

**REPORT ON THE SIXTY-EIGHTH ANNUAL VALUATION
OF THE TEACHERS' AND STATE EMPLOYEES'
RETIREMENT SYSTEM OF NORTH CAROLINA
PREPARED AS OF DECEMBER 31, 2010**

September 30, 2011

Board of Trustees
Teachers' and State Employees'
Retirement System of North Carolina
325 North Salisbury Street
Raleigh, NC 27603

Members of the Board:

We submit herewith our report on the sixty-eighth annual valuation of the Teachers' and State Employees' Retirement System of North Carolina prepared as of December 31, 2010. The report has been prepared in accordance with North Carolina General Statute 135-6(o).

The Appropriations Act of 2011 sets contributions at 7.44% of payroll effective for the fiscal year ending June 30, 2012. The valuation has been prepared in accordance with the parameters of Statement Nos. 25 and 27 of the Governmental Accounting Standards Board. The annual required contribution (ARC) under GASB for the 2012-2013 fiscal year is 7.69% of payroll, which will liquidate the unfunded accrued liability within a 12-year period from July 1, 2012. On this basis, there is no preliminary reserve from undistributed gains.

The Appropriations Act of 2011 also changed the period over which the unfunded actuarial accrued liability is amortized from nine years to 12 years. The annual required contribution rate of 7.69% of payroll reflects this change.

Additionally, the State Pension Plan Solvency Reform Act (Session Law 2011-232) changed the benefit eligibility requirements for members hired on or after August 1, 2011. No members are affected as of December 31, 2010. Therefore, the annual required contribution rate of 7.69% of payroll is not impacted by this legislation.

The plan sponsor selected the assumptions used for the results in this report. We believe that these assumptions are reasonable and comply with the requirements of GASB Nos. 25 and 27. We prepared this report in accordance with the requirements of these standards.

The undersigned meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. This report has been prepared in accordance with all applicable Actuarial Standards of Practice, and we are available to answer questions about it.

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

Respectfully submitted,



Michael A. Ribble, FSA, EA, MAAA
Director, Consulting Actuary



Larry Langer, ASA, EA, MAAA
Principal, Consulting Actuary

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**REPORT ON THE SIXTY-EIGHTH ANNUAL VALUATION OF THE
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM OF NORTH CAROLINA
PREPARED AS OF DECEMBER 31, 2010**

SECTION I - SUMMARY OF PRINCIPAL RESULTS

1. This report, prepared as of December 31, 2010, presents the results of the sixty-eighth 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.

**TABLE I
SUMMARY OF PRINCIPAL RESULTS**

VALUATION DATE	12/31/10	12/31/09
Active members included in valuation		
Number	317,740	316,647
Reported compensation	\$ 13,053,830,873	\$ 13,253,029,516
Valuation compensation	\$ 13,831,161,230	\$ 13,940,920,882
Beneficiaries		
Number	163,938	156,791
Annual allowances	\$ 3,334,806,219	\$ 3,179,802,828
Assets		
Actuarial value	\$ 57,102,198,448	\$ 55,818,099,117
Market value	54,108,134,326	50,382,551,504
Unfunded accrued liability	\$ 2,773,867,483	\$ 2,360,173,025
<u>GASB 25/27 for Fiscal Year Ending</u>	June 30, 2013	June 30, 2012
Annual required contribution (ARC) of employer, as a percentage of payroll		
Normal cost	5.12%	5.12%
Accrued liability	<u>2.57</u>	<u>2.82</u>
Total	7.69%	7.94%
Impact of legislative changes	<u>N/A</u>	<u>(0.50)</u>
Final ARC of employer	N/A	7.44%
<u>Appropriations Act for Prior Fiscal Year</u>		
Employer contribution rate, as a percentage of payroll		
Normal cost	5.12%	6.30%
Accrued liability	<u>2.32</u>	<u>(1.37)</u>
Total	7.44%	4.93%
Reserve from undistributed gains/(losses)	(0.25)%	(2.51)%

The change in benefit eligibility requirements for members hired on or after August 1, 2011 is expected to decrease the annual required contribution rate for the fiscal year ending June 30, 2013 by approximately 0.01%.

2. The following table shows a reconciliation of the change in the annual required contribution, as a percentage of payroll, computed to be 7.94% based on the December 31, 2009 valuation and 7.69% based on the December 31, 2010 valuation.

**TABLE II
RECONCILIATION OF CHANGE IN ANNUAL REQUIRED CONTRIBUTION**

Prior Year's Preliminary ARC (based on 12/31/09 valuation)	7.94%
Impact of Legislative Changes	<u>(0.50%)</u>
Prior Year's Final ARC	7.44%
Change Due to Demographic Gain/Loss	(0.62%)
Change Due to Investment Gain/Loss	0.74%
Change Due to Contributions Less Than ARC	<u>0.13%</u>
Current Year's Preliminary ARC (based on 12/31/10 valuation)	7.69%

3. Tables summarizing the membership of the system as of the valuation date are shown in Section II.
4. The valuation balance sheet showing the assets and liabilities of the retirement system as of the current and previous valuation dates is provided in Section III.
5. An allocation of investments by category is shown in Section IV.
6. Comments on the valuation results are provided in Section V.
7. Comments on the experience and actuarial gains during the valuation year are provided in Section VI.
8. Accounting information to be disclosed in the financial statements of the System and the employer is provided in Section VII.
9. Schedule A of this report presents the development of the actuarial value of assets.
10. Schedule B of this report presents the development of the amortization of the unfunded accrued liability.
11. Schedule C of this report outlines the full set of actuarial assumptions and methods employed.
12. Schedule D gives a summary of the benefit and contribution provisions of the system.
13. Schedule E provides detailed tabulations of the membership of the system as of the valuation date.

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 December 31, 2010 upon which the valuation was based. Detailed tabulations of the data are provided in Schedule E.

TABLE III

**THE NUMBER AND REPORTED COMPENSATION OF ACTIVE MEMBERS
INCLUDED IN THE VALUATION AS OF DECEMBER 31, 2010**

GROUP	NUMBER	AVERAGE AGE	AVERAGE SERVICE	REPORTED COMPENSATION
Classroom Teachers	151,384	43.19	10.25	\$ 6,237,617,351
Other Education	49,944	48.71	10.80	1,855,193,920
General Employees	112,863	45.85	10.15	4,768,777,707
Law Enforcement Officers	<u>3,549</u>	<u>40.07</u>	<u>12.83</u>	<u>192,241,895</u>
Total	317,740	44.97	10.33	\$ 13,053,830,873

TABLE IV

**THE NUMBER AND VALUATION COMPENSATION OF DISABLED MEMBERS
INCLUDED IN THE VALUATION AS OF DECEMBER 31, 2010**

GROUP	NUMBER	AVERAGE AGE	AVERAGE SERVICE	VALUATION COMPENSATION
Classroom Teachers	952	53.22	11.76	\$ 31,250,444
Other Education	327	54.76	11.55	8,211,039
General Employees	5,612	55.44	11.24	176,712,637
Law Enforcement Officers	<u>52</u>	<u>49.14</u>	<u>12.32</u>	<u>2,228,673</u>
Total	6,943	55.06	11.33	\$ 218,402,793

TABLE V

**THE NUMBER AND ACCUMULATED CONTRIBUTIONS OF TERMINATED
VESTED MEMBERS INCLUDED IN THE VALUATION AS OF DECEMBER 31, 2010**

GROUP	NUMBER	AVERAGE AGE	AVERAGE SERVICE	ACCUMULATED CONTRIBUTIONS
Classroom Teachers	23,142	38.74	3.99	\$ 220,852,654
Other Education	5,129	44.47	4.26	49,370,362
General Employees	73,114	43.97	4.15	803,973,906
Law Enforcement Officers	<u>764</u>	<u>40.94</u>	<u>6.44</u>	<u>14,815,653</u>
Total	102,149	42.78	4.14	\$ 1,089,012,575

TABLE VI

**THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF BENEFICIARIES
AND SURVIVORS INCLUDED IN THE VALUATION AS OF DECEMBER 31, 2010**

