



***STRATEGIC PLAN***

Revised September 18, 2013

**2013-2018**

## **PHILOSOPHY**

The Public Employees' Retirement System will act in accordance with the highest standards of ethics, accountability, efficiency, and openness. We recognize that our members, retirees, and employers are entitled to expect excellence in the conduct of the operation of the Retirement System. To this end, we pledge to conduct our affairs for the exclusive benefit of our members and retirees; to invest the assets of the System in a prudent and well-diversified program; and to deliver service in an accurate, timely, courteous, and efficient manner.

## **MISSION**

It is the mission of the Public Employees' Retirement System to:

- ◆ Provide public workers and their dependents with a retirement program that provides a reasonable base income for retirement or for periods where a disability has removed a worker's earning capacity.
- ◆ Encourage those workers to enter into and remain in government service for such periods of time to give public employers and the people of the State of Nevada the full benefit of their training and experience.

## **PLANNING PROCESS**

The Retirement Board and System staff members are dedicated to serving members, beneficiaries, and employers to the best of their abilities. The goal of the strategic planning process is to ensure that our organization and business processes continue to efficiently and effectively meet the needs of our stakeholders. The

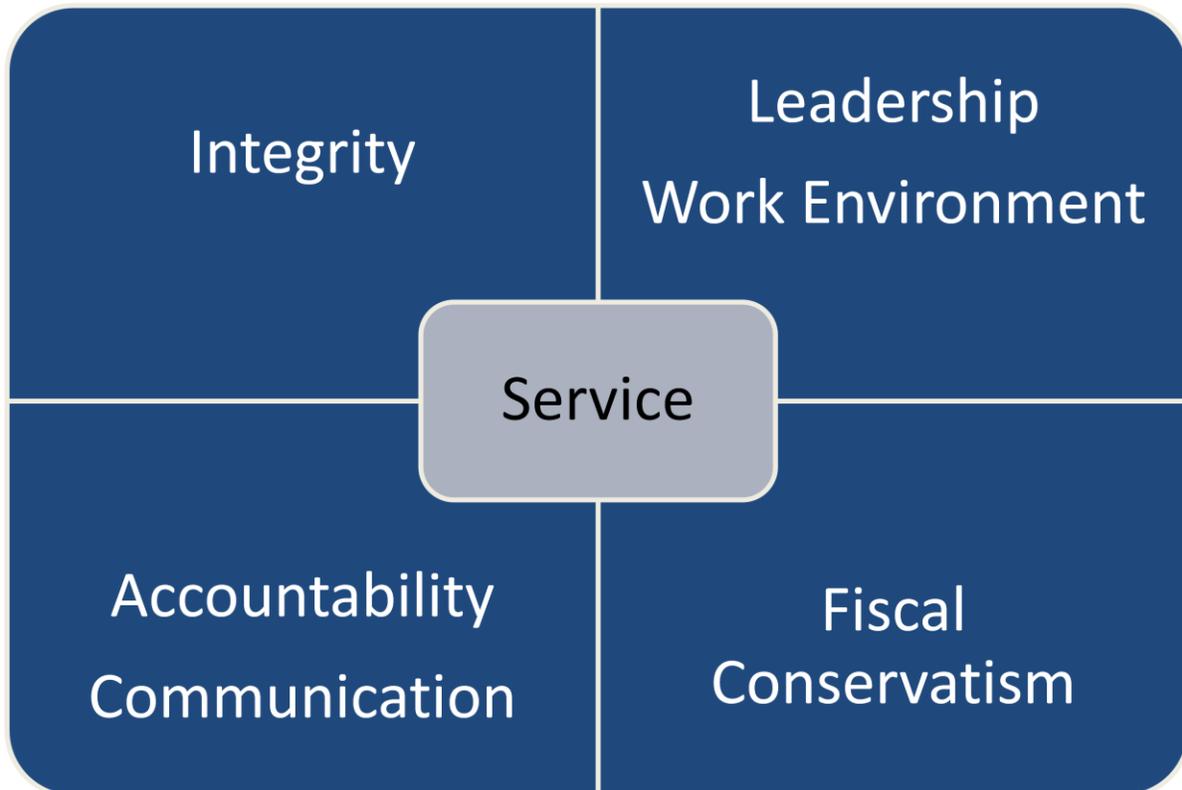
planning process establishes goals and strategies to allow the System to fulfill its mission. The planning process, including this Strategic Plan and the Operational Yearly Plan, sets performance guidelines and measurements to assist in the strategic planning process. Engaging in this process, the System has adopted the following strategic planning and performance monitoring model:



The planning and success monitoring process will be an ongoing loop with the mission at its core.

