

**TEACHERS' RETIREMENT SYSTEM  
OF THE STATE OF ILLINOIS**

**ACTUARIAL VALUATION  
JUNE 30, 2007**



October 25, 2007

Board of Trustees  
Teachers' Retirement System  
of The State of Illinois  
2815 West Washington Street  
Springfield, Illinois 62702

Ladies and Gentlemen:

We have completed the valuation of the System as of June 30, 2007 and the principal results are set forth on Pages 1 and 2 of this report.

The contributions to the System, which are shown in the Summary of Principal Results, are based on the provisions of Public Act 94-0004, as amended by Public Act 94-1057. On August 10, 2007, the Board approved recommendations resulting from a comprehensive review of the system's experience during the five-year period July 1, 2001 through June 30, 2006; as a result, the actuarial assumptions used to determine the contribution were changed from last year.

The member contribution rate is 9.4% of covered payroll, which includes a 0.4% of pay "Career ERO contribution" that became effective July 1, 2005. The member rate for Modified ERO lump sum payments at retirement is 11.5%. An additional member contribution has been required since July 1, 1995 to finance retiree health insurance through a state agency other than TRS. School Districts are required to contribute 0.58% of payroll toward the cost of the 2.2% formula. School Districts also pay the cost of pension benefits resulting from salary increases over 6% used in the final average salary calculation, although PA 94-1057 provides permanent and temporary exemptions from some of these payments for retirements occurring on or after July 31, 2006. The School District rate for Modified ERO lump sum payments at retirement is 23.5%; and School Districts make lump sum payments at retirement for excessive annual sick leave accruals.

In total, employer contributions to the System must be sufficient to "meet the cost of maintaining and administering the system on a 90% funded basis in accordance with actuarial recommendations." The statute specifies that this objective is to be met by June 30, 2045 through annual appropriations that are a level percentage of payroll – before reduction for the maximum State contribution limitations of the statute – for fiscal years 2011 through 2045.

Under Section 7.2(d) of the General Obligation Bond Act (GOBA), TRS received \$4,330,374,000 on July 2, 2003. Commencing with fiscal year 2005, the maximum State contribution under the Act equals the State contribution that would have been required if this \$4.33 billion contribution had not been made, reduced – but not below zero – by the State's debt service on the TRS portion of the full \$10 billion of Pension Obligation Bonds issued under Section 7.2 of the GOBA.

Under PA 94-0004 the FY 2006 and FY 2007 State contributions to the Benefit Trust Reserve were not actuarially determined, but were set by statute to be, respectively, \$531,827,700, and \$735,514,500. Gross appropriations, as a percentage of payroll, for fiscal years 2008 through 2010 are to increase in level annual increments over the prior year's gross appropriation until the required level percentage of payroll is achieved in fiscal year 2010. In fiscal years 1999 through 2004, minimum state contributions were specified.

At the direction of the board, and commencing with the contribution due for fiscal year 2006, the Federal Funds contribution rate is the same as the certified State rate.


Based on these specifications, we calculate that the employer's contribution rate to the Benefit Trust Reserve of the System for fiscal year 2009 is 17.66% of membership payroll. The rate is expected to level off at 21.39% in fiscal year 2010.

The recommended total employer contribution for fiscal year 2009 to the Benefit Trust Reserve under PA 94-0004 is \$1,556,737,000. Subtracting estimated Federal Funds and School District contributions and adding a contribution to the Guaranteed Minimum Annuity Reserve results in a total State Contribution for fiscal year 2009 of \$1,451,789,000. This figure represents an increase of \$410,494,000 or 39.4% from the total State Contribution in fiscal year 2008 of \$1,041,295,000.

The unfunded pension benefit obligation of the System as of June 30, 2007 is \$23,739,077,000, which may be compared with the unfunded obligation of \$22,412,024,000 as of June 30, 2006.

The funded status of the System as of June 30, 2007 is 63.8% based on the market value of assets, which may be compared with the System's funded status of 62.0% based on the market value of assets, as of June 30, 2006.

Sincerely,



Janet Cranna, FSA  
Principal, Consulting Actuary



S. Lynn Hill  
Director, Retirement Consulting

JC/SLH:pl

**TEACHERS' RETIREMENT SYSTEM  
OF THE STATE OF ILLINOIS**

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**TEACHERS' RETIREMENT SYSTEM  
OF THE STATE OF ILLINOIS**

**ACTUARIAL VALUATION  
JUNE 30, 2007**

**SECTION I — PRINCIPAL RESULTS**

1. We have summarized below the principal results of this year's valuation along with a comparison with last year's valuation results. The schedule also includes the significant membership data and asset data used in the valuations.

**SUMMARY OF PRINCIPAL RESULTS**

Item	Year Ended June 30	
	2007	2006
<b>Benefit Trust Reserve</b>		
• Active members reported to the actuary:		
– Number	159,222	155,946
– Annual salaries (adjusted for data lag)	\$ 7,980,873,000	\$ 7,580,080,000
– Average age (2007 adjusted)	41.7 years	42.0 years
– Average service (2007 adjusted)	10.0 years	10.4 years
• Number of inactives	99,309	94,594
• Retirees and beneficiaries in receipt of benefits:		
– Number	89,269	85,153
– Annual annuities (at June 30)	\$ 3,342,349,000	\$ 3,016,863,000
• Assets		
– Market value	\$ 41,909,318,000	\$ 36,584,889,000
• Pension benefit obligation*	\$ 65,648,395,000	\$ 58,996,913,000
• Unfunded pension benefit obligation	\$ 23,739,077,000	\$ 22,412,024,000
• Funded ratio:		
– Market value	63.8%	62.0%

- \* The above PBOs include liability for expected retirements under the Modified ERO, and the 6/30/2006 PBO includes liability for fiscal year 2006 Pipeline ERO retirees reported to the actuary last year. The 6/30/2007 PBO also includes liability for fiscal year 2007 Pipeline ERO retirees reported to the actuary.

**SUMMARY OF PRINCIPAL RESULTS  
(Continued)**

Item	Year Ended June 30	
	2007	2006
<b>Benefit Trust Reserve (continued)</b>	Fiscal Year <u>2009</u>	Fiscal Year <u>2008</u>
	<b>PA 94-0004</b>	<b>PA 94-0004</b>
• Employer cost under:		
– Percentage Rate (includes Federal and School Districts)	17.66%	13.69%
– Employer Contribution	\$ 1,556,737,000	\$ 1,135,127,000
– Less School Districts for 2.2% formula	(51,141,000)	(48,103,000)
– Less Federal Funds Contribution	<u>(55,707,000)</u>	<u>(47,829,000)</u>
– State Contribution	\$ 1,449,889,000	\$ 1,039,195,000
<b>Guaranteed Minimum Annuity Reserve*</b>		
• Retirees and disabilitants in receipt of benefits:		
– Number	1,891	2,084
– Annual annuities	\$ 2,001,000	\$ 2,284,000
– Pension benefit obligation	\$ 9,874,000	\$ 11,238,000
• State Contribution	\$ 1,900,000	\$ 2,100,000
<b>Total State Contribution:</b>		
• Benefit Trust Reserve	\$ 1,449,889,000	\$ 1,039,195,000
• Guaranteed Minimum Annuity Reserve	<u>1,900,000</u>	<u>2,100,000</u>
• Total State Contribution	\$ 1,451,789,000	\$ 1,041,295,000

## Notes:

\* As the benefits from the Guaranteed Minimum Annuity Reserve are paid to members who are much older, on average, than the general pensioner population, and as separate mortality studies have not been performed for this special group, the fiscal year 2008 and 2009 State Contributions were adjusted to ensure payment of all required benefits as required by Statute.

Employer's contribution to Benefit Trust Reserve in fiscal year 2008, as shown in Schedules XIIA and XIII:

	<u>Certified Contribution**</u>
Common School Fund	\$ 1,039,195,000
School Districts for 2.2%	48,103,000
Federal Funds	<u>47,829,000</u>
Total	\$ 1,135,127,000

\*\* State contribution amounts shown are those contained in the final fiscal year 2008 State budget. Future Federal Funds and School Districts contributions are estimated.

2. The June 30, 2007 actuarial valuation was based on the latest membership data available, which were submitted by the System for (i) active and inactive members as of June 30, 2006, and (ii) retirees and beneficiaries in receipt of benefits as of June 30, 2007. Membership data for active and inactive members as of June 30, 2005, and for retirees and beneficiaries as of June 30, 2006 were used as the basis for the June 30, 2006 actuarial valuation. As part of the valuation procedure, actual salaries and member account balances reported for active members were increased by 4% to adjust for the one-year lag in the census information for active members.
3. The State contribution amount of \$1,451,789,000 shown as of June 30, 2007 is based on the provisions of PA 94-0004, as amended by PA 94-1057. This amount represents a Benefit Trust Reserve Contribution of \$1,449,889,000 and a Guaranteed Minimum Annuity Reserve Contribution of \$1,900,000 for a total contribution of \$1,451,789,000.
4. As stated above, at June 30, 2007 and June 30, 2006, we adjusted for the one year lag in reporting of the active membership by assuming that the population was stationary with regard to age and service and we increased by 4% reported payroll and member account balances. No further adjustments were made to the active membership data at June 30, 2006. However, even with the above adjustments, the reported June 30, 2006 active membership data was not a good proxy for the data at June 30, 2007 because the number of members retiring from active service in fiscal year 2007 exceeded those retiring from active service in fiscal year 2006 by a count of 1,625. This large difference in retirement experience between the two fiscal years meant that without further adjustments the active data that would normally be used for the June 30, 2007 valuation would hold too many older, high service teachers who are already included in the retiree liability, and including them in the active liability would overstate the total June 30, 2007 actuarial liability. As a result, we reviewed the actual fiscal year 2007 retirements, removed 1,625 retirement-eligible records from the active data and replaced these records with an equivalent number of new hire records.

5. The statistics for full-time, substitute, part-time, and hourly paid teachers for purposes of the June 30, 2007 valuation, based on the census information for active members as of June 30, 2006, (after salaries were increased to adjust for the one year lag in the census information and after the adjustment for a better proxy for the June 30, 2007 data, as mentioned in paragraph 4 above) are as follows:

**Active Member Statistics**

Item	Full-time and Regular Part-Time	Substitutes, Part-Time, Hourly Paid on a Flexible or Limited Work Schedule	Total
Number	130,867	28,355	159,222
Annual salaries	\$ 7,845,223,000	\$ 135,650,000	\$ 7,980,873,000
Average age	41.7 years	41.6 years	41.7 years
Average service	11.8 years	1.7 years	10.0 years



**SECTION II — FINANCING OBJECTIVE**  
**AND EMPLOYER'S CONTRIBUTION RATE**

The financing objective of the System under Section 16-158 of the Pension Code is to:

- (a) meet the cost of maintaining and administering the Benefit Trust Reserve on a 90% funded basis in accordance with actuarial recommendations; and
- (b) meet this objective by June 30, 2045 through annual appropriations that are a level percentage of payroll – before reduction for the maximum state contribution limitations of the statute – for fiscal years 2011 through 2045. Gross appropriations, as a percentage of payroll, for fiscal years 1996 through 2010 are to increase in level annual increments over the prior year's gross appropriation until the required level percentage of payroll is achieved in fiscal year 2010. In fiscal years 1999 through 2004, the statute specifies minimum state contributions as a percentage of applicable member payroll. In fiscal years 2006 and 2007 the statute specifies the dollar amount of the state contribution. Contributions for fiscal years 2008 through 2010 are to ramp up from the fiscal year 2007 contribution.

In addition to the contributions to the Benefit Trust Reserve required by section 16-158, the State must make contributions to the Guaranteed Minimum Annuity Reserve in an amount sufficient to ensure that TRS can make the required benefit payments.

On the basis of the current valuation and the funded policy of Section 16-158, the total fiscal year 2009 contribution rate payable to the Benefit Trust Reserve by all employers is equal to 17.66% of membership payroll. This is the required employer rate, including state contributions, federal funds contributions, and school district contributions for the 2.2% formula change.

On the basis of the funding policy described above, a projection of the contribution rates which are payable by the employer to the Benefit Trust Reserve indicates that the required rate is expected to level off at 21.39% in fiscal year 2010.

Schedule IA of the report shows the required contributions to the Benefit Trust Reserve and the Guaranteed Minimum Annuity Reserve for fiscal year 2009. Schedule IB shows the development of the 17.66% required employer contribution rate for the Benefit Trust Reserve for fiscal year 2009.

Schedule XIV shows a projection of the Gross Employer Rate for the Benefit Trust Reserve before application of the State Maximum, while Schedules XIIA and XIII provide detailed projections of required employer rates and amounts. The chart below summarizes the projected gross and required employer contribution rates to the Benefit Trust Reserve.

<b>Fiscal Year</b>	<b>Gross Employer Rate (Before State Maximum)</b>	<b>Required Employer Rate (After State Maximum)</b>	<b>State Rate</b>
2009	21.40%	17.66%	17.08%
2010 - 2045	25.22%	21.39%	20.81%

The above employer rates include the 0.58% of payroll School District contributions for the 2.2% formula change as required by section 16-158(e). In addition, the statute requires School Districts to make the following contributions:

- (a) Sec. 16-128(d-10) payments for excessive sick leave service credit
- (b) Sec. 16-133.2 ERO lump sum payments when members retire with ERO benefits
- (c) Sec. 16-158(f) lump sum payments at retirement for the cost of pension benefits arising from salary increases over 6% used in the final average salary calculation. PA 94-1057 provides permanent and temporary exemptions from some of these payments for retirements occurring on or after July 31, 2006.

Although these additional types of contributions are not shown in Schedules IA, IB, XIIA, XIII, or XIV, they are all – with the exception of Sec. 16-128(d-10) payments – taken into account in the actuarial projection of the assets and funded status of the system, and the calculation of the Gross and Required employer rates is performed only *after* the above contributions have been taken into account. (There is currently no assumption for excessive sick leave service credit.) A projection of School District contributions under sections 16-133.2 and 16-158(f) can be found in Schedule XIIB.

### SECTION III — CURRENT FINANCIAL POSITION

The current financial position of the System may be measured by comparing the assets of the System to the pension benefit obligation of the System where the latter represents the value of pensions currently in payment and pensions earned through the valuation date by the active membership. In the ideal, fully-funded state, the assets would be equal to the pension benefit obligation. A comparison of the current financial position, or funded status, as of the current valuation date, with that as of the previous valuation date is summarized in the table below.

#### COMPARISON OF FUNDED STATUS

(dollars in millions)

Valuation Date	Assets at Net Market Value	Pension Benefit Obligation	Funded Status
June 30, 2007	\$ 41,909	\$ 65,648	63.8%
June 30, 2006	36,585	58,997	62.0%

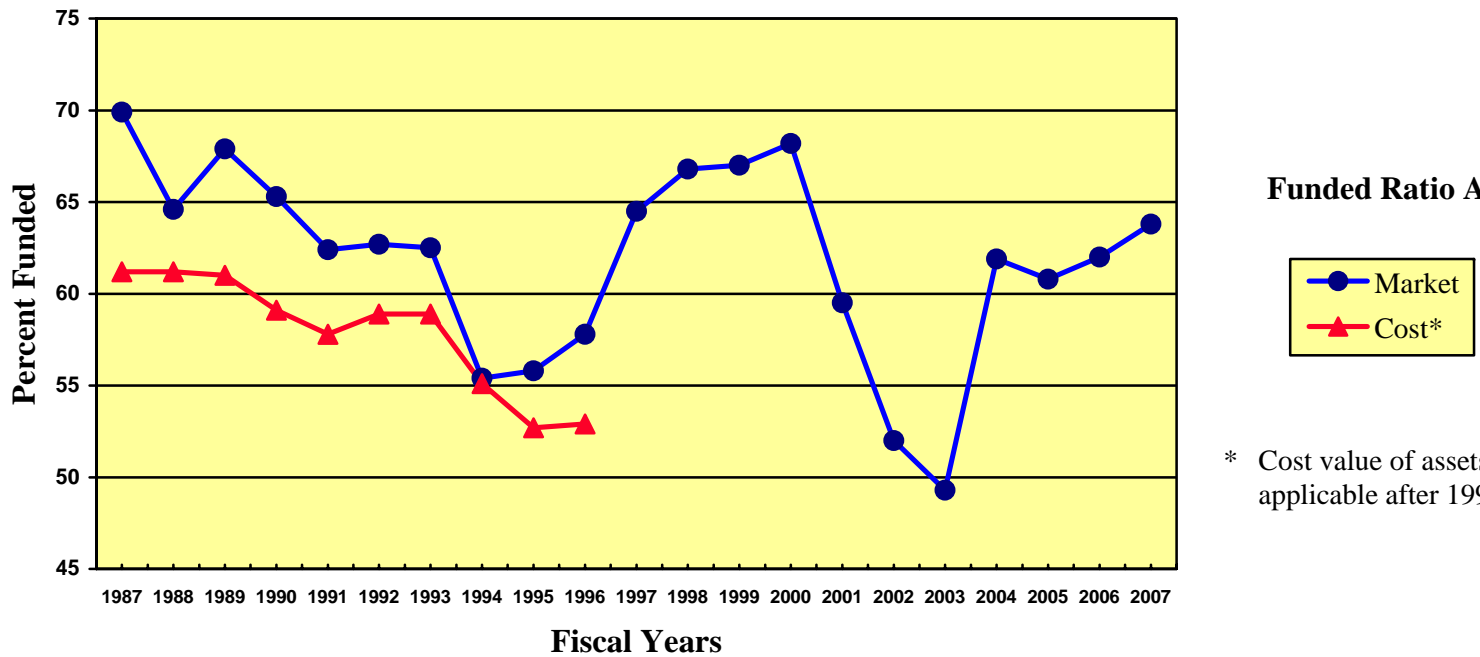
As can be seen from the table, the current funded status of the System is 63.8% as measured by the net market value of assets. The funded status on a market value basis has increased 1.8 percentage points from the previous valuation.

In assessing the financial position of the System, it is important to review annually the trend line of the funded status. As can be seen from the chart on page 8, the funded status based on either book value or market value of assets declined significantly from 1987 to 1996. The major portion of the decline was due to the failure of the State to adhere to the prior funding provisions of Senate Bill 95 (Public Act 86-0273). In fact, the decline in the funded ratio of the System would have been greater had it not been for the average investment return of the System, which was greater than the 8% return expected during this period of underfunding by the State. The decline in the funded ratio that occurred during fiscal years 2001 through 2003 is due to the rate of return of the market value of investments being less than the 8.5% expected.

The funding provisions of Section 16-158 are designed to attain a 90% funded ratio in fiscal year 2045. A projection of the future funded status of the System is shown in Schedule XV on pages 36 and 37.

# TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

## FUNDED RATIO FISCAL YEARS 1987 – 2007



\* Cost value of assets not applicable after 1996.

#### **SECTION IV — GAINS AND LOSSES DURING YEAR**

The gain and loss analysis provides a measure of the impact of the demographic and economic factors on the results of the actuarial valuation, when compared to the actuarial assumptions used to anticipate these factors. The analysis is significant in providing a test of the adequacy of these assumptions over a period of time. A detailed reconciliation of the changes in the unfunded pension benefit obligation, including actuarial gains and losses, can be found in Schedule III on page 19.

The demographic factors affecting the gain and loss analysis include the following:

- (a) withdrawal from active membership;
- (b) mortality during active membership;
- (c) disability retirement;
- (d) service retirement; and
- (e) mortality after retirement.

The economic factors affecting the gain and loss analysis include the following:

- (a) investment rate of return; and
- (b) active members' salary increases.

