

REVISED

**REPORT ON THE JANUARY 1, 2002
ACTUARIAL VALUATION OF THE
PEABODY CONTRIBUTORY
RETIREMENT SYSTEM**

May, 2003

TABLE OF CONTENTS

<u>Section</u>	<u>Item</u>	<u>Page</u>
SECTION I	OVERVIEW	1
SECTION II	SUMMARY OF PRINCIPAL RESULTS.....	3
SECTION III	MEMBERSHIP DATA.....	4
SECTION IV	ASSETS	6
SECTION V	CONTRIBUTIONS PAYABLE UNDER THE SYSTEM.....	7
SCHEDULE A	RESULTS OF VALUATION.....	9
SCHEDULE B	ACTUARIAL ASSUMPTIONS AND METHODS.....	10
SCHEDULE C	SUMMARY OF SYSTEM PROVISIONS.....	12
SCHEDULE D	MEMBERSHIP TABLES	16
SCHEDULE E	VALUATION RESULTS BY GROUP	20
SCHEDULE F	PROJECTION OF EXPECTED PENSION PAYMENTS	21

SECTION I – OVERVIEW

The Peabody Retirement Board has engaged Buck Consultants to prepare an actuarial valuation of the Retirement System as of January 1, 2002. Employee data and asset information as of this date were provided by the Retirement Board.

The valuation was prepared pursuant to MGL Chapter 32, based upon the acceptance of Section 22D. The purposes of the valuation are to:

- 1) analyze the current funded position of the System and determine the level of contributions necessary to assure sound funding;
- 2) update the Section 22D funding schedule currently in place for the Retirement System; and
- 3) provide reporting and disclosure information for financial statements, governmental agencies, and other interested parties.

Section II provides a summary of the principal valuation results. Section V provides a projection of the Section 22D funding amounts.

SECTION I – OVERVIEW

This revised report has been issued to reflect the Peabody Retirement Board’s most recent decisions concerning funding for the System in fiscal year 2003 and later. This report supersedes our prior report on the actuarial valuation of the System as of January 1, 2002.

Respectfully Submitted,

BUCK CONSULTANTS

David L. Driscoll, FSA, MCA, MAAA, EA
Associate Principal and Consulting Actuary

Date

Bridget P. Orr, ASA, MAAA, EA
Senior Consultant, Actuary

Date

SECTION II - SUMMARY OF PRINCIPAL RESULTS

1. For convenience of reference, the principal results of the valuation as of January 1, 2002 are summarized below along with a comparison with the amounts in the previous valuation as of January 1, 2000.

Valuation Date	January 1, 2000	January 1, 2002
a) Active members:		
Number	761	814
Annual compensation	\$ 25,354,706	\$ 28,963,912
Average age	47.0	46.9
Average service	11.2	11.3
Average compensation	\$ 33,318	\$ 35,582
b) Retired members and beneficiaries paid by Peabody ¹ :		
Number	777	788
Annual benefit payments ²	\$ 8,389,847	\$ 9,699,828
Average benefit	\$ 10,798	\$ 12,309
c) Pensioners and beneficiaries paid by other municipalities ³ :		
Number	n/a	23
Annual benefit payments	n/a	\$ 51,507
Average benefit	n/a	\$ 2,239
d) Inactive employees:		
Number	38	47
Accumulated employee contributions	\$ 695,092	\$ 472,550
e) Assets for valuation purposes	\$ 93,787,686	\$ 99,748,173
f) Unfunded actuarial liability	\$ 37,814,771	\$ 54,113,568
g) Funded percentage	71.3%	64.8%
h) Section 22D funding for fiscal 2003 ⁴	\$ 6,053,701	\$ 6,434,333
i) Section 22D funding for fiscal 2004	\$ 6,117,923	\$ 6,434,333
j) Section 22D funding for fiscal 2005	\$ 6,185,035	\$ 6,769,621

¹ Amount includes portion of benefit attributable to Peabody service only.

² Benefit amount excludes cost-of-living adjustments made between July 1, 1981 and June 30, 1998.

³ Represents former Peabody employees receiving pensions from municipalities that are paid for by the City.

