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

ACTUARIAL STATEMENT

DECEMBER 31, 1984

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October 2, 1985

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, 1984 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 1984. 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.

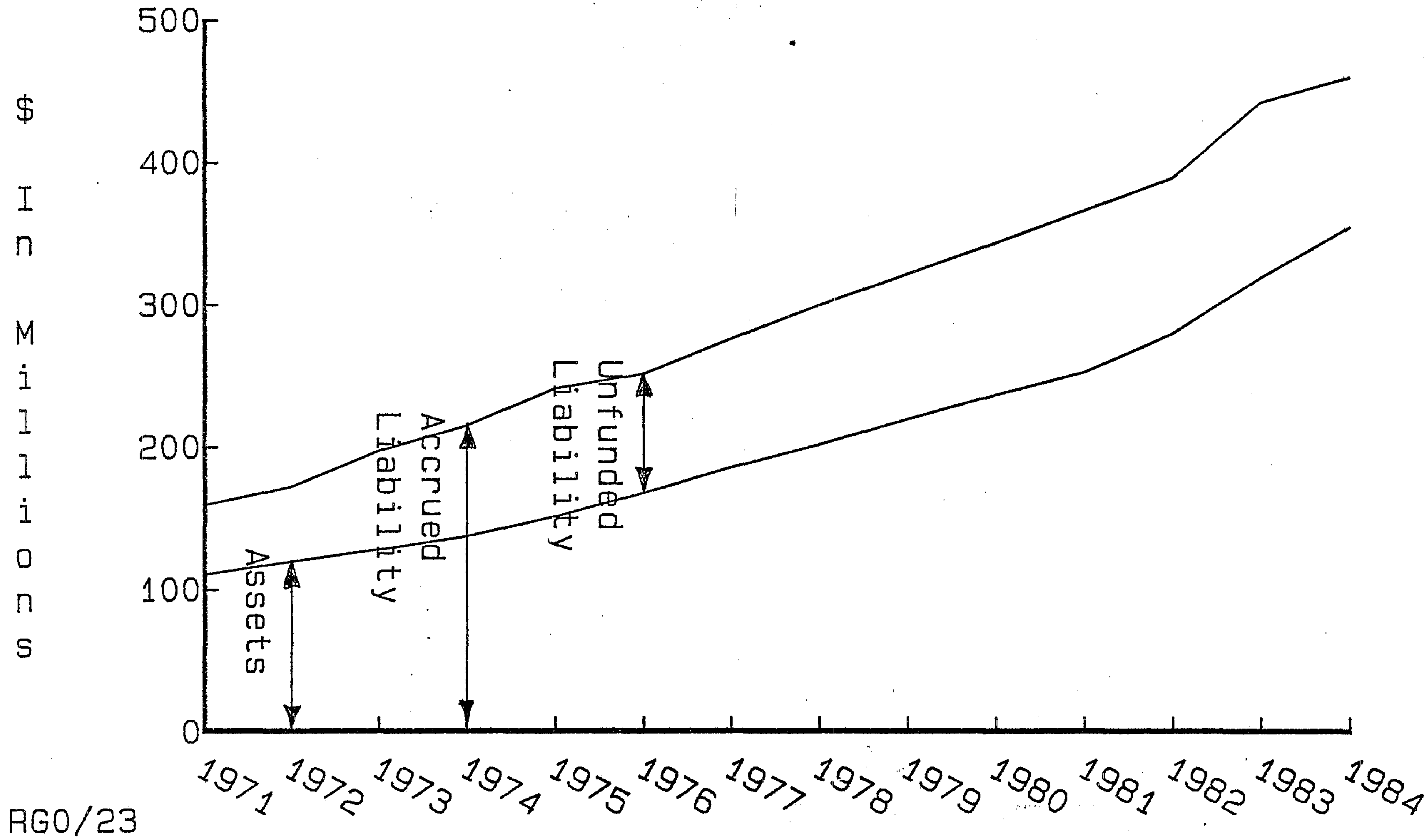
SUMMARY

The following represents a summary of 1984 Laborers' Actuarial Report:

(Does not include 1985 amendments)

		Last Year	This Year
INCOME:	Investment	$ 31,809,924	$ 28,832,621
	Employer	13,681,225	14,996,619
	Employee	11,608,537	11,531,243
	Total	57,099,686	55,360,483
OUTGO:	Refunds, Benefits, Expenses	17,406,849	20,473,249
EXCESS OF INCOME OVER OUTGO:		39,692,837	34,887,234
ACTIVE PARTICIPANTS		5,424	5,341
BENEFICIARIES:	Employee	2,419	2,469
	Spouse	1,212	1,227
	Disabilities	167	188
	Children	112	96
	Other - reversionary	2	3
ACTUARIAL:			
	Assets (Total at book value)	$321,404,078	$356,809,111
	Funded Ratio	72.27%	77.16%
	Accrued Liability	$444,711,069	$462,455,964
	Termination Liability	$235,632,452	$254,602,113
	Excess Upon Termination	$ 85,771,626	$102,206,998
	Unfunded Liability	$123,306,991	$105,646,853
	Annual Actuarial Requirement (ER & EE)	$ 25,818,914	$ 26,200,791
	Expected Net Annual Actuarial Excess (Deficiency)	$ 358,812	($ 16,803)
	Required Employer Multiple	1.54	1.58
	Amortization Period (Statutory multiple 1.37)	--	--
INVESTMENT:			
	Yield (On Invested Assets including gains/losses)	11.64%	9.30%
	Invested Assets (Book Value)	$307,658,209	$341,315,777
	Invested Assets (Market Value)	$323,011,706	$353,113,438
MISCELLANEOUS:			
	Salary Roll	$131,355,840	$131,327,856
	Average Salary	$ 24,218	$ 24,589

LABORERS' A & B FUND OF CHICAGO
Assets, Unfunded Liability, Accrued Liability



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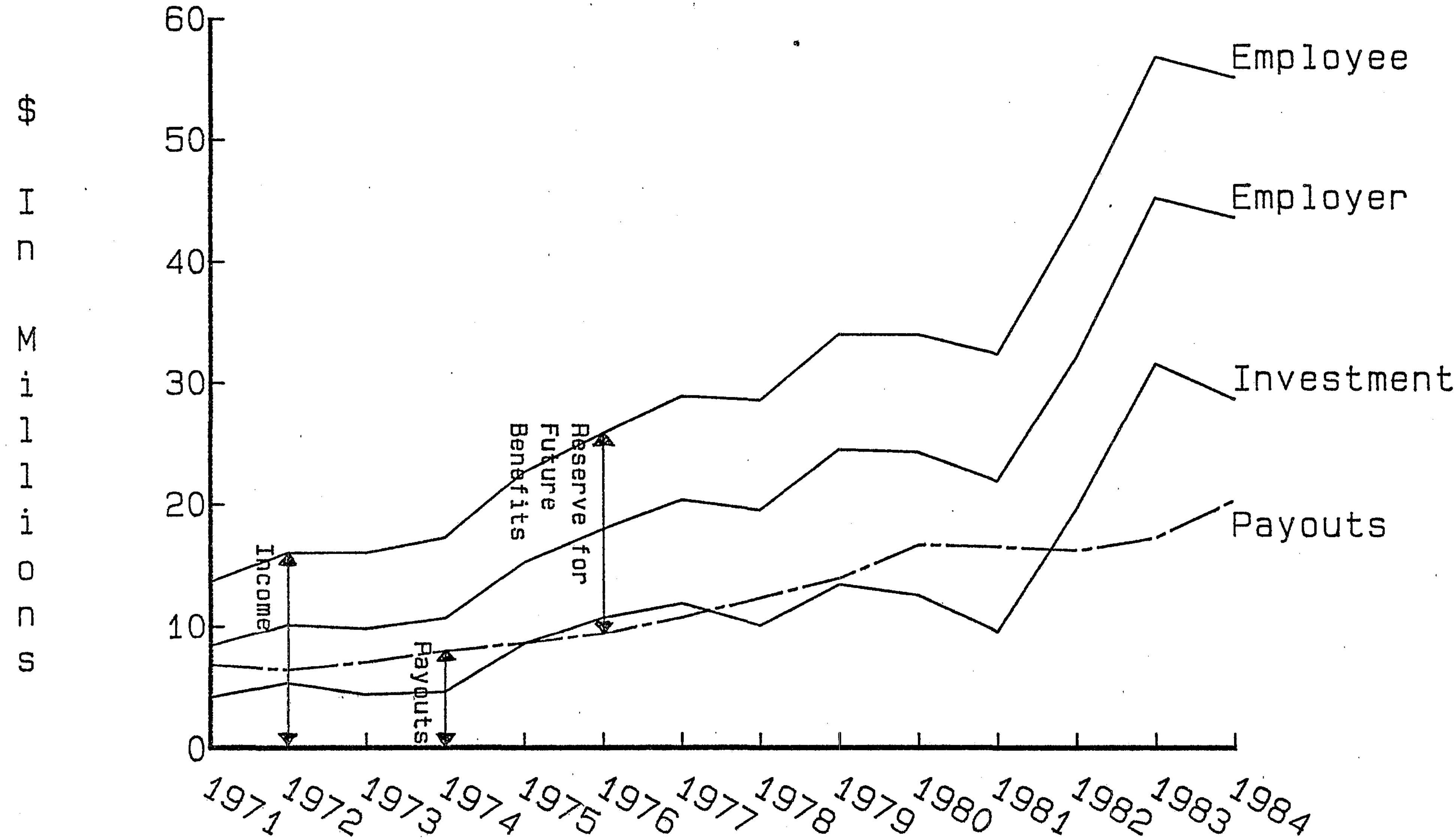
LABORERS' A & B FUND OF CHICAGO
Income and Payouts



