

DONALD F. CAMPBELL
CONSULTING ACTUARY
221 NORTH LA SALLE STREET * SUITE 3117
CHICAGO, ILLINOIS 60601

TELEPHONE 782-1335

October 17, 1973

The Retirement Board of the
Municipal Employees' Annuity
And Benefit Fund of Chicago
Chicago, Illinois

Gentlemen:

This is to certify that the Actuarial Statement of the Municipal Employees' Annuity and Benefit Fund as of December 31, 1972, appended hereto, consisting of the exhibits as stated in the index, is to the best of my knowledge and belief a true and correct statement of the affairs and conditions of said Fund for the calendar year 1972.

This statement has been prepared from the books of the Fund as substantiated by our letters of recommendation to the Retirement Board and by the data processing entries and closing journal entries prepared by our office.

The method of valuation used is based on the actuarial assumptions and methods shown on page thirteen of this report. The attempt is made to give effect to realistic valuation factors affecting costs. The accounting procedure is outlined in the Article governing the operations of the Fund.

On this basis of valuation the unfunded liability or obligation for service rendered prior to valuation date, December 31, 1972, amounted to \$371,841,875.74. This is an increase of \$26,911,603.72 over the unfunded liability as of December 31, 1971.

As of December 31, 1972 the ratio of net assets to total Fund liabilities was 47.5%. As of December 31, 1971 the ratio was 47.6%.

The net increase in unfunded liability resulted primarily from a greater number of persons retiring on annuity than anticipated and an increase in total salary roll of about 4.4% which rate of increase was greater than the 3% rate used in the salary scale.

The service tables indicate rates of retirement such that for male employees about one-half of the employees retire before age sixty-five and for female employees about one-half before age sixty-four.

If the average age for retirement decreases in the future from these ages, the costs will be increased.

The salary scale used in this valuation is based on the assumption that salaries will increase each year in the future due to general salary increases as well as promotional increases for as long as an employee stays in the service at the rate of 3% a year.

Actual general salary increases in the past have been at a rate greater than 3%.

Page Two.

An operating factor which will decrease the unfunded liability will be the extent to which the Fund's assets yield annual earnings greater than the 4-1/2% assumption used in the cost computations, all other cost assumptions remaining the same.

The yield on the Fund's assets for the year was 5.15% giving effect to net loss on sale of bonds. If the loss is excluded the yield for 1972 will be 5.67%.

The use of a 4-1/2% interest rate and a 3% salary scale for the valuation as of December 31, 1972 gives a fair valuation for the long range effects of these two highly important cost factors, in my opinion.

A 3% salary scale has been chosen as an increasing number of economists are now of the opinion that future salaries will increase at least 3% a year. Some believe 5% a year is an appropriate long-range rate. The recently enacted 1972 Social Security Amendments allow for automatic increases in pensions and salary bases as the cost of living increases. Social Security studies, I have been informed, are based on future salary earnings of 5%.

Greater fund investment earnings in the future over a 4-1/2% rate will reduce increased costs resulting from salary increases over 3% compounded per year.

Greater increases in salaries than the 3% rate used, with all other assumptions remaining the same, will result in increases in normal costs at the time such increases are granted with the extent of the increases depending on the extent of the increases over 3%.

On the basis of the actuarial assumptions and methods set forth on page thirteen I estimate that the tax levy multiple of about 1.84 will be sufficient to keep the unfunded liability from substantially increasing under the cost assumptions set forth in this report.

The difference between the sum produced by a multiple of 1.84 and the multiple currently in the law of 1.69 to become effective in 1978 represents an amount equal to about 1.2% of the 1972 salary roll.

If a 5% interest rate is assumed in the computations and all other assumed factors affecting costs remain the same, I estimate without making a detailed study that a tax levy multiple of about 1.61 would be sufficient to keep the unfunded liability from substantially increasing under the cost assumptions assumed.

Future analysis of the Fund's operating experience will indicate changes necessary in the Fund's method of financing which can be made in time to meet future Fund obligations.

Respectfully submitted,



Actuary.

