

ILLINOIS MUNICIPAL RETIREMENT FUND
Annual Actuarial Valuation

December 31, 2001



Gabriel, Roeder, Smith & Company

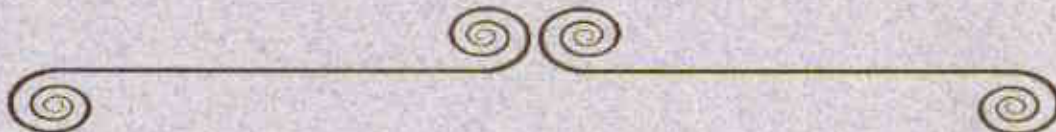


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May 3, 2002

Board of Trustees
Illinois Municipal Retirement Fund
Oak Brook, Illinois 60521

Ladies and Gentlemen:

The results of the **December 31, 2001 annual actuarial valuations of members** covered by the Illinois Municipal Retirement Fund are presented in this report. The purpose of the valuations, as provided by Article 7 of the Illinois Pension Code, is to measure IMRF's funding progress and to establish contribution rates for the 2003 calendar year.

The valuations are based upon current plan provisions related to Regular, Sheriffs Law Enforcement Personnel (SLEP), and Elected County Officials (ECO) employment. All promised benefits are included in the actuarially calculated contribution rates. These provisions are summarized in Section B.

Your staff furnished the individual member statistical data required for the valuations, together with pertinent data on financial operations. Their cooperation in furnishing these materials is acknowledged with appreciation.

The actuarial assumptions used in the valuations are summarized in Section D of this report. The Board of Trustees establishes the assumptions after consulting with the actuary. They are internally consistent and are based on the results of the Triennial Experience Study covering 1996-98 experience.

The valuations were completed by qualified actuaries in accordance with accepted actuarial procedures as defined 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 the actuarial methods and assumptions produced results that are reasonable. It is our opinion that the Illinois Municipal Retirement Fund is in sound condition in accordance with actuarial principles of level percent of payroll financing.

Respectfully submitted,
GABRIEL, ROEDER, SMITH & COMPANY

Brian B. Murphy, F.S.A.

Norman L. Jones, F.S.A.

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INTRODUCTION

IMRF is established under statutes adopted by the Illinois General Assembly. It is a multiple employer defined benefit pension plan that, as of December 31, 2001, serves 3,105 active plans and 343,842 active, inactive and retired persons. Since IMRF reports information to us by plan, there can be cases where a person with employment in more than one plan may be counted multiple times for census counts. This produces an overstatement in the census, when compared with true counts of people. Liabilities are, however, correctly calculated and apportioned among employers. This issue may affect inactive members to a greater extent than it affects others. IMRF is funded by both member and employer contributions. Members contribute at fixed rates determined by statute. Regular members contribute 4.5% of pay; SLEP members contribute 6.5%; ECO members contribute 7.5%. Participating employers make all additional contributions needed to provide benefits. Each employer contributes to IMRF and builds up a separate account which, when combined with member contributions and investment income, will be sufficient to provide future benefits for its own employees. Employer contributions are computed each year in the actuarial valuation and consist of:

- **Normal Cost Contributions** for normal and early retirement benefits, separation benefits, permanent disability benefits, and annuity type death benefits. These contributions are the same for each employer.
- **Contributions for lump sum death in service benefits**, which are separately determined for each employer.
- **Contributions for temporary disability benefits**, which are the same for each employer.
- **Contributions for 13th checks**, which are 0.62% of covered payroll for each employer.
- **Contributions for ERI unfunded liabilities** which are separately determined for each employer.
- **Contributions for other unfunded liabilities**, which are separately determined for each employer. For most employers with taxing authority, unfunded liabilities are being funded over 29 remaining years. For most other employers the remaining period is 5 years. A separate schedule applies to each year's new employers. In the case of employers whose assets exceed the liabilities, the amortization policy is described on page D-9.

Employer contributions computed in this valuation compared with those computed in the prior valuation are shown below.

	Average Employer Contribution Rates Expressed as %'s of Active Member Pays		
	Regular	SLEP	ECO
This Valuation	6.22%	14.04%	40.37%
Prior Valuation	5.87%	14.13%	38.46%

This year's valuation results were affected by:

- Investment return less than assumed on a market value basis. The investment gain that is shown on pages A-10 and C-1 is a result of the asset recognition method that phases in gains and losses over a five-year period.
- Increases in the covered population.
- ERI liabilities.

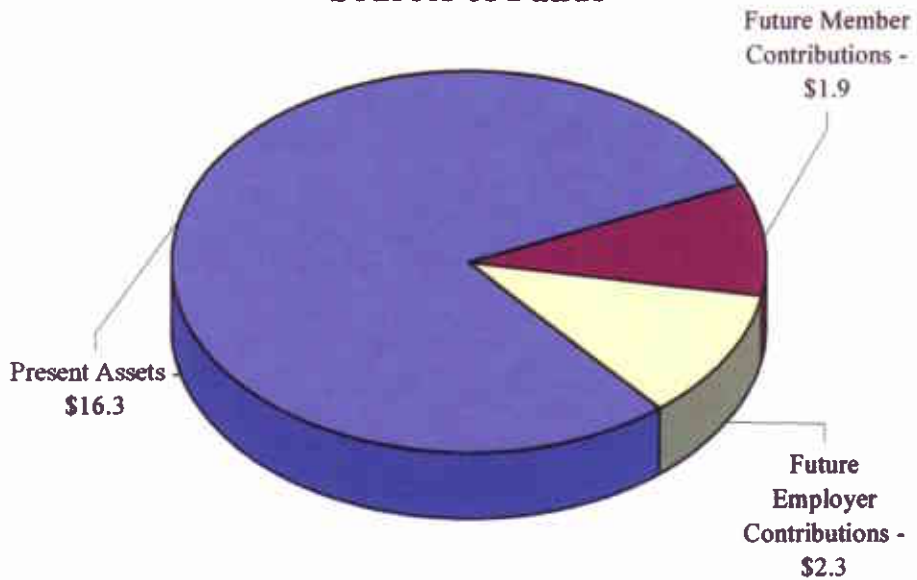
The Actuarial Value of Assets exceeds the Market Value this year by \$1.3 Billion, or about 9% of Market Value. Detail is given on page C-1. This means that over the next four years, investment return of \$1.3 Billion above the assumed rate will be needed to prevent losses from being recognized in the valuation. Losses lead to higher contribution rates.

An experience study is scheduled for later this year.

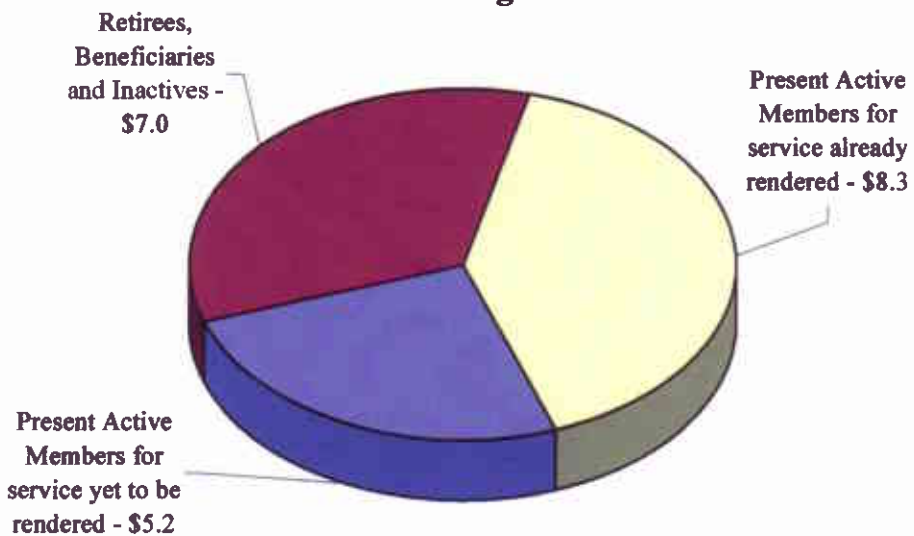
Section A of this report describes this year's valuation results in depth.

**FINANCING \$20.5 BILLION WORTH OF BENEFIT PROMISES
TO PRESENT MEMBERS, RETIREES AND BENEFICIARIES
DECEMBER 31, 2001
(AMOUNTS IN \$BILLIONS)**

Sources of Funds



IMRF Obligations



ACTUARIAL BALANCE SHEET
DECEMBER 31, 2001

	Funding Sources			
	Regular	SLEP	ECO	Total
Present Valuation Assets				
Member Contributions	\$ 2,557,467,705	\$ 154,593,488	\$ 13,176,325	\$ 2,725,237,51
Employer Assets	6,236,616,467	316,918,900	18,427,420	6,571,962,78
Retired Life Assets	5,263,211,677	309,683,810	40,812,796	5,613,708,28
Market Value Adjustment	1,297,667,038	71,919,711	6,067,689	1,375,654,43
Death and Disability Reserves				18,459,22
Total Present Assets	15,354,962,887	853,115,909	78,484,230	16,305,022,25
Future Assets				
Member Contributions	1,773,895,618	124,063,231	10,207,734	1,908,166,58
Employer Contributions				
Normal Costs	3,019,564,468	228,276,353	24,430,507	3,272,271,32
Unfunded Liability	(1,135,668,475)	48,371,237	100,792,548	(986,504,69)
Total Employer	1,883,895,993	276,647,590	125,223,055	2,285,766,63
Total Future Assets	3,657,791,611	400,710,821	135,430,789	4,193,933,22
Total Funding Sources	\$19,012,754,498	\$ 1,253,826,730	\$ 213,915,019	\$ 20,498,955,47

	Funding Uses			
	Regular	SLEP	ECO	Total
Funds Needed for				
Active Members	\$ 12,435,003,493	\$ 902,026,260	\$ 159,238,641	\$ 13,496,268,39
Inactive Members	1,314,539,328	42,116,660	13,863,582	1,370,519,57
Retirees and Beneficiaries	5,263,211,677	309,683,810	40,812,796	5,613,708,28
Death and Disability Benefits				18,459,22
Total Actuarial Present Value	\$19,012,754,498	\$ 1,253,826,730	\$ 213,915,019	\$ 20,498,955,47

