plus the full prospective cost of pensions for all retired employees. The extent that the actual plan ASSETS are less than the ACCRUED LIABILITY is called the UNFUNDED LIABILITY.

An amount of money is required each year to keep the UNFUNDED LIABILITY from increasing if all assumptions are realized. This amount is called INTEREST ONLY on the UNFUNDED LIABILITY.

The total actuarial contribution required to the fund is equal to the CURRENT SERVICE COSTS plus INTEREST ONLY on the UNFUNDED LIABILITY. This is the funding policy. This minimum method of funding, often referred to as middle-of-the-road method, is the method the fund has tried to follow in the past. It has evolved over the years and seeks to give effect to all interested groups including opinions often expressed by the Civic Federation. No funds are provided for amortization of the UNFUNDED LIABILITY.

Reserves for employee retirement annuities, spouses retirement annuities and death benefit annuities are valued on the entry age normal method. Grouped ages of entry, 22, 27, 32, 37, 42, 47, 52, 57, 62 and over, are used.

The costs for the following items are valued on an annual cost basis. No reserves are set up as these items tend to stabilize on a cash basis.

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

1) Duty Disability Benefits
2) Ordinary Disability Benefits
3) Children's Annuities
4) Refunds - including refunds for no wife
5) Expense of administration

Reserves are set up for duty, and ordinary disability recipients as if they were in active service.

Actuarial Assumptions:

Mortality:

Active Members, Present and Future Retired Members and Spouses: UP-1984 MORTALITY TABLE, male and female.

Interest: 6.75% a year, compounded annually. An exhibit details the investment yields the Fund actually realized over the past few years.

Interest earnings over the assumed rate can be used to reduce losses which may result from variations in other cost factors - such as increased costs resulting from salary increases greater than the assumed rate.

It must be realized that the interest assumption is a long range assumption - it must cover a period as long as perhaps 50 years - which would be the period of time, say, that the youngest employee in the fund will work, then retire on pension for the rest of his life. There is no guarantee that the current high interest rates will continue over this period.

Salary Increase: 6% a year, compounded annually. An exhibit details the annual increase in the average salary over the past years which averages greater than 6%.

It should be remembered that pensions are based directly upon salary. If it is believed that the recent pattern will continue in the long range future, the salary scale assumption will need to be increased.

Increased costs would necessarily result with the extent of the increase in cost depending on the extent of the increase in salary over the assumed long range.

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

Rate of Retirement: The rates of retirement used in this valuation are shown in an Exhibit for each age of entrance group into the service and are based on 1973, 1974 and 1975 experience of the Fund adjusted to 1978.

These rates were modified to assume all employees retire by age 70.

Rate of Termination: These rates are shown in an Exhibit and are based on the experience of the Fund for the years 1973, 1974 and 1975 adjusted to 1978.

Proportion Married: The scale is shown in an Exhibit .

Active Membership: It is assumed that the future active membership of the Fund will remain at the present level and that the average age at entrance into the service will be about the same in the future as it has been. The actuarial costs are based on the present group. If future entrants to the Fund are older than the present group, then costs will tend to increase. Conversely, if new entrants are younger, then costs will tend to decrease.

Age of Spouse: Of a male employee - the spouse is assumed four years younger; of a female employee - the spouse is assumed four years older.

Asset Value: Bonds are amortized value; stocks are at cost, real estate separate accounts at adjusted cost.

Reciprocal Benefits: Active life normal costs and reserves are loaded 1%.

Loss on Tax Levy: 4% overall is assumed for all future years.

