

Report of
AN ACTUARIAL VALUATION
December 31, 1984 of the
St. Louis Park Fire Department
Relief Association
St. Louis Park, Minnesota

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GABRIEL, ROEDER, SMITH & COMPANY

ACTUARIES & CONSULTANTS

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May 21, 1985

Board of Trustees
St. Louis Park Fire Department Relief Association
St. Louis Park, Minnesota

Submitted in this report are the results of the December 31, 1984 actuarial valuation of the assets, actuarial values, and contribution requirements associated with the benefits provided by the St. Louis Park Fire Department Relief Association.

The valuation results contained in Section A provide the actuarial information needed to determine the employer's "minimum obligation" effective January 1, 1986. Section A also contains comments regarding the valuation results.


The valuation was based upon information furnished by the association concerning benefits, financial transactions, active members, terminated members, retirants and beneficiaries. Data was checked for year to year consistency but was not otherwise audited by us. This information is summarized in Section B.

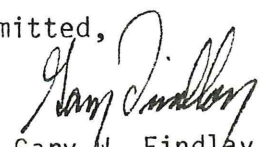
Section C contains a description of the actuarial funding method and the risk experience assumptions used. The economic risk experience assumptions, as well as the actuarial funding method to be used, are established by state law.

Information needed to comply with Statement of Financial Accounting Standards No. 35 is contained in Section D.

The actuarial valuation was prepared using generally accepted actuarial principles and practices based upon the methods, assumptions, summary of plan provisions and the member and financial data described in this report.

Respectfully submitted,


Ronald J. W. Smith


Gary W. Findlay

SECTION A
RESULTS OF THE VALUATION

COMMENTS

Economic Assumptions and Financing Method

The economic assumptions of 5% annual investment return and 3-1/2% annual salary increases are established by state law. State law also specifies that the annual minimum obligation of the municipality shall be determined by adding (i) the employer normal cost percent times covered payroll to (ii) the level dollar amount required to amortize the unfunded accrued liability by December 31, 2010.

Over the past few years, both the actual rates of salary increase and investment return have generally exceeded the assumed rates, resulting in increases in the dollar amount of unfunded accrued liabilities. If the financial experiences of recent years persist, and the economic assumptions and financing method are not changed, it is reasonable to expect that unfunded accrued liabilities will increase in actual dollar amount for a number of years. This is true even though a level dollar amortization schedule is being followed. Accordingly, it is reasonable to expect that under the described conditions the actual dollar contributions required to make amortization payments will increase for a number of years. On the other hand, if inflation subsides and actual economic activity approaches assumed experience, it is reasonable to expect the dollar amount of the contribution to amortize the unfunded accrued liability to remain relatively constant. The notion that amortization dollar amounts may be increasing is not necessarily cause for alarm. If adjusted for changes in purchasing power, any future increases in the dollar contributions may of may not reflect increases in terms of real dollars (inflation adjusted dollars).

It is also worth noting that when the same assumptions and methods are applied to plans which differ in nature, the valuation results may not be comparable (for example, it is currently not valid to compare valuation results for a plan having full escalation to valuation results for a plan having a 3-1/2% cap on escalation). Caution should be exercised when attempting to assess the financial condition of one Association relative to another on the basis of valuation results produced using the assumptions and methods mandated by state law.

Determining Actuarial Value of Assets

In 1984, a state law was enacted which prescribes the method to be used in determining the value of assets for purposes of an actuarial valuation. Specifically, the law states that the actuarial value of assets will be the book value plus one-third of the amount derived by subtracting book value from market value. We previously used the market value of your assets for valuation purposes. This change in procedure increased the amortization payment by \$5,218 and increased the unfunded actuarial accrued liability by \$75,373.

Plan Amendment

The plan has been amended to provide for vesting after 10 years of service. Benefits for an individual terminating with 10 or more but less than 20 years of service will be pro-rated based on service. In addition, the benefit for 20 or more years has been reduced .35% of base pay. The net effect of these changes was to increase the normal cost by .29% of covered pay, decrease the actuarial accrued liability by \$11,435, and decrease the amortization payment by \$791.

