

**NORTH DAKOTA PUBLIC EMPLOYEES
RETIREMENT SYSTEM**

Actuarial Valuation Report as of July 1, 2002

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October 11, 2002

Board Members
North Dakota Public Employees Retirement System
Bismarck, North Dakota

Members of the Board:

It is a pleasure to submit this report that presents the results of our actuarial valuation of the North Dakota Public Employees Retirement System as of July 1, 2002.

The report indicates that the present rate of contributions is not sufficient to meet the actuarially determined requirement for the North Dakota Public Employees Retirement System, based upon the actuarial assumptions and financing objectives approved by the Board.

The report's actuarial content was prepared in accordance with generally accepted actuarial principles under our direction. The valuation was:

- Prepared by qualified actuaries who are members of the American Academy of Actuaries and who have experience in performing valuations for public retirement systems;
- Prepared in accordance with standards of practice prescribed by the Actuarial Standards Board; and
- Composed of actuarial calculations that were performed by qualified actuaries in accordance with accepted procedures as defined by the Actuarial Standards Board, based on the current provisions of the Retirement System and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

We wish to thank the Retirement Office staff for their cooperation in providing us with the participant census data and financial information necessary to prepare the valuation.

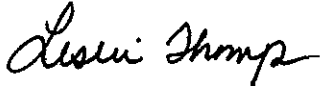
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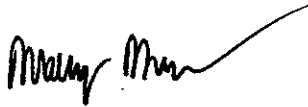
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We look forward to meeting with you to review this report and to answering any questions you may have.

Sincerely,



Leslie L. Thompson, ASA, MAAA, EA
Senior Vice President and Consulting Actuary



Wally Malles, ASA, MAAA, EA

LLT:cvm

cc: Sparb Collins

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I. INTRODUCTION

This report summarizes the results of our actuarial valuation as of July 1, 2002. The employer contribution requirements presented in Section VI of the report are based on:

1. The present provisions of the North Dakota Public Employees Retirement System;
2. The characteristics of covered active members, inactive non-retired members, pensioners and beneficiaries as of July 1, 2002;
3. The assets of the System as of June 30, 2002, based on draft financial statements; and
4. Actuarial assumptions regarding investment earnings, salary increases, and rates of retirement, disability, death, etc.

The purpose of the actuarial valuation is to determine the contribution sufficient to meet the long-term obligations to the members covered by the North Dakota Public Employees Retirement System in accordance with the benefit provisions of the System.

If each of the actuarial assumptions is exactly fulfilled, the true actuarial cost of the System will equal the cost projected by the actuarial calculations. However, this result is never achieved because of the length of time for which projections are made and because of the great number of variables that can affect the emerging costs. The cost, expressed as a percentage of payroll, will increase if the System experiences net actuarial losses and will decrease if the System experiences net actuarial gains.

II. HIGHLIGHTS

- The employer actuarial contribution requirements for 2002-2003 are as follows:

	Amount	Percentage of Payroll	Statutory/ Approved Rate
Main System	\$20,210,774	4.42%	4.12%
Judges	433,461	10.29	14.52
National Guard	0	0.00	8.33

- A comparison of this year's required contribution rates to last year's rates is as follows:

	2002-2003	2001-2002
Main System	4.42%	3.83%
Judges	10.29	9.03
National Guard	0.00	3.30

- The return on the actuarial value of assets for 2001-2002 for the PERS Fund was 3.91% compared to the investment return assumption of 8.00%. As a result, the Fund experienced an investment loss on an actuarial value basis of approximately \$45 million.
- The return on the market value of assets for 2001-2002 for the PERS Fund was -6.94% compared to -4.47% for the preceding year.
- The ratio of the actuarial value of assets to the market value of assets is 109.8%. Last year, this ratio was 98.3%. This change is an expected result of the actuarial smoothing technique when significant investment losses are experienced.
- The actuarial valuation report as of July 1, 2002 is based on financial information as of that date. Declines in the value of assets subsequent to that date, to the extent that they exist, are not reflected. Such declines, if they exist, will increase the future actuarially calculated costs of the System.
- For the Main System, net employer normal cost plus the administrative expense allowance is 5.08% of payroll. This should be viewed as the ultimate plan cost rate, since the total employer contribution requirement of 4.42% of payroll reflects an amortization credit. By this measure, statutory contributions are less than the ultimate plan cost rate of 5.08% of payroll by 0.96% of payroll.
- The Main System statutory rate is less than the actuarially determined rate by 0.30% of payroll. Last year, the Main System statutory rate exceeded the actuarially determined rate by 0.29% of payroll. The primary reason for the appearance of the contribution rate differential this year is that the investment return of the fund did not meet the actuarial assumed rate of return.

- As detailed in Table 6, slight actuarial losses resulted for many of the measured demographic assumptions. The gain/(loss) by source is measured each year, and a detailed analysis of the System's demographic assumptions is reviewed every fourth or fifth year by the completion of an experience study. The next experience study for the System is anticipated to be completed in 2004 or 2005.
- A comparison of this year's benefit security ratio to the prior year is as follows:

	<u>July 1, 2002</u>	<u>July 1, 2001</u>
Actuarial Value of Assets	\$1,150,000,800	\$1,115,334,400
Actuarial Accrued Liability	1,103,460,900	1,008,722,500
Benefit Security Ratio	104.2%	110.6%

- There were no changes in actuarial assumptions or the actuarial cost method since the preceding valuation.
- There were no changes in plan provisions since the preceding valuation.

➤ III. MEMBER CHARACTERISTICS

Detailed information for all non-retired members as of July 1, 2002 was provided by the Retirement Office. The data included name, sex, date of birth, months of service, members' accumulated account balances, and annual salary rate.

Active Members

The age, service, compensation and account balance data for active members is summarized below:

	<u>Main System</u>	<u>Judges</u>	<u>National Guard</u>	<u>Total</u>
Number of active members	17,039*	47	3**	17,089
Average age	45.6	54.6	50.3	45.6
Average years of service (excluding service before transfer)	10.0	11.0	15.6	10.0
Total annual salary	\$457,027,059	\$4,213,491	\$104,241	\$461,344,791
Average annual salary	\$26,824	\$89,649	\$34,747	\$26,998
Total accumulated member contribution account balances	\$282,844,618	\$2,750,238	\$102,164	\$285,697,020

For the Main System, the number of active members represents an increase of 2.1% over the 16,694 active members last year. Among the members continuing in active service since the prior valuation, salaries increased by an average of 9.4%. Total payroll increased 6.5%, which was more than assumed.

Distributions of the active members by sex, age, and service are presented in Tables 8-A, 8-B and 8-C of the Appendix. Tables 9-A, 9-B and 9-C present a distribution of these same members by sex, age, and actual salary. The table on the following page shows a breakdown of the active members who are currently eligible for benefits, as well as those who have not yet met the vesting requirements.

Twenty-five members originally from the Main System continue to be active members in the Judges System; five members originally from the Main System continue to be active members in the Highway Patrol System; two members from National Guard and four members from Highway Patrol continue to be active members in the Main System. Liabilities for these members are carried in each system based on their service in that system.

* Excludes 30 members with split service in the Main System and the Judges System, 25 currently in the Judges System, and five currently in Highway Patrol.

** Excludes two members with split service in the National Guard System and the Main System, and currently in the Main System.

North Dakota Main System

Projection of AAL, AVA, and MVA

(Market Return After FY 2003 Always 8%)

Market Return for FY 2003 is		June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007
All Scenarios	AAL	\$ 1,163,946,711	\$ 1,243,076,430	\$ 1,324,081,468	\$ 1,406,574,650	\$ 1,490,081,357
10%	AVA	\$ 1,148,323,671	\$ 1,161,512,277	\$ 1,170,829,248	\$ 1,207,978,992	\$ 1,276,742,380
	MVA	\$ 1,116,535,000	\$ 1,186,628,498	\$ 1,257,717,118	\$ 1,329,338,550	\$ 1,400,936,890
8%	AVA	\$ 1,144,228,155	\$ 1,152,506,232	\$ 1,156,652,198	\$ 1,188,347,965	\$ 1,251,350,046
	MVA	\$ 1,096,102,305	\$ 1,164,561,188	\$ 1,233,884,423	\$ 1,303,599,240	\$ 1,373,138,435
0%	AVA	\$ 1,127,842,480	\$ 1,116,473,462	\$ 1,099,934,459	\$ 1,109,817,271	\$ 1,149,780,848
	MVA	\$ 1,014,371,527	\$ 1,076,291,947	\$ 1,138,553,643	\$ 1,200,641,998	\$ 1,261,944,613
-8%	AVA	\$ 1,111,449,882	\$ 1,080,424,191	\$ 1,043,198,332	\$ 1,031,273,829	\$ 1,048,211,920
	MVA	\$ 932,640,749	\$ 988,022,707	\$ 1,043,222,863	\$ 1,097,684,755	\$ 1,150,750,792
-10%	AVA	\$ 1,094,649,665	\$ 1,071,408,766	\$ 1,029,010,824	\$ 1,011,635,547	\$ 1,022,819,739
	MVA	\$ 912,208,054	\$ 965,955,396	\$ 1,019,390,168	\$ 1,071,945,445	\$ 1,122,952,336

