

TEACHERS' RETIREMENT SYSTEM OF ALABAMA

REPORT OF THE ACTUARY ON THE

SIXTY-FIRST ANNUAL VALUATION

PREPARED AS OF JUNE 30, 2002



A Mellon Financial CompanySM

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Tampa, Florida 33647

February 10, 2003

Board of Control
Teachers' Retirement System of Alabama
Montgomery, Alabama

Members of the Board:

In this report are submitted the results of the sixty-first annual valuation of the assets and liabilities of the Teachers' Retirement System of Alabama, prepared as of June 30, 2002 in accordance with Section 367(15) of the act governing the operation of the System. The purpose of this report is to provide a summary of the funded status of the system as of June 30, 2002, to recommend rates of contribution and to provide accounting information under Governmental Accounting Standards Board Statements No. 25 and 27 (GASB 25 and 27). While not verifying the data at source, the actuary performed tests for consistency and reasonability. The valuation reflects the provision of the DROP program implemented under Act 2002-23 and the provisions of Act 2000-669, which provides for additional service credit for certified police officers and firefighters. In addition, the valuation reflects the cost-of-living increase granted under Act 2002-393. On the basis of the valuation, it is recommended that the State make contributions to the Retirement System at the rate of 7.54% of payroll. The increase in the contribution rate from 5.52% to 7.54% of payroll is primarily due to a lower than expected return on market value of assets and the effect of amendments to the System. Due to the poor recent performance in the markets, we strongly recommend that the Board of Control consider lowering the assumed rate of investment return from 8.0% to 7.75% or 7.5%. This change would require an additional increase in the required employer contribution rate.

The promised benefits of the System are included in the actuarially calculated contribution rates which are developed using the entry age normal cost method. The valuation continues to take into account the provisions of Act 2000-732 which requires that the actuary certify annually to the Teachers' Retirement System that there has been no change in the liquidation period used to determine the accrued liability contribution rate. Under the requirements of Act 2000-732, we have determined an employer contribution rate of 7.54% of payroll based on a 10-year liquidation period. If the section of Act 2000-732 that requires the use of a liquidation period of 10 years was repealed, a liquidation period up to 20 years could be utilized and a lower employer contribution would be required. The repeal of this section of Act 2000-732 would be reasonable and actuarially sound. Additionally, this would make the TRS and ERS amortization methods the same, as they were prior to the passage of this section of Act 2000-732. Five-year market related value of assets is used for actuarial valuation purposes. Gains and losses are reflected in the unfunded accrued liability that is being amortized by regular annual contributions as a level percentage of payroll, on the assumption that payroll will increase by 4.5% annually. The assumptions recommended by the actuary and adopted by the Board are in the aggregate reasonably related to the experience under the Fund and to reasonable expectations of anticipated experience under the Fund and meet the parameters for the disclosures under GASB 25 and 27.

We have prepared the Schedule of Funding Progress and Trend Information shown in the financial section of the Comprehensive Annual Financial Report, and all supporting schedules including the Schedule of Active Member Valuation Data, the Solvency Test and the Analysis of Financial Experience shown in the actuarial section of the Comprehensive Annual Financial Report.

This is to certify that the independent consulting actuary is a member of the American Academy of Actuaries and has experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

In our opinion the System is operating on an actuarially sound basis. Assuming that contributions to the System are made by the employer from year to year in the future at the rates recommended on the basis of the successive actuarial valuations, the continued sufficiency of the retirement fund to provide the benefits called for under the System may be safely anticipated.

The Table of Contents, which immediately follows, outlines the material contained in the report.

Respectfully submitted,



Edward A. Macdonald, ASA, MAAA, FCA
Principal, Consulting Actuary

EAM:sr

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**TEACHERS' RETIREMENT SYSTEM OF ALABAMA
REPORT OF THE ACTUARY ON THE
SIXTY-FIRST ANNUAL VALUATION
PREPARED AS OF JUNE 30, 2002**

SECTION I - SUMMARY OF PRINCIPAL RESULTS

1. For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results are summarized below:

VALUATION DATE	June 30, 2002	June 30, 2001
Active members		
Number	128,649 ¹	130,066
Annual compensation	\$ 4,332,119,671 ¹	\$ 4,305,080,140
Retired members and beneficiaries		
Number	51,283	48,845
Annual allowances	\$ 871,432,820 ²	\$ 818,744,618
DROP participants		
Number	973	N/A
Annual allowances	\$ 27,845,477	N/A
Assets		
Actuarial value	\$ 17,904,881,007	\$ 17,475,297,957
Market value	15,671,942,375	16,593,750,127
Unfunded accrued liability	\$ 469,293,297	\$ (236,682,118)
CONTRIBUTIONS FOR FISCAL YEAR ENDING	September 30, 2005	September 30, 2004
<u>Act 2000-732</u>		
Employer contribution rate		
Normal	5.91%	5.78%
Accrued liability	1.25	(0.64)
Death benefit	0.12	0.12
Term life	0.05	0.05
Administration	<u>0.21</u>	<u>0.21</u>
Total	7.54%	5.52%
Liquidation period	10 years	10 years

¹ In addition, there are 973 members with annual compensation of \$47,063,551 who are participating in the DROP program as of June 30, 2002. Employers of the Retirement System contribute on this payroll.

² Excludes the additional allowance payable under Act 2002-393. The results of the valuation have been adjusted to include this allowance.

2. Comments on the valuation results as of June 30, 2002 are given in Section IV and further discussion of the contribution levels is set out in Section V.
3. Schedule B shows the development of the actuarial value of assets. Schedule D of this report outlines the full set of actuarial assumptions and methods employed in the current valuation. There have been no changes since the previous valuation.

4. Provisions of the System, as summarized in Schedule F, were taken into account in the current valuation. Since the previous valuation, the System has been amended to allow members to participate in a Deferred Retirement Option Plan (DROP) under Act 2002-23. Also, the System has been amended, under Act 2000-669, to grant one additional year of creditable service in determining the retirement allowance for each five years of service as a full-time certified firefighter or police officer. The valuation also reflects the cost-of-living allowance granted under Act 2002-393.
5. The valuation reflects the provisions of Act 2000-732 which requires certification from the actuary on the increase in the contribution rate due to a retirees' cost-of-living increase or an increase in retirement benefits, and certification that there has been no change in the liquidation period used to determine the accrued liability contribution rate. This certification for the 7.54% employer contribution rate based on a 10-year amortization period is in Section VI of this report.

