

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

**June 30, 2010
Actuarial Valuation of
Pension Benefits**

December 2010

December 6, 2010

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, 2010 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 Article 16 of the Illinois Pension Code. 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 were calculated to increase in level annual increments, and gross appropriations are required to be a level percentage of payroll thereafter. 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.

As required under PA 96-0043, the method for determining the actuarial value of assets used to determine the employer contribution rate was changed beginning with the June 30, 2009 valuation. The method was changed from the market value to a smoothed value. The smoothed value recognizes actuarial investment gains or losses for each fiscal year, beginning with FY 2009, in equal amounts over the ensuing five-year period. The System incurred a gain on a market basis of \$1,257,176,000 in FY 2010. Per statutory requirement, 20% is recognized in the actuarial value of assets as of June 30, 2010, and recognition of the remaining 80%, or \$1,005,741,000, will be deferred and recognized in equal amounts over the next four valuations. Depending on whether the total net deferral is an investment gain or loss, the smoothing method will produce a contribution rate that is more or less than the rate based on the market value. As of the June 30, 2010 valuation the total net deferral is a \$6,115,308,000 loss, resulting in a contribution that is lower than it would be if the assets were valued at market.

Significant pension legislation passed by the House and Senate on March 24 was signed into law by the Governor on April 14, 2010. Public Act 96-0889, formerly Senate Bill 1946, adds a new section to the Pension Code that will apply to anyone first hired in a position covered by the Teachers' Retirement System on or after January 1, 2011. Significant changes from the current pension law include raising the minimum eligibility to draw a retirement benefit to age 67 with 10 years of service, calculating the retirement benefit based on pensionable earnings allowed to grow more slowly than the Social Security wage base, beginning with \$106,800 as of 2011, and a cost-of-living annuity adjustment of the lesser of 3 percent or ½ of the annual increase in the CPI, not compounded. The retirement formula under the new-hire pension law is unchanged. The new pension law does not apply to anyone who has TRS service prior to January 1, 2011.

The unfunded pension benefit obligation of the System as of June 30, 2010 is \$39,854,106,000, which may be compared with the unfunded obligation of \$35,001,154,000 as of June 30, 2009.

The funded status of the System as of June 30, 2010 is 40.5% based on the market value of assets and 48.4% based on the actuarial value of assets. As of June 30, 2009 the System's funded status was 39.1% based on the market value of assets, and 52.1% based on the actuarial value of assets.

This report is comprised of projections on two different bases:

- **Assuming the full fiscal year 2011 State Contribution is made** - Projections on this basis are contained in the body of the report.
- **Assuming that the fiscal year 2011 State Contribution is \$110,000,000** - Projections on this basis are contained in Appendix XII beginning on page 70.

Assuming the full fiscal year 2011 State Contribution is made, we calculate that the employer's contribution rate to the Benefit Trust Reserve of the System for fiscal year 2012 is 25.49% of membership payroll. The recommended total employer contribution for fiscal year 2012 to the Benefit Trust Reserve under the provisions of Article 16 of the Illinois Pension Code is \$2,547,803,000. 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 2012 of \$2,406,472,000. This figure represents an increase of \$48,031,000 or 2.0% from the total State Contribution in fiscal year 2011 of \$2,358,441,000. **These amounts are predicated on all contributions for the fiscal year 2011 being paid.**

Assuming the fiscal year 2011 State Contribution is \$110,000,000, we calculate that the employer's contribution rate to the Benefit Trust Reserve of the System for fiscal year 2012 is 27.02% of membership

payroll. The recommended total employer contribution for fiscal year 2012 to the Benefit Trust Reserve under the provisions of Article 16 of the Illinois Pension Code is \$2,701,163,000. 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 2012 of \$2,554,618,000. This figure represents an increase of \$196,177,000 or 8.3% from the total State Contribution in fiscal year 2011 of \$2,358,441,000. This certified amount is based on the projections presented at the November 15th, 2010 meeting which can be found in the Appendix. **These amounts are predicated on state contributions of only \$110,000,000 for the fiscal year 2011 being paid.**

Qualified actuaries completed this valuation in accordance with generally accepted actuarial procedures as prescribed by the Actuarial Standards Board. The qualified actuaries are members of the American Academy of Actuaries and are experienced in performing actuarial valuations of public employee retirement systems. To the best of our knowledge, this report is complete and accurate and has been prepared in accordance with generally accepted actuarial principles and practices. The undersigned with actuarial designations are qualified to render the opinions contained in this report.

Sincerely,



Larry Langer, FCA, ASA, EA, MAAA
Principal, Retirement



Marco Ruffini
Sr. Consultant, Retirement

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

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

**ACTUARIAL VALUATION
JUNE 30, 2010**

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	
	2010	2009
Benefit Trust Reserve		
• Active members reported to the actuary:		
– Number	169,173	165,474
– Annual salaries (adjusted for data lag)	\$ 9,301,554,000	\$ 8,872,551,000
– Average age	41.7 years	41.8 years
– Average service	10.0 years	10.1 years
• Number of inactives	111,858	108,416
• Retirees and beneficiaries in receipt of benefits:		
– Number	97,796	94,419
– Annual annuities (at June 30)	\$ 4,107,592,000	\$ 3,812,546,000
• Assets		
– Market value	\$ 31,323,784,000	\$ 28,531,312,000
– Actuarial value	\$ 37,439,092,000	\$ 38,026,044,000
• Pension benefit obligation*	\$ 77,293,198,000	\$ 73,027,198,000
• Unfunded pension benefit obligation based on actuarial value of assets	\$ 39,854,106,000	\$ 35,001,154,000
• Funded ratio:		
– Market value	40.5%	39.1%
– Actuarial value	48.4%	52.1%

* The above PBOs include liability for actual and expected retirements under the Modified ERO.

SUMMARY OF PRINCIPAL RESULTS
(Continued)

Item	Year Ended June 30	
	2010	2009
Benefit Trust Reserve (continued)	Fiscal Year <u>2012</u>	Fiscal Year <u>2011</u>
• Employer cost:		
– Percentage Rate (includes Federal and School Districts)	25.49%	25.70%
– Employer Contribution	\$ 2,547,803,000	\$ 2,488,618,000
– Less School Districts for 2.2% formula	(57,976,000)	(56,171,000)
– Less Federal Funds Contribution	<u>(84,655,000)</u>	<u>(75,406,000)</u>
– State Contribution	\$ 2,405,172,000	\$ 2,357,041,000
Guaranteed Minimum Annuity Reserve*		
• Retirees and disabilitants in receipt of benefits:		
– Number	1,464	1,596
– Annual annuities	\$ 1,442,000	\$ 1,599,000
– Pension benefit obligation	\$ 6,857,000	\$ 7,731,000
• State Contribution	\$ 1,300,000	\$ 1,400,000
Total State Contribution:		
• Benefit Trust Reserve	\$ 2,405,172,000	\$ 2,357,041,000
• Guaranteed Minimum Annuity Reserve	<u>1,300,000</u>	<u>1,400,000</u>
• Total State Contribution	\$ 2,406,472,000	\$ 2,358,441,000

* 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 2011 and 2012 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 2011, as shown in Schedules XII and XIII:

	<u>Certified Contribution**</u>
State Contribution	\$ 2,357,041,000
School Districts for 2.2%	56,171,000
Federal Funds	<u>75,406,000</u>
Total	\$ 2,488,618,000

** State contribution amounts shown are the Board-certified amounts for FY 2011. Future Federal Funds and School Districts contributions are estimated.

2. The June 30, 2010 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, 2009, and (ii) retirees and beneficiaries in receipt of benefits as of June 30, 2010. Membership data for active and inactive members as of June 30, 2008, and for retirees and beneficiaries as of June 30, 2009 were used as the basis for the June 30, 2009 actuarial valuation. As part of the valuation procedure, actual salaries and member account balances reported for active and inactive members were increased by 4% to adjust for the one-year lag in the census information. The 4% assumption is intended to reflect the salary increases that have occurred during the lag period for the entire population.
3. The State contribution amount of \$2,406,472,000 shown as of June 30, 2010 is based on Article 16 of the Illinois Pension Code. This amount represents a Benefit Trust Reserve Contribution of \$2,405,172,000 and a Guaranteed Minimum Annuity Reserve Contribution of \$1,300,000 for a total contribution of \$2,406,472,000.
4. As stated above, at June 30, 2010 and June 30, 2009, we adjusted for the one year lag in reporting of the active and terminated 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, 2010.
5. The statistics for full-time, substitute, part-time, and hourly paid teachers for purposes of the June 30, 2010 valuation, based on the census information for active members as of June 30, 2009, (after salaries were increased to adjust for the one year lag in the census information for the June 30, 2010 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	138,180	30,993	169,173
Annual salaries	\$ 9,147,433,000	\$ 154,121,000	\$ 9,301,554,000
Average age	41.7 years	41.9 years	41.7 years
Average service	11.9 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 increased in level annual increments over the prior year's gross appropriation until the required level percentage of payroll was 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.

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 funding policy of Section 16-158, the total fiscal year 2012 contribution rate payable to the Benefit Trust Reserve by all employers is equal to 25.49% 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 calculated to be at a level percentage in fiscal year 2011 and going forward subject to adjustments for the state maximum.

Schedule IA of the report shows the required contributions to the Benefit Trust Reserve and the Guaranteed Minimum Annuity Reserve for fiscal year 2012. Schedule IB shows the development of the 25.49% required employer contribution rate for the Benefit Trust Reserve for fiscal year 2012.

Schedule XIV shows a projection of the Gross Employer Rate for the Benefit Trust Reserve before application of the State Maximum, while Schedules XII 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.

Fiscal Year	Gross Employer Rate (Before State Maximum and Without POBs) from Schedule XIV	Required Employer Rate (After State Maximum and With POBs) from Schedule XIII	State Rate (After State Maximum and With POBs) from Schedule XII
2012	28.98%	25.49%	24.91%
2013	30.32%	26.98%	26.40%
2014	31.53%	28.35%	27.77%
2015	32.63%	29.61%	29.03%
2016	32.50%	29.63%	29.05%
2017	32.50%	29.66%	29.08%
2018	32.50%	29.69%	29.11%
2019	32.50%	29.74%	29.16%
2020	32.50%	29.69%	29.11%
2021	32.50%	29.66%	29.08%
2022	32.50%	29.64%	29.06%
2023	32.50%	29.65%	29.07%
2024	32.50%	29.58%	29.00%
2025	32.50%	29.53%	28.95%
2026	32.50%	29.58%	29.00%
2027	32.50%	29.64%	29.06%
2028	32.50%	29.62%	29.04%
2029	32.50%	29.61%	29.03%
2030	32.50%	29.54%	28.96%
2031	32.50%	29.48%	28.90%
2032	32.50%	29.50%	28.92%
2033	32.50%	29.58%	29.00%
2034 - 2045	-	32.44%	31.86%

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 all of these additional types of contributions are not shown in Schedules IA, IB, XII, XIII, XIV, or XV 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 XII.

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. As required under PA 96-0043, the method for determining the actuarial value of assets used to determine the employer contribution was changed from the market value to a 5-year smoothed value beginning with the June 30, 2009 valuation. 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 Fair Market Value*	Assets at 5-Year Smoothed Value	Pension Benefit Obligation	Funded Status at Fair Market Value Basis	Funded Status at 5-Year Smoothed Value Basis
June 30, 2010	\$ 31,324	\$ 37,439	\$ 77,293	40.5%	48.4%
June 30, 2009	\$ 28,531	\$ 38,026	\$ 73,027	39.1%	52.1%

* The System's June 30, 2009 value for assets at market was reduced to \$28.498 billion after the Board of Trustees certified valuation results and funding recommendations based on the figure shown above. The June 30, 2010 actuarial valuation and funding recommendations for fiscal year 2012 take this difference into account.

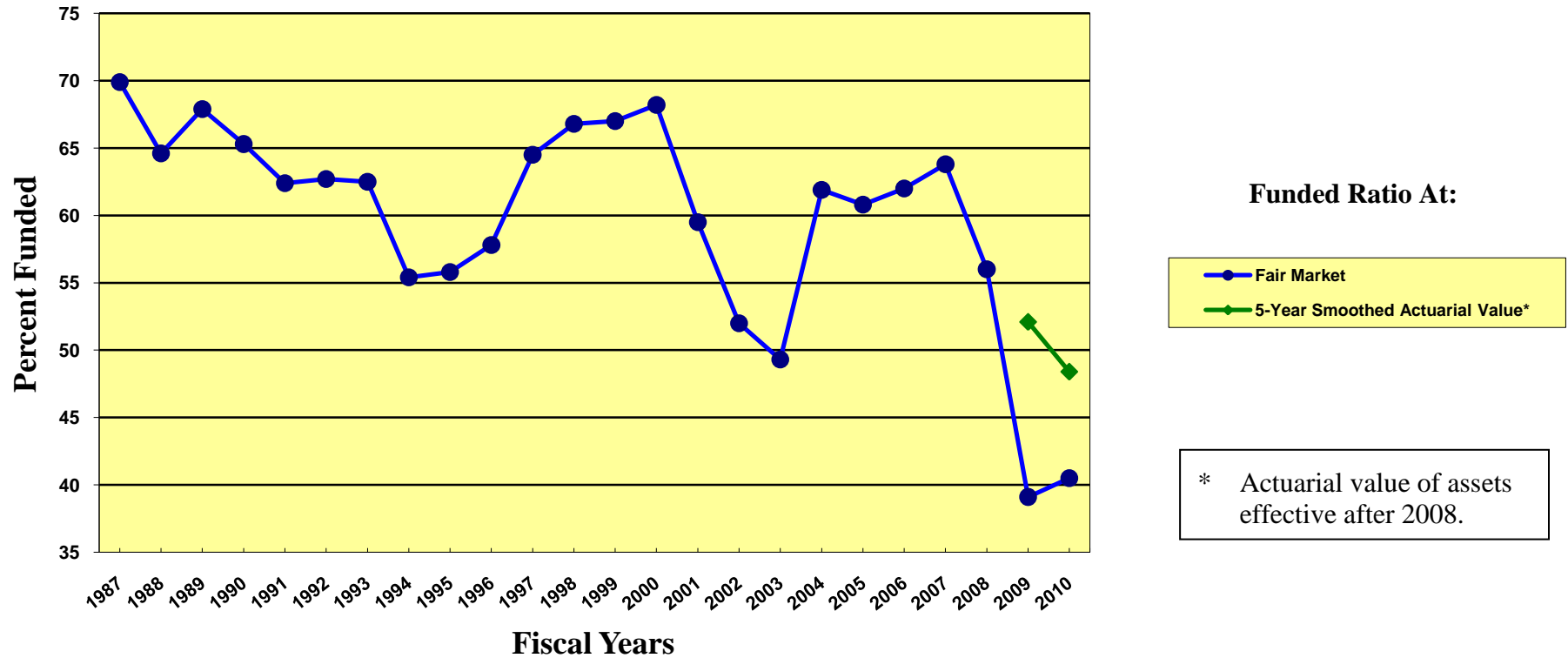
As can be seen from the table, the current funded statuses of the System are 40.5% and 48.4% as measured by the fair market value of assets and 5-year smoothed actuarial value of assets, respectively.

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 7, 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, and 2008 through 2009, 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 35 and 36.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

FUNDED RATIO FISCAL YEARS 1987 – 2010



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.

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, 2010, there was a net actuarial loss of \$3,281 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 loss included the following:

(1) Gains due to salary increases less than expected	\$ (210) million
(2) Losses due to investment income less than expected	2,929
(3) Losses due to new entrants, for which no allowance is made in the assumptions	26
(4) Losses due to lower than expected mortality	41
(5) Losses due to fewer terminations than expected	42
(6) Losses due to repayments of refunded member contributions	27
(7) Losses due to delayed reporting of retirements (effect on assets)	11
(8) Losses due to all other causes (rounded)	<u>415</u>
Total net losses	\$ 3,281 million

The loss from item 2 is the difference between the expected return of 8.50% on the actuarial value of assets and the actual return (including recognition of deferred gains or losses) on the actuarial value of assets. The actuarial loss is equal to the expected earnings of \$3.196 billion minus the actual investment return of \$0.267 billion.

The demographic loss consists of all gains and losses not associated with the loss due to investment income (item 2). The demographic loss is \$.352 billion and is 0.5% of the total Pension Benefit Obligation.

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

The loss from item 7 is due to 460 retirements that occurred prior to July 1, 2009 and were not reported to the actuary until June 30, 2010 due to backdated retirement claims and TRS processing constraints. The actuarial loss is equal to the value of benefits paid prior to July 1, 2010 to these late reported retirees.

The "other cause" category (item 8) is the balancing item needed to complete the reconciliation and is mainly due to the lag in data reporting, higher than expected retirement rates and actual cost of benefits earned during the year higher than projected.

SECTION V — MEMBERSHIP DATA

The June 30, 2010 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, 2009, and (ii) annuitants and survivor annuitants in receipt of benefits as of June 30, 2010. As part of the valuation procedure, annualized salaries and member account balances reported for active and terminated members were increased by 4% to adjust for the one year lag in the census information reported for active members.

