

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

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**June 30, 2011  
Actuarial Valuation of  
Pension Benefits**

*December 2011*

December 7, 2011

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, 2011 and the principal results are set forth on Pages 1 and 2 of this report.

The contributions to the System, which are shown in the Summary of Principal Results, are based on the provisions of Public Act 94-0004, as amended by subsequent acts. The actuary and the Board are required to follow Public Act 94-0004 for purposes of developing contributions to the System. Public Act 94-0004 has resulted in contributions to the System much less than those that would be contributed under a prudent funding policy. Under a prudent funding policy, a funded ratio of 100% would be achieved within 30 years as opposed to the 90% funded ratio achieved by 2045 under Public Act 94-0004. In addition, under a prudent funding policy contributions would not be based on members not currently in the System as is done under Public Act 94-0004, particularly given the lower value of Tier II benefits in the System for members hired on or after January 1, 2011. The continued use of Public Act 94-0004 in its current form will continue the history of an inadequate funded ratio of less than 100%. It should be noted that while this is the first time these words have appeared in the actuarial report, at least one of the undersigned has made this message very clear in public forum several times in the past. In addition, the Net Pension Obligation clearly exhibits the shortfall of the Public Act 94-0004 contributions when compared to the GASB 25/27 ARC, which is a prudent funding policy.

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 2010 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 2011 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 is a smoothed value first used in the June 30, 2009 valuation. 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 \$4,618,218,000 in FY 2011. Per statutory requirement, 20% is recognized in the actuarial value of assets as of June 30, 2011, and recognition of the remaining 80%, or \$3,694,574,000, 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, 2011 valuation the total net deferral is a \$298,486,000 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 prior 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 made contributions for TRS service prior to January 1, 2011.

Subsequent to the initial June 30, 2010 valuation report, the FY 2011 funding requirements were recertified due to Public Act 96-1511. The tables accompanying our FY 2013 funding recommendation do not show the recertified values for FY 2011, but the FY 2013 recommendation recognizes the FY 2011 funding reduction.

The unfunded pension benefit obligation of the System as of June 30, 2011 is \$43,529,992,000, which may be compared with the unfunded obligation of \$39,854,106,000 as of June 30, 2010.

The funded status of the System as of June 30, 2011 is 46.1% based on the market value of assets and 46.5% based on the actuarial value of assets. As of June 30, 2010 the System's funded status was 40.5% based on the market value of assets, and 48.4% based on the actuarial value of assets.

Assuming the full fiscal year 2012 State Contribution is made, we calculate that the employer's contribution rate to the Benefit Trust Reserve of the System for fiscal year 2013 is 28.63% of membership payroll. The recommended total employer contribution for fiscal year 2013 to the Benefit Trust Reserve

under the provisions of Article 16 of the Illinois Pension Code is \$2,843,463,000. 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 2013 of \$2,703,478,000. This figure represents an increase of \$297,006,000 or 12.3% from the total State Contribution in fiscal year 2012 of \$2,406,472,000. **These amounts are predicated on all contributions for the fiscal year 2012 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



Paul R. Wilkinson, ASA, EA, MAAA  
Director, Consulting Actuary

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

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

**ACTUARIAL VALUATION  
JUNE 30, 2011**

**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	
	2011	2010
<b>Benefit Trust Reserve</b>		
• Active members reported to the actuary:		
– Number	170,190	169,173
– Annual salaries (adjusted for data lag)	\$ 9,574,334,000	\$ 9,301,554,000
– Average age	41.7	41.7
– Average service	10.1	10.0
• Number of inactive	115,295	111,858
• Retirees and beneficiaries in receipt of benefits:		
– Number	101,352	97,796
– Annual annuities (at June 30)	\$ 4,418,017,000	\$ 4,107,592,000
• Assets		
– Market value	\$ 37,471,267,000	\$ 31,323,784,000
– Actuarial value	\$ 37,769,753,000	\$ 37,439,092,000
• Pension benefit obligation	\$ 81,299,745,000	\$ 77,293,198,000
• Unfunded pension benefit obligation (based on actuarial value of assets)	\$ 43,529,992,000	\$ 39,854,106,000
• Funded ratio:		
– Market value	46.1%	40.5%
– Actuarial value	46.5%	48.4%

**SUMMARY OF PRINCIPAL RESULTS  
(Continued)**

Item	Year Ended June 30	
	2011	2010
<b>Benefit Trust Reserve (continued)</b>	Fiscal Year <u>2013</u>	Fiscal Year <u>2012</u>
	<b>PA 94-0004</b>	<b>PA 94-0004</b>
• Employer cost under:		
– Percentage Rate (includes Federal and School Districts)	28.63%	25.49%
– Employer Contribution	\$ 2,843,463,000	\$ 2,547,803,000
– Less School Districts for 2.2% formula	(57,610,000)	(57,976,000)
– Less Federal Funds Contribution	(83,575,000)	(84,655,000)
– State Contribution	\$ 2,702,278,000	\$ 2,405,172,000
<b>Guaranteed Minimum Annuity Reserve*</b>		
• Retirees and disabilitants in receipt of benefits:		
– Number	1,339	1,464
– Annual annuities	\$ 1,267,000	\$ 1,442,000
– Pension benefit obligation	\$ 5,986,000	\$ 6,857,000
• State Contribution	\$ 1,200,000	\$ 1,300,000
<b>Total State Contribution:</b>		
• Benefit Trust Reserve	\$ 2,702,278,000	\$ 2,405,172,000
• Guaranteed Minimum Annuity Reserve	1,200,000	1,300,000
• Total State Contribution	\$ 2,703,478,000	\$ 2,406,472,000

## 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 2012 and 2013 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 2012, as shown in Schedules XII and XIII:

	<u>Certified Contributions **</u>
Common School Fund	\$ 2,405,172,000
School Districts for 2.2%	57,976,000
Federal Funds	<u>84,655,000</u>
Total	\$ 2,547,803,000

\*\* State contribution amounts shown are those contained in the final fiscal year 2012 State budget. Future Federal Funds and School Districts contributions are estimated.

2. The June 30, 2011 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, 2010, and (ii) retirees and beneficiaries in receipt of benefits as of June 30, 2011. Membership data for active and inactive members as of June 30, 2009, and for retirees and beneficiaries as of June 30, 2010 were used as the basis for the June 30, 2010 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 \$2,703,478,000 for FY 2013 is based on Article 16 of the Illinois Pension Code. This amount represents a Benefit Trust Reserve Contribution of \$2,702,278,000 and a Guaranteed Minimum Annuity Reserve Contribution of \$1,200,000 for a total contribution of \$2,703,478,000
4. As stated above, at June 30, 2011 and June 30, 2010, 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, 2011.
5. The statistics for full-time, substitute, part-time, and hourly paid teachers for purposes of the June 30, 2011 valuation, based on the census information for active members as of June 30, 2010, (after salaries were increased to adjust for the one year lag in the census information for the June 30, 2011 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	137,711	32,479	170,190
Annual salaries	\$ 9,412,873,000	\$ 161,461,000	\$ 9,574,334,000
Average age	41.7 years	41.4 years	41.7 years
Average service	12.1 years	1.8 years	10.1 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 2010 through 2045. Gross appropriations, as a percentage of payroll, for fiscal years 1996 through 2011 increased in level annual increments over the prior year's gross appropriation until the required level percentage of payroll was achieved in fiscal year 2011. 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 2013 contribution rate payable to the Benefit Trust Reserve by all employers is equal to 28.63% 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 2012 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 2013. Schedule IB shows the development of the 28.63% required employer contribution rate for the Benefit Trust Reserve for fiscal year 2013.

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.

<b>Fiscal Year</b>	<b>Gross Employer Rate (Before State Maximum and Without POBs) from Schedule XIV</b>	<b>Required Employer Rate (After State Maximum and With POBs) from Schedule XIII</b>	<b>State Rate (After State Maximum and With POBs) from Schedule XII</b>
2013	32.12%	28.63%	28.05%
2014	32.75%	29.42%	28.84%
2015	33.31%	30.14%	29.56%
2016	32.63%	29.61%	29.03%
2017	32.13%	29.15%	28.57%
2018	32.13%	29.18%	28.60%
2019	32.13%	29.23%	28.65%
2020	32.13%	29.17%	28.59%
2021	32.13%	29.14%	28.56%
2022	32.13%	29.13%	28.55%
2023	32.13%	29.13%	28.55%
2024	32.13%	29.05%	28.47%
2025	32.13%	29.00%	28.42%
2026	32.13%	29.05%	28.47%
2027	32.13%	29.11%	28.53%
2028	32.13%	29.09%	28.51%
2029	32.13%	29.07%	28.49%
2030	32.13%	29.00%	28.42%
2031	32.13%	28.93%	28.35%
2032	32.13%	28.95%	28.37%
2033	32.13%	29.04%	28.46%
2034		30.15%	29.57%
2035 - 2045	Maximum does not apply	30.15%	29.57%

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 not all of these additional contributions are 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 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, 2011	\$ 37,471	\$ 37,770	\$ 81,300	46.1%	46.5%
June 30, 2010	\$ 31,324	\$ 37,439	\$ 77,293	40.5%	48.4%

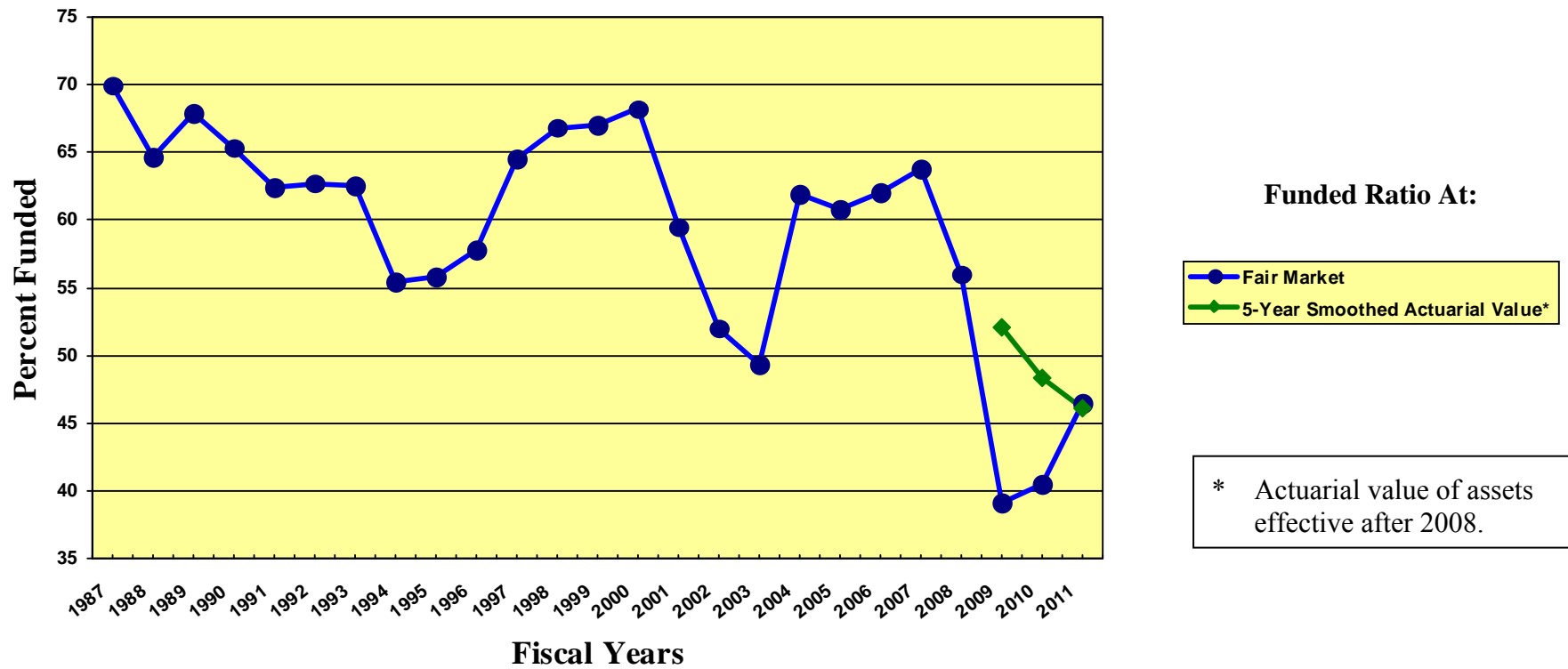
As can be seen from the table, the current funded statuses of the System are 46.1% and 46.5% as measured by the fair market value of assets and 5-year smoothed actuarial value of assets, respectively.