SECTION II - MEMBERSHIP

1. The following table shows the number of active members and their annual compensation as of June 30, 2002 on the basis of which the valuation was prepared.

TABLE 1

**THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS AS OF JUNE 30, 2002**

GROUP	NUMBER*	COMPENSATION*
Men	33,887	\$ 1,416,544,396
Women	<u>94,762</u>	<u>2,915,575,275</u>
Total	128,649	\$ 4,332,119,671

*In addition, there are 973 members with compensation of \$47,063,551 who are currently participating in the DROP. Employers of the Retirement System contribute on this payroll.

The table reflects the active membership for whom complete valuation data were submitted. The results of the valuation were adjusted to take account of an additional 16,908 inactive members and members for whom incomplete data were submitted.

2. The following table shows a six-year history of active member valuation data.

TABLE 2
SCHEDULE OF ACTIVE MEMBER VALUATION DATA

<u>Valuation Date</u>	<u>Number</u>	<u>Annual Payroll</u>	<u>Annual Average Pay</u>	<u>% Increase in Average Pay</u>
6/30/2002*	128,649	\$ 4,332,119,671	\$ 33,674	1.74%
6/30/2001	130,066	4,305,080,140	33,099	3.96
6/30/2000	129,777	4,131,903,775	31,838	3.03
6/30/1999	128,279	3,964,111,877	30,902	(1.54)
6/30/1998**	125,464	3,937,739,237	31,385	10.60
6/30/1997	122,798	3,484,763,183	28,378	3.10

* In addition, there are 973 employees with annual compensation of \$47,063,551 who are currently participating in the DROP program. Employers of the Retirement System contribute on this payroll.

** Includes an 8.5% across-the-board pay increase effective October 1, 1998.

3. The following table shows the number and annual retirement allowances payable to retired members and their beneficiaries on the roll of the Retirement System as of the valuation date.

TABLE 3
**THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF
RETIRED MEMBERS AND BENEFICIARIES ON THE ROLL
AS OF JUNE 30, 2002**

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL RETIREMENT ALLOWANCES</u>
Service Retirements	45,741	\$ 818,141,143
Disability Retirements	3,101	30,011,003
Beneficiaries of Deceased Members	2,441	23,280,674
DROP Participants	<u>973</u>	<u>27,845,477</u>
Total	52,256	\$ 899,278,297

Included in the above table are the additional allowances being paid under Acts 23, 2289, 808, 599, 742, 572, 355 and 741. Does not include COLA granted under Act 2002-393.

4. Tables 1 and 2 of Schedule G give the distribution by age and by years of credited service of the number and annual compensation of active members included in the valuation, while Tables 3, 4 and 5 give the number and annual retirement allowances of retired members and beneficiaries included in the valuation, distributed by age.

SECTION III - ASSETS

1. The current retirement law provides for the maintenance of three funds for the purpose of recording the fiscal transactions of the System, namely, the Annuity Savings Fund, the Pension Accumulation Fund, and the Pre-Retirement Death Benefit Fund.
 - (a) Annuity Savings Fund

The Annuity Savings Fund is the fund to which are credited all contributions made by members together with regular interest thereon. When a member retires or when a survivor allowance becomes payable the amount of the member's accumulated contributions are transferred from the Annuity Savings Fund to the Pension Accumulation Fund. The market value of assets credited to the Annuity Savings Fund on June 30, 2002, which represent the accumulated contributions of active members to that date, including interest, amounted to \$2,690,966,619.
 - (b) Pension Accumulation Fund

The Pension Accumulation Fund is the fund to which are credited all contributions made by the employer, except those contributions made to the Pre-Retirement Death Benefit Fund which was created October 1, 1983. When a member retires or when a survivor allowance becomes payable, the pension is paid from this fund. In addition, the amount of the member's accumulated contributions is transferred from the Annuity Savings Fund to the Pension Accumulation Fund and the annuity is paid from this fund. On June 30, 2002 the market value of assets credited to this fund amounted to \$12,980,975,756.
 - (c) Pre-Retirement Death Benefit Fund

The Pre-Retirement Death Benefit Fund is the fund to which are credited contributions made by the employer for the special pre-retirement death benefit which became effective October 1, 1983. On June 30, 2002, the market value of assets credited to this fund amounted to \$8,777,599.
2. As of June 30, 2002 the total market value of assets reported exclusive of the Pre-Retirement Death Benefit Fund amounted to \$15,671,942,375 as shown in the following table.

TABLE 4

**MARKET VALUE OF ASSETS BY FUND
AS OF JUNE 30, 2002**

FUND	MARKET VALUE OF ASSETS
Annuity Savings Fund	\$ 2,690,966,619
Pension Accumulation Fund	<u>12,980,975,756</u>
Total Market Value of Assets	\$ 15,671,942,375

3. The five-year market related actuarial value of assets as of June 30, 2002 was \$17,904,881,007. Schedule B shows the development of the actuarial value of assets as of June 30, 2002.
4. Schedule C shows the receipts and disbursements of the System for the year preceding the valuation date and a reconciliation of the fund balances at market value.

SECTION IV - COMMENTS ON VALUATION

1. Schedule A of this report contains the valuation balance sheet which shows the present and prospective assets and liabilities of the System as of June 30, 2002.
2. The valuation balance sheet shows that the System has total prospective liabilities of \$22,424,980,624. Of this amount, \$8,526,609,397 is for the prospective benefits payable on account of present retired members, beneficiaries of deceased members, and DROP participants, and \$13,898,371,227 is for the prospective benefits payable on account of present active and inactive members. Against these liabilities, the System has total present actuarial value of assets, exclusive of the Pre-Retirement Death Benefit Fund, of \$17,904,881,007 as of June 30, 2002. The difference of \$4,520,099,617 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future. Of this amount, \$1,857,166,845 is the present value of future contributions expected to be made by members to the Annuity Savings Fund, and the balance of \$2,662,932,772 represents the present value of future contributions payable by the employer.