## CORE VALUES

The following chart depicts the relationship of the System's core values:



- ◆ **Service** Provide the most efficient and effective service to our members, retirees, and public employers.
- ◆ **Integrity** Conduct operations in an ethical and fair environment while adhering to the highest standards of professional conduct in our interactions with all stakeholders.
- ◆ **Leadership** Develop strong performance through staff development, technology, and innovative leadership and management strategies.

- ◆ ***Work Environment*** Sustain a work environment that promotes quality, respect, communication, cooperation, trust, and personal development.
- ◆ ***Accountability*** Take responsibility for our actions and results.
- ◆ ***Communication*** Implement education and communication initiatives to ensure broad stakeholder understanding of the System and its operations.
- ◆ ***Fiscal Conservatism*** Maintain a realistic recognition of plan costs to govern the System in a fiscally conservative manner that balances the interests of all stakeholders including members, retirees, employers, and taxpayers.

## **ORGANIZATION AND HISTORY**

The System was established by the Nevada State Legislature in 1947. By July 1, 1949, the System had approximately 3,000 members and 64 retirees. At the end of fiscal year 2012, the System had 188 participating public employers, 98,512 active members, and 49,546 benefit recipients. The System is comprised of two sub-funds, the Regular sub-fund, consisting of members who are not police or fire employees, and the Police and Firefighter's sub-fund.

The System also administers the Judicial Retirement System and the Legislators' Retirement System. As of July 1, 2012, the Judicial Retirement System had 99 active members, 5 inactive vested members, and 56 benefit recipients. As of July 1, 2012, the Legislators' Retirement System consisted of 39 active legislators, 8 inactive members entitled to future benefits, and 82 benefit recipients.

The System is governed by the Retirement Board which consists of the following seven members: Mark R. Vincent, Chair, Chris Collins, Vice-Chair, Al Martinez, Rusty McAllister, Audrey Noriega, David Olsen, and Katherine Ong. The Executive Officer is responsible for the management of the System. The Executive Officer's responsibilities extend to all functions of the System. The Operations Officer and the Investment Officer support the Executive Officer. The Operational portion of the System is divided into four departments each headed by a director: Accounting, Information Technology, Employer and Production Services, and Member and Retiree Services. The Investment portion of the System includes the Assistant Investment Officer. The Internal Audit Division is responsible directly to the Retirement Board and the Executive Officer.

### **Retirement Benefits Investment Fund**

Senate Bill 457 (SB 457) of the 2007 legislative session amended NRS chapter 355 to create the Retirement Benefits Investment Board (RBIB). The membership of RBIB consists of the members of the Public Employees' Retirement Board, serving *ex officio*. RBIB administers the Retirement Benefits Investment Fund (RBIF) for the investment of money deposited with RBIB by a local government trust fund or by the Public Employees' Benefits Program. Any money received by RBIB is held for investment purposes only and not in any fiduciary capacity as the individual government entities serve as the trustees for those funds.

By statute, the money in RBIF must be invested in the same manner as money in the Public Employees' Retirement Fund, and interest and income earned by RBIF must be credited to the fund, after deduction of any applicable charges. RBIB may assess reasonable charges against RBIF for the payment of the expenses of administering RBIF. RBIB has the same powers and duties to administer RBIF as

those pertaining to the administration of the Public Employees' Retirement Fund by the Public Employees' Retirement Board. The initial deposit to RBIF was made on January 18, 2008.

SB 457 provides for the elective creation of trust funds by local governments for the management of certain retirement benefits. The bill defines retirement benefits as any retirement benefits, other than a pension, and includes, without limitation, life, accident, or health insurance. A trust fund created pursuant to Section 3 of SB 457 must be administered by a board of trustees appointed by the governing body of that local government to act in a fiduciary capacity of the trust. The bill provides the trust fund with three alternative mechanisms for the investment of the assets of the trust, including deposit in the Retirement Benefits Investment Fund. Before a local government trust fund may deposit money in RBIF, legal counsel for that entity must provide an opinion that the investment of assets in RBIF by that entity will not violate the provisions of Section 10 of Article 8 of the Nevada Constitution.

As of June 30, 2013, this fund has six participating public employers and assets of approximately \$184.1 million.

## **GOALS AND OBJECTIVES**

1. Provide accurate, timely, and understandable service and superior information to retirees, members, and public employers and maintain accurate and accessible accounting records.
  - (a) Make benefit payments in accordance with statutory requirements and Board policy.

- (b) Respond to normal-process requests in an accurate and understandable manner and in accordance with established performance expectations.
- (c) Provide high quality customer service and education that enables members and employers to make informed and timely retirement decisions, including a detailed statement of salary, contributions, service, and beneficiary information.
- (d) Apply best practices to safeguard the confidentiality, integrity, and availability of NVPERS' information assets, in support of the business objectives of the System.

