

February 1996

PUBLIC PENSIONS

Summary of Federal Pension Plan Data





United States
General Accounting Office
Washington, D.C. 20548

Accounting and Information
Management Division

B-261187

February 16, 1996

The Honorable Nancy L. Johnson
Chairman, Subcommittee on Oversight
Committee on Ways and Means
House of Representatives

The Honorable Sam M. Gibbons
Ranking Minority Member
Committee on Ways and Means
House of Representatives

This report is one in a series of three reports that address your request that we review the status of public pension plan funding. This report specifically addresses your request that we provide summary data on federal government pension plans. The other two reports in the series address state and local government pension plans.¹ As agreed, in this report, we focused on federally sponsored defined benefit and defined contribution plans subject to the reporting requirements of Public Law 95-595.

We obtained data from these plans related to participation, general benefit provisions, funding status, and investments. Profiles of each plan, which summarize the principal financial, actuarial, and general information as reported by the plan administrators for the most recent year available, are included in appendix I (for defined benefit plans) and appendix II (for defined contribution plans). Selected financial and participant data for the pension plans are presented in appendix III. A glossary of pension terms is included after the appendixes. The information in appendixes I through III was provided by the plan administrators, primarily in the annual reports under Public Law 95-595. We noted that the information provided by the plan administrators often varied in the extent of details presented. Accordingly, appendixes I through III provide general information only and do not include details necessary for making specific comparisons among plans. This limitation is discussed further in the scope and methodology section.

Background

Pension plans defer compensation from working years to retirement years. There are two major types of pension plans. A defined benefit plan

¹See Public Pensions: Section 457 Plans Pose Greater Risk Than Other Supplemental Retirement Plans (GAO/HEHS-96-38) and Public Pensions: Extent of State and Local Governments Undercontributing to Underfunded Plans (GAO/HEHS-96-56).

specifies a formula for computing benefits payable at retirement based on age, length of plan participation, and earnings history. A defined contribution plan provides a framework within which the employer and/or employees contribute to individual worker accounts. The balance in this account at retirement, reflecting contributions plus investment income, constitutes the source of retirement benefits from a defined contribution plan. Put simply, a defined benefit plan specifies benefits, and a defined contribution plan specifies contributions.

The Employee Retirement Income Security Act (ERISA) of 1974 requires annual financial and actuarial reporting by most private pension plans. Public Law 95-595, 31 U.S.C. 9501-9504, enacted on November 4, 1978, extended financial and actuarial reporting requirements to federal government pension plans. The Comptroller General and the Office of Management and Budget (OMB) jointly prescribe the form and content of the annual pension plan reports under Public Law 95-595. The reports are due 210 days after the last day of each plan's fiscal year and are to be sent to the Congress and the General Accounting Office.

Public Law 95-595 defines the term "government pension plan" to mean a pension, annuity, retirement, or similar plan established or maintained by an agency for any of its officers or employees, regardless of the number of participants. The plans subject to Public Law 95-595 fall into three general categories: agency plans, nonappropriated fund activity plans, and federal reserve and farm credit plans. Agency plans cover employees of executive, legislative, and judicial organizations that are generally recognized as agencies and are generally funded by annual appropriations. Nonappropriated fund activity plans cover employees of organizations, such as post exchanges and commissaries, that provide morale, welfare, and recreation services to military components. In large part, these organizations are designed to be self-sufficient and operate with revenues generated from their activities. Finally, the federal reserve and farm credit plans cover employees of federal reserve and farm credit system entities, which also operate with revenues generated from their activities.

Results in Brief

Highlights of the most recent federal government pension plan filings include the following.

- More than 10 million individuals were enrolled in 34 defined benefit plans, and 2.2 million individuals were enrolled in 17 defined contribution plans.

Generally, employees participated in defined contribution plans to supplement retirement benefits they earned under defined benefit plans.

- Federal government defined benefit plans provide retirement, survivor, and disability benefits to their participants. As of the latest plan filings, participants in the defined benefit plans had accumulated more than \$1.2 trillion in total retirement benefits. The retirement benefit provisions of the different plans vary significantly. Total retirement benefits depend heavily on factors such as age and salary at retirement, years of service, and eligibility for Social Security benefits.
- Differences exist in the funding of federal government defined benefit plans. Most agency plans have trust funds to account for government and employee contributions, investments, and benefits paid. The agency trust funds, with one exception, invest in special issue Treasury securities, which are nonmarketable. The Treasury must obtain the necessary money through tax receipts or borrowing to pay plan benefits to annuitants when those benefits are due. This financing approach enables the federal government to defer obtaining the money until it is needed to pay the benefits.

Most agency plans are underfunded—that is, the estimated obligation for benefits exceeds plan assets. However, of the largest federal pension programs, the Federal Employees' Retirement System is fully funded or nearly fully funded under different actuarial measures, and statutory provisions for the future elimination of the unfunded benefit obligations of the Civil Service Retirement System and the Military Retirement System have already been enacted.

The provisions for eliminating these unfunded liabilities will provide sufficient budget authority to cover the future benefit payments but will not reduce the federal government's liability for the benefit obligations because the plan assets are invested in special issue Treasury securities, as are assets of other federal trust funds. Because the plan assets are invested in this way, whether this obligation is funded or unfunded has no effect on current budget outlays. Also, the plan's obligation is not a measure of the government's ability to pay retirement benefits in the future.

A primary effect of not fully funding most agency pension plans is that the agencies' budgets have not included the full cost of the pensions. Because contributions to most agency plans, under applicable requirements, have covered less than the full accruing cost of retirement benefits to covered

employees, the agencies' budgets have not reflected the full cost of government programs.

The nonappropriated fund activity and federal reserve and farm credit defined benefit plans have generally set aside money or marketable securities in trust funds that would be sufficient to fully fund their estimated accumulated benefit obligations.

By definition, because defined contribution plans do not specify the retirement benefits an individual will receive, the obligation to pay benefits is limited to contributions made and any earnings on those contributions. As of the latest plan filings, the 17 defined contribution plans had investment balances totaling more than \$28 billion, of which \$26 billion was held by the Thrift Savings Plan. The Plan invests employee designated contributions to its government securities fund in special-issue Treasury securities under the financing approach used for agency defined benefit plans. Therefore, the Treasury must obtain the necessary money through tax receipts or borrowing to pay plan benefits to these employees.

Participants in Federal Pension Plans

The agencies, nonappropriated fund activities, and federal reserve and farm credit entities offer 34 defined benefit pension plans, which cover more than 10 million current employees, separated employees entitled to benefits, and retirees. Fifteen of the 34 defined benefit plans are agency plans. Nonappropriated fund activities and federal reserve and farm credit entities operate the other 19. Specifically, nonappropriated fund activities have 8 defined benefit plans for civilian employees who provide services to the Army, Navy, Air Force, Marines, and Coast Guard; the Federal Reserve System has a defined benefit plan for employees of the federal reserve banks and the Board of Governors; and the Farm Credit System² has 10 defined benefit plans for employees of the various district banks. Approximately 5.8 million active employees participate in the 34 federal government defined benefit plans. In addition, the plans provide benefits to 4.1 million annuitants, and another 119,000 separated employees are entitled to deferred retirement benefits.

The defined benefit plans range in number of participants from the Civil Service Retirement and Disability Fund (CSRDF), with 5.2 million participants, to several plans which have fewer than 25 participants. Participants in the two largest plans, CSRDF and the Military Retirement

²The Farm Credit System is a congressionally chartered nationwide network of cooperatively owned banks and their related associations that provides billions of dollars of credit and services to eligible farmers, ranchers, producers, cooperatives, and others in rural America.

System, constitute 97 percent of participants in the 34 federal defined benefit plans. CSRDF consists of the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS). The Congress closed CSRS to new participants at the end of 1983, and employees hired since 1983 generally are covered by FERS.³ Appendix III, table 1, lists the number of participants for each of the defined benefit plans.

The federal government also offers defined contribution plans, generally to supplement the deferred compensation employees earn under defined benefit plans. According to the most recent pension plan filings, 2.2 million individuals participate in 17 defined contribution plans sponsored by agencies, nonappropriated fund activities, and federal reserve and farm credit entities. The largest federal defined contribution plan is the Thrift Savings Plan, which has 2.1 million participants, or 97 percent of the participants enrolled in federal government defined contribution plans. Appendix III, table 5, lists the number of participants for each of the defined contribution plans.

Retirement Benefits

The vast majority of defined benefit plans sponsored by the federal government offer retirement, survivor, and disability benefits to their participants. As of the most recent plan filings, participants in the 34 defined benefit plans had accumulated more than \$1.2 trillion in total retirement benefits, the vast majority in the 15 agency plans. The various federal government plans provide significantly different retirement benefits to their members, depending on factors such as age and salary at retirement, years of service, election of survivor annuities, and cost-of-living adjustments. In addition, some defined benefit plans are supplemented with defined contribution plans and Social Security benefits, and others are not. Certain defined benefit plans provide different levels of benefits for different employee groups.⁴

A general description of basic retirement benefits for each of the federal defined benefit plans is provided in the plan profiles in appendix I. These descriptions provide general information only and do not include details for determining or comparing actual benefit amounts. Actual benefit

³The retirement program covering most federal civilian employees was reformed with the establishment of FERS, which differs significantly from CSRS. The history of CSRS and FERS, as well as an overview of each, is described in Overview of Federal Retirement Programs (GAO/T-GGD-95-172, May 22, 1995).

⁴For example, CSRS and FERS provide different levels of benefits for law enforcement officers and firefighters, air traffic controllers, congressional staff, members of the Congress, and general employees.

amounts for individual defined benefit plan participants may differ significantly as a result of early retirement, disability benefits, survivor benefit elections, and other factors applicable to specific circumstances.

The majority of federal government defined contribution plans provide employer matches to employee contributions. Contribution percentages for each of the defined contribution plans are listed in the plan profiles in appendix II and are summarized in appendix III, table 5.

Funding of Plans

Differences exist in the funding of federal government defined benefit plans. Of these 34 plans, 28 use trust funds, while 6 of the agency plans are referred to as pay-as-you-go plans. Trust funds are separate accounting entities established to account for government and employee contributions, investments, and benefits paid. The pay-as-you-go plans do not have trust funds to accumulate assets to pay plan benefits. For these six plans, benefits are paid to annuitants from appropriations in the year in which the benefits are due.

Trust funds for agency defined benefit plans, with the exception of the Tennessee Valley Authority (TVA), invest in special issue Treasury securities, which are nonmarketable.⁵ The primary purpose of the trust funds is not to provide a source of cash for the government to pay benefits, but to provide budget authority to allow the Treasury to disburse monthly annuity checks without annual appropriations. Because these securities represent assets of the trust funds and offsetting liabilities of the Treasury, under accounting procedures, the trust fund assets are eliminated in the governmentwide financial statements. Accordingly, these trust fund assets are not included in the governmentwide financial statements, which include the federal government's \$1.2 trillion liability for the benefit obligations of the 15 agency plans.

The defined benefit plans of the nonappropriated fund activities and federal reserve and farm credit entities, as well as TVA, use trust funds to set aside money or marketable assets during employees' working years for the accruing cost of their retirement benefits.

A defined benefit pension plan's status as fully funded or underfunded is determined by comparing its net assets to the actuarial present value of its benefit obligations. The agency defined benefit plans generally are

⁵Most assets of the agency plans are required by law to be invested in U.S. government obligations. In addition to assets of the agency plans, most assets of the Social Security trust fund and various other federal insurance and trust funds are invested in nonmarketable special issue Treasury securities.

underfunded—that is, the present value of benefit obligations exceeds plan assets. As discussed more fully in the retirement system financing section below, statutory provisions are in place for the future elimination of the unfunded benefit obligations of CSRS and the Military Retirement System.

A principal effect of not fully funding most agency pension plans is that agencies' budgets have not included the full cost of the pensions. Because contributions to most agency plans, under applicable requirements, have covered less than the full accruing cost of retirement benefits to covered employees, the agencies' budgets have not reflected the full cost of government programs.⁶

The defined benefit plans of the nonappropriated fund activities and the federal reserve and farm credit entities, as well as TVA, have generally contributed amounts sufficient to set aside money or marketable assets in trust funds to fully fund their estimated accumulated benefit obligations.

Measures of Plan Funding

One measure of a defined benefit pension plan's obligation for benefits is represented by the present value of accrued benefits. This actuarial measure is referred to as the Accumulated Benefit Obligation. It applies to private sector defined benefit plans in accordance with Statement of Financial Accounting Standards No. 35 and also was used in the federal government's prototype governmentwide financial statements for fiscal year 1993. It reflects all accrued benefits due under the plan as if the entity ceased as a going concern. The Accumulated Benefit Obligation is a "static" measure because it does not consider anticipated pay increases, cost-of-living adjustments, or future contributions.

Another measure of benefit obligations is represented by the present value of future benefits, net of the present value of future normal cost contributions. This actuarial measure is referred to as the Actuarial Accrued Liability. It is a "dynamic" measure because it considers estimated future service and salary changes, as well as the present value of future normal cost contributions. The Federal Accounting Standards Advisory Board issued an exposure draft entitled Accounting for Liabilities of the Federal Government (November 7, 1994). Its provisions would

⁶This matter is discussed further in Overview of Federal Retirement Programs (GAO/T-GGD-95-172, May 22, 1995) and Federal Retirement System Financing (GAO/T-GGD-95-197, June 28, 1995).

require that the Actuarial Accrued Liability of federal government defined benefit plans be reflected in federal government financial statements.⁷

Retirement System Financing

For the most recent plan filings, 21 of the 34 federal government defined benefit plans—3 of the 15 agency plans and 18 of the 19 plans sponsored by the nonappropriated fund activities and federal reserve and farm credit entities—were fully funded under the static Accumulated Benefit Obligation measure. Those filings also indicate that 15 of the 34 plans—5 agency plans and 10 others—were fully funded under the dynamic Actuarial Accrued Liability measure. Of the largest federal pension programs, FERS is fully funded under the Accumulated Benefit Obligation measure and nearly fully funded under the Actuarial Accrued Liability measure, and statutory provisions for the future elimination of the unfunded benefit obligations of CSRS⁸ and the Military Retirement System have already been enacted. Under current law, the government will amortize its unfunded actuarial accrued liabilities by increasing the amount of special issue government securities issued by the Treasury to the trust funds. (See footnote 5.)

The special issue Treasury securities represent that portion of estimated future retirement benefit obligations of the agency defined benefit plans that the government has recognized on paper by providing budget authority to cover future benefit payments. The unfunded obligation of an agency plan is that portion of estimated future benefit obligations that has no paper backing in the form of special issue Treasury securities. Therefore, because special issue Treasury securities are used, whether the obligation is funded or unfunded has no effect on current budget outlays. Also, the obligation is not a measure of the government's ability to pay retirement benefits in the future. The Treasury must obtain the necessary money through tax receipts or borrowing to pay plan benefits to annuitants when those benefits are due for plans having trust funds invested in special issue Treasury securities and for pay-as-you-go plans.

⁷The Federal Accounting Standards Advisory Board exposure draft would prescribe the use of the aggregate entry age normal actuarial cost method, or a method which produces similar results, in calculating the Actuarial Accrued Liability. In addition, its provisions would require that assets of federal pension plans be carried at cost, adjusted for amortization, if appropriate.

⁸The statute which established FERS provided for appropriations to amortize over 30 years the shortfall in the fund supporting CSRS and FERS. FERS was designed to require contributions sufficient to fund the full accruing cost of all its benefits.

This financing approach enables the federal government to defer obtaining the money until it is needed to pay the benefits.⁹

Appendix III, table 3, lists the Accumulated Benefit Obligation for each defined benefit plan. Appendix III, table 4, lists the Actuarial Accrued Liability, and the plan profiles in appendix I describe the applicable provisions for eliminating unfunded benefit obligations.

By definition, because defined contribution plans do not specify the retirement benefits an individual will receive, their obligation to pay benefits is limited to the contributions made by or on behalf of each individual and any earnings on those contributions.

Retirement System Investing

The 15 federal agency defined benefit plans have a total of \$464 billion in investments, the vast majority of which are required by law to be invested in U.S. government obligations. These investments consist primarily of nonmarketable special issue U.S. Treasury securities, as described in the preceding sections.

The defined benefit plans of the nonappropriated fund activities and federal reserve and farm credit entities reported that they are not restricted to investments in government obligations. The plans of these 19 entities have a combined investment portfolio of \$7 billion, of which 88 percent is invested in assets other than U.S. government obligations. The investments consist primarily of corporate stocks and bonds. Appendix III, table 2, lists the investments of each defined benefit plan.

Assets in the 17 federal government defined contribution plans are primarily invested in various marketable stock, bond, and government security funds. Investments in these 17 plans totaled more than \$28 billion as of the latest plan filings, of which \$26 billion was held by the Thrift Savings Plan. The Thrift Savings Plan invests employee designated contributions to the plan's government securities fund in special issue Treasury securities. Under this financing approach, which is used for the agency defined benefit plans as described in the preceding section, the Treasury must obtain the necessary money through tax receipts or borrowing to pay plan benefits when those benefits are due. However, for the Thrift Savings Plan, budget outlays are recorded for employer and employee contributions as they are made each pay period. Outlays are

⁹For more detail on how the government finances federal retirement, see [Federal Retirement System Financing](#) (GAO/T-GGD-95-197, June 28, 1995).

recorded because the Thrift Savings Plan is not included in the U.S. budget, unlike agency defined benefit plans.¹⁰ Appendix III, table 5, lists the total investment balance for each federal government defined contribution plan.

Scope and Methodology

To summarize information on pension plans of the federal government, we reviewed the most recent filings by 51 federal pension plans under Public Law 95-595 received as of the end of our fieldwork, July 21, 1995, including several small plans which had not previously filed. In addition, we contacted the plan administrators to obtain additional plan data pertaining to Social Security coverage, investment restrictions, and financial statement audits. Under Public Law 95-595, the plan filings are not due until 210 days after the plan's fiscal year-end. Therefore, the most recent plan filing available for most plans was the plan year ending in 1993. Accordingly, legislative initiatives or other subsequent events not included in the information received through July 21, 1995, are not reflected in this report or accompanying appendixes.

Also, we consulted with OMB to verify that it had not received filings for additional federal government pension plans. Finally, certain federal benefit programs are excluded from this report because they are not subject to the disclosure requirements of Public Law 95-595. The Central Intelligence Agency pension plan, as well as Social Security and Railroad Retirement benefits, are excluded from the requirements of Public Law 95-595. In addition, the monetary allowance provided to former Presidents is not covered.

The Department of Veterans Affairs does not file reports under Public Law 95-595 for its Veterans Compensation and Pension Programs. Veterans and their dependents receive compensation benefits for service connected disabilities or death and pension benefits for nonservice connected disabilities or death. Neither the entitlement to nor the amount of compensation and pension benefits is based on age and length of service. Rather, compensation and pension benefits are based on the occurrence of specified events. In addition, benefits for nonservice connected disabilities or death are subject to specific income limitations. Thus, the Compensation and Pension Programs differ significantly from the defined benefit plans for which reports are filed under Public Law 95-595.

¹⁰This matter is discussed in detail in a May 29, 1987, letter (B-227344) to Representative Willis D. Gradison, Jr., in which we concluded that the Thrift Savings Plan should not be included in the budget.

Several limitations exist in the summary information presented in the report. The summary of pension plan data is a compilation we prepared from the plan reports and additional plan data provided by the plan administrators. We did not independently verify the information in the plan reports and additional data that the plan administrators provided to us and we do not assure their accuracy on matters of fact or law. Except where indicated in the pension plan profiles in appendixes I and II, the plan financial reports were not audited by independent auditors.¹¹ In addition, where plans had multiple retirement provisions for certain specialized employees, we listed the retirement benefits provided to the majority of the plan participants.

The projections in the plan profiles and tables are highly dependent on the actuarial cost method and the actuarial assumptions used. Several acceptable actuarial cost methods exist. The actuarial assumptions vary by plan because they are based on the best estimate of anticipated experience under the plan made by each plan actuary. These assumptions can have a significant impact on estimates of future costs.

In addition, we found that the information provided by plan administrators often varied in the extent of details presented. For example, some plan filings described all significant economic assumptions used in the actuarial valuations, but others provided fewer details about the assumptions. In some cases, because some plans provided more extensive information than others, it might appear that such information was not applicable to the plans which provided less information. That is not always the case. For example, the provisions of the Military Retirement System are substantially the same as those of the separate Coast Guard Military Retirement System, Public Health Service Commissioned Corps Retirement System, and the National Oceanic and Atmospheric Corps Retirement System. Because the administrators of each plan described some provisions of the plan differently, the fact that the provisions are actually the same may not always be apparent.

Similarly, the extent of financial and cost information provided by the plans varied. For example, the Retirement Annuity Plan for Employees of the Army and Air Force Exchange (Exchange Service plan) provides substantially the same benefits as the Civil Service Retirement System, except that Exchange Service plan benefits are reduced by a “Social

¹¹As indicated in appendix I, certain financial statements of the two largest plans, the Civil Service Retirement and Disability Fund and the Military Retirement System, have been audited.

Security offset.”¹² The normal cost reported for the CSRS is 25.14 percent of salary, whereas the Exchange Service plan reported normal cost of 9.81 percent of salary. Part of the difference in normal cost may be caused by differing economic assumptions used by the plans’ actuaries, but the primary reason for the difference is that employees in the Exchange Service plan are also covered by Social Security while CSRS employees are not. Thus, the offset provision cuts plan benefits and reduces plan costs accordingly. However, in order to compare the total costs of all benefits provided to participants covered by these two programs, additional details would be needed. For example, an erroneous conclusion might result unless the costs of providing Social Security benefits to Exchange Service employees were added to the reported plan costs; similarly, detailed information about the Social Security benefits to Exchange Service employees would be required in order to compare the benefits under these programs.

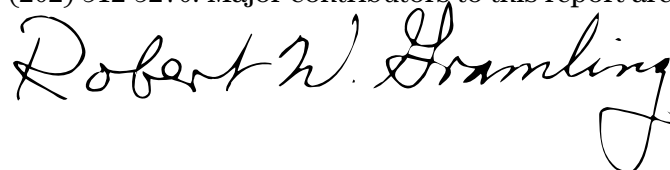
The scope of this report did not include analyzing and comparing the provisions of the various plans. However, we have been asked by the Chairman of the Senate Committee on Governmental Affairs to compare, in detail, the provisions of retirement programs for federal personnel. We will provide each of you a copy of the report on the results of that work when it is completed.

We conducted our review from April 1995 through August 1995 in accordance with generally accepted government auditing standards. We requested comments on drafts of each plan profile from the applicable plan officials. We incorporated those comments in the plan profiles as appropriate.

As agreed with your office, unless you announce its contents earlier, we plan no further distribution of this report until 30 days after its issue date. At that time, we will send copies of this report to the Director of the Office of Management and Budget and interested congressional committees. Copies will be made available to others on request.

¹²Under the offset provision, pension benefits are reduced by 75 percent of the Social Security benefits for retirees who worked 30 years under the plan.

If you or your staffs have any questions concerning this report, please contact me at (202) 512-9406 or H. Kent Bowden, Assistant Director, at (202) 512-5270. Major contributors to this report are listed in appendix IV.

A handwritten signature in black ink that reads "Robert W. Gramling". The signature is written in a cursive style with a large, looping initial "R" and a distinct "J" at the end.

Robert W. Gramling
Director, Corporate Audits
and Standards

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Abbreviations

CSRDF	Civil Service Retirement and Disability Fund
CSRS	Civil Service Retirement System
ERISA	Employee Retirement Income Security Act
FERS	Federal Employees' Retirement System
OMB	Office of Management and Budget
TVA	Tennessee Valley Authority

Federal Defined Benefit Pension Plan Profiles

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This appendix lists the principal financial, actuarial, and general terms for each of the 34 federal government defined benefit plans. The actuarial data include two presentations of the benefit obligation and the related funding status for each federal government defined benefit plan.

(1) Accumulated Benefit Obligation—Statement of Financial Accounting Standards (SFAS) No. 35, Accounting and Reporting by Defined Benefit Plans, prescribes the measure by which private sector defined benefit pension plans calculate the net present value of future benefit payments. Under this actuarial measure, the obligation for future benefits is primarily based on employees' history of pay and service up to the date that the obligation information is reported. The benefit obligation determined in accordance with SFAS 35 is referred to as the Accumulated Benefit Obligation. Comparing the assets available for plan benefits to the Accumulated Benefit Obligation (the actuarial present value of accumulated benefits, less assets available for benefits) yields one measure of plan funding. In appendix I, a zero or negative total (that is, net assets available for benefits equal or exceed the Accumulated Benefit Obligation) indicates that the plan is fully funded, and, as such, the assets of the plan would satisfy the actuarial present value of accumulated plan benefits if the entity were to cease operations.

(2) Actuarial Accrued Liability—Because it is assumed that the federal government will not cease as a going concern, a second actuarial measure of the obligation for future benefits is presented. It is referred to as the Actuarial Accrued Liability. The Federal Accounting Standards Advisory Board (FASAB),¹ issued an exposure draft, Accounting for Liabilities for the Federal Government, which would require the use of the Actuarial Accrued Liability for those federal government pension plans subject to FASAB standards. The Actuarial Accrued Liability represents the present value of benefits expected to be paid in the future to current employees and annuitants, net of the present value of future normal cost contributions expected to be made for and by current employees. It includes the projected future salary increases that reflect an estimate of the compensation levels of the individual employees involved (including future changes attributable to general price level, seniority, promotion, and other factors). Comparing the plan assets to the Actuarial Accrued Liability yields a second measure of plan funding. In appendix I, a zero or negative total (that is, plan assets equal or exceed the Actuarial Accrued Liability) indicates that the plan is fully funded, and, as such, assets in the

¹FASAB was established jointly by the Secretary of the Treasury, the Comptroller General, and the Director of the Office of Management and Budget to recommend accounting and reporting standards for federal agencies.

fund plus the present value of future normal cost contributions would satisfy the actuarial present value of projected benefits to current employees and annuitants, including estimated future salary increases.

For both measures described above, plan asset amounts generally are based on fair value. For the Accumulated Benefit Obligation measure, the plan assets generally are valued at the amount that the plan could reasonably expect to receive in a current exchange for those assets. Most plans used the same asset amount for the Actuarial Accrued Liability measure. However, a few plans determined the actuarial value of their assets in a different manner for the Actuarial Accrued Liability measure. For example, for its Actuarial Accrued Liability measure, the Military Retirement System stated the actuarial value of its assets at amortized cost (book value).

Note: The calculations presented in appendixes I and II may not add due to rounding.

Appendix I
Federal Defined Benefit Pension Plan
Profiles

**PLAN NAME: CIVIL SERVICE RETIREMENT AND
DISABILITY FUND**

This plan consists of two components, the Civil Service Retirement System (CSRS) and Federal Employees' Retirement System (FERS), the provisions of which differ significantly. Accordingly, separate CSRS and FERS sections are presented where applicable.

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

September 30, 1993.

Number of Employees Participating

	<u>Total Fund</u>	<u>CSRS</u>	<u>FERS</u>
Active	2,843,000	1,525,000	1,318,000
Annuitants	2,282,800	2,245,000	37,800
Separated employees entitled to benefits	<u>106,000</u>	<u>38,000</u>	<u>68,000</u>
Total	<u>5,231,800</u>	<u>3,808,000</u>	<u>1,423,800</u>

Scope of Coverage

Both CSRS and FERS include as members appointed and elected officers and employees in or under the executive, judicial, and legislative branches of the U.S. Government except those excluded by law or regulation. District of Columbia employees (except for law enforcement officers, firefighters, teachers, or other employees covered by another retirement system) first appointed before October 1, 1987, are also covered by CSRS.

CSRS covers most federal employees hired before 1984, and FERS generally covers those employees who first entered a covered position on or after January 1, 1984.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.0%
<i>Inflation rate</i>	4.5%
<i>Actuarial cost method</i>	Entry-age normal cost.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Basis of mortality assumptions
Basis of withdrawal assumptions

Plan experience.
Plan experience.

Valuation

Audited financial statements
Enrolled actuarial statement
Type of audit opinion

Yes.
Yes.
Unqualified opinion on
Statement of Net Assets
Available for Benefits and
Statement of Actuarial
Present Value of
Accumulated Plan
Benefits, and disclaimer of
opinion on Statement of
Changes in Net Assets
Available for Benefits.

