

**FORMER DAVIDSON COUNTY  
PENSION PLAN**

**VALUATION AND REPORT  
AS OF  
JUNE 30, 2008**

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**A. SUMMARY OF REPORT**

An actuarial valuation of the former Davidson County Pension System was performed as of June 30, 2008. The purpose of the valuation was to examine the liabilities and cost implications of the system, which prior to June 30, 2005 was being funded on a pay-as-you-go basis. The plan is now being actuarially funded through the Guaranteed Payment Plan.

The former Davidson County Pension System is a small system at this time, because most of the members transferred to the Metro plan which superseded the County System on April 1, 1963. The Metro plan was patterned after Division A of the County plan. Most of the remaining active employees of the County plan transferred to Division B of the Metro plan in 1995. Currently, there are no active employees in the County System. There were 135 retirees and survivors in the County System as of June 30, 2008.

The present value of future benefits under the County system was \$14,299,429 as of the valuation date. All of this amount would be classified as "past service liability" if the entry age normal method (the method used for the valuation of the Metro plan) were applied to the County system. The amount listed includes the effect of the cost-of-living adjustment effective July 1, 2007.

Since the plan is a closed system with no active employees, funding had traditionally been conducted on a pay-as-you-go basis without following a fixed amortization schedule. However, commencing with the plan year beginning July 1, 2004, some prefunding of the plan has been undertaken through the Guaranteed Payment Plan. The Guaranteed Payment Plan is an umbrella plan created by the Metro Council to ensure actuarially sound funding for a group of five closed plans supervised by the Metro Employee Benefit Board and the Board of Education.

The table below shows the unfunded liabilities of the plan as of June 30, 2008.

Present Value of Benefits	\$14,299,429
Accumulated Assets	<u>(1,455,077)</u>
Unfunded Liability as of June 30, 2008	\$12,844,352

The following table shows the results of applying the usual "normal cost plus amortization of unfunded past service liabilities" approach to the funding of the closed system.

	<u>Annual Contribution</u>
40-Year Amortization	\$1,037,232
30-Year Amortization	1,098,679
20-Year Amortization	1,259,778

## Former Davidson County Pension Plan

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Under the GPP, unfunded liabilities of the aggregate plan are amortized over a period of no more than thirty years, commencing July 1, 2000. Payments for the County System move to a payment account from which distributions are paid to the constituent plans of the GPP as necessary to satisfy current benefit needs and to satisfy funding objectives of the GPP. During the 2007-08 year, payments of \$3,501,843 were paid into the GPP on behalf of the plan. \$2,045,324 was transferred from the GPP account to the plan during this period for the payment of benefits. Funding issues that are specific to the GPP are addressed in a separate report. The following is a summary of GPP transfers for the County Pension Plan.

GPP Appropriation for the Plan	\$3,501,843
Transfer for Benefit Payments	\$2,045,324
Transfer to the other GPP Plans	\$1,098,241
Transfer to the Open Plan Separate Account for Future Payments	\$358,278

Table III-4 of the Appendix illustrates the annual payout which could be expected from the entire County System during the next twenty calendar years. The annualized payout as of the beginning of the 2008-2009 fiscal year is approximately \$1,930,000. Actual benefit payments during the 2008-2009 fiscal year will be somewhat less than this amount as payments are reduced due to the death of participants and should be approximately \$1,787,528.

The actuarial valuation underlying this report has been made utilizing employee data furnished by Metro and the actuarial assumptions summarized in Table VII of the Appendix. Since the system was funded on a pay-as-you-go basis prior to June 30, 2005, no assets are shown for those dates.

Quantities called for by Statement 25 of the Governmental Accounting Standards Board are set out in Table VI of the Appendix.

## **B. SUMMARY OF PLAN PROVISIONS**

### DAVIDSON COUNTY PENSION PLANS

#### Introduction

The amendments to the Davidson County Pension System which were effective July 1, 1961, created two classifications of membership: Division A and Division B.

Division B of the Plan was essentially identical to the Plan and all amendments in effect immediately prior to July 1, 1961. Division A of the Plan contained a different program of benefits integrated with Social Security.