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, 2010	Valuation June 30, 2009	Percentage Change
Active membership:			
• Full-time and regular part-time:			
➤ Number	138,180	136,328	1.4
➤ Annual Compensation	\$ 9,147,433,000	\$ 8,723,099,000	4.9
➤ Average Compensation	\$ 66,199	\$ 63,986	3.5
• Substitute, part-time, hourly paid (limited schedule)			
➤ Number	30,993	29,146	6.3
➤ Annual Compensation	\$ 154,121,000	\$ 149,452,000	3.1
➤ Average Compensation	\$ 4,973	\$ 5,128	(3.0)
• Total Number	169,173	165,474	2.2
Inactive membership:			
• Eligible for deferred annuities	16,370	16,039	2.1
• Eligible for refunds or single sum benefits only	95,488	92,377	3.4
Annuitants (retirees, disabilitants and survivors):			
• Number	97,796	94,419	3.6
• Annual annuities	\$ 4,107,592,000	\$ 3,812,546,000	7.7
• Average annual annuities	\$ 42,002	\$ 40,379	4.0

Notes:

1. Rates of pay for individual teachers who were on full-time or regular part-time status at both June 30, 2009 and June 30, 2010 increased on average 6.44%, compared to the expected average increase of 7.11%.
2. The 3.5% 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

1. Market Value of Assets as of June 30, 2010						\$ 31,323,784,214
2. Determination of Deferred Gain (Loss)						
		<u>Market Return on Assets</u>				
Fiscal Year Ending	<u>Actual</u>	<u>Expected</u>	<u>Gain/(Loss)</u>	<u>% Deferred</u>		<u>Deferred Amount</u>
2010	\$ 3,646,060,161	\$ 2,388,884,043	\$ 1,257,176,118	80%		\$ 1,005,740,895
2009	(8,654,702,712)	3,213,711,375	(11,868,414,087)	60%		(7,121,048,452)
2008*	-	-	-	40%		-
2007*	-	-	-	20%		-
			<u>\$ (10,611,237,969)</u>			<u>\$ (6,115,307,557)</u>
3. Actuarial Value of Assets as of June 30, 2010 (1) - (2)						\$ 37,439,091,771
4. Actuarial Value of Assets as of June 30, 2009						\$ 38,026,043,512
5. Return on Actuarial Basis (3) - [(4) + (B) + (C) + (D)]						\$ 266,636,448
6. Expected Actuarial Return on Assets for Fiscal 2010 (G) x [(4) + .5 x ((B) + (C) + (D))]						\$ 3,195,936,200
7. 2010 Actuarial Basis Asset Gain / (Loss) (5) - (6)						\$ (2,929,299,752)
8. Actuarial Rate of Return (5) / [(4) + 0.5 x ((B) + (C) + (D))]						0.71%

* Prior to June 30, 2009, market value of assets was used. There are no deferred gains or losses prior to that date.

(A) Certified Market Value of Assets as of June 30, 2009		\$ 28,531,312,242
(B) Contributions in Fiscal Year 2010		3,149,950,632
(C) Benefit Payments in Fiscal Year 2010		(3,986,588,142)
(D) Administrative Expense in Fiscal Year 2010		(16,950,679)
(E) Actual Return in Fiscal Year 2010**		<u>3,646,060,161</u>
(F) Market Value of Assets as of June 30, 2010		\$ 31,323,784,214
(G) Valuation Interest Rate as of June 30, 2009		8.50%
(H) Expected Market Return on Assets for Fiscal 2010 (G) x [(A) + .5 x ((B)+(C)+(D))]		\$ 2,388,884,043
(I) 2010 Market Basis Asset Gain / (Loss) (E) - (H)		\$ 1,257,176,118
(J) Market Rate of Return (E) / [(A) + 0.5 x ((B) + (C) + (D))]		12.97%

** Includes (\$0.033B) adjustment to the June 30, 2009 MVA made after the Board of Trustees certified the valuation results.

SECTION VII — HISTORY OF LEGISLATIVE CHANGES

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 objective under Article 16 of the Illinois Pension Code is to meet the cost of maintaining and administering the system on a 90% funded basis by June 30, 2045. Following is a brief summary of the changes in funding requirements.

- Public Act 88-0593, enacted in 1994, established a fifty-year funding plan for fiscal years 1996 through 2045. It required a fifteen-year ramp period of gradually increasing State contributions followed by a 35-year period of State contributions at a level percent of pay.
- Public Act 90-0448, enacted in 1997, required the System's assets to be valued at fair market value instead of book value.
- Public Act 90-0582, enacted in 1998, changed the defined benefit formula and added minimum state contribution rates in fiscal year 1999 that remained in effect through fiscal year 2004.
- Public Act 93-0002, enacted in 2003, provided pension obligation bond proceeds and placed upper limits on State contributions beginning with the State contribution due for fiscal year 2005.
- Public Act 94-0004, enacted in 2005, removed the money purchase formula for new hires, added new employer contributions for excess salary increases and sick leave, specified the level of state contributions for fiscal years 2006 and 2007, and required a return to the statutory funding plan in fiscal year 2008.
- Public Act 94-1057, enacted in 2006, contained exemptions from some of the new employer contribution requirements enacted in 2005.
- Public Act 96-0043, enacted in 2009, required the use of a smoothed actuarial value of assets beginning with the June 30, 2009 valuation.

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.

Schedules XII through XV are based upon the Public Act 94-0004, as amended by Public Acts 94-1057 and 96-0043. Public Act 96-0043 introduced a five-year smoothed asset value into the determination of the contribution requests with the June 30, 2009 valuation. Prior to this date, the projections were based on market.

SCHEDULE IA
EMPLOYER'S CONTRIBUTION RATES AND AMOUNTS
FISCAL YEAR 2012
(Based on June 30, 2010 Actuarial Valuation)

Reserve Fund	Year Ended June 30, 2012
• Benefit Trust Reserve:	
> Employer's Cost	\$ 2,547,803,000
> Less School Districts for 2.2% formula	(57,976,000)
> Less Federal Funds	<u>(84,655,000)</u>
> State Contribution	\$ 2,405,172,000
• Guaranteed Minimum Annuity Reserve	
> State Contribution	\$ 1,300,000
Total State Contribution	\$ 2,406,472,000

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

- (a) Employer's cost of \$2,547,803,000 is equivalent to a contribution rate of 25.49% of payroll based on an estimated membership payroll for fiscal year 2012 of \$9.996 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 2012 state contribution rate is 24.91% of the estimated \$9.656 billion state payroll.

(2) Guaranteed Minimum Annuity Reserve

Above State contribution for fiscal year 2012 of \$1,300,000 for the Guaranteed Minimum Annuity Reserve is based on projection of benefit outgo from reserve funds in fiscal year 2012. 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, 2010 valuation data. New entrant profile per actuarial assumptions.
- (b) Employer's contribution to Benefit Trust Reserve in fiscal year 2011 as shown in Schedules XII and XIII:

	<u>Certified Contribution</u>
State Contribution	\$ 2,357,041,000
School Districts for 2.2%	56,171,000
Federal Funds	<u>75,406,000</u>
Total	\$ 2,488,618,000

- (c) Funds provided 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.

SCHEDULE IB
DETERMINATION OF EMPLOYER CONTRIBUTION FOR FISCAL YEAR 2011
(Based on June 30, 2010 Actuarial Valuation)

Benefit Trust Reserve	Year Ended June 30, 2012	Percentage of Payroll (State, Federal, Total)	
(1) Assumed Payrolls			
➤ Total Payroll	\$ 9,995,938,000		
➤ Less Federal Funds Payroll	<u>(339,862,000)</u>		
➤ State Payroll	\$ 9,656,076,000		
(2) Employer contribution that would have been required without funds provided by Sec. 7.2(d) of General Obligation Bond Act			
➤ Employer's Cost	\$ 2,897,039,000	28.98%	Total
➤ Less School Districts under Sec. 16-158(e)	<u>(57,976,000)</u>	<u>(0.58)</u>	Total
➤ State and Federal Funds Contribution	\$ 2,839,063,000	28.40%	Total
➤ Less State Debt Service for TRS portion of all funds provided under Sec. 7.2 of General Obligation Bond Act	<u>(349,236,000)</u>	<u>(3.49)%</u>	Total
➤ Maximum State and Federal Funds Contribution	\$ 2,489,827,000	24.91%	Total
(3) Employer contribution recognizing all system assets, before limiting State and Federal Funds contribution			
➤ Employer's Cost	\$ 2,606,904,000	26.08%	Total
➤ Less School Districts under Sec. 16-158(e)	<u>(57,976,000)</u>	<u>(0.58)</u>	Total
➤ State and Federal Funds Contribution	\$ 2,548,928,000	25.50%	Total
(4) State and Federal Funds Contribution			
➤ Lesser of amounts under (2) and (3)	\$ 2,489,827,000	24.91%	Total
(5) Employer contribution under PA 94-0004			
➤ State Portion of (4), based on State Payroll	\$ 2,405,172,000	24.91%	State
➤ Plus Federal Portion of (4), based on Federal Payroll	<u>84,655,000</u>	<u>24.91</u>	Federal
➤ State and Federal Funds Contribution	\$ 2,489,827,000	24.91%	Total
➤ Plus School Districts under Sec. 16-158(e)	<u>57,976,000</u>	<u>0.58</u>	Total
➤ Employer's Cost	\$ 2,547,803,000	25.49%	Total

Notes:**(1) Assumed Payrolls**

The administrative staff of the System estimated Federal Funds payroll for the fiscal year ending June 30, 2012 would be 3.40% 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 Section 7.2(d) of the General Obligation Bond Act (GOBA), TRS received \$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 Received 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

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

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).

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. 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 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 for payments under Sec. 16-158(f) 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 are no current assumptions for excessive sick leave service credit, and so the actuarial projections do not currently include projected 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)
6/30/2001	\$ 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%
6/30/2008	38,430,723	68,632,367	30,201,644	56.0%	8,521,717	354.4%
6/30/2009	38,026,044	73,027,198	35,001,154	52.1%	8,945,021	391.3%
6/30/2010	37,439,092	77,293,198	39,854,106	48.4%	9,251,139	430.8%

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
6/30/1999	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%
6/30/2006	2008	1,949,463	60.0%
6/30/2007	2009	2,109,480	75.9%
6/30/2008	2010	2,481,914	90.6%

GASB 27 Disclosure	
Development of Net Pension Obligations 6/30/2010	
Item	
1) Net Pension Obligation at 6/30/09	\$ 11,954,007
2) Employer Normal Cost	846,937
3) Amortization of Unfunded PBO***	1,634,977
4) Annual Required Contribution (ARC) for the period 7/1/09 – 6/30/10 (2) + (3)	2,481,914
5) Interest on the NPO at 6/30/09	1,016,090
6) Adjustment to the ARC	616,102
7) Pension Cost (4) + (5) – (6)	2,881,902
8) Total Employer Contribution	2,249,782
9) Percent of Pension Cost Contributed (8) / (7)	78.1%
10) Change in NPO (7) – (8)	632,120
11) Net Pension Obligation at 6/30/10 (1) + (10)	\$ 12,586,127

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:	6/30/2010
Actuarial Cost Method:	Projected Unit Credit
Amortization Method (for GASB disclosure):	Level Percent Open
Remaining Amortization Period (for GASB disclosure):	30 years
Payroll Growth Assumption (for GASB disclosure):	Projected using the assumed decrements for the members in the system and the valuation new entrant profile
Asset Valuation Method:	5-year smoothed value
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%

* For 2000 to 2008: Assets are at fair market value.
 For 2009: Assets are 5-year smoothed value.

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

*** The amortization of the unfunded PBO is amortized as a level percentage of pay over 30 years based on the salary increase assumption and new entrant profile found in Section IX of this report.

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

Item	Year Ended June 30	
	2010	2009
Unfunded pension benefit obligation at beginning of year	\$ 35,001,154	\$ 30,201,644
Additions (deductions)		
Employer cost in excess of contributions	\$ 1,572,252	\$ 1,782,855
Change in actuarial assumptions and methods:		
Effective 6/30/2009, asset method change to 5-year smoothing ¹	--	(9,494,731)
Net additions (deductions)	\$ 1,572,252	\$ (7,711,876)
Actuarial losses (gains) compared to assumptions		
Salary increases for continuing active members	\$ (210,215)	\$ (29,162)
Asset losses (gains) ²	2,929,300	11,868,414
New entrant loss	26,484	30,694
Mortality other than expected	40,736	40,644
Terminations other than expected	42,044	35,951
Repayments of refunded member contributions ³	27,030	30,441
Delayed reporting of retirements (effect on assets) ⁴	10,974	11,508
Other ⁵	414,347	522,896
Net actuarial losses (gains)	\$ 3,280,700	\$ 12,511,386
Unfunded pension benefit obligation at end of year	\$ 39,854,106	\$ 35,001,154

¹ The negative \$9.495 billion is the impact of changing the actuarial value of assets from the market value to the smoothed value of assets, pursuant to PA 96-0043. It is the difference between the market value of \$28.531 billion, which was reduced to \$28.498 billion after the Board of Trustees certified valuation results and funding recommendations, and the smoothed value of \$38.026 billion as of 6/30/2009. The difference equals the 80% portion of the \$11.868 billion investment loss for FY 2009 (see footnote 2) that is being deferred, or is not yet recognized, in the smoothed value of assets.

² Assets are expected to earn 8.5% of market value. This item is the difference between the expected and the actual investment return on an actuarial basis. For example, in fiscal year 2010, the expected actuarial return of \$3.196 billion was greater than the \$0.267 billion actual return on assets, resulting in an actuarial loss which increased the unfunded pension benefit obligation by \$2.929 billion.

³ This includes the employer-paid portion of the benefit that was restored when members repaid previously refunded contributions.

⁴ 461 retirements that occurred prior to 7/1/2008 were not reported to the actuary until 6/30/2009.

460 retirements that occurred prior to 7/1/2009 were not reported to the actuary until 6/30/2010.

⁵ 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	
	2010	2009
• Employer normal cost	\$ 846,937	\$ 817,320
• Interest on unfunded pension benefit obligation at beginning of year	<u>2,975,098</u>	<u>2,567,140</u>
Total employer cost	\$ 3,822,035	\$ 3,384,460
• Employer contributions toward normal cost and interest on unfunded pension benefit obligation		
— State (excluding Minimum Benefit)	\$ 2,079,129	\$ 1,449,889
— School Districts for 2.2% and Salary Increase Cap and Modified ERO	96,204	98,768
— Federal Funds	<u>74,450</u>	<u>52,948</u>
Total employer credits	\$ 2,249,783	\$ 1,601,605
• Employer cost in excess of contributions	\$ 1,572,252	\$ 1,782,855

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

Year Ended June 30	Pension Benefit Obligation	Actuarial Value of Assets*	Unfunded Pension Benefit Obligation	Percentage Change in Unfunded
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
2008	68,632,367,000	38,430,723,000	30,201,644,000	27.22
2009	73,027,198,000	38,026,044,000	35,001,154,000	15.89
2010	77,293,198,000	37,439,092,000	39,854,106,000	13.87
Average Annual Change				14.42%

* For 2001 to 2008: Assets are at fair market value.
For 2009 and after: Assets are 5-year smoothed value.

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

Year Ended June 30	Pension Benefit Obligation	Actuarial Value of Assets*	Funded Ratio
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
2008	68,632,367,000	38,430,723,000	56.0
2009	73,027,198,000	38,026,044,000	52.1
2010	77,293,198,000	37,439,092,000	48.4

* For 2001 to 2008: Assets are at fair market value.
 For 2009 and after: Assets are 5-year smoothed 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			
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
2008	41,909,318,000	865,400,000	1,171,789,000	(2,014,414,000)	3,501,370,000	38,430,723,000
2009	38,430,723,000	876,182,000	1,603,921,000	(8,654,703,000)	3,724,811,000	28,531,312,000
2010	28,531,312,000	899,401,000	2,252,150,000	3,646,060,000	4,003,539,000	31,323,784,000

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, 2009
USED IN JUNE 30, 2010 VALUATION**

Group	Number	Annual Salaries (Adjusted to Valuation Date)
Active members:		
Reported full-time and regular part-time*	138,180	\$ 9,147,433,192
Reported substitutes and hourly paid	<u>30,993</u>	<u>154,120,890</u>
Total	169,173	\$ 9,301,554,082
Inactives:	111,858	N/A

*Age and service also adjusted for 2010 valuation as explained on page 3.

**ANNUITANTS, DISABILITY BENEFIT RECIPIENTS,
AND SURVIVOR ANNUITANTS OF THE SYSTEM
AS OF JUNE 30, 2010
(Excluding Guaranteed Minimum Annuities)**

Class	Number	Annual Annuities At June 30
Retired on account of service:		
Regular	51,699	\$ 2,050,692,063
ERI	10,686	518,076,943
ERO	<u>25,269</u>	<u>1,359,062,654</u>
Total	87,654	\$ 3,927,831,660
Disability benefit recipients:		
Retirement allowance	778	\$ 18,319,869
Occupational	5	200,339
Temporary	<u>308</u>	<u>8,233,763</u>
Total	1,091	\$ 26,753,971
Survivor benefit recipients:		
Children	71	\$ 532,715
Survivor annuitants	8,797	147,293,648
Reversionary annuitants	<u>183</u>	<u>5,180,134</u>
Total	9,051	\$ 153,006,497
Grand Total	97,796	\$ 4,107,592,128

SCHEDULE VIII**MEMBERSHIP DATA**

(Continued)

DATA RECONCILIATION

	Active Members	Inactive Members
Number as of June 30, 2008 used as proxy for June 30, 2009 Valuation	165,474	108,416
New Participants	15,834	
Terminations	(11,727)	11,727
Retirements	(3,516)	(831)
Disabilities	(140)	(3)
Return to Work	4,448	(4,395)
Deceased	(111)	(194)
Refund	(977)	(2,263)
Lump Sum	(70)	(177)
Data Corrections	<u>(42)</u>	<u>(422)</u>
Number as of June 30, 2009 used as proxy for June 30, 2010 Valuation *	169,173	111,858

	Retirees & Beneficiaries
Number as of June 30, 2009	94,419
New Retirees & Beneficiaries	5,643
Disabilities	142
Return to Work	(50)
Deceased	(2,310)
Expiration or Transfer	(22)
Suspended	(23)
Data Corrections	<u>(3)</u>
Number as of June 30, 2010	97,796

* The Active and Inactive Member counts shown represent the data one year prior to the Valuation. For example, the Active Membership data used for the June 30, 2010 is the snapshot as of June 30, 2009. 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.

