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VIA EMAIL AND USPS

March 19, 2010

Mr. Michael A. Perez
General Manager
Los Angeles Fire and Police Pension System
360 E 2nd Street, 6th Floor
Los Angeles, CA 90012

Re: Five-Year Projection of Contributions, Funding Ratio and UAAL

Dear Mike:

Enclosed please find five-year projections of contributions, funding ratios and Unfunded Actuarial Accrued Liabilities (UAAL) for each of the Pension and the Retiree Health Plans. We have also included similar results for the two Plans combined. Similar to prior projections, we have excluded the Port Police from all calculations, since their contribution rate is budgeted separately.

Background and Discussions

We projected the City's contribution rates for the Pension and the Retiree Health Plans assuming contributions would be made either:

- (1) In one lump sum on July 15 or
- (2) On a periodic basis at the end of every biweekly period.

As directed, we have provided different scenarios of rates of return on a market value basis for the current fiscal year. Scenarios 1, 2 and 3 assume a rate of return of 0%, 8% and 16% for 2009-2010, respectively. For 2010-2011 and thereafter, we assume a return of 8% for all three scenarios.

Unless noted otherwise, these projections are based on the June 30, 2009 actuarial valuation results, including the participant data and the actuarial assumptions on which that valuation was based. Calculations were completed under the supervision of Andy Yeung, ASA, MAAA, Enrolled Actuary.



Amortization Policy

Three years ago, the Board adopted a policy of amortizing the entire Unfunded Actuarial Accrued Liability (UAAL) as of June 30, 2006 for the health plan over a fixed period of 30 years beginning June 30, 2006. In the near future, Segal will perform a review of that funding policy, including alternatives for the amortization period used for experience gains and losses, changes in per capita cost and changes in the healthcare trend rate. In this report, we have continued to apply the current policy to amortize the entire UAAL (including recent investment losses, after smoothing) for the health plan over the remaining amortization period from the 2006 amortization schedule (with 27 years remaining as of June 30, 2009). For the Pension Plan actuarial gains and losses (including recent investment losses, after smoothing) are amortized over 15 years.

Asset Smoothing and the Market Value “Corridor”

Consistent with the Board’s policy updated as of June 30, 2009, any market value investment gains/losses after July 1, 2008 are recognized over a seven-year period to determine the smoothed Actuarial Value of Assets (AVA). The updated Board policy also includes a market value “corridor” that limits the AVA to be within 40% of the Market Value of Assets (MVA) (i.e., no greater than 140% and no less than 60%). Of the three market return scenarios, the AVA without the corridor is slightly over 140% as of June 30, 2010 under the one scenario where the market return is assumed to be 0% in 2009/2010. That means that, the 40% corridor will have either no or minimal effect on the contribution rates for the City over the next four years under the market return scenarios assumed in this report.

Results

At the end of the five-year projection, the total City contribution rates for the Pension and the Retiree Health Plans are projected to be between 54% and 64% of payroll under the three market return scenarios, assuming contributions are made on July 15.

Please note that the market rate of return assumed for Scenario #1 is comparable to the market rate of return assumed for Scenario #1a in our projection from last year (reference contribution rates in our letter dated January 6, 2009). However, the contribution rates updated in this letter under Scenario #1 are less than those projected last year. The primary reason for the decrease in the projected contribution rates is due to the one-time change to the length of the asset smoothing period from five years to seven years. In addition, in this projection there is an increase in projected payroll used to spread the cost to amortize the Unfunded Actuarial Accrued Liability.

In this projection, we assumed payroll would grow at a rate of 4.25% per year. If the actual increases in payroll for the next few years are less than expected, then the contribution rates as a percentage of payroll will be higher than what we have projected for the similar reason stated above.

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Projections, by their nature, are not a guarantee of future results. The modeling projections are intended to serve as estimates of future financial outcomes that are based on the information available to us at the time the modeling is undertaken and completed, and the agreed-upon assumptions and methodologies described herein. Emerging results may differ significantly if the actual experience proves to be different from these assumptions or if alternative methodologies are used. Actual experience may differ due to such variables as demographic experience, the economy, stock market performance and the regulatory environment.