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SERVICE TABLE FUNCTIONS

Rates of Retirement

Male

Attained Age	Age at Entrance 22	27	32	37	42	47	52	57	62
55	.065	.010	.007	.008	.002				
56	.135	.065	.008	.010	.003				
57	.187	.115	.010	.015	.005	.007			
58	.205	.146	.016	.020	.011	.009			
59	.219	.157	.035	.028	.021	.011			
60	.229	.160	.150	.046	.033	.015	.021	.017	
61	.236	.172	.193	.074	.055	.022	.037	.028	
62	.240	.210	.211	.115	.097	.044	.084	.042	
63	.245	.321	.225	.140	.116	.106	.134	.064	.125
64	.255	.336	.249	.216	.136	.174	.162	.081	.145
65	.324	.345	.334	.319	.152	.200	.178	.113	.167
66	.354	.350	.348	.348	.166	.217	.193	.130	.201
67	.363	.354	.356	.358	.180	.231	.205	.139	.227
68	.370	.359	.362	.364	.194	.246	.220	.146	.275
69	.374	.363	.367	.367	.208	.259	.232	.152	.290
70	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Female									
55	.028	.025	.021	.019	.013				
56	.036	.035	.023	.023	.016				
57	.044	.052	.024	.026	.021	.006			
58	.057	.067	.027	.031	.026	.009			
59	.068	.073	.031	.037	.034	.014			
60	.080	.085	.044	.045	.043	.023	.018	.019	
61	.097	.093	.098	.053	.056	.032	.027	.030	
62	.110	.098	.172	.060	.077	.047	.045	.043	
63	.120	.106	.193	.071	.095	.062	.070	.066	.070
64	.136	.123	.204	.083	.114	.100	.135	.100	.090
65	.154	.180	.213	.101	.136	.160	.163	.145	.153
66	.168	.221	.218	.141	.163	.173	.176	.172	.163
67	.176	.236	.228	.190	.183	.193	.182	.186	.168
68	.184	.246	.238	.228	.200	.204	.184	.194	.171
69	.189	.254	.259	.237	.214	.214	.188	.201	.174
70	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SERVICE TABLE FUNCTIONS

Rates of Termination

Male

Attained Age	Age at Entrance 22	27	32	37	42	47	52	57	62
22	.223								
27	.116	.262							
32	.050	.100	.219						
37	.021	.046	.098	.221					
42	.012	.025	.022	.088	.176				
47	.005	.012	.010	.034	.080	.142			
52		.005	.005	.017	.028	.076	.120		
57							.046	.112	
62									.148
67									

Female

22	.140								
27	.108	.174							
32	.052	.085	.108						
37	.022	.038	.062	.074					
42	.008	.022	.033	.051	.054				
47		.013	.017	.028	.033	.063			
52		.005	.009	.015	.020	.033	.054		
57							.036	.056	
62									.027
67									

Attained Age	Male Death Rate UP-1984 Per 1,000	Female Death Rate UP-1984 Per 1,000	Proportion Married %
22	1.167	1.385	81
27	1.058	1.167	81
32	1.208	1.058	81
37	1.792	1.208	80
42	2.818	1.792	83
47	4.635	2.818	83
52	7.543	4.635	84
57	11.863	7.543	82
62	18.685	11.863	80
67	29.634	18.685	78
70	37.667	24.847	74

ILLINOIS PUBLIC EMPLOYEES PENSION LAWS COMMISSION IMPACT STATEMENT

Name of Retirement System: Laborers

Total Annual Payroll: $131,355,840 Bill No.

Total Number of Active Employees: 5,424

PRESENT FINANCIAL CONDITION AS OF VALUATION DATE

Valuation Date 12-31-83	I PRESENT PLAN	II PROPOSED LEGISLATION	III PLAN IF PROPOSED LEGISLATION ENACTED
(1) Accrued Pension Liability	$444,711,069		
(2) Present Assets	$321,404,078		
(3) Unfunded Liability = (1)-(2)	$123,306,991		
(4) Funded Ratio = (2) ÷ (1)	72.27%		

DIRECTION OF FINANCIAL CONDITION: FOR YEAR BEGINNING ON VALUATION DATE

	PRESENT PLAN	PER ACTIVE	% OF SALARY	PROPOSED LEGISLATION	PER ACTIVE	% OF SALARY	PLAN IF PROPOSED LEGISLATION ENACTED	PER ACTIVE	% OF SALARY
(5) Minimum Recommended Annual Contribution	$ 25,818,914	$4760	19.66						
1984 Tax Levy $15,638,000 Less 4% (6) Estimated Annual Employer Contribution	$ 15,012,480	$2768	11.43						
(7) Estimated Annual Employee Contribution	$ 11,165,246	$2058	8.50						
(8) Deficiency in Annual Contributions = (5)-(6)-(7) (Excess)	($ 358,812)	($ 66)	(.27)						

(9) Source of Funding Revenues:

IS THE ANNUAL COST FOR PROPOSED LEGISLATION

(10) Remarks

(For explanation of each line item see back of this statement)

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

PLAN SUMMARY

PARTICIPANT:

Person employed by the City in a position classified by the Civil Service Commission of the employer as labor service of the employer; any person employed by the Board; any person employed by the Retirement Board of any other Annuity and Benefit Fund which is in operation for the employer.