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

I N D E X

<u>TITLE</u>	<u>PAGE</u>
ACTUARIAL BALANCE SHEET -- Assets	1
ACTUARIAL BALANCE SHEET -- Liabilities	2
INCOME	3
EXPENDITURES	4
ESTIMATED ANALYSIS OF TRENDS IN RESERVE REQUIREMENTS	5
COMPARATIVE ANALYSIS -- Assets	6
COMPARATIVE ANALYSIS -- Liabilities	7
CASH RECONCILIATION -- Receipts -- Actual Cash	8
CASH RECONCILIATION -- Disbursements -- Actual Cash	9
SCHEDULE "A" -- Taxes Collectible	10
SCHEDULE "B" -- Accounts Receivable -- Total From Individual Ledger Cards	11
SCHEDULE "C" -- Accounts Payable -- Total From Individual Ledger Cards	12
SCHEDULE "D" -- Summary of Actuarial Assumptions and Methods	13
SCHEDULE "E" -- Membership Statistics	14
SCHEDULE "F" -- Salary and Age Statistics	15
SCHEDULE "G" -- Annuitants Classified by Age and Amounts	16

MUNICIPAL EMPLOYEES'
ANNUITY AND BENEFIT FUND
OF CHICAGO

ACTUARIAL
BALANCE SHEET

AS OF

DECEMBER 31, 1972

ASSETS

AND

LIABILITIES

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

ACTUARIAL BALANCE SHEETASSETSAS OF DECEMBER 31, 1972

CASH ON DEPOSIT:

First National Bank	\$	232,778.51	
Continental Illinois National Bank		73,049.67	
LaSalle National Bank		5,000.00	
Exchange National Bank		5,000.00	
American National Bank and Trust Co.		5,000.00	
National Security Bank		<u>5,000.00</u>	
	\$		325,828.18

INVESTMENTS:

Bonds -- Par Value	\$280,761,143.61	
Bond Premiums	544,011.24	
Stocks -- At Cost -- Commons	36,382,563.52	
Stocks -- At Cost -- Preferred	1,411,106.66	
Bond Discounts	(10,696,437.59)	
Accrued Interest on Bonds	4,340,320.98	
Dividends Accrued	<u>45,850.00</u>	
		312,788,558.42
ACCOUNTS RECEIVABLE:		
Sale of Securities		1,885,058.31

ACCOUNTS RECEIVABLE:

Taxes Collectible -- Schedule "A"	\$ 20,389,880.49
Salary Deductions Accrued	1,666,014.39
Accounts Receivable --	
Other Annuity and Benefit Funds	0
Total from Individual Ledger Cards --	
Schedule "B"	<u>127,881.02</u>

22,183,775.90

GROSS LEDGER ASSETS

\$337,183,220.81

LESS: ACCOUNTS PAYABLE:

Salary Deductions	\$	23,527.64
Accounts Payable --		
Other Annuity and Benefit Funds		16,955.28
Total from Individual Ledger Cards --		
Schedule "C"		418,335.03
Military Service Deductions --		
Excess from Refunds		32,148.90
Old Law Deductions Refundable		<u>20,588.90</u>

511,555.72

TOTAL LEDGER ASSETS AS OF DECEMBER 31, 1972

\$336,671,665.06

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

ACTUARIAL BALANCE SHEETLIABILITIES AND FUND BALANCESAS OF DECEMBER 31, 1972

LIABILITY RESERVES AGE AND SERVICE:

ANNUITY PAYMENT FUND ACCOUNT:

Employee Annuitants	\$ 62,323,971.36	
Employees' Annuities Fixed	24,061,777.08	
Widow Annuitants	27,516,501.85	
Wives' Annuities Fixed	<u>14,286,609.22</u>	
		\$ 128,188,859.51

SALARY DEDUCTION FUND ACCOUNT:

Employees' Deductions	\$125,710,173.36	
Wives of Employees	<u>19,718,898.57</u>	
		145,429,071.93

CITY CONTRIBUTION FUND ACCOUNT:

Employees	\$127,803,391.15	
Wives of Employees	31,509,048.07	
Supplemental Annuities	<u>15,601.23</u>	
		159,328,040.45

SUPPLEMENTARY PAYMENT RESERVE

292,577.98

OTHER RESERVES:

Annuity Payment Fund Account	\$ 19,228,328.93	
Child's Annuity Fund Account	0	
Duty Disability Fund Account	0	
Expense of Administration	0	
Investment and Interest Fund	<u>0</u>	

19,228,328.93TOTAL AGE AND SERVICE LIABILITIES
AND OTHER RESERVES

\$452,466,878.80

DEDUCT: UNFUNDED OBLIGATIONS OF FUND
FOR AGE AND SERVICE CREDITS GRANTED(77,582,257.76)

NET LIABILITY AGE AND SERVICE

\$374,884,621.04

PRIOR SERVICE FUND ACCOUNT:

Estimated Excess Liability		
Minimum Annuity	\$165,736,732.89	
Employee Annuitants	75,455,337.96	
Employees' Annuities Fixed	35,796.00	
Widow Annuitants	2,947,143.60	
Wives' Annuities Fixed	3,059,749.03	
Contributions for Employees	7,555.58	
Contributions for Wives	2,844.01	
Salary Deductions for 2% Annuity	<u>8,801,502.93</u>	

\$ 256,046,662.00

DEDUCT: ESTIMATED BALANCES
UNFUNDED OBLIGATIONS(294,259,617.98)

NET LIABILITIES FOR PRIOR SERVICE

(38,212,955.98)TOTAL NET LIABILITIES AND FUND BALANCE
AS OF DECEMBER 31, 1972\$336,671,665.06

Letter of transmittal sets forth method of valuation.

MUNICIPAL EMPLOYEES'
ANNUITY AND BENEFIT FUND
OF CHICAGO

INCOME
YEAR 1972

INCOME
AND
EXPENDITURES

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

INCOMEYEAR 1972

SALARY DEDUCTIONS:		
Employees	\$15,948,823.33	
Wives of Employees	2,253,595.79	
For the 2% Increase Retirement Annuity	<u>1,227,964.09</u>	\$19,430,383.21
SUPPLEMENTARY RESERVE CONTRIBUTIONS		14,857.01
PAYMENT BY EMPLOYEES FOR TEMPORARY SERVICE		735,532.61
CITY CONTRIBUTIONS:		
(Includes \$37,800.00 from Park District)		
Employees	\$14,584,482.85	
Wives	3,226,866.25	
Ordinary Disability Expense	1,540,524.56	
Children's Benefits	475,324.17	
Duty Disability	197,487.04	
Current Deficiency in Tax Levy	283,907.45	
	<u>(2,202,973.16)</u>	18,105,619.16
FEDERAL GOVERNMENT CONTRIBUTIONS		382,587.52
BOND INTEREST (Note 1)		14,199,397.68
DIVIDENDS (note 1)		968,555.67
RECEIVED FROM OTHER ANNUITY AND BENEFIT FUNDS		<u>70,726.96</u>
GROSS INCOME FOR YEAR 1972		\$53,907,659.82
LESS: DISBURSEMENTS FOR 1972		<u>26,772,955.55</u>
INCREASE IN NET ASSETS FOR YEAR 1972		\$27,134,704.27
LESS: DECREASE IN ESTIMATE FOR TAXES RECEIVABLE PRIOR YEARS		<u>(91,569.99)</u>
NET INCREASE IN NET ASSETS FOR YEAR 1972		<u>\$27,043,134.28</u>

Note 1. During the year book loss on sales of bonds and stocks was \$3,217,204.12 and gain on sales of bonds and stocks was \$1,743,961.79. The proceeds from the sale of bonds were invested in bonds with greater rates of coupons which will result in material gains to the Fund in the future.

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

EXPENDITURESYEAR 1972

BENEFITS:

Employee Annuities	\$17,093,651.84	
Widow Annuities	4,077,378.59	
Compensation Annuities	5,596.00	
Ordinary Disability Benefits	1,521,560.53	
Duty Disability Benefits	273,777.08	
Children's Annuities	193,959.34	
Supplementary Payment Annuities	<u>289,078.91</u>	
Total		\$23,455,002.29

EXPENSES:

Salaries	\$ 180,926.25	
Actuarial Department Including I.B.M.	156,763.63	
Medical Fees	12,175.00	
Consultant	1,500.00	
Audit	7,500.00	
Forgery and Fraud Bonds	353.00	
Rent and Electricity	31,593.86	
Collection Fees	0	
Repairs and Maintenance on Office Machines	359.90	
Office Supplies and Equipment	987.97	
Printing and Stationery	15,095.94	
Postage	11,078.27	
Furniture and Fixtures	2,105.50	
Telephone and Telegraph	393.49	
Investment Counsel Service	43,750.00	
Miscellaneous	3,021.65	
Rent copy machine	<u>745.98</u>	
Total Expenses		468,350.44