Types and Terms of Investments

Types

The Fund's investments as of September 30, 1993, consisted solely of U.S. government securities. These investments include U.S. Treasury Bonds, Special Treasury Bonds, Certificates of Indebtedness, and Federal Financing Bank Bonds. Except for a minimal investment in marketable U.S. Treasury securities, the Retirement Plan securities are nonmarketable, special issue obligations of the U.S. Government.

Investment restrictions

The Secretary of the Treasury is required by 5 U.S.C. 8348 to invest assets of the Fund not immediately required to pay benefits in interest bearing securities of the United States.

Benefit Terms

See separate CSRS and FERS sections for a general description of basic retirement benefits for general employees. CSRS and FERS provide different levels of benefits for law enforcement officers and firefighters, air traffic controllers, congressional staff, members of the Congress, and general employees.

Social Security Eligibility for Employees of the Plan

See separate CSRS and FERS sections.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

Public Law 99-335, the statute which established FERS, requires that when the budget authority in the retirement fund for CSRS benefits is exhausted, automatic annual appropriations will be made to amortize the shortfall over 30 years. The Office of Personnel Management projects that the unfunded liability under the Actuarial Accrued Liability method will be eliminated in 2095.

Presently, the trust fund is operating with annual cash flow surpluses. For instance, in fiscal year 1994, the trust fund received \$63.5 billion and spent about \$36 billion for benefits.

Under Public Law 91-93, the Treasury makes three contributions to the Fund:

- (1) a contribution to amortize, over a 30-year period, any increase in the CSRS unfunded liability that results from new or liberalized benefits (excluding automatic cost-of-living increases in annuities), increases in pay, or extension of coverage to new employee groups;
- (2) a contribution of 5 percent interest on the CSRS statutory unfunded liability; and
- (3) a contribution of the estimated cost of benefits attributable to CSRS military service less the value of certain deposits made by employees for such service. In fiscal year 1993, a contribution of \$6.7 billion was received for new or liberalized benefits, \$9.7 billion was received for the interest on the unfunded CSRS liability, and \$2.9 billion received for benefits associated with military service.

In addition, the U.S. Postal Service and the Panama Canal Commission are required to make contributions to finance increases in the CSRS unfunded liability. The contributions from these organizations in fiscal year 1993 were \$1.9 billion and \$15 million, respectively.

Public Law 99-335 provides for separate financing of all benefits attributable to FERS based on a dynamic entry age normal funding method. Employers and employees are required to fully fund the Plan. Any supplemental liabilities under FERS are to be amortized over 30 years.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

In the fiscal year 1996 budget, the administration stated that it would propose legislation to require that the full accruing cost of pensions be reflected in future agency budgets. According to the Office of Personnel Management, the administration will propose that the existing CSRS unfunded liability be fully amortized over the next 40 years.

Employee Contribution Percentage

See separate CSRS and FERS sections.

Employer Contribution Percentage

See separate CSRS and FERS sections.

Normal Cost as a Percentage of Payroll

See separate CSRS and FERS sections.

CIVIL SERVICE RETIREMENT SYSTEM (CSRS)

This section describes provisions of CSRS only.

Benefit Terms

Percentage of salary at retirement

The "average salary" used in benefit computations is based on the highest 3 years of salary. The annuity formula provides 1.5 percent of average salary for the first 5 years of service, 1.75 percent for the next 5 years, and 2 percent of any remaining service, up to a maximum of 80 percent of average salary.

Minimum number of years worked to retire without penalty

Lowest age at which employees may voluntarily retire with full benefits is 55 with 30 years of service.

Cost-of-living adjustments (COLA)

Annuities are adjusted annually (December 1 of each year, paid on the first business day in January) to reflect the cost-of-living adjustment as measured by the yearly change in the third calendar quarter average Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers. The Omnibus Budget Reconciliation Act of 1993 delayed the COLA 3 months in fiscal years 1994, 1995, and 1996. Each COLA that would have been paid on January 1 will instead be paid on April 1.

Social Security Eligibility for Employees of the Plan

CSRS is a stand-alone retirement system intended to provide retirement benefits for long-service federal employees. CSRS also provides disability coverage. The vast majority of CSRS employees do not contribute to the Social Security System. Accordingly, they do not accrue Social Security benefits for federal service. CSRS employees may also participate in the Thrift Savings Plan, described in appendix II.

Employee Contribution Percentage

Most employees covered by CSRS contribute 7 percent of basic pay.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Employer Contribution Percentage

Employer matches the employee contribution (generally 7 percent).

Normal Cost as a Percentage of Payroll

The normal cost is 25.14 percent of payroll, including employee contribution of 7 percent.

FEDERAL EMPLOYEES' RETIREMENT SYSTEM (FERS)

This section describes provisions of FERS only.

Benefit Terms

Percentage of salary at retirement

The "average salary" used in benefit computations is based on the highest 3 years of salary. The annuity formula generally provides 1 percent of average salary times the years of creditable service. If retirement is at age 62 or later, with at least 20 years of service, a factor of 1.1 percent is used rather than 1 percent.

Minimum number of years worked to retire without penalty

Lowest age at which employees may voluntarily retire with full benefits is 55 with 30 years of service; however, the minimum retirement age will gradually increase to age 57.

Cost-of-living adjustments (COLA)

Annuities are adjusted annually (December 1 of each year, paid on the first business day in January) to reflect cost-of-living increases as measured by the yearly change in the third calendar quarter's average CPI. If the CPI increase is 3 percent or more, the COLA is 1 percentage point less than the CPI increase. If the CPI increase is 2 percent to 3 percent, the COLA is 2 percent. If the CPI increase is less than 2 percent, the COLA is equal to it. The Omnibus Budget Reconciliation Act of 1993 delayed the COLA 3 months in fiscal years 1994, 1995, and 1996. Each COLA that would have been paid on January 1 will instead be paid on April 1.

Social Security Eligibility for Employees of the Plan

FERS is a three-part pension program which includes Social Security benefits, this defined benefit plan, and a voluntary thrift savings plan (Thrift Savings Plan, described in appendix II).

Employee Contribution Percentage

Most employees covered by FERS contribute a percentage of basic pay equal to 7 percent minus the prevailing Old-Age, Survivors, and Disability Insurance rate percentage in Social Security. Accordingly, the FERS employees' contribution was 0.8 percent in fiscal year 1993.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Employer Contribution Percentage

Employer contributes an amount equal to a percentage of basic pay which, when added to the employee contribution, will equal the dynamic normal cost of FERS. As of September 30, 1993, the employer share for most employees was 12.9 percent.

Normal Cost as a Percentage of Payroll

Based on revised actuarial assumptions, the normal cost is 12.2 percent of payroll, including 0.8 percent employee contribution for the FERS defined benefit. Under FERS, the employer also contributes to Social Security and the Thrift Savings Plan. In the aggregate, the normal cost of the FERS defined benefit, Thrift Savings, and Social Security for FERS employees is similar to the normal cost of CSRS employees benefits.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Civil Service Retirement and Disability Fund (Combined CSRS and FERS Combined)

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 457,700.0
Other vested participants	<u>\$ 196,800.0</u>
	\$ 654,500.0
Actuarial present value of nonvested benefits	<u>\$ 40,300.0</u>
<i>Accumulated Benefit Obligation</i>	\$ 694,800.0
Less Net Assets Available for Benefits	<u>\$ 317,400.0</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>\$ 377,400.0</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 457,700.0
Due to separated employees	\$ 4,200.0
Due to active employees	<u>\$ 624,700.0</u>
Total	\$1,086,600.0
Less Present Value of Future Employee/Employer Normal Cost Contributions	<u>\$ 229,100.0</u>
<i>Actuarial Accrued Liability</i>	\$ 857,500.0
Less Assets Available for Benefits	<u>\$ 317,400.0</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$ 540,100.0</u>

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Civil Service Retirement System (CSRS)

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 453,400.0
Other vested participants	<u>\$ 186,500.0</u>
	\$ 639,900.0
Actuarial present value of nonvested benefits	<u>\$ 33,900.0</u>
<i>Accumulated Benefit Obligation</i>	\$ 673,800.0
Less Net Assets Available for Benefits	<u>\$ 276,700.0</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>\$397,100.0</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 453,400.0
Due to separated employees	\$ 3,800.0
Due to active employees	<u>\$ 503,800.0</u>
Total	\$ 961,000.0
Less Present Value of Future Employee/Employer Normal Cost Contributions	<u>\$ 146,000.0</u>
<i>Actuarial Accrued Liability</i>	\$ 815,000.0
Less Assets Available for Benefits	<u>\$ 276,700.0</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$538,300.0</u>

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Federal Employees' Retirement System (FERS)

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 4,300.0
Other vested participants	<u>\$ 10,300.0</u>
	\$ 14,600.0
Actuarial present value of nonvested benefits	<u>\$ 6,400.0</u>
<i>Accumulated Benefit Obligation</i>	\$ 21,000.0
Less Net Assets Available for Benefits	<u>\$ 40,700.0</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>\$ (19,700.0)</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 4,300.0
Due to separated employees	\$ 400.0
Due to active employees	<u>\$ 120,900.0</u>
Total	\$ 125,600.0
Less Present Value of Future Employee/Employer Normal Cost Contributions	<u>\$ 83,100.0</u>
<i>Actuarial Accrued Liability</i>	\$ 42,500.0
Less Assets Available for Benefits	<u>\$ 40,700.0</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$ 1,800.0</u>

Note: Zero or negative totals indicate that the Plan is fully funded.

PLAN NAME: MILITARY RETIREMENT SYSTEM

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

September 30, 1993.

Number of Employees Participating

Active	2,750,262
Annuitants	1,747,519
Separated employees entitled to benefits	<u>0</u>
Total	<u>4,497,781</u>

Scope of Coverage

The Military Retirement System is for members of the Army, Navy, Marines, and Air Force. The system is a funded, noncontributory defined benefit plan that includes nondisability retirement pay, retired pay for reserve service, disability retirement, and survivor annuity programs.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.5%
<i>Inflation rate</i>	5.0%
<i>Annual basic pay increase</i>	5.5%
<i>Actuarial cost method</i>	Aggregate entry age normal
<i>Basis of mortality assumptions</i>	Military-specific experience which is reviewed annually in actual-to-expected studies.
<i>Basis of withdrawal assumptions</i>	Military-specific experience which is reviewed annually in actual-to-expected studies.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Valuation

Audited financial statements

Yes (Financial statements were audited as of September 30, 1992).

Enrolled actuarial statement

Yes.

Type of audit opinion

Unqualified.

Types and Terms of Investments

Types

Special issue U.S. Treasury securities.

Investment restrictions

10 U.S.C. 1467 requires that investments of the fund shall be in public debt securities bearing interest at rates determined by the Secretary of Treasury, taking into consideration current market interest yields on outstanding marketable obligations of the United States of comparable maturities.

Benefit Terms

Percentage of salary at retirement

Retirement pay is limited to 75 percent of the member's terminal basic pay. Retirees who were members of the armed services prior to September 8, 1980, receive 2.5 percent of the terminal basic pay times each year of service on an annual basis. Retirees who became members after that date receive 2.5 percent of their highest 36 months of basic pay times each year of service on an annual basis. Annuities for members entering service after July 31, 1986, are reduced 1 percent of high-3 salary for each full year of service under 30 years at time of retirement. When the retiree reaches age 62, the annuity is recomputed without the reduction.

The National Defense Authorization Act for FY93 grants temporary authority for the military services to offer early retirement to members with more than 15 but less than 20 years of service. The retired pay is calculated as usual except that there is a reduction of 1 percent for every year below 20 years of service. The reduction can be restored at age 62 if the retired member works in a qualified public service job. This authority is scheduled to expire in FY99.

Minimum number of years worked to retire without penalty

Twenty years.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Cost-of-living adjustments (COLA)

Annuities are adjusted annually for inflation based on the Urban Wage Earner and Clerical Worker Consumer Price Index rounded to the nearest 1/10th of 1 percent for members who entered the armed services before August 1, 1986. Benefits of retirees who first entered the armed services after that date are increased annually by the CPI minus 1 percent.

Social Security Eligibility for Employees of the Plan

Plan participants are members of the Social Security System.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

The Military Retirement System was a pay-as-you-go plan prior to fiscal year 1985. Public Law 98-94 required that the Military Retirement System be funded. By law, the DOD makes the normal cost payments, and the payments for the unfunded liability come out of U.S. Treasury general revenues.

The DOD Retirement Board of Actuaries is responsible for the methods and assumptions used in funding the Military Retirement System. The Board is currently using a 60-year increasing amortization payment schedule for the liquidation of the initial unfunded accrued liability of \$528.7 billion as calculated under the Actuarial Accrued Liability Method (accrued through October 1, 1984). If continued, the unfunded accrued liability will be extinguished in the year 2043. However, the overall unfunded accrued liability is affected by experience gains and losses, changes in benefits, and changes in actuarial assumptions. As of September 30, 1993, the unfunded accrued liability was \$514 billion.

According to plan officials, although the \$528.7 billion and \$514 billion amounts referred to above are relatively close, the remaining balance on the initial unfunded accrued liability has increased substantially since 1984, and this increase has been offset by experience gains and changes in assumptions, which have worked toward reducing the overall unfunded accrued liability.

Employee Contribution Percentage

Noncontributory.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Employer Contribution Percentage

DOD pays the normal cost payment each year which totaled 33.9 percent of basic pay in 1993. The Treasury paid an additional amount which equated to 31.5 percent of basic pay in 1993 applied towards the amortization of the unfunded liability. Total government contributions equated to 65.4 percent of basic pay or \$25.5 billion.

Normal Cost as a Percentage of Payroll

The normal cost is 36 percent of payroll for full-time and 11 percent of payroll for part-time members.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Military Retirement System

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 409,300.0
Other vested participants	\$ <u>58,000.0</u>
	\$ 467,300.0
Actuarial present value of nonvested benefits	\$ <u>63,500.0</u>
<i>Accumulated Benefit Obligation</i>	\$ 530,800.0
Less Net Assets Available for Benefits (at fair market value)	\$ <u>145,500.0</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>\$385,300.0</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 409,300.0
Due to separated employees (Non-retired reservists)	\$ 25,800.0
Due to active employees	\$ <u>303,700.0</u>
Total	\$ 738,800.0
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>108,900.0</u>
<i>Actuarial Accrued Liability</i>	\$ 629,900.0
Less Assets Available for Benefits	\$ <u>115,900.0</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$ 514,000.0</u>

**PLAN NAME: COAST GUARD MILITARY RETIREMENT
SYSTEM**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

September 30, 1993.

Number of Employees Participating

Active	55,638
Annuitants	29,712
Separated employees entitled to benefits	<u>0</u>
Total	<u>85,350</u>

Scope of Coverage

This defined benefit retirement plan covers all active and reserve duty members of the U.S. Coast Guard and survivors. Members are also eligible for disability and survivor benefits.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.0%
<i>Inflation rate</i>	5.0%
<i>Actuarial cost method</i>	Entry age normal.
<i>Basis of mortality assumptions</i>	1971 Group Annuity. Mortality Table.
<i>Basis of withdrawal assumptions</i>	Department of Defense experience.

Valuation

<i>Audited financial statements</i>	No
<i>Enrolled actuarial statement</i>	Yes
<i>Type of audit opinion</i>	Not applicable

Types and Terms of Investments

Types

There are no investments for this pay-as-you-go plan.

Investment restrictions

Not applicable.

Benefit Terms

Percentage of salary at retirement

Retirement pay is limited to 75 percent of the member's pay. Retirees who became members before September 8, 1980, receive 2.5 percent of their terminal pay for each year of service on an annual basis. Retirees who became members after this date receive 2.5 percent of their highest 36 months of pay times each year of service on an annual basis. Annuities for members entering service after July 31, 1986, are reduced 1 percent of high-3 salary for each full year of service under 30 years at time of retirement. When the retiree reaches age 62, the annuity is recomputed without the reduction.

Minimum number of years worked to retire without penalty

Twenty years of active service at any age; or 20 years of creditable reserve service, the last 8 of which must be in a reserve component, with retirement pay to start at age 60.

Cost-of-living adjustments (COLA)

COLAs are scheduled to occur every 12 months. The Coast Guard uses a revised CPI for Urban Wage Earners and Clerical Workers. The COLA is calculated as the increase in the arithmetic average of the CPI for July, August, and September of previous year with the same months of the current year adjusted to the nearest 1/10th of 1 percent. For members who first became Plan participants after August 1, 1986, the COLA is reduced by 1 percent if the CPI change is greater than 1 percent.

Social Security Eligibility for Employees of the Plan

Since 1957, the Plan members have been full participants in the Social Security System, and the retirement annuities of the two systems are additive.

FUNDING STATUS OF PLAN

Type of Funding

Pay-as-you-go.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

Because this system is established as a pay-as-you-go funding type, there are no provisions for eliminating the unfunded liability.

Employee Contribution Percentage

Noncontributory.

Employer Contribution Percentage

The employer does not contribute to the Retirement Plan through the payroll process. Instead, pension benefits are paid directly to retirees through the appropriation process. This contribution was 56.9 percent of active members' salary in 1993.

Normal Cost as a Percentage of Payroll

Employer--38.06 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Coast Guard Military Retirement System

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 7,759.2
Other vested participants	<u>\$ 1,358.7</u>
	\$ 9,117.9
Actuarial present value of nonvested benefits	<u>\$ 1,743.8</u>
<i>Accumulated Benefit Obligation</i>	\$ 10,861.7
Less Net Assets Available for Benefits	\$ <u>0.8</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>\$10,860.9</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 7,759.2
Due to separated employees	\$ 0.0
Due to active employees	<u>\$ 8,184.9</u>
Total	\$ 15,944.1
Less Present Value of Future Employee/Employer Normal Cost Contributions	<u>\$ 2,806.5</u>
<i>Actuarial Accrued Liability</i>	\$ 13,137.6
Less Assets Available for Benefits	\$ <u>0.8</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$13,136.8</u>

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

**PLAN NAME: FOREIGN SERVICE RETIREMENT AND
DISABILITY FUND**

This plan consists of two components, the Foreign Service Retirement and Disability System (FSRDS) and the Foreign Service Pension System (FSPS), the provisions of which differ significantly. Accordingly, separate FSRDS and FSPP sections are presented where applicable.

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

September 30, 1993.

Number of Employees Participating

	<u>Total Fund</u>	<u>FSRDS</u>	<u>FSPS</u>
Active	11,508	5,316	6,192
Annuitants	11,934	11,660	274
Separated employees entitled to benefits	<u>302</u>	<u>227</u>	<u>75</u>
Total	<u>23,744</u>	<u>17,203</u>	<u>6,541</u>

Scope of Coverage

The Foreign Service Retirement and Disability Fund (FSRDF) provides retirement, disability, and survivor benefits to employees of the Foreign Service. FSRDS covers Foreign Service employees hired before 1984, and FSPP covers Foreign Service employees hired on or after January 1, 1984.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.0%
<i>Inflation rate</i>	4.5%
<i>Actuarial cost method</i>	Entry-age normal.
<i>Basis of mortality assumptions</i>	Plan experience.
<i>Basis of withdrawal assumptions</i>	Plan experience.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Valuation

Audited financial statements
Enrolled actuarial statement
Type of audit opinion

Yes.
Yes.
Disclaimer.
The auditors disclaimed an opinion on the fiscal year 1993 financial statements. The audit of FSRDF's fiscal year 1994 financial statements resulted in an unqualified opinion.

Types and Terms of Investments

Types

U.S. government securities.

Investment Restrictions

In accordance with Section 819 of the Foreign Service Act of 1980, "The Secretary of the Treasury shall invest from time to time in interest-bearing securities of the United States such portions of the Fund as in the judgment of the Secretary of the Treasury may not be immediately required for the payment of annuities, cash benefits, refunds and allowances."

Benefit Terms

See separate FSRDS and FSPS sections.

Social Security Eligibility for Employees of the Plan

See separate FSRDS and FSPS sections.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

Contributions for funding FSRDS and FSPS are deposited into one fund (FSRDF). The assets in the fund are allocated to each retirement system for the purpose of computing the unfunded liability.

New participants enter FSPS, and the number of FSRDS participants is expected to decrease over time. The plan estimates that, by the date at which no FSRDS participants remain in the plan, the unfunded liability will be zero.

Under FSPS, the amount of the unfunded liability, referred to as the supplemental liability, is determined at the close of each fiscal year. If a future supplemental liability is determined for FSPS under the Actuarial Accrued Liability measurement, it is required to be amortized over a 30-year period.

Employee Contribution Percentage

See separate FSRDS and FSPS sections.

Employer Contribution Percentage

See separate FSRDS and FSPS sections.

Normal Cost as a Percentage of Payroll

See separate FSRDS and FSPS sections.

FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM (FSRDS)

This section describes provisions of FSRDS only.

Benefit Terms

Percentage of salary at retirement

The annuity formula provides 2 percent of high-3 years' average salary for each year of service.

Minimum number of years worked to retire without penalty

Age 50 with 20 years of service.

Cost-of-living adjustments (COLA)

Annuities are adjusted annually to reflect cost-of-living increases based on the yearly increase in the Consumer Price Index (CPI).

Social Security Eligibility for Employees of the Plan

Except for FSRDS employees who were rehired after December 31, 1983, with a break of service of 1 year or more in retirement coverage, FSRDS employees are not participants in the Social Security System.

Employee Contribution Percentage

Participants contribute 7 percent of salary.

Employer Contribution Percentage

The employer matches the 7 percent employee contribution for FSRDF members.

Normal Cost as a Percentage of Payroll

Employee--7 percent of payroll.
Employer--23.7 percent of payroll.

FOREIGN SERVICE PENSION SYSTEM (FSPS)

This section describes provisions of FSPS only.

Benefit Terms

Percentage of salary at retirement

The annuity formula provides 1.7 percent of high-3 years' average salary for each year of service not greater than 20 years plus 1 percent of high-3 years' average salary times years of service greater than 20. In addition, an annuity supplement is paid to retirees while under 62 years of age. Annuity supplement is equivalent to the Social Security benefit earned while employed by the federal government.

Minimum number of years worked to retire without penalty

Age 50 with 20 years of service.

Cost-of-living adjustments (COLA)

Annuities are adjusted annually (December 1 of each year, paid on the first business day in January) to reflect cost-of-living increases based on a formula tied to the CPI. If the CPI increase is 3 percent or more, the COLA is one percentage point less than the CPI increase. If the CPI increase is 2 percent to 3 percent, the COLA is 2 percent. If the CPI increase is less than 2 percent, the COLA is equal to it.

Social Security Eligibility for Employees of the Plan

FSPS are participants in the Social Security System.

Employee Contribution Percentage

Participants contribute 7.5 percent of salary minus the percentage rate of Social Security taxes. In 1993, the employee contribution to the Plan was 1.3 percent.

Employer Contribution Percentage

Employer contributes an amount equal to a percentage of basic pay which, when added to the employee contribution, will equal the normal cost of FSPS. In 1993, the employer contributed 24.97 percent of payroll to the Plan for FSPS members.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Normal Cost as a Percentage of Payroll

Employee--1.3 percent of payroll.
Employer--23 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Foreign Service Retirement and Disability Fund (Combined FSRDS and FSPS Components)

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 5,473.8
Other vested participants	\$ <u>2,626.4</u>
	\$ 8,100.2
Actuarial present value of nonvested benefits	\$ <u>87.3</u>
<i>Accumulated Benefit Obligation</i>	\$ 8,187.5
Less Net Assets Available for Benefits	\$ <u>6,754.7</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>\$ 1,432.8</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 5,473.8
Due to separated employees	\$ 21.4
Due to active employees	\$ <u>5,728.3</u>
Total	\$11,223.5
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>1,902.5</u>
<i>Actuarial Accrued Liability</i>	\$ 9,321.0
Less Assets Available for Benefits	\$ <u>6,754.7</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$ 2,566.3</u>

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Foreign Service Retirement and Disability System (FSRDS)

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$5,312.1
Other vested participants	<u>\$1,997.4</u>
	\$7,309.5
Actuarial present value of nonvested benefits	<u>\$ 35.1</u>
<i>Accumulated Benefit Obligation</i>	\$7,344.6
Less Net Assets Available for Benefits	<u>\$5,760.8</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>\$1,583.8</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$5,312.1
Due to separated employees	\$ 18.3
Due to active employees	<u>\$3,668.6</u>
Total	\$8,999.0
Less Present Value of Future Employee/Employer Normal Cost Contributions	<u>\$ 873.0</u>
<i>Actuarial Accrued Liability</i>	\$8,126.0
Less Assets Available for Benefits	<u>\$5,760.8</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$2,365.2</u>

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Foreign Service Pension System (FSPS)

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 161.7
Other vested participants	\$ <u>629.0</u>
	\$ 790.7
Actuarial present value of nonvested benefits	\$ <u>52.2</u>
<i>Accumulated Benefit Obligation</i>	\$ 842.9
Less Net Assets Available for Benefits	\$ <u>993.9</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	\$ <u>(151.0)</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 161.7
Due to separated employees	\$ 3.1
Due to active employees	\$ <u>2,059.7</u>
Total	\$ 2,224.5
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>1,029.5</u>
<i>Actuarial Accrued Liability</i>	\$ 1,195.0
Less Assets Available for Benefits	\$ <u>993.9</u>
<i>Unfunded Actuarial Accrued Liability</i>	\$ <u>201.1</u>

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: PUBLIC HEALTH SERVICE
COMMISSIONED CORPS RETIREMENT
SYSTEM**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

September 30, 1993.

Number of Employees Participating

Active	6,379
Annuitants	3,238
Separated employees entitled to benefits	<u>0</u>
Total	<u>9,617</u>

Scope of Coverage

This defined benefit plan covers all active Public Health Service (PHS) Commissioned Corps service personnel and provides benefits for disability and survivors.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.00%
<i>Inflation rate</i>	5.00%
<i>Annual salary increase</i>	5.75%

The plan actuary indicated that the PHS Commissioned Corps plan presently utilizes the actuarial assumptions for rate of return, inflation rate, and annual salary increases used by the DOD Military Retirement Plan. However, in 1993, different assumptions were utilized.

<i>Actuarial cost method</i>	Aggregate entry age normal.
<i>Basis of mortality assumptions</i>	Mortality rates are those used for officers in the Military Retirement System.
<i>Basis of withdrawal assumptions</i>	Withdrawal assumptions are based on experience of officers in the PHS retirement system.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Valuation

<i>Audited financial statements</i>	No
<i>Enrolled actuarial statement</i>	Yes
<i>Type of audit opinion</i>	Not applicable

Types and Terms of Investments

Types

None.

Investment restrictions

Not applicable.

Benefit Terms

Percentage of salary at retirement

Retirement pay is limited to 75 percent of the member's pay. Retirees who became members before September 8, 1980, receive 2.5 percent of their terminal pay for each year of service on an annual basis. Retirees who became members on or after this date receive 2.5 percent of their highest 3 years of basic pay times each year of service on an annual basis. Annuities for members entering service after July 31, 1986, are reduced 1 percent of high-3 salary for each full year of service under 30 years at time of retirement. When the retiree reaches age 62, the annuity is recomputed without the reduction.

Minimum number of years worked to retire without penalty

Twenty years of active service at any age (for members entering service before 1986).

Cost-of-living adjustments (COLA)

COLAs are scheduled to occur every 12 months. The COLA is calculated by the percentage increase in the Urban Wage Earner and Clerical Workers Consumer price Index from the third quarter of the prior year to the third quarter of the current year, adjusted to the nearest 0.1 percent. For members who entered service after July 31, 1986, the COLA is the amount calculated above less 1 percent.

Social Security Eligibility for Employees of the Plan

Since 1957, Commissioned Corps members on active duty service have been full participants in the Social Security System, and retirement annuities from the two systems are additive.

FUNDING STATUS OF PLAN

Type of Funding

Pay-as-you-go.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

Because this system is established as a pay-as-you-go funding type, there are no provisions for eliminating the unfunded liability.

Employee Contribution Percentage

Noncontributory.

Employer Contribution Percentage

The employer does not fund employees' retirement benefits through the payroll process. Instead, monthly benefits are paid directly to annuitants through appropriations. This contribution was 42.7 percent of payroll in 1993.