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
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
2007	132,287	1.09	61,713	2.94
2008	136,328	3.05	63,986	3.68
2009	138,180	1.36	66,199	3.46

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
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
2007	28,514	0.56	4,890	2.22
2008	29,146	2.22	5,128	4.87
2009	30,993	6.34	4,973	(3.02)

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

Year Ended June 30	Number on Roll	Percentage Change in Membership
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
2008	91,497	2.50
2009	94,419	3.19
2010	97,796	3.58

* 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 STREAM FOR GUARANTEED MINIMUM ANNUITY RESERVE**

Benefit Payment Stream	
Fiscal Year	Guaranteed Minimum
2011	\$ 1,367,950
2012	1,222,430
2013	1,087,310
2014	962,360
2015	847,520
2016	742,670
2017	647,540
2018	561,810
2019	485,030
2020	416,710
2021	356,310
2022	303,260
2023	256,950
2024	216,800
2025	182,180
2026	152,510
2027	127,220
2028	105,780
2029	87,670
2030	72,450
2031	59,680
2032	49,010
2033	40,110
2034	32,700

Benefit Payment Stream	
Fiscal Year	Guaranteed Minimum
2035	\$ 26,540
2036	21,430
2037	17,210
2038	13,720
2039	10,860
2040	8,520
2041	6,620
2042	5,090
2043	3,860
2044	2,890
2045	2,130
2046	1,550
2047	1,110
2048	780
2049	540
2050	370
2051	240
2052	160
2053	100
2054	60
2055	30
2056	20
2057	10
2058	-

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 2012 State Contribution shown on the Summary of Principal Results has been adjusted to endure payment of all required benefit amounts, as required by Statute.

SCHEDULE XII

ITEMIZATION OF EMPLOYER CONTRIBUTION TO BENEFIT TRUST RESERVE

Year Ended June 30	Assumed Payroll ⁽¹⁾	School District Contributions				Combined State and Federal Funds					(B) Required Federal Funds Contribution	(C) Required State Contribution
		S. 16-158(f) (Pay Increases)	S. 133.2 (ERO)	(A) S. 16-158(e) (2.2 Formula)	Total	Calculations Required by PA 94-004			Required Amount	Required Rate		
						Formula Amount	Formula Rate	Maximum Amount				
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	16,675,000	543,855,776	9.78%				18,500,000	567,067,600
2000	5,887,080,405			34,145,066	34,145,066	617,359,480	10.49%				18,200,000	634,038,560
2001	6,271,637,672			36,375,498	36,375,498	731,839,141	11.67%				20,000,000	719,356,841
2002	6,666,272,399			38,664,380	38,664,380	821,265,118	12.32%				23,000,000	810,618,724
2003	7,115,762,553			12,808,373	12,808,373	951,049,918	13.37%				25,000,000	926,049,918
2004	7,345,674,585			42,604,912	42,604,912	1,056,658,994	14.38%				29,400,000	1,027,258,994
2005	7,669,150,690			44,481,074	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	14,974,781	See note(2)	45,656,648	60,631,429	555,898,087	7.06%	555,898,087	555,898,087	7.06%	24,070,387	531,827,700
2007	7,939,262,146	19,353,893	160,339,640	46,047,720	225,741,253	776,842,522	9.78%	776,842,522	776,842,522	9.78%	41,328,022	735,514,500
2008	8,293,518,065	0	83,137,070	48,102,405	131,239,475	1,106,016,254	13.34%	1,087,024,046	1,087,024,046	13.11%	47,829,058	1,039,194,988
2009	8,817,486,572	3,000,000	94,319,430	51,141,422	148,460,852	1,505,595,846	17.08%	1,513,542,600	1,505,595,846	17.08%	55,707,046	1,449,888,800
2010	9,252,805,323	3,000,000	89,212,140	53,666,271	145,878,411	2,187,182,020	23.64%	2,163,387,015	2,163,387,015	23.38%	75,718,545	2,087,668,469
2011	9,684,686,327	5,000,000	86,576,360	56,171,181	147,747,541	2,465,577,919	25.46%	2,432,446,436	2,432,446,436	25.12%	75,405,839	2,357,040,597
2012	9,995,937,994	5,000,000	84,768,690	57,976,440	147,745,130	2,548,927,758	25.50%	2,489,826,268	2,489,826,268	24.91%	84,654,093	2,405,172,175
2013	10,410,182,671	5,000,000	76,819,890	60,379,059	142,198,949	2,902,327,745	27.88%	2,748,683,468	2,748,683,468	26.40%	93,455,238	2,655,228,230
2014	10,856,031,770	7,603,340	69,641,480	62,964,984	140,209,804	3,269,005,137	30.11%	3,015,200,391	3,015,200,391	27.77%	102,516,813	2,912,683,578
2015	11,337,101,451	6,371,450	64,479,980	65,755,188	136,606,618	3,636,969,306	32.08%	3,290,769,310	3,290,769,310	29.03%	111,886,156	3,178,883,154
2016	11,852,024,641	5,853,980	62,529,760	68,741,743	137,125,483	3,775,991,489	31.86%	3,442,874,991	3,442,874,991	29.05%	117,057,750	3,325,817,241
2017	12,398,671,648	5,752,880	66,103,060	71,912,296	143,768,236	3,950,150,293	31.86%	3,605,130,790	3,605,130,790	29.08%	122,574,447	3,482,556,343
2018	12,971,686,464	5,887,180	74,044,440	75,235,781	155,167,401	4,132,709,742	31.86%	3,776,446,139	3,776,446,139	29.11%	128,399,169	3,648,046,970
2019	13,571,196,026	6,101,430	79,926,680	78,712,937	164,741,047	4,323,710,272	31.86%	3,956,861,549	3,956,861,549	29.16%	134,533,293	3,822,328,256
2020	14,198,990,321	6,280,650	82,829,900	82,354,144	171,464,694	4,523,722,168	31.86%	4,132,774,733	4,132,774,733	29.11%	140,514,341	3,992,260,392

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 - 2011 were estimated to be 4.33%, 5.32%, 4.40%, 3.70%, 3.50% and 3.1%, respectively, of total payrolls for those years. For 2012 the estimate is 3.40% of total payroll. All payrolls are assumed to increase at the same rate for years subsequent to 2012.
- (2) School District contributions under 16-158(e) for years subsequent to 2005 are expected to equal .58% of total payroll. 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.
- (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 XII

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

Year Ended June 30	Assumed Payroll ⁽¹⁾	School District Contributions				Combined State and Federal Funds					(B) Required Federal Funds Contribution	(C) Required State Contribution
		S. 16-158(f) (Pay Increases)	S. 133.2 (ERO)	(A) S. 16-158(e) (2.2 Formula)	Total	Calculations Required by PA 94-004			Required Amount	Required Rate		
						Formula Amount	Formula Rate	Maximum Amount				
2021	14,858,462,743	6,516,080	87,231,840	86,179,084	179,927,004	4,733,826,545	31.86%	4,320,263,513	4,320,263,513	29.08%	146,888,959	4,173,374,554
2022	15,550,076,078	6,804,430	92,743,330	90,190,441	189,738,201	4,954,170,845	31.86%	4,519,475,597	4,519,475,597	29.06%	153,662,170	4,365,813,427
2023	16,273,818,176	7,220,590	103,790,020	94,388,145	205,398,755	5,184,751,196	31.86%	4,730,407,108	4,730,407,108	29.07%	160,833,842	4,569,573,266
2024	17,024,582,586	7,884,930	121,505,520	98,742,579	228,133,029	5,423,940,710	31.86%	4,936,633,191	4,936,633,191	29.00%	167,845,529	4,768,787,662
2025	17,800,935,014	8,540,210	133,463,170	103,245,423	245,248,803	5,671,282,431	31.86%	5,153,622,872	5,153,622,872	28.95%	175,223,178	4,978,399,694
2026	18,588,922,177	9,335,140	149,272,620	107,815,749	266,423,509	5,922,330,914	31.86%	5,391,384,712	5,391,384,712	29.00%	183,307,080	5,208,077,632
2027	19,364,823,351	10,373,020	171,371,140	112,315,975	294,060,135	6,169,528,868	31.86%	5,626,798,089	5,626,798,089	29.06%	191,311,135	5,435,486,954
2028	20,116,514,802	11,465,220	189,264,640	116,675,786	317,405,646	6,409,013,733	31.86%	5,841,198,399	5,841,198,399	29.04%	198,600,745	5,642,597,654
2029	20,856,160,875	11,999,720	181,064,920	120,965,733	314,030,373	6,644,661,005	31.86%	6,054,017,751	6,054,017,751	29.03%	205,836,604	5,848,181,147
2030	21,569,595,728	12,579,130	189,282,460	125,103,655	326,965,245	6,871,957,523	31.86%	6,245,939,752	6,245,939,752	28.96%	212,361,952	6,033,577,800
2031	22,246,930,518	13,464,870	199,784,100	129,032,197	342,281,167	7,087,752,754	31.86%	6,429,357,668	6,429,357,668	28.90%	218,598,161	6,210,759,507
2032	22,890,359,747	14,538,160	217,836,800	132,764,087	365,139,047	7,292,745,856	31.86%	6,619,766,932	6,619,766,932	28.92%	225,072,076	6,394,694,856
2033	23,482,008,921	15,733,240	226,421,360	136,195,652	378,350,252	7,481,242,110	31.86%	6,810,707,892	6,810,707,892	29.00%	231,564,068	6,579,143,824
2034	24,015,536,803	16,593,120	230,134,520	139,290,113	386,017,753	7,651,221,232	31.86%	7,651,221,232	7,651,221,232	31.86%	260,141,522	7,391,079,710
2035	24,510,157,337	17,153,860	227,489,400	142,158,913	386,802,173	7,808,804,681	31.86%	7,808,804,681	7,808,804,681	31.86%	265,499,359	7,543,305,322
2036	24,963,941,237	17,621,170	229,624,320	144,790,859	392,036,349	7,953,377,799	31.86%	7,953,377,799	7,953,377,799	31.86%	270,414,845	7,682,962,954
2037	25,372,286,916	17,833,380	218,462,220	147,159,264	383,454,864	8,083,474,542	31.86%	8,083,474,542	8,083,474,542	31.86%	274,838,134	7,808,636,408
2038	25,724,751,534	18,478,060	225,199,320	149,203,559	392,880,939	8,195,767,879	31.86%	8,195,767,879	8,195,767,879	31.86%	278,656,108	7,917,111,771
2039	26,019,372,651	19,019,690	219,189,440	150,912,361	389,121,491	8,289,632,587	31.86%	8,289,632,587	8,289,632,587	31.86%	281,847,508	8,007,785,079
2040	26,286,982,480	19,071,310	198,351,360	152,464,498	369,887,168	8,374,891,644	31.86%	8,374,891,644	8,374,891,644	31.86%	284,746,316	8,090,145,328
2041	26,810,322,298	18,674,160	172,943,280	155,499,869	347,117,309	8,541,624,903	31.86%	8,541,624,903	8,541,624,903	31.86%	290,415,247	8,251,209,656
2042	27,011,016,344	16,915,580	103,413,060	156,663,895	276,992,535	8,605,564,949	31.86%	8,605,564,949	8,605,564,949	31.86%	292,589,208	8,312,975,741
2043	27,303,433,912	14,022,690	3,848,240	158,359,917	176,230,847	8,698,727,618	31.86%	8,698,727,618	8,698,727,618	31.86%	295,756,739	8,402,970,879
2044	27,660,733,623	12,564,430	581,810	160,432,255	173,578,495	8,812,561,390	31.86%	8,812,561,390	8,812,561,390	31.86%	299,627,087	8,512,934,303
2045	28,057,977,291	11,548,770	193,250	162,736,268	174,478,288	8,939,121,092	31.86%	8,939,121,092	8,939,121,092	31.86%	303,930,117	8,635,190,975
2046	28,487,225,078	10,361,310	26,860	165,225,905	175,614,075	715,703,634	2.51%	715,703,634	715,703,634	2.51%	24,333,924	691,369,710

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 - 2011 were estimated to be 4.33%, 5.32%, 4.40%, 3.70%, 3.50% and 3.1%, respectively, of total payrolls for those years. For 2012 the estimate is 3.40% of total payroll. All payrolls are assumed to increase at the same rate for years subsequent to 2012.
- (2) School District contributions under 16-158(e) for years subsequent to 2005 are expected to equal .58% of total payroll. 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.
- (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

**FISCAL YEAR 2012 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	
CERTIFIED	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%	-0.56%	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	56.0%	30,201,644,000	13.69%	8.22%	5.47%	1,135,126,451	681,651,502	453,474,949	8,293,518,065	
2009	14	52.1%	35,001,154,488	17.66%	9.27%	8.39%	1,556,737,268	817,320,366	739,416,902	8,817,486,572	
2010	15	48.4%	39,854,106,229	23.96%	9.15%	14.81%	2,217,053,286	846,936,893	1,370,116,393	9,252,805,323	
2011	16	45.7%	44,081,343,537	25.70%	8.77%	16.92%	2,488,617,617	849,716,122	1,638,901,495	9,684,686,327	
PROJECTED	2012	17	43.2%	48,408,786,986	25.49%	8.43%	17.06%	2,547,802,708	842,532,254	1,705,270,454	9,995,937,994
	2013	18	40.9%	52,659,498,607	26.98%	8.07%	18.92%	2,809,062,527	839,971,229	1,969,091,298	10,410,182,671
	2014	19	41.6%	54,442,188,602	28.35%	7.73%	20.63%	3,078,165,375	839,035,154	2,239,130,221	10,856,031,770
	2015	20	42.1%	56,367,101,767	29.61%	7.41%	22.20%	3,356,524,498	839,937,085	2,516,587,413	11,337,101,451
	2016	21	42.6%	58,299,093,315	29.63%	7.10%	22.53%	3,511,616,734	841,937,762	2,669,678,972	11,852,024,641
	2017	22	43.1%	60,220,864,961	29.66%	6.80%	22.85%	3,677,043,086	843,574,164	2,833,468,922	12,398,671,648
	2018	23	43.6%	62,114,512,514	29.69%	6.50%	23.19%	3,851,681,920	842,996,994	3,008,684,926	12,971,686,464
	2019	24	44.2%	63,967,774,428	29.74%	6.19%	23.55%	4,035,574,486	839,886,892	3,195,687,594	13,571,196,026
	2020	25	44.8%	65,783,600,242	29.69%	5.88%	23.80%	4,215,128,877	835,432,568	3,379,696,309	14,198,990,321

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 XII. Sec. 16-158 requires calculations of State contribution amounts as shown in Schedule 1B 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 XII; 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. For years 2036 & beyond, employer normal cost is negative, as member contributions are projected to exceed the cost of benefits accruing.
- (4) Employer Rates, Contribution Amounts, and Assumed Payroll shown for fiscal years 1995 - 2011 are based on the June 30, 1993 - June 30, 2009 actuarial valuations (2004 as recertified per PA 94-0004) and are certified amounts. Items shown for fiscal years subsequent to 2011 are based on the June 30, 2010 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 to 2008: Return on Investment = 8.50%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.50%. Assets at market value.
 - For 2009 and after: Return on Investment = 8.50%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.50%. 5-year smoothing actuarial value of assets.