3. The employer's regular contributions to the System consist of normal contributions and accrued liability contributions. The valuation indicates that employer normal contributions at the rate of 5.91% of payroll are required to provide the benefits of the System for the average new member.
4. Prospective normal contributions at the rate of 5.91% have a present value of \$2,193,639,475. When this amount is subtracted from \$2,662,932,772, which is the present value of the total future contributions to be made by the employer, there remains \$469,293,297 as the amount of future accrued liability contributions. Accrued liability contributions of 1.25% of payroll are to be made toward liquidating the unfunded accrued liability, which includes payment for the cost-of-living benefit increases granted under Acts 23, 2289, 808, 599, 742, 572, 355, 741, and 393. Annual accrued liability contributions at the rate of 1.25% of payroll will liquidate the unfunded accrued liability within approximately 10 years from the valuation date on the assumption that the aggregate amount of accrued liability contribution will increase by 4.50% each year.
5. A contribution of 0.12% is required to meet the cost of the pre-retirement death benefit program this year. A contribution of 0.05% is required to meet the cost of group term-life insurance premiums.
6. An additional contribution of 0.21% of payroll is required to cover the expenses of administering the System.

SECTION V - CONTRIBUTIONS PAYABLE BY EMPLOYER

1. The retirement law provides that the employer contributions are to be paid from the same source from which employees' salaries are paid.
2. On the basis of the actuarial valuation prepared as of June 30, 2002 it is recommended that the employer make contributions at the following rates:

TABLE 5
EMPLOYER CONTRIBUTION RATES
AS A PERCENTAGE OF MEMBERS' COMPENSATION

<u>EMPLOYER CONTRIBUTION</u>	<u>REQUIRED* UNDER ACT 2000-732</u>
Normal	5.91
Accrued Liability	1.25
Death Benefit	0.12
Term-Life	0.05
Administration	<u>0.21</u>
Total	7.54%

* Based on a 10-year amortization period

3. Contributions at the above rates of payroll are also recommended for payment by the Alabama High School Athletic Association. The following table shows the rates to be paid by special units of the System in addition to the rates shown above and the fiscal year through which these additional rates are required to be paid.

TABLE 6
ADDITIONAL RATES REQUIRED FOR SPECIAL UNITS OF THE SYSTEM

UNIT	ADDITIONAL EMPLOYER RATE	THROUGH FISCAL YEAR ENDING JUNE 30
Alabama State Employees Association	2.66%	2015
Developing Alabama Youth Foundation	2.74	2017
Central Alabama Opportunities Industrialization Center	5.07	2020
Alabama Congress of Parents and Teachers	2.15	2020
Organized Community Action Program – Troy	8.70	2007
Organized CAA of North Central Alabama – Decatur	10.20	2004
Community Services of West Alabama	9.71	2007
Etowah County Community Services Program	13.50	2008
Jefferson County American Federation of Teachers	4.15	2009

SECTION VI – ANNUAL ACTUARIAL CERTIFICATION

The following is the annual actuarial certification to the Teachers Retirement System required by Act 2000-732.

1. We hereby certify that the increase in the employer's contribution rate directly attributable to the retirees' cost-of-living increase granted by Act 2002-393 is .54% of payroll.
2. We hereby certify that there has been no change since the previous valuation in the liquidation period of 10 years used to determine the accrued liability contribution rate of 1.25% as part of the total rate of 7.54% to be paid by employers to the Teachers' Retirement System.

Signed



Edward A. Macdonald
Principal, Consulting Actuary

SECTION VII - ANALYSIS OF FINANCIAL EXPERIENCE

The following table shows the estimated gain or loss from various factors that resulted in an increase of \$705,975,415 in the unfunded accrued liability from (\$236,682,118) to \$469,293,297 during the year ending June 30, 2002.

ANALYSIS OF FINANCIAL EXPERIENCE
(in millions of dollars)

ITEM	AMOUNT OF INCREASE/ (DECREASE)
Interest (8.00%) added to previous unfunded accrued liability	\$ (18.9)
Accrued liability contribution	4.9
Experience:	
Valuation asset growth	558.2
Pensioners' mortality	11.1
Turnover and retirements	(18.8)
New entrants	38.5
Salary increases	(256.4)
Method changes	0.0
Amendments	387.4
Assumption changes	(0.0)
Total	\$ 706.0

SECTION VIII - ACCOUNTING INFORMATION

1. Governmental Accounting Standards Board Statements 25 and 27 set forth certain items of required supplementary information to be disclosed in the financial statements of the System and the employer. One such item is a distribution of the number of employees by type of membership, as follows:

**NUMBER OF ACTIVE AND RETIRED MEMBERS
AS OF JUNE 30, 2002**

GROUP	NUMBER
Retirees and beneficiaries currently receiving benefits	51,283
DROP participants	973
Terminated employees entitled to benefits but not yet receiving benefits	16,908
Active members	<u>128,649</u>
Total	197,813

2. Another such item is the schedule of funding progress as shown below.

SCHEDULE OF FUNDING PROGRESS
(Dollar amounts in thousands)

Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<u>Date</u>	<u>(a)</u>	<u>(b)</u>	<u>(b - a)</u>	<u>(a / b)</u>	<u>(c)</u>	<u>((b - a) / c)</u>
6/30/1997	\$13,360,127	\$12,733,538	\$(626,589)	104.9%	\$3,484,763	(18.0)%
6/30/1998	14,533,824	14,601,426	67,602	99.5	3,937,739	1.7
6/30/1999	15,642,066	15,568,192	(73,874)	100.5	3,964,112	(1.9)
6/30/2000	16,703,929	16,291,462	(412,467)	102.5	4,131,904	(10.0)
6/30/2001	17,475,298	17,238,616	(236,682)	101.4	4,305,080	(5.5)
6/30/2002	17,904,881	18,374,174	469,293	97.4	4,379,183	10.7

3. The information presented in the required supplementary schedules was determined as part of the actuarial valuation at June 30, 2002. Additional information as of the latest actuarial valuation follows.

