

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

**ACTUARIAL VALUATION
JUNE 30, 2008**



November 21, 2008

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

Ladies and Gentlemen:

We have completed the valuation of the System as of June 30, 2008 and the principal results are set forth on Pages 1 and 2 of this report.

The contributions to the System, which are shown in the Summary of Principal Results, are based on the provisions of Public Act 94-0004, as amended by Public Act 94-1057. The member contribution rate is 9.4% of covered payroll, which includes a 0.4% of pay "Career ERO contribution" that became effective July 1, 2005. The member rate for Modified ERO lump sum payments at retirement is 11.5%. An additional member contribution has been required since July 1, 1995 to finance retiree health insurance through a state agency other than TRS. School Districts are required to contribute 0.58% of payroll toward the cost of the 2.2% formula. School Districts also pay the cost of pension benefits resulting from salary increases over 6% used in the final average salary calculation, although PA 94-1057 provides permanent and temporary exemptions from some of these payments for retirements occurring on or after July 31, 2006. The School District rate for Modified ERO lump sum payments at retirement is 23.5%, and School Districts make lump sum payments at retirement for excessive annual sick leave accruals.

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

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

Under PA 94-0004 the FY 2006 and FY 2007 State contributions to the Benefit Trust Reserve were not actuarially determined, but were set by statute to be, respectively, \$531,827,700, and \$735,514,500. Gross appropriations, as a percentage of payroll, for fiscal years 2008 through 2010 are to increase in level annual increments over the prior year's gross appropriation until the required level percentage of payroll is achieved in fiscal year 2010. The amount actually appropriated for 2009 is \$255,301,000 less than the \$1,449,889,000 certified by the board and required by the statute, but the unappropriated amount is expected to be collected through the authority to submit vouchers granted in 40 ILCS 5/16-158(b-1). In fiscal years 1999 through 2004, minimum state contributions were specified.

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

Based on these specifications, we calculate that the employer's contribution rate to the Benefit Trust Reserve of the System for fiscal year 2010 is 23.96% of membership payroll, after reduction for the maximum State contribution limitations of the statute. The rate is expected to level off at 24.22% in fiscal year 2014.

The recommended total employer contribution for fiscal year 2010 to the Benefit Trust Reserve under PA 94-0004 is \$2,217,053,000. Subtracting estimated Federal Funds and School District contributions and adding a contribution to the Guaranteed Minimum Annuity Reserve results in a total State Contribution for fiscal year 2010 of \$2,089,268,000. This figure represents an increase of \$637,479,000 or 43.9% from the total State Contribution in fiscal year 2009 of \$1,451,789,000.

The pension benefit obligation (PBO) of the System as of June 30, 2008 is \$68,632,367,000, which may be compared with the PBO as of June 30, 2007 of \$65,648,395,000. The difference between the June 30, 2008 PBO and the market value of assets as of June 30, 2008 is the unfunded pension benefit obligation of the System, which is \$30,201,644,000, which may be compared with the unfunded obligation of \$23,739,077,000 as of June 30, 2007.

The funded status of the System as of June 30, 2008 is 56.0% based on the market value of assets, which may be compared with the System's funded status of 63.8% based on the market value of assets, as of June 30, 2007.

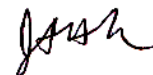
Sincerely,



Larry Langer
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S. Lynn Hill
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LL/SLH/JC:pl

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

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

**ACTUARIAL VALUATION
JUNE 30, 2008**

SECTION I — PRINCIPAL RESULTS

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

SUMMARY OF PRINCIPAL RESULTS

Item	Year Ended June 30	
	2008	2007
Benefit Trust Reserve		
• Active members reported to the actuary:		
– Number	160,801	159,222
– Annual salaries (adjusted for data lag)	\$ 8,303,280,000	\$ 7,980,873,000
– Average age (2007 adjusted)	41.8 years	41.7 years
– Average service (2007 adjusted)	10.1 years	10.0 years
• Number of inactives	104,934	99,309
• Retirees and beneficiaries in receipt of benefits:		
– Number	91,497	89,269
– Annual annuities (at June 30)	\$ 3,549,173,000	\$ 3,342,349,000
• Assets		
– Market value	\$ 38,430,723,000	\$ 41,909,318,000
• Pension benefit obligation*	\$ 68,632,367,000	\$ 65,648,395,000
• Unfunded pension benefit obligation	\$ 30,201,644,000	\$ 23,739,077,000
• Funded ratio:		
– Market value	56.0%	63.8%

- * The above PBOs include liability for expected retirements under the Modified ERO, and the 6/30/2007 PBO includes liability for fiscal year 2007 Pipeline ERO retirees reported to the actuary last year. The 6/30/2008 PBO also includes liability for late reported fiscal year 2007 Pipeline ERO retirees.

**SUMMARY OF PRINCIPAL RESULTS
(Continued)**

Item	Year Ended June 30	
	2008	2007
Benefit Trust Reserve (continued)	Fiscal Year <u>2010</u>	Fiscal Year <u>2009</u>
	PA 94-0004	PA 94-0004
• Employer cost under:		
– Percentage Rate (includes Federal and School Districts)	23.96%	17.66%
– Employer Contribution	\$ 2,217,053,000	\$ 1,556,737,000
– Less School Districts for 2.2% formula	(53,666,000)	(51,141,000)
– Less Federal Funds Contribution	<u>(75,719,000)</u>	<u>(55,707,000)</u>
– State Contribution	\$ 2,087,668,000	\$ 1,449,889,000
Guaranteed Minimum Annuity Reserve*		
• Retirees and disabilitants in receipt of benefits:		
– Number	1,736	1,891
– Annual annuities	\$ 1,805,000	\$ 2,001,000
– Pension benefit obligation	\$ 8,817,000	\$ 9,874,000
• State Contribution	\$ 1,600,000	\$ 1,900,000
Total State Contribution:		
• Benefit Trust Reserve	\$ 2,087,668,000	\$ 1,449,889,000
• Guaranteed Minimum Annuity Reserve	<u>1,600,000</u>	<u>1,900,000</u>
• Total State Contribution	\$ 2,089,268,000	\$ 1,451,789,000

Notes:

- * Notes: As the benefits from the Guaranteed Minimum Annuity Reserve are paid to members who are much older, on average, than the general pensioner population, and as separate mortality studies have not been performed for this special group, the fiscal year 2009 and 2010 State Contributions were adjusted to ensure payment of all required benefits as required by Statute.

Employer's contribution to Benefit Trust Reserve in fiscal year 2009, as shown in Schedules XIIA and XIII:

	<u>Certified Contribution**</u>
Common School Fund	\$ 1,449,889,000
School Districts for 2.2%	51,141,000
Federal Funds	<u>55,707,000</u>
Total	\$ 1,556,737,000

- ** State contribution amounts shown are the Board-certified amounts for FY 2009. The amount actually appropriated for 2009 is \$1,194,588,000; however, the balance of \$255,301,000 is expected to be collected through the authority to submit vouchers granted in 40 ILCS 5/16-158(b-1). Future Federal Funds and School Districts contributions are estimated.

2. The June 30, 2008 actuarial valuation was based on the latest membership data available, which were submitted by the System for (i) active and inactive members as of June 30, 2007, and (ii) retirees and beneficiaries in receipt of benefits as of June 30, 2008. Membership data for active and inactive members as of June 30, 2006, and for retirees and beneficiaries as of June 30, 2007 were used as the basis for the June 30, 2007 actuarial valuation. As part of the valuation procedure, actual salaries and member account balances reported for active members were increased by 4% to adjust for the one-year lag in the census information for active members.
3. The State contribution amount of \$2,089,268,000 shown as of June 30, 2008 is based on the provisions of PA 94-0004, as amended by PA 94-1057. This amount represents a Benefit Trust Reserve Contribution of \$2,087,688,000 and a Guaranteed Minimum Annuity Reserve Contribution of \$1,600,000 for a total contribution of \$2,089,268,000.
4. As stated above, at June 30, 2008 and June 30, 2007, we adjusted for the one year lag in reporting of the active membership by assuming that the population was stationary with regard to age and service and we increased by 4% reported payroll and member account balances. No further adjustments were made to the active membership data at June 30, 2008. However, even with the above adjustments, the reported June 30, 2006 active membership data was not a good proxy for the data at June 30, 2007 because the number of members retiring from active service in fiscal year 2007 exceeded those retiring from active service in fiscal year 2006 by a count of 1,625. This large difference in retirement experience between the two fiscal years meant that without further adjustments the active data that would normally be used for the June 30, 2007 valuation would hold too many older, high service teachers who are already included in the retiree liability, and including them in the active liability would overstate the total June 30, 2007 actuarial liability. As a result, we reviewed the actual fiscal year 2007 retirements, removed 1,625 retirement-eligible records from the active data and replaced these records with an equivalent number of new hire records.

5. The statistics for full-time, substitute, part-time, and hourly paid teachers for purposes of the June 30, 2008 valuation, based on the census information for active members as of June 30, 2007, (after salaries were increased to adjust for the one year lag in the census information for the June 30, 2008 data, as mentioned in paragraph 4 above) are as follows:

Active Member Statistics

Item	Full-time and Regular Part-Time	Substitutes, Part-Time, Hourly Paid on a Flexible or Limited Work Schedule	Total
Number	132,287	28,514	160,801
Annual salaries	\$ 8,163,840,000	\$ 139,440,000	\$ 8,303,280,000
Average age	41.8 years	41.8 years	41.8 years
Average service	11.9 years	1.7 years	10.1 years

SECTION II — FINANCING OBJECTIVE
AND EMPLOYER'S CONTRIBUTION RATE

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

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

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

On the basis of the current valuation and the funding policy of Section 16-158, the total fiscal year 2010 contribution rate payable to the Benefit Trust Reserve by all employers is equal to 23.96% of membership payroll. This is the required employer rate, including state contributions, federal funds contributions, and school district contributions for the 2.2% formula change.

On the basis of the funding policy described above, a projection of the contribution rates which are payable by the employer to the Benefit Trust Reserve indicates that the required rate is calculated to be at a level percentage in fiscal year 2010 and going forward subject to adjustments for the state maximum.

Schedule IA of the report shows the required contributions to the Benefit Trust Reserve and the Guaranteed Minimum Annuity Reserve for fiscal year 2010. Schedule IB shows the development of the 23.96% required employer contribution rate for the Benefit Trust Reserve for fiscal year 2010.

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

Fiscal Year	Gross Employer Rate (Before State Maximum and Without POBs) from Schedule XIV	Required Employer Rate (After State Maximum and With POBs) from Schedule XIII	State Rate (After State Maximum and With POBs) from Schedule XIIA
2010	27.44%	23.96%	23.38%
2011	27.44%	24.11%	23.53%
2012	27.44%	23.96%	23.38%
2013	27.44%	24.13%	23.55%
2014 - 2045	27.44%	24.22%	23.64%

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

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

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

SECTION III — CURRENT FINANCIAL POSITION

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

COMPARISON OF FUNDED STATUS

(dollars in millions)

Valuation Date	Assets at Net Market Value	Pension Benefit Obligation	Funded Status
June 30, 2008	\$ 38,431	\$ 68,632	56.0%
June 30, 2007	41,909	65,648	63.8%

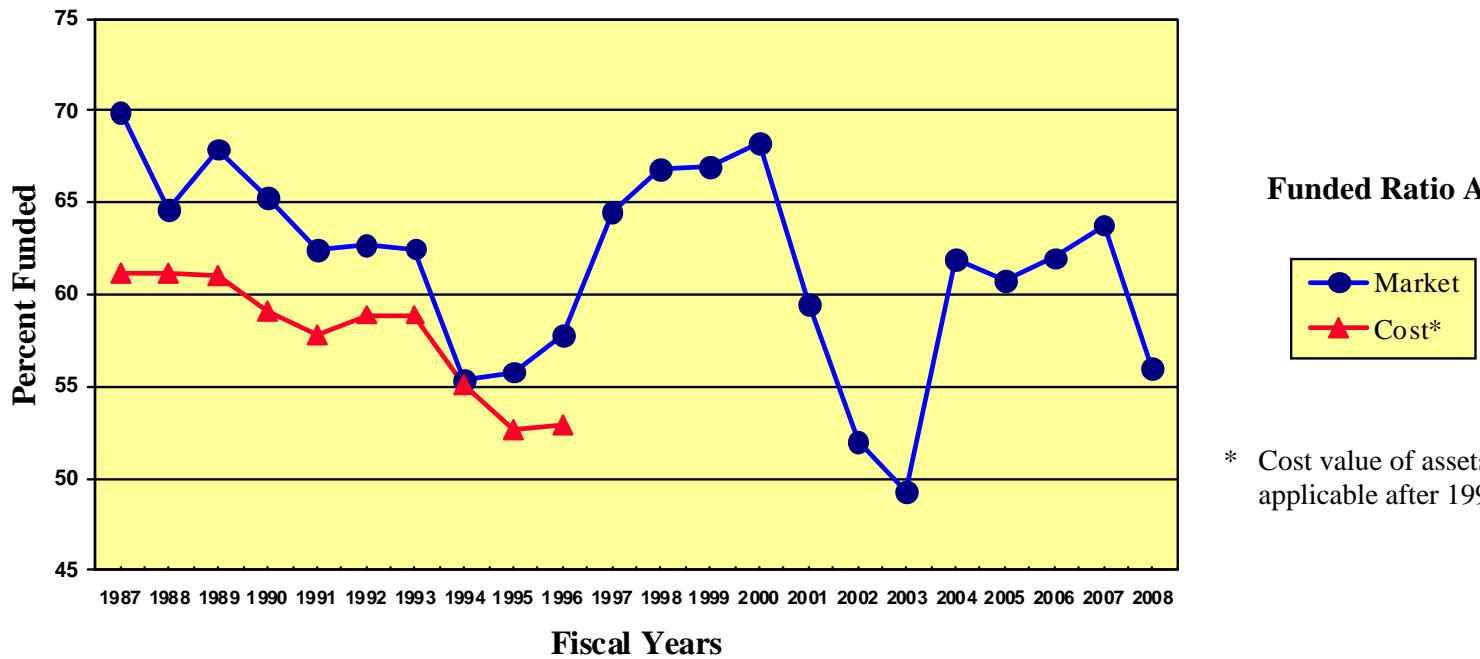
As can be seen from the table, the current funded status of the System is 56.0% as measured by the net market value of assets. The funded status on a market value basis has decreased 7.8 percentage points from the previous valuation.

