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**MINNEAPOLIS FIREFIGHTERS'  
RELIEF ASSOCIATION**

**SPECIAL FUND**

*December 31, 2005  
Actuarial Valuation*

**VAN IWAARDEN**

**MINNEAPOLIS FIREFIGHTERS'  
RELIEF ASSOCIATION**

**SPECIAL FUND**

*December 31, 2005  
Actuarial Valuation*

May, 2006

**MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION**

*December 31, 2005 Actuarial Valuation of the Special Fund*

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**MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION***December 31, 2005 Actuarial Valuation of the Special Fund***Introduction****Purpose**

This report presents the results of the December 31, 2005 valuation for the Minneapolis Firefighters' Relief Association. Its primary purposes are:

- to determine the funded status as of December 31, 2005,
- to determine the normal cost for 2005, and
- to present information required to be disclosed under Governmental Accounting Standards Board Statement No. 25 (GASB 25) as of December 31, 2005.

**Sources of Data**

The Relief Association supplied December 31, 2005 data for all active and inactive members, and asset information, including the market and book value of investments as of December 31, 2005, and the amount of receivables and payables at year end. The Relief Association also provided historical salary increase rate and investment return values used in determining the actuarial value of assets. We have relied on this data in preparing this report.

**Changes from the Previous Valuation**

The prior actuarial valuation of the plan was prepared as of December 31, 2004. The actuarial assumptions and methods used to prepare this report are the same as those used in the 2004 report (see page 17), except that, following approval of the LCPR, we have changed the mortality table used to measure liabilities from the adjusted UP84 table used previously to the 1983 Group Annuity Mortality Table set forward two years for females. The most recent unit value established under the union contract is 80.9824, effective as of July 1, 2005. Since the contract expired October 14, 2005, and the next contract has not yet been settled, we have projected this unit value at an annual rate of 4%, as directed by statute, to January 1, 2006. For projected benefits during 2006 we have used a unit value of 82.5862. All future unit values are projected at 4% per year. Any additional changes under a future contract will be reflected in future reports.

**Summary of Valuation Results**

As of December 31, 2005, the funded status of the plan (actuarial accrued liabilities divided by the actuarial value of assets) is 86.2%, down from 90.2% on December 31, 2004. The change in mortality tables increased the actuarial accrued liability by about \$26 million. If the mortality table had not been changed, the funded ratio as of December 31, 2005 would have been 96.4%.

**MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION**  
*December 31, 2005 Actuarial Valuation of the Special Fund*

**Introduction (continued)**

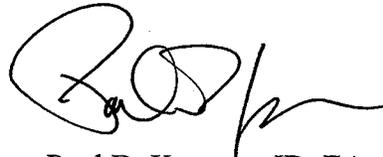
**Actuarial Certification**

We certify that the actuarial valuation has been prepared in accordance with Minnesota Statutes §§356.20-.23 and §69.77 as they relate to fire department relief associations in cities of the first class in general and the Minneapolis Firefighters' Relief Association in particular.

Respectfully submitted,



Mark D. Meyer, FSA, MAAA  
Consulting Actuary



Paul D. Krueger, JD, EA  
Consulting Actuary

MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION

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December 31, 2005 Actuarial Valuation of the Special Fund

