

REPORT ON THE JANUARY 1, 2005
ACTUARIAL VALUATION OF THE
NEWTON RETIREMENT SYSTEM

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SECTION I - OVERVIEW

The Newton Retirement Board has engaged Mellon Consultants to prepare an actuarial valuation of the Retirement System as of January 1, 2005. Employee data and asset information as of this date were provided by the Retirement Board. The valuation was prepared pursuant to MGL Chapter 32.

The purposes of the valuation are to:

- 1) analyze the current funded position of the System and determine the level of contributions necessary to assure sound funding;
- 2) update the funding schedule currently in place for the Retirement System; and
- 3) provide reporting and disclosure information for financial statements, governmental agencies and other interested parties.

For the salary-increase assumption, we continue to use the “adjusted” PERAC salary scale that was used in the January 1, 2004 actuarial valuation. The “adjusted” PERAC salary scale assumes 3% annual salary increases for each of the next four years, 4% for each of the following four years and then 4.75% annually thereafter for General Employees or 5.25% annually thereafter for Police and Fire Employees.

Section II provides a summary of the principal valuation results. Section VI provides a projection of the recommended funding amounts. Schedule B of this report outlines the full set of actuarial assumptions and methods employed.

Respectfully Submitted,

MELLON CONSULTANTS

Daniel W. Sherman, ASA, MAAA, EA
Director

Date

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Senior Consultant, Actuary

Date

REPORT ON THE JANUARY 1, 2005
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NEWTON RETIREMENT SYSTEM

SECTION II - SUMMARY OF PRINCIPAL RESULTS

Valuation date	1/1/2005	1/1/2004
Valuation interest rate (net of expenses)	8.0%	8.0%
Contribution for fiscal year	2007	2006
a) Active members:		
Number	1,759	1,741
Annual compensation	\$ 69,701,972	\$ 68,327,481
Average age	44.90	44.90
Average service	11.40	11.50
Average compensation	\$ 39,626	\$ 39,246
b) Pensioners and beneficiaries paid directly by the City ¹ :		
Number	1,282	1,273
Annual benefit payments	\$ 21,511,145	\$ 20,028,712
Average age	74	74
Average benefit	\$ 16,779	\$ 15,733
c) Pensioners and beneficiaries paid by other municipalities ² :		
Number	147	138
Annual benefit payments	\$ 380,395	\$ 351,261
Average benefit	\$ 2,588	\$ 2,545
d) Inactive employees		
Number	523	477
Accumulated employee contributions	\$ 2,885,141	\$ 2,315,061
e) Actuarial accrued liability	\$ 361,080,336	\$ 350,687,690
f) Market value of plan assets	\$ 239,459,719	\$ 220,449,988
g) Actuarial value of plan assets	\$ 244,265,934	\$ 233,888,093
h) Unfunded actuarial liability (e. – g.)	\$ 116,814,402	\$ 116,799,597
i) Funded percentage (g. / e.)	67.6%	66.7%
j) Recommended funding level		
Group 1	\$ 6,229,859	\$ 5,774,981
Groups 2 & 4	4,181,955	4,498,375
Total	\$ 10,411,814	\$ 10,273,356

1 Amounts exclude portion of benefits being reimbursed by other retirement systems and also excludes cost-of-living adjustments paid by the State.

2 These individuals represent former Newton employees who transferred to other municipalities and for whom Newton reimburses other municipalities for "Newton's share" of their pensions.

Comments on the valuation results as of January 1, 2005 are given in Section V and the contribution levels are set out in Section VI. Schedule B of this report outlines the actuarial assumptions and methods. The provisions of the System are summarized in Schedule C.

SECTION III - MEMBERSHIP DATA

Data for active members, pensioners and beneficiaries were furnished on diskette. Schedule D shows, as of January 1, 2005, the number and annual regular compensation of active members classified by age and years of service and the number and annual retirement allowances of retired members and beneficiaries paid directly by the City as of January 1, 2005, classified by age. The following tables show the number and annual compensation/benefits of those members as of January 1, 2005.