**DEVELOPMENT OF AVERAGE CONTRIBUTION RATES
APPLICABLE TO CALENDAR YEAR 2003
(RESULTS AS OF DECEMBER 31, 2001)**

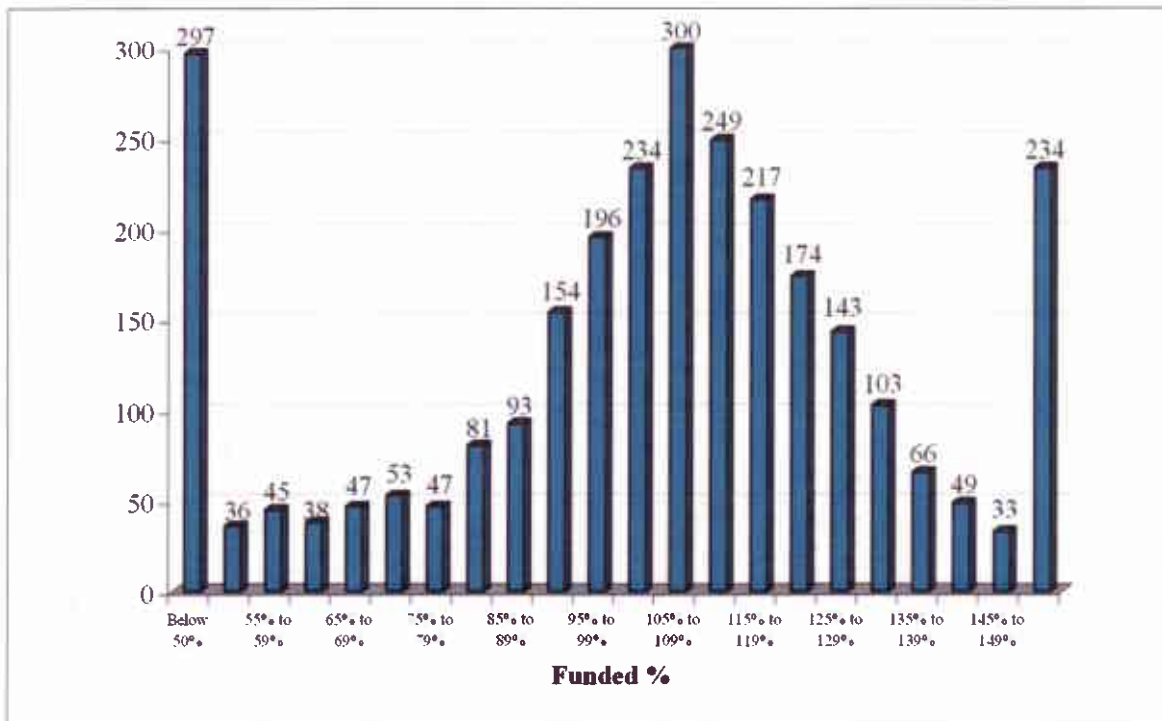
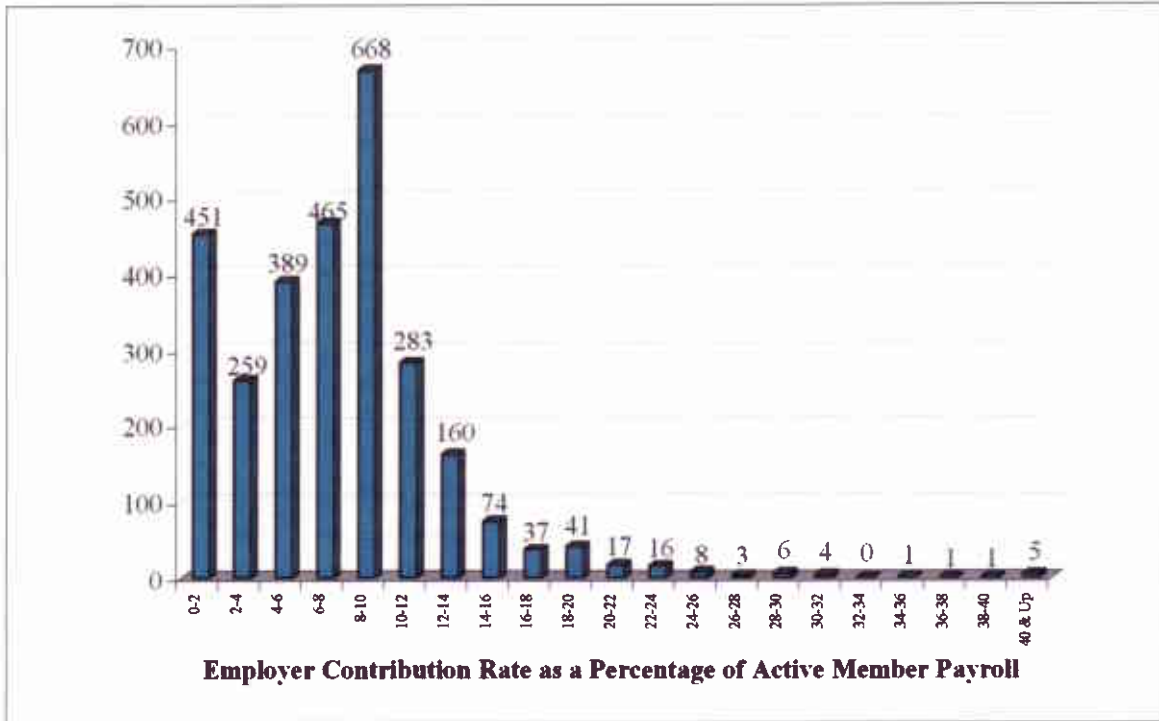
	% of Active Member Pays		
	Regular	SLEP	ECO
Average Employer Contributions for			
Normal Cost	7.66 %	11.96 %	17.95 %
Lump Sum Death in Service Benefits	0.15 %	0.15 %	0.14 %
Temporary Disability	0.19 %	0.19 %	0.19 %
13th Checks	0.62 %	0.62 %	0.62 %
Unfunded (Overfunded) Liabilities (29/5 years)	(2.69)%	0.65 %	21.36 %
Early Retirement Incentive Liabilities	0.29 %	0.47 %	0.11 %
Total Average Employer Rate	6.22 %	14.04 %	40.37 %
Prior Year	5.87 %	14.13 %	38.46 %

Each participating employer pays the same normal cost rate and the same rate for temporary disability benefits and 13th checks. Rates for lump sum death-in-service benefits, unfunded (overfunded) liabilities, and early retirement incentive liabilities are separately determined for each employer, and can vary widely. Because of this, the average contribution rates tell only part of the story. Pages A-4 through A-7 show the distribution of computed employer contribution rates, funding percents, and rate changes from the prior year among the 2,889 Regular plans, 150 SLEP plans and 66 ECO plans. IMRF staff reviews all of the computed rates and in some cases may make adjustments to those rates that are not reflected in this report. While most contribution rates are near the average, some employer rates are below 1% and some were over 40% of payroll.

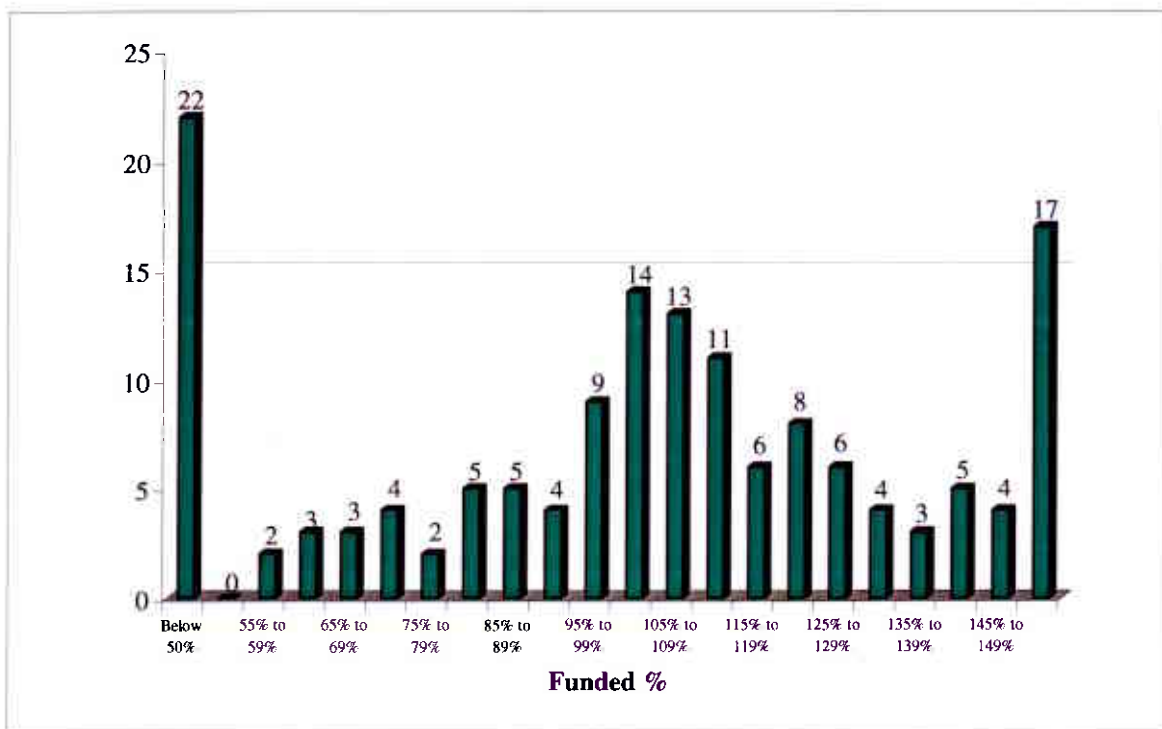
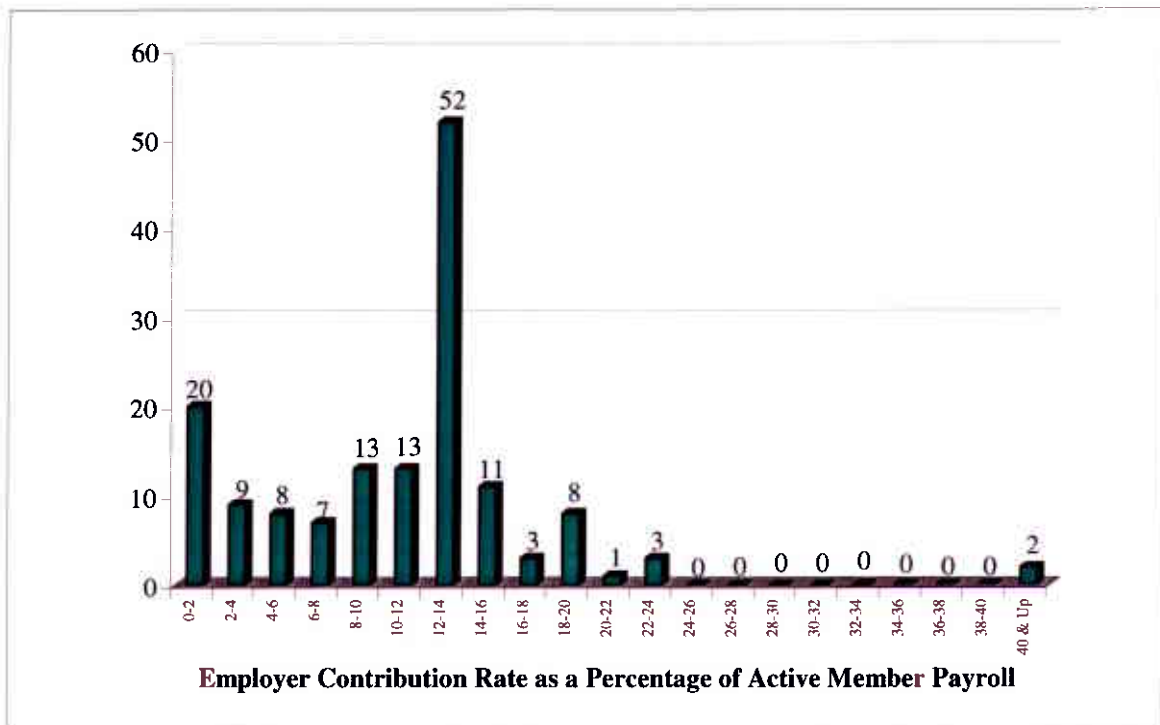
Employer contributions made during calendar year 2001 amounted to \$313 million, which was approximately 100% of the amount that had been computed in the 1999 valuation. In particular, for each of the last two years, actual contributions have been at least 90% of the actuarially computed rates.

EMPLOYER CONTRIBUTION RATES AND FUNDED PERCENTS

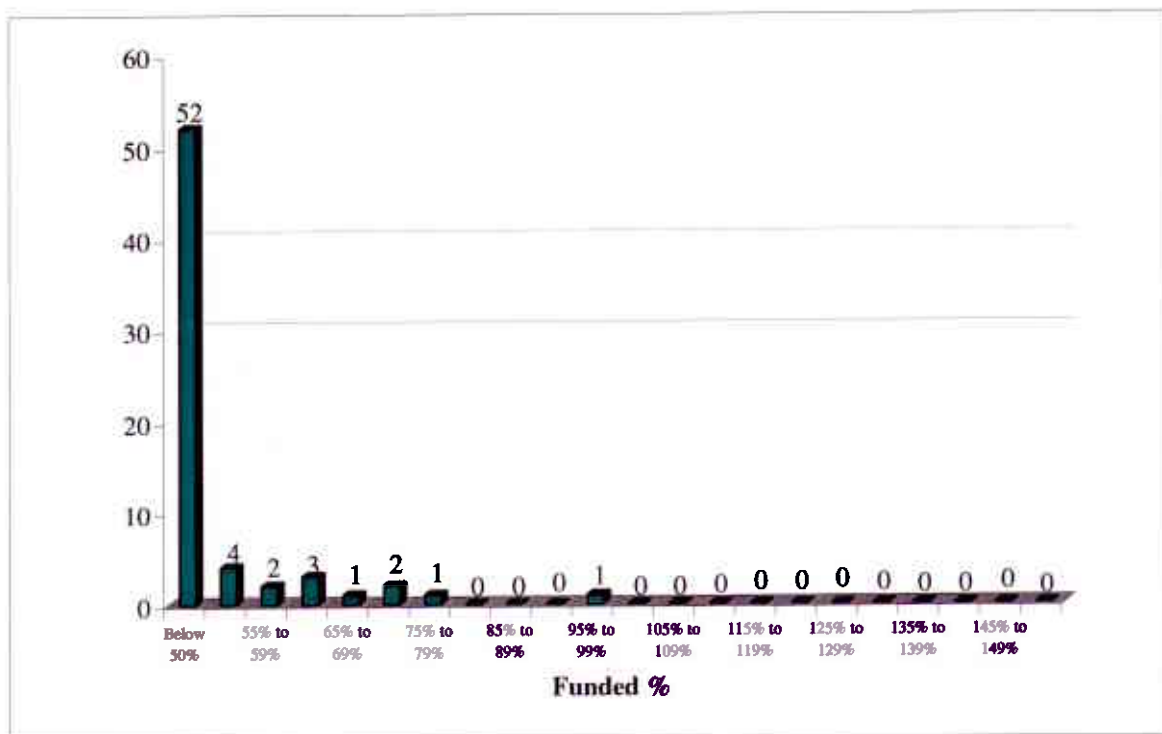
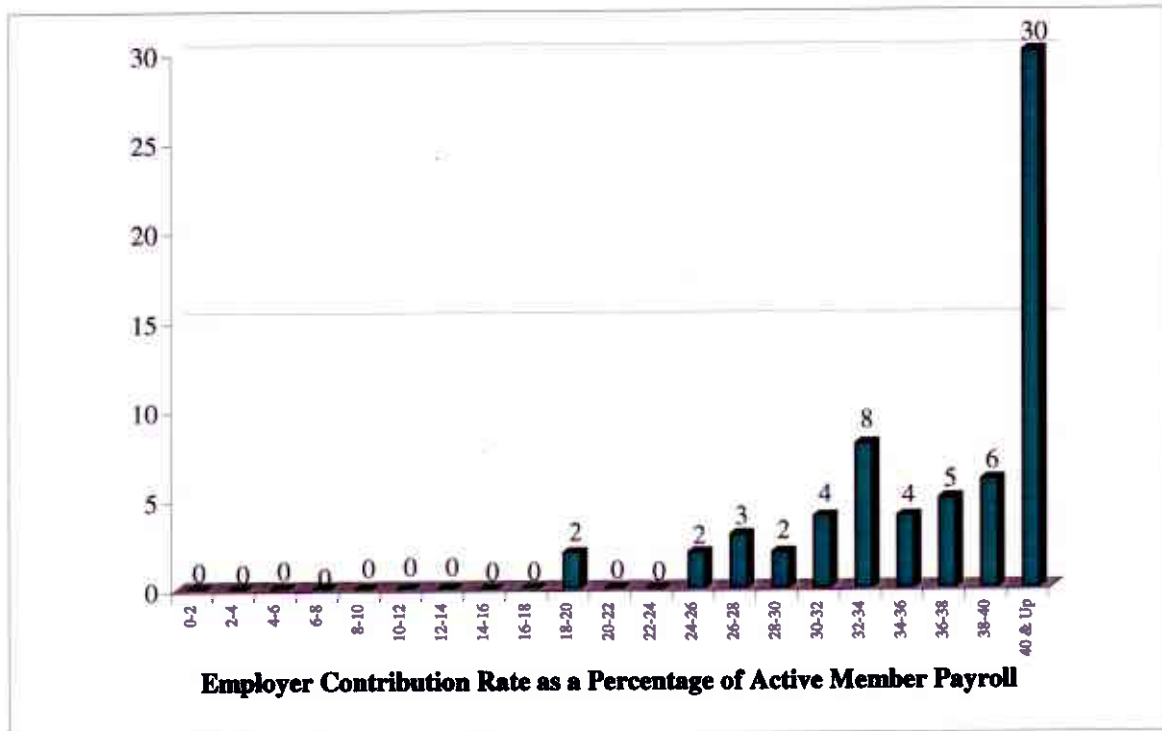
2,889 REGULAR EMPLOYERS AT DECEMBER 31, 2001