Note: AAL - is the Actuarial Accrued Liability - estimated for June 30, 2002
 AVA - is the Actuarial Value of Assets - actual for June 30, 2002
 MVA - is the Market Value of Assets - actual for June 30, 2002
 AAL - is determined independently of the market return
 For fiscal year ended June 30, 2002, note the following:

Market Return:	-6.94%
AAL:	\$ 1,087,003,337
AVA:	\$ 1,189,504,527
MVA:	\$ 1,083,368,939

The following table shows the number of active participants eligible for retirement:

<u>Active Members Eligible for:</u>	<u>Main System</u>	<u>Judges</u>	<u>National Guard</u>	<u>Total</u>
Retirement:				
Normal	426	4	2	432
Rule of 85	470	2	N/A	472
Early Retirement	<u>2,281</u>	<u>16</u>	<u>0</u>	<u>2,297</u>
Total Retirement	3,177	22	2	3,201
Deferred Retirement	<u>9,441</u>	<u>20</u>	<u>0</u>	<u>9,461</u>
Total Vested	12,618	42	2	12,662
Nonvested	<u>4,421</u>	<u>5</u>	<u>1</u>	<u>4,427</u>
Total	17,039	47	3	17,089

Inactive Members

There were 639 inactive members (one from Judges) as of July 1, 2002 with vested rights to deferred retirement benefits. The average deferred monthly benefit for this group was \$392. There were also 41 members on leave of absence from the Main System and 12 from National Guard that were called up for military duty. For these groups, a liability is carried for their deferred retirement benefits. In addition, there were 2,651 inactive members who have not made an election for a deferred annuity or taken a refund of their accumulated contributions. We have assumed 50% of these members will elect a deferred annuity and the remaining 50% will elect a refund of their accumulated contributions.

IV. BENEFIT EXPERIENCE

New Awards

During the fiscal year ended in June 2002, 305 pensions became effective. The average monthly benefit for these pensioners was \$810 and their average age at retirement was 62.1. Last year, the average benefit among new pensioners was \$828. The new pensioners are presented in Tables 10-A, 10-B, 10-C, 11-A, 11-B and 11-C in Appendix B by sex, type of pension, monthly benefit and age on retirement date.

A breakdown of the new pension awards by type compared to last year is as follows:

	<u>July 1, 2002</u>	<u>July 1, 2001</u>
Normal	89	92
Rule of 85	92	95
Early	100	109
Disability	<u>24</u>	<u>23</u>
Total	305	319

Pensioners

Since benefits became payable under the current retirement program, a total of 6,009 retirement pensions have been awarded, of which 4,655 remained on the June 2002 rolls (including eleven retired Judges and three retired members of the National Guard). In addition, 43 pensions were in suspended status as of June 30, 2002. Distributions of the pensioners are presented in Tables 12-A, 12-B, 12-C, 13-A, 13-B and 13-C in Appendix B by sex, type of pension, monthly benefit amount and current age.

For the pensions in force on July 1, 2002, the average monthly benefit was \$710, an increase from \$693* a year earlier. The average age of these pensioners on the valuation date was 71.6 years.

Beneficiaries

As of July 1, 2002, monthly benefit payments were being made to 475 beneficiaries, including six beneficiaries of Judges. The monthly payments to beneficiaries in payment status total \$224,979.

Prior Service Pensioners

As of July 1, 2002, there were 122 pensioners receiving monthly benefits of \$6,595 under the Special Prior Service Pension provisions of the Plan. The current average age of Prior Service pensioners was 91.9 years, and the average monthly benefit was \$54. Because of the relatively high average age and low benefits, the liability for the Special Prior Service Pensioners represented only about 0.02% of the total actuarial accrued liability for the System. Tables 14-A, 14-B, 14-C, 15-A, 15-B, and 15-C in Appendix B provide a breakdown of these pensioners by sex, type of pension, monthly benefit amount, and current age.

* Reflects 6% post-retirement increase effective August 1, 2001.

V. ASSETS

Market Value of Assets

As shown in the draft financial statements as of June 30, 2002, the combined market value of net assets of the North Dakota Public Employees Retirement System (PERS) and Highway Patrolmen's Retirement System (HPRS) was \$1,083,368,940 compared to \$1,173,621,357 a year earlier. This year's combined market value represents a decrease of 7.69% over the market value one year earlier.

Based on schedules provided by the Retirement Office, the breakdown of the market value of net assets allocated to North Dakota PERS follows:

	<u>July 1, 2002</u>	<u>July 1, 2001</u>
Main System	\$ 1,028,897,932	\$ 1,114,635,498
Judges	17,303,176	18,249,497
National Guard	<u>1,188,919</u>	<u>1,293,968</u>
Total	\$ 1,047,390,027	\$ 1,134,178,963

The rate of return on the market value basis for the PERS Fund was -6.94% for the year ended June 30, 2002.

Actuarial Value of Assets

The actuarial value of assets is determined as follows:

Market appreciation and depreciation are spread over five years beginning with the year of occurrence. Interest and dividends are recognized immediately. This procedure results in recognition of all changes in market value over five years.

The above procedure is applied to the combined assets of PERS and HPRS Retirement Income Funds to determine the combined actuarial value of the Systems. The combined actuarial value was \$1,189,504,527 as of June 30, 2002. The determination of the combined actuarial asset value is shown in Table 1. This table shows that there is approximately \$106 million of depreciation that will be recognized in future years.

The amount of actuarial write-up or write-down recognizes changing market values and is considered part of the investment income for the year. This procedure treats realized and unrealized capital gains or losses equally. In other words, the sale of a security - either at a gain or loss - has no immediate effect on the value of assets for actuarial purposes. If the market value has gone up, the increase is gradually recognized in the value of the fund's assets; it does not have to be sold for the appreciation to be "realized." This "automatic" recognition of market value appreciation or depreciation should eliminate any need for making investment decisions for the explicit purpose of meeting the investment return assumption.

Table 2 summarizes the combined investment results over the previous ten-year period. Over this period, the earnings of \$769,539,800 on an actuarial value basis represented an average annual return of 10.55%. For the 2001-2002 year, the actuarial rate of return on the combined assets was 3.91%.

The total actuarial value of assets is allocated to PERS (Main System, Judges, and National Guard) and HPRS in proportion to the reported market value of assets. This allocation is illustrated in Table 3 and summarized below for the PERS Fund alone.

	<u>July 1, 2002</u>	<u>July 1, 2001</u>
Main System	\$ 1,129,697,099	\$ 1,096,115,648
Judges	18,998,335	17,946,279
National Guard	<u>1,305,395</u>	<u>1,272,469</u>
Total	\$ 1,150,000,829	\$ 1,115,334,396

Chart 1 on page 13 is a graph showing the historical asset values for the PERS Fund on both actuarial and market value bases. This graph illustrates that the growth of the market value of assets has also been recognized in the actuarial value of assets.

Income and disbursements for 2002 and 2001 on the actuarial value basis are given in Table 4 for the PERS Fund alone. The progress of the PERS Fund for the last several years is provided in Table 5. It shows that assets have increased consistently from year to year, although the amount of the increase has varied with fluctuations in investment income. Benefit payments have also increased consistently over the period, except for the prior year.

A picture of the financial development of the PERS Fund over the last ten years is provided in Chart 2 on page 16. It shows that, until 1998, contributions were greater than benefit payments and expenses. However, over the long term, the excess of contributions over benefit payments and expenses, along with net investment income, served to increase the assets of the System.

Investment results on the actuarial basis are used to determine whether investment experience is meeting the System's actuarially assumed return. They do not, however, necessarily indicate the relative success of the System's investment program. Comparisons of performance with other funds, investment institutions, and market indices are generally based on rates of return that recognize market changes in full.

Investment Return

The investment returns for the last ten years for the combined fund are as follows:

<u>Year Ending June 30</u>	<u>Market Value</u>	<u>Actuarial Value</u>
1993	14.90%	9.42%
1994	1.45	7.08
1995	14.25	8.98
1996	15.78	11.65
1997	19.90	13.14
1998	15.65	14.02
1999	10.88	14.72
2000	9.43	13.71
2001	(4.47)	9.36
2002	(6.94)	3.91

The above values demonstrate the fact that the volatility of market value returns is reduced by using an actuarial value of assets. Chart 3 on page 17 illustrates the smoothing effect that results from using an actuarial value of assets. By using an actuarial value that reduces the year-to-year fluctuations in investment return, year-to-year fluctuations in contribution requirements are reduced.

