# PENSION PLAN FOR BARGAINING UNIT EMPLOYEES OF TRIMET

## ACTUARIAL VALUATION
## As of July 1, 2011

Prepared By

Peter R. Sturdivan, FSA, EA, MAAA
Principal and Consulting Actuary

and

Nina M. Lantz, ASA, EA, MAAA
Consulting Actuary

Milliman

111 SW Fifth Avenue
Suite 3700
Portland, OR 97204
USA

Tel +1 503 227 0634
Fax +1 503 227 7956

milliman.com

August 12, 2011

Trustees
Pension Plan for Bargaining Unit
Employees of TriMet

Dear Trustees:

At your request we have completed an actuarial valuation of the Pension Plan for Bargaining Unit Employees of TriMet as of July 1, 2011. The results of the valuation are contained in the following report and are summarized in Section 2.

In preparing our report, we relied without audit upon the employee data furnished by TriMet. We believe the data to be sufficient and reliable for the purposes of our calculations. Plan provisions used were based on the plan document restated effective January 1, 2008, Amendment 2009-1 and the pension related provisions included in the Working and Wage Agreement between TriMet and ATU 757 in effect from December 1, 2003 through November 30, 2009. We also relied on the financial information, Medicare reimbursement and total payroll information supplied by TriMet. The financial information appears to be reasonable for the purpose of this report. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete, our results may be different and our calculations may need to be revised.

All costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, is a reasonable estimate of anticipated experience affecting the Plan.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

Actuarial computations presented in this report are for purposes of determining the recommended funding levels for the Pension Plan for Bargaining Unit Employees of TriMet. Actuarial computations under GASB Statements No. 25, No. 27 and No. 50 are for purposes of fulfilling financial accounting requirements. The computations in this report have been made on a basis consistent with our understanding of the Trustees' funding policies and GASB Statements No. 25, No 27 and No. 50. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Milliman's work is prepared solely for the internal business use of the Board of Trustees of the Pension Plan for Bargaining Unit Employees of TriMet. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

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No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

Milliman has been engaged by the Board of Trustees as an independent actuary. The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Sincerely,

Peter R. Sturdivan, FSA, EA, MAAA
Principal and Consulting Actuary

Nina M. Lantz, ASA, EA, MAAA
Consulting Actuary

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**PENSION PLAN FOR BARGAINING UNIT EMPLOYEES OF TRIMET**

**ACTUARIAL VALUATION AS OF JULY 1, 2011**

## TABLE OF CONTENTS

**PENSION PLAN FOR BARGAINING UNIT EMPLOYEES OF TRIMET**

# SECTION 1

# SCOPE OF THE REPORT

This report presents the results of the actuarial valuation for the plan year beginning July 1, 2011. The purpose of this valuation is to determine the funded status of the Plan as of July 1, 2011 and develop the recommended contribution for the fiscal year beginning July 1, 2012.

A summary of the findings resulting from this valuation is presented in Section 2 of the report. The discussion found in Section 3 describes the actuarial concepts and methods upon which the findings are based. Tables 1 through 6 of that section summarize the calculations that led to our findings.

Appendix A outlines the benefit and contribution provisions of the Plan.

All of the calculations of the valuation were carried out using certain assumptions as to the future experience of the Plan in matters affecting the actuarial cost. Appendix B summarizes the most important of these assumptions and describes the actuarial procedures used to calculate costs.

Appendix C contains figures which the auditors may require for the preparation of the Plan's financial statements.

The participant data that was supplied to us is summarized in Appendix D.

## SECTION 2

## SUMMARY OF THE FINDINGS

The following is a summary of the more important figures developed in this valuation, together with comparable figures from the prior valuation report.

| | July 1, 2011 | July 1, 2010 |
|---|---|---|
| Covered Active Participants* | 2,016 | 2,090 |
| Average Age | 50.6 | 50.4 |
| Average Years of Vesting Service | 13.0 | 12.7 |
| Plan Assets | | |
| Market Value | $ 285,393,073 | $ 212,842,828 |
| Actuarial Value | $ 289,425,349 | $ 255,279,332 |
| Investment Rate of Return | | |
| Market Value | 20.6% | 13.5% |
| Actuarial Value | 3.3% | 14.1% |
| Valuation Contribution Amount | | |
| Beginning of Year | $ 31,072,776 | $ 31,919,198 |
| Amortization Period | 20 | 20 |

*Excluding Management Transfers

The valuation contribution is the annual contribution calculated as of July 1, 2011 and is equal to the Plan's normal cost plus the payment to pay off the unfunded actuarial accrued liability over a 20-year amortization period. Based on the valuation contribution amount of $31,072,776, we have developed the following contribution schedule:

| Period | | Contribution* |
|---|---|---|
| July 1, 2011 – June 30, 2012 | Anticipated | $ 18,823,691** |
| July 1, 2012 – June 30, 2013 | Recommended | $ 32,858,378 |

* Contributions are assumed to be payable within a week of September 9th each year.

** The anticipated contribution is equal to the recommended contribution based on the July 1, 2010 actuarial valuation less $13,400,000 made on June 11, 2011.

The above contribution schedule is actuarially equivalent to contributing the valuation contribution for each of the next 20 years beginning on the valuation date. It is based on assumptions that are reasonable estimates of future Plan experience. However, the recommended contribution is subject to change if plan experience is different from that assumed (as it almost certainly will be) or if the Plan is amended. It is also subject to change as past investment gains and losses are reflected in the actuarial value of assets. Approximately $4.0 million in net investment losses have yet to be reflected in the actuarial value of assets. Therefore, the recommended contribution is expected to increase next year if the market value of assets earns 8% for the plan year ending June 30, 2012 and all other actuarial assumptions are met.

The changes in the status of the Plan's funding since the last valuation can be demonstrated by an analysis of the valuation contribution as shown below:

| Reconciliation | Unfunded Actuarial Accrued Liability | Normal Cost | Valuation Contribution |
|---|---|---|---|
| July 1, 2010 Amount | $ 236,215,594 | $ 9,642,272 | $ 31,919,198 |
| Expected July 1, 2011 Amount | $ 215,840,074 | $ 9,045,106 | $ 29,400,466 |
| Changes to Amount | | | |
| *Changes Due to Experience (Gains) / Losses* | | | |
| Asset (gain) / loss | 12,802,456 | 0 | 1,207,369 |
| Demographic (gain) / loss | (91,426) | 427,889 | 419,267 |
| Expense (gain) / loss | 152,588 | 0 | 14,390 |
| Interest on Medicare Reimbursement Payments | 36,245 | 0 | 3,418 |
| *Changes in Methods and Assumptions* | | | |
| Expense Assumption | 0 | 72,116 | 72,116 |
| Mini-Run to Full Time | (186,503) | (26,661) | (44,250) |
| Plan Changes | $ 0 | $ 0 | $ 0 |
| July 1, 2011 Amount | $ 228,553,434 | $ 9,518,450 | $ 31,072,776 |

***Experience Gains and Losses***

Experience gains and losses occur due to Plan experience that is different from the actuarial assumptions used to value the Plan's liabilities and assets. Since actual experience will never exactly match the Plan's assumptions, it is certain that the Plan will experience actuarial gains and losses each year. These gains and losses arise from three sources: investment experience, expense experience, and demographic experience. During the 2010-2011 plan year, the total experience loss was approximately $13.0 million.