EMPLOYER CONTRIBUTION RATES AND FUNDED PERCENTS 150 SLEP EMPLOYERS AT DECEMBER 31, 2001

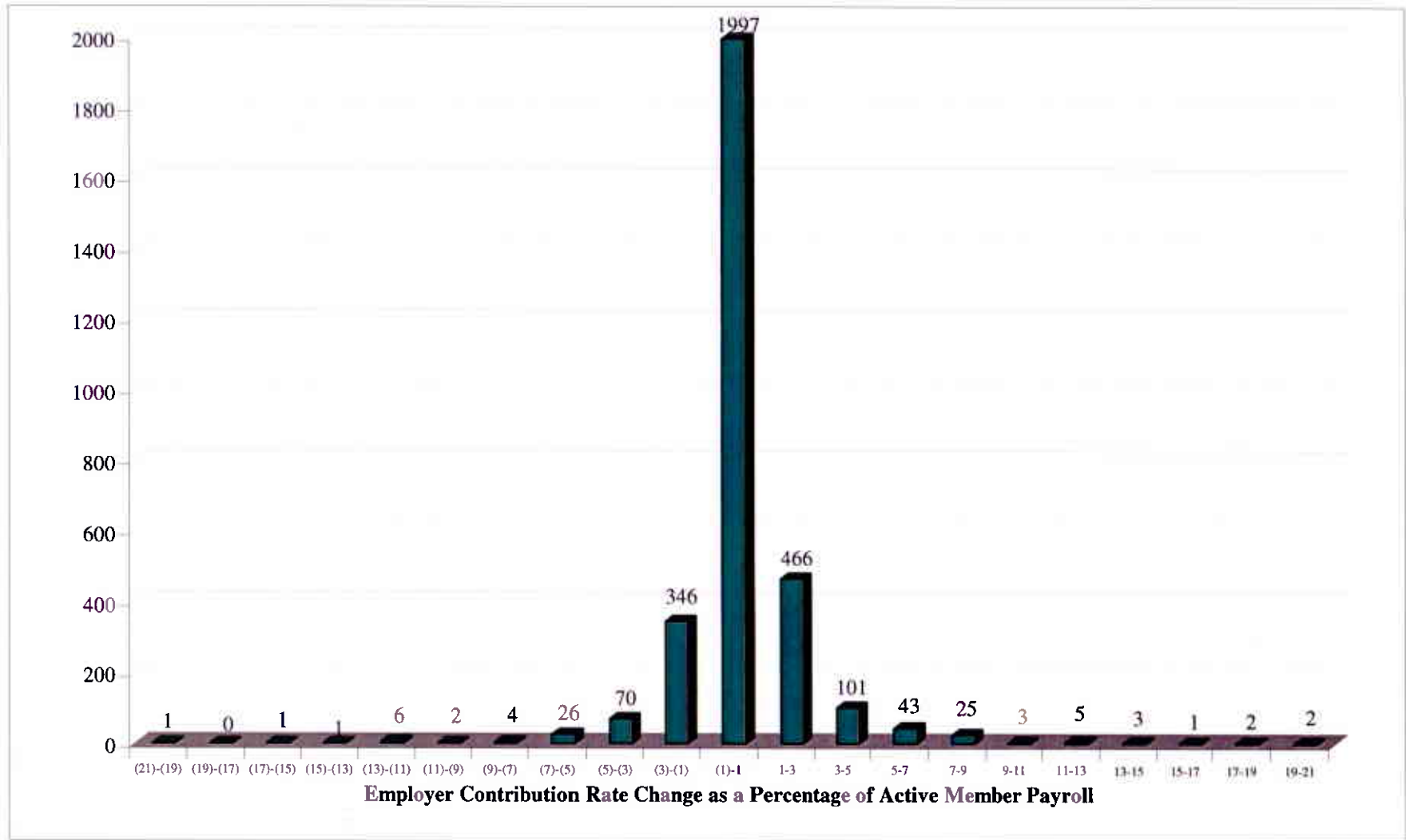


EMPLOYER CONTRIBUTION RATES AND FUNDED PERCENTS 66 ECO EMPLOYERS AT DECEMBER 31, 2001



EMPLOYER CONTRIBUTION RATE CHANGES - 2001 ACTUARIAL VALUATIONS

3,105 EMPLOYERS



HISTORICAL SUMMARY OF EMPLOYER RATES

Rate Applies to Calendar Year	Rate Computed as of December 31	Employer Contribution Rate Expressed as % of Active Payroll					
		Regular Members		SLEP Members		ECO Members	
		Normal Cost	Average Total Rate	Normal Cost	Average Total Rate	Normal Cost	Average Total Rate
1983	1981*	2.88%	6.58%	3.56%	6.20%		
1984	1982	2.97%	6.55%	3.90%	6.22%		
1985	1983	3.57%	7.35%	4.92%	7.03%		
1986	1984*	2.59%	7.52%	3.93%	6.46%		
1987	1985	2.61%	7.34%	4.28%	6.66%		
1988	1986	2.51%	7.29%	4.40%	7.11%		
1989	1987*#	6.94%	12.17%	7.93%	13.01%		
1990	1988	6.94%	11.79%	7.90%	12.53%		
1991	1989	6.94%	11.60%	7.88%	12.02%		
1992	1990*	8.24%	11.89%	10.31%	14.01%		
1993	1991*#	7.04%	10.58%	8.49%	12.01%		
1994	1992	7.33%	10.77%	8.87%	11.82%		
1995	1993*	7.22%	10.19%	9.50%	12.00%		
1996	1994	7.22%	9.98%	9.51%	11.97%		
1997	1995	7.27%	9.61%	9.32%	11.43%		
1998	1996*	7.21%	9.64%	10.22%	13.94%		
1999	1997!	7.23%	9.03%	10.62%	14.65%	21.48%	36.14%
2000	1998	7.17%	8.16%	10.42%	14.28%	23.39%	41.38%
2001	1999*	7.41%	6.64%	12.02%	14.86%	23.85%	42.58%
2002	2000	7.62%	5.87%	11.94%	14.13%	18.05%	38.46%
2003	2001	7.66%	6.22%	11.96%	14.04%	17.95%	40.37%

* Assumption change.

Benefit change.

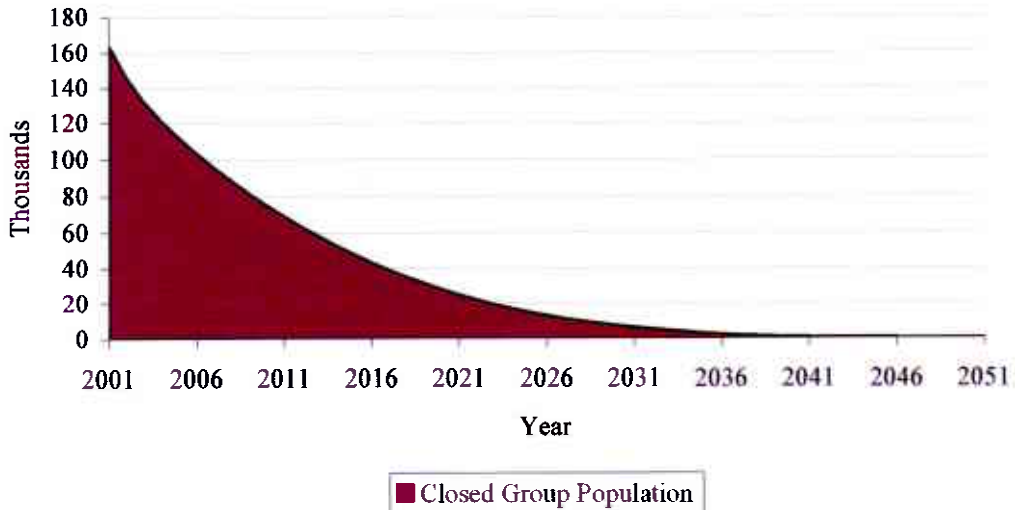
! Changed to Payroll weighted average method.

As shown above, the average employer contribution rates increased slightly this year for Regular and ECO employers, and were almost unchanged for SLEP employers. The larger increase for ECO employers is a reflection of the higher absolute rate for those employers, and of the fact that the ECO program is new and has not yet reached stability. Generally, small fluctuations from year to year should be expected, for the average rate and for any large employer's rate. Small and very small employers will experience larger variations.

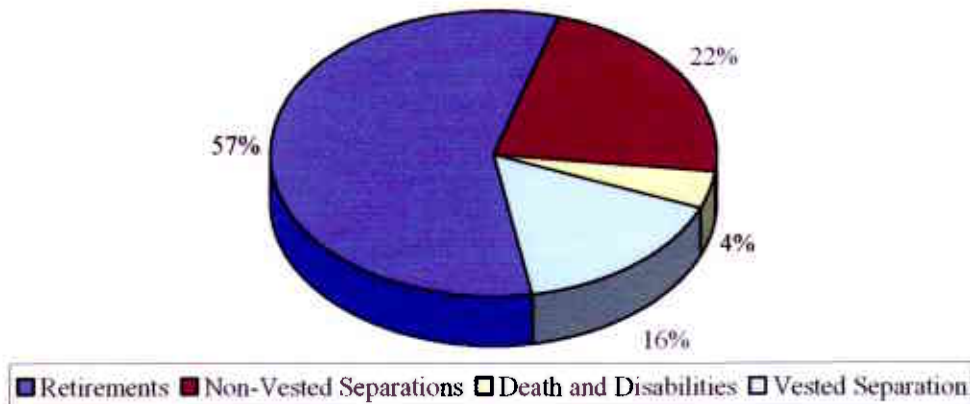
The vast majority of rates changed by less than 1% of payroll (please see page A-7). Most of the larger changes were for small employers (often employers covering only 1 or 2 employees), since the removal or addition of 1 employee can significantly impact the contribution rate. The actuary and IMRF staff review all of the large rate changes individually, in order to determine the reasonableness of the change. In some cases, rates may be changed.

EXPECTED DEVELOPMENT OF PRESENT POPULATION DECEMBER 31, 2001

Closed Group Population Projection



Expected Terminations from Active Employment For Current Active Members



The charts show the expected future development of the present population in simplified terms. The retirement system presently covers 163,886 active members. Eventually, 22% of the population is expected to terminate covered employment prior to retirement and forfeit eligibility for a monthly benefit. About 73% of the present population is expected to receive monthly retirement benefits either by retiring directly from active service, or by retiring from vested deferred status. Four percent of the present population is expected to become eligible for death-in-service or disability benefits. **Within 8 years, over half of the covered membership is expected to consist of new hires.**

**UNFUNDED ACTUARIAL ACCRUED LIABILITIES
DEVELOPMENT DURING 2001**

In a retirement system such as IMRF, where unfunded liabilities are being amortized as a level percent of active member payroll, unfunded liabilities are expected to rise in dollar amount for an extended period before finally beginning to decrease. This has to do with inflation and the related fact that the dollar is a yardstick whose length changes every year. However, in recent years, the phase in of investment gains has caused unfunded liabilities to decrease both in dollar amount, and in percent of payroll. The schedule below illustrates the development of the unfunded liability, based upon actuarial value of assets, during the year.