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 8, the funded status based on either book value or market value of assets declined significantly from 1987 to 1996. The major portion of the decline was due to the failure of the State to adhere to the prior funding provisions of Senate Bill 95 (Public Act 86-0273). In fact, the decline in the funded ratio of the System would have been greater had it not been for the average investment return of the System, which was greater than the 8% return expected during this period of underfunding by the State. The decline in the funded ratio that occurred during fiscal years 2001 through 2003, and 2008 through 2009, is due to the rate of return of the market value of investments being less than the 8.5% expected. With the implementation of the actuarial value of assets with the June 30, 2009 actuarial valuation, the funded status has not fluctuated as much as when market was used.

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 – 2011



**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, 2011, there was a net actuarial loss of \$1,762 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	\$ (546) million
(2) Losses due to investment income less than expected	1,718
(3) Losses due to new entrants, for which no allowance is made in the assumptions	21
(4) Losses due to lower than expected mortality	52
(5) Losses due to fewer terminations than expected	51
(6) Losses due to repayments of refunded member contributions	31
(7) Losses due to delayed reporting of retirements (effect on assets)	11
(8) Losses due to all other causes (rounded)	<u>424</u>
Total net losses	\$ 1,762 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 \$3.136 billion minus the actual investment return of \$1.418 billion.

The non-investment loss consists of all gains and losses not associated with the loss due to investment income (item 2). It is composed of the demographic losses plus the salary increase assumption gain and is \$0.044 billion and is 0.05% 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 509 retirements that occurred prior to July 1, 2010 and were not reported to the actuary until June 30, 2011 due to backdated retirement claims and TRS processing constraints. The actuarial loss is equal to the value of benefits paid prior to July 1, 2011 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, 2011 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, 2010, and (ii) annuitants and survivor annuitants in receipt of benefits as of June 30, 2011. 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, 2011	Valuation June 30, 2010	Percentage Change
<b>Active membership:</b>			
• Full-time and regular part-time:			
➤ Number	137,711	138,180	(0.3)
➤ Annual Compensation	\$ 9,412,873,000	\$ 9,147,433,000	2.9
➤ Average Compensation	\$ 68,352	\$ 66,199	3.3
• Substitute, part-time, hourly paid (limited schedule)			
➤ Number	32,479	30,993	4.8
➤ Annual Compensation	\$ 161,461,000	\$ 154,121,000	4.8
➤ Average Compensation	\$ 4,971	\$ 4,973	(0.0)
• Total Number	170,190	169,173	0.6
<b>Inactive Membership:</b>			
• Eligible for deferred annuities	16,266	16,370	(0.6)
• Eligible for refunds or single sum benefits only	99,029	95,488	3.7
<b>Annuitants (retirees, disabilitants and survivors):</b>			
• Number	101,352	97,796	3.6
• Annual annuities	\$ 4,418,017,000	\$ 4,107,592,000	7.6
• Average annual annuities	\$ 43,591	\$ 42,002	3.8

Notes:

1. Rates of pay for individual teachers who were on full-time or regular part-time status at both June 30, 2010 and June 30, 2011 increased on average 5.67%, compared to the expected average increase of 7.11%.
2. The 3.7% 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, 2011						\$ 37,471,267,194	
2. Determination of Deferred Gain (Loss)							
		<u>Market Return on Assets</u>					
Fiscal Year	<u>Ending</u>	<u>Actual</u>	<u>Expected</u>	<u>Gain/(Loss)</u>	<u>% Deferred</u>	<u>Deferred Amount</u>	
2011	\$	7,234,539,490	\$ 2,616,321,757	\$ 4,618,217,733	80%	\$ 3,694,574,186	
2010		3,646,060,161	2,388,884,043	1,257,176,118	60%	754,305,671	
2009*		(8,654,702,712)	3,213,711,375	(11,868,414,087)	40%	(4,747,365,635)	
2008*		-	-	-	20%	-	
				\$ (5,993,020,236)		\$ (298,485,778)	
3. Actuarial Value of Assets as of June 30, 2011 (1) - (2)						\$ 37,769,752,972	
4. Actuarial Value of Assets as of June 30, 2010						\$ 37,439,091,771	
5. Return on Actuarial Basis (3) - [(4) + (B) + (C) + (D)]						\$ 1,417,717,711	
6. Expected Actuarial Return on Assets for Fiscal 2011 (G) x [(4) + .5 x ((B) + (C) + (D))]						\$ 3,136,122,899	
7. 2011 Actuarial Basis Asset Gain / (Loss) (5) - (6)						\$ (1,718,405,188)	
8. Actuarial Rate of Return (5) / [(4) + 0.5 x ((B) + (C) + (D))]						3.84%	

\* 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, 2010	\$ 31,323,784,214
(B) Contributions in Fiscal Year 2011	3,234,205,731
(C) Benefit Payments in Fiscal Year 2011	(4,303,470,170)
(D) Administrative Expense in Fiscal Year 2011	(17,792,071)
(E) Actual Return in Fiscal Year 2011	<u>7,234,539,490</u>
(F) Market Value of Assets as of June 30, 2011	\$ 37,471,267,194
(G) Valuation Interest Rate as of June 30, 2010	8.50%
(H) Expected Market Return on Assets for Fiscal 2011 (G) x [(A) + .5 x ((B)+(C)+(D))]	\$ 2,616,321,757
(I) 2011 Market Basis Asset Gain / (Loss) (E) - (H)	\$ 4,618,217,733
(J) Market Rate of Return (E) / [(A) + 0.5 x ((B) + (C) + (D))]	23.50%

## **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.
- Public Act 96-1511, enacted in 2011, required the state retirement systems to recertify their fiscal year 2011 state funding requirements and assume the Tier II benefits of Public Act 96-0889 were in effect on June 30, 2009.

**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 on Public Act 94-0004, as amended. 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 2013**  
**(Based on June 30, 2011 Actuarial Valuation)**

Reserve Fund	Year Ended June 30, 2013
Benefit Trust Reserve	
--- Employer's Cost	\$ 2,843,463,000
--- Less School Districts	(57,610,000)
--- Less Federal Funds	<u>(83,575,000)</u>
--- State Contribution	\$ 2,702,278,000
Guaranteed Minimum Annuity Reserve	
--- State Contribution	\$ 1,200,000
Total State Contribution	\$ 2,703,478,000

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

- (a) Employer's cost of \$2,843,463,000 is equivalent to a contribution rate of 28.63% of payroll based on an estimated membership payroll for fiscal year 2013 of \$9.933 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 2013 state contribution rate is 28.05% of the estimated \$9.635 billion state payroll.

**(2) Guaranteed Minimum Annuity Reserve**

Above State contribution for fiscal year 2013 of \$1,200,000 for the Guaranteed Minimum Annuity Reserve is based on projection of benefit outgo from reserve funds in fiscal year 2013. 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, 2011 valuation data. New entrant profile per actuarial assumptions.
- (b) Employer's contribution to Benefit Trust Reserve in fiscal year 2012 as shown in Schedules XII and XIII:

	<u>Certified Contribution</u>
State Contribution	\$ 2,405,172,000
School Districts for 2.2%	57,976,000
Federal Funds	<u>84,655,000</u>
Total	\$ 2,547,803,000

- (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 2013**  
**(Based on June 30, 2011 Actuarial Valuation)**

Benefit Trust Reserve	Year Ended June 30, 2013	Percentage of Payroll (State, Federal, Total)	
(1) Assumed Payrolls			
➤ Total Payroll	\$9,932,764,000		
➤ Less Federal Funds Payroll	<u>(297,983,000)</u>		
➤ State Payroll	9,634,781,000		
(2) Employer contribution that would have been required without funds provided by sec. 7.2(d) of General Obligation Bond Act			
➤ Employer's Cost	3,190,480,000	32.12 %	Total
➤ Less School Districts under Sec. 16-158(e)	<u>(57,610,000)</u>	<u>(0.58)</u>	Total
➤ State and Federal Funds Contribution	3,132,870,000	31.54 %	Total
➤ Less State Debt Service for TRS portion of all funds provided under sec. 7.2 of General Obligation Bond Act	<u>(347,017,000)</u>	(3.49) %	Total
➤ Maximum State and Federal Funds Contribution under PA 94-0004	2,785,853,000	28.05 %	Total
(3) Employer contribution recognizing all system assets, before limiting State and Federal Funds contribution			
➤ Employer's Cost	2,963,519,000	29.84 %	Total
➤ Less School Districts under Sec. 16-158(e)	<u>(57,610,000)</u>	<u>(0.58)</u>	Total
➤ State and Federal Funds Contribution	2,905,909,000	29.26 %	Total
(4) State and Federal Funds Contribution under PA 94-0004			
➤ Lesser of amounts under (2) and (3)	2,785,853,000	28.05 %	Total
(5) Employer contribution under PA 94-0004			
➤ State Portion of (4), based on State Payroll	2,702,278,000	28.05 %	State
➤ Plus Federal Portion of (4), based on Federal Payroll	<u>83,575,000</u>	<u>28.05</u>	Federal
➤ State and Federal Funds Contribution	2,785,853,000	28.05 %	Total
➤ Plus School Districts under Sec. 16-158(e)	<u>57,610,000</u>	<u>0.58</u>	Total
➤ Employer's Cost	2,843,463,000	28.63 %	Total

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

The administrative staff of the System estimated Federal Funds payroll for the fiscal year ending June 30, 2013 would be 3.00% of total payroll. Federal Funds payroll was then projected to increase at the same rate as the Total payroll for all subsequent fiscal years.

