



**Report on the Annual Valuation of the
Public Employees' Retirement System
of Mississippi**

Prepared as of June 30, 2008



Cavanaugh Macdonald

CONSULTING, LLC

The experience and dedication you deserve

October 21, 2008

Board of Trustees
Public Employees' Retirement System of Mississippi
429 Mississippi Street
Jackson, MS 39201-1005

Ladies and Gentlemen:

Presented in this report are the results of the annual actuarial valuation of the Public Employees' Retirement System of Mississippi. The purpose of the valuation was to measure the System's funding progress and to determine the unfunded accrued liability amortization period beginning July 1, 2008.

The date of the valuation was June 30, 2008.

The valuation was based upon data, furnished by the Executive Director and the PERS staff, concerning active, inactive and retired members along with pertinent financial information. The complete cooperation of the PERS staff in furnishing materials requested is hereby acknowledged with appreciation.

Your attention is directed particularly to the presentation of contribution rates on page 1 and the comments on page 7.

To the best of our knowledge, this report is complete and accurate. The valuation was performed by, and under the supervision of, independent actuaries who are members of the American Academy of Actuaries with experience in performing valuations for public retirement systems. The undersigned meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

The valuation was prepared in accordance with the principles of practice prescribed by the Actuarial Standards Board.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.



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The actuarial calculations were performed by qualified actuaries according to generally accepted actuarial procedures and methods. The calculations are based on the current provisions of the system, and on actuarial assumptions that are, in the aggregate, internally consistent and reasonably based on the actual experience of the system.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Thomas J. Cavanaugh'.

Thomas J. Cavanaugh, FSA, FCA, EA, MAAA
Chief Executive Officer

A handwritten signature in blue ink that reads 'Edward J. Koebel'.

Edward J. Koebel, FCA, EA, MAAA
Senior Actuary

TJC/EJK:kc



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**REPORT ON THE ANNUAL VALUATION OF THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
PREPARED AS OF JUNE 30, 2008**

SECTION I – SUMMARY OF PRINCIPAL RESULTS

1. This report, prepared as of June 30, 2008, presents the results of the annual actuarial valuation of the System. For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results are summarized below. The current valuation and reported benefit amounts reflect the benefit increases granted to retirees as of July 1, 2008. We recommend an increase in the contribution rate from 11.85% to 12.00% of active members' compensation for the 2009/2010 fiscal year in order to keep the anticipated accrued liability payment period within 30 years in accordance with GASB Statements 25 and 27.

SUMMARY OF PRINCIPAL RESULTS

VALUATION DATE	June 30, 2008	June 30, 2007
Active members included in valuation		
Number	165,733	162,804
Annual compensation	\$ 5,544,704,937	\$ 5,196,294,899
Retirees		
Number	73,540	70,756
Annual allowances	\$ 1,305,908,320	\$ 1,214,384,863
Assets		
Market related actuarial value	\$ 20,814,720,000	\$ 19,791,564,000
Market value	\$ 19,251,069,000	\$ 21,353,016,000
Unfunded accrued liability	\$ 7,719,973,880	\$ 7,071,072,311
Recommended employer contribution rate		
Normal	4.02%	4.02%
Accrued liability	<u>7.98</u>	<u>7.83</u>
Total	12.00%	11.85%
Anticipated accrued liability payment period	29.4 years	29.3 years
Unfunded accrued liability based on market value of assets	\$ 9,283,624,880	\$ 5,509,620,311
Payment Period	43.5 years	19.5 years



2. The valuation balance sheet showing the results of the valuation is given in Section III.
3. Comments on the valuation results are given in Section IV, comments on the experience and actuarial gains during the valuation year are given in Section V and the rates of contribution payable by employers are given in Section VI.
4. There were no changes in actuarial assumptions since the last valuation.
5. The following changes were made in the benefit provisions or actuarial methods since the last valuation:
 - The maximum reportable earned compensation was increased from \$150,000 to \$230,000 to coincide with the compensation limit set pursuant to Section 401(a)(17) of the Internal Revenue Code.
 - The vesting requirement for those employees hired after July 1, 2007 was increased from 4 to 8 years of service.
6. Schedule A of this report presents the development of the actuarial value of assets. Schedule B details the actuarial assumptions and methods employed. Schedule C gives a summary of the benefit and contribution provisions of the plan.
7. The table on the following page provides a ten-year history of some pertinent figures.
8. Governmental Accounting Standards Board Statement No. 27 requires employers to expense pension costs at the actuarially required contribution level, which is based on a maximum 30 year accrued liability payment period.
9. All amounts shown prior to the 2004/2005 fiscal year were developed and/or reported by the prior actuarial firm.



Public Employees' Retirement System of Mississippi
Comparative Schedule*

Valuation Date June 30	Active Members			Retired Lives			Valuation Results (\$ millions)				
	Number	Payroll (\$ millions)	Average Salary	% increase from previous year	Number	Active/Retired Ratio	Annual Benefits** (\$ millions)	Benefits as % of Payroll	Accrued Liability	Valuation Assets	UAAL
1999	148,611	\$3,712	\$24,976	5.2%	48,766	3.0	\$450.8	12.1%	\$15,752	\$13,017	\$2,735
2000	151,790	4,091	26,949	7.9	51,080	3.0	527.6	12.9	18,052	14,899	3,153
2001	151,080	4,112	27,219	1.0	53,665	2.8	581.2	14.1	18,495	16,192	2,303
2002	152,148	4,221	27,740	1.9	56,705	2.7	656.5	15.6	20,180	16,823	3,357
2003	154,872	4,432	28,615	3.2	59,447	2.6	715.1	16.1	21,486	16,980	4,506
2004	156,353	4,617	29,531	3.2	62,407	2.5	778.6	16.9	22,847	17,103	5,744
2005	157,101	4,786	30,466	3.2	63,939	2.5	1,022.0	21.4	23,727	17,181	6,546
2006	158,091	4,972	31,450	3.2	66,757	2.4	1,117.2	22.5	24,928	18,321	6,607
2007	162,804	5,196	31,917	1.5	70,756	2.3	1,214.4	23.4	26,863	19,792	7,071
2008	165,733	5,545	33,456	4.8	73,540	2.3	1,305.9	23.6	28,535	20,815	7,720

*All amounts prior to 2005 reported by prior actuarial firm.

**Excluding COLA for years prior to 2005



SECTION II – MEMBERSHIP DATA

Data regarding the membership of the System for use as a basis for the valuation were furnished by the System's office. The following tables summarize the membership of the system as of June 30, 2008 upon which the valuation was based. Detailed tabulations of the data are given in Schedule D.

Active Members

Employers	Number of Employers	Number	Payroll	Group Averages		
				Salary	Age*	Service*
State Agencies	114	33,887	\$ 1,134,962,075	\$33,493	43.8	10.2
State Universities	9	17,593	766,357,125	43,560	43.3	9.5
Public Schools	150	66,941	2,135,738,548	31,905	44.0	10.1
Community/Junior Colleges	15	6,132	262,005,228	42,728	46.3	11.2
Counties	82	14,935	428,032,098	28,660	46.0	8.4
Municipalities	278	18,882	569,317,603	30,151	42.7	9.0
Other Political Subdivisions	215	7,363	248,292,260	33,722	43.1	7.2
Total in PERS	863	165,733	\$ 5,544,704,937	\$33,456	44.0	9.7

*Years

The total number of active members includes 110,211 vested members (38,317 State employees and 71,894 employees of other entities), and 55,522 non-vested members (19,295 State and 36,227 others).

Retired Lives

Type of Benefit Payment	No.	Annual Benefits	Group Averages	
			Benefit	Age*
Retirement	59,406	\$ 1,122,297,235	\$18,892	69.6
Disability	5,075	75,413,978	14,860	59.8
Survivor	9,059	108,197,107	11,944	64.6
Total in PERS	73,540	\$1,305,908,320	17,758	68.3

*Years

The total retired lives include 26,298 from State employment and 47,242 from other employment.

This valuation also includes 126,008 inactive members (40,055 State and 85,953 others; 17,494 vested and 108,514 non-vested.)