In assessing the financial position of the System, it is important to review annually the trend line of the funded status. As can be seen from the chart on page 8, the funded status based on either book value or market value of assets declined significantly from 1987 to 1996. The major portion of the decline was due to the failure of the State to adhere to the prior funding provisions of Senate Bill 95 (Public Act 86-0273). In fact, the decline in the funded ratio of the System would have been greater had it not been for the average investment return of the System, which was greater than the 8% return expected during this period of underfunding by the State. The decline in the funded ratio that occurred during fiscal years 2001 through 2003, and 2008, is due to the rate of return of the market value of investments being less than the 8.5% expected.

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

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

FUNDED RATIO FISCAL YEARS 1987 – 2008



* Cost value of assets not applicable after 1996.

SECTION IV — GAINS AND LOSSES DURING YEAR

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

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

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

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

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

During the fiscal year ended June 30, 2008, there was a net actuarial loss of \$4,933 million incurred by the System due to demographic and economic experience when compared to the actuarial assumptions used to anticipate these factors.

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

(1) Gains due to salary increases less than expected	\$ (154) million
(2) Losses due to investment income less than expected	5,515
(3) Losses due to new entrants, for which no allowance is made in the assumptions	29
(4) Losses due to lower than expected mortality	3
(5) Losses due to fewer terminations than expected	33
(6) Losses due to repayments of refunded member contributions	33
(7) Losses due to ERO costs waived for those with 34 years of service	8
(8) Losses due to delayed reporting of retirements (effect on assets)	17
(9) Gains due to all other causes	<u>(551)</u>
Total net losses	\$ 4,933 million

The loss from item 2 is the difference between the actuarial expected earnings of \$3.500 billion and the actual investment return of \$(2.015) billion. The actuarial loss is equal to the expected earnings minus the actual investment return.

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

The cost shown in item 7 is for 30 late reported retirements under the pipeline Early Retirement Option (ERO). Under the ERO the early retirement reduction is eliminated in exchange for member and employer payments. The cost equals the excess of the increase in liability over the ERO payments received. The majority of the cost is for members who retired with 34 years of service, for which all pipeline ERO payments were waived. The pipeline ERO program ended on July 1, 2007, and has been replaced by the modified ERO program, under which there is no waiver of ERO payments. Required member and employer ERO contributions will cover the full cost of the modified ERO program.

The loss from item 8 is due to 616 retirements that occurred prior to July 1, 2007 and were not reported to the actuary until June 30, 2008 due to backdated retirement claims and TRS processing constraints. The actuarial loss is equal to the value of benefits paid prior to July 1, 2008 to these late reported retirees.

The "other cause" category (item 9) is the balancing item needed to complete the reconciliation and is mainly due to lower than expected retirement rates and actual cost of benefits earned during the year lower than projected.

SECTION V — MEMBERSHIP DATA

The June 30, 2008 actuarial valuation was based on the latest membership data available, which were submitted by the System for (i) active and inactive members as of June 30, 2007, and (ii) annuitants and survivor annuitants in receipt of benefits as of June 30, 2008. As part of the valuation procedure, annualized salaries and member account balances reported for active members were increased by 4% to adjust for the one year lag in the census information reported for active members.

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

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

Comparison of Membership Data

Data Item	Valuation June 30, 2008	Valuation June 30, 2007	Percentage Change
Active membership:			
• Full-time and regular part-time:			
➤ Number	132,287	130,867	1.1
➤ Annual Compensation	\$ 8,163,840,000	\$ 7,845,223,000	4.1
➤ Average Compensation	\$ 61,713	\$ 59,948	2.9
• Substitute, part-time, hourly paid (limited schedule)			
➤ Number	28,514	28,355	0.6
➤ Annual Compensation	\$ 139,440,000	\$ 135,650,000	2.8
➤ Average Compensation	\$ 4,890	\$ 4,784	2.2
• Total Number	160,801	159,222	1.0
Inactive Membership:			
• Eligible for deferred annuities	15,712	15,156	3.7
• Eligible for refunds or single sum benefits only	89,222	84,153	6.0
Annuitants (retirees, disabilitants and survivors):			
• Number	91,497	89,269	2.5
• Annual annuities	\$ 3,549,173,000	\$ 3,342,349,000	6.2
• Average annual annuities	\$ 38,790	\$ 37,441	3.6

Notes:

1. Rates of pay for individual teachers who were on full-time or regular part-time status at both June 30, 2007 and June 30, 2008 increased on average 6.49%, compared to the expected average increase of 7.08%.
2. The 6.0% increase in the number of inactive members eligible for refunds or single sum benefits only is due primarily to experience among substitutes and other members on a limited or flexible schedule.

SECTION VI — ASSETS

For valuation purposes, the actuarial value of assets is set equal to the market value of assets reported by the System. The actuarial value of assets as of June 30, 2008 amounted to \$38,430,723,000. This amount includes \$47,612,000 receivable from members for future payroll deduction contributions.

Assets are expected to earn 8.5% of market value. The actuarial loss on investments for the fiscal year ended June 30, 2008 is the difference between the actuarially expected earnings and the actual investment return. In fiscal year 2008, actuarially expected earnings of \$3.500 billion combined with the actual asset loss of \$2.015 billion equals the reported actuarial loss of \$5.515 billion.

During the fiscal year ended June 30, 2008, the actuarial investment rate of return was equal to (4.89) %, based on market value. This may be compared to the actuarial investment rate of return of 19.07% during the fiscal year ended June 30, 2007, also based on market value.

SECTION VII — ACTUARIAL ASSUMPTIONS AND METHODS

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

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

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

SECTION VIII — FINANCIAL RESULTS AND MEMBERSHIP DATA -

DETAILED SUMMARIES

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

SCHEDULE IA
EMPLOYER'S CONTRIBUTION RATES AND AMOUNTS
FISCAL YEAR 2010
(Based on June 30, 2008 Actuarial Valuation)

Reserve Fund	Year Ended June 30, 2010
• Benefit Trust Reserve:	
> Employer's Cost	\$ 2,217,053,000
> Less School Districts for 2.2% formula	(53,666,000)
> Less Federal Funds	<u>(75,719,000)</u>
> State Contribution	\$ 2,087,668,000
• Guaranteed Minimum Annuity Reserve	
> State Contribution	\$ 1,600,000
Total State Contribution	\$ 2,089,268,000

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

- (a) Employer's cost of \$2,217,053,000 is equivalent to a contribution rate of 23.96% of payroll based on an estimated membership payroll for fiscal year 2010 of \$9.253 billion.
- (b) Employer's cost is based on projection required by Section 16-158 summarized as follows:
- (i) Meet the cost of maintaining and administering the System on a 90% funded basis by June 30, 2045, with level percentage of payroll contributions after a 15 year phase-in beginning in fiscal year 1996.
 - (ii) Phase-in period requires employer's contribution rate to increase in equal annual increments to attain level percentage schedule in fiscal year 2010, except in the following State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll: 10.02% in FY1999; 10.77% in FY2000; 11.47% in FY2001; 12.16% in FY2002; 12.86% in FY2003; 13.56% in FY2004.
 - (iii) Commencing in FY2005, there are upper limits on the State contribution.
 - (iv) PA 94-0004 specifies the FY 2006 and FY 2007 State contribution amounts to TRS.
- (c) The FY 2010 state contribution rate is 23.38% of the estimated \$8.929 billion state payroll.

(2) Guaranteed Minimum Annuity Reserve

Above State contribution for fiscal year 2010 of \$1,600,000 for the Guaranteed Minimum Annuity Reserve is based on projection of benefit outgo from reserve funds in fiscal year 2010. As separate mortality studies have not been performed for the pensioners covered by this special reserve, the contribution has been adjusted to ensure payment of all benefits as required by Statute.

(3) Base Data

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

- (a) June 30, 2008 valuation data. New entrant profile per actuarial assumptions.
- (b) Employer's contribution to Benefit Trust Reserve in fiscal year 2009 as shown in Schedules XIA and XIII:

	<u>Certified Contribution</u>
Common School Fund	\$ 1,449,889,000
School Districts for 2.2%	51,141,000
Federal Funds	<u>55,707,000</u>
Total	\$ 1,556,737,000

- (c) Funds deposited July 2, 2003 under section 7.2(d) of the General Obligation Bond Act: \$4,330,374,000, and debt service schedule provided by the Office of Management and Budget.
- (4) State contribution amounts shown in (3) are the Board-certified amounts for FY 2009. The amount actually appropriated for 2009 is \$1,194,588,000; however, the balance of \$255,301,000 is expected to be collected through the authority to submit vouchers granted in 40 ILCS 5/16-158(b-1). Future Federal Funds and School Districts contributions are estimated.

SCHEDULE IB

**DETERMINATION OF EMPLOYER CONTRIBUTION UNDER PUBLIC ACT 94-0004
FISCAL YEAR 2010
(Based on June 30, 2008 Actuarial Valuation)**

Benefit Trust Reserve	Year Ended June 30, 2010	Percentage of Payroll (State, Federal, Total)	
(1) Assumed Payrolls			
➤ Total Payroll	\$ 9,252,805,000		
➤ Less Federal Funds Payroll	<u>(323,848,000)</u>		
➤ State Payroll	\$ 8,928,957,000		
(2) Employer contribution that would have been required without funds provided by Sec. 7.2(d) of General Obligation Bond Act			
➤ Employer's Cost	\$ 2,538,726,000	27.44%	Total
➤ Less School Districts under Sec. 16-158(e)	<u>(53,666,000)</u>	<u>(0.58)</u>	Total
➤ State and Federal Funds Contribution	\$ 2,485,060,000	26.86%	Total
➤ Less State Debt Service for TRS portion of all funds provided under Sec. 7.2 of General Obligation Bond Act	<u>(321,673,000)</u>	<u>(3.48)%</u>	Total
➤ Maximum State and Federal Funds Contribution under PA 94-0004	\$ 2,163,387,000	23.38%	Total
(3) Employer contribution recognizing all system assets, before limiting State and Federal Funds contribution			
➤ Employer's Cost	\$ 2,240,848,000	24.22%	Total
➤ Less School Districts under Sec. 16-158(e)	<u>(53,666,000)</u>	<u>(0.58)</u>	Total
➤ State and Federal Funds Contribution	\$ 2,187,182,000	23.64%	Total
(4) State and Federal Funds Contribution under PA 94-0004			
➤ Lesser of amounts under (2) and (3)	\$ 2,163,387,000	23.38%	Total
(5) Employer contribution under PA 94-0004			
➤ State Portion of (4), based on State Payroll	\$ 2,087,668,000	23.38%	State
➤ Plus Federal Portion of (4), based on Federal Payroll	<u>75,719,000</u>	<u>23.38</u>	Federal
➤ State and Federal Funds Contribution	\$ 2,163,387,000	23.38%	Total
➤ Plus School Districts under Sec. 16-158(e)	<u>53,666,000</u>	<u>0.58</u>	Total
➤ Employer's Cost	\$ 2,217,053,000	23.96%	Total

Notes:**(1) Assumed Payrolls**

The administrative staff of the System estimated Federal Funds payroll for the fiscal year ending June 30, 2010 would be 3.50% of total payroll. Federal Funds payroll was then projected to increase at the same rate as Total payroll for all subsequent fiscal years.

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

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

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

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

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

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

(5) Employer Contribution under Public Act 94-0004

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

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

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

Additional Information

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

(a) From Members:

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

(b) From School Districts:

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

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

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

SCHEDULE II**GASB 25 and 27 — REQUIRED SUPPLEMENTARY INFORMATION**

(\$ Thousands)

GASB 25 Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/1999	\$ 22,237,709	\$ 33,205,513	\$ 10,967,804	67.0%	\$ 5,698,117	192.5%
6/30/2000	24,481,413	35,886,404	11,404,991	68.2%	6,062,884	188.1%
6/30/2001	23,315,646	39,166,697	15,851,051	59.5%	6,430,612	246.5%
6/30/2002*	22,366,285	43,047,674	20,681,389	52.0%	6,785,236	304.8%
6/30/2003	23,124,823	46,933,432	23,808,609	49.3%	7,059,032	337.3%
6/30/2004	31,544,729	50,947,451	19,402,722	61.9%	7,280,795	266.5%
6/30/2005	34,085,218	56,075,029	21,989,811	60.8%	7,550,510	291.2%
6/30/2006	36,584,889	58,996,913	22,412,024	62.0%	7,765,752	288.6%
6/30/2007*	41,909,318	65,648,395	23,739,077	63.8%	8,149,849	291.3%
6/30/2008	38,430,723	68,632,367	30,201,644	56.0%	8,521,717	354.4%

GASB 25 Schedule of Employer Contributions			
Total Employer Contributions (State, Federal Funds, and School Districts)			
Actuarial Valuation Date	Funding Year Ended June 30	Annual Required Contribution	Percentage Contributed
6/30/1997 *	1999	\$ 932,909	64.7%
6/30/1998	2000	1,003,612	68.6%
6/30/1999	2001	1,102,441	70.6%
6/30/2000	2002	1,163,262	74.1%
6/30/2001	2003	1,427,519	68.0%
6/30/2002 *	2004	1,716,977	64.3%
6/30/2003	2005	1,683,212	58.7%
6/30/2004	2006	1,679,524	35.8%
6/30/2005	2007	2,052,396	39.8%
6/30/2006	2008	1,949,463	60.0%

GASB 27 Disclosure	
Development of Net Pension Obligations 6/30/2008	
Item	
1) Net Pension Obligation at 6/30/07	\$ 9,971,073
2) Annual Required Contribution (ARC) for the period 7/1/07 – 6/30/08	1,949,463
3) Interest on the NPO at 6/30/07	847,541
4) Adjustment to the ARC	522,602
5) Pension Cost (2) + (3) – (4)	2,274,402
6) Total Employer Contribution	1,169,773
7) Percent of Pension Cost Contributed (6) / (5)	51.4%
8) Change in NPO (5) – (6)	1,104,629
9) Net Pension Obligation at 6/30/08 (1) + (8)	\$ 11,075,702

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

Valuation date: 6/30/2008
Actuarial Cost Method: Projected Unit Credit
Amortization Method (for GASB disclosure): Level Percent Open
Remaining Amortization Period (for GASB disclosure): 30 years
Asset Valuation Method: Market

Actuarial Assumptions:

Investment Rate of Return: 8.5%
Projected Salary Increases: 6.0% – 11.1% composite approximates 7.0%
Includes Inflation at: 3.5%
Cost-of-Living Adjustments: 3.0%

* Revised economic and noneconomic assumptions due to experience review.