If you have any questions, please let us know.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul Angelo".

Paul Angelo

SUV/gxk
Enclosures

cc: Robyn L. Wilder

The City of Los Angeles Fire and Police Pension Plan

Projection of UAAL, Funding Ratio and City Contributions - **Pension Only** - Excludes Port Police

Contributions Made on July 15

Scenario # 1: 0% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year				City Contributions (July 15)						
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Additional Contribution Pickup for Tier 5	Total Rate (Including Pickup)	Contribution Amount	Incremental Increase
2008	\$ 125,862	99.1%	2010	\$ 1,347,486	19.27%	0.58%		19.85%	\$ 267,476	
2009	\$ 553,986	96.3%	2011	\$ 1,404,754	18.34%	3.10%		21.44%	\$ 301,179	\$ 33,703
2010	\$ 1,602,222	89.7%	2012	\$ 1,464,456	18.34%	9.48%		27.82%	\$ 407,412	\$ 106,233
2011	\$ 2,785,917	82.9%	2013	\$ 1,526,695	18.34%	16.42%		34.76%	\$ 530,679	\$ 123,267
2012	\$ 4,171,076	75.7%	2014	\$ 1,591,580	18.34%	24.56%		42.90%	\$ 682,788	\$ 152,109
2013	\$ 5,080,593	71.8%	2015	\$ 1,659,222	18.34%	30.18%		48.52%	\$ 805,055	\$ 122,267
2014	\$ 5,858,044	69.1%	2016	\$ 1,729,739	18.34%	35.31%		53.65%	\$ 928,005	\$ 122,950

Scenario # 2: 8% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year				City Contributions (July 15)						
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Additional Contribution Pickup for Tier 5	Total Rate (Including Pickup)	Contribution Amount	Incremental Increase
2008	\$ 125,862	99.1%	2010	\$ 1,347,486	19.27%	0.58%		19.85%	\$ 267,476	
2009	\$ 553,986	96.3%	2011	\$ 1,404,754	18.34%	3.10%		21.44%	\$ 301,179	\$ 33,703
2010	\$ 1,472,232	90.5%	2012	\$ 1,464,456	18.34%	8.70%		27.04%	\$ 395,989	\$ 94,810
2011	\$ 2,483,069	84.8%	2013	\$ 1,526,695	18.34%	14.63%		32.97%	\$ 503,351	\$ 107,362
2012	\$ 3,690,717	78.5%	2014	\$ 1,591,580	18.34%	21.76%		40.10%	\$ 638,224	\$ 134,873
2013	\$ 4,435,164	75.4%	2015	\$ 1,659,222	18.34%	26.45%		44.79%	\$ 743,166	\$ 104,942
2014	\$ 5,062,246	73.3%	2016	\$ 1,729,739	18.34%	30.77%		49.11%	\$ 849,475	\$ 106,309

Scenario # 3: 16% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year				City Contributions (July 15)						
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Additional Contribution Pickup for Tier 5	Total Rate (Including Pickup)	Contribution Amount	Incremental Increase
2008	\$ 125,862	99.1%	2010	\$ 1,347,486	19.27%	0.58%		19.85%	\$ 267,476	
2009	\$ 553,986	96.3%	2011	\$ 1,404,754	18.34%	3.10%		21.44%	\$ 301,179	\$ 33,703
2010	\$ 1,353,932	91.3%	2012	\$ 1,464,456	18.34%	7.99%		26.33%	\$ 385,591	\$ 84,412
2011	\$ 2,180,222	86.6%	2013	\$ 1,526,695	18.34%	12.84%		31.18%	\$ 476,024	\$ 90,433
2012	\$ 3,209,251	81.3%	2014	\$ 1,591,580	18.34%	18.96%		37.30%	\$ 593,659	\$ 117,635
2013	\$ 3,788,374	79.0%	2015	\$ 1,659,222	18.34%	22.73%		41.07%	\$ 681,442	\$ 87,783
2014	\$ 4,264,979	77.5%	2016	\$ 1,729,739	18.34%	26.21%		44.55%	\$ 770,599	\$ 89,157