	Unfunded Liability Development During	
	2001	2000
Unfunded (Overfunded) Liability January 1	\$(1,016,313,489)	\$(515,168,818)
Assumed Net (Payments) Credits	140,207,051	78,598,946
Assumed Interest	(71,029,128)	(35,725,744)
Expected Unfunded Liability December 31	(947,135,566)	(472,295,616)
Change Due to Experience Study	0	0
Change Due to Investment Experience	(69,378,457)	(642,517,628)
Change Due to Other Sources	30,009,333	98,499,755
Actual Unfunded (Overfunded) Liability December 31	\$(986,504,690)	\$(1,016,313,489)

**UNFUNDED ACTUARIAL ACCRUED LIABILITIES
COMPARATIVE STATEMENT**

Valuation Date	(1) Actuarial Accrued Liabilities (AAL)	(2) Valuation Assets	(3) Unfunded AAL	(4) Valuation Payroll	(5) Funded Ratio (2)/(1)	(6) Unfunded/ Payroll (3)/(4)
1983	\$2,780,217,771	\$1,821,146,853	\$959,070,918	\$1,487,069,292	65.5%	64.5%
1984*	3,261,944,379	1,944,694,044	1,317,250,335	1,551,980,698	59.6%	84.9%
1985	3,609,515,653	2,248,747,268	1,360,768,385	1,660,500,587	62.3%	81.9%
1986	3,958,462,273	2,487,488,403	1,470,973,870	1,768,254,219	62.8%	83.2%
1987*#	4,516,366,654	2,757,918,614	1,758,448,040	1,869,513,284	61.1%	94.1%
1988	4,941,412,403	3,139,563,467	1,801,848,936	1,998,362,932	63.5%	90.2%
1989	5,429,420,300	3,589,732,873	1,839,687,427	2,141,472,213	66.1%	85.9%
1990*	6,234,602,259	4,468,795,967	1,765,806,292	2,303,544,906	71.7%	76.7%
1991*#	6,406,965,450	5,034,577,441	1,372,388,009	2,491,859,698	78.6%	55.1%
1992	6,954,483,358	5,615,583,858	1,338,899,500	2,634,441,716	80.7%	50.8%
1993*	7,509,766,239	6,396,329,900	1,113,436,339	2,709,280,078	85.2%	41.1%
1994	8,126,642,830	7,078,861,925	1,047,780,905	2,946,519,940	87.1%	35.6%
1995	8,823,697,487	8,034,030,783	789,666,704	3,095,916,750	91.1%	25.5%
1996*	9,778,592,519	9,076,261,663	702,330,856	3,084,086,668	92.8%	22.8%
1997	10,807,969,067	10,273,116,034	534,853,033	3,454,621,933	95.1%	15.5%
1998	11,860,879,198	11,636,495,534	224,383,665	3,696,047,942	98.1%	6.1%
1999*	13,005,023,293	13,520,192,111	(515,168,818)	3,952,129,535	104.0%	-
2000	14,153,055,774	15,169,369,271	(1,016,313,497)	4,184,702,169	107.2%	-
2001	15,318,517,575	16,305,022,254	(986,504,679)	4,503,092,615	106.4%	-

* Assumption change.

Benefit change

While no one or two numeric indices can fully describe the financial condition of a retirement system, trends in both the Funded Ratio (column 5) and the Unfunded/Payroll Ratio (column 6) provide useful information. Unfunded accrued liabilities represent plan debt, while active member payroll represents the plan's capacity to service the debt. In a retirement system that is following the discipline of level percent of payroll financing, the Funded Ratio should gradually move toward 100% and the Unfunded/Payroll ratio should gradually move toward 0%.

SHORT CONDITION TEST

If the contributions to IMRF are level in concept and soundly executed, the System will *pay all promised benefits when due – the ultimate test of financial soundness*. Testing for level contribution rates is the *long-term test*.

A *short condition test* is one means of checking a system's progress under its funding program. In a short condition test, the plan's present assets (cash and investments) are compared with:

- 1) Member contributions on deposit;
- 2) The liabilities for future benefits to present retired lives;
- 3) The liabilities for service already rendered by active and inactive members.

In a system that has been following the discipline of level percent of payroll financing, the liabilities for member contributions on deposit (liability 1) and the liabilities for future benefits to present retired lives (liability 2) will be fully covered by present assets (except in rare circumstances). In addition, the liabilities for service already rendered by active and inactive members (liability 3) will be partially covered by the remainder of present assets. The larger the funded portion of liability 3, the stronger the condition of the system.

Short Condition Test

Calendar Year	Aggregate Actuarial Liabilities For			Actuarial Assets	Portion of Actuarial Liabilities covered by Assets		
	(1)	(2)	(3)		(1)	(2)	(3)
	Non-Retired Contributions	Annuitants	Non-Retired Members (Employer Financed Portion)				
1990*	\$ 986,213,859	\$ 2,111,742,303	\$3,134,267,510	\$ 4,468,795,967	100%	100%	43.7%
1991*#	1,095,888,522	2,217,253,547	3,093,823,381	5,034,577,441	100%	100%	55.6%
1992	1,218,238,446	2,421,564,751	3,314,680,161	5,615,583,858	100%	100%	59.6%
1993*	1,350,831,396	2,660,823,087	3,498,111,756	6,396,329,900	100%	100%	68.2%
1994	1,496,014,554	2,907,982,455	3,722,645,821	7,078,861,925	100%	100%	71.9%
1995	1,642,362,193	3,171,162,151	4,010,173,143	8,034,030,783	100%	100%	80.3%
1996*	1,782,293,677	3,588,320,471	4,407,978,361	9,076,261,663	100%	100%	84.1%
1997	1,933,512,014	3,995,946,514	4,878,510,539	10,273,116,034	100%	100%	89.0%
1998	2,086,679,470	4,485,651,306	5,288,548,422	11,636,495,534	100%	100%	95.8%
1999*	2,259,446,274	4,915,459,683	5,830,117,336	13,520,192,111	100%	100%	108.8%
2000	2,473,646,891	5,284,275,174	6,395,133,709	15,169,369,271	100%	100%	115.9%
2001	2,708,833,984	5,613,708,283	6,995,975,308	16,305,022,254	100%	100%	114.1%

* Assumption change.

Benefit change.

PENSION BENEFIT OBLIGATION

The amount shown below as the pension benefit obligation "PBO" is a disclosure measure of the present value of pension benefits developed in accordance with Statement 5 of the Governmental Accounting Standards Board. The technical name for the PBO is *"the actuarial present value of credited projected benefits."*

The regular annual actuarial valuation of the plan is based upon the Entry Age Actuarial Cost method, and uses assumptions with respect to investment return, pay increases, wage inflation, and demographic activity that have been adopted by the Board. The PBO is calculated using the same assumptions that are used to perform the regular valuation of the plan, but the actuarial cost method, *for purposes of the PBO calculation only*, is the Projected Unit Credit "PUC" Actuarial Cost Method. Because of this important difference in cost methods between the regular valuation, and the PBO calculation, users of the information on this page are cautioned that there is no direct relationship between the actuarial present value of credited projected benefits, and the plan's actuarial accrued liability.

Pension Benefit Obligation at December 31	2001	2000	1999*
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 7,002,687,081	\$ 6,533,489,928	\$ 5,972,076,87
Current Employees			
Accumulated Contributions including allocated investment return.	2,214,081,976	2,026,341,878	1,869,602,12
Employer Financed - Vested	4,437,982,902	4,060,199,847	3,716,754,14
Employer Financed - Not Vested	514,908,140	464,147,444	407,411,81
Total Current Employees	7,166,973,018	6,550,689,169	5,993,768,07
Total Pension Benefit Obligation	\$14,169,660,099	\$13,084,179,097	\$11,965,844,95

* After experience study

Section B



Summary of Benefit Provisions and Valuation Data

SUMMARY OF BENEFITS AND CONDITIONS EVALUATED

DECEMBER 31, 2001

Participating Employers.

All counties and school districts, plus cities and villages and incorporated towns with a population of 5,000 or more (except certain governmental entities specifically excluded by the Pension Code). Other local government units may elect to participate.

Membership.

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year. Elected officials and hospital employees who satisfy requirements may also participate.

Final Rate of Earnings (FRE).

Retirement and Survivor Annuities: Regular and SLEP Members: The average of earnings during the 48 consecutive month period within the last 10 years of IMRF service in which earnings were the highest. Earnings considered for each of the last 3 months cannot exceed the highest earnings in any of the first 45 months by more than 25%. Minimum FRE is \$125 per month. **ECO Members:** Original ECO Plan: Salary rate at date of termination or retirement. Revised Plan: Average of last four years for each office held.

Death Benefits: The greater of the above amount or the average of earnings over the last 12 months of service.

Disability Benefits: The average of earnings over the last 12 months of service. (for ECO members, annualized salary on last day of ECO participation)

Normal Retirement Pension Eligibility.

Regular Members: Age 60 with 8 or more years of service or 35 or more years of service and age 55 or greater.

SLEP Members: Age 50 with 20 or more years of SLEP service.

ECO Regular Members: Age 55 with 8 or more years of service.

ECO SLEP Members: Age 50 with 20 or more years of SLEP service or age 55 with 8 or more years of any service.

Normal Retirement Pension Amount.

Regular Members: 1-2/3% of FRE times each of the first 15 years of service, plus 2% of FRE times service over 15 years.

SLEP Optional Formula: 2-1/2% of FRE times each of the first 20 years of SLEP service, plus 2% of FRE times service over 20, but less than 30 years, plus 1% of FRE times service over 30 years.

Maximum Formula Pension: 75% of FRE.

ECO Members: 3% of FRE times each of the first 8 years of service, plus 4% of FRE times each of the next 4 years of service, plus 5% of FRE times service over 12 years. For original ECO participants, one day of ECO service is required to qualify for this formula. For participants in the Revised Plan, 8 years of service credit per office is required to qualify for the ECO formula for that office.

Maximum ECO Formula Pension: 80% of FRE.

Money Purchase Minimum Pension: The amount that may be purchased by 2.4 times the member's accumulated contributions, including interest.

Early Retirement (not applicable to SLEP optional benefits or to ECO service).

Eligibility: Attainment of age 55 with 8 or more years of service.

Amount: Normal pension amount reduced by 1/4% times the lesser of (i) the number of months to the member's attainment of age 60, or (ii) the number of months actual service is less than 35 years.

SUMMARY OF BENEFITS AND CONDITIONS EVALUATED
DECEMBER 31, 2001
(CONTINUED)

Vesting.

A member with 8 or more years of service who leaves employment before being eligible for an immediate pension who does not withdraw accumulated contributions will be entitled to a deferred pension at pension eligibility. The amount of the pension will be based on service and FRE at time of employment termination. (These provisions apply to both ECO and non-ECO members.)

Surviving Spouse Pension.

Regular and SLEP

Eligibility: Married for one year prior to death of an active member or date of termination of service for a retiree or inactive member over age 55 with 8 or more years of service.

Amount: 50% of the pension otherwise payable to the deceased member. If spouse is more than 5 years younger than the deceased member, the pension is actuarially reduced. In addition to this monthly amount, a lump sum benefit of \$3,000 is payable.

ECO

Eligibility: Married at date of termination and for one year immediately preceding death.

Amount: 66 2/3% of the pension otherwise payable to the deceased member, beginning at age 50 (immediately if there are minor children).

Minimum: 10% of salary (30% with one minor child, 40% with two minor children, and 50% with three minor children).

If death occurs after termination of service, the total payment to the spouse and children is limited to 75% of the member's pension.

Lump Sum Death-In-Service Benefit.

Less than 1 year of service: Member contributions plus interest.

More than 1 year of service (or death in the line of duty): The sum of one times FRE and member contributions with interest.

These benefits are payable only if no surviving spouse pension is payable.

Lump Sum Death-After Retirement Benefit.

\$3,000. If there is no surviving spouse, any remainder of the deceased member's contributions and interest not paid out as a pension is also payable.

Children's Benefits.

Regular and SLEP

Eligibility: Death of a member eligible to retire who has no surviving spouse, or death of a surviving spouse beneficiary.

Amount: Equal to spouse pension, divided equally among surviving children and payable to age 18.

ECO

Eligibility: Death of a member with minor children and no eligible spouse.

Amount: 20% of salary to each child, to a maximum of 50% of salary, payable to age 18.

If death occurs after termination of service, the total payment to the surviving spouse and children is limited to 75% of the member's pension.

SUMMARY OF BENEFITS AND CONDITIONS EVALUATED
DECEMBER 31, 2001
(CONCLUDED)

Temporary Disability.

Eligibility: Temporary disability for at least 30 days after one year of service and prior to age 70. Pre-existing conditions are excluded if service is under 5 years.