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

Under Section 7.2(d) of the General Obligation Bond Act (GOBA), TRS received \$4.33 billion on July 2, 2003. Commencing with the 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 the fiscal year 2006 the Federal Funds contribute at the same rate as the State, and so a Combined State and Federal Funds contributions 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 under Public Act 94-0004**

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

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

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

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

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

**Additional Information:**

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

**(a) From Members:**

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

**(b) From School Districts:**

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

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

An assumption for optional service purchases has been included in the projections since the June 30, 1994 valuation, and payments under Sec. 16-158(f) have been included since the recertified June 30, 2004 valuation. The career ERO contributions and lump sum payments toward ERO benefits were first recognized in the June 30, 2005 actuarial valuation. Finally, there 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)
6/30/2002 **	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%
6/30/2011	37,769,753	81,299,745	43,529,992	46.5%	9,205,603	472.9%

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
6/30/2000	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%
6/30/2009	2011	2,743,221	84.7%

GASB 27 Disclosure	
Development of Net Pension Obligations 6/30/2011	
Item	
1) Net Pension Obligation at 6/30/10	\$ 12,586,127
2) Employer Normal Cost	849,716
3) Amortization of Unfunded PBO***	1,893,505
4) Annual Required Contribution (ARC) for the period 7/1/10 – 6/30/11 (2) + (3)	2,743,221
5) Interest on the NPO at 6/30/10	1,069,821
6) Adjustment to the ARC	656,775
7) Pension Cost (4) + (5) – (6)	3,156,267
8) Total Employer Contribution	2,323,669
9) Percent of Pension Cost Contributed (8) / (7)	73.6%
10) Change in NPO (7) – (8)	832,598
11) Net Pension Obligation at 6/30/11 (1) + (10)	\$ 13,418,725

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:	6/30/2011
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 2002 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	
	2011	2010
<b>Unfunded pension benefit obligation at beginning of year</b>	<b>\$ 39,854,106</b>	<b>\$ 35,001,154</b>
<b>Additions (deductions)</b>		
Employer cost in excess of contributions	\$ 1,913,647	\$ 1,572,252
<b>Actuarial losses (gains) compared to assumptions</b>		
Salary increases for continuing active members	\$ (545,612)	\$ (210,215)
Asset losses (gains) on actuarial value of assets <sup>1</sup>	1,718,405	2,929,300
New entrant loss	21,230	26,484
Mortality other than expected	52,319	40,736
Terminations other than expected	50,761	42,044
Repayments of refunded member contributions <sup>2</sup>	30,392	27,030
Delayed reporting of retirements (effect on assets) <sup>3</sup>	11,222	10,974
Other <sup>4</sup>	423,522	414,347
<b>Net actuarial losses (gains)</b>	<b>\$ 1,762,239</b>	<b>\$ 3,280,700</b>
<b>Unfunded pension benefit obligation at end of year</b>	<b>\$ 43,529,992</b>	<b>\$ 39,854,106</b>

<sup>1</sup> Assets are expected to earn 8.5%. This item is the difference between the expected and the actual return on an actuarial basis. For example, in fiscal year 2011, the expected actuarial returns of \$3.136 billion was greater than the \$1.418 billion actual return on assets, resulting in an actuarial loss which increased the unfunded pension benefit obligation by \$1.718 billion.

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

<sup>3</sup> 460 retirements that occurred prior to 7/1/2009 were not reported to the actuary until 6/30/2010.  
509 retirements that occurred prior to 7/1/2010 were not reported to the actuary until 6/30/2011.

<sup>4</sup> Other includes items such as:

- (a) Retroactive benefit payments for individuals who delayed applying for retirement.
- (b) Fewer terminations of vested employees than expected.
- (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	
	2011	2010
Employer normal cost	\$ 849,716	\$ 846,937
Interest on unfunded pension benefit obligation at beginning of year	<u>3,387,599</u>	<u>2,975,098</u>
Total employer cost	\$ 4,237,315	\$ 3,822,035
Employer contributions toward normal cost and interest on unfunded pension benefit obligation		
-State (excluding Minimum Benefit)	2,169,518	2,079,129
-School Districts for 2.2% and Salary Increase Cap and Modified ERO	88,085	96,204
-Federal Funds	<u>66,065</u>	<u>74,450</u>
Total employer credits	\$ 2,323,668	\$ 2,249,783
Employer cost in excess of contributions	\$ 1,913,647	\$ 1,572,252

**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
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
2011	81,299,745,000	37,769,753,000	43,529,992,000	9.22
Average Annual Change				11.45 %

\* 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
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
2011	81,299,745,000	37,769,753,000	46.5

\* 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			
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	3,644,460,000	4,003,539,000	31,323,784,000
2011	31,323,784,000	909,578,000	2,326,028,000	7,234,539,000	4,322,662,000	37,471,267,000

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 received 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, 2010  
USED IN JUNE 30, 2011 VALUATION**

Group	Number	Annual Salaries (Adjusted to Valuation Date)
Active members:		
Reported full-time and regular part-time*	137,711	\$ 9,412,873,354
Reported substitutes and hourly paid	32,479	161,460,605
Total	170,190	\$ 9,574,333,959
Inactives:	115,295	N/A

\*Age and service also adjusted for 2011 valuation as explained on page 3.

**ANNUITANTS, DISABILITY BENEFIT RECIPIENTS,  
AND SURVIVOR ANNUITANTS OF THE SYSTEM  
AS OF JUNE 30, 2011  
(Excluding Guaranteed Minimum Annuities)**

Class	Number	Annual Annuities at June 30
Retired on account of service:		
Regular	54,944	\$ 2,275,828,098
ERI	10,526	525,840,586
ERO	25,498	1,422,162,526
Total	90,968	\$ 4,223,831,210
Disability benefit recipients:		
Retirement allowance	785	\$ 18,973,782
Occupational	5	206,349
Temporary	321	8,747,471
Total	1,111	\$ 27,927,602
Survivor benefit recipients:		
Children	75	\$ 551,638
Survivor annuitants	9,013	160,147,007
Reversionary annuitants	185	5,559,626
Total	9,273	\$ 166,258,271
<b>Grand Total</b>	<b>101,352</b>	<b>\$ 4,418,017,083</b>

**SCHEDULE VIII****MEMBERSHIP DATA**

(Continued)

**DATA RECONCILIATION**

	Active Members	Inactive Members
Number as of June 30, 2009 used as proxy for June 30, 2010 Valuation	169,173	111,858
New Participants	13,895	
Terminations	(11,592)	11,592
Retirements	(4,009)	(965)
Disabilities	(116)	(1)
Return to Work	4,067	(4,020)
Deceased	(123)	(192)
Refund	(928)	(2,418)
Lump Sum	(75)	(147)
Data Corrections	<u>(102)</u>	<u>(412)</u>
Number as of June 30, 2010 used as proxy for June 30, 2011 Valuation *	170,190	115,295

	Retirees & Beneficiaries
Number as of June 30, 2010	97,796
New Retirees & Beneficiaries	5,946
Disabilities	156
Return to Work	(38)
Deceased	(2,468)
Expiration or Transfer	(18)
Suspended	(20)
Data Corrections	<u>(2)</u>
Number as of June 30, 2011	101,352

\* 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, 2011 is the snapshot as of June 30, 2010. 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
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
2010	137,711	(0.34)	68,352	3.25

**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
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)
2010	32,479	4.79	4,971	(0.04)

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

Year Ended June 30	Number on Roll	Percentage Change in Membership
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
2011	101,352	3.64

\* 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		Benefit Payment Stream	
Fiscal Year	Guaranteed Minimum	Fiscal Year	Guaranteed Minimum
2012	\$ 1,202,120	2036	\$ 22,190
2013	1,073,390	2037	17,860
2014	953,440	2038	14,280
2015	842,490	2039	11,330
2016	740,570	2040	8,920
2017	647,600	2041	6,960
2018	563,390	2042	5,370
2019	487,650	2043	4,090
2020	419,960	2044	3,080
2021	359,900	2045	2,290
2022	306,950	2046	1,670
2023	260,590	2047	1,210
2024	220,270	2048	860
2025	185,400	2049	600
2026	155,450	2050	410
2027	129,870	2051	270
2028	108,130	2052	180
2029	89,740	2053	110
2030	74,260	2054	70
2031	61,260	2055	40
2032	50,380	2056	20
2033	41,300	2057	10
2034	33,720	2058	10
2035	27,420	2059	-

## 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 2013 State Contribution shown on the Summary of Principal Results has been adjusted to ensure payment of all required benefit amounts, as required by Statute.

**SCHEDULE XII**

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

Year Ended June 30	School District Contributions					Combined State and Federal Funds					(B) Required Federal Funds Contribution	(C) Required State Contribution
	Assumed Payroll(1)	Sec. 16-158(f) (Pay Increases)	Sec. 133.2 (ERO)	(A)	Total	Calculations Required by PA 94-004			Required Amount	Required Rate		
				Sec. 16-158(e) (2.2 Formula)		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
<b>2013</b>	<b>9,932,764,038</b>	<b>5,000,000</b>	<b>70,492,910</b>	<b>57,610,031</b>	<b>133,102,941</b>	<b>2,905,908,858</b>	<b>29.26%</b>	<b>2,785,853,432</b>	<b>2,785,853,432</b>	<b>28.05%</b>	<b>83,575,603</b>	<b>2,702,277,829</b>
2014	10,345,940,729	5,000,000	64,805,380	60,006,456	129,811,836	3,152,616,599	30.47%	2,983,334,464	2,983,334,464	28.84%	89,500,034	2,893,834,430
2015	10,794,020,810	6,136,080	62,558,190	62,605,321	131,299,591	3,403,546,612	31.53%	3,190,375,431	3,190,375,431	29.56%	95,711,263	3,094,664,168
2016	11,276,519,275	5,763,330	65,930,250	65,403,812	137,097,392	3,426,217,034	30.38%	3,273,825,523	3,273,825,523	29.03%	98,214,766	3,175,610,757
2017	11,789,955,948	5,866,740	73,895,910	68,381,744	148,144,394	3,486,725,461	29.57%	3,367,829,912	3,367,829,912	28.57%	101,034,897	3,266,795,015
2018	12,329,567,150	6,037,170	79,467,180	71,511,489	157,015,839	3,646,308,425	29.57%	3,526,514,959	3,526,514,959	28.60%	105,795,449	3,420,719,510
2019	12,895,033,914	6,213,350	82,297,130	74,791,197	163,301,677	3,813,537,833	29.57%	3,694,001,727	3,694,001,727	28.65%	110,820,052	3,583,181,675
2020	13,488,701,399	6,448,640	86,944,580	78,234,468	171,627,688	3,989,107,237	29.57%	3,856,856,570	3,856,856,570	28.59%	115,705,697	3,741,150,873

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 - 2009 were estimated to be 4.33%, 5.32%, 4.40%, and 3.70%, respectively, of total payrolls for those years. For FY 2013 the estimate is 3.00% of total payroll. All payrolls are assumed to increase at the same rate for years subsequent to 2013.
- (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**