During the fiscal year ended June 30, 2007, there was a net actuarial gain of \$2,823 million incurred by the System due to demographic and economic experience when compared to the actuarial assumptions used to anticipate these factors.

The significant factors contributing to this net gain included the following:

(1) Losses due to salary increases greater than expected	\$ 150 million
(2) Gains due to investment income over that expected	(3,786)
(3) Losses due to new entrants, for which no allowance is made in the assumptions	34
(4) Losses due to lower than expected mortality	35
(5) Losses due to fewer terminations than expected	27
(6) Losses due to repayments of refunded member contributions	36
(7) Losses due to ERO costs waived for those with 34 years of service	289
(8) Losses due to delayed reporting of retirements (effect on assets)	7
(9) Losses due to all other causes	<u>385</u>
Total net gains	\$(2,823) million

The gain from item 2 is the difference between the actuarial expected earnings of \$3.045 billion and the actual investment return of \$6.831 billion. The actuarial gain is equal to the expected earnings minus the actual investment return.

The loss from item 6 is due to restoration of the employer-paid portion of the benefit when members repaid previously refunded contributions.

The cost shown in item 7 is for 1,973 new retirements under the pipeline Early Retirement Option (ERO). Under the ERO the early retirement reduction is eliminated in exchange for one-time member and employer payments. The cost equals the excess of the increase in liability over the ERO payments received. The majority of the cost is for members who retired with 34 years of service, for which all pipeline ERO payments were waived. The pipeline ERO program ends on July 1, 2007, and has been replaced by the modified ERO program, under which there is no waiver of ERO payments. Required member and employer ERO contributions will cover the full cost of the modified ERO program.

The loss from item 8 is due to 379 retirements that occurred prior to July 1, 2006 and were not reported to the actuary until June 30, 2007 due to backdated retirement claims and TRS processing constraints. The actuarial loss is equal to the value of benefits paid prior to July 1, 2007 to these late reported retirees.

The "other cause" category (item 9) is the balancing item needed to complete the reconciliation and is mainly due to higher than expected retirement rates, delayed reporting of retirements (effect on PBO), and actual cost of benefits earned during the year higher than projected.

## SECTION V — MEMBERSHIP DATA

The June 30, 2007 actuarial valuation was based on the latest membership data available, which were submitted by the System for (i) active and inactive members as of June 30, 2006, and (ii) annuitants and survivor annuitants in receipt of benefits as of June 30, 2007. As part of the valuation procedure, annualized salaries and member account balances reported for active members were increased by 4% to adjust for the one year lag in the census information reported for active members. In addition, as explained in item 4 of Section I (on page 3), due to the active data lag and the large number of retirements in fiscal year 2007 (as compared to fiscal year 2006), 1,625 records representing older, long-service members were removed from the active data and replaced by an equivalent number of new hire records.

While the actuary did not verify the data at their source, the actuary did perform tests for internal consistency and reasonableness in relation to the data submitted for the previous valuation.

A comparison of the data for the current and previous valuations is as follows:

### Comparison of Membership Data

Data Item	Valuation June 30, 2007	Valuation June 30, 2006	Percentage Change
<b>Active membership:</b>			
• Full-time and regular part-time:			
➤ Number	130,867	126,798	3.2
➤ Annual Compensation	\$ 7,845,222,555	\$ 7,444,943,148	5.4
➤ Average Compensation	\$ 59,948	\$ 58,715	2.1
• Substitute, part-time, hourly paid (limited schedule)			
➤ Number	28,355	29,148	(2.7)
➤ Annual Compensation	\$ 135,649,967	\$ 135,137,045	0.4
➤ Average Compensation	\$ 4,784	\$ 4,636	3.2
• Total Number	159,222	155,946	2.1
<b>Inactive Membership:</b>			
• Eligible for deferred annuities	15,156	14,729	2.9
• Eligible for refunds or single sum benefits only	84,153	79,865	5.4
<b>Annuitants (retirees, disabilitants and survivors):</b>			
• Number	89,269	85,153	4.8
• Annual annuities	\$ 3,342,349,438	\$ 3,016,863,293	10.8
• Average annual annuities	\$ 37,441	\$ 35,429	5.7

Notes:

1. Rates of pay for individual teachers who were on full-time or regular part-time status at both June 30, 2006 and June 30, 2007 increased on average 6.88%, compared to the expected average increase of 6.58%.
2. The 5.4% increase in the number of inactive members eligible for refunds or single sum benefits only is due primarily to experience among substitutes and other members on a limited or flexible schedule.

**SECTION VI — ASSETS**

For valuation purposes, the actuarial value of assets is set equal to the market value of assets reported by the System. The actuarial value of assets as of June 30, 2007 amounted to \$41,909,318,000. This amount includes \$44,453,000 receivable from members for future payroll deduction contributions.

Assets are expected to earn 8.5% of market value. The actuarial gain on account of investment income for the fiscal year ended June 30, 2007 is the difference between the actuarially expected earnings and the actual investment return. In fiscal year 2007, actuarially expected earnings of \$3.045 billion combined with the actual asset gain of \$6.831 billion equals the reported actuarial gain of \$3.786 billion.

During the fiscal year ended June 30, 2007, the actuarial investment rate of return was equal to 19.07%, based on market value. This may be compared to the actuarial investment rate of return of 11.98% during the fiscal year ended June 30, 2006, also based on market value.



**SECTION VII — ACTUARIAL ASSUMPTIONS AND METHODS**

Effective with the June 30, 2007 actuarial valuation, new assumptions regarding rates of separation, retirement, utilization of ERO, salary increase, mortality, optional service purchases, sick leave service credit and severance pay at retirement were adopted. The new member profiles necessary for the 50-year projection required by State funding law were also updated.

The actuarial cost method utilized is the projected unit credit cost method, which became effective with the June 30, 1989 valuation. Administrative expenses have been a component of the normal cost rate since the June 30, 1994 valuation. The financing objectives of the System specified by Public Act 94-0004, enacted in June 2005, were first effective for the recertified fiscal year 2006 contribution. The objective of the Act is to meet the cost of maintaining and administering the System on a 90% funded basis by June 30, 2045, while specifying the dollar amount of the State contribution for fiscal years 2006 and 2007, and placing upper limits on State contributions commencing with the contribution due for fiscal year 2008.

The rate of contribution determined under the funding method for fiscal years subsequent to 2007, according to the financing objective first established under Public Act 88-0593, as amended by Public Acts 90-00582, 93-0002, 94-0004 and 94-1057, is based on a projection of the liabilities, assets, expenses and payroll of the System for current and future members of the System for the period July 1, 2005 through June 30, 2045, and on the State's debt service on the System's portion of the full \$10 billion of Pension Obligation Bonds that were issued under Public Act 93-0002. The Governor's Office of Management and Budget provided the debt service schedule.

**SECTION VIII — FINANCIAL RESULTS AND MEMBERSHIP DATA -**

**DETAILED SUMMARIES**

Detailed summaries of the financial results of the valuation and membership data used in preparing the valuation are shown in the schedules that follow.

**SCHEDULE IA**  
**EMPLOYER'S CONTRIBUTION RATES AND AMOUNTS**  
**FISCAL YEAR 2009**  
**(Based on June 30, 2007 Actuarial Valuation)**

Reserve Fund	Year Ended June 30, 2009
• Benefit Trust Reserve:	
> Employer's Cost	\$ 1,556,737,000
> Less School Districts for 2.2% formula	(51,141,000)
> Less Federal Funds	<u>(55,707,000)</u>
> State Contribution	\$ 1,449,889,000
• Guaranteed Minimum Annuity Reserve	
> State Contribution	\$ 1,900,000
Total State Contribution	\$ 1,451,789,000

**Notes:****(1) Benefit Trust Reserve**

- (a) Employer's cost of \$1,556,737,000 is equivalent to a contribution rate of 17.66% of payroll based on an estimated membership payroll for fiscal year 2009 of \$8.817 billion.
- (b) Employer's cost is based on projection required by Section 16-158 summarized as follows:
- (i) Meet the cost of maintaining and administering the System on a 90% funded basis by June 30, 2045, with level percentage of payroll contributions after a 15 year phase-in beginning in fiscal year 1996.
  - (ii) Phase-in period requires employer's contribution rate to increase in equal annual increments to attain level percentage schedule in fiscal year 2010, except in the following State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll: 10.02% in FY1999; 10.77% in FY2000; 11.47% in FY2001; 12.16% in FY2002; 12.86% in FY2003; 13.56% in FY2004.
  - (iii) Commencing in FY2005, there are upper limits on the State contribution.
  - (iv) PA 94-0004 specifies the FY 2006 and FY 2007 State contribution amounts to TRS.
- (c) The FY 2009 state contribution rate is 17.08% of the estimated \$8.491 billion state payroll.

**(2) Guaranteed Minimum Annuity Reserve**

Above State contribution for fiscal year 2009 of \$1,900,000 for the Guaranteed Minimum Annuity Reserve is based on projection of benefit outgo from reserve funds in fiscal year 2009. As separate mortality studies have not been performed for the pensioners covered by this special reserve, the contribution has been adjusted to ensure payment of all benefits as required by Statute.

**(3) Base Data**

Base data used for 50-year projection under the Act is as follows:

- (a) June 30, 2007 valuation data. New entrant profile per actuarial assumptions.
- (b) Employer's contribution to Benefit Trust Reserve in fiscal year 2008 as shown in Schedules XIA and XIII:

	<u>Certified Contribution**</u>
Common School Fund	\$ 1,039,195,000
School Districts for 2.2%	48,103,000
Federal Funds	<u>47,829,000</u>
Total	\$ 1,135,127,000

- (c) Funds deposited July 2, 2003 under section 7.2(d) of the General Obligation Bond Act: \$4,330,374,000, and debt service schedule provided by the Office of Management and Budget.
- (4) State contribution amounts shown in (3) are those contained in the final FY 2008 State budget. Federal Funds and School Districts contributions are estimated.

**SCHEDULE IB**

**DETERMINATION OF EMPLOYER CONTRIBUTION UNDER PUBLIC ACT 94-0004  
FISCAL YEAR 2009  
(Based on June 30, 2007 Actuarial Valuation)**

Benefit Trust Reserve	Year Ended June 30, 2009	Percentage of Payroll (State, Federal, Total)	
(1) Assumed Payrolls			
➤ Total Payroll	\$ 8,817,487,000		
➤ Less Federal Funds Payroll	<u>(326,247,000)</u>		
➤ State Payroll	\$ 8,491,240,000		
(2) Employer contribution that would have been required without funds provided by Sec. 7.2(d) of General Obligation Bond Act			
➤ Employer's Cost	\$ 1,887,185,000	21.40%	Total
➤ Less School Districts under Sec. 16-158(e)	<u>(51,141,000)</u>	<u>(0.58)</u>	Total
➤ State and Federal Funds Contribution	\$ 1,836,044,000	20.82%	Total
➤ Less State Debt Service for TRS portion of all funds provided under Sec. 7.2 of General Obligation Bond Act	<u>(322,501,000)</u>	<u>(3.66)</u>	Total
➤ Maximum State and Federal Funds Contribution under PA 94-0004	\$ 1,513,543,000	17.17%	Total
(3) Employer contribution recognizing all system assets, before limiting State and Federal Funds contribution			
➤ Employer's Cost	\$ 1,556,737,000	17.66%	Total
➤ Less School Districts under Sec. 16-158(e)	<u>(51,141,000)</u>	<u>(0.58)</u>	Total
➤ State and Federal Funds Contribution	\$ 1,505,596,000	17.08%	Total
(4) State and Federal Funds Contribution under PA 94-0004			
➤ Lesser of amounts under (2) and (3)	\$ 1,505,596,000	17.08%	Total
(5) Employer contribution under PA 94-0004			
➤ State Portion of (4), based on State Payroll	\$ 1,449,889,000	17.08%	State
➤ Plus Federal Portion of (4), based on Federal Payroll	<u>55,707,000</u>	<u>17.08</u>	Federal
➤ State and Federal Funds Contribution	\$ 1,505,596,000	17.08%	Total
➤ Plus School Districts under Sec. 16-158(e)	<u>51,141,000</u>	<u>0.58</u>	Total
➤ Employer's Cost	\$ 1,556,737,000	17.66%	Total

**Notes:****(1) Assumed Payrolls**

The administrative staff of the System estimated Federal Funds payroll for the fiscal year ending June 30, 2009 would be 3.7% of total payroll. Federal Funds payroll was then projected to increase at the same rate as Total payroll for all subsequent fiscal years.

**(2) Determination of Maximum State and Federal Funds Contribution under Public Act 94-0004**

Under Section 7.2(d) of the General Obligation Bond Act (GOBA), TRS deposited \$4.33 billion on July 2, 2003. Commencing with fiscal year 2005, the maximum State contribution under the Act equals the State contribution that would have been required if this \$4.33 billion contribution had not been made, reduced, but not below zero, by the State's debt service on the TRS portion of the full \$10 billion of Pension Obligation Bonds issued under Section 7.2 of the GOBA. Commencing with fiscal year 2006 the Federal Funds contribute at the same rate as the State, and so a Combined State and Federal Funds contribution must be determined.

**(3) Employer Contribution Recognizing \$4.33 Billion Deposited July 2, 2003**

A gross employer contribution is determined that recognizes all system assets, and that meets the cost of maintaining and administering the System on a 90% funded basis by June 30, 2045, with level percentage of payroll contributions after a 15 year phase-in beginning in fiscal year 1996 (as described in Schedule IA).

**(4) State and Federal Funds Contribution under Public Act 94-0004**

The State and Federal Funds contribution is the lesser of the maximum contribution determined under (2) or the contribution determined under (3).

**(5) Employer Contribution under Public Act 94-0004**

The contribution determined under (4) is allocated to the State and to Federal Funds in proportion to their respective payrolls (shown in (1)). The employer contribution under PA 94-0004 equals the sum of these contributions, plus the expected 0.58% of payroll School District contributions for the 2.2% formula made under the provisions of Sec. 16-158(e).

**(6) State Contribution Amount for FY 2006 and FY 2007 under PA 94-0004**

PA 94-0004 specified actual contribution amounts for fiscal years 2006 and 2007 made by the State to the Benefit Trust Reserve.

**Additional Information:**

The following contributions made to the Benefit Trust Reserve are not shown in Schedule IB:

**(a) From Members:**

1. Sec. 16-128 payments for the purchase of optional service credit.
2. Sec. 16-133.2 ERO lump sum payments upon retirement with ERO benefits
3. Sec. 16-152 career contributions of 9.0% of salary, plus – commencing July 1, 2005 – an additional 0.4% toward the ERO program.

**(b) From School Districts:**

1. Sec. 16-128(d-10) payments for excessive sick leave service credit
2. Sec. 16-133.2 ERO lump sum payments when members retire with ERO benefits
3. Sec. 16-158(f) lump sum payments at retirement for the cost of pension benefits arising from salary increases over 6% used in the final average salary calculation.

Although these types of contributions are not shown in Schedule IB (or in Schedules XIIA, XIII, or XIV), they are all – with the exception of Sec. 16-128(d-10) payments – taken into account in the actuarial projection of the assets and funded status of the system, and the Schedule IB calculation is performed only *after* the above contributions have been taken into account.

An assumption for optional service purchases has been included in the projections since the June 30, 1994 valuation, and payments under Sec. 16-158(f) have been included since the recertified June 30, 2004 valuation. The career ERO contributions and lump sum payments toward ERO benefits were first recognized in the June 30, 2005 actuarial valuation. Finally, there is no assumption for excessive sick leave service credit, and so the projections do not currently include payments under Sec. 16-128(d-10).

**SCHEDULE II****GASB 25 and 27 — REQUIRED SUPPLEMENTARY INFORMATION**  
**(\$ Thousands)**

GASB 25 Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/1998	\$ 19,965,887	\$ 29,908,241	\$ 9,942,354	66.8%	\$ 5,323,403	186.8%
6/30/1999	22,237,709	33,205,513	10,967,804	67.0%	5,698,117	192.5%
6/30/2000	24,481,413	35,886,404	11,404,991	68.2%	6,062,884	188.1%
6/30/2001	23,315,646	39,166,697	15,851,051	59.5%	6,430,612	246.5%
6/30/2002*	22,366,285	43,047,674	20,681,389	52.0%	6,785,236	304.8%
6/30/2003	23,124,823	46,933,432	23,808,609	49.3%	7,059,032	337.3%
6/30/2004	31,544,729	50,947,451	19,402,722	61.9%	7,280,795	266.5%
6/30/2005	34,085,218	56,075,029	21,989,811	60.8%	7,550,510	291.2%
6/30/2006	36,584,889	58,996,913	22,412,024	62.0%	7,765,752	288.6%
6/30/2007*	41,909,318	65,648,395	23,739,077	63.8%	8,149,849	291.3%

GASB 25 Schedule of Employer Contributions			
Total Employer Contributions (State, Federal Funds, and School Districts)			
Actuarial Valuation Date	Funding Year Ended June 30	Annual Required Contribution	Percentage Contributed
6/30/1996	1998	\$983,312	48.6%
6/30/1997 *	1999	932,909	64.7%
6/30/1998	2000	1,003,612	68.6%
6/30/1999	2001	1,102,441	70.6%
6/30/2000	2002	1,163,262	74.1%
6/30/2001	2003	1,427,519	68.0%
6/30/2002 *	2004	1,716,977	64.3%
6/30/2003	2005	1,683,212	58.7%
6/30/2004	2006	1,679,524	35.8%
6/30/2005	2007	2,052,396	39.8%

GASB 27 Disclosure	
Development of Net Pension Obligations 6/30/2007	
Item	
1) Net Pension Obligation at 6/30/06	\$ 8,508,555
2) Annual Required Contribution (ARC) for the period 7/1/06 – 6/30/07	2,052,396
3) Interest on the NPO at 6/30/06	723,227
4) Adjustment to the ARC	496,435
5) Pension Cost (2) + (3) – (4)	2,279,188
6) Total Employer Contribution	816,670
7) Percent of Pension Cost Contributed (6) / (5)	35.8%
8) Change in NPO (5) – (6)	1,462,518
9) Net Pension Obligation at 6/30/07 (1) + (8)	\$ 9,971,073

The Government Accounting Standards Board (GASB) requires disclosure of the Annual Required Contribution (ARC) under a standard funding methodology. Amounts shown as the ARCs for each year are different from the contributions required by state statute. The information here was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date: 6/30/2007  
Actuarial Cost Method: Projected Unit Credit  
Amortization Method (for GASB disclosure): Level Percent Open  
Remaining Amortization Period (for GASB disclosure): 30 years  
Asset Valuation Method: Market

**Actuarial Assumptions:**

Investment Rate of Return: 8.5%  
Projected Salary Increases: 6.0% – 11.2% composite approximates 7.0%  
Includes Inflation at: 3.5%  
Cost-of-Living Adjustments: 3.0%

\* Revised economic and noneconomic assumptions due to experience review.