As of July 1, 1961, all members of the prior plan became members of Division B. Each such member could then elect (on or before September 15, 1961) to transfer into Division A; if he did not do so, he remained a member of Division B. Similarly, individuals employed prior to July 1, 1961 who for any reason had not become members of the prior plan were allowed to elect (on or before September 15, 1961) to become members of Division A. All full time employees hired on or after July 1, 1961 and prior to April 1, 1963 (when the County System was superseded by the Metro Plan) were enrolled as members of Division A.

All employees of the former Davidson County who were employed prior to April 1, 1963, who elected not to transfer to the Metropolitan Government Employee Benefit System on that date or on a later open enrollment date, and who also elected not to transfer to Division B of the Metro plan in 1995, are participants in the former Davidson County Pension System.

#### Division A

All benefits are in addition to Social Security benefits, except disability benefits which are reduced by Social Security benefits as described in Item 4.

##### 1. Normal Retirement

At or after age 65, the monthly benefit is determined as the product of (a) and (b) as follows:

- (a) Credited Service (including prior service)
- (b) .75% of Average Base Earnings per month plus 1.50% of Average Excess Earnings per month.

No service is credited after age 70. Base earnings for each year are earnings subject to Social Security tax. Excess earnings for each year are earnings not subject to Social Security tax.

"Average earnings" means the average of annual earnings for the ten full consecutive calendar years in which earnings were highest, or for such lesser number of full calendar years of service as have been completed.

2. Early Retirement

After age 55 and 20 years of service, the benefit at retirement can be either (a) or (b).

- (a) An accrued normal retirement benefit to commence on his otherwise normal retirement date.
- (b) An immediate benefit to commence on his early retirement date, computed as (a), but reduced by 5/12% for each month that early retirement precedes normal retirement.

3. Delayed Retirement

With the approval of the Pension Commission, an employee may defer retirement (but not later than age 75), but no credit is given for service after 70.

4. Disability Retirement

Condition. Disability is defined as a condition which has persisted six months or more and is presumably permanent which renders the employee incapable of earning 25% of his income at date of disability.

(a) Not in Line of Duty

A disabled member gets life income computed as in item 1 above, but not less than \$50 per month, and also gets 6 months benefits in a lump sum upon disability retirement.

(b) In Line of Duty

No period of service is required and the disabled member gets life income computed as in item 1 above, but not less than 50% of total earnings less Primary Social Security benefits.

5. Death Before Retirement

- (a) On death before 20 years of service and age 55, the member's contributions are paid in a lump sum.

- (b) On death after 20 years of service and age 55, the beneficiary receives a life income, based on the presumed election by the member of early retirement under Option B the day before his death, but not less than a survivor would have received under the provisions of Division B (see below). If no beneficiary survives the member, or if the beneficiary so elects in lieu of the survivor income, the member's contributions are paid in a lump sum.

6. Death After Retirement

None, unless employee has elected an optional form of retirement benefit.

7. Options

Optional forms of retirement benefits are actuarially equivalent in value to the benefit payable if no option were elected. Options are:

- A. Joint & Survivor Option
- B. Joint & 50% Survivor Option
- C. Social Security Option for Early Retirement
- D. 120 Payments Certain and Life Option

8. Other Termination of Employment

Either (a) or (b):

- (a) a refund of employee's contributions without interest;
- (b) a paid-up deferred pension to start at age 65, computed at date of termination of employment as in item 1 above, with return of employee contributions on death before deferred pension begins.

9. Escalation Provision

Effective July 1, 2002, benefits under the provisions above are increased annually by the increase in the Consumer Price Index during the previous year.

10. Employee Contributions

Prior to January 1, 1987, employees contributed 3% of Earnings subject to Social Security tax, plus 6% of Earnings not subject to Social Security tax. Thereafter, employees no longer contribute toward the cost of the plan.

11. Employer Contributions

The Metropolitan Government provides such additional amounts as are necessary to provide benefits as they come due.

Division B

Social Security benefits are not available to members of Division B.