SECTION III – VALUATION BALANCE SHEET

The following valuation balance sheet shows the assets and liabilities of the retirement system as of the current valuation date of June 30, 2008 and, for comparison purposes, as of the immediately preceding valuation date of June 30, 2007. The items shown in the balance sheet are present values actuarially determined as of the relevant valuation date. The development of the actuarial value of assets is presented in Schedule A.



**VALUATION BALANCE SHEET
SHOWING THE ASSETS AND LIABILITIES OF THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI**

	JUNE 30, 2008	JUNE 30, 2007
ASSETS		
Current actuarial value of assets:		
Annuity Savings Account	\$ 3,991,804,456	\$ 3,788,781,468
Annuity Reserve	2,691,758,847	2,461,396,699
Employers' Accumulation Account	<u>14,131,156,697</u>	<u>13,541,385,833</u>
Total current assets	\$ 20,814,720,000	\$ 19,791,564,000
 Future member contributions to Annuity Savings Account	 \$ 3,230,270,674	 \$ 3,025,410,555
 Prospective contributions to Employer's Accumulation Account		
Normal contributions	\$ 1,789,732,947	\$ 1,678,267,798
Unfunded accrued liability contributions	<u>7,719,973,880</u>	<u>7,071,072,311</u>
 Total prospective contributions	 <u>\$ 9,509,706,827</u>	 <u>\$ 8,749,340,109</u>
Total assets	<u>\$ 33,554,697,501</u>	<u>\$ 31,566,314,664</u>
LIABILITIES		
Present value of benefits payable on account of present retired members and beneficiaries	\$ 14,306,528,473	\$ 13,342,530,700
 Present value of benefits payable on account of active members	 18,399,105,442	 17,417,023,450
 Present value of benefits payable on account of inactive members for service rendered before the valuation date	 <u>849,063,586</u>	 <u>806,760,514</u>
Total liabilities	<u>\$ 33,554,697,501</u>	<u>\$ 31,566,314,664</u>



SECTION IV – COMMENTS ON VALUATION

The valuation balance sheet gives the following information with respect to the funds of the System as of June 30, 2008.

Total Assets

The Annuity Savings Account is the fund to which are credited contributions made by members together with interest thereon. When a member retires, the amount of his accumulated contributions is transferred from the Annuity Savings Account to the Annuity Reserve. The Employer's Accumulation Account is the fund to which are credited employer contributions and investment income, and from which are paid all employer-provided benefits under the plan. The assets credited to the Annuity Savings Account as of the valuation date, which represent the accumulated contributions of members to that date, amounted to \$3,991,804,456. The assets credited to the Annuity Reserve were \$2,691,758,847 and the assets credited to the Employer's Accumulation Account totaled \$14,131,156,697. Current actuarial assets as of the valuation date equaled the sum of these three funds, \$20,814,720,000. Future member contributions to the Annuity Savings Account were valued to be \$3,230,270,674. Prospective contributions to the Employer's Accumulation Account were calculated to be \$9,509,706,827, of which \$1,789,732,947 is attributable to service rendered after the valuation date (normal contributions) and \$7,719,973,880 is attributable to service rendered before the valuation date (unfunded accrued liability contributions).

Therefore, the balance sheet shows the present value of current and future assets of the System to be \$33,554,697,501 as of June 30, 2008.

Total Liabilities

The present value of benefits payable on account of presently retired members and beneficiaries totaled \$14,306,528,473 as of the valuation date. The present value of future benefit payments on behalf of active members amounted to \$18,399,105,442. In addition, the present value of benefits for inactive members, due to service rendered before the valuation date, was calculated to be \$849,063,586.

Therefore, the balance sheet shows the present value for all prospective benefit payments under the System to be \$33,554,697,501 as of June 30, 2008.

Section 25-11-123(a)(1) of State law requires that active members contribute 7.25% of annual compensation to the System.

Section 25-11-123(c) requires that the State contribute a certain percentage of the annual compensation of members to cover the normal contributions and a certain percentage to cover the accrued liability contributions of the System. These individual contribution percentages are established in accordance with an actuarial valuation. We recommend the sum of these normal and accrued liability contributions increase from 11.85% to 12.00% of the annual compensation of all members. The amortization period of the unfunded accrued liability of the System is therefore calculated on an open-ended basis.



SECTION V – DERIVATION OF EXPERIENCE GAINS AND LOSSES

Actual experience will never (except by coincidence) coincide exactly with assumed experience. It is assumed that gains and losses will be in balance over a period of years, but sizable year to year fluctuations are common. Detail on the derivation of the experience gain/(loss) for the year ended June 30, 2008 is shown below.

	<u>\$ millions</u>	
(1) UAAL* as of June 30, 2007	\$	7,071.1
(2) Normal cost from last valuation		208.9
(3) Actual employer contributions		683.2
(4) Interest accrual: $(1) \times .080 + [(2) - (3)] \times .0392$		547.1
(5) Expected UAAL before changes: $(1) + (2) - (3) + (4)$		7,143.9
(6) Change due to plan amendments		23.5
(7) Change due to new actuarial assumptions or methods		0.0
(8) Expected UAAL after changes: $(5) + (6) + (7)$		7,167.4
(9) Actual UAAL as of June 30, 2008		7,720.0
(10) Gain/(loss): $(8) - (9)$	\$	(552.6)
(11) Gain/(loss) as percent of actuarial accrued liabilities at start of year (\$26,862.6)		(2.1)%

*Unfunded actuarial accrued liability.

Valuation Date June 30	Actuarial Gain/(Loss) as a % of Beginning Accrued Liabilities
2003	(6.1)%
2004	(5.4)
2005	(3.0)
2006	(1.7)
2007	0.8
2008	(2.1)



SECTION VI – REQUIRED CONTRIBUTION RATES

The valuation balance sheet gives the basis for determining the percentage rates for contributions to be made by employers to the Retirement System. The following table shows the rates of contribution payable by employers as determined from the present valuation for the 2009/2010 fiscal year.

Contribution for	Contributions Expressed as Percents of Payroll
Normal Cost:	
Service retirement benefits	10.02%
Disability benefits	0.43
Survivor benefits	<u>0.10</u>
Total	10.55%
Member Contributions:	
	7.25%
Less future refunds	<u>(.72)</u>
Available for benefits	6.53%
Employer Normal Cost	4.02%
Unfunded Actuarial Accrued Liabilities (29.4 year level % of payroll amortization*)	7.98
Total Computed Employer Contribution Rate	12.00%

*Amortization period a year ago was 29.3 years.

The components of the change in the computed unfunded accrued liability amortization period from 29.3 years to 29.4 years are as follows:

Previous Reported Period	29.3 years
Change due to:	
Normal amortization	(1.0)
Actuarial experience	0.7
Assumption changes	0.0
Plan amendments	0.2
Method Change	0.0
UAL contribution experience	<u>0.2</u>
Computed Period	29.4 years



SECTION VII – CASH FLOW PROJECTION

Regular actuarial valuations measure the Retirement System's present financial position and contributions adequacy by calculating and financing the liabilities created by the present benefit program. This process involves discounting to present values the future benefit payments on behalf of present active and retired members and their survivors. However, valuations do not produce information regarding future changes in the makeup of the covered group or the amounts of benefits to be paid or investment income to be received – actuarial projections do.

Whereas valuations provide a snapshot of the retirement system as of a given date, projections provide a moving picture. Projected active and retired groups are developed from year to year by the application of assumptions regarding pre-retirement withdrawal from service, retirements, deaths, disabilities, and the addition of new members. Projected information regarding the retired life group leads to assumed future benefit payout. Combining future benefit payments with assumed contributions and expected investment earnings produces the net cash flow of the System each year, and thus end of year asset levels.

Projections are used for many purposes. Among them are (i) developing cash flow patterns for investment policy and asset mix consideration, (ii) exploring the effect of alternative assumptions about future experience, (iii) analyzing the impact on system funding progress of changes in the workforce, and (iv) examining the potential effect of changes in benefits on system financial activity.

Projection results are useful in demonstrating changing relationships among key elements affecting system financial activity. For example: how benefits payable and system assets will grow in future decades. Projections are not predictions of specific future events and do not provide numeric precision in absolute terms. For instance, cash flow projected to occur 10 years in the future will not be exact (except by coincidence), but understanding the changed relationship between future benefit payout and future investment income can be very useful.



