



General Retirement System of the City of Detroit has adopted a smoothing method which utilizes a period of years to recognize gains and losses, as opposed to recognizing gains and losses in one year. Smoothing methods are commonly used by public employee retirement plans.

The Board of Trustees of the General Retirement System of the City of Detroit, after consultation with its actuary Gabriel Roeder Smith & Company, voted today to change its smoothing period to seven years from its current five year period. The Board of Trustees of the General Retirement System notes that the employer sponsor of the General Retirement System is likely to be pleased with the result of the above action, being the reduction of the employer contribution to the fund of approximately \$13.7 million for 2011/2012 fiscal year.

This further compliments action taken by the Board of Trustees of the General Retirement System of the City of Detroit within the last year when the Board of trustees previously changed the smoothing period from its then three year period to five years, which reduced the employer contribution by more than \$5 million, which is also applicable to the 2011/2012 fiscal year.

Both of these actions, which resulted in a total of nearly \$19 million in reductions to the Employer Sponsor's employer contribution to the system, are within actuarial standards and in no way jeopardize the stability of the fund.

The Board of Trustees of the General Retirement System of the City of Detroit's primary responsibility is to protect the interests of the members and beneficiaries of the pension fund.

We understand and agree that we must all work together to move the City of Detroit forward. The action we took yesterday both protects the interests of the Retirement System's members and beneficiaries and assists the city in addressing its ongoing financial challenges.

Susan R. Glaser
Chair
General Retirement System of the City of Detroit