Investment return rates on the market value basis include all capital appreciation and depreciation. The returns on the actuarial value reflect only a portion of the capital appreciation and depreciation based on the adopted valuation method.

TABLE 1

*Determination of Actuarial Value of Assets
(for PERS and HPRS) as of June 30, 2002 and 2001*

<u>Year Ending</u>	<u>Total Appreciation (Depreciation)</u>	<u>Of Total Appreciation</u>			
		<u>June 30, 2002</u>		<u>June 30, 2001</u>	
		<u>Percent Deferred</u>	<u>Amount Deferred</u>	<u>Percent Deferred</u>	<u>Amount Deferred</u>
6/30/1998	\$ 109,670,932	0%	\$ 0	20%	\$ 21,934,186
6/30/1999	80,332,335	20%	16,066,467	40%	32,132,934
6/30/2000	70,477,207	40%	28,190,883	60%	42,286,324
6/30/2001	(96,066,919)	60%	(57,640,151)	80%	(76,853,535)
6/30/2002	(115,940,982)	80%	<u>(92,752,786)</u>	0%	<u>0</u>
(a) Total Deferred as of Valuation Date			\$ (106,135,587)		\$ 19,499,909
(b) Total Appreciation (Depreciation) for last five Plan Years			48,472,573		288,674,677
(c) Write-Up/(Down) Amount for the year - equals 20% of (b)			9,694,515		57,734,935
			<u>July 1, 2002</u>		<u>July 1, 2001</u>
Market Value of Assets			\$1,083,368,940		\$1,173,621,357
Less: Deferred Appreciation (Depreciation)			<u>(106,135,587)</u>		<u>19,499,909</u>
Actuarial Value of Assets			\$1,189,504,527		\$1,154,121,448
Actuarial Value as a Percent of Market Value			109.80%		98.34%

TABLE 2

Summary of Combined Investment Results for PERS and HPRS on Actuarial Value of Assets

Year Ended June 30	Net Interest and Dividend Income*		Other Income**		Total Net Investment Income	
	Amount	Yield	Amount	Yield	Amount	Yield
1993	\$17,223,000	3.91%	\$24,236,200	5.51%	\$41,459,200	9.42%
1994	17,973,900	3.70	16,387,100	3.38	34,361,000	7.08
1995	21,096,800	4.03	25,927,800	4.95	47,024,600	8.98
1996	24,776,500	4.32	42,002,100	7.33	66,778,600	11.65
1997	23,919,600	3.73	60,428,700	9.41	84,348,300	13.14
1998	29,988,300	4.13	71,787,700	9.89	101,776,000	14.02
1999	31,722,100	3.84	89,864,100	10.89	121,586,200	14.73
2000	36,367,600	3.88	92,244,700	9.83	128,612,300	13.71
2001	41,086,800	3.89	57,734,900	5.47	98,821,700	9.36
2002	35,077,400	3.06	9,694,500	0.85	44,771,900	3.91
Total for Last Ten Years	\$279,232,000		\$490,307,800		\$769,539,800	
Average Yield for last Ten Years***				10.55%		

* Net of investment expenses.

** Includes write-up (down).

*** Each year's yield weighted by average fund value in that year.

TABLE 3***Allocation of Combined (PERS and HPRS) Actuarial Value of Assets***

	July 1, 2002		July 1, 2001	
	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Market Value</u>	<u>Actuarial Value</u>
PERS Main System	\$1,028,897,932	\$1,129,697,099	\$1,114,635,498	\$1,096,115,648
PERS Judges	17,303,176	18,998,335	18,249,497	17,946,279
PERS National Guard	<u>1,188,919</u>	<u>1,305,395</u>	<u>1,293,968</u>	<u>1,272,469</u>
PERS Combined	\$1,047,390,027	\$1,150,000,829	\$1,134,178,963	\$1,115,334,396
HPRS	<u>35,978,913</u>	<u>39,503,698</u>	<u>39,442,394</u>	<u>38,787,052</u>
Total	\$1,083,368,940	\$1,189,504,527	\$1,173,621,357	\$1,154,121,448

Note: Allocation of the actuarial value of assets is in proportion to the market value of assets.

Chart 1
Value of Assets for PERS

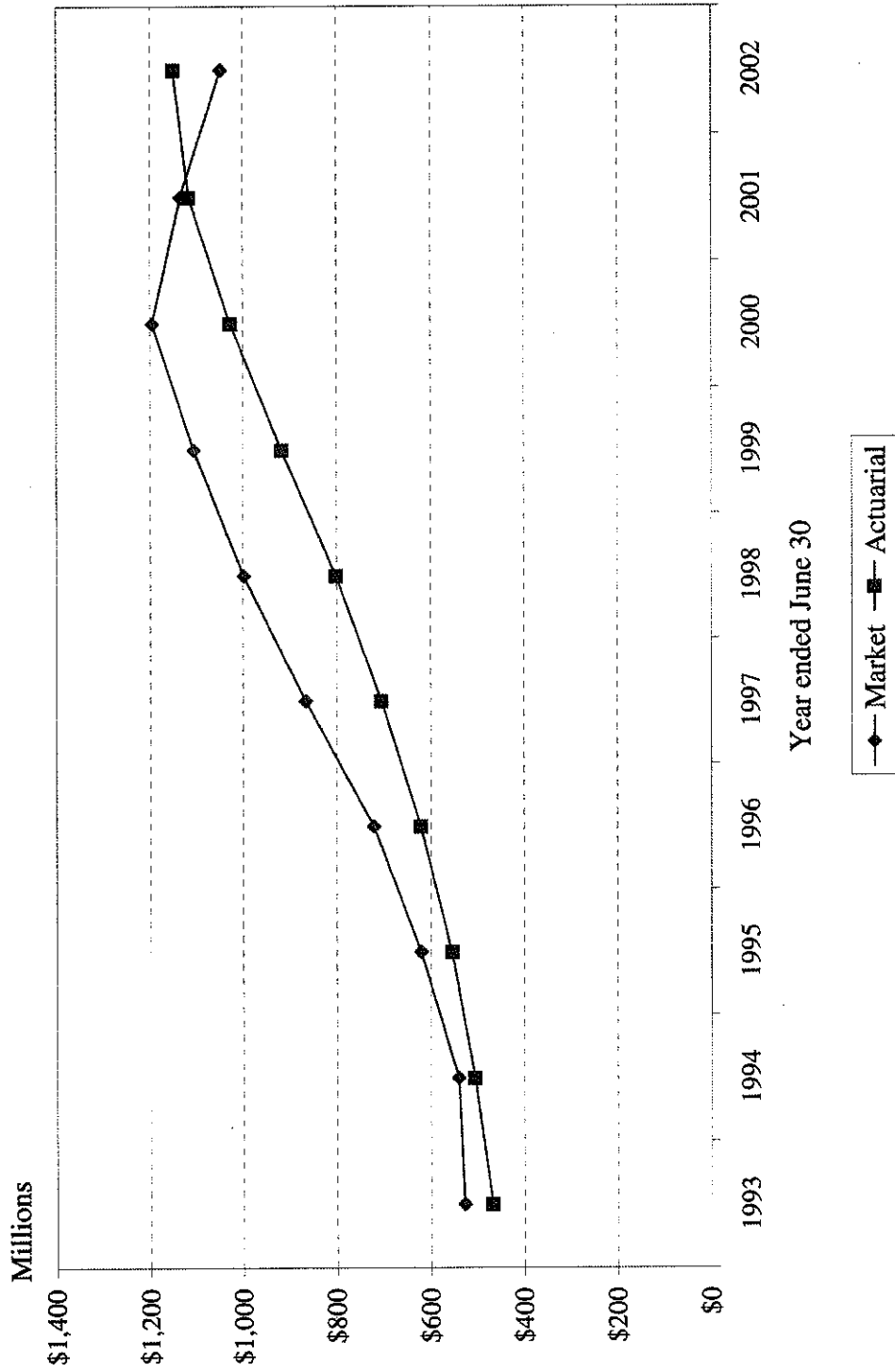


TABLE 4

***Summary Statement of Income and Disbursements for PERS
for the Years Ended June 30, 2002 and 2001
(Actuarial Value Basis)***