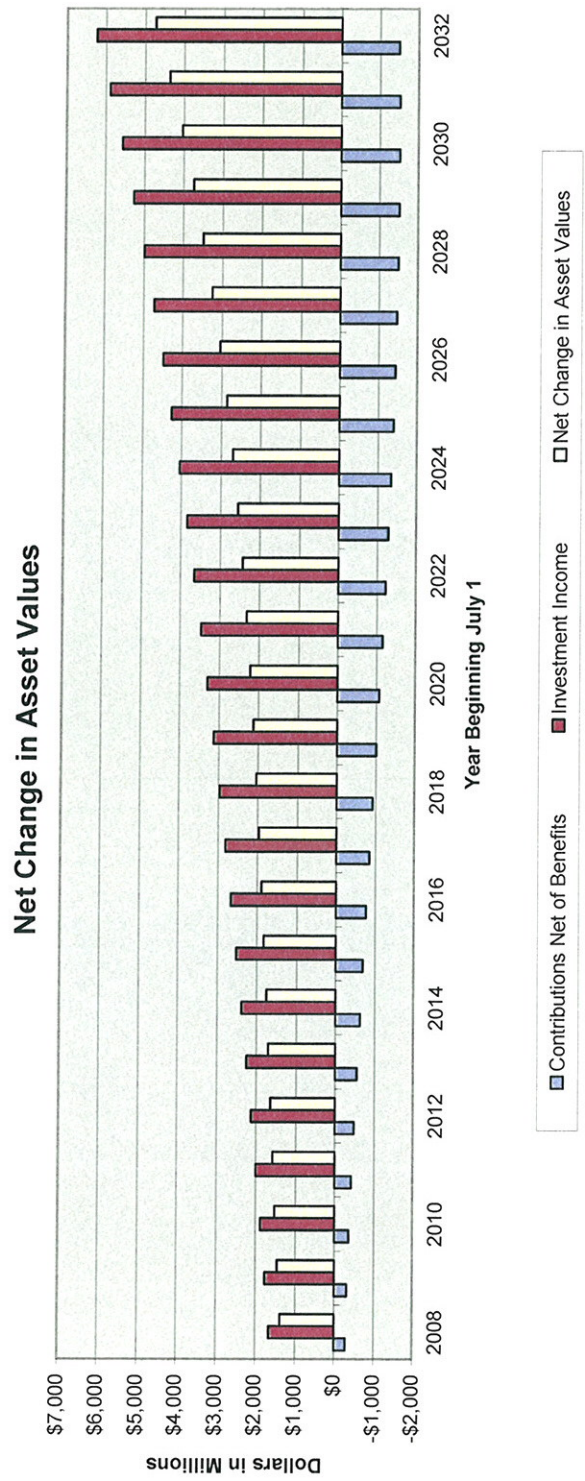
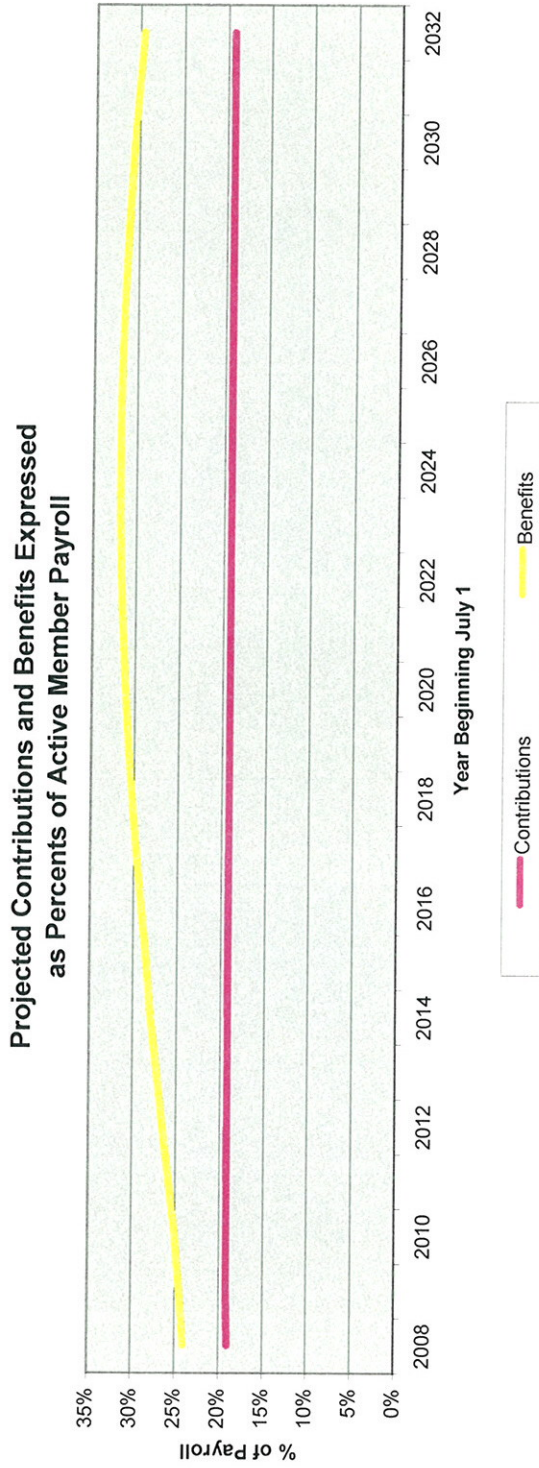
Public Employees' Retirement System of Mississippi

Twenty-five Year Cash Flow Projection

Year Beginning July 1	Valuation Payroll	Asset Balance July 1	Contributions	Projected Benefit Payments	Expected Investment Return	Cash Flow	Asset Balance June 30	Year Ending June 30
2008	5,655,599,036	20,814,720,000	1,080,219,416	1,362,053,125	1,653,904,252	1,372,070,543	22,186,790,543	2009
2009	5,881,822,997	22,186,790,543	1,132,250,927	1,442,933,557	1,762,515,938	1,451,833,308	23,638,623,851	2010
2010	6,117,095,917	23,638,623,851	1,177,540,964	1,534,848,327	1,876,797,614	1,519,490,251	25,158,114,101	2011
2011	6,361,779,754	25,158,114,101	1,224,642,603	1,641,829,174	1,995,961,665	1,578,775,094	26,736,889,196	2012
2012	6,616,250,944	26,736,889,196	1,273,628,307	1,758,544,022	2,119,554,507	1,634,638,792	28,371,527,988	2013
2013	6,880,900,982	28,371,527,988	1,324,573,439	1,877,261,141	2,247,614,731	1,694,927,029	30,066,455,017	2014
2014	7,156,137,021	30,066,455,017	1,377,556,377	2,002,531,502	2,380,317,396	1,755,342,271	31,821,797,288	2015
2015	7,442,382,502	31,821,797,288	1,432,658,632	2,123,440,719	2,518,112,500	1,827,330,413	33,649,127,701	2016
2016	7,740,077,802	33,649,127,701	1,489,964,977	2,257,060,800	2,661,246,383	1,894,150,560	35,543,278,261	2017
2017	8,049,680,914	35,543,278,261	1,549,563,576	2,394,973,086	2,809,645,880	1,964,236,370	37,507,514,631	2018
2018	8,371,668,151	37,507,514,631	1,611,546,119	2,535,950,136	2,963,625,010	2,039,220,993	39,546,735,624	2019
2019	8,706,534,877	39,546,735,624	1,676,007,964	2,678,307,777	3,123,646,857	2,121,347,044	41,668,082,668	2020
2020	9,054,796,272	41,668,082,668	1,743,048,282	2,821,005,160	3,290,328,338	2,212,371,460	43,880,454,129	2021
2021	9,416,988,123	43,880,454,129	1,812,770,214	2,964,624,862	3,464,362,144	2,312,507,496	46,192,961,625	2022
2022	9,793,667,648	46,192,961,625	1,885,281,022	3,107,624,064	3,646,543,208	2,424,200,166	48,617,161,791	2023
2023	10,185,414,354	48,617,161,791	1,960,692,263	3,247,388,515	3,837,905,093	2,551,208,841	51,168,370,633	2024
2024	10,592,830,928	51,168,370,633	2,039,119,954	3,385,241,866	4,039,624,774	2,693,502,862	53,861,873,495	2025
2025	11,016,544,165	53,861,873,495	2,120,684,752	3,517,627,826	4,253,072,157	2,866,129,083	56,718,002,577	2026
2026	11,457,205,932	56,718,002,577	2,205,512,142	3,644,413,885	4,479,884,136	3,040,982,393	59,758,984,971	2027
2027	11,915,494,169	59,758,984,971	2,293,732,628	3,765,891,388	4,721,832,447	3,249,673,687	63,008,658,658	2028
2028	12,392,113,936	63,008,658,658	2,385,481,933	3,883,170,153	4,980,785,164	3,483,096,944	66,491,755,602	2029
2029	12,887,798,493	66,491,755,602	2,480,901,210	3,996,751,142	5,258,706,451	3,742,856,519	70,234,612,121	2030
2030	13,403,310,433	70,234,612,121	2,580,137,258	4,103,768,569	5,557,823,717	4,034,192,406	74,268,804,527	2031
2031	13,939,442,850	74,268,804,527	2,683,342,749	4,202,992,753	5,880,718,362	4,361,068,358	78,629,872,885	2032
2032	14,497,020,564	78,629,872,885	2,790,676,459	4,293,604,955	6,230,272,691	4,727,344,195	83,357,217,080	2033