1. Normal Retirement

After completing 30 years of service, or after both attaining age 60 and completing 24 years of service, the amount of benefit upon retirement is 50% of the highest earnings in any calendar year.

2. Early Retirement

(a) After 15 years of service and attainment of age 60, the early retirement benefit is an immediate life income of 30% of the member's highest yearly earnings if he has 15 years of service, increasing 2% per year of service to 48% for 24 years or more of service.

(b) After 28 years of service, the benefit in the event of involuntary termination is an immediate life income of 50% of highest yearly earnings, as in item 1 above.

3. Disability in Line of Duty

In the event that disability occurs which is permanent and renders the employee incapable of performing the duties of his job, the benefit payable is the same as in item 1 above.

4. Disability Not in Line of Duty

In the event that disability occurs which is permanent and renders the employee incapable of being gainfully employed, the benefit is equal to 50% of his highest annual earnings.

5. Survivor Benefits

In the event of death of a member or retired member, the survivor receives a life income of \$675 per month, ceasing on remarriage. "Survivor" means widow (until remarriage), dependent child or dependent mother, in that order. Dependent children receive benefits for no more than 10 years.

6. Optional Forms of Pension

None

7. Other Termination of Employment

Since each participant now has over 15 years of service, a terminating participant can elect either the return of contributions or a deferred pension beginning at age 60 for the same amount as in item 1 above.

8. Escalation Provision

Effective July 1, 2002, benefits under the provisions above are increased annually by the increase in the Consumer Price Index during the previous year.

9. Employee Contributions

Prior to January 1, 1987, each employee contributed 5% of earnings, payable for 24 years, which could include years after retirement. The rate was 2-1/2% for females who elected not to be covered for survivor (death) benefits. Thereafter, employees no longer contribute toward the cost of the plan.

10. Employer Contributions

The Metropolitan Government provides such additional amounts as are necessary to provide benefits as they become due.

**C. APPENDIX**

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**TABLE I-1**  
**DISTRIBUTION OF ANNUAL BENEFITS BY AGE GROUPS**  
**COUNTY WIDOWS**

Age Group	Male			Female			Total		
	No	Total Earnings	Average	No	Total Earnings	Average	No	Total Earnings	Average
1-20	0	0	0	0	0	0	0	0	0
21-25	0	0	0	0	0	0	0	0	0
26-30	0	0	0	0	0	0	0	0	0
31-35	0	0	0	0	0	0	0	0	0
36-40	0	0	0	0	0	0	0	0	0
41-45	0	0	0	0	0	0	0	0	0
46-50	0	0	0	0	0	0	0	0	0
51-55	0	0	0	1	10,140	10,140	1	10,140	10,140
56-60	0	0	0	1	10,140	10,140	1	10,140	10,140
61-65	0	0	0	2	19,644	9,822	2	19,644	9,822
66-70	0	0	0	5	50,700	10,140	5	50,700	10,140
71-75	0	0	0	14	141,960	10,140	14	141,960	10,140
76-80	0	0	0	16	162,240	10,140	16	162,240	10,140
81-85	0	0	0	12	121,680	10,140	12	121,680	10,140
86-90	1	10,140	10,140	12	122,028	10,169	13	132,168	10,167
<b>TOTAL</b>	<b>1</b>	<b>10,140</b>	<b>10,140</b>	<b>63</b>	<b>638,532</b>	<b>10,135</b>	<b>64</b>	<b>648,672</b>	<b>10,136</b>