	<u>June 30, 2002</u>	<u>June 30, 2001</u>
Contribution Income:		
Employer Contributions	\$ 18,244,655	\$ 17,101,628
Member Contributions	17,379,812	16,273,260
Service Credit Repurchases	<u>1,059,313</u>	<u>1,080,008</u>
Total Contribution Income	\$ 36,683,780	\$ 34,454,896
Less: Administrative Expenses	<u>(983,258)</u>	<u>(894,868)</u>
Net Contribution Income	<u>\$ 35,700,522</u>	<u>\$ 33,560,028</u>
Investment Income:		
Interest and Dividends	\$ 39,247,309	\$ 49,343,023
Miscellaneous Income	12,301	7,570
Less: Investment Expenses	<u>(5,358,124)</u>	<u>(9,654,269)</u>
Net Interest and Dividends	\$ 33,901,486	\$ 39,696,324
Write-up of Assets	<u>9,403,109</u>	<u>55,803,501</u>
Net Investment Income	<u>\$ 43,304,595</u>	<u>\$ 95,499,825</u>
Total Income Available for Benefit Payments and Reserves	<u>\$ 79,005,117</u>	<u>\$ 129,059,853</u>
Benefit Payments:		
Pension Benefits	\$ (40,871,330)	\$ (36,676,998)
Transfers to Other Plans	(337,553)	(314,930)
Refunds	<u>(3,129,801)</u>	<u>(3,735,354)</u>
Total Benefit Payments	<u>\$ (44,338,684)</u>	<u>\$ (40,727,282)</u>
Addition to Reserve for Future Benefit Payments	\$ 34,666,433	\$ 88,332,571
Actuarial Value of Assets, Start of Year	<u>1,115,334,396</u>	<u>1,027,001,825</u>
Actuarial Value of Assets, End of Year	<u>\$ 1,150,000,829</u>	<u>\$ 1,115,334,396</u>

TABLE 5

Progress of the PERS Fund through June 30, 2002
(Actuarial Value Basis)

Year Ended June 30	Employer Contributions	Member Contributions*	Administrative Expenses	Net Investment Income	Benefit Payments	Fund at End Of Year
1992	-	-	-	-	-	\$421,643,564
1993	\$12,450,932	\$12,684,825	\$622,049	\$39,884,292	\$18,056,383	467,985,181
1994	12,685,083	13,044,203	519,659	33,148,687	20,566,725	505,776,770
1995	13,257,600	13,164,344	528,430	45,345,492	22,372,635	554,643,141
1996	13,815,784	13,831,828	555,421	64,398,234	24,470,794	621,662,772
1997	14,435,989	14,320,237	565,778	81,409,263	26,791,639	704,470,844
1998	15,078,427	15,061,818	605,241	98,273,502	30,988,902	801,290,448
1999	15,873,917	16,152,785	718,396	117,425,238	33,070,715	916,953,277
2000	16,521,248	16,618,771	800,529	124,281,079	46,572,021	1,027,001,825
2001	17,101,628	17,353,268	894,868	95,499,825	40,727,282	1,115,334,396
2002	18,244,655	18,439,125	983,258	43,304,595	44,338,684	1,150,000,829
Total for Last Ten Years	\$149,465,263	\$150,671,204	\$6,793,629	\$742,970,207	\$307,955,780	\$1,150,000,829

* Includes repurchases of service credit.

Chart 2
Income and Disbursements for PERS

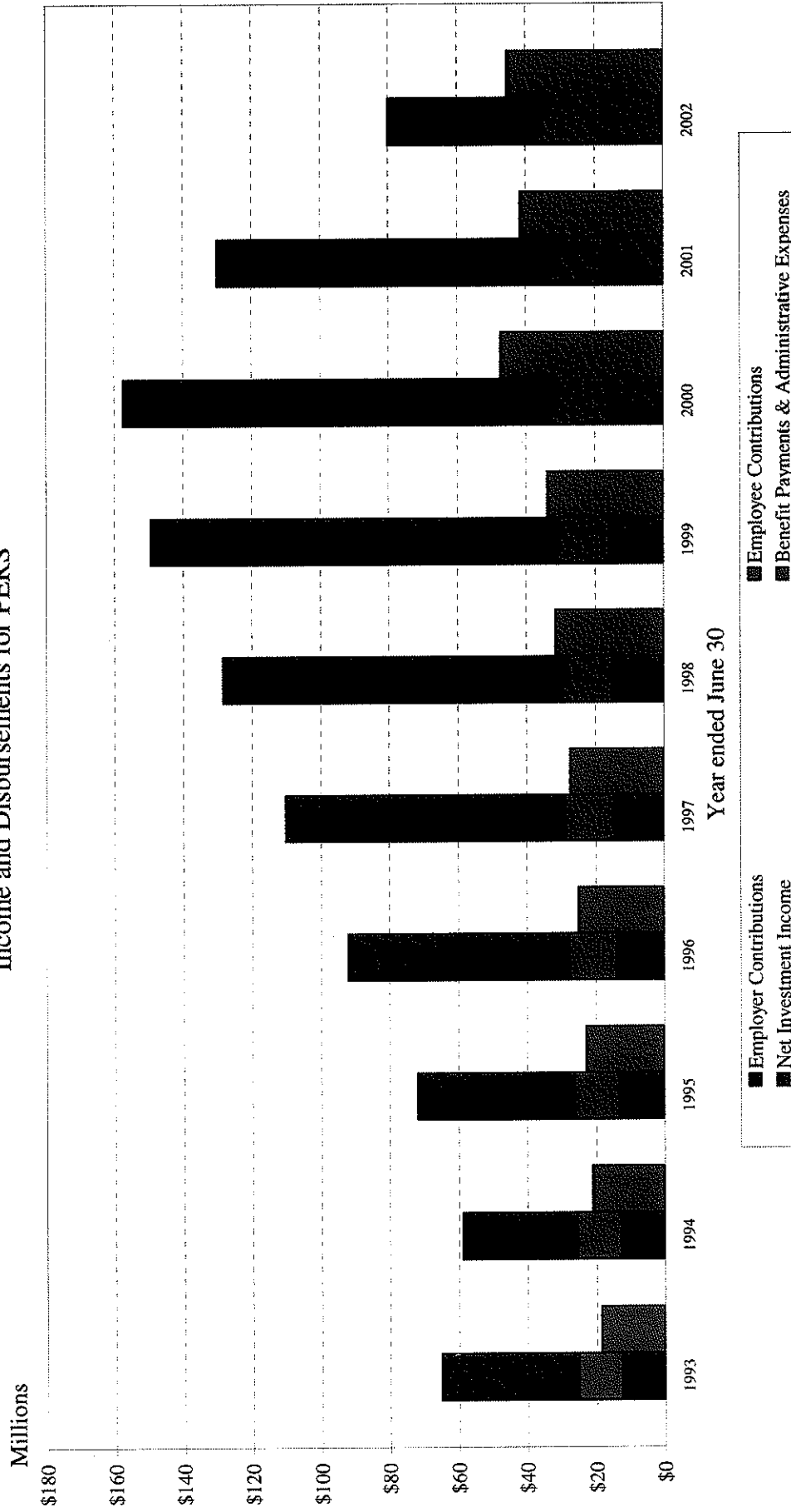
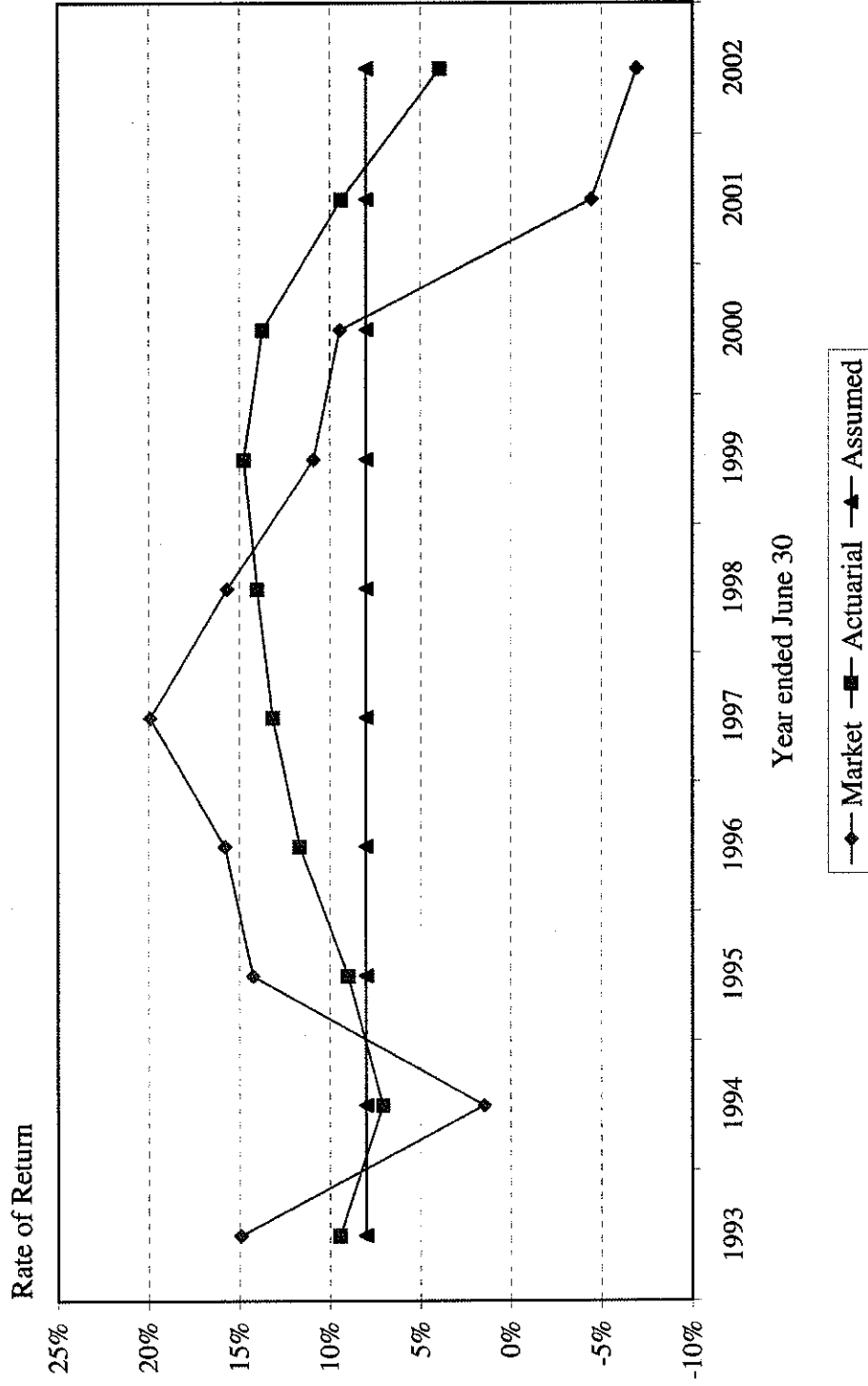