Public Employees' Retirement System of Mississippi 25 Year Cash Flow Projection Based on Valuation Assumptions





SECTION VIII – SUPPLEMENTAL DISCLOSURE INFORMATION

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

**NUMBER OF ACTIVE AND RETIRED PARTICIPANTS
AS OF JUNE 30, 2008**

GROUP	NUMBER
Retired participants and beneficiaries currently receiving benefits	73,540
Terminated participants and beneficiaries entitled to benefits but not yet receiving benefits	126,008
Active Participants	<u>165,733</u>
Total	365,281



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

SCHEDULE OF FUNDING PROGRESS
(\$ Thousands)

Plan Year Ended	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Percent Funded (1)/(2)	(4) Unfunded AAL (2) – (1)	(5) Annual Covered Payroll	(6) Unfunded AAL as a Percentage of Covered Payroll (4)/(5)
06/30/99*#	\$13,016,632	\$15,751,361	82.6%	\$2,734,729	\$3,711,680	73.7%
06/30/00*	14,899,074	18,052,096	82.5	3,153,022	4,090,596	77.1
06/30/01*#	16,191,631	18,494,207	87.5	2,302,576	4,112,238	56.0
06/30/02*	16,823,185	20,180,347	83.4	3,357,162	4,220,539	79.5
06/30/03#	16,979,457	21,485,838	79.0	4,506,381	4,431,600	101.7
06/30/04*	17,103,285	22,847,260	74.9	5,743,975	4,617,273	124.4
06/30/05#	17,180,705	23,727,098	72.4	6,546,393	4,786,280	136.8
06/30/06	18,321,063	24,928,464	73.5	6,607,401	4,971,974	132.9
06/30/07#	19,791,564	26,862,636	73.7	7,071,072	5,196,295	136.1
06/30/08*	20,814,720	28,534,694	72.9	7,719,974	5,544,705	139.2

* After change in benefit provisions.
 # After change in actuarial assumptions.

Note: All amounts prior to June 30, 2005 reported by prior actuarial firm.



3. The annual required contribution (ARC) of the employer as a percentage of payroll, determined in accordance with the parameters of GASB 25/27, is shown below. The accrued liability rate is based on amortization of the unfunded actuarial accrued liability of \$7,719,973,880 over a 29.4 year period from the valuation date.

Annual Required Contribution (ARC)		
Valuation Date June 30	2008	2007
For Fiscal Year	2009/2010	2008/2009
UAL Payment Period (years)	29.4	29.3
Annual Required Contribution % of Payroll	12.00%	11.85%

4. Additional information as of June 30, 2008 follows.

Valuation date	6/30/08
Actuarial cost method	Entry age
Amortization method	Level percent open
Remaining amortization period	29.4 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return*	8.00%
Projected salary increases [#]	5.0% – 15.0%
*Includes price inflation at	3.75%
[#] Includes wage inflation at	4.00%
Cost of living adjustments	3.00%



Schedule of Employer Contributions

Fiscal Year Ending June 30	Valuation date June 30	Annual Required Contribution	Percentage Contributed
2000	1998	\$361,888,770	100%
2001	1999	398,833,149	100
2002	2000	400,943,179	100
2003	2001	411,502,537	100
2004	2002	432,080,954	100
2005	2003	482,966,753	100
2006	2004	514,525,143	100
2007	2005	621,496,708	90
2008	2006	636,546,125	97
2009	2007	657,047,535	



Solvency Tests
(\$ in Thousands)

Actuarial Accrued Liabilities for							
Valuation Date	(1)	(2)	(3)	Net Assets Available for Benefits	(1)	(2)	(3)
	Accumulated Employee Contributions Including Allocated Investment Earnings	Retirees and Beneficiaries Currently Receiving Benefits	Inactive Members Employer Financed Portion				
6/30/99	\$2,694,659	\$6,215,709	\$6,840,993	\$13,016,632	100%	100%	60.0%
6/30/00	2,992,726	7,227,395	7,831,975	14,899,074	100	100	59.7
6/30/01	3,061,697	7,856,268	7,576,242	16,191,631	100	100	69.6
6/30/02	3,221,756	8,913,895	8,044,696	16,823,185	100	100	58.3
6/30/03	3,400,765	9,758,473	8,326,600	16,979,457	100	100	45.9
6/30/04	3,571,428	10,657,920	8,617,912	17,103,285	100	100	33.3
6/30/05	3,819,498	11,260,642	8,646,958	17,180,705	100	100	24.3
6/30/06	3,955,066	12,228,330	8,745,068	18,321,063	100	100	24.4
6/30/07	3,788,781	13,342,531	9,731,324	19,791,564	100	100	27.3
6/30/08	3,991,804	14,306,528	10,236,362	20,814,720	100	100	24.6



Schedule of Active Member Valuation Data

Valuation Date	Number of Employers	Active Members			
		Number	Annual Payroll	Annual Average Pay	% Increase in Average Pay
1999	845	148,611	\$3,711,679,688	\$24,976	5.2%
2000	847	151,790	4,090,596,398	26,949	7.9
2001	863	151,080	4,112,237,738	27,219	1.0
2002	866	152,148	4,220,538,845	27,740	1.9
2003	871	154,872	4,431,599,526	28,615	3.2
2004	880	156,353	4,617,272,973	29,531	3.2
2005	861	157,101	4,786,280,398	30,466	3.2
2006	861	158,091	4,971,973,661	31,450	3.2
2007	861	162,804	5,196,294,899	31,917	1.5
2008	863	165,733	5,544,704,937	33,456	4.8

Schedule of Retirants Added to and Removed From Rolls
Last Ten Fiscal Years

Item	Fiscal Year Ended June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Beginning of Year	47,086	48,766	51,080	53,665	56,705	59,447	62,407	63,939	66,757	70,756
Added	3,811	4,313	4,584	5,138	4,857	5,174	4,610	5,360	6,218	5,335
Removed	(2,131)	(1,999)	(1,999)	(2,098)	(2,115)	(2,214)	(3,078)	(2,542)	(2,219)	(2,551)
End of Year	48,766	51,080	53,665	56,705	59,447	62,407	63,939	66,757	70,756	73,540



Schedule of Annual Benefit Payments Added to and Removed From Rolls
Last Seven Fiscal Years