GROUP	NUMBER	AVERAGE AGE	ANNUAL RETIREMENT ALLOWANCES
<u>Beneficiaries Receiving Service Retirement Allowances</u>			
Classroom Teachers and Other Education	72,018	69.04	\$ 1,806,069,249
General Employees	66,304	70.68	1,106,106,318
Law Enforcement Officers	<u>2,206</u>	<u>64.54</u>	<u>66,646,783</u>
Total	140,528	69.74	\$ 2,978,822,350
<u>Beneficiaries Receiving Disability Retirement Allowances</u>			
Classroom Teachers and Other Education	3,951	66.25	\$ 84,038,675
General Employees	6,605	67.47	99,455,968
Law Enforcement Officers	<u>179</u>	<u>65.46</u>	<u>4,408,795</u>
Total	10,735	66.99	\$ 187,903,438
<u>Benefits to Survivors of Deceased Beneficiaries</u>			
Classroom Teachers and Other Education	3,896	72.56	\$ 66,384,423
General Employees	8,426	73.47	94,989,786
Law Enforcement Officers	<u>353</u>	<u>71.10</u>	<u>6,706,223</u>
Total	12,675	73.12	\$ 168,080,432
Grand Total	<u>163,938</u>	<u>69.82</u>	<u>\$ 3,334,806,220</u>

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 December 31, 2010 and, for comparison purposes, as of the prior valuation date of December 31, 2009. 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.

TABLE VII

VALUATION BALANCE SHEET
SHOWING THE ASSETS AND LIABILITIES OF THE
TEACHERS' AND STATE EMPLOYEES'
RETIREMENT SYSTEM OF NORTH CAROLINA

ASSETS	DECEMBER 31, 2010	DECEMBER 31, 2009
Current actuarial value of assets:		
Annuity Savings Fund	\$ 10,374,986,307	\$ 9,907,133,268
Pension Accumulation Fund	<u>46,727,212,141</u>	<u>45,910,965,849</u>
Total current assets	\$ 57,102,198,448	\$ 55,818,099,117
Future member contributions to Annuity Savings Fund	\$ 6,982,786,111	\$ 7,067,975,174
Prospective contributions to Pension Accumulation Fund:		
Normal contributions	\$ 5,842,264,379	\$ 5,913,539,229
Unfunded accrued liability contributions	2,773,867,483	2,360,173,025
Undistributed gain contributions	<u>(269,831,467)</u>	<u>(2,519,386,465)</u>
Total prospective contributions	\$ 8,346,300,395	\$ 5,754,325,789
Total Assets	\$ <u>72,431,284,954</u>	\$ <u>68,640,400,080</u>
LIABILITIES		
Annuity Savings Fund:		
Past member contributions	\$ 10,374,986,307	\$ 9,907,133,268
Future member contributions	<u>6,982,786,111</u>	<u>7,067,975,174</u>
Total contributions to Annuity Savings Fund	\$ 17,357,772,418	\$ 16,975,108,442
Pension Accumulation Fund:		
Benefits currently in payment	\$ 30,098,133,293	\$ 28,751,924,527
Benefits to be paid to current active members	25,245,210,710	25,432,753,576
Reserve for increases in retirement allowances effective July 1, 2011 (July 1, 2010 for December 31, 2009 figure)	0	0
Reserve from undistributed gains/(losses)	<u>(269,831,467)</u>	<u>(2,519,386,465)</u>
Total benefits payable from Pension Accumulation Fund	\$ 55,073,512,536	\$ 51,665,291,638
Total Liabilities	\$ <u>72,431,284,954</u>	\$ <u>68,640,400,080</u>

The valuation balance sheet gives the following information with respect to the funds of the system as of December 31, 2010.

Annuity Savings Fund

The Annuity Savings Fund is the fund to which contributions made by members together with interest are credited thereon. When a member retires, the amount of his accumulated contributions is transferred from the Annuity Savings Fund to the Pension Accumulation Fund. The assets credited to the Annuity Savings Fund on December 31, 2010, which represent the accumulated contributions of members to that date, amounted to \$10,374,986,307. The balance sheet also shows that the future contributions by members have a present value of \$6,982,786,111. The present value of both past and future contributions of members is therefore equal to \$17,357,772,418. The liabilities of this fund are also shown to be equal to \$17,357,772,418.

Pension Accumulation Fund

The Pension Accumulation Fund is the fund to which the contributions made by employers are credited and from which are paid all benefits on account of beneficiaries and their survivors.

The actuarial value of assets creditable to the Pension Accumulation Fund on December 31, 2010 amounted to \$46,727,212,141. The liabilities on account of active members amounted to \$25,245,210,710. In addition, the balance sheet indicates liabilities of \$30,098,133,293 on account of all benefits payable to beneficiaries and survivors as of December 31, 2010. The balance sheet also shows a reserve from undistributed gains/(losses) of \$(269,831,467). The total liabilities of the Pension Accumulation Fund, therefore, amounted to \$55,073,512,536. The difference between these liabilities and the current assets credited to this fund is \$8,346,300,395 which represents the present value of future contributions to be made by the employers. Of this amount, \$5,842,264,379 represents the present value of prospective normal contributions by the employers, \$2,773,867,483 represents the present value of prospective accrued liability contributions by employers and the balance of \$(269,831,467) represents the present value of prospective contributions on account of undistributed actuarial gains/(losses).

SECTION IV – ASSET ALLOCATION

The following table shows an allocation of investments by category for the Annuity Savings Fund and Pension Accumulation Fund as of December 31, 2010.

TABLE VIII

**ALLOCATION OF INVESTMENTS BY CATEGORY
FOR THE ANNUITY SAVINGS FUND AND
PENSION ACCUMULATION FUND AS OF DECEMBER 31, 2010**

Cash and Receivables	0.4%
Fixed Income (LTIF)	35.4
Public Equity	51.2
Other*	<u>13.0</u>
Total	100.0%

* Real Estate, Alternatives, Inflation and Credit.

SECTION V - COMMENTS ON VALUATION

The retirement act provides that the contributions of employers shall consist of a normal contribution and an accrued liability contribution. G.S. 135-8(d)(2) of the retirement act provides that the normal contribution rate is to be determined as the uniform percentage of the earnable compensation of the average new entrant throughout his entire period of active service and is to be determined after each valuation. The valuation indicates that the uniform normal percentage contribution rate should be set at 5.12% of compensation.

The Appropriations Act of 2011 also changed the period over which the unfunded actuarial accrued liability is amortized from nine years to 12 years. Additionally, the State Pension Plan Solvency Reform Act (Session Law 2011-232) changed the benefit eligibility requirements for members hired on or after August 1, 2011. No members are affected as of December 31, 2010.

The present valuation indicates that if the employer contribution rate is set at 7.44% of payroll in accordance with the Appropriations Act of 2011, the accrued liability rate would be equal to 2.32% of payroll effective

July 1, 2011. The required employer contribution is 7.69% of payroll effective July 1, 2012, which will liquidate the unfunded accrued liability within a 12-year period from July 1, 2012.

SECTION VI - COMMENTS ON EXPERIENCE AND GAINS

The following table shows a detailed reconciliation of the change in unfunded accrued liability since the prior valuation.

TABLE IX

RECONCILIATION OF CHANGE IN UNFUNDED ACCRUED LIABILITY SINCE THE PRIOR VALUATION (IN MILLIONS)

Unfunded accrued liability as of 12/31/09	\$ 2,360
Normal cost during 2010	1,551
Reduction due to actual contributions during 2010	(1,424)
Interest on unfunded accrued liability, normal cost and contributions	232
Asset (gain)/loss	749
Accrued liability (gain)/loss	<u>(694)</u>
Unfunded accrued liability as of 12/31/10	\$ 2,774

The valuation results indicate that there is no preliminary reserve from undistributed gains. Each 1.0% increase in retirement allowances as of July 1, 2012 to beneficiaries on the retirement roll on July 1, 2011 and a prorated portion of each 1.0% increase as of July 1, 2011 for beneficiaries who retired after July 1, 2011 but before June 30, 2012 is equivalent to 0.33% of payroll. The cost of each 0.01% increase in the defined benefit formula with a corresponding increase in retirement allowances to all current benefit recipients is 0.39% of payroll.