REFUNDS

2,849,602.82

TOTAL CASH DISBURSEMENTS FOR YEAR 1972

\$26,772,955.55

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

ESTIMATED ANALYSIS OF TRENDS IN RESERVE REQUIREMENTSYEAR 1972

	<u>GAIN (LOSS) IN SURPLUS</u>
SAFEGUARDS: (Note 1)	
Mortality Employee Annuitants	\$(725,950.71)
Mortality and Gain Employees Annuities Fixed	475,939.10
Mortality and Remarriage Widow Annuitants	(783,709.34)
Mortality Wives' Annuities Fixed	(640,521.01)
Excess Contributions on Refunds	2,563,851.46
Age and Service Excess Contributions When Fixed	0
Salary Deductions after Fixed	<u>1,211,454.10</u>
Total Gain Because of Safeguards	\$ 2,101,063.60
INTEREST ON BALANCE AS OF JANUARY 1, 1972 ANNUITY PAYMENT FUND ACCOUNT	702,047.70
TRANSFER FROM INVESTMENT AND INTEREST FUND TO SUPPLEMENTARY FUND	0
TRANSFER FROM INVESTMENT AND INTEREST FUND TO P.S.A.F.	4,183,784.00
INCREASE IN ANNUITY PAYMENT FUND RESERVE	(1,677,136.47)
CURRENT DEFICIENCY IN TAXES	(1,820,385.64)
INTEREST ON DEFERRED OBLIGATIONS:	
Prior Service Deficit	(10,872,127.90)
Obligations of Fund for Age and Service Granted and Taxes Receivable	<u>(2,727,761.77)</u>
Total Interest on Deferred Obligations	<u>(13,599,889.67)</u>
DECREASE IN TAXES RECEIVABLE PRIOR YEARS	\$ 91,569.99
DEDUCT: Increase in Present Value for Excess Liability Minimum Annuity Provisions	<u>(16,709,517.25)</u>
INCREASE IN RESERVE LIABILITIES OVER ASSETS FOR YEAR 1972	<u>\$(26,911,603.72)</u>

Note 1. Gains and losses based on American Experience 4% tables.

Letter of transmittal sets forth valuation procedure.

MUNICIPAL EMPLOYEES'
ANNUITY AND BENEFIT FUND
OF CHICAGO

COMPARATIVE ANALYSIS

YEAR 1972

ASSETS

AND

LIABILITIES

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

COMPARATIVE ANALYSISASSETS

	<u>January 1, 1972</u>	<u>December 31, 1972</u>	Increase (Decrease)
CASH:			
Cash on Deposit	\$ 1,325,483.79	\$ 325,828.18	\$(999,655.61)
Petty Cash	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$ 1,325,483.79</u>	<u>\$ 325,828.18</u>	<u>\$(999,655.61)</u>
INVESTMENTS:			
Bonds -- Par Value	\$267,682,460.88	\$280,761,143.61	\$13,078,682.73
Bond Premiums	1,074,532.51	0	(1,074,532.51)
Stocks at Cost - Common	26,693,776.92	36,382,563.52	9,688,786.60
Stocks at Cost - Preferred	584,420.53	1,411,106.66	826,686.13
Bond Discounts	(10,615,877.52)	(10,152,426.35)	(463,451.17)
Accrued Interest on Bonds	4,008,476.79	4,340,320.98	331,844.19
Dividends Accrued	33,290.00	45,850.00	12,560.00
Accounts Receivable, Sale of Common Stock	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$289,461,080.11</u>	<u>\$312,788,558.42</u>	<u>\$23,327,478.31</u>
ACCOUNTS RECEIVABLE:			
Sale of Securities	<u>\$ 0</u>	<u>\$ 1,885,058.31</u>	<u>\$ 1,885,058.31</u>
ACCOUNTS RECEIVABLE:			
Taxes Collectible	\$ 17,798,317.60	\$ 20,389,880.49	\$ 2,591,562.89
Accrued Salary Deductions	1,552,720.91	1,666,014.39	113,293.48
Accounts Receivable -- Other Funds	18,166.62	0	(18,166.62)
Employee Accounts	<u>100,644.74</u>	<u>127,881.02</u>	<u>27,236.28</u>
	<u>\$ 19,469,849.87</u>	<u>\$ 22,183,775.90</u>	<u>\$ 2,713,926.03</u>
GROSS LEDGER ASSETS	<u>\$310,256,413.77</u>	<u>\$337,183,220.81</u>	<u>\$26,926,807.04</u>
LESS: ACCOUNTS PAYABLE:			
Salary Deductions	\$ 23,701.98	\$ 23,527.64	\$(174.34)
Accounts Payable -- Other Funds	159,598.13	16,955.28	(142,642.85)
Employee Accounts	391,845.08	418,335.03	26,489.95
Military Service	32,148.90	32,148.90	0
Old Law Deductions Refundable	20,588.90	20,588.90	0
Permanent File (Accounts Payable)	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$ 627,882.99</u>	<u>\$ 511,555.75</u>	<u>\$(116,327.24)</u>
NET LEDGER ASSETS	<u>\$309,628,530.78</u>	<u>\$336,671,665.06</u>	<u>\$27,043,134.28</u>