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

Item	Year Ended June 30	
	2008	2007
Unfunded pension benefit obligation at beginning of year	\$ 23,739,077	\$ 22,412,024
Additions (deductions)		
Employer cost in excess of contributions	1,529,701	1,739,187
Change in actuarial assumptions:		
Effective 6/30/2007, based on 2002-2006 experience review	--	2,410,756
Net additions (deductions)	1,529,701	4,149,943
Actuarial losses (gains) compared to assumptions		
Salary increases for continuing active members	(153,987)	149,682
Investment income ¹	5,514,988	(3,785,653)
New entrant loss	28,587	34,305
Mortality other than expected	3,079	34,848
Terminations other than expected	32,821	26,924
Repayments of refunded member contributions ²	33,390	35,889
ERO costs waived for those with 34 years of service ³	7,722	288,832
Delayed reporting of retirements (effect on assets) ⁴	17,066	7,276
Other ⁵	(550,800)	385,007
Net actuarial losses (gains)	4,932,866	(2,822,890)
Unfunded pension benefit obligation at end of year	\$ 30,201,644	\$ 23,739,077

¹ Assets are expected to earn 8.5% of market value. This item is the difference between the expected investment return and the actual investment return. For example, in fiscal year 2008, the expected earnings of \$3.500 billion was greater than the (\$2.015) billion actual return on assets, resulting in an actuarial gain which increased the unfunded pension benefit obligation by \$5.515 billion. In fiscal year 2007, the expected earnings of \$3.045 billion was less than the \$6.831 billion actual return on assets, resulting in an actuarial gain which reduced the unfunded pension benefit obligation by \$3.786 billion.

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

³ The 2008 ERO costs include retirements that occurred during FY 2007 but were not reported to the actuary until FY 2008.

⁴ 379 retirements that occurred prior to 7/1/2006 were not reported to the actuary until 6/30/2007. 616 retirements that occurred prior to 7/1/2007 were not reported to the actuary until 6/30/2008.

⁵ Other includes items such as:

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

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

Item	Year Ended June 30	
	2008	2007
• Employer normal cost	\$ 681,652	\$ 650,835
• Interest on unfunded pension benefit obligation at beginning of year	<u>2,017,822</u>	<u>1,905,022</u>
Total employer cost	\$ 2,699,474	\$ 2,555,857
• Employer contributions toward normal cost and interest on unfunded pension benefit obligation		
— State (excluding Minimum Benefit)	\$ 1,039,195	\$ 735,515
— School Districts for 2.2% and Salary Increase Cap and Modified ERO*	88,197	48,686
— Federal Funds	<u>42,381</u>	<u>32,469</u>
Total employer credits	\$ 1,169,773	\$ 816,670
• Employer cost in excess of contributions	\$ 1,529,701	\$ 1,739,187

* Contributions for Modified ERO in FY 2008 only.

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

Year Ended June 30	Pension Benefit Obligation	Net Assets* (Actuarial)	Unfunded Pension Benefit Obligation	Percentage Change in Unfunded
1999	\$ 33,205,513,000	\$ 22,237,709,000	\$ 10,967,804,000	10.31%
2000	35,886,404,000	24,481,413,000	11,404,991,000	3.99
2001	39,166,697,000	23,315,646,000	15,851,051,000	38.98
2002	43,047,674,000	22,366,285,000	20,681,389,000	30.47
2003	46,933,432,000	23,124,823,000	23,808,609,000	15.12
2004	50,947,451,000	31,544,729,000	19,402,722,000	(18.51)
2005	56,075,029,000	34,085,218,000	21,989,811,000	13.33
2006	58,996,913,000	36,584,889,000	22,412,024,000	1.92
2007	65,648,395,000	41,909,318,000	23,739,077,000	5.92
2008	68,632,367,000	38,430,723,000	30,201,644,000	27.22
Average Annual Change				12.88%

*Net assets are at fair market value.

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

Year Ended June 30	Pension Benefit Obligation	Net Assets* (Actuarial)	Funded Ratio
1999	\$ 33,205,513,000	\$ 22,237,709,000	67.0%
2000	35,886,404,000	24,481,413,000	68.2
2001	39,166,697,000	23,315,646,000	59.5
2002	43,047,674,000	22,366,285,000	52.0
2003	46,933,432,000	23,124,823,000	49.3
2004	50,947,451,000	31,544,729,000	61.9
2005	56,075,029,000	34,085,218,000	60.8
2006	58,996,913,000	36,584,889,000	62.0
2007	65,648,395,000	41,909,318,000	63.8
2008	68,632,367,000	38,430,723,000	56.0

* Net assets are at fair market value.

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

Year Ended June 30	Beginning of Year Market Value of Assets	Contributions		Market Value Income	Benefits and Expenses	End of Year Market Value of Assets
		Member	Employer			
1999	\$19,965,887,000	\$866,376,000	\$636,596,000	\$2,089,661,000	\$1,320,811,000	\$22,237,709,000
2000	22,237,709,000	619,623,000	730,597,000	2,336,218,000	1,442,734,000	24,481,413,000
2001	24,481,413,000	643,563,000	821,625,000	(1,015,254,000)	1,615,701,000	23,315,646,000
2002	23,315,646,000	681,152,000	907,358,000	(723,987,000)	1,813,884,000	22,366,285,000
2003	22,366,285,000	732,020,000	1,021,263,000	1,060,852,000	2,055,597,000	23,124,823,000
2004	23,124,823,000	768,661,000	5,489,426,000*	4,485,729,000	2,323,910,000	31,544,729,000
2005	31,544,729,000	761,790,000	1,055,562,000	3,330,039,000	2,606,902,000	34,085,218,000
2006	34,085,218,000	799,034,000	657,848,000	3,993,290,000	2,950,501,000	36,584,889,000
2007	36,584,889,000	826,249,000	853,586,000	6,831,325,000	3,186,731,000	41,909,318,000
2008	41,909,318,000	865,400,000	1,171,789,000	(2,014,414,000)	3,501,370,000	38,430,723,000

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

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

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

SCHEDULE VIII**MEMBERSHIP DATA****ACTIVE AND INACTIVE MEMBERSHIP OF SYSTEM
AS OF JUNE 30, 2007
USED IN JUNE 30, 2008 VALUATION**

Group	Number	Annual Salaries (Adjusted to Valuation Date)
Active members:		
Reported full-time and regular part-time*	132,287	\$ 8,163,839,910
Reported substitutes and hourly paid	<u>28,514</u>	<u>139,439,899</u>
Total	160,801	\$ 8,303,279,809
Inactives:	104,934	N/A

*Age and service also adjusted for 2008 valuation as explained on page 4.

**ANNUITANTS, DISABILITY BENEFIT RECIPIENTS,
AND SURVIVOR ANNUITANTS OF THE SYSTEM
AS OF JUNE 30, 2008
(Excluding Guaranteed Minimum Annuities)**

Class	Number	Annual Annuities At June 30
Retired on account of service:		
Regular	46,182	\$ 1,659,293,124
ERI	10,930	499,076,200
ERO	<u>24,660</u>	<u>1,234,698,194</u>
Total	81,772	\$ 3,393,067,518
Disability benefit recipients:		
Retirement allowance	777	\$ 17,269,799
Occupational	5	188,838
Temporary	<u>295</u>	<u>7,301,388</u>
Total	1,077	\$ 24,760,025
Survivor benefit recipients:		
Children	87	\$ 644,810
Survivor annuitants	8,383	126,198,891
Reversionary annuitants	<u>178</u>	<u>4,501,471</u>
Total	8,648	\$ 131,345,172
Grand Total	91,497	\$ 3,549,172,715

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

Census Date June 30	Number of Active Members	Percentage Change in Membership	Average Annual Salary	Percentage Change in Salary
1998	116,358	2.58%	\$ 47,375	3.23%
1999	119,324	2.55	48,877	3.17
2000	122,598	2.74	50,195	2.70
2001	125,044	2.00	51,720	3.04
2002	126,738	1.35	53,319	3.09
2003	128,140	1.11	55,466	4.03
2004	127,405	(0.57)	56,871	2.53
2005	126,798	(0.48)	58,715	3.24
2006	130,867	3.21	59,948	2.10
2007	132,287	1.09	61,713	2.94

Substitutes, Part-Time and Hourly-Paid

Census Date June 30	Number of Active Members	Percentage Change in Membership	Average Annual Salary	Percentage Change in Salary
1998	22,949	(0.15)%	\$ 3,874	8.55%
1999	23,573	2.72	4,072	5.11
2000	24,235	2.81	4,306	5.75
2001	24,778	2.24	4,532	5.25
2002	27,952	12.81	4,488	(0.97)
2003	29,645	6.06	4,587	2.21
2004	30,238	2.00	4,294	(6.39)
2005	29,148	(3.60)	4,636	7.96
2006	28,355	(2.72)	4,784	3.19
2007	28,514	0.56	4,890	2.22

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

Year Ended June 30	Number on Roll	Percentage Change in Membership
1999	60,308	2.00%
2000	62,107	2.98
2001	64,874	4.46
2002*	69,472	7.09
2003	73,336	5.56
2004	77,165	5.22
2005	82,491	6.90
2006	85,153	3.23
2007	89,269	4.83
2008	91,497	2.50

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

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

Benefit Payment Stream	
Fiscal Year	Guaranteed Minimum
2009	\$ 1,716,710
2010	1,543,030
2011	1,380,790
2012	1,230,070
2013	1,090,670
2014	962,320
2015	844,880
2016	738,090
2017	641,570
2018	554,900
2019	477,560
2020	408,940
2021	348,450
2022	295,450
2023	249,290
2024	209,350
2025	174,980
2026	145,590
2027	120,610
2028	99,490
2029	81,730
2030	66,850
2031	54,450
2032	44,150

Benefit Payment Stream	
Fiscal Year	Guaranteed Minimum
2033	\$ 35,620
2034	28,580
2035	22,780
2036	18,040
2037	14,160
2038	11,020
2039	8,480
2040	6,450
2041	4,830
2042	3,560
2043	2,580
2044	1,830
2045	1,270
2046	850
2047	560
2048	360
2049	220
2050	130
2051	70
2052	40
2053	20
2054	10
2055	-
2056	-

Notes:

- (1) Above benefit payment amounts were projected based on the mortality assumptions for the general pensioner population.
- (2) As separate mortality studies have not been performed for this special group, the fiscal 2010 State Contribution shown on the Summary of Principal Results has been adjusted to ensure payment of all required benefit amounts, as required by Statute.

SCHEDULE XIII

ITEMIZATION OF EMPLOYER CONTRIBUTION TO BENEFIT TRUST RESERVE

	Year Ended June 30	Assumed Payrolls			(A) School District Sec. 16-158(e) Contribution	Combined State and Federal Funds					(B) Required Federal Funds Contribution	(C) Required State Contribution
		Total	Federal Funds	State		Calculations Required by PA 94-0004			Required Amount	Required Rate		
						Formula Amount	Formula Rate	Maximum Amount				
CERTIFIED	1995	\$4,633,650,000				\$279,364,800	6.03%				\$16,500,000	\$262,864,800
	1996	4,863,544,432				341,276,242	7.02%				17,000,000	324,276,242
	1997	4,903,151,093				395,268,984	8.06%				17,300,000	377,968,984
	1998	5,264,732,966				478,439,267	9.09%				18,000,000	460,439,267
	1999	5,558,349,721			16,675,000	543,855,776	9.78%				18,500,000	567,067,600
	2000	5,887,080,405			34,145,066	617,359,480	10.49%				18,200,000	634,038,560
	2001	6,271,637,672			36,375,498	731,839,141	11.67%				20,000,000	719,356,841
	2002	6,666,272,399			38,664,380	821,265,118	12.32%				23,000,000	810,618,724
	2003	7,115,762,553			12,808,373	951,049,918	13.37%				25,000,000	926,049,918
	2004	7,345,674,585			42,604,912	1,056,658,994	14.38%				29,400,000	1,027,258,994
2005	7,669,150,690			44,481,074	1,199,246,349	15.64%	940,103,532	940,103,532	12.26%	37,860,000	902,243,532	
2006	7,871,835,902	340,850,495	7,530,985,407	45,656,648	555,898,087	7.06%	555,898,087	555,898,087	7.06%	24,070,387	531,827,700	
2007	7,939,262,146	422,368,746	7,516,893,399	46,047,720	776,842,522	9.78%	776,842,522	776,842,522	9.78%	41,328,022	735,514,500	
2008	8,293,518,065	364,914,795	7,928,603,270	48,102,405	1,106,016,254	13.34%	1,087,024,046	1,087,024,046	13.11%	47,829,058	1,039,194,988	
2009	8,817,486,572	326,247,003	8,491,239,569	51,141,422	1,505,595,846	17.08%	1,513,542,600	1,505,595,846	17.08%	55,707,046	1,449,888,800	
PROJECTED	2010	9,252,805,323	323,848,186	8,928,957,137	53,666,271	2,187,182,020	23.64%	2,163,387,015	2,163,387,015	23.38%	75,718,545	2,087,668,469
	2011	9,642,327,622	337,481,467	9,304,846,155	55,925,500	2,279,257,466	23.64%	2,268,978,920	2,268,978,920	23.53%	79,414,262	2,189,564,657
	2012	10,047,747,552	351,671,164	9,696,076,388	58,276,936	2,375,090,799	23.64%	2,349,324,484	2,349,324,484	23.38%	82,226,357	2,267,098,127
	2013	10,476,699,653	366,684,488	10,110,015,165	60,764,858	2,476,486,678	23.64%	2,466,748,975	2,466,748,975	23.55%	86,336,214	2,380,412,761
	2014	10,934,659,907	382,713,097	10,551,946,810	63,421,027	2,584,739,516	23.64%	2,592,023,473	2,584,739,516	23.64%	90,465,883	2,494,273,633
	2015	11,426,309,486	399,920,832	11,026,388,654	66,272,595	2,700,955,850	23.64%	2,726,405,215	2,700,955,850	23.64%	94,533,455	2,606,422,395
	2016	11,954,450,534	418,405,769	11,536,044,765	69,335,813	2,825,798,054	23.64%	2,870,646,786	2,825,798,054	23.64%	98,902,932	2,726,895,122
	2017	12,516,639,814	438,082,393	12,078,557,421	72,596,511	2,958,688,592	23.64%	3,009,415,355	2,958,688,592	23.64%	103,554,101	2,855,134,492
	2018	13,108,263,978	458,789,239	12,649,474,739	76,027,931	3,098,536,961	23.64%	3,156,732,942	3,098,536,961	23.64%	108,448,794	2,990,088,168
	2019	13,729,996,549	480,549,879	13,249,446,670	79,633,980	3,245,502,369	23.64%	3,312,780,437	3,245,502,369	23.64%	113,592,583	3,131,909,786
	2020	14,385,487,827	503,492,074	13,881,995,753	83,435,829	3,400,447,673	23.64%	3,464,364,605	3,400,447,673	23.64%	119,015,669	3,281,432,005

Notes:

- (1) The administrative staff of the System estimated the Federal Funds contribution for fiscal years prior to 2006. Commencing with the contribution for fiscal 2006, total payroll for the valuation is split into State and Federal Funds payrolls. Federal Funds payrolls for 2006 - 2009 were estimated to be 4.33%, 5.32%, 4.40%, and 3.70%, respectively, of total payrolls for those years. For 2010 the estimate is 3.50% of total payroll. All payrolls are assumed to increase at the same rate for years subsequent to 2010.
- (2) School District contributions included in this schedule for years subsequent to 2005 are expected to equal .58% of total payroll. Schedule excludes School District payments required by s. 16-128(d-10), 16-133.2; and 16-158(f).
- (3) Federal Funds and State contributions for years subsequent to 2005 are equal to each group's respective payroll multiplied by the Combined State and Federal Funds Required Rate.
- (4) Schedule excludes State ERI contributions of \$1,000,000 for 2004, and \$1,684,000 for 2005 (under Public Act 92-0056, as amended).
- (5) The sum of the amounts in Columns (A), (B), and (C) equals the Total Amount of Employer Contribution shown on Schedule XIII.