2. Administer an investment program designed to achieve the System's investment objectives within the framework of the Nevada Revised Statutes, specific policies, and directives adopted by the Board.
3. Conduct a legislative program that is responsive to the majority interest of members, benefit recipients, and public employers while protecting the fiscal and actuarial integrity of the System.
4. Protect the actuarial integrity of the System and strive for a state of fiscal soundness so that each generation of employees will be able to meet the financial needs of their own retirement and so that no financial burdens will be passed on to future employees for past benefits paid.

## **STRATEGIES**

### ***Investments –***

We will administer a program designed to achieve the System's investment objectives within the framework of the Nevada Revised Statutes, specific policies, and directives adopted by the Board. To that end, future efforts will focus on:

1. Maintaining realistic capital market return and risk expectations.
2. Ensuring PERS' asset allocation strategy can reasonably be expected to generate an 8% return while minimizing risk over the long-term.
3. Maintaining PERS' disciplined, long-term investment strategy in the face of market uncertainty.
4. Researching investment opportunities that are not currently included in the program to determine if their addition would enhance the risk/return profile of the fund.
5. Maintaining a simple, high quality, diversified strategy
6. Continuing to employ a consistent, cost effective investment approach.

### ***Operations -***

We will provide timely, accurate, and cost effective service to our members and beneficiaries. We will focus on the following:

1. Staff will use the automated workflow system to monitor, measure, and evaluate our response to inquiries from members and retirees in order to identify those areas where service delivery can be improved.
2. Enhanced web functionality will be a priority to improve our service to members, beneficiaries, and employers.

3. Staff will work to enhance system member and retiree communications, through continued growth of the communications initiative, including publications, and on-line and live presentations.
4. Emphasis will be placed on employee training to ensure accurate and understandable customer service.
5. Annually, PERS will receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

### ***Actuarial Management -***

Ongoing efforts to manage funding for the System on an actuarial reserve basis will require careful analysis over the horizon of the strategic plan. Economic and demographic trends and their effect on funding will be reviewed. During calendar year 2012, the Board reviewed and revised the System's funding policy to ensure its continued effectiveness for the long-term financing of the System. Staff will continue to monitor the System's funding policy and key economic and demographic assumptions in order to maintain fiscal responsibility and enhance contribution rate stability.

### ***Legislative -***

We will conduct the legislative program adopted by the Board, which is responsive to the majority interest of members, benefit recipients, and public employers while protecting the financial integrity of the System.

### ***Public Relations -***

PERS will maintain a reputation of credibility for the System with employers, members, retirees, legislators, and the public.

## INTERNAL ASSESSMENT

### Investment Program

PERS' common sense investment philosophy is based on traditional, time tested investment principles. The Board's unwavering commitment to its simple investment approach and disciplined implementation of its long-term investment strategy has been the most important factor in the fund's successful long-term performance and competitive risk/return profile.

PERS' investment philosophy is to maintain consistent exposure to capital markets and systematically buy assets low and sell them high. To implement this strategy, we emphasize a simple, low cost structure that relies on intelligent asset allocation, disciplined rebalancing and index management.

#### **Consistently Apply Time Tested Investment Principles**

- Focus on the long-term
- Maintain consistent exposure to the capital markets
- Buy weakness, sell strength
- Broadly diversify
- Implement changes intelligently – act from a position of strength
- Align strategy with risk tolerance and goals
- Emphasize an uncomplicated structure
- Keep costs low

#### **Implementation**

- Primary focus on asset allocation
- Make asset allocation changes at opportunistic points in the market cycle
- Emphasize index management
- Adhere to an intelligent, disciplined rebalancing process
- Utilize fewer portfolios/managers
- Keep manager and asset turnover low
- Emphasize higher quality assets

There are a number of advantages to our approach, including:

- A common sense investment approach grounded in high quality assets is transparent and easily understood by our members and beneficiaries.
- PERS' philosophy focuses decisions on asset allocation and rebalancing, the areas where we are most skilled and PERS has a demonstrated competitive advantage.
- In negative capital market environments, there is political and credibility risk in losing money in untested or esoteric strategies. Our members understand if large capitalization U.S. stocks drop in value. They have a much harder time getting comfortable with losses from portable alpha, hedge funds or other alternative strategies.
- Sophisticated and untested risk measurement systems (many of which are of questionable accuracy) are not needed to monitor a traditionally invested program.
- All of PERS' stock and bond assets are held by the fund's custodian. Real estate assets are owned 100% by PERS. Directly holding assets (as opposed to using commingled funds) enhances asset security, liquidity, and monitoring.
- A simple program is lower cost, providing a quantifiable competitive advantage.