Chart 3
Investment Returns
 (PERS and HPRS Combined)



VI. RESULTS OF ACTUARIAL VALUATION

The contribution requirement consists of the normal cost, administrative expense allowance, plus the cost of amortizing the unfunded liability over a scheduled period of years. The Board has adopted an open amortization schedule of 20 years. The calculated employer contribution requirements on this basis for fiscal year 2002-2003 are shown below as a dollar amount and as a percentage of the total compensation of contributing employees.

Main System

The components of the actuarial contribution requirements are shown below:

	<u>Amount for</u> <u>2002-2003</u>	<u>Percentage</u> <u>of Payroll</u>
Total normal cost	\$ 40,761,465	8.92%
Less: Member contributions	<u>(18,281,082)</u>	<u>(4.00)</u>
Net employer normal cost	\$ 22,480,383	4.92%
Administrative expense allowance	710,000	0.16
Amortization payment (credit)	<u>(2,979,609)</u>	<u>(0.66)</u>
Total employer contribution requirement	\$ 20,210,774	4.42%

Covered payroll is \$457,027,059.

The statutory contribution rate is 4.12% of payroll. Hence, statutory contributions are less than the actuarial contribution requirement shown above by 0.30% of payroll.

The net employer normal cost plus the administrative expense allowance is 5.08% of payroll. This should be viewed as the ultimate plan cost rate, since the total employer contribution requirement of 4.42% of payroll reflects an amortization credit. By this measure, statutory contributions are less than the ultimate plan cost rate of 5.08% of payroll by 0.96% of payroll.

The total employer actuarial contribution requirement was 3.83% of payroll last year. Since then, actual experience of the System during 2001-2002 has changed the actuarial contribution requirement. Table 6 presents a detailed explanation of these factors that changed the contribution requirement from July 1, 2001 to July 1, 2002.

Judges

The components of the actuarial contribution requirement are shown below:

	<u>Amount for 2002-2003</u>	<u>Percentage of Payroll</u>
Total normal cost	\$ 892,042	21.17%
Less: Member contributions	<u>(210,675)</u>	<u>(5.00)</u>
Net employer normal cost	\$ 681,367	16.17%
Administrative expense allowance	5,000	0.12
Amortization payment (credit)	<u>(252,906)</u>	<u>(6.00)</u>
Total employer contribution requirement	\$ 433,461	10.29%

Covered payroll is \$4,213,491.

The statutory contribution rate is 14.52% of payroll. Hence, statutory contributions exceed the actuarial contribution requirement shown above by 4.23% of payroll.

The net employer normal cost plus the administrative expense allowance is 16.29% of payroll. This should be viewed as the ultimate plan cost rate, since the total employer contribution requirement of 10.29% of payroll reflects an amortization credit. By this measure, statutory contributions are less than the ultimate plan cost rate of 16.29% of payroll by 1.77% of payroll.

A reconciliation of the change in the cost rate since the previous valuation follows:

	<u>Percentage of Payroll</u>
Employer Cost Rate as of July 1, 2001	9.03%
Plan experience during the year	1.05
Changes in plan provisions	0.00
Change in actuarial assumptions	0.00
Effect of maintaining 20-year amortization schedule	<u>0.21</u>
Employer Cost Rate as of July 1, 2002	10.29%

National Guard

The components of the actuarial contribution requirement are shown below:

	<u>Amount for 2002-2003</u>	<u>Percentage of Payroll</u>
Total normal cost	\$ 11,428	10.96%
Less: Member contributions	<u>(4,170)</u>	<u>(4.00)</u>
Net employer normal cost	\$ 7,258	6.96%
Administrative expense allowance	5,000	4.80
Amortization payment (credit)	<u>(25,425)</u>	<u>(24.39)</u>
Total employer contribution requirement	\$ 0	0.00%

Covered payroll is \$104,241.

The statutory contribution rate is 8.33% of payroll. Hence, statutory contributions exceed the actuarial contribution requirement shown above by 8.33% of payroll.

The elimination of the contribution requirement is primarily due to the reduction in active members from fifteen as of the prior year to three as of the current year. Twelve members are on military leave of absence. For these members, a liability is carried for their deferred retirement benefits. If those members return to active employment, we would expect an employer contribution requirement.

A reconciliation of the change in the cost rate since the previous valuation follows:

	<u>Percentage Of Payroll</u>
Employer Cost Rate as of July 1, 2001	3.30%
Plan experience during the year	(3.30)
Changes in plan provisions	0.00
Change in actuarial assumptions	0.00
Effect of maintaining 20-year amortization schedule	<u>0.00</u>
Employer Cost Rate as of July 1, 2002	0.00%

Main System, Judges, and National Guard Combined

The components of the actuarial contribution requirement are shown below.

	<u>Amount for</u> <u>2002-2003</u>	<u>Percentage</u> <u>of Payroll</u>
Total normal cost	\$ 41,664,935	9.03%
Less: Member contributions	<u>(18,495,927)</u>	<u>(4.01)</u>
Net employer normal cost	\$ 23,169,008	5.02%
Administrative expense allowance	720,000	0.16
Amortization payment	<u>(3,257,940)</u>	<u>(0.71)</u>
Total employer contribution*	\$ 20,644,235	4.47%

Covered payroll is \$461,344,791.

* Adjusted for National Guard contribution limited to \$0.

TABLE 6

*Main System
Explanation of Change in Employer Cost Rate*

	Percent of Payroll
Employer Cost Rate as of July 1, 2001	3.83%
<i>Retired Life Mortality</i>	0.01%
The release of liability due to deaths among retirees and beneficiaries was less than expected, hence, increasing the employer cost rate.	
<i>Active Life Mortality</i>	0.02%
The release of liability due to deaths among active members was less than expected, hence, increasing the employer cost rate.	
<i>Disability Incidence</i>	0.00%
The net change in liability due to disability retirements was nearly equal to that expected.	
<i>Withdrawal</i>	0.05%
The decrease in liability due to withdrawals prior to retirement was less than expected, hence, increasing the employer cost rate.	
<i>Retirement</i>	0.07%
The net change in liability due to non-disabled retirements was lower than expected, hence, increasing the employer cost rate.	
<i>Investments</i>	0.66%
On an actuarial value basis, the rate of return on assets was less than the assumed rate of return, hence, increasing the employer cost rate.	
<i>Salary Scale</i>	0.05%
Salaries increased more than expected, hence, increasing the employer cost rate.	
<i>Contributions</i>	(0.02)%
Actual contributions received by the System exceeded the actuarially determined amount, thus, reducing the required contributions in future years.	