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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. All other assumptions are the same as those used for the last report.

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	2,469	$ 96,168,478
Annuity Increase	2,050	17,522,931
Future Widow Benefit	1,421	9,278,075
Lump Sum Death Benefit	0	0
Health Insurance Supplement	0	0
Widow Annuity	1,228	19,742,028
Widow Compensation	2	2,127
Total Retired Reserve		$142,713,639

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	$ 344,241,742		
Annuity Increase	73,682,566		
Future Widow Benefit	19,687,539		
Lump Sum Death Benefit	0		
Health Insurance Supplement	0		
Widow of Employees - Dying in service	13,001,029		
Widow Compensation - Duty Death	0		
Miscellaneous	76,398,178		
Total Active	$ 527,011,054		
Total Active and Retired Present Value of Benefits	$ 669,724,693		
		Less Present Value of Future Normal Costs	$ 207,268,729
		Net Active Reserve	319,742,325
		Net Active Reserve & Retired	462,455,964
		Less Present Assets	356,809,111
		Unfunded Liability	$ 105,646,853

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.

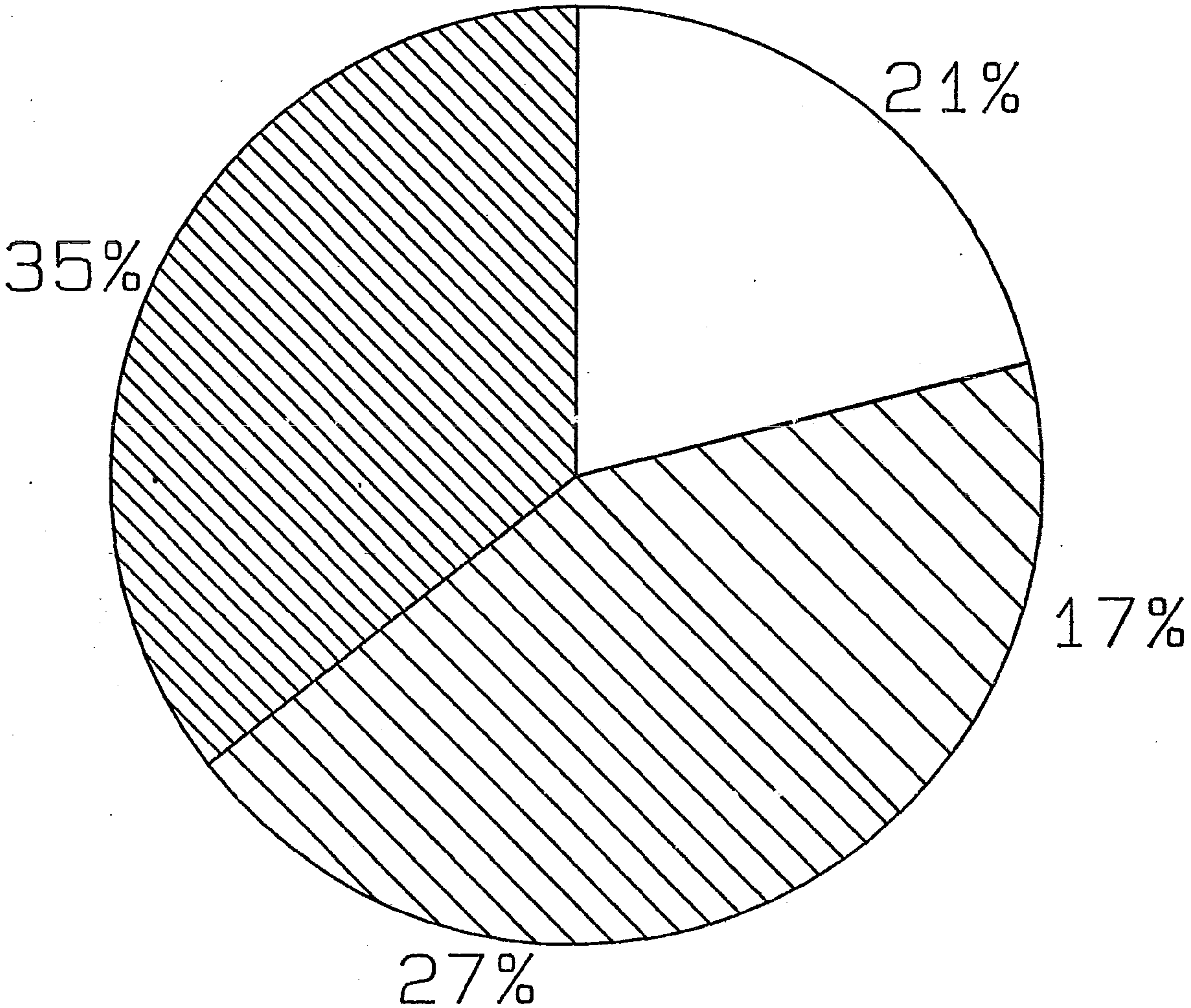
Present Value of		% of Total
Present Assets	$ 356,809,111	53.3%
Future Employee contributions	122,317,123	18.3
Future Employer contributions	160,871,481	24.0
Deficiency	29,726,978	4.4
TOTAL	$ 669,724,693	100%

Present Value of	Actuarial Assets	% of Total	Actuarial Liabilities	% of Total
Benefits				
Retired lives			$ 142,713,639	21.3%
Active lives			527,011,054	78.7%
Present Assets	$ 356,809,111	53.3%		
Normal Costs	207,268,729	30.9%		
Unfunded Liability	105,646,853	15.8%		
Total	$ 669,724,693	100%	$ 669,724,693	100%

Following are pie charts illustrating:

Actuarial Liabilities
Actuarial Assets
Actuarial Cost Method

LABORERS' A & B FUND OF CHICAGO
Actuarial Liabilities



$ In Millions
$ 142.7 - Retired
$ 111.9 - Contributions
$ 179.8 - Vested
$ 235.3 - Future