Amount: 50% of FRE less amounts payable from Social Security or Worker's Compensation.

Duration: Period equal to 1/2 credited service, not to exceed 30 months.

Total and Permanent Disability.

Regular and SLEP

Eligibility: Payable after temporary disability period to members who are totally and permanently disabled and unable to engage in any gainful occupation.

Amount: 50% of FRE less amounts payable by Social Security.

ECO

Eligibility: Payable to members who are totally and permanently disabled from performing the duties of their office while in service as an elected county officer.

Amount: The greater of 50% of FRE or the alternate formula pension amount earned to date.

Duration: To the later of (i) age 60, or (ii) age at disability plus 5 years.

IMRF service is credited during the disability period, except that under the revised ECO plan, the service that will be credited will be Regular or SLEP as appropriate, but not ECO.

Post-Retirement Increases.

Pensions are increased by 3% of their original amount on January 1 each year. The first increase is prorated by the number of months of retirement. Disability pensions are not increased until the January 1st following 30 months of disability. These provisions apply to both ECO and non-ECO members.

13th Check.

A lump sum payment is made to retirees and surviving spouses on July 1st. The amount depends on funds available from a designated employer contribution of 0.62% of payroll. No specific 13th check amount is promised to any individual.

Member Contributions.

Regular Members: 4 1/2% of earnings (3-3/4% base plus 3/4% for survivor benefits).

SLEP Members: 6 1/2% of earnings (5-3/4% base plus 3/4% for survivor benefits).

Additional: Up to 10% of earnings.

ECO Members: (a) Past service: Regular members pay an additional 3% of the salary for the applicable period plus interest from the date of service to the payment date. SLEP members pay an additional 1% of salary for the applicable period plus interest from the date of service to the payment date. (The total rate is 7 1/2% for each past year purchased plus interest.)

(b) Future service: 7 1/2% of earnings during the period of elective participant. (Note: Continued classification as an ECO member is not a condition for continued elective participation in the ECO program for participants in the original ECO Plan.)

Refunds: If membership terminates without eligibility for any other benefit, a refund of base and survivor contributions without interest plus accumulated additional contributions with interest is payable. Upon retirement of a member who does not have an eligible spouse, survivor benefit contributions are refunded.

**SUMMARY OF COVERED POPULATION DATA
DECEMBER 31, 2001**

Data on persons covered by IMRF was reported to the Actuary as follows:

Member Status	No.	Valuation Payroll	Average		
			Pay	Age	Service
Active Members					
Regular	159,410	\$4,301,413,896	\$26,983	45.0	8.2
SLEP	3,822	177,315,824	46,393	39.9	11.0
ECO	654	24,362,895	37,252	53.7	11.2
Total Active	163,886	\$4,503,092,615	\$27,477	44.9	8.3
Inactive Members					
Regular	136,947			44.9	4.3
Slep	885			43.6	9.3
ECO	101			51.4	10.8
(Inactive and Active)	(29,595)				
Total Inactive	108,338			44.9	4.3
Retirees & Beneficiaries	71,618	\$529,795,032	\$7,398	72.8	
Total Population	343,842				
Prior Year Total	330,313				

Additional information on these people is presented on the following pages.

ACTIVE MEMBERS BY EMPLOYER TYPE
DECEMBER 31, 2001
REGULAR, SLEP, ECO COMBINED

Type of Employer	Rate Groups	Members		Cumulative Percent	Payroll
		Number	% of Total		
School Districts	890	74,530	45.5%	45.5%	\$ 1,531,094,297
Counties (Regular,SLEP,ECO)	268	31,570	19.3%	64.8%	1,005,158,585
Cities	276	20,025	12.2%	77.0%	731,518,144
Villages	396	14,654	8.9%	85.9%	575,320,946
Park Districts	185	6,421	3.9%	89.8%	196,161,619
Special Ed Districts	33	3,495	2.1%	91.9%	69,100,338
Townships	464	3,448	2.1%	94.0%	92,220,423
Library Districts	193	2,504	1.5%	95.5%	59,684,956
Forest Preserve Districts	13	938	0.6%	96.1%	31,847,663
Sanitary Districts	38	930	0.6%	96.7%	39,861,931
Conservation Education Service Region	29	767	0.5%	97.2%	16,450,716
County Hospital Districts	3	497	0.3%	97.5%	13,582,257
Towns	5	472	0.3%	97.8%	17,673,998
Mass Transit District (Taxing Authority)	3	457	0.3%	98.1%	15,192,141
Intergovernmental Coop	40	434	0.3%	98.4%	18,472,997
Public Library System	10	297	0.2%	98.6%	9,093,008
Airport Authorities	11	250	0.2%	98.8%	9,383,347
Misc. Taxing Authority	6	232	0.1%	98.9%	10,022,486
Multi Co/Cons Health Dept.	4	223	0.1%	99.0%	5,707,219
Health Districts	4	217	0.1%	99.1%	6,445,197
Vocational System	39	175	0.1%	99.2%	4,282,464
Mass Transit Instrumentality	3	141	0.1%	99.3%	4,284,528
Fire Protection Districts	35	133	0.1%	99.4%	5,166,599
Public Hopusing Authority	7	117	0.1%	99.5%	3,441,899
Miscellaneous Instrumentality	11	111	0.1%	99.6%	4,438,569
County Conservation Districts	3	98	0.1%	99.7%	3,101,859
Joint Spec Rec Assns	9	97	0.1%	99.8%	3,203,798
Joint Education Projects	8	93	0.1%	99.9%	1,822,091
Conservancy Districts	4	89	0.1%	100.0%	2,793,791
Special Ed Coop/Districts	23	73	0.0%	100.0%	3,574,888
Public Housing Commission	7	69	0.0%	100.0%	2,281,020
County Road District	35	67	0.0%	100.0%	1,311,678
Tuberculosis Sanitarium Districts	1	48	0.0%	100.0%	1,765,735
Regional Planning Commission	1	43	0.0%	100.0%	2,239,532
Mosquito Abatement District	7	36	0.0%	100.0%	1,470,991
Water District	5	34	0.0%	100.0%	1,088,112
Water Supply/Sewr Comission	5	32	0.0%	100.0%	1,236,594
Educ Serv Centers	3	22	0.0%	100.0%	633,171
ROE Office	1	17	0.0%	100.0%	412,536
Township Cemetary	15	16	0.0%	100.0%	280,321
Multi Twp Assessment Districts	11	11	0.0%	100.0%	153,254
Drainage District	1	3	0.0%	100.0%	116,917
Employers with no Active Members	241	-	0.0%	100.0%	-
Totals	3,346	163,886	100.0%	100.0%	\$ 4,503,092,615

**ACTIVE REGULAR MEMBERS
BY ATTAINED AGE AND YEARS OF SERVICE
DECEMBER 31, 2001**

Attained Ages	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	No.	Valuation Payroll
15-19	619							619	\$ 6,665,790
20-24	6,371	67						6,438	120,974,743
25-29	9,074	1,244	46					10,364	255,129,869
30-34	8,669	3,191	1,257	50				13,167	360,257,726
35-39	10,356	3,598	2,817	1,133	110			18,014	482,520,969
40-44	12,954	5,470	3,480	2,278	1,758	95		26,035	700,493,335
45-49	10,980	6,214	4,480	2,460	2,411	1,141	59	27,745	778,780,635
50	1,775	1,077	1,053	563	416	326	72	5,282	154,723,664
51	1,565	1,083	945	593	418	352	91	5,047	147,646,205
52	1,487	962	916	576	413	271	96	4,721	139,758,574
53	1,344	867	968	613	427	284	122	4,625	135,700,204
54	1,246	909	865	618	434	247	133	4,452	131,057,844
55	1,286	851	991	721	495	221	165	4,730	137,043,565
56	830	573	596	500	352	172	96	3,119	90,194,709
57	863	529	593	457	381	154	81	3,058	87,517,932
58	836	545	611	489	352	158	82	3,073	87,842,749
59	865	549	606	519	439	178	101	3,257	90,881,848
60	717	470	462	415	391	175	83	2,713	76,291,969
61	565	420	393	343	329	133	79	2,262	62,974,712
62	466	377	322	275	266	141	75	1,922	52,080,963
63	365	296	273	201	200	110	75	1,520	41,115,072
64	331	245	226	195	178	107	54	1,336	34,568,114
65	284	216	186	178	125	79	44	1,112	27,962,645
66	262	167	160	89	85	45	32	840	20,397,398
67	214	145	104	95	60	38	22	678	15,243,254
68	181	122	88	54	63	30	18	556	12,217,428
69	141	103	79	58	45	25	24	475	10,201,994
70	109	80	77	47	27	15	23	378	7,505,039
Over 70	488	375	360	227	189	108	125	1,872	33,664,947
Totals	75,243	30,745	22,954	13,747	10,364	4,605	1,752	159,410	\$4,301,413,896

**ACTIVE SLEP MEMBERS
BY ATTAINED AGE AND YEARS OF SERVICE
DECEMBER 31, 2001**

Attained Ages	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	No.	Valuation Payroll
15-19									
20-24	86							86	\$ 2,483,141
25-29	407	88	1					496	17,945,198
30-34	290	314	105	1				710	29,702,482
35-39	152	167	300	66	2			687	32,126,784
40-44	78	97	154	153	64			546	27,288,067
45-49	60	50	110	138	203	72		633	33,716,305
50	9	9	14	19	24	37	1	113	6,137,077
51	8	7	19	24	24	28	3	113	5,905,692
52	3	6	12	13	12	13	3	62	3,248,907
53	6	6	13	7	14	10	10	66	3,451,905
54	7	4	6	14	13	5	5	54	2,900,533
55	8	7	9	7	11	13	6	61	3,086,845
56	2	3	3	5	4	7	2	26	1,555,394
57	10	2	6	1	2	3	5	29	1,389,659
58	6	7	2	6	1	3		25	1,113,082
59	5	3	3	4	5	4	4	28	1,288,971
60	1		3	4	9		1	18	866,531
61		4	4	5	1	1	1	16	780,860
62	1	3	1	2		3		10	499,581
63		1	2	1			1	5	244,610
64		1	3	1	3	2	1	11	427,569
65		1	3	2	2		1	9	473,997
66		2	1	1	1	1	1	7	307,878
67			1					1	42,840
68			2			1		3	100,139
69			1		1			2	49,961
70					1			1	50,777
71	1		1	1			1	4	131,039
Totals	1,140	782	779	475	397	203	46	3,822	\$177,315,824

**ACTIVE ECO REGULAR MEMBERS
BY ATTAINED AGE AND YEARS OF SERVICE
DECEMBER 31, 2001**

Attained Ages	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	No.	Valuation Payroll
20-24	1							1	\$ 40,151
25-29	2							2	58,342
30-34	10	6						16	886,150
35-39	14	12	5	2				33	1,403,164
40-44	24	15	7	7	6			59	2,494,903
45-49	34	29	19	18	18	5	1	124	5,316,148
50	6	4	4	2	3			19	887,600
51	4	2	4	4				14	494,624
52	4	8	3	4			1	20	853,048
53	12	8	4	3	1	2	1	31	833,069
54	5	6	8	2	3	1	1	26	1,069,503
55	4	2	2	7	2		1	18	979,485
56	6	2	1	2	1		2	14	485,959
57	2	3	4	3		2		14	635,050
58	3	2	3	3	1			12	351,706
59	4	2	2	1		2		11	292,863
60	5	1	1	4	1	1	3	16	490,448
61	8	2	1	2				13	338,955
62	4	3	1	1	2	1	1	13	411,528
63	3	4	2	5			2	16	410,645
64	3	4	3	1	3	1		15	330,647
65	6	2	1	3	1	2		15	447,900
66	1	1			1	1	1	5	216,219
67	3	5	4	1	2	1		16	245,461
68	5	2	1	2		1		11	259,954
69	5	2	3	2	2	1	1	16	232,881
70	2		1					3	65,043
71	8	13	11	7	5	1		45	614,350
Totals	188	140	95	86	52	22	15	598	\$21,145,796

**ACTIVE ECO SLEP MEMBERS
BY ATTAINED AGE AND YEARS OF SERVICE
DECEMBER 31, 2001**

Attained Ages	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	No.	Valuation Payroll
30-34		1						1	\$ 54,536
35-39		3	1					4	208,204
40-44	1			1				2	92,912
45-49		1	2	4	2	4		13	656,311
51				2		3		5	342,361
52							1	1	97,404
53		1	1	3		1		6	331,727
54	1		1				1	3	174,394
55	2				1			3	149,486
56							1	1	86,139
57					1			1	65,136
58						2		2	101,436
59	1							1	56,520
60		3			1			4	234,818
61						1	1	2	129,877
62	1					1		2	127,686
63	1				1			2	99,025
64						1		1	50,254
70				1				1	75,818
71				1				1	83,055
Totals	7	9	5	12	6	13	4	56	\$3,217,099