SECTION VII - ACCOUNTING 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 DECEMBER 31, 2010

GROUP	NUMBER
Retired participants and beneficiaries currently receiving benefits	163,938
Terminated participants and beneficiaries entitled to benefits but not yet receiving benefits	102,149
Active participants*	<u>324,683</u>
Total	590,770

* Includes current recipients of DIP benefits.

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

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
12/31/05	\$49,670,182,206	\$46,624,667,789	\$(3,045,514,417)	106.5%	\$10,990,238,891	(27.71)%
12/31/06	52,420,807,724	49,391,906,996	(3,028,900,728)	106.1	11,711,385,640	(25.86)
12/31/07	55,283,120,813	52,815,089,477	(2,468,031,336)	104.7	12,701,016,741	(19.43)
12/31/08	55,127,658,183	55,518,744,699	391,086,516	99.3	13,267,554,255	2.95
12/31/09	55,818,099,117	58,178,272,142	2,360,173,025	95.9	13,253,029,516	17.81
12/31/10	57,102,198,448	59,876,065,931	2,773,867,483	95.4	13,053,830,873	21.25

3. Following is a reconciliation of the preliminary employer annual required contribution rate to the final employer annual required contribution for fiscal year ending June 30, 2011.

	Fiscal Year Ending June 30, 2011
Preliminary Annual Required Contribution Rate	
Normal Cost	6.30%
Accrued Liability	0.41
Total	<u>6.71%</u>
Impact of Legislative Changes	0.00
Final Annual Required Contribution Rate	6.71%
Payroll	<u>13,452,472,397</u>
Annual Required Contribution	\$ 902,661,000

4. Following is the calculation of the annual pension cost and net pension obligation for the fiscal year ending June 30, 2011.

Annual Pension Cost and Net Pension Obligation for Fiscal Year Ending 6/30/2011

(a) Employer annual required contribution	\$ 902,661,000
(b) Interest on net pension obligation	(2,625,000)
(c) Adjustment to annual required contribution	<u>6,024,000</u>
(d) Annual pension cost: (a) + (b) + (c)	\$ 906,060,000
(e) Employer contributions made for fiscal year ending 6/30/2011	<u>663,207,000</u>
(f) Increase (decrease) in net pension obligation: (d) – (e)	\$ 242,853,000
(g) Net pension obligation beginning of fiscal year	<u>(36,207,000)</u>
(h) Net pension obligation end of fiscal year: (f) + (g)	\$ 206,646,000

TREND INFORMATION

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2009	\$475,660,000	99.3%	\$(39,239,000)
June 30, 2010	486,237,000	99.4	(36,207,000)
June 30, 2011	906,060,000	73.2	206,646,000

5. 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 the amortization schedule shown in Schedule B.

**2012/2013 FISCAL YEAR
ANNUAL REQUIRED CONTRIBUTION (ARC)
BASED ON THE VALUATION AS OF DECEMBER 31, 2010**

ANNUAL REQUIRED CONTRIBUTION (ARC)	RATE
Normal cost	5.12%
Accrued liability	<u>2.57</u>
Total	7.69%

6. Additional information as of December 31, 2010 follows.

Valuation date	12/31/10
Actuarial cost method	Entry age
Amortization method	Level dollar closed
Amortization period	12 years
Asset valuation method	20% of market value plus 80% of expected actuarial value (not greater than 120% of market value and not less than 80% of market value)
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases**	4.25% - 9.10%
*Includes inflation of	3.00%
**Includes inflation and productivity of	3.50%
Cost-of-living adjustments	N/A

SCHEDULE A

**DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS
FOR THE YEAR ENDING DECEMBER 31, 2010**

1.	Actuarial Value of Assets as of December 31, 2009	\$ 55,818,099,117
2.	2010 Net Cash Flow	
	a. Contributions	1,423,916,155
	b. Disbursements	<u>3,367,652,535</u>
	c. Net Cash Flow: (a) - (b)	(1,943,736,380)
3.	Expected Investment Return: [(1) x .0725] + [(2)c x .03625]	3,976,351,742
4.	Expected Actuarial Value of Assets as of December 31, 2010: (1) + (2)c + (3)	57,850,714,479
5.	Market Value of Assets as of December 31, 2010	54,108,134,326
6.	Excess of Market Value over Expected Actuarial Value of Assets: (5) - (4)	(3,742,580,153)
7.	20% Adjustment towards Market Value: (6) x .20	(748,516,031)
8.	Preliminary Actuarial Value of Assets as of December 31, 2010: (4) + (7)	57,102,198,448
9.	Final Actuarial Value of Assets as of December 31, 2010 [(8) not less than 80% of (5) and not greater than 120% of (5)]	57,102,198,448
10.	Rate of investment return on actuarial value	5.89%
11.	Rate of investment return on market value	11.47%

SCHEDULE B**AMORTIZATION SCHEDULE FOR
UNFUNDED ACTUARIAL ACCRUED LIABILITY**

DATE ESTABLISHED	OUTSTANDING BALANCES		ANNUAL PAYMENT
	INCEPTION	DECEMBER 31, 2010	
December 31, 2009	\$ 2,360,173,025	\$ 2,531,285,569	\$ 322,948,963
December 31, 2010	242,581,914	<u>242,581,914</u>	<u>33,193,150</u>
Total		\$ 2,773,867,483	\$ 356,142,113
Valuation Compensation			\$ 13,831,161,230
Unfunded Accrued Liability Contribution Rate			2.57%

SCHEDULE C**STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS**

Assumptions are based on the experience investigation prepared as of December 31, 2009 and adopted by the Board of Trustees on October 21, 2010.

INTEREST RATE: 7.25% per annum, compounded annually.

INFLATION: Both general and wage inflation are assumed to be 3.00% per annum.

PRODUCTIVITY INCREASE: 0.50% per annum.

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

<u>Service</u>	ANNUAL RATES OF WITHDRAWAL					
	<u>General Employees and Other Education</u>		<u>Classroom Teachers</u>		<u>Law Enforcement Officers</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
0	.270	.270	.260	.220	.180	.180
1	.180	.185	.180	.170	.090	.090
2	.120	.120	.130	.130	.070	.070
3	.080	.100	.100	.100	.070	.070
4	.070	.090	.080	.080	.060	.060

GENERAL EMPLOYEES AND OTHER EDUCATION

Annual Rates of

<u>Age</u>	GENERAL EMPLOYEES AND OTHER EDUCATION					
	<u>Withdrawal and Vesting*</u>		<u>Base Mortality**</u>		<u>Disability</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
25	.0650	.0900	.0004	.0002	.0001	.0001
30	.0650	.0800	.0005	.0003	.0004	.0004
35	.0500	.0600	.0008	.0005	.0010	.0010
40	.0400	.0400	.0011	.0008	.0029	.0018
45	.0350	.0400	.0016	.0012	.0049	.0033
50	.0350	.0400	.0023	.0018	.0084	.0050
55	.0350	.0400	.0033	.0028	.0144	.0088
60	.0350	.0400	.0054	.0043	.0240	.0138
65			.0081	.0062		
69			.0099	.0076		

* These rates apply only after five years of membership in the system.

** Base mortality rates as of December 31, 2003.

CLASSROOM TEACHERS

Annual Rates of

Age	Withdrawal and Vesting*		Base Mortality**		Disability	
	Male	Female	Male	Female	Male	Female
25	.0600	.0700	.0004	.0002	.0001	.0002
30	.0550	.0600	.0004	.0003	.0001	.0003
35	.0400	.0450	.0007	.0005	.0003	.0006
40	.0350	.0300	.0010	.0007	.0007	.0010
45	.0350	.0300	.0014	.0011	.0014	.0018
50	.0350	.0300	.0020	.0017	.0023	.0032
55	.0350	.0300	.0028	.0025	.0047	.0055
60	.0350	.0300	.0044	.0039	.0077	.0102
65			.0070	.0058		
69			.0091	.0073		

* These rates apply only after five years of membership in the system.