TABLE 6

Main System
Explanation of Change in Employer Cost Rate (continued)

	Percent of Payroll
<i>Administrative Expenses</i>	0.01%
Actual expenses were more than expected, hence, increasing the employer cost rate.	
<i>New Members and Reinstated Members</i>	0.04%
Some new active members had past service credits reinstated, thereby increasing costs due to the unanticipated liabilities.	
<i>Part-Time Experience</i>	(0.11)%
Some continuing active members earned less than one year of service during the current year, hence, decreasing the employer cost rate.	
<i>Impact of Enhanced Withdrawal Benefits Due to Portability Enhancement Program (PEP)</i>	0.04%
Increase in liability due to additional PEP benefits.	
<i>Change in Size and Composition of Active Membership and Miscellaneous Experience</i>	(0.25)%
The demographic characteristics of the active membership changed during the year.	
<i>Plan Provision Changes</i>	0.00%
There were no plan provisions changes.	
<i>Assumption Changes</i>	0.00%
There were no assumption changes.	
<i>Funding Schedule</i>	0.02%
The effect of maintaining a 20-year funding schedule results in a small increase in cost.	
Employer Cost Rate as of July 1, 2002	4.42%

VII. FUNDING STATUS

The calculation of benefit security ratios provides one measure of the progress of funding a retirement plan. The benefit security ratio is the percentage of plan liabilities covered by plan assets. The greater the ratio, the better funded the retirement plan is. This ratio can be calculated using different measures of the retirement plan's liabilities.

Funding Basis - Actuarial Accrued Liability

This measure of liabilities is used in calculating pension costs. It uses the Entry Age Normal Actuarial Cost Method that spreads costs as a level percentage of payroll over a member's working career.

For determining plan costs, a smoothed value of assets (called the actuarial value) is used. Hence, the actuarial value of assets was used to calculate the benefit security ratios.

Disclosure Basis

The accounting standard for disclosure of liabilities and funding status of the System is based on GASB Statement No. 25 (Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans). GASB Statement No. 25 allows the System to disclose its liabilities and funding status on the same bases used for funding the System. The actuarial value of assets is used for comparing assets and liabilities.

Historical Results

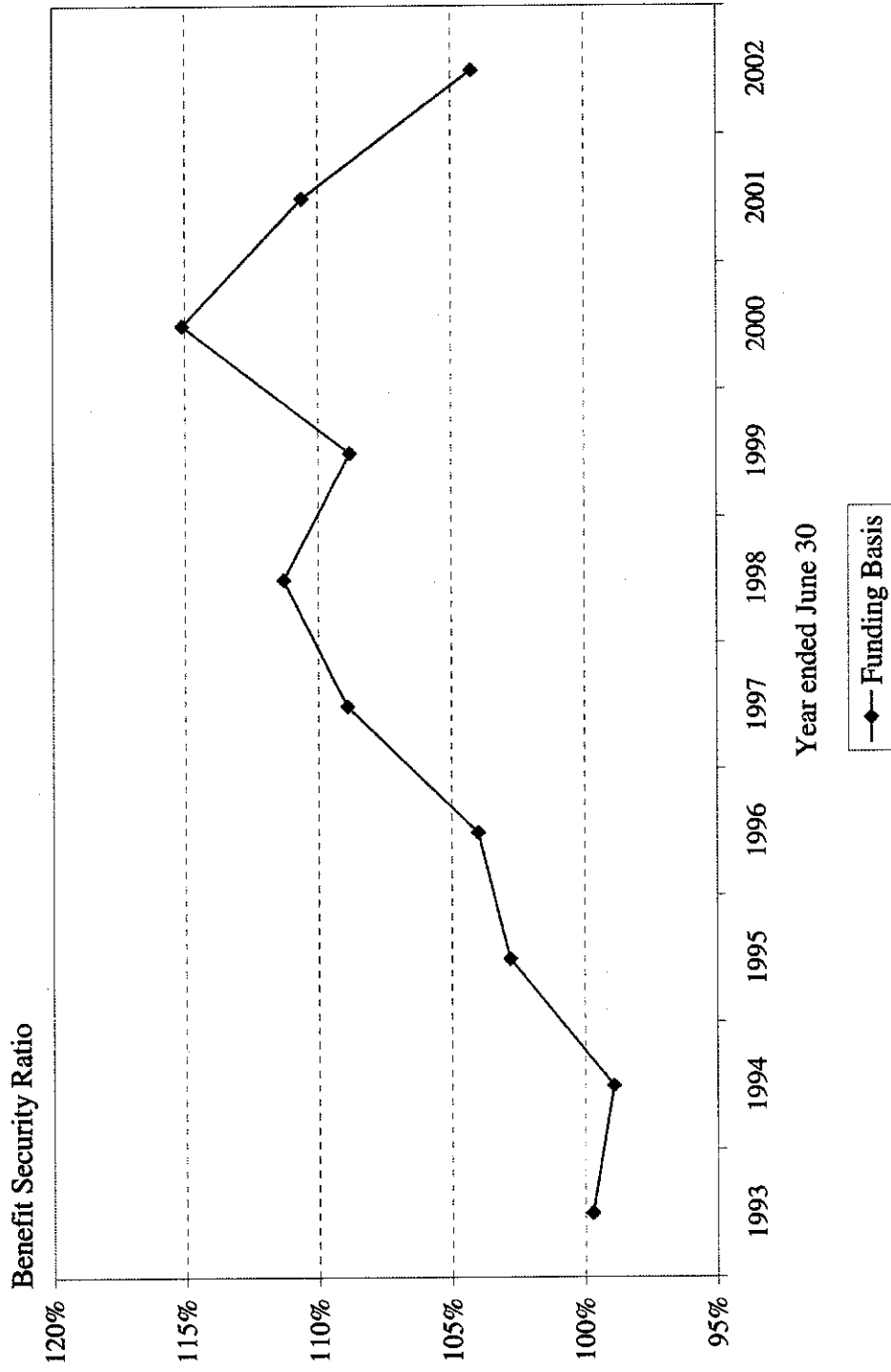
The benefit security ratios (under the GASB Statement No. 25 standard) for the last ten years are developed in Table 7. These ratios are graphed in Chart 4 on page 26. They show that, on a funding basis, the benefit security ratio has generally improved during the period, except for the prior two years.

Funding ratios change over time due to several factors. These factors include the level of contributions, actual experience (including investment returns), plan amendments and changes in assumptions. In particular, we observe that in 1993, 1994, 1995, 1999 and 2001 benefit improvements were effective, decreasing the funding ratio from what it would have been otherwise. Also, the actuarial assumptions were changed in 1995 and 2000, changing the funding ratio from what it would have been otherwise.

TABLE 7***Benefit Security Ratio for PERS***

As of July 1	Actuarial Accrued Liability	Actuarial Value of Assets	Benefit Security Ratio
1993	\$ 469,584,300	\$ 467,985,200	99.7%
1994	511,155,700	505,776,800	98.9
1995	539,798,100	554,643,100	102.8
1996	597,870,000	621,662,800	104.0
1997	646,902,000	704,470,800	108.9
1998	720,093,400	801,290,400	111.3
1999	842,717,700	916,953,300	108.8
2000	891,889,000	1,027,001,800	115.1
2001	1,008,722,500	1,115,334,400	110.6
2002	1,103,460,900	1,150,000,800	104.2

Chart 4
Benefit Security Ratio



VIII. ACTUARIAL ASSUMPTIONS AND COST METHOD

The actuarial assumptions and cost method used in the actuarial valuation as of July 1, 2002 are the same as those used in the previous valuation. A summary of the actuarial assumptions and cost method follows. Details can be found in Exhibit II of Appendix A.

Investment Return

The actuarial calculations are based on the assumption that the investment return on the actuarial value of assets of the System will be 8.00% per year, net of investment expenses.

Salary Increases

Because the retirement benefits provided by the plan are based on a member's final average salary, increases in salaries affect the employer's contribution requirements. A salary scale is used in an actuarial valuation to project each member's future salary increases.

For the Main System and National Guard, the assumed salary increase is 7.00% during each of the first five years of service. After five years of service, salary increases are age-related. Sample age-related annual salary rate increases are as follows:

<u>Age</u>	<u>Increase</u>
25	5.90%
30	5.60
35	5.30
40	5.10
45	4.90
50	4.80
55	4.70
60	4.70

For Judges, the assumed salary increase is 5.50% per year for all years of service.