**Summary of Results**

<b><u>A. Plan participant data</u></b>	<u>December 31, 2004</u>	<u>December 31, 2005</u>
1. Number of participants		
a. Active employees	42	37
b. Terminated vested employees	0	0
c. Retirees	438	385
d. Disability	6	50
e. Surviving spouses	176	164
f. Surviving children	1	2
g. Total	663	638
<b><u>B. Normal costs</u></b>	<u>2004 Plan Year</u>	<u>2005 Plan Year</u>
1. Total normal cost		
a. Amount	\$636,326	\$655,070
b. Percentage of active payroll	21.07%	23.22%
2. Employer normal cost		
a. Amount	394,666	429,420
b. Percentage of active payroll	13.07%	15.22%
<b><u>C. Amortization payments</u></b>		
1. Unfunded actuarial accrued liability	\$26,967,400	\$43,137,048
2. Amortization payment	2,256,188	3,917,905
<b><u>D. Value of plan assets</u></b>	<u>December 31, 2004</u>	<u>December 31, 2005</u>
1. Market value	255,076,595	253,180,944
2. Actuarial value (for calculating contributions)	248,545,796	269,425,963
<b><u>E. Benefit liabilities</u></b>		
1. Present value of future benefits	277,890,445	314,720,324
2. Actuarial accrued liability	275,513,196	312,563,011
<b><u>F. Funded status</u></b>		
1. Actuarial value of assets as a % of liabilities	90.2%	86.2%
2. Market value of assets as a % of liabilities	92.6%	81.0%

**MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION**

*December 31, 2005 Actuarial Valuation of the Special Fund*

**Funding Basis**

**Actuarial Value of Assets**

**A. Average unrealized gain**

Year Ending December 31:	Market Value	Book Value	Unrealized Gain (Market - Book)
2002	\$226,580,976	\$206,823,963	\$19,757,013
2003	250,352,620	197,430,082	52,922,538
2004	255,076,595	208,940,621	46,135,974
2005	253,180,944	228,019,216	25,161,728

**B. Preliminary actuarial value of assets**

	<u>December 31, 2004</u>	<u>December 31, 2005</u>
1. Book value of assets	\$208,940,621	\$228,019,216
2. Average unrealized gain for previous three years	<u>39,605,175</u>	<u>41,406,747</u>
3. Preliminary actuarial value	248,545,796	269,425,963

**C. Excess investment income**

1. Salary increases and time-weighted rate of return on assets

<u>Fiscal Year</u>	<u>Salary Increase</u>	<u>Asset Return</u>
2000	4.295%	-2.698%
2001	3.654%	-3.302%
2002	3.491%	-9.650%
2003	1.887%	20.000%
2004	6.296%	10.047%
2005	1.097%	5.890%

2. Determination of excess investment income

a. Arithmetic average of previous 5 years salary increases	3.925%	3.285%
b. Arithmetic average of previous 5 years of asset returns	2.879%	4.597%
c. Excess of asset return over salary increase	0	0
d. Excess minus 2%	0	0
e. Lesser of 0.5% or 2.d., times market value (not < 0)	0	0

**D. Actuarial value of assets (B.3. - C.2.e.)**

	<u>\$248,545,796</u>	<u>\$269,425,963</u>
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MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION

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December 31, 2005 Actuarial Valuation of the Special Fund

Summary of Member Data

December 31, 2004    December 31, 2005

**A. Active members**

1. Number		
a. Fully vested	42	37
b. Nonvested	0	0
c. Total	42	37
2. Average age	53.7	54.3
3. Average years of service	28.1	28.8
4. Total annual payroll for the year ending on valuation date	\$3,141,585	\$2,933,461
5. Average annual salary	\$74,800	\$79,283

**B. Vested terminated members**

1. Number	0	0
2. Total annual deferred benefits	\$0	\$0
3. Average annual benefit	\$0	\$0
4. Average age	0.0	0.0

**C. Retirees**

1. Number	438	385
2. Total annual benefits	\$16,676,343	\$15,640,891
3. Average annual benefit	\$38,074	\$40,626
4. Average age	68.7	69.5

**D. Disabilitants**

1. Number	6	50
2. Total annual benefits	\$228,180	\$2,068,755
3. Average annual benefit	\$38,030	\$41,375
4. Average age	51.0	66.5

**D. Surviving spouses**

1. Number	176	164
2. Total annual benefits	\$3,685,672	\$3,672,541
3. Average annual benefit	\$20,941	\$22,394
4. Average age	78.4	77.8

**E. Dependent children**

1. Number	1	2
2. Total annual benefits	\$7,884	\$15,549
3. Average annual benefit	\$7,884	\$7,774
4. Average age	20.8	21.5

**F. Total number of members**

	663	638
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December 31, 2005 Actuarial Valuation of the Special Fund

