

City of Knoxville Pension System

July 1, 2011 Valuation Results

presented by

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*Today's
presentation
will review
results of the
July 1, 2011
valuation.*

City of Knoxville Pension System

Presentation Overview

- Funding Requirement
- Historical Summary
- Projected Contributions

City of Knoxville Pension System

2011 Projected Funding Requirement (16% Rtn)

	Required Contribution	\$	% Pay
Board of Education		\$ 1.06 M	n/a
General Government		\$ 4.49 M	14.02%
Uniformed Bodies		\$ 8.08 M	24.41%

City of Knoxville Pension System

2011 Funding Requirement, Effective 7/1/2012

	Required Contribution	\$	% Pay
Board of Education		\$ 0.95 M	n/a
General Government		\$ 4.33 M	13.60%
Uniformed Bodies		\$ 7.78 M	24.07%

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Funding Requirement

	<u>2010</u>	<u>2011</u>
Board of Education	\$ 638,967	\$ 952,682
General Government	11.72%	13.60%
Uniformed Bodies	21.64%	24.07%

City of Knoxville Pension System

Funding Requirement 2011 (\$ millions)

	<u>Actuarial Value</u>	<u>Market Value</u>
Board of Education	\$ 0.95	\$ 2.13
General Government	\$ 4.33	\$ 5.76
Uniformed Bodies	\$ 7.78	\$ 9.26
Total	\$ 13.06	\$ 17.15

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Asset Gain

	July 1, 2011
Expected Value	\$ 406.0M
Market Value	\$ 468.3M
Gain	\$ 62.3M

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Actuarial Value of Assets vs. Market Value

	July 1, 2010	July 1, 2011
Market Value	\$ 399M	\$ 468M
Actuarial Value	\$ 513M	\$ 513M
Difference	(\$ 114M)	(\$ 45M)
Actuarial/Market	129%	110%