Investment Experience

The investment rate of return on a market value basis for the plan year ending June 30, 2011 was 20.6%. Compared to the assumed rate of 8%, there was an investment gain of approximately $29.0 million. However, the valuation uses an asset smoothing technique intended to reduce the volatility of the Plan's recommended contribution. For the actuarial value of assets, gains and losses are spread over 5 years, with the resulting value not less than 80% or greater than 120% of the market value. The investment return on an actuarial value basis for the plan year ending June 30, 2011 was 3.3 %. Compared to the assumed rate of

8%, the Plan experienced an actuarial loss of approximately $12.8 million and increased the valuation contribution by about $1.2 million.

Expense Experience

There was an experience loss of $153,000 due to higher than expected administrative expenses paid during the 2010-2011 plan year. This loss increased the valuation contribution by about $14,000.

Demographic Experience

The Plan experienced a net demographic gain on the unfunded actuarial accrued liability of approximately $91,000 from demographic experience different than assumed. There was a loss on the normal cost of about $428,000, of which approximately $340,000 was due to new entrants. Combined, these demographic gains and losses increased the valuation contribution by about $419,000.

Demographic gains and losses occur when the Plan's actual demographic experience differs from our valuation assumptions. Demographic losses for the 2010-2011 plan year include losses due to active participants retiring with benefits larger than anticipated (in particular, the unused sick leave benefit). This was partially offset by mortality gains on inactive participants.

The following table compares expected demographic experience for participants as of July 1, 2010 with the Plan's actual demographic experience for those participants in the plan year ending June 30, 2011:

| Assumption | Expected | Actual |
|---|---|---|
| Actives | | |
| Normal or Early Retirements | 105 | 81 |
| Disability Retirements | 10 | 14 |
| Pre-retirement Deaths | 7 | 5 |
| Other Terminations | 28 | 28 |
| Terminated Vested Deaths | 1 | 4 |
| Retirees and Beneficiary Deaths | 32 | 35 |

During the 2010-2011 plan year, there were fewer retirements and more disabilities than expected. The workforce continues to age and work past the age at which they are first eligible for unreduced retirement benefits (58). The average age of the active group has increased from 49.6 to 50.6 over the past 4 years. About 58% of the active population is age 50 and older.

Given the Plan's recent experience and the general aging of the Plan's participants, we will continue to monitor the Plan's experience with regard to each of the actuarial assumptions. If the demographic experience continues along the current trend, we may recommend changes to our assumptions.

Interest on Medicare Reimbursement Payments

Medicare eligible retirees and beneficiaries have an amount added to their monthly pension check each month to reimburse the payee for their Medicare monthly premium. The District reimburses the Trust for these payments after the end of the plan year. There was a loss of $36,245 in interest due to the timing of the Medicare reimbursement payments made during the 2010-2011 plan year. This loss increased the valuation contribution by about $3,400.

### *Actuarial Assumption/Method Changes*

This report reflects the following changes to the actuarial assumptions or methods:

- Anticipated administrative expenses were increased from $125,000 to $200,000 based on recent plan experience and future expectations. This change increased the valuation contribution by approximately $72,000.
- The percentage of active mini-run participants assumed to transfer to full time and remain full time in the future was reduced from 30% to 20% based on recent plan experience and future expectations. This change decreased the unfunded actuarial accrued liability by approximately $187,000 and decreased the valuation contribution by approximately $44,000.

### *Plan Changes*

No plan amendments were adopted since the last valuation that impacted plan liabilities for the valuation. The terms of the Working and Wage Agreement between TriMet and ATU 757 that expired on November 30, 2009 are assumed to remain in effect into the future.

### *Sensitivity of Results*

The results presented in this report are dependent upon the actuarial assumptions being realized in the future. To the extent that actual Plan experience differs from the assumptions, future actuarial costs will differ from those presented in this report. For example, actuarial gains and losses emerge in plan years where actual contribution amounts differ from those anticipated by our assumptions.

## SECTION 3

## DISCUSSION OF THE VALUATION

A fundamental principle in financing the liabilities of a retirement program is that the cost of its benefits should be related to when those benefits are earned, rather than to when they are paid. There are a number of methods in use for making such a determination.

The method used for this valuation is technically referred to as the Individual Entry Age Normal Actuarial Cost Method with Normal Cost expressed as a level dollar amount.

Under this method, the total Actuarial Present Value of Projected Benefits is allocated over the service for each active member from their date of entry into the Plan until their assumed date of exit from the Plan, as a level dollar amount. This level amount is referred to as the Normal Cost, and is calculated for each active member. It is calculated by dividing the total Actuarial Present Value of Projected Benefits at entry age by the Actuarial Present Value of Projected Service at entry age. An annual Normal Cost is calculated for service accruals expected to be earned by current disabled participants between the date of disability and age 62. The Normal Cost equals $0 for non-active members. The sum of the individual Normal Costs is the Normal Cost for the Plan.

The Unfunded Actuarial Accrued Liability is determined as the total Actuarial Present Value of Projected Benefits less the sum of the Actuarial Value of Assets and the Actuarial Present Value of Future Normal Costs. An Unfunded Actuarial Accrued Liability less than zero indicates a Surplus.

Changes in the Unfunded Actuarial Accrued Liability due to plan changes, changes in actuarial assumptions and actuarial gains and losses are explicitly recognized and amortized over the number of years selected by the Board of Trustees within the terms of the Working and Wage Agreement.

### MARKET VALUE OF ASSETS

Table 1 details the change in the Plan's Market Value of Assets since the last valuation. Included in the Market Value of Assets is a receivable equal to the Medicare reimbursement payments that were made to retired participants and beneficiaries during the plan year.

### ACTUARIAL VALUE OF ASSETS

Table 2 shows the derivation of the Actuarial Value of Assets. The Plan's investment return on market value for the period July 1, 2010 through June 30, 2011 was approximately 20.6%, about 12.6% higher than the expected return of 8% per annum. This resulted in an asset gain of about $29 million over the period on a market value basis.

For purposes of determining the recommended contribution, the valuation uses a smoothing technique that recognizes differences in the actual investment return and the assumed investment return at 8% over a five-year period. As of July 1, 2011, the Actuarial Value of

Assets exceeded the Market Value of Assets by about $4.0 million. This indicates that $4.0 million in net market value investment losses have yet to be recognized in the Actuarial Value of Assets. The Plan's investment return on the Actuarial Value of Assets for the period July 1, 2010 through June 30, 2011 was approximately 3.3%.

## ACTUARIAL BALANCE SHEET

Table 3 shows the development of the Plan's Unfunded Actuarial Accrued Liability as of July 1, 2011.

Table 4 contains information on the magnitude of the Plan's requirements and the resources available to cover those requirements. The Plan's requirements are referred to as the Actuarial Present Value of Benefits and can be thought of as the single sum required on July 1, 2011 which, together with future investment returns, would accumulate to provide all benefits due to current members under the Plan in the future (based on the assumptions outlined in Appendix B). The Resources equal the Requirements and consist of:

(1) the Plan's current Actuarial Value of Assets, plus

(2) the Actuarial Present Value of Future Normal Costs to be contributed by the District in the future, plus

(3) the actuarial present value of future payments to amortize the Plan's Unfunded Actuarial Accrued Liability.

## NORMAL COST

Table 5 shows the Normal Cost for this actuarial valuation, determined under the Individual Entry Age Normal Actuarial Cost Method.

The Normal Cost calculated in this report is expected to remain stable as long as:

(1) Experience remains reasonably close to that expected according to the actuarial assumptions, including no changes in assumptions; and

(2) Current eligibility and benefit provisions remain unchanged.