Actuarial assumptions should be reasonable over the long term and should not be unduly influenced by transitory deviations. Actual salary increases that are greater than assumed produce actuarial losses that, if not offset by actuarial gains from other sources (such as investment gains), result in increasing future employer costs. On the other hand, salary increases that are less than projected produce actuarial gains, which can result in lowering future employer costs.

Payroll Growth

For the Main System and the National Guard, the assumed payroll growth rate is 4.50% per annum. For Judges, the assumed payroll growth rate is 4.00% per annum.

Mortality Rates

The reserve required to pay a member's retirement benefits depends on life expectancies. The valuation uses the 1983 Group Annuity Mortality Table for healthy members and the Pension Benefit Guaranty Corporation Disabled Life Mortality Table for Individuals Receiving Social Security Disability Benefits for disabled members. The table below shows sample mortality rates and life expectancies underlying the healthy mortality tables.

<u>Age</u>	<u>Retired Members</u>			
	<u>Males</u>		<u>Females</u>	
	<u>Deaths per 1,000 Lives</u>	<u>Expected Number of Years of Life Remaining</u>	<u>Deaths per 1,000 Lives</u>	<u>Expected Number of Years of Life Remaining</u>
55	6.1	24.8	2.5	30.3
60	9.2	20.6	4.2	25.7
65	15.6	16.7	7.1	21.3
70	27.5	13.2	12.4	17.2
75	44.6	10.2	24.0	13.4
80	74.1	7.6	42.9	10.2
85	114.8	5.7	69.9	7.6

Disability

A percentage of members are assumed to become disabled while in active service. The incidence rates used are based on a study of disability incidence under the Social Security program. To reflect actual experience under the retirement system, 42% of the Social Security disability incidence rates are used for males and 30% are used for females.

Withdrawal Rates Before Retirement

The withdrawal rates used in this actuarial valuation reflect the expected percentage of members who will leave service at each age before retirement for reasons other than death or disability.

For the Main System and National Guard, special withdrawal rates are applied during the first five years of service to recognize higher turnover for short service members.

During the first five years of service, the rates vary with age and service as follows:

<u>Age</u>	<u>Years of Service</u>				
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
20 - 29	23%	20%	17%	16%	15%
30 - 39	17	15	13	12	11
40 & Over	15	12	10	8	6

After five years of service, annual rates vary with age and gender as follows:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20 - 24	12%	12%
25 - 29	8	10
30 - 34	5	8
35 - 39	4	6
40 - 44	3	5
45 - 49	3	4
50 & Over	2	3

For Judges, withdrawal rates at each age are one-half of the rates for members of the Main System and National Guard with at least five years of service.

Withdrawal rates end upon the earlier of early retirement and Rule of 85 (Main System and Judges) eligibility.

Retirement

The retirement rates reflect the expected percentage of members who will retire at each age. For Main System members, the rates vary with age, as follows:

<u>Age</u>	<u>Rate</u>
55	4%
56	6
57	6
58	6
59	6
60	8
61	15
62	35
63	25
64	25
65	40
66	20
67	20
68	20
69	20
70	100

The retirement rates for Judges begin at age 62. Thirty-five percent of Judges are assumed to retire at each age from 62 to 64, 50% are assumed to retire at each age from 65 to 69, and 100% of the remaining Judges are assumed to retire at age 70.

Retirement for members of the National Guard is assumed to occur at age 60.

Retirement for inactive vested members of the Main System and Judges is assumed to occur at the earlier of age 65 and Rule of 85. Retirement for inactive vested members of the National Guard is assumed to occur at age 55.

Fifty percent of inactive vested Main System and Judges and 100% of inactive vested National Guard are assumed to elect a refund of employee contributions in lieu of a pension benefit.

Annual Administrative Expenses

Annual administrative expenses for all three Systems combined are assumed to be \$720,000.

Marital Status for Non-Retired Members

At death, 75% of male members and 60% of female members are assumed to have spouses. Males are assumed to be five years older than their female spouses.

Valuation of Assets

Investments are valued at an adjusted market value. Interest and dividends are recognized immediately. The net market appreciation (depreciation) is spread over five years in equal dollar amounts, beginning with the year of occurrence. The actuarial value of assets is the market value less deferred appreciation (depreciation).

Actuarial Cost Method

The System is funded using the Entry Age Normal Actuarial Cost Method. This method produces costs that remain relatively level as a percentage of covered payroll.

Under the Entry Age Normal Method, the total contribution requirement has three components - an annual normal cost, an allowance for administrative expenses and a payment with respect to the unfunded/(surplus) actuarial accrued liability. The annual normal cost is calculated for each member as the level percentage of pay required over the member's period of covered employment to pay the total expected benefits. The normal cost is determined as if the current benefit accrual rate had always been in effect. If the actuarial assumptions are met, the total normal cost rate will remain level as a percentage of payroll.

The normal cost payments are sufficient to finance the benefit program only if there are no changes in plan design and all actuarial assumptions are realized. To the extent that actual experience is less favorable than assumed, additional liabilities not funded through normal cost payments arise. Also, benefit liberalizations that improve earned benefits or benefit eligibility produce additional liabilities. The Board has adopted a schedule of amortizing this unfunded/(surplus) actuarial accrued liability over an open period of 20 years. The annual payments are determined as a level percent of payroll, with payroll expected to increase 4.5% per year for the Main System and National Guard, and for Judges payroll is expected to increase 4.0% per year. This method provides payment in constant, or real, dollars.

APPENDIX A

October 11, 2002

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION CERTIFICATE

This is to certify that we have prepared an Actuarial Valuation of the System as of July 1, 2002 in accordance with generally accepted actuarial principles and practices.

The certificate contains the following attached exhibits:

- I. Actuarial Valuation Results
- II. Actuarial Assumptions and Cost Method
- III. Changes in Actuarial Assumptions and Cost Methods
- IV. Plan Amendments
- V. Summary of Plan Provisions

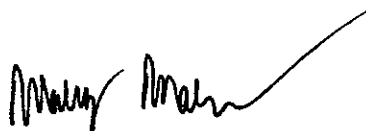
The valuation was based on information supplied by the Retirement Office with respect to member and financial data. We have not verified, and customarily would not verify, such information but we have no reason to doubt its substantial accuracy.

To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate and in our opinion each individual assumption used (a) is reasonably related to the experience of the System and to reasonable expectations and (b) represents our best estimate of anticipated experience under the System.

The undersigned are available to provide further information or to answer any questions regarding the report.



Leslie L. Thompson, ASA, MAAA, EA
Senior Vice President and Consulting Actuary



Wally Malles, ASA, MAAA, EA

EXHIBIT I-A

ACTUARIAL VALUATION RESULTS

MAIN SYSTEM

1.	Actuarial accrued liability on July 1, 2002:	
a.	Active members	\$ 702,218,813
b.	Special prior service pensions.....	258,032
c.	Retired members and beneficiaries.....	353,771,975
d.	Inactive non-retired members	<u>30,754,516</u>
e.	Total.....	\$ 1,087,003,336
2.	Assets at actuarial value (\$1,028,897,932 at market value).....	1,129,697,099
3.	Unfunded/(Surplus) actuarial accrued liability equals (1) minus (2).....	(42,693,763)
4.	Member and employer normal cost for ensuing year*.....	40,761,465
5.	Estimated annual salaries of covered members.....	457,027,059
6.	Member normal cost - equals 4% of (5).....	18,281,082
7.	Employer normal cost for ensuing year - equals (4) minus (6)*.....	22,480,383
8.	Amortization payment - equals 20-year amortization of item (3) as a level percent of aggregate salary*.....	(2,979,609)
9.	Administrative expenses.....	710,000
10.	Total employer cost for ensuing year - equals (7) plus (8) plus (9)*.....	20,210,774
11.	Total employer cost as percentage of payroll - equals (10) divided by (5)*.....	4.42%

* Adjusted for interest to recognize payments through the year.

EXHIBIT I-B

ACTUARIAL VALUATION RESULTS

JUDGES

1.	Actuarial accrued liability on July 1, 2002:	
	a. Active members	\$ 11,172,966
	b. Retired members and beneficiaries	4,231,528
	c. Inactive non-retired members	<u>112,036</u>
	d. Total	\$15,516,530
2.	Assets at actuarial value (\$17,303,176 at market value)	18,998,335
3.	Unfunded/(Surplus) actuarial accrued liability equals (1) minus (2)	(3,481,805)
4.	Member and employer normal cost for ensuing year*	892,042
5.	Estimated annual salaries of covered members	4,213,491
6.	Member normal cost - equals 5% of (5)	210,675
7.	Employer normal cost for ensuing year - equals (4) minus (6)*	681,367
8.	Amortization payment - equals 20-year amortization of item (3) as a level percent of aggregate salary*	(252,906)
9.	Administrative expenses	5,000
10.	Total employer cost for ensuing year - equals (7) plus (8) plus (9)*	433,461
11.	Total employer cost as percentage of payroll - equals (10) divided by (5)*	10.29%

* Adjusted for interest to recognize payments through the year.