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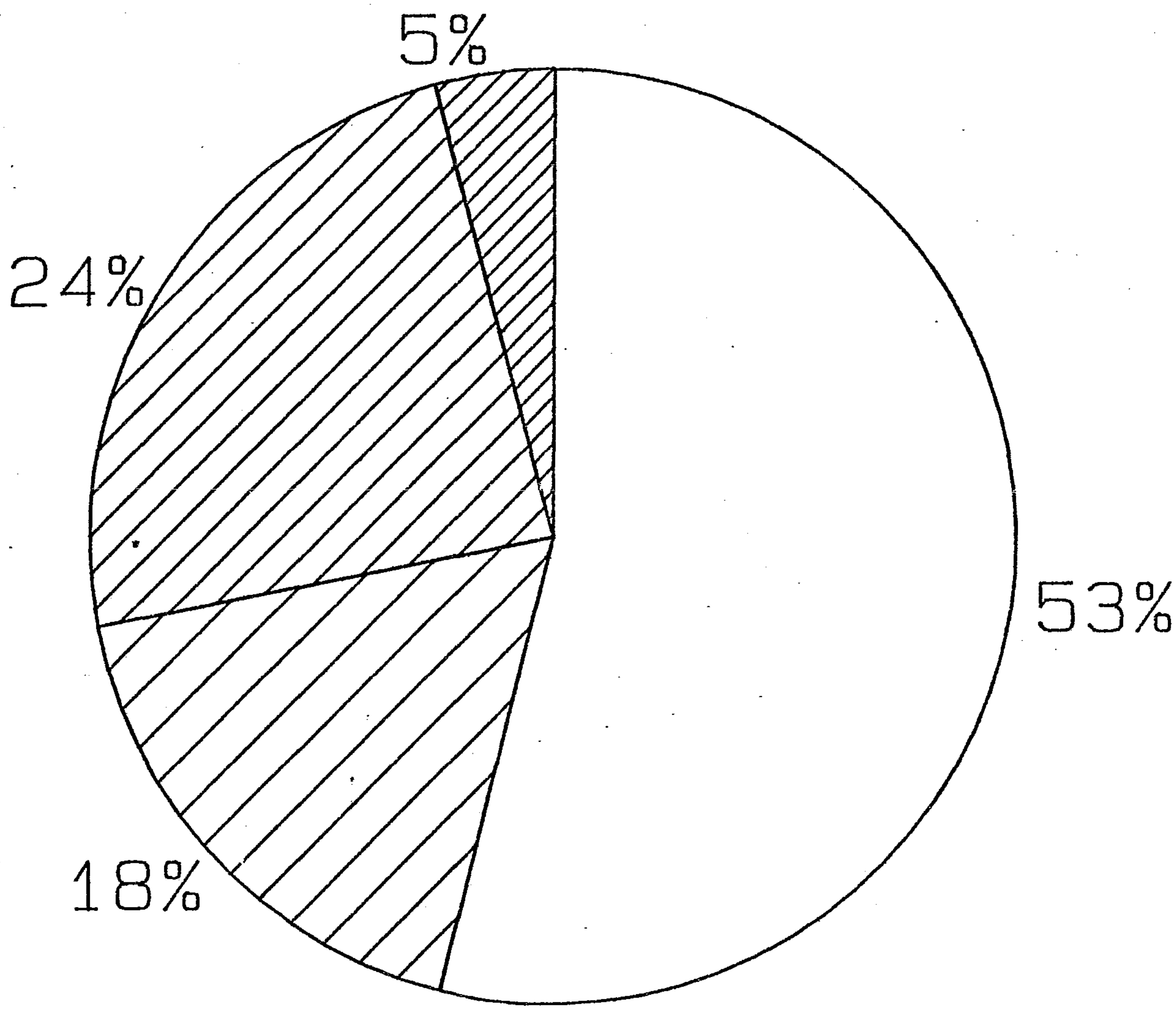
LABORERS' A & B FUND OF CHICAGO
Actuarial Assets



$ In Millions

$ 356.8 - Assets

$ 122.3 - PV Employee

$ 160.9 - PV Employer

$ 29.7 - Deficiency

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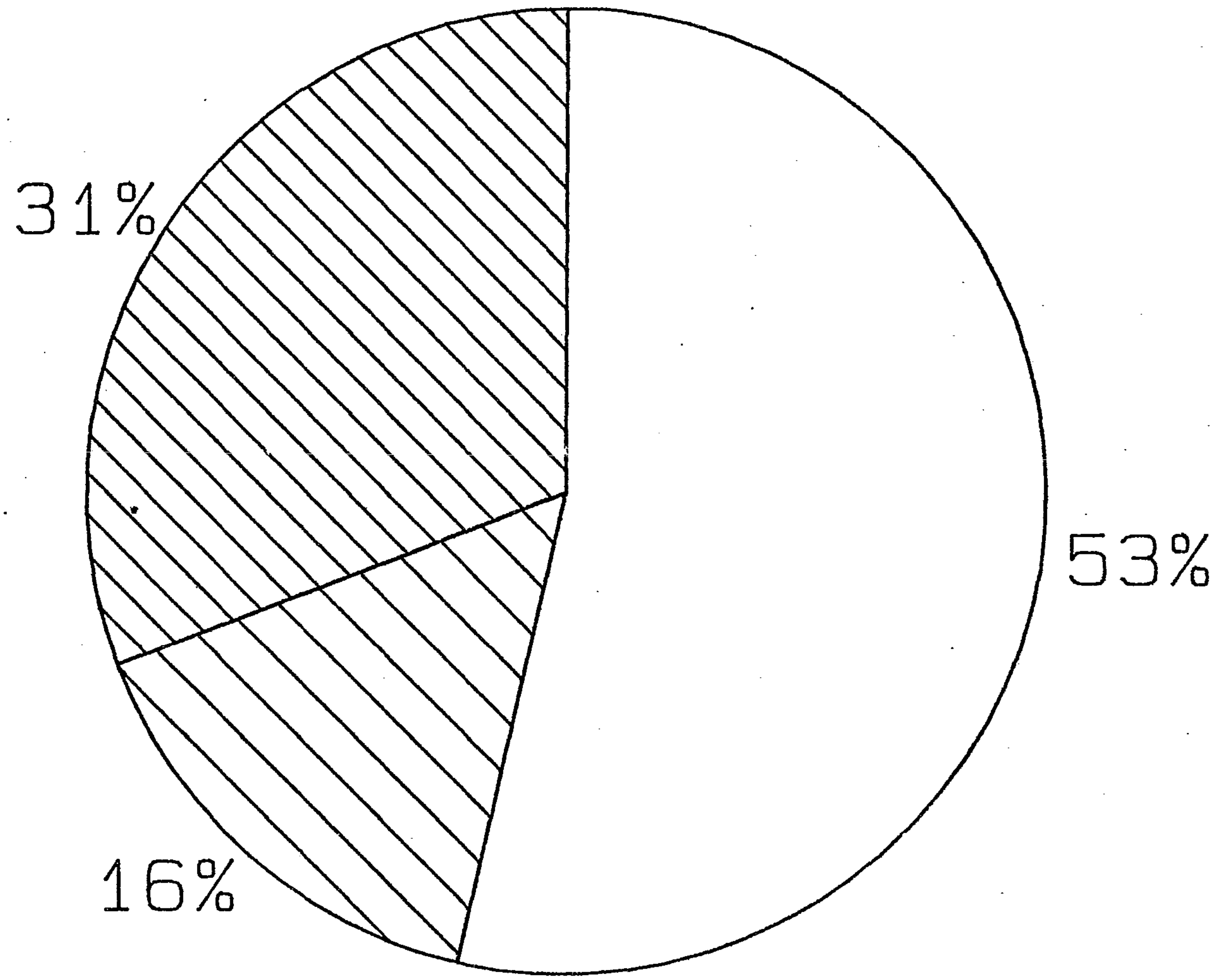
LABORERS' A & B FUND OF CHICAGO
Actuarial Cost Method