**SCHEDULE III**  
**RECONCILIATION OF UNFUNDED PENSION BENEFIT OBLIGATION**  
**(\$ Thousands)**

Item	Year Ended June 30	
	2007	2006
<b>Unfunded pension benefit obligation at beginning of year</b>	<b>\$ 22,412,024</b>	<b>\$ 21,989,811</b>
<b>Additions (deductions)</b>		
Employer cost in excess of contributions	1,739,187	1,913,368
Change in actuarial assumptions:		
Effective 6/30/2007, based on 2002-2006 experience review	<u>2,410,756</u>	<u>--</u>
<b>Net additions (deductions)</b>	<b>4,149,943</b>	<b>1,913,368</b>
<b>Actuarial losses (gains) compared to assumptions</b>		
Salary increases for continuing active members	149,682	68,398
Investment income <sup>1</sup>	(3,785,653)	(1,159,525)
New entrant loss	34,305	21,735
Mortality other than expected	34,848	16,811
Terminations other than expected	26,924	20,116
Repayments of refunded member contributions <sup>2</sup>	35,889	28,543
ERO costs waived for those with 34 years of service <sup>3</sup>	288,832	198,867
Delayed reporting of retirements (effect on assets) <sup>4</sup>	7,276	12,190
Other <sup>5</sup>	<u>385,007</u>	<u>(698,290)</u>
<b>Net actuarial losses (gains)</b>	<b><u>(2,822,890)</u></b>	<b><u>(1,491,155)</u></b>
<b>Unfunded pension benefit obligation at end of year</b>	<b><u>\$ 23,739,077</u></b>	<b><u>\$ 22,412,024</u></b>

<sup>1</sup> Assets are expected to earn 8.5% of market value. This item is the difference between the expected investment return and the actual investment return. For example, in fiscal year 2007, the expected earnings of \$3.045 billion was less than the \$6.831 billion actual return on assets, resulting in an actuarial gain which reduced the unfunded pension benefit obligation by \$3.786 billion. In fiscal year 2006, the expected earnings of \$2.833 billion was less than the \$3.993 billion actual return on assets, resulting in an actuarial gain which reduced the unfunded pension benefit obligation by \$1.160 billion.

<sup>2</sup> This includes the employer-paid portion of the benefit that was restored when members repaid previously refunded contributions.

<sup>3</sup> This includes accelerated retirements during FY 2007 by teachers who decided to retire by June 30, 2007 because all pipeline ERO retirements must occur by July 1, 2007.

<sup>4</sup> 390 retirements that occurred prior to 7/1/2005 were not reported to the actuary until 6/30/2006. 379 retirements that occurred prior to 7/1/2006 were not reported to the actuary until 6/30/2007.

<sup>5</sup> Other includes items such as:

- (a) Retroactive benefit payments for individuals who delayed applying for retirement.
- (b) Differences between actual cost of benefits earned during the year and projected cost.
- (c) Retirements with reciprocal service credits.
- (d) Disablements and service retirements other than expected.
- (e) Delayed reporting of retirements (effect on PBO).

**SCHEDULE IV**  
**EMPLOYER COST IN EXCESS OF CONTRIBUTIONS**  
**(\$ Thousands)**

Item	Year Ended June 30	
	2007	2006
• Employer normal cost	\$ 650,835	\$ 645,706
• Interest on unfunded pension benefit obligation at beginning of year	<u>1,905,022</u>	<u>1,869,134</u>
Total employer cost	\$ 2,555,857	\$ 2,514,840
• Employer contributions toward normal cost and interest on unfunded pension benefit obligation		
— State (excluding Minimum Benefit)	\$ 735,515	\$ 531,827
— School Districts for 2.2% and Salary Increase Cap	48,686	45,314
— Federal Funds	<u>32,469</u>	<u>24,331</u>
Total employer credits	\$ 816,670	\$ 601,472
• Employer cost in excess of contributions	\$ 1,739,187	\$ 1,913,368



**SCHEDULE V****10-YEAR HISTORY OF UNFUNDED  
PENSION BENEFIT OBLIGATION**

Year Ended June 30	Pension Benefit Obligation	Net Assets* (Actuarial)	Unfunded Pension Benefit Obligation	Percentage Change in Unfunded
1998	\$ 29,908,241,000	\$ 19,965,887,000	\$ 9,942,354,000	4.02%
1999	33,205,513,000	22,237,709,000	10,967,804,000	10.31
2000	35,886,404,000	24,481,413,000	11,404,991,000	3.99
2001	39,166,697,000	23,315,646,000	15,851,051,000	38.98
2002	43,047,674,000	22,366,285,000	20,681,389,000	30.47
2003	46,933,432,000	23,124,823,000	23,808,609,000	15.12
2004	50,947,451,000	31,544,729,000	19,402,722,000	(18.51)
2005	56,075,029,000	34,085,218,000	21,989,811,000	13.33
2006	58,996,913,000	36,584,889,000	22,412,024,000	1.92
2007	65,648,395,000	41,909,318,000	23,739,077,000	5.92
Average Annual Change				10.56%

\*Net assets are at fair market value.

**SCHEDULE VI****10-YEAR HISTORY OF FUNDED STATUS**

Year Ended June 30	Pension Benefit Obligation	Net Assets* (Actuarial)	Funded Ratio
1998	\$ 29,908,241,000	\$ 19,965,887,000	66.8%
1999	33,205,513,000	22,237,709,000	67.0
2000	35,886,404,000	24,481,413,000	68.2
2001	39,166,697,000	23,315,646,000	59.5
2002	43,047,674,000	22,366,285,000	52.0
2003	46,933,432,000	23,124,823,000	49.3
2004	50,947,451,000	31,544,729,000	61.9
2005	56,075,029,000	34,085,218,000	60.8
2006	58,996,913,000	36,584,889,000	62.0
2007	65,648,395,000	41,909,318,000	63.8

\* Net assets are at fair market value.

**SCHEDULE VII****10-YEAR HISTORY OF SYSTEM REVENUE AND EXPENSES**

Year Ended June 30	Beginning of Year Market Value of Assets	Contributions		Market Value Income	Benefits and Expenses	End of Year Market Value of Assets
		Member	Employer			
1998	\$17,393,108,000	\$441,016,000	\$502,934,000	\$2,873,101,000	\$1,244,272,000	\$19,965,887,000
1999	19,965,887,000	866,376,000	636,596,000	2,089,661,000	1,320,811,000	22,237,709,000
2000	22,237,709,000	619,623,000	730,597,000	2,336,218,000	1,442,734,000	24,481,413,000
2001	24,481,413,000	643,563,000	821,625,000	(1,015,254,000)	1,615,701,000	23,315,646,000
2002	23,315,646,000	681,152,000	907,358,000	(723,987,000)	1,813,884,000	22,366,285,000
2003	22,366,285,000	732,020,000	1,021,263,000	1,060,852,000	2,055,597,000	23,124,823,000
2004	23,124,823,000	768,661,000	5,489,426,000*	4,485,729,000	2,323,910,000	31,544,729,000
2005	31,544,729,000	761,790,000	1,055,562,000	3,330,039,000	2,606,902,000	34,085,218,000
2006	34,085,218,000	799,034,000	657,848,000	3,993,290,000	2,950,501,000	36,584,889,000
2007	36,584,889,000	826,249,000	853,586,000	6,831,325,000	3,186,731,000	41,909,318,000

Notes: Market Value Income represents the net appreciation/(depreciation) in the market value of assets after adjusting for contributions received and benefits and expenses paid.

When calculating the actuarial gain or loss due to investment experience, for fiscal years 1995-2001, a portion of the employer contribution was treated as interest on the discounted employer ERI receivable reported by the System.

\* The amount shown as the employer contribution for FY 2004 also includes \$4,330,374,000, which TRS deposited on July 2, 2003 as required under Section 7.2(d) of the General Obligation Bond Act.

**SCHEDULE VIII****MEMBERSHIP DATA****ACTIVE AND INACTIVE MEMBERSHIP OF SYSTEM  
AS OF JUNE 30, 2006  
USED IN JUNE 30, 2007 VALUATION**

Group	Number	Annual Salaries (Adjusted to Valuation Date)
Active members:		
Reported full-time and regular part-time*	130,867	\$ 7,845,222,555
Reported substitutes and hourly paid	<u>28,355</u>	<u>135,649,967</u>
Total	159,222	\$ 7,980,872,522
Inactives:	99,309	N/A

\*Age and service also adjusted for 2007 valuation as explained on page 4.

**ANNUITANTS, DISABILITY BENEFIT RECIPIENTS,  
AND SURVIVOR ANNUITANTS OF THE SYSTEM  
AS OF JUNE 30, 2007  
(Excluding Guaranteed Minimum Annuities)**

Class	Number	Annual Annuities At June30
Retired on account of service:		
Regular	44,346	\$ 1,527,259,409
ERI	11,054	489,778,528
ERO	<u>24,323</u>	<u>1,179,591,371</u>
Total	79,723	\$ 3,196,629,308
Disability benefit recipients:		
Retirement allowance	803	\$ 17,303,380
Occupational	5	183,338
Temporary	<u>289</u>	<u>7,002,462</u>
Total	1,097	\$ 24,489,180
Survivor benefit recipients:		
Children	82	\$ 618,370
Survivor annuitants	8,190	116,542,017
Reversionary annuitants	<u>177</u>	<u>4,070,563</u>
Total	8,449	\$ 121,230,950
Grand Total	89,269	\$ 3,342,349,438

**SCHEDULE IX****HISTORY OF ACTIVE MEMBERSHIP DATA  
FOR LAST 10 YEARS****Full-Time and Regular Part-Time**

Census Date June 30	Number of Active Members	Percentage Change in Membership	Average Annual Salary	Percentage Change in Salary
1997	113,431	2.25%	\$ 45,891	3.67%
1998	116,358	2.58	47,375	3.23
1999	119,324	2.55	48,877	3.17
2000	122,598	2.74	50,195	2.70
2001	125,044	2.00	51,720	3.04
2002	126,738	1.35	53,319	3.09
2003	128,140	1.11	55,466	4.03
2004	127,405	(0.57)	56,871	2.53
2005	126,798	(0.48)	58,715	3.24
2006	130,867	3.21	59,948	2.10

**Substitutes, Part-Time and Hourly-Paid**

Census Date June 30	Number of Active Members	Percentage Change in Membership	Average Annual Salary	Percentage Change in Salary
1997	22,983	6.07%	\$ 3,569	3.75%
1998	22,949	(0.15)	3,874	8.55
1999	23,573	2.72	4,072	5.11
2000	24,235	2.81	4,306	5.75
2001	24,778	2.24	4,532	5.25
2002	27,952	12.81	4,488	(0.97)
2003	29,645	6.06	4,587	2.21
2004	30,238	2.00	4,294	(6.39)
2005	29,148	(3.60)	4,636	7.96
2006	28,355	(2.72)	4,784	3.19

**SCHEDULE X****HISTORY OF ANNUITANT AND SURVIVOR  
ANNUITANT MEMBERSHIP FOR LAST 10 YEARS**

Year Ended June 30	Number on Roll	Percentage Change in Membership
1998	59,127	(0.36)%
1999	60,308	2.00
2000	62,107	2.98
2001	64,874	4.46
2002*	69,472	7.09
2003	73,336	5.56
2004	77,165	5.22
2005	82,491	6.90
2006	85,153	3.23
2007	89,269	4.83

\* Includes 1,519 additional annuitants on account of change in methodology of reporting recent retirements: In prior years only retirements processed on or before the valuation date were reported to the actuary. Commencing with the 2002 valuation, retirements effective on or before the valuation date that are processed after the valuation date are also reported to the actuary.

**SCHEDULE XI****BENEFIT STREAMS FOR GUARANTEED MINIMUM ANNUITY RESERVE**

Benefit Payment Stream	
Fiscal Year	Guaranteed Minimum
2008	\$ 1,903,990
2009	1,713,490
2010	1,536,260
2011	1,371,800
2012	1,219,720
2013	1,079,550
2014	950,850
2015	833,380
2016	726,800
2017	630,680
2018	544,540
2019	467,810
2020	399,880
2021	340,100
2022	287,820
2023	242,370
2024	203,100
2025	169,360
2026	140,560
2027	116,110
2028	95,470
2029	78,150
2030	63,670
2031	51,630

Benefit Payment Stream	
Fiscal Year	Guaranteed Minimum
2032	\$ 41,650
2033	33,410
2034	26,640
2035	21,100
2036	16,580
2037	12,920
2038	9,960
2039	7,600
2040	5,720
2041	4,240
2042	3,090
2043	2,210
2044	1,540
2045	1,050
2046	700
2047	450
2048	280
2049	170
2050	100
2051	60
2052	30
2053	20
2054	10
2055	-

## Notes:

- (1) Above benefit payment amounts were projected based on the mortality assumptions for the general pensioner population.
- (2) As separate mortality studies have not been performed for this special group, the fiscal 2009 State Contribution shown on the Summary of Principal Results has been adjusted to ensure payment of all required benefit amounts, as required by Statute.

**SCHEDULE XIII**

**ITEMIZATION OF EMPLOYER CONTRIBUTION TO BENEFIT TRUST RESERVE**

	Assumed Payrolls			(A) School District Sec. 16-158(e) Contribution	Combined State and Federal Funds					(B) Required Federal Funds Contribution	(C) Required State Contribution	
	Year Ended June 30	Total	Federal Funds		State	Calculations Required by PA 94-0004			Required Amount			Required Rate
						Formula Amount	Formula Rate	Maximum Amount				
<b>CERTIFIED</b>	1995	\$4,633,650,000				\$279,364,800	6.03%				\$16,500,000	\$262,864,800
	1996	4,863,544,432				341,276,242	7.02%				17,000,000	324,276,242
	1997	4,903,151,093				395,268,984	8.06%				17,300,000	377,968,984
	1998	5,264,732,966				478,439,267	9.09%				18,000,000	460,439,267
	1999	5,558,349,721			16,675,000	543,855,776	9.78%				18,500,000	567,067,600
	2000	5,887,080,405			34,145,066	617,359,480	10.49%				18,200,000	634,038,560
	2001	6,271,637,672			36,375,498	731,839,141	11.67%				20,000,000	719,356,841
	2002	6,666,272,399			38,664,380	821,265,118	12.32%				23,000,000	810,618,724
	2003	7,115,762,553			12,808,373	951,049,918	13.37%				25,000,000	926,049,918
	2004	7,345,674,585			42,604,912	1,056,658,994	14.38%				29,400,000	1,027,258,994
	2005	7,669,150,690			44,481,074	1,199,246,349	15.64%	940,103,532	940,103,532	12.26%	37,860,000	902,243,532
	2006	7,871,835,902	340,850,495	7,530,985,407	45,656,648	555,898,087	7.06%	555,898,087	555,898,087	7.06%	24,070,387	531,827,700
	2007	7,939,262,146	422,368,746	7,516,893,399	46,047,720	776,842,522	9.78%	776,842,522	776,842,522	9.78%	41,328,022	735,514,500
	2008	8,293,518,065	364,914,795	7,928,603,270	48,102,405	1,106,016,254	13.34%	1,087,024,046	1,087,024,046	13.11%	47,829,058	1,039,194,988
<b>PROJECTED</b>	<b>2009</b>	<b>8,817,486,572</b>	<b>326,247,003</b>	<b>8,491,239,569</b>	<b>51,141,422</b>	<b>1,505,595,846</b>	<b>17.08%</b>	<b>1,513,542,600</b>	<b>1,505,595,846</b>	<b>17.08%</b>	<b>55,707,046</b>	<b>1,449,888,800</b>
	2010	9,177,393,475	339,563,559	8,837,829,916	53,228,882	1,910,211,899	20.81%	1,939,737,301	1,910,211,899	20.81%	70,677,840	1,839,534,058
	2011	9,552,831,814	353,454,777	9,199,377,037	55,406,425	1,988,356,829	20.81%	2,033,225,886	1,988,356,829	20.81%	73,569,203	1,914,787,627
	2012	9,942,842,112	367,885,158	9,574,956,954	57,668,484	2,069,534,816	20.81%	2,100,789,138	2,069,534,816	20.81%	76,572,788	1,992,962,027
	2013	10,355,757,245	383,163,018	9,972,594,227	60,063,392	2,155,480,286	20.81%	2,204,755,195	2,155,480,286	20.81%	79,752,771	2,075,727,515
	2014	10,797,781,029	399,517,898	10,398,263,131	62,627,130	2,247,484,524	20.81%	2,315,953,123	2,247,484,524	20.81%	83,156,927	2,164,327,596
	2015	11,273,592,274	417,122,914	10,856,469,360	65,386,835	2,346,521,391	20.81%	2,435,535,831	2,346,521,391	20.81%	86,821,291	2,259,700,100
	2016	11,785,691,113	436,070,571	11,349,620,542	68,357,008	2,453,111,274	20.81%	2,564,119,380	2,453,111,274	20.81%	90,765,117	2,362,346,157
	2017	12,331,345,217	456,259,773	11,875,085,444	71,521,802	2,566,685,457	20.81%	2,686,353,853	2,566,685,457	20.81%	94,967,362	2,471,718,095
	2018	12,906,144,863	477,527,360	12,428,617,503	74,855,640	2,686,326,085	20.81%	2,816,413,689	2,686,326,085	20.81%	99,394,065	2,586,932,020
	2019	13,510,149,012	499,875,513	13,010,273,499	78,358,864	2,812,045,432	20.81%	2,954,313,416	2,812,045,432	20.81%	104,045,681	2,707,999,751
	2020	14,147,962,617	523,474,617	13,624,488,000	82,058,183	2,944,801,987	20.81%	3,087,014,137	2,944,801,987	20.81%	108,957,674	2,835,844,313

Notes:

- (1) The administrative staff of the System estimated the Federal Funds contribution for fiscal years prior to 2006. Commencing with the contribution for fiscal 2006, total payroll for the valuation is split into State and Federal Funds payrolls. Federal Funds payrolls for 2006 - 2008 were estimated to be 4.33%, 5.32%, and 4.40%, respectively, of total payrolls for those years. For 2009 the estimate is 3.70% of total payroll. All payrolls are assumed to increase at the same rate for years subsequent to 2009.
- (2) School District contributions included in this schedule commenced in fiscal 1999. They were estimated to be 0.30% of total payroll for fiscal 1999, 0.18% of total payroll for fiscal 2003, and 0.58% of total payrolls for all other years. Schedule excludes School District payments required by s. 16-128(d-10); 16-133.2; and 16-158(f).
- (3) Federal Funds and State contributions for years subsequent to 2005 are equal to each group's respective payroll multiplied by the Combined State and Federal Funds Required Rate.
- (4) Schedule excludes State ERI contributions of \$1,000,000 for 2004, and \$1,684,000 for 2005 (under Public Act 92-0056, as amended).
- (5) The sum of the amounts in columns (A), (B), and (C) equals the Total Amount of Employer Contribution shown on Schedule XIII.