Year Ended June 30	School District Contributions					Combined State and Federal Funds					(B) Required Federal Funds Contribution	(C) Required State Contribution
	Assumed Payroll(1)	Sec. 16-158(f) (Pay Increases)	Sec. 133.2 (ERO)	(A) Sec. 16-158(e) (2.2 Formula)	Total	Calculations Required by PA 94-004			Required Amount	Required Rate		
						Formula Amount	Formula Rate	Maximum Amount				
2021	14,108,475,183	6,750,160	92,624,420	81,829,156	181,203,736	4,172,397,238	29.57%	4,029,413,370	4,029,413,370	28.56%	120,882,401	3,908,530,969
2022	14,757,677,962	7,156,800	103,788,680	85,594,532	196,540,012	4,364,390,479	29.57%	4,212,720,531	4,212,720,531	28.55%	126,381,616	4,086,338,915
2023	15,435,528,662	7,824,270	121,428,360	89,526,066	218,778,696	4,564,855,970	29.57%	4,406,531,602	4,406,531,602	28.55%	132,195,948	4,274,335,654
2024	16,138,330,971	8,492,780	133,951,220	93,602,320	236,046,320	4,772,700,571	29.57%	4,594,885,294	4,594,885,294	28.47%	137,846,559	4,457,038,735
2025	16,864,695,217	9,316,610	150,297,010	97,815,232	257,428,852	4,987,513,309	29.57%	4,793,269,946	4,793,269,946	28.42%	143,798,099	4,649,471,847
2026	17,601,408,128	10,380,480	172,515,160	102,088,167	284,983,807	5,205,386,529	29.57%	5,011,978,521	5,011,978,521	28.47%	150,359,356	4,861,619,165
2027	18,325,355,685	11,511,220	191,243,580	106,287,063	309,041,863	5,419,484,562	29.57%	5,228,168,367	5,228,168,367	28.53%	156,845,051	5,071,323,316
2028	19,022,193,273	12,096,250	183,694,980	110,328,721	306,119,951	5,625,565,176	29.57%	5,422,518,364	5,422,518,364	28.51%	162,675,551	5,259,842,813
2029	19,702,504,166	12,764,300	193,754,840	114,274,524	320,793,664	5,826,758,236	29.57%	5,613,917,370	5,613,917,370	28.49%	168,417,521	5,445,499,849
2030	20,357,449,890	13,682,430	204,774,500	118,073,209	336,530,139	6,020,449,878	29.57%	5,784,781,605	5,784,781,605	28.42%	173,543,448	5,611,238,157
2031	20,982,679,743	14,817,630	223,720,840	121,699,543	360,238,013	6,205,353,439	29.57%	5,949,287,847	5,949,287,847	28.35%	178,478,635	5,770,809,212
2032	21,567,132,834	16,059,210	233,032,760	125,089,370	374,181,340	6,378,197,807	29.57%	6,118,741,083	6,118,741,083	28.37%	183,562,232	5,935,178,851
2033	22,089,846,562	16,990,440	238,128,260	128,121,110	383,239,810	6,532,783,564	29.57%	6,285,772,491	6,285,772,491	28.46%	188,573,175	6,097,199,316
2034	22,563,257,378	17,597,430	236,693,280	130,866,893	385,157,603	6,672,788,628	29.57%	6,672,788,628	6,672,788,628	29.57%	200,183,659	6,472,604,969
2035	23,007,223,979	18,124,590	240,388,900	133,441,899	391,955,389	6,804,085,951	29.57%	6,804,085,951	6,804,085,951	29.57%	204,122,578	6,599,963,373
2036	23,399,079,068	18,392,260	230,419,380	135,714,659	384,526,299	6,919,971,974	29.57%	6,919,971,974	6,919,971,974	29.57%	207,599,159	6,712,372,815
2037	23,733,906,059	19,147,050	239,918,880	137,656,655	396,722,585	7,018,992,684	29.57%	7,018,992,684	7,018,992,684	29.57%	210,569,781	6,808,422,903
2038	24,020,158,163	19,821,440	235,508,200	139,316,917	394,646,557	7,103,648,004	29.57%	7,103,648,004	7,103,648,004	29.57%	213,109,440	6,890,538,564
2039	24,265,352,612	19,987,860	214,318,280	140,739,045	375,045,185	7,176,161,059	29.57%	7,176,161,059	7,176,161,059	29.57%	215,284,832	6,960,876,227
2040	24,472,921,075	19,973,990	195,497,760	141,942,942	357,414,692	7,237,546,721	29.57%	7,237,546,721	7,237,546,721	29.57%	217,126,402	7,020,420,319
2041	24,658,104,812	19,292,230	148,519,580	143,017,008	310,828,818	7,292,312,392	29.57%	7,292,312,392	7,292,312,392	29.57%	218,769,372	7,073,543,020
2042	25,805,098,552	17,957,120	86,179,130	149,669,572	253,805,822	7,631,520,807	29.57%	7,631,520,807	7,631,520,807	29.57%	228,945,624	7,402,575,183
2043	26,009,975,299	15,416,300	3,572,360	150,857,857	169,846,517	7,692,110,429	29.57%	7,692,110,429	7,692,110,429	29.57%	230,763,313	7,461,347,116
2044	26,298,813,512	13,255,480	810,580	152,533,118	166,599,178	7,777,530,558	29.57%	7,777,530,558	7,777,530,558	29.57%	233,325,917	7,544,204,641
2045	26,646,765,615	11,630,290	295,120	154,551,241	166,476,651	7,880,432,846	29.57%	7,880,432,846	7,880,432,846	29.57%	236,412,985	7,644,019,861
2046	27,032,454,430	9,957,350	9,150	156,788,236	166,754,736	855,899,973	3.17%	855,899,973	855,899,973	3.17%	25,676,999	830,222,974

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 - 2009 were estimated to be 4.33%, 5.32%, 4.40%, and 3.70%, respectively, of total payrolls for those years. For FY 2013 the estimate is 3.00% of total payroll. All payrolls are assumed to increase at the same rate for years subsequent to 2013.
- (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 2013 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	Amort.	Total	Normal Cost	Amort.	
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	46.5%	43,529,992,029	25.70%	8.77%	16.92%	2,488,617,617	849,716,122	1,638,901,495	9,684,686,327
2012	17	45.4%	46,573,152,185	25.49%	8.43%	17.06%	2,547,802,708	842,532,254	1,705,270,454	9,995,937,994
<b>2013</b>	<b>18</b>	<b>44.5%</b>	<b>49,456,095,927</b>	<b>28.63%</b>	<b>8.23%</b>	<b>20.40%</b>	<b>2,843,463,463</b>	<b>817,433,027</b>	<b>2,026,030,436</b>	<b>9,932,764,038</b>
2014	19	46.4%	49,916,251,031	29.42%	7.98%	21.44%	3,043,340,920	825,571,225	2,217,769,695	10,345,940,729
2015	20	48.0%	50,560,333,655	30.14%	7.74%	22.40%	3,252,980,752	835,420,857	2,417,559,895	10,794,020,810
2016	21	48.5%	52,181,538,953	29.61%	7.52%	22.09%	3,339,229,335	847,956,270	2,491,273,065	11,276,519,275
2017	22	49.0%	53,842,897,278	29.15%	7.29%	21.86%	3,436,211,656	859,448,080	2,576,763,576	11,789,955,948
2018	23	49.5%	55,481,721,978	29.18%	7.06%	22.12%	3,598,026,448	870,425,915	2,727,600,533	12,329,567,150
2019	24	50.0%	57,089,337,368	29.23%	6.83%	22.40%	3,768,792,924	880,687,386	2,888,105,538	12,895,033,914
2020	25	50.6%	58,663,741,660	29.17%	6.59%	22.58%	3,935,091,038	888,859,992	3,046,231,046	13,488,701,399

CERTIFIED

PROJECTED

Notes:

- Above contributions to the Benefit Trust Reserve represent the sum of State and Federal Funds Contributions, as well as School District Contributions for the 2.2% formula (commencing in 1999). A breakdown of the total amounts by source is shown on Schedule XII. Sec. 16-158 requires calculations of State contribution amounts as shown in Schedule 1B beginning in FY 2005.
- The following employer contributions to the Benefit Trust Reserve were taken into account when determining the above schedule, but are not included in this schedule: (a) State ERI contributions of \$1,000,000 for fiscal year 2004 and \$1,684,000 for fiscal year 2005, which were made under a separate funding plan. (Beginning in fiscal year 2007, the cost of ERI is part of the 50-year funding plan, and included in this schedule); (b) School District Contributions to the Benefit Trust Reserve under Sec. 16-133.2 and 16-158(f), which are shown in Schedule 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).
- 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.
- Employer Rates, Contribution Amounts, and Assumed Payroll shown for fiscal years 1995 - 2012 are based on the June 30, 1993 - June 30, 2010 actuarial valuations (2004 as recertified per PA 94-0004) and are certified amounts. FY2011 is based on the originally certified amounts.
- Modified ERO retirements are recognized commencing with the June 30, 2005 actuarial liability, while FY 2006 and FY 2007 Pipeline ERO retirements are first recognized in the June 30, 2006, and June 30, 2007 accrued liabilities.
- For calculation purposes, Employer Rates include 15 decimal places. For ease of presentation, only 2 decimal places are shown.
- Assumptions and methodology:
  - Prior to 1997: Return on Investment = 8.00%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.00%. Assets at cost value.
  - For 1997 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 2013 EMPLOYER CONTRIBUTION BASED ON**  
**50-YEAR PROJECTION FOR BENEFIT TRUST RESERVE**  
**(50 YEAR AMORTIZATION WITH 15 YEAR PHASE-IN BEGINNING FISCAL YEAR 1996)**  
**(Continued)**

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		Total	Normal		
					Cost	Amort.		Cost	Amort.	
2021	26	51.2%	60,188,695,189	29.14%	6.35%	22.79%	4,111,242,526	895,840,657	3,215,401,869	14,108,475,183
2022	27	51.8%	61,641,143,144	29.13%	6.11%	23.02%	4,298,315,063	901,644,420	3,396,670,643	14,757,677,962
2023	28	52.6%	62,991,374,241	29.13%	5.85%	23.28%	4,496,057,668	902,926,440	3,593,131,228	15,435,528,662
2024	29	53.4%	64,235,501,095	29.05%	5.57%	23.48%	4,688,487,614	898,850,681	3,789,636,933	16,138,330,971
2025	30	54.2%	65,343,628,829	29.00%	5.27%	23.73%	4,891,085,178	888,712,638	4,002,372,540	16,864,695,217
2026	31	55.2%	66,254,953,323	29.05%	4.88%	24.18%	5,114,066,688	858,889,435	4,255,177,253	17,601,408,128
2027	32	56.3%	66,950,749,643	29.11%	4.48%	24.63%	5,334,455,430	820,914,215	4,513,541,215	18,325,355,685
2028	33	57.4%	67,461,027,693	29.09%	4.09%	25.00%	5,532,847,085	777,943,638	4,754,903,447	19,022,193,273
2029	34	58.5%	67,752,551,634	29.07%	3.71%	25.36%	5,728,191,894	730,896,547	4,997,295,347	19,702,504,166
2030	35	59.7%	67,819,030,175	29.00%	3.33%	25.67%	5,902,854,814	677,834,518	5,225,020,296	20,357,449,890
2031	36	61.0%	67,632,675,244	28.93%	2.94%	25.99%	6,070,987,390	616,820,115	5,454,167,275	20,982,679,743
2032	37	62.3%	67,171,349,704	28.95%	2.55%	26.40%	6,243,830,453	549,889,249	5,693,941,204	21,567,132,834
2033	38	63.7%	66,347,338,632	29.04%	1.87%	27.17%	6,413,893,601	413,005,732	6,000,887,869	22,089,846,562
2034	39	65.3%	64,919,002,298	30.15%	1.27%	28.88%	6,803,655,521	286,477,376	6,517,178,145	22,563,257,378
2035	40	67.0%	63,100,315,865	30.15%	0.71%	29.44%	6,937,527,850	163,273,802	6,774,254,048	23,007,223,979
2036	41	68.7%	60,920,879,685	30.15%	0.30%	29.85%	7,055,686,633	70,118,429	6,985,568,204	23,399,079,068
2037	42	70.5%	58,347,767,650	30.15%	-0.10%	30.25%	7,156,649,339	(23,813,842)	7,180,463,181	23,733,906,059
2038	43	72.4%	55,368,595,167	30.15%	-0.52%	30.67%	7,242,964,921	(124,985,722)	7,367,950,643	24,020,158,163
2039	44	74.4%	51,980,831,597	30.15%	-0.94%	31.09%	7,316,900,104	(228,176,040)	7,545,076,144	24,265,352,612
2040	45	76.4%	48,161,002,130	30.15%	-1.35%	31.50%	7,379,489,663	(330,466,859)	7,709,956,522	24,472,921,075
2041	46	78.6%	43,916,906,184	30.15%	-1.72%	31.87%	7,435,329,400	(424,202,451)	7,859,531,851	24,658,104,812
2042	47	81.1%	38,899,456,939	30.15%	-2.11%	32.26%	7,781,190,379	(544,574,491)	8,325,764,870	25,805,098,552
2043	48	83.8%	33,369,728,513	30.15%	-2.52%	32.67%	7,842,968,286	(655,538,979)	8,498,507,265	26,009,975,299
2044	49	86.7%	27,225,682,391	30.15%	-2.71%	32.86%	7,930,063,676	(712,786,420)	8,642,850,096	26,298,813,512
2045	50	90.0%	20,377,192,576	30.15%	-2.92%	33.07%	8,034,984,087	(778,175,302)	8,813,159,389	26,646,765,615
2046	51	90.0%	20,233,320,539	3.75%	-2.99%	6.74%	1,012,688,209	(808,361,432)	1,821,049,641	27,032,454,430