The goal of the investment program is to meet the 8% long-term return objective while exposing the fund to the least possible risk. Successful investing involves developing a thoughtful, focused long-term strategy and consistently implementing that plan over time. Frequent changes can increase costs and reduce efficiency. As a result, while the Board will make changes to management or

strategy as is warranted by circumstances, we will focus on making meaningful, less frequent enhancements to the program.

To support effective program improvements in the future, we will continue to emphasize Board investment education and promote a collaborative discussion and decision environment. Emphasis will be placed on continuity of strategy, oversight, management and simplicity of portfolio structure. This will promote more efficient monitoring and ensure any future changes to the plan are accretive to the risk/return profile of the fund.

The Board will continue take a long-term view regarding portfolio strategy and maintain emphasis on its consistent, common sense investment approach. This approach is expected to serve PERS' members well going forward.

### **Cash Flow Management**

As the PERS plan matures, the relationship between incoming cash flows and outgoing cash flows evolves. Historically PERS has been a “cash flow positive” fund, where annual contributions exceed benefit payments. In the future, we expect the plan will become “cash flow negative” as outgoing benefit payments will exceed incoming contributions. While this is the natural evolution of a defined benefit pension plan, it is important to understand the implications of this cash flow relationship to the pension plan from a financing and investment perspective. We will explore these issues during the strategic planning period.

## **Operations Management**

### **System Governance**

The current environment of volatile market returns, rising liabilities, growing risk exposure, and increasingly demanding stakeholders has many retirement systems returning to basics in the hopes of improving pension performance and managing risk more effectively. One of the basic principles of superior pension administration begins with review of the governance framework of the pension system, including governance policies, that define clear roles and responsibilities for Board and executive management. The System contracts with a provider of governance review services for fiduciaries in the public pension sector. The System's existing governance principles, policies, and charters have been revised to better define the role of the Retirement Board and executive management, guide the conduct and decision-making of the Retirement Board, and document and preserve the System's policies for current and future board members and executive staff. The Board will review the charters and policies on an ongoing and regular basis and revise them as necessary.

### **Member Communications**

Timely and effective fiduciary communication with our members, beneficiaries, and employers is a key element in fulfilling the System's mission. Staff will focus on communication to stakeholders so that they understand the mission and performance of the System as well as the structure and value of retirement benefits. During the strategic horizon, staff will review new technology tools to provide alternative methods of communication with our members, including increased use of online services.

### **Internal Controls**

Board policy requires an independent examination of management's assertion about the effectiveness of the System's internal controls over financial reporting every five years. The examination was performed by a qualified auditor during fiscal year 2011. The auditor opined that management's assertion that the System maintained effective internal control over financial reporting as of June 30, 2010, is fairly stated. The next internal controls examination will be conducted during fiscal year 2016 to include financial reporting as of June 30, 2015. In the period between examinations, staff will continue to diligently monitor and update internal controls as necessary as well as continue to evaluate enterprise-wide risk through an assessment process.

### **Staffing**

Ensuring adequate staffing levels to meet increasing service needs, due to member and retiree population growth, will continue to be a primary goal of operations management. Effectively focusing resources to sustain the high quality work force in the agency will drive our review. We will continue to provide System employees with training in the skill sets, policies, and procedures that enable them to perform their respective duties and also focus on cross-training of employees to ensure effective use of resources during high-volume cycles.

During the 2014-2015 biennium, System employees are subject to mandatory furlough requirements of six days per year. We will continue to ensure we are able to meet member, retiree, and employer needs with this reduced furlough staffing through careful and efficient management of available resources. Staff will continue to assess staffing and training needs at all levels of the System to enhance succession

planning and retention policies and procedures and to maximize the System's human resources.

### **Disability Retirement and Re-employment**

The Retirement Act provides a disability retirement program for members. Disability retirements and re-employment by disability retirees must be approved by the Retirement Board. During the strategic horizon, the disability retirement and re-employment rules and process will be reviewed to ensure its continued effectiveness and efficiency given the overall benefit structure and growth of the System and recommend appropriate revisions to the Retirement Board.

### **Board Appeal Process**

The Official Policies of the System provide for appeals to the Board by any member, retired employee, benefit recipient, respective spouse, or any person having a claim against the System. The Retirement Act and applicable case law restricts the Retirement Board's ability to take action in most appeals. During the strategic horizon, staff will study the current appeals process in light of the Retirement Board's constitutional and statutory authority, applicable case law, and the interests and expectations of members, retirees, benefit recipients, employers, and other interested parties. Staff will recommend appropriate revisions to the Retirement Board.