St. Louis Park Fire Department Relief Association

CONTRIBUTION RATE TO PROVIDE BENEFITS

Member portion & Employer portion

Effective January 1, 1986

<u>Contributions for</u>	<u>If Paid Equally Throughout Year</u>		
	<u>Normal Cost</u> <u>% of Active</u> <u>Payroll for 1986</u>	<u>+</u>	<u>UAL Dollars</u>
Normal cost of annuities:			
Age & service: to members	14.84%		
Age & service: to survivors	4.95		
Disability	4.21		
Death before retirement	4.27		
Refunds of member contributions	0.12		
Total Normal Cost	28.39%		
Amortization of unfunded accrued liabilities (UAL) (25 year level dollar payment)			
Retired lives			\$143,491
Active members			160,210
Total			303,701
Total Cost of Benefits	28.39%	+	\$303,701
Member contributions	8.00%		
COMPUTED EMPLOYER RATE:			
(a) If Paid Equally Throughout Year	20.39%	+	\$303,701
(b) IF PAID AT CALENDAR YEAR END	20.89%	+	\$311,201

St. Louis Park Fire Department Relief Association

Present Actuarial Condition

The Association accrued actuarial assets were in excess of \$3.0 million on December 31, 1984 -- a considerable sum of money if unencumbered and allocated among a small group of persons. This is not the case with Association assets.

The following schedule puts the \$3.0 million into perspective by showing the relationship between accrued assets, accrued liabilities and the number of persons with actual and potential claims on the Association's assets.

	Accrued Actuarial Assets	Accrued Liabilities	Unfunded Accrued Liabilities	% Funded
Retirants and Beneficiaries				
Retired Members (13)		\$3,952,140		
Surviving Spouses (4)		762,516		
Surviving Children (2)		<u>7,776</u>		
Total (19)	\$2,649,936	\$4,722,432	\$2,072,496	56.1%
Deferred Members (0)	0	0	0	
Active Members (23)	<u>350,268</u>	<u>2,664,246</u>	<u>2,313,978</u>	13.1
Total	\$3,000,204	\$7,386,678	\$4,386,474	40.6%

Accrued liabilities represent the value, computed as of December 31, 1984 of:

- (i) retirement allowances likely to be paid the 19 retirants and beneficiaries; and
- (ii) the contributions assumed to have been made for the 23 active members from their entry into the plan until December 31, 1984.

To illustrate, the value of retirement allowances likely to be paid the 19 retirants and beneficiaries, discounted for investment earnings and mortality, was computed to be \$4,722,432 as of December 31, 1984. This means that if the 19 retirants and beneficiaries live and die according to the assumed mortality and if the \$4,722,432 can be invested to yield an average annual return of 5.0 percent over the remaining lifetimes of the 19 retirants and beneficiaries, then the \$4,722,432 together with investment earnings thereon will just be sufficient to pay the 19 retirants and beneficiaries their allowances for their remaining lifetimes.

With respect to active members, the accrued liability of \$2,664,246 represents the amount that would have been accumulated by December 31, 1984 if the normal cost (which is expressed as a level percentage of pay) had been contributed from the date of hire until December 31, 1984 for each of the 23 actives, if these amounts had earned 5.0% interest and if the members in the past had lived, died, withdrawn, retired and received salary increases according to the actuarial assumptions shown in this report.

Historical Funding Ratio Schedule (\$ in thousands)

<u>Valuation Date December 31</u>	<u>Accrued Liabilities</u>	<u>Accrued Assets</u>	<u>Percent Funded</u>
1978	\$4,089	\$1,145	28.3%
1979	N/A	N/A	N/A
1980	5,035	1,570	31.2
1981	5,532	1,791	32.4
1982	6,354	2,205	34.7
1983	6,769	2,564	37.9
1983*	7,182	2,564	35.7
1984	7,398	3,000	40.6
1984#	7,387	3,000	40.6

* After change in assumptions.

After plan amendment.

St. Louis Park Fire Department Relief Association

Computed Contributions - Comparative Schedule

Year Ended December 31		Total Normal Cost as a Percent of Valuation Payroll*	Contribution for Unfunded Accrued Liabilities - \$ or %
<u>Valuation</u>	<u>Fiscal</u>		
1978	1980	24.04%	\$143,650
1979	1981	N/A	N/A
1980	1982	26.18	228,845
1981	1983	26.19	244,963
1982	1984	26.20	276,432
1983	1985	26.31	285,495
1983	1985**	28.09	313,521
1984	1986	28.10	304,492
1984	1986#	28.39	303,701

* Includes employee contributions.