⁴ The actual 2003 and 2004 fiscal-year appropriations remain at the level developed for fiscal year 2003 in the initial 1/1/2000 valuation report.

2. A projection of Section 22D costs is presented in Section V.
3. Schedule B of this report outlines the full set of actuarial assumptions and methods employed. The assumptions used in this valuation have been changed from those used in the prior valuation of the System to reflect the recommendations made by the Public Employee Retirement Administration Commission in its "Local Experience Study Analysis", which was published in March of 2002.
4. The provisions of the System are summarized in Schedule C. The valuation includes additional liabilities resulting from Chapter 17 COLA legislation.

SECTION III - MEMBERSHIP DATA

1. In order to calculate the aggregate liabilities and assets on account of members of the System as of January 1, 2002, data were needed with respect to each active and retired member and beneficiary of the System. The data with respect to active, retired and terminated members and beneficiaries were furnished to the actuary on diskette by the Retirement Board.
2. From the data, tabulations were made showing as of January 1, 2002 the number and annual compensation of members classified by age and years of service and the number and annual retirement allowances of retired members and beneficiaries as of January 1, 2002 classified by age. These tables are presented in Schedule D.
3. The tables on the following page show the number of active and retired members of the Retirement System as of January 1, 2002.

TABLE I
THE NUMBER AND ANNUAL COMPENSATION
OF ACTIVE MEMBERS
AS OF JANUARY 1, 2002

GROUP	NUMBER	COMPENSATION
General Employees	602	\$ 17,627,995
Police and Fire	<u>212</u>	<u>\$ 11,335,917</u>
Total	814	\$ 28,963,912

TABLE II
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF
RETIRED MEMBERS AND BENEFICIARIES
AS OF JANUARY 1, 2002

GROUP	<u>ANNUAL RETIREMENT ALLOWANCE</u>			TOTAL
	NUMBER	PENSION*	ANNUITY	
Service Retirements	626	\$ 6,593,385	\$ 1,175,078	\$ 7,768,463
Disability Retirements	80	\$ 1,255,476	\$ 98,654	\$ 1,354,130
Beneficiaries of Deceased Members	<u>82</u>	<u>\$ 530,722</u>	<u>\$ 46,513</u>	<u>\$ 577,235</u>
Total	788	\$ 8,379,583	\$ 1,320,245	\$ 9,699,828

* Pension amount excludes state-funded cost-of-living adjustments made between July 1, 1981 and June 30, 1998. The amounts shown include portion of benefit attributable to Peabody service only.

In addition, there are 47 inactive members with accumulated contributions of \$472,550.

SECTION IV - ASSETS

The amount of assets taken into account in this valuation is based on financial information reported by the Retirement Board. As of January 1, 2002, the reported market value of Retirement System assets amounted to \$91,560,886. The actuarial value of assets for valuation funding purposes is \$99,748,173. Valuation Assets are developed using a smoothing method (described in Schedule B) in order to smooth the year-to-year fluctuations due to investment gains and losses.

(1)	Market value of plan assets, 1/1/2001	94,897,839
(2)	Employer and employee contributions, net transfers and reimbursements	9,098,375
(3)	Expenses	(540,086)
(4)	Benefits and refunds	(10,261,409)
(5)	Expected interest during the year	<u>7,987,902</u>
(6)	Expected market value of plan assets, 1/1/2002	101,182,621
(7)	Actual market value of plan assets, 1/1/2002	91,560,886
(8)	Investment gain/(loss) for the 2001 plan year = (7)-(6)	(9,621,735)
(9)	Investment gain/(loss) for the 2000 plan year	(4,895,670)
(10)	Investment gain/(loss) for the 1999 plan year	2,705,652
(11)	Investment gain/(loss) for the 1998 plan year	6,826,212
(12)	Tentative Valuation Assets before reflecting 80%-120% corridor = [(7) – 80% x (8) – 60% x (9) – 40% x (10) – 20% x (11)]	99,748,173
(13)	80% of actual market value = 80% x (7)	73,248,709
(14)	120% of actual market value = 120% x (7)	109,873,063
(15)	Valuation Assets = (12) but not less than (13) or greater than (14)	99,748,173

SECTION V - CONTRIBUTIONS PAYABLE UNDER THE SYSTEM

Section 22D of MGL Chapter 32 outlines various requirements of a funding schedule that will amortize the unfunded actuarial liability and cover normal costs. The normal cost and unfunded actuarial liability are to be calculated in accordance with the individual entry-age-normal actuarial cost method. Amortization of the unfunded actuarial liability is to be based on a schedule that ends no later than the year 2028. The contribution toward amortization of the unfunded actuarial liability may increase by up to 4½% each year.