** Base mortality rates as of December 31, 2003.

LAW ENFORCEMENT OFFICERS

Annual Rates of

Age	Withdrawal and Vesting*		Base Mortality**		Disability	
	Male	Female	Male	Female	Male	Female
25	.0400	.0400	.0004	.0002	.0029	.0003
30	.0350	.0350	.0004	.0003	.0036	.0004
35	.0350	.0350	.0008	.0005	.0047	.0005
40	.0350	.0350	.0011	.0007	.0061	.0007
45	.0350	.0350	.0015	.0011	.0090	.0010
50	.0350	.0350	.0021	.0017	.0151	.0017
55	.0350	.0350	.0030	.0025		
60	.0350	.0350	.0049	.0039		
65			.0076	.0058		
69			.0095	.0073		

* These rates apply only after five years of membership in the system.

** Base mortality rates as of December 31, 2003. In addition, 90% of all deaths in active service for law enforcement officers are assumed to be ordinary and 10% assumed to be accidental.

RETIREMENTS: Representative values of the assumed rates of retirement from active service are as follows:

GENERAL EMPLOYEES AND OTHER EDUCATION - MALES

Age	Service						
	5	10	15	20	25	30	35
50				0.0370	0.1000	0.3500	0.3500
55				0.0550	0.1000	0.3000	0.2000
60	0.1000	0.1000	0.1000	0.1000	0.3500	0.3000	0.2250
65	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
70	0.2250	0.2250	0.2250	0.2250	0.2250	0.2250	0.2250
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

GENERAL EMPLOYEES AND OTHER EDUCATION - FEMALES

Age	Service						
	5	10	15	20	25	30	35
50				0.0400	0.0350	0.3500	0.3500
55				0.0550	0.0900	0.3500	0.2250
60	0.1400	0.1400	0.1400	0.1400	0.4500	0.3500	0.2500
65	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
70	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

CLASSROOM TEACHERS - MALES

Age	Service						
	5	10	15	20	25	30	35
50				0.0300	0.0900	0.3000	0.3000
55				0.0450	0.0900	0.3750	0.3000
60	0.1200	0.1200	0.1200	0.1200	0.4000	0.3750	0.3000
65	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
70	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

CLASSROOM TEACHERS - FEMALES

Age	Service						
	5	10	15	20	25	30	35
50				0.0350	0.0900	0.3000	0.3000
55				0.0550	0.1000	0.4500	0.2750
60	0.1500	0.1500	0.1500	0.1500	0.5000	0.4500	0.2750
65	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
70	0.2750	0.2750	0.2750	0.2750	0.2750	0.2750	0.2750
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

LAW ENFORCEMENT OFFICERS

Age	Service						
	5	10	15	20	25	30	35
50			0.0600	0.0600	0.0600	0.5000	0.5000
55	0.3000	0.3000	0.3000	0.3000	0.3000	0.5000	0.5000
60	0.2500	0.2500	0.2500	0.2500	0.2500	0.5000	0.5000
65	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
70	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

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

Annual Rate of Salary Increase

<u>Service</u>	<u>Classroom Teachers</u>	<u>General Employees and Other Education</u>	<u>Law Enforcement Officers</u>
0	7.55%	5.50%	9.10%
5	6.55	5.50	7.10
10	5.70	5.45	5.40
15	5.45	5.25	4.95
20	5.25	5.25	4.65
25	5.25	5.25	4.25
30	5.25	5.25	4.25
35	5.25	5.25	4.25
40	4.75	4.75	4.25
45	4.25	4.25	4.25
50	4.25	4.25	4.25

Representative values of the assumed post-retirement mortality rates as of December 31, 2003 prior to any mortality improvements are as follows:

Annual Rate of Death after Retirement (Healthy Retirees)

<u>Age</u>	<u>Classroom Teachers</u>		<u>General Employees and Other Education</u>		<u>Law Enforcement Officers</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
55	.0058	.0035	.0061	.0039	.0059	.0035
60	.0075	.0062	.0090	.0069	.0082	.0062
65	.0121	.0104	.0149	.0114	.0134	.0104
70	.0201	.0167	.0246	.0186	.0222	.0167
75	.0339	.0281	.0422	.0310	.0378	.0281
80	.0579	.0459	.0720	.0508	.0644	.0459

Annual Rate of Death after Retirement
(Beneficiaries of Deceased Members and Disabled Retirees)

<u>Age</u>	<u>Male Beneficiaries of Deceased Members</u>	<u>Female Beneficiaries of Deceased Members</u>	<u>Male Disabled Retirees</u>	<u>Female Disabled Retirees</u>
	55	.0061	.0044	.0277
60	.0090	.0077	.0342	.0229
65	.0149	.0125	.0407	.0296
70	.0246	.0207	.0483	.0401
75	.0422	.0341	.0596	.0558
80	.0720	.0563	.0775	.0771

MORTALITY IMPROVEMENTS: Representative values of the assumed mortality improvement rates (applied to pre-retirement mortality rates for active members and post-retirement mortality rates for healthy retirees and beneficiaries of deceased members after such tables have been set back or set forward) are as follows:

<u>Age</u>	<u>Male Projection Scale</u>	<u>Female Projection Scale</u>
25	0.010	0.014
30	0.005	0.010
35	0.005	0.011
40	0.008	0.015
45	0.013	0.016
50	0.018	0.017
55	0.019	0.008
60	0.016	0.005
65	0.014	0.005
70	0.015	0.005
75	0.014	0.008
80	0.010	0.007

DEATHS AFTER RETIREMENT (NON-DISABLED): According to the RP-2000 Mortality tables for retirees. These tables are set back one year for male teachers, set forward one year for all general employees and unadjusted for female teachers and all law enforcement officers. These tables are also set forward one year for male beneficiaries of deceased members and set forward two years for female beneficiaries of deceased members. The base retiree RP-2000 tables have no rates prior to age 50. The active employee rates of RP-2000 are used for ages less than 50 prior to any adjustments for setbacks.

DEATH AFTER DISABILITY: According to the RP-2000 Mortality tables for disabled annuitants set back six years for males and set forward one year for females.

DEATHS PRIOR TO RETIREMENT: According to the RP-2000 Mortality tables for active employees. These tables are set back one year for male teachers, set forward one year for all general employees and unadjusted for female teachers and all law enforcement officers. The base RP-2000 tables for active employees have no rates after age 70. A blend of active rates and retired rates are used from ages 70 to 80 prior to any set back and adjustments.

MORTALITY PROJECTION (NON-DISABLED): All mortality rates are projected from December 31, 2003 using Scale AA.

TIMING OF ASSUMPTIONS: All withdrawals, deaths, disabilities, retirements and salary increases are assumed to occur on July 1 of each year.

LEAVE CONVERSIONS: Sick leave can be converted to increase creditable service and used to meet the eligibility requirements for retirement. Unused vacation leave can be converted to increase creditable service or compensation, but does not add to the eligibility service. The assumed impact of these conversions is shown in the table below.

	Classroom Teachers		General		Law Enforcement		Other Education	
	Males	Females	Males	Females	Males	Females	Males	Females
Increase in AFC	2.25%	2.25%	2.25%	2.25%	1.50%	1.50%	3.50%	3.50%
Increase in Creditable Service (years)								
Credited	1.25	1.00	0.90	0.65	1.50	1.50	1.25	1.00
Eligibility	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

LIABILITY FOR INACTIVE MEMBERS: The data provided for inactive members does not contain all the elements to calculate the member's deferred benefit. The liability for these members is estimated to be 200% of the member's accumulated contributions. The actuary is collecting data so that future members' deferred benefits can be estimated.

ADMINISTRATIVE EXPENSES: 0.10% of payroll.

MARRIAGE ASSUMPTION: 100% married with the husband four years older than his wife.

REPORTED COMPENSATION: Calendar year compensation as furnished by the system's office.

VALUATION COMPENSATION: Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

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 actuarial value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between market value and expected actuarial value. The actuarial value of assets is not allowed to be greater than 120% of the market value of assets or less than 80% of the market value of assets.