## RECOMMENDED CONTRIBUTION SCHEDULE

Table 6 develops the recommended contribution schedule for the Plan. The recommended annual contribution consists of two pieces:

(1) Normal Cost

(2) Amortization of the Unfunded Actuarial Accrued Liability (UAAL)

At each valuation date, the Plan's UAAL will be reamortized over 20 years.

## ACCOUNTING STANDARDS

Appendix C contains figures which your auditors may require for the preparation of the Plan's financial statements under the following standard issued by the Governmental Accounting Standards Board (GASB):

***GASB Statement No. 25 - Financial Reporting by Plans*.** Generally, Statement No. 25 requires a summary of the funded status of the Plan, and a statement on the relationship of the actual annual contributions to an annual required contribution (ARC).

***GASB Statement No. 27 – Employer's Accounting for Pension*.** Disclosures are required in the employer's financial statements including the annual pension cost (APC). Generally, the APC will equal to the employer's ARC, as actuarially determined by the funding methods and assumptions. If the actual contribution is either more or less than the ARC, than a Net Pension Obligation must be determined, and this amount may be required to be disclosed in the District's financial statements.

***GASB Statement No. 50.*** The Government Accounting Standards Board issued GASB Statement No. 50 in May 2007, which amended GASB 25 and GASB 27. This new statement requires defined benefit plans and employers to present additional disclosure information. To the best of our knowledge, the information in this report contains sufficient information to comply with the requirements of GASB 50.

## ACTUARIAL ASSUMPTIONS

The actuarial assumptions were chosen on the basis of recent experience of the Plan and are summarized in Appendix B. The recommended contribution is based on assumptions that are reasonable estimates of future Plan experience. However, the recommended contribution is subject to change as past investment gains and losses are reflected in the actuarial value of assets, plan experience is different from that assumed or if the Plan is amended.

We will monitor the actual experience of the Plan and will recommend changes to the assumptions as needed in the future.

**PENSION PLAN FOR BARGAINING UNIT EMPLOYEES OF TRIMET**

**MARKET VALUE OF ASSETS[1]**
**(June 30, 2011)**

**Summary of Statement of Changes in Net Assets Available for Benefits**

| | | | |
|---|---|---|---|
| (1) | Market Value of Assets July 1, 2010 | | $ 212,842,828 |
| (2) | Employer Contributions | | 47,427,544 |
| (3) | Benefit Payments | | |
| | Pension Payments | $ (21,963,129) | |
| | Medicare Reimbursement | (906,126) | (22,869,255) |
| (4) | Administrative Expenses[2] | | (271,534) |
| (5) | Medicare Reimbursement Receivable[3] | | 906,126 |
| (6) | Investment Income Net of Investment Expenses | | 47,357,364 |
| (7) | Market Value of Assets June 30, 2011 (1)+(2)+(3)+(4)+(5)+(6) | | $ 285,393,073 |

1 Based on the financial information supplied by TriMet.

2 Includes actuarial, legal, investment monitor fees. Excludes all investment management fees.

3 A contribution equal to the Medicare reimbursement payments is assumed to be made to the Trust in September 2011.

**PENSION PLAN FOR BARGAINING UNIT EMPLOYEES OF TRIMET**

## ACTUARIAL VALUE OF ASSETS (July 1, 2011)

### Asset Reconciliation

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|---|---|---|---|---|---|---|---|
| Plan Year End June 30 | Market Value of Assets July 1 | Employer Contributions | Benefit Payments | Administration Expenses | Cash Flow (2)+(3)+(4) | Actual Investment Income | Market Value of Assets End of Year (1)+(5)+(6) |
| 2011 | $212,842,828 | $48,333,670 | $(22,869,255) | $ (271,534) | $25,192,881 | $47,357,364 | $ 285,393,073 |
| 2010 | 180,928,078 | 28,777,331 | (22,703,842) | (113,947) | 5,959,542 | 25,955,208 | 212,842,828 |
| 2009 | 221,573,962 | 26,789,197 | (19,022,090) | (121,721) | 7,645,386 | (48,291,270) | 180,928,078 |
| 2008 | 225,156,215 | 26,715,454 | (15,503,114) | (129,116) | 11,083,224 | (14,665,477) | 221,573,962 |
| 2007 | 184,660,930 | 25,941,571 | (15,373,123) | (100,631) | 10,467,817 | 30,027,468 | 225,156,215 |

### Actuarial Value of Assets

| Plan Year End June 30 | Actual Investment Rate of Return (1) | Actual Investment Return | Expected 8% Investment Return (2) | Difference between Actual and Expected |
|---|---|---|---|---|
| 2011 | 20.6% | $ 47,357,364 | $18,360,671 | $ 28,996,693 |
| 2010 | 13.5% | 25,955,208 | 15,422,206 | 10,533,002 |
| 2009 | (20.7)% | (48,291,270) | 18,692,288 | (66,983,558) |
| 2008 | (6.1)% | (14,665,477) | 19,114,563 | (33,780,040) |
| 2007 | 15.2% | 30,027,468 | 15,831,242 | 14,196,226 |

| | | |
|---|---|---|
| (1) Market Value of Assets on July 1, 2011 | | $ 285,393,073 |
| (2) Unrecognized Gain/(Loss) | | |
| 80% of $28,996,693 gain | $ 23,197,354 | |
| 60% of $10,533,002 gain | 6,319,801 | |
| 40% of $66,983,558 loss | (26,793,423) | |
| 20% of $33,780,040 loss | (6,756,008) | |
| Total Unrecognized Gain/(Loss) | | (4,032,276) |
| (3) Preliminary Actuarial Value of Assets (1) – (2) | | $ 289,425,349 |
| (4) 80% of Market Value of Assets on July 1, 2011 | | $ 228,314,459 |
| (5) 120% of Market Value of Assets on July 1, 2011 | | $ 342,471,687 |
| (6) Actuarial Value of Assets on July 1, 2011 Lesser of (3) and (5), not less than (4) | | $ 289,425,349 |
| (7) Actuarial Value as a Percentage of Market Value (6)/(1) | | 101% |

(1) Based on market values.

(2) Using simple interest and assuming a pension contribution is made on September 9th and benefit payments (including Medicare reimbursement payments) and expenses occur at mid-year. For the 2010-2011 plan year, an additional contribution of $13,400,000 was made on June 11, 2011.