The City of Los Angeles Fire and Police Pension Plan
 Projection of UAAL, Funding Ratio and City Contributions - **Health Only** - Excludes Port Police
 Contributions Made on July 15

Scenario # 1: 0% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year			City Contributions (July 15)						
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Total Rate	Contribution Amount	Incremental Increase
2008	\$ 1,070,307	41.7%	2010	\$ 1,347,486	3.48%	4.97%	8.45%	\$ 113,863	
2009	\$ 1,227,762	39.7%	2011	\$ 1,404,754	3.50%	5.18%	8.68%	\$ 121,933	\$ 8,070
2010	\$ 1,303,395	39.8%	2012	\$ 1,464,456	3.50%	5.43%	8.93%	\$ 130,776	\$ 8,843
2011	\$ 1,393,988	39.5%	2013	\$ 1,526,695	3.50%	5.70%	9.20%	\$ 140,456	\$ 9,680
2012	\$ 1,495,662	39.0%	2014	\$ 1,591,580	3.50%	6.01%	9.51%	\$ 151,359	\$ 10,903
2013	\$ 1,570,837	39.9%	2015	\$ 1,659,222	3.50%	6.22%	9.72%	\$ 161,276	\$ 9,917
2014	\$ 1,639,542	41.1%	2016	\$ 1,729,739	3.50%	6.41%	9.91%	\$ 171,417	\$ 10,141

Scenario # 2: 8% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year			City Contributions (July 15)						
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Total Rate	Contribution Amount	Incremental Increase
2008	\$ 1,070,307	41.7%	2010	\$ 1,347,486	3.48%	4.97%	8.45%	\$ 113,863	
2009	\$ 1,227,762	39.7%	2011	\$ 1,404,754	3.50%	5.18%	8.68%	\$ 121,933	\$ 8,070
2010	\$ 1,295,791	40.2%	2012	\$ 1,464,456	3.50%	5.40%	8.90%	\$ 130,337	\$ 8,404
2011	\$ 1,374,521	40.3%	2013	\$ 1,526,695	3.50%	5.62%	9.12%	\$ 139,235	\$ 8,898
2012	\$ 1,464,486	40.3%	2014	\$ 1,591,580	3.50%	5.89%	9.39%	\$ 149,449	\$ 10,214
2013	\$ 1,528,428	41.5%	2015	\$ 1,659,222	3.50%	6.05%	9.55%	\$ 158,456	\$ 9,007
2014	\$ 1,586,442	43.0%	2016	\$ 1,729,739	3.50%	6.20%	9.70%	\$ 167,785	\$ 9,329

Scenario # 3: 16% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year			City Contributions (July 15)						
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Total Rate	Contribution Amount	Incremental Increase
2008	\$ 1,070,307	41.7%	2010	\$ 1,347,486	3.48%	4.97%	8.45%	\$ 113,863	
2009	\$ 1,227,762	39.7%	2011	\$ 1,404,754	3.50%	5.18%	8.68%	\$ 121,933	\$ 8,070
2010	\$ 1,288,187	40.5%	2012	\$ 1,464,456	3.50%	5.36%	8.86%	\$ 129,751	\$ 7,818
2011	\$ 1,355,054	41.2%	2013	\$ 1,526,695	3.50%	5.54%	9.04%	\$ 138,013	\$ 8,262
2012	\$ 1,433,310	41.6%	2014	\$ 1,591,580	3.50%	5.76%	9.26%	\$ 147,380	\$ 9,367
2013	\$ 1,486,018	43.1%	2015	\$ 1,659,222	3.50%	5.89%	9.39%	\$ 155,801	\$ 8,421
2014	\$ 1,533,342	44.9%	2016	\$ 1,729,739	3.50%	5.99%	9.49%	\$ 164,152	\$ 8,351