SCHEDULE D**SUMMARY OF MAIN BENEFIT AND CONTRIBUTION PROVISIONS**

A summary of the main benefit provisions of the Retirement System and of the sources of revenue from which benefits are paid is presented in the following digest. Items in parentheses in the text are the provisions applicable to law enforcement officers.

Additionally, the State Pension Plan Solvency Reform Act (Session Law 2011-232) changed the benefit eligibility requirements for members hired on or after August 1, 2011. No members are affected by the change in eligibility requirements as of December 31, 2010 and such changes are not reflected in the benefit provisions described below.

"Average final compensation" as used in the summary means the average annual compensation during the four consecutive years of membership service which afford the highest such average. "Membership service" means service represented by regular contributions. "Creditable service" means membership service and may also include certain special purchased service.

BENEFITS**Unreduced Retirement Allowance****Condition for Allowance**

An unreduced retirement allowance is payable to any member who retires from service after he has attained age 65 (55), or after age 60 and completion of 25 years of creditable service, or after completion of 30 years of creditable service.

Amount of Allowance 1.82% of his average final compensation multiplied by the number of years of his creditable service.

In no event will a member whose creditable service commenced on or before June 30, 1963 receive a smaller retirement allowance than he would have received under the benefit provisions of the system in effect on that date.

Reduced Retirement Allowance

Condition for Allowance A reduced retirement allowance is payable to any member who retires from service after he has attained age 60 and completed 5 years of membership service (age 55 and 5 years of creditable service), but prior to becoming eligible for the unreduced retirement allowance.

Amount of Allowance The member's reduced retirement allowance is equal to 1.82% of his average final compensation multiplied by the number of years of his creditable service at his date of retirement reduced by 1/4 of 1% for each month by which the member's age at retirement is less than age 65.

In no event will a member whose creditable service commenced on or before June 30, 1963 receive a smaller retirement allowance than he would have received under the benefit provisions of the system in effect on that date.

OR

Condition for Allowance A reduced retirement allowance is payable to any member who retires from service after he has attained age 50 and completed 20 (15) years of creditable service but prior to becoming eligible for a reduced or unreduced retirement allowance.

Amount of Allowance The member's reduced retirement allowance is equal to 1.82% of his average final compensation multiplied by the number of years of his creditable service at his date of retirement reduced by the lesser of:

(i) 5/12 (1/3) of 1% for each month by which his age is less than 60 (55), plus, if the member is not a law enforcement officer, 1/4 of 1% for each month by which his age is less than 65.

(ii) 5% times the difference between 30 years and his creditable service at retirement.

Deferred Retirement Allowance

Any member who separates from service prior to becoming eligible for an unreduced or reduced retirement allowance after completing 5 or more years of membership service and who leaves his total accumulated contributions in the system may receive a deferred retirement allowance,

beginning at age 60 (55), computed in the same way as a reduced retirement allowance, or, if the member has 20 or more years of service, at age 50 computed in the same way as a reduced service retirement allowance, on the basis of his creditable service and compensation to the date of separation.

Return of Contributions

Upon the withdrawal of a member without a retirement allowance and upon his request, his contributions are returned to him, together with accumulated regular interest thereon if he has at least 5 years of membership service.

Upon the death of a member before retirement, his contributions, together with the full accumulated regular interest thereon, are paid to his estate or to person(s) designated by the member unless the designated beneficiary, if eligible, elects the survivor's alternate benefit described below.

The current interest rate on member contributions is 4%.

Survivor's Alternate Benefit

Upon the death of a member in service who has attained age 60 (55) and has completed 5 years of membership (creditable) service or completed 20 years of creditable service, his designated beneficiary may elect to receive a benefit equal to that which would have been payable under the provisions of Option 2 had the member retired on the first day of the month following his death and elected such option, in lieu of the member's accumulated contributions, provided the member had not instructed the Board of Trustees in writing that he did not wish the alternate benefit to apply.

Members on short-term or long-term disability are eligible for this benefit.

Death After Retirement

Upon the death of a beneficiary who did not retire under an effective election of Option 2 or Option 3, an amount equal to the excess if any, of his accumulated contributions at retirement over the retirement allowance payments received is paid to a designated person or to the beneficiary's estate.

Upon the death of the survivor of a beneficiary who retired under an effective election of Option 2 or Option 3, an amount equal to the excess, if any, of the beneficiary's accumulated contributions at retirement over the total retirement allowance payments received is paid to such other person designated by the beneficiary or to the beneficiary's estate.

Upon the death of a beneficiary, a benefit may be provided by the Retirees' Contributory Death Benefit Plan.

Other Death Benefits

Upon the death of a member in service, other benefits may be provided by the Death Benefit Plan or Separate Insurance Benefit Plan for Law Enforcement Officers.

Optional Arrangements
at Retirement

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

Option 1 - A member retiring prior to July 1, 1993, may elect that at his death within 10 years from his retirement date, an amount equal to his accumulated contributions at retirement, less 1/120 for each month he has received a retirement allowance, is paid to his estate, or to a person(s) designated by the member, or

Option 2 - At the death of the member his allowance shall be continued throughout the life of such other person as the member shall have designated at the time of his retirement, or

Option 3 - At the death of the member one-half of his allowance shall be continued throughout the life of such other person as the member shall have designated at the time of his retirement.

Option 4 - A member may elect to receive a retirement allowance in such amount that, together with his Social Security benefit, he will receive approximately the same income per annum before and after the earliest age at which he becomes eligible to receive the Social Security benefit.

Option 5 - A member retiring prior to July 1, 1993 may elect to receive a reduced retirement allowance under the provisions of Option 2 or Option 3 in conjunction with the provisions of Option 1.

Option 6 - A member may elect either Option 2 or Option 3 with the 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.

Post-Retirement Increases
in Allowances

Future increases in allowances may be granted at the discretion of the State.

Service Reciprocity

For the purpose of determining eligibility for a deferred, reduced or unreduced service retirement allowance, the

membership and creditable service of a member shall include such prior service earned as a member of the Local Governmental Employees' Retirement System (LGERS), the Consolidated Judicial Retirement System (CJRS), or the Legislative Retirement System (LRS). In addition, if the member's accumulated contributions and reserves are transferred from the prior System to this System, the creditable service earned as a member of the prior System may be included for purposes of determining the amount of benefits payable under this System.

Military Service

For periods of active duty in the United States military may be counted as creditable service if the member was an employee upon entering the military and returned to employment within two years of discharge or for a period of 10 additional years.

Service Purchases

Additional creditable service may include service that the member purchased to restore a period of service for which the member (1) received a refund of contributions, (2) had a leave of absence for educational purposes, extended illness or parental or maternity reasons, (3) had full-time temporary or part-time local or State government employment, (4) was in a probationary or waiting period with a unit of the LGERS, (5) had a leave of absence under Workers' Compensation, (6) performed service with a unit of local government not covered by LGERS, (7) performed service with the federal government not covered by any other retirement system, (8) performed service with a public community service entity funded entirely with federal funds, (9) performed service as a member of the General Assembly, (10) performed service as a member of a charter school not participating in the system, (11) was employed by The University of North Carolina and participated in the Optional Retirement Program but not eligible to receive any benefits from that program, or (12) performed service which was omitted by reason of error.

Unused Sick Leave

Unused sick leave counts as creditable service at retirement. Sick leave which was converted from unused vacation leave is also creditable. One month of credit is allowed for each 20 days of unused sick leave, plus an additional month for any part of 20 days left over.

CONTRIBUTIONS

REGULAR CONTRIBUTIONS

By Members

Each member contributes 6% of his compensation.

By Employers

Employers make annual contributions consisting of a normal contribution and an accrued liability contribution. The normal contribution covers the liability on account of current service and is determined by the actuary after each valuation.

The accrued liability contribution covers the liability on account of service rendered before the establishment of the retirement system and the liability on account of increases in benefits for service rendered prior to the effective date of any amendment.