**ALL ACTIVE MEMBERS BY YEARS OF SERVICE AND GENDER
DECEMBER 31, 2001**

Service Years	Active Member Count			Active Member Pays	
	Males	Females	Total	Total	Average
0	7,217	15,629	22,846	\$400,712,135	\$17,540
1	5,742	12,180	17,922	372,347,119	20,776
2	4,800	9,776	14,576	322,123,370	22,100
3	3,801	7,839	11,640	272,656,496	23,424
4	3,296	6,298	9,594	234,318,334	24,423
5	2,729	5,207	7,936	206,259,410	25,990
6	2,507	4,578	7,085	187,331,038	26,441
7	2,190	4,274	6,464	178,020,402	27,540
8	2,019	3,541	5,560	159,145,022	28,623
9	1,668	2,963	4,631	136,822,945	29,545
10	1,840	3,100	4,940	150,426,974	30,451
11	2,017	3,407	5,424	172,799,349	31,858
12	2,032	3,156	5,188	167,374,578	32,262
13	1,880	2,528	4,408	153,693,694	34,867
14	1,553	2,320	3,873	131,938,025	34,066
15 & Up	15,588	16,211	31,799	1,257,123,724	39,533
Totals	60,879	103,007	163,886	\$4,503,092,615	\$27,477

**INACTIVE REGULAR MEMBERS
BY ATTAINED AGE AND YEARS OF SERVICE
DECEMBER 31, 2001**

Attained Ages	Years of Service to Valuation Date							Totals No.
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	
15-19	400							400
20-24	4,509	6						4,515
25-29	11,164	82	3				2	11,251
30-34	12,127	418	68	1			5	12,619
35-39	10,539	689	298	39	1		8	11,574
40-44	11,734	1,027	541	197	65	3	49	13,616
45-49	16,178	1,477	756	352	183	33	76	19,055
50	2,763	345	178	82	38	17	22	3,445
51	2,336	337	193	93	41	20	18	3,038
52	2,195	345	203	88	46	25	21	2,923
53	2,009	322	199	96	50	9	20	2,705
54	1,926	400	237	100	47	13	15	2,738
55	1,945	347	223	93	41	14	26	2,689
56	1,250	192	95	35	13	3	15	1,603
57	1,212	172	75	33	9	3	12	1,516
58	1,073	154	76	28	5	4	12	1,352
59	1,139	192	67	17	19	11	10	1,455
60	981	97	55	24	10	9	4	1,180
61	739	66	23	15	11	14	5	873
62	824	64	25	17	5	8	7	950
63	474	41	16	11	4	8	5	559
64	488	43	16	12	5	8	3	575
65	413	37	9	12	5	2	2	480
66	486	20	8	4	2	2		522
67	405	25	4	4	1		1	440
68	342	24	10	1	1		1	379
69	339	15	2	2				358
70	343	13	5	3				364
Over 70	4,381	144	30	11	2	2	3	4,573
Totals	94,714	7,094	3,415	1,370	604	208	342	107,747

**INACTIVE SLEP MEMBERS
BY ATTAINED AGE AND YEARS OF SERVICE
DECEMBER 31, 2001**

Attained Ages	Years of Service to Valuation Date							Totals No.
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	
15-19								
20-24	16							16
25-29	45	1						46
30-34	56	19	1					76
35-39	41	11	13	2				67
40-44	34	9	18	4	1			66
45-49	40	14	17	10	11	3		95
50	4	4	3	1	1	2	1	16
51	13	2	3	1				19
52	11	1	2	2		1		17
53	4	1	4	6		2	2	19
54	4	5	5	2			1	17
55	3		1	1	1			6
56	4	1	3					8
57	5	2	1	1	1			10
58	6	2						8
59	2	3	1					6
60	2	1						3
61	2		1		1			4
62	3	1						4
63	5							5
64	2					1	1	4
65		1						1
66	2							2
67			1					1
68								
69								
70	1							1
Over 70	7							7
Totals	312	78	74	30	16	9	5	524

**INACTIVE ECO MEMBERS
BY ATTAINED AGE AND YEARS OF SERVICE
DECEMBER 31, 2001**

Attained Ages	Years of Service to Valuation Date						Totals No.
	0-4	5-9	10-14	15-19	20-24	25-29	
15-19							
20-24							
25-29	1						1
30-34							
35-39	3						3
40-44	5	2	1				8
45-49	2	6	6	2	1	1	18
50	1	1	2	1			5
51	1		1		1		3
52	2		1	1			4
53	2		1				3
54	2		1	3			6
55		1		2			3
56							
57	2		1	2			5
58	1						1
59			1				1
60		1	1				2
61							
62							
63							
64							
65	1						1
66							
67							
68							
69	1						1
70							
Over 70				2			2
Totals	24	11	16	13	2	1	67

RETIREES AND BENEFICIARIES
DECEMBER 31, 2001

Annual Amounts by Form of Payment

Type of Retirement	Regular		Optional Plan		Total	
	No.	Amount	No.	Amount	No.	Amount
Normal or Early						
Joint and 50% Survivor	31,141	\$ 256,031,328	14,084	\$ 120,267,084	45,225	\$ 376,298,412
Straight Life	11,071	83,477,592	3,451	29,942,340	14,522	113,419,932
Total	42,212	339,508,920	17,535	150,209,424	59,747	489,718,344
Disability	620	3,156,564	-	-	620	3,156,564
Surviving Beneficiaries	10,212	33,623,484	622	3,091,872	10,834	36,715,356
Voluntary Contributions	417	203,520	-	-	417	203,520
Grand Total	53,461	\$ 376,492,488	18,157	\$ 153,301,296	71,618	\$ 529,793,784

Voluntary Contributions includes annuitization of certain surviving spouse and SLEP refund amounts. Thirteenth Check amounts are not included in the above figures.

**RETIREES AND BENEFICIARIES
BY ATTAINED AGE
DECEMBER 31, 2001**

Attained Ages	Number			Annual Benefits
	Males	Females	Total	
Under 20	8	14	22	\$ 43,956
20 - 24	0	2	2	3,204
25 - 29	4	2	6	12,672
30 - 34	5	10	15	36,996
35 - 39	4	12	16	55,284
40 - 44	28	50	78	335,172
45 - 49	45	82	127	547,332
50 - 54	364	230	594	12,609,828
55 - 59	1,577	3,022	4,599	58,577,532
60 - 64	2,795	6,313	9,108	92,565,012
65 - 69	4,181	8,450	12,631	109,011,072
70 - 74	4,659	9,029	13,688	101,649,528
75 - 79	4,308	8,565	12,873	79,891,368
80 - 84	3,081	6,794	9,875	48,060,552
85 - 89	1,595	3,951	5,546	20,133,588
90 - 94	446	1,537	1,983	5,243,484
95 & Up	74	381	455	1,014,324
Totals	23,174	48,444	71,618	\$529,790,904

**RETIREES AND BENEFICIARIES BY YEAR OF RETIREMENT
DECEMBER 31, 2001**

Year of Retirement	Number			Annual Benefits
	Males	Females	Total	
2001	1,651	2,878	4,529	\$ 43,700,184
2000	1,458	2,903	4,361	40,950,012
1999	1,739	3,016	4,755	48,007,764
1998	1,726	2,966	4,692	51,110,808
1997	1,541	2,991	4,532	44,897,040
1996	1,352	2,771	4,123	39,267,456
1995	1,216	2,565	3,781	29,882,496
1994	1,122	2,364	3,486	26,375,748
1993	1,073	2,231	3,304	23,874,852
1992	1,022	2,016	3,038	22,064,088
1991	892	1,902	2,794	18,996,924
1990	909	1,854	2,763	18,874,524
1985 - 1989	3,831	8,209	12,040	72,048,408
1980 - 1984	2,249	5,010	7,259	33,677,028
1975 - 1979	1,079	2,956	4,035	12,342,000
1970 - 1974	264	1,340	1,604	3,183,480
1965 - 1969	44	361	405	440,748
1960 - 1964	6	94	100	87,852
Before 1960	0	17	17	12,312
Total	23,174	48,444	71,618	\$529,793,724

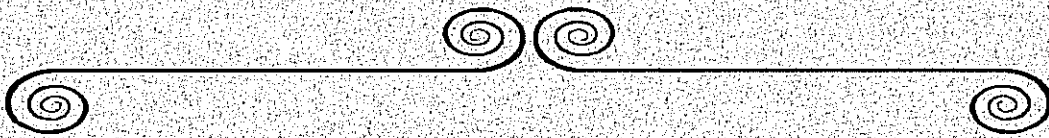
**DATA REPORTED FOR ACTUARIAL VALUATIONS
COMPARATIVE SUMMARY**

Date December 31	Active Members					Number		Ratio: Act/Ret.
	Number	Average				Inactive	Retired	
		Age	Serv.	Annual Pay	Pay Increase			
1983	107,178	43.0	6.8	\$13,825	-	54,471	36,600	2.90
1984	105,658	43.1	7.2	14,689	6.2 %	38,762	39,063	2.70
1985	107,708	43.1	7.2	15,417	5.0 %	39,315	40,863	2.60
1986	110,285	43.1	7.3	16,033	4.0 %	39,921	42,800	2.60
1987	112,611	43.0	7.1	16,602	3.5 %	46,199	44,689	2.50
1988	115,050	43.1	7.2	17,370	4.6 %	47,305	45,882	2.50
1989	118,670	43.1	7.2	18,046	3.9 %	53,470	49,005	2.40
1990	121,234	43.3	7.3	19,000	5.3 %	57,016	50,714	2.40
1991	125,559	43.4	7.4	19,846	4.5 %	59,775	52,397	2.40
1992	126,557	43.7	7.7	20,816	4.9 %	61,964	54,209	2.30
1993	122,361	44.2	8.2	22,142	6.4 %	66,735	56,313	2.20
1994	133,803	43.8	7.8	22,021	(0.5)%	73,972	57,681	2.30
1995	136,617	43.8	8.2	22,661	2.9 %	65,914	59,701	2.29
1996	139,525	44.0	8.3	22,104	3.5 %*	48,274	61,492	2.27
1997	143,999	44.1	8.2	23,991	8.5 %	81,919	64,886	2.22
1998	148,610	44.3	8.2	24,871	3.7 %	88,173	67,086	2.22
1999	153,910	44.4	8.6	25,678	3.2 %	94,576	69,130	2.23
2000	157,836	44.6	8.2	26,514	3.4 %	102,082	70,395+	2.24
2001	163,886	44.9	8.3	27,477	3.9 %	108,338	71,618	2.29

* Changed method of recording earnings for 1996 valuation.

+ Restated subsequent to release of 2000 valuation.

Section C



Financial Data

DEVELOPMENT OF FUNDING VALUE OF RETIREMENT SYSTEM ASSETS

Year Ended December 31	2000	2001	2002	2003	2004	2005
A. Funding Value Beginning of Year	\$ 13,520,192,111	\$ 15,169,369,271				
B. Market Value End of Year	16,041,266,432	14,964,964,170				
C. Market Value Beginning of Year	15,800,918,758	16,041,266,432				
D. Non-Investment/Administrative Net Cash Flow	(7,089,037)	(68,846,428)				
E. Investment Return						
E1. Market Total:B-C-D	247,436,711	(1,007,455,834)				
E2. Assumed Rate of Return	7.50%	7.50%				
E3. Assumed Amount of Return	1,013,748,569	1,135,120,954	-----Scheduled-----			
E4. Return Subject to Phase In: E1-E3	(766,311,858)	(2,142,576,788)				
F. Phased-In Recognition of Investment Return						
F1. Current year: 0.20xE4	(153,262,372)	(428,515,358)	Unknown	Unknown	Unknown	Unknown
F2. First Prior Year	348,631,257	(153,262,372)	\$ (428,515,358)	Unknown	Unknown	Unknown
F3. Second Prior Year	136,527,944	348,631,257	(153,262,372)	\$ (428,515,358)	Unknown	Unknown
F4. Third Prior Year	165,996,986	136,527,944	348,631,257	(153,262,372)	\$ (428,515,358)	Unknown
F5. Fourth Prior Year	144,623,813	165,996,986	136,527,944	348,631,257	(153,262,372)	\$ (428,515,358)
F6. Total Recognized Investment Gain	642,517,628	69,378,457	(96,618,529)	(233,146,473)	(581,777,730)	(428,515,358)
G. Funding Value End of Year: A+D+E3+F6	\$15,169,369,271	\$16,305,022,254				
H. Difference Between Market and Funding Value	871,897,161	(1,340,058,084)	(1,243,439,561)	(1,010,293,088)	(428,515,358)	-
I. Recognized Rate of Return	12.3%	8.0%				
J. Market Rate of Return	1.6%	-6.3%				
K. Ratio of Funding Value to Market Value	95%	109%				

The Funding Value of Assets recognizes assumed investment return (line E3) fully each year. Differences between actual and assumed investment return (line E4) are phased in over a closed 5 year period.

DEVELOPMENT OF MARKET VALUE ADJUSTMENT

In a single employer plan, the Market Value Adjustment would normally be the difference between the funding value of assets and the market value of assets. In IMRF, because of the need to allocate the Market Value Adjustment in an equitable manner among participating employers, certain extra steps are taken as shown below.