The City of Los Angeles Fire and Police Pension Plan

Projection of UAAL, Funding Ratio and City Contributions - **Pension and Health** - Excludes Port Police
Contributions Made on July 15

Scenario # 1: 0% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year				City Contributions (July 15)						
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Additional Contribution Pickup for Tier 5	Total Rate (Including Pickup)	Contribution Amount	Incremental Increase
2008	\$ 1,196,169	92.6%	2010	\$ 1,347,486	22.75%	5.55%		28.30%	\$ 381,339	
2009	\$ 1,781,748	89.4%	2011	\$ 1,404,754	21.84%	8.28%		30.12%	\$ 423,112	\$ 41,773
2010	\$ 2,905,617	83.6%	2012	\$ 1,464,456	21.84%	14.91%		36.75%	\$ 538,188	\$ 115,076
2011	\$ 4,179,905	77.6%	2013	\$ 1,526,695	21.84%	22.12%		43.96%	\$ 671,135	\$ 132,947
2012	\$ 5,666,738	71.1%	2014	\$ 1,591,580	21.84%	30.57%		52.41%	\$ 834,147	\$ 163,012
2013	\$ 6,651,430	67.8%	2015	\$ 1,659,222	21.84%	36.40%		58.24%	\$ 966,331	\$ 132,184
2014	\$ 7,497,586	65.5%	2016	\$ 1,729,739	21.84%	41.72%		63.56%	\$ 1,099,422	\$ 133,091

Scenario # 2: 8% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year				City Contributions (July 15)						
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Additional Contribution Pickup for Tier 5	Total Rate (Including Pickup)	Contribution Amount	Incremental Increase
2008	\$ 1,196,169	92.6%	2010	\$ 1,347,486	22.75%	5.55%		28.30%	\$ 381,339	
2009	\$ 1,781,748	89.4%	2011	\$ 1,404,754	21.84%	8.28%		30.12%	\$ 423,112	\$ 41,773
2010	\$ 2,768,023	84.4%	2012	\$ 1,464,456	21.84%	14.10%		35.94%	\$ 526,325	\$ 103,213
2011	\$ 3,857,590	79.3%	2013	\$ 1,526,695	21.84%	20.25%		42.09%	\$ 642,586	\$ 116,261
2012	\$ 5,155,203	73.7%	2014	\$ 1,591,580	21.84%	27.65%		49.49%	\$ 787,673	\$ 145,087
2013	\$ 5,963,592	71.1%	2015	\$ 1,659,222	21.84%	32.50%		54.34%	\$ 901,621	\$ 113,948
2014	\$ 6,648,688	69.4%	2016	\$ 1,729,739	21.84%	36.97%		58.81%	\$ 1,017,260	\$ 115,639

Scenario # 3: 16% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year				City Contributions (July 15)						
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Additional Contribution Pickup for Tier 5	Total Rate (Including Pickup)	Contribution Amount	Incremental Increase
2008	\$ 1,196,169	92.6%	2010	\$ 1,347,486	22.75%	5.55%		28.30%	\$ 381,339	
2009	\$ 1,781,748	89.4%	2011	\$ 1,404,754	21.84%	8.28%		30.12%	\$ 423,112	\$ 41,773
2010	\$ 2,642,119	85.1%	2012	\$ 1,464,456	21.84%	13.35%		35.19%	\$ 515,342	\$ 92,230
2011	\$ 3,535,276	81.0%	2013	\$ 1,526,695	21.84%	18.38%		40.22%	\$ 614,037	\$ 98,695
2012	\$ 4,642,561	76.3%	2014	\$ 1,591,580	21.84%	24.72%		46.56%	\$ 741,040	\$ 127,003
2013	\$ 5,274,392	74.5%	2015	\$ 1,659,222	21.84%	28.62%		50.46%	\$ 837,243	\$ 96,203
2014	\$ 5,798,321	73.3%	2016	\$ 1,729,739	21.84%	32.20%		54.04%	\$ 934,751	\$ 97,508

The City of Los Angeles Fire and Police Pension Plan
 Projection of UAAL, Funding Ratio and City Contributions - **Pension Only** - Excludes Port Police
 Contributions Made Throughout the Year on a Bi-Weekly Basis