**TABLE I-2**  
**DISTRIBUTION OF ANNUAL BENEFITS BY AGE GROUPS**  
**COUNTY SERVICE RETIREMENTS**

Age Group	Male			Female			Total		
	No	Total Earnings	Average	No	Total Earnings	Average	No	Total Earnings	Average
1-20	0	0	0	0	0	0	0	0	0
21-25	0	0	0	0	0	0	0	0	0
26-30	0	0	0	0	0	0	0	0	0
31-35	0	0	0	0	0	0	0	0	0
36-40	0	0	0	0	0	0	0	0	0
41-45	0	0	0	0	0	0	0	0	0
46-50	0	0	0	0	0	0	0	0	0
51-55	0	0	0	0	0	0	0	0	0
56-60	0	0	0	0	0	0	0	0	0
61-65	0	0	0	0	0	0	0	0	0
66-70	8	163,032	20,379	1	28,608	28,608	9	191,640	21,293
71-75	7	133,524	19,075	1	15,912	15,912	8	149,436	18,680
76-80	14	256,320	18,309	3	42,384	14,128	17	298,704	17,571
81-85	7	165,588	23,655	8	151,308	18,914	15	316,896	21,126
86-90	9	146,124	16,236	8	108,876	13,610	17	255,000	15,000
<b>TOTAL</b>	<b>45</b>	<b>864,588</b>	<b>19,213</b>	<b>21</b>	<b>347,088</b>	<b>16,528</b>	<b>66</b>	<b>1,211,676</b>	<b>18,359</b>

**TABLE I-3**

**DISTRIBUTION OF ANNUAL BENEFITS BY AGE GROUPS**

**COUNTY DISABILITY RETIREMENTS**

Age Group	Male			Female			Total		
	No	Total Earnings	Average	No	Total Earnings	Average	No	Total Earnings	Average
1-20	0	0	0	0	0	0	0	0	0
21-25	0	0	0	0	0	0	0	0	0
26-30	0	0	0	0	0	0	0	0	0
31-35	0	0	0	0	0	0	0	0	0
36-40	0	0	0	0	0	0	0	0	0
41-45	0	0	0	0	0	0	0	0	0
46-50	0	0	0	0	0	0	0	0	0
51-55	0	0	0	0	0	0	0	0	0
56-60	0	0	0	0	0	0	0	0	0
61-65	0	0	0	0	0	0	0	0	0
66-70	0	0	0	0	0	0	0	0	0
71-75	0	0	0	0	0	0	0	0	0
76-80	0	0	0	0	0	0	0	0	0
81-85	1	17,724	17,724	1	10,980	10,980	2	28,704	14,352
86-90	1	19,164	19,164	2	20,964	10,482	3	40,128	13,376
<b>TOTAL</b>	<b>2</b>	<b>36,888</b>	<b>18,444</b>	<b>3</b>	<b>31,944</b>	<b>10,648</b>	<b>5</b>	<b>68,832</b>	<b>13,766</b>

**TABLE I-4**

**DISTRIBUTION OF ANNUAL BENEFITS BY AGE GROUPS**

**COUNTY TOTALS - RETIRED LIVES**

Age Group	Male			Female			Total		
	No	Total Earnings	Average Earnings	No	Total Earnings	Average Earnings	No	Total Earnings	Average Earnings
1-20	0	0	0	0	0	0	0	0	0
21-25	0	0	0	0	0	0	0	0	0
26-30	0	0	0	0	0	0	0	0	0
31-35	0	0	0	0	0	0	0	0	0
36-40	0	0	0	0	0	0	0	0	0
41-45	0	0	0	0	0	0	0	0	0
46-50	0	0	0	0	0	0	0	0	0
51-55	0	0	0	1	10,140	10,140	1	10,140	10,140
56-60	0	0	0	1	10,140	10,140	1	10,140	10,140
61-65	0	0	0	2	19,644	9,822	2	19,644	9,822
66-70	8	163,032	20,379	6	79,308	13,218	14	242,340	17,310
71-75	7	133,524	19,075	15	157,872	10,525	22	291,396	13,245
76-80	14	256,320	18,309	19	204,624	10,770	33	460,944	13,968
81-85	8	183,312	22,914	21	283,968	13,522	29	467,280	16,113
86-90	11	175,428	15,948	22	251,868	11,449	33	427,296	12,948
<b>TOTAL</b>	<b>48</b>	<b>911,616</b>	<b>18,992</b>	<b>87</b>	<b>1,017,564</b>	<b>11,696</b>	<b>135</b>	<b>1,929,180</b>	<b>14,290</b>