**SCHEDULE XIII**

**ITEMIZATION OF EMPLOYER CONTRIBUTION TO BENEFIT TRUST RESERVE  
(Continued)**

Year Ended June 30	Assumed Payrolls			(A) School District Sec. 16-158(e) Contribution	Combined State and Federal Funds					(B) Required Federal Funds Contribution	(C) Required State Contribution
	Total	Federal Funds	State		Calculations Required by PA 94-0004			Required Amount	Required Rate		
					Formula Amount	Formula Rate	Maximum Amount				
2021	14,819,534,396	548,322,773	14,271,211,623	85,953,299	3,084,585,075	20.81%	3,229,497,945	3,084,585,075	20.81%	114,129,648	2,970,455,427
2022	15,526,066,833	574,464,473	14,951,602,360	90,051,188	3,231,644,985	20.81%	3,382,061,147	3,231,644,985	20.81%	119,570,864	3,112,074,121
2023	16,266,706,860	601,868,154	15,664,838,706	94,346,900	3,385,804,159	20.81%	3,544,493,538	3,385,804,159	20.81%	125,274,754	3,260,529,405
2024	17,037,843,689	630,400,216	16,407,443,473	98,819,493	3,546,311,034	20.81%	3,701,110,380	3,546,311,034	20.81%	131,213,508	3,415,097,526
2025	17,841,557,622	660,137,632	17,181,419,990	103,481,034	3,713,598,611	20.81%	3,868,351,099	3,713,598,611	20.81%	137,403,149	3,576,195,463
2026	18,677,150,261	691,054,560	17,986,095,701	108,327,472	3,887,521,523	20.81%	4,060,505,715	3,887,521,523	20.81%	143,838,296	3,743,683,226
2027	19,539,638,534	722,966,626	18,816,671,908	113,329,903	4,067,042,579	20.81%	4,260,796,800	4,067,042,579	20.81%	150,480,575	3,916,562,004
2028	20,428,603,397	755,858,326	19,672,745,071	118,485,900	4,252,074,555	20.81%	4,454,326,096	4,252,074,555	20.81%	157,326,759	4,094,747,797
2029	21,359,850,896	790,314,483	20,569,536,413	123,887,135	4,445,907,375	20.81%	4,660,537,932	4,445,907,375	20.81%	164,498,573	4,281,408,803
2030	22,332,627,911	826,307,233	21,506,320,678	129,529,242	4,648,384,280	20.81%	4,864,451,729	4,648,384,280	20.81%	171,990,218	4,476,394,062
2031	23,340,891,650	863,612,991	22,477,278,659	135,377,172	4,858,247,505	20.81%	5,080,128,024	4,858,247,505	20.81%	179,755,158	4,678,492,347
2032	24,383,470,294	902,188,401	23,481,281,893	141,424,128	5,075,253,144	20.81%	5,322,073,067	5,075,253,144	20.81%	187,784,366	4,887,468,777
2033	25,459,814,801	942,013,148	24,517,801,653	147,666,926	5,299,286,917	20.81%	5,589,397,023	5,299,286,917	20.81%	196,073,616	5,103,213,301
2034	26,578,417,330	983,401,441	25,595,015,889	154,154,821	5,532,116,408	20.81%	6,549,212,908	5,532,116,408	20.81%	204,688,307	5,327,428,101
2035	27,748,695,317	1,026,701,727	26,721,993,590	160,942,433	5,775,701,795	20.81%	6,837,582,212	5,775,701,795	20.81%	213,700,966	5,562,000,829
2036	28,976,556,044	1,072,132,574	27,904,423,470	168,064,025	6,031,272,636	20.81%	7,140,140,533	6,031,272,636	20.81%	223,157,088	5,808,115,549
2037	30,272,233,463	1,120,072,638	29,152,160,825	175,578,954	6,300,959,060	20.81%	7,459,409,630	6,300,959,060	20.81%	233,135,485	6,067,823,575
2038	31,630,224,423	1,170,318,304	30,459,906,119	183,455,302	6,583,615,622	20.81%	7,794,033,464	6,583,615,622	20.81%	243,593,778	6,340,021,844
2039	33,065,112,455	1,223,409,161	31,841,703,294	191,777,652	6,882,277,786	20.81%	8,147,605,579	6,882,277,786	20.81%	254,644,278	6,627,633,508
2040	34,612,075,551	1,280,646,795	33,331,428,756	200,750,038	7,204,267,610	20.81%	8,528,794,216	7,204,267,610	20.81%	266,557,901	6,937,709,709
2041	36,250,855,102	1,341,281,639	34,909,573,463	210,254,960	7,545,368,403	20.81%	8,932,607,432	7,545,368,403	20.81%	279,178,631	7,266,189,772
2042	37,965,910,490	1,404,738,688	36,561,171,802	220,202,281	7,902,345,493	20.81%	9,355,215,850	7,902,345,493	20.81%	292,386,783	7,609,958,709
2043	39,752,329,194	1,470,836,180	38,281,493,014	230,563,509	8,274,176,370	20.81%	9,795,408,970	8,274,176,370	20.81%	306,144,526	7,968,031,845
2044	41,618,221,085	1,539,874,180	40,078,346,905	241,385,682	8,662,549,049	20.81%	10,255,185,152	8,662,549,049	20.81%	320,514,315	8,342,034,735
2045	43,570,206,127	1,612,097,627	41,958,108,500	252,707,196	9,068,841,430	20.81%	10,736,175,628	9,068,841,430	20.81%	335,547,133	8,733,294,297
2046	45,613,576,754	1,687,702,340	43,925,874,414	264,558,745	4,308,956,738	9.45%	4,308,956,738	4,308,956,738	9.45%	159,431,399	4,149,525,338

Notes:

- (1) The administrative staff of the System estimated the Federal Funds contribution for fiscal years prior to 2006. Commencing with the contribution for fiscal 2006, total payroll for the valuation is split into State and Federal Funds payrolls. Federal Funds payrolls for 2006 - 2008 were estimated to be 4.33%, 5.32%, and 4.40%, respectively, of total payrolls for those years. For 2009 the estimate is 3.70% of total payroll. All payrolls are assumed to increase at the same rate for years subsequent to 2009.
- (2) School District contributions included in this schedule commenced in fiscal 1999. They were estimated to be 0.30% of total payroll for fiscal 1999, 0.18% of total payroll for fiscal 2003, and 0.58% of total payrolls for all other years. Schedule excludes School District payments required by s. 16-128(d-10); 16-133.2; and 16-158(f).
- (3) Federal Funds and State contributions for years subsequent to 2005 are equal to each group's respective payroll multiplied by the Combined State and Federal Funds Required Rate.
- (4) Schedule excludes State ERI contributions of \$1,000,000 for 2004, and \$1,684,000 for 2005 (under Public Act 92-0056, as amended).
- (5) The sum of the amounts in columns (A), (B), and (C) equals the Total Amount of Employer Contribution shown on Schedule XIII.

**SCHEDULE XIIB**

**ADDITIONAL DETAIL OF EMPLOYER CONTRIBUTION TO BENEFIT TRUST RESERVE**

	Year Ended June 30	School District Contributions			Required Federal Funds Contribution	Required State Contribution	Total All Employers
		Sec.16-158(e) (2.2 Formula)	Sec.16-158(f) (Pay Increases)	Sec.16-133.2 (ERO)			
<b>FROM PRE-2007 VALUATIONS</b>	1995				\$16,500,000	\$262,864,800	\$279,364,800
	1996				17,000,000	324,276,242	\$341,276,242
	1997				17,300,000	377,968,984	\$395,268,984
	1998				18,000,000	460,439,267	\$478,439,267
	1999	16,675,000			18,500,000	567,067,600	\$602,242,600
	2000	34,145,066			18,200,000	634,038,560	\$686,383,626
	2001	36,375,498			20,000,000	719,356,841	\$775,732,339
	2002	38,664,380			23,000,000	810,618,724	\$872,283,104
	2003	12,808,373			25,000,000	926,049,918	\$963,858,291
	2004	42,604,912			29,400,000	1,028,258,994	\$1,100,263,906
	2005	44,481,074			37,860,000	903,927,532	\$986,268,606
	2006	45,656,648	14,974,781	See note (3)	24,070,387	531,827,700	\$616,529,516
	2007	46,047,720	19,353,893	160,339,640	41,328,022	735,514,500	\$1,002,583,775
2008	48,102,405	0	83,137,070	47,829,058	1,039,194,988	\$1,218,263,521	
	<b>2009</b>	<b>51,141,422</b>	<b>3,000,000</b>	<b>98,983,510</b>	<b>55,707,046</b>	<b>1,449,888,800</b>	<b>\$1,658,720,778</b>
<b>PROJECTED</b>	2010	53,228,882	3,000,000	88,963,700	70,677,840	1,839,534,058	\$2,055,404,481
	2011	55,406,425	4,000,000	84,325,630	73,569,203	1,914,787,627	\$2,132,088,884
	2012	57,668,484	5,000,000	82,557,080	76,572,788	1,992,962,027	\$2,214,760,380
	2013	60,063,392	5,000,000	76,355,140	79,752,771	2,075,727,515	\$2,296,898,818
	2014	62,627,130	6,376,690	69,930,740	83,156,927	2,164,327,596	\$2,386,419,084
	2015	65,386,835	6,091,810	64,970,150	86,821,291	2,259,700,100	\$2,482,970,186
	2016	68,357,008	5,847,510	62,217,980	90,765,117	2,362,346,157	\$2,589,533,772
	2017	71,521,802	5,769,890	65,936,460	94,967,362	2,471,718,095	\$2,709,913,609
	2018	74,855,640	5,924,850	73,682,050	99,394,065	2,586,932,020	\$2,840,788,625
	2019	78,358,864	6,169,500	79,466,100	104,045,681	2,707,999,751	\$2,976,039,896
	2020	82,058,183	6,332,210	82,098,340	108,957,674	2,835,844,313	\$3,115,290,720

Notes:

- (1) The administrative staff of the System estimated the Federal Funds contribution for fiscal years prior to 2006.
- (2) Commencing with the contribution for fiscal 2006, total payroll for the valuation is split into State and Federal Fund payrolls, and the required contribution rate for Federal Funds is calculated to be the same as the State contribution rate.
- (3) School District contributions: Sec. 16-158(e) contributions in this schedule were estimated to be 0.30% of total payroll for fiscal 1999, 0.18% of total payroll for fiscal 2003, and 0.58% of total payrolls for all other years subsequent to 1999. Sec. 16-158(f) contributions for 2008 – 2013 were estimated by the administrative staff of the System. Commencing with the contribution for fiscal 2007, Sec. 16-133.2 contributions are estimated in this schedule. Contributions under Sec. 16-128(d-10) for excess sick leave accruals are projected to be zero in the valuation (and in this schedule). Note (5) and the Additional Information following Schedule IB discuss the School District contributions.
- (4) State ERI contributions of \$1,000,000 for 2004, and \$1,684,000 for 2005 (under PA 92-0056, as amended) are included above.
- (5) The sum of the School District Sec. 16-158(e) contributions and the required State and Federal Funds contributions, minus the State ERI contributions in note (4), is equal to the Total Amount of Employer Contribution shown on Schedule XIII.

**SCHEDULE XIIB**

**ADDITIONAL DETAIL OF EMPLOYER CONTRIBUTION TO BENEFIT TRUST RESERVE  
(Continued)**

Year Ended June 30	School District Contributions				Required Federal Funds Contribution	Required State Contribution	Total All Employers
	Sec.16-158(e) (2.2 Formula)	Sec.16-158(f) (Pay Increases)	Sec.16-133.2 (ERO)	Total			
2021	85,953,299	6,559,920	86,207,000	178,720,219	114,129,648	2,970,455,427	\$3,263,305,294
2022	90,051,188	6,842,340	91,177,830	188,071,358	119,570,864	3,112,074,121	\$3,419,716,343
2023	94,346,900	7,221,980	101,292,470	202,861,350	125,274,754	3,260,529,405	\$3,588,665,509
2024	98,819,493	7,828,480	117,466,980	224,114,953	131,213,508	3,415,097,526	\$3,770,425,987
2025	103,481,034	8,416,560	127,821,110	239,718,704	137,403,149	3,576,195,463	\$3,953,317,315
2026	108,327,472	9,141,420	141,881,710	259,350,602	143,838,296	3,743,683,226	\$4,146,872,125
2027	113,329,903	10,196,200	165,608,050	289,134,153	150,480,575	3,916,562,004	\$4,356,176,732
2028	118,485,900	11,206,660	182,486,390	312,178,950	157,326,759	4,094,747,797	\$4,564,253,505
2029	123,887,135	11,721,330	173,552,750	309,161,215	164,498,573	4,281,408,803	\$4,755,068,590
2030	129,529,242	12,314,070	183,105,360	324,948,672	171,990,218	4,476,394,062	\$4,973,332,952
2031	135,377,172	13,449,030	201,516,380	350,342,582	179,755,158	4,678,492,347	\$5,208,590,087
2032	141,424,128	14,795,360	226,639,220	382,858,708	187,784,366	4,887,468,777	\$5,458,111,852
2033	147,666,926	16,119,730	240,025,380	403,812,036	196,073,616	5,103,213,301	\$5,703,098,953
2034	154,154,821	17,161,180	246,518,120	417,834,121	204,688,307	5,327,428,101	\$5,949,950,529
2035	160,942,433	17,808,520	244,957,140	423,708,093	213,700,966	5,562,000,829	\$6,199,409,888
2036	168,064,025	18,895,490	259,014,110	445,973,625	223,157,088	5,808,115,549	\$6,477,246,261
2037	175,578,954	20,002,550	274,894,320	470,475,824	233,135,485	6,067,823,575	\$6,771,434,884
2038	183,455,302	20,810,480	291,571,080	495,836,862	243,593,778	6,340,021,844	\$7,079,452,484
2039	191,777,652	21,181,080	279,048,750	492,007,482	254,644,278	6,627,633,508	\$7,374,285,268
2040	200,750,038	20,127,910	211,619,940	432,497,888	266,557,901	6,937,709,709	\$7,636,765,498
2041	210,254,960	22,532,000	291,845,930	524,632,890	279,178,631	7,266,189,772	\$8,070,001,293
2042	220,202,281	25,772,820	301,752,610	547,727,711	292,386,783	7,609,958,709	\$8,450,073,204
2043	230,563,509	28,822,390	316,533,340	575,919,239	306,144,526	7,968,031,845	\$8,850,095,609
2044	241,385,682	31,248,910	331,352,700	603,987,292	320,514,315	8,342,034,735	\$9,266,536,341
2045	252,707,196	32,363,450	345,528,720	630,599,366	335,547,133	8,733,294,297	\$9,699,440,796
2046	264,558,745	34,048,590	359,352,720	657,960,055	159,431,399	4,149,525,338	\$4,966,916,793

**PROJECTED**

Notes:

- (1) The administrative staff of the System estimated the Federal Funds contribution for fiscal years prior to 2006.
- (2) Commencing with the contribution for fiscal 2006, total payroll for the valuation is split into State and Federal Fund payrolls, and the required contribution rate for Federal Funds is calculated to be the same as the State contribution rate.
- (3) School District contributions: Sec. 16-158(e) contributions in this schedule were estimated to be 0.30% of total payroll for fiscal 1999, 0.18% of total payroll for fiscal 2003, and 0.58% of total payrolls for all other years subsequent to 1999. Sec. 16-158(f) contributions for 2008 – 2013 were estimated by the administrative staff of the System. Commencing with the contribution for fiscal 2007, Sec. 16-133.2 contributions are estimated in this schedule. Contributions under Sec. 16-128(d-10) for excess sick leave accruals are projected to be zero in the valuation (and in this schedule). Note (5) and the Additional Information following Schedule IB discuss the School District contributions.
- (4) State ERI contributions of \$1,000,000 for 2004, and \$1,684,000 for 2005 (under PA 92-0056, as amended) are included above.
- (5) The sum of the School District Sec. 16-158(e) contributions and the required State and Federal Funds contributions, minus the State ERI contributions in note (4), is equal to the Total Amount of Employer Contribution shown on Schedule XIII.

**SCHEDULE XIII**

**FISCAL YEAR 2009 EMPLOYER CONTRIBUTION BASED ON  
50-YEAR PROJECTION FOR BENEFIT TRUST RESERVE  
(50-YEAR AMORTIZATION WITH 15 YEAR PHASE-IN BEGINNING FISCAL YEAR 1996)**

	Year Ended June 30	Amort. Year	End of Year		Employer Rate (see notes)			Amount of Employer Contribution (see notes)			Assumed Payroll
			Funded Ratio	Unfunded Pension Benefit Obligation	Total	Normal Cost	Amortization	Total	Normal Cost	Amortization	
<b>CERTIFIED</b>	1995	0	52.7%	\$11,338,701,000	6.03%	8.12%	-2.09%	\$279,364,800	\$376,122,700	(\$96,757,900)	\$4,633,650,000
	1996	1	52.9%	12,312,083,000	7.02%	8.23%	-1.21%	341,276,242	400,134,055	(58,857,812)	4,863,544,432
	1997	2	64.5%	9,558,477,000	8.06%	8.21%	-0.15%	395,268,984	402,771,457	(7,502,473)	4,903,151,093
	1998	3	66.8%	9,942,354,000	9.09%	8.38%	0.70%	478,439,267	441,403,004	37,036,263	5,264,732,966
	1999	4	67.0%	10,967,804,000	10.83%	7.84%	2.99%	602,242,600	435,910,961	166,331,639	5,558,349,721
	2000	5	68.2%	11,404,991,000	11.66%	8.15%	3.51%	686,383,626	479,928,856	206,454,770	5,887,080,405
	2001	6	59.5%	15,851,051,000	12.37%	8.65%	3.71%	775,732,339	542,794,806	232,937,533	6,271,637,672
	2002	7	52.0%	20,681,389,000	13.09%	8.84%	4.25%	872,283,104	588,971,933	283,311,171	6,666,272,399
	2003	8	49.3%	23,808,609,000	13.55%	8.83%	4.71%	963,858,291	628,536,783	335,321,507	7,115,762,553
	2004	9	61.9%	19,402,722,000	14.96%	8.15%	6.82%	1,099,263,906	598,462,925	500,800,982	7,345,674,585
	2005	10	60.8%	21,989,811,000	12.84%	8.32%	4.52%	984,584,606	637,971,250	346,613,356	7,669,150,690
	2006	11	62.0%	22,412,024,000	7.64%	8.20%	-0.57%	601,554,735	645,705,698	(44,150,963)	7,871,835,902
	2007	12	63.8%	23,739,077,000	10.36%	8.20%	2.17%	822,890,242	650,835,074	172,055,168	7,939,262,146
2008	13	63.5%	25,227,264,980	13.69%	8.22%	5.47%	1,135,126,451	681,651,502	453,474,949	8,293,518,065	
<b>PROJECTED</b>	<b>2009</b>	<b>14</b>	<b>63.7%</b>	<b>26,475,940,340</b>	<b>17.66%</b>	<b>9.27%</b>	<b>8.39%</b>	<b>1,556,737,268</b>	<b>817,320,366</b>	<b>739,416,902</b>	<b>8,817,486,572</b>
	2010	15	64.2%	27,439,721,465	21.39%	9.11%	12.29%	1,963,440,781	835,997,431	1,127,443,350	9,177,393,475
	2011	16	64.7%	28,427,627,468	21.39%	8.95%	12.45%	2,043,763,254	854,912,751	1,188,850,503	9,552,831,814
	2012	17	65.2%	29,435,320,073	21.39%	8.79%	12.61%	2,127,203,300	873,907,443	1,253,295,856	9,942,842,112
	2013	18	65.6%	30,467,381,872	21.39%	8.64%	12.76%	2,215,543,678	894,666,208	1,320,877,470	10,355,757,245
	2014	19	66.0%	31,520,953,349	21.39%	8.51%	12.89%	2,310,111,654	918,816,908	1,391,294,746	10,797,781,029
	2015	20	66.4%	32,594,815,847	21.39%	8.41%	12.99%	2,411,908,226	948,031,580	1,463,876,646	11,273,592,274
	2016	21	66.8%	33,687,050,896	21.39%	8.35%	13.05%	2,521,468,282	984,024,156	1,537,444,126	11,785,691,113
	2017	22	67.2%	34,787,723,788	21.39%	8.30%	13.10%	2,638,207,259	1,023,416,849	1,614,790,410	12,331,345,217
	2018	23	67.6%	35,890,936,141	21.39%	8.27%	13.13%	2,761,181,725	1,067,249,423	1,693,932,302	12,906,144,863
	2019	24	68.0%	36,996,268,361	21.39%	8.25%	13.15%	2,890,404,296	1,114,494,382	1,775,909,914	13,510,149,012
	2020	25	68.4%	38,105,330,855	21.39%	8.25%	13.15%	3,026,860,170	1,167,109,618	1,859,750,551	14,147,962,617

Notes:

- Above contributions to the Benefit Trust Reserve represent the sum of State and Federal Funds Contributions, as well as School District Contributions for the 2.2% formula (commencing in 1999). A breakdown of the total amounts by source is shown on Schedule XIII.A. Sec. 16-158 requires calculations of State contribution amounts as shown in Schedule IB beginning in FY 2005.
- The following employer contributions to the Benefit Trust Reserve were taken into account when determining the above schedule, but are not included in this schedule: (a) State ERI contributions of \$1,000,000 for fiscal year 2004 and \$1,684,000 for fiscal year 2005, which were made under a separate funding plan. (Beginning in fiscal year 2007, the cost of ERI is part of the 50-year funding plan, and included in this schedule); (b) School District Contributions to the Benefit Trust Reserve under Sec. 16-133.2 and 16-158(f), which are shown in Schedule XIII.B; and (c) for FY 1999, additional State funding due to PA 90-0582, and \$9,695,600 in additional State Pensions Fund appropriations. No School District contributions are anticipated under Sec. 16-128(d-10).
- Amortization rate in fiscal years 1995-1997 and 2006 is negative on account of the fact that contributions do not cover normal cost.
- Employer Rates, Contribution Amounts, and Assumed Payroll shown for fiscal years 1995 - 2008 are based on the June 30, 1993 - June 30, 2006 actuarial valuations (2004 as recertified per PA 94-0004) and are certified amounts. Items shown for fiscal years subsequent to 2008 are based on the June 30, 2007 actuarial valuation and are projected rates and amounts.
- Modified ERO retirements are recognized commencing with the June 30, 2005 actuarial liability, while FY 2006 and FY 2007 Pipeline ERO retirements are first recognized in the June 30, 2006, and June 30, 2007 accrued liabilities.
- For calculation purposes, Employer Rates include 15 decimal places. For ease of presentation, only 2 decimal places are shown.
- Assumptions and methodology:
  - Prior to 1997: Return on Investment = 8.00%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.00%. Assets at cost value.
  - For 1997 and after: Return on Investment = 8.50%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.50%. Assets at market value.