The contributions were computed under the assumption that they are made in installments at the beginning of each quarter. The normal cost is assumed to increase by 5% annually while the unfunded accrued liability is amortized in level installments. This schedule incorporates the funding required to provide annual COLAs under Chapter 17 of the Acts of 1997.

Please note that the amounts shown below for the 2003 and 2004 fiscal years remain at the level developed for the 2003 fiscal year in the initial 1/1/2000 valuation report.

PENSION REFORM ACT - SECTION 22D
FUNDING REQUIREMENTS

Fiscal Year Ending in	Normal Cost	Amortization of the Unfunded Actuarial Liability	Total City Contribution
2003	1,427,158	5,007,175	6,434,333
2004	1,427,158	5,007,175	6,434,333
2005	1,694,173	5,075,448	6,769,621
2006	1,778,882	5,075,448	6,854,330
2007	1,867,826	5,075,448	6,943,274
2008	1,961,217	5,075,448	7,036,665
2009	2,059,278	5,075,448	7,134,726
2010	2,162,242	5,075,448	7,237,690
2011	2,270,354	5,075,448	7,345,802
2012	2,383,872	5,075,448	7,459,320
2013	2,503,066	5,075,448	7,578,514
2014	2,628,219	5,075,448	7,703,667
2015	2,759,630	5,075,448	7,835,078
2016	2,897,611	5,075,448	7,973,059
2017	3,042,492	5,075,448	8,117,940
2018	3,194,616	5,075,448	8,270,064
2019	3,354,347	5,075,448	8,429,795
2020	3,522,065	5,075,448	8,597,513
2021	3,698,168	5,075,448	8,773,616
2022	3,883,076	5,075,448	8,958,524
2023	4,077,230	5,075,448	9,152,678
2024	4,281,092	5,075,448	9,356,540
2025	4,495,146	5,075,448	9,570,594
2026	4,719,904	5,075,448	9,795,352
2027	4,955,899	5,075,448	10,031,347
2028	5,203,694	5,075,448	10,279,142
2029	5,463,878	0	5,463,878
2030	5,737,072	0	5,737,072
2031	6,023,926	0	6,023,926
2032	6,325,122	0	6,325,122
2033	6,641,378	0	6,641,378
2034	6,973,447	0	6,973,447

SCHEDULE A - RESULTS OF THE VALUATION

The results below were developed as of July 1 rather than January 1 since the City's fiscal year begins on July 1. These amounts were determined by adjusting the appropriate January 1 amounts to reflect the passage of six months of time.

Normal Cost as of July 1, 2002

Sum of individual normal costs	\$ 3,811,474
Anticipated employee contributions	<u>(2,319,452)</u>
Total City normal cost	\$ 1,492,022

Actuarial Accrued Liability as of July 1, 2002

Total actuarial liability	
Present active members	\$ 65,922,102
Present inactive members	491,656
Present retired members and beneficiaries	<u>93,669,013</u>
Total	\$ 160,082,771
Assets	<u>(103,781,251)</u>
Unfunded actuarial accrued liability	\$ 56,301,520

SCHEDULE B - ACTUARIAL ASSUMPTIONS AND METHODS

GENERAL EMPLOYEES

VALUATION INTEREST RATE: 8.25% per annum, compounded annually, net of administrative expenses.