**PENSION PLAN FOR BARGAINING UNIT
EMPLOYEES OF TRIMET**

**DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITY
(July 1, 2011)**

| | | | |
|---|---|---|---|
| (1) | Unfunded Actuarial Accrued Liability as of 7/1/2010 | $ 236,215,594 | |
| (2) | Normal Cost Including Expenses for 2010-2011 | 9,642,272 | |
| (3) | Interest at 8.00% to 6/30/2011 on (1) and (2) | 19,668,629 | |
| (4) | Employer Pension Contributions Received for the Plan Year Ending 6/30/2011 | 47,427,544 | |
| (5) | Interest on (4) at 8.0% from Date Paid to 6/30/2011 | 2,258,877 | |
| (6) | Expected Unfunded Actuarial Accrued Liability 6/30/2011 (1)+(2)+(3)-(4)-(5) | | $ 215,840,074 |
| (7) | *Changes Due to Experience Gains and Losses* | | |
| | Asset Loss | $ 12,802,456 | |
| | Demographic Gain | (91,426) | |
| | Expense Loss | 152,588 | |
| | Interest on Medicare Reimbursement Payments | 36,245 | |
| | Total Gains and Losses | | $ 12,899,863 |
| (8) | *Changes in Methods and Assumptions* | | |
| | Expense Assumption | $ 0 | |
| | Mini-Run to Full Time | $ (186,503) | |
| | Total Change in Methods and Assumptions | | $ (186,503) |
| (9) | *Plan Changes* | | 0 |
| (10) | Unfunded Actuarial Accrued Liability 7/1/2011 | | $ 228,553,434 |

**PENSION PLAN FOR BARGAINING UNIT EMPLOYEES OF TRIMET**

**ACTUARIAL BALANCE SHEET (July 1, 2011)**

## REQUIREMENTS

| | |
|---|---|
| Actuarial Present Value of Benefits | |
| Active Participants (2,016) | |
| Retirement Benefits | $ 284,987,848 |
| Death Benefits | 2,872,681 |
| Disability Benefits | 14,264,087 |
| Termination Benefits (Vesting) | 8,540,990 |
| Subtotal | $ 310,665,606 |
| Retirees and Beneficiaries (1,118) | 218,815,226 |
| Disabled Participants (139) | 33,533,235 |
| Vested Terminated Participants (158) | 9,486,187 |
| Management Transfers (65) | 6,468,065 |
| Total Requirements | $ 578,968,319 |

## RESOURCES

| | |
|---|---|
| Actuarial Value of Assets | $ 289,425,349 |
| Actuarial Present Value of Future Normal Costs | 60,989,536 |
| Unfunded Actuarial Accrued Liability | 228,553,434 |
| Total Resources | $ 578,968,319 |

**PENSION PLAN FOR BARGAINING UNIT EMPLOYEES OF TRIMET**

## NORMAL COST (July 1, 2011)

| | | | |
|---|---|---|---|
| (1) | Retirement Benefits | $ 8,204,998 | |
| | Death Benefits | 108,535 | |
| | Disability Benefits | 577,451 | |
| | Termination Benefits | 435,158 | |
| | Subtotal | | $ 9,326,142 |
| (2) | Anticipated Non-Investment Expenses ($200,000 payable mid-year) | | 192,308 |
| (3) | Total Annual Normal Cost, Payable at Beginning of the year (1) + (2) | | $ 9,518,450 |

### Normal Cost Reconciliation

| | | |
|---|---|---|
| July 1, 2010 Normal Cost | | $ 9,642,272 |
| Expected July 1, 2011 Normal Cost | | $ 9,045,106 |
| Demographic Loss | | 427,889 |
| *Changes in Methods and Assumptions* | | |
| Expense Assumption | $ 72,116 | |
| Mini-Run to Full Time | (26,661) | |
| Total Change in Method and Assumptions | | 45,455 |
| *Plan Changes* | | 0 |
| July 1, 2011 Normal Cost | | $ 9,518,450 |

**PENSION PLAN FOR BARGAINING UNIT
EMPLOYEES OF TRIMET**

**DETERMINATION OF RECOMMENDED CONTRIBUTION SCHEDULE
(July 1, 2011)**

**Valuation Contribution, Payable July 1, 2011**

| | | | |
|---|---|---|---|
| (1) | Total Annual Normal Cost | | $ 9,518,450 |
| (2) | 20-Year Amortization of UAAL | | 21,554,326 |
| (3) | Total Contribution for Year | (1) + (2) | $ 31,072,776 |

**Contribution Schedule**

| Period | | Contribution* |
|---|---|---|
| July 1, 2011 – June 30, 2012 | Anticipated | $ 18,823,691** |
| July 1, 2012 – June 30, 2013 | Recommended | $ 32,858,378 |

* The contribution is assumed to be payable within a week of September 9th each year.

** The anticipated contribution is equal to the recommend contribution based on the July 1, 2010 Actuarial Valuation, $32,223,691, less $13,400,000 contributed on June 11, 2011.

| | |
|---|---|
| Present Value as of 7/1/11 of $31,072,776 contributed over 20 years | $ 329,483,263 |
| Present Value as of 7/1/11 of $18,823,691 contributed on 9/9/2011 | 18,547,900 |
| Present Value as of 7/1/11 of future contributions beginning 9/9/2012 | $ 310,935,363 |
| Remaining Amortization Period | 19 years |
| Recommended Contribution to be made 9/9/2012 | $ 32,858,378 |

The recommended contribution is actuarially equivalent to contributing the valuation contribution for each of the next 20 years beginning on the valuation date. It is based on assumptions that are reasonable estimates of future Plan experience. However, the recommended contribution is subject to change if plan experience is different from that assumed or if the Plan is amended. It is also subject to change as past investment gains and losses are reflected in the actuarial value of assets. Because approximately $4.0 million in net investment losses have yet to be reflected in the actuarial value of assets, the recommended contribution is expected to increase next year if the market value of assets earn 8.0% for the plan year ending June 30, 2012 and all other actuarial assumptions are met.

**PENSION PLAN FOR BARGAINING UNIT EMPLOYEES OF TRIMET**

**PLAN PROVISIONS**

## 1. NAME

Pension Plan for Bargaining Unit Employees of TriMet.

## 2. EFFECTIVE DATE

September 19, 1984 as last restated effective January 1, 2008. Plan Amendment 2009-1 was signed February 23, 2009.

## 3. ELIGIBILITY

All Division 757 of the Amalgamated Transit Union, AFL-CIO bargaining unit employees of TriMet. Employees who transfer to a management position continue to earn service for vesting purposes and retirement eligibility. However, no additional benefits are earned for continuous service as a management employee.

## 4. CONTINUOUS SERVICE

All periods of service during which the employee is a member of the bargaining unit represented by ATU 757, working either as a full-time employee or mini-run operator, is entitled to payment for services rendered to TriMet and is eligible to participate in this Plan. Continuous service includes service while serving as an officer of the International Union.

## 5. VESTING SERVICE

All continuous service plus any period of service (not already counted as continuous service) when an employee is entitled to payment for services rendered to TriMet, excluding service preceding a permanent break in service.

## 6. NORMAL RETIREMENT

(a) Eligibility

For participants who earn at least 10 years of vesting service, the Normal Retirement Age is determined from the following schedule:

| Retirements Effective | Normal Retirement Age |
|---|---|
| December 1, 1994 to November 30, 1998 | 62 |
| December 1, 1998 to November 30, 2000 | 61 |
| December 1, 2000 to November 30, 2002 | 60 |
| December 1, 2002 to November 30, 2004 | 59 |
| On or after December 1, 2004 | 58 |

(b) Benefit

The normal retirement benefit for participants retiring or terminating after February 1, 1992 is determined by multiplying continuous service times the benefit rate in effect on the date of retirement or termination of employment, whichever is earlier. Mini-run operators receive 75% of the benefit rate shown below.

| Effective Beginning | Benefit Rate |
|---|---|
| February 1, 1992 | $ 42.00 |
| September 1, 1992 | 43.26 |
| September 1, 1993 | 44.13 |
| September 1, 1994 | 44.57 |
| September 1, 1995 | 47.02 |
| September 1, 1996 | 48.43 |
| September 1, 1997 | 50.27 |
| September 1, 1998 | 51.93 |
| September 1, 1999 | 53.49 |
| September 1, 2000 | 55.49 |
| September 1, 2001 | 57.15 |
| September 1, 2002 | 58.87 |
| September 1, 2003 | 60.64 |
| September 1, 2004 | 62.45 |
| September 1, 2005 | 64.33 |
| September 1, 2006 | 66.26 |
| September 1, 2007 | 68.25 |
| September 1, 2008 | 70.84 |
| September 1, 2009 | 72.96 |
| September 1, 2010 | 75.15 |

The benefit rates are adjusted on September 1st each year based on the specified general wage adjustment under the Working and Wage Agreement.