**PROJECTED**

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 - 2012 are based on the June 30, 1993 - June 30, 2010 actuarial valuations (2004 as recertified per PA 94-0004) and are certified amounts. FY2011 is based on the originally certified 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, 2011 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	\$ 940,103,532
2006	30,991,751,000	7,871,835,902	895,205,895	11.37%	849,549,247	10.79%	293,651,160	555,898,087
2007	35,571,482,266	7,939,262,146	1,116,541,402	14.06%	1,070,493,682	13.48%	293,651,160	776,842,522
2008	32,718,344,000	8,293,518,065	1,458,367,611	17.58%	1,410,265,206	17.00%	323,241,160	1,087,024,046
2009	32,512,829,921	8,817,486,572	1,887,185,432	21.40%	1,836,044,010	20.82%	322,501,410	1,513,542,600
2010	32,224,190,408	9,252,805,323	2,538,726,176	27.44%	2,485,059,905	26.86%	321,672,890	2,163,387,015
2011	32,741,467,189	9,684,686,327	2,809,314,037	29.01%	2,753,142,856	28.43%	320,696,420	2,432,446,436
2012	33,784,978,724	9,995,937,994	2,897,038,683	28.98%	2,839,062,243	28.40%	349,235,975	2,489,826,268
<b>2013</b>	<b>34,948,346,338</b>	<b>9,932,764,038</b>	<b>3,190,480,188</b>	<b>32.12%</b>	<b>3,132,870,157</b>	<b>31.54%</b>	<b>347,016,725</b>	<b>2,785,853,432</b>
2014	38,227,004,537	10,345,940,729	3,388,079,215	32.75%	3,328,072,759	32.17%	344,738,295	2,983,334,464
2015	41,415,949,030	10,794,020,810	3,595,381,437	33.31%	3,532,776,116	32.73%	342,400,685	3,190,375,431
2016	43,827,683,251	11,276,519,275	3,679,233,230	32.63%	3,613,829,418	32.05%	340,003,895	3,273,825,523
2017	46,294,264,074	11,789,955,948	3,788,436,221	32.13%	3,720,054,477	31.55%	352,224,565	3,367,829,912
2018	48,882,402,273	12,329,567,150	3,961,828,101	32.13%	3,890,316,612	31.55%	363,801,653	3,526,514,959
2019	51,599,872,559	12,895,033,914	4,143,528,082	32.13%	4,068,736,885	31.55%	374,735,158	3,694,001,727
2020	54,464,321,634	13,488,701,399	4,334,289,728	32.13%	4,256,055,260	31.55%	399,198,690	3,856,856,570

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

**SCHEDULE XIV**

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

**JUNE 30, 2011 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	57,495,626,083	14,108,475,183	4,533,440,044	32.13%	4,451,610,888	31.55%	422,197,518	4,029,413,370	
2022	60,739,473,506	14,757,677,962	4,742,046,703	32.13%	4,656,452,171	31.55%	443,731,640	4,212,720,531	
2023	64,223,769,101	15,435,528,662	4,959,858,725	32.13%	4,870,332,659	31.55%	463,801,058	4,406,531,602	
2024	67,960,540,267	16,138,330,971	5,185,688,384	32.13%	5,092,086,064	31.55%	497,200,770	4,594,885,294	
2025	71,968,682,139	16,864,695,217	5,419,089,138	32.13%	5,321,273,906	31.55%	528,003,960	4,793,269,946	
2026	76,263,273,040	17,601,408,128	5,655,815,203	32.13%	5,553,727,036	31.55%	541,748,515	5,011,978,521	
2027	80,834,287,577	18,325,355,685	5,888,439,410	32.13%	5,782,152,347	31.55%	553,983,980	5,228,168,367	
2028	85,632,730,769	19,022,193,273	6,112,352,440	32.13%	6,002,023,719	31.55%	579,505,355	5,422,518,364	
2029	90,664,836,042	19,702,504,166	6,330,954,989	32.13%	6,216,680,465	31.55%	602,763,095	5,613,917,370	
2030	95,925,437,730	20,357,449,890	6,541,407,014	32.13%	6,423,333,805	31.55%	638,552,200	5,784,781,605	
2031	101,405,430,088	20,982,679,743	6,742,310,515	32.13%	6,620,610,972	31.55%	671,323,125	5,949,287,847	
2032	107,065,868,704	21,567,132,834	6,930,111,323	32.13%	6,805,021,953	31.55%	686,280,870	6,118,741,083	
2033	112,855,941,147	22,089,846,562	7,098,073,581	32.13%	6,969,952,471	31.55%	684,179,980	6,285,772,491	
2034			Maximum does not apply after fiscal year ended June 30, 2033						
2035									
2036									
2037									
2038									
2039									
2040									
2041									
2042									
2043									
2044									
2045									
2046									

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

**SCHEDULE XV**

**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 based on AVA
	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	899,401,028	145,878,411	75,718,545	2,028,952,648	4,003,538,821	3,646,060,161	37,439,091,771	31,323,784,214	77,293,198,000	48.4%
2011	909,577,109	147,747,541	75,405,839	2,101,475,242	4,321,262,241	7,234,539,490	37,769,752,971	37,471,267,194	81,299,745,000	46.5%
2012	976,707,276	147,745,130	84,654,093	2,405,172,175	4,646,992,935	3,141,167,355	38,679,602,019	39,579,720,289	85,252,754,204	45.4%
<b>2013</b>	<b>967,910,390</b>	<b>133,102,941</b>	<b>83,575,603</b>	<b>2,702,277,829</b>	<b>4,969,794,354</b>	<b>3,318,251,802</b>	<b>39,716,322,183</b>	<b>41,815,044,500</b>	<b>89,172,418,110</b>	<b>44.5%</b>
2014	1,006,393,420	129,811,836	89,500,034	2,893,834,431	5,290,919,245	3,504,495,153	43,224,516,582	44,148,160,129	93,140,767,613	46.4%
2015	1,049,253,658	131,299,591	95,711,263	3,094,664,168	5,603,333,989	3,700,216,385	46,615,971,205	46,615,971,205	97,176,304,860	48.0%
2016	1,095,833,520	137,097,392	98,214,766	3,175,610,757	5,910,186,178	3,902,711,788	49,115,253,251	49,115,253,251	101,296,792,204	48.5%
2017	1,145,697,029	148,144,394	101,034,897	3,266,795,015	6,221,351,299	4,108,510,128	51,664,083,415	51,664,083,415	105,506,980,693	49.0%
2018	1,198,474,950	157,015,839	105,795,449	3,420,719,510	6,537,773,105	4,321,076,978	54,329,393,036	54,329,393,036	109,811,115,014	49.5%
2019	1,253,307,083	163,301,677	110,820,052	3,583,181,675	6,864,275,052	4,543,467,664	57,119,196,134	57,119,196,134	114,208,533,502	50.0%
2020	1,310,744,435	171,627,688	115,705,697	3,741,150,873	7,197,938,263	4,776,136,515	60,036,623,079	60,036,623,078	118,700,364,739	50.6%

Notes: The projection of assets is based upon the assumption that the Employer maintains the funding policy under Public Act 94-0004 that begins with fiscal year 2006. Projected amounts may not add to the dollar due to rounding.

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



**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 based on AVA
	Member	School District	Federal Funds	State						
2021	1,371,430,465	181,203,736	120,882,401	3,908,530,969	7,537,255,055	5,020,016,644	63,101,432,239	63,101,432,239	123,290,127,428	51.2%
2022	1,435,340,553	196,540,012	126,381,616	4,086,338,915	7,864,621,268	5,277,770,883	66,359,182,950	66,359,182,950	128,000,326,094	51.8%
2023	1,502,685,136	218,778,696	132,195,948	4,274,335,654	8,201,925,655	5,552,388,516	69,837,641,245	69,837,641,245	132,829,015,486	52.6%
2024	1,572,916,859	236,046,320	137,846,559	4,457,038,735	8,553,086,852	5,844,856,875	73,533,259,741	73,533,259,741	137,768,760,836	53.4%
2025	1,645,255,658	257,428,852	143,798,099	4,649,471,847	8,920,365,179	6,155,789,622	77,464,638,641	77,464,638,640	142,808,267,470	54.2%
2026	1,719,679,724	284,983,807	150,359,356	4,861,619,166	9,306,829,015	6,487,161,339	81,661,613,017	81,661,613,017	147,916,566,340	55.2%
2027	1,792,678,574	309,041,863	156,845,051	5,071,323,316	9,717,315,155	6,839,771,487	86,113,958,152	86,113,958,152	153,064,707,795	56.3%
2028	1,860,556,591	306,119,951	162,675,551	5,259,842,813	10,156,682,276	7,210,568,230	90,757,039,011	90,757,039,011	158,218,066,704	57.4%
2029	1,924,895,852	320,793,664	168,417,521	5,445,499,849	10,617,455,682	7,597,139,742	95,596,329,958	95,596,329,958	163,348,881,592	58.5%
2030	1,988,463,774	336,530,139	173,543,448	5,611,238,157	11,094,523,762	7,998,836,246	100,610,417,961	100,610,417,961	168,429,448,136	59.7%
2031	2,047,931,705	360,238,013	178,478,635	5,770,809,212	11,593,452,008	8,414,355,763	105,788,779,280	105,788,779,280	173,421,454,524	61.0%
2032	2,103,017,369	374,181,340	183,562,232	5,935,178,852	12,120,611,973	8,842,247,671	111,106,354,771	111,106,354,771	178,277,704,475	62.3%
2033	2,151,308,523	383,239,810	188,573,175	6,097,199,316	12,680,065,694	9,280,000,999	116,526,610,900	116,526,610,900	182,873,949,532	63.7%
2034	2,194,587,467	385,157,603	200,183,659	6,472,604,969	13,265,788,351	9,734,198,604	122,247,554,851	122,247,554,850	187,166,557,149	65.3%
2035	2,234,675,264	391,955,389	204,122,578	6,599,963,373	13,866,542,803	10,202,519,549	128,014,248,201	128,014,248,200	191,114,564,066	67.0%
2036	2,269,189,640	384,526,299	207,599,159	6,712,372,815	14,479,916,861	10,672,696,367	133,780,715,620	133,780,715,619	194,701,595,305	68.7%
2037	2,296,847,615	396,722,585	210,569,781	6,808,422,903	15,103,396,272	11,142,250,409	139,532,132,640	139,532,132,639	197,879,900,290	70.5%
2038	2,321,022,323	394,646,557	213,109,440	6,890,538,564	15,744,640,748	11,608,405,010	145,215,213,786	145,215,213,785	200,583,808,953	72.4%
2039	2,338,221,277	375,045,185	215,284,832	6,960,876,228	16,401,208,677	12,066,542,473	150,769,975,103	150,769,975,102	202,750,806,700	74.4%
2040	2,351,051,934	357,414,692	217,126,402	7,020,420,319	17,058,866,029	12,513,151,645	156,170,274,066	156,170,274,065	204,331,276,196	76.4%
2041	2,363,125,154	310,828,818	218,769,372	7,073,543,020	17,701,193,393	12,945,738,897	161,381,085,934	161,381,085,933	205,297,992,118	78.6%
2042	2,467,536,720	253,805,822	228,945,624	7,402,575,183	18,292,730,885	13,379,947,934	166,821,166,332	166,821,166,332	205,720,623,271	81.1%
2043	2,482,527,316	169,846,517	230,763,313	7,461,347,116	18,822,799,121	13,819,470,757	172,162,322,230	172,162,322,230	205,532,050,743	83.8%
2044	2,509,760,584	166,599,178	233,325,917	7,544,204,641	19,241,127,987	14,260,339,789	177,635,424,352	177,635,424,352	204,861,106,743	86.7%
2045	2,550,230,142	166,476,651	236,412,985	7,644,019,862	19,556,778,061	14,718,226,437	183,394,012,367	183,394,012,367	203,771,204,943	90.0%
2046	2,592,044,183	166,754,736	25,676,999	830,222,974	19,809,807,433	14,900,198,938	182,099,102,763	182,099,102,763	202,332,423,302	90.0%