Scenario # 1: 0% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year				City Contributions (Middle of Year)						
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Additional Contribution Pickup for Tier 5	Total Rate (Including Pickup)	Contribution Amount	Incremental Increase
2008	\$ 125,862	99.1%	2010	\$ 1,347,486	19.27%	0.58%		19.85% *	\$ 267,476	
2009	\$ 553,986	96.3%	2011	\$ 1,404,754	18.34%	3.10%		21.44% *	\$ 301,179	\$ 33,703
2010	\$ 1,602,222	89.7%	2012	\$ 1,464,456	19.00%	9.82%		28.82%	\$ 422,056	\$ 120,877
2011	\$ 2,785,917	82.9%	2013	\$ 1,526,695	19.00%	17.01%		36.01%	\$ 549,763	\$ 127,707
2012	\$ 4,171,076	75.7%	2014	\$ 1,591,580	19.00%	25.44%		44.44%	\$ 707,298	\$ 157,535
2013	\$ 5,080,593	71.8%	2015	\$ 1,659,222	19.00%	31.26%		50.26%	\$ 833,925	\$ 126,627
2014	\$ 5,858,044	69.1%	2016	\$ 1,729,739	19.00%	36.58%		55.58%	\$ 961,389	\$ 127,464

Scenario # 2: 8% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year				City Contributions (Middle of Year)						
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Additional Contribution Pickup for Tier 5	Total Rate (Including Pickup)	Contribution Amount	Incremental Increase
2008	\$ 125,862	99.1%	2010	\$ 1,347,486	19.27%	0.58%		19.85% *	\$ 267,476	
2009	\$ 553,986	96.3%	2011	\$ 1,404,754	18.34%	3.10%		21.44% *	\$ 301,179	\$ 33,703
2010	\$ 1,472,232	90.5%	2012	\$ 1,464,456	19.00%	9.01%		28.01%	\$ 410,194	\$ 109,015
2011	\$ 2,483,069	84.8%	2013	\$ 1,526,695	19.00%	15.15%		34.15%	\$ 521,366	\$ 111,172
2012	\$ 3,690,717	78.5%	2014	\$ 1,591,580	19.00%	22.54%		41.54%	\$ 661,142	\$ 139,776
2013	\$ 4,435,164	75.4%	2015	\$ 1,659,222	19.00%	27.40%		46.40%	\$ 769,879	\$ 108,737
2014	\$ 5,062,246	73.3%	2016	\$ 1,729,739	19.00%	31.87%		50.87%	\$ 879,918	\$ 110,039

Scenario # 3: 16% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year				City Contributions (Middle of Year)						
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Additional Contribution Pickup for Tier 5	Total Rate (Including Pickup)	Contribution Amount	Incremental Increase
2008	\$ 125,862	99.1%	2010	\$ 1,347,486	19.27%	0.58%		19.85% *	\$ 267,476	
2009	\$ 553,986	96.3%	2011	\$ 1,404,754	18.34%	3.10%		21.44% *	\$ 301,179	\$ 33,703
2010	\$ 1,353,932	91.3%	2012	\$ 1,464,456	19.00%	8.27%		27.27%	\$ 399,357	\$ 98,178
2011	\$ 2,180,222	86.6%	2013	\$ 1,526,695	19.00%	13.30%		32.30%	\$ 493,122	\$ 93,765
2012	\$ 3,209,251	81.3%	2014	\$ 1,591,580	19.00%	19.64%		38.64%	\$ 614,987	\$ 121,865
2013	\$ 3,788,374	79.0%	2015	\$ 1,659,222	19.00%	23.55%		42.55%	\$ 705,999	\$ 91,012
2014	\$ 4,264,979	77.5%	2016	\$ 1,729,739	19.00%	27.16%		46.16%	\$ 798,448	\$ 92,449

* Assumes pre-paid on July 15.