A benefit derived from unused sick leave is added to the above benefit as described in (c) below.

(c) Unused Sick Leave

Vested employees who terminate after becoming eligible for early retirement will have unused accumulated sick leave up to the maximum accumulated sick leave converted to a monthly benefit at a rate of $.25 per hour for each hour of unused accrued sick leave.

| Effective | Maximum Accumulated Sick Leave |
|---|---|
| December 1, 1999 | 1,400 hours |
| December 1, 2003 | 1,450 hours |
| December 1, 2004 | 1,500 hours |
| December 1, 2005 | 1,550 hours |
| December 1, 2006 | 1,600 hours |
| December 1, 2007 | 1,650 hours |
| December 1, 2008 | 1,700 hours |

## 7. EARLY RETIREMENT

(a) Eligibility

A participant may retire prior to his normal retirement date if he has 10 years of vesting service and is at least 55 years of age, or at any age if the participant has at least 30 years of continuous service.

(b) Benefit

The monthly basic benefit is calculated as described in item 6 above. The benefit will not be reduced if a participant has at least 30 years of continuous service. Otherwise, the benefit will be reduced according to the following table:

| Age at Retirement | Percent Reduction from Normal Retirement Age | | | | |
|---|---|---|---|---|---|
| | 62 | 61 | 60 | 59 | 58 |
| Effective | 12/01/1994 through 11/30/1998 | 12/01/1998 through 11/30/2000 | 12/01/2000 through 11/30/2002 | 12/01/2002 through 11/30/2004 | 12/01/2004 to Current |
| 62 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 61 | 10.12 | 0.00 | 0.00 | 0.00 | 0.00 |
| 60 | 19.06 | 9.95 | 0.00 | 0.00 | 0.00 |
| 59 | 26.98 | 18.76 | 9.78 | 0.00 | 0.00 |
| 58 | 34.01 | 26.59 | 18.48 | 9.63 | 0.00 |
| 57 | 40.28 | 33.56 | 26.22 | 18.21 | 9.49 |
| 56 | 45.87 | 39.78 | 33.13 | 25.87 | 17.97 |
| 55 | 50.87 | 45.34 | 39.31 | 32.72 | 25.55 |

## 8. FORMS OF PAYMENT

(a) Single Life Annuity

(b) 66 2/3% Joint and Survivor Annuity

## 9. DISABILITY BENEFIT

(a) Eligibility

An active participant who becomes disabled after 10 years of continuous service may receive a disability benefit if he becomes permanently disabled from performing the participant's occupation while employed with TriMet prior to reaching Social Security retirement age (62). Disability benefits are paid from the Plan until the participant reaches age 62.

(b) Benefit

A benefit payable during the period of disability is determined from the table below. If the participant is entitled to disability insurance benefits under Title II of the Federal Social Security Act, the benefits shown below are doubled.

| Effective | 10 Years of Continuous Service | 15 Years of Continuous Service | 20 Years of Continuous Service |
|---|---|---|---|
| February 1, 1992 | $388.60 | $468.38 | $544.07 |
| February 1, 1993 | 400.25 | 482.43 | 560.38 |
| February 1, 1994 | 406.26 | 492.08 | 571.60 |
| February 1, 1995 | 434.80 | 524.06 | 608.75 |
| February 1, 1996 | 441.76 | 532.45 | 618.49 |
| February 1, 1997 | 457.22 | 551.08 | 640.14 |
| February 1, 1998 | 472.31 | 569.27 | 661.26 |
| February 1, 1999 | 481.76 | 580.66 | 674.49 |
| February 1, 2000 | 502.72 | 605.92 | 703.83 |
| February 1, 2001 | 519.71 | 626.40 | 727.62 |
| February 1, 2002 | 533.90 | 643.50 | 747.48 |
| February 1, 2003 | 545.01 | 656.88 | 763.03 |
| February 1, 2004 | 569.92 | 686.90 | 797.90 |
| February 1, 2005 | 586.50 | 706.89 | 821.12 |
| February 1, 2006 | 602.28 | 725.91 | 843.21 |
| February 1, 2007 | 620.47 | 747.83 | 868.67 |
| February 1, 2008 | 643.37 | 775.42 | 900.72 |
| February 1, 2009 | 669.62 | 807.06 | 937.47 |
| February 1, 2010 | 674.51 | 812.95 | 944.31 |
| February 1, 2011 | 694.74 | 837.34 | 972.64 |

The disabled participant's benefit at age 62 is calculated using service that includes continuous service during disability as if the participant remained in active employment from the date of disability to age 62, and the benefit rate in effect at age 62.

## 10. VESTING

A participant who terminates employment with at least ten years of vesting service as of the date of termination will be 100% vested.

## 11. CONTRIBUTIONS

Contributions are made to the Trust Fund by TriMet. TriMet intends to contribute the amounts calculated by the actuary to adequately fund the benefits provided in the Plan.

## 12. PRE-RETIREMENT DEATH BENEFIT

(a) Married Employee or Domestic Partner

If a vested participant, the participant's spouse or domestic partner will receive 50% of the normal retirement benefit. The benefit is paid to the spouse when the spouse attains age 62. The payment to the domestic partner must commence no later than the December 31 of the year following the participant's death. The benefit is actuarially adjusted for the earlier commencement.

(b) Disability

If a participant receiving disability benefits dies on or after age 55 but prior to age 62, the surviving spouse or domestic partner may elect to receive either the benefits in (a) above or the survivor portion of the 66 2/3% joint and survivor annuity.

## 13. POST-RETIREMENT BENEFIT INCREASES

Benefits for participants receiving normal or early retirement benefits or disability benefits shall be adjusted each February 1st during the period of the Agreement. The adjustment is based on the aggregate amount of any specified general wage adjustment under the Working and Wage Agreement during the preceding 12 months.

## 14. PLAN AMENDMENTS SINCE THE PRIOR VALUATION

No plan amendments were adopted since the last valuation that impacted plan liabilities for the valuation. The terms of the Working and Wage Agreement between TriMet and ATU 757 that expired on November 30, 2009 are assumed to remain in effect into the future.

**PENSION PLAN FOR BARGAINING UNIT EMPLOYEES OF TRIMET**

## ACTUARIAL ASSUMPTIONS AND COST METHOD

This section of the report describes the actuarial procedures and assumptions used in this valuation. These procedures and assumptions have been chosen on the basis of recent experience of the Plan and on current expectations as to future economic conditions.

The assumptions are intended to estimate the future experience of the participants of the Plan and of the Plan itself in areas which affect the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of the Plan's benefits.

### 1. RECORDS AND DATA

The data used in the valuation consist of employee data and financial information furnished by TriMet. All data for valuation purposes was accepted without audit.

### 2. ADJUSTMENT FOR INCOMPLETE DATA

If necessary, active participants are assumed to have a hire age equal to the average hire age of the active participants with complete data.

### 3. ACTUARIAL COST METHOD (effective July 1, 2004)

The accruing costs of all benefits are measured by the Individual Entry Age Normal Actuarial Cost Method. The Normal Cost expressed as a level dollar amount.