Valuation date	6/30/2002
Actuarial cost method	Entry age
Amortization method	Level percent open
Remaining amortization period	10 years
Asset valuation method	Five-year market related value
Actuarial assumptions:	
Investment rate of return*	8.00%
Projected salary increases*	5.00 - 7.75%
Cost-of-living adjustments	None
*Includes inflation at	4.50%

TREND INFORMATION
(\$ in 1,000's)

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation (NPO)</u>
June 30, 2000	\$226,901	100%	\$0
June 30, 2001	267,935	100	0
June 30, 2002	250,629	100	0

SCHEDULE A

**VALUATION BALANCE SHEET
SHOWING THE PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES OF
THE TEACHERS' RETIREMENT SYSTEM OF ALABAMA
AS OF JUNE 30, 2002**

	JUNE 30, 2002	JUNE 30, 2001
ASSETS		
Actuarial Value of Present Assets	\$ 17,904,881,007	\$ 17,475,297,957
Present value of future members' contributions to the Annuity Savings Fund	\$ 1,857,166,845	\$ 1,815,666,476
Present value of future employer contributions to the Pension Accumulation Fund		
Normal contributions	\$ 2,193,639,475	\$ 2,098,910,364
Unfunded accrued liability contributions	<u>469,293,297</u>	<u>(236,682,118)</u>
Total prospective employer contributions	\$ 2,662,932,772	\$ 1,862,228,246
Total Assets	<u>\$ 22,424,980,624</u>	<u>\$ 21,153,192,679</u>
LIABILITIES		
Present value of benefits payable on account of retired members, beneficiaries of deceased members now drawing retirement allowances, and DROP participants	\$ 8,526,609,397	\$ 7,471,415,080
Present value of prospective benefits payable on account of present active and inactive members:		
Service retirement allowances	\$ 13,147,308,811	\$ 12,949,627,422
Disability retirement allowances	407,973,957	395,494,053
Survivor allowances	85,491,540	83,358,586
Refunds of members' contributions	<u>257,596,919</u>	<u>253,297,538</u>
Total	\$ 13,898,371,227	\$ 13,681,777,599
Total Liabilities	<u>\$ 22,424,980,624</u>	<u>\$ 21,153,192,679</u>

SCHEDULE A (continued)**SOLVENCY TEST
(\$1000's)**

Valuation Date	Aggregate Accrued Liabilities For			Reported Assets	Portion of Accrued Liabilities Covered by Reported Asset		
	(1) Active Member Contributions	(2) Retirants and Beneficiaries	(3) Active Members (Employer Financed Portion)		(1)	(2)	(3)
6/30/2002 ¹	\$2,690,967	\$8,526,609	\$7,156,598	\$17,904,881	100%	100%	93.4%
6/30/2001 ²	2,607,236	7,471,415	7,159,965	17,475,298	100	100	103.3
6/30/2000	2,405,186	7,075,177	6,811,099	16,703,929	100	100	106.1
6/30/1999 ³	2,335,475	6,582,401	6,650,316	15,642,066	100	100	101.1
6/30/1998 ⁴	2,140,753	5,833,899	6,626,774	14,533,824	100	100	99.0
6/30/1997 ⁵	2,018,694	4,963,308	5,751,536	13,360,127	100	100	110.9

¹ Reflects effect of amendments to the System and additional allowance payable under Act 2002-393. Beginning 6/30/2002, Item (2) includes DROP Participants.

² Reflects changes in actuarial assumptions.

³ Reflects additional allowance payable under Act 2000-741.

⁴ Reflects change in asset method from market value to market related value, 8.5% across-the-board pay increase effective October 1, 1998 and additional allowance payable under Act 98-355.

⁵ Reflects change in asset method from market related value to market value.

SCHEDULE B**DEVELOPMENT OF JUNE 30, 2002 ACTUARIAL VALUE OF ASSETS**

(1)	Actuarial Value of Assets on June 30, 2001	\$ 17,475,297,957
(2)	2001/2002 Net Cash Flow	
	a. Contributions	483,293,533
	b. Disbursements	<u>877,722,503</u>
	c. Net Cash Flow	
	(2)a - (2)b	(394,428,970)
(3)	Expected Investment Return [(1) x .08] + [(2)c x .04]	1,382,246,678
(4)	Expected Actuarial Value of Assets on June 30, 2002 (1) + (2)c + (3)	18,463,115,665
(5)	Market Value of Assets on June 30, 2002	15,671,942,375
(6)	Excess of Market Value over Expected Actuarial Value (5) - (4)	(2,791,173,290)
(7)	20% Adjustment towards Market Value .20 x (6)	(558,234,658)
(8)	Actuarial Value of Assets on June 30, 2002 (4) + (7)	\$ 17,904,881,007

SCHEDULE C**SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDING JUNE 30, 2002**

<u>Receipts for the Year</u>		
Contributions:		
Members	\$ 232,664,824	
Employer	<u>250,628,709</u>	
Total		\$ 483,293,533
Investment Income		<u>(527,378,782)</u>
TOTAL		\$ (44,085,249)
<u>Disbursements for the Year</u>		
Benefit Payments		\$ 846,570,206
Refunds to Members		28,669,516
Miscellaneous:		
Transfers to Expense Fund	\$ 2,141,801	
Transfers to Pre-Retirement Death Benefit Fund	<u>340,980</u>	
Total		<u>2,482,781</u>
TOTAL		\$ 877,722,503
<u>Excess of Receipts over Disbursements</u>		\$ (921,807,752)
<u>Reconciliation of Asset Balances</u>		
Market Value of Assets as of June 30, 2001		\$ 16,593,750,127
Excess of Receipts over Disbursements		<u>(921,807,752)</u>
Market Value of Assets as of June 30, 2002		<u>\$15,671,942,375</u>

SCHEDULE D**OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS**

The assumptions and methods used in the valuation were selected by the Actuary based on the actuarial experience study prepared as of June 30, 2000, submitted on November 14, 2001, and adopted by the Board in January 2002.

INVESTMENT RATE OF RETURN: 8% per annum, compounded annually.