$ In Millions

- $ 356.8 - Assets
- $ 105.7 - Unfunded Liability
- $ 207.2 - Normal Cost

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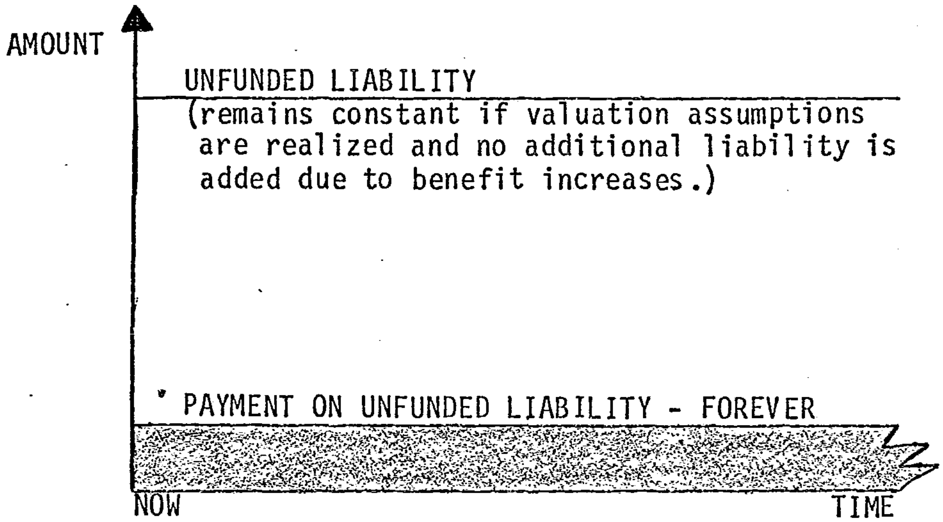
THREE METHODS OF FINANCING THE UNFUNDED LIABILITY:

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.

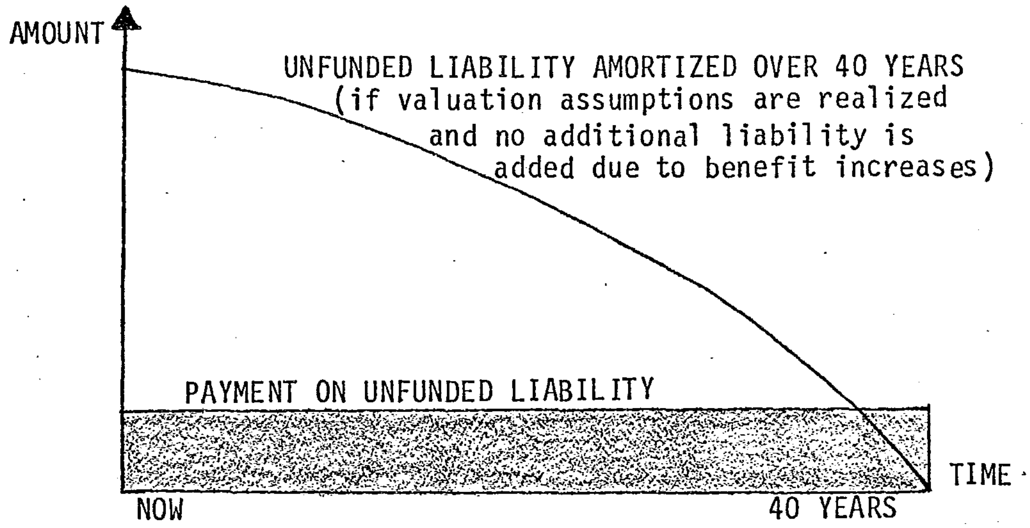
The normal cost plus interest only method of funding is that recommended by the Illinois Public Employees Pension Laws Commission. It was also the minimum required for private pension plans for IRS qualification before ERISA.



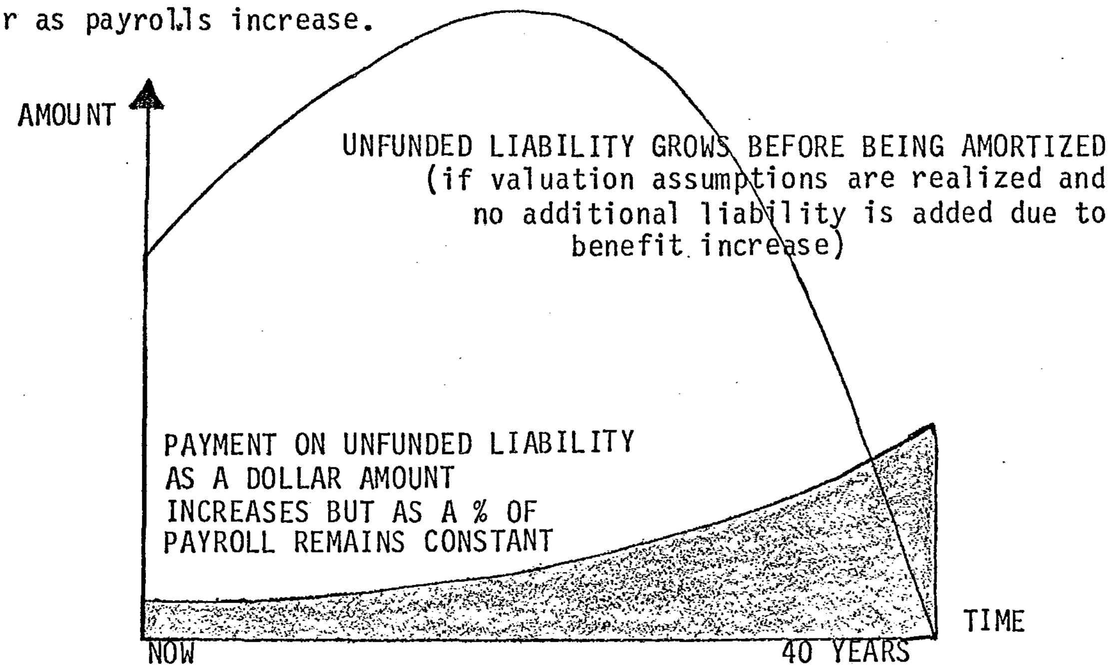
2.) ERISA now requires that initial unfunded liability be amortized over a forty year period.

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 1985 Tax Levy	Ultimate Required Multiple	Unfunded Liability Will	Portion Required For Amortization Of Unfunded Liability*
1) Normal Cost + Interest Only	$15,664,503	1.58	Remain constant at $105,646,853	$6,900,796
2) ERISA: Normal Cost + 40 Year Amortization	$16,233,340	1.63	Decrease to $0	$7,446,879
3) Normal Cost + 40 Yr. Level % of Payroll Increasing 4% a Year (Inflation Only)	$12,908,902	1.30	Increase to $145,282,348 in 20 years and decrease thereafter	$4,255,419 in 1985 increases to $20,699,295 in 40 Years
4) Present Law (Includes Park)	$15,647,000	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 1985 should be $15,664,503 which amount includes a 4% reserve for loss on collection. This amount is based on an annual payroll as of December 31, 1984 of $131,327,856 and an active membership of 5,341 persons. The detail is as follows:

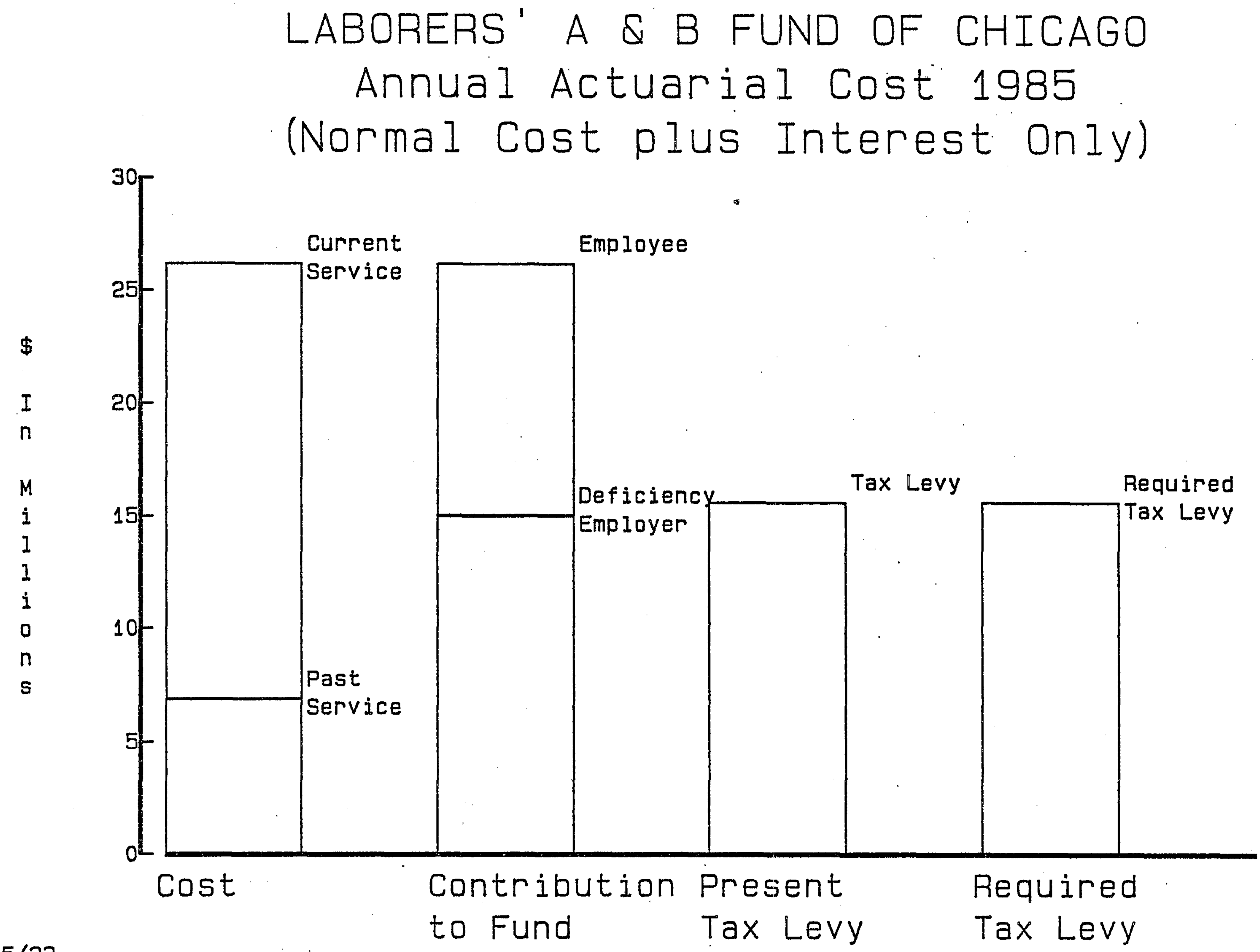
Detail of Annual City Contribution:

		Amount	Percent of Salary	Dollar Per Active
1.	Normal Cost - For Current Service	$19,299,995	14.70%	$3,614
2.	6 3/4% Interest on Unfunded Liability	$ 6,900,796	5.25%	$1,292
3.	Total Actuarial Requirement (1)+(2)	$26,200,791	19.95%	$4,906
4.	Employee Contributions	$11,162,868	8.50%	$2,090
5.	Employer Requirement (3)-(4)	$15,037,923	11.45%	$2,816
6.	Expected Net Employer Contribution from 1985 Tax Levy of $15,647,000 after a 4% loss	$15,021,120	11.44%	$2,812
7.	Expected Net Annual Deficiency	$ 16,803	.01%	$ 3
8.	Tax Levy Required (assume 4% loss)	$15,664,503		
9.	Increase in Tax Levy Required	$ 17,503		
10.	Required Ultimate Multiple	1.58		
11.	Present Authorized Ultimate Multiple	1.37		
12.	Increase in Ultimate Multiple Needed	.21		

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 above table indicates the need for additional contributions to maintain the fund on an actuarial basis.

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. Since the annual cost is not being met, there is a deficiency. The employer portion is provided by tax levy. The last column represents the amount of tax levy required to meet the costs and therefore eliminate the deficiency.


LABORERS' A & B FUND OF CHICAGO
Annual Actuarial Cost 1985
(Normal Cost plus Interest Only)
$ In Millions
30
25
20
15
10
5
0
Current Service
Past Service
Employee
Deficiency Employer
Tax Levy
Required Tax Levy
Cost
Contribution to Fund
Present Tax Levy
Required Tax Levy

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Detail of Normal Cost (given above)	% Salary	$ Per Active
Retirement Annuity	7.71%	$1,895
Retirement Annuity Increase	1.65	406
Post-Retirement Spouse Annuity	.30	73
Spouse Annuity for Death in Service	.40	97
Child's Annuity	.07	17
Ordinary Disability	.96	236
Duty Disability	.55	136
Refunds	2.38	585
Widows Compensation	0	0
Expense of Administration	.58	144
Reciprocal Benefits	.10	25
	14.70%	$3,614

CHANGE IN THE UNFUNDED LIABILITY:

The total unfunded liability as of December 31, 1984 is $105,646,853. As of December 31, 1983, it was $123,306,991.

Detail of Change in Unfunded Liability:

1. Increase in Salaries under 6% Assumed		($13,893,652)	Decrease
2. Investment Yield over 6.75% Assumed		(6,915,903)	Decrease
3. Excess in Annual Contribution:			
1984 Total Actuarial Requirement......	$25,818,914		
Less Employer Net to Fund 1984 Tax Levy	14,996,619		
Less Employee Contributions for 1984..	11,531,243	(708,948)	Decrease
4. Miscellaneous Actuarial Changes		3,858,364	Increase
Net Change in Unfunded Liability		($17,660,138)	Decrease

FUNDED RATIO:

The ratio of assets to liabilities is 77.16% as of December 31, 1984 - and was 72.27% as of December 31, 1983. This ratio represents the extent to which present and future benefit promises are secured by present assets. The funded ratio increased because assets increased 11.0% while the liabilities increased 4.0%.

RATIO OF ACTIVE EMPLOYEES TO ANNUITANTS & BENEFICIARIES:

The ratio of active employees to annuitants and beneficiaries is 1.34 as of December 31, 1984 and was 1.39 as of December 31, 1983. This ratio illustrates the relationship between the contributors and the beneficiaries.