**SCHEDULE XIII**

**FISCAL YEAR 2009 EMPLOYER CONTRIBUTION BASED ON  
50-YEAR PROJECTION FOR BENEFIT TRUST RESERVE  
(50-YEAR AMORTIZATION WITH 15 YEAR PHASE-IN BEGINNING FISCAL YEAR 1996)  
(Continued)**

PROJECTED

Year Ended June 30	Amort. Year	End of Year		Employer Rate (see notes)			Amount of Employer Contribution (see notes)			Assumed Payroll
		Funded Ratio	Unfunded Pension Benefit Obligation	Total	Normal Cost	Amortization	Total	Normal Cost	Amortization	
2021	26	68.9%	39,211,605,151	21.39%	8.25%	13.15%	3,170,538,374	1,222,509,672	1,948,028,702	14,819,534,396
2022	27	69.4%	40,310,650,591	21.39%	8.26%	13.14%	3,321,696,173	1,282,346,345	2,039,349,828	15,526,066,833
2023	28	69.9%	41,392,866,587	21.39%	8.28%	13.12%	3,480,151,059	1,346,771,459	2,133,379,599	16,266,706,860
2024	29	70.4%	42,447,725,887	21.39%	8.31%	13.09%	3,645,130,527	1,415,727,639	2,229,402,888	17,037,843,689
2025	30	71.0%	43,473,518,876	21.39%	8.33%	13.07%	3,817,079,645	1,486,079,051	2,331,000,594	17,841,557,622
2026	31	71.6%	44,458,825,657	21.39%	8.35%	13.05%	3,995,848,995	1,559,413,601	2,436,435,394	18,677,150,261
2027	32	72.3%	45,381,722,423	21.39%	8.35%	13.05%	4,180,372,482	1,631,425,441	2,548,947,042	19,539,638,534
2028	33	73.0%	46,243,532,338	21.39%	8.35%	13.05%	4,370,560,455	1,705,647,893	2,664,912,562	20,428,603,397
2029	34	73.7%	47,062,820,078	21.39%	8.35%	13.05%	4,569,794,510	1,783,400,655	2,786,393,855	21,359,850,896
2030	35	74.4%	47,809,169,983	21.39%	8.35%	13.05%	4,777,913,522	1,864,620,846	2,913,292,677	22,332,627,911
2031	36	75.2%	48,458,177,062	21.39%	8.34%	13.06%	4,993,624,677	1,946,469,845	3,047,154,832	23,340,891,650
2032	37	76.0%	48,986,030,051	21.39%	8.32%	13.08%	5,216,677,272	2,028,537,040	3,188,140,232	24,383,470,294
2033	38	76.8%	49,387,115,385	21.39%	8.28%	13.12%	5,446,953,843	2,107,897,575	3,339,056,268	25,459,814,801
2034	39	77.7%	49,653,140,556	21.39%	8.24%	13.16%	5,686,271,229	2,189,878,804	3,496,392,425	26,578,417,330
2035	40	78.6%	49,777,722,200	21.39%	8.21%	13.19%	5,936,644,228	2,277,977,054	3,658,667,174	27,748,695,317
2036	41	79.5%	49,715,545,490	21.39%	8.17%	13.23%	6,199,336,661	2,367,185,353	3,832,151,309	28,976,556,044
2037	42	80.5%	49,432,580,527	21.39%	8.12%	13.28%	6,476,538,014	2,457,897,171	4,018,640,843	30,272,233,463
2038	43	81.5%	48,905,135,302	21.39%	8.08%	13.32%	6,767,070,924	2,555,504,608	4,211,566,316	31,630,224,423
2039	44	82.5%	48,133,138,629	21.39%	8.04%	13.36%	7,074,055,438	2,658,207,648	4,415,847,790	33,065,112,455
2040	45	83.6%	47,136,366,493	21.39%	8.00%	13.40%	7,405,017,648	2,768,728,012	4,636,289,637	34,612,075,551
2041	46	84.8%	45,719,374,906	21.39%	7.96%	13.44%	7,755,623,363	2,885,318,764	4,870,304,600	36,250,855,102
2042	47	86.0%	43,915,815,146	21.39%	7.93%	13.47%	8,122,547,774	3,010,435,605	5,112,112,169	37,965,910,490
2043	48	87.3%	41,552,443,518	21.39%	7.60%	13.80%	8,504,739,879	3,020,903,636	5,483,836,243	39,752,329,194
2044	49	88.6%	38,821,885,477	21.39%	7.88%	13.52%	8,903,934,731	3,279,229,607	5,624,705,125	41,618,221,085
2045	50	90.0%	35,557,271,343	21.39%	7.86%	13.54%	9,321,548,626	3,424,318,563	5,897,230,063	43,570,206,127
2046	51	90.0%	37,110,677,072	10.03%	7.86%	2.17%	4,573,515,483	3,584,913,442	988,602,041	45,613,576,754

Notes:

- (1) Above contributions to the Benefit Trust Reserve represent the sum of State and Federal Funds Contributions, as well as School District Contributions for the 2.2% formula (commencing in 1999). A breakdown of the total amounts by source is shown on Schedule XIII. Sec. 16-158 requires calculations of State contribution amounts as shown in Schedule IB beginning in FY 2005.
- (2) The following employer contributions to the Benefit Trust Reserve were taken into account when determining the above schedule, but are not included in this schedule: (a) State ERI contributions of \$1,000,000 for fiscal year 2004 and \$1,684,000 for fiscal year 2005, which were made under a separate funding plan. (Beginning in fiscal year 2007, the cost of ERI is part of the 50-year funding plan, and included in this schedule); (b) School District Contributions to the Benefit Trust Reserve under Sec. 16-133.2 and 16-158(f), which are shown in Schedule XIIB; and (c) for FY 1999, additional State funding due to PA 90-0582, and \$9,695,600 in additional State Pensions Fund appropriations. No School District contributions are anticipated under Sec. 16-128(d-10).
- (3) Amortization rate in fiscal years 1995-1997 and 2006 is negative on account of the fact that contributions do not cover normal cost.
- (4) Employer Rates, Contribution Amounts, and Assumed Payroll shown for fiscal years 1995 - 2008 are based on the June 30, 1993 - June 30, 2006 actuarial valuations (2004 as recertified per PA 94-0004) and are certified amounts. Items shown for fiscal years subsequent to 2008 are based on the June 30, 2007 actuarial valuation and are projected rates and amounts.
- (5) Modified ERO retirements are recognized commencing with the June 30, 2005 actuarial liability, while FY 2006 and FY 2007 Pipeline ERO retirements are first recognized in the June 30, 2006, and June 30, 2007 accrued liabilities.
- (6) For calculation purposes, Employer Rates include 15 decimal places. For ease of presentation, only 2 decimal places are shown.
- (7) Assumptions and methodology:
  - Prior to 1997: Return on Investment = 8.00%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.00%. Assets at cost value.
  - For 1997 and after: Return on Investment = 8.50%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.50%. Assets at market value.

**SCHEDULE XIV**

**PROJECTION OF ASSETS, EMPLOYER, STATE AND FEDERAL FUNDS CONTRIBUTIONS WITHOUT PENSION OBLIGATION BONDS  
STATE'S DEBT SERVICE ON PENSION OBLIGATION BONDS, AND STATE AND FEDERAL FUND MAXIMUMS  
WITH PENSION OBLIGATION BONDS  
JUNE 30, 2007 VALUATION**

Year Ended June 30	End of Year Assets Without POB	Total Assumed Payroll	Without POB				State's Debt Service	With POB
			Required Employer (including Sec. 16-158(e))		Required State and Federal Funds			State and Federal Funds Maximum (Required Amount Minus Debt Service)
			Amount	Rate	Amount	Rate		
2003	23,124,823,000	7,115,762,553	963,858,291	13.55%	951,049,918	13.37%		
2004	26,501,701,000	7,345,674,585	1,099,263,906	14.96%	1,056,658,994	14.38%		
2005	28,812,420,000	7,669,150,690	1,278,235,766	16.67%	1,233,754,692	16.09%	293,651,160	940,103,532
2006	30,991,751,000	7,871,835,902	895,205,895	11.37%	849,549,247	10.79%	293,651,160	555,898,087
2007	35,571,482,266	7,939,262,146	1,116,541,402	14.06%	1,070,493,682	13.48%	293,651,160	776,842,522
2008	37,418,019,285	8,293,518,065	1,458,367,611	17.58%	1,410,265,206	17.00%	323,241,160	1,087,024,046
<b>2009</b>	<b>39,652,564,632</b>	<b>8,817,486,572</b>	<b>1,887,185,432</b>	<b>21.40%</b>	<b>1,836,044,010</b>	<b>20.82%</b>	<b>322,501,410</b>	<b>1,513,542,600</b>
2010	42,270,131,327	9,177,393,475	2,314,639,073	25.22%	2,261,410,191	24.64%	321,672,890	1,939,737,301
2011	44,953,142,183	9,552,831,814	2,409,328,731	25.22%	2,353,922,306	24.64%	320,696,420	2,033,225,886
2012	47,703,575,965	9,942,842,112	2,507,693,597	25.22%	2,450,025,113	24.64%	349,235,975	2,100,789,138
2013	50,514,523,293	10,355,757,245	2,611,835,312	25.22%	2,551,771,920	24.64%	347,016,725	2,204,755,195
2014	53,394,790,593	10,797,781,029	2,723,318,548	25.22%	2,660,691,418	24.64%	344,738,295	2,315,953,123
2015	56,365,060,634	11,273,592,274	2,843,323,351	25.22%	2,777,936,516	24.64%	342,400,685	2,435,535,831
2016	59,452,957,328	11,785,691,113	2,972,480,283	25.22%	2,904,123,275	24.64%	340,003,895	2,564,119,380
2017	62,690,828,265	12,331,345,217	3,110,100,220	25.22%	3,038,578,418	24.64%	352,224,565	2,686,353,853
2018	66,103,400,352	12,906,144,863	3,255,070,981	25.22%	3,180,215,341	24.64%	363,801,653	2,816,413,689
2019	69,704,506,705	13,510,149,012	3,407,407,438	25.22%	3,329,048,574	24.64%	374,735,158	2,954,313,416
2020	73,514,305,696	14,147,962,617	3,568,271,010	25.22%	3,486,212,827	24.64%	399,198,690	3,087,014,137

Note: This schedule shows how the maximum state and federal funds contributions under PA 94-0004 are determined. It shows projections of the amounts shown in Schedule IB, item 2: contributions that would have been required if there were no POB program, minus the debt service. Schedule excludes School District payments required by Sec. 16-128(d-10), 16-133.2, and 16-158(f) (because they are not a set percentage of payroll).

**SCHEDULE XIV**

**PROJECTION OF ASSETS, EMPLOYER, STATE AND FEDERAL FUNDS CONTRIBUTIONS WITHOUT PENSION OBLIGATION BONDS  
STATE'S DEBT SERVICE ON PENSION OBLIGATION BONDS, AND STATE AND FEDERAL FUND MAXIMUMS**

**JUNE 30, 2007 VALUATION**

**(Continued)**

Year Ended June 30	End of Year Assets Without POB	Total Assumed Payroll	Without POB				State's Debt Service	With POB
			Required Employer (Including Sec. 16-158(e))		Required State and Federal Funds			State and Federal Funds Maximum
			Amount	Rate	Amount	Rate		(Required Amount Minus Debt Service)
2021	77,561,226,977	14,819,534,396	3,737,648,762	25.22%	3,651,695,463	24.64%	422,197,518	3,229,497,945
2022	81,873,084,827	15,526,066,833	3,915,843,975	25.22%	3,825,792,787	24.64%	443,731,640	3,382,061,147
2023	86,481,659,838	16,266,706,860	4,102,641,495	25.22%	4,008,294,595	24.64%	463,801,058	3,544,493,538
2024	91,417,844,720	17,037,843,689	4,297,130,643	25.22%	4,198,311,150	24.64%	497,200,770	3,701,110,380
2025	96,701,228,497	17,841,557,622	4,499,836,093	25.22%	4,396,355,059	24.64%	528,003,960	3,868,351,099
2026	102,362,263,367	18,677,150,261	4,710,581,702	25.22%	4,602,254,230	24.64%	541,748,515	4,060,505,715
2027	108,428,766,054	19,539,638,534	4,928,110,683	25.22%	4,814,780,780	24.64%	553,983,980	4,260,796,800
2028	114,906,014,570	20,428,603,397	5,152,317,351	25.22%	5,033,831,451	24.64%	579,505,355	4,454,326,096
2029	121,794,713,130	21,359,850,896	5,387,188,162	25.22%	5,263,301,027	24.64%	602,763,095	4,660,537,932
2030	129,149,296,828	22,332,627,911	5,632,533,171	25.22%	5,503,003,929	24.64%	638,552,200	4,864,451,729
2031	137,003,089,327	23,340,891,650	5,886,828,321	25.22%	5,751,451,149	24.64%	671,323,125	5,080,128,024
2032	145,379,419,082	24,383,470,294	6,149,778,065	25.22%	6,008,353,937	24.64%	686,280,870	5,322,073,067
2033	154,279,855,328	25,459,814,801	6,421,243,929	25.22%	6,273,577,003	24.64%	684,179,980	5,589,397,023
2034	163,722,384,075	26,578,417,330	6,703,367,729	25.22%	6,549,212,908	24.64%	-	6,549,212,908
2035	173,740,571,491	27,748,695,317	6,998,524,645	25.22%	6,837,582,212	24.64%	-	6,837,582,212
2036	184,398,611,798	28,976,556,044	7,308,204,558	25.22%	7,140,140,533	24.64%	-	7,140,140,533
2037	195,747,093,450	30,272,233,463	7,634,988,584	25.22%	7,459,409,630	24.64%	-	7,459,409,630
2038	207,840,953,986	31,630,224,423	7,977,488,766	25.22%	7,794,033,464	24.64%	-	7,794,033,464
2039	220,706,265,748	33,065,112,455	8,339,383,231	25.22%	8,147,605,579	24.64%	-	8,147,605,579
2040	234,402,480,168	34,612,075,551	8,729,544,254	25.22%	8,528,794,216	24.64%	-	8,528,794,216
2041	249,179,493,795	36,250,855,102	9,142,862,392	25.22%	8,932,607,432	24.64%	-	8,932,607,432
2042	265,034,670,756	37,965,910,490	9,575,418,131	25.22%	9,355,215,850	24.64%	-	9,355,215,850
2043	282,052,054,205	39,752,329,194	10,025,972,479	25.22%	9,795,408,970	24.64%	-	9,795,408,970
2044	300,337,161,363	41,618,221,085	10,496,570,834	25.22%	10,255,185,152	24.64%	-	10,255,185,152
2045	320,015,442,088	43,570,206,127	10,988,882,824	25.22%	10,736,175,628	24.64%	-	10,736,175,628
2046	333,996,093,644	45,613,576,754	4,573,515,483	10.03%	4,308,956,738	9.45%	-	4,308,956,738

Note: This schedule shows how the maximum state and federal funds contributions under PA 94-0004 are determined. It shows projections of the amounts shown in Schedule IB, item 2: contributions that would have been required if there were no POB program, minus the debt service. Schedule excludes School District payments required by Sec. 16-128(d-10), 16-133.2, and 16-158(f) (because they are not a set percentage of payroll).

**SCHEDULE XV**  
**50-YEAR PROJECTION OF FUNDED STATUS**  
**UNDER PUBLIC ACT 94-0004**

Year Ended June 30	End of Year			
	Pension Benefit Obligation	Value of Assets	Unfunded Pension Benefit Obligation	Funded Ratio
1995	\$ 23,980,566,000	\$ 12,641,865,000	\$ 11,338,701,000	52.7%
1996	26,141,794,000	13,829,711,000	12,312,083,000	52.9%
1997	26,951,585,000	17,393,108,000	9,558,477,000	64.5%
1998	29,908,241,000	19,965,887,000	9,942,354,000	66.8%
1999	33,205,513,000	22,237,709,000	10,967,804,000	67.0%
2000	35,886,404,000	24,481,413,000	11,404,991,000	68.2%
2001	39,166,697,000	23,315,646,000	15,851,051,000	59.5%
2002	43,047,674,000	22,366,285,000	20,681,389,000	52.0%
2003	46,933,432,000	23,124,823,000	23,808,609,000	49.3%
2004	50,947,451,000	31,544,729,000	19,402,722,000	61.9%
2005	56,075,029,000	34,085,218,000	21,989,811,000	60.8%
2006	58,996,913,000	36,584,889,000	22,412,024,000	62.0%
2007	65,648,395,000	41,909,318,000	23,739,077,000	63.8%
2008	69,204,920,136	43,977,655,157	25,227,264,980	63.5%
<b>2009</b>	<b>72,901,504,070</b>	<b>46,425,563,731</b>	<b>26,475,940,340</b>	<b>63.7%</b>
2010	76,692,736,967	49,253,015,501	27,439,721,465	64.2%
2011	80,576,413,794	52,148,786,326	28,427,627,468	64.7%
2012	84,549,838,557	55,114,518,484	29,435,320,073	65.2%
2013	88,609,987,221	58,142,605,349	30,467,381,872	65.6%
2014	92,761,802,899	61,240,849,550	31,520,953,349	66.0%
2015	97,023,474,074	64,428,658,227	32,594,815,847	66.4%
2016	101,419,222,480	67,732,171,584	33,687,050,896	66.8%
2017	105,969,960,082	71,182,236,294	34,787,723,788	67.2%
2018	110,693,062,692	74,802,126,551	35,890,936,141	67.6%
2019	115,600,365,286	78,604,096,925	36,996,268,361	68.0%
2020	120,711,740,362	82,606,409,508	38,105,330,855	68.4%

Notes: The projection of assets is based upon the assumption that the Employer maintains the funding policy under Public Act 94-0004 that begins with fiscal year 2006.