SALARY INCREASES: Representative values of the assumed annual rates of future salary increases are as follows and include inflation at 4.50% per annum:

<u>Age</u>	<u>Annual Rate</u>
20	7.25%
25	7.25
30	7.75
35	7.00
40	6.50
45	6.25
50	6.00
55	5.50
60	5.00
65	5.00

SEPARATIONS BEFORE SERVICE RETIREMENT: Representative values of the assumed annual rates of death, disability, and withdrawal are as follows:

<u>Age</u>	<u>Death</u>	<u>Annual Rate of</u>	
		<u>Disability</u>	<u>Withdrawal*</u>
		<u>Male</u>	
20	0.05%	0.05%	23.83%
25	0.06	0.06	11.59
30	0.08	0.07	7.86
35	0.08	0.12	6.08
40	0.09	0.14	4.78
45	0.14	0.24	3.75
50	0.21	0.61	2.82
55	0.36	1.35	1.85
60	0.63	2.50	1.41
65	1.15		
69	1.80		
		<u>Female</u>	
20	0.03%	0.07%	23.83%
25	0.03	0.07	11.14
30	0.03	0.07	7.93
35	0.04	0.10	6.08
40	0.06	0.16	4.35
45	0.09	0.32	3.71
50	0.12	0.65	2.57
55	0.19	0.95	2.07
60	0.34	1.89	1.95
65	0.67		
69	1.08		

*Withdrawal rates are higher during first three years of service.

SERVICE RETIREMENT: Representative values of the assumed annual rates of service retirement are as follows:

For members first eligible for unreduced benefits before age 50 or after age 60, rates are as follows:

<u>Age</u>	<u>Annual Rate</u>	
	<u>Male</u> ¹	<u>Female</u> ²
45	7.0%	4.0%
50	12.0	8.0
55	45.0	45.0
60	15.0	15.0
62	35.0	35.0
65	40.0	40.0
70	100.0	100.0

¹ Retirement rates are increased by 10% in year when member first becomes eligible for unreduced service retirement.

² Retirement rates are increased by 20% in year when member first becomes eligible for unreduced service retirement.

For members first eligible for unreduced benefits on or after age 50 but before age 60, no withdrawal or retirement is assumed to occur prior to DROP eligibility and 45% are assumed to retire in the first year eligible for DROP participation. The rates, thereafter, are as follows:

<u>Age</u>	<u>Annual Rate</u>	
	<u>Male</u>	<u>Female</u>
58	15.0%	15.0%
60	15.0	15.0
62	35.0	35.0
65	40.0	40.0
70	100.0	100.0

DEATHS AFTER RETIREMENT: Representative values of the assumed annual rates of death after service and disability retirement are as follows:

<u>Age</u>	<u>Annual Rate of Death after</u>			
	<u>Service Retirement</u>		<u>Disability Retirement</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
40	0.1%	0.1%	3.3%	2.6%
50	0.3	0.1	3.8	2.5
55	0.5	0.2	4.2	2.7
60	0.8	0.4	4.9	3.0
65	1.5	0.8	6.0	3.4
70	2.6	1.4	7.6	4.1
75	3.9	2.2	10.2	5.2
80	5.9	3.8	14.2	6.8
85	9.2	6.6	20.1	9.5
90	14.3	11.2	28.7	13.5
95	20.5	18.4	40.4	19.4

SPOUSE'S BENEFIT: For those eligible for spouse's benefits, it is assumed that 75% will elect the lump sum death benefit and 25% will elect the spouse's benefit.

VALUATION METHOD: Entry age normal cost method. Actuarial gains and losses are reflected in the unfunded actuarial accrued liability.

ASSETS: Actuarial value, as developed in Schedule B. The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected actuarial value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between market value and expected actuarial value.

SCHEDULE E**ACTUARIAL COST METHOD**

1. The valuation is prepared on the projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future (currently 8%), of each member's expected benefit payable at retirement or death is determined, based on his age, service, sex and compensation. The calculations take into account the probability of a member's death or termination of employment prior to becoming eligible for a benefit, as well as the probability of his terminating with a service, disability or survivor's benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active members is added to the present value of the expected future payments to retired members and beneficiaries to obtain the present value of all expected benefits payable from the System on account of the present group of members and beneficiaries.
2. The employer contributions required to support the benefits of the System are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution.
3. The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made to determine the uniform and constant percentage rate of employer contribution which, if applied to the compensation of the average new member during the entire period of his anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his behalf.
4. The unfunded accrued liability contributions are determined by subtracting the present value of prospective employer normal contributions and member contributions together with the current assets held from the present value of expected benefits to be paid from the System.

SCHEDULE F**SUMMARY OF MAIN PLAN PROVISIONS
AS INTERPRETED FOR VALUATION PURPOSES**

The Teachers' Retirement System of Alabama was established on September 30, 1941. The valuation took into account amendments to the System through the valuation date. The following summary describes the main benefit and contribution provisions of the System as interpreted for the valuation.

1 - DEFINITIONS

Average Final Compensation - the average compensation of a member for the 3 highest years in the last 10 years of creditable service.

Membership Service – all service rendered while a member of the retirement system and for which contributions are made.

Creditable Service – the sum of membership service, prior service, and any other service established as creditable in accordance with the provisions of the retirement law.

Annuity – payments for life derived from accumulated contributions of a member.

Pension – payments for life derived from employer contributions.

Retirement Allowance – the sum of the annuity and pension.

2 - BENEFITS**Service Retirement Allowance****Condition for Allowance**

A retirement allowance is payable upon the request of any member who has completed 25 years of creditable service or who has attained age 60 and completed at least 10 years of creditable service.

Amount of Allowance

Upon service retirement a member receives a retirement allowance equal to 2.0125% of the member's average final compensation multiplied by the number of years of creditable service. Act 2000-669 provides that, effective January 1, 2001, at retirement, a member receives one additional year of creditable service in determining the retirement allowance for each five years of service as a full-time certified firefighter or police officer. Upon the effective date of this Act, full-time certified firefighters and police officers may purchase one additional year of service credit for each five years of prior employment as a full-time certified firefighter or police officer for one percent of his or her current or previous year's earnable compensation, whichever is higher, for each year of service credit purchased. The deadline for purchasing prior service credit is December 31, 2002.

The member may elect to receive a reduced retirement allowance in order to provide an allowance to a designated beneficiary after the member's death (see "Special Privileges at Retirement" below).

Disability Retirement Allowance

Condition for Allowance

A disability retirement allowance may be granted to a member who has 10 years or more of creditable service who becomes totally and permanently incapacitated for duty before reaching eligibility for a service retirement allowance.