**TABLE II-1**

**DISTRIBUTION OF ANNUAL BENEFITS BY YEARS SINCE RETIREMENT**

**COUNTY WIDOWS**

Age Group	Male Earnings			Female Earnings			Total Earnings		
	No	Total	Average	No	Total	Average	No	Total	Average
0	0	0	0	0	0	0	0	0	0
1	0	0	0	4	40,560	10,140	4	40,560	10,140
2	1	10,140	10,140	2	19,644	9,822	3	29,784	9,928
3	0	0	0	1	10,140	10,140	1	10,140	10,140
4	0	0	0	0	0	0	0	0	0
0-4	1	10,140	10,140	7	70,344	10,049	8	80,484	10,061
5-9	0	0	0	12	121,680	10,140	12	121,680	10,140
10-14	0	0	0	14	142,308	10,165	14	142,308	10,165
15-19	0	0	0	11	111,540	10,140	11	111,540	10,140
20-24	0	0	0	11	111,540	10,140	11	111,540	10,140
25-29	0	0	0	3	30,420	10,140	3	30,420	10,140
30-34	0	0	0	2	20,280	10,140	2	20,280	10,140
35-39	0	0	0	1	10,140	10,140	1	10,140	10,140
40-44	0	0	0	1	10,140	10,140	1	10,140	10,140
45-49	0	0	0	1	10,140	10,140	1	10,140	10,140
<b>TOTAL</b>	<b>1</b>	<b>10,140</b>	<b>10,140</b>	<b>63</b>	<b>638,532</b>	<b>10,135</b>	<b>64</b>	<b>648,672</b>	<b>10,136</b>

**TABLE II-2**

**DISTRIBUTION OF ANNUAL BENEFITS BY YEARS SINCE RETIREMENT**

**COUNTY SERVICE RETIREMENTS**

Age Group	Male Earnings			Female Earnings			Total Earnings		
	No	Total	Average	No	Total	Average	No	Total	Average
0	0	0	0	0	0	0	0	0	0
1	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0
0-4	0	0	0	0	0	0	0	0	0
5-9	0	0	0	0	0	0	0	0	0
10-14	2	43,536	21,768	1	17,136	17,136	3	60,672	20,224
15-19	14	285,648	20,403	9	181,056	20,117	23	466,704	20,291
20-24	17	339,684	19,981	2	32,340	16,170	19	372,024	19,580
25-29	8	141,348	17,669	5	71,784	14,357	13	213,132	16,395
30-34	4	54,372	13,593	2	24,216	12,108	6	78,588	13,098
35-39	0	0	0	0	0	0	0	0	0
40-44	0	0	0	1	10,212	10,212	1	10,212	10,212
45-49	0	0	0	1	10,344	10,344	1	10,344	10,344
<b>TOTAL</b>	<b>45</b>	<b>864,588</b>	<b>19,213</b>	<b>21</b>	<b>347,088</b>	<b>16,528</b>	<b>66</b>	<b>1,211,676</b>	<b>18,359</b>

TABLE II-3

DISTRIBUTION OF ANNUAL BENEFITS BY YEARS SINCE RETIREMENT

COUNTY DISABILITY RETIREMENTS

Age Group	Male Earnings			Female Earnings			Total Earnings		
	No	Total	Average	No	Total	Average	No	Total	Average
0	0	0	0	0	0	0	0	0	0
1	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0
0-4	0	0	0	0	0	0	0	0	0
5-9	0	0	0	0	0	0	0	0	0
10-14	0	0	0	0	0	0	0	0	0
15-19	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0
25-29	1	19,164	19,164	0	0	0	1	19,164	19,164
30-34	1	17,724	17,724	0	0	0	1	17,724	17,724
35-39	0	0	0	3	31,944	10,648	3	31,944	10,648
40-44	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>2</b>	<b>36,888</b>	<b>18,444</b>	<b>3</b>	<b>31,944</b>	<b>10,648</b>	<b>5</b>	<b>68,832</b>	<b>13,766</b>