**Summary of Changes in Membership**

	<u>Actives</u>	<u>Vested Terminees</u>	<u>Retirees</u>	<u>Disabled</u>	<u>Spouses</u>	<u>Children</u>	<u>Total</u>
<b><u>A. Number of members on December 31, 2004</u></b>	42	0	438	6	176	1	663
<b><u>B. Changes in membership</u></b>							
1. Retirements	(5)		5				0
2. Vested terminations							0
3. Member deaths			(14)		8	1	(5)
4. Beneficiary deaths					(20)		(20)
5. Expiration of surviving child benefits							0
6. Separations due to disability							0
7. Change to disability payment status			(44)	44			
8. Corrections							0
9. Total changes	(5)	0	(53)	44	(12)	1	(25)
<b><u>C. Number of members on December 31, 2005</u></b>	37	0	385	50	164	2	638

**MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION**

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*December 31, 2005 Actuarial Valuation of the Special Fund***Historical Unit Values**

	Effective Date	Contract Unit Values	Historical Salary Rates for PRB		
			Annualized Unit Values	Annualized Return	5-Year Average
1999	01/01/99	64.9037	65.5256		
	10/15/99	67.8887			
2000	01/01/2000	67.9408	68.3398	4.295%	
	10/15/2000	69.8559			
2001	01/01/2001	70.4249	70.8372	3.654%	
	10/15/2001	72.4039			
2002	01/01/2002	73.0107	73.3100	3.491%	
	10/15/2002	74.4474			
2003	01/01/2003	74.4474	74.6934	1.887%	
	10/15/2003	75.6284			
2004	01/01/2004	79.3547	79.3958	6.296%	3.925%
	10/15/2004	79.5518			
2005	01/01/2005	79.5518	80.2671	1.097%	3.285%
	07/01/2005	80.9824			
2006	10/15/2005	80.9824	80.9824	0.891%	2.732%
	01/01/2006	80.9824			
2007	10/15/2006	80.9824	80.9824	0.000%	2.034%
	01/01/2007	80.9824			
2008	10/15/2007	80.9824	80.9824	0.000%	1.657%
	01/01/2008	80.9824			
	10/15/2008	80.9824			

Contract Unit Values: The most recent contract as of the date of this report expired October 14, 2005. The last unit value determined under that contract was 80.9824 effective as of July 1, 2005.

**MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION**

*December 31, 2005 Actuarial Valuation of the Special Fund*

***Funding Basis***

**Actuarial Values Used to Determine Contribution**

December 31, 2004    December 31, 2005

**A. Actuarial present value of projected benefits (the value of all future benefits to be paid to the current group of members)**

1. Active members	\$27,658,662	\$29,378,673
2. Vested terminated members	0	0
3. Retired members	214,623,034	220,017,028
4. Spouses and children receiving benefits	31,381,661	34,265,150
5. Disabled members receiving benefits	<u>4,227,088</u>	<u>31,059,473</u>
6. Total present value of projected benefits	277,890,445	314,720,324

**B. Actuarial accrued liability (the cost allocated to all prior years)**

1. Active members	\$25,281,413	\$27,221,360
2. Vested terminated members	0	0
3. Retired members	214,623,034	220,017,028
4. Spouses and children receiving benefits	31,381,661	34,265,150
5. Disabled members receiving benefits	<u>4,227,088</u>	<u>31,059,473</u>
6. Total actuarial accrued liability	275,513,196	312,563,011

**C. Amortization of unfunded actuarial accrued liability**

1. Total actuarial accrued liability (B.6.)	\$275,513,196	\$312,563,011
2. Actuarial value of assets	248,545,796	269,425,963
3. Unfunded actuarial accrued liability (1. - 2.)	26,967,400	43,137,048
4. Funded status (2. / 3.)	90.2%	86.2%
5. Years left in amortization period	see page 8	see page 8
6. Amortization payment	2,256,188	3,917,905