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of disability, death, service retirement, salary scale and withdrawal are as follows:

Annual Rates of

Age	Disability	Death		Service Retirement		Year	Salary Scale	Years of Service	Rates of Withdrawal
		Male	Female	Male	Female				
25	.02%	.04%	.02%			2002	3.00%	0	15.0%
30	.03	.04	.03			2003	3.00	1	12.0%
35	.06	.08	.05			2004	3.00	2	10.0%
40	.10	.11	.07			2005	3.00	3	9.0%
45	.15	.15	.11			2006	4.00	4	8.0%
50	.19	.21	.17	1.0%	1.5%	2007	4.00	5	7.6%
55	.24	.30	.25	2.0	5.5	2008	4.00	10	5.4%
60	.28	.49	.39	12.0	5.0	2009	4.00	15	3.3%
62	.30	.59	.47	30.0	15.0	2010+	5.00	20	2.0%
65	.30	.76	.58	40.0	15.0			25	1.0%
69		.95	.73	30.0	20.0			30+	0.0%

COST-OF-LIVING ADJUSTMENTS: Retirement benefits were assumed to increase annually by 3%, up to a maximum of \$360.

DEATHS AFTER RETIREMENT: The RP-2000 Healthy Annuitant Table. For the period after disability retirement, the RP-2000 Healthy Annuitant Table set forward 2 years is used.

LOADING OR CONTINGENCY RESERVE: None.

ACTUARIAL COST METHOD: Individual entry-age-normal cost method.

ASSET VALUATION METHOD: For contribution basis, assets are valued according to the following general formula, provided such value is within a 20% corridor of the market value:

$$VA = MV - .8I_1 - .6I_2 - .4I_3 - .2I_4 \text{ where}$$

VA = Valuation assets.

MV = Market value of assets as of the valuation date.

I_n = Investment gain (loss) during n^{th} year preceding the valuation date.

POLICE AND FIRE

VALUATION INTEREST RATE: 8.25% per annum, compounded annually, net of administrative expenses.

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of disability, death, service retirement, salary scale and withdrawal are as follows:

Annual Rates of

Age	Disability	Death		Service Retirements	Year	Salary Scale	Years of Service	Rates of Withdrawal
		Male	Female					
25	0.20%	.04%	.02%		2002	3.00%	0	1.5%
30	0.30	.04	.03		2003	3.00	1	1.5
35	0.30	.08	.05		2004	3.00	2	1.5
40	0.30	.11	.07		2005	3.00	3	1.5
45	1.00	.15	.11	1.0%	2006	4.00	4	1.5
50	1.25	.21	.17	2.0	2007	4.00	5	1.5
55	1.20	.30	.25	15.0	2008	4.00	6	1.5
60	0.85	.49	.39	20.0	2009	4.00	7	1.5
62	0.75	.59	.47	25.0	2010+	5.00	8	1.5
65	0.00	.76	.58	100.0			9	1.5
69		.95	.73				10	1.5
							11+	0.0

COST-OF-LIVING ADJUSTMENTS: Retirement benefits were assumed to increase annually by 3%, up to a maximum of \$360.

DEATHS AFTER RETIREMENT: The RP-2000 Healthy Annuitant Table. For the period after disability retirement, the RP-2000 Healthy Annuitant Table set forward 2 years is used.

LOADING OR CONTINGENCY RESERVE: None.

ACTUARIAL COST METHOD: Individual entry-age-normal cost method.

ASSET VALUATION METHOD: For contribution basis, assets are valued according to the following general formula, provided such value is within a 20% corridor of the market value:

$$VA = MV - .8I_1 - .6I_2 - .4I_3 - .2I_4 \text{ where}$$

VA = Valuation assets.

MV = Market value of assets as of the valuation date.

I_n = Investment gain (loss) during n^{th} year preceding the valuation date.

SCHEDULE C - SUMMARY OF SYSTEM PROVISIONS

MEMBERSHIP

The Retirement System covers all employees of the City of Peabody except teachers and elected officials and those employees in service at the time of its establishment who elected not to become members. Eligible employees in the City who enter service on or after the date the System became operative for their classification may become members of the Retirement System on their own application.

SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS

A summary of the main benefit and contribution provisions of the Retirement System, as interpreted for the valuation, is presented below.

The terms “Group 1” and “Group 4” are used to denote “general employees” and “police and fire”, respectively.