SCHEDULE XIII

**FISCAL YEAR 2012 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	45.4%	67,542,018,349	29.66%	5.58%	24.08%	4,406,442,597	828,915,941	3,577,526,656	14,858,462,743
2022	27	46.2%	69,220,102,848	29.64%	5.26%	24.38%	4,609,666,038	818,516,555	3,791,149,483	15,550,076,078
2023	28	46.9%	70,788,232,741	29.65%	4.94%	24.70%	4,824,795,253	804,536,284	4,020,258,969	16,273,818,176
2024	29	47.8%	72,227,987,962	29.58%	4.61%	24.97%	5,035,375,770	784,619,820	4,250,755,950	17,024,582,586
2025	30	48.7%	73,514,635,852	29.53%	4.25%	25.28%	5,256,868,295	756,316,568	4,500,551,727	17,800,935,014
2026	31	49.8%	74,598,917,114	29.58%	3.87%	25.71%	5,499,200,461	719,158,239	4,780,042,222	18,588,922,177
2027	32	50.9%	75,449,800,483	29.64%	3.47%	26.16%	5,739,114,064	672,684,835	5,066,429,229	19,364,823,351
2028	33	52.1%	76,069,285,805	29.62%	3.08%	26.54%	5,957,874,185	619,336,456	5,338,537,729	20,116,514,802
2029	34	53.3%	76,464,934,128	29.61%	2.69%	26.91%	6,174,983,484	561,812,062	5,613,171,422	20,856,160,875
2030	35	54.6%	76,616,020,271	29.54%	2.31%	27.22%	6,371,043,407	499,065,724	5,871,977,683	21,569,595,728
2031	36	56.0%	76,502,413,542	29.48%	1.93%	27.55%	6,558,389,865	430,199,196	6,128,190,669	22,246,930,518
2032	37	57.4%	76,079,742,613	29.50%	1.55%	27.95%	6,752,531,019	354,513,600	6,398,017,419	22,890,359,747
2033	38	58.9%	75,325,192,729	29.58%	1.16%	28.43%	6,946,903,544	272,096,910	6,674,806,634	23,482,008,921
2034	39	60.8%	73,533,104,902	32.44%	0.76%	31.68%	7,790,511,345	183,417,774	7,607,093,571	24,015,536,803
2035	40	62.8%	71,329,191,247	32.44%	0.36%	32.08%	7,950,963,594	89,154,791	7,861,808,803	24,510,157,337
2036	41	64.8%	68,685,372,437	32.44%	-0.03%	32.47%	8,098,168,658	(7,802,155)	8,105,970,813	24,963,941,237
2037	42	67.0%	65,591,386,152	32.44%	-0.43%	32.87%	8,230,633,806	(108,150,311)	8,338,784,117	25,372,286,916
2038	43	69.2%	62,003,589,755	32.44%	-0.83%	33.27%	8,344,971,438	(212,551,711)	8,557,523,149	25,724,751,534
2039	44	71.6%	57,913,107,220	32.44%	-1.23%	33.67%	8,440,544,948	(319,063,519)	8,759,608,467	26,019,372,651
2040	45	74.1%	53,304,642,541	32.44%	-1.61%	34.05%	8,527,356,142	(423,549,977)	8,950,906,119	26,286,982,480
2041	46	76.8%	48,032,157,350	32.44%	-2.04%	34.48%	8,697,124,772	(547,266,695)	9,244,391,467	26,810,322,298
2042	47	79.7%	42,196,558,478	32.44%	-2.49%	34.93%	8,762,228,844	(671,562,393)	9,433,791,237	27,011,016,344
2043	48	82.8%	35,784,110,561	32.44%	-2.78%	35.22%	8,857,087,535	(759,377,765)	9,616,465,300	27,303,433,912
2044	49	86.2%	28,635,617,502	32.44%	-2.98%	35.42%	8,972,993,645	(824,636,644)	9,797,630,289	27,660,733,623
2045	50	90.0%	20,688,736,678	32.44%	-3.12%	35.56%	9,101,857,360	(875,760,654)	9,977,618,014	28,057,977,291
2046	51	90.0%	20,609,820,383	3.09%	-3.16%	6.25%	880,929,539	(899,129,095)	1,780,058,634	28,487,225,078

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 XII. 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 XII; 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. For years 2036 & beyond, employer normal cost is negative, as member contributions are projected to exceed the cost of benefits accruing.
- (4) Employer Rates, Contribution Amounts, and Assumed Payroll shown for fiscal years 1995 - 2011 are based on the June 30, 1993 - June 30, 2009 actuarial valuations (2004 as recertified per PA 94-0004) and are certified amounts. Items shown for fiscal years subsequent to 2011 are based on the June 30, 2010 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 to 2008: Return on Investment = 8.50%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.50%. Assets at market value.
 - For 2009 and after: Return on Investment = 8.50%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.50%. 5-year smoothing actuarial value of assets.

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, 2010 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 s. 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	
2006	30,991,751,000	7,871,835,902	895,205,895	11.37%	849,549,247	10.79%	293,651,160	
2007	35,571,482,266	7,939,262,146	1,116,541,402	14.06%	1,070,493,682	13.48%	293,651,160	
2008	32,718,344,000	8,293,518,065	1,458,367,611	17.58%	1,410,265,206	17.00%	323,241,160	
2009	32,512,829,921	8,817,486,572	1,887,185,432	21.40%	1,836,044,010	20.82%	322,501,410	
2010	32,224,190,408	9,252,805,323	2,538,726,176	27.44%	2,485,059,905	26.86%	321,672,890	
2011	32,210,480,877	9,684,686,327	2,809,314,037	29.01%	2,753,142,856	28.43%	320,696,420	
2012	32,142,950,060	9,995,937,994	2,897,038,683	28.98%	2,839,062,243	28.40%	349,235,975	2,489,826,268
2013	32,193,413,976	10,410,182,671	3,156,079,252	30.32%	3,095,700,193	29.74%	347,016,725	2,748,683,468
2014	34,414,157,342	10,856,031,770	3,422,903,670	31.53%	3,359,938,686	30.95%	344,738,295	3,015,200,391
2015	36,595,418,951	11,337,101,451	3,698,925,183	32.63%	3,633,169,995	32.05%	342,400,685	3,290,769,310
2016	38,841,808,596	11,852,024,641	3,851,620,629	32.50%	3,782,878,886	31.92%	340,003,895	3,442,874,991
2017	41,193,966,036	12,398,671,648	4,029,267,651	32.50%	3,957,355,355	31.92%	352,224,565	3,605,130,790
2018	43,671,128,172	12,971,686,464	4,215,483,572	32.50%	4,140,247,791	31.92%	363,801,653	3,776,446,139
2019	46,282,766,025	13,571,196,026	4,410,309,644	32.50%	4,331,596,707	31.92%	374,735,158	3,956,861,549
2020	49,041,899,108	14,198,990,321	4,614,327,567	32.50%	4,531,973,423	31.92%	399,198,690	4,132,774,733

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 1B, 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, 2010 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 s. 16-158(e))		Required State and Federal Funds			State and Federal Funds Maximum (Required Amount Minus Debt Service)
			Amount	Rate	Amount	Rate		
2021	51,991,367,561	14,858,462,743	4,828,640,114	32.50%	4,742,461,030	31.92%	422,197,518	4,320,263,513
2022	55,157,033,452	15,550,076,078	5,053,397,678	32.50%	4,963,207,237	31.92%	443,731,640	4,519,475,597
2023	58,568,312,877	16,273,818,176	5,288,596,311	32.50%	5,194,208,166	31.92%	463,801,058	4,730,407,108
2024	62,250,370,628	17,024,582,586	5,532,576,540	32.50%	5,433,833,961	31.92%	497,200,770	4,936,633,191
2025	66,214,528,734	17,800,935,014	5,784,872,255	32.50%	5,681,626,832	31.92%	528,003,960	5,153,622,872
2026	70,475,330,660	18,588,922,177	6,040,948,976	32.50%	5,933,133,227	31.92%	541,748,515	5,391,384,712
2027	75,034,528,950	19,364,823,351	6,293,098,044	32.50%	6,180,782,069	31.92%	553,983,980	5,626,798,089
2028	79,871,766,455	20,116,514,802	6,537,379,540	32.50%	6,420,703,754	31.92%	579,505,355	5,841,198,399
2029	84,954,295,333	20,856,160,875	6,777,746,579	32.50%	6,656,780,846	31.92%	602,763,095	6,054,017,751
2030	90,295,387,551	21,569,595,728	7,009,595,607	32.50%	6,884,491,952	31.92%	638,552,200	6,245,939,752
2031	95,880,593,543	22,246,930,518	7,229,712,990	32.50%	7,100,680,793	31.92%	671,323,125	6,429,357,668
2032	101,693,542,217	22,890,359,747	7,438,811,889	32.50%	7,306,047,802	31.92%	686,280,870	6,619,766,932
2033	107,688,950,045	23,482,008,921	7,631,083,524	32.50%	7,494,887,872	31.92%	684,179,980	6,810,707,892
2034	113,825,680,673	24,015,536,803	139,290,113	0.58%	-	0.00%	-	-
2035	120,076,994,103	24,510,157,337	142,158,913	0.58%	-	0.00%	-	-
2036	126,424,793,670	24,963,941,237	144,790,859	0.58%	-	0.00%	-	-
2037	132,830,916,864	25,372,286,916	147,159,264	0.58%	-	0.00%	-	-
2038	139,282,740,194	25,724,751,534	149,203,559	0.58%	-	0.00%	-	-
2039	145,733,286,305	26,019,372,651	150,912,361	0.58%	-	0.00%	-	-
2040	152,157,196,994	26,286,982,480	152,464,498	0.58%	-	0.00%	-	-
2041	158,688,221,458	26,810,322,298	155,499,869	0.58%	-	0.00%	-	-
2042	165,190,413,282	27,011,016,344	156,663,895	0.58%	-	0.00%	-	-
2043	171,788,392,832	27,303,433,912	158,359,917	0.58%	-	0.00%	-	-
2044	178,750,095,999	27,660,733,623	160,432,255	0.58%	-	0.00%	-	-
2045	186,198,630,101	28,057,977,291	162,736,268	0.58%	-	0.00%	-	-
2046	199,418,980,478	28,487,225,078	165,225,905	0.58%	-	0.00%	-	-

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 1B, 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

**PROJECTIONS USING CERTIFIED CONTRIBUTIONS AND
AN 8.5% MARKET RATE OF RETURN**

Year Ended June 30	Contributions				Benefits and Expenses	Asset Return & Cash Income	Actuarial Value of Assets*	Market Value of Assets	PBO	Funded Ratio
	Member	School District	Federal Funds	State						
1995	\$421,726,521		\$16,500,000	\$262,864,800	\$1,108,283,000		\$12,641,865,000	\$12,641,865,000	\$23,980,566,000	52.7%
1996	422,238,847		17,000,000	324,276,242	1,148,919,000	1,573,249,911	13,829,711,000	13,829,711,000	26,141,794,000	52.9%
1997	420,762,625		17,300,000	377,968,984	1,186,203,042	3,933,568,433	17,393,108,000	17,393,108,000	26,951,585,000	64.5%
1998	440,967,595		18,000,000	460,439,267	1,237,762,773	2,891,134,911	19,965,887,000	19,965,887,000	29,908,241,000	66.8%
1999	866,369,000	16,675,000	18,500,000	567,067,600	1,314,929,000	2,118,139,400	22,237,709,000	22,237,709,000	33,205,513,000	67.0%
2000	619,622,000	34,145,066	18,200,000	634,038,560	1,437,474,000	2,375,172,374	24,481,413,000	24,481,413,000	35,886,404,000	68.2%
2001	643,563,000	36,375,498	20,000,000	719,356,841	1,611,050,000	(974,012,339)	23,315,646,000	23,315,646,000	39,166,697,000	59.5%
2002	681,151,770	38,664,380	23,000,000	810,618,724	1,809,763,000	(693,032,874)	22,366,285,000	22,366,285,000	43,047,674,000	52.0%
2003	732,020,451	12,808,373	25,000,000	926,049,918	2,051,953,000	1,114,612,258	23,124,823,000	23,124,823,000	46,933,432,000	49.3%
2004	768,661,300	42,604,912	29,400,000	1,027,258,994	2,320,690,844	8,872,671,638	31,544,729,000	31,544,729,000	50,947,451,000	61.9%
2005	761,790,009	44,481,074	37,860,000	902,243,532	2,604,081,011	3,398,195,396	34,085,218,000	34,085,218,000	56,075,029,000	60.8%
2006	799,034,336	60,631,429	24,070,387	531,827,700	2,948,023,574	4,032,130,722	36,584,889,000	36,584,889,000	58,996,913,000	62.0%
2007	826,249,007	225,741,253	41,328,022	735,514,500	3,184,574,659	6,680,170,878	41,909,318,000	41,909,318,000	65,648,395,000	63.8%
2008	865,400,168	131,239,475	47,829,058	1,039,194,988	3,498,960,895	(2,063,297,794)	38,430,723,000	38,430,723,000	68,632,367,000	56.0%
2009	876,182,122	148,460,852	55,707,046	1,449,888,800	3,723,108,308	(8,706,541,270)	38,026,043,512	28,531,312,242	73,027,198,000	52.1%
2010	909,642,774	145,878,411	75,718,545	2,087,668,469	4,003,538,821	3,646,060,161	37,439,091,771	31,323,784,214	77,293,198,000	48.4%
2011	948,286,581	147,747,541	75,405,839	2,357,040,597	4,329,807,307	2,628,482,095	37,144,395,374	33,150,939,560	81,225,738,911	45.7%
2012	976,364,866	147,745,130	84,654,093	2,405,172,175	4,641,424,675	2,774,195,252	36,768,854,622	34,897,646,402	85,177,641,608	43.2%
2013	1,014,104,218	142,198,949	93,455,238	2,655,228,231	4,959,073,917	2,921,534,882	36,514,054,628	36,765,094,002	89,173,553,235	40.9%
2014	1,055,929,626	140,209,804	102,516,813	2,912,683,578	5,275,580,233	3,079,836,420	38,781,085,860	38,780,690,010	93,223,274,462	41.6%
2015	1,102,119,060	136,606,618	111,886,156	3,178,883,155	5,585,508,877	3,251,511,708	40,976,583,680	40,976,187,830	97,343,685,447	42.1%
2016	1,151,561,758	137,125,483	117,057,750	3,325,817,241	5,900,555,063	3,433,327,417	43,240,918,266	43,240,522,416	101,540,011,581	42.6%
2017	1,204,596,164	143,768,236	122,574,447	3,482,556,343	6,216,411,641	3,621,804,103	45,599,805,919	45,599,410,069	105,820,670,880	43.1%
2018	1,260,491,424	155,167,401	128,399,169	3,648,046,970	6,538,472,542	3,818,762,881	48,072,201,222	48,071,805,372	110,186,713,736	43.6%
2019	1,318,612,797	164,741,047	134,533,293	3,822,328,256	6,870,497,833	4,025,350,100	50,667,268,882	50,666,873,032	114,635,043,310	44.2%
2020	1,379,354,416	171,464,694	140,514,341	3,992,260,392	7,209,796,878	4,241,854,226	53,382,920,074	53,382,524,224	119,166,520,316	44.8%

Note: 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.
Projection amounts may not add to the dollar due to rounding.

SCHEDULE XV
PROJECTIONS USING CERTIFIED CONTRIBUTIONS AND
AN 8.5% MARKET RATE OF RETURN
(Continued)

Year Ended June 30	Contributions				Benefits and Expenses	Asset Return & Cash Income	Actuarial Value of Assets*	Market Value of Assets	PBO	Funded Ratio
	Member	School District	Federal Funds	State						
2021	1,443,869,485	179,927,004	146,888,959	4,173,374,554	7,535,651,256	4,469,905,578	56,261,234,397	56,260,838,547	123,803,252,746	45.4%
2022	1,511,847,202	189,738,201	153,662,170	4,365,813,427	7,867,286,982	4,712,240,320	59,327,248,735	59,326,852,884	128,547,351,583	46.2%
2023	1,583,647,284	205,398,755	160,833,842	4,569,573,267	8,208,259,882	4,971,041,856	62,609,483,857	62,609,088,006	133,397,716,598	46.9%
2024	1,658,469,450	228,133,029	167,845,529	4,768,787,662	8,563,840,607	5,247,830,418	66,116,709,338	66,116,313,488	138,344,697,300	47.8%
2025	1,735,504,549	245,248,803	175,223,178	4,978,399,694	8,935,400,230	5,543,376,773	69,859,062,106	69,858,666,256	143,373,697,958	48.7%
2026	1,814,766,050	266,423,509	183,307,080	5,208,077,632	9,326,009,133	5,859,249,297	73,864,876,542	73,864,480,692	148,463,793,656	49.8%
2027	1,892,727,513	294,060,135	191,311,135	5,435,486,954	9,740,428,054	6,196,623,708	78,134,657,933	78,134,262,083	153,584,458,416	50.9%
2028	1,965,863,698	317,405,646	198,600,745	5,642,597,654	10,181,860,346	6,554,006,739	82,631,272,069	82,630,876,218	158,700,557,874	52.1%
2029	2,035,864,824	314,030,373	205,836,604	5,848,181,147	10,643,674,864	6,928,468,244	87,319,978,397	87,319,582,547	163,784,912,525	53.3%
2030	2,104,349,428	326,965,245	212,361,952	6,033,577,800	11,119,185,891	7,318,416,076	92,196,463,007	92,196,067,156	168,812,483,278	54.6%
2031	2,168,748,955	342,281,167	218,598,161	6,210,759,507	11,616,413,025	7,722,968,283	97,243,406,055	97,243,010,205	173,745,819,597	56.0%
2032	2,229,537,236	365,139,047	225,072,076	6,394,694,856	12,142,356,484	8,141,253,201	102,456,745,986	102,456,350,136	178,536,488,599	57.4%
2033	2,284,432,441	378,350,252	231,564,068	6,579,143,824	12,698,239,640	8,571,771,574	107,803,768,505	107,803,372,655	183,128,961,234	58.9%
2034	2,333,289,252	386,017,753	260,141,522	7,391,079,711	13,278,325,888	9,039,738,923	113,935,709,777	113,935,313,927	187,468,814,679	60.8%
2035	2,377,840,783	386,802,173	265,499,359	7,543,305,322	13,871,978,093	9,544,347,787	120,181,527,107	120,181,131,257	191,510,718,354	62.8%
2036	2,417,691,339	392,036,349	270,414,845	7,682,962,954	14,479,046,411	10,057,502,315	126,523,088,498	126,522,692,648	195,208,460,935	64.8%
2037	2,452,049,647	383,454,864	274,838,134	7,808,636,408	15,096,777,739	10,576,906,078	132,922,195,891	132,921,800,040	198,513,582,043	67.0%
2038	2,481,935,473	392,880,939	278,656,108	7,917,111,771	15,727,072,534	11,100,485,900	139,366,193,548	139,365,797,698	201,369,783,303	69.2%
2039	2,504,008,771	389,121,491	281,847,508	8,007,785,079	16,366,695,397	11,625,809,318	145,808,070,319	145,807,674,468	203,721,177,539	71.6%
2040	2,523,265,629	369,887,168	284,746,316	8,090,145,328	17,003,625,874	12,149,923,766	152,222,412,652	152,222,016,801	205,527,055,193	74.1%
2041	2,567,855,702	347,117,309	290,415,247	8,251,209,656	17,613,508,535	12,677,236,374	158,742,738,404	158,742,342,554	206,774,895,754	76.8%
2042	2,579,935,747	276,992,535	292,589,208	8,312,975,741	18,179,683,281	13,207,652,187	165,233,200,542	165,232,804,692	207,429,759,020	79.7%
2043	2,605,895,183	176,230,847	295,756,739	8,402,970,879	18,636,485,643	13,740,707,686	171,818,276,233	171,817,880,382	207,602,386,794	82.8%
2044	2,647,445,245	173,578,495	299,627,087	8,512,934,303	18,978,493,961	14,292,394,854	178,765,762,255	178,765,366,405	207,401,379,757	86.2%
2045	2,690,420,759	174,478,288	303,930,117	8,635,190,976	19,249,796,586	14,878,644,293	186,198,630,101	186,198,234,250	206,887,366,779	90.0%
2046	2,735,785,830	175,614,075	24,333,924	691,369,710	19,490,058,176	15,152,707,987	185,488,383,451	185,487,987,600	206,098,203,834	90.0%

Note: 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. Projection 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.)