SCHEDULE XIII

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

Year Ended June 30	Assumed Payrolls			(A) School District Sec. 16-158(e) Contribution	Combined State and Federal Funds					(B) Required Federal Funds Contribution	(C) Required State Contribution
	Total	Federal Funds	State		Calculations Required by PA 94-0004			Required Amount	Required Rate		
					Formula Amount	Formula Rate	Maximum Amount				
2021	15,075,322,885	527,636,301	14,547,686,584	87,436,873	3,563,511,174	23.64%	3,626,637,311	3,563,511,174	23.64%	124,722,891	3,438,788,283
2022	15,800,876,958	553,030,694	15,247,846,264	91,645,086	3,735,017,952	23.64%	3,799,967,911	3,735,017,952	23.64%	130,725,628	3,604,292,324
2023	16,561,071,388	579,637,499	15,981,433,889	96,054,214	3,914,713,032	23.64%	3,984,066,703	3,914,713,032	23.64%	137,014,956	3,777,698,076
2024	17,351,864,395	607,315,254	16,744,549,141	100,640,813	4,101,641,016	23.64%	4,163,053,173	4,101,641,016	23.64%	143,557,436	3,958,083,581
2025	18,175,518,206	636,143,137	17,539,375,069	105,418,006	4,296,336,650	23.64%	4,353,461,711	4,296,336,650	23.64%	150,371,783	4,145,964,868
2026	19,031,527,183	666,103,451	18,365,423,732	110,382,858	4,498,680,413	23.64%	4,569,618,631	4,498,680,413	23.64%	157,453,814	4,341,226,599
2027	19,915,674,471	697,048,606	19,218,625,865	115,510,912	4,707,675,522	23.64%	4,794,841,850	4,707,675,522	23.64%	164,768,643	4,542,906,879
2028	20,827,683,269	728,968,914	20,098,714,355	120,800,563	4,923,256,546	23.64%	5,014,262,027	4,923,256,546	23.64%	172,313,979	4,750,942,567
2029	21,783,870,485	762,435,467	21,021,435,018	126,346,449	5,149,280,482	23.64%	5,247,810,999	5,149,280,482	23.64%	180,224,817	4,969,055,666
2030	22,782,601,368	797,391,048	21,985,210,320	132,139,088	5,385,360,910	23.64%	5,480,254,715	5,385,360,910	23.64%	188,487,632	5,196,873,278
2031	23,818,517,278	833,648,105	22,984,869,173	138,147,400	5,630,231,149	23.64%	5,725,703,530	5,630,231,149	23.64%	197,058,090	5,433,173,059
2032	24,889,639,616	871,137,387	24,018,502,229	144,359,910	5,883,423,498	23.64%	5,998,421,045	5,883,423,498	23.64%	205,919,823	5,677,503,675
2033	25,995,267,983	909,834,379	25,085,433,604	150,772,554	6,144,772,398	23.64%	6,297,464,606	6,144,772,398	23.64%	215,067,034	5,929,705,364
2034	27,145,460,548	950,091,119	26,195,369,429	157,443,671	6,416,655,401	23.64%	7,290,556,027	6,416,655,401	23.64%	224,582,939	6,192,072,462
2035	28,349,125,337	992,219,387	27,356,905,950	164,424,927	6,701,178,190	23.64%	7,613,828,700	6,701,178,190	23.64%	234,541,237	6,466,636,954
2036	29,610,539,243	1,036,368,873	28,574,170,370	171,741,128	6,999,351,741	23.64%	7,952,611,264	6,999,351,741	23.64%	244,977,311	6,754,374,430
2037	30,939,344,313	1,082,877,051	29,856,467,262	179,448,197	7,313,455,243	23.64%	8,309,493,322	7,313,455,243	23.64%	255,970,934	7,057,484,310
2038	32,329,998,191	1,131,549,937	31,198,448,254	187,513,990	7,642,178,592	23.64%	8,682,986,341	7,642,178,592	23.64%	267,476,251	7,374,702,341
2039	33,790,831,447	1,182,679,101	32,608,152,346	195,986,822	7,987,490,974	23.64%	9,075,327,694	7,987,490,974	23.64%	279,562,184	7,707,928,790
2040	35,349,432,845	1,237,230,150	34,112,202,695	205,026,711	8,355,913,828	23.64%	9,493,926,994	8,355,913,828	23.64%	292,456,984	8,063,456,844
2041	37,022,168,466	1,295,775,896	35,726,392,570	214,728,577	8,751,315,779	23.64%	9,943,179,743	8,751,315,779	23.64%	306,296,052	8,445,019,727
2042	38,786,714,381	1,357,535,003	37,429,179,378	224,962,943	9,168,419,886	23.64%	10,417,090,320	9,168,419,886	23.64%	320,894,696	8,847,525,190
2043	40,629,287,633	1,422,025,067	39,207,262,566	235,649,868	9,603,968,128	23.64%	10,911,956,985	9,603,968,128	23.64%	336,138,884	9,267,829,243
2044	42,546,698,395	1,489,134,444	41,057,563,951	246,770,851	10,057,206,491	23.64%	11,426,923,034	10,057,206,491	23.64%	352,002,227	9,705,204,264
2045	44,549,274,274	1,559,224,600	42,990,049,674	258,385,791	10,530,576,221	23.64%	11,964,762,192	10,530,576,221	23.64%	368,570,168	10,162,006,053
2046	46,644,961,755	1,632,573,661	45,012,388,094	270,540,778	4,434,826,444	9.51%	4,434,826,444	4,434,826,444	9.51%	155,218,926	4,279,607,519

Notes:

- (1) The administrative staff of the System estimated the Federal Funds contribution for fiscal years prior to 2006. Commencing with the contribution for fiscal 2006, total payroll for the valuation is split into State and Federal Funds payrolls. Federal Funds payrolls for 2006 - 2009 were estimated to be 4.33%, 5.32%, 4.40%, and 3.70%, respectively, of total payrolls for those years. For 2010 the estimate is 3.50% of total payroll. All payrolls are assumed to increase at the same rate for years subsequent to 2010.
- (2) School District contributions included in this schedule for years subsequent to 2005 are expected to equal .58% of total payroll. Schedule excludes School District payments required by s. 16-128(d-10), 16-133.2; and 16-158(f).
- (3) Federal Funds and State contributions for years subsequent to 2005 are equal to each group's respective payroll multiplied by the Combined State and Federal Funds Required Rate.
- (4) Schedule excludes State ERI contributions of \$1,000,000 for 2004, and \$1,684,000 for 2005 (under Public Act 92-0056, as amended).
- (5) The sum of the amounts in Columns (A), (B), and (C) equals the Total Amount of Employer Contribution shown on Schedule XIII.

SCHEDULE XIIB

ADDITIONAL DETAIL OF EMPLOYER CONTRIBUTION TO BENEFIT TRUST RESERVE

	Year Ended June 30	School District Contributions			Required Federal Funds Contribution	Required State Contribution	Total All Employers
		Sec.16-158(e) (2.2 Formula)	Sec.16-158(f) (Pay Increases)	Sec.16-133.2 (ERO)			
FROM PRE-2008 VALUATIONS	1995				\$16,500,000	\$262,864,800	\$279,364,800
	1996				17,000,000	324,276,242	341,276,242
	1997				17,300,000	377,968,984	395,268,984
	1998				18,000,000	460,439,267	478,439,267
	1999	16,675,000			18,500,000	567,067,600	602,242,600
	2000	34,145,066			18,200,000	634,038,560	686,383,626
	2001	36,375,498			20,000,000	719,356,841	775,732,339
	2002	38,664,380			23,000,000	810,618,724	872,283,104
	2003	12,808,373			25,000,000	926,049,918	963,858,291
	2004	42,604,912			29,400,000	1,028,258,994	1,100,263,906
	2005	44,481,074			37,860,000	903,927,532	986,268,606
	2006	45,656,648	14,974,781	See note(3)	24,070,387	531,827,700	616,529,516
	2007	46,047,720	19,353,893	160,339,640	41,328,022	735,514,500	1,002,583,775
2008	48,102,405	0	83,137,070	47,829,058	1,039,194,988	1,218,263,521	
2009	51,141,422	3,000,000	94,319,430	55,707,046	1,449,888,800	1,654,056,698	
PROJECTED	2010	53,666,271	3,000,000	89,212,140	75,718,545	2,087,668,469	2,309,265,426
	2011	55,925,500	4,000,000	84,580,150	79,414,262	2,189,564,657	2,413,484,570
	2012	58,276,936	5,000,000	82,460,070	82,226,357	2,267,098,127	2,495,061,490
	2013	60,764,858	5,000,000	76,059,280	86,336,214	2,380,412,761	2,608,573,113
	2014	63,421,027	6,277,100	69,671,260	90,465,883	2,494,273,633	2,724,108,903
	2015	66,272,595	5,997,680	64,777,680	94,533,455	2,606,422,395	2,838,003,805
	2016	69,335,813	5,771,740	62,111,330	98,902,932	2,726,895,122	2,963,016,937
	2017	72,596,511	5,705,660	65,807,940	103,554,101	2,855,134,492	3,102,798,703
	2018	76,027,931	5,891,700	73,666,190	108,448,794	2,990,088,168	3,254,122,782
	2019	79,633,980	6,132,330	79,607,010	113,592,583	3,131,909,786	3,410,875,689
	2020	83,435,829	6,317,140	82,413,440	119,015,669	3,281,432,005	3,572,614,082

Notes:

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

SCHEDULE XIIB

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

Year Ended June 30	School District Contributions				Required Federal Funds Contribution	Required State Contribution	Total All Employers
	Sec.16-158(e) (2.2 Formula)	Sec.16-158(f) (Pay Increases)	Sec.16-133.2 (ERO)	Total			
2021	87,436,873	6,539,900	86,537,050	180,513,823	124,722,891	3,438,788,283	3,744,024,997
2022	91,645,086	6,807,170	91,617,310	190,069,566	130,725,628	3,604,292,324	3,925,087,518
2023	96,054,214	7,228,660	101,910,140	205,193,014	137,014,956	3,777,698,076	4,119,906,046
2024	100,640,813	7,868,120	118,803,060	227,311,993	143,557,436	3,958,083,581	4,328,953,009
2025	105,418,006	8,496,140	129,866,210	243,780,356	150,371,783	4,145,964,868	4,540,117,006
2026	110,382,858	9,258,370	144,448,360	264,089,588	157,453,814	4,341,226,599	4,762,770,001
2027	115,510,912	10,254,780	165,478,560	291,244,252	164,768,643	4,542,906,879	4,998,919,774
2028	120,800,563	11,365,990	184,677,510	316,844,063	172,313,979	4,750,942,567	5,240,100,609
2029	126,346,449	11,866,820	176,569,040	314,782,309	180,224,817	4,969,055,666	5,464,062,791
2030	132,139,088	12,511,580	187,149,240	331,799,908	188,487,632	5,196,873,278	5,717,160,818
2031	138,147,400	13,468,670	199,393,440	351,009,510	197,058,090	5,433,173,059	5,981,240,659
2032	144,359,910	14,776,460	222,193,490	381,329,860	205,919,823	5,677,503,675	6,264,753,358
2033	150,772,554	16,281,340	241,557,540	408,611,434	215,067,034	5,929,705,364	6,553,383,832
2034	157,443,671	17,335,960	251,321,380	426,101,011	224,582,939	6,192,072,462	6,842,756,412
2035	164,424,927	18,115,350	253,001,630	435,541,907	234,541,237	6,466,636,954	7,136,720,097
2036	171,741,128	18,721,150	255,884,180	446,346,458	244,977,311	6,754,374,430	7,445,698,199
2037	179,448,197	19,717,420	261,428,030	460,593,647	255,970,934	7,057,484,310	7,774,048,890
2038	187,513,990	21,313,510	295,735,000	504,562,500	267,476,251	7,374,702,341	8,146,741,092
2039	195,986,822	22,149,520	303,507,190	521,643,532	279,562,184	7,707,928,790	8,509,134,506
2040	205,026,711	22,059,820	273,221,700	500,308,231	292,456,984	8,063,456,844	8,856,222,059
2041	214,728,577	21,021,540	208,823,650	444,573,767	306,296,052	8,445,019,727	9,195,889,546
2042	224,962,943	24,142,100	298,041,970	547,147,013	320,894,696	8,847,525,190	9,715,566,899
2043	235,649,868	28,385,230	312,566,280	576,601,378	336,138,884	9,267,829,243	10,180,569,506
2044	246,770,851	31,698,790	327,807,790	606,277,431	352,002,227	9,705,204,264	10,663,483,922
2045	258,385,791	33,512,010	341,979,820	633,877,621	368,570,168	10,162,006,053	11,164,453,842
2046	270,540,778	34,009,600	355,368,470	659,918,848	155,218,926	4,279,607,519	5,094,745,292

PROJECTED

Notes:

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

SCHEDULE XIII

**FISCAL YEAR 2010 EMPLOYER CONTRIBUTION BASED ON
50-YEAR PROJECTION FOR BENEFIT TRUST RESERVE
(50-YEAR AMORTIZATION WITH 15 YEAR PHASE-IN BEGINNING FISCAL YEAR 1996)**