Normal Cost as a Percentage of Payroll

The normal cost is 35.9 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Public Health Service Commissioned Corps Retirement System

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 1,604.0
Other vested participants	\$ <u>566.0</u>
	\$ 2,170.0
Actuarial present value of nonvested benefits	\$ <u>535.0</u>
<i>Accumulated Benefit Obligation</i>	\$ 2,705.0
Less Net Assets Available for Benefits	\$ <u>0</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>\$ 2,705.0</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 1,604.0
Due to separated employees	\$ 0
Due to active employees	\$ <u>3,191.0</u>
Total	\$ 4,795.0
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>1,158.0</u>
<i>Actuarial Accrued Liability</i>	\$ 3,637.0
Less Assets Available for Benefits	\$ <u>0</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$ 3,637.0</u>

**PLAN NAME: NATIONAL OCEANIC AND
ATMOSPHERIC ADMINISTRATION
CORPS RETIREMENT PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

September 30, 1994.

Number of Employees Participating

Active	403
Annuitants	238
Separated employees entitled to benefits	<u>0</u>
Total	<u>641</u>

Scope of Coverage

This defined benefit plan covers all active National Oceanic and Atmospheric Administration (NOAA) Commissioned Corps service personnel and provides non-disability, disability, and survivor retirement benefits.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	6.75%
<i>Inflation rate</i>	4.00%
<i>Annual wage increase</i>	4.50%
<i>Actuarial cost method</i>	Aggregate entry age
normal.	
<i>Basis of mortality assumptions</i>	Mortality rates are those used for officers in the Military Retirement System.
<i>Basis of withdrawal assumptions</i>	Rates are those for officers in the Military Retirement System.

Valuation

<i>Audited financial statements</i>	No.
<i>Enrolled actuarial statement</i>	Yes.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Type of audit opinion

Not applicable.

Types and Terms of Investments

Types

None.

Investment restrictions

Not applicable.

Benefit Terms

Percentage of salary at retirement

Retirement pay is limited to 75 percent of the member's base pay. Retirees who first became members before September 8, 1980, receive 2.5 percent of the member's terminal pay for each year of service on an annual basis. Retirees who first became members on or after this date receive 2.5 percent of their highest 3 years of basic pay times each year of service on an annual basis. Annuities for members entering service after July 31, 1986, are reduced 1 percent of high-3 salary for each full year of service under 30 years at time of retirement. When the retiree reaches age 62, the annuity is recomputed without the reduction.

Minimum number of years worked to retire without penalty

Twenty years of service at any age.

Cost-of-living adjustments (COLA)

COLAs are scheduled to occur every 12 months. The COLA is calculated by the percentage increase in the Urban Wage Earner and Clerical Worker Consumer Price Index from the third quarter of the prior year to the third quarter of the current year, adjusted to the nearest 0.1 percent. For members who entered service after July 31, 1986, the COLA is the full amount calculated above, but minus 1 percent.

Social Security Eligibility for Employees of the Plan

Since 1957, Commissioned Corps members on active duty service have been full participants in the Social Security System, and retirement annuities from the two systems are additive.

FUNDING STATUS OF PLAN

Type of Funding

Pay-as-you-go.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

Because this system is established as a pay-as-you-go funding type, there are no provisions for eliminating the unfunded liability.

Employee Contribution Percentage

Noncontributory.

Employer Contribution Percentage

The employer does not contribute to employees' pension through payroll. Instead, pension benefits are paid through the appropriation process. This contribution was 42.6 percent of active duty payroll in the Plan year ending September 30, 1994.

Normal Cost as a Percentage of Payroll

The normal cost is 37.4 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

National Oceanic and Atmospheric Administration Corps Retirement Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 116.8
Other vested participants	<u>\$ 48.4</u>
	\$ 165.2
Actuarial present value of nonvested benefits	\$ <u>32.8</u>
<i>Accumulated Benefit Obligation</i>	\$ 198.0
Less Net Assets Available for Benefits	\$ <u>0</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>\$ 198.0</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 116.8
Due to separated employees	\$ 0
Due to active employees	<u>\$ 191.5</u>
Total	\$ 308.3
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>63.9</u>
<i>Actuarial Accrued Liability</i>	\$ 244.4
Less Assets Available for Benefits	\$ <u>0</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$ 244.4</u>

**PLAN NAME: COMPTROLLERS' GENERAL
RETIREMENT PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

September 30, 1994.

Number of Employees Participating

Active	1
Annuitants	1
Separated employees entitled to benefits	<u>0</u>
Total	<u>2</u>

Scope of Coverage

Plan provides retirement, survivor, and disability benefits to the U.S. Comptroller General, the head of the U.S. General Accounting Office.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.5%
<i>Inflation rate</i>	5.0%
<i>Annual salary increase</i>	5.0%
<i>Actuarial cost method (e.g., entry age normal)</i>	Entry age normal.
<i>Basis of mortality assumptions</i>	1983 Group Annuity Mortality Table (after retirement).
<i>Basis of withdrawal assumptions</i>	None.

Valuation

<i>Audited financial statements</i>	No.
<i>Enrolled actuarial statement</i>	Yes.

Type of audit opinion

Not applicable.
The Plan does not have financial statements because no trust fund is maintained for the system. The estimated present value of accumulated plan benefits is recorded as an unfunded liability on GAO's financial statements, which are audited annually by an independent CPA firm.

Types and Terms of Investments

Types

None.

Investment restrictions

Not applicable.

Benefit Terms

Percentage of salary at retirement

Annual annuity is equal to 100 percent of the salary of the office at time of retirement. If age at retirement is less than 65, the annuity is reduced 0.25 percent for each full month under 65.

Minimum number of years worked to retire without penalty

Ten years and attainment of at least age 70 or 15 years and attainment of at least age 65.

Cost-of-living adjustments (COLA)

Adjusted at the same time and by the same percentage as Civil Service retirement annuities. Retirement pay of former Comptroller General cannot exceed current salary of the office.

Social Security Eligibility for Employees of the Plan

No. The current participating employees of the Plan are not part of the Social Security System.

FUNDING STATUS OF PLAN

Type of Funding

Pay-as-you-go.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

Because this system is established as a pay-as-you-go funding type, there are no provisions for eliminating the unfunded liability.

Employee Contribution Percentage

A participating Comptroller General must contribute 8 percent of annual salary of which 4.5 percent funds a survivor annuity, if elected; also during retirement 5 percent of retirement pay is required to fund survivor annuity, if elected, for those Comptrollers General retiring after September 9, 1988.

Employer Contribution Percentage

The employer does not contribute to employees' pension through payroll. Instead, pension benefits are paid through the appropriation process. This contribution was 71 percent of payroll in the Plan year ending September 30, 1994.

Normal Cost as a Percentage of Payroll

Employee--8 percent of payroll.
Employer--71 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Comptrollers' General Retirement Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 0.7
Other vested participants	<u>\$ 0.0</u>
	\$ 0.7
Actuarial present value of nonvested benefits	<u>\$ 1.4</u>
<i>Accumulated Benefit Obligation</i>	\$ 2.1
Less Net Assets Available for Benefits	<u>\$ 0.0</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>\$ 2.1</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 0.7
Due to separated employees	\$ 0.0
Due to active employees	<u>\$ 1.8</u>
Total	\$ 2.5
Less Present Value of Future Employee/Employer Normal Cost Contributions	<u>\$ 0.2</u>
<i>Actuarial Accrued Liability</i>	\$ 2.3
Less Assets Available for Benefits	<u>\$ 0.0</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$ 2.3</u>

**PLAN NAME: COURT OF FEDERAL CLAIMS JUDGES'
RETIREMENT SYSTEM**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

September 30, 1993.

Number of Employees Participating

Active	6
Annuitants	2
Separated employees entitled to benefits	<u>0</u>
Total	<u>8</u>

There were 6 active participants in the Retirement Systems as of September 30, 1993. The Plan administrator is expecting that 10 additional judges who are eligible to participate will join the Plan before retirement.

Scope of Coverage

Any judge of the United States Courts of Federal Claims who is appointed under Chapter 7 of Title 28 or who has served under section 167 of the Federal Courts Improvement Act of 1982 is eligible for retirement benefits. The Plan also provides disability benefits.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.0%
<i>Inflation rate</i>	4.5%
<i>Annual salary increase</i>	Range 0.0% in 1994 to 2.5% in 1998; 4.5% after 1999.
<i>Actuarial cost method</i>	Aggregate.
<i>Basis of mortality assumptions</i>	1983 Group Annuity Mortality Tables for Males and Females.
<i>Basis of withdrawal assumptions</i>	Plan experience.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

Types and Terms of Investments

Types

All Plan assets are invested in U.S. Treasury securities.

Investment restrictions

The fund may invest in only U.S. Treasury securities.

Benefit Terms

Percentage of salary at retirement

The maximum annual retirement benefit is equal to the annual salary payable to U.S. Court of Federal Claims judges in regular active service.

Minimum number of years worked to retire without penalty

A judge who has attained age 65 and whose age and years of service total at least 80 may retire, or a judge who is not reappointed at the end of a term and who has served at least one full term (15 years) may retire.

Cost-of-living adjustments (COLA)

COLAs do not apply. However, retirement benefits may increase as the salary payable to active judges increases.

Social Security Eligibility for Employees of the Plan

Participants are members of the Social Security System. Most annuitants are qualified if they contributed for 40 quarters.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

There is no unfunded actuarial liability. However, as of September 30, 1993, the present value of accumulated benefits exceeded net assets available for benefits by more than \$3 million.

Employee Contribution Percentage

Noncontributory.

Employer Contribution Percentage

The Judiciary policy is to contribute the amount necessary to fund any remaining cost over the future lifetime of current participants. In 1993, the employer contribution to the Plan was 24.5 percent of payroll.

Normal Cost as a Percentage of Payroll

Employer--84.8 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Court of Federal Claims Judges' Retirement System

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 2.6
Other vested participants	<u>\$ 0.3</u>
	\$ 2.9
Actuarial present value of nonvested benefits	\$ <u>0.8</u>
<i>Accumulated Benefit Obligation</i>	\$ 3.7
Less Net Assets Available for Benefits	\$ <u>0.6</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u><u>\$ 3.1</u></u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 2.6
Due to separated employees	\$ 0.0
Due to active employees	<u>\$ 14.4</u>
Total	\$ 17.0
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>16.4</u>
<i>Actuarial Accrued Liability</i>	\$ 0.6
Less Assets Available for Benefits	\$ <u>0.6</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u><u>\$ 0.0</u></u>

**PLAN NAME: U.S. COURT OF VETERANS APPEALS
JUDGES' RETIREMENT PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993.

Number of Employees Participating

Active	5
Annuitants	0
Separated employees entitled to benefits	<u>0</u>
Total	<u>5</u>

Scope of Coverage

Any judge of the United States Court of Veterans Appeals may elect to be covered by this Plan instead of the Civil Service Retirement System or the Federal Employee Retirement System. The Plan provides disability and nondisability retirement benefits.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.0%
<i>Inflation rate</i>	5.0%
<i>Annual salary increase</i>	5.5%
<i>Actuarial cost method</i>	Entry age normal.
<i>Basis of mortality assumptions</i>	1971 Group Annuity Mortality Tables for Males and Females.
<i>Basis of withdrawal assumptions</i>	None.

Valuation

<i>Audited financial statements</i>	No.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Not applicable.

Types and Terms of Investments

Types

U.S. Treasury securities.

Investment restrictions

The Plan is restricted by law from investing in any instruments other than interest-bearing securities of the United States.

Benefit Terms

Percentage of salary at retirement

One hundred percent of salary just prior to retirement.

Minimum number of years worked to retire without penalty

A judge who has attained age 65 and whose age and years of service total at least 80 may retire, or a judge who is not reappointed at the end of a term and who has served at least one full term (15 years) may retire.

Cost-of-living adjustments (COLA)

The Plan reported that it was prohibited from providing COLA's to judges who retire under the Plan as of the date of these financial statements (December 31, 1993). Subsequent to that date, a legal opinion has found that retired judges are eligible for the cost of living adjustments provided to annuitants under the CSRS or FERS plans. In the case of a survivor annuity, there is a statutory provision for an increase in the annuity. Survivor annuities are increased when the salary of active judges of the Court is increased. Each annuity payable from the retirement fund for survivors is increased by multiplying the amount of the current annuity by 3 percent for each full 5 percent increase in active judges' salaries.

Social Security Eligibility for Employees of the Plan

Plan participants are members of the Social Security System. Most annuitants are qualified if they contributed for 40 quarters.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

The Plan is fully funded.

Employee Contribution Percentage

One percent of salary until retirement or for 15 years of contributory service, whichever comes first.

Employer Contribution Percentage

The employer contributed 42.7 percent of payroll to the Plan in 1993.

Normal Cost as a Percentage of Payroll

Employee--1 percent of payroll.
Employer--42.7 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

U.S. Court of Veterans Appeals Judges Retirement Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 0.0
Other vested participants	\$ <u>0.0</u>
	\$ 0.0
Actuarial present value of nonvested benefits	\$ <u>0.5</u>
<i>Accumulated Benefit Obligation</i>	\$ 0.5
Less Net Assets Available for Benefits	\$ <u>1.3</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	(\$ <u>0.8</u>)

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 0.0
Due to separated employees	\$ 0.0
Due to active employees	\$ <u>3.8</u>
Total	\$ 3.8
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>2.8</u>
<i>Actuarial Accrued Liability</i>	\$ 1.0
Less Assets Available for Benefits	\$ <u>1.3</u>
<i>Unfunded Actuarial Accrued Liability</i>	(\$ <u>0.3</u>)

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: JUDICIAL OFFICERS' RETIREMENT
FUND**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

September 30, 1993.

Number of Employees Participating

Active	201
Annuitants	47
Separated employees entitled to benefits	<u>4</u>
Total	<u>252</u>

Scope of Coverage

The Retirement and Survivors' Annuities for Bankruptcy Judges and Magistrates Act of 1988 provides retirement and disability retirement benefits for all bankruptcy judges and full-time magistrate judges of the U.S. who elect to participate. Benefits are payable to participants who retire from office after meeting minimum age and service requirements or become disabled after meeting minimum service requirements. Any bankruptcy judge or full-time magistrate of the United States may elect to be covered by the Plan at any time up to 30 days before he or she leaves office.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.0%
<i>Inflation rate</i>	4.5%
<i>Actuarial cost method</i>	Aggregate funding method
<i>Basis of mortality assumptions</i>	1983 Group Annuity. Mortality Tables for Males and Females.
<i>Basis of withdrawal assumptions</i>	Plan experience.

Valuation

<i>Audited financial statements</i>	Yes
<i>Enrolled actuarial statement</i>	Yes
<i>Type of audit opinion</i>	Unqualified

Types and Terms of Investments

Types

U.S. Treasury bonds, notes, and bills.

Investment restrictions

By statute, the Plan is restricted to investing in U.S. Treasuries.

Benefit Terms

Percentage of salary at retirement

The benefit, payable for life, is equal to a percentage of the salary of the official just prior to retirement. The percentage is the ratio of service credited under the Plan (up to 14 years) divided by 14. Consequently, members who serve 14 or more years receive 100 percent of salary at retirement on an annual basis.

Minimum number of years worked to retire without penalty

Age 65 or over with 14 or more years of service.

Cost-of-living adjustments (COLA)

Annuities are increased annually by the increase in the Consumer Price Index as applied in the Civil Service Retirement System. However, the annuity cannot exceed the current pay then in effect for the office that had been held by the annuitant.

Social Security Eligibility for Employees of the Plan

Participants are members of the Social Security System. Most annuitants are qualified if they contributed for 40 quarters.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

The unfunded actuarial accrued liability for this Plan is zero. However, the present value of accumulated benefits exceeds net assets available for benefits by \$85.7 million.

Employee Contribution Percentage

The employee contributes one percent of salary for 14 years of service. After 14 years of service, the employee is not required to contribute.

Employer Contribution Percentage

The employer contributed 36.5 percent of payroll in 1993 for current participants.

Normal Cost as a Percentage of Payroll

Normal cost of benefits under the Plan is 81.1 percent of payroll for participants and 59.7 percent for all current and potential participants.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Judicial Officers' Retirement Fund

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 41.5
Other vested participants	<u>\$ 48.8</u>
	\$ 90.3
Actuarial present value of nonvested benefits	<u>\$ 15.4</u>
<i>Accumulated Benefit Obligation</i>	\$ 105.7
Less Net Assets Available for Benefits	\$ <u>20.0</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u><u>\$ 85.7</u></u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 40.0
Due to separated employees	\$ 1.5
Due to active employees	<u>\$ 451.0</u>
Total	\$ 492.5
Less Present Value of Future Employee/Employer Normal Cost Contributions	<u>\$ 472.5</u>
<i>Actuarial Accrued Liability</i>	\$ 20.0
Less Assets Available for Benefits	\$ <u>20.0</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u><u>\$ 0</u></u>

PLAN NAME: JUDICIAL RETIREMENT SYSTEM

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

September 30, 1993.

Number of Employees Participating

Active	719
Annuitants	31
Separated employees entitled to benefits	<u>0</u>
Total	<u>750</u>

Scope of Coverage

In addition to any Article III judge or justice of the United States, including its territories and possessions, only the Director of the Administrative Office of the U.S. Courts, the Director of the Federal Judicial Center, and the Administrative Assistant to the Chief Justice of the Supreme Court may elect to retire from office under 28 U.S.C. 371(a).

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.0%
<i>Inflation rate</i>	4.5%
<i>Actuarial cost method</i>	Entry age normal.
<i>Basis of mortality assumptions</i>	1983 Group Annuity Mortality Tables for Males and Females.
<i>Basis of withdrawal assumptions</i>	Plan experience.

Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Types and Terms of Investments

Types

Not applicable (The Plan has no assets).

Investment restrictions

Not applicable.

Benefit Terms

Percentage of salary at retirement

Judges and Justices

The maximum benefit, payable for life, is equal to the salary of the office at time of retirement.

Directors and Administrative Assistant

The maximum benefit, payable for life, is equal to 80 percent of salary at time of retirement.

Minimum number of years worked to retire without penalty

Judges and Justices

A judge and justice who has attained age 65 and whose age and years of service total at least 80 may retire from office.

Directors and Administrative Assistant

An official who has attained age 65 and served at least 15 years may elect to retire under the system.

Cost-of-living adjustments (COLA)

Judges and Justices

Except for territorial judges, no COLAs are provided to judges and justices.

Directors and Administrative Assistant

Annuities are increased annually by the increase in the Consumer Price Index as applied in the CSRS.

Social Security Eligibility for Employees of the Plan

Participants are members of the Social Security System. Most annuitants are qualified if they contributed for 40 quarters.

FUNDING STATUS OF PLAN

Type of Funding

Pay-as-you-go. All benefits under the Judicial Retirement System are provided through the judicial payroll and are financed by appropriations to meet annual benefits on a fiscal year basis.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

There are no provisions for eliminating the Plan's unfunded liability. All benefits under the Plan are provided through the judicial payroll and are financed by appropriations.

Employee Contribution Percentage

Employees do not contribute to the Plan.

Employer Contribution Percentage

Financed by appropriations sufficient to meet annual benefit payments. In 1993, benefit payments to annuitants equated to 3.2 percent of payroll to active judges.

Normal Cost as a Percentage of Payroll

The normal cost is 2.01 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Judicial Retirement System

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 22.8
Other vested participants	\$ <u>3.6</u>
	\$ 26.4
Actuarial present value of nonvested benefits	\$ <u>30.8</u>
<i>Accumulated Benefit Obligation</i>	\$ 57.2
Less Net Assets Available for Benefits	\$ <u>0</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>\$ 57.2</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 22.8
Due to separated employees	\$ 0
Due to active employees	\$ <u>48.0</u>
Total	\$ 70.8
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>29.7</u>
<i>Actuarial Accrued Liability</i>	\$ 41.1
Less Assets Available for Benefits	\$ <u>0</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$ 41.1</u>

**PLAN NAME: JUDICIAL SURVIVORS' ANNUITIES
SYSTEM**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

September 30, 1993.

Number of Employees Participating

Active	1,309
Annuitants	214
Separated employees entitled to benefits	<u>0</u>
Total	<u>1,523</u>

Scope of Coverage

Eligible participants are: a justice or judge of the U.S., including its territories and possessions; a Director of the Administrative Office of the U.S. Courts; a Director of the Federal Judicial Center; the Administrative Assistant to the Chief Justice of the Supreme Court; a full-time bankruptcy judge; a full-time magistrate judge; or a judge of the U.S. Court of Federal Claims. The Judicial Survivors' Annuities System provides death benefits for eligible survivors of judicial officials of the U.S. who elect, within 6 months of taking office or marrying, to be covered by the plan.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.0%
<i>Inflation rate</i>	4.5%
<i>Actuarial cost method</i>	Aggregate funding method.
<i>Basis of mortality assumptions</i>	1983 Group Annuity Mortality Tables for Males and Females.
<i>Basis of withdrawal assumptions</i>	Plan experience.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

Types and Terms of Investments

Types

U.S. government securities.

Investment restrictions

The Plan is allowed to invest in both U.S. Treasuries and Federal Farm Loan Bonds.

Benefit Terms

Percentage of salary at retirement

The annual amount of the annuity is equal to 1.5 percent of the average of the highest 3 years annual (salary or retirement pay) times each year of creditable service. The annuity may not exceed 50 percent of average salary or be less than 25 percent.

Minimum number of years worked to be eligible for survivor benefits

The surviving spouse or dependent children of a judicial official who dies after at least 18 months of service covered under the program are qualified to receive benefits.

Cost-of-living adjustments (COLA)

Annuities are increased each December 1 by the full increase in the Consumer Price Index as applied in the Civil Service Retirement System.

Social Security Eligibility for Employees of the Plan

Does not apply because employees are not the beneficiaries. This is strictly a survivors' annuities system; thus, the beneficiaries typically are spouses and children of employees.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

There is no unfunded actuarial accrued liability. However, the present value of accrued benefits exceeded the net assets available for benefits as of September 30, 1993, by \$4.9 million.

Employee Contribution Percentage

The contribution rate for actively serving participants (including judges in senior status) is 2.2 percent of salary. The contribution for all other participants is 3.5 percent.

Employer Contribution Percentage

The Judiciary contributes the amount necessary to fund any remaining cost over the future lifetime of current participants. That amount is limited to 9 percent of total covered salary each year. In 1993, the employer did not make any contributions to the fund.

Normal Cost as a Percentage of Payroll

Employer--4 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Judicial Survivors' Annuities System

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 65.5
Other vested participants	\$ <u>177.3</u>
	\$ 242.8
Actuarial present value of nonvested benefits	\$ <u>16.0</u>
<i>Accumulated Benefit Obligation</i>	\$ 258.8
Less Net Assets Available for Benefits	\$ <u>253.9</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	\$ <u><u>4.9</u></u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 65.5
Due to separated employees	\$ 0
Due to active employees	\$ <u>324.1</u>
Total	\$ 389.6
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>135.7</u>
<i>Actuarial Accrued Liability</i>	\$ 253.9
Less Assets Available for Benefits	\$ <u>253.9</u>
<i>Unfunded Actuarial Accrued Liability</i>	\$ <u><u>0</u></u>

**PLAN NAME: UNITED STATES TAX COURT
RETIREMENT PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993.

Number of Employees Participating

Active	18
Annuitants	19
Separated employees entitled to benefits	<u>0</u>
Total	<u>37</u>

Scope of Coverage

Any U.S. Tax Court judge may elect to be covered by this Plan instead of the Civil Service Retirement System. The Plan provides nondisability and disability benefits.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.0%
<i>Inflation rate</i>	5.0%
<i>Annual wage increase</i>	5.5%
<i>Actuarial cost method</i>	Entry age normal
<i>Basis of mortality assumptions</i>	1971 Group Annuity Mortality Tables for Males and Females
<i>Basis of withdrawal assumptions</i>	No member of the participant group is assumed to resign from office before retirement.

Valuation

<i>Audited financial statements</i>	No
<i>Enrolled actuarial statement</i>	Yes
<i>Type of audit opinion</i>	Not Applicable

Types and Terms of Investments

Types

None.

Investment restrictions

Not applicable.

Benefit Terms

Percentage of salary at retirement

One hundred percent of the rate of salary for an active judge, including any salary increases provided by the Congress.

Minimum number of years worked to retire without penalty

A Tax Court judge who attains age 65 and whose age and years of service total at least 80 may retire.

Cost-of-living adjustments (COLA)

COLAs are the result of congressional action. The Congress has provided the following adjustments during the last 5 calendar years:

1991	29.5%
1992	3.5%
1993	3.2%
1994	none
1995	none

Social Security Eligibility for Employees of the Plan

All judges contribute to the Social Security-Medicare system until such time they take senior status (i.e., retire), at which time they no longer are required to contribute.

FUNDING STATUS OF PLAN

Type of Funding

Pay-as-you-go.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

Because this Plan is established as a pay-as-you-go funding system, there are no provisions for eliminating the unfunded liability.

Employee Contribution Percentage

Noncontributory.

Employer Contribution Percentage

The employer does not contribute to employees' pension through payroll. Instead, pension benefits are paid through the appropriation process. The benefits paid to annuitants in 1993 by the employer was 100.1 percent of salary paid to active employees.

Normal Cost as a Percentage of Payroll

Normal cost is 42.2 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

United States Tax Court Retirement Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 15.6
Other vested participants	<u>\$ 0</u>
	\$ 15.6
Actuarial present value of nonvested benefits	\$ <u>3.6</u>
<i>Accumulated Benefit Obligation</i>	\$ 19.2
Less Net Assets Available for Benefits	\$ <u>0</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>\$ 19.2</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 21.6
Due to separated employees	\$ 0
Due to active employees	\$ <u>18.6</u>
Total	\$ 40.2
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>10.5</u>
<i>Actuarial Accrued Liability</i>	\$ 29.7
Less Assets Available for Benefits	\$ <u>0</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$ 29.7</u>

**PLAN NAME: UNITED STATES TAX COURT
 SURVIVORS' ANNUITY PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993.

Number of Employees Participating

Active	26
Annuitants	4
Separated employees entitled to benefits	<u>0</u>
Total	<u>30</u>

Scope of Coverage

Any Judge of the United States Tax Court is eligible to participate. Upon the death of a participating judge, benefits are paid to a surviving spouse and/or dependent children.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7%
<i>Inflation rate</i>	5%
<i>Actuarial cost method</i>	Entry age normal.
<i>Basis of mortality assumptions</i>	1971 Group Annuity Mortality Tables for Males and Females.
<i>Basis of withdrawal assumptions</i>	It is assumed that no participants will withdraw from the Plan prior to death.

Valuation

<i>Audited financial statements</i>	No.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Not applicable.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Types and Terms of Investments

Types

U.S. government securities.

Investment restrictions

26 U.S.C. 7448(e) provides that investments are restricted to "interest-bearing securities of the United States or Federal Farm Loan Bonds."

Benefit Terms

Percentage of salary upon death of participating judge

Spouse annuity

The annual amount of the annuity is equal to 1.5 percent of the average salary for each year of service, including all service in the judicial branch or as a Member of Congress, service up to 15 years as a congressional employee and service up to 5 years in the military, plus .75 percent of average salary for each year of creditable service not qualifying for the 1.5 percent rate (including all service in the executive branch). Average salary is the highest 3 year average of judicial salary prior to death. The maximum annuity is 50 percent of average salary, and the minimum annuity is 25 percent of average salary.

Dependent children annuity

If there is a surviving spouse, each child receives an annuity equal to the lesser of 10 percent of the average salary of the judge; or 20 percent of the average salary, divided by the number of children. If there is no surviving spouse, each child receives an annuity equal to the lesser of 20 percent of the average salary of the judge; or 40 percent of the average salary, divided by the number of children. If there is no surviving spouse or surviving child at the death of a judge, the sum of the judge's contributions with interest is payable to the judge's estate in a lump sum.

Minimum number of years worked to qualify for survivor benefits

A judge must have at least 5 years of civilian service for which contributions were made prior to death to be eligible for a survivor annuity.

Cost-of-living adjustments (COLA)

For each full increase of 5 percent in the salaries of U.S. Tax Court judges, survivor annuities are increased by 3 percent.

Social Security Eligibility for Employees of the Plan

Does not apply because employees are not the beneficiaries. This is strictly a survivors' annuities systems; thus, the beneficiaries typically are spouses and children of employees.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

The Plan is fully funded.

Employee Contribution Percentage

Employees contribute 3.5 percent of salary.