Under this method, the total Actuarial Present Value of Projected Benefits is allocated over the service for each active member from their date of entry into the Plan until their assumed date of exit from the Plan, as a level dollar amount. This level amount is referred to as the Normal Cost, and is calculated for each active member. It is calculated by dividing the total Actuarial Present Value of Projected Benefits at entry age by the Actuarial Present Value of Projected Service at entry age. The Normal Cost equals $0 for non-active members. The sum of the individual Normal Costs is the Normal Cost for the Plan.

Effective July 1, 2008, an annual normal cost is calculated for currently disabled participants who continue to earn service between the date of disability and age 62.

**4. ACTUARIAL VALUE OF ASSETS (effective July 1, 2004)**

The actuarial value of assets on the valuation date is equal to (1) – (2) – (3) – (4) – (5), with the resulting value not less than 80% nor greater than 120% of the market value of assets on the valuation date.

(1) Market Value of Assets*.

(2) 80% of the difference between actual investment return and expected investment return for the plan year prior to the valuation date.

(3) 60% of the difference between actual investment return and expected investment return for the plan year prior to the plan year in (2) above.

(4) 40% of the difference between actual investment return and expected investment return for the plan year prior to the plan year in (3) above.

(5) 20% of the difference between actual investment return and expected investment return for the plan year prior to the plan year in (4) above.

* The Market Value of Assets includes a receivable equal to the Medicare reimbursement payments to retired participants and beneficiaries made during the plan year.

Actual and expected investment returns are calculated net of investment expenses using simple interest assuming a pension contribution is made on September 9th, and benefit payments and expenses occur midyear. For the 2010-2011 plan year, a contribution was also made on June 11, 2011.

The asset valuation method is described in IRS Revenue Procedure 2000-40.

**5. INVESTMENT EARNINGS**

8.00% per annum compounded annually, net of investment management and custodial fees.

**6. ADMINISTRATIVE EXPENSES (effective July 1, 2011)**

Annual administrative expenses of $200,000 payable midyear are assumed.

**7. PRE- AND POST-RETIREMENT BENEFIT INCREASES (effective July 1, 2004)**

The benefit rate used to determine the normal retirement benefit for active employees is assumed to increase 3% per year into the future.

Benefits for participants and beneficiaries in pay status are assumed to increase 3% per year into the future.

**8. AMORTIZATION PERIOD**

The valuation rate is equal to the normal cost plus the level dollar amortization of the UAAL over 20 years on the valuation date. This is set equal to the present value of the current year's anticipated contribution amount provided by TriMet plus the present value of future contributions made annually over the next 19 years.

At each valuation date, the Plan's UAAL will be reamortized over 20 years.

**9. MORTALITY**

Healthy Lives Mortality (effective July 1, 2010)

RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment for males and females, projected to 2010 using Scale AA

Disabled Lives Mortality (effective July 1, 2008)

Males - Annual rates of mortality are based on 70% of the Post-1994 Disability Mortality developed by the IRS (in IRS Revenue Ruling 96-7) for participants who become eligible for Social Security disability benefits, plus 30% of the RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment for males.

Females - Annual rates of mortality are based on 70% of the Post-1994 Disability Mortality developed by the IRS (in IRS Revenue Ruling 96-7) for participants who become eligible for Social Security disability benefits, plus 30% of the RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment for females.

**10. FUTURE SERVICE CREDITS**

Active and disabled participants are assumed to earn one year of vesting service and one year of continuous service credit each year into the future. Management transfers are assumed to earn one year vesting service and no continuous service each year in the future.

**11. MINI-RUN TO FULL TIME (effective July 1, 2011)**

20% of active mini-run participants as of the valuation date are assumed to transfer to full time during the current year and remain full time in the future.

**12. FORM OF BENEFIT (effective July 1, 2006)**

All non-retired participants with a spouse or domestic partner are assumed to elect the following form of payment at retirement:

| Probability | Form of Payment |
|---|---|
| 50% | Single Life Annuity |
| 50% | 66 2/3% Joint & Survivor Annuity |

Retired participants are valued according to the benefit form elected at retirement.

**13. RETIREMENT FROM ACTIVE STATUS (effective July 1, 2009)**

All active participants and management transfers are assumed to retire by age 70. A certain percentage of active participants are assumed to elect retirement beginning at age 55. The rates of retirement are as follows:

| Age | Annual Rate |
|---|---|
| 50 - 54* | 12% |
| 55 - 57 | 5 |
| 58 | 15 |
| 59 - 60 | 12 |
| 61 | 15 |
| 62 | 45 |
| 63 | 25 |
| 64 | 30 |
| 65 | 50 |
| 66 - 69 | 25 |
| 70 | 100 |

* Active participants (excluding management transfers) who earn 30 years of continuous service may retire at any age with unreduced benefits.

**14. RETIREMENT FROM INACTIVE STATUS**

Terminated vested participants are assumed to retire at their earliest unreduced retirement age. Disabled participants are assumed to retire at age 62.

**15. DISABLEMENT**

The rates of disablement used in this valuation are illustrated below.

| Age | Number of Participants Becoming Disabled During the Year (per 1,000 Actives) |
|---|---|
| 30 | 1 |
| 35 | 1 |
| 40 | 2 |
| 45 | 3 |
| 50 | 5 |
| 55 | 8 |
| 60 | 12 |

It is assumed that 70% of disabled participants will become eligible for Social Security disability benefits. (effective July 1, 2008)

Tabular disability benefits are assumed to be paid to age 62. At age 62, the benefit is converted to a retirement benefit based on the participant's projected service and projected benefit level at age 62.

## 16. OTHER TERMINATIONS OF EMPLOYMENT (effective July 1, 2008)

The rates of assumed future withdrawal from active service for reasons other than death, disability or retirement are based on a study of withdrawal experience for this Plan from July 1, 2004 through June 30, 2008. Sample withdrawal rates are shown below:

| Years of Vesting Service | Number of Participants Withdrawing During the Year (per 1,000 Actives) | |
|---|---|---|
| | Males | Females |
| Less than 1 | 50.0 | 100.0 |
| 1 | 25.0 | 50.0 |
| 2 | 22.5 | 45.0 |
| 3-6 | 20.0 | 40.0 |
| 7 and more | 10.0 | 25.0 |

## 17. UNUSED SICK LEAVE BENEFITS

Active participants are assumed to accumulate a percentage of the maximum accumulated sick leave hours in effect at retirement, based on the following schedule:

| Years of Vesting Service | Sick Hours Percentage |
|---|---|
| Less than 10 | 0% |
| 10 | 20% |
| 11 | 25% |
| 12 – 15 | 30% |
| 16 – 18 | 35% |
| 19 – 20 | 40% |
| 21 – 23 | 45% |
| 24 and more | 50% |

Active Management Transfers are assumed to accumulate 75% of the maximum accumulated sick leave hours in effect at the time they transfer out of the Union Plan. (Effective July 1, 2004)

The schedule of maximum accumulated sick leave hours is shown in Appendix A.

## 18. SPOUSE'S AGE

Females are assumed to be four years younger than their spouses.

## 19. PROBABILITY OF MARRIAGE/DOMESTIC PARTNER

75% of participants are assumed to be married or have a domestic partner.

## 20. ANNUALIZATION OF BENEFITS (effective July 1, 2005)

Benefits for active and inactive participants were annualized using a factor of 12.15 to incorporate the anticipated 3% post-retirement benefit increase occurring February 1.