**D. Normal cost (the cost allocated to the current year)**

December 31, 2004    December 31, 2005

1. Present value of future normal costs	\$2,377,248	\$2,157,313
2. Normal cost as a dollar amount		
a. Total normal cost	636,326	655,070
b. Statutory adjustment for member contributions	241,660	225,651
c. Employer normal cost (a. - b.)	394,666	429,420
3. Payroll for year ending on valuation date	3,020,755	2,820,636
4. Normal cost as a percent of active payroll		
a. Total normal cost	21.07%	23.22%
b. Statutory adjustment for member contributions	8.00%	8.00%
c. Employer normal cost (a. - b.)	13.07%	15.22%

**MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION**  
*December 31, 2005 Actuarial Valuation of the Retirement Plan*

**Amortization Schedule for the Required Contribution**

<u>Source</u>	<u>Date Established</u>	<u>Initial Balance</u>	<u>Outstanding Balance on 12/31/2005</u>	<u>Remaining Years to Amortize</u>	<u>Amortization Payment</u>
Actuarial loss	12/31/2003	\$56,964,446	\$51,922,905	13	\$5,533,223
Actuarial gain	12/31/2004	(33,737,023)	(32,287,587)	14	(3,277,035)
Actuarial loss	12/31/2005	17,107,353	17,107,353	15	<u>1,661,717</u>
Net payment					3,917,905

MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION

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December 31, 2005 Actuarial Valuation of the Special Fund

*Funding Basis*

Changes in the Unfunded Actuarial Accrued Liability

**A. Liability gain or loss for the year ending on December 31, 2005**

1. Expected actuarial accrued liability (AAL)	
a. AAL as of December 31, 2004	\$275,513,196
b. Normal cost as of December 31, 2004 (excluding expenses)	636,326
c. Interest to December 31, 2005 on the AAL and normal cost	16,570,499
d. Expected benefit payments for the year (excluding post-retirement benefits)	(20,249,452)
e. Interest on benefit payments (1/2 year)	(607,484)
f. Expected AAL on December 31, 2005 (sum of a. through e.)	271,863,086
2. Actual AAL on December 31, 2005	
a. Before any assumption or plan changes	279,521,370
b. After assumption changes, but before any plan changes	312,563,011
3. Liability (gain) or loss	
a. Due to plan experience different from that expected (2a. - 1f.)	7,658,285
b. Due to changes in actuarial assumptions (2b. - 2a.)	33,041,640
c. Total (a. + b.)	40,699,925

**B. Asset gain or loss for the year ending on December 31, 2005**

1. Expected actuarial value of assets	
a. Actuarial value of assets on December 31, 2004	248,545,796
b. Actual benefit payments and expenses for the year (including post-ret benefits)	(24,198,118)
c. Contributions for the year	7,086,319
d. Expected return on assets	14,399,394
e. Expected actuarial value of assets on December 31, 2005 (sum of a. through d.)	245,833,391
2. Actual actuarial value of assets on December 31, 2005	269,425,963
3. Asset (gain) or loss (1e. - 2.)	(23,592,572)

**C. Changes in the unfunded AAL**

1. Expected unfunded AAL on December 31, 2005	26,029,695
2. Changes	
a. Actuarial (gain) or loss other than change in unit value	(15,934,288)
b. Change in unit value different from expected	7,438,000
c. Changes in actuarial methods and assumptions	25,603,640
d. Total change	17,107,353
3. Unfunded AAL on December 31, 2005	43,137,048