SCHEDULE D**TABLE 1**

**THE NUMBER AND AVERAGE REPORTED COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE
AS OF DECEMBER 31, 2010**

AGE	YEARS OF SERVICE										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	3,001	3,959	80	0	0	0	0	0	0	0	7,040
	12,142	27,852	27,203	0	0	0	0	0	0	0	21,148
25 to 29	2,968	17,351	7,874	57	0	0	0	0	0	0	28,250
	11,321	32,074	35,748	31,529	0	0	0	0	0	0	30,917
30 to 34	1,739	11,071	15,514	4,928	34	0	0	0	0	0	33,286
	11,114	34,009	39,704	43,303	38,020	0	0	0	0	0	36,847
35 to 39	1,541	9,602	11,059	11,450	3,458	27	0	0	0	0	37,137
	10,987	34,965	39,807	45,893	48,830	43,327	0	0	0	0	40,078
40 to 44	1,516	9,950	11,448	9,393	9,064	2,907	69	0	0	0	44,347
	10,422	34,546	38,788	43,778	50,726	51,870	47,531	0	0	0	41,235
45 to 49	1,240	8,624	10,644	8,886	6,233	6,884	3,048	51	0	0	45,610
	9,948	34,156	37,677	40,472	47,375	53,873	55,681	48,632	0	0	41,787
50 to 54	966	7,276	9,894	8,896	6,731	5,642	6,137	1,881	26	0	47,449
	10,353	35,606	38,495	40,875	45,444	51,574	59,068	59,532	58,559	0	43,972
55 to 59	700	5,828	8,327	7,237	6,189	5,790	4,267	2,726	675	11	41,750
	10,393	38,598	39,813	42,375	46,142	51,154	58,438	65,587	67,871	62,417	46,151
60 to 64	281	3,341	5,646	4,487	3,843	3,508	2,241	1,230	660	130	25,367
	11,459	40,390	41,843	43,815	47,979	51,575	59,740	65,750	74,216	71,977	47,676
65 to 69	71	752	1,486	1,109	809	634	395	250	157	99	5,762
	10,729	38,735	41,783	43,852	50,907	56,776	61,388	68,952	89,811	96,587	49,104
70 & up	31	243	416	351	240	160	91	75	41	94	1,742
	9,855	33,237	35,277	35,808	44,052	50,951	57,481	58,660	68,411	103,802	43,940
Total	14,054	77,997	82,388	56,794	36,601	25,552	16,248	6,213	1,559	334	317,740
	11,100	34,277	38,966	42,955	47,890	52,248	58,358	63,699	72,625	87,914	41,083

SCHEDULE D

TABLE 2

**THE NUMBER AND REPORTED COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY AGE
AS OF DECEMBER 31, 2010**

Age	Men		Women	
	Number	Amount	Number	Amount
16	2	\$ 24,330		
18	1	1,862	1	\$ 6,477
19	17	125,107	12	96,792
20	32	292,421	23	319,841
21	123	1,772,613	85	1,286,230
22	308	5,113,008	568	9,001,674
23	594	11,857,498	1,803	33,699,124
24	973	22,817,657	2,498	62,465,345
25	1,271	34,889,592	3,307	91,892,703
26	1,514	43,552,465	3,776	111,751,379
27	1,581	47,217,137	4,155	129,666,970
28	1,831	58,190,633	4,351	139,720,479
29	1,855	61,950,964	4,609	154,566,675
30	1,982	69,427,996	4,569	159,195,813
31	2,040	74,290,157	4,569	163,850,230
32	2,014	75,735,076	4,639	170,744,140
33	2,139	82,483,805	4,571	170,180,401
34	2,119	86,035,021	4,644	174,548,671
35	2,111	87,388,622	4,512	173,148,006
36	2,238	96,645,756	4,938	191,582,428
37	2,315	98,958,411	4,999	192,758,243
38	2,397	104,228,081	5,251	202,988,442
39	2,629	116,746,828	5,747	223,943,540
40	2,927	129,914,282	6,410	249,235,548
41	2,777	128,751,897	6,314	248,768,360
42	2,698	125,176,226	6,226	245,526,130
43	2,641	123,487,029	5,845	226,234,147
44	2,579	119,541,834	5,930	232,005,749
45	2,705	125,320,733	5,867	226,579,580
46	2,744	125,968,274	6,203	243,279,057
47	2,838	131,995,942	6,303	249,313,384
48	2,906	138,454,096	6,460	257,329,783
49	2,888	137,125,846	6,696	270,544,661
50	2,925	140,652,180	6,774	276,103,738
51	2,790	133,026,683	6,721	280,966,565
52	2,780	133,576,586	6,618	275,891,792
53	2,777	135,962,132	6,693	287,804,986
54	2,780	136,062,487	6,591	286,378,789
55	2,640	130,818,692	6,230	274,756,150
56	2,602	131,050,677	5,968	261,304,197
57	2,643	131,852,834	5,956	264,031,941

SCHEDULE D

TABLE 2

**THE NUMBER AND REPORTED COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY AGE
AS OF DECEMBER 31, 2010**

CONTINUED

Age	Number	Men		Women	
			Amount	Number	Amount
58	2,496	\$	125,599,646	5,585	\$ 250,280,139
59	2,442		125,448,106	5,188	231,666,819
60	2,317		116,501,565	4,712	213,946,703
61	2,027		102,289,046	3,977	176,524,488
62	1,782		94,367,990	3,270	146,771,478
63	1,402		78,660,981	2,499	112,401,879
64	1,253		70,895,380	2,128	97,042,986
65	724		41,948,576	1,175	52,795,510
66	622		34,920,686	828	36,588,124
67	426		23,684,710	604	26,592,839
68	379		21,710,887	462	18,860,470
69	262		14,406,069	280	11,431,070
70	211		11,244,521	211	7,556,515
71	178		8,994,272	159	6,738,276
72	130		6,268,277	112	4,336,265
73	89		3,963,913	91	3,114,037
74	70		3,972,403	77	3,004,767
75	50		2,112,309	50	1,977,430
76	39		2,353,985	56	1,798,341
77	41		1,894,684	22	696,051
78	28		1,092,880	24	739,396
79	26		1,157,158	10	356,514
80	13		931,442	11	321,423
81	10		456,605	3	78,774
82	7		360,149	1	77,936
83	5		370,266	3	116,576
84				3	104,604
85				3	69,587
86	3		63,006		
88	2		38,269		
89	1		52,181	1	27,776
92	1		94,991		
95				1	7,517
Total	98,762	\$	4,434,338,423	218,978	\$ 8,619,492,450

SCHEDULE D

TABLE 3

THE NUMBER AND REPORTED COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY SERVICE
AS OF DECEMBER 31, 2010

Years of Service	Number	Men		Women	
		Number	Amount	Number	Amount
0	4,476		\$ 47,499,479	9,578	\$ 108,498,556
1	6,686		197,870,875	11,684	340,129,441
2	4,893		196,122,546	9,684	330,301,341
3	7,709		291,377,475	16,073	542,056,606
4	6,467		260,387,332	14,801	515,247,337
5	6,345		259,774,608	15,069	536,732,499
6	5,549		231,642,938	12,684	463,716,130
7	5,030		214,569,701	11,337	424,436,320
8	4,364		192,429,306	9,800	381,187,230
9	3,597		165,248,153	8,613	340,585,595
10	3,740		173,535,479	9,296	369,489,517
11	3,604		169,264,205	8,888	356,130,459
12	3,382		162,899,947	8,307	338,095,081
13	2,968		146,468,059	7,339	307,901,325
14	2,738		136,382,867	6,532	279,434,318
15	2,600		134,044,099	5,993	262,633,954
16	2,384		123,038,908	5,416	244,729,491
17	2,487		128,412,546	5,057	231,865,078
18	1,991		109,671,203	4,605	216,857,846
19	1,964		106,839,761	4,104	194,720,602
20	1,526		86,999,042	3,405	167,828,702
21	1,781		97,238,819	3,740	185,023,671
22	1,627		89,335,021	3,778	186,603,824
23	1,577		91,717,775	3,693	185,185,603
24	1,404		85,606,609	3,021	159,511,476
25	1,116		70,227,665	2,612	141,164,988
26	1,285		80,768,871	2,575	139,699,502
27	1,307		81,267,064	2,456	138,020,505
28	941		61,197,311	1,760	101,360,256
29	662		44,073,576	1,534	90,427,062
30	467		32,508,297	1,225	71,397,960
31	438		31,873,569	1,062	62,027,502
32	381		28,954,553	911	54,008,393
33	288		22,627,518	707	42,985,531
34	247		18,559,147	487	30,816,779
35	173		14,362,402	315	20,866,537
36	135		10,963,964	247	17,823,899
37	115		8,647,322	203	12,870,583
38	84		6,958,347	137	9,492,897
39	65		5,547,443	85	5,689,507