Projected amounts may not add to the dollar due to rounding.



**SCHEDULE XV**  
**50-YEAR PROJECTION OF FUNDED STATUS**  
**UNDER PUBLIC ACT 94-0004**  
**(Continued)**

Year Ended June 30	End of Year			
	Pension Benefit Obligation	Value of Assets	Unfunded Pension Benefit Obligation	Funded Ratio
2021	126,047,043,679	86,835,438,529	39,211,605,151	68.9%
2022	131,627,370,797	91,316,720,206	40,310,650,591	69.4%
2023	137,472,464,023	96,079,597,436	41,392,866,587	69.9%
2024	143,600,187,847	101,152,461,960	42,447,725,887	70.4%
2025	150,025,625,203	106,552,106,328	43,473,518,876	71.0%
2026	156,764,802,059	112,305,976,402	44,458,825,657	71.6%
2027	163,820,548,087	118,438,825,663	45,381,722,423	72.3%
2028	171,196,157,543	124,952,625,206	46,243,532,338	73.0%
2029	178,906,681,275	131,843,861,197	47,062,820,078	73.7%
2030	186,971,592,151	139,162,422,167	47,809,169,983	74.4%
2031	195,395,116,694	146,936,939,632	48,458,177,062	75.2%
2032	204,171,727,826	155,185,697,775	48,986,030,051	76.0%
2033	213,291,930,065	163,904,814,680	49,387,115,385	76.8%
2034	222,759,163,911	173,106,023,355	49,653,140,556	77.7%
2035	232,593,452,272	182,815,730,072	49,777,722,200	78.6%
2036	242,805,670,585	193,090,125,095	49,715,545,490	79.5%
2037	253,403,285,176	203,970,704,649	49,432,580,527	80.5%
2038	264,407,895,868	215,502,760,566	48,905,135,302	81.5%
2039	275,834,456,911	227,701,318,281	48,133,138,629	82.5%
2040	287,748,807,597	240,612,441,103	47,136,366,493	83.6%
2041	300,191,681,904	254,472,306,998	45,719,374,906	84.8%
2042	313,179,830,034	269,264,014,888	43,915,815,146	86.0%
2043	326,608,769,525	285,056,326,007	41,552,443,518	87.3%
2044	340,759,738,893	301,937,853,416	38,821,885,477	88.6%
2045	355,572,713,431	320,015,442,088	35,557,271,343	90.0%
2046	371,106,770,716	333,996,093,644	37,110,677,072	90.0%

Notes: The projection of assets is based upon the assumption that the Employer maintains the funding policy under Public Act 94-0004 that begins with fiscal year 2006.

Projected amounts may not add to the dollar due to rounding.

**SECTION IX****STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS**

(Adopted effective June 30, 2007 except as otherwise noted.)

INTEREST RATE: 8.5% per annum, compounded annually. (Adopted effective June 30, 1997.)  
The interest rate assumption includes the following components, which were revised effective June 30, 2002: inflation 3.5%, and real rate of return 5.0%.

SEPARATIONS FROM ACTIVE SERVICE (OTHER THAN SERVICE RETIREMENT) AND SALARY INCREASES: Representative values of the assumed rates of separation, and annual rates of salary increase, are shown in the following table:

Age	Annual Rates * of				
	Termination		Death**	Disability	Salary Increase
	Non-vested	Vested			
<u>Males</u>					
25	7.0	6.0	.059	.034	10.2%
30	6.5	3.7	.060	.030	8.4%
40	8.0	1.6	.084	.060	7.2%
50	9.4	1.1	.161	.110	6.0%
55	12.0	1.4	.255	.130	6.0%
60	12.6	2.6	.497	.200	6.0%
65	12.6	3.1	.992	.600	6.0%
70	—	—	—	—	—
<u>Females</u>					
25	8.1	9.0	.013	.045	10.2%
30	9.0	8.0	.018	.100	8.4%
40	6.6	2.4	.043	.110	7.2%
50	6.2	1.3	.105	.190	6.0%
55	8.7	1.7	.157	.200	6.0%
60	11.1	2.9	.238	.350	6.0%
65	11.1	3.0	.494	1.50	6.0%
70	—	—	—	—	—

\* Rates of separation are rates per 100 participants. For example, 7% of all 25 year-old actively employed non-vested male members (i.e., 7.0 per 100) are assumed to terminate employment each year for reasons other than death, disability, or service retirement.

\*\* Projected mortality improvements are phased in over the next four years with the Society of Actuaries Mortality Projection Scale AA.

The basic salary increase assumption averages 6.75% per annum plus an additional 0.25% per annum to cover employment type and status changes, for a composite recommended increase that averages approximately 7.0% per annum.

The salary increase assumption includes the following components:

- Inflation: 3.5%
- Real wage growth (productivity): 1.2%
- Merit or seniority (includes employment type and status changes): ranges from 6.4 % at age 20 to 1.3% at age 50 and above.

- **SERVICE RETIREMENT FROM ACTIVE SERVICE AND UTILIZATION OF ERO:** The assumed rates of retirement and utilization of ERO are shown in the following tables:

Annual Service Retirement Rates per 100 Eligible Participants					
Age**	Service*				
	5-18	19-30	31	32-33	34+
54	-	7	12	38	40
55	-	12	20	38	40
56	-	10	18	38	32
57	-	10	18	38	32
58	-	10	18	38	32
59	-	25	27	45	37
60	14	27	45	45	37
61	13	24	45	45	37
62	13	28	45	45	37
63	13	28	45	45	37
64	18	33	45	45	37
65-69	23	33	45	45	30
70	100	100	100	100	100

Utilization of ERO among All Active Service Retirees***						
Service*	Age**					
	54	55	56	57	58	59
19 – 30	63%	70%	69%	65%	63%	25%
31	72%	72%	71%	71%	71%	38%
32	66%	68%	68%	67%	66%	45%
33	66%	68%	68%	67%	66%	45%

## Notes:

\* Active member service rounded to nearest year on June 30 prior to retirement

\*\* Age rounded to nearest year on June 30 prior to retirement

\*\*\*ERO Utilization Rates are applied only to members who have less than 35 years of total service at the assumed retirement date (including assumed sick leave and optional service purchased at retirement). Based on the sick leave and optional service assumptions, the majority of members with 33 years of service at the beginning of the year of retirement will not be assumed to retire on ERO because they will be assumed to have at least 35 years of service at retirement.

In addition, ERO Utilization Rates are not applied to members whose pension under the ERO program would be less than their money purchase benefit.

**DEATH AFTER RETIREMENT:** For annuitants, the 1995 George B. Buck Mortality Tables projected 16 years for males and one year for females. For beneficiaries, the 1995 George B Buck Mortality Tables projected one year for both males and females, then rated forward two years for males and forward one year for females. Additional mortality improvements are phased in over the next four years. All improvements are projected with scale AA. For the period after disability retirement, the Pension Benefit Guaranty Corporation rates for male disabled lives not necessarily receiving Social Security benefits, rated forward five years for males and rated back two years for females, but not less than the rate at age 65 (after the setforward or setback). (Disabled mortality assumption adopted effective June 30, 1997.)

**MARITAL DATA:** It is assumed that 85% of members are married and that the female spouse is three years younger than the male spouse. (Adopted effective June 30, 1993.)

**VALUATION METHOD:** Projected unit credit cost method. Gains and losses are reflected in the unfunded pension benefit obligation. (Adopted effective June 30, 1989.)

**ASSET VALUATION METHOD:** Market value. (Adopted effective June 30, 1997.)

**GROWTH IN ACTIVE MEMBERSHIP:** For purposes of the projection required by State funding law, it is assumed that the active membership of the System will remain constant in number, with no change in the size of either the full-time/part-time group or the hourly/substitute group. (Adopted effective June 30, 1994.)

**SEVERANCE PAY:** The percent of retirees from active service assumed to receive severance payments, and the amount of such severance payments, are assumed to be as follows:

**Before Adjustment for Section 16-158(f)**

Years of Service at Retirement	Percent of Retirees Who Receive Severance Pay	Severance Pay as a Percent of Other Pensionable Earnings in the Last Year of Employment
10 – 20	41%	13.81%
20-24	52%	13.24%
25-29	58%	14.29%
30 or more	75%	15.35%

**ADJUSTMENT FOR SECTION 16-158(f):** the percentages in the “Percent Retiring with Severance” column above, are multiplied by 66.7% in FY 2008, 50.0% in FY 2009, 33.3% in FY 2010, and by 10% for retirements assumed to occur in FY 2011 and thereafter, because the percent of members retiring with severance is expected to trend down.

**OPTIONAL SERVICE PURCHASES:** The pension benefit obligation for retirement benefits for active members who have not previously purchased optional service is increased to cover the employer cost of out-of-system service purchased in the last two years prior to retirement. The amount purchased varies by the amount of regular service at retirement. Representative amounts purchased at retirement, and other assumptions used, are as follows:

Regular Service at Retirement	Maximum Service Purchased
10 years	0.388 years
20 years	1.131 years
25 years	1.245 years
30 years	0.886 years
34 or more	None

- (a) Actual optional service credit for each current member is provided by TRS; and
- (b) No additional service purchases will be assumed for members who currently have optional service credit; and
- (c) Members will not purchase service if it does not improve their pension benefit; and
- (d) When optional service is purchased within the last two years prior to retirement, 25% of the cost is covered by member payments and the remaining cost is the responsibility of the employer.

The PBO covered by future member payments is not included in the liability on the valuation date, but is brought into projected liabilities as those payments are brought into the assets.

**UNUSED AND UNCOMPENSATED SICK LEAVE SERVICE AT RETIREMENT:** Such credit varies by the amount of regular service at retirement. Representative assumed amounts of unused and uncompensated sick leave service are as follows:

Regular Service at Retirement	Sick Leave Service Credit
20 years	1.080 years
25 years	1.224 years
30 years	1.277 years
34 years	1.000 years
35 or more	None

**ADMINISTRATIVE EXPENSES:** The administrative staff of the System estimates the expected administrative expenses for the fiscal year following the valuation. Total payroll for the same year is projected based on valuation assumptions and the expected administrative expenses are then expressed as a percent of total payroll. Administrative expenses in future years are then assumed to remain constant as a percent of total payroll. (Adopted effective June 30, 1994.)

**2.2 UPGRADE ASSUMPTION:** For those active members who have already made a payment to upgrade past service prior to June 30, 1998 or have enrolled in the Payroll Deduction Program (PDP), their benefits are based on their upgrading at the valuation date. For all other active members, they are assumed to upgrade at retirement. (Adopted effective June 30, 1999.)

### NEW MEMBER PROFILE

Distribution of New Entrants is as follows:

Age Group	Full Time/Part Time			Hourly/Substitute		
	Males	Females	Total	Males	Females	Total
20 – 24	5.3%	26.7%	32.0%	7.0%	19.8%	26.8%
25 – 29	7.1%	24.4%	31.5%	6.9%	14.0%	20.9%
30 – 34	3.6%	9.6%	13.2%	2.6%	6.1%	8.7%
35 – 39	1.9%	5.5%	7.4%	2.5%	8.1%	10.6%
40 – 44	1.4%	3.8%	5.2%	2.4%	8.8%	11.2%
45 – 49	1.0%	3.7%	4.7%	1.8%	6.4%	8.2%
50 – 54	0.8%	2.4%	3.2%	1.9%	4.1%	6.0%
55 – 59	0.8%	1.4%	2.2%	2.0%	2.5%	4.5%
60 – 64	0.3%	0.3%	0.6%	1.0%	1.0%	2.0%
65 – 69	0.0%	0.0%	0.0%	0.5%	0.3%	0.8%
70	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.2%</u>	<u>0.1%</u>	<u>0.3%</u>
Total	22.2%	77.8%	100.0%	28.8%	71.2%	100.0%

Service Credit Earned in Each Future Year:

Age Group	Full Time/Part Time			Hourly/Substitute		
	Males	Females	Total	Males	Females	Total
20 - 24	0.991	0.987	0.988	0.291	0.331	0.330
25 - 29	0.991	0.990	0.990	0.303	0.277	0.287
30 - 34	0.987	0.987	0.987	0.344	0.288	0.304
35 - 39	0.993	0.978	0.982	0.286	0.308	0.303
40 - 44	0.989	0.979	0.982	0.304	0.314	0.314
45 - 49	0.996	0.978	0.982	0.318	0.348	0.345
50 - 54	0.993	0.978	0.982	0.339	0.355	0.353
55 - 59	0.986	0.967	0.974	0.362	0.358	0.359
60 - 64	0.967	0.961	0.963	0.345	0.347	0.346
65 - 69	-	-	-	0.339	0.325	0.330
70	-	-	-	0.303	0.295	0.297
Average	0.990	0.986	0.987	0.326	0.328	0.329

**NEW MEMBER PROFILE (continued)**

Projected Annual Rate of Pay at 6/30/2007\*  
(for one year of service credit)

Age Group	Full Time/Part Time			Hourly/Substitute		
	Males	Females	Total	Males	Females	Total
20-24	\$ 37,722	\$ 36,417	\$ 36,633	\$ 15,664	\$ 15,924	\$ 15,856
25-29	40,038	39,835	39,880	15,824	15,249	15,439
30-34	44,837	42,297	42,990	16,846	15,494	15,898
35-39	48,533	43,115	44,506	15,360	14,876	14,990
40-44	51,967	41,885	44,600	15,780	15,000	15,167
45-49	49,573	42,129	43,713	16,401	15,263	15,513
50-54	52,172	46,878	48,201	15,735	15,359	15,478
55-59	65,491	52,793	57,410	15,935	15,340	15,604
60-64	57,423	51,743	54,583	15,964	15,201	15,583
65-69	-	-	-	15,765	14,964	15,465
70	-	-	-	15,038	15,207	15,094
Average	\$ 43,762	\$ 39,903	\$ 40,760	\$ 15,870	\$ 15,393	\$ 15,530

\* The rate of pay profile will increase 4.7% per annum. 3.5% of the increase is attributable to inflation and 1.2% to real wage growth.

**PENSION BENEFIT OBLIGATION:** The actuarial accrued liability (AAL) of the System was determined using the projected unit-credit actuarial cost method, and the AAL is equivalent to the Government Accounting Standards Board (GASB) Statement No. 5 pension benefit obligation (PBO). PBO is a measure of the actuarial present value (APV) as of the valuation date of credited projected benefits prorated on service, including an adjustment for the effects of projected salary increases estimated to be payable in the future. Significant actuarial assumptions used to determine the PBO as of June 30, 2007 include the following:

- (1) An assumed rate of return on the investment of present and future assets of 8.5% per annum, compounded annually.
- (2) Assumed projected annual salary increases ranging from 11.2% at age 19 to 6.0% at age 69, which reflect an allowance for inflation and merit or seniority increases.
- (3) Automatic annual post-retirement benefit increases equal to 3% of the member's current benefit.

**SECTION X — SUMMARY OF**  
**BENEFIT AND CONTRIBUTION PROVISIONS**

MEMBERSHIP

Employers of the System include:

- (a) the Illinois public common school districts outside of Chicago,
- (b) certain state agencies employing certificated teachers, and
- (c) the State Board of Education, Illinois School Board Association, statewide and national teacher organizations, educational cooperatives and the retirement system.

Employees covered under the System include:

- Any educational, administrative, professional or other staff employed in the public common schools outside the City of Chicago in a position requiring certification under the teacher certification law, including substitute teachers, part-time teachers, and hourly paid teachers who are on a flexible work schedule;
- Any position requiring teacher certification in certain state agencies;
- Any regional superintendent of schools, assistant regional superintendent of schools, State Superintendent of Education; any person employed by the State Board of Education as an executive; any executive of the boards engaged in the service of public common school education in school districts covered under this system of which the State Superintendent of Education is an ex-officio member;
- Any employee of a school board association who is certificated under the teacher certification law;
- Any person employed by the retirement system who was an employee of and a participant in the system on August 17, 2001 or becomes an employee of the system on or after August 17, 2001;
- Any educational, administrative, professional or other staff employed by and under the supervision and control of a regional superintendent of schools, provided such employment position requires the person to be certificated under the teacher certification law;



- Any educational, administrative, professional or other staff in a certificated position employed by a program serving two or more school districts in accordance with a joint agreement authorized by the School Code or by federal legislation;
- Any officer or employee of a statewide teacher organization or officer of a national teacher organization who is certified under the teacher certification law, provided the member had previously established creditable service under TRS and elects TRS membership, and does not receive credit under any other article of the pension code; and
- Any educational, administrative, professional, or other staff employed in a charter school who is certificated under the teacher certification law.

Employment on a full-time basis covers only teachers whose normal employment schedule consists of working at least four clock hours daily, five days per week. Employment on a part-time basis covers teachers who are employed less than four clock hours daily or less than five days per week. A substitute teacher is employed on a temporary basis to replace another teacher.

Creditable service rendered as an employee for a regular school year in any district, in accordance with the provisions of the Pension Code, is equal to one year of service, and time less than a legal year is counted as such portion of a year as the number of days taught bears to 170 days. Additionally, members may purchase various types of optional service credit.

"Final average salary" means the average salary for the highest 4 consecutive years within the last 10 years of creditable service as determined under the rules of the Board.

## BENEFITS

### Normal Retirement

Eligibility	Age 60 with 10 years of service, or age 62 with 5 years of service.
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Amount	For a person who first became a teacher before July 1, 2005, the annual benefit amount is the greatest of (i), (ii) and (iii) below. For a person who first became a teacher on or after July 1, 2005, the annual benefit amount is the greater of (i) and (ii) below.
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- (i) For service earned before July 1, 1998, 1.67% of final average salary for each of the first 10 years of creditable service, plus 1.90% of final average

salary for each year in excess of 10 but not exceeding 20, plus 2.10% of final average salary for each year in excess of 20 but not exceeding 30, and 2.30% of final average salary for each year in excess of 30. For all other service, 2.2% of final average salary.\*

\* Service earned before July 1, 1998 can be upgraded to 2.2% through additional member contributions or 1% of the member's highest salary within the last four years for each year of prior service. Maximum payment is 20% of salary, but all years are upgraded. The number of years to be upgraded is reduced by one for each three full years worked under the 2.2% formula. The 2.2% formula upgrade cost is reduced on a sliding scale for members who have more than 34 years of service credit.

(ii) 1½% of final average salary for each year of creditable service, plus \$7.50 per year for each of the first 20 years of creditable service.

(iii) An actuarially equivalent life annuity, resulting from the member's contributions and State-matching contributions (1.4 times member contributions) plus compound interest on both.

Maximum amount under (i) and (ii) above - 75% of final average salary.

Automatic Postretirement  
Cost-of-Living Adjustment

Eligibility

Member contributed for at least an equivalent period of one full year of creditable service after July 1, 1969.

Amount

Initial increase of 1½% of base annuity for periods prior to January 1, 1972, 2% for periods from and after January 1, 1972 and prior to January 1, 1978, and 3% for periods thereafter (such periods to exclude any period of retirement that precedes attainment of age 55). Initial increase payable effective with the later of: January 1 following first anniversary of retirement; or January 1 following attainment of age 61.

Following the initial increase, automatic annual increases payable on each January 1 thereafter. Prior to January 1, 1990, annual increases were determined as a percentage of the original retirement annuity. Effective on and after January 1, 1990, automatic annual increases granted to eligible annuitants equal 3% of the total annuity being received, including previous increases granted.