ASSUMPTIONS

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, 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	.057	.034	10.2%
30	6.5	3.7	.059	.030	8.4%
40	8.0	1.6	.082	.060	7.2%
50	9.4	1.1	.152	.110	6.0%
55	12.0	1.4	.240	.130	6.0%
60	12.6	2.6	.473	.200	6.0%
65	12.6	3.1	.951	.600	6.0%
70	—	—	—	—	—
<u>Females</u>					
25	8.1	9.0	.013	.045	10.2%
30	9.0	8.0	.017	.100	8.4%
40	6.6	2.4	.041	.110	7.2%
50	6.2	1.3	.100	.190	6.0%
55	8.7	1.7	.153	.200	6.0%
60	11.1	2.9	.234	.350	6.0%
65	11.1	3.0	.486	1.500	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.

** Rates of vested termination differ for employees hired on or after January 1, 2011. Representative rates for this group are described on the following page.

*** Beginning July 1, 2007, projected mortality improvements are phased in over four years with the Society of Actuaries Mortality Projection Scale AA. The table above reflects this phase in, and shows representative values as of July 1, 2010.

**** A 2% load was placed on disability benefits to account for Occupational Disability benefits being greater than standard disability. Rates of disability differ for employees hired on or after January 1, 2011. Representative rates for this group are described on the following page.

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 increase that averages approximately 7.0% per annum. The salary increase assumption includes the following components:

- Inflation of 3.5% and Real wage growth (productivity) of 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.
- Increase on payroll and account balances to account for delay: 4% (based on the increase in 2010 payroll from the prior year to the current year)

CHANGES IN SEPARATIONS FROM ACTIVE SERVICE (OTHER THAN SERVICE RETIREMENT) FOR MEMBERS HIRED ON OR AFTER JANUARY 1, 2011: The updated representative values for members hired January 1, 2011 and later of the assumed rates of separation are shown in the following tables:

Age	Annual Rates * of	
	Vested Termination	Disability**
<u>Males</u>		
25	6.0	.102
30	3.7	.090
40	1.6	.180
50	1.1	.330
55	10.0	.390
60	3.0	.600
65	3.1	1.800
70	—	—
<u>Females</u>		
25	9.0	.135
30	8.0	.300
40	2.4	.330
50	1.3	.570
55	12.0	.600
60	3.2	1.050
65	3.0	4.500
70	—	—

* Rates of separation are rates per 100 participants. For example, 6% of all 25 year-old actively employed vested male members (i.e., 6.0 per 100) are assumed to terminate employment each year for reasons other than death, disability, or service retirement.

** A 2% load was placed on disability benefits to account for Occupational Disability benefits being greater than standard disability.

Note that increased in vested termination and disability rates are to account for anticipated increased utilization of their benefits as a result of later retirement eligibility requirements for Tier Two members.

SERVICE RETIREMENT FROM ACTIVE SERVICE AND UTILIZATION OF ERO FOR MEMBERS HIRED BEFORE JANUARY 1, 2011: 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.

- **SERVICE RETIREMENT FROM ACTIVE SERVICE FOR MEMBERS HIRED ON OR AFTER JANUARY 1, 2011:** The assumed rates of retirement for members hired January 1, 2011 and later are shown in the following tables:

Annual Service Retirement Rates per 100 Eligible Participants					
Age**	Service*				
	5-18	19-30	31	32-33	34+
60 and younger	-	-	-	-	-
61	13	15	20	25	25
62	8	10	15	20	20
63	8	10	15	20	20
64	8	10	15	20	20
65	20	10	15	20	20
66	20	40	70	70	70
67	20	40	40	40	40
68	20	40	40	40	40
69	20	40	40	40	40
70	100	100	100	100	100

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

DEATH AFTER RETIREMENT: For annuitants, the 1995 George B. Buck Mortality Tables projected 16 years for males and one year for females as of June 30, 2007. 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 as of June 30, 2007. Additional mortality improvements projected with scale AA are phased in over the four year period following June 30, 2007. 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.)

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: For members hired before January 1, 2011, 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 2010, 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.)

DATA LAG ADJUSTMENT: The current actuarial valuation was based on the latest membership data available, which were submitted by the System for (i) active and inactive members as of prior valuation date, and (ii) retirees and beneficiaries in receipt of benefits as of the current valuation date. As part of the valuation procedure, actual salaries and member account balances reported for active and inactive members were increased by 4% to adjust for the one-year lag in the census information. The 4% assumption is intended to reflect the salary increases that have occurred during the lag period for the entire population.

FUTURE PAYROLL ASSUMPTION: Future payroll is projected using the assumed decrements for the members in the system and the new entrant profile as described below.

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	0.321
25 - 29	0.991	0.990	0.990	0.303	0.277	0.286
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	0.312
45 - 49	0.996	0.978	0.982	0.318	0.348	0.341
50 - 54	0.993	0.978	0.982	0.339	0.355	0.350
55 - 59	0.986	0.967	0.974	0.362	0.358	0.360
60 - 64	0.967	0.961	0.964	0.345	0.347	0.346
65 - 69	-	-	-	0.339	0.325	0.334
70	-	-	-	0.303	0.295	0.301
Average	0.990	0.986	0.987	0.326	0.328	0.328

NEW MEMBER PROFILE (continued)

Projected Annual Rate of Pay at 6/30/2010*
(for one year of service credit)

Age Group	Full Time/Part Time			Hourly/Substitute		
	Males	Females	Total	Males	Females	Total
20-24	\$41,221	\$39,795	\$40,030	\$17,117	17,401	17,326
25-29	43,751	43,529	43,579	17,291	16,663	16,870
30-34	48,994	46,219	46,977	18,408	16,931	17,372
35-39	53,033	47,113	48,633	16,784	16,256	16,380
40-44	56,787	45,770	48,736	17,243	16,391	16,574
45-49	54,170	46,035	47,767	17,921	16,678	16,952
50-54	57,010	51,226	52,671	17,194	16,783	16,913
55-59	71,564	57,689	62,734	17,413	16,763	17,051
60-64	62,748	56,542	59,646	17,444	16,611	17,028
65-69	-	-	-	17,227	16,352	16,899
70	-	-	-	16,432	16,617	16,494
Average	47,895	43,672	44,610	17,369	16,847	16,971

* 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.

METHODS

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

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, 2010 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 11.1% at age 20 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.

ASSET VALUATION METHOD: Beginning with the June 30, 2010 valuation, the method for determining the actuarial value of assets was changed from the market value to a smoothed value. The smoothed value recognizes the actuarial investment gains or losses for each fiscal year in equal amounts over the ensuing five-year period.

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY: The amortization of the unfunded accrued liability is amortized as a level percentage of pay over 30 years based on the salary increase assumption and new entrant profile found elsewhere in the report. The determination of the Annual Required Contribution (ARC) can be found in Schedule II of this report.

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.

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.

- (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 retired under ERO prior to July 1, 2005, or who retired 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 or \$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 or \$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*** or \$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***
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- * 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," bringing the total contribution to 9.4%. 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 the 1% Survivor Benefit Contribution) 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, 2009 AND
AVERAGE ANNUAL SALARY PROJECTED TO JUNE 30, 2010**

Age	Service										Substitutes	Grand Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total			
Under 25	4,817										4,817	3,673	8,490
	41,692										41,692	4,788	46,481
25-29	\$ 15,623	\$ 6,229									\$ 21,852	\$ 4,500	26,352
	\$ 46,940	\$ 55,196									\$ 49,293	\$ 5,082	54,375
30-34	6,028	11,982	3,670								21,680	2,608	24,288
	\$ 49,987	\$ 59,104	\$ 67,049								\$ 57,914	\$ 4,565	62,479
35-39	\$ 3,288	\$ 5,097	\$ 7,960	\$ 2,611							\$ 18,956	\$ 2,985	21,941
	50,535	60,473	69,948	76,383							64,919	4,543	69,462
40-44	\$ 2,500	\$ 3,035	\$ 3,497	\$ 5,359	\$ 1,466						\$ 15,857	\$ 4,290	20,147
	\$ 49,771	\$ 60,963	\$ 70,498	\$ 79,887	\$ 84,327						\$ 69,857	\$ 4,762	74,618
45-49	2,048	2,795	2,503	2,709	3,795	1,276					15,126	\$ 3,786	18,912
	\$ 50,687	\$ 59,877	\$ 67,990	\$ 78,692	\$ 85,807	\$ 88,144					\$ 72,235	\$ 4,993	77,228
50-54	\$ 1,376	\$ 2,361	\$ 2,508	\$ 2,644	\$ 2,353	\$ 3,567	\$ 2,695				\$ 17,504	\$ 3,193	20,697
	52,206	60,987	68,498	76,402	84,160	89,532	92,850				77,539	\$ 5,459	82,998
55-59	\$ 771	\$ 1,430	\$ 2,185	\$ 2,894	\$ 2,529	\$ 2,204	\$ 3,677	\$ 645			\$ 16,335	\$ 2,976	19,311
	\$ 56,948	\$ 63,663	\$ 68,618	\$ 78,091	\$ 83,440	\$ 90,019	\$ 94,524	\$ 98,139			\$ 81,491	\$ 5,508	86,999
60-64	320	523	738	1,028	877	692	559	408	102		5,247	1,859	7,106
	\$ 63,252	\$ 67,572	\$ 71,610	\$ 78,186	\$ 86,487	\$ 90,030	\$ 95,403	\$ 94,702	\$ 103,078		\$ 81,844	\$ 5,230	87,074
Over 64	\$ 52	\$ 87	\$ 109	\$ 136	\$ 113	\$ 92	\$ 78	\$ 44	\$ 95		\$ 806	\$ 1,123	1,929
	57,164	70,714	72,768	79,838	82,022	82,753	91,741	92,553	95,242		80,735	\$ 4,740	85,475
Total	\$ 36,823	\$ 33,539	\$ 23,170	\$ 17,381	\$ 11,133	\$ 7,831	\$ 7,009	\$ 1,097	\$ 197		\$ 138,180	30,993	169,173
	\$ 48,036	\$ 59,308	\$ 69,144	\$ 78,244	\$ 84,742	\$ 89,408	\$ 93,919	\$ 96,637	\$ 99,299		\$ 66,199	\$ 4,973	54,982

TABLE 1
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JUNE 30, 2009
WITH SALARIES PROJECTED TO JUNE 30, 2010
(FULL TIME AND REGULAR PART TIME)

Age	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
21	1	\$ 30,432	12	\$ 431,514	13	\$ 461,946
22	35	1,422,769	227	8,803,127	262	10,225,896
23	231	9,694,399	1,380	55,930,942	1,611	65,625,341
24	540	23,684,319	2,391	100,833,654	2,931	124,517,973
25	732	33,774,464	2,855	126,229,406	3,587	160,003,870
26	908	45,085,318	3,427	158,836,921	4,335	203,922,239
27	938	48,172,984	3,650	176,601,404	4,588	224,774,387
28	966	52,399,539	3,583	181,413,486	4,549	233,813,026
29	1,106	62,471,992	3,687	192,172,513	4,793	254,644,505
30	1,033	60,897,845	3,518	187,149,479	4,551	248,047,324
31	1,103	67,983,617	3,419	187,110,924	4,522	255,094,541
32	1,160	75,297,260	3,323	186,167,821	4,483	261,465,081
33	1,095	73,145,391	2,946	167,880,177	4,041	241,025,568
34	1,080	74,464,829	3,003	175,477,857	4,083	249,942,686
35	1,071	76,017,325	2,707	160,883,352	3,778	236,900,677
36	1,022	75,432,400	2,656	158,936,279	3,678	234,368,678
37	1,020	76,795,673	2,670	164,837,360	3,690	241,633,033
38	1,089	82,734,173	2,869	178,102,130	3,958	260,836,303
39	1,044	80,756,695	2,808	176,115,611	3,852	256,872,306
40	982	82,035,124	2,551	161,558,228	3,533	243,593,352
41	896	72,112,969	2,377	152,795,749	3,273	224,908,718
42	834	68,479,056	2,336	153,698,823	3,170	222,177,879
43	808	66,833,621	2,216	145,944,567	3,024	212,778,188
44	742	62,242,802	2,115	142,016,692	2,857	204,259,494
45	710	58,823,559	2,280	153,272,234	2,990	212,095,793
46	727	61,778,501	2,247	153,749,994	2,974	215,528,495
47	707	61,363,849	2,408	162,431,737	3,115	223,795,586
48	679	59,042,080	2,386	164,651,911	3,065	223,693,991
49	608	53,625,990	2,374	163,886,449	2,982	217,512,439
50	627	56,542,868	2,435	170,986,082	3,062	227,528,950
51	683	59,999,272	2,692	192,723,244	3,375	252,722,516
52	702	64,669,229	2,818	207,266,997	3,520	271,936,226
53	790	74,151,969	2,901	219,227,696	3,691	293,379,666
54	820	77,637,183	3,036	234,043,073	3,856	311,680,255
55	743	69,950,062	2,899	224,801,062	3,642	294,751,123
56	706	65,555,842	2,845	222,466,151	3,551	288,021,993
57	656	63,091,450	2,831	223,137,617	3,487	286,229,068
58	555	52,031,381	2,626	208,316,547	3,181	260,347,929
59	461	42,950,251	2,013	158,857,298	2,474	201,807,549
60	359	34,068,678	1,386	108,772,705	1,745	142,841,382

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, 2009
WITH SALARIES PROJECTED TO JUNE 30, 2010
(FULL TIME AND REGULAR PART TIME)

Age	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
61	255	23,263,389	1,111	87,868,786	1,366	111,132,175
62	234	21,841,337	871	70,029,962	1,105	91,871,299
63	143	12,233,493	473	37,207,954	616	49,441,447
64	91	9,146,676	324	25,003,380	415	34,150,057
65	56	4,581,438	195	15,439,648	251	20,021,086
66	61	5,453,099	144	11,596,438	205	17,049,537
67	35	2,957,194	108	7,978,759	143	10,935,954
68	14	1,203,392	51	4,123,885	65	5,327,277
69	11	1,233,113	31	2,178,163	42	3,411,276
70	5	376,923	21	1,794,023	26	2,170,946
71	10	1,180,141	14	1,203,071	24	2,383,212
72	6	459,896	12	915,867	18	1,375,764
73	2	219,791	6	395,040	8	614,831
74			8	593,075	8	593,075
75			5	395,144	5	395,144
76	1	95,733	4	287,983	5	383,716
77	2	135,797			2	135,797
78			1	55,635	1	55,635
79	1	91,680			1	91,680
80	1	70,447			1	70,447
81			1	56,876	1	56,876
Total	31,897	\$ 2,411,790,686	106,283	\$ 6,735,642,506	138,180	\$ 9,147,433,192

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	30,993
Annual Salaries	154,120,890
Average Age	41.92 years
Average Service	1.72 years

TABLE 2

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF JUNE 30, 2009
WITH SALARIES PROJECTED TO JUNE 30, 2010
(FULL TIME AND REGULAR PART TIME)**