SERVICE:

For all purposes except formula minimum annuity and ordinary disability credit, service in four months in any calendar year constitutes one year of service credit.

For minimum annuity, one-half year credit is given for one completed month of service, a full year credit is given for one complete month of service plus service in at least 5 months. For O.D. credit, the exact number of days, months and years are used.

RETIREMENT ANNUITY:

Money Purchase Formula: Maximum is 60% of final salary. Applies in cases where an employee is age 55 or more and has over 10 years of service. If employee is age 55 - 60 with service less than 20 years, the annuity is based on all employee deductions plus 1/10 city contributions for each year over 10. In case of withdrawal before age 55, application after age 55, the annuity is based on employee deductions plus 1/10 city contributions for each year over 10, with interest to date of application or age 55, whichever is later. The age factor for age 55 is used.

The annuity is based on all employee deductions and city contributions in cases where the employee is: (a) age 55 - 60 with 20 or more years of service; (b) age 60 - 70; (c) resigning at the time of disability expiration. Money purchase can be calculated only to age 70.

Minimum Annuity Formula: Maximum is 75% of final average salary. (a) An employee age 55 or older with at least 20 years of service, is qualified for an annuity equal to 1.67% of each of the first 10 years of service plus 1.90% for each of the next 10 years plus 2.1% for each of the next 10 years and 2.3% for each year of service over 30 years, of the final average salary during the four highest consecutive years within the last 10 years of service prior to retirement. This annuity is discounted 1/2 of 1% for each month the employee is younger than 60 to age 55. (b) An employee who is at least age 65 with 15 or more years of service is qualified for an annuity equal to 1% for each year of service multiplied by the final average salary added to the sum of $25.00 for each year of service.

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

PLAN SUMMARY

Reversionary Annuity: An employee may elect to reduce his annuity by an amount less than or equal to $200 to provide a reversionary annuity to begin upon the employee's death for a spouse, parent, child, brother or sister. The election must be made before retirement and have been in effect 2 years prior to death. The death of the employee before retirement voids the election. The reversionary annuity cannot exceed 80% of the employee's reduced annuity. If the employee resigns after June 30, 1983, the 3% automatic annual increase in annuity will be computed on the original, not the reduced annuity and if the beneficiary dies before the employee annuitant, the full annuity is restored. For annuities elected after June 30, 1983, the amount of the monthly reversionary annuity is determined by multiplying the amount of the monthly reduction in the employee's annuity by a factor based on the age of the employee and the difference in the age of the employee and the age of the reversionary annuitant at the starting date of the employee's annuity.

Reciprocal Annuity: Under reciprocal retirement an employee can receive annuity based on continued service credits in two or more governmental units in Illinois to whose pension fund he has contributed for at least one year.

Automatic Increase in Annuity: An employee who is age 60 or more is entitled to receive 2% of the original annuity, such increase to begin in January of the year immediately following the year of the first anniversary of retirement. Beginning with January of the year 1984 such increases shall be at the rate of 3% of the original annuity. An employee who retires prior to age 60 will receive such increase beginning in January of the year following the year he attained age 60.

SPOUSE'S ANNUITY: (Payable until remarriage)

Money Purchase Formula: When an employee is 65, or retires prior to age 65, the spouse's annuity is fixed, based on employee deductions and city contributions made for spouses' annuity purposes and a joint life age factor. (If the employee is a female these are deductions accumulated since October, 1974). In the case of the spouse of an employee over 65, the money purchase annuity is the amount fixed at employee age 65, and all deductions after that time are refunded if the employee dies in service.

If the employee dies in service under 65 the spouse's annuity is based on all sums accumulated to their credit. This annuity cannot exceed the amount spouse would have been fixed at if employee had continued to work to age 65.

For 3% annuities fixed on or after August 1, 1983, the "Combined Annuity Mortality Table" shall continue to be used; however, widow's single life annuities and reversionary annuities shall be computed using the best factor (the factor producing the highest annuity) not depending upon sex.

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

PLAN SUMMARY

SPOUSE'S ANNUITY:

Spouses' Minimum Annuity Formula: If the employee is at least age 60 and has 20 or more years of service, the spouse's annuity is equal to 1/2 of the amount of annuity the employee was entitled to at the time of death if death occured before retirement, or was entitled to receive on the date of retirement if the employee died after retirement. This annuity is subject to a maximum of $400 ($500 if retirement or death before retirement occurs on or after January 1, 1984) and must be then discounted 1/2 of 1% for each month that the spouse is under age 60 at the time the annuity is fixed.