THE NUMBER AND ANNUAL REGULAR COMPENSATION OF ACTIVE MEMBERS AS OF JANUARY 1, 2005

Group	Number	Compensation
Group 1	1,415	\$ 49,557,974
Groups 2 & 4	344	\$ 20,143,998
Total	1,759	\$ 69,701,972

THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES
OF PENSIONERS AND BENEFICIARIES PAID DIRECTLY BY THE CITY
AS OF JANUARY 1, 2005

Group	Number	Allowance
<u>Service Retirements:</u>		
Group 1	623	\$ 8,026,585
Groups 2 & 4	<u>214</u>	<u>6,757,916</u>
Total	837	\$ 14,784,501
<u>Disability Retirements:</u>		
Group 1	34	\$ 479,975
Groups 2 & 4	<u>114</u>	<u>3,243,842</u>
Total	148	\$ 3,723,817
<u>Beneficiaries of Deceased Members</u>		
Group 1	193	\$ 1,370,811
Groups 2 & 4	<u>104</u>	<u>1,632,016</u>
Total	297	\$ 3,002,827
Grand Total	1,282	\$ 21,511,145

SECTION IV - ASSETS

1. The amount of assets taken into account in this valuation is based on financial information reported by the City of Newton.
2. For actuarial purposes, the assets are valued using a method which reflects the market value of assets through gradual recognition of any unrealized appreciation or depreciation in assets beyond the assumed 8% return. The following shows the development of the valuation assets:

Assets for valuation purposes, January 1, 2004		\$ 233,888,093
Cash flow during year without regard to investment income and expenses		
Benefit payouts and refunds	\$ (23,113,705)	
City contributions	9,740,337	
Member contributions	5,799,546	
Net transfers and reimbursements	<u>1,101,577</u>	
Net cash flow		\$ (6,472,245)
Expected investment income and expenses		<u>18,452,158</u>
Preliminary asset value		\$ 245,868,006
Market value, January 1, 2005	\$ 239,459,719	
Preliminary asset value	<u>245,868,006</u>	
Unrecognized appreciation	\$ (6,408,287)	
Adjustment	x 25%	\$ (1,602,072)
Adjusted asset value		\$ 244,265,934
Assets for valuation purposes, January 1, 2005		
= adjusted asset value limited to 120% of market value of assets		\$ 244,265,934

3. The assets for valuation purposes are 102% of market value.
4. The investment rate of return for the year ending January 1, 2005 is 7.31% (net of expenses), based on the adjusted asset value.

SECTION V - COMMENTS ON VALUATION

MGL Chapter 32 outlines various requirements of a funding schedule that will amortize the unfunded actuarial liability and cover normal costs. The normal cost and unfunded actuarial liability are to be calculated in accordance with the individual entry-age-normal actuarial cost method. Amortization of the unfunded actuarial liability is to be based on a schedule that ends no later than the year 2028. The contribution toward amortization of the unfunded actuarial liability may increase by up to 4.5% each year. This report develops a recommended contribution and funding schedule based upon the relevant provisions of MGL Chapter 32.

The contributions were computed assuming that the contribution is paid in installments between July 1 (at the start of the fiscal year) and December 31 (the middle of the fiscal year). Thus, amounts for fiscal years ending in 2007 or later were based upon a “2006 amount” determined by adjusting appropriate 1/1/2005 amounts to reflect six months of interest (as shown on Schedule A). The normal cost and the amortization of the unfunded accrued liability are assumed to increase annually by 5% and 4.5%, respectively. This schedule incorporates the funding required to provide annual COLAs under Chapter 17 of the Acts of 1997.