December 31, 2005 Actuarial Valuation of the Special Fund

*Accounting Basis***Statement of Plan Net Assets as of December 31, 2005**

	<u>Market Value</u>	<u>Book Value</u>
<b><i>A. Investment assets</i></b>		
1. Short term investments	10,505,006	10,505,006
2. U.S. government obligations	21,253,055	21,358,408
3. GNMA and mortgage-backed securities	8,821,023	8,946,432
4. Municipal obligations	225,456	226,576
5. Corporate bonds	8,775,851	9,002,674
6. Corporate bond funds	32,603,344	28,659,898
7. Foreign bonds, notes, debentures	158,918	163,667
8. U.S. corporate stock	106,130,192	87,985,868
9. Equity mutual funds	18,161,207	17,468,078
10. Foreign stock	19,736,645	17,843,979
11. Int'l equity mutual funds	24,960,322	23,981,841
12. Limited partnerships	1,683	28,497
13. Total	251,332,702	226,170,924
<b><i>B. Checking account</i></b>		
	919,126	919,176
<b><i>C. Accrued/payable</i></b>		
1. Accrued contributions	284,990	284,990
2. Accounts receivable	13,880	13,880
3. Accrued income	884,417	884,417
4. Accounts payable	(254,171)	(254,171)
5. Total	929,116	929,116
<b><i>D. Net assets held in trust for pension benefits</i></b>		
	253,180,944	228,019,216

December 31, 2005 Actuarial Valuation of the Special Fund

*Accounting Basis***Statement of Changes in Plan Net Assets**

	<u>December 31, 2004</u>	<u>December 31, 2005</u>
<b><u>A. Additions</u></b>		
1. Contributions		
a. Employer	1,950,098	6,651,403
b. Plan members	39,852	12,010
c. Contributions for 2004	<u>0</u>	422,906
d. Total	1,989,950	7,086,319
2. Investment income (net of expense)	24,082,765	15,216,148
3. Other	30,260	0
4. Total additions	26,102,975	22,302,467
<b><u>B. Deductions</u></b>		
1. Benefits paid	20,627,103	23,543,793
2. Refund of contributions	0	0
3. Administrative expense and trustee fees	751,897	654,325
4. Total deductions	21,379,000	24,198,118
<b><u>C. Net increase</u></b>		
	4,723,975	(1,895,651)
<b><u>D. Net assets held in trust for pension benefits</u></b>		
1. Beginning of year	\$250,352,620	255,076,595
2. End of year	255,076,595	253,180,944

**MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION**  
*December 31, 2005 Actuarial Valuation of the Special Fund*

*Accounting Basis*

**Schedule of Funding Progress**  
*(Dollar amounts in thousands)*

<u>As of December 31:</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll*</u>
1994	\$178,003	\$228,567	\$50,564	77.9%	\$13,073	386.8%
1995	194,611	234,386	39,775	83.0%	11,839	336.0%
1996	208,969	252,540	43,571	82.7%	12,298	354.3%
1997	245,306	274,030	28,724	89.5%	12,079	237.8%
1998	300,150	284,874	(15,276)	105.4%	11,357	-134.5%
1999	318,043	291,168	(26,875)	109.2%	10,039	-267.7%
2000	315,900	293,802	(22,098)	107.5%	7,054	-313.3%
2001	304,887	293,396	(11,491)	103.9%	5,888	-195.2%
2002	255,194	292,678	37,484	87.2%	5,540	676.6%
2003	236,991	293,955	56,964	80.6%	4,397	1295.5%
2004	248,546	275,513	26,967	90.2%	3,142	858.3%
2005	269,426	312,563	43,137	86.2%	2,933	1470.7%

\* This measure of funded status is meaningless for a closed group but is presented in order to meet the requirement of GASB No. 25.

**MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION**  
*December 31, 2005 Actuarial Valuation of the Special Fund*

*Accounting Basis*

**Schedule of Employer Contributions**

<u>Year Ended</u> <u>December 31:</u>	<u>Employer</u> <u>Contributions</u>
1994	\$6,878,398
1995	7,405,980
1996	6,328,580
1997	4,844,823
1998	3,541,518
1999	1,177,332
2000	1,938,365
2001	1,232,252
2002	1,030,019
2003	1,333,170
2004	1,950,098
2005	6,651,403