	Year Ended June 30	Amort. Year	End of Year		Employer Rate (see notes)			Amount of Employer Contribution (see notes)			Assumed Payroll
			Funded Ratio	Unfunded Pension Benefit Obligation	Total	Normal Cost	Amortization	Total	Normal Cost	Amortization	
CERTIFIED	1995	0	52.7%	\$11,338,701,000	6.03%	8.12%	-2.09%	\$279,364,800	\$376,122,700	(\$96,757,900)	\$4,633,650,000
	1996	1	52.9%	12,312,083,000	7.02%	8.23%	-1.21%	341,276,242	400,134,055	(58,857,812)	4,863,544,432
	1997	2	64.5%	9,558,477,000	8.06%	8.21%	-0.15%	395,268,984	402,771,457	(7,502,473)	4,903,151,093
	1998	3	66.8%	9,942,354,000	9.09%	8.38%	0.70%	478,439,267	441,403,004	37,036,263	5,264,732,966
	1999	4	67.0%	10,967,804,000	10.83%	7.84%	2.99%	602,242,600	435,910,961	166,331,639	5,558,349,721
	2000	5	68.2%	11,404,991,000	11.66%	8.15%	3.51%	686,383,626	479,928,856	206,454,770	5,887,080,405
	2001	6	59.5%	15,851,051,000	12.37%	8.65%	3.71%	775,732,339	542,794,806	232,937,533	6,271,637,672
	2002	7	52.0%	20,681,389,000	13.09%	8.84%	4.25%	872,283,104	588,971,933	283,311,171	6,666,272,399
	2003	8	49.3%	23,808,609,000	13.55%	8.83%	4.71%	963,858,291	628,536,783	335,321,507	7,115,762,553
	2004	9	61.9%	19,402,722,000	14.96%	8.15%	6.82%	1,099,263,906	598,462,925	500,800,982	7,345,674,585
2005	10	60.8%	21,989,811,000	12.84%	8.32%	4.52%	984,584,606	637,971,250	346,613,356	7,669,150,690	
2006	11	62.0%	22,412,024,000	7.64%	8.20%	-0.56%	601,554,735	645,705,698	(44,150,963)	7,871,835,902	
2007	12	63.8%	23,739,077,000	10.36%	8.20%	2.17%	822,890,242	650,835,074	172,055,168	7,939,262,146	
2008	13	56.0%	30,201,644,000	13.69%	8.22%	5.47%	1,135,126,451	681,651,502	453,474,949	8,293,518,065	
2009	14	55.9%	31,874,760,200	17.66%	9.27%	8.39%	1,556,737,268	817,320,366	739,416,902	8,817,486,572	
PROJECTED	2010	15	56.6%	33,044,089,399	23.96%	9.15%	14.81%	2,217,053,286	846,936,893	1,370,116,393	9,252,805,323
	2011	16	57.2%	34,226,903,266	24.11%	8.98%	15.13%	2,324,904,420	866,199,075	1,458,705,344	9,642,327,622
	2012	17	57.8%	35,447,693,637	23.96%	8.81%	15.15%	2,407,601,420	885,537,987	1,522,063,433	10,047,747,552
	2013	18	58.3%	36,680,727,095	24.13%	8.67%	15.45%	2,527,513,833	908,675,437	1,618,838,396	10,476,699,653
	2014	19	58.9%	37,926,543,344	24.22%	8.54%	15.67%	2,648,160,543	934,180,639	1,713,979,904	10,934,659,907
	2015	20	59.4%	39,193,555,081	24.22%	8.45%	15.76%	2,767,228,445	965,900,052	1,801,328,394	11,426,309,486
	2016	21	59.9%	40,477,666,181	24.22%	8.39%	15.82%	2,895,133,867	1,003,372,721	1,891,761,146	11,954,450,534
	2017	22	60.4%	41,769,168,379	24.22%	8.35%	15.86%	3,031,285,103	1,045,552,289	1,985,732,814	12,516,639,814
	2018	23	61.0%	43,059,910,899	24.22%	8.32%	15.89%	3,174,564,892	1,091,039,943	2,083,524,950	13,108,263,978
	2019	24	61.6%	44,348,084,004	24.22%	8.30%	15.91%	3,325,136,349	1,140,042,601	2,185,093,747	13,729,996,549
	2020	25	62.2%	45,634,049,162	24.22%	8.30%	15.91%	3,483,883,502	1,194,469,999	2,289,413,503	14,385,487,827

Notes:

- (1) Above contributions to the Benefit Trust Reserve represent the sum of State and Federal Funds Contributions, as well as School District Contributions for the 2.2% formula (commencing in 1999). A breakdown of the total amounts by source is shown on Schedule XIIA. Sec. 16-158 requires calculations of State contribution amounts as shown in Schedule IB beginning in FY 2005.
- (2) The following employer contributions to the Benefit Trust Reserve were taken into account when determining the above schedule, but are not included in this schedule: (a) State ERI contributions of \$1,000,000 for fiscal year 2004 and \$1,684,000 for fiscal year 2005, which were made under a separate funding plan. (Beginning in fiscal year 2007, the cost of ERI is part of the 50-year funding plan, and included in this schedule); (b) School District Contributions to the Benefit Trust Reserve under Sec. 16-133.2 and 16-158(f), which are shown in Schedule XIIB; and (c) for FY 1999, additional State funding due to PA 90-0582, and \$9,695,600 in additional State Pensions Fund appropriations. No School District contributions are anticipated under Sec. 16-128(d-10).
- (3) Amortization rate in fiscal years 1995-1997 and 2006 is negative on account of the fact that contributions do not cover normal cost.
- (4) Employer Rates, Contribution Amounts, and Assumed Payroll shown for fiscal years 1995 - 2009 are based on the June 30, 1993 - June 30, 2007 actuarial valuations (2004 as recertified per PA 94-0004) and are certified amounts. Items shown for fiscal years subsequent to 2009 are based on the June 30, 2008 actuarial valuation and are projected rates and amounts.
- (5) Modified ERO retirements are recognized commencing with the June 30, 2005 actuarial liability, while FY 2006 and FY 2007 Pipeline ERO retirements are first recognized in the June 30, 2006, and June 30, 2007 accrued liabilities.
- (6) For calculation purposes, Employer Rates include 15 decimal places. For ease of presentation, only 2 decimal places are shown.
- (7) Assumptions and methodology:
 - Prior to 1997: Return on Investment = 8.00%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.00%. Assets at cost value.
 - For 1997 and after: Return on Investment = 8.50%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.50%. Assets at market value.

SCHEDULE XIII

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

PROJECTED

Year Ended June 30	Amort. Year	End of Year		Employer Rate (see notes)			Amount of Employer Contribution (see notes)			Assumed Payroll
		Funded Ratio	Unfunded Pension Benefit Obligation	Total	Normal Cost	Amortization	Total	Normal Cost	Amortization	
2021	26	62.8%	46,909,814,224	24.22%	8.30%	15.91%	3,650,948,047	1,251,749,063	2,399,198,984	15,075,322,885
2022	27	63.4%	48,170,551,335	24.22%	8.32%	15.89%	3,826,663,038	1,315,154,159	2,511,508,879	15,800,876,958
2023	28	64.1%	49,401,849,588	24.22%	8.33%	15.88%	4,010,767,246	1,380,083,518	2,630,683,728	16,561,071,388
2024	29	64.9%	50,590,451,014	24.22%	8.35%	15.86%	4,202,281,829	1,449,453,033	2,752,828,796	17,351,864,395
2025	30	65.7%	51,734,021,317	24.22%	8.37%	15.84%	4,401,754,656	1,521,890,398	2,879,864,258	18,175,518,206
2026	31	66.5%	52,816,792,386	24.22%	8.38%	15.83%	4,609,063,271	1,595,469,738	3,013,593,533	19,031,527,183
2027	32	67.4%	53,820,650,294	24.22%	8.38%	15.83%	4,823,186,434	1,669,590,445	3,153,595,989	19,915,674,471
2028	33	68.3%	54,735,321,185	24.22%	8.37%	15.84%	5,044,057,109	1,743,964,097	3,300,093,012	20,827,683,269
2029	34	69.2%	55,579,386,763	24.22%	8.37%	15.84%	5,275,626,931	1,824,028,507	3,451,598,425	21,783,870,485
2030	35	70.2%	56,316,224,030	24.22%	8.36%	15.85%	5,517,499,998	1,905,376,965	3,612,123,033	22,782,601,368
2031	36	71.2%	56,929,431,192	24.22%	8.35%	15.86%	5,768,378,549	1,989,631,853	3,778,746,696	23,818,517,278
2032	37	72.3%	57,386,904,094	24.22%	8.33%	15.88%	6,027,783,408	2,074,127,972	3,953,655,436	24,889,639,616
2033	38	73.3%	57,666,137,039	24.22%	8.29%	15.92%	6,295,544,952	2,155,865,177	4,139,679,775	25,995,267,983
2034	39	74.5%	57,754,163,269	24.22%	8.24%	15.97%	6,574,099,072	2,237,681,350	4,336,417,722	27,145,460,548
2035	40	75.6%	57,637,676,967	24.22%	8.20%	16.01%	6,865,603,117	2,325,563,381	4,540,039,736	28,349,125,337
2036	41	76.8%	57,288,758,588	24.22%	8.16%	16.05%	7,171,092,869	2,417,196,714	4,753,896,154	29,610,539,243
2037	42	78.1%	56,670,669,228	24.22%	8.13%	16.08%	7,492,903,440	2,516,389,236	4,976,514,205	30,939,344,313
2038	43	79.4%	55,704,595,082	24.22%	8.07%	16.14%	7,829,692,582	2,610,097,268	5,219,595,314	32,329,998,191
2039	44	80.7%	54,388,292,821	24.22%	8.03%	16.18%	8,183,477,796	2,714,518,365	5,468,959,431	33,790,831,447
2040	45	82.1%	52,729,802,811	24.22%	8.03%	16.18%	8,560,940,539	2,839,725,468	5,721,215,071	35,349,432,845
2041	46	83.5%	50,713,362,041	24.22%	8.03%	16.18%	8,966,044,356	2,974,101,314	5,991,943,042	37,022,168,466
2042	47	85.1%	48,125,629,152	24.22%	8.03%	16.18%	9,393,382,829	3,115,852,555	6,277,530,274	38,786,714,381
2043	48	86.6%	44,987,185,639	24.22%	8.03%	16.18%	9,839,617,996	3,263,871,965	6,575,746,030	40,629,287,633
2044	49	88.3%	41,238,974,606	24.22%	8.03%	16.18%	10,303,977,342	3,417,903,296	6,886,074,046	42,546,698,395
2045	50	90.0%	36,816,335,198	24.22%	8.03%	16.18%	10,788,962,012	3,578,776,194	7,210,185,818	44,549,274,274
2046	51	90.0%	38,513,188,548	10.09%	8.03%	2.05%	4,705,367,222	3,747,129,026	958,238,196	46,644,961,755

Notes:

- (1) Above contributions to the Benefit Trust Reserve represent the sum of State and Federal Funds Contributions, as well as School District Contributions for the 2.2% formula (commencing in 1999). A breakdown of the total amounts by source is shown on Schedule XIII. Sec. 16-158 requires calculations of State contribution amounts as shown in Schedule IB beginning in FY 2005.
- (2) The following employer contributions to the Benefit Trust Reserve were taken into account when determining the above schedule, but are not included in this schedule: (a) State ERI contributions of \$1,000,000 for fiscal year 2004 and \$1,684,000 for fiscal year 2005, which were made under a separate funding plan. (Beginning in fiscal year 2007, the cost of ERI is part of the 50-year funding plan, and included in this schedule); (b) School District Contributions to the Benefit Trust Reserve under Sec. 16-133.2 and 16-158(f), which are shown in Schedule XIIB; and (c) for FY 1999, additional State funding due to PA 90-0582, and \$9,695,600 in additional State Pensions Fund appropriations. No School District contributions are anticipated under Sec. 16-128(d-10).
- (3) Amortization rate in fiscal years 1995-1997 and 2006 is negative on account of the fact that contributions do not cover normal cost.
- (4) Employer Rates, Contribution Amounts, and Assumed Payroll shown for fiscal years 1995 - 2009 are based on the June 30, 1993 - June 30, 2007 actuarial valuations (2004 as recertified per PA 94-0004) and are certified amounts. Items shown for fiscal years subsequent to 2009 are based on the June 30, 2008 actuarial valuation and are projected rates and amounts.
- (5) Modified ERO retirements are recognized commencing with the June 30, 2005 actuarial liability, while FY 2006 and FY 2007 Pipeline ERO retirements are first recognized in the June 30, 2006, and June 30, 2007 accrued liabilities.
- (6) For calculation purposes, Employer Rates include 15 decimal places. For ease of presentation, only 2 decimal places are shown.
- (7) Assumptions and methodology:
 - Prior to 1997: Return on Investment = 8.00%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.00%. Assets at cost value.
 - For 1997 and after: Return on Investment = 8.50%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.50%. Assets at market value.