**TABLE II-4**

**DISTRIBUTION OF ANNUAL BENEFITS BY YEARS SINCE RETIREMENT**

**COUNTY TOTALS**

Service Group	Male			Female			Total		
	No	Earnings		No	Earnings		No	Earnings	
		Total	Average		Total	Average		Total	Average
0	0	0	0	0	0	0	0	0	0
1	0	0	0	4	40,560	10,140	4	40,560	10,140
2	1	10,140	10,140	2	19,644	9,822	3	29,784	9,928
3	0	0	0	1	10,140	10,140	1	10,140	10,140
4	0	0	0	0	0	0	0	0	0
0-4	1	10,140	10,140	7	70,344	10,049	8	80,484	10,061
5-9	0	0	0	12	121,680	10,140	12	121,680	10,140
10-14	2	43,536	21,768	15	159,444	10,630	17	202,980	11,940
15-19	14	285,648	20,403	20	292,596	14,630	34	578,244	17,007
20-24	17	339,684	19,981	13	143,880	11,068	30	483,564	16,119
25-29	9	160,512	17,835	8	102,204	12,776	17	262,716	15,454
30-34	5	72,096	14,419	4	44,496	11,124	9	116,592	12,955
35-39	0	0	0	4	42,084	10,521	4	42,084	10,521
40-44	0	0	0	2	20,352	10,176	2	20,352	10,176
45-49	0	0	0	2	20,484	10,242	2	20,484	10,242
<b>TOTAL</b>	<b>48</b>	<b>911,616</b>	<b>18,992</b>	<b>87</b>	<b>1,017,564</b>	<b>11,696</b>	<b>135</b>	<b>1,929,180</b>	<b>14,290</b>

**TABLE III-1  
PROJECTION OF BENEFIT PAYOUT  
COUNTY WIDOWS**

<b>CALENDAR YEAR</b>	<b>NUMBER RETIRING</b>	<b>EMERGING BENEFITS</b>	<b>EMERGING LIABILITY</b>	<b>TOTAL PAYOUT</b>	<b>TOTAL LIABILITY</b>
2008	64	648,672	4,742,945	314,500	4,742,945
2009	0	0	0	586,739	4,360,288
2010	0	0	0	545,925	3,996,462
2011	0	0	0	506,587	3,651,436
2012	0	0	0	468,723	3,325,140
2013	0	0	0	432,329	3,017,488
2014	0	0	0	397,414	2,728,383
2015	0	0	0	363,995	2,457,701
2016	0	0	0	332,094	2,205,273
2017	0	0	0	301,746	1,970,881
2018	0	0	0	272,993	1,754,235
2019	0	0	0	245,875	1,554,957
2020	0	0	0	220,424	1,372,580
2021	0	0	0	196,662	1,206,545
2022	0	0	0	174,597	1,056,208
2023	0	0	0	154,229	920,851
2024	0	0	0	135,549	799,685
2025	0	0	0	118,535	691,850
2026	0	0	0	103,150	596,434
2027	0	0	0	89,341	512,484

**TABLE III-2  
PROJECTION OF BENEFIT PAYOUT  
COUNTY SERVICE RETIREMENTS**

<b>CALENDAR YEAR</b>	<b>NUMBER RETIRING</b>	<b>EMERGING BENEFITS</b>	<b>EMERGING LIABILITY</b>	<b>TOTAL PAYOUT</b>	<b>TOTAL LIABILITY</b>
2008	66	1,211,676	7,599,227	583,494	7,599,227
2009	0	0	0	1,070,798	6,821,176
2010	0	0	0	977,665	6,092,457
2011	0	0	0	888,008	5,413,745
2012	0	0	0	802,267	4,785,273
2013	0	0	0	720,813	4,206,771
2014	0	0	0	643,919	3,677,495
2015	0	0	0	571,844	3,196,303
2016	0	0	0	504,794	2,761,631
2017	0	0	0	442,897	2,371,523
2018	0	0	0	386,191	2,023,681
2019	0	0	0	334,627	1,715,548
2020	0	0	0	288,073	1,444,386
2021	0	0	0	246,338	1,207,360
2022	0	0	0	209,179	1,001,600
2023	0	0	0	176,326	824,261
2024	0	0	0	147,492	672,563
2025	0	0	0	122,353	543,813
2026	0	0	0	100,584	435,462
2027	0	0	0	81,877	345,127