### **Operational Performance Benchmarking**

The System participated in a performance benchmarking service whereby customer response, complexity, workload volumes, and activity cost data are

compared to other public pension funds participating in the program. The analysis shows that PERS provides a level of service close to the peer average at a substantially lower administration cost than the peer average. PERS will continue to participate in this performance benchmarking service and periodically review methods to improve customer service in a cost efficient manner.

### **Technology**

PERS technology efforts are driven by business goals as well as statutory and pension fund industry mandates. Staff will examine enhancements to member and retiree accessibility through increased use of the Internet. During calendar year 2012, the System redesigned its website to provide an interactive experience to more effectively communicate with stakeholders, promote usability, and maximize our resources. We will continue to review the standardization of information. Emphasis will be placed on the efficient delivery of information and services to all stakeholders through use of technology.

PERS is dedicated to maintaining a state of the art pension management system that is capable of providing for PERS' operational needs. Staff will continue to evaluate evolving technology and assess System operational needs to enhance the System's communications, efficiency and cost-effectiveness. Staff will also continue to assess security systems and controls to ensure the integrity of System data and processes.

### **Business Continuity**

During the last strategic planning cycle, the System developed a fully replicated disaster recovery site. Continuous testing of the functionality of each of

the System's departments is conducted by business experts to ensure the site's ongoing availability. During the strategic horizon, expanded testing will include response to different scenarios involving various degrees of business interruption.

### **Retiree Re-employment**

Assembly Bill 488 of the 2009 legislative session enacted new retiree re-employment provisions for positions designated as critical labor shortage by the appropriate governing authority for each public employer. The legislation makes clear that the designation is only appropriate in cases of extreme need and provides strict requirements be met to designate such a position. The provisions of Assembly Bill 488 require the System to conduct an experience study for the period July 1, 2009 to June 30, 2014 and deliver the study to the Interim Retirement and Benefits Committee on or before December 31, 2014. The provisions of Assembly Bill 488 expire on June 30, 2015. Staff will continue to monitor trends in retiree re-employment.

## **EXTERNAL ASSESSMENT**

### **State Issues**

#### **Plan Design-Employer Issues**

Employers, both public and private, are investigating alternative pension plan designs, for a variety of reasons including reductions in cost and workforce planning. In reviewing this issue, PERS must discharge its fiduciary duty to act in the best interests of our members and of our beneficiaries, while maintaining the fiscal integrity of the fund. During the strategic horizon, we continue to analyze this topic

and the long-term effects that a change in plan design would carry. Variables under review include benefit adequacy, plan funding, investment risk, demographic trends, plan leakage, and public policy.

### **Economic and Actuarial Management**

The economic downturn of the most recent period may impact budgetary funding for public employers participating in the System. New economic and demographic trends provide challenges to funding and benefit structure. The confluence of these events requires PERS to monitor this issue and participate as appropriate, specifically as it relates to funding for the System.

Managing the funding issue internally to PERS will be paramount to overall success of the System during these difficult times. Contribution rate stability is a key goal of the System. The System continually reviews trends in actuarial liabilities and maintains a realistic recognition of plan costs in order to govern the plan in a fiscally responsible manner. Constant attention to the System's funding policy allows for solid pension plan governance that balances the interest of plan members, employers, and taxpayers.