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

COMPARATIVE ANALYSISLIABILITIES AND FUND BALANCES

	<u>January 1, 1972</u>	<u>December 31, 1972</u>	<u>Increase (Decrease)</u>
AGE AND SERVICE:			
ANNUITY PAYMENT FUND ACCOUNT			
Employee Annuitants	\$ 51,714,479.28	\$ 62,323,971.36	\$10,609,492.08
Employees' Annuities Fixed	26,141,025.60	24,061,777.08	(2,079,248.52)
Widow Annuitants	26,020,603.56	27,516,501.85	1,495,898.29
Wives' Annuities Fixed	13,131,841.53	14,286,609.22	1,154,767.69
	<u>\$ 117,007,949.97</u>	<u>\$ 128,188,859.51</u>	<u>\$11,180,909.54</u>
SALARY DEDUCTION FUND ACCOUNT:			
Employees' Deductions	\$ 116,816,282.02	\$ 125,710,173.36	\$ 8,893,891.34
Wives of Employees	18,317,443.78	19,718,898.57	1,401,454.79
	<u>\$ 135,133,725.80</u>	<u>\$ 145,429,071.93</u>	<u>\$10,295,346.13</u>
CITY CONTRIBUTION FUND ACCOUNT:			
Employees	\$ 121,004,119.68	\$ 127,803,391.15	\$ 6,799,271.47
Wives of Employees	29,947,521.73	31,509,048.07	1,561,526.34
Supplemental Annuities	14,135.80	15,601.23	1,465.43
	<u>\$ 150,965,777.21</u>	<u>\$ 159,328,040.45</u>	<u>\$ 8,362,263.24</u>
SUPPLEMENTARY PAYMENT RESERVE	\$ 566,799.88	\$ 292,577.98	\$ (274,221.90)
OTHER RESERVES:			
Annuity Payment Fund Account	\$ 17,551,192.46	\$ 19,228,328.93	\$ 1,677,136.47
TOTAL LIABILITIES AND SURPLUS RESERVES	\$ 421,225,445.32	\$ 452,466,878.80	\$31,241,433.48
DEDUCT: UNFUNDED OBLIGATIONS OF FUND FOR AGE AND SERVICE CREDITS GRANTED	<u>(73,127,074.63)</u>	<u>(77,582,257.76)</u>	<u>(4,455,183.13)</u>
NET LIABILITIES	<u>\$ 348,098,370.69</u>	<u>\$ 374,884,621.04</u>	<u>\$26,786,250.35</u>
PRIOR SERVICE FUND ACCOUNT:			
Excess Minimum Annuity Provisions (Estimated)	\$ 167,106,356.40	\$ 165,736,732.89	\$(1,369,623.51)
Employee Annuitants	53,871,581.00	75,455,337.96	21,583,756.96
Employees' Annuities Fixed	58,672.44	35,796.00	(22,876.44)
Widow Annuitants	2,548,066.68	2,947,143.60	399,076.92
Wives' Annuities Fixed	1,900,670.94	3,059,749.03	1,159,078.09
Old Fund Pensioners	0	0	0
Employee Deductions	0	0	0
Contributions for Employees	11,525.49	7,555.58	(3,969.91)
Contributions for Wives	4,379.50	2,844.01	(1,535.49)
Salary Deductions for 2% Annuity	7,832,105.03	8,801,502.93	969,397.90
	<u>\$ 233,333,357.48</u>	<u>\$ 256,046,662.00</u>	<u>\$22,713,304.52</u>
DEDUCT: ESTIMATED BALANCE OF UNFUNDED OBLIGATIONS	<u>(271,803,197.39)</u>	<u>(294,259,617.98)</u>	<u>(22,456,420.59)</u>
NET LIABILITIES FOR PREVIOUS SERVICE	<u>\$(38,469,839.91)</u>	<u>\$(38,212,955.98)</u>	<u>\$(256,883.93)</u>
TOTAL NET LIABILITIES AND FUND BALANCES	<u>\$ 309,628,530.78</u>	<u>\$ 336,671,665.06</u>	<u>\$27,043,134.28</u>