The City of Los Angeles Fire and Police Pension Plan

Projection of UAAL, Funding Ratio and City Contributions - **Health Only** - Excludes Port Police
Contributions Made Throughout the Year on a Bi-Weekly Basis

Scenario # 1: 0% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year				City Contributions (Middle of Year)					
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Total Rate	Contribution Amount	Incremental Increase
2008	\$ 1,070,307	41.7%	2010	\$ 1,347,486	3.48%	4.97%	8.45% *	\$ 113,863	
2009	\$ 1,227,762	39.7%	2011	\$ 1,404,754	3.50%	5.18%	8.68% *	\$ 121,933	\$ 8,070
2010	\$ 1,303,395	39.8%	2012	\$ 1,464,456	3.63%	5.63%	9.26%	\$ 135,609	\$ 13,676
2011	\$ 1,393,988	39.5%	2013	\$ 1,526,695	3.63%	5.91%	9.54%	\$ 145,647	\$ 10,038
2012	\$ 1,495,662	39.0%	2014	\$ 1,591,580	3.63%	6.23%	9.86%	\$ 156,930	\$ 11,283
2013	\$ 1,570,837	39.9%	2015	\$ 1,659,222	3.63%	6.45%	10.08%	\$ 167,250	\$ 10,320
2014	\$ 1,639,542	41.1%	2016	\$ 1,729,739	3.63%	6.65%	10.28%	\$ 177,817	\$ 10,567

Scenario # 2: 8% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year				City Contributions (Middle of Year)					
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Total Rate	Contribution Amount	Incremental Increase
2008	\$ 1,070,307	41.7%	2010	\$ 1,347,486	3.48%	4.97%	8.45% *	\$ 113,863	
2009	\$ 1,227,762	39.7%	2011	\$ 1,404,754	3.50%	5.18%	8.68% *	\$ 121,933	\$ 8,070
2010	\$ 1,295,791	40.2%	2012	\$ 1,464,456	3.63%	5.60%	9.23%	\$ 135,169	\$ 13,236
2011	\$ 1,374,521	40.3%	2013	\$ 1,526,695	3.63%	5.83%	9.46%	\$ 144,425	\$ 9,256
2012	\$ 1,464,486	40.3%	2014	\$ 1,591,580	3.63%	6.11%	9.74%	\$ 155,020	\$ 10,595
2013	\$ 1,528,428	41.5%	2015	\$ 1,659,222	3.63%	6.27%	9.90%	\$ 164,263	\$ 9,243
2014	\$ 1,586,442	43.0%	2016	\$ 1,729,739	3.63%	6.43%	10.06%	\$ 174,012	\$ 9,749

Scenario # 3: 16% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year				City Contributions (Middle of Year)					
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Total Rate	Contribution Amount	Incremental Increase
2008	\$ 1,070,307	41.7%	2010	\$ 1,347,486	3.48%	4.97%	8.45% *	\$ 113,863	
2009	\$ 1,227,762	39.7%	2011	\$ 1,404,754	3.50%	5.18%	8.68% *	\$ 121,933	\$ 8,070
2010	\$ 1,288,187	40.5%	2012	\$ 1,464,456	3.63%	5.56%	9.19%	\$ 134,584	\$ 12,651
2011	\$ 1,355,054	41.2%	2013	\$ 1,526,695	3.63%	5.74%	9.37%	\$ 143,051	\$ 8,467
2012	\$ 1,433,310	41.6%	2014	\$ 1,591,580	3.63%	5.97%	9.60%	\$ 152,792	\$ 9,741
2013	\$ 1,486,018	43.1%	2015	\$ 1,659,222	3.63%	6.11%	9.74%	\$ 161,608	\$ 8,816
2014	\$ 1,533,342	44.9%	2016	\$ 1,729,739	3.63%	6.21%	9.84%	\$ 170,206	\$ 8,598

* Assumes pre-paid on July 15.