** After change in assumptions.

After plan amendments.

St. Louis Park Fire Department Relief Association
CONTRIBUTION FOR CALENDAR YEAR EFFECTIVE JANUARY 1, 1986

For any period of time the percent-of-payroll contribution rate is converted to dollars. The amount of dollars for any calendar year depends upon the results of the last actuarial valuation, and upon the timing of contributions within the year. The later the contribution date, the greater the dollar amount will be.

The municipality's dollar contribution for the year may be determined as follows:

- | | |
|--|----------|
| (1) Estimated covered payroll for 1985 | \$ _____ |
| (2) Total normal cost % from page A-2 | 28.39% |
| (3) Total normal cost (Line 1 times line 2) | \$ _____ |
| (4) Amortization payment on UAL from page A-2 | 303,701 |
| (5) Total contributions required (Line 3 plus line 4) | _____ |
| (6) Employee contributions (Line 1 times 8%) | \$ _____ |
| (7) (a) State amortization aid based on
12/31/78 UAL of \$2,943,953 | \$44,306 |
| (b) State amortization aid based on
1984 legislation | _____ |
| (c) Total state amortization aid | _____ |
| (8) Estimated insurance premium aid | _____ |
| (9) Estimated total contributions from
other sources (Line 6 plus line 7 plus line 8) | _____ |
| (10) Employer's Minimum Obligation if payment is made
in equal installments throughout the year.
(Line 5 minus line 9) | \$ _____ |
| (11) EMPLOYER'S MINIMUM OBLIGATION IF PAYMENT IS MADE
AT YEAR END (Line 10 times 1.0247) | \$ _____ |

SECTION B
VALUATION DATA
AND
SUMMARY OF BENEFIT PROVISIONS

St. Louis Park Fire Department Relief Association

Retirants and Beneficiaries December 31, 1984

By Type of Annuity Being Paid

<u>Type of Annuity Being Paid</u>	<u>No.</u>	<u>Monthly Amounts</u>	<u>Computed Accrued Liabilities</u>
Retirants receiving:			
Age & Service	12	\$15,878.68	\$3,524,784
Disability	<u>1</u>	<u>1,229.00</u>	<u>427,356</u>
Totals	13	17,107.68	3,952,140
Beneficiaries receiving:			
Spouse	4	3,932.80	762,516
Child	<u>2</u>	<u>245.80</u>	<u>7,776</u>
Totals	6	4,178.60	770,292
Totals	19	\$21,286.28	\$4,722,432

Inactive Members Eligible for Deferred Benefits

December 31, 1984

<u>No.</u>	<u>Monthly Amount</u>	<u>Computed Accrued Liabilities</u>
0	\$ 0	\$ 0

St. Louis Park Fire Department Relief Association
 Retirants and Beneficiaries December 31, 1984
 By Attained Ages

<u>Attained Ages</u>	<u>Number</u>		
	<u>Age & Service Retirants</u>	<u>Disability</u>	<u>Death Before Retirement</u>
Under 20			2
40-44		1	
45-49			1
50-54	2		
55-59	3		
60-64	5		1
65-69	1		
70-74	1		
75-79	<u>2</u>	<u>—</u>	<u>—</u>
Total	14	1	4

St. Louis Park Fire Department Relief Association
Retirants and Beneficiaries Added to and Removed from Rolls
Comparative Statement

Valuation Date December 31	No. Added to Rolls	No. Removed from Rolls	Rolls End of Year		% Incr. in Annual Allowances	Average Allowances	Discounted Value of Allowances	
			No.	Annual Allowances			Total	Average
1978			20	\$143,228	- %	\$ 7,161	\$2,951,411	\$147,571
1979	2	1	21	190,186	32.8	9,056	3,605,109	171,672
1980		2	19	188,364	(1.0)	9,914	3,751,591	197,452
1981			19	205,320	9.0	10,806	3,973,251	209,118
1982			19	233,872	13.9	12,309	4,393,746	231,250
1983			19	247,901	6.0	13,047	4,793,036	252,265
1984			19	255,435	3.0	13,444	4,722,432	248,549

St. Louis Park Fire Department Relief Association

Active Members December 31, 1984

By Attained Age and Years of Service

Attained Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
25-29		1						1	\$ 29,496
30-34		3						3	88,488
35-39		5	4					9	265,464
40-44			1	1				2	58,992
45-49			1	2				3	88,488
50-54				2				2	58,992
55-59				1		1		2	58,992
61							1	1	29,496
Totals		9	6	6		1	1	23	\$678,408

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 41.7 years.