Service	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
0	261	\$ 10,098,471	981	\$ 34,464,863	1,242	\$ 44,563,334
1	1,874	86,982,131	6,957	302,108,030	8,831	389,090,161
2	2,200	112,455,444	7,245	336,910,192	9,445	449,365,636
3	1,891	103,183,004	6,830	331,601,745	8,721	434,784,748
4	1,903	110,006,521	6,681	341,032,255	8,584	451,038,776
5	1,599	96,757,176	5,772	306,145,743	7,371	402,902,919
6	1,442	94,655,417	5,050	279,289,403	6,492	373,944,819
7	1,553	103,688,731	5,154	296,384,050	6,707	400,072,781
8	1,447	101,028,252	5,112	302,815,968	6,559	403,844,220
9	1,464	106,025,374	4,946	302,339,573	6,410	408,364,947
10	1,428	106,468,664	4,493	282,132,374	5,921	388,601,038
11	1,196	93,269,772	3,913	251,404,106	5,109	344,673,878
12	1,079	85,307,464	3,322	219,381,241	4,401	304,688,705
13	981	80,303,064	2,908	198,681,275	3,889	278,984,339
14	929	79,484,088	2,921	205,637,963	3,850	285,122,051
15	1,245	110,072,424	3,447	247,417,464	4,692	357,489,888
16	890	79,536,179	2,691	196,032,166	3,581	275,568,345
17	667	61,537,667	2,371	176,912,966	3,038	238,450,633
18	697	64,722,614	2,452	186,959,139	3,149	251,681,752
19	605	56,808,138	2,316	179,960,718	2,921	236,768,856
20	505	47,569,427	1,888	149,070,270	2,393	196,639,697
21	458	43,775,409	1,815	146,617,817	2,273	190,393,225
22	480	47,647,286	1,705	138,716,696	2,185	186,363,983
23	479	48,011,369	1,734	142,832,296	2,213	190,843,665
24	428	41,720,735	1,641	137,466,386	2,069	179,187,122
25	438	43,914,856	1,347	114,204,255	1,785	158,119,111
26	333	34,029,513	1,164	98,386,123	1,497	132,415,636
27	291	29,591,217	1,087	93,192,908	1,378	122,784,125
28	352	36,615,585	1,158	99,080,087	1,510	135,695,672
29	415	43,590,277	1,246	107,545,276	1,661	151,135,553
30	481	50,260,045	1,340	116,968,623	1,821	167,228,668
31	508	52,858,566	1,336	117,950,786	1,844	170,809,352
32	471	48,237,227	1,149	104,773,741	1,620	153,010,968
33	289	31,562,182	788	71,318,342	1,077	102,880,524
34	195	22,838,263	452	41,513,231	647	64,351,494
35	117	13,069,773	294	26,408,974	411	39,478,747
36	101	11,292,851	183	16,536,198	284	27,829,048
37	59	6,664,479	129	11,779,813	188	18,444,292
38	32	3,685,848	76	6,724,956	108	10,410,804
39	27	2,862,514	79	6,985,222	106	9,847,736

Amounts may not add to the dollar 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, 2009
WITH SALARIES PROJECTED TO JUNE 30, 2010
(FULL TIME AND REGULAR PART TIME)

Service	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
40	29	3,134,382	38	3,720,559	67	6,854,941
41	20	2,373,001	20	1,708,399	40	4,081,400
42	16	1,646,120	16	1,396,215	32	3,042,335
43	7	648,191	13	1,126,236	20	1,774,428
44	5	534,622	7	537,384	12	1,072,006
45	3	273,746	6	471,433	9	745,179
46	1	92,702	6	666,992	7	759,693
47	1	145,766			1	145,766
48			1	74,634	1	74,634
49	2	293,270			2	293,270
50	1	262,837			1	262,837
51	1	106,370	1	94,864	2	201,234
52			1	84,936	1	84,936
53						
54						
55	1	91,680	1	77,621	2	169,300
Total	31,897	\$ 2,411,790,686	106,283	\$ 6,735,642,506	138,180	\$ 9,147,433,192

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	30,993
Annual Salaries	154,120,890
Average Age	41.92 years
Average Service	1.72 years

TABLE 3
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF RETIRED ANNUITANTS
AS OF JUNE 30, 2010

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
53	2	\$ 75,044	1	\$ 34,544	3	\$ 109,588
54	22	1,503,209	32	2,036,561	54	3,539,770
55	123	7,836,081	333	17,431,489	456	25,267,570
56	267	16,941,051	687	37,352,649	954	54,293,701
57	465	30,066,587	1,217	65,998,824	1,682	96,065,411
58	655	42,728,377	1,745	92,299,833	2,400	135,028,210
59	937	59,882,366	2,122	107,401,337	3,059	167,283,704
60	1,223	73,900,959	2,866	129,402,291	4,089	203,303,250
61	1,358	84,408,441	3,094	144,532,040	4,452	228,940,482
62	1,625	103,977,731	3,502	164,350,235	5,127	268,327,966
63	2,066	132,213,812	3,923	180,766,374	5,989	312,980,186
64	1,558	97,933,343	2,746	122,094,508	4,304	220,027,851
65	1,493	89,625,506	2,688	120,270,805	4,181	209,896,311
66	1,477	85,596,325	2,662	108,301,621	4,139	193,897,946
67	1,597	90,665,127	2,919	117,991,245	4,516	208,656,372
68	1,283	72,307,571	2,345	95,038,668	3,628	167,346,239
69	1,165	64,022,367	2,022	79,785,253	3,187	143,807,620
70	1,021	56,069,408	1,775	68,790,458	2,796	124,859,866
71	963	51,825,578	1,735	65,880,806	2,698	117,706,384
72	989	52,748,001	1,561	58,409,962	2,550	111,157,963
73	853	45,025,087	1,458	52,274,303	2,311	97,299,390
74	893	43,372,461	1,322	48,330,455	2,215	91,702,916
75	853	44,071,129	1,245	43,507,023	2,098	87,578,152
76	730	36,589,602	1,067	35,994,284	1,797	72,583,886
77	745	35,717,843	1,146	37,916,569	1,891	73,634,412
78	677	32,162,894	1,017	32,497,691	1,694	64,660,585
79	680	29,595,971	999	31,167,321	1,679	60,763,292
80	600	27,243,789	1,009	30,375,738	1,609	57,619,527
81	513	22,276,320	953	27,063,840	1,466	49,340,160
82	503	20,686,944	921	25,051,671	1,424	45,738,615
83	435	17,879,020	833	21,916,087	1,268	39,795,108
84	404	16,963,619	693	17,154,701	1,097	34,118,320
85	344	13,360,582	656	16,201,154	1,000	29,561,735
86	287	10,676,129	583	14,341,918	870	25,018,047
87	213	7,644,364	628	13,285,510	841	20,929,874
88	165	5,128,875	590	12,746,519	755	17,875,395
89	136	4,088,681	525	10,728,414	661	14,817,095
90	97	2,603,818	449	8,836,544	546	11,440,362
91	92	2,555,915	373	6,881,646	465	9,437,561
92	61	1,522,989	331	6,144,135	392	7,667,124

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, 2010

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
93	53	1,481,391	246	4,481,170	299	5,962,560
94	31	774,860	200	3,356,596	231	4,131,456
95	26	785,317	188	3,074,484	214	3,859,801
96	27	1,018,974	154	2,614,703	181	3,633,677
97	11	184,554	108	1,675,396	119	1,859,950
98	11	187,078	62	991,376	73	1,178,454
99	3	41,033	71	1,182,369	74	1,223,402
100	6	179,706	36	535,037	42	714,743
101			24	316,578	24	316,578
102			19	288,258	19	288,258
103	1	48,282	21	310,395	22	358,676
104			8	131,995	8	131,995
105			3	54,761	3	54,761
106			1	27,248	1	27,248
107						
108						
109			1	12,158	1	12,158
Total	29,739	\$ 1,638,194,111	57,915	\$ 2,289,637,549	87,654	\$ 3,927,831,660

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, 2010**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
5	1	\$ 31,478			1	\$ 31,478
6						
7			1	5,279	1	5,279
8	1	2,472			1	2,472
9	1	5,876			1	5,876
10						
11	2	8,287	2	7,994	4	16,281
12	4	24,606	1	15,113	5	39,720
13	2	11,900	1	4,143	3	16,043
14	3	11,650	3	27,363	6	39,013
15	1	4,018	2	19,460	3	23,479
16	4	15,546	3	36,514	7	52,061
17	4	21,788			4	21,788
18	6	37,477	3	40,964	9	78,441
19	4	27,448	1	5,495	5	32,944
20	5	25,198	6	38,152	11	63,350
21	4	44,032	5	55,325	9	99,357
22			2	31,798	2	31,798
23						
24	1	66,822			1	66,822
25	1	4,583			1	4,583
26						
27						
28						
29						
30	1	5,876			1	5,876
31						
32						
33						
34	1	8,597	2	15,520	3	24,117
35	1	8,597	2	15,506	3	24,103
36	4	30,770	1	7,421	5	38,191
37	2	16,854	3	26,268	5	43,122
38	6	63,022	2	18,195	8	81,217
39	2	22,720			2	22,720
40	2	22,927	3	40,133	5	63,060
41	2	62,289	2	32,534	4	94,823
42	3	46,262	1	15,888	4	62,150
43	1	8,855	1	12,258	2	21,113
44	1	7,200	5	51,203	6	58,403

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, 2010

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
45	4	35,379	3	24,573	7	59,952
46	3	31,829	3	24,767	6	56,596
47	2	19,942	7	123,629	9	143,571
48	5	59,441	3	52,557	8	111,998
49	7	53,325	6	125,554	13	178,878
50	8	75,183	12	205,286	20	280,469
51	9	114,546	10	160,053	19	274,599
52	18	263,264	18	265,905	36	529,169
53	18	182,790	10	170,235	28	353,025
54	17	194,931	20	436,705	37	631,636
55	14	269,523	23	468,086	37	737,609
56	16	247,495	24	467,158	40	714,653
57	32	475,548	44	1,053,805	76	1,529,353
58	35	706,498	49	1,201,582	84	1,908,081
59	43	640,898	59	1,324,165	102	1,965,063
60	37	665,808	60	1,563,518	97	2,229,326
61	50	873,914	81	2,061,115	131	2,935,029
62	65	1,110,037	108	2,511,432	173	3,621,469
63	57	1,166,583	106	2,369,164	163	3,535,747
64	60	991,298	93	2,083,174	153	3,074,472
65	47	793,799	92	2,035,762	139	2,829,561
66	73	1,429,778	124	3,055,383	197	4,485,160
67	85	1,533,054	139	3,338,292	224	4,871,346
68	70	1,301,324	154	3,483,408	224	4,784,731
69	70	1,098,255	132	3,069,437	202	4,167,692
70	74	1,366,159	150	3,447,117	224	4,813,277
71	74	1,311,795	152	3,374,227	226	4,686,023
72	75	1,245,955	181	4,080,315	256	5,326,269
73	68	965,999	189	4,122,944	257	5,088,943
74	80	1,240,693	178	3,898,686	258	5,139,378
75	81	1,248,308	196	3,971,874	277	5,220,182
76	84	1,437,500	171	3,301,354	255	4,738,854
77	81	1,116,048	203	4,002,572	284	5,118,620
78	97	1,385,845	202	3,819,084	299	5,204,930
79	102	1,499,995	267	4,861,899	369	6,361,894
80	102	1,295,121	217	3,930,647	319	5,225,768
81	82	1,045,613	252	4,439,422	334	5,485,035
82	96	1,272,477	242	4,214,158	338	5,486,635
83	84	1,020,382	225	3,713,823	309	4,734,206
84	95	1,141,559	226	3,666,393	321	4,807,951

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, 2010

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
85	97	1,141,809	201	3,154,857	298	4,296,666
86	117	1,350,094	163	2,480,268	280	3,830,362
87	93	945,010	172	2,512,746	265	3,457,756
88	77	746,896	160	2,306,868	237	3,053,764
89	76	692,161	154	2,153,414	230	2,845,575
90	67	541,635	128	1,602,169	195	2,143,804
91	52	444,743	124	1,372,955	176	1,817,698
92	57	466,539	102	1,129,897	159	1,596,436
93	42	347,540	93	1,069,705	135	1,417,245
94	41	295,687	68	782,085	109	1,077,772
95	29	245,910	64	720,726	93	966,636
96	24	226,970	39	405,744	63	632,714
97	13	115,302	28	315,025	41	430,327
98	6	45,896	24	213,821	30	259,716
99	7	40,112	16	118,403	23	158,515
100	7	55,593	9	87,061	16	142,654
101	1	6,940	8	87,812	9	94,752
102	2	13,702	4	48,438	6	62,140
103			8	73,655	8	73,655
104			2	16,733	2	16,733
105			2	9,112	2	9,112
106			1	5,634	1	5,634
Total	2,998	\$ 41,297,581	6,053	\$ 111,708,916	9,051	\$ 153,006,497

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, 2010

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
26			2	\$ 39,469	2	\$ 39,469
27						
28			4	72,894	4	72,894
29			3	68,104	3	68,104
30			3	55,070	3	55,070
31			5	101,387	5	101,387
32			6	106,512	6	106,512
33			5	102,804	5	102,804
34			3	48,603	3	48,603
35			4	66,412	4	66,412
36			4	82,130	4	82,130
37	1	15,216	9	163,716	10	178,933
38			2	33,605	2	33,605
39	1	16,917	3	65,635	4	82,553
40			13	242,875	13	242,875
41	1	21,583	8	129,929	9	151,512
42	2	55,641	14	300,089	16	355,731
43	1	16,838	12	235,955	13	252,792
44	4	99,401	12	244,290	16	343,691
45	4	66,741	4	84,602	8	151,343
46	3	45,433	14	330,003	17	375,435
47	2	63,465	8	183,394	10	246,858
48	5	104,195	10	228,823	15	333,018
49	2	36,469	8	185,562	10	222,031
50	5	140,012	13	243,152	18	383,163
51	3	67,641	20	414,528	23	482,169
52	5	124,545	25	654,956	30	779,501
53			32	761,457	32	761,457
54	13	441,717	27	745,175	40	1,186,892
55	3	84,276	30	738,572	33	822,848
56	10	245,987	40	1,154,448	50	1,400,435
57	10	267,935	59	1,623,308	69	1,891,242
58	10	314,176	57	1,562,684	67	1,876,860
59	12	333,735	53	1,411,102	65	1,744,838
60	11	330,908	54	1,694,466	65	2,025,374
61	9	300,440	43	1,278,018	52	1,578,457
62	8	208,099	38	1,027,086	46	1,235,185
63	10	337,891	32	862,381	42	1,200,272
64	5	168,798	20	558,929	25	727,727
65	5	129,361	20	430,827	25	560,187

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, 2010

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
66	7	189,324	12	235,031	19	424,355
67	7	157,089	17	385,784	24	542,873
68	4	130,378	16	320,718	20	451,097
69	1	19,213	8	202,462	9	221,674
70	3	45,494	11	221,896	14	267,390
71	1	6,738	5	135,916	6	142,654
72			15	242,684	15	242,684
73	1	35,528	5	52,365	6	87,893
74	4	71,780	10	211,465	14	283,245
75	4	184,677	14	313,917	18	498,594
76	2	50,122	9	162,691	11	212,813
77	1	8,767	5	106,867	6	115,635
78	1	17,426	7	120,980	8	138,406
79	2	27,020	5	58,665	7	85,685
80			3	60,628	3	60,628
81	2	21,714	8	96,829	10	118,544
82	3	40,502	3	51,874	6	92,376
83	2	47,093	3	29,020	5	76,112
84	1	15,747	4	46,030	5	61,777
85			6	92,541	6	92,541
86			2	21,790	2	21,790
87			1	14,382	1	14,382
88			6	64,637	6	64,637
89						
90			3	31,028	3	31,028
91						
92			1	14,038	1	14,038
93						
94			2	20,751	2	20,751
Total	191	\$ 5,106,031	900	\$ 21,647,939	1,091	\$ 26,753,970

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, 2010**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
62			4	\$ 3,718	4	\$ 3,718
63			1	217	1	217
64			3	1,724	3	1,724
65			5	3,222	5	3,222
66	1	6	6	2,373	7	2,378
67	3	159	8	4,502	11	4,662
68	1	367	11	4,765	12	5,132
69	1	208	7	8,108	8	8,316
70			11	4,951	11	4,951
71	2	1,231	19	9,506	21	10,736
72			29	14,319	29	14,319
73	3	1,483	29	18,098	32	19,581
74	3	3,368	24	11,527	27	14,894
75			29	14,398	29	14,398
76	2	968	18	12,093	20	13,060
77	3	810	15	8,820	18	9,630
78	3	1,947	24	19,240	27	21,187
79	3	1,202	45	29,103	48	30,306
80	8	5,025	42	30,962	50	35,986
81	6	4,200	66	42,692	72	46,891
82	10	6,678	50	36,821	60	43,499
83	12	9,354	65	58,220	77	67,574
84	7	6,318	55	43,982	62	50,300
85	10	9,402	60	61,103	70	70,506
86	9	10,932	45	49,456	54	60,388
87	6	4,250	90	89,724	96	93,975
88	13	9,820	69	77,864	82	87,685
89	7	8,660	70	83,889	77	92,549
90	7	9,454	68	75,100	75	84,554
91	9	12,411	48	52,720	57	65,130
92	6	12,774	66	90,562	72	103,336
93	3	2,983	36	54,760	39	57,743
94	5	8,384	37	42,611	42	50,994
95	2	3,549	46	59,636	48	63,185
96	2	6,161	27	35,747	29	41,908
97	2	1,023	19	26,804	21	27,827
98	2	3,149	15	26,763	17	29,912
99			11	19,021	11	19,021
100			13	17,687	13	17,687
101			7	15,471	7	15,471

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, 2010

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
102			6	11,673	6	11,673
103			9	16,636	9	16,636
104			3	2,539	3	2,539
105			1	533	1	533
106						
107						
108						
109			1	1,864	1	1,864
Total	151	\$ 146,275	1,313	\$ 1,295,525	1,464	\$ 1,441,801

Amounts may not add to the dollar due to rounding.