SECTION VI - CONTRIBUTIONS PAYABLE UNDER THE SYSTEM

CONTRIBUTIONS OF THE CITY OF NEWTON
PAYABLE FOR THE FISCAL YEAR BEGINNING JULY 1, 2006

Dept	Normal Contribution	Amortization of Unfunded Liability	Total Contribution
1	\$16,881	\$43,472	\$60,353
2	14,698	78,777	93,475
3	13,367	59,499	72,866
5	4,422	5,828	10,250
6	14,054	74,068	88,122
7	11,140	85,591	96,731
8	3,742	12,581	16,323
9	25,914	103,298	129,212
10	7,333	5,909	13,242
11	13,836	32,740	46,576
12	19,840	90,762	110,602
13	4,181	13,239	17,420
14	8,947	67,261	76,208
15	5,122	17,756	22,878
16	29,763	219,388	249,151
16 F&P	7,748	8,959	16,707
17	8,674	44,782	53,456
18	22,866	62,833	85,699
18F	21,953	99,062	121,015
19	640,922	1,498,807	2,139,729
19 F&P	4,941	29,659	34,600
20	574,207	1,400,147	1,974,354
20 A	32,130	97,116	129,246
21	12,528	113,848	126,376
23	13,632	66,978	80,610
23 F&P	10,874	44,213	55,087
25	43,189	146,808	189,997
26	4,674	25,990	30,664
27	74,205	374,896	449,101
28	105,337	500,795	606,132
29	33,691	103,416	137,107
30	273,843	370,154	643,997
31	157,950	590,441	748,391
31A	512	1,616	2,128
32	44,058	312,180	356,238
32A	1,168	7,702	8,870
33	22,040	108,615	130,655
34	146,125	604,308	750,433
35	20,434	81,600	102,034
35S	16,161	69,992	86,153
35W	21,765	115,564	137,329
36	24,174	88,123	112,297
TOTAL	\$2,533,041	\$7,878,773	\$10,411,814

The following table sets out the amortization of the unfunded accrued liability.

Please note that the amounts shown below for the 2006 fiscal year represent the actual amounts appropriated by the City for the 2006 fiscal year and were taken from the 1/1/2004 valuation report.

FISCAL YEAR	UNFUNDED ACCRUED LIABILITY	NORMAL COST	AMORTIZATION PAYMENT	TOTAL PAYMENT
2006	121,397,088	2,598,485	7,674,871	10,273,356
2007	122,976,445	2,533,041	7,878,773	10,411,814
2008	124,466,092	2,659,693	8,233,318	10,893,011
2009	125,699,231	2,792,678	8,603,817	11,396,495
2010	126,638,433	2,932,312	8,990,989	11,923,301
2011	127,242,519	3,078,927	9,395,584	12,474,511
2012	127,466,217	3,232,874	9,818,385	13,051,259
2013	127,259,804	3,394,517	10,260,212	13,654,729
2014	126,568,711	3,564,243	10,721,922	14,286,165
2015	125,333,097	3,742,455	11,204,408	14,946,863
2016	123,487,383	3,929,578	11,708,606	15,638,184
2017	120,959,755	4,126,057	12,235,494	16,361,551
2018	117,671,620	4,332,360	12,786,091	17,118,451
2019	113,537,013	4,548,978	13,361,465	17,910,443
2020	108,461,962	4,776,427	13,962,731	18,739,158
2021	102,343,796	5,015,248	14,591,054	19,606,302
2022	95,070,397	5,266,010	15,247,651	20,513,661
2023	86,519,385	5,529,311	15,933,796	21,463,107
2024	76,557,243	5,805,776	16,650,816	22,456,592
2025	65,038,364	6,096,065	17,400,103	23,496,168
2026	51,804,018	6,400,868	18,183,108	24,583,976
2027	36,681,241	6,720,912	19,001,348	25,722,260
2028	19,481,623	7,056,957	19,856,408	26,913,365
2029	0	7,409,805	0	7,409,805

SECTION VII - ACCOUNTING INFORMATION

Information required under Statement No. 25 of Governmental Accounting Standard Board (GASB) is shown below:

	<u>Normal Cost as of January 1, 2005</u>	<u>Percentage of Payroll</u>
Normal cost for the employees	\$ 5,503,604	7.90%
Normal cost for the City	<u>2,277,537</u>	<u>3.27</u>
Total	\$ 7,781,141	11.17%

Actuarial Accrued Liability as of January 1, 2005

Total actuarial liability	
Present active members	\$ 161,860,643
Present retired members and beneficiaries	<u>199,219,693</u>
Total	\$ 361,080,336
Actuarial value of assets	<u>(244,265,934)</u>
Unfunded actuarial accrued liability	\$ 116,814,402

SCHEDULE OF FUNDING PROGRESS

\$000

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b)-(a)]/(c)
January 1, 1999	176,284	239,946	63,662	73.5%	50,845	125%
January 1, 2000	201,766	256,096	54,330	78.8%	54,975	99%
January 1, 2001	219,102	268,660	49,558	81.6%	60,769	82%
January 1, 2002	228,239	306,123	77,884	74.6%	61,438	127%
January 1, 2003	227,126	338,172	111,046	67.2%	64,636	172%
January 1, 2004	233,888	350,688	116,800	66.7%	68,327	171%
January 1, 2005	244,266	361,080	116,814	67.6%	69,702	168%

SCHEDULE A

RESULTS OF THE VALUATION AS OF JANUARY 1, 2005

The results below were developed as of July 1 and not January 1 since the City's fiscal year begins on July 1. These amounts were determined by adjusting the appropriate 1/1/2005 amounts to reflect the passage of six months of time.

Normal Cost as of July 1, 2005

Sum of individual normal costs	\$ 8,086,399
Anticipated employee contributions	<u>(5,719,513)</u>
Total City normal cost	\$ 2,366,886

Actuarial Accrued Liability as of July 1, 2005

Total actuarial liability	
Present active members	\$ 168,210,514
Present inactive members	2,998,327
Present retired members and beneficiaries	<u>204,036,852</u>
Total	\$ 375,245,693
Assets	<u>(253,848,605)</u>
Unfunded actuarial accrued liability	\$ 121,397,088

SCHEDULE B

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

GENERAL EMPLOYEES

VALUATION INTEREST RATE: 8% per annum, compounded annually, net of expenses.

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal and vesting, disability, death and service retirement are as follows:

Annual Rates of

Age	Disability	Death		Service Retirement		Year	Salary Scale	Years of Service	Rates of Withdrawal
		Male	Female	Male	Female				
25	.02%	.04%	.02%			2005	3.00%	0	15.0%
30	.03	.04	.03			2006	3.00	1	12.0%
35	.06	.08	.05			2007	3.00	2	10.0%
40	.10	.11	.07			2008	3.00	3	9.0%
45	.15	.15	.11			2009	4.00	4	8.0%
50	.19	.21	.17	1.0%	1.5%	2010	4.00	5	7.6%
55	.24	.30	.25	2.0	5.5	2011	4.00	10	5.4%
60	.28	.49	.39	12.0	5.0	2012	4.00	15	3.3%
62	.30	.59	.47	30.0	15.0	2013+	4.75	20	2.0%
65	.30	.76	.58	40.0	15.0			25	1.0%
69		.95	.73	30.0	20.0			30+	0.0%

COST-OF-LIVING ADJUSTMENTS: Retirement benefits were assumed to increase annually by 3%, up to a maximum of \$360.

DEATHS AFTER RETIREMENT: The RP-2000 Healthy Annuitant Table. For the period after disability retirement, the RP-2000 Healthy Annuitant Table set forward 2 years is used.

LOADING OR CONTINGENCY RESERVE: None.

ACTUARIAL COST METHOD: Individual entry-age-normal cost method.

ASSET VALUATION METHOD: Valuation assets equal preliminary asset value plus 25% of the difference between market value and preliminary asset value. Preliminary asset value is the previous years' valuation asset amount increased by net cash flow and expected investment income. The result must be within 20% of market value.