Year Ending	2002	2003	2004	2005	2006	2007	2008
Beginning of Year	\$581,199,527	\$656,547,390	\$715,099,701	\$778,636,196	\$1,022,022,560	\$1,117,210,600	\$1,214,384,863
Added	73,692,536	76,047,174	82,912,445	74,999,488	92,495,367	97,985,045	93,694,780
Removed	(14,603,554)	(17,494,863)	(19,375,950)	(25,851,732)	(26,749,850)	(31,700,099)	(35,621,113)
Benefit increase due to annual COLA	N/A	N/A	N/A	194,238,608	28,442,523	30,889,317	33,449,790
Benefit increase due to plan amendments	16,258,881	0	0	0	0	0	0
End of Year	\$656,547,390	\$715,099,701	\$778,636,196	\$1,022,022,560	\$1,117,210,600	\$1,214,384,863	\$1,305,908,320



Schedule of Average Benefit Payments

	Years of Credited Service								
	0-4	5-9	10-15	16-20	21-24	25	26-29	30	31+
July 1, 2007 to June 30, 2008									
Average Monthly Benefit	\$400.20	\$382.62	\$586.58	\$900.09	\$1,221.01	\$1,738.22	\$1,844.70	\$2,070.82	\$2,726.23
Average Final Salary	\$25,527	\$25,618	\$28,649	\$33,139	\$36,537	\$44,534	\$45,142	\$48,053	\$53,245
Number of Active Retirees	201	690	703	614	586	386	855	226	1,074
July 1, 2006 to June 30, 2007									
Average Monthly Benefit	\$411.52	\$369.97	\$536.43	\$817.54	\$1,113.79	\$1,671.02	\$1,761.30	\$2,127.34	\$2,615.87
Average Final Salary	\$22,554	\$24,146	\$27,269	\$30,518	\$34,644	\$42,366	\$43,541	\$47,398	\$51,466
Number of Active Retirees	340	986	827	747	684	381	917	251	1,085
July 1, 2005 to June 30, 2006									
Average Monthly Benefit	\$489.98	\$331.00	\$492.09	\$765.75	\$1,137.28	\$1,574.92	\$1,729.20	\$1,942.37	\$2,380.21
Average Final Salary	\$21,672	\$22,459	\$25,293	\$29,138	\$33,142	\$38,998	\$41,558	\$43,360	\$46,793
Number of Active Retirees	121	671	692	632	627	358	973	217	1,069
July 1, 2004 to June 30, 2005									
Average Monthly Benefit	\$478.93	\$354.32	\$556.04	\$872.26	\$1,239.41	\$1,569.12	\$1,683.54	\$1,878.27	\$2,382.38
Average Final Salary	\$22,862	\$22,656	\$24,775	\$29,619	\$34,563	\$38,437	\$40,090	\$41,687	\$46,505
Number of Active Retirees	108	543	666	516	421	296	853	223	984
July 1, 2003 to June 30, 2004									
Average Monthly Benefit	\$380.68	\$354.90	\$584.96	\$821.55	\$1,068.15	\$1,605.52	\$1,709.53	\$1,871.84	\$2,437.30
Average Final Salary	\$21,732	\$23,875	\$26,052	\$29,035	\$30,841	\$38,021	\$40,186	\$41,374	\$47,014
Number of Active Retirees	202	651	738	535	368	496	862	274	1,048



Schedule of Average Benefit Payments

	Years of Credited Service								
	0-4	5-9	10-15	16-20	21-24	25	26-29	30	31+
July 1, 2002 to June 30, 2003									
Average Monthly Benefit	\$429.80	\$355.18	\$526.23	\$787.32	\$1,052.00	\$1,502.35	\$1,657.46	\$1,739.17	\$2,328.86
Average Final Salary	\$21,698	\$21,817	\$25,046	\$26,377	\$28,859	\$36,308	\$38,977	\$38,459	\$44,883
Number of Active Retirees	157	535	732	507	327	459	868	236	1,036
July 1, 2001 to June 30, 2002									
Average Monthly Benefit	\$330.83	\$302.81	\$494.46	\$732.10	\$1,038.00	\$1,500.85	\$1,551.53	\$1,727.10	\$2,147.68
Average Final Salary	\$15,636	\$18,981	\$22,674	\$26,147	\$28,479	\$35,591	\$36,779	\$38,801	\$42,421
Number of Active Retirees	234	653	743	507	402	402	854	244	1,099
July 1, 2000 to June 30, 2001									
Average Monthly Benefit	\$284.55	\$313.67	\$471.15	\$731.04	\$1,021.25	\$1,324.77	\$1,529.02	\$1,678.21	\$2,131.09
Average Final Salary	\$18,107	\$19,827	\$21,900	\$24,910	\$27,921	\$32,937	\$36,110	\$37,850	\$42,329
Number of Active Retirees	117	418	623	456	354	391	833	287	1,105
July 1, 1999 to June 30, 2000									
Average Monthly Benefit	\$328.36	\$298.90	\$447.08	\$628.27	\$941.69	\$1,305.57	\$1,520.20	\$1,782.05	\$2,260.55
Average Final Salary	\$17,800	\$19,195	\$21,859	\$23,447	\$27,265	\$32,354	\$34,786	\$37,244	\$40,862
Number of Active Retirees	144	491	571	519	515	394	692	207	780
July 1, 1998 to June 30, 1999									
Average Monthly Benefit	\$350.32	\$267.35	\$367.49	\$563.22	\$841.77	\$1,132.79	\$1,340.86	\$1,589.15	\$1,931.45
Average Final Salary	\$18,069	\$17,660	\$19,206	\$22,246	\$25,410	\$29,741	\$32,506	\$35,165	\$37,380
Number of Active Retirees	115	390	525	437	433	398	634	176	703



SCHEDULE A

**Development of Actuarial Value of Assets
(\$ thousands)**

Valuation Date June 30:	2007	2008	2009	2010	2011	2012
A. Actuarial Value Beginning of Year	\$18,321,063	\$19,791,564				
B. Market Value End of Year	21,353,016	19,251,069				
C. Market Value Beginning of Year	18,321,063	21,353,016				
D. Cash Flow						
D1. Contributions	1,003,156	1,100,308				
D2. Other Revenue	0	0				
D3. Benefit Payments	(1,364,028)	(1,465,925)				
D4. Administrative Expenses	(9,846)	(11,078)				
D5. Investment Expenses	<u>(35,727)</u>	<u>(35,719)</u>				
D6. Net	(406,445)	(412,414)				
E. Investment Income						
E1. Market Total: B.-C.-D6.	3,438,398	(1,689,533)				
E2. Assumed Rate	8.00%	8.00%				
E3. Amount for Immediate Recognition	1,486,583	1,728,892				
E4. Amount for Phased-In Recognition	1,951,815	(3,418,425)				
F. Phased-In Recognition of Investment Income						
F1. Current Year: 0.20*E4.	390,363	(683,685)				
F2. First Prior Year	0	390,363	(683,685)			
F3. Second Prior Year	0	0	390,363	(683,685)		
F4. Third Prior Year	0	0	0	390,363	(683,685)	
F5. Fourth Prior Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>390,363</u>	<u>(683,685)</u>
F6. Total Recognized Investment Gain	390,363	(293,322)	(293,322)	(293,322)	(293,322)	(683,685)
G. Actuarial Value End of Year:						
A.+D6.+E3.+F6.	\$19,791,564	\$20,814,720				
H. Difference Between Market & Actuarial Values	\$1,561,452	\$(1,563,651)	\$(1,270,329)	\$(977,007)	\$(683,685)	\$0

The Actuarial Valuation of Assets recognizes assumed investment income (line E3) fully each year. Differences between actual and assumed investment income (line E4) are phased in over a closed 5 year period. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, Actuarial Value of Assets will tend to be greater than market value. If assumed rates are exactly realized for 4 consecutive years, actuarial value will become equal to market value.



Asset Summary June 30, 2008 (\$ in Thousands)			
	Market Value	Book Value	Actuarial Value
1. Assets at June 30, 2007	\$21,353,016	\$16,226,790	\$19,791,564
2. Contributions and Misc. Revenue	1,100,308	1,100,308	1,100,308
3. Investment Increment	(1,725,252)	1,419,514	1,399,851
4. Benefit Payments	(1,465,925)	(1,465,925)	(1,465,925)
5. Administrative Expenses	(11,078)	(11,078)	(11,078)
6. Assets at June 30, 2008 (1) + (2) + (3) + (4) + (5)	\$19,251,069	17,269,609	\$20,814,720
7. Investment Increment/Mean Assets*	(8.15)%	8.85%	7.14%

*Based on the approximation formula: $I/[.5 \times (A + B - I)]$, where

- I = Investment increment
- A = Beginning of year asset value
- B = End of year asset value



SCHEDULE B

STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

INTEREST RATE: 8.00% per annum, compounded annually (net after investment expenses).