**TABLE III-3  
PROJECTION OF BENEFIT PAYOUT  
COUNTY DISABILITY RETIREMENTS**

<b>CALENDAR YEAR</b>	<b>NUMBER RETIRING</b>	<b>EMERGING BENEFITS</b>	<b>EMERGING LIABILITY</b>	<b>TOTAL PAYOUT</b>	<b>TOTAL LIABILITY</b>
2008	5	68,832	306,285	32,471	306,285
2009	0	0	0	56,588	254,941
2010	0	0	0	48,581	209,253
2011	0	0	0	41,047	169,265
2012	0	0	0	34,106	134,879
2013	0	0	0	27,843	105,849
2014	0	0	0	22,325	81,809
2015	0	0	0	17,584	62,288
2016	0	0	0	13,608	46,739
2017	0	0	0	10,353	34,588
2018	0	0	0	7,751	25,265
2019	0	0	0	5,717	18,233
2020	0	0	0	4,161	13,014
2021	0	0	0	2,995	9,193
2022	0	0	0	2,136	6,428
2023	0	0	0	1,509	4,445
2024	0	0	0	1,056	3,036
2025	0	0	0	729	2,043
2026	0	0	0	496	1,353
2027	0	0	0	332	880

**TABLE III-4  
PROJECTION OF BENEFIT PAYOUT  
COUNTY TOTALS - RETIRED LIVES**

<b>CALENDAR YEAR</b>	<b>NUMBER RETIRING</b>	<b>EMERGING BENEFITS</b>	<b>EMERGING LIABILITY</b>	<b>TOTAL PAYOUT</b>	<b>TOTAL LIABILITY</b>
2008	135	1,929,180	12,648,457	930,465	12,648,457
2009	0	0	0	1,714,125	11,436,405
2010	0	0	0	1,572,171	10,298,172
2011	0	0	0	1,435,642	9,234,446
2012	0	0	0	1,305,096	8,245,292
2013	0	0	0	1,180,985	7,330,108
2014	0	0	0	1,063,658	6,487,687
2015	0	0	0	953,423	5,716,292
2016	0	0	0	850,496	5,013,643
2017	0	0	0	754,996	4,376,992
2018	0	0	0	666,935	3,803,181
2019	0	0	0	586,219	3,288,738
2020	0	0	0	512,658	2,829,980
2021	0	0	0	445,995	2,423,098
2022	0	0	0	385,912	2,064,236
2023	0	0	0	332,064	1,749,557
2024	0	0	0	284,097	1,475,284
2025	0	0	0	241,617	1,237,706
2026	0	0	0	204,230	1,033,249
2027	0	0	0	171,550	858,491

**TABLE IV**  
DAVIDSON COUNTY PENSION PLAN  
DETAILED CALCULATION OF FUNDING LEVELS

The contribution levels for the fiscal year beginning June 30, 2008 were derived as follows:

(1) Present Value of Benefits	\$14,299,429
(2) Past Service Liability	14,299,429
(3) Allocated Assets	<u>(1,455,077)</u>
(4) Unfunded Post Service Liability (2) – (3)	\$12,844,352
(5) Present Value of Future Normal Costs (1) - (2)	\$ 0
(6) Present Value of Future Salaries	0
(7) Normal Cost Pct (5)/(6)	0
(8) Eligible Payroll	0
(9) Normal Cost (7) x (8)	0
(10) Total Cost, Including Amortization of Unfunded Past Service Liability Over Specified Period (assuming payments made uniformly throughout plan year)	
40 Years	\$1,037,232
30 Years	1,098,679
20 Years	1,259,778

**TABLE V**

ROSTER OF FORMER PARTICIPANTS WITH DEFERRED VESTED BENEFITS

There are no former participants.