BENEFITS

Final Average Salary (FAS)	The average of a member’s 3 highest consecutive years’ compensation.
Superannuation Retirement	
Eligibility	Age 65 for Group 1; Age 55 for Group 4. Maximum retirement age is 70 for Group 1 and 65 for Group 4.
Allowance	2.5% per year of service times FAS. Veterans receive additional \$15 annually per year of service to a maximum of \$300 annually. Maximum total allowance is 80% of FAS.

Early Retirement

Eligibility	20 years of service.
Allowance	Calculated as a superannuation retirement allowance (including veteran's benefits) except accrual rate is equal to 2.5% reduced by .1% for each year age at retirement is below either 65 for Group 1 or 55 for Group 4. The minimum allowance after 30 years of service is equal to: (1) An annuity which is the actuarial equivalent of member's accumulated deductions; and (2) A pension equal to 1/3 of FAS and any veteran's benefits as described under superannuation retirement.

Vested Retirement

Eligibility	10 years of service. For certain involuntary terminations, this is reduced to 6 years.
Allowance	A superannuation retirement allowance commencing at age 55 for Group 1 members and age 45 for Group 4 members or later, where the accrual rate is determined by the age of the member at the time the allowance commences.

Ordinary Disability

Eligibility	10 years of service.
Allowance	An immediate allowance equal to the age 55 rate for Group 1 members or age 45 rate for Group 4 members per year of service times FAS. Veterans receive an allowance equal to: (1) An annuity which is the actuarial equivalent of their accumulated deductions; and (2) A pension which is the greater of 50% of current salary and the service retirement allowance to which they are eligible, if any.

Accidental Disability

Eligibility

None.

Allowance

An immediate allowance equal to:

- (1) An annuity which is the actuarial equivalent of the member's accumulated deductions; and
- (2) A pension equal to 72% of current salary; and
- (3) A supplement equal to \$543.12 per year per child under 21.

The maximum total allowance is 100% of current salary.

Accidental Death Benefit

Eligibility

None.

Allowance

An immediate allowance equal to:

- (1) A lump sum payment equal to the accumulated deductions at death; and
- (2) A pension equal to 72% of current salary and payable to the surviving spouse, dependent children, or the dependent parents; and
- (3) A supplement of \$312 per year per child payable to the spouse or legal guardian until all children reach age 21, unless handicapped.

The maximum total allowance is 100% of current salary.

Death in Active Service

Eligibility	None.
Allowance	<p>An immediate allowance that would have been payable had the member retired and elected the 2/3 joint and survivor option on the day before his death. For death occurring prior to the minimum superannuation retirement age, the age 55 and age 45 accrual rates are used, respectively, for Group 1 and Group 4 members.</p> <p>For members with at least 2 years of service at death, the surviving spouse receives an additional allowance equal to the sum of \$1,440 per year for the first child and \$1,080 per year for each additional child.</p> <p>The minimum allowance is \$250 per month. The maximum total allowance is 100% of salary at the date of death.</p>
Normal Form of Benefit	Reduced modified cash refund annuity.
Optional Forms of Benefit	<ol style="list-style-type: none">(1) Life annuity.(2) Modified cash refund annuity.(3) 66-2/3% joint and survivor allowance.
Return of Contribution	If no other benefit is payable upon termination, the member's accumulated deductions are returned.
Post-Retirement Adjustments	Up to 3% of the annual retirement allowance up to a maximum of \$360 annually.
Member Contributions	Members contribute a percentage of annual regular compensation in accordance with their respective dates of hire, as shown below:

<u>Date of Hire</u>	<u>Rate of Contribution</u>
Prior to January 1, 1975	5%
On or after January 1, 1975	7%
On or after January 1, 1984	8%
On or after July 1, 1996	9%

Members hired on or after January 1, 1979 contribute an additional 2% of compensation in excess of \$30,000.