Notes: The projection of assets is based upon the assumption that the Employer maintains the funding policy under Public Act 94-0004 that begins with fiscal year 2006. Projected amounts may not add to the dollar due to rounding.

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

**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 2011 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 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 II 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 2009, 33.3% in FY 2010, and by 10% for retirements assumed to occur 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 6/30/2011\*  
(for one year of service credit)

Age Group	Full Time/Part Time			Hourly/Substitute		
	Males	Females	Total	Males	Females	Total
20-24	\$ 41,948	\$ 40,497	\$ 40,736	\$ 17,419	\$ 17,708	\$ 17,632
25-29	44,523	44,297	44,348	17,596	16,957	17,168
30-34	49,859	47,035	47,806	18,733	17,230	17,679
35-39	53,969	47,944	49,491	17,080	16,543	16,669
40-44	57,789	46,578	49,596	17,547	16,680	16,867
45-49	55,126	46,847	48,610	18,237	16,972	17,251
50-54	58,016	52,130	53,601	17,497	17,079	17,211
55-59	72,827	58,707	63,841	17,720	17,059	17,352
60-64	63,855	57,540	60,699	17,752	16,904	17,329
65-69	-	-	-	17,531	16,641	17,197
70	-	-	-	16,722	16,910	16,785
Average	\$ 48,740	\$ 44,443	\$ 45,397	\$ 17,676	\$ 17,144	\$ 17,271

\* 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, 2011 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, 2009 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.

“Tier II” means a member, or a benefit provision that applies to a member, who first contributed to TRS on or after January 1, 2011 and has no preexisting creditable service with a reciprocal pension system prior to January 1, 2011. “Tier I” means all other members and applicable benefit provisions.

For determining both member benefits and contribution amounts, salary for Tier II is capped at a limit that is tied to the Consumer Price Index. The initial limit is \$106,800 as of January 1, 2011. Each subsequent year the limit will increase by an amount equal to the then current limit times the lesser of 3% or one-half the percentage increase in cpi-u as of the preceding September.

"Final average salary" means for Tier I 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. For Tier II, the average is for the highest 8 consecutive years within the last 10 years.

## BENEFITS

### Normal Retirement

**Eligibility** For Tier I, age 60 with 10 years of service, or age 62 with 5 years of service. For Tier II, age 67 with 10 years of service.

**Amount** For a Tier I 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 Tier I person who first became a teacher on or after July 1, 2005, the annual benefit amount is the greater of (i) and (ii) below. For Tier II, the annual benefit is the amount under (i) 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.

## Early Retirement

### Eligibility

For Tier I, age 55 with 20 years of service. For Tier II, age 62 with 10 years of service.

### Amount

For Tier I, 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. For Tier II, the reduction is 6% for each year the member is under age 67.

## 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

A Tier I 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 (a) 35% of the member's most recent annual contract salary or (b) the benefit payable as for normal retirement, but reduced by ½% for each month by which the member is less than age 60, or age 55 if the member has 20 years of service.  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	For Tier I, 5 years of service. For Tier II, 10 years of service.
Amount	For Tier I, 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. For Tier II, equal to the amount computed under normal retirement, payable at age 67 or in a reduced amount as early as age 62. The reduction is 6% for each year the member is under age 67.



Reversionary Retirement  
Annuity

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

Refund of Contributions

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

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

Death Benefit

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

Survivor Benefit

Types of Beneficiaries

<u>Time of Death</u>	<u>Dependents</u>	<u>Non-dependents</u>
While employed	Lump sum up to last salary <b>or</b> \$1,000 and a monthly benefit generally not less than \$400* or \$600 with minor children**	Lump sum up to last salary
Inactive within 12 months of last day of credit	Lump sum up to last salary <b>or</b> \$1,000 and a monthly benefit generally not less than \$400* or \$600 with minor children**	Lump sum up to last salary

Inactive with 20 or more years of service	Lump sum of \$3,000 or 1/6 of last salary*** or \$1,000 and a monthly benefit generally 1/2 for Tier I and 2/3 for Tier II 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 for Tier I and 2/3 for Tier II of annuitant's earned benefit at time of death	Lump sum of \$3,000 or 1/6 of last salary***

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

#### Automatic Postretirement Benefit 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** For Tier I, 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.

For Tier II retirement and deferred vested benefits, the annual increase is equal to the original granted annuity benefit times the lesser of 3% or one-half the increase in the cpi-u as of the preceding September. The initial

increase is effective Jan. 1 after the later of attaining age 67 or the first anniversary of the annuity starting date.

For Tier I and Tier II disability benefits, the initial increase is generally 7% effective Jan. 1 following the fourth anniversary of the initial payment and 3% annually thereafter of the then current benefit amount.

For Tier I and Tier II survivor benefits, the initial increase is effective Jan. 1 following the first anniversary of the initial survivor payment, or after the survivor benefit has been granted benefits for survivors of annuitants, and annually thereafter. The Tier I increase is 3% of the then current benefit. The increase for Tier II is the lesser of 3% or one-half the percentage increase in cpi-u as of the preceding September of the original benefit amount.

## 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, 2010 AND  
AVERAGE ANNUAL SALARY PROJECTED TO JUNE 30, 2011**

Age	Years of Service										Substitutes	Grand Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total			
<b>Under 25</b>	4,117 \$41,983										4,117 \$41,983	4,038 \$4,701	8,155 \$ 23,522
<b>25-29</b>	14,623 \$47,879	6,552 \$56,303									21,175 \$50,486	5,288 \$5,215	26,463 \$ 41,439
<b>30-34</b>	5,603 \$50,955	12,569 \$60,373	4,180 \$68,882								22,352 \$59,604	2,745 \$4,907	25,097 \$ 53,621
<b>35-39</b>	2,853 \$51,829	5,167 \$62,103	8,644 \$71,716	2,617 \$79,469							19,281 \$67,249	3,283 \$4,403	22,564 \$ 58,105
<b>40-44</b>	2,258 \$51,692	3,238 \$62,283	3,976 \$71,833	5,946 \$81,907	1,641 \$87,090						17,059 \$72,333	3,954 \$4,839	21,013 \$ 59,633
<b>45-49</b>	1,725 \$51,898	2,742 \$61,700	2,590 \$69,948	2,721 \$82,181	3,826 \$88,507	1,432 \$91,503					15,036 \$75,362	3,969 \$5,015	19,005 \$ 60,671
<b>50-54</b>	1,173 \$53,303	2,250 \$61,747	2,490 \$69,832	2,489 \$78,844	2,345 \$86,312	3,333 \$91,577	2,427 \$95,042	1 \$123,186			16,508 \$79,355	3,260 \$5,323	19,768 \$ 67,146
<b>55-59</b>	640 \$57,765	1,400 \$64,724	2,203 \$70,218	2,678 \$79,470	2,447 \$85,520	2,182 \$92,388	3,581 \$98,489	609 \$101,052			15,740 \$83,874	2,894 \$5,401	18,634 \$ 71,687
<b>60-64</b>	269 \$65,327	515 \$71,373	819 \$73,204	1,132 \$80,271	999 \$88,173	798 \$92,322	567 \$95,336	396 \$102,619	117 \$102,213		5,612 \$84,384	1,919 \$5,120	7,531 \$ 64,186
<b>Over 64</b>	42 \$ 59,715	78 \$ 69,547	120 \$ 77,432	170 \$ 82,001	126 \$ 87,527	82 \$ 92,080	74 \$ 94,261	42 \$ 101,974	97 \$ 105,956		831 \$ 85,776	1,129 \$ 4,550	1,960 \$ 38,988
<b>Total</b>	33,303 \$49,010	34,511 \$60,595	25,022 \$70,835	17,753 \$80,689	11,384 \$87,168	7,827 \$91,871	6,649 \$96,915	1,048 \$101,702	214 \$103,909		137,711 \$68,352	32,479 \$4,971	170,190 \$56,257

**TABLE 1**  
**THE NUMBER AND ANNUAL SALARIES**  
**OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY**  
**AGE AS OF JUNE 30, 2010**  
**WITH SALARIES PROJECTED TO JUNE 30, 2011**  
**(FULL TIME AND REGULAR PART TIME)**

Age	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
21	2	\$ 85,501	4	\$ 159,078	6	\$ 244,579
22	29	1,216,724	203	8,002,399	232	9,219,123
23	204	8,567,658	1,090	44,326,094	1,294	52,893,753
24	473	20,814,110	2,112	89,671,565	2,585	110,485,675
25	689	32,198,159	2,783	126,007,543	3,472	158,205,702
26	824	40,420,047	3,043	144,647,178	3,867	185,067,226
27	956	50,729,726	3,541	175,322,476	4,497	226,052,203
28	1,006	55,040,762	3,726	192,432,413	4,732	247,473,175
29	1,002	58,167,414	3,605	194,066,448	4,607	252,233,862
30	1,139	68,398,985	3,727	204,585,748	4,866	272,984,733
31	1,051	66,149,497	3,502	196,962,301	4,553	263,111,798
32	1,111	72,884,258	3,356	194,822,682	4,467	267,706,940
33	1,169	80,507,468	3,286	194,811,954	4,455	275,319,422
34	1,096	77,623,016	2,915	175,512,551	4,011	253,135,568
35	1,078	78,887,318	3,000	185,107,904	4,078	263,995,222
36	1,073	80,392,595	2,719	170,496,737	3,792	250,889,332
37	1,034	80,403,164	2,670	168,750,094	3,704	249,153,258
38	1,018	80,708,405	2,710	175,521,432	3,728	256,229,837
39	1,083	86,728,134	2,896	189,639,223	3,979	276,367,357
40	1,045	85,353,079	2,855	188,864,587	3,900	274,217,666
41	984	86,127,779	2,631	175,105,766	3,615	261,233,544
42	871	74,046,699	2,422	164,315,070	3,293	238,361,769
43	831	71,323,813	2,378	163,526,921	3,209	234,850,734
44	804	69,761,159	2,238	155,511,036	3,042	225,272,195
45	748	65,487,483	2,144	150,737,433	2,892	216,224,916
46	710	61,405,155	2,303	162,484,993	3,013	223,890,147
47	711	63,175,539	2,251	161,451,604	2,962	224,627,143
48	711	63,927,478	2,407	170,975,834	3,118	234,903,312
49	682	61,958,668	2,369	171,545,040	3,051	233,503,707
50	604	55,441,913	2,393	172,279,235	2,997	227,721,149
51	628	58,691,503	2,413	177,796,122	3,041	236,487,625
52	673	62,120,358	2,681	201,029,123	3,354	263,149,482
53	706	67,412,098	2,805	215,819,953	3,511	283,232,051
54	761	74,233,068	2,844	225,175,294	3,605	299,408,362
55	738	72,214,468	2,789	222,431,689	3,527	294,646,157
56	643	61,757,586	2,615	209,412,475	3,258	271,170,061
57	600	57,293,139	2,533	204,356,873	3,133	261,650,011
58	555	53,410,432	2,493	203,912,962	3,048	257,323,394
59	455	43,366,156	2,319	192,025,150	2,774	235,391,306
60	332	31,420,462	1,471	120,489,617	1,803	151,910,079