Employer Contribution Percentage

The employer contributes an amount that will reduce to zero the unfunded liability (if any) of the fund, but not greater than 11 percent of salary. In 1993, the employer contributed 6.20 percent of salary.

Normal Cost as a Percentage of Payroll

Employee--3.50 percent.
Employer--7.74 percent.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

United States Tax Court Survivors Annuity Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 0.7
Other vested participants	\$ <u>1.0</u>
	\$ 1.7
Actuarial present value of nonvested benefits	\$ <u>1.9</u>
<i>Accumulated Benefit Obligation</i>	\$ 3.6
Less Net Assets Available for Benefits	\$ <u>5.8</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	(\$ <u>2.2</u>)

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 0.8
Due to separated employees	\$ 0.0
Due to active employees	\$ <u>8.0</u>
Total	\$ 8.8
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>4.6</u>
<i>Actuarial Accrued Liability</i>	\$ 4.2
Less Assets Available for Benefits	\$ <u>5.4</u>
<i>Unfunded Actuarial Accrued Liability</i>	(\$ <u>1.2</u>)

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: TENNESSEE VALLEY AUTHORITY
RETIREMENT SYSTEM**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

September 30, 1993.

Number of Employees Participating

Active	18,697
Annuitants	14,745
Separated employees entitled to benefits	<u>2,030</u>
Total	<u>35,472</u>

Scope of Coverage

Substantially all permanent TVA employees are members. The Plan provides retirement, disability, and death benefits.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	8.0%
<i>Inflation rate</i>	4.5%
<i>Actuarial cost method</i>	Accrued benefit (unit credit).
<i>Basis of mortality assumptions</i>	1971 Group Annuity Table rated back one year; a special table is used for the period after disability retirement.
<i>Basis of withdrawal assumptions</i>	Plan experience.

Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Types and Terms of Investments

Types

Stocks	49%
Bonds	45%
Temporary investments	6%

Investment restrictions

The Retirement System Board of Directors has prohibited the investment in any international fixed income or equity security.

Benefit Terms

Percentage of salary at retirement

Component 1 (benefits from employer contributions)

Upon age 65 (or, if hired after April 1, 1991, age 65 with 5 years of creditable service), 1.3 percent of Average Compensation for each year of creditable service offset by .5 percent of Average Compensation up to \$4,200 for each year of service after December 31, 1955, up to 30 years. Average compensation is equivalent to the highest 3 consecutive years of earnings.

Component 2 (Benefits from employee contributions)

Members receive an additional annuity at retirement based upon their contributions to the Plan plus earnings. Actual earnings and losses on Plan investments are not allocated to members' contributions. Earnings are credited to participants through an interest rate determined by the Retirement System Directors, approximating the long-term expected rate of return for the fund. In 1993, members were credited an annual rate of interest of 10 percent.

Minimum number of years worked to retire without penalty

Attainment of age 65, or if hired after April, 1, 1991, age 65 with 5 years of service. Special service benefit available to members with 5 years of creditable service and attainment of age 55.

Cost-of-living adjustments (COLA)

Pension benefits are increased annually when the CPI increase exceeds 1 percent. The rate of increase is equal to the CPI increase up to 5 percent. The Retirement

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Systems Board, with the approval of the TVA Board, can approve an increase greater than 5 percent.

Social Security Eligibility for Employees of the Plan

Plan participants are members of the Social Security System.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

The Plan is fully funded under the Accumulated Benefit Obligation measurement. However, the Plan is underfunded under the Actuarial Accrued Liability measurement. The Actuarial Accrued Liability exceeds the value of plan assets.

Employee Contribution Percentage

The minimum rate of contribution is 3 percent of a member's compensation up to the Social Security covered earnings base plus 6 percent of earnable compensation in excess of that base. A member may make additional contributions to the Retirement System. The standard employee contribution is 6 percent of earnings.

Employer Contribution Percentage

The employer contributed 6.67 percent in 1993.

Normal Cost as a Percentage of Payroll

Employer--10.65 percent of payroll.
Employee--5.40 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Tennessee Valley Authority Retirement System

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	\$1,783.8
Participants currently receiving benefits	\$ <u>661.1</u>
Other vested participants	\$2,444.9
Actuarial present value of nonvested benefits	\$ <u>67.4</u>
<i>Accumulated Benefit Obligation</i>	\$2,512.3
Less Net Assets Available for Benefits	<u>\$3,708.9</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>(\$1,196.6)</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$1,783.8
Due to separated employees	\$ 71.1
Due to active employees	<u>\$3,319.1</u>
Total	\$5,174.0
Less Present Value of Future Employee/Employer Normal Cost Contributions	<u>\$1,553.1</u>
<i>Actuarial Accrued Liability</i>	\$3,620.9
Less Assets Available for Benefits	<u>\$3,393.0</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$ 227.9</u>

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: RETIREMENT ANNUITY PLAN FOR
EMPLOYEES OF ARMY AND AIR FORCE
EXCHANGE SERVICE**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993.

Number of Employees Participating

Active	20,675
Annuitants	12,398
Separated employees entitled to benefits	<u>803</u>
Total	<u>33,876</u>

Scope of Coverage

All full-time regular civilian employees of the Army and Air Force Exchange who are U.S. citizens or noncitizen nationals are covered by this Plan. This Plan includes nondisability retirement pay, and disability and survivors benefits.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.0%
<i>Inflation rate</i>	3.5%
<i>Annual salary increase</i>	4.5%
<i>Social security wage base</i>	4.0%
<i>Actuarial cost method</i>	Accrued benefit (projected unit credit).
<i>Basis of mortality assumptions</i>	1971 Group Annuity Mortality Table set back 2 years for males and 8 years for females.
<i>Basis of withdrawal assumptions</i>	A table prepared by an actuarial firm.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

Types and Terms of Investments

Types

U.S. government securities	3%
Corporate bonds and debentures	3%
Common stock	70%
Real estate	3%
Insurance contracts	8%
Cash	4%
Other fixed income	9%

Investment restrictions

The Plan is not restricted by law from investing in specific financial instruments. However, the Trustees have directed the inclusion of risk tolerance restrictions in each investment manager's guidelines including limiting the amount of the portfolio which could be held in a single stock or industry. Proposed additional guidelines were being submitted to the Plan Trustees in June 1995 to prohibit the use of derivatives in domestic equity portfolios. Guidelines for derivative investments for fixed income managers were also strengthened. The use of higher risk derivatives in fixed income portfolios was prohibited in some instances or limited to a specific percent of the portfolio, with 20 percent being the maximum permitted for one manager's portfolio.

Benefit Terms

Percentage of salary at retirement

Retirement pay is limited to 80 percent of the member's highest 3 years' average earnings. Retirement pay is equivalent to 1 and 1/2 percent of the member's highest 3 years' average earnings per year for first 5 years, 1 and 3/4 percent of the member's highest 3 years' average earnings per year for the next 5 years, and 2 percent of the member's highest 3 years average earnings for each year thereafter.

Minimum number of years worked to retire without penalty

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Federal Defined Benefit Pension Plan
Profiles**

Thirty years service at age 55.
Twenty years service at age 60.
Five years service at age 62.

Cost-of-living adjustments (COLA)

All annuities are increased at the same time and by the same percentage as annuities under the Civil Service Retirement Act.

Social Security Eligibility for Employees of the Plan

Yes. The Plan is fully integrated with the Social Security System. Retirees receive their full Social Security benefit; however, retirement benefits under this Plan are subject to a Social Security offset. Retirement benefits are reduced per the following formula:

Social Security Benefits times 2.5 percent times years of creditable service. For example, retirement benefits for a retiree who worked for 30 years would be reduced by 75 percent of the retiree's Social Security Benefits.

FUNDING STATUS OF PLAN

Type of Funding

Trust. As of December 31, 1993, the Plan had 8 percent of its assets invested in insurance contracts.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

The Plan is fully funded.

Employee Contribution Percentage

Members contribute 7 percent of earnings minus contributions to Social Security (excluding the Medicare segment of the tax). Employee contributions totaled \$3.96 million in 1993, or 0.91 percent of payroll.

Employer Contribution Percentage

Employer contributions totaled \$6.85 million in 1993, or 1.56 percent of payroll.

Normal Cost as a Percentage of Payroll

Employee--0.86 percent of payroll.
Employer--8.95 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

**Retirement Annuity Plan for Employees of Army and Air Force
Exchange Service**

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$1,047.1
Other vested participants	\$ <u>339.6</u>
	\$1,386.7
Actuarial present value of nonvested benefits	\$ <u>155.0</u>
<i>Accumulated Benefit Obligation</i>	\$1,541.7
Less Net Assets Available for Benefits	\$ <u>1,925.4</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	(\$ <u>383.7</u>)

Actuarial Accrued Liability Measurement (Dollars in millions)

*Present Value of Future Benefits over Net Assets Available for Benefits and the
Present Value of Future Normal Cost Contributions*

Present Value of Future Benefits	
Annuitants now on roll	\$1,047.1
Due to separated employees	\$ 3.9
Due to active employees	\$ <u>1,144.1</u>
Total	\$2,195.1
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>475.4</u>
<i>Actuarial Accrued Liability</i>	\$1,719.7
Less Assets Available for Benefits	\$ <u>1,852.1</u>
<i>Unfunded Actuarial Accrued Liability</i>	(\$ <u>132.4</u>)

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: SUPPLEMENTAL DEFERRED
COMPENSATION PLAN FOR MEMBERS
OF THE EXECUTIVE MANAGEMENT
PROGRAM (ARMY AND AIR FORCE
EXCHANGE SERVICE)**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993.

Number of Employees Participating

Active	476
Annuitants	1,474
Separated employees entitled to benefits	0
Total	<u>1,950</u>

Scope of Coverage

All full-time regular civilian employees who are U.S. citizens, and who are members of the Executive Management Program. The Plan is a funded, non-contributory defined benefit plan that includes nondisability retirement pay, and disability and survivors annuity benefits.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.0%
<i>Inflation rate</i>	3.5%
<i>Annual basic pay increase</i>	4.5%
<i>Actuarial cost method</i>	Accrued benefit (projected unit credit).
<i>Basis of mortality assumptions</i>	1971 Group Annuity Mortality Table set back 2 years for males and 8 years for females.
<i>Basis of withdrawal assumptions</i>	A table prepared by an actuarial firm (inclusive of death but exclusive of

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disability); disability table developed from the experience under the Civil Service Retirement System.

Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

Types and Terms of Investments

Types

U.S. government securities	6%
Common stock	65%
Corporate bonds and debentures	10%
Real estate	2%
Insurance contracts	13%
Cash	4%

Investment restrictions

The Plan is not restricted by law from investing in specific financial instruments. However, the Trustees have directed the inclusion of risk tolerance restrictions in each investment manager's guidelines, including limiting the amount of the portfolio which could be held in a single stock or industry. Proposed additional guidelines were being submitted to the Plan Trustees in June 1995 to prohibit the use of derivatives in domestic equity portfolios. Guidelines for derivative investments for fixed income managers were also strengthened. The use of higher risk derivatives in fixed income portfolios was prohibited in some instances or limited to a specific percent of the portfolio, with 20 percent being the maximum permitted for one manager's portfolio.

Benefit Terms

Percentage of salary at retirement

This is a supplemental benefit plan which provides retirement benefits to executives of the Army and Air Force Exchange who are also covered by the Army and Air Force Exchange Service Retirement Annuity Plan. The supplemental plan pays only the difference between benefits calculated under the Retirement Annuity Plan and benefits calculated under this Plan. Specifically, retirement pay

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under this supplemental plan provides retirees with the excess of 2.5 percent of high-3 average earnings per year of credited service over benefits under the Retirement Annuity Plan before offset for Social Security.

Minimum number of years worked to retire with full benefits

Thirty years service at age 55.
Twenty years service at age 60.
Five years service at age 62.

Cost-of-living adjustments (COLA)

The Plan provides for cost-of-living adjustments. Beginning July 1, 1969, all annuities paid to plan participants, survivors annuitants or contingent annuitants are increased by the same percentage amounts as provided under the cost-of-living adjustment provisions of the Civil Service Retirement Act, as amended.

Social Security Eligibility for Employees of the Plan

Yes. The Plan is fully integrated with the Social Security System. Retirees receive their full Social Security benefit; however, retirement benefits under this Plan are subject to a Social Security offset. Retirement benefits are reduced per the following formula:

Social Security benefits times 2.5 percent times number of years of creditable service.

FUNDING STATUS OF PLAN

Type of Funding

Trust. As of December 31, 1993, the Plan had 13 percent of assets invested in insurance contracts.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

As of December 31, 1993, the Supplemental Plan was underfunded by \$34 million under the Actuarial Accrued Liability measurement; however, the related AAFES Retirement Annuity Plan was overfunded by \$132 million. AAFES' funding policy has been to make annual contributions to the Plan in amounts that are estimated to remain a constant percentage of employees' compensation each year such that

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all employees' benefits will be fully provided for the time they retire. AAFES relies on a qualified actuary to determine the annual employer contribution.

Employee Contribution Percentage

Non-contributory.

Employer Contribution Percentage

The employer contributed 94.21 percent of payroll into the fund in 1993.

Normal Cost as a Percentage of Payroll

Employer--8.99 percent of payroll.

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**Supplemental Deferred Compensation Plan for Members of the
Executive Management Program (Army and Air Force Exchange
Service)**

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	\$ 197.1
Participants currently receiving benefits	\$ <u>0.0</u>
Other vested participants	\$ 197.1
Actuarial present value of nonvested benefits	\$ <u>43.7</u>
<i>Accumulated Benefit Obligation</i>	\$ 240.8
Less Net Assets Available for Benefits	\$ <u>220.8</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>\$ 20.0</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

*Present Value of Future Benefits over Net Assets Available for Benefits and the
Present Value of Future Normal Cost Contributions*

Present Value of Future Benefits	
Annuitants now on roll	\$ 197.1
Due to separated employees	\$ 0.0
Due to active employees	\$ <u>66.2</u>
Total	\$ 263.3
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>13.1</u>
<i>Actuarial Accrued Liability</i>	\$ 250.2
Less Assets Available for Benefits	\$ <u>215.9</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$ 34.3</u>

**PLAN NAME: U.S.A.F. NONAPPROPRIATED FUND
RETIREMENT PLAN FOR CIVILIAN
EMPLOYEES**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

September 30, 1993.

Number of Employees Participating

Active	7,848
Annuitants	2,265
Separated employees entitled to benefits	380
Total	<u>10,493</u>

Scope of Coverage

All regular full-time employees working in the U.S. and its territories or possessions or working outside of those areas who were citizens, permanent residents, or noncitizen nationals of the U.S. and who are paid in U.S. dollar are eligible upon date of hire. The Plan includes nondisability retirement pay, and disability and survivors benefits.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	8.0%
<i>Inflation rate</i>	4.0%
<i>Annual basic pay increase</i>	5.0%
<i>Social Security wage base increase</i>	4.5%
<i>Actuarial cost method</i>	Entry age normal.
<i>Basis of mortality assumptions</i>	1983 Group Annuity Mortality Table projected to 1991 by Scale H.
<i>Basis of withdrawal assumptions</i>	A table prepared by an actuarial firm based on actual experience.

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Federal Defined Benefit Pension Plan
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Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

Types and Terms of Investments

Types

U.S. government guaranteed securities	86%
Equity index fund	14%

Investment restrictions

Trust investments are governed by Department of Defense (DOD) Directive 1401.1-M, Personnel Policy Manual for Nonappropriated Fund Instrumentalities. In addition to permitting investments as outlined in DOD Instruction 7000.12, Financial Management of Morale, Welfare, and Recreation Activities (securities issued, guaranteed, or insured by the federal government), the plan is allowed to invest in other assets including equities, options, real estate, and international securities.

Benefit Terms

Percentage of salary at retirement

Retirement pay is generally limited to 80 percent of the member's highest 3 years' average earnings. Retirement pay is equivalent to 1 and 1/2 percent of the membership's highest 3 years' average earnings per year for the first 5 years, 1 and 3/4 percent of the member's highest 3 years' average earnings for the next 5 years, and 2 percent for each year thereafter times the highest 3 years' average earnings.

Minimum number of years worked to retire without penalty

Thirty years service at age 55.
Twenty years service at age 60.
Five years service at age 62.

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Cost-of-living adjustments (COLA)

On or after 1 January 1976, all annuities (except those resulting from voluntary termination prior to retirement) are increased by cost-of-living adjustments corresponding to annual increase in CPI.

Social Security Eligibility for Employees of the Plan

Yes. Participants in the Plan also participate in the Social Security System. Retirees receive their full Social Security benefits; however, retirement benefits under this Plan are subject to a Social Security offset. Retirement benefits are reduced per the following formula:

Social Security benefits times 2.5 percent times number of years of creditable service. For example, retirement benefits for a retiree who worked for 30 years would be reduced by 75 percent of the retiree's Social Security benefits.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

The Plan is fully funded.

Employee Contribution Percentage

One percent of payroll.

Employer Contribution Percentage

The employer contribution was 0.68 percent of payroll in 1993.

Normal Cost as a Percentage of Payroll

Employee--0.72 percent of payroll.

Employer--4.03 percent of payroll.

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U.S.A.F. Nonappropriated Fund Retirement Plan for Civilian Employees

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 54.8
Other vested participants	\$ <u>42.6</u>
	\$ 97.4
Actuarial present value of nonvested benefits	\$ <u>3.4</u>
<i>Accumulated Benefit Obligation</i>	\$100.8
Less Net Assets Available for Benefits	\$ <u>160.9</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	(\$ <u>60.1</u>)

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 54.8
Due to separated employees	\$ 2.7
Due to active employees	\$ <u>118.3</u>
Total	\$ 175.8
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>41.5</u>
<i>Actuarial Accrued Liability</i>	\$ 134.3
Less Assets Available for Benefits	\$ <u>160.9</u>
<i>Unfunded Actuarial Accrued Liability</i>	(\$ <u>26.6</u>)

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: UNITED STATES ARMY
NONAPPROPRIATED FUND
RETIREMENT PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

September 30, 1993, for Asset Statements; September 30, 1992, for Accumulated Plan Benefit Statements; and October 1, 1992, for Actuarial Status Information.

Number of Employees Participating

Active	10,431
Annuitants	3,092
Separated employees entitled to benefits	<u>331</u>
Total	<u>13,854</u>

Note: Active includes 350 no longer contributing to the Plan.

Scope of Coverage

All employees of covered U.S. Army NonAppropriated Fund activities working at least 20 hours per week are eligible to become participants on their date of employment. Participation is voluntary, and employee contributions are required for participation. The Plan provides nondisability retirement, disability and survivor benefits.

Actuarial Assumptions (as of 10/01/92)

<i>Rate of return on plan investments</i>	8.5%
<i>Inflation rate</i>	5.0%
<i>Social Security wage base increase</i>	6.0%
<i>Annual salary increase</i>	7% at ages 20-29; 6% at 30-44; 5% at 45+
<i>Actuarial cost method</i>	Projected unit credit actuarial cost method.
<i>Basis of mortality assumptions</i>	1971 Mortality Table with ages set back 6 years for females.

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Basis of withdrawal assumptions

Table based on heavy turnover, adjusted to reflect Plan's experience.

Valuation

Audited financial statements

Yes.

Enrolled actuarial statement

Yes.

Type of audit opinion

Unqualified.

Types and Terms of Investments

Types

Deposit administration contracts with two insurance companies	1%
Investment management agreements with various companies (nine)	98%
U.S. government securities through the U.S. Army Banking and Investment Fund	1%

Investment restrictions

The trustees are limited by the terms of the trust document and have the authority to make decisions about the Plan's investments. Plan investments are governed by the Statement of Investment Policy and Objectives. Specifically, all investment managers are expected to perform their fiduciary duties as prudent people would and to conform with all state and federal statutes governing the investment of retirement funds. Additionally, the Statement restrictions include: no more than 10 percent of a manager's equity assets will be invested in companies rated less than B+; and no more than 10 percent of the manager's assets shall be invested in the securities of a single issuer (except for U.S. government securities).

Benefit Terms

Percentage of salary at retirement

Retirement pay based on annual average earnings for highest 3 years times 1.2 percent per year for first 15 years plus 0.3 percent for annual average earnings for highest 3 years in excess of Covered Compensation, 1.6 percent per year for 16 to 30 years plus 0.3 percent of annual average earnings for highest 3 years in excess of Covered Compensation, and 1.6 percent of annual average earnings for highest 3 years for each year of service over 30 years.

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Minimum number of years worked to retire without penalty

Five years and age 62.
Twenty years and age 60.
Thirty years and age 55.

Cost-of-living adjustments (COLA)

COLAs are scheduled to occur every 12 months on April 1, and are based on the CPI-Urban Wage Earners and Clerical Workers (CPI-W). The COLA is the percentage increase in the average CPI-W for the third quarter of the preceding year over the third quarter of the second preceding year, or 4 percent whichever is the lesser amount. If the CPI exceeds 4 percent, the program manager and trustees determine the financial condition of the Plan, and may recommend to the Commander increases of more than 4 percent.

Social Security Eligibility for Employees of the Plan

Nonappropriated fund employees have been part of the Social Security System since 1952.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

The employer contribution to the Plan was increased from 2.0 percent of covered payroll to 6.5 percent of covered payroll effective October 1, 1994. Effective May 1995, the Plan Trustees, in consultation with the actuary, have adopted a 15-year amortization schedule for the Plan's unfunded actuarial liability as calculated under the Actuarial Accrued Liability method. The actuary estimates that the 6.5 percent employer contribution will result in amortization of the unfunded liability within the 15 year timeframe.

Employee Contribution Percentage

Two percent (3 percent prior to 1/1/91).

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Employer Contribution Percentage

Employer contribution of 2 percent of payroll was increased to 6.5 percent of payroll in 1994.

Normal Cost as a Percentage of Payroll

Employee--2 percent of payroll.
Employer--3.91 percent of payroll.

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United States Army Nonappropriated Fund Retirement Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	\$ 101.6
Participants currently receiving benefits	\$ <u>103.7</u>
Other vested participants	\$ 205.3
Actuarial present value of nonvested benefits	\$ <u>9.4</u>
<i>Accumulated Benefit Obligation</i>	\$ 214.7
Less Net Assets Available for Benefits	\$ <u>244.7</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	(\$ <u>30.0</u>)

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 101.6
Due to separated employees	\$ 3.0
Due to active employees	\$ <u>281.3</u>
Total	\$ 385.9
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>135.2</u>
<i>Actuarial Accrued Liability</i>	\$ 250.7
Less Assets Available for Benefits	\$ <u>243.3</u>
<i>Unfunded Actuarial Accrued Liability</i>	\$ <u>7.4</u>

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: RETIREMENT PLAN FOR CIVILIAN
EMPLOYEES OF U.S. MARINE CORPS
MORALE, WELFARE, AND RECREATION
ACTIVITIES AND MISCELLANEOUS
NONAPPROPRIATED FUND
INSTRUMENTALITIES**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993.

Number of Employees Participating

Active	3,324
Annuitants	1,155
Separated employees entitled to benefits	<u>1,364</u>
Total	<u>5,843</u>

Scope of Coverage

Civilian employees of United States Marine Corps Morale, Welfare and Recreation activities and the Morale, Welfare, and Recreation support activity. The Plan includes retirement benefits, survivor benefits, and disability benefits.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	8%
<i>Inflation rate</i>	4%
<i>Actuarial cost method</i>	Entry age normal.
<i>Basis of mortality assumptions</i>	1983 Group Annuity Male Table.
<i>Basis of withdrawal assumptions</i>	Plan experience.

Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

92 Retirement Plan for Civilian Employees of U.S. Marine Corps Morale, Welfare, and Recreation Activities and Miscellaneous Nonappropriated Fund Instrumentalities

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Types and Terms of Investments

Types

Cash and temporary investments	5%
Bonds	39%
Common stock	51%
Unallocated insurance contracts	5%

Investment restrictions

Although not governed by the provisions of law as established by ERISA, DOD components shall follow the provisions of ERISA in managing their pension fund investment accounts. DOD components shall act solely in the interest of the participants and beneficiaries obtaining actual reviews annually and diversifying investments to meet projected requirements.

Benefit Terms

Percentage of salary at retirement

For members prior to 1976: For credited service before January 1, 1976, retirees receive 2/3 percent of the first \$4,800 of final high-5 average yearly earnings, plus 1-2/3 percent in excess of \$4,800, times the number of years of credited service from January 1, 1956, to January 1, 1976. Such amount will be reduced to reflect a retirement age of other than 65. However, no such reduction will reduce the benefit in excess of the reduction that would apply at age 62.

For credited service after January 1, 1976, retirees receive (A) plus (B) minus (C).

(A) For each of the first 10 years (first 10 years of service after 1976 reduced by credited service earned before 1976, but not reduced below zero), retirees receive the greater of 1-1/2 percent of final high-3 average yearly earnings; or 1 percent of final high-3 average yearly earnings plus \$25.

(B) For each year of credited service earned after January 1, 1976, less the number of years of credited service used in (A), retirees receive the greater of 2 percent of final high-3 average yearly earnings; or 1 percent of final high-3 average yearly earnings plus \$25.

(C) The annuity is reduced by a Social Security benefit offset of 2-1/2 percent of the Social Security benefit times the number of years of service. For employees who elect to retire on or after age 65, the Social Security offset is 1 percent for

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each of the first 5 years, 2 percent for each year from 6 through 10, and 2-1/2 percent for each year of service after 10.

For employees who became members on or after January 1, 1976: Retirees receive (A) plus (B) minus (C).

(A) For each of the first 10 years of service, retirees receive the greater of 1-1/2 percent of final high-3 earnings; or 1 percent of final high-3 average yearly earnings plus \$25. For employees who became members on January 1, 1976, and have credited service prior to January 1, 1976, the actual number of years of credited service not in excess of 4 will be included.

(B) For each year in excess of 10, retirees receive the greater of 2 percent of final high-3 average yearly earnings; or 1 percent of final high-3 average yearly earnings plus \$25.

(C) The annuity is reduced by a Social Security benefit offset of 2-1/2 percent of the Social Security benefit times the number of years of service.

The maximum retirement annuity for credited service both before and after January 1, 1976; and before the Social Security offset, is 80 percent of high-3 average yearly earnings.

Minimum number of years worked to retire without penalty

Age 55 with 30 years of service.

Age 60 with 20 years of service.

Age 62 with 5 years of service.

Cost-of-living adjustments (COLA)

Benefits will be adjusted annually based on change in the consumer price index. The maximum annual increase or decrease is 3 percent. The following list summarizes Plan COLAs for the previous 5 years:

1991	3.0%
1992	3.0%
1993	2.9%
1994	2.5%
1995	3.0%

Social Security Eligibility for Employees of the Plan

Yes. Retirees receive their full Social Security benefits; however, retirement benefits under this Plan are subject to a Social Security offset. Retirement benefits are reduced per the following formula:

Social Security benefits times 2.5 percent times years of creditable service. For example, retirement benefits for a retiree who worked for 30 years would be reduced by 75 percent of the retiree's Social Security benefits.

FUNDING STATUS OF PLAN

Type of Funding

Trust. As of December 31, 1993, the Plan had 5 percent of its assets invested in insurance contracts.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

The Plan is fully funded.

Employee Contribution Percentage

Employees contribute 1.15 percent of earnings up to maximum Social Security base, plus 7 percent of earning in excess of social security wage base. Employees contributed 1.41 percent of salary to the Plan in 1993.

Employer Contribution Percentage

The Marine Corps Exchange Service's funding policy is to make annual contributions to the Plan in amounts that are estimated to remain a constant percentage of employee's compensation each year, such that, when combined with employees' benefits will be fully provided for by the time they retire. The employer contributed 1.88 percent of salary in 1993.

Normal Cost as a Percentage of Payroll

Employee--1.11 percent of payroll.
Employer--2.88 percent of payroll.