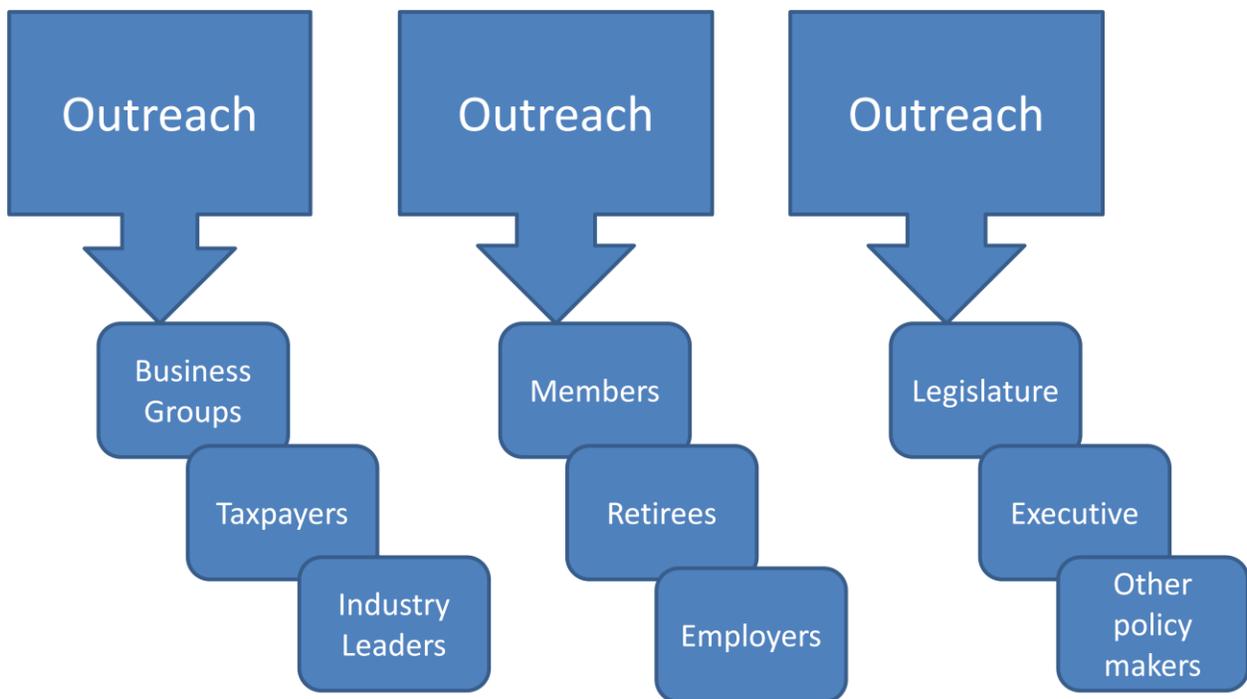
### **Contributions Rates**

Due to recent market events, significant upward pressure on contribution rates will continue throughout the strategic horizon period. Staff anticipates that contribution rates will increase in 2015 as the full effects of the market downturn continue to be absorbed in the actuarial valuations. During this period, staff will

work to manage expectations of stakeholders and other interested parties on contribution rates through continued public relations outreach and education regarding the financing and management of the System.

### **Public Outreach**

Timely and effective communication to all interested parties, including policy makers, taxpayers, the public, and the media, regarding the mission and performance of the System is a key component of our overall communication strategy to demonstrate that the System is effectively and efficiently fulfilling its mission.



During the strategic horizon, staff will undertake a comprehensive review of the System's overall communications strategy and continue to develop outreach strategies to ensure appropriate communication of the System's mission and performance to all interested parties, including the use of new technology tools to

disseminate important information about the System. In recognition of the importance of a unified communication strategy, the System will continue to centralize the communications function of the System.

## **National Issues**

### **Sustainability of Benefits and Financing to Ensure Affordability**

Public pension plans across the country are focused on the sustainability of benefits and appropriate financing of benefits. The basic financing formula for pension plans is contributions plus income must equal benefits plus expenses. This formula requires pension plans to look to three basic areas when considering appropriate financing: benefit design, investment return, and contributions. Because of the recent economic downturn, plans are increasingly focusing on contributions and benefits given the financial stress of both employers and employees. During the strategic horizon, staff will continue to assess all strategies in terms of appropriate financing to ensure the affordability of a benefit structure that meets the mission of the System.

### **Calculation of Liabilities**

The method for calculating the liabilities associated with public pensions is under debate nationally. The debate often centers on the discount rate used to calculate total liabilities. Several national organizations as well as academics are participating in this ongoing dialogue. During the strategic horizon, we will monitor and participate in this debate, as appropriate, including evaluating the 8% discount rate.

## **Accounting Issues**

The Governmental Accounting Standards Board (GASB) has recently adopted modifications to the statements relating to accounting and financial reporting for pension plans. Statement 67 (pension plan) is effective for fiscal years beginning after June 15, 2013 and Statement 68 (employers) is effective for fiscal years beginning after June 15, 2014.

The enactment of Statements 67 and 68 may have far-reaching implications for the management and financing of public pension plans and for participating employers' financial statements. Modifications include the discount rate, liability of employers, proportionate share of employers in cost-sharing plans, actuarial methods, measurement of pension expense, deferral and amortization, and note disclosures. During the strategic horizon, we will implement the revised standards and will assist public employers with the implementation of the revised standards, consistent with fiduciary responsibilities.

## **Federal Issues**

Federal developments having a potential financial or administrative impact on our pension plan continue to be monitored. Initiatives to effect change in Washington are very fluid and difficult to project over the strategic planning period.

## **Internal Revenue Code Issues**

The public employees' retirement plan is a tax qualified retirement plan as designated by the Internal Revenue Service (IRS). Maintaining this status is vital to fulfilling the System's mission. To maintain this status, we must respond quickly

and accurately to changes in federal laws and regulations from the IRS and Department of Labor.

To ensure continued compliance with federal law, the System filed for an updated determination as to plan qualification from the IRS for the PERS plan and filed for determination letters as to plan qualification for the Judicial Retirement System and the Legislator's Retirement System. The filing for each of the plans was presented to the IRS during the filing period designated for public pension plans. Determination letters were obtained for PERS, the Judicial Retirement System, and the Legislator's Retirement System during fiscal year 2012.