Service: 13.2 years.

Annual Pay: \$29,496.

St. Louis Park Fire Department Relief Association
Comparative Schedule
Of Active Members

Valuation Date December 31	Active Members	Valuation Payroll	Average			
			Age	Service	Pay	% Incr.
1978	26	\$489,164	37.7 yrs.	9.0 yrs.	\$18,814	- %
1979	25	507,975	36.1	7.5	20,319	8.0
1980	24	522,024	37.2	8.8	21,751	7.0
1981	24	569,016	38.2	9.8	23,709	9.0
1982	24	648,144	39.2	10.8	27,006	13.9
1983	23	658,398	40.7	12.2	28,626	6.0
1984	23	678,408	41.7	13.2	29,496	3.0

St. Louis Park Fire Department Relief Association

Brief Summary (12/31/84) of Benefit Provisions Evaluated and/or Considered

Age & Retirement

Eligibility. 16 years of service and 50 years of age.

Amount.

Full-Time. For first 20 years of service, 52.00% of base pay. For each year in excess of 20, an additional 1% is added up to a maximum of 62.00% of base pay for 30 or more years of service.

Volunteer. Lump sum of \$100 for each year of service for the first 10 years plus \$200 for each year thereafter.

Pay Used for Plan Purposes. "Base pay" means pay of the highest grade full-time fireman.

Disability Retirement

Eligibility. Disabled to the extent that no longer able to perform the duties of a fireman before being eligible for age & service retirement.

Amount.

Full-Time. Minimum of 50% of base pay. For service over 20 years, age & service provisions apply.

Volunteer. Same as age & service benefit based on service to date of the disability.

Member's Death While Active, Or In Deferred Status, Or Retired

Eligibility.

Spouse. Legally married to member at least 1 year before separation from service and residing with member at time of death.

Child. Younger than age 18.

Amount.

Full-Time.

Spouse. 40% of base pay.

Child. If a surviving spouse - 5% of base pay per child.

Children's maximum is 10%.

If no surviving spouse - 15% of base pay per child. Children's maximum is 50%.

Volunteer.

Spouse. Same as age & service benefit based on service to date of death.

Survivor benefit amounts are prorated if member retires with less than 20 years service.

Vested Deferred. 10 years of service and separated before age 50. Payment beginning is deferred to the later of attainment of age 50, or the age at which the member would have attained 20 years of Service had he continued in active service.

Post-Retirement Adjustment ("Escalator"). Each time base pay changes, payments to retired full-time firemen and their beneficiaries are simultaneously changed by the same percent that base pay is changed.

Member Contributions. 8% of base pay. Total member contributions are refundable, without interest, upon separation from service if no monthly benefit is payable.

SECTION C
VALUATION METHODS AND ASSUMPTIONS

St. Louis Park Fire Department Relief Association

Valuation Methods and Assumptions

The Entry Age Normal Cost method was used to determine the normal cost of all benefits.

The rate of investment return (interest) used in making the valuation was 5.0 percent per annum, compounded annually. State law requires use of this assumption.

The mortality table used was the UP-1984 Table set forward 2 years for males and set back 3 years for females.

Sample Ages	Single Life Values: Present Value of \$1 Monthly				Future Life Expectancy (Years)	
	Level for Life		Increasing 3.5% Yearly			
	Men	Women	Men	Women	Men	Women
45	\$177.21	\$189.58	\$280.82	\$314.75	29.50	34.00
50	163.12	177.21	246.55	280.82	25.20	29.50
55	147.50	163.12	212.60	246.55	21.16	25.20
60	130.52	147.50	179.49	212.60	17.42	21.16
65	112.87	130.52	148.28	179.49	14.05	17.42
70	95.20	112.87	119.70	148.28	11.09	14.05
75	77.77	95.20	93.83	119.70	8.52	11.09
80	61.71	77.77	71.69	93.83	6.39	8.52

Age & service retirement was assumed to occur at age 62, or attained age if older.