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**Retirement Plan for Civilian Employees of U.S. Marine Corps Morale,
Welfare, and Recreation Activities and Miscellaneous Nonappropriated
Fund Instrumentalities**

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 39.0
Other vested participants	\$ <u>25.6</u>
	\$ 64.6
Actuarial present value of nonvested benefits	\$ <u>1.7</u>
<i>Accumulated Benefit Obligation</i>	\$ 66.3
Less Net Assets Available for Benefits	\$ <u>95.9</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	(\$ <u>29.6</u>)

Actuarial Accrued Liability Measurement (Dollars in millions)

*Present Value of Future Benefits over Net Assets Available for Benefits and the
Present Value of Future Normal Cost Contributions*

Present Value of Future Benefits	
Annuitants now on roll	\$ 39.0
Due to separated employees	\$.6
Due to active employees	\$ <u>71.9</u>
Total	\$111.5
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>20.4</u>
<i>Actuarial Accrued Liability</i>	\$ 91.1
Less Assets Available for Benefits	\$ <u>91.6</u>
<i>Unfunded Actuarial Accrued Liability</i>	(\$ <u>0.5</u>)

Note: Zero or negative totals indicate that the Plan is fully funded.

96 Retirement Plan for Civilian Employees of U.S. Marine Corps Morale, Welfare, and
Recreation Activities and Miscellaneous Nonappropriated Fund Instrumentalities

**PLAN NAME: NAVY EXCHANGE SERVICE COMMAND
RETIREMENT PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993.

Number of Employees Participating

Active	12,061
Annuitants	7,264
Separated employees entitled to benefits	636
Total	<u>19,961</u>

Scope of Coverage

Civilian employees of the Navy Exchange Service Command (NEXCOM), Bureau of Naval Personnel (BUPERS), and U.S.Coast Guard Resale Programs (USCGRP) are members of the Plan.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.5%
<i>Inflation rate</i>	4.0%
<i>Actuarial cost method</i>	Projected Unit Credit.
<i>Basis of mortality assumptions</i>	The 1991 Group Annuity Mortality Table set forward 1 year for females.
<i>Basis of withdrawal assumptions</i>	Table developed by an actuarial firm.

Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

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Types and Terms of Investments

Types

Common and preferred stock	59%
Corporate bonds and government securities	18%
Real estate funds	2%
Short-term notes	2%
Insurance contracts	19%

Investment restrictions

The Retirement Plan Board of Trustees reviews and makes decisions as to the investments appropriate for investment of Trust assets. In addition, DOD Manual 1401.1 provides that investment of retirement funds may be made but not limited to the following: (1) Deposits or securities authorized by paragraph j.2b (DODI 7000.12) that provide the necessary liquidity for the Retirement Plan. (2) Instruments of the private sector such as common and preferred stock, corporate and municipal bonds (generally minimum investment grade), options, and real estate.

The Board of Trustees gives each investment manager a set of guidelines which indicate the acceptable investments for that manager and the percent of market value limitation for each investment.

Benefit Terms

Percentage of salary at retirement

For credited service up to September 1, 1974: 1 percent of high-3 average earnings below \$3,600 and 1-1/2 percent of such earnings above \$3,600 for the first 10 years of credited service up to September 1, 1974, plus 1-1/4 percent of high-3 average earnings below \$3,600 and 2 percent of such earnings above \$3,600 for the next 20 years of credited service up to September 1, 1974.

For credited service September 1, 1974 and after: 1-1/2 percent of high-3 average earnings for the first 5 years of service, 1-3/4 percent of high-3 average earnings for the next 5 years of service, and 2 percent of high-3 average earnings for each year thereafter.

Minimum benefit is 1/2 percent of high-3 average earnings times total credited service. Maximum benefit is 80 percent of high-3 average earnings less the Social Security offset, excluding unused sick leave.

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Minimum number of years worked to retire without penalty

Age 62 with at least 5 years.
Age 60 with at least 20 years.
Age 55 with at least 30 years.

Cost-of-living adjustments (COLA)

The Plan provides cost-of-living adjustments annually in the same manner as prescribed in the Civil Service Retirement Act.

Social Security Eligibility for Employees of the Plan

The participants are civilian employees covered by the Social Security System. Retirees receive all of their Social Security benefits, but their retirement benefits are subject to a Social Security offset. The Social Security offset is equal to 1 percent of Social Security benefits payable at age 62 (or actual retirement age if later, up to age 65) for each year of credit service from September 1, 1974 to August 31, 1979, 2 percent for credited service from September 1, 1979 to August 31, 1984, and 2-1/2 percent thereafter.

FUNDING STATUS OF PLAN

Type of Funding

Trust. As of December 31, 1993, about 80 percent of the Plan's investments were held in the Navy Exchange Service Command Master Trust Fund. The remainder of the Plan's investments were managed under an insured annuity contract.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

The Plan is fully funded.

Employee Contribution Percentage

One percent of payroll.

Employer Contribution Percentage

The employers contribute the amounts required in addition to the participants' contribution to meet the costs of providing all benefits under the Plan, including reasonable expenses of administering the Plan. Due to the funding status, the employers were not required to make any contributions to the Plan in 1993.

**Appendix I
Federal Defined Benefit Pension Plan
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Normal Cost as a Percentage of Payroll

NEXCOM 8.71 percent of payroll, USCGRP 6.03 percent of payroll, and BUPERS 7.64 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Navy Exchange Service Command Retirement Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 341.5
Other vested participants	\$ <u>110.7</u>
	\$ 452.2
Actuarial present value of nonvested benefits	\$ <u>43.3</u>
<i>Accumulated Benefit Obligation</i>	\$ 495.5
Less Net Assets Available for Benefits	\$ <u>894.7</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	(\$ <u>399.2</u>)

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 341.5
Due to separated employees	\$ 4.4
Due to active employees	\$ <u>409.4</u>
Total	\$ 755.3
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>192.8</u>
<i>Actuarial Accrued Liability</i>	\$ 562.5
Less Assets Available for Benefits	\$ <u>758.3</u>
<i>Unfunded Actuarial Accrued Liability</i>	(\$ <u>195.8</u>)

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: U.S. NAVY NONAPPROPRIATED FUND
RETIREMENT PLAN FOR EMPLOYEES
OF CIVILIAN MORALE, WELFARE, AND
RECREATION ACTIVITIES**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993.

Number of Employees Participating

Active	82
Annuitants	22
Separated employees entitled to benefits	0
Total	<u>104</u>

Scope of Coverage

Plan participation commences on the first day of the month coincident with or the next following the date the following requirements are satisfied: (1) the employee becomes a regular, full-time employee, employed on a regular basis, and (2) the employee contributes to the Plan, and (3) the employee has not attained age 60.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.5%
<i>Inflation rate</i>	5.0%
<i>Actuarial cost method</i>	Entry age normal
<i>Basis of mortality assumptions</i>	Published table 1971 Group Annuity Mortality Table set back 2 years for males and 8 for females.
<i>Basis of withdrawal assumptions</i>	Published table: Rates of turnover inherent in Sarason T-5 Table (The Actuary's Pension Handbook, Crocker- Sarason-Straight, 1955 Edition).

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Valuation

<i>Audited financial statements</i>	No.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Not applicable.

Types and Terms of Investments

Types

The Plan is invested in an immediate participation guarantee contract with the John Hancock Mutual Life Insurance Company which is valued at contract value. Contract value represents contributions made under the contract plus interest at the contract rate less funds used to pay benefits and administration expenses charged by John Hancock.

Investment restrictions

The Plan is not restricted by law or by motion of the plan trustee from investing in specific financial instruments.

Benefit Terms

Percentage of salary at retirement

Normal retirement benefits is the amount of the greater of (1) 1.5 percent of the average of the last 5 years of salary multiplied by years of credited service or (2) the accrued benefit as of January 1, 1989, under the pre-January 1, 1989, benefit formula.

Minimum number of years worked to retire without penalty

Lowest age at which employee may voluntarily retire with full benefits is 62 with 5 years service.

Cost-of-living adjustments (COLA)

Cost-of-living adjustments are established annually by the Trustees based on financial posture of the activities.

1990--1992: no COLAs
1993: 3 percent COLA adjustment
1994: 3 percent COLA adjustment

Social Security Eligibility for Employees of the Plan

Employees participate in the Social Security System.

Type of Funding

Trust. The assets of the fund are invested in an immediate participation guarantee contract with an insurance company.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

There are no provisions for eliminating the plan's unfunded actuarial liability as calculated under the Actuarial Accrued Liability measurement.

Employee Contribution Percentage

As a condition of participation, employees are required to contribute 3 percent of the first \$4,800 of salary plus 4 percent of the excess.

Employer Contribution Percentage

The employer's funding policy is to make annual contributions to the Plan, such that, when combined with employees' contributions, all employees' benefits will be fully provided for by the time they retire.

Normal Cost as a Percentage of Payroll

Employee--3.75 percent of payroll.
Employer--8.23 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

**U.S. Navy Nonappropriated Fund Retirement Plan for Employees of
Civilian Morale, Welfare, and Recreation Activities**

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 0.4
Other vested participants	\$ <u>0.6</u>
	\$ 1.0
Actuarial present value of nonvested benefits	\$ <u>0</u>
	\$ 1.0
Less Net Assets Available for Benefits	\$ <u>1.1</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	\$ <u>(0.1)</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

*Present Value of Future Benefits over Net Assets Available for Benefits and the
Present Value of Future Normal Cost Contributions*

Present Value of Future Benefits	
Annuitants now on roll	\$ 0.4
Due to separated employees	\$ 0
Due to active employees	\$ <u>1.8</u>
Total	\$ 2.2
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>1.0</u>
<i>Actuarial Accrued Liability</i>	\$ 1.2
Less Assets Available for Benefits	\$ <u>1.1</u>
<i>Unfunded Actuarial Accrued Liability</i>	\$ <u>0.1</u>

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: NORFOLK NAVAL SHIPYARD PENSION
PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993.

Number of Employees Participating

Active	33
Annuitants	47
Separated employees entitled to benefits	<u>7</u>
Total	<u>87</u>

Scope of Coverage

Plan participation commences on the first day of the month coincident with or next following the date the requirements are satisfied: (1) the employee becomes a regular, full-time employee, employed on a regular basis, and (2) the employee contributes to the Plan, and (3) the employee has not attained age 60.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.5%
<i>Inflation rate</i>	5.0%
<i>Actuarial cost method</i>	Aggregate.
<i>Basis of mortality assumptions</i>	Published table 1971 Group Annuity Mortality Table set back 2 years for males and 8 years for females.
<i>Basis of withdrawal assumptions</i>	Published table: Rates of turnover inherent in Sarason T-5 Table (The Actuary's Pension Handbook, Crocker- Sarason-Straight, 1955 Edition).

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Valuation

<i>Audited financial statements</i>	No.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Not applicable.

Types and Terms of Investments

Types

The Plan is invested in an immediate participation guarantee contract with the John Hancock Mutual Life Insurance Company which is valued at contract value. Contract value represents contributions made under the contract plus interest at the contract rate less funds used to pay benefits and administration expenses charged by John Hancock.

Investment restrictions

The Plan is not restricted by law or by motion of the plan trustee from investing in specific financial instruments.

Benefit Terms

Percentage of salary at retirement

One and a half percent of "average annual compensation" multiplied by years of credited service. Average annual compensation is compensation received in the last 5 years preceding the earlier of retirement or termination date.

Minimum number of years worked to retire without penalty

Five years of service at age 62.

Cost-of-living adjustments (COLA)

Cost-of-living adjustments are established annually by the Trustees based on financial posture of the activities.

1990--1992:	no COLAs
1993:	3 percent COLA adjustment
1994:	3 percent COLA adjustment

Social Security Eligibility for Employees of the Plan

Employees participate in the Social Security System.

FUNDING STATUS OF PLAN

Type of Funding

Trust. The assets of the fund are invested in an immediate participation guarantee contract with an insurance company.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

The Plan is fully funded.

Employee Contribution Percentage

Employees contribute 3 percent of the first \$4,800 of salary, plus 4 percent of the excess. In 1993, the employees contributed 3.27 percent of payroll.

Employer Contribution Percentage

The employer's funding policy is to make annual contributions to the Plan, such that, when combined with employees' contributions, all employees' benefits will be fully provided for by the time they retire. In 1993, the employer contributed 3.34 percent of payroll to the Plan.

Normal Cost as a Percentage of Payroll

Employee--3.71 percent.

Employer--3.11 percent.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Norfolk Naval Shipyard Pension Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 1.2
Other vested participants	\$ <u>0.4</u>
	\$ 1.6
Actuarial present value of nonvested benefits	\$ <u>0.0</u>
<i>Accumulated Benefit Obligation</i>	\$ 1.6
Less Net Assets Available for Benefits	\$ <u>2.2</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	(\$ <u>0.6</u>)

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 1.1
Due to separated employees	\$ 0.1
Due to employee accumulations	\$ 0.2
Due to active employees	\$ <u>0.9</u>
Total	\$ 2.3
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>0.1</u>
<i>Actuarial Accrued Liability</i>	\$ 2.2
Less Assets Available for Benefits	\$ <u>2.2</u>
<i>Unfunded Actuarial Accrued Liability</i>	\$ <u>0</u>

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: FEDERAL RESERVE EMPLOYEES
BENEFITS SYSTEM**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993.

Number of Employees Participating

Active	26,251
Annuitants	11,108
Separated employees entitled to benefits	<u>3,747</u>
Total	<u>41,106</u>

Scope of Coverage

The Federal Reserve Employee Benefit System is for employees of the Federal Reserve System. The Retirement Plan consists of two benefit structures: the Bank Plan, covering eligible employees of the district banks; and the Board Plan, covering employees of the Board of Governors of the Federal Reserve System hired prior to January 1, 1984. Board of Governor employees hired on or after January 1, 1984, are covered under the "New Board Plan" which has the same provisions as the Bank Plan. The Federal Reserve Employee Benefit System provides retirement benefits, survivorship options, and death benefits.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	7.5%
<i>Inflation rate</i>	5.0%
<i>Actuarial cost method</i>	Entry age normal.
<i>Basis of mortality assumptions</i>	Published table--1989 Mortality Table.
<i>Basis of withdrawal assumptions</i>	Plan experience.

Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Types and Terms of Investments

Types

U.S. Treasury and government agencies	17%
Corporate bonds	12%
Common and preferred stock	67%
Cash and cash equivalent (commercial paper and investment income receivable)	4%

Investment restrictions

The Plan's assets are invested with nine investment managers. The Federal Reserve Committee on Investment Performance hires, monitors performance, and fires investment managers. The managers are restricted by the Committee's Investment Objectives and Guidelines. The Guidelines proscribe certain types of investments and impose limits on other types of investments such as prohibiting purchasing on margin, selling short, trading in foreign exchange, trading puts or calls, writing of options, or purchasing commodities or commodity contracts.

Benefit Terms

Percentage of salary at retirement

Bank Plan

Retirees receive 1.3 percent of high-5 years' average salary not in excess of Social Security integration level, plus 1.8 percent of high-5 average salary in excess of Social Security integration level, the total of which is multiplied by the number of years of creditable service (not to exceed 80 percent of the member's high-5 years' average salary).

Board Plan

Retirees receive 1.5 percent of high-3 years' average salary for each of the first 5 years of service, plus 1.75 percent of high-3 years' average salary for each of the next 5 years of service, plus 2 percent of high-3 years' average salary for each year of service thereafter (not to exceed 80 percent of the member's high-3 years' average salary).

Minimum number of years worked to retire without penalty

Bank Plan

Age 60 with at least 30 years of service or age 65 with at least 5 years of service.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Board Plan

Age 55 with at least 30 years of service.

Cost-of-living adjustments (COLA)

Bank Plan

The Plan since 1970 has periodically made cost-of-living adjustments. Such adjustments are not automatic and must be approved as amendments to the Plan. Retirees must be retired at least 2 years to be eligible for a COLA. Retirees who have been retired 15 or more years and who are age 65 or older receive a larger COLA. The following COLAs were made in the last 5 years:

- January 1, 1990, 3.5 percent and 5.2 percent for employees who were retired more than 15 years and were at least age 65.
- January 1, 1992, 3.7 percent and 5.6 percent for employees who were retired more than 15 years and were at least age 65.
- January 1, 1995, 3.4 percent and 5.1 percent for employees who were retired more than 15 years and were at least age 65.

Board Plan

Participants in the Board Plan receive the same cost of living adjustments as participants in CSRS.

Social Security Eligibility for Employees of the Plan

Bank Plan

The employees who are covered by the Bank Plan are covered by Social Security. Their pension benefit is integrated with Social Security.

Board Plan

The Board Plan covers about 620 Board employees hired before January 1984. The Board Plan provisions parallel those of the Civil Service Retirement System. Accordingly, the Board employees covered by the Board Plan are not part of the Social Security System.

FUNDING STATUS OF PLAN

Type of Funding

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

The Plan's consulting actuary indicated that the Plan does not automatically provide cost-of-living adjustments on an annual basis. Nevertheless, for the purposes of Public Law 95-595 filings, they assumed an annual inflation rate of 5 percent, an annual COLA of 5 percent for the Board Plan, and an annual COLA of 3 percent for the Bank Plan based on their interpretation of Public Law 95-595 filing instructions. Because the actuary believes a 5 percent assumed inflation rate is high in view of their current experience, they intend to use lower inflation and COLA assumptions in the December 31, 1994, Public Law 95-595 report, and, accordingly, no unfunded accrued liability will be derived.

Employee Contribution Percentage

Bank Plan

Noncontributory.

Board Plan

Employees contribute 7 percent of their salary to the Retirement Plan. Employees of the Board Plan make no contributions to the Social Security System.

Employer Contribution Percentage

Bank Plan and Board Plan

Due to the funding status of the Plans, there have been no employer contribution to the Bank Plan since 1986 and to the Board Plan since 1985.

Normal Cost as a Percentage of Payroll

Bank Plan

The normal cost is 9.95 percent of payroll.

Board Plan

The normal cost is 20.79 percent of payroll for employees hired prior to 1/1/84. The normal cost is 10.71 percent of payroll for employees hired 1/1/84 and after.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Federal Reserve Employees Benefits System

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 871.7
Other vested participants	<u>\$ 817.4</u>
	\$ 1,689.1
Actuarial present value of nonvested benefits	\$ <u>63.6</u>
<i>Accumulated Benefit Obligation</i>	\$ 1,752.7
Less Net Assets Available for Benefits	\$ <u>2,971.7</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>(\$1,219.0)</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 871.7
Due to separated employees	\$ 80.5
Due to active employees	<u>\$3,175.9</u>
Total	\$4,128.1
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>1,270.1</u>
<i>Actuarial Accrued Liability</i>	\$2,858.0
Less Assets Available for Benefits	\$ <u>2,594.2</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$ 263.8</u>

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: WESTERN FARM CREDIT DISTRICT
EMPLOYEES' RETIREMENT PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993.

Number of Employees Participating

Active	989
Annuitants	292
Separated employees entitled to benefits	<u>543</u>
Total	<u>1,824</u>

Scope of Coverage

This pension Plan covers substantially all employees of the banks and associations in the Eleventh Farm Credit District. Regular employees become participants and begin accruing credited service under the Plan after they have completed 6 full months of employment.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	8.0%
<i>Inflation rate</i>	The inflation rate (in relation to plan provisions benefit adjustments) is not applicable because the Plan does not provide for automatic post-retirement benefit increases.
<i>Actuarial cost method</i>	Entry age normal--Frozen Initial Liability.
<i>Basis of mortality assumptions</i>	1971 Group Annuity Mortality Table (Unisex).
<i>Basis of withdrawal assumptions</i>	New York Life's table of rates, derived by modification of Tables T-2 and T-8 from Actuaries Handbook.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

Types and Terms of Investments

Types

The Plan is invested in a group annuity funding contract with the New York Life Insurance Company, which is valued at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to pay benefits and administrative expenses charged by New York Life.

Investment restrictions

In 1975 the District Board entered into a guaranteed interest group annuity contract with New York Life Insurance Company, under which all employees and employer contributions to the Plan are deposited. New York Life maintains the contributions in a fund to which it adds interest at the rate earned by its general fund, subject to minimum guarantees. The Plan has no other investments.

Benefit Terms

Percentage of salary at retirement

The annual pension is equal to 1.95 percent of highest consecutive 5-year average earnings, multiplied by years of creditable service.

Minimum number of years worked to retire without penalty

Five years of service at age 65.

Cost-of-living adjustments (COLA)

The Plan does not provide automatic cost-of-living adjustments. The Plan had a provision under which the Plan Administrator could determine whether (and to what extent) benefits for retirees and beneficiaries should be increased because of increases in the cost of living. However, this provision was deleted in 1994. Western Farm Credit Bank does not expect to provide future increases to retirees or beneficiaries in payment status.

Social Security Eligibility for Employees of the Plan

The participating employees are a part of the Social Security System.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

The Plan is fully funded.

Employee Contribution Percentage

Noncontributory.

Employer Contribution Percentage

In 1993, the employer did not make any contribution to the Plan.

Normal Cost as a Percentage of Payroll

The normal cost is 5.97 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Western Farm Credit District Employees' Retirement Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 20.3
Other vested participants	<u>\$ 18.3</u>
	\$ 38.6
Actuarial present value of nonvested benefits	<u>\$ 0.7</u>
<i>Accumulated Benefit Obligation</i>	\$ 39.3
Less Net Assets Available for Benefits	<u>\$ 57.4</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>(\$ 18.1)</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 20.3
Due to separated employees	\$ 4.8
Due to active employees	<u>\$ 54.5</u>
Total	\$ 79.6
Less Present Value of Future Employee/Employer Normal Cost Contributions	<u>\$ 22.2</u>
<i>Actuarial Accrued Liability</i>	\$ 57.4
Less Assets Available for Benefits	<u>\$ 57.4</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$ 0</u>

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: NINTH FARM CREDIT DISTRICT
PENSION PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993.

Number of Employees Participating

Active	820
Annuitants	188
Separated employees entitled to benefits	<u>274</u>
Total	<u>1,282</u>

Scope of Coverage

Employees of the associations and banks of the Ninth Farm Credit District upon completion of 1,000 hours during a 1 year period are eligible.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	8%
<i>Inflation rate</i>	Cost-of-living adjustments are not predetermined. Consequently, inflation rate assumption is not applicable.
<i>Actuarial cost method</i>	Accrued benefit
<i>Basis of mortality assumptions</i>	1971 Group Annuity Mortality Table.
<i>Basis of withdrawal assumptions</i>	According to the Plan actuary, the basis of withdrawal assumptions used for the 12/31/93 plan year were from the previous actuary of record.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

Types and Terms of Investments

Types

U.S government and agency securities	12%
Corporate bonds	7%
Common stock	36%
Mutual funds	31%
Mortgage-backed securities	8%
Cash equivalents	5%

Investment restrictions

No specific investment instrument restrictions exist. However, the Plan does have a formal statement of investment policies and objectives.

Benefit Terms

Percentage of salary at retirement

Monthly pension benefit payments are determined by multiplying 1.50 percent by the participant's highest average monthly earnings during any 60 months of employment (average compensation) times years of benefit service plus .25 percent of average compensation in excess of covered compensation times years of benefit service.

Minimum number of years worked to retire without penalty

Five years (at attainment of age 65).

Cost-of-living adjustments (COLA)

Retiree benefits are reviewed annually by the Trust Committee. The last adjustment was a 3 percent increase effective January 1, 1990.

Social Security Eligibility for Employees of the Plan

Participants of the Plan are members of the Social Security System.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

Accumulated benefits are fully funded, and the Plan is actuarially valued on an annual basis to assure adequate funding is paid into the Plan each year. However, there is no provision for eliminating the \$3.4 million actuarial accrued unfunded liability calculated under the Actuarial Accrued Liability measurement.

Employee Contribution Percentage

Noncontributory.

Employer Contribution Percentage

Employer contribution was 6.74 percent in 1993.

Normal Cost as a Percentage of Payroll

The normal cost is 4.5 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Ninth Farm Credit District Pension Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 16.6
Other vested participants	<u>\$ 14.2</u>
	\$ 30.8
Actuarial present value of nonvested benefits	<u>\$ 1.0</u>
<i>Accumulated Benefit Obligation</i>	\$ 31.8
Less Net Assets Available for Benefits	<u>\$ 40.0</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>(\$ 8.2)</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 16.7
Due to separated employees	\$ 4.6
Due to active employees	<u>\$ 34.7</u>
Total	\$ 56.0
Less Present Value of Future Employee/Employer Normal Cost Contributions	<u>\$ 18.7</u>
<i>Actuarial Accrued Liability</i>	\$ 37.3
Less Assets Available for Benefits	<u>\$ 33.9</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$ 3.4</u>

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: FARM CREDIT DISTRICT OF
SPRINGFIELD GROUP RETIREMENT
PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

Financial data as of December 31, 1993. Actuarial valuation as of January 1, 1993.

Number of Employees Participating

Active	682
Annuitants	225
Separated employees entitled to benefits	<u>180</u>
Total	<u>1,087</u>

Scope of Coverage

Members are eligible immediately upon hire at the associations and banks of the First Farm Credit District.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	8.5%
<i>Inflation rate</i>	Cost-of-living adjustments are not predetermined. Consequently, inflation rate assumption is not applicable.
<i>Actuarial cost method</i>	Projected Unit Credit (service prorate).
<i>Basis of mortality assumptions</i>	1983 Group Annuity Mortality Table.
<i>Basis of withdrawal assumptions</i>	Plan experience.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Valuation

Audited financial statements
Enrolled actuarial statement
Type of audit opinion

Yes.
Yes.
Disclaimer.
Auditors did not express an opinion on the financial statements taken as a whole due to a scope limitation. The Plan Administrator obtained certifications from the trustees and investment managers that the investment information provided by the trustees and investment managers was complete and accurate. The auditors were instructed not to perform, and did not perform, any auditing procedures with respect to the certified investment information, except for comparing such information to the related information included in the financial statements.

Types and Terms of Investments

Types

U.S government and corporate bonds	24%
Common stock	61%
Real estate	5%
Unallocated insurance contracts	10%

Investment restrictions

The Plan is not restricted by law or by motion of the Plan trustees from investing in specific financial instruments.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Benefit Terms

Percentage of salary at retirement

Monthly pension benefit payments are determined by multiplying 1.65 percent by the participant's highest average monthly earnings during any 48 months of employment (average compensation) times years of benefit service up to 35 years of service plus 1 percent of average compensation times years of benefit service for over 35 years of service.

Minimum number of years worked to retire without penalty

Age 55, provided age plus years of service equal at least 95.

Cost-of-living adjustments (COLA)

COLAs are at the discretion of the participating employers. No COLAs have been made in the last 5 years.

Social Security Eligibility for Employees of the Plan

Employees participate in the Social Security System.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

The Plan is fully funded.

Employee Contribution Percentage

Noncontributory.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Employer Contribution Percentage

As a result of the actuarial surplus, the employer contributed only .40 percent of payroll in 1993.

Normal Cost as a Percentage of Payroll

The normal cost is 6.48 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Farm Credit District of Springfield Group Retirement Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 17.8
Other vested participants	\$ <u>10.4</u>
	\$ 28.2
Actuarial present value of nonvested benefits	\$ <u>1.8</u>
<i>Accumulated Benefit Obligation</i>	\$ 30.0
Less Net Assets Available for Benefits	\$ <u>46.8</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	(\$ <u>16.8</u>)

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 17.8
Due to separated employees	\$ 1.5
Due to active employees	\$ <u>35.2</u>
Total	\$ 54.5
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>16.5</u>
<i>Actuarial Accrued Liability</i>	\$ 38.0
Less Assets Available for Benefits	\$ <u>43.8</u>
<i>Unfunded Actuarial Accrued Liability</i>	(\$ <u>5.8</u>)

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: FARM CREDIT DISTRICT OF BALTIMORE
RETIREMENT PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993 (The Plan is to merge with the Columbia Farm Credit District's Plan in 1995. In the future, a consolidated pension Plan filing is to be made.)

Number of Employees Participating

Active	851
Annuitants	207
Separated employees entitled to benefits	<u>283</u>
Total	<u>1,341</u>

Scope of Coverage

An employee who is not a participant in the Civil Service Retirement Program becomes a participant as of his date of hire. At December 31, 1993, the Plan covered substantially all of the employees of the Farm Credit Bank of Baltimore, the Farm Credit Finance Corporation of Puerto Rico, the 16 Agricultural Credit Associations and the FCS Building Association within the Second District of the Farm Credit System.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	9%
<i>Inflation rate</i>	Cost-of-living adjustments are not predetermined. Consequently, inflation rate assumption is not applicable.
<i>Actuarial cost method</i>	Entry age normal
<i>Basis of mortality assumptions</i>	UP-1984 Mortality Table
<i>Basis of withdrawal assumptions</i>	An actuarial firm's table; table used is based on plan experience.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

Types and Terms of Investments

Types

U.S. government obligations	15%
Bonds	14%
Common stocks	58%
Money market fund	13%

Investment restrictions

The Plan's investment firm is restricted to investing in equity, fixed income securities, and cash instruments with the primary objectives being preservation of purchasing power and capital appreciation.