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, 2010**  
**WITH SALARIES PROJECTED TO JUNE 30, 2011**  
**(FULL TIME AND REGULAR PART TIME)**

Age	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
61	280	\$ 26,792,167	1,147	\$ 92,906,369	1,427	\$ 119,698,537
62	199	18,878,348	882	72,227,002	1,081	91,105,350
63	176	16,389,359	663	55,430,913	839	71,820,272
64	107	9,917,391	355	29,108,546	462	39,025,937
65	66	7,307,126	220	17,698,335	286	25,005,461
66	34	3,181,716	127	10,477,797	161	13,659,513
67	43	4,214,868	95	8,044,507	138	12,259,375
68	25	2,038,321	77	5,966,991	102	8,005,312
69	11	1,008,315	35	2,891,125	46	3,899,440
70	7	772,976	22	1,567,627	29	2,340,603
71	2	142,645	14	1,385,894	16	1,528,539
72	9	1,090,323	9	797,994	18	1,888,318
73	5	376,899	10	776,839	15	1,153,738
74	1	154,497	4	286,089	5	440,587
75			5	345,327	5	345,327
76			3	235,254	3	235,254
77	1	95,733	3	230,697	4	326,430
78	1	33,695			1	33,695
79			1	57,947	1	57,947
80	1	100,163			1	100,163
<b>Total</b>	31,797	\$ 2,472,345,522	105,914	\$ 6,940,527,848	137,711	\$ 9,412,873,370

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	32,479
Annual Salaries	161,460,605
Average Age	41.38 years
Average Service	1.77 years



TABLE 2

**THE NUMBER AND ANNUAL SALARIES  
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY  
YEARS OF CREDITED SERVICE AS OF JUNE 30, 2010  
WITH SALARIES PROJECTED TO JUNE 30, 2011  
(FULL TIME AND REGULAR PART TIME)**

Years of Service	Men		Women		Totals	
	Number	Compensation	Number	Compensation	Number	Compensation
0	246	\$ 9,722,139	866	\$ 31,948,682	1,112	\$ 41,670,822
1	1,538	71,985,682	5,298	231,745,185	6,836	303,730,867
2	1,745	89,246,879	6,505	308,203,144	8,250	397,450,023
3	2,038	111,211,478	6,814	337,683,279	8,852	448,894,757
4	1,778	103,925,215	6,475	336,496,482	8,253	440,421,697
5	1,827	113,120,794	6,396	348,811,855	8,223	461,932,649
6	1,535	99,253,519	5,574	314,707,150	7,109	413,960,670
7	1,408	98,706,449	4,879	287,519,480	6,287	386,225,929
8	1,510	107,108,388	4,979	304,323,486	6,489	411,431,875
9	1,418	104,667,293	4,985	312,976,432	6,403	417,643,725
10	1,442	110,033,945	4,792	310,186,020	6,234	420,219,965
11	1,407	110,695,746	4,377	290,916,855	5,784	401,612,600
12	1,184	97,275,385	3,780	256,421,211	4,964	353,696,596
13	1,051	87,949,418	3,229	225,372,158	4,280	313,321,577
14	962	82,437,713	2,798	201,140,874	3,760	283,578,587
15	910	80,827,190	2,849	212,045,634	3,759	292,872,824
16	1,204	111,474,527	3,327	250,853,195	4,531	362,327,722
17	854	79,869,558	2,634	201,058,590	3,488	280,928,148
18	666	64,756,746	2,292	179,300,601	2,958	244,057,347
19	680	66,022,909	2,337	186,265,519	3,017	252,288,427
20	592	57,880,439	2,178	176,595,722	2,770	234,476,162
21	487	47,924,784	1,783	147,046,271	2,270	194,971,056
22	442	43,992,882	1,740	146,570,962	2,182	190,563,844
23	455	47,357,088	1,642	139,434,855	2,097	186,791,942
24	457	47,867,717	1,608	137,654,209	2,065	185,521,926
25	411	41,666,823	1,576	136,695,288	1,987	178,362,111
26	420	43,887,001	1,283	112,973,986	1,703	156,860,988
27	330	34,621,447	1,086	96,481,367	1,416	131,102,814
28	284	29,913,920	1,023	91,236,643	1,307	121,150,563
29	343	36,723,686	1,071	94,872,450	1,414	131,596,136
30	395	42,903,819	1,184	107,552,281	1,579	150,456,100
31	451	49,027,275	1,259	115,484,162	1,710	164,511,437
32	452	49,453,905	1,214	112,297,944	1,666	161,751,849
33	312	33,478,387	803	76,547,972	1,115	110,026,359
34	153	17,394,607	426	40,247,891	579	57,642,499
35	119	14,260,500	248	23,787,545	367	38,048,045
36	80	9,131,033	205	19,108,919	285	28,239,953
37	69	7,777,070	127	12,325,885	196	20,102,955
38	36	4,081,255	84	7,845,377	120	11,926,632
39	27	3,226,011	53	5,040,557	80	8,266,569

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, 2010**  
**WITH SALARIES PROJECTED TO JUNE 30, 2011**  
**(FULL TIME AND REGULAR PART TIME)**

Service	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
40	21	\$ 2,498,946	60	\$ 5,652,876	81	\$ 8,151,822
41	22	2,558,367	28	2,811,746	50	5,370,112
42	13	1,641,108	13	1,146,859	26	2,787,967
43	8	899,143	8	745,713	16	1,644,855
44	3	338,340	7	671,669	10	1,010,009
45	3	341,353	6	525,205	9	866,558
46	3	275,451	5	409,312	8	684,764
47			4	443,382	4	443,382
48	1	154,497			1	154,497
49			1	78,775	1	78,775
50	2	303,066			2	303,066
51	1	268,093			1	268,093
52	1	106,370	1	97,710	2	204,080
53			1	89,261	1	89,261
54						
55						
56	1	100,163	1	79,221	2	179,384
<b>Total</b>	31,797	\$ 2,472,345,522	105,914	\$ 6,940,527,848	137,711	\$ 9,412,873,370

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	32,479
Annual Salaries	161,460,605
Average Age	41.38 years
Average Service	1.77 years

**TABLE 3**  
**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM**  
**THE BENEFIT TRUST RESERVE**  
**OF RETIRED ANNUITANTS**  
**AS OF JUNE 30, 2011**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
53			2	\$ 121,394	2	\$ 121,394
54	18	\$ 1,217,514	23	1,446,436	41	2,663,950
55	131	8,425,005	275	14,406,665	406	22,831,669
56	252	17,377,829	595	32,185,599	847	49,563,428
57	376	24,720,951	942	51,676,042	1,318	76,396,993
58	562	36,788,523	1,501	82,293,912	2,063	119,082,435
59	730	47,669,363	2,072	109,681,622	2,802	157,350,985
60	1,097	67,436,290	3,049	143,717,559	4,146	211,153,849
61	1,295	82,821,543	3,204	151,748,768	4,499	234,570,310
62	1,467	94,954,126	3,505	167,132,395	4,972	262,086,520
63	1,675	109,086,237	3,752	178,467,718	5,427	287,553,955
64	2,098	137,943,587	4,128	193,361,803	6,226	331,305,390
65	1,597	102,021,939	2,881	130,377,250	4,478	232,399,189
66	1,512	93,451,467	2,780	126,132,195	4,292	219,583,662
67	1,477	87,710,898	2,707	112,811,716	4,184	200,522,615
68	1,595	92,976,205	2,952	122,428,230	4,547	215,404,435
69	1,275	73,722,291	2,359	98,248,446	3,634	171,970,737
70	1,159	65,298,678	2,024	82,044,025	3,183	147,342,703
71	1,014	57,048,662	1,776	70,350,325	2,790	127,398,987
72	947	52,851,822	1,731	67,576,696	2,678	120,428,519
73	974	53,374,441	1,558	59,841,105	2,532	113,215,546
74	840	45,800,340	1,444	53,334,970	2,284	99,135,311
75	878	44,036,767	1,306	49,208,070	2,184	93,244,837
76	838	44,883,356	1,220	44,091,462	2,058	88,974,818
77	699	36,162,976	1,052	36,611,612	1,751	72,774,588
78	725	35,848,399	1,121	38,350,593	1,846	74,198,992
79	650	31,542,866	994	32,528,489	1,644	64,071,355
80	656	29,583,119	969	30,984,334	1,625	60,567,452
81	582	27,436,223	985	30,363,507	1,567	57,799,729
82	486	21,562,256	921	26,808,922	1,407	48,371,178
83	477	20,222,571	893	25,059,889	1,370	45,282,459
84	407	17,480,928	789	21,391,057	1,196	38,871,985
85	381	16,432,138	650	16,428,055	1,031	32,860,194
86	309	12,435,507	613	15,571,679	922	28,007,186
87	265	10,143,687	538	13,702,943	803	23,846,631
88	188	6,949,000	567	12,411,496	755	19,360,496
89	144	4,570,644	539	12,066,846	683	16,637,489
90	114	3,610,894	476	9,884,154	590	13,495,048
91	81	2,208,610	403	8,201,292	484	10,409,902
92	79	2,318,709	323	6,117,549	402	8,436,258

Amounts may not add due to rounding.

**TABLE 3**  
**(Continued)**  
**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM**  
**THE BENEFIT TRUST RESERVE**  
**OF RETIRED ANNUITANTS**  
**AS OF JUNE 30, 2011**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
93	43	1,069,395	274	5,366,038	317	6,435,434
94	41	1,136,039	197	3,667,618	238	4,803,657
95	19	480,895	158	2,776,732	177	3,257,627
96	17	533,385	143	2,318,057	160	2,851,442
97	21	818,409	122	2,090,857	143	2,909,266
98	8	148,137	83	1,328,408	91	1,476,544
99	6	118,821	47	713,619	53	832,441
100	1	26,040	42	709,740	43	735,780
101	4	109,584	26	420,274	30	529,858
102			15	196,095	15	196,095
103			12	181,567	12	181,567
104			10	144,617	10	144,617
105			6	99,219	6	99,219
106			3	56,419	3	56,419
107			1	28,065	1	28,065
<b>Total</b>	30,210	\$ 1,724,567,066	60,758	\$ 2,499,264,144	90,968	\$ 4,223,831,210

Amounts may not add due to rounding.

