TO: Statewide Subcommittee

RE: Twin City Lines Employee Retirement Plan Fund - Actuarial Valuation of January 1, 1969

DATE: April 17, 1970

The Twin City fund requires an annual valuation and/or a survey every 3 years. The following is an outline of the valuation of January 1, 1969, as prepared by G. V. Stennes and Associates:

I. Actuarial Assumptions (adopted 1961):

Method	-	Entry Age Normal
Interest	-	3-1/2%
Assumed Retirement	-	age 65
Assumed Payroll	-	Continuation of present payroll

II. Data:

Payroll	-	$8,498,000.
Investment Return	-	5.08% (including gains)
Trustee	-	Northwestern National Bank of Mpls.
Plan	-	Originated in 1944, amended in 1950 and 1965
Active Membership	-	Operating = 981
	-	Non operative = 141 = 1,122 total
Retired	-	822 (includes disability and regular)

III. Fund:

Assets		$5,554,603	(does not include 1/2 million of stock appreciation)
Current Liabilities		20,774,841	
Present Deficit		15,220,238	
Present Contributions -			
employee	- 4.9% of salary	)	ratio of 1/3 to 2/3
employer	- 9.8% of salary	)	
Total	14.7% of salary		

IV. Costs:

Normal cost	- 5.38% of payroll (ongoing program)
Amortization	- 9.32% of payroll (by July 1, 1999)

COMMENTS

Amortization by 1999 is based upon the assumption of continued present payroll level. If fund is phased out upon acquisition (no new membership), the applicable payroll would shrink and financing become insufficient for target date.

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