Benefit Terms

Percentage of salary at retirement

The normal retirement benefits are 1-3/4 percent of high-5 average compensation times years of benefit service minus 1-3/4 percent of primary Social Security benefits times years of benefit service (maximum offset is 50 percent of Social Security benefits). Maximum benefit is 80 percent of high-5 average annual compensation less 100 percent of Social Security.

Minimum number of years worked to retire without penalty

Age 60 and 30 years of service.
Age 65 and 5 years of service.

Cost-of-living adjustments (COLA)

For pensioners retired prior to May 1, 1988, benefits were increased 4 percent for each year between the later of January 1, 1981, or effective date of pension and May 1, 1988, with a minimum monthly increase of \$10.

For pensioners retired prior to January 1, 1988, benefits were increased by 0.33 percent times the number of months between May 1, 1988, and December 31, 1990. For pensioners retired after December 31, 1990, benefits were increased by

0.33 percent times the number of months between retirement and December 31, 1990. The benefit improvement was subject to a minimum monthly increase of \$10 and was effective July 1, 1991.

Social Security Eligibility for Employees of the Plan

Participating employees of the Plan are part of the Social Security System. Participants receive their full benefits from Social Security. However, retirement benefits under this Plan are reduced by a maximum of 50 percent of the member's Social Security benefits.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

Contributions are being made annually to reduce the unfunded liability of the Plan as calculated under the Actuarial Accrued Liability measurement. The unfunded liability is being amortized over a 25-year period.

Employee Contribution Percentage

Noncontributory.

Employer Contribution Percentage

The employer contributed 8.03 percent of payroll into the Plan in 1993.

Normal Cost as a Percentage of Payroll

Normal contribution as a percentage of payroll is 4 percent.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Farm Credit District of Baltimore Retirement Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 10.9
Other vested participants	\$ <u>11.8</u>
	\$ 22.7
Actuarial present value of nonvested benefits	\$ <u>1.3</u>
<i>Accumulated Benefit Obligation</i>	\$ 24.0
Less Net Assets Available for Benefits	\$ <u>43.2</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	(\$ <u>19.2</u>)

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 10.0
Due to separated employees	\$ 1.5
Due to active employees	\$ <u>43.4</u>
Total	\$ 54.9
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>16.0</u>
<i>Actuarial Accrued Liability</i>	\$ 38.9
Less Assets Available for Benefits	\$ <u>37.8</u>
<i>Unfunded Actuarial Accrued Liability</i>	\$ <u><u>1.1</u></u>

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: SEVENTH FARM CREDIT DISTRICT
 RETIREMENT PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993 (The Fourth Farm Credit District merged with the Seventh Farm Credit District in 1994. In the future, a consolidated pension plan filing is to be made.)

Number of Employees Participating

Active	2,479
Annuitants	719
Separated employees entitled to benefits	<u>1,153</u>
Total	<u>4,351</u>

Scope of Coverage

Employees become participants on the day they first complete an hour of service.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	8%
<i>Inflation rate</i>	Cost-of-living adjustments are not predetermined. Consequently, inflation rate assumption is not applicable.
<i>Actuarial cost method</i>	Entry age normal.
<i>Basis of mortality assumptions</i>	1983 Group Annuity Mortality Table.
<i>Basis of withdrawal assumptions</i>	Plan experience.

Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Types and Terms of Investments

Types

U.S. government securities	20%
Corporate bonds	5%
Common stock	54%
Real estate	1%
Insurance funds	10%
Cash equivalents	10%

Investment restrictions

The Retirement Plan has a Statement of Investment Guidelines, which sets forth standards for investment management of Plan assets. The guidelines include diversification standards and limit the use of options to covered hedges only.

Benefit Terms

Percentage of salary at retirement

The normal monthly retirement benefit is equal to 1.5 percent of average monthly salary, plus .25 percent of average monthly salary over covered compensation, multiplied by credited service years. Average monthly salary is defined as the average of the highest 60 consecutive months of salary within the last 120 months preceding the participant's retirement.

Minimum number of years worked to retire without penalty

Thirty years (at attainment of age 62).

Cost-of-living adjustments (COLA)

Cost-of-living adjustments have been made on an ad-hoc basis. The last COLA was made in 1988.

Social Security Eligibility for Employees of the Plan

Participating employees of the Plan are also part of the Social Security System.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Liability (if applicable)

The Plan is fully funded.

Employee Contribution Percentage

Noncontributory.

Employer Contribution Percentage

Because the Plan is fully funded, the employer has not had to make any contribution since 1987.

Normal Cost as a Percentage of Payroll

Normal employer contribution for 1993 was 4.56 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Seventh Farm Credit District Retirement Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 45.3
Other vested participants	<u>\$ 41.2</u>
	\$ 86.5
Actuarial present value of nonvested benefits	<u>\$ 6.3</u>
<i>Accumulated Benefit Obligation</i>	\$ 92.8
Less Net Assets Available for Benefits	<u>\$ 176.3</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>(\$ 83.5)</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 45.3
Due to separated employees	\$ 14.1
Due to active employees	<u>\$ 119.6</u>
Total	\$ 179.0
Less Present Value of Future Employee/Employer Normal Cost Contributions	<u>\$ 38.3</u>
<i>Actuarial Accrued Liability</i>	\$ 140.7
Less Assets Available for Benefits	<u>\$ 154.1</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>(\$ 13.4)</u>

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: FIRST SOUTH PRODUCTION CREDIT
ASSOCIATION RETIREMENT PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1994.

Number of Employees Participating

Active	188
Annuitants	195
Separated employees entitled to benefits	<u>99</u>
Total	<u>482</u>

Scope of Coverage

The Plan covers substantially all employees of the Production Credit Associations in the Fifth Farm Credit District.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	8.0%
<i>Inflation rate</i>	Cost-of-living adjustments are not predetermined. Consequently, inflation rate assumption is not applicable.
<i>Actuarial cost method</i>	Aggregate Method (for 12/31/90 and later). Previously, the Project Unit Credit Method was used.
<i>Basis of mortality assumptions</i>	1983 Group Annuity Mortality Male and Female Tables.
<i>Basis of withdrawal assumptions</i>	Actuarial table of light withdrawal rates - first year select, second year select, and ultimate.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Valuation

Audited financial statements
Enrolled actuarial statement
Type of audit opinion

Yes.
Yes.
Disclaimer.
Auditors did not express an opinion on the financial statements taken as a whole due to a scope limitation. The Plan Administrator obtained certifications from the trustees that the investment information provided by the trustees was complete and accurate. The auditors were instructed not to perform, and did not perform, any auditing procedures with respect to the certified investment information, except for comparing such information to the related information included in the financial statements.

Types and Terms of Investments

Types

Common stock	53%
U.S. government securities	14%
Securities issued by foreign governments	1%
Corporate bonds	21%
Insured annuity contract	11%

Investment restrictions

The Plan's investment firms are restricted to investing, per investment guidelines, in high grade corporate bonds, U.S. government bonds, and publicly traded

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

stocks. Specifically, the investment firm may not invest in real estate, derivatives, or other financial instruments.

Benefit Terms

Percentage of salary at retirement

The normal retirement benefit, payable monthly for life, is equal to the sum: (1) 1.6 percent of final average compensation multiplied by years and months of service at normal retirement and (2) 0.25 percent of final average compensation in excess of covered compensation, multiplied by years and months of service at normal retirement (not to exceed 35 years). The final average compensation is the average of a participant's compensation for the 60 consecutive months out of the last 120 months which produce the highest average.

Minimum number of years worked to retire without penalty

Participants may retire without penalty after reaching age 55 if their attained age and completed years of service are equal to 85 or greater.

Cost-of-living adjustments (COLA)

The Plan does not provide automatic cost-of-living adjustments. Participants received a 3 percent adjustment in 1994.

Social Security Eligibility for Employees of the Plan

Participating employees of the Plan are part of the Social Security System.

FUNDING STATUS OF PLAN

Type of Funding

Trust. Eleven percent of Plan funds are invested in an insured annuity contract.

Provision for Eliminating Unfunded Benefit Obligation (if applicable)

The Plan is fully funded.

Employee Contribution Percentage

Noncontributory.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Employer Contribution Percentage

Zero. Because of the funding status of the Plan, the employer has not been required to contribute to the Plan since 1986.

Normal Cost as a Percentage of Payroll

Zero. Because of the funding status of the Plan, it is projected, as of 1994, that no future contributions to the Plan will be required to fund future benefits of current participants.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

First South Production Credit Association Retirement Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 9.5
Other vested participants	\$ <u>5.0</u>
	\$ 14.5
Actuarial present value of nonvested benefits	\$ <u>0.0</u>
<i>Accumulated Benefit Obligation</i>	\$ 14.5
Less Net Assets Available for Benefits	\$ <u>22.1</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	(\$ <u>7.6</u>)

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 9.5
Due to separated employees	\$ 1.4
Due to active employees	\$ <u>10.1</u>
Total	\$ 21.0
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>0.0</u>
<i>Actuarial Accrued Liability</i>	\$ 21.0
Less Assets Available for Benefits	\$ <u>22.1</u>
<i>Unfunded Actuarial Accrued Liability</i>	(\$ <u>1.1</u>)

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: FARM CREDIT DISTRICT OF COLUMBIA,
SC RETIREMENT PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

August 31, 1994.

Number of Employees Participating

Active	1,223
Annuitants	504
Separated employees entitled to benefits	<u>258</u>
Total	<u>1,985</u>

Scope of Coverage

All employees who are employed on a basis to work 1,000 hours or more per year, who are not participants under the terms of the Civil Service Retirement Plan, will commence participation as of the first day of employment.

Actuarial Assumptions

Rate of return on plan investments

8.0%

Inflation rate

The long-term rate of inflation is not explicitly assumed; however, there is an underlying inflation assumption in both the preretirement and postretirement interest rates as well as in the salary scale assumption.

Actuarial cost method

Entry age normal (The cost for preretirement death and disability benefits is separately determined under a 1-year term cost approach).

Basis of mortality assumptions

1971 Group Annuity Mortality.

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Profiles**

Basis of withdrawal assumptions

Crocker, Sarason, and Straight applied to non-vested benefit only. T-7 for participants with less than 3 years Credited Service, T-5 for participants with 3 or more years Credited Service.

Valuation

Audited financial statements

Yes.

Enrolled actuarial statement

Yes.

Type of audit opinion

Unqualified.

Types and Terms of Investments

Types

Bonds and notes	4%
Unallocated group annuity contracts	12%
Short-term income accounts	6%
Stocks	55%
Land--joint venture	4%
Mutual funds	4%
Money market funds	1%
U.S. government securities fund	15%

Investment restrictions

The Retirement Plan has a Statement of Investment Policy, Objectives, and Guidelines which includes provisions which prohibit investment advisors from short selling, option trading, or other specialized investment activity without the prior approval of the Plan Committee. Further, investment advisors are prohibited from purchasing bonds and preferred stock if the credit rating is below the top three categories assigned by Moody's, Standard and Poor's, or an equivalent rating service. Any exceptions must be approved by the Plan Committee.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Benefit Terms

Percentage of salary at retirement

The basic retirement benefit is payable for 5 years certain and life thereafter, based on 2 percent of high-3 average annual salary for each year of credited service.

Minimum number of years worked to retire without penalty

A participant who is age 55 or older and has completed 10 years of service may retire and receive their accrued benefit immediately unreduced if the sum of age plus service equals 85. In addition, participants employed prior to December 1, 1991, are grandfathered and may still retire at age 62 and receive unreduced benefits regardless of service.

Cost-of-living adjustments (COLA)

Cost-of-living adjustments have been made on an ad-hoc basis. An adjustment shall be considered whenever there has been an increase in the Consumer Price Index of 3.0 percent or more since the preceding base month.

<u>Increase Effective Date</u>	<u>Percentage Increase</u>
1/1/95	2.00%
1/1/94	2.00%
1/1/93	2.00%
1/1/92	2.50%
1/1/91	2.50%
1/1/90	2.50%

Social Security Eligibility for Employees of the Plan

Participating employees of the Plan are also part of the Social Security System.

FUNDING STATUS OF PLAN

Type of Funding

Trust. The current funding policy of the employer is to contribute an amount each year sufficient to pay the normal cost and amortize the Unfunded Accrued Liability, if any, over a period of 25 years. As of August 31, 1994, 88 percent of the assets were held in an investment trust and 12 percent of the assets were used to purchase unallocated group annuity contracts.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

Contributions are being made annually to reduce the unfunded liability of the Plan as calculated under the Actuarial Accrued Liability measurement. The unfunded liability is being amortized over a 25-year period.

Employee Contribution Percentage

Prior to September 1, 1994, each month a participant contributed 1.5 percent of their current year salary beginning with the first day of the Plan year following date of qualification. However, effective September 1, 1994, employee contributions are no longer required as a condition of Plan participation.

Employer Contribution Percentage

Employer contribution was 8.04 percent of payroll for the Plan year ending August 31, 1994.

Normal Cost as a Percentage of Payroll

The normal cost is 6.50 percent of payroll.

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Federal Defined Benefit Pension Plan
Profiles**

Farm Credit District of Columbia, SC Retirement Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 38.1
Other vested participants	<u>\$ 30.3</u>
	\$ 68.4
Actuarial present value of nonvested benefits	\$ <u>1.3</u>
<i>Accumulated Benefit Obligation</i>	\$ 69.7
Less Net Assets Available for Benefits	\$ <u>81.9</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>(\$ 12.2)</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 39.7
Due to separated employees	\$ 7.1
Due to active employees	<u>\$ 67.5</u>
Total	\$ 114.3
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>11.0</u>
<i>Actuarial Accrued Liability</i>	\$ 103.3
Less Assets Available for Benefits	\$ <u>81.9</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$ 21.4</u>

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: FARM CREDIT DISTRICT OF TEXAS
 PENSION PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993.

Number of Employees Participating

Active	788
Annuitants	366
Separated employees entitled to benefits	<u>335</u>
Total	<u>1,489</u>

Scope of Coverage

This Plan covers substantially all employees of the Farm Credit Bank of Texas, the Federal Land Bank Associations, and the Production Credit Associations in the Tenth Farm Credit District.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	8.0%
<i>Inflation rate</i>	Not applicable since the Plan does not contain any automatic postretirement benefit adjustments.
<i>Actuarial cost method</i>	Projected Unit Credit.
<i>Basis of mortality assumptions</i>	1983 Group Annuity Mortality.
<i>Basis of withdrawal assumptions</i>	Plan experience.

Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Types and Terms of Investments

Types

Money market fund	6%
U.S government securities	21%
Corporate bonds	9%
Common stock	56%
Foreign investments	7%

Investment restrictions

Trustees have full discretion and authority with regard to the investment of Trust Fund assets. However, an employer Retirement Committee has adopted an investment policy which establishes an allocation mix of 60 percent equity investments and 40 percent fixed-income investments. Any investment made or retained by the Trustee in good faith is considered proper, but must be of a kind constituting a diversification considered by law suitable for Trust investments.

Benefit Terms

Percentage of salary at retirement

The sum of 1.5 percent of average monthly compensation multiplied by service credits at normal retirement date and 0.50 percent of average monthly compensation in excess of covered compensation multiplied by service credits (not to exceed 35). Average monthly compensation is the average of the consecutive calendar months of compensation received during any 60 consecutive calendar months of service out of the last 120 months preceding the earlier of the termination or normal retirement date.

Minimum number of years worked to retire without penalty

Age 60 with 30 years of service.

Cost-of-living adjustments (COLA)

Cost-of-living adjustments are ad hoc established annually by the trustees. Adjustments for the last 5 years:

1994	No adjustment
1993	One additional monthly payment equal to 100 percent of regular payment
1992	No adjustment
1991	One additional monthly payment equal to 60 percent of regular payment

1990 One additional monthly payment equal to 66.6 percent of regular payment

Social Security Eligibility for Employees of the Plan

Participating employees of the Plan are also part of the Social Security System.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

The Plan is fully funded.

Employee Contribution Percentage

Noncontributory.

Employer Contribution Percentage

Zero. The employer has not made a contribution to the Retirement Plan since 1987 because of the fully funded status.

Normal Cost as a Percentage of Payroll

The normal cost is 5.9 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Farm Credit District of Texas Pension Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 31.4
Other vested participants	<u>\$ 16.8</u>
	\$ 48.2
Actuarial present value of nonvested benefits	<u>\$ 1.2</u>
<i>Accumulated Benefit Obligation</i>	\$ 49.4
Less Net Assets Available for Benefits	<u>\$ 65.2</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>(\$ 15.8)</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 31.4
Due to separated employees	\$ 3.7
Due to active employees	<u>\$ 37.0</u>
Total	\$ 72.1
Less Present Value of Future Employee/Employer Normal Cost Contributions	<u>\$ 18.6</u>
<i>Actuarial Accrued Liability</i>	\$ 53.5
Less Assets Available for Benefits	<u>\$ 59.3</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>(\$ 5.8)</u>

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: TWELFTH FARM CREDIT DISTRICT
RETIREMENT PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993 (The 8th and 12th Districts merged in 1994 and formed AgAmerica. In the future, consolidated pension Plan filing to be made.)

Number of Employees Participating

Active	626
Annuitants	238
Separated employees entitled to benefits	<u>282</u>
Total	<u>1,146</u>

Scope of Coverage

All salaried employees who complete 910 hours of service in a calendar year are eligible to participate as of their hire date provided they are not covered by the Civil Service Retirement System.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	8%
<i>Inflation rate</i>	Not applicable.
<i>Actuarial cost method</i>	Entry age normal.
<i>Basis of mortality assumptions</i>	1983 Group Annuity Mortality table.
<i>Basis of withdrawal assumptions</i>	Actuary's published handbook (T-3 and T-8).

Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Types and Terms of Investments

Types

Common stocks	42%
Long-term corporate debentures	21%
Preferred stocks	1%
U.S. government notes and bonds	16%
Mutual funds	3%
Foreign equity securities	6%
Other	11%

Investment restrictions

No restrictions.

Benefit Terms

Percentage of salary at retirement.

For each year of service up to 35 years, 1.45 percent of the participant's high-5 average salary, plus 0.35 percent of the excess of the participant's high-5 average salary over one-half of their Social Security average monthly wage.

Minimum number of years worked to retire without penalty

Age 62 with 30 years of service, or age 65 with 5 years of service.

Cost-of-living adjustments (COLA)

No cost-of-living adjustments to post-retirement benefits provided by Plan.

Social Security Eligibility for Employees of the Plan

Participating employees of the Plan are part of the Social Security System.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

The unfunded liability, as calculated under the Actuarial Accrued Liability measurement, is amortized over a 20-year period.

Employee Contribution Percentage

Noncontributory.

Employer Contribution Percentage

The employer contribution was 10.83 percent of payroll for the Plan year ending December 31, 1993.

Normal Cost as a Percentage of Payroll

The normal cost is 6.39 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Twelfth Farm Credit District Retirement Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 27.4
Other vested participants	<u>\$ 15.6</u>
	\$ 43.0
Actuarial present value of nonvested benefits	<u>\$ 0.4</u>
<i>Accumulated Benefit Obligation</i>	\$ 43.4
Less Net Assets Available for Benefits	<u>\$ 54.6</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	<u>(\$ 11.2)</u>

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 27.4
Due to separated employees	\$ 3.7
Due to active employees	<u>\$ 47.8</u>
Total	\$ 78.9
Less Present Value of Future Employee/Employer Normal Cost Contributions	<u>\$ 19.3</u>
<i>Actuarial Accrued Liability</i>	\$ 59.6
Less Assets Available for Benefits	<u>\$ 54.6</u>
<i>Unfunded Actuarial Accrued Liability</i>	<u>\$ 5.0</u>

Note: Zero or negative totals indicate that the Plan is fully funded.

**PLAN NAME: NATIONAL BANK FOR COOPERATIVES
RETIREMENT PLAN**

TERMS OF PLAN

Effective Date of Financial and Actuarial Data

December 31, 1993.

Number of Employees Participating

Active	507
Annuitants	5
Separated employees entitled to benefits	<u>91</u>
Total	<u>603</u>

Scope of Coverage

The Plan is a noncontributory defined benefit pension plan and covers substantially all employees of National Bank for Cooperatives (CoBank). The Plan includes retirement, disability, and survivor benefits.

Actuarial Assumptions

<i>Rate of return on plan investments</i>	8.0%
<i>Inflation rate</i>	Cost-of-living adjustments are not predetermined. Consequently, inflation rate assumption is not applicable.
<i>Annual wage increase</i>	6.0%
<i>Actuarial cost method</i>	Accrued benefit (projected unit credit).
<i>Basis of mortality assumptions</i>	1983 Group Annuity Mortality Table.
<i>Basis of withdrawal assumptions</i>	Plan experience.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

Valuation

<i>Audited financial statements</i>	Yes.
<i>Enrolled actuarial statement</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

Types and Terms of Investments

Types

Short-term investments (money market funds and fixed income securities that mature in less than a year)	18%
---	-----

U.S. government and agencies securities	24%
---	-----

Corporate bonds and mortgage-backed securities	12%
--	-----

Common stock	46%
--------------	-----

Investment restrictions

All equity investments must be made within the guidelines of quality, marketability, and diversifications mandated by ERISA and other controlling statutes. The Plan Manager cannot invest in private placements or speculate or hedge in financial futures.

Benefit Terms

Percentage of salary at retirement

Retirement pay is calculated as 1.5 percent of Final Average Pay (FAP) plus 0.25 percent of FAP in excess of Covered Compensation times years of benefit service. FAP is the average compensation for the 60 consecutive months of largest compensation.

Minimum number of years worked to retire without penalty

Five years at age 55.

Cost-of-living adjustments (COLA)

The Plan has no provision for cost-of-living adjustments.

Social Security Eligibility for Employees of the Plan

Participants are members of the Social Security System.

FUNDING STATUS OF PLAN

Type of Funding

Trust.

Provisions for Eliminating Unfunded Benefit Obligation (if applicable)

In practice, the Plan has been maintained in an overfunded status. In instances where the fund would fall below 100% funding, it is the intent of the trustees to make maximum allowable contributions to the Plan to reach the 100 percent funded level.

Employee Contribution Percentage

Noncontributory.

Employer Contribution Percentage

CoBank provides the minimum contribution using the Unit Credit cost method. In 1993, the employer contributed 6.26 percent of payroll.

Normal Cost as a Percentage of Payroll

The normal cost is 5.10 percent of payroll.

**Appendix I
Federal Defined Benefit Pension Plan
Profiles**

National Bank for Cooperatives Retirement Plan

Accumulated Benefit Obligation Measurement (Dollars in millions)

Present Value of Accumulated Benefits over Net Assets Available for Benefits

Present Value of Accumulated Plan Benefits	
Actuarial present value of vested benefits	
Participants currently receiving benefits	\$ 0.6
Other vested participants	\$ <u>11.7</u>
	\$ 12.3
Actuarial present value of nonvested benefits	\$ <u>1.8</u>
<i>Accumulated Benefit Obligation</i>	\$ 14.1
Less Net Assets Available for Benefits	\$ <u>18.2</u>
<i>Actuarial Present Value of Accumulated Benefits Less Assets Available for Benefits</i>	(\$ <u>4.1</u>)

Actuarial Accrued Liability Measurement (Dollars in millions)

Present Value of Future Benefits over Net Assets Available for Benefits and the Present Value of Future Normal Cost Contributions

Present Value of Future Benefits	
Annuitants now on roll	\$ 0.6
Due to separated employees	\$ 2.1
Due to active employees	\$ <u>32.3</u>
Total	\$ 35.0
Less Present Value of Future Employee/Employer Normal Cost Contributions	\$ <u>16.6</u>
<i>Actuarial Accrued Liability</i>	\$ 18.4
Less Assets Available for Benefits	\$ <u>17.5</u>
<i>Unfunded Actuarial Accrued Liability</i>	\$ <u>0.9</u>

Note: Zero or negative totals indicate that the Plan is fully funded.

Federal Defined Contribution Pension Plan Profiles

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PLAN NAME: THRIFT SAVINGS PLAN

TERMS OF PLAN

Effective Date of Financial Data

December 31, 1994.

Number of Employees Participating

Total participants 2,100,000

Scope of Coverage

Federal employees who are participants in the Federal Employees' Retirement System (FERS), the Civil Service Retirement System (CSRS), or equivalent government retirement plans, as provided by statute, are eligible to join the Plan after completing a minimum service requirement of not more than 1 year.

Valuation

Audited financial statements Yes
Type of audit opinion Unqualified

Types and Terms of Investments

Types

G Fund The G Fund was invested in short-term nonmarketable U.S. Treasury securities specially issued to the Fund. Seventy percent invested in the G Fund.

C Fund The C Fund was invested primarily in the Wells Fargo Equity Index fund, a commingled Standard & Poor's 500 stock index fund. The Equity Index Fund consisted of common stocks of all the companies represented in the Standard & Poor's 500 stock index. Twenty-four percent invested in the C Fund.

F Fund The F Fund was invested primarily in the Wells Fargo U.S. Debt Index Fund, a commingled fund tracking the Lehman Brothers Aggregate Index which contains approximately 47 percent U.S. Treasury securities, 7

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

percent federal agency securities, 17 percent investment-grade corporate securities, and 29 percent mortgage-backed securities. Six percent invested in the F Fund.

Total plan investments \$26,280,968,000

Investment restrictions

By law (5 U.S.C. 8438), three funds were established:

- (1) the Government Securities Investment Fund (G Fund),
- (2) the Common Stock Investment Fund (C Fund), and
- (3) the Fixed Income Investment Fund (F Fund).

Participants may allocate any portion of their contributions among the three investment funds. Also, participants may reallocate their entire account balance among the three investment funds during the year.

Benefit Terms

As a defined contribution plan, participants are eligible to receive vested amounts contributed plus earnings. Earnings are dependent on the rates of return of the various investments as allocated by the participants. Upon separation from federal service, participants can transfer all or part of their account balance to an Individual Retirement Arrangement or other eligible retirement plan, receive their account balance in a single payment, receive their account balance in monthly payments over a fixed period, or receive a life annuity based, in part, on their account balance.

Social Security Eligibility for Employees of the Plan

FERS FERS participants are covered by Social Security. Social security benefits are additive.

CSRS CSRS participants are not covered by Social Security.

Type of Funding

Trust.

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

Employee Contribution Percentage

FERS FERS employees may contribute up to 10 percent of their basic pay each pay period on a tax-deferred basis.

CSRS CSRS employees may contribute up to 5 percent of their basic pay each pay period on a tax-deferred basis.

No participant could contribute more than \$9,240 in 1994.

Employer Contribution Percentage

FERS FERS employees automatically receive 1 percent of their base pay. The agency matches contributions on the first 5 percent, according to a formula prescribed by law. The maximum agency contribution is 5 percent, inclusive of the automatic 1 percent.

CSRS The agency does not make any contributions for CSRS participants.

**PLAN NAME: RETIREMENT SAVINGS PLAN AND
TRUST FOR EMPLOYEES OF THE
ARMY AND AIR FORCE EXCHANGE
SERVICE**

TERMS OF PLAN

Effective Date of Financial Data

December 31, 1993.

Number of Employees Participating

Active	5,283
Annuitants	0
Separated employees entitled to benefits	<u>667</u>
Total	<u>5,950</u>

Scope of Coverage

Regular full-time employees with at least a year of full time service with the Army and Air Force Exchange Service are eligible to participate.

Valuation

<i>Audited financial statements</i>	No
<i>Type of audit opinion</i>	Not applicable

Types and Terms of Investments

Types

Common Stock Funds	37%
Fixed Income (Guaranteed Investment Contracts)	63%
Fixed Income (Short Term Income Fund)	1%

<i>Total plan investments</i>	\$73,110,724
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Investment restrictions

4

Retirement Savings Plan And Trust For Employees Of The Army
And Air Force Exchange Service

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

No. Plans are not restricted by law from investing in specific financial instruments.

Benefit Terms

As a defined contribution plan, participants are eligible to receive amounts contributed plus earnings. Earnings are dependent on the rates of return of the various investments as allocated by the participants. Benefits are usually paid out as a lump sum upon retirement or termination of employment.

Social Security Eligibility for Employees of the Plan

Participants are members of the Social Security System.