Sample Rates of Separation from Active Employment Before Retirement, Death or Disability

Sample Ages	% of Active Members Separating within Next Year
20	1.50%
25	1.25
30	1.00
35	0.75
40	0.50
45	0.25
50+	0.00

Pay Adjustment Factor used To Project Current Pays

<u>Sample Ages</u>	<u>Present Pay Resulting in Pay of \$1,000 at Age 60</u>	<u>Percent Increase in Pay During Next Year</u>
20	\$ 253	3.5%
25	300	3.5
30	356	3.5
35	423	3.5
40	503	3.5
45	597	3.5
50	709	3.5
55	842	3.5
60	1,000	3.5

Use of the pay adjustment factor illustrated above is required by state law.

Disability retirements were assumed to occur as indicated below:

<u>Sample Ages</u>	<u>% of Active Members Becoming Disabled within Next Year</u>
20	0.08%
25	0.08
30	0.08
35	0.08
40	0.20
45	0.26
50	0.49
55	0.89

SECTION D
ACCUMULATED PLAN BENEFITS

St. Louis Park Fire Department Relief Association
Statement of the Present Value of Accumulated Plan Benefits
December 31, 1984

Actuarial Present Value of
Accumulated Plan Benefits

Vested Benefits:	
Participants currently receiving payments	\$4,683,396
Other participants	500,916
Total Vested Benefits	<u>5,184,312</u>
Non-Vested Benefits	1,252,140
Total Actuarial Present Value of Accumulated Plan Benefits	<u><u>\$6,436,452</u></u>

The actuarial present value of accumulated plan benefits as of January 1, 1984, was \$6,353,995. During the year, the plan experienced a net increase of \$82,457 in the actuarial present value of accumulated plan benefits.

The net change for the year was attributable to an increase of \$72,886 due to general plan experience and an increase of \$9,571 due to plan amendment.

The accompanying notes are an integral part of the Statement of the Present Value of Accumulated Plan Benefits.

1. The actuarial present value of accumulated plan benefits presented in this statement was determined using the following assumptions:
 - a. Future salary increases prior to retirement were not considered for active members.
 - b. Future service was considered only to the extent that it would permit active plan participants to become eligible for benefits attributable to service rendered prior to the date of determination.
 - c. Regular valuation assumptions were used as to mortality, withdrawal, retirement ages and disability.
 - d. Investment return was assumed to be at the rate of 8% compounded annually.
 - e. Salary increase related post-retirement benefit adjustments were assumed to be at the rate of 6-1/2% compounded annually unless a lower rate is specified by law.
2. The calculation of the actuarial present value of accumulated plan benefits was made because of the requirements of the Financial Accounting Standards Board. Comparison of this value with plan assets is not indicative of the future ability of the plan to pay benefits when due or of their security in a termination situation.

Calculation of contribution requirements and related benefit value information in a "going concern" environment according to the principles of level cost financing is made by the annual actuarial valuations. The results of the contribution rate calculations cannot be simply replaced by the accumulated plan benefit results. To do so will mislead.

APPENDICES

APPENDIX I

FINANCIAL PRINCIPLES AND OPERATIONAL TECHNIQUES

Promises Made, and Eventually Paid. As each year is completed, the plan in effect hands an "IOU" to each member then acquiring a year of service credit -- the "IOU" says: "The Pension Plan owes you a portion of your retirement benefits, payments to be made in cash, commencing when you qualify for retirement."

The related key financial questions are:

Which generation of taxpayers contributes the money to cover the IOU?

The present taxpayers, who receive the benefit of the member's present year of service?

Or the future taxpayers, who happen to be in town paying taxes at the later time when the IOU becomes a cash demand?

A sound principle of sound retirement plan financing is to have this year's taxpayers contribute the money to cover the IOUs being handed out this year. By following this principle, THE CONTRIBUTION RATE WILL REMAIN APPROXIMATELY LEVEL FROM GENERATION TO GENERATION -- our children and grandchildren will contribute the same percents of active payroll we contribute now.