	Year Ended December 31	
	2001	2000
1. Funding Value of End of Year	\$ 16,305,022,254	\$ 15,169,369,271
2. Amounts not used in rate calculations		
a. Suspended Annuity Reserve	12,767,241	9,593,852
b. Disability Benefit Reserve	9,548,632	11,056,497
c. Death Benefit Reserve	8,910,596	6,846,551
d. Supplemental Benefit Reserve	2,132,793	1,839,683
e. Cases removed from rate calculations*	27,405,771	25,156,514
f. Estimated pending reserve transfers	33,086,835	30,136,006
g. Total	93,851,868	84,629,103
3. Remaining amount to allocate: (1)-(2g)	16,211,170,386	15,084,740,168
4. Total reported negative reserves	(1,062,102)	(934,344)
5. Amount available to positive reserves: (3)-(4)	16,212,232,488	15,085,674,512
6. Total Market Value of reported positive reserves	14,836,578,050	15,023,505,466
7. Market Value Adjustment: (5)-(6)	\$ 1,375,654,438	\$ 62,169,046

* Employers that are not included on the asset tape submitted to the actuary. These employers have no active members and no employer assets, but may have retired lives and/or inactive members.

The Market Value Adjustment is allocated among all employers that have a positive reserve balance (member plus employer plus retired life reserves), in proportion to each employer's reserve balance.

REPORTED MARKET VALUES

	Market Value		Percentage of Total	
	2001	2000	2001	2000
Investment portfolio				
Fixed income	\$ 4,872,506,079	\$ 4,682,559,113	32.7%	29.3%
Short term	210,397,332	101,211,022	1.4%	0.6%
Foreign exchange contracts	4,555,378	(3,396,718)	0.0%	0.0%
Stocks	6,072,628,831	6,966,180,826	40.7%	43.6%
Bond funds	-	-	0.0%	0.0%
Stock funds and Index Funds	2,382,101,522	2,866,571,897	16.0%	17.9%
Options	-	-	0.0%	0.0%
Real estate	580,078,232	459,912,340	3.9%	2.9%
Alternative investments	488,997,371	484,417,896	3.3%	3.0%
Master trust reserve fund	642,962,220	499,984,638	4.3%	3.1%
Cash	-	-	0.0%	0.0%
Due from brokers	-	-	0.0%	0.0%
Due (to) brokers	(395,924,932)	(150,516,229)	-2.7%	-0.9%
Accrued investment income	58,991,355	67,709,748	0.4%	0.4%
Total Invested Assets	14,917,293,388	15,974,634,534	100.0%	100.0%
Total Receivables	66,797,076	74,854,968		
Total Cash	562,259	8,157,241		
Total Fixed Assets	531,641	960,622		
Total Market Value	14,985,184,364	16,058,607,365		
Liabilities				
Benefits & vouchers payable	20,220,194	17,340,933		
Total Liabilities	20,220,194	17,340,933		
Nets Assets Available for				
Benefits	14,964,964,170	16,041,266,432		

Figures on this page may not always agree with final figures reported by IMRF, but are shown for completeness.

Section D



Actuarial Methods and Assumptions

**SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED FOR IMRF ACTUARIAL VALUATIONS
ASSUMPTIONS ADOPTED BY RETIREMENT BOARD
AFTER CONSULTING WITH ACTUARY**

Economic Assumptions

The investment return rate used in making the valuations was 7.5% per year, compounded annually (net after expenses). The assumed real rate of return is the portion of total investment return, which is more than the assumed wage inflation rate. Considering other financial assumptions, the 7.5% investment return rate translates to an assumed real rate of return of 3.50%.

Pay increase assumptions for individual active members are shown for sample ages on page D-7. Part of the assumption for each age is for merit and/or seniority increase; and the other 4.00% recognizes wage inflation. There is no specific price inflation assumption made for this valuation.

The *active member payroll* is assumed to increase 4.00% annually, which is the portion of the individual pay increase assumptions attributable to wage inflation.

The *number of active members* is assumed to continue at the present number.

Non-Economic Assumptions

Non-economic (decrement) assumptions include rates of mortality before and after retirement, rates of disability, rates of retirement, rates of other separation from employment and probabilities of an active member being married. With the exception of mortality tables, the non-economic assumptions are based upon experience during the 1996-1998 period (please see report dated December 16, 1999), and were first used in the December 31, 1999 valuation. Decrement assumptions are shown for sample ages beginning on page D-3.

Actuarial Valuation Method

An aggregate entry age actuarial cost method of valuation was used in determining most liabilities and normal cost. This means that a normal cost was determined for each benefit group, and was constant for each employer in that benefit group.

Differences in the past between assumed experience and actual experience ("actuarial gains and losses") become part of actuarial accrued liabilities.

**SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED FOR IMRF ACTUARIAL VALUATIONS
ASSUMPTIONS ADOPTED BY RETIREMENT BOARD AFTER CONSULTING
WITH ACTUARY
(CONTINUED)**

Unfunded actuarial accrued liabilities are amortized to produce payments (principal & interest) which are level percent of payroll contributions.

Liabilities for lump sum death benefits and temporary disability benefits were determined using a term cost approach. Under this approach, the funding objective is to receive contributions each year that approximately equal the benefits being paid.

Employer contributions were assumed to be *paid in equal installments* throughout the year.

Present assets (cash & investments) at funding value are shown on page C-1.

The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (M.A.A.A.)

ACTUARIAL ASSUMPTIONS
DECEMBER 31, 2001
PROBABILITIES OF AGE & SERVICE RETIREMENT

Age at Retirement	Regular Members		Normal		SLEP Members
	Reduced Early		Males	Females	
	Males	Females	Males	Females	
50-54					15%
55	6%	7%	35%	25%	15%
56	6%	7%	35%	25%	15%
57	6%	7%	35%	25%	20%
58	6%	7%	35%	25%	20%
59	6%	7%	35%	25%	20%
60			10%	15%	20%
61			15%	15%	20%
62			25%	25%	25%
63			20%	20%	25%
64			20%	20%	25%
65			40%	30%	25%
66			30%	25%	25%
67			25%	22%	20%
68			23%	20%	20%
69			22%	20%	20%
70-74			20%	20%	100%
75 & Over			20%	20%	100%

For ECO members, retirement probabilities were ten percentage points higher than otherwise indicated on this schedule.

ACTUARIAL ASSUMPTIONS
DECEMBER 31, 2001
PROBABILITIES OF SEPARATION FROM ACTIVE MEMBER STATUS

Service	% Separating Next Year		
	Regular		SLEP
	Males	Females	
0	24.0%	28.4%	14.0%
1	16.5%	18.9%	10.0%
2	13.1%	14.5%	7.5%
3	11.0%	11.6%	7.0%
4	8.7%	9.5%	6.0%
5	7.3%	8.1%	N.A.
6	6.1%	7.2%	N.A.
7	5.5%	6.4%	N.A.
Age	8 or More Years of Service		5 or More Years of Service
30	3.8%	6.2%	3.0%
35	3.4%	5.1%	2.4%
40	3.2%	4.2%	1.7%
45	2.9%	3.8%	1.5%
50	2.6%	3.4%	1.5%

ACTUARIAL ASSUMPTIONS
DECEMBER 31, 2001
ACTIVE MEMBER PROBABILITIES OF DEATH AND DISABILITY

Sample Ages	% Dying		% Disabled			
	All		Regular		SLEP	
	Male	Female	Male	Female	Male	Female
20	0.03%	0.02%	0.02%	0.02%	0.03%	0.03%
25	0.03%	0.02%	0.02%	0.02%	0.07%	0.07%
30	0.05%	0.03%	0.03%	0.02%	0.10%	0.10%
35	0.06%	0.03%	0.07%	0.04%	0.15%	0.15%
40	0.09%	0.04%	0.12%	0.07%	0.22%	0.22%
45	0.16%	0.07%	0.19%	0.10%	0.32%	0.32%
50	0.29%	0.11%	0.28%	0.16%	0.48%	0.48%
55	0.46%	0.17%	0.44%	0.24%	0.66%	0.66%
60	0.69%	0.27%	0.56%	0.43%	0.61%	0.61%
65	1.17%	0.44%	0.60%	0.50%	0.41%	0.41%
70	2.06%	0.70%	0.51%	0.43%	0.24%	0.24%
75	3.34%	1.21%	0.36%	0.30%	0.07%	0.07%
80	5.56%	2.18%	0.30%	0.25%	0.00%	0.00%

Among active members, 80% of Males and 70% of Females were assumed to be married.

ACTUARIAL ASSUMPTIONS
DECEMBER 31, 2001
RETIREE, BENEFICIARY, AND DISABLED LIFE MORTALITY

Sample Ages	% Dying Next Year		
	Non-Disabled Lives		Disabled Lives
	Males	Females	Males & Females
40	0.1176%	0.0705%	4.41%
45	0.2074%	0.1066%	4.48%
50	0.3714%	0.1738%	4.86%
55	0.5824%	0.2746%	5.92%
60	0.8700%	0.4244%	7.25%
65	1.4812%	0.6969%	8.67%
70	2.6153%	1.1112%	10.36%
75	4.2367%	1.9121%	12.63%
80	7.0366%	3.4575%	15.43%

Sample Ages	Life Expectancy Years		
	Non-Disabled Lives		Disabled Lives
	Males	Females	Males & Females
40	39.0	45.5	16.2
45	34.3	40.7	14.7
50	29.7	35.9	13.0
55	25.3	31.3	11.2
60	21.1	26.8	9.7
65	17.1	22.4	8.3
70	13.6	18.3	7.1
75	10.5	14.4	5.9
80	7.9	10.9	4.9

For non-disabled lives, the mortality rates are the 1983 Group Annuity Mortality Table for Males and the 1983 Individual Annuity Mortality for Females both multiplied by 95%. For disabled lives, the 1965 Railroad Retirement Board Disability Mortality Table was applied.

**ACTUARIAL ASSUMPTIONS
DECEMBER 31, 2001
PAY INCREASES FOR ACTIVE MEMBERS**

% Increase in Pay Next Year					
6 or More Years Service				Less Than 6 Years of Service	
Age	Merit & Longevity	Economic	Total	Service	% Increase
25	2.8%	4.0%	6.8%	0	7.5%
30	2.0%	4.0%	6.0%	1	5.0%
35	1.5%	4.0%	5.5%	2	3.5%
40	1.2%	4.0%	5.2%	3	2.5%
45	1.1%	4.0%	5.1%	4	1.7%
50	1.0%	4.0%	5.0%	5	1.3%
55	0.6%	4.0%	4.6%		
60	0.4%	4.0%	4.4%		

For a person with 6 or more years of service, the assumed pay increase during the coming year is found in the 6 or more years of service total column. For a person with less than 6 years of service, the % increase from the less than 6 years column that corresponds to the person's service is added to the increase from the 6 or more years of service total column that corresponds to the person's age to get the total assumed increase. For example, a 40 year old with 8 years of service is assumed to get a 5.2% pay increase during the coming year. But a 40 year old with 4 years of service is assumed to get a 6.9% increase (5.2% + 1.7%).

Miscellaneous and Technical Assumptions

Expenses	Assumed investment return is net of administrative and investment expenses.
Marriage Assumption	80% of male and 70% of female participants are assumed to be married for purposes of death-in-service and death after retirement benefits. Male spouse are assumed to be three years older than female spouses.
Pay Increase Timing	Beginning of (Calendar) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
Decrement Timing	Decrements of all types are assumed to occur mid-year.
Eligibility Testing	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Benefit Service	Exact fractional service on the decrement date is used to determine the amount of benefit payable.
Decrement Relativity	Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
Surviving Spouse Refunds	For those individuals who are not assumed to be married at retirement, the surviving spouse contributions are assumed to be refunded.
SLEP Refunds	SLEP participants who are assumed to retire with insufficient service to qualify for SLEP benefits are assumed to receive a refund of their SLEP contributions.
ECO Conversions	It is assumed that active participants in the ECO program will convert all eligible service up to the point the maximum ECO benefit would be achieved.
Other	Disability decrements operate during retirement eligibility.

**FINANCING UNFUNDED ACCRUED LIABILITIES
AND FULL FUNDING CREDITS
DECEMBER 31, 2001 VALUATIONS**

The following procedures were applied to financing liabilities in the valuation.

Financing Periods for Unfunded Accrued Liabilities.

1. Instrumentalities: Remaining period from original 10 years; 5 years if period is already used up.
2. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
3. Other existing Regular, SLEP, and ECO rate Groups: 29 years, reducing one year annually until the remaining period is 10 years, after which time the remaining period will be frozen.
4. Employers joining IMRF in 2002: 33 Years, reducing by one year each year in the future until 30 years is reached.

Financing Period for full funding credits (Employers with Taxing Authority).

Number of Employees	Funded %	Financing Years
Under 10	100% to 114.9%	UAAL period but not less than 10
Under 10	115% and up	10 Years
10 to 49	100% to 104.9%	UAAL period, but not less than 10
10 to 49	105% and Up	10 years
50 or more	100% and over	10 years

Financing Period for full funding credits (Employers without Taxing Authority).

For these employers, full funding credits are amortized over the remaining portion of the original 10-year period, or 5 years if the period has already been used up.

The above describes the initial rules that were applied in the mass production valuation. IMRF staff reviews each case individually to see if changes are needed to comply with Board policy.