SCHEDULE D

TABLE 3

**THE NUMBER AND REPORTED COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY SERVICE
AS OF DECEMBER 31, 2010**

CONTINUED

Years of Service	Number	Men		Women	
			Amount	Number	Amount
40	40	\$	3,733,573	50	\$ 4,044,354
41	41		4,047,395	37	2,590,311
42	20		1,988,381	27	2,131,547
43	27		3,208,639	18	1,031,873
44	11		1,046,760	10	691,814
45	6		956,265	2	94,571
46	5		544,975	5	381,004
47	7		672,184	4	213,564
48	5		577,267	5	395,258
49	2		154,302	3	141,740
50	2		341,185	1	47,791
51	1		55,579	1	63,911
52	1		57,374		
54				1	40,879
55				1	69,930
58	1		40,742		
Total	98,762	\$	4,434,338,423	218,978	\$ 8,619,492,450

SCHEDULE D

TABLE 4

**THE NUMBER AND VALUATION COMPENSATION OF
DISABLED MEMBERS DISTRIBUTED BY AGE
AS OF DECEMBER 31, 2010**

Age	Men		Women	
	Number	Amount	Number	Amount
22			1	\$ 10,175
26			1	10,175
27	1	\$ 12,795	3	69,279
28			6	160,319
29			7	192,754
30	2	87,192		
31	2	60,776	7	233,606
32	3	92,081	9	291,791
33	3	57,466	10	234,982
34	3	83,667	16	456,245
35	9	281,045	24	725,601
36	11	380,392	21	602,607
37	11	352,685	9	206,583
38	10	357,058	29	898,807
39	15	407,686	36	1,069,661
40	11	277,969	48	1,465,393
41	19	543,496	60	1,903,372
42	27	850,568	46	1,367,675
43	39	1,230,544	73	2,329,342
44	37	1,000,374	69	1,999,760
45	49	1,610,090	65	1,828,722
46	51	1,586,064	98	3,053,789
47	55	1,876,101	110	3,117,638
48	70	2,396,635	107	3,530,323
49	72	2,207,703	124	3,848,177
50	66	2,268,305	164	4,684,832
51	83	2,788,927	157	4,897,101
52	80	2,607,088	181	5,374,181
53	103	3,391,731	197	6,353,826
54	115	3,834,519	215	6,411,262
55	103	3,383,380	226	6,900,354
56	109	3,653,456	258	8,072,463
57	118	3,974,652	267	8,578,948
58	127	4,163,162	244	7,606,306
59	141	4,739,496	288	9,081,277
60	142	4,480,570	280	8,941,723
61	125	3,979,039	251	7,337,948
62	144	4,600,209	218	6,577,407
63	143	5,016,840	243	7,520,863
64	130	4,649,604	224	6,908,524

SCHEDULE D

TABLE 4

THE NUMBER AND VALUATION COMPENSATION OF
DISABLED MEMBERS DISTRIBUTED BY AGE
AS OF DECEMBER 31, 2010

CONTINUED

Age	Men		Women	
	Number	Amount	Number	Amount
65	80	\$ 2,640,253	107	\$ 3,248,480
66	7	209,666	23	854,585
67	12	385,800	16	473,285
68	9	263,117	11	299,696
69	2	128,577	11	457,290
70	4	123,116	5	152,625
71	5	148,277	5	131,562
72			2	77,867
73	3	91,927	3	91,575
74			1	30,525
75	1	30,525	2	47,282
76	2	61,050		
77	2	61,050	1	30,525
78	1	30,525		
79	1	30,525	2	61,050
81			1	26,007
85			1	17,825
86	1	30,525		
90	1	30,525		
Total	2,360	\$ 77,548,823	4,583	\$ 140,853,970

SCHEDULE D

TABLE 5

**THE NUMBER AND ACCUMULATED CONTRIBUTIONS OF
TERMINATED VESTED MEMBERS DISTRIBUTED BY AGE
AS OF DECEMBER 31, 2010**

Age	Men		Women	
	Number	Amount	Number	Amount
18			2	\$ 461
19			2	566
20	3	\$ 2,116	10	7,210
21	22	18,184	22	17,507
22	64	49,974	57	60,485
23	128	164,085	160	174,055
24	202	331,242	435	813,959
25	357	647,282	786	1,837,121
26	516	1,198,160	1,247	3,708,076
27	568	1,486,201	1,670	5,725,770
28	719	2,324,168	1,939	7,477,525
29	801	2,964,756	2,265	9,769,596
30	769	3,186,325	2,302	11,614,439
31	851	3,658,291	2,480	13,535,391
32	853	4,518,728	2,457	14,867,975
33	852	5,164,307	2,533	17,180,413
34	883	5,460,527	2,474	18,087,572
35	808	5,650,017	2,334	18,008,463
36	887	6,619,601	2,408	20,053,944
37	877	7,491,761	2,172	18,903,475
38	931	8,905,999	2,222	20,271,601
39	935	9,306,896	2,313	21,595,970
40	1,030	10,657,433	2,447	24,254,846
41	974	11,074,102	2,418	24,829,006
42	867	9,907,336	2,114	23,178,324
43	823	10,466,138	2,000	22,855,834
44	823	11,740,828	1,792	20,102,192
45	801	10,571,545	1,762	20,691,346
46	778	11,457,971	1,781	19,483,322
47	721	11,829,197	1,755	21,629,269
48	757	12,199,365	1,761	23,004,265
49	716	12,582,374	1,715	22,505,346
50	730	11,965,592	1,761	24,443,503
51	686	12,436,673	1,544	22,617,060
52	668	12,801,859	1,596	23,999,666
53	666	11,847,357	1,550	23,293,957
54	639	11,152,949	1,515	22,817,823
55	648	11,806,119	1,518	24,260,967
56	609	11,473,358	1,466	24,485,106
57	557	10,501,233	1,438	25,480,187

SCHEDULE D

TABLE 5

**THE NUMBER AND ACCUMULATED CONTRIBUTIONS OF
TERMINATED VESTED MEMBERS DISTRIBUTED BY AGE
AS OF DECEMBER 31, 2010**

CONTINUED

Age	Men		Women	
	Number	Amount	Number	Amount
58	590	\$ 12,135,360	1,415	\$ 25,312,037
59	610	13,553,526	1,325	24,628,393
60	500	10,245,505	1,139	20,813,970
61	387	7,894,136	870	14,264,501
62	391	6,926,800	674	11,272,872
63	328	5,640,572	560	8,678,646
64	259	4,667,533	483	7,246,003
65	759	3,117,735	649	4,459,771
66	159	1,409,267	201	2,128,575
67	112	955,624	176	1,732,795
68	87	1,048,315	120	1,272,397
69	75	725,385	103	1,041,815
70	52	797,805	63	708,702
71	33	307,132	40	532,259
72	24	430,369	34	390,959
73	20	134,012	23	268,108
74	13	61,246	19	152,938
75	14	88,964	20	208,329
76	13	82,189	15	163,159
77	7	23,579	7	89,757
78	4	40,252	4	6,090
79	5	2,683	2	4,682
80	2	9,291	1	5,270
81	2	11,118	2	207
82	3	13,408	2	1,753
83	1	0	1	22,936
84	1	14,034	1	2,395
89			1	37
101			1	69
103	1	761	1	572
104			3	2,335
Total	29,971	\$ 345,956,650	72,178	\$ 743,055,925