MUNICIPAL EMPLOYEES'
ANNUITY AND BENEFIT FUND
OF CHICAGO

CASH RECONCILIATION

YEAR 1972

RECEIPTS

AND

DISBURSEMENTS

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

RECEIPTS - YEAR 1972 (ACTUAL CASH)

CASH BALANCE, JANUARY 1, 1972 \$ 1,325,483.79

RECEIPTS:

Deductions from Employees' Salaries	\$19,322,267.17	
Interest on Investments	\$14,529,060.86	
Dividends on Common and Preferred Stock	894,221.48	15,423,282.34
Bond Maturities and Sales	\$32,923,147.26	
Less: Losses on Bond Sales (Net)	<u>2,441,798.00</u>	30,481,349.26
Stock Sales	\$ 4,393,937.80	
Plus: Gain on Stock Sold (Net)	<u>812,618.99</u>	5,206,556.79
Taxes Collected (Levies for Fund Purposes)		15,422,486.28
Federal Government Contributions		382,587.52
Treasurer's Receipts		753,120.88
Contributions from Annuitants		14,932.01
Annuity Payments under Reciprocal Act		<u>70,726.96</u>
		<u>87,077,309.21</u>

TOTAL CASH RECEIPTS PLUS CASH BALANCE, JANUARY 1, 1972

\$88,402,793.00

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

DISBURSEMENTS - YEAR 1972 (ACTUAL CASH)

DISBURSEMENTS:

INVESTMENTS:

Bonds and Notes Purchased (Premium and Discount, Net)	\$44,087,930.15	
Accrued Interest on Investments Purchased	429,310.35	
Common Stock Purchased	15,546,847.85	
Preferred Stock Purchased	<u>1,091,684.31</u>	
		\$61,155,772.66

BENEFITS PAID:

Annuities to Employees, Widows and Children	\$21,659,664.68	
Duty Disability Benefits	231,645.40	
Ordinary Disability Benefits	<u>1,273,609.07</u>	
		23,164,919.15

REFUNDS:

To Employees, Their Heirs or Estates	\$ 3,007,946.31	
Board of Education and City Comptrollers and Other A & B Funds	<u>279,976.26</u>	
		3,287,922.57

EXPENSE OF ADMINISTRATION:

Salaries, Actuarial, Legal Expense and Consultant Audit	\$ 339,189.88 7,500.00	
Forgery Bonds, Surety and Insurance Premiums	353.00	
Furniture and Fixtures	2,105.50	
Investment Counsel Service	43,750.00	
Medical Fees	12,175.00	
Office Supplies and Equipment	987.97	
Postage	11,078.27	
Printing and Stationery	15,095.94	
Repairs and Maintenance of Office Machines	359.90	
Rent and Electricity	31,593.86	
Rental Copy Machine	745.98	
Telephone and Telegraph	393.49	
Miscellaneous	<u>3,021.65</u>	
		<u>468,350.44</u>
		\$88,076,964.82

CASH BALANCE DECEMBER 31, 1972

\$ 325,828.18

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

TAXES COLLECTIBLE -- CITY OF CHICAGO

DECEMBER 31, 1972

<u>Year</u>	<u>Uncollected Taxes 12-31-72</u>	<u>Estimate For Loss 12-31-71</u>	<u>Additional Estimate Set Up 12-31-72</u>	<u>Total Estimate For Loss 12-31-72</u>	<u>Accounts Receivable Taxes Collectible</u>
1963	\$ 790,525.24	\$ 768,647.00	\$	\$ 768,647.00	\$ 21,878.24
1964	813,037.92	791,931.00		791,931.00	21,106.92
1965	956,892.63	931,683.00		931,683.00	25,209.63
1966	952,962.69	925,091.00		925,091.00	27,871.69
1967	1,318,958.48	978,997.00	67,303.00	1,046,300.00	272,658.48
1968	1,377,153.60	1,202,384.00		1,202,384.00	174,769.60
1969	1,605,201.09	1,233,094.00		1,233,094.00	372,107.09
1970	1,919,925.26	1,531,452.00		1,531,452.00	388,473.26
1971	2,779,476.03	1,810,223.00		1,810,223.00	969,253.03
1972	20,099,921.16	0	2,032,102.00	2,032,102.00	18,067,819.16
Totals	\$32,614,054.10	\$10,173,502.00	\$2,099,405.00	\$12,272,907.00	\$20,341,147.10