Type of Funding

Trust.

Employee Contribution Percentage

Employees may contribute any whole percentage between 2 and 15 percent of basic earnings, with limitations for highly compensated employees.

Employer Contribution Percentage

The employer does not make any matching contributions.

**PLAN NAME: TENNESSEE VALLEY AUTHORITY
SAVINGS AND DEFERRAL
RETIREMENT PLAN**

TERMS OF PLAN

Effective Date of Financial Data

September 30, 1994.

Number of Employees Participating

Approximately 12,000.

Scope of Coverage

All TVA annual employees are members.

Valuation

<i>Audited financial statements</i>	Yes
<i>Type of audit opinion</i>	Unqualified

Types and Terms of Investments

Types

Members may select from eight mutual funds that invest in the securities of various companies and entities.

Fidelity Magellan	30%
Fidelity Growth	2%
Fidelity Trend	2%
Fidelity Puritan	3%
Fidelity Equity Income	9%
Fidelity Balanced Fund	1%
GIC Fund	19%
Interest Fund I	20%
Interest Fund II	14%
<i>Total plan investments</i>	\$371,684,000

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

Investment restrictions

Participants are limited to investing in the funds listed above.

Benefit Terms

As a defined contribution plan, participants are eligible to receive amounts contributed plus earnings. Earnings are dependent on the rates of return of the various investments as allocated by the participants. A member will receive the full balance of their funds upon retirement, disability, death, or termination except that the member may defer distribution to no later than April 1 of the calendar year after the year in which he or she reaches age 70-1/2.

Social Security Eligibility for Employees of the Plan

Participants are members of the Social Security System.

Type of Funding

Trust.

Employee Contribution Percentage

Total contributions to the retirement plan's annuity and 401(k) may not exceed 25 percent of taxable compensation as reported to IRS on form W-2 during a calendar year.

Employer Contribution Percentage

The employer does not make any matching contribution to the plan.

**PLAN NAME: FEDERAL RESERVE SYSTEM THRIFT
PLAN**

TERMS OF PLAN

Effective Date of Financial Data

December 31, 1993.

Number of Employees Participating

Active	25,457
Annuitants	1,855
Separated employees entitled to benefits	<u>4,694</u>
Total	<u>32,006</u>

Scope of Coverage

Employees regularly working 780 hours or more yearly.

Valuation

<i>Audited financial statements</i>	Yes
<i>Type of audit opinion</i>	Unqualified

Types and Terms of Investments

Types

Fixed Income Fund	85%
Equity Fund	12%
Government Securities Fund	3%
<i>Total plan investments</i>	\$1,319,300,000

Investment restrictions

Participants are limited to investing in the funds listed above.

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

Benefit Terms

At retirement, participants may elect to receive their account balance in a lump-sum, monthly installment payments not to exceed 20 years, or annuities purchased on their behalf from an insurance company.

Social Security Eligibility for Employees of the Plan

Plan participants are members of the Social Security System.

Type of Funding

Trust.

Employee Contribution Percentage

Participants may contribute up to 16 percent of their salary.

Employer Contribution Percentage

One hundred percent of the first 4.8 percent of employee contributions.

**PLAN NAME: WESTERN FARM CREDIT DISTRICT'S
THRIFT DEFERRED COMPENSATION
PLAN**

TERMS OF PLAN

Effective Date of Financial Data

December 31, 1993.

Number of Employees Participating

Active	957
Annuitants	54
Separated employees entitled to benefits	<u>107</u>
Total	<u>1,118</u>

Scope of Coverage

Full-time and part-time employees employed on a regular work schedule having completed 6 months service are eligible.

Valuation

<i>Audited financial statements</i>	Yes
<i>Type of audit opinion</i>	Unqualified

Types and Terms of Investments

Types

Mutual Funds

Fixed Dollar Account	80%
Growth Equity Account	11%
Value Equity Account	7%
Indexed Equity Account	3%
<i>Total plan investments</i>	\$35,044,049

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

Investment restrictions

The Plan is only restricted by vote of the Trustees.

Benefit Terms

As a defined contribution plan, participants receive amounts contributed, employer matching contributions (if any), and earnings on the contributions. Earnings are dependent on the rates of return of the various investments as allocated by the participants. Upon retirement or termination, plan participants may elect to withdraw their benefits through a monthly annuity, an immediate lump sum distribution, or a deferred lump sum distribution.

Social Security Eligibility for Employees of the Plan

Participants are members of the Social Security System.

Type of Funding

Trust.

Employee Contribution Percentage

Employees may elect to contribute up to 16 percent of pre-tax income and up to 10 percent of post-tax income with the total percentage not to exceed 16 percent of total income.

Employer Contribution Percentage

Basic contribution for all employees equals 1 percent of regular salary. Matching contribution is equal to 50 percent of first 6 percent of employee contribution.

**PLAN NAME: NINTH FARM CREDIT DISTRICT
 THRIFT PLAN**

TERMS OF PLAN

Effective Date of Financial Data

December 31, 1993.

Number of Employees Participating

Active	761
Separated employees with funds in Plan	<u>157</u>
Total	<u>918</u>

Scope of Coverage

First of the month following 1 full month of employment.

Valuation

<i>Audited financial statements</i>	Yes
<i>Type of audit opinion</i>	Unqualified

Types and Terms of Investments

Types

U.S. Government and Agencies Securities	9%
Corporate Bonds	6%
Common Stock	43%
Mutual Funds	9%
Mortgage-backed Securities	1%
Invesco GIC Fund	19%
The Travelers Group Annuity Contracts	3%
Participant Loans Receivable	5%
Cash Equivalents	5%
<i>Total plan investments</i>	\$40,121,082

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

Investment restrictions

The investment options are limited to the funds listed above.

Benefit Terms

Participants may elect distributions of benefit payment under any one of the following methods: (1) lump sum, (2) part lump sum and part installment, or (3) annual installment payments over a specified period of time.

Social Security Eligibility for Employees of the Plan

Participants are members of the Social Security System.

Type of Funding

Trust.

Employee Contribution Percentage

Employees may contribute from 2 percent to 16 percent of their compensation which includes base annual salary, bonus/incentive, and shift differential.

Employer Contribution Percentage

One hundred percent of the first 3 percent of employee contributions.

**PLAN NAME: FARM CREDIT DISTRICT OF
SPRINGFIELD THRIFT PLAN**

TERMS OF PLAN

Effective Date of Financial Data

December 31, 1993.

Number of Employees Participating

Total Participants 559

Scope of Coverage

An employee is eligible to participate in the Plan if the employee is employed in the basis of 1,000 hours or actually completes 1,000 hours in a year.

Valuation

<i>Audited financial statements</i>	Yes
<i>Type of audit opinion</i>	Disclaimer

Auditors did not express an opinion on the financial statements taken as a whole due to a scope limitation. The Plan Administrator obtained a certification from the investment manager of the Plan that the investment information provided by the investment manager was complete and accurate. The auditors were instructed not to perform, and did not perform, any auditing procedures with respect to the certified investment information, except for comparing such information to the related information included in the financial statements.

Types and Terms of Investments

Types

Fixed Income Benefit	44%
Fixed Income Interest	33%
Growth and Income Equity	21%
Active Fixed Income	1%
Loan Receivable	1%

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

Total plan investments \$39,074,953

Investment restrictions

Participants may only invest in the above options.

Benefit Terms

Percentage of salary at retirement

Upon termination or retirement, an employee may elect a current or deferred lump-sum distribution, or may elect to receive an insurance company annuity contract.

Social Security Eligibility for Employees of the Plan

Employees are participants of the Social Security System.

Type of Funding

Trust.

Employee Contribution Percentage

An employee may contribute an amount not less than 2 percent and no more than 16 percent, of the employee's adjusted base salary on December 31.

Employer Contribution Percentage

The employer fully matches the employee's contribution up to the first 6 percent of the employee's salary contributed.

**PLAN NAME: FARM CREDIT DISTRICT OF
BALTIMORE THRIFT PLAN**

TERMS OF PLAN

Effective Date of Financial Data

December 31, 1993. (This Plan is to merge with the Columbia Farm Credit District Thrift Plan in 1995. In the future, consolidated pension plan filing will be made.)

Number of Employees Participating

Active	823
Annuitants	14
Separated employees entitled to benefits	<u>7</u>
Total	<u>844</u>

Scope of Coverage

All employees of the Farm Credit Bank of Baltimore and affiliated associations with 1,000 hours of scheduled service are eligible to participate in the Plan on the February 1 or July 1 coincident with or following their date of employment.

Valuation

<i>Audited financial statements</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

Types and Terms of Investments

Types

Money Market Funds	13%
Commercial Paper	3%
U.S. Government Obligations	19%
Common Stock	58%
Corporate Bonds	1%
Mortgage-backed Securities	1%
Participant Notes	5%

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

Total plan investments \$27,622,874

Investment restrictions

The investments are limited to the above types of investments.

Benefit Terms

Plan benefits are payable in either a lump-sum or in installment payments at retirement. As a defined contribution plan, participants receive amounts contributed, employer matching contributions, and earnings on the contributions. Earnings are dependent on the rates of return of the various investments as allocated by the participants.

Social Security Eligibility for Employees of the Plan

Participating employees of the plan are also part of the Social Security System.

Type of Funding

Trust.

Employee Contribution Percentage

Participant are allowed to contribute a designated percentage of their current gross pay (not less than 2 percent and no more than 16 percent) through periodic payroll deductions.

Employer Contribution Percentage

The Employer contributes an amount equal to 50 percent of the participant's contribution, not to exceed 3 percent of the participant's current gross pay. The Plan also allows the Employer to make discretionary contributions on behalf of all eligible employees whether or not they are participating in the Plan.

**PLAN NAME: SEVENTH FARM CREDIT DISTRICT
RETIREMENT SAVINGS PLAN**

TERMS OF PLAN

Effective Date of Financial Data

December 31, 1993. (The Fourth Farm Credit District merged with the Seventh Farm Credit District in 1994. In the future, a consolidated pension plan filing is to be made.)

Number of Employees Participating

Active	2,571
Separated employees entitled to benefits	<u>295</u>
Total	<u>2,866</u>

Scope of Coverage

All full-time and part-time employees of the seventh Farm Credit District working an average of 20 hours or more per week participate in the plan.

Valuation

<i>Audited financial statements</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

Types and Terms of Investments

Types

Short-term Investments	6%
Insurance Fund	15%
Fixed Fund	12%
Equity Fund	65%
Loan Fund	3%
<i>Total plan investments</i>	\$94,341,873

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

Investment restrictions

The investments options are limited to the five funds listed above.

Benefit Terms

Participants may elect at retirement to receive benefits in a monthly annuity and/or a lump sum distribution.

Social Security Eligibility for Employees of the Plan

Participants are members of the Social Security System.

Type of Funding

Trust.

Employee Contribution Percentage

Employees may contribute up to 17 percent of their pay.

Employer Contribution Percentage

Fifty percent of an employee's pretax contributions up to a maximum match of 3 percent of earnings.

**PLAN NAME: FARM CREDIT DISTRICT OF
COLUMBIA, SOUTH CAROLINA
EMPLOYEE THRIFT PLAN**

TERMS OF PLAN

Effective Date of Financial Data

August 31, 1994. (Effective January 1, 1994, the Fourth Farm Credit and Fifth Farm Credit defined contribution plans were merged with and into this Plan. In addition, the Columbia Farm Credit District and Baltimore Farm Credit District are merging in 1995. In the future, a consolidated pension plan filing will be made.)

Number of Employees Participating

Active	1,507
Annuitants	4
Separated employees entitled to benefits	<u>332</u>
Total	<u>1,843</u>

Scope of Coverage

All employees who are employed on a basis to work 1,000 hours or more per year are eligible to participate on the entry date following completion of 90 days of service.

Valuation

<i>Audited financial statements</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

Types and Terms of Investments

Types

The Plan provides six fund investments options. In addition, assets from the Fifth Farm Credit Savings and Investment Program which were acquired in conjunction with a Plan merger are invested in a guaranteed investment contract.

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

Equity Value Fund	20%
International Fund	2%
Short-term Income Fund	20%
U.S. Securities Fund	15%
Balance Fund	24%
Equity Growth Fund	14%
Guaranteed Investment Contracts	6%
<i>Total plan investments</i>	\$72,625,912

Investment restrictions

Participants are limited to investing in the funds listed above.

Benefit Terms

At normal retirement (generally, age 65), the participants are entitled to receive benefits based on the amounts they contributed, plus employer matching contributions, plus earnings on the contributions. Earnings are dependent on the rates of return of the various investments as allocated by the participants. Participants may elect to receive their benefits in the form of either a lump sum cash payment, an annuity, a direct transfer to an eligible retirement plan, or payments monthly, quarterly, semiannually, or annually over a period of time not to exceed the life expectancy of the participant and/or the designated beneficiary.

Social Security Eligibility for Employees of the Plan

Participants are members of the Social Security System.

Type of Funding

Trust.

Employee Contribution Percentage

Participating employees may contribute up to 6 percent of their current salaries to the Plan, half of which is matched by the Employer. Participants may also contribute up to another 9 percent of their salaries to the Plan as an additional employee contribution which will not be matched.

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

Employer Contribution Percentage

The employer contributes up to 3 percent of an employee's salary based on the employee's contribution.

**PLAN NAME: FARM CREDIT BANK OF TEXAS
THRIFT PLUS PLAN**

TERMS OF PLAN

Effective Date of Financial Data

December 31, 1994.

Number of Employees Participating

Active	837
Annuitants	0
Separated employees entitled to benefits	<u>0</u>
Total	<u>837</u>

Scope of Coverage

Any employee who is employed by Farm Credit Bank of Texas is eligible, but the plan excludes any person who is an independent contractor. Employees become eligible on the first day of the quarter following the date of employment.

Valuation

<i>Audited financial statements</i>	No.
<i>Type of audit opinion</i>	Not applicable.

Types and Terms of Investments

Types

The Farm Credit's investments are held by Fidelity Management Trust Company. These investments are invested in the following Fidelity mutual funds.

Magellan	35%
Equity Income	8%
Growth Company	6%
Intermediate Bond	7%
Overseas	2%
Asset Manager	11%
Retirement Government Money Market	24%

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

Participant Loan Balances	7%
<i>Total plan investments</i>	\$37,508,112
<i>Investment restrictions</i>	

The Trustee is to maintain investments in various Fidelity mutual funds. Each participant may direct the Trustee as to which investment options (mutual funds) to invest the assets in such participant's individual accounts which are part of the Trust.

Benefit Terms

As a defined contribution plan, participants receive amounts contributed, employer matching contributions (if any), and earnings on the contributions. Earnings are dependent on the rates of return of the various investments as allocated by the participants. Plan benefits are payable in either a lump-sum or in installment payments at retirement.

Social Security Eligibility for Employees of the Plan

Participating employees of the Plan are also part of the Social Security System.

Type of Funding

Trust.

Employee Contribution Percentage

Participants may elect to contribute from 2 percent to 10 percent of their salary into the Thrift Plus Plan (deferred compensation).

Employer Contribution Percentage

Fifty percent match on the first 6 percent of compensation.

**PLAN NAME: TWELFTH FARM CREDIT DISTRICT
THRIFT PLAN**

TERMS OF PLAN

Effective Date of Financial Data

December 31, 1993.

Number of Employees Participating

Active	570
Annuitants	176
Separated employees entitled to benefits	<u>0</u>
Total	<u>746</u>

Scope of Coverage

The plan covers all eligible employers and employees within the Twelfth Farm Credit District.

Valuation

<i>Audited financial statements</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

Types and Terms of Investments

Types

Money Market Investments	13%
Equity Account Investments	26%
Balanced Account Investments	34%
Bond Account Investments	7%
Global Account Investments	13%
Participant Loan Accounts	7%
<i>Total plan investments</i>	\$33,313,879

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

Investment restrictions

Participants are limited to investing in the funds listed above.

Benefit Terms

As a defined contribution plan, participants receive amounts contributed, employer matching contributions (if any), and earnings on the contributions. Earnings are dependent on the rates of return of the various investments as allocated by the participants. Participants may elect a single sum distribution or may transfer funds to an IRA or other qualified retirement plan. Also, participants may elect distributions made over a period of less than 10 years.

Social Security Eligibility for Employees of the Plan

Yes.

Type of Funding

Trust.

Employee Contribution Percentage

Employees contribute 1 percent to 16 percent of salary.

Employer Contribution Percentage

The employer matches 50 percent of the employees' first 6 percent of contributions.

**PLAN NAME: EIGHTH FARM CREDIT DISTRICT
EMPLOYEE BENEFIT TRUST**

TERMS OF PLAN

Effective Date of Financial Data

December 31, 1993. (The 8th and 12th Districts merged in 1994 and formed AgAmerica. In the future, a consolidated pension Plan filing will be made.)

Number of Employees Participating

Active	785
Annuitants	0
Separated employees entitled to benefits	<u>0</u>
Total	<u>785</u>

Scope of Coverage

Participation in the Plan is open to all employees in an approved position classification who are employed by designated employers associated with the Farm Credit Banks of Omaha (8th District).

Valuation

<i>Audited financial statements</i>	Yes
<i>Type of audit opinion</i>	Unqualified

Types and Terms of Investments

Types

Guaranteed Interest Funds	44%
Index Equity Fund	14%
Broad Market Fund	11%
FCE Credit Union (deposit accounts)	10%
Balanced Fund	6%
Government Bond Fund	6%
International Equity Fund	3%
Growth Fund	2%
Participants' Loans	4%

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

Total plan investments \$87,310,320

Investment restrictions

The investment options are limited to the funds listed above.

Benefit Terms

As a defined contribution plan, participants receive amounts contributed, employer matching contributions, and earnings on the contributions. Earnings are dependent on the rates of return of the various investments as allocated by the participants. Employees are vested in the employers' contributions after 5 years of credited service. Benefits are paid in partial or lump sums or in annuities upon termination of employment.

Social Security Eligibility for Employees of the Plan

Participants are members of the Social Security System.

Type of Funding

Trust.

Employee Contribution Percentage

Under the Salary Deferral Plan, employees may contribute 16 percent of their gross earnings to a tax deferred savings account.

Employer Contribution Percentage

The Employer contributes to the employees' accounts through the three plans.

- The employer contributes 5 percent of earnings in excess of the FICA taxable base wage under the Money Purchase Plan.
- The employer contributes 5 percent of earnings in excess of the FICA taxable base wage in the Integrated Money Purchase Plan.
- The employer contributes up to 3 percent of earnings (based on a 50 percent match of employee contributions) to the Salary Deferral Plan.

**PLAN NAME: NATIONAL BANK FOR
COOPERATIVES (CoBANK)
RETIREMENT SAVINGS PLAN**

TERMS OF PLAN

Effective Date of Financial Data

March 31, 1995.

Number of Employees Participating

Active	550
Annuitants	0
Separated employees entitled to benefits	<u>50</u>
Total	<u>600</u>

Scope of Coverage

Any employee is eligible after the first of the month following employment.

Valuation

<i>Audited financial statements</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

Types and Terms of Investments

Types

Mutual Funds

Balanced	18%
Bond	4%
Aggressive Growth	12%
Equity Growth	19%
Equity Value	13%
Stable Value	22%
Equity International	12%
<i>Total plan investments</i>	\$28,300,039

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

Investment restrictions

Investments are limited to the funds listed above.

Benefit Terms

As a defined contribution plan, participants receive amounts contributed, employer matching contributions (if any), and earnings on the contributions. Earnings are dependent on the rates of return of the various investments as allocated by the participants. Retirement benefits are paid in a lump sum.

Social Security Eligibility for Employees of the Plan

Participants are members of the Social Security System.

Type of Funding

Trust.

Employee Contribution Percentage

Two percent to 16 percent subject to IRS regulations.

Employer Contribution Percentage

Employer matches up to 4 percent of employee contributions on a dollar-for-dollar basis.

**PLAN NAME: UNIFORMED SERVICES UNIVERSITY
OF THE HEALTH SCIENCES**

TERMS OF PLAN

Effective Date of Financial Data

Teacher's Insurance & Annuity Association--College Retirement Equities Fund (TIAA-CREF) as of December 31, 1994, and Fidelity Investments (FI) as of December 31, 1993. These two plans are multiemployer plans in which the employees of Uniformed Services University of the Health Sciences (USUHS) participate. (Over 5,000 institutions participate in TIAA-CREF.)

Number of Employees Participating

	<u>TIAA</u>	<u>FI</u>
Active	136	27
Annuitants	0	0
Separated employees entitled to benefits	<u>0</u>	<u>0</u>
Total	<u>136</u>	<u>27</u>

Employees may select only one of the two plans and may not participate in both at the same time. Employees may opt for an annuity contract.

Scope of Coverage

Schedule A faculty members of the Uniformed Services University of the Health Sciences are eligible. Members apply for a faculty position and are "administratively determined" for acceptance. Employees must join one of the funds within 30 days from date of employment. There are no age requirements or number of years of service required for retirement.

Valuation

<i>Audited financial statements</i>	Yes.
<i>Type of audit opinion</i>	FI--Unqualified. TIAA--Unqualified.

Types and Terms of Investments

Types

Plan members may select from among the following investments.

TIAA

Stock Account
Global Equities Account
Social Choice Account
Bond Market Account
Growth Account
Equity Index Account
Money Market Account

FI

All Fidelity mutual funds are available to plan members.

Annuity Contract

Nonforfeitable tax-sheltered annuity contract.

Total plan investments

Not available.

Investment restrictions

Participants may allocate any portion of the contributions among the above investment funds. Also, participants may reallocate their entire account balance among the funds at any time during the year. Participants may not belong to both plans at the same time.

Benefit Terms

As a defined contribution plan, participants receive amounts contributed, employer matching contributions, and earnings on the contributions. Earnings are dependent on the rates of return of the various investments as allocated by the participants. Total retirement benefits come from earnings on the contributions invested. The government is financially liable for its share of participant's health and life insurance coverage after participant retires.

Social Security Eligibility for Employees of the Plan

Plan members are also eligible for Social Security.

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

Type of Funding

Trust.

Employee Contribution Percentage

Employees must contribute 5 percent of basic pay on a tax-deferred basis which is subject to a matching arrangement, plus additional monies, not matched, not to exceed the IRS limits for 403(b) plans (\$9,500).

Employer Contribution Percentage

The employer contributes 10 percent of salary.

**PLAN NAME: SMITHSONIAN INSTITUTION DEFINED
CONTRIBUTION RETIREMENT PLAN**

TERMS OF PLAN

Effective Date of Financial Data

December 31, 1994.

Number of Employees Participating

Active	1,466
Annuitants	0
Separated employees entitled to benefits	0
Total	<u>1,466</u>

Scope of Coverage

Employees of the Smithsonian Institution, Woodrow Wilson International Center for Scholars, and Reading is Fundamental are eligible to participate in the Teachers Insurance and Annuity Association (TIAA)/College Retirement Equities Fund (CREF).

Valuation

<i>Audited financial statements</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

Types and Terms of Investments

Types

TIAA-CREF sponsors the Smithsonian Institution's defined contribution fund. Plan participants allocate funds in one or more of the following.

- TIAA Annuity
- CREF Stock Account
- CREF Money Market Account
- CREF Social Choice Account
- CREF Bond Market Account
- CREF Global Equities Account

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

CREF Growth Account
CREF Equity Index Account

Total plan investments \$8,647,626

Investment restrictions

Participants may allocate their funds in one or more of the above mentioned investment funds.

Benefit Terms

The participant owns all retirement and survivor benefits, including those purchased by employer contributions.

Social Security Eligibility for Employees of the Plan

Plan participants are members of the Social Security System.

Type of Funding

Annuity contract.

Employee Contribution Percentage

Employee contributions are not required.

Employer Contribution Percentage

The retirement plan is funded entirely by the employer. The employer contributes an amount equal to 12 percent of base pay.

PLAN NAME: USDA GRADUATE SCHOOL PLAN

TERMS OF PLAN

Effective Date of Financial Data

December 31, 1994.

Number of Employees Participating

Active	98
Annuitants	4
Separated employees entitled to benefits	<u>5</u>
Total	<u>107</u>

Scope of Coverage

Full-time employees of the USDA Graduate School may participate in the Teachers Insurance and Annuity Association (TIAA)/College Retirement Equities Fund (CREF) after 1 year of employment.

Valuation

<i>Audited financial statements</i>	Yes.
<i>Type of audit opinion</i>	Unqualified.

Types and Terms of Investments

Types

TIAA-CREF sponsors the USDA Graduate School defined contribution fund. Plan participants allocate funds in one or more of the following.

- Stock Account
- Global Equities Account
- Equity Index Account
- Growth Account
- Social Choice Account
- Bond Account
- Money Market Account

**Appendix II
Federal Defined Contribution Pension Plan
Profiles**

Total plan investments

Not Available

Investment restrictions

Participants may allocate their funds in one or more of the above mentioned investment funds.

Benefit Terms

TIAA is a fixed annuity retirement plan. Premiums to the TIAA annuity purchase a definite amount of future retirement income. To ensure employees receive this guaranteed income, TIAA invests premiums almost exclusively in fixed-dollar obligations--a broadly diversified group of bonds and mortgages.

CREF approach to retirement income is called a variable annuity, or unit annuity. CREF allows participants to participate in a cross-section of the national economy by allowing participants to invest in Stock Account, Global Equities Account, Equity Index Account, Growth Account, Social Choice Account, Bond Account, or the Money Market Account.

Social Security Eligibility for Employees of the Plan

Yes.

Types of Funding

Trust.

Employee Contribution Percentage

Up to 20 percent of annual salary, or \$9,500.

Employer Contribution Percentage

Fifteen percent of salary.