The City of Los Angeles Fire and Police Pension Plan

Projection of UAAL, Funding Ratio and City Contributions - Pension and Health - Excludes Port Police
Contributions Made Throughout the Year on a Bi-Weekly Basis

Scenario # 1: 0% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year				City Contributions (Middle of Year)						
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Additional Contribution Pickup for Tier 5	Total Rate (Including Pickup)	Contribution Amount	Incremental Increase
2008	\$ 1,196,169	92.6%	2010	\$ 1,347,486	22.75%	5.55%		28.30% *	\$ 381,339	
2009	\$ 1,781,748	89.4%	2011	\$ 1,404,754	21.84%	8.28%		30.12% *	\$ 423,112	\$ 41,773
2010	\$ 2,905,617	83.6%	2012	\$ 1,464,456	22.63%	15.45%		38.08%	\$ 557,665	\$ 134,553
2011	\$ 4,179,905	77.6%	2013	\$ 1,526,695	22.63%	22.92%		45.55%	\$ 695,410	\$ 137,745
2012	\$ 5,666,738	71.1%	2014	\$ 1,591,580	22.63%	31.67%		54.30%	\$ 864,228	\$ 168,818
2013	\$ 6,651,430	67.8%	2015	\$ 1,659,222	22.63%	37.71%		60.34%	\$ 1,001,175	\$ 136,947
2014	\$ 7,497,586	65.5%	2016	\$ 1,729,739	22.63%	43.23%		65.86%	\$ 1,139,206	\$ 138,031

Scenario # 2: 8% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year				City Contributions (Middle of Year)						
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Additional Contribution Pickup for Tier 5	Total Rate (Including Pickup)	Contribution Amount	Incremental Increase
2008	\$ 1,196,169	92.6%	2010	\$ 1,347,486	22.75%	5.55%		28.30% *	\$ 381,339	
2009	\$ 1,781,748	89.4%	2011	\$ 1,404,754	21.84%	8.28%		30.12% *	\$ 423,112	\$ 41,773
2010	\$ 2,768,023	84.4%	2012	\$ 1,464,456	22.63%	14.61%		37.24%	\$ 545,363	\$ 122,251
2011	\$ 3,857,590	79.3%	2013	\$ 1,526,695	22.63%	20.98%		43.61%	\$ 665,792	\$ 120,429
2012	\$ 5,155,203	73.7%	2014	\$ 1,591,580	22.63%	28.65%		51.28%	\$ 816,162	\$ 150,370
2013	\$ 5,963,592	71.1%	2015	\$ 1,659,222	22.63%	33.67%		56.30%	\$ 934,142	\$ 117,980
2014	\$ 6,648,688	69.4%	2016	\$ 1,729,739	22.63%	38.30%		60.93%	\$ 1,053,930	\$ 119,788

Scenario # 3: 16% for 2009/2010 and 8% Return Thereafter on Market Value of Assets

June 30 of Valuation Year				City Contributions (Middle of Year)						
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay (In thousands)	Normal Cost	Amortization	Additional Contribution Pickup for Tier 5	Total Rate (Including Pickup)	Contribution Amount	Incremental Increase
2008	\$ 1,196,169	92.6%	2010	\$ 1,347,486	22.75%	5.55%		28.30% *	\$ 381,339	
2009	\$ 1,781,748	89.4%	2011	\$ 1,404,754	21.84%	8.28%		30.12% *	\$ 423,112	\$ 41,773
2010	\$ 2,642,119	85.1%	2012	\$ 1,464,456	22.63%	13.83%		36.46%	\$ 533,941	\$ 110,829
2011	\$ 3,535,276	81.0%	2013	\$ 1,526,695	22.63%	19.04%		41.67%	\$ 636,174	\$ 102,233
2012	\$ 4,642,561	76.3%	2014	\$ 1,591,580	22.63%	25.61%		48.24%	\$ 767,778	\$ 131,604
2013	\$ 5,274,392	74.5%	2015	\$ 1,659,222	22.63%	29.66%		52.29%	\$ 867,607	\$ 99,829
2014	\$ 5,798,321	73.3%	2016	\$ 1,729,739	22.63%	33.37%		56.00%	\$ 968,654	\$ 101,047

* Assumes pre-paid on July 15.