We will diligently review the impact of IRS regulation changes and seek Retirement Board or legislative action, if appropriate, to respond to such changes. During this strategic horizon, we will analyze and take appropriate action in response to changes to regulations regarding normal retirement age and other issues as they arise.

### **Social Security**

Mandatory Social Security remains a concern during the horizon of the strategic plan. The National Commission on Fiscal Responsibility and Reform issued a December 2010 report with the following recommendation regarding Social Security:

**RECOMMENDATION 5.8: COVER NEWLY HIRED STATE AND LOCAL WORKERS AFTER 2020.** After 2020, mandate that all newly hired state and local workers be covered under Social Security, and require state and local pension plans to share data with Social Security.

Our financial projections indicate that the additional cost in the first year of such a mandate would be cost prohibitive to members and employers. The cost would only escalate over time until all public employees in Nevada participate in Social Security.

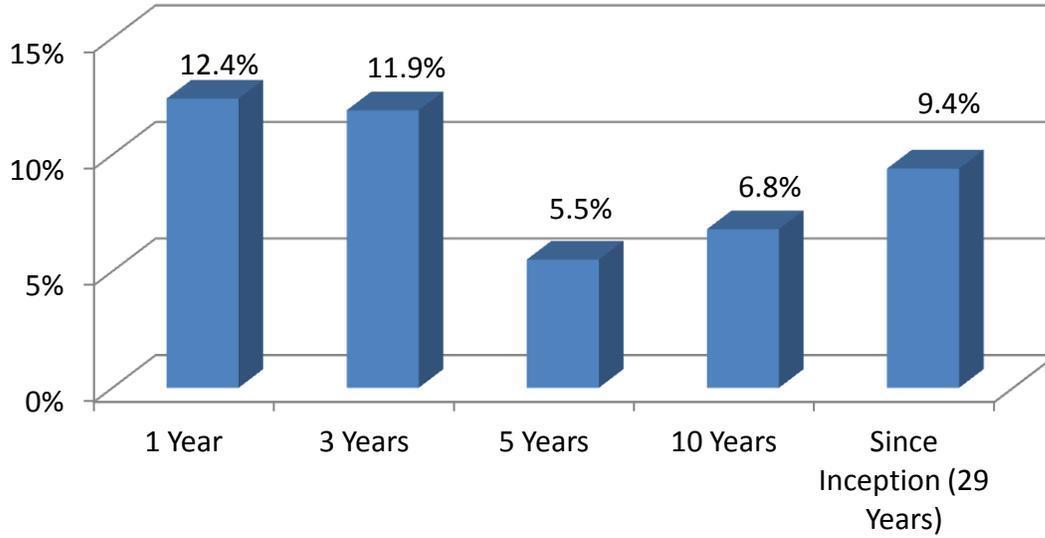
PERS continues to oppose mandatory Social Security, but in the event that it is passed, the Retirement System will explore alternative plan designs that, coupled with Social Security, provide future retirees with a reasonable base income upon separation from employment. Alternative plans may be necessary given that simply combining the Social Security contribution rate with the current PERS rate may be cost prohibitive. PERS will continue to monitor mandatory Social Security issues as well as efforts to modify the Government Pension Offset and the Windfall Elimination Provision.

### **Securities and Exchange Commission**

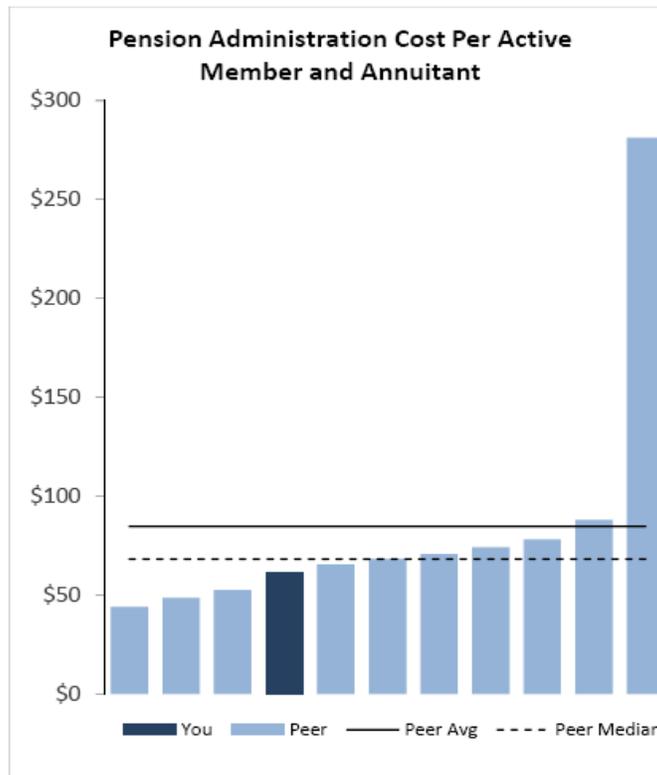
The Securities and Exchange Commission (SEC) has recently increased focus on issues relating to public pensions, including payments by investment advisers to government officials and disclosure of information and transparency in the municipal securities market. During the strategic horizon, staff will monitor issues relating to SEC projects regarding public pension issues and will take action necessary to ensure Nevada PERS maintains in compliance with any applicable rules or regulations.