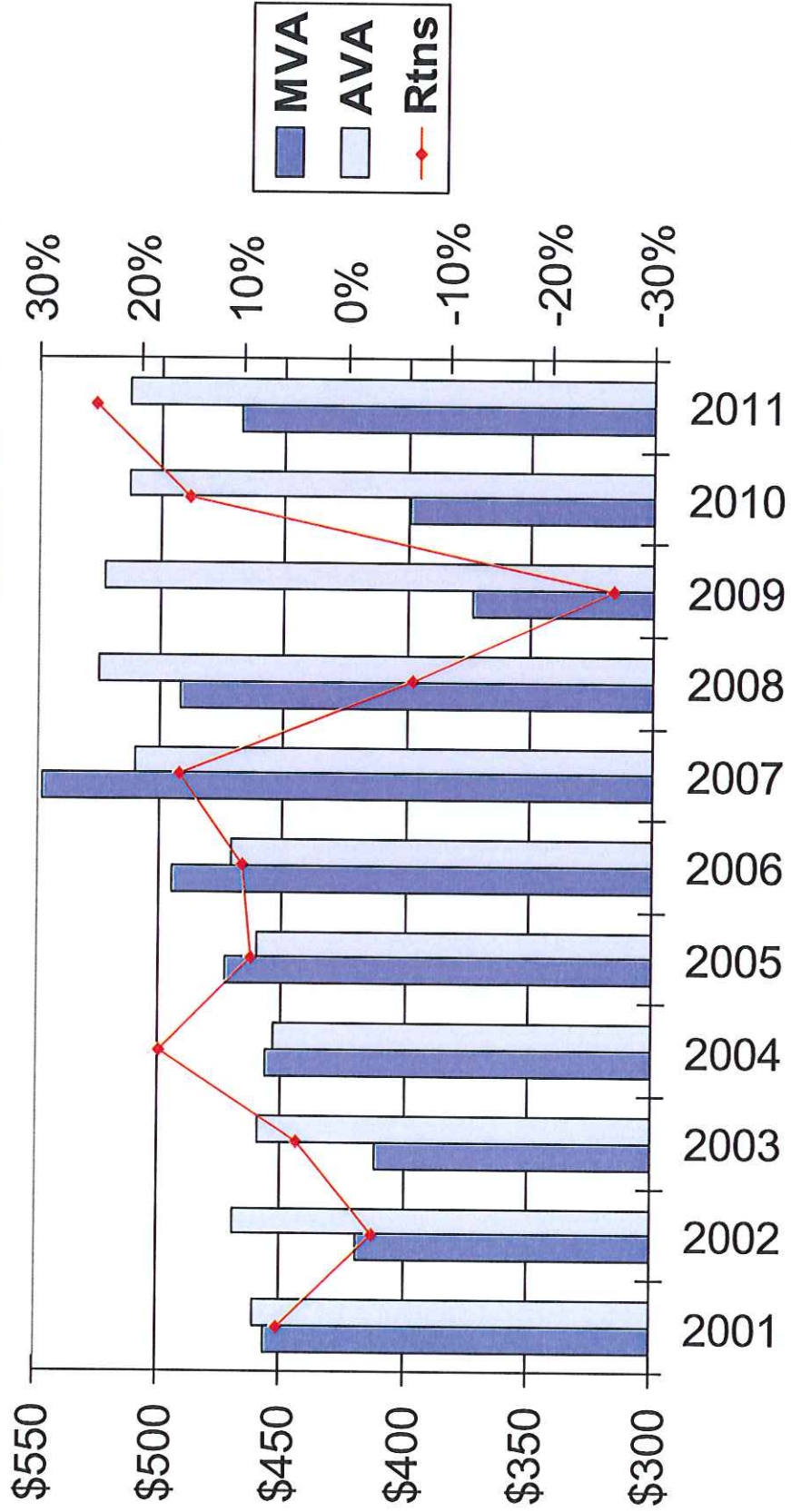
City of Knoxville Pension System

Market Value of Assets vs. Accrued Liability

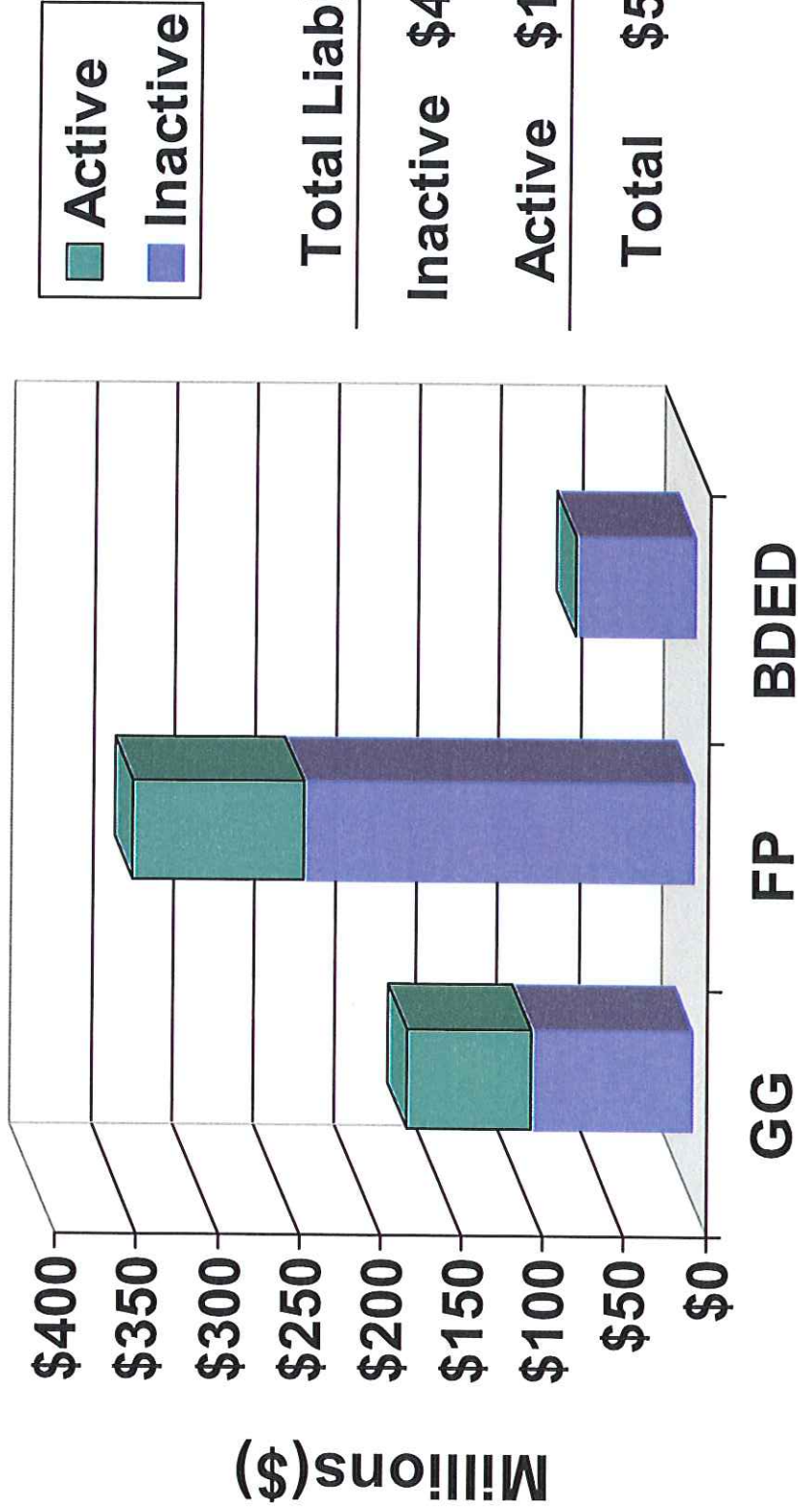
	July 1, 2010	July 1, 2011
Market Value	\$ 399M	\$ 468M
Accrued Liability	\$ 578M	\$ 595M
Difference	(\$ 179M)	(\$ 127M)

Gains and Losses

Asset Returns : Historical Values



Accrued Liability – 8% return



City of Knoxville Pension System

Projected Contributions (\$ millions)

Year	Expected Contribution*
2011	13.02
2012	14.62
2013	16.09
2014	17.61
2015	19.07
2016	20.85
2017	22.54
2018	23.41
2019	22.72
2020	22.32

* using an 8% investment return assumption for next year

In Summary

- The estimates presented today are based on actuarially sound principles.
- The factors used to develop these estimates are subject to change.
- Actual future experience may be different from estimated experience.

We have presented you with our best estimate of probable outcomes.