SELECTION OF ASSUMPTIONS USED IN ACTUARIAL VALUATIONS

Economic Assumptions

Investment return

Pay increases to individual employees:
the portion for economic changes

Active member group size and
total payroll growth

Demographic Assumptions

Actual ages at service retirement

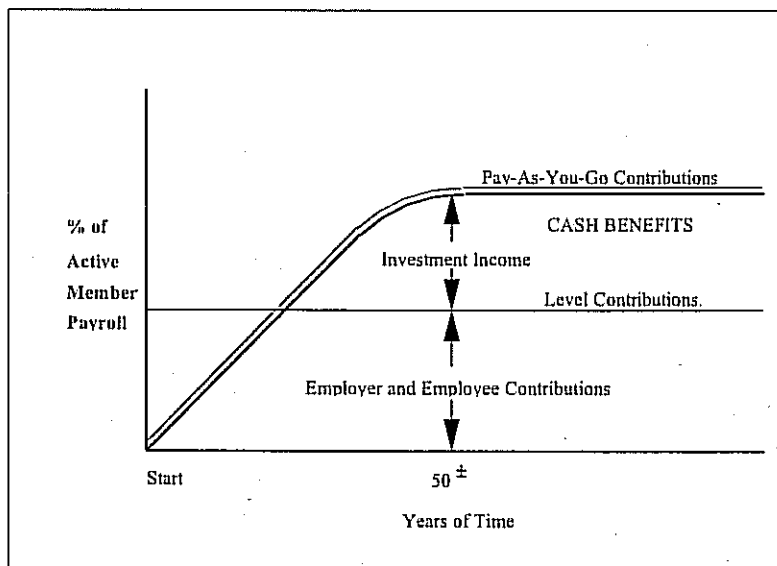
Pay increases to individual members:
the portion for merit & seniority

Disability while actively employed

Separations before retirement

Mortality after retirement

Mortality before retirement



RELATIONSHIP BETWEEN THE BOARD AND THE ACTUARY

The actuary should have the primary responsibility for choosing the *demographic* assumptions used in the actuarial valuation, making use of specialized training and experience.

The actuary and other professionals can provide guidance concerning the choice of suitable *economic* assumptions, but the basis of the economic assumptions is expected market returns for various asset classes and the assumed rate of *inflation* (a quantity which defies accurate prediction). Given an assumed rate of future inflation, it is very important that this rate be applied in a consistent manner in deriving the assumed rate of investment return, the economic portion of the assumption on pay increases to individual employees, and the assumed rate of growth of active member payroll. Consistent application of assumptions is an area in which the actuary has specialized training.

A sound procedure is that the actuary suggests reasonable alternatives for economic assumptions, followed by discussion involving the actuary, the Board of Trustees, and other professionals, and the Board then makes a final choice from the various reasonable alternatives.

Section E



Financial Principles

FINANCIAL PRINCIPLES AND OPERATIONAL TECHNIQUES OF IMRF

Promises Made, and To Be Paid For. As each year is completed, IMRF in effect hands an "IOU" to each member then acquiring a year of service credit. The "IOU" says: "The Illinois Municipal Retirement Fund owes you one year's worth of retirement benefits, payments in cash commencing when you retire."

The related *key financial questions* are:

Which generation of taxpayers contributes the money to cover the IOU?

The present taxpayers, who receive the benefit of the member's present year of service? *Or the future taxpayers*, who happen to be in Illinois at the time the IOU becomes a cash demand, years and often decades later?

The law governing IMRF financing intends that this year's taxpayers contribute the money to cover the IOUs being handed out this year. With this financial objective, *the employer contribution rate is expected to remain approximately level from generation to generation of taxpayers.*

There are systems which have a design for deferring contributions to future taxpayers. Lured by a lower contribution rate now, they put aside the consequence that the contribution rate must then relentlessly grow to a level much higher than would be required if a level contribution pattern were followed.

An inevitable by-product of the level-cost design is the accumulation of reserve assets, for decades, and the income produced when the assets are invested. *Investment income* ultimately becomes *the 3rd and largest contributor* for benefits to members, and is interlocked with the contribution amounts required from members and employers.

Translated to actuarial terminology, this level-cost objective means that the contribution rates must total at least the following:

Normal Cost (the cost of members' service being rendered this year)

... plus ...

Interest on Unfunded Actuarial Accrued Liabilities (unfunded actuarial accrued liabilities are the difference between: accrued liabilities for service already rendered; and the accrued assets of IMRF).

Computing Contributions to Support Fund Benefits. From a given schedule of benefits and from member and asset data, the actuary calculates the contribution rates to support the benefits by means of *an actuarial valuation and a funding method.*

An actuarial valuation has a number of ingredients such as: the rate of investment return which plan assets will earn; the rates of withdrawal of active members who leave covered employment; the rates of mortality; the rates of disability; the rates of pay increases; and the assumed age or ages at actual retirement. These rates cannot be known today. Consequently, in an actuarial valuation, assumptions must be made as to what the above rates will be for the next year and for decades in the future. The assumptions are established by the Board of Trustees after receiving the advice of the actuary.

Reconciling Differences Between Assumed Experience and Actual Experience. Once actual experience has occurred and has been observed, it will not coincide exactly with assumed experience, regardless of the skill of the actuary and the many calculations made. The future cannot be predicted.

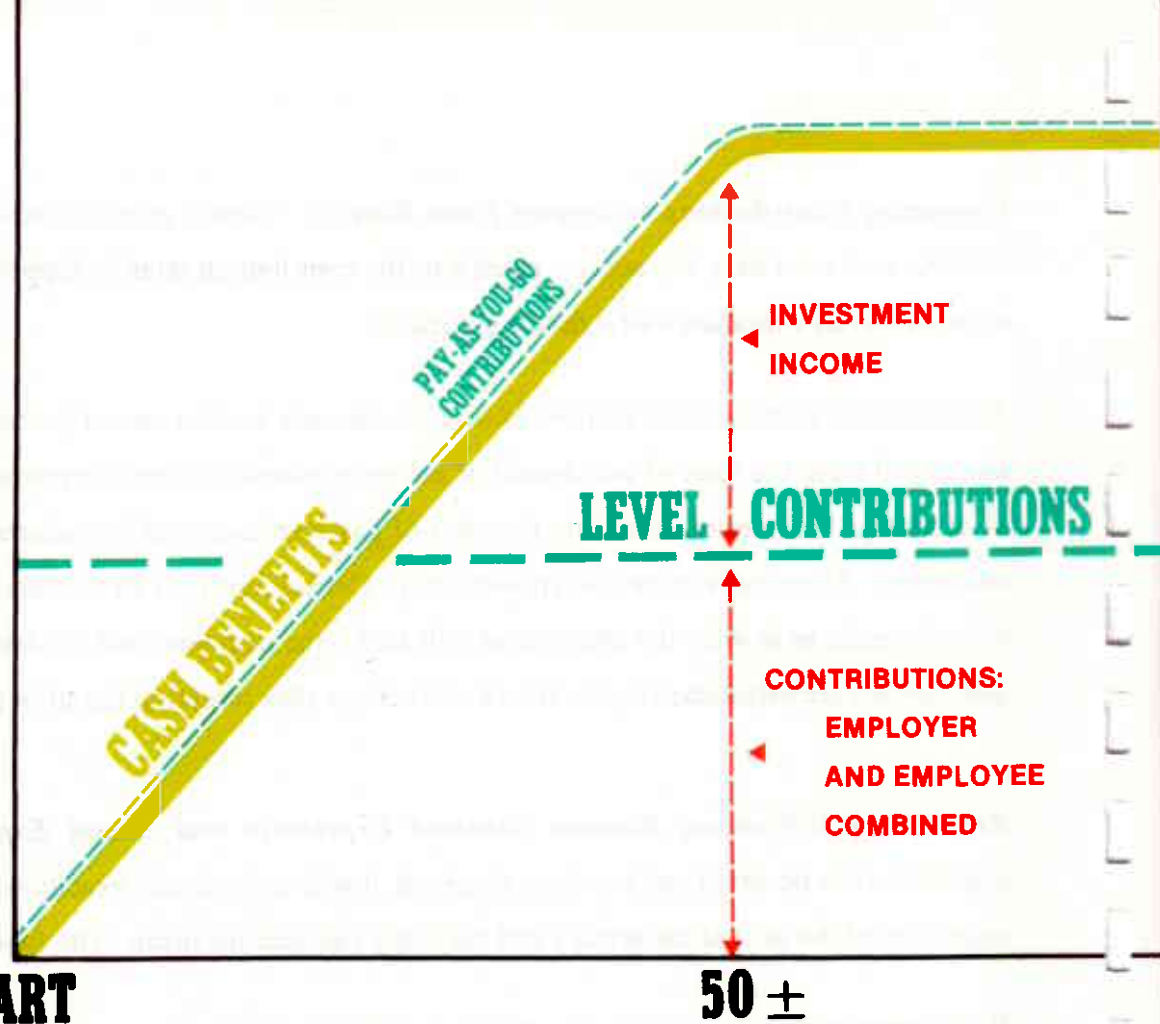
IMRF copes with these continually changing differences by having annual actuarial valuations. Each actuarial valuation is a complete recalculation of assumed future experience, taking into account all past differences between assumed and actual experience. The result is *continuing adjustments in financial position.*

**% OF
ACTIVE
EMPLOYEE
PAYS**

START

50 ±

YEARS OF TIME



CASH BENEFITS LINE. This relentlessly increasing line is the fundamental reality of retirement plan financing. It happens each time a new benefit is added for future retirements (and happens regardless of the design for contributing for benefits).

LEVEL CONTRIBUTION LINE. Determining the level contribution line requires detailed assumptions concerning a variety of experiences in future decades, including:

Economic Risk Areas

- Rates of investment return
- Rates of pay increase
- Changes in active member group size

Non-Economic Risk Areas

- Ages at actual retirement
- Rates of mortality
- Rates of withdrawal of active members (turnover)
- Rates of disability

THE ACTUARIAL VALUATION PROCESS

The *financing diagram* on the opposite page shows the relationship between *the two fundamentally different philosophies of paying* for retirement benefits: the method where contributions match cash benefit payments (or barely exceed cash benefit payments, as in the Federal Social Security program) which is thus an *increasing contribution method*; and, the *level contribution method* which attempts to equalize contributions between the generations.

The *actuarial valuation* is the mathematical process by which the level contribution rate is determined. The activity constituting the valuation may be summarized as follows:

A. *Census Data*, including:

Retired lives now receiving benefits

Former members with vested benefits not yet payable

Active members

B. + *Asset data* (cash & investments)

C. + *Benefit provisions* that establish eligibility and amounts of payments to members

D. + *Assumptions concerning future experience* in various risk areas

E. + *The funding method* for employer contributions (the long-term, planned pattern for employer contributions)

F. + *Mathematically combining the assumptions, the funding method, and the data*

G. = Determination of:

Plan Financial position and/or

New Employer Contribution Rates

GLOSSARY

ACTUARIAL ACCRUED LIABILITY. The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost (employer and employee). Sometimes referred to as “accrued liability” or “past service liability.”

ACCRUED SERVICE. The service credited under the plan which was rendered before the date of the actuarial valuation.

ACCUMULATED BENEFIT OBLIGATION. The actuarial present value of vested and non-vested benefits based on service to date and past and current salary levels.

ACTUARIAL ASSUMPTIONS. Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

ACTUARIAL COST METHOD. A mathematical budgeting procedure for allocating the dollar amount of the “actuarial present value of future plan benefits” between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the “actuarial funding method.”

ACTUARIAL EQUIVALENT. A single amount or series of amounts of equal value to another single amount or series of amounts, computed on the basis of the rate(s) of interest and mortality tables used by the plan.

ACTUARIAL PRESENT VALUE. The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

ACTUARIAL PRESENT VALUE OF CREDITED PROJECTED BENEFITS or Pension Benefit Obligation. The present value of future benefits based on service to date and the effect of projected salary increases.

ACTUARY. A person who is trained in the applications of probability and compound interest to problems in business and finance that involve payment of money in the future, contingent upon the occurrence of future events. Most actuaries in the United States are Members of the American Academy of Actuaries. The Society of Actuaries is an international research, education and membership organization for actuaries in the life and health insurance, employee benefits, and pension fields. It administers a series of examinations leading initially to Associateship and the designation A.S.A. and ultimately to Fellowship with the designation F.S.A.

AMORTIZATION. Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

EXPERIENCE GAIN (LOSS). A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.

NORMAL COST. The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as "current service cost." Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

PLAN TERMINATION LIABILITY. The actuarial present value of future plan benefits based on the assumption that there will be no further accruals for future service and salary. The termination liability will generally be less than the liabilities computed on a "going concern" basis and is not normally determined in a routine actuarial valuation.

RESERVE ACCOUNT. An account used to indicate that funds have been set aside for a specific purpose and are not generally available for other uses.

UNFUNDED ACTUARIAL ACCRUED LIABILITY. The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as "unfunded accrued liability."

VALUATION ASSETS. The value of current plan assets recognized for valuation purposes.