## PERFORMANCE MEASUREMENTS

### PERS' Investment Return (Net)

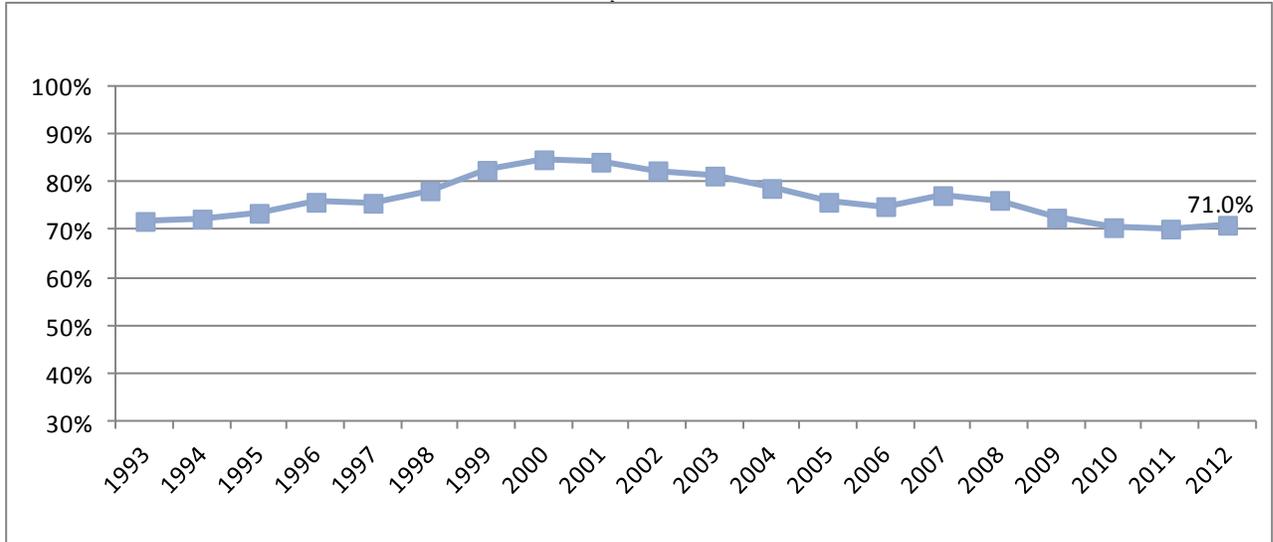


### Operational Costs



**Funding**

**PERS' Funded Ratio**



## PERFORMANCE AND CASELOAD INDICATORS

Our performance and caseload indicator projections to fiscal year 2016 are:

### MEASUREMENT INDICATORS – FY13 TO FY16

	FY13 Projected	FY13 Actual	FY14 Projected	FY15 Projected	FY16 Projected
1. Active Members**	101,467	99,122	102,096	105,159	108,314
2. Benefit Recipients**	52,519	52,197	55,329	58,649	62,168
3. Benefit Payroll (millions)**	1,723.5	1,678.4	1,863.0	2,067.9	2,295.4
4. Members Receiving Counseling	13,853	13,341	14,141	14,989	15,888
5. Information Programs Offered	150	188	150	150	150
6. Average Response Time for Written Inquiries (days)	10.0	1.7	10.0	10.0	10.0
7. Written Complaints Received from Benefit Recipients	10	1	10	10	10
8. Portfolio-At Market Value (billions)**	27.4	28.7	31.0	33.5	36.2
9. Total Return on Investments	8.0	12.4	8.0	8.0	8.0
10. Real Return on Investments	4.5	10.6	4.5	4.5	4.5
11. Ratio, Net Assets to Liabilities	71.7	*	72.4	73.1	73.8
12. Average Length of Service for Active Members:					
Regular	10.0	*	10.0	10.0	10.0
Police/Fire	11.1	*	11.1	11.1	11.1

\* - These numbers are not available until the completion of the 2013 actuarial valuation in November 2013.

\*\* - These are estimated as financial statements and actuarial valuations for FY13 will not be finalized until December 2013.