Amount of Allowance

On retirement for disability, a member receives a retirement allowance equal to 2.0125% of the member's average final compensation multiplied by the number of years of creditable service. Act 2000-669 provides that, effective January 1, 2001, at retirement, a member receives one additional year of creditable service in determining the retirement allowance for each five years of service as a full-time certified firefighter or police officer. Upon the effective date of this Act, full-time certified firefighters and police officers may purchase one additional year of service credit for each five years of prior employment as a full-time certified firefighter or police officer for one percent of his or her current or previous year's earnable compensation, whichever is higher, for each year of service credit purchased. The deadline for purchasing prior service credit is December 31, 2002.

The member may elect to receive a reduced retirement allowance in order to provide an allowance to a designated beneficiary after the member's death (see "Special Privileges at Retirement" below).

Benefits Payable on Separation from Service

Any member who withdraws from service is entitled to receive his or her contributions with allowable interest. A member who has completed 10 years of creditable service may, after separation from service, continue in the membership of the System and file for service retirement after reaching age 60.

Benefits Payable upon Death in Active Service

In the event of the death of a member eligible for service retirement, the designated beneficiary may elect (1) to exercise Option 3 defined below under "Special Privileges at Retirement" or (2) to receive a return of member contributions and total earned interest plus a death benefit equal to the salary on which the member made retirement contributions for the previous scholastic year (July 1-June 30).*

In the event of the death of a member with more than one year of service who is not eligible to retire, the designated beneficiary shall receive the return of member contributions and total earned interest. Also, the designated beneficiary shall receive an additional death benefit equal to the salary on which retirement contributions were made for the previous scholastic year (July 1-June 30).*

In the event of a job-related death of a member with less than one year of service, the designated beneficiary shall receive the return of member contributions and total earned interest plus a death benefit equal to the annual earnable compensation of the member at the time of death.*

In the event of the death of a member with less than one year of service that is not job-related, the designated beneficiary shall receive the return of member contributions and total earned interest plus a matching death benefit which is limited to a \$5,000 maximum.

*However, if the death occurred more than 180 calendar days after the member's last day in pay status, or if the deceased had applied for a refund of contributions or terminated employment, the lump sum will be the same as if the member had less than one year of service and the death was not job-related.

Special Privileges at Retirement

In lieu of the full retirement allowance, any member may, at retirement, elect to receive a reduced retirement allowance equal in value to the full allowance, with the provision that:

Option 1 - If the member dies before annuity payments have equaled the present value of the annuity at the date of retirement, the balance is paid to a designated beneficiary or to his estate, or

Option 2 - After the member's death, the member's allowance is continued throughout the life of the designated beneficiary, or

Option 3 - After the member's death, one-half of the member's allowance is continued throughout the life of the designated beneficiary, or

Option 4 - Some other benefit is paid either to the member or to such other person as the member shall designate provided such benefit, together with the reduced retirement allowance, is of equivalent actuarial value to his retirement allowance and is approved by the Board of Control.

**Deferred Retirement Option Plan
(DROP)**

A member may elect to participate in a Deferred Retirement Option Plan (DROP) upon completion of at least 25 years of creditable service and attainment of at least 55 years of age. Under the DROP, the member may defer receipt of a retirement allowance and continue employment for a period not to exceed five years, nor to be less than three years. At the end of this period, the member would withdraw from active service and receive the retirement benefit based on his or her years of service credit at the time of enrollment in the DROP, and also receive a payment for the deferred retirement benefits including interest.

Member Contributions

Regular members contribute 5% of salary. Certified police officers and firefighters contribute 6% of salary. DROP participants continue to contribute during the DROP period, but receive a refund of these contributions and interest upon retirement.

SCHEDULE G**TABLE 1**

**THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2002**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
17	1	\$ 16,620		
19	13	144,575	13	\$ 171,256
20	26	359,657	53	645,124
21	52	802,674	103	1,378,538
22	88	1,447,528	188	2,957,814
23	146	2,894,799	492	9,869,486
24	234	5,681,996	976	22,483,095
25	361	9,182,846	1,375	34,762,188
26	447	12,147,382	1,575	42,802,318
27	557	15,655,405	1,717	48,601,337
28	594	17,808,847	1,733	50,696,791
29	610	18,999,870	1,864	55,338,684
30	681	22,459,138	1,982	59,209,775
31	764	26,043,124	2,296	70,670,119
32	864	30,577,944	2,351	73,477,086
33	813	29,484,560	2,221	67,334,437
34	806	30,456,674	2,216	67,153,062
35	809	30,114,153	2,198	65,995,850
36	761	28,196,475	2,134	63,378,184
37	789	30,743,967	2,235	64,503,058
38	896	34,069,630	2,432	70,376,102
39	852	34,047,089	2,414	70,693,572
40	960	37,339,585	2,634	74,407,762
41	950	37,662,874	2,762	80,555,351
42	923	36,923,914	2,842	82,967,659
43	990	41,319,213	2,997	89,849,233
44	970	40,904,793	3,229	101,007,491
45	1,061	44,586,195	3,405	107,194,019
46	1,136	48,965,374	3,591	115,982,600
47	1,140	50,624,280	3,536	115,013,502
48	1,123	50,123,300	3,516	114,734,586
49	1,130	48,903,173	3,479	117,561,176
50	1,078	50,141,327	3,453	116,627,259
51	1,127	53,112,671	3,322	113,447,522
52	1,059	50,176,986	3,062	105,172,842
53	1,050	50,326,081	2,992	102,608,461
54	1,030	51,304,510	2,777	93,725,305

TABLE 1
THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2002
(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
55	1,108	\$ 57,127,716	2,692	\$ 89,432,980
56	857	42,457,683	2,138	68,332,731
57	674	35,566,562	1,740	54,165,124
58	622	31,697,834	1,567	48,689,696
59	686	34,801,780	1,530	47,174,576
60	580	29,900,508	1,261	37,187,664
61	487	26,312,314	963	27,408,879
62	404	20,785,590	679	18,547,076
63	308	14,687,215	488	13,652,868
64	266	11,658,093	396	10,895,919
65	211	9,882,126	293	7,792,455
66	151	6,311,576	195	4,735,834
67	143	5,634,907	149	3,522,737
68	100	3,526,982	131	2,952,545
69	92	3,344,882	86	1,782,307
70	73	2,183,363	78	1,472,775
71	48	1,543,221	47	1,105,202
72	35	1,424,865	44	851,936
73	44	1,299,621	36	822,971
74	36	898,963	19	366,268
75	22	478,743	22	480,664
76	24	685,329	19	494,862
77	11	137,056	9	183,891
78	6	196,480	9	105,581
79	6	151,385	4	38,744
80	2	100,373	2	26,346
TOTAL	33,887	\$ 1,416,544,396	94,762	\$ 2,915,575,275