## Early Retirement

### Eligibility

Age 55 with 20 years of service.

### Amount

Equal to the amount computed under normal retirement, reduced by 6% for each year the member is under age 60. There is no reduction for a member who retires prior to age 60 with 35 years of credited service.

## Early Retirement Incentive for State Employees

Some TRS-covered members employed by state agencies were eligible for an early retirement incentive (ERI) during fiscal year 2003. PA 92-566, enacted in June 2002, allowed certain state employees to purchase up to five years of service credit and an equal amount of age enhancement. Retirement must have occurred between August 1, 2002 and December 31, 2002, with deferrals until April 30, 2003, for key employees. Some employees who were not yet eligible to retire could also purchase the age and service enhancements if they terminated state employment.

## Early Retirement Option

A member retiring after June 1, 1980 and within six months of the last day of teaching for which retirement contributions were required, may elect to make a one time employee contribution to avoid the early retirement reduction described in the foregoing paragraph. Such employee and employer contributions will be a multiple of the member's last full time annual salary rate as a teacher, the full time equivalent if less than full time, or the highest year's salary used for determining final average salary.

The member lump sum ERO contribution rate for persons who retire under ERO prior to July 1, 2005, or who retire during the "Pipeline ERO" period July 1, 2005 through July 1, 2007 after having properly notified their employer by June 1, 2005 of their intent to retire under ERO during the Pipeline ERO period is 7%, and the employer lump sum ERO contribution rate for such persons is 20%.

The member lump sum ERO contribution rate for other persons is 11.5%, and the employer lump sum ERO contribution rate for such persons is 23.5%. Such other persons are referred to as "Modified ERO" retirees.

The multiple of salary to be contributed by the member equals the member rate times the lesser of the following two periods: (a) the number of years (including fractional years) that the member is less than age 60; or (b) the

number of years (including fractional years) that the member's creditable service is less than 35 years.

The multiple of salary to be contributed by the member's employer equals the employer rate times the number of years (including fractional years) that the member is less than age 60.

Both the member and employer contributions are waived for Pipeline ERO retirees who are at least age 55 with at least 34 years of service. There is no waiver for Modified ERO retirees.

The ERO provisions will not be applicable until the member contributions have been received; however, the date such contributions are received will not be considered in determining the effective date of retirement. The number of employees of a single employer who may retire under this paragraph in any year may be limited at the option of the employer to a specified percentage of those eligible, not lower than 30% for Pipeline ERO retirees, and not lower than 10% for Modified ERO retirees, with the right to participate to be allocated among those applying on the basis of seniority in the service of the employer.

Rule of 85 for  
State Employees

An employee of a state agency retiring on or after January 1, 2001 is entitled to a nondiscounted annuity if his or her attained age at retirement and total creditable service equal at least 85, provided he or she has (i) earned during the period immediately preceding the last day of service at least one year of contributing creditable service as a state employee and (ii) has earned at least 5 years of contributing creditable service as a state employee.

Single Sum Benefit

Eligibility

Age 65 with fewer than 5 years of creditable service after July 1, 1947.

Amount

Lump sum payment actuarially equivalent to a life annuity consisting of 1.67% of final average salary for each year of service.

Temporary Disability Benefit

Eligibility

3 years of credited service.

Amount

Equal to 40% of the member's most recent annual contract salary at time of disablement. The benefit is payable beginning with the 31st day after disablement and ending at the earlier of (1) cessation of disability, (2) when the member requests termination of the benefit, (3) when the

period for which payments have been made equals one-fourth the period of creditable service, or (4) the member is gainfully employed or able to be gainfully employed.

#### Disability Retirement Annuity

**Eligibility** Termination of temporary disability benefit, provided member remains disabled.

**Amount** The larger of 35% of the member's most recent annual contract salary or (a) if disability commences prior to age 55, the benefit payable as for normal retirement, but reduced by ½% for each month by which the member is less than age 55, or (b) if disability commences after age 55 and the member has 20 years of service, the benefit payable as for normal retirement with no discount.

Other formulas may be applicable if disability retirement occurred prior to July 1, 1971.

#### Occupational Disability

**Eligibility** Totally and immediately incapacitated for the performance of duty.

**Amount** Equal to 60% of salary, if disability is duty-connected or occupational adjudicated by the Illinois Industrial Commission as compensable under either the Workers' Compensation or Occupational Diseases Act. Any amounts payable under these Acts shall be applied as an offset to any occupational disability benefits payable by the Teachers' Retirement System. In general, benefits are payable throughout the period of disability.

#### Deferred Vested Benefits

**Eligibility** 5 years of service.

**Amount** Equal to the amount computed under normal retirement deferred to age 62 if member has less than 10 years of service. With 10 or more years of service the annuity is payable at age 60.

#### Reversionary Retirement Annuity

Any member entitled to a retirement annuity for age may elect to receive a reduced annuity with the remainder determined on an actuarial basis to become, upon the member's death, an annuity for life to any designated person dependent upon the member at the time of the member's retirement, provided such payment shall not be less than \$10 nor more than the amount of reduced age

retirement monthly annuity to which the member is entitled.

Refund of Contributions

A member who ceases to be a member for any reason other than death or retirement, shall be entitled to a refund of all retirement contributions and payments made into the fund by him which have not previously been refunded, without interest thereon.

A member who retires on ERO shall not receive a refund of the 0.4% career ERO contributions; otherwise, the 0.4% career ERO contributions are refunded, without interest, to the member, or the member's beneficiary or Estate (if applicable) if any of the following occur: (1) the ERO program is discontinued under Section 16-176; or (2) the member either retires without ERO, terminates employment and withdraws the member account balance, or dies before retirement.

Death Benefit

Refunds of the deceased member's accumulated contributions are paid to survivors or to the member's estate. Additional lump sum death benefits are also payable.

Survivor Benefit

Types of Beneficiaries

<u>Time of Death</u>	<u>Dependents</u>	<u>Non-dependents</u>
While employed	Lump sum up to last salary <b>or</b> \$1,000 and a monthly benefit generally not less than \$400* or \$600 with minor children**	Lump sum up to last salary
Inactive within 12 months of last day of credit	Lump sum up to last salary <b>or</b> \$1,000 and a monthly benefit generally not less than \$400* or \$600 with minor children**	Lump sum up to last salary
Inactive with 20 or more years of service	Lump sum of \$3,000 or 1/6 of last salary*** <b>or</b> \$1,000 and a monthly benefit generally 1/2 of member's earned benefit at time of death	Lump sum of \$3,000 or 1/6 of last salary***

Annuitant	Lump sum of \$3,000 or 1/6 of last salary*** or \$1,000 and a monthly benefit generally 1/2 of annuitant's earned benefit at time of death	Lump sum of \$3,000 or 1/6 of last salary***
-----------	--	--

- \* Certain circumstances might provide a monthly annuity less than \$400 per month for an active member.
- \*\* TRS will pay 50 percent of the member's earned retirement annuity at death if it is greater than the above amounts.
- \*\*\* Certain lump sums may be greater if the annuitant or inactive member has been in retirement or out of service for less than five years.

### Member Contributions

Beginning July 1, 2005, each member contributes an additional 0.4% of pay "career ERO contribution." This contribution requirement shall cease if the Early Retirement Option program ends.

Beginning July 1, 1998, contributions for creditable service are made at the rate of 8% (exclusive of amounts paid toward Survivor Benefits) of salary which is comprised of a rate of 7½% of salary towards the cost of the retirement annuity plus ½% of salary toward the cost of the automatic annual increase in retirement annuity.

Beginning July 24, 1959, each member contributes an additional 1% of salary toward Survivor's Benefits. These contributions are subject to refund if there is no dependent beneficiary at retirement, provided the member elects such refund.

Beginning July 1, 1995, each member not employed by a State agency contributes to the Teachers' Health Insurance Security Fund, administered by the Department of Central Management Services. These contributions are not refundable and do not become part of the System's assets.

Additional contributions as are necessary to receive credit for service during which contributions were not made, such as military service or service outside the System.

### New Benefit Increases:

The term "new benefit increase" means an increase in the amount of any benefit provided by the statute, or an expansion of the eligibility requirements for any benefit provided by the statute, resulting from an amendment that takes effect on or after June 1, 2005.

Every new benefit increase must have an identified funding source whose adequacy is verified and

periodically confirmed by the Commission on Government Forecasting and Accountability (CGFA).

Every new benefit increase will automatically expire at the earlier of (i) five years after its effective date ; (ii) at an earlier time specified in the amendment creating the benefit; or (iii) at the end of the fiscal year in which CGFA certifies that the identified funding source is inadequate; except that any new benefit increase will continue to apply to persons who applied for and qualified for the increase while it was in effect, and except that any new benefit increase may be extended or recreated by the General Assembly (subject to the adequacy of the funding source).

Sick Leave Service Accruals:

Any unused and uncompensated accumulated sick leave is counted as creditable service provided that each former employer certifies to the System the number of unused and uncompensated accumulated sick leave days upon termination of the member. The service granted is the ratio of the number of unused and uncompensated accumulated sick leave days to 170 days, subject to a maximum of 2 years of service credit. The period of sick leave shall not be considered in determining the effective date of retirement.



**SECTION XI — DETAILED TABULATIONS OF DATA**

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**EXHIBIT**

**ACTIVE MEMBERSHIP**

**NUMBER AS OF JUNE 30, 2006 AND  
AVERAGE ANNUAL SALARY PROJECTED TO JUNE 30, 2007**

Age	Full - Time and Regular Part - Time Members Years of Service										Substitutes	Grand Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total			
<b>Under 25</b>	5,655										5,655	3,407	9,062
	\$ 37,946										\$ 37,946	\$ 4,438	\$ 25,348
<b>25-29</b>	14,830	5,876	1								20,707	3,982	24,689
	\$ 42,776	\$ 49,806	\$ 53,753								\$ 44,771	\$ 4,595	\$ 38,291
<b>30-34</b>	5,640	10,580	2,730								18,950	2,371	21,321
	\$ 45,302	\$ 53,207	\$ 60,818								\$ 51,951	\$ 4,524	\$ 46,677
<b>35-39</b>	3,187	4,583	6,809	1,885							16,464	3,278	19,742
	\$ 45,731	\$ 54,415	\$ 62,758	\$ 68,638							\$ 57,813	\$ 4,010	\$ 48,879
<b>40-44</b>	2,590	2,822	2,907	4,020	1,496						13,835	3,645	17,480
	\$ 45,197	\$ 53,511	\$ 64,016	\$ 71,140	\$ 75,657						\$ 61,679	\$ 4,823	\$ 49,823
<b>45-49</b>	2,253	2,925	2,544	2,424	3,368	2,012					15,526	3,591	19,117
	\$ 45,012	\$ 53,439	\$ 62,056	\$ 69,852	\$ 76,222	\$ 78,624					\$ 64,397	\$ 5,206	\$ 53,278
<b>50-54</b>	1,532	2,640	2,974	2,906	2,646	5,329	3,663				21,690	3,225	24,915
	\$ 47,696	\$ 54,922	\$ 63,625	\$ 69,758	\$ 76,345	\$ 81,149	\$ 86,808				\$ 72,035	\$ 5,206	\$ 63,384
<b>55-59</b>	891	1,519	2,244	2,560	2,021	2,122	2,717	322			14,396	2,710	17,106
	\$ 54,049	\$ 57,283	\$ 65,151	\$ 71,469	\$ 78,068	\$ 82,729	\$ 91,758	\$ 97,841			\$ 74,914	\$ 5,425	\$ 63,906
<b>60-64</b>	211	357	469	559	434	454	317	273	68		3,142	1,326	4,468
	\$ 57,883	\$ 57,606	\$ 65,982	\$ 72,647	\$ 80,776	\$ 82,173	\$ 88,159	\$ 90,600	\$ 86,577		\$ 74,877	\$ 5,223	\$ 54,206
<b>Over 64</b>	38	52	57	72	66	75	50	30	62		502	820	1,322
	\$ 45,849	\$ 61,809	\$ 70,908	\$ 69,592	\$ 79,069	\$ 80,076	\$ 88,335	\$ 97,388	\$ 86,737		\$ 75,596	\$ 4,479	\$ 31,484
<b>Total</b>	36,827	31,354	20,735	14,426	10,031	9,992	6,747	625	130		130,867	28,355	159,222
	\$ 43,551	\$ 53,201	\$ 63,071	\$ 70,427	\$ 76,758	\$ 81,015	\$ 88,876	\$ 94,656	\$ 86,654		\$ 59,948	\$ 4,784	\$ 50,124

The data shown in this exhibit was further adjusted to better represent the true active full-time and part-time membership as of 6/30/2006 as explained in item 2 of Section I - Principal Results.

**TABLE 1**  
**THE NUMBER AND ANNUAL SALARIES**  
**OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY**  
**AGE AS OF JUNE 30, 2006**  
**WITH SALARIES PROJECTED TO JUNE 30, 2007**  
**(FULL TIME AND REGULAR PART TIME)**

Age	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
18	1	30,893			1	30,893
21	27	987,767	108	3,620,325	135	4,608,092
22	60	2,228,344	387	13,658,604	447	15,886,948
23	304	11,859,154	1,651	60,909,613	1,955	72,768,767
24	554	22,306,414	2,563	98,982,642	3,117	121,289,056
25	686	29,268,685	3,010	122,514,284	3,696	151,782,969
26	885	39,396,619	3,358	142,809,272	4,243	182,205,891
27	894	42,058,170	3,264	143,792,835	4,158	185,851,005
28	966	47,546,959	3,305	150,976,527	4,271	198,523,486
29	1,043	54,305,100	3,296	154,408,333	4,339	208,713,433
30	1,058	56,705,617	2,940	140,457,021	3,998	197,162,639
31	1,028	57,216,997	3,042	149,183,885	4,070	206,400,882
32	1,038	59,984,210	2,698	134,581,558	3,736	194,565,768
33	975	58,959,410	2,587	130,063,437	3,562	189,022,847
34	1,002	61,917,500	2,582	135,401,301	3,584	197,318,801
35	1,043	65,903,500	2,677	140,806,611	3,720	206,710,111
36	980	63,864,509	2,567	137,548,123	3,547	201,412,631
37	968	67,179,391	2,318	125,723,179	3,286	192,902,570
38	863	58,927,244	2,124	117,701,362	2,987	176,628,606
39	805	55,581,615	2,119	118,593,187	2,924	174,174,802
40	779	54,802,259	2,031	115,014,662	2,810	169,816,921
41	728	51,915,594	1,893	109,418,930	2,621	161,334,524
42	691	48,830,662	2,061	120,268,253	2,752	169,098,915
43	704	51,761,839	2,032	119,757,621	2,736	171,519,460
44	698	52,099,654	2,218	129,457,672	2,916	181,557,325
45	675	50,523,347	2,238	132,657,253	2,913	183,180,600
46	613	46,014,452	2,267	134,743,057	2,880	180,757,509
47	630	49,361,522	2,303	139,701,742	2,933	189,063,264
48	671	51,810,850	2,654	163,079,931	3,325	214,890,780
49	707	56,657,829	2,768	175,270,822	3,475	231,928,651
50	794	64,675,258	2,871	187,607,226	3,665	252,282,484
51	850	69,902,617	3,086	205,247,345	3,936	275,149,962
52	901	74,165,546	3,281	222,784,517	4,182	296,950,063
53	1,042	89,564,071	3,720	260,715,379	4,762	350,279,450
54	1,094	96,995,191	4,051	290,776,018	5,145	387,771,209
55	884	78,764,212	3,420	246,203,964	4,304	324,968,176
56	630	53,606,874	2,447	172,492,786	3,077	226,099,659

Amounts may not add to the dollar due to rounding.

**TABLE 1**  
**(Continued)**  
**THE NUMBER AND ANNUAL SALARIES**  
**OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY**  
**AGE AS OF JUNE 30, 2006**  
**WITH SALARIES PROJECTED TO JUNE 30, 2007**  
**(FULL TIME AND REGULAR PART TIME)**

Age	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
57	582	49,476,124	2,151	152,092,796	2,733	201,568,920
58	442	39,374,771	1,898	136,845,236	2,340	176,220,008
59	464	40,833,520	1,478	108,777,574	1,942	149,611,094
60	245	20,927,678	756	54,450,815	1,001	75,378,494
61	166	14,824,262	642	46,237,051	808	61,061,313
62	122	9,487,176	453	33,529,550	575	43,016,726
63	89	7,364,568	379	27,799,525	468	35,164,093
64	63	4,682,070	227	15,961,605	290	20,643,675
65	37	2,865,160	113	8,197,833	150	11,062,993
66	28	2,596,499	76	5,607,004	104	8,203,503
67	16	1,272,519	52	3,872,626	68	5,145,145
68	20	1,960,149	37	2,811,185	57	4,771,335
69	10	730,281	33	2,515,594	43	3,245,875
70	5	420,551	20	1,299,641	25	1,720,192
71	4	360,940	12	907,450	16	1,268,390
72			8	562,444	8	562,444
73	4	387,113	10	660,852	14	1,047,965
74	1	33,138	1	42,333	2	75,471
75			4	219,878	4	219,878
76	1	81,389			1	81,389
77	1	46,747	3	180,291	4	227,038
78			1	50,733	1	50,733
79	2	138,861	1	34,912	3	173,773
80			1	13,194	1	13,194
85			1	79,763	1	79,763
<b>Total</b>	30,573	\$ 2,095,543,393	100,294	\$ 5,749,679,163	130,867	\$ 7,845,222,555

Amounts may not add to the dollar due to rounding.

In addition, there are the following active members:

**SUBSTITUTES, PART-TIME, AND HOURLY-PAID  
TEACHERS WHO ARE ON A FLEXIBLE OR  
LIMITED WORK SCHEDULE**

Number	28,355
Annual Salaries	\$ 135,649,967
Average Age	41.63 years
Average Service	1.68 years

TABLE 2

**THE NUMBER AND ANNUAL SALARIES  
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY  
YEARS OF CREDITED SERVICE AS OF JUNE 30, 2006  
WITH SALARIES PROJECTED TO JUNE 30, 2007  
(FULL TIME AND REGULAR PART TIME)**

Service	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
0	767	\$ 29,402,727	2,477	\$ 87,600,322	3,244	\$ 117,003,049
1	2,323	102,313,655	7,968	317,728,564	10,291	420,042,219
2	1,841	88,631,161	6,611	279,574,069	8,452	368,205,230
3	1,643	84,233,580	5,632	250,517,445	7,275	334,751,025
4	1,719	91,677,283	5,846	272,172,837	7,565	363,850,120
5	1,594	87,266,980	5,787	280,367,743	7,381	367,634,723
6	1,601	92,788,604	5,533	276,710,963	7,134	369,499,567
7	1,518	91,261,316	4,998	259,402,242	6,516	350,663,558
8	1,273	79,906,599	4,304	229,126,861	5,577	309,033,460
9	1,144	73,745,406	3,602	197,502,449	4,746	271,247,855
10	1,018	69,037,397	3,171	179,352,358	4,189	248,389,755
11	990	71,215,077	3,179	186,868,099	4,169	258,083,177
12	1,336	98,315,499	3,807	229,662,062	5,143	327,977,561
13	952	71,808,157	2,939	180,363,767	3,891	252,171,924
14	709	54,714,439	2,634	166,440,549	3,343	221,154,988
15	743	58,816,849	2,718	175,762,011	3,461	234,578,860
16	648	51,950,287	2,613	172,408,700	3,261	224,358,987
17	535	43,458,956	2,136	145,613,058	2,671	189,072,014
18	492	40,414,063	2,060	144,421,511	2,552	184,835,574
19	511	44,155,612	1,970	138,981,750	2,481	183,137,362
20	547	47,931,000	2,004	144,684,419	2,551	192,615,418
21	482	41,350,464	1,931	140,838,389	2,413	182,188,854
22	476	41,572,116	1,524	113,632,934	2,000	155,205,050
23	348	30,591,675	1,244	92,622,296	1,592	123,213,970
24	311	27,851,173	1,164	88,883,612	1,475	116,734,784
25	389	35,120,581	1,432	108,696,965	1,821	143,817,546
26	470	43,184,537	1,545	118,016,334	2,015	161,200,871
27	538	48,963,668	1,611	123,476,860	2,149	172,440,529
28	591	54,018,481	1,497	117,929,620	2,088	171,948,101
29	567	50,594,637	1,352	109,498,366	1,919	160,093,002
30	530	49,793,924	1,223	99,112,039	1,753	148,905,963
31	638	62,223,835	1,257	103,238,383	1,895	165,462,219
32	589	58,490,053	1,270	108,690,105	1,859	167,180,158
33	318	34,595,177	624	55,827,194	942	90,422,371
34	116	12,309,512	182	15,367,933	298	27,677,445
35	62	6,706,115	121	10,421,242	183	17,127,357
36	57	5,526,688	116	10,831,278	173	16,357,967
37	67	7,298,443	58	4,882,249	125	12,180,691
38	47	4,797,544	33	2,647,166	80	7,444,710

Amounts may not add due to rounding.