TABLE 4

**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM  
THE BENEFIT TRUST RESERVE  
OF SURVIVOR ANNUITANTS  
AS OF JUNE 30, 2011**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
5	3	\$ 10,413			3	\$ 10,413
6	1	32,422			1	32,422
7						
8			1	5,438	1	5,438
9	2	7,346			2	7,346
10	3	13,735			3	13,735
11			1	3,600	1	3,600
12	3	10,936	3	12,317	6	23,252
13	5	29,427	1	28,713	6	58,140
14	2	12,257	1	4,268	3	16,525
15	4	14,399	3	28,184	7	42,583
16	1	4,139	2	20,044	3	24,183
17	4	16,013	3	37,037	7	53,050
18	4	22,442	1	33,221	5	55,663
19	6	39,693	3	45,789	9	85,482
20	3	24,564	1	5,660	4	30,224
21	5	26,651	6	39,297	11	65,948
22	1	7,247	2	16,387	3	23,634
23			3	55,973	3	55,973
24						
25	1	68,827			1	68,827
26	1	4,721			1	4,721
27						
28						
29						
30			1	7,200	1	7,200
31	1	6,052			1	6,052
32			1	10,809	1	10,809
33						
34						
35	1	8,855	3	23,436	4	32,292
36	1	8,855	4	30,371	5	39,227
37	4	31,693	1	7,644	5	39,336
38	2	17,360	3	27,056	5	44,416
39	6	64,912	2	18,439	8	83,351
40	2	23,402			2	23,402
41	3	28,028	4	100,077	7	128,105
42	3	75,883	2	33,510	5	109,393
43	3	28,006	1	16,365	4	44,371
44	1	9,121	1	12,625	2	21,746

Amounts may not add due to rounding.

**TABLE 4**  
**(Continued)**  
**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM**  
**THE BENEFIT TRUST RESERVE**  
**OF SURVIVOR ANNUITANTS**  
**AS OF JUNE 30, 2011**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
45	3	\$ 26,912	5	\$ 48,039	8	\$ 74,951
46	4	36,440	4	42,307	8	78,747
47	3	32,784	3	25,510	6	58,294
48	3	39,731	7	127,122	10	166,853
49	5	60,749	4	91,532	9	152,282
50	8	73,843	10	210,667	18	284,510
51	6	53,092	12	210,848	18	263,940
52	11	145,180	13	216,378	24	361,558
53	18	270,882	20	326,949	38	597,831
54	20	221,478	10	175,342	30	396,820
55	17	200,707	25	513,976	42	714,682
56	16	289,133	25	541,627	41	830,760
57	21	355,461	27	544,501	48	899,962
58	35	562,967	53	1,374,065	88	1,937,032
59	39	814,538	56	1,421,851	95	2,236,390
60	47	723,833	65	1,558,214	112	2,282,048
61	42	756,676	65	1,725,994	107	2,482,671
62	56	1,048,267	90	2,387,781	146	3,436,047
63	82	1,525,391	119	2,947,797	201	4,473,188
64	65	1,309,812	116	2,837,569	181	4,147,381
65	68	1,175,384	103	2,535,028	171	3,710,412
66	55	979,810	106	2,368,095	161	3,347,905
67	86	1,746,739	134	3,401,526	220	5,148,265
68	89	1,639,866	156	3,870,486	245	5,510,352
69	78	1,561,590	166	3,861,354	244	5,422,943
70	76	1,277,828	143	3,496,597	219	4,774,426
71	78	1,458,518	154	3,632,634	232	5,091,151
72	80	1,491,096	166	3,791,062	246	5,282,158
73	79	1,372,183	190	4,408,528	269	5,780,711
74	71	1,053,945	204	4,683,919	275	5,737,864
75	88	1,446,530	188	4,302,227	276	5,748,756
76	83	1,331,706	209	4,393,991	292	5,725,697
77	91	1,618,080	179	3,577,952	270	5,196,033
78	91	1,364,729	211	4,302,840	302	5,667,570
79	104	1,586,751	210	4,115,765	314	5,702,516
80	111	1,678,299	277	5,255,999	388	6,934,298
81	107	1,456,291	228	4,244,568	335	5,700,859
82	82	1,089,982	262	4,810,286	344	5,900,268
83	102	1,425,229	245	4,450,642	347	5,875,872
84	84	1,048,405	225	3,945,135	309	4,993,540

Amounts may not add due to rounding.

**TABLE 4**  
**(Continued)**  
**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM**  
**THE BENEFIT TRUST RESERVE**  
**OF SURVIVOR ANNUITANTS**  
**AS OF JUNE 30, 2011**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
85	94	1,205,911	216	3,701,149	310	4,907,060
86	89	1,054,330	206	3,443,974	295	4,498,304
87	120	1,426,938	164	2,480,509	284	3,907,447
88	91	985,164	170	2,574,819	261	3,559,983
89	72	733,554	150	2,229,492	222	2,963,046
90	68	634,106	149	2,142,292	217	2,776,397
91	60	494,150	124	1,666,466	184	2,160,616
92	40	379,751	104	1,219,174	144	1,598,925
93	50	422,974	84	970,644	134	1,393,617
94	32	280,443	80	922,305	112	1,202,748
95	33	226,804	61	700,169	94	926,974
96	20	163,988	52	582,222	72	746,209
97	17	155,584	26	253,043	43	408,627
98	4	56,854	23	253,893	27	310,748
99	6	47,273	13	121,715	19	168,987
100	4	22,930	9	80,499	13	103,429
101	1	7,658	4	38,785	5	46,443
102	1	7,148	5	47,706	6	54,855
103			2	31,323	2	31,323
104			8	76,899	8	76,899
105			2	17,235	2	17,235
<b>Total</b>	3,082	\$ 45,303,797	6,191	\$ 120,954,474	9,273	\$ 166,258,271

Amounts may not add due to rounding.

**TABLE 5**  
**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM**  
**THE BENEFIT TRUST RESERVE**  
**OF DISABILITY BENEFIT RECIPIENTS**  
**AS OF JUNE 30, 2011**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
27			1	\$ 19,343	1	\$ 19,343
28			1	31,386	1	31,386
29			5	83,600	5	83,600
30			2	41,090	2	41,090
31			3	59,114	3	59,114
32			4	81,170	4	81,170
33			6	105,258	6	105,258
34	1	\$ 33,200	4	73,891	5	107,091
35			3	43,878	3	43,878
36			4	74,959	4	74,959
37	1	27,108	3	63,979	4	91,087
38	1	15,673	9	158,168	10	173,841
39	1	48,601	3	61,234	4	109,835
40	1	16,917	5	110,061	6	126,979
41			17	353,500	17	353,500
42	3	74,526	12	227,618	15	302,144
43	2	57,311	15	326,673	17	383,983
44			11	167,544	11	167,544
45	4	89,499	14	296,620	18	386,120
46	2	32,992	7	156,000	9	188,991
47	3	46,587	16	375,098	19	421,685
48	1	26,880	9	265,509	10	292,389
49	6	134,613	12	284,087	18	418,700
50	3	64,401	8	186,730	11	251,130
51	6	171,219	14	266,831	20	438,050
52	2	47,280	28	638,877	30	686,157
53	6	154,891	32	849,132	38	1,004,023
54	4	92,367	35	880,566	39	972,932
55	12	343,486	37	1,129,195	49	1,472,681
56	5	120,911	32	868,792	37	989,703
57	9	214,671	47	1,416,795	56	1,631,466
58	12	396,694	62	1,712,521	74	2,109,215
59	10	352,233	55	1,550,160	65	1,902,393
60	13	404,011	50	1,271,504	63	1,675,515
61	9	182,914	48	1,512,629	57	1,695,542
62	5	173,991	33	939,065	38	1,113,057
63	6	136,320	37	1,050,195	43	1,186,516
64	9	304,165	33	917,283	42	1,221,449
65	4	156,203	19	546,188	23	702,392
66	5	153,672	17	367,620	22	521,292

Amounts may not add 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, 2011**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
67	7	193,964	10	211,513	17	405,478
68	7	159,991	18	424,877	25	584,868
69	3	129,879	15	309,444	18	439,323
70	1	19,789	7	168,939	8	188,728
71	3	46,859	10	216,599	13	263,457
72	1	6,940	5	139,994	6	146,933
73			15	246,924	15	246,924
74	1	36,594	4	33,059	5	69,653
75	3	61,762	10	217,809	13	279,572
76	4	190,218	13	304,727	17	494,945
77	2	51,626	9	167,572	11	219,197
78	1	9,030	5	110,237	6	119,267
79	1	17,949	7	124,609	8	142,558
80	2	27,830	5	60,425	7	88,256
81			3	62,447	3	62,447
82	1	11,951	8	99,734	9	111,685
83	2	24,897	2	37,868	4	62,765
84	2	48,506	2	25,579	4	74,085
85	1	16,219	3	30,786	4	47,006
86			6	95,318	6	95,318
87			2	22,444	2	22,444
88			1	14,813	1	14,813
89			6	66,576	6	66,576
90						
91			1	8,269	1	8,269
92						
93			1	14,459	1	14,459
94						
95			2	21,374	2	21,374
<b>Total</b>	188	\$ 5,127,342	923	\$ 22,800,260	1,111	\$ 27,927,601

Amounts may not add due to rounding.

TABLE 6

**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM  
THE GUARANTEED MINIMUM ANNUITY RESERVE  
OF RETIRED ANNUITANTS  
AS OF JUNE 30, 2011**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
62			1	\$ 194	1	\$ 194
63	1	167	5	3,777	6	3,944
64			4	696	4	696
65			3	1,724	3	1,724
66	1	247	5	3,222	6	3,469
67	1	6	6	2,373	7	2,378
68	3	159	8	4,502	11	4,662
69	1	367	12	4,878	13	5,245
70	1	208	7	8,108	8	8,316
71			11	4,951	11	4,951
72	2	1,231	19	9,506	21	10,736
73			29	14,319	29	14,319
74	3	1,483	28	17,075	31	18,558
75	3	3,368	24	11,527	27	14,894
76			29	14,398	29	14,398
77	2	968	18	12,093	20	13,060
78	3	810	15	8,820	18	9,630
79	3	1,947	24	19,240	27	21,187
80	3	1,202	45	29,103	48	30,306
81	6	4,122	42	30,962	48	35,084
82	6	4,200	65	42,023	71	46,222
83	10	6,678	45	33,514	55	40,192
84	11	7,960	64	57,717	75	65,677
85	7	6,318	53	41,451	60	47,769
86	9	7,221	58	59,359	67	66,579
87	9	10,932	40	43,290	49	54,222
88	6	4,250	84	82,880	90	87,130
89	12	8,480	63	69,028	75	77,508
90	6	8,640	67	80,920	73	89,559
91	5	5,744	65	72,007	70	77,751
92	4	2,629	45	50,753	49	53,382
93	3	6,478	46	67,375	49	73,853
94	3	2,983	32	46,709	35	49,692
95	2	3,375	28	34,380	30	37,755
96	2	3,549	38	54,592	40	58,141
97	2	6,161	22	25,709	24	31,870
98	1	497	14	21,382	15	21,879
99	1	994	13	20,179	14	21,173
100			6	9,619	6	9,619
101			9	13,113	9	13,113

Amounts may not add 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, 2011**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
102			4	8,018	4	8,018
103			4	7,220	4	7,220
104			4	9,259	4	9,259
105			2	1,362	2	1,362
106			1	533	1	533
<b>Total</b>	132	\$ 113,374	1,207	\$ 1,153,857	1,339	\$ 1,267,230

Amounts may not add due to rounding.