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

POLICE AND FIRE

VALUATION INTEREST RATE: 8% per annum, compounded annually, net of expenses.

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of disability, death and service retirement are as follows:

Annual Rates of

Age	Disability	Death		Service Retirements	Year	Salary Scale	Years of Service	Rates of Withdrawal
		Male	Female					
25	0.20%	.04%	.02%		2005	3.00%	0	1.5%
30	0.30	.04	.03		2006	3.00	1	1.5
35	0.30	.08	.05		2007	3.00	2	1.5
40	0.30	.11	.07		2008	3.00	3	1.5
45	1.00	.15	.11	1.0%	2009	4.00	4	1.5
50	1.25	.21	.17	2.0	2010	4.00	5	1.5
55	1.20	.30	.25	15.0	2011	4.00	6	1.5
60	0.85	.49	.39	20.0	2012	4.00	7	1.5
62	0.75	.59	.47	25.0	2013+	5.25	8	1.5
65	0.00	.76	.58	100.0			9	1.5
69		.95	.73				10	1.5
							11+	0.0

COST-OF-LIVING ADJUSTMENTS: Retirement benefits were assumed to increase annually by 3%, up to a maximum of \$360.

DEATHS AFTER RETIREMENT: The RP-2000 Healthy Annuitant Table. For the period after disability retirement, the RP-2000 Healthy Annuitant Table set forward 2 years is used.

LOADING OR CONTINGENCY RESERVE: None.

ACTUARIAL COST METHOD: Individual entry-age-normal cost method.

ASSET VALUATION METHOD: Valuation assets equal preliminary asset value plus 25% of the difference between market value and preliminary asset value. Preliminary asset value is the previous years' valuation asset amount increased by net cash flow and expected investment income. The result must be within 20% of market value.

SCHEDULE C

SUMMARY OF SYSTEM PROVISIONS AS INTERPRETED FOR VALUATION PURPOSES

A summary of the main provisions of the Retirement System, as interpreted for the valuation, is presented below.

MEMBERSHIP

The terms “Group 1” and “Group 4” are used to denote “general employees” and “police and fire”, respectively.

BENEFITS

Final Average Salary (FAS)	The average of a member’s 3 highest consecutive years’ compensation.
Superannuation Retirement	
Eligibility	Age 65 for Group 1; Age 55 for Group 4. Maximum retirement age is 70 for Group 1 and 65 for Group 4.
Allowance	2.5% per year of service times FAS. Veterans receive additional \$15 annually per year of service to a maximum addition of \$300 annually. Maximum allowance is 80% of FAS plus the additional allowance for veterans.

Early Retirement

Eligibility	20 years of service.
Allowance	Calculated as a superannuation retirement allowance (including veteran's benefits) except accrual rate is equal to 2.5% reduced by .1% for each year age at retirement is below either 65 for Group 1 or 55 for Group 4.

The minimum allowance after 30 years of service is equal to:

- (1) An annuity which is the actuarial equivalent of member's accumulated deductions; and
- (2) A pension equal to 1/3 of FAS and any veteran's benefits as described under superannuation retirement.

Vested Retirement

Eligibility	10 years of service, reduced to 6 years for certain involuntary terminations.
Allowance	A superannuation retirement allowance commencing at age 55 or later for Group 1 members and age 45 or later for Group 4 members, where the accrual rate is determined by the age of the member at the time the allowance commences.

Ordinary Disability

Eligibility	10 years of service
Allowance	An immediate allowance equal to the age 55 rate for Group 1 members or age 45 rate for Group 4 members per year of service times FAS.

Veterans receive an allowance equal to:

- (1) An annuity which is the actuarial equivalent of their accumulated deductions; and
- (2) A pension which is the greater of 50% of current salary and the service retirement allowance to which they are eligible, if any.

Accidental Disability

Eligibility None.

Allowance An immediate allowance equal to:

- (1) An annuity which is the actuarial equivalent of the member's accumulated deductions; and
- (2) A pension equal to 72% of current salary; and
- (3) A supplement equal to \$543.12 per year per child under 18.

