Plan Description:

The Plan provides retirement (normal and early), death and disability benefits. Members may retire with full benefits at age 65 with five years of credited service or age 55 with 30 years of credited service. The annual normal retirement benefit is 1.3% of final average compensation multiplied by credited service, with minimum and maximum benefit limitations. Participants are fully vested after five years of credited service.

There were no investments with parties related to the Plan.

Funding Status and Progress:

The fiscal year 1995 pension benefit obligation was determined as a part of an actuarial valuation as of June 30, 1995. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.5% per year, (b) projected salary increases for inflation of 5.75% per year, (c) projected salary increases for seniority and merit of .94% to 6.82% per year and (d) postretirement benefit increases of 3% of the original benefits amount effective August 1, 1991.

As of June 30, 1995, the unfunded pension benefit obligation of the Plan is as follows (amounts expressed in thousands).

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 50,662
Current employees:	
Employer — financed vested	61,126
Employer — financed non-vested	4,677
Total pension benefit obligation	116,465
Net assets available for benefits, at cost (market value $25,229)	23,790
Unfunded pension benefit obligation	$ 92,675

Contribution required and contribution made:

The Administration's retirement contributions are appropriated annually, based upon actuarial valuation. In this regard, the Plan has engaged an independent firm of consulting actuaries to prepare annual actuarial valuations and perform various actuarial consulting services. Effective January 1, 1990, in accordance with the law governing the Plan, all benefits of the Plan are funded in advance. The entry age normal cost method is the actuarial cost method used to determine the employer's normal and accrued liability contribution rates and the unfunded actuarial accrued liability.

Employer contributions to the Plan totalling $11,323,000 (12.3% of covered payroll) for fiscal year 1995 were made in accordance with actuarially determined contribution requirements based on an actuarial valuation performed as of June 30, 1993. This amount consisted of $2,317,000 normal cost and $9,006,000 amortization of the unfunded actuarial accrued liability (2.5% and 9.7%, respectively, of covered payroll).

The liquidation period for the unfunded actuarial accrued liabilities (as provided by law) is 25 years from June 30, 1995. Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the pension benefit obligation.

The computation of the pension contribution requirements for fiscal year 1995 was based on the same actuarial assumptions, actuarial funding method, and other significant factors used to determine pension contribution requirements in the previous year. Participants are eligible for retirement at age 65 with 5 years of credited service in the current year as opposed to 10 years of service in the prior year. Participants with 30 years of credited service are eligible for retirement at age 55 as opposed to 60 in the prior year. These benefit changes increased the accrual factor from 1.1% in the prior year to 1.3% in current year.