**TABLE 2**  
**(Continued)**  
**THE NUMBER AND ANNUAL SALARIES**  
**OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY**  
**YEARS OF CREDITED SERVICE AS OF JUNE 30, 2006**  
**WITH SALARIES PROJECTED TO JUNE 30, 2007**  
**(FULL TIME AND REGULAR PART TIME)**

Service	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
39	24	2,696,101	40	3,353,483	64	6,049,583
40	15	1,455,673	30	2,299,719	45	3,755,391
41	9	863,113	21	1,634,053	30	2,497,167
42	6	636,684	12	919,486	18	1,556,170
43	5	340,448	4	394,375	9	734,823
44	5	468,510	3	251,349	8	719,859
45	2	200,557	2	148,468	4	349,026
46	3	347,050	1	131,418	4	478,468
47	2	327,132	2	211,668	4	538,800
48	1	93,467	2	166,578	3	260,045
49			2	156,190	2	156,190
51			1	66,175	1	66,175
52	1	81,389	1	71,455	2	152,844
<b>Total</b>	30,573	\$ 2,095,543,393	100,294	\$ 5,749,679,163	130,867	\$ 7,845,222,555

Amounts may not add due to rounding.

In addition, there are the following active members:

**SUBSTITUTES, PART-TIME, AND HOURLY-PAID  
TEACHERS WHO ARE ON A FLEXIBLE OR  
LIMITED WORK SCHEDULE**

Number	28,355
Annual Salaries	\$ 135,649,967
Average Age	41.63 years
Average Service	1.68 years

**TABLE 3**  
**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM**  
**THE BENEFIT TRUST RESERVE**  
**OF RETIRED ANNUITANTS**  
**AS OF JUNE 30, 2007**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
52	1	\$ 51,871	2	\$ 92,718	3	\$ 144,589
53	1	48,271	2	56,709	3	104,979
54	84	6,027,165	178	10,795,095	262	16,822,261
55	377	23,838,747	892	46,483,726	1,269	70,322,473
56	670	42,395,085	1,378	69,180,237	2,048	111,575,322
57	944	58,225,533	1,700	82,218,162	2,644	140,443,695
58	1,066	64,483,065	1,989	93,856,491	3,055	158,339,556
59	1,354	79,353,578	2,236	106,428,343	3,590	185,781,921
60	1,869	104,762,093	3,082	132,013,348	4,951	236,775,440
61	1,434	81,680,297	2,226	93,563,924	3,660	175,244,220
62	1,427	80,238,227	2,353	99,978,202	3,780	180,216,429
63	1,419	77,049,768	2,384	91,043,686	3,803	168,093,454
64	1,558	81,761,023	2,696	102,517,221	4,254	184,278,244
65	1,272	66,976,152	2,232	84,297,850	3,504	151,274,001
66	1,155	58,430,569	1,968	71,474,099	3,123	129,904,668
67	1,028	52,023,619	1,750	62,484,849	2,778	114,508,468
68	977	48,411,377	1,727	60,247,434	2,704	108,658,811
69	1,014	49,734,957	1,575	54,136,238	2,589	103,871,194
70	887	42,665,660	1,482	49,101,415	2,369	91,767,075
71	939	41,419,620	1,368	45,976,169	2,307	87,395,789
72	899	42,159,443	1,286	40,848,588	2,185	83,008,031
73	774	35,226,423	1,102	33,953,080	1,876	69,179,503
74	792	34,601,769	1,194	36,268,396	1,986	70,870,165
75	727	31,729,018	1,068	31,262,665	1,795	62,991,683
76	749	29,590,793	1,053	29,939,307	1,802	59,530,100
77	672	28,170,670	1,080	29,792,241	1,752	57,962,911
78	584	22,868,434	1,029	26,743,521	1,613	49,611,955
79	559	21,082,348	1,013	25,523,212	1,572	46,605,560
80	516	19,244,911	922	21,998,624	1,438	41,243,535
81	489	18,728,202	782	17,749,950	1,271	36,478,151
82	424	15,052,027	760	17,067,752	1,184	32,119,779
83	373	12,476,553	676	15,006,435	1,049	27,482,988
84	292	9,375,595	759	14,763,402	1,051	24,138,997
85	232	6,727,484	724	14,084,217	956	20,811,701
86	189	5,212,981	670	12,329,322	859	17,542,303
87	140	3,747,562	595	10,729,825	735	14,477,387
88	134	3,463,195	537	9,331,159	671	12,794,354
89	104	2,505,396	512	8,623,418	616	11,128,814

Amounts may not add to the dollar due to rounding.

**TABLE 3**  
**(Continued)**  
**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM**  
**THE BENEFIT TRUST RESERVE**  
**OF RETIRED ANNUITANTS**  
**AS OF JUNE 30, 2007**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
90	88	2,221,142	392	6,333,805	480	8,554,947
91	64	1,538,224	341	5,499,807	405	7,038,031
92	60	1,561,543	317	4,751,771	377	6,313,314
93	54	1,571,524	288	4,463,805	342	6,035,329
94	25	503,453	237	3,590,282	262	4,093,735
95	22	418,726	151	2,266,350	173	2,685,076
96	11	266,853	180	2,716,729	191	2,983,582
97	15	343,484	106	1,465,054	121	1,808,538
98	6	137,463	85	1,070,698	91	1,208,161
99	4	87,053	58	834,769	62	921,823
100	4	94,904	47	631,448	51	726,352
101			18	246,329	18	246,329
102	1	14,967	19	254,065	20	269,032
103			11	109,680	11	109,680
104			3	37,471	3	37,471
105			5	60,772	5	60,772
106			2	20,648	2	20,648
107						
108			2	15,982	2	15,982
<b>Total</b>	28,479	\$ 1,410,298,815	51,244	\$ 1,786,330,494	79,723	\$ 3,196,629,308

Amounts may not add to the dollar due to rounding.



**TABLE 4**  
**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM**  
**THE BENEFIT TRUST RESERVE**  
**OF SURVIVOR ANNUITANTS**  
**AS OF JUNE 30, 2007**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
8			3	\$ 10,068	3	\$ 10,068
9	1	13,473	1	9,576	2	23,049
10	1	3,819	1	3,792	2	7,611
11	2	8,331			2	8,331
12			1	10,095	1	10,095
13	2	9,236	1	10,095	3	19,330
14	3	15,097			3	15,097
15	2	10,281	3	36,323	5	46,604
16	4	12,325	1	4,560	5	16,886
17	6	24,098	6	30,129	12	54,228
18	4	34,876	5	41,114	9	75,990
19	4	27,743	9	66,120	13	93,863
20	6	48,347	7	109,285	13	157,632
21	5	81,809	4	54,734	9	136,543
22	1	4,194			1	4,194
23						
24						
25						
26						
27	1	5,377			1	5,377
28						
29						
30						
31	1	7,868	1	7,416	2	15,284
32	1	7,868	1	7,200	2	15,068
33	2	14,838	1	6,995	3	21,834
34	1	8,104	2	14,832	3	22,936
35	2	36,659	1	7,416	3	44,075
36	3	30,386			3	30,386
37	1	8,104	2	24,483	3	32,586
38	1	8,347	2	71,901	3	80,248
39	2	34,038			2	34,038
40	1	8,104	1	11,217	2	19,321
41			4	40,072	4	40,072
42	4	32,377	2	12,647	6	45,024
43	1	10,266	2	19,403	3	29,668
44	2	18,250	5	93,277	7	111,527
45	3	25,888	3	48,097	6	73,985

Amounts may not add to the dollar due to rounding.

**TABLE 4**  
**(Continued)**  
**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM**  
**THE BENEFIT TRUST RESERVE**  
**OF SURVIVOR ANNUITANTS**  
**AS OF JUNE 30, 2007**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
46	4	31,971	5	92,504	9	124,475
47	6	57,173	8	114,389	14	171,563
48	6	56,736	3	35,132	9	91,868
49	5	73,324	9	114,070	14	187,395
50	13	136,990	7	99,477	20	236,467
51	12	125,806	14	243,149	26	368,955
52	7	95,519	18	332,416	25	427,935
53	12	159,075	20	307,357	32	466,432
54	17	191,310	38	860,631	55	1,051,941
55	23	357,295	37	759,916	60	1,117,212
56	26	282,055	50	999,906	76	1,281,961
57	23	261,462	41	848,057	64	1,109,519
58	32	443,244	64	1,425,250	96	1,868,495
59	43	613,712	70	1,422,378	113	2,036,090
60	35	636,250	86	1,725,312	121	2,361,562
61	41	597,395	72	1,408,423	113	2,005,818
62	31	393,404	70	1,373,107	101	1,766,511
63	52	883,483	101	2,320,504	153	3,203,987
64	63	943,034	106	2,370,504	169	3,313,538
65	44	661,238	126	2,545,057	170	3,206,295
66	51	680,646	100	2,087,740	151	2,768,386
67	51	817,348	123	2,550,611	174	3,367,959
68	51	831,251	126	2,625,537	177	3,456,788
69	53	792,010	153	3,129,078	206	3,921,088
70	54	714,081	146	2,786,188	200	3,500,269
71	62	852,127	143	2,729,427	205	3,581,554
72	61	872,700	166	3,023,735	227	3,896,435
73	74	1,269,023	145	2,621,162	219	3,890,185
74	67	804,644	183	3,290,923	250	4,095,567
75	75	917,002	166	2,862,486	241	3,779,487
76	95	1,264,161	232	3,732,715	327	4,996,875
77	93	1,173,571	200	3,310,872	293	4,484,443
78	73	884,616	220	3,587,459	293	4,472,075
79	87	995,811	221	3,429,331	308	4,425,142
80	77	824,296	212	3,242,794	289	4,067,090
81	91	937,471	209	3,024,561	300	3,962,033
82	91	945,260	203	2,729,490	294	3,674,750
83	118	1,296,325	168	2,240,900	286	3,537,225

Amounts may not add to the dollar due to rounding.

**TABLE 4**  
**(Continued)**  
**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM**  
**THE BENEFIT TRUST RESERVE**  
**OF SURVIVOR ANNUITANTS**  
**AS OF JUNE 30, 2007**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
84	108	1,031,280	179	2,355,193	287	3,386,472
85	86	732,191	170	2,133,312	256	2,865,502
86	88	698,814	178	2,111,766	266	2,810,580
87	75	566,120	156	1,639,437	231	2,205,558
88	68	541,646	162	1,732,964	230	2,274,610
89	77	586,950	140	1,341,542	217	1,928,492
90	51	341,439	126	1,300,961	177	1,642,401
91	63	467,922	106	1,041,599	169	1,509,522
92	40	294,053	104	1,023,091	144	1,317,144
93	40	269,406	69	653,708	109	923,113
94	27	220,924	63	628,914	90	849,838
95	23	150,351	50	477,936	73	628,286
96	19	129,925	45	321,479	64	451,404
97	15	99,412	26	226,266	41	325,678
98	11	51,548	16	141,068	27	192,616
99	7	34,757	7	55,138	14	89,895
100	5	32,428	21	156,613	26	189,041
101	1	1,733	4	23,258	5	24,991
102			5	29,770	5	29,770
103			2	9,720	2	9,720
<b>Total</b>	2,690	\$ 30,673,816	5,759	\$ 90,557,134	8,449	\$ 121,230,950

Amounts may not add to the dollar due to rounding.

**TABLE 5**  
**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM**  
**THE BENEFIT TRUST RESERVE**  
**OF DISABILITY BENEFIT RECIPIENTS**  
**AS OF JUNE 30, 2007**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
27			2	\$ 27,342	2	\$ 27,342
28			2	35,312	2	35,312
29			3	43,652	3	43,652
30			2	34,476	2	34,476
31			4	67,427	4	67,427
32			3	45,472	3	45,472
33			2	34,244	2	34,244
34	2	30,806	6	108,638	8	139,444
35	1	15,449	2	35,632	3	51,082
36			3	50,187	3	50,187
37	1	17,081	8	124,192	9	141,273
38	2	38,633	7	106,297	9	144,929
39	3	73,082	6	114,652	9	187,734
40	2	43,492	9	141,575	11	185,067
41	3	66,432	10	208,222	13	274,654
42	3	51,364	4	67,380	7	118,744
43	2	35,205	11	230,660	13	265,865
44	2	58,805	8	189,580	10	248,385
45	3	64,003	7	149,810	10	213,813
46	3	61,766	5	73,338	8	135,104
47	2	53,829	11	177,412	13	231,240
48	1	20,360	20	390,447	21	410,808
49	3	48,044	10	212,185	13	260,230
50	2	40,704	24	463,389	26	504,093
51	9	165,902	18	395,669	27	561,571
52	3	64,254	28	601,635	31	665,890
53	6	124,794	35	768,038	41	892,832
54	8	208,945	49	1,108,637	57	1,317,581
55	10	303,106	47	1,178,712	57	1,481,818
56	13	351,579	54	1,280,584	67	1,632,163
57	11	318,025	58	1,513,745	69	1,831,770
58	14	467,837	55	1,380,713	69	1,848,551
59	11	329,479	60	1,557,138	71	1,886,617
60	14	456,199	49	1,306,131	63	1,762,329
61	7	208,225	34	1,067,514	41	1,275,740
62	6	169,819	21	425,996	27	595,815
63	8	207,768	15	265,803	23	473,570
64	7	171,293	22	524,407	29	695,701

Amounts may not add to the dollar due to rounding.

**TABLE 5**  
**(Continued)**  
**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM**  
**THE BENEFIT TRUST RESERVE**  
**OF DISABILITY BENEFIT RECIPIENTS**  
**AS OF JUNE 30, 2007**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
65	4	135,097	15	278,726	19	413,824
66	2	32,977	9	215,307	11	248,284
67	3	41,633	12	231,817	15	273,450
68	1	6,166	6	138,851	7	145,017
69			15	206,990	15	206,990
70	1	32,513	6	71,066	7	103,579
71	5	74,686	11	226,083	16	300,769
72	4	169,006	15	302,732	19	471,738
73	2	45,869	9	148,885	11	194,754
74	1	8,023	8	166,370	9	174,394
75	2	56,793	8	124,064	10	180,857
76	3	39,822	5	53,687	8	93,510
77			4	80,279	4	80,279
78	3	30,640	9	95,667	12	126,307
79	3	37,065	4	54,949	7	92,014
80	2	43,097	5	46,884	7	89,981
81	2	22,198	4	42,124	6	64,322
82	1	23,975	7	89,053	8	113,028
83			2	19,941	2	19,941
84			4	75,540	4	75,540
85			8	81,077	8	81,077
86			2	22,544	2	22,544
87			4	41,800	4	41,800
88			1	10,917	1	10,917
89	1	17,679	3	31,123	4	48,802
90			1	11,542	1	11,542
91			3	24,735	3	24,735
92						
93						
94						
95						
96						
97						
98						
99						
100						
101			1	6,660	1	6,660
<b>Total</b>	202	\$ 5,083,522	895	\$ 19,405,658	1,097	\$ 24,489,180

Amounts may not add to the dollar due to rounding.

**TABLE 6**  
**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM**  
**THE GUARANTEED MINIMUM ANNUITY RESERVE**  
**OF RETIRED ANNUITANTS**  
**AS OF JUNE 30, 2007**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
62			2	\$ 2,658	2	\$ 2,658
63			2	496	2	496
64	1	32	5	3,319	6	3,351
65			8	2,633	8	2,633
66	1	208	7	8,108	8	8,316
67			9	4,747	9	4,747
68	2	1,231	18	9,501	20	10,731
69			28	14,110	28	14,110
70	3	1,483	28	18,046	31	19,529
71	3	3,368	26	13,276	29	16,644
72	2	584	28	14,271	30	14,855
73	2	968	21	14,559	23	15,527
74	3	810	15	8,820	18	9,630
75	3	1,947	25	19,329	28	21,276
76	4	1,836	46	29,325	50	31,161
77	8	5,025	50	35,115	58	40,139
78	6	4,200	69	44,283	75	48,482
79	11	7,629	57	44,586	68	52,215
80	15	13,843	72	65,029	87	78,872
81	8	6,529	60	49,781	68	56,310
82	11	12,348	68	68,494	79	80,842
83	14	13,952	53	54,839	67	68,791
84	8	7,211	104	110,454	112	117,665
85	13	9,820	85	93,455	98	103,276
86	8	8,762	97	111,134	105	119,896
87	8	11,654	95	107,802	103	119,456
88	10	13,845	71	83,169	81	97,014
89	11	21,129	92	120,243	103	141,372
90	6	6,572	59	77,607	65	84,179
91	5	8,384	51	58,814	56	67,198
92	5	7,741	64	86,184	69	93,924
93	4	7,939	52	73,413	56	81,353
94	4	4,153	43	63,981	47	68,134
95	3	3,341	31	51,321	34	54,662
96	1	2,979	38	52,216	39	55,196
97			35	47,021	35	47,021
98	1	525	27	46,101	28	46,626
99			16	28,078	16	28,078

Amounts may not add to the dollar due to rounding.

**TABLE 6**  
**(Continued)**  
**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM**  
**THE GUARANTEED MINIMUM ANNUITY RESERVE**  
**OF RETIRED ANNUITANTS**  
**AS OF JUNE 30, 2007**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
100			16	24,436	16	24,436
101			6	7,007	6	7,007
102			10	14,077	10	14,077
103			7	13,013	7	13,013
104						
105			3	3,560	3	3,560
106			2	2,877	2	2,877
107						
108			2	3,202	2	3,202
<b>Total</b>	184	\$ 190,045	1,703	\$ 1,804,490	1,887	\$ 1,994,536

Amounts may not add to the dollar due to rounding.

TABLE 7

**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM  
THE GUARANTEED MINIMUM ANNUITY RESERVE  
OF DISABILITY BENEFIT RECIPIENTS  
AS OF JUNE 30, 2007**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
80			1	\$ 936	1	\$ 936
81						
82			1	696	1	696
83						
84						
85						
86						
87						
88						
89						
90						
91			1	1,398	1	1,398
92						
93						
94						
95						
96						
97						
98						
99						
100						
101			1	3,488	1	3,488
<b>Total</b>			4	\$ 6,518	4	\$ 6,518

Amounts may not add to the dollar due to rounding.