MERCER

MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

1000 Ridgeway Loop Road
Memphis, TN 38120
901 684 3100 Fax 901 684 3060
www.mercer.com

September 10, 2008

Ms. Waverly Seward
Manager of Retirement
Shelby County Government
160 N. Main, Suite 950
Memphis, TN 38103

Confidential

Subject: Shelby County Retirement System – Plan C

Dear Waverly:

Mercer has been asked to review a proposed resolution to Plan C. The resolution would add a cost of living adjustment to pensions payable to Dependent Children.

This resolution will result in higher benefits paid to Dependent Children. However, the adoption of this resolution will not have a material actuarial impact on the Retirement System due to the relatively small number of Dependent Children in Plan C who would be eligible for this benefit.

I, Karen W. Buckner, meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this letter.

Sincerely,

Karen W. Buckner

Karen W. Buckner, A.S.A., F.C.A.

The information contained in this document (including any attachments) is not intended by Mercer to be used, and it cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code that may be imposed on the taxpayer.

g:\clib\sby\wrdata\karen\plan c resolution - cola for dependent children doc