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed rates of separation from active service are as follows:

Annual Rates of						
Age	Withdrawal and Vesting*		Death**		Disability**	
	Male	Female	Male	Female	Male	Female
20	20.0%	20.0%	.01%	.00%	.01%	.01%
25	15.5	15.0	.01	.00	.02	.01
30	11.0	11.0	.02	.01	.02	.02
35	9.5	9.0	.02	.01	.05	.03
40	7.0	6.5	.03	.01	.11	.08
45	6.0	5.5	.05	.02	.18	.13
50	6.0	5.5	.07	.03	.30	.21
55	6.0	5.5	.09	.04	.48	.33
60	6.0	5.5	.18	.07	.35	.25
65	6.0	5.5	.29	.13		
70	6.0	5.5	.49	.22		
74	6.0	5.5	.72	.38		

Annual Rates of Service Retirements				
Age	Male		Female	
	Under 25 Years of Service	25 Years of Service and Over	Under 25 Years of Service	25 Years of Service and Over
45		12.0%		8.5%
50		12.0		8.5
55		15.0		13.5
60	14.0%	15.0	14.0%	17.0
62	14.0	23.0	14.0	21.0
65	18.0	23.0	20.0	24.0
70	18.0	23.0	20.0	24.0
75	100.0	100.0	100.0	100.0

* For all ages, rates of 41% for 1st year of employment and 19% for 2nd year.

** 94% are presumed to be non-duty related, and 6% are assumed to be duty related.

It is assumed that a member will be granted three-quarters year of service credit for unused leave at termination of employment.



SALARY INCREASES: Representative values of the assumed annual rates of salary increases are as follows:

Service	Annual Rates of		
	Merit & Seniority	Base (Economy)	Increase Next Year
5	1.50%	4.00%	5.50%
10	1.00	4.00	5.00
15	1.25	4.00	5.25
20	1.25	4.00	5.25
25	1.25	4.00	5.25
30	2.50	4.00	6.50
35	3.00	4.00	7.00

PAYROLL GROWTH: 4.00% per annum, compounded annually.

PRICE INFLATION: 3.75% per annum, compounded annually.

DEATH AFTER RETIREMENT: The mortality table, for post-retirement mortality, used in evaluating allowances to be paid is the 1983 Group Annuity Mortality Table, set forward one year for women. Special tables are used for the period after disability retirement. This assumption is used to measure the probabilities of each benefit payment being made after retirement.

MARRIAGE ASSUMPTION: 85% married with the husband three years older than his wife.

UNUSED SICK LEAVE: 0.75 years at retirement.

VALUATION METHOD: Entry age normal cost method. Entry age is established on an individual basis.



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



SCHEDULE C

SUMMARY OF MAIN BENEFIT AND CONTRIBUTION PROVISIONS

The following summary presents the main benefit and contribution provisions of the System in effect June 30, 2008, as interpreted in preparing the actuarial valuation. As used in the summary, "average compensation" means the average annual covered earnings of an employee during the four highest years of service. "Covered earnings" means gross salary not in excess of the maximum amount on which contributions were required. "Fiscal year" means a year commencing on July 1 and ending June 30. The maximum covered earnings for employers and employees over the years are as follows:

**EMPLOYER AND EMPLOYEE RATES OF CONTRIBUTION
AND MAXIMUM COVERED EARNINGS**

Date From	To	Employer Rate	Maximum Covered Earnings	Employee Rate	Maximum Covered Earnings
2/1/53	6/30/58	2.50%	\$6,000	4.00%	\$4,800*
7/1/58	6/30/60	2.50	9,000	4.00	7,800*
7/1/60	6/30/66	2.50	15,000	4.00	13,800*
7/1/66	6/30/68	3.00	15,000	4.50	13,800*
7/1/68	3/31/71	4.50	15,000	4.50	15,000
4/1/71	6/30/73	4.50	35,000	4.50	35,000
7/1/73	6/30/76	5.85	35,000	5.00	35,000
7/1/76	6/30/77	7.00	35,000	5.00	35,000
7/1/77	6/30/78	7.50	35,000	5.50	35,000
7/1/78	6/30/80	8.00	35,000	5.50	35,000
7/1/80	6/30/81	8.00	53,000	5.50	53,000
7/1/81	12/31/83	8.75	53,000	6.00	53,000
1/1/84	6/30/88	8.75	63,000	6.00	63,000
7/1/88	6/30/89	8.75	75,600	6.00	75,600
7/1/89	12/31/89	8.75	75,600	6.50	75,600
1/1/90	6/30/91	9.75	75,600	6.50	75,600
7/1/91	6/30/92	9.75	75,600	7.25	75,600
7/1/92	6/30/02	9.75	125,000	7.25	125,000
7/1/02	6/30/05	9.75	150,000	7.25	150,000
7/1/05	6/30/06	10.75	150,000	7.25	150,000
7/1/06	6/30/07	11.30	150,000	7.25	150,000
7/1/07	6/30/08	11.85	150,000	7.25	150,000
7/1/08	6/30/09	11.85	230,000	7.25	230,000

*From February 1, 1953 through June 30, 1968 the first \$100 in monthly earnings or \$1,200 in annual earnings were not covered earnings for the employee.



BENEFITS

Superannuation Retirement

Condition for Retirement

- (a) A retirement allowance is paid upon the request of any member who retires and has attained age 60 and completed at least eight years* of creditable service, or has completed at least 25 years of creditable service.
- (b) Any member who withdraws from service prior to his attainment of age 60 and who has completed at least eight years* of creditable service is entitled to receive, in lieu of a refund of his accumulated contributions, a retirement allowance commencing at age 60.
- (c) Upon the death of a member who has completed at least eight years* of creditable service, a benefit is payable, in lieu of a refund of the member's accumulated contributions, to his spouse, if said spouse has been married to the member for not less than one year.

* four years for those who entered the system before July 1, 2007.

Amount of Allowance

The annual retirement allowance payable to a member who retires under condition (a) above is equal to:

1. A member's annuity which is the actuarial equivalent of the member's accumulated contributions at the time of his retirement, plus
2. An employer's annuity which, together with the member's annuity, is equal to 2% of his average compensation for each of the first 25 years of creditable service plus 2-1/2% for each year of creditable service over 25 years.

The minimum allowance is \$120 for each year of creditable service.

The annual retirement allowance payable to the spouse of a member who dies under condition (c) above is equal to the greater of (i) the allowance that would have been payable had the member retired and elected Option 2, reduced by 3% per year for each year the member lacked in qualifying for unreduced retirement benefits, or (ii) a benefit equal to the greater of 20% of average compensation or \$50 per month.

In addition, a benefit is payable to dependent children until age 19 (23 if a full time student). The benefit is equal to the greater of 10% of average compensation or \$50 per month for each dependent child up to 3.



Disability Retirement

Condition for Retirement

A retirement allowance is paid to a member who is totally and permanently disabled, as determined by the Board of Trustees, and has accumulated eight or more years* of creditable service.

* four years for those who entered the system before July 1, 2007

Amount of Allowance

For those who were active members prior to July 1, 1992 and did not elect the benefit structure outlined below, the annual disability retirement allowance payable is equal to a superannuation retirement allowance if the member has attained age 60, otherwise it is equal to a superannuation retirement allowance calculated as follows:

1. A member's annuity equal to the actuarial equivalent of his accumulated contributions at the time of retirement, plus
2. An employer's annuity equal to the amount that would have been payable had the member continued in service to age 60.

For those who become active members after June 30, 1992 and for those who were active members prior to July 1, 1992 who so elected, the following benefits are payable:

1. A temporary allowance equal to the greater of (a) 40% of average compensation plus 10% for each dependent child up to a maximum of 2, or (b) the member's accrued allowance. This temporary allowance is paid for a period of time based on the member's age at disability, as follows:

<u>Age at Disability</u>	<u>Duration</u>
60 and earlier	to age 65
61	to age 66
62	to age 66
63	to age 67
64	to age 67
65	to age 68
66	to age 68
67	to age 69
68	to age 70
69 and later	one year

The minimum allowance is \$120 per year of creditable service.



