



August 12, 2008

Mr. Octavio Cunha
Retirement Office
City Hall
25 Dorrance Street
Providence, RI 02903-1789

Re: Frank Corrente's Pension

Dear Octavio:

We have completed calculations comparing the amount of pension payments Mr. Frank Corrente received after he retired in July of 1999 to what he would have received from the Retirement System if his original pension were restored back to that date.

When Mr. Corrente originally retired he was receiving a monthly pension of \$1,852.61. When he retired after his reemployment he was receiving a monthly pension of \$5,881.30. The accumulated value of pension payments Mr. Corrente received after he retired in 1999 amounts to \$229,370.70 which equals 39 monthly payments from July 1999 through September 2002. Bringing the payments forward to September 2008 with interest at 8.5% results in an interest adjusted value of \$429,968.

If Mr. Corrente's second period of employment was disregarded and he was to receive his original monthly pension of \$1,852.61 from July 1999 through September 2008, the accumulated value of pension payments would equal \$205,640.71. This amount equals 111 monthly payments from July 1999, through September 2008. The interest adjusted value is \$308,106.

Therefore, Mr. Corrente has actually received more in pension distributions since July 1999 than he would have had had his original pension continued. If the Board chooses to charge interest at the assumed investment return rate of 8.5%, the value of excess payments is \$121,862 ($\$429,968 - \$308,106$). Without interest, the value is \$23,729.99 ($\$229,370.70 - \$205,640.71$).

Please call if you have any questions or would like any additional analysis..

Sincerely,

A handwritten signature in cursive script that reads "Daniel W. Sherman".

Daniel W. Sherman, ASA, EA, MAAA
Director, Consulting Actuary