SCHEDULE XIV

**PROJECTION OF ASSETS, EMPLOYER, STATE AND FEDERAL FUNDS CONTRIBUTIONS WITHOUT PENSION OBLIGATION BONDS
STATE'S DEBT SERVICE ON PENSION OBLIGATION BONDS, AND STATE AND FEDERAL FUND MAXIMUMS
WITH PENSION OBLIGATION BONDS
JUNE 30, 2008 VALUATION**

Year Ended June 30	End of Year Assets Without POB	Total Assumed Payroll	Without POB				State's Debt Service	With POB
			Required Employer (including Sec. 16-158(e))		Required State and Federal Funds			State and Federal Funds Maximum (Required Amount Minus Debt Service)
			Amount	Rate	Amount	Rate		
2003	23,124,823,000	7,115,762,553	963,858,291	13.55%	951,049,918	13.37%		
2004	26,501,701,000	7,345,674,585	1,099,263,906	14.96%	1,056,658,994	14.38%		
2005	28,812,420,000	7,669,150,690	1,278,235,766	16.67%	1,233,754,692	16.09%	293,651,160	
2006	30,991,751,000	7,871,835,902	895,205,895	11.37%	849,549,247	10.79%	293,651,160	
2007	35,571,482,266	7,939,262,146	1,116,541,402	14.06%	1,070,493,682	13.48%	293,651,160	
2008	32,718,344,000	8,293,518,065	1,458,367,611	17.58%	1,410,265,206	17.00%	323,241,160	
2009	34,578,973,676	8,817,486,572	1,887,185,432	21.40%	1,836,044,010	20.82%	322,501,410	
2010	37,039,867,444	9,252,805,323	2,538,726,176	27.44%	2,485,059,905	26.86%	321,672,890	2,163,387,015
2011	39,567,248,892	9,642,327,622	2,645,600,840	27.44%	2,589,675,340	26.86%	320,696,420	2,268,978,920
2012	42,162,587,675	10,047,747,552	2,756,837,395	27.44%	2,698,560,459	26.86%	349,235,975	2,349,324,484
2013	44,823,012,307	10,476,699,653	2,874,530,558	27.44%	2,813,765,700	26.86%	347,016,725	2,466,748,975
2014	47,563,165,053	10,934,659,907	3,000,182,795	27.44%	2,936,761,768	26.86%	344,738,295	2,592,023,473
2015	50,406,868,428	11,426,309,486	3,135,078,495	27.44%	3,068,805,900	26.86%	342,400,685	2,726,405,215
2016	53,381,453,117	11,954,450,534	3,279,986,494	27.44%	3,210,650,681	26.86%	340,003,895	2,870,646,786
2017	56,519,503,842	12,516,639,814	3,434,236,431	27.44%	3,361,639,920	26.86%	352,224,565	3,009,415,355
2018	59,847,367,605	13,108,263,978	3,596,562,526	27.44%	3,520,534,595	26.86%	363,801,653	3,156,732,942
2019	63,381,929,628	13,729,996,549	3,767,149,575	27.44%	3,687,515,595	26.86%	374,735,158	3,312,780,437
2020	67,144,280,961	14,385,487,827	3,946,999,124	27.44%	3,863,563,295	26.86%	399,198,690	3,464,364,605

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

SCHEDULE XIV

**PROJECTION OF ASSETS, EMPLOYER, STATE AND FEDERAL FUNDS CONTRIBUTIONS WITHOUT PENSION OBLIGATION BONDS
STATE'S DEBT SERVICE ON PENSION OBLIGATION BONDS, AND STATE AND FEDERAL FUND MAXIMUMS
JUNE 30, 2008 VALUATION
(Continued)**

Year Ended June 30	End of Year Assets Without POB	Total Assumed Payroll	Without POB				State's Debt Service	With POB
			Required Employer (Including Sec. 16-158(e))		Required State and Federal Funds			State and Federal Funds Maximum (Required Amount Minus Debt Service)
			Amount	Rate	Amount	Rate		
2021	71,164,957,575	15,075,322,885	4,136,271,702	27.44%	4,048,834,829	26.86%	422,197,518	3,626,637,311
2022	75,476,227,661	15,800,876,958	4,335,344,637	27.44%	4,243,699,551	26.86%	443,731,640	3,799,967,911
2023	80,112,020,898	16,561,071,388	4,543,921,975	27.44%	4,447,867,761	26.86%	463,801,058	3,984,066,703
2024	85,105,438,523	17,351,864,395	4,760,894,756	27.44%	4,660,253,943	26.86%	497,200,770	4,163,053,173
2025	90,477,893,217	18,175,518,206	4,986,883,677	27.44%	4,881,465,671	26.86%	528,003,960	4,353,461,711
2026	96,262,667,089	19,031,527,183	5,221,750,004	27.44%	5,111,367,146	26.86%	541,748,515	4,569,618,631
2027	102,489,213,416	19,915,674,471	5,464,336,742	27.44%	5,348,825,830	26.86%	553,983,980	4,794,841,850
2028	109,171,946,043	20,827,683,269	5,714,567,945	27.44%	5,593,767,382	26.86%	579,505,355	5,014,262,027
2029	116,314,226,984	21,783,870,485	5,976,920,543	27.44%	5,850,574,094	26.86%	602,763,095	5,247,810,999
2030	123,974,497,908	22,782,601,368	6,250,946,003	27.44%	6,118,806,915	26.86%	638,552,200	5,480,254,715
2031	132,185,893,225	23,818,517,278	6,535,174,055	27.44%	6,397,026,655	26.86%	671,323,125	5,725,703,530
2032	140,986,127,847	24,889,639,616	6,829,061,825	27.44%	6,684,701,915	26.86%	686,280,870	5,998,421,045
2033	150,392,883,005	25,995,267,983	7,132,417,140	27.44%	6,981,644,586	26.86%	684,179,980	6,297,464,606
2034	160,424,916,071	27,145,460,548	7,447,999,698	27.44%	7,290,556,027	26.86%	-	7,290,556,027
2035	171,121,405,019	28,349,125,337	7,778,253,627	27.44%	7,613,828,700	26.86%	-	7,613,828,700
2036	182,541,254,038	29,610,539,243	8,124,352,392	27.44%	7,952,611,264	26.86%	-	7,952,611,264
2037	194,754,936,930	30,939,344,313	8,488,941,519	27.44%	8,309,493,322	26.86%	-	8,309,493,322
2038	207,844,167,010	32,329,998,191	8,870,500,331	27.44%	8,682,986,341	26.86%	-	8,682,986,341
2039	221,849,372,346	33,790,831,447	9,271,314,516	27.44%	9,075,327,694	26.86%	-	9,075,327,694
2040	236,822,064,797	35,349,432,845	9,698,953,705	27.44%	9,493,926,994	26.86%	-	9,493,926,994
2041	252,879,902,784	37,022,168,466	10,157,908,320	27.44%	9,943,179,743	26.86%	-	9,943,179,743
2042	270,306,398,479	38,786,714,381	10,642,053,263	27.44%	10,417,090,320	26.86%	-	10,417,090,320
2043	289,118,567,848	40,629,287,633	11,147,606,853	27.44%	10,911,956,985	26.86%	-	10,911,956,985
2044	309,422,247,556	42,546,698,395	11,673,693,885	27.44%	11,426,923,034	26.86%	-	11,426,923,034
2045	331,347,016,781	44,549,274,274	12,223,147,983	27.44%	11,964,762,192	26.86%	-	11,964,762,192
2046	346,618,696,928	46,644,961,755	4,705,367,222	10.09%	4,434,826,444	9.51%	-	4,434,826,444

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

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

Year Ended June 30	End of Year			
	Pension Benefit Obligation	Value of Assets	Unfunded Pension Benefit Obligation	Funded Ratio
1995	\$ 23,980,566,000	\$ 12,641,865,000	\$ 11,338,701,000	52.7%
1996	26,141,794,000	13,829,711,000	12,312,083,000	52.9%
1997	26,951,585,000	17,393,108,000	9,558,477,000	64.5%
1998	29,908,241,000	19,965,887,000	9,942,354,000	66.8%
1999	33,205,513,000	22,237,709,000	10,967,804,000	67.0%
2000	35,886,404,000	24,481,413,000	11,404,991,000	68.2%
2001	39,166,697,000	23,315,646,000	15,851,051,000	59.5%
2002	43,047,674,000	22,366,285,000	20,681,389,000	52.0%
2003	46,933,432,000	23,124,823,000	23,808,609,000	49.3%
2004	50,947,451,000	31,544,729,000	19,402,722,000	61.9%
2005	56,075,029,000	34,085,218,000	21,989,811,000	60.8%
2006	58,996,913,000	36,584,889,000	22,412,024,000	62.0%
2007	65,648,395,000	41,909,318,000	23,739,077,000	63.8%
2008	68,632,367,000	38,430,723,000	30,201,644,000	56.0%
2009	72,307,459,439	40,432,699,240	31,874,760,200	55.9%
2010	76,100,183,875	43,056,094,476	33,044,089,399	56.6%
2011	79,987,710,406	45,760,807,141	34,226,903,266	57.2%
2012	83,966,516,180	48,518,822,542	35,447,693,637	57.8%
2013	88,038,790,046	51,358,062,950	36,680,727,095	58.3%
2014	92,213,560,234	54,287,016,890	37,926,543,344	58.9%
2015	96,512,637,878	57,319,082,797	39,193,555,081	59.4%
2016	100,957,996,564	60,480,330,383	40,477,666,181	59.9%
2017	105,571,226,520	63,802,058,141	41,769,168,379	60.4%
2018	110,369,283,118	67,309,372,219	43,059,910,899	61.0%
2019	115,365,872,928	71,017,788,924	44,348,084,004	61.6%
2020	120,580,840,792	74,946,791,630	45,634,049,162	62.2%

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

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

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

Year Ended June 30	End of Year			
	Pension Benefit Obligation	Value of Assets	Unfunded Pension Benefit Obligation	Funded Ratio
2021	126,034,966,579	79,125,152,355	46,909,814,224	62.8%
2022	131,753,730,622	83,583,179,287	48,170,551,335	63.4%
2023	137,754,561,264	88,352,711,676	49,401,849,588	64.1%
2024	144,055,169,186	93,464,718,172	50,590,451,014	64.9%
2025	150,672,243,062	98,938,221,745	51,734,021,317	65.7%
2026	157,620,721,004	104,803,928,618	52,816,792,386	66.5%
2027	164,909,288,938	111,088,638,644	53,820,650,294	67.4%
2028	172,539,217,162	117,803,895,977	54,735,321,185	68.3%
2029	180,528,788,624	124,949,401,861	55,579,386,763	69.2%
2030	188,895,904,872	132,579,680,842	56,316,224,030	70.2%
2031	197,653,228,142	140,723,796,950	56,929,431,192	71.2%
2032	206,802,019,175	149,415,115,080	57,386,904,094	72.3%
2033	216,332,757,225	158,666,620,187	57,666,137,039	73.3%
2034	226,245,800,161	168,491,636,891	57,754,163,269	74.5%
2035	236,560,826,885	178,923,149,917	57,637,676,967	75.6%
2036	247,301,958,946	190,013,200,358	57,288,758,588	76.8%
2037	258,495,161,451	201,824,492,223	56,670,669,228	78.1%
2038	270,135,089,541	214,430,494,459	55,704,595,082	79.4%
2039	282,250,703,462	227,862,410,641	54,388,292,821	80.7%
2040	294,890,621,711	242,160,818,899	52,729,802,811	82.1%
2041	308,144,327,793	257,430,965,753	50,713,362,041	83.5%
2042	322,069,274,206	273,943,645,054	48,125,629,152	85.1%
2043	336,689,721,229	291,702,535,590	44,987,185,639	86.6%
2044	352,038,084,754	310,799,110,148	41,238,974,606	88.3%
2045	368,163,351,979	331,347,016,780	36,816,335,198	90.0%
2046	385,131,885,475	346,618,696,927	38,513,188,548	90.0%

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

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

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

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

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

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

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

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

** Beginning July 1, 2007, projected mortality improvements are phased in over four years with the Society of Actuaries Mortality Projection Scale AA.

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

The salary increase assumption includes the following components:

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

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

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

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

Notes:

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

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

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

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

DEATH AFTER RETIREMENT: For annuitants, the 1995 George B. Buck Mortality Tables projected 16 years for males and one year for females as of June 30, 2007. For beneficiaries, the 1995 George B Buck Mortality Tables projected one year for both males and females, then rated forward two years for males and forward one year for females as of June 30, 2007. Additional mortality improvements projected with scale AA are phased in over the four period following June 30, 2007. For the period after disability retirement, the Pension Benefit Guaranty Corporation rates for male disabled lives not necessarily receiving Social Security benefits, rated forward five years for males and rated back two years for females, but not less than the rate at age 65 (after the setforward or setback). (Disabled mortality assumption adopted effective June 30, 1997.)

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

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

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

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

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

Before Adjustment for Section 16-158(f)

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

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

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

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

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

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

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

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

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

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

NEW MEMBER PROFILE

Distribution of New Entrants is as follows:

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

Service Credit Earned in Each Future Year:

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

NEW MEMBER PROFILE (continued)

Projected Annual Rate of Pay at 6/30/2008*
(for one year of service credit)

Age Group	Full Time/Part Time			Hourly/Substitute		
	Males	Females	Total	Males	Females	Total
20-24	\$ 37,931	\$ 37,708	\$ 37,931	\$ 16,219	\$ 16,488	\$ 37,931
25-29	41,294	41,247	41,294	16,385	15,789	41,294
30-34	44,514	43,796	44,514	17,443	16,043	44,514
35-39	46,083	44,643	46,083	15,904	15,403	46,083
40-44	46,181	43,370	46,181	16,339	15,532	46,181
45-49	45,262	43,622	45,262	16,982	15,804	45,262
50-54	49,909	48,540	49,909	16,293	15,903	49,909
55-59	59,445	54,664	59,445	16,500	15,884	59,445
60-64	56,518	53,577	56,518	16,530	15,740	56,518
65-69	-	-	-	16,324	15,494	-
70	-	-	-	15,571	15,746	-
Average	\$ 45,384	\$ 41,382	\$ 42,271	\$ 16,458	\$ 15,964	\$ 16,106

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

PENSION BENEFIT OBLIGATION: The actuarial accrued liability (AAL) of the System was determined using the projected unit-credit actuarial cost method, and the AAL is equivalent to the Government Accounting Standards Board (GASB) Statement No. 5 pension benefit obligation (PBO). PBO is a measure of the actuarial present value (APV) as of the valuation date of credited projected benefits prorated on service, including an adjustment for the effects of projected salary increases estimated to be payable in the future. Significant actuarial assumptions used to determine the PBO as of June 30, 2008 include the following:

- (1) An assumed rate of return on the investment of present and future assets of 8.5% per annum, compounded annually.
- (2) Assumed projected annual salary increases ranging from 11.1% at age 20 to 6.0% at age 69, which reflect an allowance for inflation and merit or seniority increases.
- (3) Automatic annual post-retirement benefit increases equal to 3% of the member's current benefit.

SECTION X — SUMMARY OF
BENEFIT AND CONTRIBUTION PROVISIONS

MEMBERSHIP

Employers of the System include:

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

Employees covered under the System include:

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

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

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

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

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

BENEFITS

Normal Retirement

Eligibility Age 60 with 10 years of service, or age 62 with 5 years of service.

Amount For a person who first became a teacher before July 1, 2005, the annual benefit amount is the greatest of (i), (ii) and (iii) below. For a person who first became a teacher on or after July 1, 2005, the annual benefit amount is the greater of (i) and (ii) below.

- (i) For service earned before July 1, 1998, 1.67% of final average salary for each of the first 10 years of creditable service, plus 1.90% of final average

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

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

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

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

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

Automatic Postretirement
Cost-of-Living Adjustment

Eligibility

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

Amount

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

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

Early Retirement

Eligibility

Age 55 with 20 years of service.

Amount

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

Early Retirement Incentive for State Employees

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

Early Retirement Option

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

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

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

The multiple of salary to be contributed by the member equals the member rate times the lesser of the following two periods: (a) the number of years (including fractional

years) that the member is less than age 60; or (b) the number of years (including fractional years) that the member's creditable service is less than 35 years.