TAXES COLLECTIBLE -- CHICAGO PARK DISTRICT

1963	\$ 6,888.36	\$ 3,600.00	\$	\$ 3,600.00	\$ 3,288.36
1964	3,533.51	3,534.25	(.74)	3,533.51	0
1965	3,653.25	3,600.00		3,600.00	53.25
1966	3,825.93	3,600.00		3,600.00	225.93
1967	4,882.01	3,600.00		3,600.00	1,282.01
1968	4,887.13	3,600.00		3,600.00	1,287.13
1969	3,893.89	3,400.00		3,400.00	493.89
1970	4,885.26	3,900.00		3,900.00	985.26
1971	7,517.56	4,200.00		4,200.00	3,317.56
1972	42,000.00	0	4,200.00	4,200.00	37,800.00
Totals	\$ 85,966.90	\$ 33,034.25	\$ 4,199.26	\$ 37,233.51	\$ 48,733.39
Grand Totals	\$32,700,021.00	\$10,206,536.25	\$2,103,604.26	\$12,310,140.51	\$20,389,880.49

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

ACCOUNTS RECEIVABLE

TOTAL FROM INDIVIDUAL LEDGER CARDS - 1972

	<u>December 31, 1972</u>
Regular Cards	\$ 63,703.54
Widow Annuitants	720.45
Employee Annuitants	256.28
T. A.	74.66
Due -- Permanent File	16,346.53
Balance from Refunds	1,476.82
Refund Check	215.66
Treasurer's Receipts Accrued	34,367.68
Interest Coupons in Default	<u>10,719.40</u>
 Total to Page 1 -- Balance Sheet	 <u>\$127,881.02</u>

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

ACCOUNTS PAYABLE

TOTAL FROM INDIVIDUAL LEDGER CARDS - 1972

	<u>December 31, 1972</u>
Regular Cards	\$265,871.94
Widow Annuitants	2,025.04
Employee Annuitants	12,018.00
T. A.	2,220.21
Due Payable -- Permanent File	105,081.47
Balance from Refunds	9,377.72
Suspense	7,063.68
Outstanding Paper Checks Cancelled - (Includes Permanent File Municipal Courts)	5,001.52
Special Asset Account	<u>9,675.45</u>
 Total to Page 1 -- Balance Sheet	 <u>\$418,335.03</u>

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

Method: The unfunded liability or obligations of the Fund for Prior Service Liabilities, or liabilities which have been accrued prior to the valuation date, have been computed on the entry-age-normal method of valuation. Interest only at the valuation rate has been provided on the unfunded liabilities for the cost estimates set forth in the letter of transmittal.

For year age at entrance valuation, groups were used 20-24, 25-29, 30-34, 35-39, 40-44, 45-50, 50 and over.

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:

- 1) Duty Disability Benefits.
- 2) Ordinary Disability Benefits.
- 3) Children's Annuities.
- 4) Refunds..including refunds for no wife (a percentage of members assumed married).
- 5) Expense of administration.

Actuarial Assumptions:

Mortality: For mortality for members in the active service and for retirement members and widow annuitants, the Combined Annuity Mortality Table was used.

Interest: 4-1/2% a year, compounded annually.

Salary Scale: 3% a year, compounded annually.

Rates of Retirement: The same rates of retirement were used for all ages at entry.

Termination Rates: An average of the rates for 1968, 1969, and 1970 for the Municipal Fund were used.

Active Membership: 12,891 Males and 12,255 Females.

Selected rates in percent for the service table are as follows:

Age at entrance twenty-seven.

Age	Retirement Rates		Active Service Mortality		Withdrawal		Salary Scale Same
	Male	Female	Male	Female	Male	Female	
27			.22	.06	11.0	11.6	1.00
30			.24	.07	8.7	9.5	1.13
40			.46	.13	3.0	4.2	1.51
45			.69	.20	1.0	2.3	1.75
50			1.03	.30	0	1.2	2.03
55	1.0	2.5	1.55	.46	0		2.36
56	1.8	2.8	1.67	.51	0		2.43
57	2.5	3.2	1.81	.56	0		2.50
58	3.5	4.6	1.96	.63	0		2.58
59	4.3	7.0	2.13	.70	0		2.65
60	5.0	12.5	2.30	.78	0		2.73
61	6.0	11.0	2.49	.88			2.81
62	6.5	10.7	2.70	.98			2.90
63	8.5	11.5	2.92	1.10			2.99
64	11.0	12.5	3.16	1.23			3.07
65	24.0	13.5	3.43	1.36			3.17
66	18.0	15.0	3.71	1.50			3.26
67	14.5	16.6	4.01	1.65			3.36
68	14.0	18.0	4.34	1.82			3.46
69	14.0	19.8	4.70	2.04			3.56
70	15.5	21.8	5.08	2.31			3.67
71	17.0	23.5	5.50	2.65			3.78
72	19.0	26.0	5.94	3.04			3.90
73	23.5	29.2	6.43	3.48			4.01
74	30.0	50.0	6.95	3.94			4.26
75	100.0	100.0					