SCHEDULE D

MEMBERSHIP TABLES

TABLE 1

THE NUMBER AND ANNUAL COMPENSATION OF ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE AS OF JANUARY 1, 2002

Age	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		Total	
	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary
Under 25	8	175,144	12	240,195	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20	415,339
25 to 29	10	311,553	20	611,773	3	80,354	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33	1,003,680
30 to 34	12	295,145	35	1,319,323	19	873,360	5	204,415	-	-	-	-	-	-	-	-	-	-	-	-	71	2,692,243
35 to 39	8	198,844	26	725,134	28	1,244,833	26	1,181,267	7	310,349	-	-	-	-	-	-	-	-	-	-	95	3,660,427
40 to 44	7	114,138	31	1,010,149	26	1,031,863	29	1,126,228	26	1,277,468	6	301,281	2	83,886	-	-	-	-	-	-	127	4,945,013
45 to 49	14	287,559	31	698,932	13	387,453	23	972,552	27	1,176,596	17	925,591	4	233,213	-	-	-	-	-	-	129	4,681,896
50 to 54	10	173,162	25	564,802	14	421,693	21	581,477	21	838,327	10	472,174	14	815,427	19	1,147,920	1	29,058	-	-	135	5,044,040
55 to 59	7	195,687	10	283,857	16	433,353	25	623,739	18	591,606	9	336,287	9	507,382	21	967,415	4	237,907	-	-	119	4,177,233
60 to 64	1	12,599	9	226,333	6	175,217	14	280,753	11	356,426	3	91,503	5	221,199	2	106,035	-	-	-	-	51	1,470,065
65 to 69	1	13,635	2	23,698	6	164,038	9	219,123	-	-	3	62,007	1	43,414	2	126,166	-	-	-	-	24	652,081
70 & up	1	17,059	1	10,507	1	7,239	-	-	1	26,902	1	10,576	1	19,843	2	61,732	2	68,037	-	-	10	221,895
Total	79	1,794,525	202	5,714,703	132	4,819,403	152	5,189,554	111	4,577,674	49	2,199,419	36	1,924,364	46	2,409,268	7	335,002	-	-	814	28,963,912

TABLE 2
THE NUMBER AND ANNUAL PENSIONS OF RETIRED MEMBERS
DISTRIBUTED BY AGE AS OF JANUARY 1, 2002

Age	Service Retirements		Disability Retirements		Beneficiaries	
34					1	5,033
43			1	26,957		
44	1	9,958				
45			1	24,688		
47	2	14,418	2	26,294		
49			1	30,177		
50	1	7,995	2	31,028		
51	3	52,571	1	28,402		
52	4	58,910	1	15,796	2	17,681
53			1	31,815		
54			2	41,129		
55	2	41,355	2	57,413		
56	7	216,875	1	21,292		
57	5	82,638	1	25,917		
58	7	112,936	3	22,695	2	5,398
59	8	178,846	2	52,463	2	32,223
60	8	147,437	1	18,777		
61	9	133,400	2	45,500		
62	17	200,625	1	3,489		
63	13	326,742	4	75,662		
64	17	165,949	1	16,028	4	40,699
65	18	292,546	3	74,277	3	17,523
66	20	338,683				
67	17	312,780	2	42,378	4	42,733
68	20	244,386	3	84,842	2	5,602
69	29	569,223	2	44,088	3	11,950
70	24	328,932	3	36,692	4	30,845
71	27	361,011	4	50,862	5	9,942
72	27	339,124	1	15,483	2	8,201
73	32	367,657	2	34,761	5	77,327
74	27	334,176	2	35,681	5	43,149
75	33	337,014	2	52,202	2	28,293
76	35	249,327	1	12,829	2	11,061
77	32	452,398	8	106,617	7	59,005
78	28	294,741	4	34,926	5	27,582

TABLE 2
(continued)

**THE NUMBER AND ANNUAL PENSIONS OF RETIRED MEMBERS
DISTRIBUTED BY AGE AS OF JANUARY 1, 2002**

Age	Service Retirements		Disability Retirements		Beneficiaries	
	Number	Amount	Number	Amount	Number	Amount
79	22	275,150	5	44,696	2	5,948
80	16	113,656			8	52,158
81	16	139,509	3	46,423	1	162
82	18	145,649	1	8,883	1	828
83	14	137,353	2	22,854	2	12,017
84	13	76,746			2	7,332
85	8	62,303				
86	13	60,418				
87	7	45,470	1	854	1	2,598
88	5	44,180			2	14,066
89	4	17,953			1	924
90	5	20,115				
91	3	17,450			1	3,928
92	2	8,804				
93	1	2,110				
94			1	9,260		
95	3	17,354				
96	2	3,890			1	3,027
97	1	7,700				
Total	626	7,768,463	80	1,354,130	82	577,235