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

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

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

Rule of 85 for
State Employees

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

Single Sum Benefit

Eligibility

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

Amount

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

Temporary Disability Benefit

Eligibility

3 years of credited service.

Amount

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

member requests termination of the benefit, (3) when the period for which payments have been made equals one-fourth the period of creditable service, or (4) the member is gainfully employed or able to be gainfully employed.

Disability Retirement Annuity

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

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

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

Occupational Disability

Eligibility Totally and immediately incapacitated for the performance of duty.

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

Deferred Vested Benefits

Eligibility 5 years of service.

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

Reversionary Retirement Annuity

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

retirement monthly annuity to which the member is entitled.

Refund of Contributions

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

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

Death Benefit

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

Survivor Benefit

Types of Beneficiaries

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

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

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

Member Contributions Beginning July 1, 2005, each member contributes an additional 0.4% of pay "career ERO contribution," bringing the total contribution to 9.4%. This contribution requirement shall cease if the Early Retirement Option program ends.

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

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

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

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

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

Every new benefit increase must have an identified funding source whose adequacy is verified and periodically confirmed by the Commission on Government Forecasting and Accountability (CGFA).

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

Sick Leave Service Accruals:

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

SECTION XI — DETAILED TABULATIONS OF DATA

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EXHIBIT

ACTIVE MEMBERSHIP

**NUMBER AS OF JUNE 30, 2007 AND
AVERAGE ANNUAL SALARY PROJECTED TO JUNE 30, 2008**

Age	Full - Time and Regular Part - Time Members Years of Service										Substitutes	Grand Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total			
Under 25	5,084										5,084	3,376	8,460
	\$ 39,258										\$ 39,258	\$ 4,612	\$ 25,432
25-29	14,741	6,058	1								20,800	4,004	24,804
	\$ 44,086	\$ 51,400	\$ 59,800								\$ 46,217	\$ 4,747	\$ 39,522
30-34	5,595	11,362	2,757								19,714	2,377	22,091
	\$ 46,818	\$ 55,046	\$ 62,862								\$ 53,804	\$ 4,432	\$ 48,491
35-39	3,189	4,932	7,392	1,938							17,451	2,831	20,282
	\$ 47,279	\$ 56,349	\$ 65,228	\$ 70,763							\$ 60,053	\$ 4,521	\$ 52,302
40-44	2,506	2,880	3,047	4,241	1,526						14,200	4,091	18,291
	\$ 46,445	\$ 56,110	\$ 66,135	\$ 73,623	\$ 79,399						\$ 64,289	\$ 4,489	\$ 50,914
45-49	2,165	2,901	2,594	2,428	3,512	1,596	1				15,197	3,534	18,731
	\$ 46,883	\$ 55,396	\$ 63,976	\$ 72,635	\$ 79,134	\$ 81,404	\$ 93,231				\$ 66,622	\$ 5,088	\$ 55,012
50-54	1,503	2,532	2,839	2,628	2,511	4,725	3,043				19,781	3,164	22,945
	\$ 49,747	\$ 56,909	\$ 65,456	\$ 71,843	\$ 78,711	\$ 83,609	\$ 87,775				\$ 73,469	\$ 5,533	\$ 64,101
55-59	821	1,591	2,227	2,748	2,391	2,210	3,085	514			15,587	2,745	18,332
	\$ 54,990	\$ 59,604	\$ 66,253	\$ 72,853	\$ 78,928	\$ 83,899	\$ 87,069	\$ 90,738			\$ 75,518	\$ 5,667	\$ 65,059
60-64	251	455	610	700	603	528	372	299	65		3,883	1,492	5,375
	\$ 57,051	\$ 60,818	\$ 67,514	\$ 74,497	\$ 80,803	\$ 84,594	\$ 88,315	\$ 89,953	\$ 85,685		\$ 75,723	\$ 5,259	\$ 56,163
Over 64	55	64	63	99	77	80	50	27	75		590	900	1,490
	\$ 54,238	\$ 65,666	\$ 68,149	\$ 73,093	\$ 77,603	\$ 77,965	\$ 84,768	\$ 91,278	\$ 91,554		\$ 75,419	\$ 4,749	\$ 32,733
Total	35,910	32,775	21,530	14,782	10,620	9,139	6,551	840	140		132,287	28,514	160,801
	\$ 45,037	\$ 55,159	\$ 65,112	\$ 72,664	\$ 79,110	\$ 83,302	\$ 87,451	\$ 90,476	\$ 88,829		\$ 61,713	\$ 4,890	\$ 51,637

The data shown in this exhibit was further adjusted to better represent the true active full-time and part-time membership as of 6/30/2007 as explained in item 2 of Section I - Principal Results.

TABLE 1
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JUNE 30, 2007
WITH SALARIES PROJECTED TO JUNE 30, 2008
(FULL TIME AND REGULAR PART TIME)

Age	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
19			1	25,028	1	25,028
20			1	36,227	1	36,227
21	1	33,036	11	353,308	12	386,343
22	50	1,747,727	295	10,493,830	345	12,241,557
23	248	9,823,541	1,404	53,340,067	1,652	63,163,609
24	561	23,394,459	2,512	100,338,388	3,073	123,732,847
25	712	31,143,912	3,041	126,725,951	3,753	157,869,863
26	799	36,768,721	3,265	142,999,455	4,064	179,768,176
27	968	46,719,171	3,476	158,711,543	4,444	205,430,714
28	920	46,956,672	3,338	157,375,636	4,258	204,332,309
29	988	53,025,337	3,293	160,881,328	4,281	213,906,664
30	1,109	62,059,925	3,349	166,042,782	4,458	228,102,707
31	1,077	62,209,017	2,914	147,001,504	3,991	209,210,521
32	1,042	62,572,132	2,969	154,362,444	4,011	216,934,576
33	1,044	64,663,042	2,658	140,855,594	3,702	205,518,636
34	972	63,400,482	2,580	137,518,186	3,552	200,918,668
35	1,019	67,195,709	2,581	142,291,972	3,600	209,487,681
36	1,047	71,042,382	2,718	151,297,033	3,765	222,339,415
37	986	67,996,026	2,660	149,721,158	3,646	217,717,184
38	967	71,348,630	2,403	137,104,495	3,370	208,453,125
39	868	62,564,379	2,202	127,428,430	3,070	189,992,810
40	805	59,348,610	2,180	128,101,375	2,985	187,449,986
41	782	58,486,018	2,056	123,309,603	2,838	181,795,622
42	742	55,540,606	1,975	119,548,963	2,717	175,089,569
43	697	52,215,859	1,553	131,533,357	2,850	183,749,215
44	713	54,822,732	2,097	129,990,813	2,810	184,813,546
45	700	55,324,530	2,276	139,586,755	2,976	194,911,285
46	665	52,689,485	2,285	142,352,367	2,950	195,041,851
47	608	48,533,651	2,294	143,652,251	2,902	192,185,902
48	628	51,813,610	2,361	149,898,349	2,989	201,711,959
49	684	54,833,667	2,696	173,766,682	3,380	228,600,348
50	707	59,133,466	2,791	185,475,154	3,498	244,608,620
51	797	68,376,929	2,890	198,298,986	3,687	266,675,915
52	851	73,015,756	3,097	215,658,288	3,948	288,674,044
53	900	77,621,147	3,274	233,722,976	4,174	311,344,123
54	956	84,817,716	3,518	257,169,393	4,474	341,987,109
55	833	73,297,367	3,370	243,355,268	4,203	316,652,635
56	702	61,600,743	3,058	223,150,142	3,760	284,750,885
57	571	50,149,861	2,413	173,535,098	2,984	223,684,959

Amounts may not add to the dollar due to rounding.

TABLE 1
(Continued)
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JUNE 30, 2007
WITH SALARIES PROJECTED TO JUNE 30, 2008
(FULL TIME AND REGULAR PART TIME)

Age	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
58	537	46,171,491	2,047	148,603,280	2,584	194,774,771
59	370	33,214,256	1,686	124,025,146	2,056	157,239,402
60	335	28,748,973	1,227	90,588,551	1,562	119,337,524
61	205	17,022,774	709	51,590,639	914	68,613,413
62	129	11,341,504	482	34,722,834	611	46,064,338
63	98	7,751,236	340	25,312,171	438	33,063,407
64	84	7,178,529	274	19,774,953	358	26,953,482
65	52	3,765,889	166	11,948,873	218	15,714,762
66	34	2,738,932	93	7,026,865	127	9,765,797
67	22	2,165,104	54	3,848,243	76	6,013,347
68	11	803,761	36	2,882,470	47	3,686,230
69	12	1,212,062	22	1,615,449	34	2,827,511
70	8	595,978	21	1,611,740	29	2,207,718
71	5	500,372	12	734,901	17	1,235,274
72	3	281,341	10	804,967	13	1,086,309
73	1	19,682	7	441,907	8	461,589
74	4	399,343	6	425,318	10	824,661
75	1	32,395	1	64,735	2	97,130
76			1	50,981	1	50,981
77	1	82,727			1	82,727
78	1	65,797	3	187,039	4	252,836
79			1	51,927	1	51,927
80	1	58,173			1	58,173
86			1	80,379	1	80,379
Total	30,633	\$ 2,160,436,375	101,654	\$ 6,003,403,549	132,287	\$ 8,163,839,924

Amounts may not add to the dollar due to rounding.

In addition, there are the following active members:

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

Number	28,514
Annual Salaries	\$ 139,439,899
Average Age	41.79 years
Average Service	1.72 years

TABLE 2

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF JUNE 30, 2007
WITH SALARIES PROJECTED TO JUNE 30, 2008
(FULL TIME AND REGULAR PART TIME)**

Service	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
0	372	\$ 13,633,125	1,238	\$ 41,340,339	1,610	\$ 54,973,464
1	2,126	95,623,291	7,478	307,764,197	9,604	403,387,488
2	2,155	105,381,256	7,539	330,506,686	9,694	435,887,942
3	1,751	91,058,372	6,291	286,654,365	8,042	377,712,737
4	1,557	86,297,626	5,403	259,028,164	6,960	345,325,790
5	1,640	94,396,788	5,571	277,753,712	7,211	372,150,499
6	1,542	91,340,816	5,533	286,181,961	7,075	377,522,777
7	1,548	97,299,444	5,278	282,474,532	6,826	379,773,976
8	1,480	95,618,829	4,807	265,034,952	6,287	360,653,781
9	1,245	84,078,508	4,131	233,641,668	5,376	317,720,176
10	1,117	77,482,034	3,496	203,708,230	4,613	281,190,264
11	1,008	73,025,061	3,088	185,616,293	4,096	258,641,355
12	963	73,536,078	3,074	191,062,550	4,037	264,598,628
13	1,310	102,404,989	3,712	237,281,221	5,022	339,686,210
14	917	73,151,000	2,845	184,583,514	3,762	257,734,514
15	691	56,731,836	2,532	169,348,170	3,223	226,080,006
16	725	60,466,849	2,609	177,955,736	3,334	238,422,585
17	635	53,977,886	2,513	175,019,065	3,148	228,996,951
18	532	45,350,207	2,060	146,847,565	2,592	192,197,772
19	488	42,314,231	1,997	146,104,752	2,485	188,418,983
20	497	45,098,434	1,903	140,506,798	2,400	185,605,233
21	517	47,180,762	1,905	143,523,407	2,422	190,704,169
22	464	41,857,780	1,815	138,227,874	2,279	180,085,654
23	462	42,187,429	1,466	113,575,609	1,928	155,763,038
24	346	32,277,951	1,245	95,707,671	1,591	127,985,622
25	324	30,203,124	1,185	92,860,881	1,509	123,064,006
26	378	36,227,283	1,336	105,100,730	1,714	141,328,014
27	454	43,562,560	1,416	112,671,800	1,870	156,234,361
28	511	48,462,669	1,501	120,056,330	2,012	168,518,999
29	563	52,859,967	1,471	119,288,471	2,034	172,148,439
30	566	52,158,549	1,365	112,830,535	1,931	164,989,084
31	504	49,340,089	1,163	96,807,729	1,667	146,147,818
32	458	46,342,684	1,016	84,393,137	1,474	130,735,821
33	263	26,274,676	697	58,515,787	960	84,790,462
34	181	18,094,032	338	28,133,430	519	46,227,462
35	114	11,652,454	206	17,354,437	320	29,006,891
36	50	5,243,021	132	11,184,288	182	16,427,309
37	47	4,563,106	122	10,165,497	169	14,728,603
38	40	4,079,498	61	5,296,763	101	9,376,261

Amounts may not add due to rounding.

TABLE 2
(Continued)
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF JUNE 30, 2007
WITH SALARIES PROJECTED TO JUNE 30, 2008
(FULL TIME AND REGULAR PART TIME)

Service	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
39	35	3,801,320	33	2,659,385	68	6,460,705
40	19	2,148,782	25	2,048,398	44	4,197,180
41	13	1,095,653	19	1,532,646	32	2,628,299
42	7	679,948	10	734,885	17	1,414,833
43	4	336,237	10	729,670	14	1,065,907
44	4	357,920	9	829,854	13	1,187,773
45	4	393,628	3	219,794	7	613,422
46	1	103,442	1	67,539	2	170,981
47	2	262,977			2	262,977
48	1	242,989			1	242,989
49	1	96,462	2	169,797	3	266,259
50			2	159,635	2	159,635
52			1	68,905	1	68,905
53	1	82,727	1	74,192	2	156,919
Total	30,633	\$ 2,160,436,375	101,654	\$ 6,003,403,549	132,287	\$ 8,163,839,924

Amounts may not add due to rounding.