## 21. CHANGES IN ACTUARIAL METHODS AND ASSUMPTIONS

- Anticipated administrative expenses were increased from $125,000 to $200,000 based on recent plan experience and future expectations.
- The percentage of active mini-run participants assumed to transfer to full time and remain full time in the future was reduced from 30% to 20% based on recent plan experience and future expectations.

**PENSION PLAN FOR BARGAINING UNIT EMPLOYEES OF TRIMET**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**(Dollar Amounts in Thousands)**

| Plan Year Ending | Actual Employer Contributions[1] | Annual Required Contribution (ARC)[2] | Percentage of ARC Contributed |
|---|---|---|---|
| 6/30/06 | $24,075 | $24,464 | 98% |
| 6/30/07 | $25,511 | $25,511 | 100% |
| 6/30/08 | $26,177 | $26,177 | 100% |
| 6/30/09 | $26,154 | $26,154 | 100% |
| 6/30/10 | $28,051 | $28,051 | 100% |
| 6/30/11 | $47,428 | $34,028 | 139% |
| 6/30/12 | TBD | $32,224 | TBD |
| 6/30/13 | TBD | $32,858 | TBD |

[1] Contributions for the Medicare reimbursement payments to retired participants and beneficiaries are not related to the ARC for pension benefits. The reimbursements are excluded from the contribution amounts shown above.

[2] The ARC shown above is payable within a week of September 9th each year and does not include the retiree Medicare reimbursement payments.

**PENSION PLAN FOR BARGAINING UNIT
EMPLOYEES OF TRIMET**

**ANNUAL PENSION COST AND NET PENSION OBLIGATION**

**For Fiscal Year Ending June 30, 2011**

| | |
|---|---|
| Annual Required Contribution | $ 34,027,544 |
| Interest on Net Pension Obligation | 0 |
| Adjustment to Annual Required Contribution | 0 |
| Annual Pension Cost | $ 34,027,544 |
| Contribution Made | 47,427,544 |
| Increase (Decrease) in Net Pension Obligation | $(13,400,000) |
| Net Pension Obligation Beginning of Year | 0 |
| Net Pension Obligation End of Year | $(13,400,000) |

**PENSION PLAN FOR BARGAINING UNIT EMPLOYEES OF TRIMET**

**SCHEDULE OF FUNDING PROGRESS**

**(Dollar Amounts in Thousands)**

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liabilities (AAL) | Unfunded Actuarial Accrued Liabilities (UAAL)(1) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| July 1, 2006 | $ 178,157 | $ 370,711 | $ 192,554 | 48% | $ 106,705 | 180% |
| July 1, 2007 | 209,392 | 399,237 | 189,845 | 52 | 111,877 | 170 |
| July 1, 2008 | 238,883 | 427,305 | 188,422 | 56 | 116,418 | 162 |
| July 1, 2009 | 217,113 | 460,333 | 243,220 | 47 | 123,784 | 196 |
| July 1, 2010 | 255,279 | 491,495 | 236,216 | 52 | 121,124 | 195 |
| July 1, 2011 | 289,425 | 517,979 | 228,554 | 56 | 119,166 | 192 |

(1) Actuarial Accrued Liabilities less the Actuarial Value of Assets.

**PENSION PLAN FOR BARGAINING UNIT EMPLOYEES OF TRIMET**

## PARTICIPANT INFORMATION

The current actuarial valuation was based upon the participant data provided by TriMet.

The following table shows the number of participants included in the current actuarial valuation and the comparable numbers from the previous valuation.

| | July 1, 2011 | July 1, 2010 | Change |
|---|---|---|---|
| Active | | | |
| Vested Participants | 1,215 | 1,229 | -1.1% |
| Non-Vested Participants | 801 | 861 | -7.0% |
| Management Transfers* | 65 | 64 | 1.6% |
| TOTAL ACTIVE | 2,081 | 2,154 | -3.4% |
| Inactive | | | |
| Retirees & Beneficiaries** | 1,257 | 1,168 | 7.6% |
| Vested Terminations*** | 158 | 166 | -4.8% |
| TOTAL INACTIVE | 1,415 | 1,334 | 6.1% |
| TOTAL PARTICIPANTS | 3,496 | 3,488 | 0.2% |

More detailed information on current plan participants is shown on the following pages.

* These participants no longer accrue benefit service under the Plan but continue to accrue service for eligibility purposes. However, they are not eligible to retire earlier than age 55 or with unreduced benefits if they earn 30 years of continuous service.

** Includes participants receiving a disability benefit.

*** Includes deferred beneficiaries.

**PENSION PLAN FOR BARGAINING UNIT
EMPLOYEES OF TRIMET**

**PARTICIPANT INFORMATION**

The following is a summary of the significant data for the participants included in this valuation, together with comparable figures from the last two years.

| | July 1, 2011 | July 1, 2010 | July 1, 2009 |
|---|---|---|---|
| Active Full-Time Participants | | | |
| Number | 1,711 | 1,785 | 1,888 |
| Average Age | 50.8 | 50.6 | 50.0 |
| Average Years of Continuous Service | 14.1 | 13.7 | 13.0 |
| Active Mini-Run Participants | | | |
| Number | 305 | 305 | 328 |
| Average Age | 49.6 | 49.5 | 49.1 |
| Average Years of Continuous Service | 6.8 | 6.5 | 5.7 |
| Management Transfers | | | |
| Number | 65 | 64 | 79 |
| Average Age | 52.3 | 51.9 | 51.7 |
| Vested Terminations (including deferred beneficiaries) | | | |
| Number | 158 | 166 | 169 |
| Average Age | 52.7 | 53.4 | 53.3 |
| Average Monthly Benefit payable at the Participant's applicable Normal Retirement Age | $ 647 | $ 627 | $ 617 |
| Retirees and Beneficiaries (including disabled) | | | |
| Number in pay status | 1,257 | 1,168 | 1,066 |
| Average Age | 67.7 | 67.5 | 67.4 |
| Average Monthly Benefit | $ 1,515 | $ 1,485 | $ 1,487 |

**PENSION PLAN FOR BARGAINING UNIT
EMPLOYEES OF TRIMET**

**ACTIVE PARTICIPANTS**

Summary by Age and Years of Continuous Service as of July 1, 2011

YEARS OF CONTINUOUS SERVICE

| AGE | UNDER 1 | 1 TO 4 | 5 TO 9 | 10 TO 14 | 15 TO 19 | 20 TO 24 |
|---|---|---|---|---|---|---|
| Under 25 | 6 | 2 | 0 | 0 | 0 | 0 |
| 25 to 29 | 11 | 33 | 3 | 0 | 0 | 0 |
| 30 to 34 | 7 | 45 | 16 | 11 | 0 | 0 |
| 35 to 39 | 9 | 54 | 36 | 38 | 6 | 0 |
| 40 to 44 | 4 | 75 | 39 | 65 | 52 | 5 |
| 45 to 49 | 7 | 68 | 67 | 89 | 56 | 25 |
| 50 to 54 | 7 | 67 | 43 | 103 | 70 | 43 |
| 55 to 59 | 5 | 50 | 56 | 116 | 72 | 44 |
| 60 to 64 | 0 | 24 | 46 | 74 | 51 | 17 |
| 65 & Up | 0 | 5 | 16 | 21 | 17 | 5 |
| Totals | 56 | 423 | 322 | 517 | 324 | 139 |