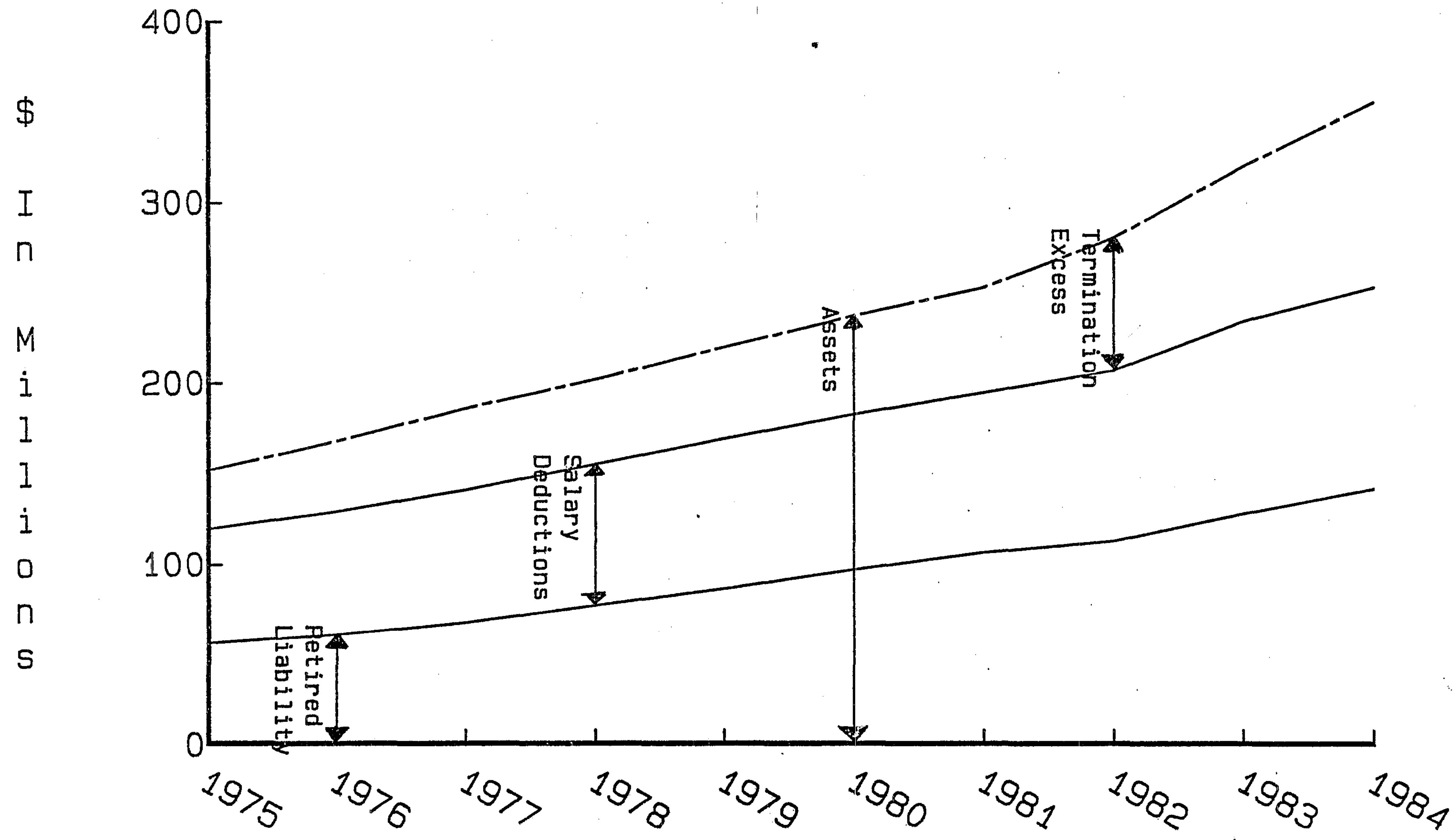
TERMINATION LIABILITY:

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..............	$128,901,825	$142,713,639
Salary Deductions Contributed by Active Fund Members........................	$106,730,627	$111,888,574
Total	$235,632,452	$254,602,113
Assets at Book Value.......................	$321,404,078	$356,809,111
Excess Upon Termination.....................	$ 85,771,626	$102,206,998
Available Assets For Actives (with retired lives 100% funded)...........	$192,502,253	$214,096,472
Available Per Active Employee	$ 35,491	$ 40,085
Refundable per Active Employee	$ 19,677	$ 20,949
Ratio of Available to Refundable	180%	191%

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

LABORERS' A & B FUND OF CHICAGO
Termination Liability



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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................	$128,901,825	$142,713,639
Value of Active Employees Eligible To Retire.............................	$226,975,458	$229,492,171
Accumulated Salary Deductions of Active Employees Eligible for Refund And not Annuity..............................	$ 58,102,306	$ 62,190,440
Active Vested Liability............................	$285,077,764	$291,682,611
Total Vested Liability............................	$413,979,589	$434,396,250
Assets at Book Value.............................	$321,404,078	$356,809,111
Unfunded Vested Liability.........................	$ 92,575,411	$ 77,587,139

The average amount of assets required per active employee to provide for vested benefits as of the valuation date is $54,612. 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 $59,866.

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 $2.44. 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

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Enrolled Actuary # 1248

Donald P. Campbell

Donald P. Campbell, F.S.A., M.C.A., M.A.A.A.
Enrolled Actuary #1498

DFC:dac

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LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND BENEFIT

FUND OF CHICAGO

ACTUARIAL BALANCE SHEET

AS OF

DECEMBER 31, 1984

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, 1984

ANNUITY PAYMENT FUND ACCOUNT:		
(Based on 4% Amer. Exp. & 3% Comb.)		
Employee Annuitants	$43,511,838.00	
Employee Annuities Fixed	1,680,675.12	
Spouse Annuitants	16,875,441.76	
Spouses' Annuities Fixed	9,231,365.76	
Total Annuity Payment Fund		$ 71,299,320.64
SALARY DEDUCTION FUND ACCOUNT:		
Employees	$80,313,067.85	
Spouses of Employees	17,967,771.89	
Total Salary Deduction Fund		$ 98,280,839.74
CITY CONTRIBUTION FUND ACCOUNT:		
Employees	$75,495,665.12	
Spouses of Employees	24,754,548.03	
Supplemental Annuities	3,549.78	
Total City Contribution Fund		$100,253,762.93
OTHER RESERVES:		
Supplementary Payment Reserve	$ 70,232.43	
Annuity Payment Fund Account	10,694,898.10	
Total Other Reserves		$ 10,765,130.53
PRIOR SERVICE FUND ACCOUNT:		
(Based on 4% Amer. Exp. & 3% Comb.)		
Employee Annuitants	$74,117,424.72	
Employee Annuities Fixed	9,716,846.28	
Spouse Annuitants	3,243,145.92	
Spouses' Annuities Fixed	5,964,256.01	
Salary Deductions 3% Annuity Increase	7,770,456.75	
Estimated Excess Liability (Note 1)	81,044,780.41	
Total Prior Service Account		$181,856,910.09
TOTAL LIABILITIES		$462,455,963.93
Obligations of Fund for Prior Service Liabilities (Note 1)		($105,646,852.82)
TOTAL NET LIABILITIES AND FUND BALANCES		$356,809,111.11

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 1984

INCOME

AND

EXPENDITURES

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

EXPENDITURES FOR YEAR 1984

TOTAL INCOME FORWARDED			$55,360,482.73
ANNUITIES AND BENEFITS PAID:			
Employees' Annuities	$12,236,436.44		
Spouses' Annuities	2,229,432.40		
Compensation Annuities	00		
Children's Annuities	91,720.00		
Ordinary Disability	1,257,938.44		
Duty Disability	726,190.21		
Supplementary Payments	47,458.32		
Total Benefits Paid	$16,589,175.81		
Reciprocal Act Re-imbursements	(6,865.88)		
Net Benefits Paid		$16,582,309.93	
EXPENSE OF ADMINISTRATION:			
Salaries:			
Regular Employees	$ 129,498.50		
Blue Cross & Blue Shield	13,196.00		
Services:			
Legal Expense	17,333.14		
Medical Expense	14,526.41		
Actuarial & Data Processing	203,179.24		
Auditing	22,500.00		
Investment	266,000.00		
Office Supplies and Equipment	12,271.50		
Printing and Stationery	14,185.93		
Postage	14,000.00		
Rent & Electricity	46,093.80		
Office Equip. Repair	0.00		
Telephone & Telegraph	1,217.65		
Conference & Association Exp.	7,388.40		
Insurance Premiums	476.60		
Petty Cash Fund	100.00		
Miscellaneous	4,517.81		
Total Expenses		$ 766,484.98	
REFUNDS		3,124,454.08	
TOTAL EXPENDITURES			$20,473,248.99
EXCESS INCOME OVER EXPENDITURES			$34,887,233.74
Net Change in Reserve for Loss on Collection and Taxes Receivable for Prior Years			517,798.86
INCREASE IN NET ASSETS FOR YEAR			$35,405,032.60

LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND BENEFIT

FUND OF CHICAGO

COMPARATIVE ANALYSIS

YEAR 1984

ASSETS

AND

LIABILITIES

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

COMPARATIVE ANALYSIS

LIABILITIES AND FUND BALANCES

LIABILITY RESERVES:	01/01/1984	12/31/1984	Increase (Decrease)
ANNUITY PAYMENT FUND:			
Employee Annuitants	$ 39,169,219	$ 43,511,838	$ 4,342,619
Emp. Annuities Fixed	2,217,732	1,680,675	(537,057)
Spouse Annuitants	15,542,916	16,875,442	1,332,526
Spouses' Annuities Fixed	8,018,680	9,231,366	1,212,686
Total	$ 64,948,547	$ 71,299,321	6,350,774
SALARY DEDUCTION FUND ACCOUNT:			
Employees	$ 76,378,344	$ 80,313,068	$ 3,934,724
Spouses of Employees	16,980,666	17,967,772	987,106
Total	$ 93,359,010	$ 98,280,840	$ 4,921,829
CITY CONT. FUND ACCOUNT:			
Employees	$ 72,001,319	$ 75,495,665	$ 3,494,346
Spouses of Employees	23,520,596	24,754,548	1,233,952
Supplemental Annuities	13,204	3,550	(9,655)
Total	$ 95,535,119	$100,253,763	$ 4,718,644
OTHER RESERVES:			
Supplemental Pymt. Res.	$ 37,691	$ 70,232	$ 32,542
Annuity Fund Account	9,763,423	10,694,898	931,474
Total	$ 9,801,114	$ 10,765,131	$ 964,016
PRIOR SERVICE FUND ACCOUNT:			
Employee Annuitants	$ 59,938,262	$ 74,117,425	$14,179,163
Emp. Annuities Fixed	8,942,253	9,716,846	774,594
Spouse Annuitants	3,008,636	3,243,146	234,510
Spouses' Annuities Fixed	5,208,342	5,964,256	755,914
Sal. Ded. 2% Annuity	7,358,910	7,770,457	411,546
Estimated Excess Liability	96,610,876	81,044,780	(15,566,096)
Total	$181,067,279	$181,856,910	$ 789,631
TOTAL LIABILITIES	$444,711,069	$462,455,964	$17,744,894
UNFUNDED OBLIGATIONS	($123,306,991)	($105,646,853)	$17,660,138
TOTAL NET LIABILITIES	$321,404,079	$356,809,111	$35,405,033

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

TAXES RECEIVABLE

DECEMBER 31, 1984

Year	Uncollected Taxes 12-31-84	Estimate for Loss 12-31-83	Additional Est. Setup 12-31-84	Total Est. for loss 12-31-84	Taxes Collectible 12-31-84
CITY:					
1980	$ 431,263.24	($ 445,511.00)	$ 14,247.76	($ 431,263.24)	$ 0.00
1981	452,139.79	(491,382.00)	45,817.00	(445,565.00)	6,574.79
1982	343,435.18	(536,233.00)	214,493.00	(321,740.00)	21,695.18
1983	622,953.05	(577,325.00)	115,465.00	(461,860.00)	161,093.05
1984	13,277,000.00		(663,850.00)	(663,850.00)	12,613,150.00
	$15,126,791.26	($2,050,451.00)	($273,827.24)	($2,324,278.24)	$12,802,513.02
1984	$ 2,329,000.00	Replacement tax due from State			$ 2,329,000.00
	$17,455,791.26				$15,131,513.02
PARK DISTRICT:					
1980	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
1981	1,167.88	(1,266.83)	98.95	(1,167.88)	0.00
1982	1,113.18	(1,350.00)	236.82	(1,113.18)	0 00
1983	1,983.62	(1,450.00)	0.00	(1,450.00)	533.62
1984	32,000.00		(1,600.00)	(1,600.00)	30,400.00
	$ 36,264.68	($ 4,066.83)	($ 1,264.23)	($ 5,331.06)	$ 30,933.62
TOTAL:					
	$17,492,055.94	($2,054,517.83)	($275,091.47)	($2,329,609.30)	$15,162,446.64

Note: The loss on the 1984 tax levy was 5%. Due to the 100% collection of the personal property replacement tax, the overall loss is 4%. The statutory requirement of $15,638,000.00 is the sum of $15,606,000.00 plus $32,000.00.

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

MEMBERSHIP STATISTICS

YEAR 1984

	Number at Beginning of Year	Increases	Decreases	Number At End of Year
A. Changes in Active Participants				
Male	4,983	590	644	4,929
Female	441	57	86	412
Total	5,424	647	730	5,341
B. Changes In Annuitants & Beneficiaries				
Employee Annuitants	2,342	216	172	2,386
Spouse Annuitants	1,196	78	64	1,210
Children's Annuities	112	19	35	96
Ordinary Disability Benefits	110	47	46	111
Duty Disability Benefits	57	675	655	77
Reversionary (Beneficiaries)	2	1	0	3
Reciprocal: Employee	77	7	1	83
Spouse	13	2	0	15
Widow Compensation Annuities	3	1	2	2
Total	3,912	407	336	3,983
C. Ratio of Active Participants to Annuitants & Beneficiaries	1.39			1.34

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

SALARY AND AGE STATISTICS

YEAR 1984

Ages and Salaries as of December 31, 1984

Male

Ages	Number	Annual Salaries	Average Annual Salaries
Under 20	2	$ 56,784	$28,392
20 - 24	254	6,170,400	24,293
25 - 29	622	15,814,584	25,425
30 - 34	675	17,450,208	25,852
35 - 39	500	13,105,176	26,210
40 - 44	457	12,030,312	26,325
45 - 49	484	12,716,496	26,274
50 - 54	504	12,691,560	25,182
55 - 59	650	16,736,304	25,748
60 - 64	489	12,347,304	25,250
65 - 69	173	4,380,432	25,320
70 & Over	71	1,833,192	25,820
Without Record	48	1,137,600	23,700
Total	4929	$126,470,352	$25,658

Female

Ages	Number	Annual Salaries	Average Annual Salaries
20 - 24	4	$ 48,984	$12,246
25 - 29	10	190,752	19,075
30 - 34	5	104,856	20,971
35 - 39	6	119,808	19,968
40 - 44	8	145,296	18,162
45 - 49	25	364,488	14,580
50 - 54	48	617,424	12,863
55 - 59	98	1,133,736	11,569
60 - 64	143	1,494,792	10,453
65 - 69	61	588,576	9,649
70 & Over	4	48,792	12,198
Total	412	$ 4,857,504	$11,790
TOTAL MALE AND FEMALE	5341	$131,327,856	$24,589

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

SALARY AND AGE STATISTICS

YEAR 1984

Ages at Entrance

	MALE		FEMALE	
	Number	Annual Salaries	Number	Annual Salaries
Under 25	1,680	$ 44,407,872	16	$ 245,784
25 - 29	1,003	25,876,464	36	549,816
30 - 34	677	16,993,152	58	771,408
35 - 39	472	11,988,984	108	1,212,480
40 - 44	440	10,913,088	124	1,349,208
45 - 49	310	7,824,000	56	556,896
50 - 54	169	4,080,000	8	108,624
55 - 59	102	2,550,096	4	44,568
60 & Over	28	699,096	2	18,720
W/O record	48	1,137,600	---	---
Totals	4,929	$126,470,352	412	$4,857,504

	MALE	FEMALE
Average Annual Salary	$25,658	$11,790
Average Attained Age	44.0	57.4
Average Service	13.1	19.0
Average Age at Entrance	30.9	38.4

Exhibit "G"

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

AGE AND SERVICE DISTRIBUTION

YEAR 1984

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	1	1								2
	28392	28392								28392
20-24	15	196	47							258
	21330	24082	25095							24106
25-29	25	225	344	38						632
	26055	24543	25592	27055						25325
30-34	17	173	302	174	14					680
	24584	24472	25648	27447	27288					25816
35-39	14	99	163	142	86	2				506
	22437	24849	25846	26711	27624	34608				26136
40-44	10	81	114	84	82	87	7			465
	27341	24358	24528	26610	27203	28250	29911			26184
45-49	2	50	116	82	119	99	39	2		509
	25092	22964	25202	26274	25628	26433	28118	20760		25699
50-54	4	45	89	87	85	101	85	56		552
	27078	24638	24141	24485	23171	22127	24486	27279		24110
55-59	3	30	84	87	112	123	97	170	42	748
	24040	23538	24604	24662	21240	20209	23375	26513	29529	23890
60-64		34	52	75	120	147	74	87	43	632
		25355	23573	24452	19752	17052	22321	25323	27642	21902
65-69		4	20	29	44	59	37	29	12	234
		23172	23401	23829	20572	16964	24019	22765	21858	21235
70+		1	3	9	11	14	11	17	9	75
		29736	20680	26869	24663	24014	25999	26893	21971	25093
W/O	1	15	15	12		2	1	2		48
	13008	22765	23104	26248		27528	13656	26436		23700
No.	92	954	1349	819	673	634	351	363	106	5341
Sal.	24443	24346	25188	26061	23675	21709	24202	26032	27253	24589
Age										45.1
Service										13.6