A PENSION PLAN BECOMES CLOSED

The diagram in this appendix shows two important activities which occur after a plan has been closed to employees hired in the future.

Cash benefits paid continue to increase for decades, while active member payroll begins to decrease to zero.

Funding Method. A funding method is the long-term, planned pattern for employer contributions.

For an open plan (a plan covering future employees), the level-percent-of-active-member payroll funding method is the basic funding method.

The level-percent funding method can also be applied to a closed plan. However, the resulting contribution percent usually jumps to a high rate, because the number of covered active members is decreasing.

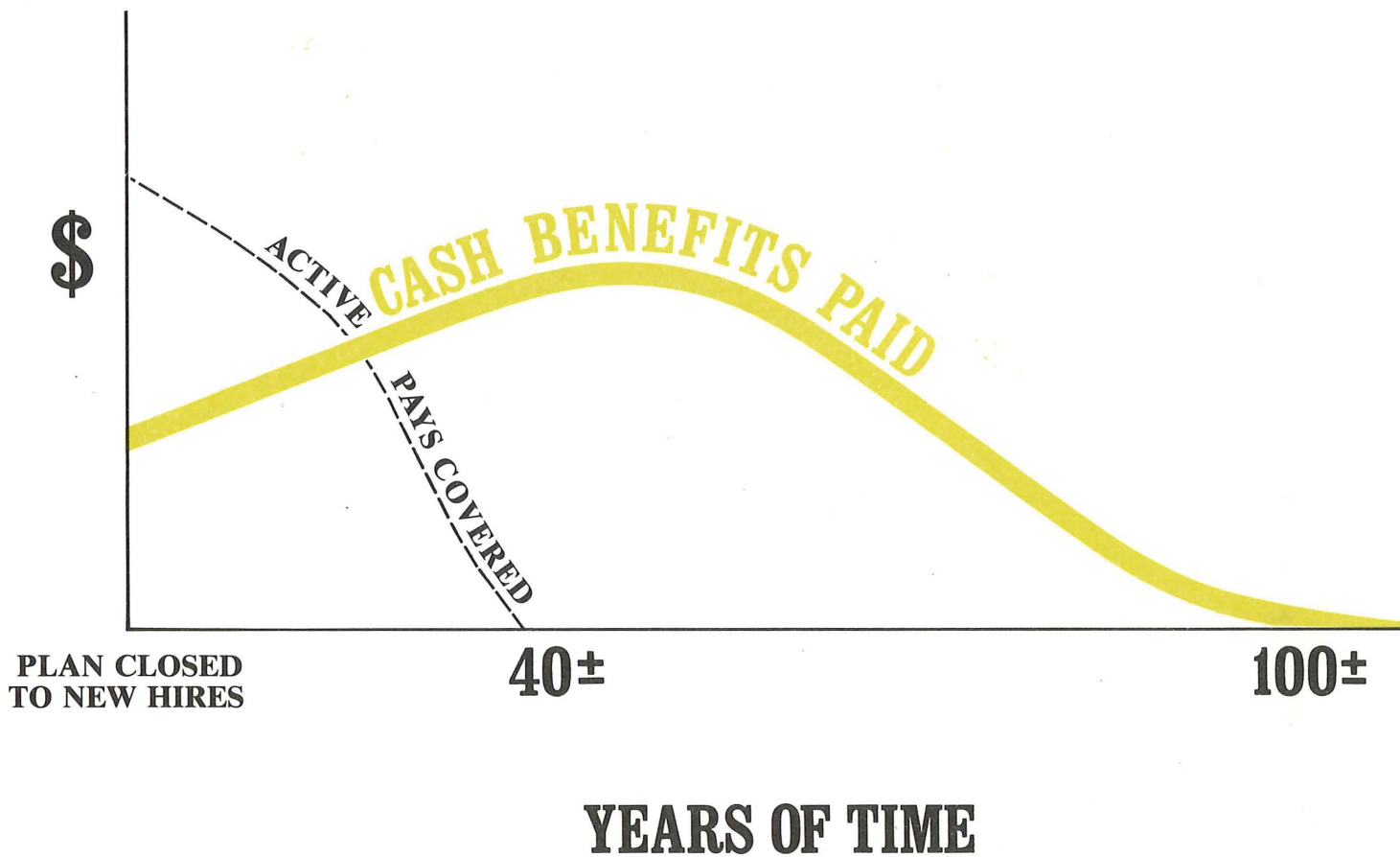
A preferred funding method for a closed plan consists of: level-percent funding for normal cost (the cost of members' service now being rendered); plus a level dollar contribution for unfunded accrued liabilities over a limited period of years. The period of years must be limited so that plan assets don't become zero while benefits are still payable.