2. A deferred allowance commencing when the temporary allowance ceases equal to the greater of (a) the allowance the member would have received based on service to the termination age of the temporary allowance, but not more than 40% of average compensation, or (b) the member's accrued allowance.

The minimum allowance is \$120 per year of creditable service.

Effective July 1, 2004, a temporary benefit can be paid out of a member's accumulated contribution balance while the member is awaiting a determination for eligibility for disability benefits. Future disability payments, if any, would be offset by advanced payments made from the member's accumulated contributions.

Accidental Disability Retirement

Condition for Retirement

A retirement allowance is paid to a member who is totally and permanently disabled in the line of performance of duty.

Amount of Allowance

The annual accidental disability retirement allowance is equal to the allowance payable on disability retirement but not less than 50% of average compensation. There is no minimum benefit.

Accidental Death Benefit

Condition for Benefit

A retirement allowance is paid to a spouse and/or dependent children upon the death of an active member in the line of performance of duty.

Amount of Allowance

The annual retirement allowance is equal to 50% of average compensation payable to the spouse and 25% of average compensation payable to one dependent child or 50% to two or more children until age 19 (23 if a full time student). There is no minimum benefit.

Return of Contributions

Upon the withdrawal of a member without a retirement benefit, his contributions are returned to him, together with accumulated regular interest thereon.

Upon the death of a member before retirement, his contributions, together with the full accumulated regular interest thereon, are paid to his designated beneficiary, if any, otherwise, to his estate provided no other survivor benefits are payable.



Normal Form of Benefit

The normal form of benefit is an allowance payable during the life of the member with the provision that upon his death the excess of his total contributions at the time of retirement over the total retirement annuity paid to him will be paid to his designated beneficiary.

Optional Benefits

A member upon retirement may elect to receive his allowance in one of the following forms which are computed to be actuarially equivalent to the applicable retirement allowance.

Option 1. Reduced allowance with the provision that if the pensioner dies before he receives the value of the member's annuity as it was at the time of retirement, the balance shall be paid to his beneficiary or estate.

Option 2. Upon his death, his reduced retirement allowance shall be continued throughout the life of, and paid to, his beneficiary.

Option 3. Upon his death, 50% of his reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary and the other 50% of his reduced retirement allowance to some other designated beneficiary.

Option 4A. Upon his death, 50% of his reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary.

Option 4B. A reduced retirement allowance shall be continued throughout the life of the pensioner, but with the further guarantee of payment to the pensioner, his beneficiary or his estate for a specified number of years certain.

Option 4C. A member may elect any option with the added provision that the member shall receive, so far as possible, the same total amount annually (considering both PERS and Social Security benefits) before and after the earliest age at which the member becomes eligible for a Social Security benefit. This option was only available to those who retired prior to July 1, 2004.

If a member elects either Option 2 or Option 4A there is an added provision that in the event the designated beneficiary predeceases the member, the retirement allowance payable to the member after the designated beneficiary's death shall be equal to the retirement allowance which would have been payable had the member not elected the option.



A member who has at least 28 years of creditable service* can select a partial lump-sum option at retirement. Under this option, the retiree has the option of taking a partial lump-sum distribution equal to either 12, 24, or 36 times the base maximum monthly benefit. With each lump-sum amount, the base maximum monthly benefit will be actuarially reduced. A member selecting the partial lump-sum option may also select any of the regular options except Option 1, the prorated single-life annuity, and Option 4-C, the Social Security leveling provision. The benefit is then calculated using the new reduced maximum benefit as a starting point in applying the appropriate option factors for the reduction.

* or at least age 63 with four years of service for those who entered the system before July 1, 2007.

Post-Retirement Adjustments In Allowances

The allowances of retired members are adjusted annually by an amount equal to (a) 3% of the annual retirement allowance for each full fiscal year of retirement prior to the year in which the member reaches age 55, plus (b) 3% compounded for each year thereafter beginning with the fiscal year in which the member turns age 55; provided, however, that the annual adjustment will not be less than 4% of the annual retirement allowance for each full fiscal year in retirement through June 30, 1998.

A prorated portion of the annual adjustment will be paid to the member, beneficiary, or estate of any member or beneficiary who is receiving the annual adjustment in a lump sum, but whose benefits are terminated between July 1 and December 1.



SCHEDULE D

DETAILED TABULATIONS OF THE DATA

Retirants & Beneficiaries as of June 30, 2008
Tabulated by Year of Retirement

Year of Retirement	No.	Total Annual Benefits, excluding COLA	COLA	Total Annual Benefits	Average Monthly Total Benefit
2008	2,690	\$50,183,048	\$30,779	\$50,213,827	\$1,556
2007	4,495	79,912,931	108,208	80,021,139	1,484
2006	4,656	79,415,742	2,201,807	81,617,549	1,461
2005	4,408	72,121,020	4,169,597	76,290,617	1,442
2004	4,534	77,834,362	6,906,468	84,740,830	1,558
2003	4,117	66,919,230	8,017,646	74,936,876	1,517
2002	4,240	68,501,203	10,468,275	78,969,478	1,552
2001	4,189	64,726,569	12,116,946	76,843,515	1,529
2000	3,627	58,294,587	12,976,296	71,270,883	1,638
1999	2,896	42,972,139	11,038,775	54,010,914	1,554
1998	2,901	41,834,122	12,335,805	54,169,927	1,556
1997	2,825	37,368,181	12,547,220	49,915,401	1,472
1996	3,059	42,460,430	15,957,928	58,418,358	1,591
1995	2,430	30,381,050	12,710,677	43,091,727	1,478
1994	2,307	27,115,415	12,363,231	39,478,646	1,426
1993	2,242	25,276,599	12,711,141	37,987,740	1,412
1992	2,671	33,480,571	18,353,815	51,834,386	1,617
1991	2,166	24,628,121	14,622,309	39,250,430	1,510
1990	1,760	19,053,940	12,246,835	31,300,775	1,482
1989	1,455	13,475,077	9,298,058	22,773,135	1,304
1988	1,179	10,447,296	7,751,780	18,199,076	1,286
1987	992	8,277,259	6,555,357	14,832,616	1,246
1986	1,885	18,990,474	16,549,445	35,539,919	1,571
1985	898	7,730,206	6,873,462	14,603,668	1,355
1984	837	6,576,572	6,234,621	12,811,193	1,276
1983	632	4,378,136	4,402,461	8,780,597	1,158
1982	571	3,913,395	4,181,025	8,094,420	1,181
1981	605	3,824,247	4,308,543	8,132,790	1,120
1980	464	2,847,598	3,368,068	6,215,666	1,116
1979	299	1,785,893	2,239,339	4,025,232	1,122
1978	301	1,532,278	2,015,122	3,547,400	982
1977	249	1,300,272	1,796,707	3,096,979	1,036
1976	256	1,220,203	1,761,504	2,981,707	971
1975	170	747,490	1,134,474	1,881,964	923
1974	154	665,268	1,062,979	1,728,247	935
1973 & Prior	380	1,488,217	2,812,476	4,300,693	943
Totals	73,540	\$1,031,679,141	\$274,229,179	\$1,305,908,320	\$1,480