In addition, there are the following active members:

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

Number	28,514
Annual Salaries	\$ 139,439,899
Average Age	41.79 years
Average Service	1.72 years

TABLE 3
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF RETIRED ANNUITANTS
AS OF JUNE 30, 2008

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
51			1	\$ 34,544	1	\$ 34,544
52						
53	2	97,963	3	135,104	5	233,067
54	32	2,240,164	49	2,868,045	81	5,108,210
55	227	14,152,086	574	29,742,025	801	43,894,110
56	448	28,484,171	1,119	57,959,516	1,567	86,443,686
57	756	47,590,154	1,596	80,055,467	2,352	127,645,621
58	988	60,936,713	1,862	90,224,511	2,850	151,161,224
59	1,125	67,626,894	2,160	102,343,315	3,285	169,970,210
60	1,480	84,171,594	2,831	124,946,791	4,311	209,118,385
61	1,915	113,491,040	3,332	147,690,779	5,247	261,181,818
62	1,492	90,041,539	2,480	106,958,399	3,972	196,999,938
63	1,450	83,276,061	2,492	107,385,498	3,942	190,661,560
64	1,439	79,784,688	2,481	96,750,994	3,920	176,535,681
65	1,586	84,806,636	2,803	108,005,457	4,389	192,812,093
66	1,280	68,638,881	2,292	88,176,832	3,572	156,815,713
67	1,164	60,373,550	1,998	74,438,175	3,162	134,811,725
68	1,029	53,475,418	1,758	64,403,270	2,787	117,878,688
69	972	49,526,099	1,734	62,268,638	2,706	111,794,737
70	1,006	50,786,497	1,568	55,517,757	2,574	106,304,254
71	879	43,706,201	1,486	50,354,285	2,365	94,060,486
72	924	42,003,783	1,353	46,778,233	2,277	88,782,016
73	882	42,815,858	1,277	41,942,896	2,159	84,758,754
74	757	35,541,082	1,088	34,460,509	1,845	70,001,592
75	779	35,081,969	1,188	37,114,409	1,967	72,196,378
76	712	31,914,256	1,056	31,733,448	1,768	63,647,704
77	730	29,804,124	1,039	30,463,670	1,769	60,267,794
78	641	27,636,220	1,061	30,184,039	1,702	57,820,258
79	564	22,805,098	1,000	26,751,813	1,564	49,556,911
80	543	21,117,335	980	25,364,467	1,523	46,481,801
81	488	18,646,199	892	22,043,834	1,380	40,690,033
82	462	18,208,750	752	17,643,687	1,214	35,852,437
83	400	14,586,190	726	16,767,476	1,126	31,353,666
84	345	11,955,209	650	14,946,426	995	26,901,635
85	266	8,770,445	716	14,285,905	982	23,056,350
86	211	6,222,121	683	13,849,700	894	20,071,821
87	169	4,759,660	616	11,706,348	785	16,466,008
88	129	3,531,675	548	10,106,318	677	13,637,993

Amounts may not add to the dollar due to rounding.

TABLE 3
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF RETIRED ANNUITANTS
AS OF JUNE 30, 2008

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
89	122	3,285,580	488	8,754,717	610	12,040,297
90	97	2,364,614	447	7,765,888	544	10,130,502
91	79	2,069,620	338	5,704,226	417	7,773,846
92	55	1,383,942	294	4,852,594	349	6,236,537
93	45	1,246,758	276	4,255,690	321	5,502,448
94	45	1,426,011	243	3,900,154	288	5,326,165
95	18	330,117	184	2,810,168	202	3,140,284
96	18	321,259	110	1,698,193	128	2,019,453
97	7	155,855	138	2,109,969	145	2,265,824
98	7	175,211	75	1,006,846	82	1,182,057
99	2	73,007	56	707,516	58	780,523
100	3	89,299	41	589,234	44	678,533
101	2	74,557	33	435,199	35	509,756
102			11	177,438	11	177,438
103	1	15,416	10	138,189	11	153,605
104			6	63,928	6	63,928
105			1	19,062	1	19,062
106			3	47,006	3	47,006
107			1	11,353	1	11,353
Total	28,773	\$ 1,471,617,571	52,999	\$ 1,921,449,947	81,772	\$ 3,393,067,518

Amounts may not add to the dollar due to rounding.

TABLE 4
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF SURVIVOR ANNUITANTS
AS OF JUNE 30, 2008

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
5			1	\$ 4,976	1	\$ 4,976
6						
7						
8						
9			4	15,347	4	15,347
10	1	13,877	1	9,864	2	23,741
11	2	11,217	1	3,906	3	15,122
12	3	10,981	2	9,617	5	20,598
13	1	2,623	1	10,398	2	13,020
14	3	11,313	2	16,414	5	27,727
15	4	18,173			4	18,173
16	5	22,072	3	38,613	8	60,685
17	4	12,695	1	5,194	5	17,889
18	5	18,944	6	31,033	11	49,977
19	4	37,122	5	43,015	9	80,137
20	5	31,197	9	69,235	14	100,433
21	5	45,521	7	112,131	12	157,652
22	2	67,033	1	35,286	3	102,319
23	1	4,320			1	4,320
24						
25						
26						
27						
28	1	5,538			1	5,538
29						
30						
31						
32	1	8,104	1	7,638	2	15,742
33	1	8,104	2	14,616	3	22,720
34	3	22,268	1	6,995	4	29,263
35	1	8,347	2	15,277	3	23,624
36	3	51,018	1	7,638	4	58,656
37	3	31,298			3	31,298
38	2	22,009	2	13,323	4	35,332
39	1	8,597	2	74,058	3	82,655
40	3	43,863	1	14,976	4	58,839
41	1	8,347	1	11,554	2	19,901
42			5	48,474	5	48,474

Amounts may not add to the dollar due to rounding.

TABLE 4
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF SURVIVOR ANNUITANTS
AS OF JUNE 30, 2008

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
43	4	33,348	2	13,026	6	46,374
44	1	10,574	2	19,985	3	30,558
45	2	18,797	5	96,076	7	114,873
46	4	41,120	3	49,540	7	90,660
47	6	47,284	6	119,038	12	166,322
48	7	61,783	10	163,237	17	225,021
49	6	58,438	6	84,004	12	142,442
50	12	194,550	15	162,487	27	357,036
51	14	142,900	8	117,154	22	260,054
52	15	171,480	16	276,825	31	448,306
53	10	144,530	20	379,789	30	524,319
54	13	185,598	19	309,544	32	495,142
55	20	233,521	39	911,027	59	1,144,548
56	30	588,776	41	889,577	71	1,478,352
57	34	421,455	52	1,106,590	86	1,528,045
58	27	358,924	51	1,179,221	78	1,538,145
59	42	649,016	70	1,643,839	112	2,292,855
60	50	781,521	87	1,908,063	137	2,689,585
61	42	740,909	93	1,932,962	135	2,673,871
62	47	747,133	75	1,517,216	122	2,264,349
63	37	570,107	76	1,508,094	113	2,078,201
64	57	1,019,404	109	2,580,417	166	3,599,821
65	66	1,034,512	114	2,612,821	180	3,647,333
66	54	863,747	136	2,851,274	190	3,715,021
67	58	842,959	109	2,405,089	167	3,248,048
68	57	937,982	132	2,795,413	189	3,733,395
69	56	965,597	135	2,889,393	191	3,854,990
70	59	902,287	163	3,462,756	222	4,365,043
71	58	771,012	163	3,275,845	221	4,046,857
72	72	1,045,943	159	3,188,287	231	4,234,230
73	66	963,679	172	3,221,049	238	4,184,728
74	78	1,355,253	150	2,794,734	228	4,149,986
75	72	913,408	188	3,487,588	260	4,400,996
76	78	1,021,578	179	3,176,453	257	4,198,031
77	95	1,292,186	251	4,176,312	346	5,468,499
78	96	1,185,500	210	3,565,424	306	4,750,924
79	77	961,933	225	3,827,191	302	4,789,125
80	88	1,049,709	225	3,679,668	313	4,729,378

Amounts may not add to the dollar due to rounding.

TABLE 4
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF SURVIVOR ANNUITANTS
AS OF JUNE 30, 2008

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
81	81	911,497	215	3,338,045	296	4,249,542
82	94	1,034,393	211	3,141,245	305	4,175,638
83	94	1,009,439	207	2,915,103	301	3,924,542
84	119	1,309,855	169	2,394,809	288	3,704,664
85	98	972,667	177	2,419,404	275	3,392,071
86	84	749,821	168	2,227,642	252	2,977,463
87	85	694,410	171	2,099,959	256	2,794,369
88	74	596,572	147	1,629,546	221	2,226,118
89	64	511,339	145	1,549,434	209	2,060,773
90	74	582,315	130	1,310,619	204	1,892,934
91	52	350,793	116	1,228,366	168	1,579,159
92	52	378,024	95	1,021,326	147	1,399,350
93	37	254,622	85	872,362	122	1,126,983
94	33	246,295	58	579,219	91	825,514
95	19	166,492	48	503,417	67	669,909
96	15	105,211	42	408,320	57	513,531
97	15	102,559	37	246,711	52	349,270
98	11	70,161	19	184,415	30	254,576
99	6	28,948	12	103,262	18	132,211
100	6	31,737	6	52,706	12	84,443
101	2	13,554	14	107,569	16	121,123
102	1	1,785	2	15,773	3	17,558
103			3	13,972	3	13,972
104			2	9,843	2	9,843
Total	2,791	\$ 33,975,519	5,857	\$ 97,369,653	8,648	\$ 131,345,172

Amounts may not add to the dollar due to rounding.

TABLE 5
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF DISABILITY BENEFIT RECIPIENTS
AS OF JUNE 30, 2008

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
27			1	\$ 14,928	1	\$ 14,928
28			2	31,601	2	31,601
29			2	32,243	2	32,243
30			5	83,253	5	83,253
31			2	30,166	2	30,166
32			2	31,461	2	31,461
33			5	107,101	5	107,101
34						
35	2	36,085	4	65,704	6	101,788
36			2	30,945	2	30,945
37			5	106,144	5	106,144
38			11	183,556	11	183,556
39	2	35,751	9	175,612	11	211,363
40	3	74,976	11	244,581	14	319,557
41	1	14,958	9	140,287	10	155,245
42	2	33,597	10	197,119	12	230,716
43	2	29,064	5	96,642	7	125,706
44	2	36,261	11	237,638	13	273,899
45	2	59,522	7	153,323	9	212,845
46	3	61,727	7	162,024	10	223,751
47	3	63,932	7	135,107	10	199,040
48	3	91,223	14	224,538	17	315,761
49	4	108,219	25	499,428	29	607,647
50	3	49,938	15	337,025	18	386,963
51	3	73,798	25	540,044	28	613,842
52	10	183,070	19	424,026	29	607,096
53	4	94,110	26	585,737	30	679,847
54	7	151,033	30	663,181	37	814,215
55	11	287,535	50	1,186,868	61	1,474,403
56	11	347,623	58	1,500,821	69	1,848,444
57	12	330,309	48	1,239,961	60	1,570,270
58	13	368,277	59	1,603,580	72	1,971,857
59	13	453,047	51	1,353,948	64	1,806,995
60	7	210,478	56	1,504,336	63	1,714,814
61	11	383,876	43	1,236,141	54	1,620,017
62	6	199,217	22	568,339	28	767,556
63	7	230,930	21	412,619	28	643,549
64	8	207,461	16	294,481	24	501,942

Amounts may not add to the dollar due to rounding.

TABLE 5
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF DISABILITY BENEFIT RECIPIENTS
AS OF JUNE 30, 2008

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
65	6	156,024	18	374,624	24	530,648
66	5	145,173	16	306,702	21	451,875
67	2	34,278	8	205,717	10	239,995
68	3	42,882	11	209,159	14	252,041
69	1	6,351	6	143,017	7	149,368
70			14	198,926	14	198,926
71	1	33,489	5	49,359	6	82,848
72	5	76,926	11	231,889	16	308,815
73	4	174,076	15	311,814	19	485,890
74	2	47,245	9	153,352	11	200,597
75	1	8,264	7	158,016	8	166,280
76	2	58,497	8	127,786	10	186,282
77	2	25,469	5	55,298	7	80,767
78			4	82,687	4	82,687
79	2	20,468	9	98,536	11	119,004
80	3	38,177	3	48,896	6	87,073
81	2	44,389	3	27,354	5	71,743
82	1	14,843	4	43,388	5	58,231
83			7	91,746	7	91,746
84			2	20,540	2	20,540
85			3	62,047	3	62,047
86			7	71,790	7	71,790
87			2	23,221	2	23,221
88			4	43,054	4	43,054
89			1	11,245	1	11,245
90			1	13,232	1	13,232
91						
92			2	19,560	2	19,560
Total	197	\$ 5,142,568	880	\$ 19,617,457	1,077	\$ 24,760,025

Amounts may not add to the dollar due to rounding.

TABLE 6

**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE GUARANTEED MINIMUM ANNUITY RESERVE
OF RETIRED ANNUITANTS
AS OF JUNE 30, 2008**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
63			2	\$ 2,658	2	\$ 2,658
64	1	6	6	2,373	7	2,378
65	2	106	6	4,261	8	4,368
66			10	4,437	10	4,437
67	1	208	7	8,108	8	8,316
68			9	4,747	9	4,747
69	2	1,231	19	9,506	21	10,736
70			29	14,319	29	14,319
71	3	1,483	29	18,098	32	19,581
72	3	3,368	25	12,684	28	16,052
73			28	14,271	28	14,271
74	2	968	20	14,370	22	15,338
75	3	810	15	8,820	18	9,630
76	3	1,947	25	19,329	28	21,276
77	4	1,836	46	29,325	50	31,161
78	8	5,025	47	33,784	55	38,809
79	6	4,200	68	43,105	74	47,305
80	11	7,629	55	42,690	66	50,319
81	14	13,500	70	64,183	84	77,683
82	7	6,318	59	48,866	66	55,184
83	11	12,348	68	68,494	79	80,842
84	13	12,523	51	53,590	64	66,113
85	7	6,354	100	107,673	107	114,028
86	13	9,820	80	86,292	93	96,113
87	7	8,660	89	102,602	96	111,263
88	8	11,654	84	96,437	92	108,091
89	9	12,411	63	74,222	72	86,632
90	11	21,129	87	113,658	98	134,787
91	6	6,572	49	66,503	55	73,075
92	5	8,384	45	53,118	50	61,502
93	3	3,878	59	80,104	62	83,982
94	3	7,588	41	52,505	44	60,093
95	3	2,679	30	46,893	33	49,572
96	3	3,341	22	37,296	25	40,637
97			29	43,006	29	43,006
98			30	42,149	30	42,149
99			22	41,584	22	41,584
100			11	18,603	11	18,603

Amounts may not add to the dollar due to rounding.

TABLE 6
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE GUARANTEED MINIMUM ANNUITY RESERVE
OF RETIRED ANNUITANTS
AS OF JUNE 30, 2008

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
101			14	23,647	14	23,647
102			3	2,539	3	2,539
103			5	4,981	5	4,981
104			4	9,235	4	9,235
105						
106			1	1,320	1	1,320
107			1	1,864	1	1,864
Total	172	\$ 175,973	1,563	\$ 1,628,249	1,735	\$ 1,804,222

Amounts may not add to the dollar due to rounding.

TABLE 7

**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE GUARANTEED MINIMUM ANNUITY RESERVE
OF DISABILITY BENEFIT RECIPIENTS
AS OF JUNE 30, 2008**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
83			1	\$ 696	1	\$ 696
Total			1	\$ 696	1	\$ 696

Amounts may not add to the dollar due to rounding.