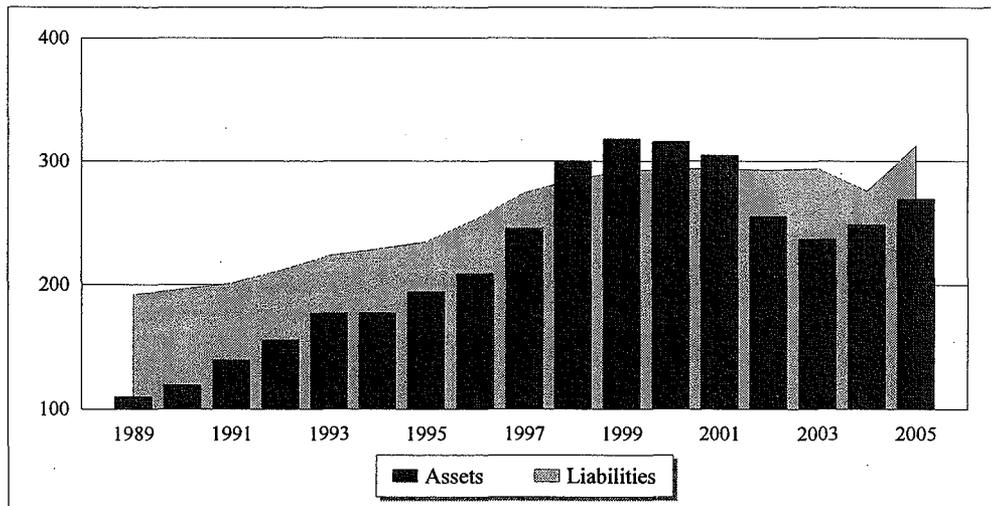
**MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION**  
*December 31, 2005 Actuarial Valuation of the Special Fund*

*Historical Tables*

**Historical Funding Ratio Schedule**  
*(Dollar amounts in thousands)*

<u>As of December 31:</u>	<u>Actuarial Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Percent Funded</u>
1988*#	\$188,014	\$93,601	49.8%
1989	192,264	110,092	57.3%
1990#	196,491	119,652	60.9%
1991	201,461	139,891	69.4%
1992#	211,558	156,279	73.9%
1993#	223,357	177,529	79.5%
1994	228,567	178,003	77.9%
1995	234,386	194,611	83.0%
1996	252,540	208,969	82.7%
1997	274,030	245,306	89.5%
1998	284,874	300,150	105.4%
1999	291,168	318,043	109.2%
2000	293,802	315,900	107.5%
2001	293,396	304,887	103.9%
2002	292,678	255,194	87.2%
2003	293,955	236,991	80.6%
2004	275,513	248,546	90.2%
2005#	312,563	269,426	86.2%

#After change in actuarial assumptions  
 \*After change in benefit provisions



*Historical Tables*

**History of Employer Contributions**

<u>Valuation December 31:</u>	<u>Normal Cost as a Percent of Payroll</u>	<u>Amortization of Unfunded Actuarial Liability</u>
1990	23.95%	\$6,687,685
1991	23.85%	5,538,556
1992	23.90%	5,123,898
1993	23.98%	4,403,949
1994	23.99%	5,056,000
1995	23.94%	4,155,683
1996	23.91%	4,779,811
1997	23.88%	3,327,287
1998	23.66%	0
1999	24.07%	0
2000	22.71%	0
2001	22.11%	0
2002	21.74%	0*
2003	21.44%	5,533,223
2004	21.07%	2,256,188
2005	23.22%	3,917,905

\*Minn. Stat. §423C.06(6) provides that the City is not required to fund a deficit until the funded ratio has been under 100% for two successive years.

**MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION**  
*December 31, 2005 Actuarial Valuation of the Special Fund*

*Historical Tables*

**Comparative Schedule of Active Members**

<u>Valuation</u> <u>December 31:</u>	<u>Number of</u> <u>Active</u> <u>Members</u>	<u>Projected</u> <u>Payroll</u>	<u>Averages</u>		
			<u>Age</u>	<u>Service</u>	<u>Pay</u>
1990	337	\$13,854,744	48.0	20.8	\$41,112
1991	321	13,664,649	48.6	21.5	42,569
1992	309	13,614,231	49.2	22.2	44,059
1993	285	13,395,285	49.5	22.6	47,001
1994	267	13,073,121	50.2	23.2	48,963
1995	236	11,838,704	50.3	23.5	50,164*
1996*	220	12,297,560	50.8	24.1	55,898
1997	198	12,078,990	51.4	24.7	61,005
1998	179	11,356,611	51.2	24.5	63,445
1999**	153	10,039,101	51.5	25.2	65,615
2000	104	6,782,803	52.0	25.8	67,828
2001	84	5,661,137	52.3	26.3	70,090
2002	76	5,326,859	53.2	27.1	72,894
2003	58	4,227,844	53.1	27.3	75,810
2004	42	3,020,755	53.7	28.1	74,800
2005	37	2,820,636	54.3	28.8	79,283

\* Labor agreement settled in late 1996 with the 1996 single salary of \$53,175

\*\*Payroll used to calculate normal cost for calendar year 1999 is \$9,652,982.

**MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION**  
*December 31, 2005 Actuarial Valuation of the Special Fund*

*Historical Tables*

**Comparative Schedule of Inactive Members**

<u>As of December 31:</u>	<u>Number of Retirees and Beneficiaries</u>			<u>Annual Benefits</u>	<u>Present Value of Benefits</u>
	<u>Added to Rolls</u>	<u>Removed from Rolls</u>	<u>On Valuation Date</u>		
1989	18	25	555	\$9,118,089	\$113,227,692
1990	24	22	557	9,364,461	115,174,188
1991	19	22	554	9,717,991	117,998,856
1992	34	24	564	10,418,854	125,708,460
1993	32	22	574	11,350,689	135,712,458
1994	32	31	575	12,845,678	143,862,253
1995	39	18	596	13,417,874	153,032,140
1996	27	27	596	14,091,016	166,750,488
1997	41	34	603	15,441,956	184,855,572
1998	20	12	611	16,759,837	200,745,351
1999	38	27	622	18,001,012	212,743,795
2000	62	34	653	19,610,997	240,364,062
2001	38	46	645	19,919,708	247,423,056
2002	16	27	634	20,451,109	248,173,771
2003	25	29	630	21,248,675	257,735,265
2004	25	29	621	20,598,079	250,231,783
2005	25	29	601	21,397,735	285,341,651



**MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION***December 31, 2005 Actuarial Valuation of the Special Fund***Summary of Plan Provisions**

1. Normal Retirement Benefit      Annual benefit of 1.6/80 of base pay for each year of service up to 25 years. An additional 2 units are awarded for the 20th year of service, for a maximum of 42 units. Members may choose among alternative survivor payment forms (see 4. below) which modify the number of units payable to the member and their spouse. A member who is single at the time of retirement and who has at least 25 years of service may choose to receive 42.3 units on the condition of a reduced survivor payment to any future spouse. "Base pay" for this purpose means the maximum monthly salary of a first grade firefighter. Members must be at least age 50 with 5 years of service to receive this benefit.
  
2. Deferred Vested Benefit      Annual benefit equal to the accrued normal retirement benefit, deferred to age 50 for members with at least 5 years of service.
  
3. Disability Benefit      Annual benefit of 41/80 of base pay for members no longer able to perform the duties of a firefighter due to disability.
  
4. Surviving Spouse's Benefit      Annual benefit of 22/80 of base pay for the surviving spouse of an active or retired member. Upon retirement, members may choose an alternate form of payment that provides 50%, 75% or 100% of their benefit to their spouse after their death. The 22 units are adjusted if one of these alternate forms is selected. Retiring members who are unmarried may elect an actuarial increase.
  
5. Surviving Children's Benefit      Annual benefit of 8/80 of base pay for each surviving child of an active or retired member. Benefits continue to age 18 or if the child is a full-time student, to age 22. The total benefit for surviving children and spouse combined is limited to 42/80 of base pay.
  
6. Member Contributions      Members are required to contribute 8% of base pay. After 25 years of service, member contributions are paid to a separate health insurance account.