Data on Federal Pension Plans

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**Appendix III
Data on Federal Pension Plans**

**TABLE 1
FEDERAL GOVERNMENT DEFINED BENEFIT PLANS PARTICIPANTS**

Retirement Plan	Number of active employees participating	Number of annuitants	Number of separated employees entitled to benefits	Total number of plan participants	Plan Year End
AGENCY PLANS					
Civil Service Retirement and Disability Fund (CSRS and FERS)	2,843,000	2,282,800	106,000	5,231,800	9/93
Military Retirement System	2,750,262	1,747,519	0	4,497,781	9/93
Coast Guard Military	55,638	29,712	0	85,350	9/93
Foreign Service	11,508	11,934	302	23,744	9/93
Public Health Service Commissioned Corps	6,379	3,238	0	9,617	9/93
National Oceanic and Atmospheric Administration	403	238	0	641	9/94
Comptroller General	1	1	0	2	9/94
Court of Federal Claims Judges	6	2	0	8	9/93
Court of Veterans Appeals Judges	5	0	0	5	12/93
Judicial Officers	201	47	4	252	9/93
Judicial Retirement System	719	31	0	750	9/93
Judicial Survivors Annuities System	1,309	214	0	1,523	9/93
U.S. Tax Court	18	19	0	37	12/93
U.S. Tax Court Survivors Annuity	26	4	0	30	12/93
Tennessee Valley Authority	18,697	14,745	2,030	35,472	9/93
NON-APPROPRIATED FUND ACTIVITY PLANS					
Army/Air Force Exchange	20,675	12,398	803	33,876	12/93

**Appendix III
Data on Federal Pension Plans**

**TABLE 1
FEDERAL GOVERNMENT DEFINED BENEFIT PLANS PARTICIPANTS**

Retirement Plan	Number of active employees participating	Number of annuitants	Number of separated employees entitled to benefits	Total number of plan participants	Plan Year End
Army/Air Force Exchange Supplemental	476	1,474	0	1,950	12/93
Air Force Nonappropriated Fund	7,848	2,265	380	10,493	9/93
Army Nonappropriated Fund	10,431	3,092	331	13,854	9/93
Marine Corps MW&R	3,324	1,155	1,364	5,843	12/93
Navy Exchange Service Command	12,061	7,264	636	19,961	12/93
Navy Nonappropriated Fund	82	22	0	104	12/93
Norfolk Naval Shipyard	33	47	7	87	12/93
FEDERAL RESERVE AND FARM CREDIT PLANS					
Federal Reserve System	26,251	11,108	3,747	41,106	12/93
Western Farm Credit Bank	989	292	543	1,824	12/93
Wichita Farm Credit Bank	820	188	274	1,282	12/93
Springfield Farm Credit Bank	682	225	180	1,087	12/93
Baltimore Farm Credit Bank	851	207	283	1,341	12/93
Seventh Farm Credit District	2,479	719	1,153	4,351	12/93
First South Production Credit Association	188	195	99	482	12/94
Columbia Farm Credit Bank	1,223	504	258	1,985	8/94
Farm Credit Bank of Texas	788	366	335	1,489	12/93
Twelfth Farm Credit District	626	238	282	1,146	12/93
National Bank for Cooperatives	507	5	91	603	12/93
TOTAL PARTICIPANTS	5,778,506	4,132,268	119,102	10,029,876	

**Appendix III
Data on Federal Pension Plans**

**TABLE 2
SUMMARY OF TYPES OF INVESTMENTS
FOR FEDERAL DEFINED BENEFIT PLANS
(Dollars in millions)**

Retirement Plan	Government Obligations	Other Bonds	Stocks	Annuity Contract	Mutual Funds	Miscellaneous	Total Investments
AGENCY PLANS							
Civil Service Retirement and Disability Fund (CSRS and FERS)	\$311,960.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$311,960.7
Military Retirement System	141,427.5	0.0	0.0	0.0	0.0	0.0	141,427.5
Coast Guard Military	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Foreign Service	6,674.9	0.0	0.0	0.0	0.0	0.0	6,674.9
Public Health Service Commissioned Corps	0.0	0.0	0.0	0.0	0.0	0.0	0.0
National Oceanic and Atmospheric Administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Comptroller General	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Court of Federal Claims Judges	0.5	0.0	0.0	0.0	0.0	0.0	0.5
Court of Veterans Appeals Judges	1.3	0.0	0.0	0.0	0.0	0.0	1.3
Judicial Officers	18.5	0.0	0.0	0.0	0.0	0.0	18.5
Judicial Retirement System	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Judicial Survivors Annuities System	252.0	0.0	0.0	0.0	0.0	0.0	252.0
U.S. Tax Court	0.0	0.0	0.0	0.0	0.0	0.0	0.0
U.S. Tax Court Survivors Annuity	5.8	0.0	0.0	0.0	0.0	0.0	5.8
Tennessee Valley Authority	0.0	1,686.4	1,850.7	0.0	0.0	233.5	3,770.6
NONAPPROPRIATED FUND ACTIVITY PLANS							
Army/Air Force Exchange	63.4	55.2	1,508.7	142.0	0.0	156.1	1,925.4
Army/Air Force Exchange Supplemental	13.2	20.7	144.1	27.2	0.0	15.6	220.8

**Appendix III
Data on Federal Pension Plans**

**TABLE 2
SUMMARY OF TYPES OF INVESTMENTS
FOR FEDERAL DEFINED BENEFIT PLANS
(Dollars in millions)**

Retirement Plan	Government Obligations	Other Bonds	Stocks	Annuity Contract	Mutual Funds	Miscellaneous	Total Investments
Air Force Nonappropriated Fund	135.2	0.0	22.7	0.0	0.0	0.0	157.9
Army Nonappropriated Fund	2.1	0.0	0.0	2.6	0.0	272.7	277.4
Marine Corps MW&R	0.0	36.4	48.0	5.1	0.0	4.7	94.2
Navy Exchange Service Command	58.1	106.1	528.0	169.2	0.0	34.6	896.0
Navy Nonappropriated Fund	0.0	0.0	0.0	0.9	0.0	0.0	0.9
Norfolk Naval Shipyard	0.0	0.0	0.0	2.2	0.0	0.0	2.2
FEDERAL RESERVE AND FARM CREDIT PLANS							
Federal Reserve System	489.6	352.2	1,968.1	0.0	0.0	113.3	2,923.2
Western Farm Credit Bank	0.0	0.0	0.0	57.4	0.0	0.0	57.4
Ninth Farm Credit District	4.8	2.8	14.6	0.0	12.6	5.2	40.0
Springfield Farm Credit Bank	5.9	4.9	28.3	4.4	0.0	2.5	46.0
Baltimore Farm Credit Bank	6.4	6.1	25.0	0.0	0.0	5.6	43.1
Seventh Farm Credit District	37.0	9.6	98.8	0.0	0.0	37.0	182.4
First South Production Credit Association	3.0	4.5	11.6	2.4	0.0	0.2	21.7
Columbia Farm Credit District	12.5	3.1	45.6	9.8	3.4	9.1	83.5
Farm Credit Bank of Texas	13.8	5.8	36.2	0.0	0.0	8.6	64.4
Twelfth Farm Credit District	8.6	11.3	23.3	0.0	1.6	9.4	54.2
National Bank for Cooperatives	4.0	2.0	7.7	0.0	0.0	2.9	16.6
TOTALS	\$461,198.8	\$2,307.1	\$6,361.4	\$423.2	\$17.6	\$911.0	\$471,219.1

**Appendix III
Data on Federal Pension Plans**

**TABLE 3
SUMMARY OF DEFINED BENEFIT PENSION PLANS
Actuarial Present Value of Accumulated Plan Benefits
(Dollars in millions)**

Retirement Plan	Benefits Due to Current Annuitants	Benefits Due to Other Vested Participants	Non-Vested Benefits	Total Benefits Due/ Accumulated Benefit Obligation (ABO)	Net Assets Available for Benefits(1)	Unfunded Liability (ABO Less Net Assets)(2)
AGENCY PLANS						
Civil Service Retirement and Disability Fund (CSRS and FERS)	\$457,700.0	\$196,800.0	\$40,300.0	\$694,800.0	\$317,400.0	\$377,400.0
Military Retirement System	409,300.0	58,000.0	63,500.0	530,800.0	145,500.0	385,300.0
Coast Guard Military	7,759.2	1,358.7	1,743.8	10,861.7	0.8	10,860.9
Foreign Service	5,473.8	2,626.4	87.3	8,187.5	6,754.7	1,432.8
Public Health Service Commissioned Corps	1,604.0	566.0	535.0	2,705.0	0.0	2,705.0
National Oceanic and Atmospheric Administration	116.8	48.4	32.8	198.0	0.0	198.0
Comptroller General	0.7	0.0	1.4	2.1	0.0	2.1
Court of Federal Claims Judges	2.6	0.3	0.8	3.7	0.6	3.1
Court of Veterans Appeals Judges	0.0	0.0	0.5	0.5	1.3	(0.8)
Judicial Officers	41.5	48.8	15.4	105.7	20.0	85.7
Judicial Retirement System	22.8	3.6	30.8	57.2	0.0	57.2
Judicial Survivors Annuities System	65.5	177.3	16.0	258.8	253.9	4.9
U.S. Tax Court	15.6	0.0	3.6	19.2	0.0	19.2
U.S. Tax Court Survivors Annuity	0.7	1.0	1.9	3.6	5.8	(2.2)
Tennessee Valley Authority	1,783.8	661.1	67.4	2,512.3	3,708.9	(1,196.6)
NONAPPROPRIATED FUND ACTIVITY PLANS						
Army/Air Force Exchange	1,047.1	339.6	155.0	1,541.7	1,925.4	(383.7)
Army/Air Force Exchange Supplemental	197.1	0.0	43.7	240.8	220.8	20.0
Air Force Nonappropriated Fund	54.8	42.6	3.4	100.8	160.9	(60.1)

**Appendix III
Data on Federal Pension Plans**

**TABLE 3
SUMMARY OF DEFINED BENEFIT PENSION PLANS
Actuarial Present Value of Accumulated Plan Benefits
(Dollars in millions)**

Retirement Plan	Benefits Due to Current Annuitants	Benefits Due to Other Vested Participants	Non-Vested Benefits	Total Benefits Due/ Accumulated Benefit Obligation (ABO)	Net Assets Available for Benefits{1}	Unfunded Liability (ABO Less Net Assets){2}
Army Nonappropriated Fund	101.6	103.7	9.4	214.7	244.7	(30.0)
Marine Corps MW&R	39.0	25.6	1.7	66.3	95.9	(29.6)
Navy Exchange Service Command	341.5	110.7	43.3	495.5	894.7	(399.2)
Navy Nonappropriated Fund	0.4	0.6	0.0	1.0	1.1	(0.1)
Norfolk Shipyard	1.2	0.4	0.0	1.6	2.2	(0.6)
FEDERAL RESERVE AND FARM CREDIT PLANS						
Federal Reserve System	871.7	817.4	63.6	1752.7	2,971.7	(1,219.0)
Western Farm Credit Bank	20.3	18.3	0.7	39.3	57.4	(18.1)
Ninth Farm Credit District	16.6	14.2	1.0	31.8	40.0	(8.2)
Springfield Farm Credit Bank	17.8	10.4	1.8	30.0	46.8	(16.8)
Baltimore Farm Credit Bank	10.9	11.8	1.3	24.0	43.2	(19.2)
Seventh Farm Credit District	45.3	41.2	6.3	92.8	176.3	(83.5)
First South Production Credit Association	9.5	5.0	0.0	14.5	22.1	(7.6)
Columbia Farm Credit District	38.1	30.3	1.3	69.7	81.9	(12.2)
Farm Credit Bank of Texas	31.4	16.8	1.2	49.4	65.2	(15.8)
Twelfth Farm Credit District	27.4	15.6	0.4	43.4	54.6	(11.2)
National Bank for Cooperatives	0.6	11.7	1.8	14.1	18.2	(4.1)
TOTALS	\$886,759.3	\$261,907.5	\$106,672.6	\$1,255,339.4	\$480,769.1	\$774,570.3

Note 1: For certain plans, the value of plan assets in table 3 differs from the value of plan assets in table 4. In table 4, the Actuarial Present Value of Future Benefits, the plan actuaries may determine asset values actuarially using the amortized cost method (book value) while table 3, the Actuarial Present Value of Accumulated Plan assets are valued by the actuary at the current value (fair market value).

Note 2: The negative amounts in the unfunded liability column represent pension plans that are fully funded. (Plan assets exceed benefits liability.)

Positive amounts in the unfunded liability column represent pension plans that are underfunded. (Benefits liability exceeds plan assets.)

Note 3: Totals may not add due to rounding.

**Appendix III
Data on Federal Pension Plans**

**TABLE 4
SUMMARY OF DEFINED BENEFIT PENSION PLANS
Actuarial Present Value of Future Benefits
(Dollars in millions)**

Retirement Plan	Present Value of Future Benefits Due to:			Present Value of Future Normal Contributions
	Current Annuitants	Separated Employees	Active Employees	
AGENCY PLANS				
Civil Service Retirement and Disability Fund (CSRS and FERS)	\$457,700.0	\$4,200.0	\$624,700.0	\$229,100.0
Military Retirement System	409,300.0	25,800.0	303,700.0	108,900.0
Coast Guard Military	7,759.2	0.0	8,184.9	2,806.5
Foreign Service	5,473.8	21.4	5,728.3	1,902.5
Public Health Service Commissioned Corps	1,604.0	0.0	3,191.0	1,158.0
National Oceanic and Atmospheric Administration	116.8	0.0	191.5	63.9
Comptroller General	0.7	0.0	1.8	0.2
Court of Federal Claims Judges	2.6	0.0	14.4	16.4
Court of Veterans Appeals Judges	0.0	0.0	3.8	2.8
Judicial Officers	40.0	1.5	451.0	472.5
Judicial Retirement System	22.8	0.0	48.0	29.7
Judicial Survivors Annuities System	65.5	0.0	324.1	135.7
U.S. Tax Court	21.6	0.0	18.6	10.5
U.S. Tax Court Survivors Annuity	0.8	0.0	8.0	4.6
Tennessee Valley Authority	1,783.8	71.1	3,319.1	1,553.1
NON-APPROPRIATED FUND ACTIVITY PLANS				
Army/Air Force Exchange	1,047.1	3.9	1,144.1	475.4
Army/Air Force Exchange Supplemental	197.1	0.0	66.2	13.1
Air Force Nonappropriated Fund	54.8	2.7	118.3	41.5
Army Nonappropriated Fund	101.6	3.0	281.3	135.2
Marine Corps MW&R	39.0	0.6	71.9	20.4

**Appendix III
Data on Federal Pension Plans**

**TABLE 4
SUMMARY OF DEFINED BENEFIT PENSION PLANS
Actuarial Present Value of Future Benefits
(Dollars in millions)**

Retirement Plan	Total Benefits Due Less Normal Contributions/ Actuarial Accrued Liability (AAL)	Assets in the Fund {1}	Unfunded Actuarial Accrued Liability {2} (AAL Less Assets)
AGENCY PLANS			
Civil Service Retirement and Disability Fund (CSRS and FERS)	\$857,500.0	\$317,400.0	\$540,100.0
Military Retirement System	629,900.0	115,900.0	514,000.0
Coast Guard Military	13,137.6	0.8	13,136.8
Foreign Service	9,321.0	6,754.7	2,566.3
Public Health Service Commissioned Corps	3,637.0	0.0	3,637.0
National Oceanic and Atmospheric Administration	244.4	0.0	244.4
Comptroller General	2.3	0.0	2.3
Court of Federal Claims Judges	0.6	0.6	0.0
Court of Veterans Appeals Judges	1.0	1.3	(0.3)
Judicial Officers	20.0	20.0	0.0
Judicial Retirement System	41.1	0.0	41.1
Judicial Survivors Annuities System	253.9	253.9	0.0
U.S. Tax Court	29.7	0.0	29.7
U.S. Tax Court Survivors Annuity	4.2	5.4	(1.2)
Tennessee Valley Authority	3,620.9	3,393.0	227.9
NON-APPROPRIATED FUND ACTIVITY PLANS			
Army/Air Force Exchange	1,719.7	1,852.1	(132.4)
Army/Air Force Exchange Supplemental	250.2	215.9	34.3
Air Force Nonappropriated Fund	134.3	160.9	(26.6)
Army Nonappropriated Fund	250.7	243.3	7.4
Marine Corps MW&R	91.1	91.6	(0.5)

**Appendix III
Data on Federal Pension Plans**

**TABLE 4
SUMMARY OF DEFINED BENEFIT PENSION PLANS
Actuarial Present Value of Future Benefits
(Dollars in millions)**

Retirement Plan	Present Value of Future Benefits Due to:			Present Value of Future Normal Contributions
	Current Annuitants	Separated Employees	Active Employees	
Navy Exchange Service Command	341.5	4.4	409.4	192.8
Navy Nonappropriated Fund	0.4	0.0	1.8	1.0
Norfolk Naval Shipyard	1.1	0.1	1.0	0.1
FEDERAL RESERVE AND FARM CREDIT PLANS				
Federal Reserve System	871.7	80.5	3,175.9	1,270.1
Western Farm Credit Bank	20.3	4.8	54.5	22.2
Wichita Farm Credit Bank	16.7	4.6	34.7	18.7
Springfield Farm Credit Bank	17.8	1.5	35.2	16.5
Baltimore Farm Credit Bank	10.0	1.5	43.4	16.0
Seventh Farm Credit District	45.3	14.1	119.6	38.3
First South Production Credit Association	9.5	1.4	10.1	0.0
Columbia Farm Credit Bank	39.7	7.1	67.5	11.0
Farm Credit Bank of Texas	31.4	3.7	37.0	18.6
Twelfth Farm Credit District	27.4	3.7	47.8	19.3
National Bank for Cooperatives	0.6	2.1	32.3	16.6
TOTALS	\$886,764.6	\$30,233.7	\$955,636.5	\$348,483.2

**Appendix III
Data on Federal Pension Plans**

**TABLE 4
SUMMARY OF DEFINED BENEFIT PENSION PLANS
Actuarial Present Value of Future Benefits
(Dollars in millions)**

Retirement Plan	Total Benefits Due Less Normal Contributions/ Actuarial Accrued Liability (AAL)	Assets In the Fund (1)	Unfunded Actuarial Accrued Liability (2) (AAL Less Assets)
Navy Exchange Service Command	562.5	758.3	(195.8)
Navy Nonappropriated Fund	1.2	1.1	0.1
Norfolk Naval Shipyard	2.2	2.2	0.0
FEDERAL RESERVE AND FARM CREDIT PLANS			
Federal Reserve System	2,858.0	2,594.2	263.8
Western Farm Credit Bank	57.4	57.4	0.0
Wichita Farm Credit Bank	37.3	33.9	3.4
Springfield Farm Credit Bank	38.0	43.8	(5.8)
Baltimore Farm Credit Bank	38.9	37.8	1.1
Seventh Farm Credit District	140.7	154.1	(13.4)
First South Production Credit Association	21.0	22.1	(1.1)
Columbia Farm Credit Bank	103.3	81.9	21.4
Farm Credit Bank of Texas	53.5	59.3	(5.8)
Twelfth Farm Credit District	59.6	54.6	5.0
National Bank for Cooperatives	18.4	17.5	0.9
TOTALS	\$1,524,151.7	\$450,211.7	\$1,073,940.0

Note 1: For certain plans, the value of plan assets in Table 3 differ from the value of plan assets in Table 4. In Table 4, the Actuarial Present Value of Future Benefits, the plan actuaries may determine asset values actuarially using the amortized cost method (book value) while Table 3, the Actuarial Present Value of Accumulated Plan assets are valued by the actuary at the current value (fair market value).

Note 2: The negative amounts in the unfunded actuarial accrued liability column represent pension plans that are fully funded. (Plan assets exceed benefits liability)
Positive amounts in the unfunded actuarial accrued liability column represent pension plans that are underfunded. (Benefits liability exceeds plan assets)

Note 3: Totals may not add due to rounding.

**Appendix III
Data on Federal Pension Plans**

**TABLE 5
SUMMARY OF DEFINED CONTRIBUTION PENSION PLANS
(Dollars in millions)**

Name of Plan	Partici- pants	Employee Contribution Percentage	Employer Matching Percentage	Total Invest- ment Balance	Investment Types/Percentages
Thrift Savings Fund (CSRS and FERS)	2,100,000	Up to 10% FERS Up to 5% CSRS	5% FERS 0% CSRS	\$26,281.0	Gov. Securities Investment (G Fund) - 70% Common Stock Index (C Fund) - 24% Fixed Income Investment (F Fund) - 6%
Army/Air Force Exchange	5,950	2% to 15%	0%	73.1	Common Stock Funds - 37% Fixed Income (Guaranteed Inv.) - 63% Fixed Income (Short -Term) - 1%
Tennessee Valley Retirement System	12,000	Up to 25%	0%	371.7	Fidelity Magellan - 30%; Fidelity Growth - 2% Fidelity Trend - 2%; Fidelity Puritan - 3% Fidelity Equity Income - 9% Fidelity Balanced Fund - 1%; GIC Fund - 19% Interest Fund I - 20%; Interest Fund II - 14%
Federal Reserve System	32,006	Up to 16%	4.8%	1,319.3	Fixed Income Fund - 85% Equity Fund - 12% Government Securities Fund - 3%
Western Farm Credit Bank	1,118	Up to 16%	3%	35.0	Fixed Dollar Account - 80% Growth Equity Account - 11% Value Equity Account - 7% Indexed Equity Account - 3%
Wichita Farm Credit Bank	918	2% to 16%	3%	40.1	Government Securities - 9% Common Stock - 43% Invesco Fund - 19%; Corporate Bonds - 6% Mutual Funds - 9%; Cash Equivalents - 5% Participant Loans - 5% Annuity Contracts - 3% Mortgage-backed Securities - 1%
Springfield Farm Credit Bank	559	2% to 16%	6%	39.1	Fixed Income Benefit - 44% Fixed Income Interest - 33% Growth & Income Equity - 21% Active Fixed Income - 1% Loans Receivable - 1%
Baltimore Farm Credit Bank	844	2% to 16%	3%	27.6	Money Market Funds - 13% Commercial Paper - 3% U.S. Government Obligations - 19% Common Stock - 58%; Corporate Bonds - 1% Mortgage Backed Securities - 1% Participant Notes - 5%
Seventh Farm Credit District	2,866	Up to 17%	3%	94.3	Short Term Investments - 6% Insurance Fund - 15%; Fixed Fund - 12% Equity Fund - 65%; Loan Fund - 3%
Columbia Farm Credit Bank	1,843	Up to 15%	3%	72.6	Equity Value Fund - 20% International Fund - 2% Short Term Income Fund - 20% U.S. Securities Fund - 15% Balanced Fund - 24% Equity Growth Fund - 14% Guaranteed Investment Contracts - 6%

**Appendix III
Data on Federal Pension Plans**

**TABLE 5
SUMMARY OF DEFINED CONTRIBUTION PENSION PLANS
(Dollars in millions)**

Name of Plan	Partici- pants	Employee Contribution Percentage	Employer Matching Percentage	Total Invest- ment Balance	Investment Types/Percentages
Farm Credit Bank of Texas	837	2% to 10%	3%	37.5	Fidelity Magellan - 35%; Equity Income - 8% Growth Company - 6%; Intermediate Bond - 7% Overseas - 2%; Asset Manager - 11% Ret. Gov. Money Mkt. - 24% Participant Loan Balance - 7%
Twelfth Farm Credit District	746	1% to 16%	3%	33.3	Money Market Investments - 13% Equity Account Investments - 26% Balanced Account Investments - 34% Bond Account Investments - 7% Global Account Investments - 13% Participation Loan Accounts - 7%
Eighth Farm Credit District	785	Up to 16%	3% to 5%	87.3	Guaranteed Interest Funds - 44% Index Equity Funds - 14% Broad Market Fund - 11% FCE Credit Union - 10%; Balanced Fund - 6% Government Bond Fund - 6% International Equity Fund - 3% Growth Equity Fund - 2% Participants' loans - 4%
National Bank for Cooperatives	600	2% to 16%	4%	28.3	Balanced Fund - 18%; Bond Fund - 4% Aggressive Growth Fund - 12% Equity Growth Fund - 19% Equity Value Fund - 13%; Equity Int'l Fund - 12% Stable Value Fund - 22%.
Uniformed Services Univ. Plans (TIAA-CREF/ Fidelity Investments)	163	5%	10%	Note 1	Stock Account, Global Equities Social Choice Account; Fidelity Mutual Funds Bond Market Account; Growth Account Equity Index Account; Money Market Account
Smithsonian Institute	1,466	0%	12%	Note 1	(Funds of \$8.6 million held in TIAA/CREF)
USDA Graduate School	107	20% or \$9,500	15%	Note 1	Stock Account; Global Equities Account Equity Index Account; Growth Account Social Choice Account Bond Account; Money Market Account
TOTALS	2,162,808 =====			\$28,540.2 =====	

NOTE 1 : The Uniformed Services University, Smithsonian Institute and USDA Graduate School are a part of the Teacher's Insurance and Annuity Association/College Retirement Equities Board (TIAA/CREF) which administers defined contribution plans for these agencies. Reports from the Smithsonian, USDA Graduate School and Uniformed Services have been filed with GAO; however, the information supplied is applicable to TIAA/CREF as a whole and not to individual member plans.

Major Contributors to This Report

Accounting and
Information
Management Division,
Washington, D.C.

H. Kent Bowden, Assistant Director

Dallas Regional Office

Patrick Cogley, Auditor-In-Charge
James Smoak, Senior Auditor
Michael Coy, Auditor
Ruth Joseph, Auditor
Pamela Valentine, Auditor

Glossary

Accrued Benefit (Unit Credit) Cost Method	An actuarial cost method in which future service benefits are funded as they accrue. Thus, normal cost is the present value of the units of future benefits credited to employees for service in that year. Prior service cost is the present value at the valuation date of the units of future benefits credited to employees for service prior to the valuation date. Annual normal cost for an individual for an equal unit of benefits each year increases because the period to the employee's retirement continually shortens and the probability of reaching retirement increases. For a mature employee group, the normal cost would tend to be the same each year as older employees are replaced by younger ones.
Accumulated Benefit Obligation	The actuarial present value of pension benefits attributed by the pension benefit formula to employee service rendered before a specified date and based on service and compensation prior to that date.
Accumulated Plan Benefits	Benefits that are attributable under the provisions of a pension plan to employees' service rendered up to the benefit information date.
Actuarial Accrued Liability	The portion of the present value (as of the benefit information date) of a pension plan's projected future benefit costs and administrative expenses that exceeds the present value of future normal cost contributions.
Actuarial Assumptions	Estimates of future conditions affecting pension cost; for example, mortality rate, employee turnover, compensation levels, and investment earnings.
Actuarial Cost Method	A recognized technique used in establishing the amount of annual contributions or accounting charges for pension cost under a pension plan.
Actuarial Present Value	The current worth of amounts payable or receivable in the future. If payment or receipt is certain, the present value is determined by discounting the future amount or amounts at a predetermined rate of interest. If payment or receipt is contingent on future events (for example, survival), further discounting is necessary for the probability that payment or receipt will occur.

Actuarial Valuation	The process by which an actuary estimates the present value of benefits to be paid under a pension plan and calculates the amounts of employer contributions or accounting charges for pension cost.
Aggregate Cost Method	An actuarial cost method in which the entire unfunded cost of future pension benefits (including benefits to be paid to employees who have retired as of the date of the valuation) is spread over the average future service lives of employees who are active as of the date of valuation. In most cases this is done by the use of a percentage of payroll. Past service cost is included in normal cost.
Benefit Information Date	The date as of which the actuarial present value of accumulated plan benefits is presented.
Contributory Plan	A pension plan under which participants bear part of the cost.
Covered Compensation	Moving average of the Social Security wage base computed when a member attains normal retirement age. Some plans offer additional retirement benefits to highly compensated employees who exceed the average Social Security wage base.
Decrements	Assumptions as to rates of plan participants' withdrawal from the plan, retirement, disability, and death used in making actuarial projections.
Defined Benefit Pension Plan	A pension plan that specifies a determinable pension benefit, usually based on factors such as age, years of service, and salary.
Defined Contribution Pension Plan	A pension plan that specifies the amount of contribution to be made to the plan for each employee. Benefits at retirement are those contributions plus whatever has been earned on them.
Enrolled Actuary	An actuary enrolled under 29 U.S.C. 1242 by a Joint Board for the Enrollment of Actuaries established by the Secretaries of Labor and the Treasury.

Entry-Age Normal Cost	An actuarial cost method which assigns a “level normal cost” to each year of service for each participant. The assumption is made under this method that every employee entered the plan (entry age) at the time of initial employment or at the earliest eligibility date, if the plan had been in existence, and that contributions have been made from the entry age to the date of the actuarial valuation.
Frozen Initial Liability Cost Method	A variation of the entry-age normal actuarial cost method which maintains the initial unfunded liability rather than recomputing it each year, adjusting it only for plan amendments or changes in actuarial assumptions.
Future Benefits	An estimate of the total benefits payable at retirement, including benefits anticipated to accrue in the future as well as those accruing before the benefit information date. Future benefits may depend on total length of service but with pay averaged over only a limited number of years (often the final 3 years of service).
Individual Level Premium Cost Method	An actuarial cost method which assigns the cost of each employee’s pension in level annual amounts, or as a level percentage of the employee’s compensation, over the period from the inception date of a plan (or the date of his entry into the plan, if later) to his retirement date. Thus, past service cost is included in normal cost.
Net Assets Available for Benefits	The difference between a plan’s assets and its liabilities. For purposes of this definition, a plan’s liabilities do not include participants’ accumulated plan benefits.
Noncontributory Plan	A pension plan under which participants do not make contributions.
Normal Cost	The annual cost assigned, under the actuarial cost method in use, to years subsequent to the inception of a pension plan.
Participant	Member of a pension plan, including active employees covered by the plan, separated employees entitled to benefits, and retiree and survivor annuitants.

Pay-As-You-Go	A method of paying pension benefits to retired employees as they come due out of appropriations.
Plan Year	Calendar, policy, or fiscal year chosen by the plan on which the records of the plan are kept.
Projected Benefit Obligation	The actuarial present value as of a date of all benefits attributed by the pension benefit formula to employee service rendered prior to that date, including recognition of changes in future compensation levels if appropriate.
Sponsor	In the case of a pension plan established or maintained by a single employer, the employer; in the case of a plan established or maintained jointly by two or more employers, an association, committee, joint board of trustees, or other group of representatives of the parties who have established or who maintain the pension plan.
Unallocated Insurance Contract	A contract with an insurance company under which related payments to the insurance company are accumulated in an unallocated fund to be used to meet benefit payments, either directly or through the purchase of annuities, when employees retire. Funds in an unallocated contract may also be withdrawn and otherwise invested.
Unfunded Actuarial Accrued Liability	The amount by which the present value of future benefits exceeds the amount in the pension fund and the present value of future normal cost contributions.

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