In the case of a spouse, the female employee must have made contributions for her spouse for at least 20 years to qualify for the minimum annuity formula. Current female employees may elect to pay spouse contributions for their service before October, 1974.

CHILDREN'S ANNUITY:

Child's annuity is payable upon the death of city employee, either active or retired, if the child is unmarried, under age 18, born before participant is age 65 and before his separation from city service or legally adopted at least one year before child's annuity becomes payable and prior to the attainment of age 55 by the adopting employee parent. Annuity is $80.00 per month while spouse of deceased employee is alive and $120.00 per month if no spouse is alive. Except for duty death deceased employee must have had 4 years of service or at least 2 years from latest re-entrance if he had previously resigned from service.

FAMILY MAXIMUM:

Non-duty death: 60% of final monthly salary: Duty death: 70% of final monthly salary.

DISABILITIES:

Duty Disability Benefits: Any employee who becomes disabled as the result of injury incurred in the performance of any act of duty, shall

have a right to receive duty disability benefit in the amount of 75% of salary at date of injury plus $10.00 a month for each unmarried child (the issue of the employee) less than age 18. Child's duty disability benefit is limited to 15% of the employee's salary as of date of injury. Duty disability benefits begin one day after the later of the last day worked and the last day paid.

If the disability has resulted from any mental disorder, physical defect or disease which existed at the time such injury was sustained, the duty disability benefit shall be 50% of salary at date of injury. Disablement because of heart attacks, strokes, or any disablement due to heart disease shall not be considered to be the result of an accident suffered in the performance of duty.

Duty disability benefit is payable to age 65 if disability begins before age 60. For an employee who begins disability on or after age 60, disability will continue for 5 years or to age 70 whichever occurs first. The City contributes salary deductions for annuity purposes. Such amounts contributed by the city after December 31, 1983, while the employee is receiving duty disability benefits are not refundable to the employee and will be used for annuity purposes only.

Ordinary Disability Benefit: Disability other than in performance of an act of duty...50% of salary less the sum ordinarily deducted from salary for annuity purposes, as of last day worked payable until age 65 and limited to a maximum of 1/4 of employee's total service or 5 years, whichever is earlier if disability begins before age 60. For an employee who begins disability on or after age 60, disability will continue for a period not greater than 1/4 of employee's total service, but no more than 5 years or age 70 whichever is earlier. The City contributes the deductions for pension purposes.

REFUNDS:

To Employee: Upon separation from service employee is entitled to all his salary deductions plus interest if employee is under age 55. If over age 55 employee is eligible for refund if he has less than 10 years of service or would be eligible for temporary rather than life annuity. Effective September 17, 1983, employee may choose a refund in lieu of annuity if annuity would be less than $200.00 per month.

Spouse's annuity deductions are payable to employee if not married when he retires or attains age 65.

To Spouse: In lieu of annuity if annuity would be temporary rather than life and spouse so chooses. Effective September 17, 1983, spouse may choose a refund in lieu of annuity if annuity would be less than $200.00 per month.

Remaining Amounts: Amounts contributed by employee excluding 1/2% deductions for annuity increase, which have yet not been paid out as annuity, are refundable to his estate with interest to his retirement or death if he died in service.

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

PLAN SUMMARY

DEDUCTIONS AND CONTRIBUTIONS:

	Deductions	Contributions *
Employee	6-1/2%	6%
Spouse	1-1/2% **	2% **
Annuity Increase	1/2%	-
Total:	8-1/2%	8%

** Only to employee age 65.

FINANCING: *

The City shall levy a tax annually equal to the total amount of contributions in the 2 years prior multiplied by 1.370 for 1978 and each year thereafter.

TAX SHELTER OF EMPLOYEE SALARY DEDUCTIONS:

Beginning January 1, 1982, the City employee salary deductions were designated for income tax purposes to be made by the employer. The W2 salary is therefore reduced by the amount of contribution. For pension purposes the salary remains unchanged. Income tax will be paid when a refund or annuity is granted. For the purposes of benefits, refunds, or financing, these contributions are treated as employee contributions. Beginning September 19, 1981 Board of Education employee contributions were paid by the employer.