SECTION XII — APPENDIX

**PROJECTIONS BASED ON A STATE CONTRIBUTION
OF \$110,000,000 OF THE CERTIFIED AMOUNT
OF \$2,358,441,000 FOR FISCAL YEAR 2011**

Users of this report are encouraged to refer to the report cover letter for important information regarding the basis for the results contained in this appendix.

SCHEDULE XII – Assuming \$110M FY 2011 Contribution
ITEMIZATION OF EMPLOYER CONTRIBUTION TO BENEFIT TRUST RESERVE

Year Ended June 30	Assumed Payroll ⁽¹⁾	School District Contributions				Combined State and Federal Funds					(B) Required Federal Funds Contribution	(C) Required State Contribution
		S. 16-158(f) (Pay Increases)	S. 133.2 (ERO)	(A) S. 16-158(e) (2.2 Formula)	Total	Calculations Required by PA 94-004			Required Amount	Required Rate		
						Formula Amount	Formula Rate	Maximum Amount				
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	16,675,000	543,855,776	9.78%				18,500,000	567,067,600
2000	5,887,080,405			34,145,066	34,145,066	617,359,480	10.49%				18,200,000	634,038,560
2001	6,271,637,672			36,375,498	36,375,498	731,839,141	11.67%				20,000,000	719,356,841
2002	6,666,272,399			38,664,380	38,664,380	821,265,118	12.32%				23,000,000	810,618,724
2003	7,115,762,553			12,808,373	12,808,373	951,049,918	13.37%				25,000,000	926,049,918
2004	7,345,674,585			42,604,912	42,604,912	1,056,658,994	14.38%				29,400,000	1,027,258,994
2005	7,669,150,690			44,481,074	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	14,974,781	See note(2)	45,656,648	60,631,429	555,898,087	7.06%	555,898,087	555,898,087	7.06%	24,070,387	531,827,700
2007	7,939,262,146	19,353,893	160,339,640	46,047,720	225,741,253	776,842,522	9.78%	776,842,522	776,842,522	9.78%	41,328,022	735,514,500
2008	8,293,518,065	0	83,137,070	48,102,405	131,239,475	1,106,016,254	13.34%	1,087,024,046	1,087,024,046	13.11%	47,829,058	1,039,194,988
2009	8,817,486,572	3,000,000	94,319,430	51,141,422	148,460,852	1,505,595,846	17.08%	1,513,542,600	1,505,595,846	17.08%	55,707,046	1,449,888,800
2010	9,252,805,323	3,000,000	89,212,140	53,666,271	145,878,411	2,187,182,020	23.64%	2,163,387,015	2,163,387,015	23.38%	75,718,545	2,087,668,469
2011	9,684,686,327	5,000,000	86,576,360	56,171,181	147,747,541	185,405,839	1.91%	185,405,839	185,405,839	1.91%	75,405,839	110,000,000
2012	9,995,937,994	5,000,000	84,768,690	57,976,440	147,745,130	2,674,381,576	26.75%	2,643,186,567	2,643,186,567	26.44%	89,868,343	2,553,318,224
2013	10,410,182,671	5,000,000	76,819,890	60,379,059	142,198,949	2,952,969,227	28.37%	2,908,399,218	2,908,399,218	27.94%	98,885,573	2,809,513,645
2014	10,856,031,770	7,603,340	69,641,480	62,964,984	140,209,804	3,305,651,678	30.45%	3,181,756,474	3,181,756,474	29.31%	108,179,720	3,073,576,754
2015	11,337,101,451	6,371,450	64,479,980	65,755,188	136,606,618	3,675,239,787	32.42%	3,464,706,090	3,464,706,090	30.56%	117,800,007	3,346,906,083
2016	11,852,024,641	5,853,980	62,529,760	68,741,743	137,125,483	3,816,000,188	32.20%	3,624,711,857	3,624,711,857	30.58%	123,240,203	3,501,471,654
2017	12,398,671,648	5,752,880	66,103,060	71,912,296	143,768,236	3,992,004,300	32.20%	3,795,354,458	3,795,354,458	30.61%	129,042,052	3,666,312,406
2018	12,971,686,464	5,887,180	74,044,440	75,235,781	155,167,401	4,176,498,066	32.20%	3,975,461,150	3,975,461,150	30.65%	135,165,679	3,840,295,471
2019	13,571,196,026	6,101,430	79,926,680	78,712,937	164,741,047	4,369,522,352	32.20%	4,165,074,393	4,165,074,393	30.69%	141,612,529	4,023,461,864
2020	14,198,990,321	6,280,650	82,829,900	82,354,144	171,464,694	4,571,653,483	32.20%	4,350,619,362	4,350,619,362	30.64%	147,921,058	4,202,698,304

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 - 2011 were estimated to be 4.33%, 5.32%, 4.40%, 3.70%, 3.50% and 3.1%, respectively, of total payrolls for those years. For 2012 the estimate is 3.40% of total payroll. All payrolls are assumed to increase at the same rate for years subsequent to 2012.
- (2) School District contributions under 16-158(e) for years subsequent to 2005 are expected to equal .58% of total payroll. 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.
- (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 XII – Assuming \$110M FY 2011 Contribution
ITEMIZATION OF EMPLOYER CONTRIBUTION TO BENEFIT TRUST RESERVE
(Continued)

Year Ended June 30	Assumed Payroll ⁽¹⁾	School District Contributions				Combined State and Federal Funds					(B) Required Federal Funds Contribution	(C) Required State Contribution
		S. 16-158(f) (Pay Increases)	S. 133.2 (ERO)	(A) S. 16-158(e) (2.2 Formula)	Total	Calculations Required by PA 94-004			Required Amount	Required Rate		
						Formula Amount	Formula Rate	Maximum Amount				
2021	14,858,462,743	6,516,080	87,231,840	86,179,084	179,927,004	4,783,984,031	32.20%	4,548,225,940	4,548,225,940	30.61%	154,639,682	4,393,586,258
2022	15,550,076,078	6,804,430	92,743,330	90,190,441	189,738,201	5,006,663,000	32.20%	4,758,048,937	4,758,048,937	30.60%	161,773,664	4,596,275,273
2023	16,273,818,176	7,220,590	103,790,020	94,388,145	205,398,755	5,239,686,476	32.20%	4,980,084,289	4,980,084,289	30.60%	169,322,866	4,810,761,423
2024	17,024,582,586	7,884,930	121,505,520	98,742,579	228,133,029	5,481,410,334	32.20%	5,197,828,797	5,197,828,797	30.53%	176,726,179	5,021,102,618
2025	17,800,935,014	8,540,210	133,463,170	103,245,423	245,248,803	5,731,372,776	32.20%	5,426,729,480	5,426,729,480	30.49%	184,508,802	5,242,220,678
2026	18,588,922,177	9,335,140	149,272,620	107,815,749	266,423,509	5,985,081,256	32.20%	5,676,580,825	5,676,580,825	30.54%	193,003,748	5,483,577,077
2027	19,364,823,351	10,373,020	171,371,140	112,315,975	294,060,135	6,234,898,407	32.20%	5,923,898,281	5,923,898,281	30.59%	201,412,542	5,722,485,739
2028	20,116,514,802	11,465,220	189,264,640	116,675,786	317,405,646	6,476,920,745	32.20%	6,149,831,238	6,149,831,238	30.57%	209,094,262	5,940,736,976
2029	20,856,160,875	11,999,720	181,064,920	120,965,733	314,030,373	6,715,064,829	32.20%	6,373,998,434	6,373,998,434	30.56%	216,715,947	6,157,282,487
2030	21,569,595,728	12,579,130	189,282,460	125,103,655	326,965,245	6,944,769,679	32.20%	6,576,866,139	6,576,866,139	30.49%	223,613,449	6,353,252,690
2031	22,246,930,518	13,464,870	199,784,100	129,032,197	342,281,167	7,162,851,379	32.20%	6,770,675,904	6,770,675,904	30.43%	230,202,981	6,540,472,923
2032	22,890,359,747	14,538,160	217,836,800	132,764,087	365,139,047	7,370,016,494	32.20%	6,970,956,826	6,970,956,826	30.45%	237,012,532	6,733,944,294
2033	23,482,008,921	15,733,240	226,421,360	136,195,652	378,350,252	7,560,509,970	32.20%	7,170,975,024	7,170,975,024	30.54%	243,813,151	6,927,161,873
2034	24,015,536,803	16,593,120	230,134,520	139,290,113	386,017,753	7,732,290,114	32.20%	7,732,290,114	7,732,290,114	32.20%	262,897,864	7,469,392,250
2035	24,510,157,337	17,153,860	227,489,400	142,158,913	386,802,173	7,891,543,246	32.20%	7,891,543,246	7,891,543,246	32.20%	268,312,470	7,623,230,776
2036	24,963,941,237	17,621,170	229,624,320	144,790,859	392,036,349	8,037,648,195	32.20%	8,037,648,195	8,037,648,195	32.20%	273,280,039	7,764,368,156
2037	25,372,286,916	17,833,380	218,462,220	147,159,264	383,454,864	8,169,123,384	32.20%	8,169,123,384	8,169,123,384	32.20%	277,750,195	7,891,373,189
2038	25,724,751,534	18,478,060	225,199,320	149,203,559	392,880,939	8,282,606,531	32.20%	8,282,606,531	8,282,606,531	32.20%	281,608,622	8,000,997,909
2039	26,019,372,651	19,019,690	219,189,440	150,912,361	389,121,491	8,377,465,787	32.20%	8,377,465,787	8,377,465,787	32.20%	284,833,837	8,092,631,950
2040	26,286,982,480	19,071,310	198,351,360	152,464,498	369,887,168	8,463,628,210	32.20%	8,463,628,210	8,463,628,210	32.20%	287,763,359	8,175,864,851
2041	26,810,322,298	18,674,160	172,943,280	155,499,869	347,117,309	8,632,128,099	32.20%	8,632,128,099	8,632,128,099	32.20%	293,492,355	8,338,635,744
2042	27,011,016,344	16,915,580	103,413,060	156,663,895	276,992,535	8,696,745,625	32.20%	8,696,745,625	8,696,745,625	32.20%	295,689,351	8,401,056,274
2043	27,303,433,912	14,022,690	3,848,240	158,359,917	176,230,847	8,790,895,404	32.20%	8,790,895,404	8,790,895,404	32.20%	298,890,444	8,492,004,960
2044	27,660,733,623	12,564,430	581,810	160,432,255	173,578,495	8,905,935,307	32.20%	8,905,935,307	8,905,935,307	32.20%	302,801,800	8,603,133,507
2045	28,057,977,291	11,548,770	193,250	162,736,268	174,478,288	9,033,835,979	32.20%	9,033,835,979	9,033,835,979	32.20%	307,150,423	8,726,685,556
2046	28,487,225,078	10,361,310	26,860	165,225,905	175,614,075	715,703,634	2.51%	715,703,634	715,703,634	2.51%	24,333,924	691,369,710

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 - 2011 were estimated to be 4.33%, 5.32%, 4.40%, 3.70%, 3.50% and 3.1%, respectively, of total payrolls for those years. For 2012 the estimate is 3.40% of total payroll. All payrolls are assumed to increase at the same rate for years subsequent to 2012.
- (2) School District contributions under 16-158(e) for years subsequent to 2005 are expected to equal .58% of total payroll. 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.
- (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 – Assuming \$110M FY 2011 Contribution

**FISCAL YEAR 2012 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	
CERTIFIED	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%	-0.56%	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	56.0%	30,201,644,000	13.69%	8.22%	5.47%	1,135,126,451	681,651,502	453,474,949	8,293,518,065
	2009	14	52.1%	35,001,154,488	17.66%	9.27%	8.39%	1,556,737,268	817,320,366	739,416,902	8,817,486,572
	2010	15	48.4%	39,854,106,229	23.96%	9.15%	14.81%	2,217,053,286	846,936,893	1,370,116,393	9,252,805,323
2011	16	42.8%	46,423,883,359	1.91%	8.77%	-6.86%	241,577,020	849,716,122	(608,139,102)	9,684,686,327	
PROJECTED	2012	17	40.4%	50,790,564,582	27.02%	8.43%	18.59%	2,701,163,007	842,532,254	1,858,630,753	9,995,937,994
	2013	18	38.2%	55,077,223,629	28.52%	8.07%	20.45%	2,968,778,277	839,971,229	2,128,807,048	10,410,182,671
	2014	19	39.0%	56,891,785,535	29.89%	7.73%	22.16%	3,244,721,458	839,035,154	2,405,686,304	10,856,031,770
	2015	20	39.6%	58,843,585,347	31.14%	7.41%	23.73%	3,530,461,278	839,937,085	2,690,524,193	11,337,101,451
	2016	21	40.1%	60,796,513,065	31.16%	7.10%	24.06%	3,693,453,600	841,937,762	2,851,515,838	11,852,024,641
	2017	22	40.7%	62,732,257,216	31.19%	6.80%	24.39%	3,867,266,754	843,574,164	3,023,692,590	12,398,671,648
	2018	23	41.3%	64,631,899,961	31.23%	6.50%	24.73%	4,050,696,931	842,996,994	3,207,699,937	12,971,686,464
	2019	24	42.0%	66,482,077,918	31.27%	6.19%	25.08%	4,243,787,330	839,886,892	3,403,900,438	13,571,196,026
	2020	25	42.7%	68,284,516,504	31.22%	5.88%	25.34%	4,432,973,506	835,432,568	3,597,540,938	14,198,990,321

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 XII. 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 XII; 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. For years 2036 & beyond, employer normal cost is negative, as member contributions are projected to exceed the cost of benefits accruing.
- (4) Employer Rates, Contribution Amounts, and Assumed Payroll shown for fiscal years 1995 - 2011 are based on the June 30, 1993 - June 30, 2009 actuarial valuations (2004 as recertified per PA 94-0004) and are certified amounts. Items shown for fiscal years subsequent to 2011 are based on the June 30, 2010 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 to 2008: Return on Investment = 8.50%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.50%. Assets at market value.
 - For 2009 and after: Return on Investment = 8.50%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.50%. 5-year smoothing actuarial value of assets.

SCHEDULE XIII – Assuming \$110M FY 2011 Contribution

**FISCAL YEAR 2012 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	43.4%	70,017,861,662	31.19%	5.58%	25.61%	4,634,405,024	828,915,941	3,805,489,083	14,858,462,743
2022	27	44.3%	71,657,680,137	31.18%	5.26%	25.91%	4,848,239,378	818,516,555	4,029,722,823	15,550,076,078
2023	28	45.1%	73,172,715,638	31.18%	4.94%	26.24%	5,074,472,434	804,536,284	4,269,936,150	16,273,818,176
2024	29	46.1%	74,542,855,486	31.11%	4.61%	26.50%	5,296,571,376	784,619,820	4,511,951,556	17,024,582,586
2025	30	47.2%	75,741,553,478	31.07%	4.25%	26.82%	5,529,974,903	756,316,568	4,773,658,335	17,800,935,014
2026	31	48.3%	76,717,805,790	31.12%	3.87%	27.25%	5,784,396,574	719,158,239	5,065,238,335	18,588,922,177
2027	32	49.6%	77,439,067,746	31.17%	3.47%	27.70%	6,036,214,256	672,684,835	5,363,529,421	19,364,823,351
2028	33	50.9%	77,905,891,051	31.15%	3.08%	28.07%	6,266,507,024	619,336,456	5,647,170,568	20,116,514,802
2029	34	52.3%	78,124,070,958	31.14%	2.69%	28.45%	6,494,964,167	561,812,062	5,933,152,105	20,856,160,875
2030	35	53.8%	78,071,192,973	31.07%	2.31%	28.76%	6,701,969,794	499,065,724	6,202,904,070	21,569,595,728
2031	36	55.3%	77,725,451,663	31.01%	1.93%	29.08%	6,899,708,101	430,199,196	6,469,508,905	22,246,930,518
2032	37	56.8%	77,040,623,509	31.03%	1.55%	29.48%	7,103,720,913	354,513,600	6,749,207,313	22,890,359,747
2033	38	58.5%	75,992,170,016	31.12%	1.16%	29.96%	7,307,170,676	272,096,910	7,035,073,766	23,482,008,921
2034	39	60.4%	74,172,260,950	32.78%	0.76%	32.01%	7,871,580,227	183,417,774	7,688,162,453	24,015,536,803
2035	40	62.4%	71,936,420,604	32.78%	0.36%	32.41%	8,033,702,159	89,154,791	7,944,547,368	24,510,157,337
2036	41	64.5%	69,256,364,402	32.78%	-0.03%	32.81%	8,182,439,054	(7,802,155)	8,190,241,209	24,963,941,237
2037	42	66.7%	66,121,623,517	32.78%	-0.43%	33.20%	8,316,282,648	(108,150,311)	8,424,432,959	25,372,286,916
2038	43	69.0%	62,488,368,000	32.78%	-0.83%	33.60%	8,431,810,090	(212,551,711)	8,644,361,801	25,724,751,534
2039	44	71.4%	58,347,525,506	32.78%	-1.23%	34.00%	8,528,378,148	(319,063,519)	8,847,441,667	26,019,372,651
2040	45	73.9%	53,683,478,511	32.78%	-1.61%	34.39%	8,616,092,708	(423,549,977)	9,039,642,685	26,286,982,480
2041	46	76.6%	48,348,844,794	32.78%	-2.04%	34.82%	8,787,627,968	(547,266,695)	9,334,894,663	26,810,322,298
2042	47	79.5%	42,445,108,500	32.78%	-2.49%	35.26%	8,853,409,520	(671,562,393)	9,524,971,913	27,011,016,344
2043	48	82.7%	35,957,702,418	32.78%	-2.78%	35.56%	8,949,255,321	(759,377,765)	9,708,633,086	27,303,433,912
2044	49	86.1%	28,726,622,358	32.78%	-2.98%	35.76%	9,066,367,562	(824,636,644)	9,891,004,206	27,660,733,623
2045	50	90.0%	20,688,736,678	32.78%	-3.12%	35.90%	9,196,572,247	(875,760,654)	10,072,332,901	28,057,977,291
2046	51	90.0%	20,609,820,383	3.09%	-3.16%	6.25%	880,929,539	(899,129,095)	1,780,058,634	28,487,225,078

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 XII. 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 XII; 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. For years 2036 & beyond, employer normal cost is negative, as member contributions are projected to exceed the cost of benefits accruing.
- (4) Employer Rates, Contribution Amounts, and Assumed Payroll shown for fiscal years 1995 - 2011 are based on the June 30, 1993 - June 30, 2009 actuarial valuations (2004 as recertified per PA 94-0004) and are certified amounts. Items shown for fiscal years subsequent to 2011 are based on the June 30, 2010 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 to 2008: Return on Investment = 8.50%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.50%. Assets at market value.
 - For 2009 and after: Return on Investment = 8.50%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.50%. 5-year smoothing actuarial value of assets.