SCHEDULE D

TABLE 6

**THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF BENEFICIARIES AND
SURVIVORS BY AGE AS OF DECEMBER 31, 2010**

**SERVICE RETIREMENTS AND
DEPENDENTS OF DECEASED BENEFICIARIES**

Age	Men		Women	
	Number	Amount	Number	Amount
25	1	\$ 5,402		
30			1	\$ 1,032
38			1	31,302
41			1	25,814
43			2	17,471
44			1	6,068
45			1	7,851
46	2	64,922		
47	6	120,697	4	67,524
48	11	358,969	8	167,074
49	34	901,911	17	409,961
50	84	2,339,703	64	1,493,448
51	175	4,654,263	181	4,007,732
52	246	7,269,401	302	7,234,153
53	313	8,854,919	547	15,174,773
54	436	13,150,261	885	25,322,808
55	512	15,542,231	1,183	35,191,552
56	708	22,136,954	1,551	47,157,456
57	829	25,722,391	1,978	60,869,890
58	979	31,450,189	2,334	72,885,673
59	1,109	36,267,244	2,506	80,076,000
60	1,246	39,901,891	2,819	85,164,070
61	1,561	47,840,440	3,495	93,496,757
62	1,870	52,351,639	4,104	95,440,565
63	2,293	54,816,701	4,897	96,366,568
64	2,812	67,646,526	5,606	110,142,824
65	2,069	47,806,410	4,130	76,256,427
66	2,167	49,065,861	4,227	76,677,315
67	2,172	48,901,219	4,401	80,123,167
68	2,274	52,357,825	4,598	82,271,232
69	1,945	43,901,755	3,851	67,360,891
70	1,833	41,275,892	3,658	62,878,422
71	1,708	38,888,206	3,390	57,510,700
72	1,719	38,466,232	3,126	52,324,303
73	1,605	35,509,225	3,085	50,280,035
74	1,494	34,053,050	2,863	45,991,018
75	1,490	33,889,205	2,831	44,816,148
76	1,352	29,816,898	2,827	44,613,253
77	1,310	29,625,963	2,412	36,918,014

SCHEDULE D

TABLE 6

THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF BENEFICIARIES AND
SURVIVORS BY AGE AS OF DECEMBER 31, 2010

SERVICE RETIREMENTS AND
DEPENDENTS OF DECEASED BENEFICIARIES

CONTINUED

Age	Men		Women	
	Number	Amount	Number	Amount
78	1,188	\$ 26,611,455	2,367	\$ 36,645,448
79	1,143	26,001,942	2,364	35,102,825
80	1,111	25,811,915	2,272	34,375,138
81	1,038	23,731,148	2,070	31,007,061
82	862	19,231,458	2,019	29,366,844
83	793	17,618,037	1,881	26,500,000
84	686	15,001,962	1,764	24,300,409
85	603	12,874,594	1,612	21,569,454
86	530	10,692,660	1,475	18,651,261
87	447	9,091,861	1,312	16,485,308
88	389	7,208,890	1,180	15,691,962
89	305	7,106,567	1,137	14,235,237
90	298	5,655,692	1,007	12,510,012
91	194	3,239,111	852	10,176,236
92	156	2,565,816	686	8,196,647
93	110	1,625,860	569	6,522,115
94	82	1,257,577	466	5,175,969
95	67	1,039,304	388	4,348,212
96	47	605,552	336	3,704,227
97	47	615,727	253	2,776,326
98	35	432,110	180	1,807,694
99	21	223,040	138	1,492,212
100	14	119,301	103	964,567
101	10	118,422	91	859,377
102	13	103,342	67	668,383
103	9	46,597	37	357,191
104	10	70,233	42	351,657
105	5	37,167	20	192,886
106	7	36,084	18	175,924
107	8	44,151	17	140,939
Total	48,593	\$ 1,173,771,970	104,610	\$ 1,973,130,812

SCHEDULE D

TABLE 6

THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF BENEFICIARIES AND
SURVIVORS BY AGE AS OF DECEMBER 31, 2010

SERVICE RETIREMENTS AND
DEPENDENTS OF DECEASED BENEFICIARIES

CONTINUED

	Men		Women	
	Number	Amount	Number	Amount
Maximum	15,220	\$ 354,269,961	52,994	\$ 966,685,915
Cash Refund	1,720	40,415,372	6,719	97,594,789
100% J&S	7,500	175,810,811	3,146	46,059,368
50% J&S	3,185	89,898,158	2,256	41,418,842
Soc Sec Level	8,427	220,772,758	19,874	479,127,229
Odd Surv	14	543,107	9	169,662
100% J&S Popup	6,211	152,642,832	4,468	86,157,806
50% J&S Popup	3,740	110,550,557	5,045	116,705,183
Beneficiary	2,576	28,868,414	10,099	139,212,018

SCHEDULE D

TABLE 7

THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF BENEFICIARIES AND
SURVIVORS BY AGE AS OF DECEMBER 31, 2010

DISABILITY RETIREMENTS

Age	Men		Women	
	Number	Amount	Number	Amount
20			1	\$ 4,124
46	2	\$ 23,556		
47	3	55,278	1	14,815
48	1	14,662	2	18,217
49	6	114,741	8	128,511
50	5	89,824	15	241,940
51	6	129,754	11	162,368
52	21	464,416	25	432,698
53	37	870,480	35	793,843
54	38	865,517	57	1,273,895
55	53	1,169,186	100	2,196,826
56	76	1,663,008	138	3,136,332
57	75	1,764,128	177	4,108,062
58	97	2,276,643	259	6,201,345
59	117	2,803,806	303	7,110,109
60	128	3,099,153	361	7,969,367
61	164	3,578,374	331	7,194,638
62	172	3,953,762	389	8,330,796
63	211	4,525,365	370	7,410,911
64	217	4,731,138	401	7,946,818
65	191	3,412,135	369	6,239,482
66	222	3,559,070	452	6,972,769
67	235	3,670,159	433	6,305,245
68	221	3,667,912	426	6,584,760
69	148	2,440,640	347	5,046,631
70	176	2,471,296	286	3,751,782
71	167	2,540,235	222	2,917,404
72	97	1,188,168	242	3,004,486
73	115	1,533,730	223	2,928,849
74	68	1,042,894	123	1,636,788
75	67	1,128,475	105	1,285,763
76	63	928,394	75	1,110,027
77	43	708,647	81	1,087,989
78	37	701,298	69	811,424
79	37	527,410	64	834,311
80	37	543,855	58	721,097
81	29	446,892	62	776,611
82	21	327,906	69	726,088
83	26	364,864	52	556,044
84	23	286,343	67	697,522

SCHEDULE D

TABLE 7

THE DISTRIBUTION OF THE NUMBER AND ANNUAL
RETIREMENT ALLOWANCES OF BENEFICIARIES AND
SURVIVORS BY AGE AS OF DECEMBER 31, 2010

DISABILITY RETIREMENTS

CONTINUED

Age	Number	Men		Women	
		Number	Amount	Number	Amount
85	29		\$ 433,136	60	\$ 663,792
86	23		351,646	51	333,482
87	16		299,136	53	491,276
88	22		368,876	47	486,274
89	8		143,563	30	339,918
90	9		163,558	23	285,701
91	4		105,935	26	200,168
92	6		118,397	14	163,597
93	5		76,391	14	199,976
94	1		1,797	11	80,599
95	1		3,349	9	151,040
96				3	29,175
97	1		1,484	6	31,608
101				1	11,532
105				1	14,231
Total	3,577		\$ 65,750,382	7,158	\$ 122,153,056
Maximum	1,996		\$ 38,553,383	5,198	\$ 90,325,808
Cash Refund	177		3,112,861	554	7,410,384
100% J&S	425		5,418,486	268	3,095,315
50% J&S	244		4,441,335	168	2,652,826
Soc Sec Level	154		4,127,347	417	9,685,712
Odd Surv				2	32,454
100% J&S Popup	319		4,824,568	252	3,559,582
50% J&S Popup	262		5,272,402	299	5,390,975