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

MEMBERSHIP STATISTICS

YEAR 1972

A. CHANGES IN ACTIVE PARTICIPANTS

	<u>Male</u>	<u>Female</u>	<u>Total</u>
Number at Beginning of Fiscal Year	13,061	12,071	25,132
Increases	980	1,253	2,333
Decreases	<u>1,150</u>	<u>1,069</u>	<u>2,219</u>
Number at End of Fiscal Year	<u>12,891</u>	<u>12,255</u>	<u>25,146</u>

B. CHANGES IN ANNUITANTS AND BENEFICIARIES

	<u>Number at Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Number at End of Year</u>
Employee Annuities	5,029	821	441	5,409
Widow Annuities	3,587	280	213	3,654
Children Annuities	415	79	90	404
Ordinary Disability Benefits	262	479	465	276
Duty Disability Benefits	31	205	213	23
Widow Compensation Annuities	1	0	0	1
Supplemental Annuities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>9,325</u>	<u>1,864</u>	<u>1,422</u>	<u>9,767</u>

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

SALARY AND AGE STATISTICS

YEAR 1972

MALE

	<u>Number</u>	<u>Salaries</u>
Under 20	4	\$ 24,912.00
20 to 24	187	1,571,232.00
25 to 29	429	4,364,640.00
30 to 34	707	8,057,952.00
35 to 39	994	11,994,048.00
40 to 44	1,431	17,947,968.00
45 to 49	2,103	27,387,720.00
50 to 54	2,356	30,511,944.00
55 to 59	2,098	26,542,944.00
60 to 64	1,492	19,122,744.00
65 to 69	635	8,555,520.00
70 and Over	311	4,424,712.00
Without Record	144	1,775,424.00
	<u>12,891</u>	<u>\$162,281,760.00</u>
	Average Annual Salary	\$ 12,588.76

FEMALE

Under 20	28	\$ 168,504.00
20 to 24	475	3,041,808.00
25 to 29	759	5,306,424.00
30 to 34	1,039	6,998,760.00
35 to 39	1,378	9,154,008.00
40 to 44	1,511	10,042,464.00
45 to 49	1,794	11,919,072.00
50 to 54	2,033	14,200,776.00
55 to 59	1,605	12,087,600.00
60 to 64	956	7,677,312.00
65 to 69	326	3,017,064.00
70 and Over	152	1,572,000.00
Without Record	199	1,068,168.00
	<u>12,255</u>	<u>\$ 86,253,960.00</u>
	Average Annual Salary	\$ 7,038.27

Grand Total	<u>25,146</u>	<u>\$248,535,720.00</u>
-------------	---------------	-------------------------

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

ANNUITANTS CLASSIFIED BY AGE AND AMOUNTS

YEAR 1972

PENSIONER

	<u>Male</u>		<u>Female</u>		<u>Widows</u>	
Under 50	2	\$ 1,002.60	2	\$ 600 00	143	\$ 128,320.68
50 to 54	3	2,971.68	4	3,552.12	168	192,921.72
55 to 59	53	143,776.32	71	96,630.72	320	382,210.32
60 to 64	275	1,338,441.24	274	705,966.96	436	575,428.32
65 to 69	811	3,901,169.04	578	1,572,843.12	637	833,965.56
70 to 74	819	3,560,310.96	618	1,641,870.00	678	793,610.88
75 to 79	658	2,567,325.24	402	962,653.44	644	689,945.88
80 and Over	<u>552</u>	<u>2,033,859.00</u>	<u>287</u>	<u>600,242.04</u>	<u>628</u>	<u>612,344.64</u>
Total	<u>3,173</u>	<u>\$13,548,856.08</u>	<u>2,236</u>	<u>\$5,584,358.40</u>	<u>3,654</u>	<u>\$4,208,748.00</u>
Average Annual Annuity		\$ 4,270.05		\$ 2,497.48		\$ 1,151.82