TABLE 2

**THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY SERVICE
AS OF JUNE 30, 2002**

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	766	\$ 19,734,283	1,736	\$ 32,554,468
1	2,925	82,133,127	7,426	156,366,248
2	2,594	85,586,536	6,919	170,619,976
3	2,286	77,286,604	6,342	161,282,916
4	2,044	74,216,277	6,069	164,661,624
5	1,812	66,706,070	5,309	148,001,405
6	1,583	59,064,803	4,471	125,601,853
7	1,331	49,871,450	3,793	109,339,280
8	1,440	56,628,574	3,867	115,791,270
9	1,314	52,448,371	3,738	117,144,969
10	1,221	51,807,074	3,672	117,498,039
11	959	42,914,308	2,968	93,776,120
12	1,142	52,092,853	3,459	113,044,624
13	1,131	50,229,229	3,295	106,412,167
14	1,056	46,922,298	3,195	104,909,373
15	870	39,406,684	2,805	93,146,160
16	688	33,815,045	2,049	69,267,153
17	780	36,779,739	2,181	76,295,034
18	789	37,374,203	2,203	77,261,655
19	625	30,364,459	1,869	66,988,613
20	619	30,456,341	1,565	56,793,295
21	609	30,615,296	1,743	64,388,566
22	601	31,221,682	1,818	67,419,662
23	595	30,740,349	2,109	80,416,590
24	652	34,949,403	2,232	86,379,427
25	553	30,947,726	1,728	67,600,890
26	507	27,018,987	1,381	54,280,008
27	419	25,609,805	1,135	47,742,847
28	373	22,574,925	1,028	45,271,009
29	381	23,777,675	817	37,006,227
30	287	18,364,937	577	25,928,463
31	242	15,654,280	439	20,789,994
32	182	12,643,728	272	13,194,743
33	145	9,605,063	178	8,658,998
34	92	6,570,686	106	5,237,420
35	80	6,534,197	85	4,472,647
36	56	3,728,226	56	2,971,726
37	49	3,444,658	38	1,965,852
38	25	1,785,667	18	1,043,042

TABLE 2

**THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY SERVICE
AS OF JUNE 30, 2002
(CONTINUED)**

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
39	12	\$ 906,175	15	\$ 715,970
40	18	1,576,863	16	985,988
41	12	772,037	9	430,989
42	6	504,056	9	530,156
43	5	381,051	8	536,089
44	1	123,163	3	155,738
45	3	186,036	4	288,224
46	2	140,762	2	122,369
47	3	205,222	3	152,418
49	1	63,533	1	73,723
50			1	59,258
53	1	59,880		
TOTAL	33,887	\$ 1,416,544,396	94,762	\$ 2,915,575,275

TABLE 3

**THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF RETIRED MEMBERS
AS OF JUNE 30, 2002**

SERVICE RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
43	1	\$ 13,682	2	\$ 33,182
44			4	63,200
45	9	186,407	20	348,495
46	13	254,665	44	860,576
47	29	612,580	83	1,608,784
48	38	847,953	131	2,724,104
49	74	1,772,325	220	4,488,595
50	103	2,480,237	304	6,397,356
51	117	2,800,779	413	8,894,895
52	156	3,755,557	465	9,932,845
53	223	5,561,188	561	12,259,968
54	244	6,630,571	658	14,501,500
55	371	10,380,692	799	17,733,430
56	352	10,295,085	825	18,677,845
57	319	9,758,972	669	15,201,604
58	370	11,024,028	732	16,547,379
59	344	10,713,051	811	18,565,192
60	386	11,841,586	855	18,064,058
61	427	12,027,680	1,047	19,268,512
62	432	11,613,003	1,151	20,185,652
63	530	13,967,318	1,246	20,748,817
64	459	12,414,272	1,351	22,070,120
65	505	13,194,597	1,206	18,423,375
66	535	12,384,200	1,314	19,991,237
67	533	13,004,428	1,218	18,644,364
68	528	12,077,990	1,198	17,956,940
69	537	12,956,979	1,094	16,069,873
70	532	11,858,625	1,165	16,910,293
71	515	11,500,057	1,101	15,841,595
72	449	9,424,291	1,162	16,504,950
73	437	9,554,200	1,016	14,157,844
74	414	8,510,048	1,010	13,376,373
75	396	8,180,104	999	13,743,715
76	325	6,294,057	838	11,148,064
77	304	6,033,806	792	10,375,224
78	306	5,232,130	687	8,936,474
79	288	5,448,072	639	7,370,355
80	244	4,410,165	634	7,583,926
81	218	3,353,942	587	7,204,497

TABLE 3

**THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF RETIRED MEMBERS
AS OF JUNE 30, 2002**

**SERVICE RETIREMENTS
(CONTINUED)**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
82	201	\$ 3,274,089	612	\$ 7,278,422
83	155	2,203,232	506	5,956,531
84	129	1,919,848	460	5,434,085
85	123	1,663,637	372	4,358,239
86	95	1,405,939	373	4,428,901
87	77	1,109,205	350	4,012,284
88	54	795,877	321	3,779,999
89	55	795,775	276	3,319,249
90	48	712,803	237	2,846,061
91	19	266,000	237	2,957,870
92	28	374,053	177	2,252,494
93	21	280,226	166	2,172,817
94	17	242,355	132	1,715,094
95	11	139,023	82	1,011,160
96	7	114,618	87	1,094,772
97	3	43,538	54	701,802
98	4	54,183	42	586,979
99	1	9,813	36	484,673
100	1	6,556	12	145,321
101			5	62,722
102	2	32,162	5	55,475
103			2	33,921
104			1	14,330
105			1	16,817
107			2	23,782
108			1	15,361
TOTAL	13,114	\$ 307,812,256	33,600	\$ 538,174,364

Includes 973 members with annual benefits totalling \$27,845,477 who are participating in the DROP as of June 30, 2002.