SCHEDULE E - VALUATION RESULTS BY GROUP

AS OF JANUARY 1, 2002

Item	City of Peabody	Light	Housing Authority	Water	Sewer	Hospital	Brooksby Farm	Skating Rink	Golf Course	Total
Active members: Number	680	71	18	28	5	0	3	4	5	814
Annual compensation	23,058,942	3,508,555	729,021	1,019,188	177,628	0	126,747	128,306	215,525	28,963,912
Average age	46.8	48.9	44.7	45.4	55.2	0.0	37.4	51.3	43.7	46.9
Average service	11.0	14.8	14.1	9.9	18.6	0.0	11.5	5.2	1.0	11.3
Average compensation	33,910	49,416	40,501	36,400	35,526	0	42,249	32,077	43,105	35,582
Accumulated contributions	18,228,454	3,351,703	693,074	676,391	179,189	0	99,164	50,767	27,844	23,306,586
Retired members and beneficiaries: Number	510	66	9	39	8	156	0	0	0	788
Annual benefit payments	6,524,257	1,314,358	139,829	387,530	114,793	1,219,061	0	0	0	9,699,828
Average benefit	12,793	19,915	15,537	9,937	14,349	7,814	0	0	0	12,309
Inactive members: Number	36	2	0	0	0	9	0	0	0	47
Accumulated contributions	267,013	5,091	0	0	0	200,446	0	0	0	472,550
Assets for valuation purposes	72,103,655	13,731,407	1,814,029	2,992,082	1,037,192	7,842,590	116,872	84,992	25,354	99,748,173
Unfunded actuarial liability	39,116,366	7,449,313	984,114	1,623,210	562,679	4,254,619	63,404	46,109	13,754	54,113,568
Funding for fiscal: *	4,427,464	843,541	117,105	229,706	64,987	751,530	0	0	0	6,434,333
2004	4,427,464	843,541	117,105	229,706	64,987	751,530	0	0	0	6,434,333
2005	4,893,467	931,911	123,113	203,064	70,391	532,254	7,932	5,768	1,721	6,769,621
2006	4,954,701	943,572	124,653	205,605	71,272	538,914	8,031	5,840	1,742	6,854,330
2007	5,018,994	955,816	126,271	208,273	72,197	545,907	8,135	5,916	1,765	6,943,274

* 2003 and 2004 appropriations remain at the level developed for fiscal year 2003 in the City's initial 1/1/2000 valuation.

SCHEDULE F - PROJECTION OF EXPECTED PENSION PAYMENTS

YEAR	AMOUNT*
2002	\$10,465,880
2003	10,971,629
2004	11,437,074
2005	11,917,898
2006	12,458,201
2007	12,946,859
2008	13,430,410
2009	13,900,944
2010	14,353,146
2011	14,762,166
2012	15,210,420
2013	15,699,005
2014	16,128,161
2015	16,558,252
2016	17,001,990
2017	17,429,789
2018	17,845,458
2019	18,296,341
2020	18,792,719
2021	19,269,699
2022	19,684,344
2023	20,099,381
2024	20,483,836
2025	20,831,100
2026	21,140,807

* This number includes only those benefits attributable to Peabody service that are paid directly by the City.
Peabody Contributory Retirement System
January 1, 2002

SCHEDULE F - PROJECTION OF EXPECTED PENSION PAYMENTS

(continued)

YEAR	AMOUNT*
2027	21,380,675
2028	21,549,855
2029	21,625,002
2030	21,639,050
2031	21,538,823
2032	21,335,939
2033	21,034,510
2034	20,658,338
2035	20,184,324
2036	19,621,889
2037	18,999,562
2038	18,310,266
2039	17,568,536
2040	16,825,238
2041	16,037,906
2042	15,221,878
2043	14,371,593
2044	13,516,861
2045	12,646,546
2046	11,771,331
2047	10,902,911
2048	10,048,454
2049	9,210,516
2050	8,391,914
2051	7,597,143

* This number includes only those benefits attributable to Peabody service that are paid directly by the City.