Computing Contributions To Support Plan Benefits. From a given schedule of benefits and from the employee data and asset data furnished him, the actuary determines the contribution rates to support the benefits by means of an actuarial valuation and a funding method.

In making an actuarial valuation, assumptions must be made regarding anticipated financial experiences for the next year and for decades in the future. Only the subsequent actual experience of the plan can indicate the degree of accuracy of the assumptions. Reconciling Differences Between Assumed Experience and Actual Experience. Once actual experience has occurred and been observed, it will not coincide exactly with assumed experience, regardless of the wisdom of the assumptions or the skill of the actuary and the millions of calculations he made. The future can be predicted with considerable but not 100% precision, except for inflation which seems to defy reliable prediction.

A well-managed plan copes with these continually changing differences by having periodic actuarial valuations. Each actuarial valuation is a complete recalculation of assumed future experience, taking into account all past differences between assumed and actual experience. The result is continuing adjustment in financial position.

A CLOSED PENSION PLAN



A plan becomes closed when no new hires are admitted to active membership. The persons covered by the plan at the time of closing continue their normal activities and continue to be covered by the plan, until the last survivor dies.

CASH BENEFITS LINE. After a pension plan becomes closed, the usual pattern is for cash benefits to continue to increase for decades of time. Eventually the cash benefits will peak, and then gradually decrease over more decades of time, ultimately to zero. The last cash benefit is likely to occur a century after the time the plan is closed.

The precise amounts of cash benefits cannot be known now, and must be estimated by assumptions of future experiences in a variety of financial risk areas.

APPENDIX II
MEANING OF UNFUNDED ACCRUED LIABILITIES

Almost every pension plan (public or private) has "unfunded accrued liabilities", so whatever they are, they aren't rare. Since the term is not part of everyday conversation, it needs some definition.

"Accrued liabilities" are the present value \$ of plan promises to pay benefits in the future based upon service already rendered - - - a liability has been established ("accrued") because the service has been rendered, but the resulting monthly cash benefit may not be payable until years in the future. Accrued liabilities \$ are the result of complex mathematical calculations, which are made by the plan's actuary (which is the name given to the specialist who makes such calculations).

If "accrued liabilities" at any time exceed the plan's accrued assets (cash & investments), the difference is "unfunded accrued liabilities". This is the common condition. If the plan's assets equalled the plan's "accrued liabilities", the plan would be termed "fully funded". This is a rare condition.

Each time a plan adds a new benefit which applies to service already rendered, an "accrued liability" is created, which is also an "unfunded accrued liability" because the plan can't print instant cash to cover the accrued liability. Payment for such unfunded accrued liabilities is spread over a period of years, commonly in the 20-40 year range.

Unfunded accrued liabilities can occur in another way: If actual financial experience is less favorable than assumed financial experience, the difference is added to unfunded accrued liabilities. In plans where plan benefits are directly related to an employee's pay near time of retirement (a common plan provision) rather than his average pay throughout his working career, unfunded accrued liabilities have been increasing in recent years because unexpected rates of pay increase have created additional accrued liabilities which could not be matched by reasonable investment results. Some of these unexpected pay increases are the direct result of inflation, which is a very destructive force on financial stability.

The existence of unfunded accrued liabilities is not bad, then (any more than a mortgage on your house is "bad"), but the changes from year to year in amount of unfunded accrued liabilities are important - - - "bad" or "good" or somewhere in between.

Nor are unfunded accrued liabilities a bill payable immediately (your food costs are payable immediately), but it is important that policy-makers prevent the amount from becoming unreasonably high and it is vital that your plan have a sound method for making payments toward them so that they are controlled.

The existence of large amounts of unfunded accrued liabilities indicates that total contributions in past years were less than level - - - an almost certain history if retired life liabilities are not fully funded now.