The maximum total allowance is 100% of current salary.

Accidental Death Benefit

Eligibility None.

Allowance An immediate allowance equal to:

- (1) A lump sum payment equal to the accumulated deductions at death; and
- (2) A pension equal to 72% of current salary and payable to the surviving spouse, dependent children, or the dependent parents; and
- (3) A supplement of \$312 per year per child payable to the spouse or legal guardian until all children reach age 21, unless handicapped.

The maximum total allowance is 100% of current salary.

Death in Active Service

Eligibility

None

Allowance

An immediate allowance that would have been payable had the member retired and elected Option C on the day before his death. For death occurring prior to the minimum superannuation retirement age, the age 55 and age 45 accrual rates are used, respectively, for Group 1 and Group 4 members.

For members with at least 2 years of service at death, the surviving spouse receives a minimum allowance of \$250 per month and an additional allowance equal to \$1,440 per year for the first child and \$1,080 per year for each additional child.

The maximum total allowance is 100% of salary at the date of death.

Normal Form of Benefit

Reduced modified cash refund annuity.

Forms of Benefit

- (A) Life annuity.
- (B) Modified cash refund annuity.
- (C) 66 2/3% joint and survivor allowance.

Post-Retirement Adjustments

3% on the first \$12,000 of annual benefit.

Member Contributions

Members contribute a percentage of annual regular compensation in accordance with their respective dates of hire, as shown below:

<u>Date of Hire</u>	<u>Rate of Contribution</u>
Prior to January 1, 1975	5%
On or after January 1, 1975	7%
On or after January 1, 1984	8%
On or after July 1, 1996	9%

Members hired on or after January 1, 1979 contribute an additional 2% of compensation in excess of \$30,000.

City Contributions

The City contributes the balance of the amounts necessary to fund the benefits provided by the System.

SCHEDULE D - MEMBERSHIP DATA

TABLE 1

**THE NUMBER AND ANNUAL COMPENSATION OF ACTIVE MEMBERS
DISTRIBUTED BY FIFTH AGE AND SERVICE
AS OF JANUARY 1, 2005**

	<i>0-4</i>		<i>5-9</i>		<i>10-14</i>		<i>15-19</i>		<i>20-24</i>		<i>25-29</i>		<i>30-34</i>		<i>35-39</i>		<i>40 and over</i>		<i>TOTAL</i>	
	<i>Salary</i>	<i>No.</i>	<i>Salary</i>	<i>No.</i>	<i>Salary</i>	<i>No.</i>	<i>Salary</i>	<i>No.</i>	<i>Salary</i>	<i>No.</i>	<i>Salary</i>	<i>No.</i>	<i>Salary</i>	<i>No.</i>	<i>Salary</i>	<i>No.</i>	<i>Salary</i>	<i>No.</i>	<i>Salary</i>	<i>No.</i>
<i>20-24</i>	2,745,980	123	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,745,980	123
<i>25-29</i>	5,507,211	190	540,067	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,047,278	201
<i>30-34</i>	3,568,367	105	2,048,811	41	110,529	3	37,087	1	0	0	0	0	0	0	0	0	0	0	5,764,794	150
<i>35-39</i>	2,394,902	62	2,165,619	47	905,184	18	807,072	16	85,978	2	0	0	0	0	0	0	0	0	6,358,755	145
<i>40-44</i>	1,733,255	64	1,533,760	40	921,330	18	2,678,938	53	744,861	13	0	0	0	0	0	0	0	0	7,612,144	188
<i>45-49</i>	1,922,952	75	1,347,192	36	921,280	20	2,842,986	58	2,653,723	45	827,764	14	120,924	3	0	0	0	0	10,636,821	251
<i>50-54</i>	1,833,367	61	1,696,434	46	1,023,568	26	1,572,516	36	1,442,225	25	2,264,266	41	1,360,098	27	123,072	2	0	0	11,315,546	264
<i>55-59</i>	969,448	31	1,365,340	38	1,036,126	26	1,261,268	29	1,064,259	21	1,887,264	32	2,917,656	49	888,740	20	0	0	11,390,101	246
<i>60-64</i>	356,165	10	686,422	22	474,480	15	900,262	22	704,514	17	512,655	11	552,591	9	632,100	10	129,705	3	4,948,894	119
<i>65-69</i>	0	0	315,574	7	298,438	7	529,326	14	289,345	7	179,605	5	233,785	5	106,713	3	133,020	3	2,085,806	51
<i>70 and over</i>	29,570	1	27,956	2	48,017	1	147,060	5	95,432	2	99,700	2	55,774	2	81,036	2	211,308	4	795,853	21
<i>TOTAL</i>	21,061,217	722	11,727,175	290	5,738,952	134	10,776,515	234	7,080,337	132	5,771,254	105	5,240,828	95	1,831,661	37	474,033	10	69,701,972	1,759