SUMMARY

Life Annuity	2,084	\$ 45,557,053	9,224	\$ 133,826,956
Cash Refund	5,477	133,436,376	19,829	331,153,237
100% J&S	2,972	64,454,629	1,838	27,370,614
50% J&S	2,546	62,983,407	2,698	45,491,103
Other	35	1,380,790	11	332,454

TABLE 4

**THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF RETIRED MEMBERS
AS OF JUNE 30, 2002**

DISABILITY RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
35	1	\$ 4,749	1	\$ 2,090
36	2	16,565	2	12,420
37	2	9,972	5	31,620
38	1	1,590	3	13,539
39	3	23,861	5	30,352
40	4	21,576	7	45,875
41	1	12,825	9	57,368
42	4	22,429	8	48,699
43	3	11,967	10	70,596
44	5	42,789	19	163,975
45	5	41,735	20	153,193
46	5	54,591	34	323,972
47	9	72,498	40	365,927
48	12	129,015	53	505,278
49	9	85,025	49	542,511
50	20	251,574	52	536,355
51	21	195,932	74	667,540
52	24	321,275	77	847,093
53	22	218,819	99	953,446
54	31	359,241	103	940,926
55	27	308,731	112	1,149,072
56	25	285,488	116	1,118,963
57	26	361,977	106	986,176
58	25	326,773	117	1,071,383
59	33	380,645	104	886,902
60	43	504,558	138	1,131,219
61	35	413,220	97	901,091
62	36	400,787	104	873,282
63	33	377,745	80	673,456
64	20	242,458	75	664,801
65	22	258,555	72	629,916
66	19	205,893	60	579,622
67	9	93,284	54	446,254
68	15	178,480	50	397,635
69	11	124,357	59	526,093
70	15	180,839	34	327,045
71	13	130,598	43	360,309
72	12	129,257	31	308,701
73	9	106,479	27	252,481

TABLE 4

**THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF RETIRED MEMBERS
AS OF JUNE 30, 2002**

**DISABILITY RETIREMENTS
(CONTINUED)**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
74	3	\$ 77,188	35	\$ 373,381
75	5	63,323	33	306,287
76	6	50,684	19	182,428
77	3	28,315	30	297,805
78	6	54,413	19	166,478
79	9	131,698	20	180,858
80	3	49,646	20	203,046
81	5	52,349	20	188,877
82	2	21,834	19	182,573
83	7	99,323	14	142,299
84	2	9,662	16	176,901
85	3	30,047	10	90,268
86			5	51,417
87	1	10,290	6	76,569
88			6	67,051
89			4	44,273
90			2	19,680
91			2	21,150
94			2	23,467
95			1	9,033
96			1	9,749
97			1	13,320
TOTAL	667	\$ 7,586,919	2,434	\$ 22,424,084

SUMMARY

Life Annuity	227	\$ 2,585,601	1,203	\$ 10,544,979
Cash Refund	259	2,975,561	1,021	9,913,816
100% J&S	86	949,668	70	650,575
50% J&S	93	1,037,833	140	1,314,715
Other	2	38,255		

TABLE 5

**THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF RETIRED MEMBERS
AS OF JUNE 30, 2002**

BENEFICIARIES OF DECEASED MEMBERS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
19			1	\$ 3,263
21	1	\$ 9,085	2	11,640
23	1	14,390	1	8,542
24	3	16,376		
25	4	23,630		
26			2	6,413
27			3	9,518
28	3	19,499		
29	1	7,684		
31	1	6,534	2	5,397
32	1	5,154	2	19,855
33	3	7,572	1	1,693
34	3	25,665	6	47,427
35	2	16,590		
36	3	21,833	6	29,992
37	2	21,567	4	29,922
38	3	15,998	6	42,961
39	5	38,239	4	44,218
40	5	48,655	9	67,471
41	3	34,268	11	53,353
42	6	32,457	6	39,826
43	6	39,426	6	42,023
44	4	25,719	3	18,355
45	8	40,836	5	19,865
46	6	46,358	8	116,691
47	8	71,709	13	96,619
48	8	78,535	8	55,008
49	2	19,505	7	48,996
50	9	50,473	10	125,850
51	8	53,482	12	122,258
52	10	80,867	8	67,581
53	16	138,090	18	145,974
54	8	65,059	16	188,885
55	7	71,195	18	238,554
56	7	63,395	23	255,103
57	12	94,623	21	185,990
58	14	110,111	30	409,157
59	9	69,652	21	257,716
60	9	66,807	24	218,456

TABLE 5

**THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF RETIRED MEMBERS
AS OF JUNE 30, 2002**

**BENEFICIARIES OF DECEASED MEMBERS
(CONTINUED)**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
61	13	\$ 95,881	26	\$ 261,241
62	8	53,157	24	263,202
63	10	90,088	17	236,534
64	11	77,559	44	603,241
65	11	110,042	41	479,916
66	7	48,454	41	620,568
67	10	89,023	38	461,873
68	9	67,735	47	507,681
69	11	132,773	44	569,464
70	16	142,466	44	566,762
71	17	137,820	56	591,755
72	14	89,099	62	669,915
73	8	95,841	54	656,755
74	16	102,471	66	749,975
75	9	64,619	83	803,327
76	10	94,794	68	691,868
77	12	99,370	70	789,511
78	13	92,057	76	776,713
79	15	125,970	80	853,061
80	22	126,255	74	656,677
81	15	88,376	66	698,700
82	13	121,543	62	544,040
83	13	122,545	51	481,076
84	14	94,977	62	464,058
85	7	55,164	47	392,285
86	10	62,734	42	268,666
87	11	99,305	37	305,921
88	7	35,213	24	149,663
89	7	31,432	20	143,462
90	5	23,229	18	143,484
91			18	89,395
92	2	9,489	14	115,448
93	4	40,252	12	111,218
94	1	4,921	10	49,991
95	4	20,450	8	45,371
96	2	7,720	5	27,081
97			6	34,614
98			4	12,338

TABLE 5

**THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF RETIRED MEMBERS
AS OF JUNE 30, 2002**

**BENEFICIARIES OF DECEASED MEMBERS
(CONTINUED)**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
99			1	\$ 8,108
100	1	\$ 5,276	2	30,957
102			1	11,049
TOTAL	559	\$ 4,309,141	1,882	\$ 18,971,533