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

ANNUITANTS CLASSIFIED BY AGE AS OF DECEMBER 31, 1984

Retirement Annuities

Ages	Male Number	Annual Payments	Average Annual Payments	Female Number	Annual Payments	Average Annual Payments
25 - 29						
30 - 34	1	$ 600.00	$ 600.00		$	$
35 - 39	1	1,200.00	1,200.00			
40 - 44	1	1,200.00	1,200.00			
45 - 49						
50 - 54	4	6,393.72	1,598.43			
55 - 59	42	235,278.48	5,601.87	5	7,096.08	1,419.22
60 - 64	207	1,969,327.44	9,513.66	49	162,702.24	3,320.45
65 - 69	429	3,378,973.80	7,876.40	191	674,535.24	3,531.60
70 - 74	401	2,754,279.00	6,868.53	256	711,029.88	2,777.46
75 - 79	248	1,440,007.44	5,806.48	200	435,117.72	2,175.59
80 - 84	141	619,297.68	4,392.18	113	242,493.48	2,145.96
85 - 89	58	234,577.44	4,044.44	63	113,054.52	1,794.52
90 - 94	31	90,058.68	2,905.12	20	29,958.00	1,497.90
95 - 99	5	12,279.48	2,455.90	1	1,778.64	1,778.64
100-105	1	341.76	341.76	1	2,278.80	2,278.80
Totals	1570	$10,743,814.92	$6,843.19	899	$2,380,044.60	$2,647.44
Average Age			72			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				4	4,800.00	1,200.00
30 - 34						
35 - 39				7	11,223.60	1,603.37
40 - 44				15	25,214.76	1,680.98
45 - 49				22	38,063.52	1,730.16
50 - 54	1	1,200.00	1,200.00	42	75,444.96	1,796.31
55 - 59	1	2,380.80	2,380.80	104	241,197.48	2,319.21
60 - 64				174	397,636.80	2,285.27
65 - 69	4	5,124.12	1,281.03	249	507,796.80	2,039.34
70 - 74	4	4,800.00	1,200.00	213	419,377.80	1,968.91
75 - 79				187	320,444.64	1,713.61
80 - 84				105	137,434.32	1,308.90
85 - 89				68	88,388.88	1,299.84
90 - 94				19	14,712.72	774.35
95 - 99				6	5,196.84	866.14
100-105				3	4,555.80	1,518.60
Totals	10	$ 13,504.92	$1,350.49	1,218	$2,291,488.92	$1,881.35
Average Age			67			69

NEW ANNUITIES GRANTED

DURING 1984

	Male Annuitants	Female Annuitants	Widows of Deceased Employees	Widows of Deceased Annuitants
Number Retired	169	54	24	56
Average Attained Age	65.6	66.7	55.2	68.6
Average Length of Service	26.2	22.5	21.3	N/A
Average Annual Salary (4 out of 10)	$ 20,232	$ 10,368	N/A	N/A
Average Annual Final Salary	$ 23,772	$ 11,592	22,704	N/A
Total Annual Annuity	$ 1,822,366	$ 235,198	$ 91,836	$ 159,121
Average Annual Annuity	$ 10,783	$ 4,356	$ 3,827	$ 2,841
Total Liability (6.75% UP-1984)	$20,163,027	$2,729,934	$ 995,975	$1,343,040
Average Liability	$ 119,307	$ 50,554	$ 41,499	$ 23,982
Total Cost For Income Tax Purposes	$ 3,137,364	$ 426,389	$ 386,604	N/A
Average Cost	$ 18,564	$ 7,896	$ 16,109	N/A
Expected Future lifetime (yrs.)	14.69	17.42	26.04	16.02
Payback Period (yrs.)	1.72	1.81	4.21	N/A
Replacement ratio	45.4%	37.6%	N/A	N/A
Liability divided by Salary	5.02	4.36	N/A	N/A

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

HISTORY 1965 to 1984

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
1984	5,341	(1.5)	131,327,856	(0)	24,589	1.5
Average Increase (Decrease) for the last 5 years		(2.7)%		4.6%		7.5%

(1) Includes those members who were on disability.

(2) Average annual increase in salary 1965 - 1984 about 7.92% 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
1984	2,469	13,123,860	5,315

Spouse Annuitants
(Not Including Compensation)

Year End	Number Of Annuitants	Total Annuities	Average Annuities
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
1984	1,228	2,304,994	1,877

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)*
1984	9.67 (9.58)*	10.12(10.03)*
Average of Last 5 Years	9.01%	9.54%

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)*
1984	8.88 (8.79)*	9.30 (9.21)*
Average of Last 5 Years	7.46%	7.87%

Notes: *Investment Income is net of investment expenses.

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

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

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

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
1984	1.370	1.58	1.63	1.30

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
84	11,531,243	14,996,619	28,832,621	55,360,483

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
84	20,473,249	34,887,234	5.7	15.5	37.0

Statistical material suggested by the Municipal 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.

	A	B	C	A	B	C
Year	NC Plus Interest	NC Plus ERISA 40 Year Amortization	NC Plus Increasing % of Salary	Expressed as Percentage of Salary Beginning of Year		
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
85	26,200,791	26,746,874	23,555,414	19.95	20.37	17.94

ACTUAL EMPLOYER AND EMPLOYEE CONTRIBUTION

	D	E	D	E
Year	Employer	Employee	Expressed as a Percentage of Salary Beginning of Year	
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	14,996,619	11,531,243	11.42	8.78
85 EST	15,021,120	11,162,867	11.44	8.50

DEFICIENCY (EXCESS) IN ANNUAL CONTRIBUTION

	F	G	H	F	G	H
Year	NC Plus Interest	NC Plus ERISA 40 Year Amortization	NC Plus Increasing % of Salary	Expressed as a Percentage of Salary Beginning of Year		
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	(708,948)	(71,581)	(3,796,531)	(.54)	(.05)	(2.89)
85 EST	16,803	562,886	(2,628,574)	.01	.43	(2.00)

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
84	462,455,964	356,809,111	77.2	105,646,853	131,327,856	80

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
84	142,713,639	111,888,574	254,602,113	356,809,111	(102,206,998)	140

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 METHODS AND ASSUMPTIONS

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 METHODS AND ASSUMPTIONS

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 METHODS AND ASSUMPTIONS

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

Attained Age	22	27	32	37	42	47	52	57	62
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

Attained Age	22	27	32	37	42	47	52	57	62
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: $131,327,856

Bill No.

Total Number of Active Employees: 5,341

PRESENT FINANCIAL CONDITION AS OF VALUATION DATE

Valuation Date 12-31-84

	I PRESENT PLAN	II PROPOSED LEGISLATION	III PLAN IF PROPOSED LEGISLATION ENACTED
(1) Accrued Pension Liability	$462,455,964		
(2) Present Assets	$356,809,111		
(3) Unfunded Liability = (1)-(2)	$105,646,853		
(4) Funded Ratio = (2) ÷ (1)	77.16%		

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	$26,200,791	$4,906	20						
(6) Estimated Annual Employer Contribution	$15,021,120	$2,812	11.4						
(7) Estimated Annual Employee Contribution	$11,162,867	$2,090	8.5						
(8) Deficiency in Annual Contributions = (5)-(6)-(7)	$ 16,803	$3	.01						

(9) Source of Funding Revenues:

IS THE ANNUAL COST FOR PROPOSED LEGISLATION

(10) Remarks

Exhibit "Q"

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 other 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 are 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.

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.