YEARS OF CONTINUOUS SERVICE

| AGE | 25 TO 29 | 30 TO 34 | 35 TO 39 | 40 AND OVER | ALL YEARS |
|---|---|---|---|---|---|
| Under 25 | 0 | 0 | 0 | 0 | 8 |
| 25 to 29 | 0 | 0 | 0 | 0 | 47 |
| 30 to 34 | 0 | 0 | 0 | 0 | 79 |
| 35 to 39 | 0 | 0 | 0 | 0 | 143 |
| 40 to 44 | 0 | 0 | 0 | 0 | 240 |
| 45 to 49 | 8 | 0 | 0 | 0 | 320 |
| 50 to 54 | 37 | 8 | 0 | 0 | 378 |
| 55 to 59 | 62 | 32 | 7 | 0 | 444 |
| 60 to 64 | 25 | 27 | 15 | 0 | 279 |
| 65 & Up | 4 | 8 | 1 | 1 | 78 |
| Totals | 136 | 75 | 23 | 1 | 2,016 |
| Active Employees without Complete Data | | | | | 0 |
| Grand Total | | | | | 2,016 |

**PENSION PLAN FOR BARGAINING UNIT
EMPLOYEES OF TRIMET**

**ACTIVE MANAGEMENT TRANSFERS**

Summary by Age and Years of Continuous Service as of July 1, 2011

YEARS OF CONTINUOUS SERVICE

| AGE | UNDER 1 | 1 TO 4 | 5 TO 9 | 10 TO 14 | 15 TO 19 | 20 TO 24 |
|---|---|---|---|---|---|---|
| Under 25 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 to 29 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 to 34 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 to 39 | 0 | 0 | 3 | 2 | 1 | 0 |
| 40 to 44 | 0 | 0 | 2 | 1 | 1 | 0 |
| 45 to 49 | 0 | 0 | 0 | 2 | 6 | 4 |
| 50 to 54 | 0 | 0 | 0 | 3 | 3 | 2 |
| 55 to 59 | 0 | 1 | 0 | 1 | 3 | 3 |
| 60 to 64 | 0 | 0 | 0 | 0 | 1 | 2 |
| 65 & Up | 0 | 0 | 0 | 0 | 0 | 0 |
| Totals | 0 | 1 | 5 | 9 | 15 | 11 |

YEARS OF CONTINUOUS SERVICE

| AGE | 25 TO 29 | 30 TO 34 | 35 TO 39 | 40 AND OVER | ALL YEARS |
|---|---|---|---|---|---|
| Under 25 | 0 | 0 | 0 | 0 | 0 |
| 25 to 29 | 0 | 0 | 0 | 0 | 0 |
| 30 to 34 | 0 | 0 | 0 | 0 | 0 |
| 35 to 39 | 0 | 0 | 0 | 0 | 6 |
| 40 to 44 | 0 | 0 | 0 | 0 | 4 |
| 45 to 49 | 1 | 0 | 0 | 0 | 13 |
| 50 to 54 | 1 | 2 | 0 | 0 | 11 |
| 55 to 59 | 3 | 4 | 3 | 0 | 18 |
| 60 to 64 | 0 | 3 | 7 | 0 | 13 |
| 65 & Up | 0 | 0 | 0 | 0 | 0 |
| Totals | 5 | 9 | 10 | 0 | 65 |

**PENSION PLAN FOR BARGAINING UNIT EMPLOYEES OF TRIMET**

**RETIREES AND BENEFICIARIES (July 1, 2011)**

**Service Retirees**

| Age | Number | Total Monthly Benefit |
|---|---|---|
| Under 55 | 8 | $ 14,263 |
| 55 to 59 | 45 | 66,808 |
| 60 to 64 | 278 | 447,652 |
| 65 to 69 | 282 | 415,352 |
| 70 to 74 | 187 | 302,735 |
| 75 to 79 | 89 | 124,447 |
| 80 to 84 | 43 | 66,063 |
| 85 & Up | 27 | 62,990 |
| Total | 959 | $ 1,500,310 |

**Disability**

| Age | Number | Total Monthly Benefit |
|---|---|---|
| Under 55 | 32 | $ 45,377 |
| 55 to 59 | 31 | 48,217 |
| 60 to 64 | 38 | 67,519 |
| 65 to 69 | 37 | 72,102 |
| 70 to 74 | 1 | 2,199 |
| 75 to 79 | 0 | 0 |
| 80 to 84 | 0 | 0 |
| 85 & Up | 0 | 0 |
| Total | 139 | $ 235,414 |

**Survivors & Beneficiaries**

| Age | Number | Total Monthly Benefit |
|---|---|---|
| Under 55 | 9 | $ 11,412 |
| 55 to 59 | 12 | 13,583 |
| 60 to 64 | 18 | 19,664 |
| 65 to 69 | 32 | 33,188 |
| 70 to 74 | 33 | 30,731 |
| 75 to 79 | 19 | 17,286 |
| 80 to 84 | 14 | 16,168 |
| 85 & Up | 22 | 26,262 |
| Total | 159 | $ 168,294 |

**PENSION PLAN FOR BARGAINING UNIT
EMPLOYEES OF TRIMET**

**NEW RETIREES AND DISABILITIES
(July 1, 2011)**

**Service Retirees***

| Age at Retirement | Number | Total Monthly Benefit |
|---|---|---|
| Under 55 | 2 | $ 5,216 |
| 55 | 4 | 3,544 |
| 56 | 2 | 1,917 |
| 57 | 3 | 6,498 |
| 58 | 2 | 1,697 |
| 59 | 6 | 4,727 |
| 60 | 13 | 20,555 |
| 61 | 7 | 8,234 |
| 62 | 22 | 44,686 |
| 63 | 8 | 14,169 |
| 64 | 8 | 10,566 |
| 65 | 6 | 5,817 |
| 66 | 4 | 4,887 |
| 67 | 3 | 2,636 |
| 68 | 5 | 5,368 |
| 69 | 1 | 1,004 |
| 70 & Up | 6 | 6,214 |
| Total | 102 | $ 147,735 |

*Excludes beneficiaries and QDROs

**Disability**

| Age at Disability | Number | Total Monthly Benefit |
|---|---|---|
| Under 50 | 1 | $ 837 |
| 50 | 0 | 0 |
| 51 | 1 | 695 |
| 52 | 2 | 2,918 |
| 53 | 0 | 0 |
| 54 | 0 | 0 |
| 55 | 1 | 1,945 |
| 56 | 2 | 2,364 |
| 57 | 1 | 837 |
| 58 | 3 | 4,457 |
| 59 | 1 | 1,390 |
| 60 | 2 | 2,084 |
| 61 | 0 | 0 |
| 62 | 0 | 0 |
| Total | 14 | $ 17,527 |

**PENSION PLAN FOR BARGAINING UNIT
EMPLOYEES OF TRIMET**

**VESTED TERMINATED EMPLOYEES***
**(July 1, 2011)**

| Age | Number | Total Monthly Benefit** |
|---|---|---|
| Under 40 | 6 | $ 4,488 |
| 40 to 44 | 17 | 12,118 |
| 45 to 49 | 24 | 15,797 |
| 50 to 54 | 43 | 30,854 |
| 55 to 59 | 46 | 29,563 |
| 60 & Up | 22 | 9,463 |
| Total | 158 | $102,283 |

* Includes deferred beneficiaries.

** Amounts shown are payable at the Participant's applicable Normal Retirement Age.