**TABLE VI**

GOVERNMENTAL ACCOUNTING STANDARDS BOARD

STATEMENT NO. 25 INFORMATION

In 1994, the Governmental Accounting Standards Board revised the methodology to be used in presenting funding progress results to require reporting based upon the plan's unfunded past service liability (or "unfunded actuarial accrued liability"). The new GASB pronouncements relating to financial reporting standards are effective for fiscal years ending June 30, 1997. The statements provide that certain parameters are to be used in determining the unfunded liability position in each year, including a parameter for the measurement of plan assets. A schedule of funding progress based upon comparison to the unfunded past service liability is to be included in financial statements for the years in which the calculations are consistent with the parameters. The schedule presented herein is based upon valuation results for the current valuation period and the previous eight years. The schedule includes only years during which a valuation has been performed.

*Former Davidson County Pension Plan  
Schedule of Funding Progress  
June 30, 2008*

<b>Plan Year</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>Unfunded Actuarial Accrued Liability as a Pct of Covered Payroll</b>
<b>June 30, 1994</b>	\$ 0	\$27,981,137	\$27,981,137	0.00%	\$368,760	7,587.9%
<b>June 30, 1996</b>	0	27,187,468	27,187,468	0.00%	106,553	25,515.4%
<b>June 30, 1998</b>	0	25,430,114	25,430,114	0.00%	0	na
<b>June 30, 2000</b>	0	21,487,993	21,487,993	0.00%	0	na
<b>June 30, 2001</b>	0	19,308,808	19,308,808	0.00%	0	na
<b>June 30, 2002</b>	0	25,088,621	25,088,621	0.00%	0	na
<b>June 30, 2003</b>	0	19,331,288	19,331,288	0.00%	0	na
<b>June 30, 2004</b>	0	18,159,599	18,159,599	0.00%	0	na
<b>June 30, 2005</b>	348,492	17,422,321	17,073,829	2.00%	0	na
<b>June 30, 2006</b>	711,665	16,971,095	16,259,430	4.19%	0	na
<b>June 30, 2007</b>	1,129,978	15,393,075	14,263,097	7.34%	0	na
<b>June 30, 2008</b>	1,455,077	14,299,429	12,844,352	10.18%	0	na

**TABLE VII**

**SUMMARY OF ACTUARIAL ASSUMPTIONS**  
(Sample Values per 1,000 Lives)

	<u>AGE</u>			
	<u>20</u>	<u>35</u>	<u>50</u>	<u>60</u>
<u>Mortality Rates</u>				
Male: 110% RP-2000 Healthy Annuitant Table	.38	.85	5.88	9.01
Female: 110% RP-2000 Healthy Annuitant Table	.21	.52	2.57	6.82
<u>Withdrawal Rates</u>	N/A	N/A	N/A	N/A
<u>Salary Scale</u>	N/A	N/A	N/A	N/A
<u>Disability Rates</u>	N/A	N/A	N/A	N/A
<u>Rate of Death and Recovery Among Disabled Lives</u>				
Pension Benefit Guaranty Corporation				
Male:	36.20	20.90	28.70	45.20
Female:	26.30	21.40	25.70	33.10
<u>Social Security Benefit Projection Rate</u>	N/A	N/A	N/A	N/A
<u>Rate of Normal Retirement</u>				
Assume retirement as soon as eligible.				
<u>Rate of Investment Return</u>				
8.0% per annum				
<u>Cost-of-Living Adjustment</u>				
2.75% per annum				
<u>Spouse Frequency and Ages</u>				
Assume 85% married, with husbands four years older than wives				
<u>Actuarial Valuation Method</u>				
Entry Age Normal				
<u>Asset Valuation Method</u>				
Market Value				

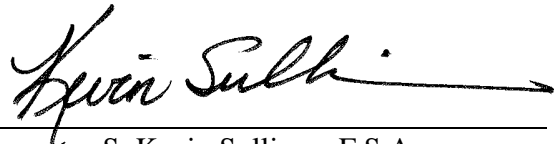
**TABLE VIII**

ACTUARIAL CERTIFICATION

The actuarial valuation summarized in this report has been performed utilizing generally accepted actuarial principles and is based on actuarial assumptions which we consider to be reasonably related, in the aggregate, to experience under the plan and to reasonable expectations. It is our opinion that the results fully and fairly disclose the actuarial position of the plan on the valuation date.

May 18, 2009

Date



S. Kevin Sullivan, F.S.A.

Enrollment Number 08-6235