Schedule of Retired Members by Type of Benefit

Benefits Payable June 30, 2008

Amount of Monthly Benefit**	Number of Ret.	Ret.		Life	Option Selected										PLSO 3 Years
		Type 1*	Type 2*		Type 3*	Option 1	Option 2	Option 3	Option 4A	Option 4B	Option 4C	Option 5	PLSO 1 Year	PLSO 2 Years	
\$1-\$100	2,354	1,882	13	459	1,675	75	327	6	30	228	6	13	45	32	333
101-200	5,752	4,254	132	1,366	4,151	248	664	17	84	508	24	80	81	54	327
201-300	5,561	3,957	296	1,308	4,143	230	554	7	105	446	40	76	71	45	234
301-400	4,737	3,292	378	1,067	3,407	218	528	20	106	404	62	54	56	56	205
401-500	4,206	2,985	409	812	3,004	190	503	7	141	304	69	57	59	52	179
501-600	3,545	2,524	406	615	2,439	161	468	15	110	303	89	49	71	49	165
601-700	3,210	2,332	381	497	2,208	149	409	9	141	242	133	52	60	46	131
701-800	3,036	2,243	367	426	2,037	174	378	7	157	202	160	81	42	38	133
801-900	2,884	2,198	324	362	1,860	162	424	6	163	220	178	49	57	45	176
901-1,000	2,773	2,170	293	310	1,795	122	414	14	147	205	183	76	62	30	168
Over 1,000	35,482	31,569	2,076	1,837	21,315	1,496	6,080	154	3,249	2,732	2,200	456	1,155	1,057	5,320
Totals	73,540	59,406	5,075	9,059	48,034	3,225	10,749	262	4,433	5,794	3,144	1,043	1,759	1,504	7,371

*Type of Retirement

- 1 – Retirement for Age & Service
- 2 – Disability Retirement
- 3 – Survivor Payment

Option Selected

Option Selected	Return of Contributions
Life	Return of Member's Annuity
Opt. 1	100% Survivorship
Opt. 2	50%/50% Dual Survivorship
Opt. 3	50% Survivorship
Opt. 4A	Years Certain & Life
Opt. 4B	Social Security Leveling**
Opt. 4C	Pop-Up
Opt. 5	Partial Lump Sum Option**
PLSO	(Reflects reduced benefit)

**Included in other options



Public Employees' Retirement System of Mississippi

Retirant and Beneficiary Information June 30, 2008
Tabulated by Attained Ages

Attained Age	Service Retirement		Disability Retirement		Survivors and Beneficiaries		Total	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 20					639	\$2,262,299	639	\$2,262,299
20 - 24					173	\$926,334	173	\$926,334
25 - 29			2	\$24,153	75	\$628,772	77	\$652,925
30 - 34			38	\$427,998	75	\$665,996	113	\$1,093,994
35 - 39	2	\$12,511	87	\$1,267,473	168	\$1,545,470	257	\$2,825,454
40 - 44	17	\$308,600	197	\$3,426,734	202	\$1,620,583	416	\$5,355,917
45 - 49	577	\$12,004,736	454	\$7,846,375	347	\$2,950,648	1,378	\$22,801,759
50 - 54	2,625	\$62,312,008	765	\$13,469,975	503	\$5,966,624	3,893	\$81,748,607
55 - 59	5,951	\$155,591,194	1,071	\$17,030,267	680	\$8,345,192	7,702	\$180,966,653
60 - 64	11,229	\$235,412,139	1,078	\$15,861,048	872	\$11,482,255	13,179	\$262,755,442
65 - 69	12,302	\$223,960,144	630	\$8,008,546	948	\$12,684,606	13,880	\$244,653,296
70 - 74	9,616	\$165,752,141	416	\$4,640,042	1,084	\$15,129,367	11,116	\$185,521,550
75 - 79	7,627	\$127,822,174	193	\$1,986,823	1,222	\$16,743,516	9,042	\$146,552,513
80 - 84	5,265	\$80,113,817	88	\$907,785	1,065	\$14,251,209	6,418	\$95,272,811
85 - 89	2,742	\$39,957,869	41	\$362,770	671	\$9,277,138	3,454	\$49,597,777
90 - 94	1,114	\$15,109,655	14	\$148,409	265	\$2,912,879	1,393	\$18,170,943
95	104	\$1,112,280			28	\$332,466	132	\$1,444,746
96	78	\$898,918	1	\$5,580	15	\$159,002	94	\$1,063,500
97	39	\$431,242			11	\$114,481	50	\$545,723
98	43	\$551,653			7	\$62,330	50	\$613,983
99	36	\$463,923			5	\$92,794	41	\$556,717
100 & Over	39	\$482,231			4	\$43,146	43	\$525,377
Totals	59,406	\$1,122,297,235	5,075	\$75,413,978	9,059	\$108,197,107	73,540	\$1,305,908,320

Average Age: 68.3 years.



Public Employees' Retirement System of Mississippi

Total Active Members as of June 30, 2008
 Tabulated by Attained Ages and Years of Service

Attained Age	Years of Service to Valuation Date							Totals	
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	No.	Valuation Payroll
Under 20	505	2	1					508	\$6,067,145
20 - 24	7,214	85	4				1	7,304	158,017,038
25 - 29	13,787	3,415	65	3				17,270	488,192,205
30 - 34	9,356	6,941	2,006	38				18,341	576,664,967
35 - 39	8,600	5,578	5,070	1,946	73			21,267	703,457,545
40 - 44	6,902	4,790	3,827	3,804	1,833	66		21,222	707,165,146
45 - 49	6,229	4,843	3,912	3,376	3,657	1,611	55	23,683	819,887,549
50 - 54	5,317	4,042	3,493	3,392	3,167	2,460	1,241	23,112	852,387,178
55 - 59	3,892	3,180	2,777	2,789	2,691	1,628	1,822	18,779	715,017,051
60	620	494	484	453	406	257	307	3,021	115,398,240
61	529	503	444	380	389	231	319	2,795	106,757,929
62	332	329	227	224	199	135	176	1,622	60,438,333
63	291	276	217	148	165	117	153	1,367	50,397,540
64	209	202	186	160	123	91	112	1,083	41,506,935
65	166	191	127	130	113	60	98	885	32,819,908
66	132	153	99	80	63	37	60	624	21,770,914
67	128	110	75	66	54	37	47	517	17,199,889
68	101	96	80	50	46	29	45	447	14,043,244
69	94	80	45	50	30	17	49	365	11,375,600
70 & Over	288	343	256	208	165	100	161	1,521	46,140,581
Totals	64,692	35,653	23,395	17,297	13,174	6,876	4,646	165,733	\$5,544,704,937

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 44.0 years
 Service: 9.7 years
 Annual Pay: \$33,456



SCHEDULE E

**MISSISSIPPI PERS
ANALYSIS OF FINANCIAL EXPERIENCE**

**Gains & Losses in Accrued Liabilities
Resulting from Difference Between
Assumed Experience & Actual Experience
(\$ Millions)**

Type of Activity	\$ Gain (or Loss) For Year Ending 6/30/08	\$ Gain (or Loss) For Year Ending 6/30/07
Age & Service Retirements. If members retire at older ages, there is a gain. If younger ages, a loss.	\$ (116.3)	\$ (86.5)
Disability Retirements. If disability claims are less than assumed, there is a gain. If more claims, a loss.	(43.4)	(47.3)
Death-in Service Benefits. If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	0.0	0.5
Withdrawal From Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	61.9	50.6
Pay Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	(10.3)	228.1
New Members. Additional unfunded accrued liability will produce a loss.	(106.5)	(94.8)
Investment Income. If there is a greater investment income than assumed, there is a gain. If less income, a loss.	(293.3)	390.4
Death After Retirement. If retirants live longer than assumed, there is a loss. If not as long, a gain.	6.8	(117.3)
Other. Miscellaneous gains and losses resulting from changes in valuation software, data adjustments, timing of financial transactions, etc.	<u>(51.2)</u>	<u>(136.3)</u>
Gain (or Loss) During Year From Financial Experience	\$ (552.6)	\$ 187.4
Non-Recurring Items. Adjustments for plan amendments, assumption changes, or method changes.	<u>(23.5)</u>	<u>(523.8)</u>
Composite Gain (or Loss) During Year	\$ <u>(576.1)</u>	\$ <u>(336.4)</u>



SCHEDULE F GLOSSARY

Actuarial Accrued Liability. The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as “accrued liability” or “past service liability”.

Accrued Service. The service credited under the plan which was rendered before the date of the actuarial valuation.

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

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

Actuarial Equivalent. A series of payments is called an actuarial equivalent of another series of payments if the two series have the same actuarial present value.

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

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

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

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

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

Unfunded Actuarial Accrued Liability. The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as “unfunded accrued liability”.

Valuation Assets. The value of current plan assets recognized for valuation purposes. Generally based on book value plus a portion of unrealized appreciation or depreciation.