SCHEDULE XIV – Assuming \$110M FY 2011 Contribution

**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, 2010 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 s. 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	
2006	30,991,751,000	7,871,835,902	895,205,895	11.37%	849,549,247	10.79%	293,651,160	
2007	35,571,482,266	7,939,262,146	1,116,541,402	14.06%	1,070,493,682	13.48%	293,651,160	
2008	32,718,344,000	8,293,518,065	1,458,367,611	17.58%	1,410,265,206	17.00%	323,241,160	
2009	32,512,829,921	8,817,486,572	1,887,185,432	21.40%	1,836,044,010	20.82%	322,501,410	
2010	32,224,190,408	9,252,805,323	2,538,726,176	27.44%	2,485,059,905	26.86%	321,672,890	
2011	29,475,056,581	9,684,686,327	562,273,440	5.81%	506,102,259	5.23%	320,696,420	
2012	29,334,892,810	9,995,937,994	3,050,398,982	30.52%	2,992,422,542	29.94%	349,235,975	2,643,186,567
2013	29,313,175,528	10,410,182,671	3,315,795,002	31.85%	3,255,415,943	31.27%	347,016,725	2,908,399,218
2014	31,462,733,342	10,856,031,770	3,589,459,753	33.06%	3,526,494,769	32.48%	344,738,295	3,181,756,474
2015	33,574,453,005	11,337,101,451	3,872,861,963	34.16%	3,807,106,775	33.58%	342,400,685	3,464,706,090
2016	35,753,625,478	11,852,024,641	4,033,457,495	34.03%	3,964,715,752	33.45%	340,003,895	3,624,711,857
2017	38,041,595,527	12,398,671,648	4,219,491,319	34.03%	4,147,579,023	33.45%	352,224,565	3,795,354,458
2018	40,458,279,319	12,971,686,464	4,414,498,584	34.03%	4,339,262,803	33.45%	363,801,653	3,975,461,150
2019	43,013,886,909	13,571,196,026	4,618,522,488	34.03%	4,539,809,551	33.45%	374,735,158	4,165,074,393
2020	45,722,268,292	14,198,990,321	4,832,172,196	34.03%	4,749,818,052	33.45%	399,198,690	4,350,619,362

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 1B, 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 – Assuming \$110M FY 2011 Contribution

**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, 2010 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 s. 16-158(e))		Required State and Federal Funds			State and Federal Funds Maximum (Required Amount Minus Debt Service)
			Amount	Rate	Amount	Rate		
2021	48,627,218,957	14,858,462,743	5,056,602,541	34.03%	4,970,423,457	33.45%	422,197,518	4,548,225,940
2022	51,755,644,923	15,550,076,078	5,291,971,018	34.03%	5,201,780,577	33.45%	443,731,640	4,758,048,937
2023	55,138,094,785	16,273,818,176	5,538,273,492	34.03%	5,443,885,347	33.45%	463,801,058	4,980,084,289
2024	58,800,880,416	17,024,582,586	5,793,772,146	34.03%	5,695,029,567	33.45%	497,200,770	5,197,828,797
2025	62,756,545,493	17,800,935,014	6,057,978,863	34.03%	5,954,733,440	33.45%	528,003,960	5,426,729,480
2026	67,020,735,791	18,588,922,177	6,326,145,089	34.03%	6,218,329,340	33.45%	541,748,515	5,676,580,825
2027	71,596,020,468	19,364,823,351	6,590,198,236	34.03%	6,477,882,261	33.45%	553,983,980	5,923,898,281
2028	76,462,734,486	20,116,514,802	6,846,012,379	34.03%	6,729,336,593	33.45%	579,505,355	6,149,831,238
2029	81,589,075,509	20,856,160,875	7,097,727,262	34.03%	6,976,761,529	33.45%	602,763,095	6,373,998,434
2030	86,989,114,800	21,569,595,728	7,340,521,994	34.03%	7,215,418,339	33.45%	638,552,200	6,576,866,139
2031	92,649,111,869	22,246,930,518	7,571,031,226	34.03%	7,441,999,029	33.45%	671,323,125	6,770,675,904
2032	98,553,500,067	22,890,359,747	7,790,001,783	34.03%	7,657,237,696	33.45%	686,280,870	6,970,956,826
2033	104,657,582,796	23,482,008,921	7,991,350,656	34.03%	7,855,155,004	33.45%	684,179,980	7,170,975,024
2034	110,920,759,102	24,015,536,803	139,290,113	0.58%	-	0.00%	-	-
2035	117,317,177,205	24,510,157,337	142,158,913	0.58%	-	0.00%	-	-
2036	123,829,673,302	24,963,941,237	144,790,859	0.58%	-	0.00%	-	-
2037	130,421,023,438	25,372,286,916	147,159,264	0.58%	-	0.00%	-	-
2038	137,079,455,428	25,724,751,534	149,203,559	0.58%	-	0.00%	-	-
2039	143,758,884,196	26,019,372,651	150,912,361	0.58%	-	0.00%	-	-
2040	150,435,412,801	26,286,982,480	152,464,498	0.58%	-	0.00%	-	-
2041	157,248,898,163	26,810,322,298	155,499,869	0.58%	-	0.00%	-	-
2042	164,060,770,023	27,011,016,344	156,663,895	0.58%	-	0.00%	-	-
2043	170,999,429,429	27,303,433,912	158,359,917	0.58%	-	0.00%	-	-
2044	178,336,485,001	27,660,733,623	160,432,255	0.58%	-	0.00%	-	-
2045	186,198,630,101	28,057,977,291	162,736,268	0.58%	-	0.00%	-	-
2046	199,418,980,478	28,487,225,078	165,225,905	0.58%	-	0.00%	-	-

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 1B, 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 – Assuming \$110M FY 2011 Contribution
PROJECTIONS USING CERTIFIED CONTRIBUTIONS AND
AN 8.5% MARKET RATE OF RETURN

Year Ended June 30	Contributions				Benefits and Expenses	Asset Return & Cash Income	Actuarial Value of Assets*	Market Value of Assets	PBO	Funded Ratio
	Member	School District	Federal Funds	State						
1995	\$421,726,521		\$16,500,000	\$262,864,800	\$1,108,283,000		\$12,641,865,000	\$12,641,865,000	\$23,980,566,000	52.7%
1996	422,238,847		17,000,000	324,276,242	1,148,919,000	1,573,249,911	13,829,711,000	13,829,711,000	26,141,794,000	52.9%
1997	420,762,625		17,300,000	377,968,984	1,186,203,042	3,933,568,433	17,393,108,000	17,393,108,000	26,951,585,000	64.5%
1998	440,967,595		18,000,000	460,439,267	1,237,762,773	2,891,134,911	19,965,887,000	19,965,887,000	29,908,241,000	66.8%
1999	866,369,000	16,675,000	18,500,000	567,067,600	1,314,929,000	2,118,139,400	22,237,709,000	22,237,709,000	33,205,513,000	67.0%
2000	619,622,000	34,145,066	18,200,000	634,038,560	1,437,474,000	2,375,172,374	24,481,413,000	24,481,413,000	35,886,404,000	68.2%
2001	643,563,000	36,375,498	20,000,000	719,356,841	1,611,050,000	(974,012,339)	23,315,646,000	23,315,646,000	39,166,697,000	59.5%
2002	681,151,770	38,664,380	23,000,000	810,618,724	1,809,763,000	(693,032,874)	22,366,285,000	22,366,285,000	43,047,674,000	52.0%
2003	732,020,451	12,808,373	25,000,000	926,049,918	2,051,953,000	1,114,612,258	23,124,823,000	23,124,823,000	46,933,432,000	49.3%
2004	768,661,300	42,604,912	29,400,000	1,027,258,994	2,320,690,844	8,872,671,638	31,544,729,000	31,544,729,000	50,947,451,000	61.9%
2005	761,790,009	44,481,074	37,860,000	902,243,532	2,604,081,011	3,398,195,396	34,085,218,000	34,085,218,000	56,075,029,000	60.8%
2006	799,034,336	60,631,429	24,070,387	531,827,700	2,948,023,574	4,032,130,722	36,584,889,000	36,584,889,000	58,996,913,000	62.0%
2007	826,249,007	225,741,253	41,328,022	735,514,500	3,184,574,659	6,680,170,878	41,909,318,000	41,909,318,000	65,648,395,000	63.8%
2008	865,400,168	131,239,475	47,829,058	1,039,194,988	3,498,960,895	(2,063,297,794)	38,430,723,000	38,430,723,000	68,632,367,000	56.0%
2009	876,182,122	148,460,852	55,707,046	1,449,888,800	3,723,108,308	(8,706,541,270)	38,026,043,512	28,531,312,242	73,027,198,000	52.1%
2010	909,642,774	145,878,411	75,718,545	2,087,668,469	4,003,538,821	3,646,060,161	37,439,091,771	31,323,784,214	77,293,198,000	48.4%
2011	948,286,581	147,747,541	75,405,839	110,000,000	4,329,807,307	2,532,982,870	34,801,855,552	30,808,399,738	81,225,738,911	42.8%
2012	976,364,866	147,745,130	89,868,343	2,553,318,224	4,641,424,675	2,581,597,180	34,387,077,026	32,515,868,806	85,177,641,608	40.4%
2013	1,014,104,218	142,198,949	98,885,573	2,809,513,645	4,959,073,917	2,725,871,706	34,096,329,606	34,347,368,980	89,173,553,235	38.2%
2014	1,055,929,626	140,209,804	108,179,720	3,073,576,754	5,275,580,233	2,881,408,427	36,331,488,927	36,331,093,077	93,223,274,462	39.0%
2015	1,102,119,060	136,606,618	117,800,007	3,346,906,083	5,585,508,877	3,050,688,282	38,500,100,100	38,499,704,250	97,343,685,447	39.6%
2016	1,151,561,758	137,125,483	123,240,203	3,501,471,654	5,900,555,063	3,230,554,380	40,743,498,516	40,743,102,666	101,540,011,581	40.1%
2017	1,204,596,164	143,768,236	129,042,052	3,666,312,406	6,216,411,641	3,417,607,931	43,088,413,664	43,088,017,814	105,820,670,880	40.7%
2018	1,260,491,424	155,167,401	135,165,679	3,840,295,471	6,538,472,542	3,613,752,677	45,554,813,775	45,554,417,925	110,186,713,736	41.3%
2019	1,318,612,797	164,741,047	141,612,529	4,023,461,864	6,870,497,833	3,820,221,213	48,152,965,392	48,152,569,542	114,635,043,310	42.0%
2020	1,379,354,416	171,464,694	147,921,058	4,202,698,304	7,209,796,878	4,037,396,826	50,882,003,812	50,881,607,962	119,166,520,316	42.7%

Note: 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.

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

SCHEDULE XV – Assuming \$110M FY 2011 Contribution**PROJECTIONS USING CERTIFIED CONTRIBUTIONS AND
AN 8.5% MARKET RATE OF RETURN
(Continued)**

Year Ended June 30	Contributions				Benefits and Expenses	Asset Return & Cash Income	Actuarial Value of Assets*	Market Value of Assets	PBO	Funded Ratio
	Member	School District	Federal Funds	State						
2021	1,443,869,485	179,927,004	154,639,682	4,393,586,258	7,535,651,256	4,267,016,099	53,785,391,084	53,784,995,233	123,803,252,746	43.4%
2022	1,511,847,202	189,738,201	161,773,664	4,596,275,273	7,867,286,982	4,511,933,005	56,889,671,446	56,889,275,596	128,547,351,583	44.3%
2023	1,583,647,284	205,398,755	169,322,866	4,810,761,424	8,208,259,882	4,774,459,067	60,225,000,960	60,224,605,110	133,397,716,598	45.1%
2024	1,658,469,450	228,133,029	176,726,179	5,021,102,618	8,563,840,607	5,056,250,185	63,801,841,814	63,801,445,963	138,344,697,300	46.1%
2025	1,735,504,549	245,248,803	184,508,802	5,242,220,678	8,935,400,230	5,358,220,065	67,632,144,480	67,631,748,630	143,373,697,958	47.2%
2026	1,814,766,050	266,423,509	193,003,748	5,483,577,077	9,326,009,133	5,682,082,134	71,745,987,866	71,745,592,016	148,463,793,656	48.3%
2027	1,892,727,513	294,060,135	201,412,542	5,722,485,740	9,740,428,054	6,029,144,928	76,145,390,670	76,144,994,820	153,584,458,416	49.6%
2028	1,965,863,698	317,405,646	209,094,262	5,940,736,976	10,181,860,346	6,398,035,917	80,794,666,823	80,794,270,973	158,700,557,874	50.9%
2029	2,035,864,824	314,030,373	216,715,947	6,157,282,487	10,643,674,864	6,785,955,978	85,660,841,567	85,660,445,717	163,784,912,525	52.3%
2030	2,104,349,428	326,965,245	223,613,449	6,353,252,691	11,119,185,891	7,191,453,817	90,741,290,305	90,740,894,455	168,812,483,278	53.8%
2031	2,168,748,955	342,281,167	230,202,981	6,540,472,923	11,616,413,025	7,613,784,628	96,020,367,934	96,019,972,084	173,745,819,597	55.3%
2032	2,229,537,236	365,139,047	237,012,532	6,733,944,295	12,142,356,484	8,052,220,531	101,495,865,090	101,495,469,240	178,536,488,599	56.8%
2033	2,284,432,441	378,350,252	243,813,151	6,927,161,873	12,698,239,640	8,505,408,051	107,136,791,218	107,136,395,368	183,128,961,234	58.5%
2034	2,333,289,252	386,017,753	262,897,864	7,469,392,250	13,278,325,888	8,986,491,281	113,296,553,729	113,296,157,879	187,468,814,679	60.4%
2035	2,377,840,783	386,802,173	268,312,470	7,623,230,776	13,871,978,093	9,493,535,912	119,574,297,750	119,573,901,899	191,510,718,354	62.4%
2036	2,417,691,339	392,036,349	273,280,039	7,764,368,156	14,479,046,411	10,009,469,311	125,952,096,533	125,951,700,683	195,208,460,935	64.5%
2037	2,452,049,647	383,454,864	277,750,195	7,891,373,189	15,096,777,739	10,532,011,837	132,391,958,526	132,391,562,676	198,513,582,043	66.7%
2038	2,481,935,473	392,880,939	281,608,622	8,000,997,909	15,727,072,534	11,059,106,367	138,881,415,303	138,881,019,452	201,369,783,303	69.0%
2039	2,504,008,771	389,121,491	284,833,837	8,092,631,950	16,366,695,397	11,588,336,078	145,373,652,033	145,373,256,183	203,721,177,539	71.4%
2040	2,523,265,629	369,887,168	287,763,359	8,175,864,851	17,003,625,874	12,116,769,516	151,843,576,682	151,843,180,832	205,527,055,193	73.9%
2041	2,567,855,702	347,117,309	293,492,355	8,338,635,744	17,613,508,535	12,648,881,702	158,426,050,960	158,425,655,110	206,774,895,754	76.6%
2042	2,579,935,747	276,992,535	295,689,351	8,401,056,274	18,179,683,281	13,184,608,933	164,984,650,520	164,984,254,670	207,429,759,020	79.5%
2043	2,605,895,183	176,230,847	298,890,444	8,492,004,960	18,636,485,643	13,723,498,065	171,644,684,376	171,644,288,525	207,602,386,794	82.7%
2044	2,647,445,245	173,578,495	302,801,800	8,603,133,507	18,978,493,961	14,281,607,938	178,674,757,399	178,674,361,549	207,401,379,757	86.1%
2045	2,690,420,759	174,478,288	307,150,423	8,726,685,556	19,249,796,586	14,874,934,263	186,198,630,101	186,198,234,251	206,887,366,779	90.0%
2046	2,735,785,830	175,614,075	24,333,924	691,369,710	19,490,058,176	15,152,707,987	185,488,383,451	185,487,987,600	206,098,203,834	90.0%

Note: 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.

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