TABLE 2
 THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES
 OF PENSIONERS AND BENEFICIARIES PAID DIRECTLY BY THE CITY
 CLASSIFIED BY AGE
 AS OF JANUARY 1, 2005

Age	Service Retirements		Disability Retirements		Beneficiaries	
	Number	Annual Pension	Number	Annual Pension	Number	Annual Pension
Under 20	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0
30 - 34	0	0	0	0	1	6,452
35 - 39	0	0	1	14,121	2	8,915
40 - 44	0	0	6	202,641	3	30,097
45 - 49	1	23,480	8	213,971	2	30,415
50 - 54	6	172,031	13	364,318	4	61,145
55 - 59	62	1,817,865	28	850,097	13	157,631
60 - 64	89	2,196,184	21	591,562	25	358,894
65 - 69	119	2,923,005	23	574,335	31	393,481
70 - 74	134	2,496,451	24	469,819	40	430,899
75 - 79	180	2,818,630	14	268,304	52	557,166
80 - 84	143	1,600,881	5	102,180	68	593,939
85 - 89	63	467,461	4	57,415	31	235,208
90 - 94	35	247,428	1	15,054	22	117,020
95 - 99	5	21,085	0	0	3	21,565
100 and over	0	0	0	0	0	0
Total	837	14,784,501	148	3,723,817	297	3,002,827

Amount shown excludes cost-of-living adjustments implemented after July 1, 1981 and prior to July 1, 1998.

SCHEDULE E

PROJECTION OF EXPECTED PENSION PAYMENTS

YEAR	AMOUNT*	YEAR	AMOUNT*
2005	23,513,331	2030	43,589,761
2006	24,855,363	2031	43,634,562
2007	26,037,377	2032	43,647,492
2008	27,144,977	2033	43,538,634
2009	28,337,752	2034	43,366,042
2010	29,510,775	2035	43,147,967
2011	30,651,995	2036	42,911,698
2012	31,761,352	2037	42,524,156
2013	32,883,647	2038	41,951,494
2014	33,896,608	2039	41,335,862
2015	34,877,854	2040	40,628,475
2016	35,891,518	2041	39,840,209
2017	36,857,314	2042	38,963,979
2018	37,795,497	2043	38,061,011
2019	38,650,811	2044	37,020,585
2020	39,428,828	2045	35,827,570
2021	40,129,086	2046	34,538,546
2022	40,773,659	2047	33,170,376
2023	41,300,285	2048	31,732,686
2024	41,798,360	2049	30,229,757
2025	42,239,986	2050	28,704,561
2026	42,607,488	2051	27,126,327
2027	42,973,282	2052	25,536,795
2028	43,183,831	2053	23,897,571
2029	43,412,575	2054	22,262,454

The projected expected benefit payments shown above are for active and retired participants currently in the Newton Retirement System. Possible benefit payments payable to future employees of the City of Newton are not reflected in these projections.

* This number includes only those benefits attributable to Newton service that are paid directly by the City.