EXHIBIT I-C

ACTUARIAL VALUATION RESULTS

NATIONAL GUARD

1.	Actuarial accrued liability on July 1, 2002:	
	a. Active members	\$ 359,786
	b. Retired members and beneficiaries	279,567
	c. Inactive non-retired members	<u>301,730</u>
	d. Total	\$ 941,083
2.	Assets at actuarial value (\$1,188,919 at market value)	1,305,395
3.	Unfunded/(Surplus) actuarial accrued liability - equals (1) minus (2)	(364,312)
4.	Member and employer normal cost for ensuing year*	11,428
5.	Estimated annual salaries of covered members	104,241
6.	Member normal cost - equals 4% of (5)	4,170
7.	Employer normal cost for ensuing year - equals (4) minus (6)*	7,258
8.	Amortization payment - equals 20-year amortization of item (3) as a level percent of aggregate salary*	(25,425)
9.	Administrative expenses	5,000
10.	Total employer cost for ensuing year - equals (7) plus (8) plus (9), not less than zero*	0
11.	Total employer cost as percentage of payroll - equals (10) divided by (5)*	0.00%

* Adjusted for interest to recognize payments through the year.

EXHIBIT I-D

ACTUARIAL VALUATION RESULTS

MAIN SYSTEM, JUDGES, AND NATIONAL GUARD COMBINED

1.	Actuarial accrued liability on July 1, 2002:		
	a. Active members	\$713,751,565	
	b. Special prior service pensions.....	258,032	
	c. Retired members and beneficiaries	358,283,070	
	d. Inactive non-retired members	<u>31,168,282</u>	
	e. Total		\$1,103,460,949
2.	Assets at actuarial value (\$1,047,390,027 at market value)		1,150,000,829
3.	Unfunded/(Surplus) actuarial accrued liability - equals (1) minus (2)		(46,539,880)
4.	Member and employer normal cost for ensuing year*		41,664,935
5.	Estimated annual salaries of covered members		461,344,791
6.	Member normal cost.....		18,495,927
7.	Employer normal cost for ensuing year - equals (4) minus (6)*		23,169,008
8.	Amortization payment - equals 20-year amortization of item (3) as a level percent of aggregate salary*		(3,257,940)
9.	Administrative expenses.....		720,000
10.	Total employer cost for ensuing year - equals (7) plus (8) plus (9)**		20,644,235
11.	Total employer cost as percentage of payroll - equals (10) divided by (5)*		4.47%

* Adjusted for interest to recognize payments through the year.

** Adjusted for National Guard contribution limited to \$0.

EXHIBIT II

ACTUARIAL ASSUMPTIONS AND COST METHOD

1. Mortality Tables:

Healthy: 1983 Group Annuity Mortality Table.

Disabled: Pension Benefit Guaranty Corporation Disabled Life Mortality Table for Individuals Receiving Social Security Disability Benefits.

2. Disability Incidence Rates:

Before age 65: Males 42% of Social Security disability incidence rates.
Females 30% of Social Security disability incidence rates.

Age 65 and later: Males 0.25% per year.
Females 0.35% per year.

Sample rates are as follows:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.03%	0.02%
30	0.05	0.03
40	0.09	0.07
50	0.25	0.18

3. Annual Withdrawal Rates:

Main System and National Guard:

First five years of service:

<u>Age</u>	<u>Years of Service</u>				
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
20 - 29	23%	20%	17%	16%	15%
30 - 39	17	15	13	12	11
40 & Over	15	12	10	8	6

EXHIBIT II (continued)

After five years service:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20 - 24	12%	12%
25 - 29	8	10
30 - 34	5	8
35 - 39	4	6
40 - 44	3	5
45 - 49	3	4
50 & Over	2	3

Judges:

One-half of the Main System ultimate rates.

Withdrawal rates end upon eligibility for early retirement. Early retirement eligibility is as follows:

Main System:

Earlier of (i) age 55 and 3 years of service, and (ii) eligibility of Rule of 85.

Judges:

Earlier of (i) age 55 and 5 years of service, and (ii) eligibility of Rule of 85.

National Guard:

Age 50 and 3 years of service.

EXHIBIT II (continued)

4. Retirement Rates for Active Members:

Main System:

<u>Age</u>	<u>Rate</u>
55	4%
56	6
57	6
58	6
59	6
60	8
61	15
62	35
63	25
64	25
65	40
66	20
67	20
68	20
69	20
70	100

Judges:

<u>Age</u>	<u>Rate</u>
62	35%
63	35
64	35
65	50
66	50
67	50
68	50
69	50
70	100

National Guard:

<u>Age</u>	<u>Rate</u>
60	100%

EXHIBIT II (continued)

5. Retirement Age for Inactive Vested Members:

Main System and Judges:

The earlier of:

- Age 65.
- Unreduced retirement date for each individual.

National Guard:

Age 55.

6. Interest Rate:

8.00% per annum, net of investment expenses.

7. Annual Administrative Expenses:

Main System: \$ 710,000.

Judges: \$ 5,000.

National Guard: \$ 5,000.

8. Salary Scale:

Main System and National Guard:

Less than five years of service: 7.00% per annum.

Five or more years of service:

<u>Age</u>	<u>Percentage Increase</u>	<u>Age</u>	<u>Percentage Increase</u>
25	5.90%	45	4.90%
30	5.60	50	4.80
35	5.30	55	4.70
40	5.10	60	4.70

Judges:

5.50% per annum for all years of service.

EXHIBIT II (continued)

9. Payroll Growth:

Main System and National Guard: 4.50% per annum.
Judges: 4.00% per annum.

10. Marital Status:

At death, 75% of active male members and 60% of active female members are assumed to have spouses. Males are assumed to be five years older than their female spouses.

11. Part-Time Employees:

One full year of service is credited for each future year of service.

12. Split Service:

Liabilities are held in both plans based on service in each plan and are based on the actuarial assumptions of the plan in which they are currently active.

13. Actuarial Cost Method:

Entry Age Normal Actuarial Cost Method. The unfunded actuarial accrued liability is amortized in installments increasing by the inflation assumption each year over an open 20-year period.

14. Actuarial Value of Assets:

Adjusted market value that immediately recognizes interest and dividends. The procedure recognizes 20% of each year's total appreciation (depreciation) beginning with the year of occurrence. After five years, the appreciation (depreciation) is fully recognized.

15. Disability Social Security (for Judges' disability benefit offset):

Eligibility: 50%

Consumer Price Index Increases: 4.5% per annum

Wage Base Increases: 5.0% per annum

16. Workers' Compensation (for Judges' disability benefit offset):

None assumed.

EXHIBIT II (continued)

17. Account Balance Due to Vested Employer Contribution (PEP):

Participation

Under Chapter 54-52.2: *If not elected:* 50% of active members of the Main System
and National Guard.

If elected: 100% of active members of the Main System
and National Guard.

Contribution: Maximum allowed based on service at the beginning of the Plan year.

EXHIBIT III

CHANGES IN ACTUARIAL ASSUMPTIONS AND COST METHODS

There were no changes in actuarial assumptions or in the actuarial cost method since the preceding actuarial valuation.

EXHIBIT IV
PLAN PROVISIONS

There were no changes in plan provisions since the preceding actuarial valuation.

EXHIBIT V

SUMMARY OF PLAN PROVISIONS

This exhibit summarizes the major benefit provisions of the North Dakota Public Employees Retirement System as included in the valuation. It is not intended to be, nor should it be, interpreted as a complete statement of all plan provisions.

1. Normal Service Retirement:

Eligibility:

Main System and Judges:

Attainment of age 65 or age plus service equal to at least 85 (Rule of 85).

National Guard:

Attainment of age 55 and three consecutive years of service.

Benefit:

Main System:

2.00% of final average salary multiplied by service.

Judges:

3.50% of final average salary for the first ten years of service, 2.80% for the next ten years of service, and 1.25% for service in excess of twenty years.

National Guard:

2.00% of final average salary multiplied by service.

2. Early Service Retirement:

Eligibility:

Main System:

Attainment of age 55 with three years of service.

Judges:

Attainment of age 55 with five years of service.

EXHIBIT V (continued)

National Guard:

Attainment of age 50 with three years of service.

Benefit:

Main System:

The Normal Service Retirement Benefit as determined above. A benefit that begins before age 65 (or Rule of 85, if earlier) is reduced by one-half of one percent for each month before the earlier of age 65 or the age at which the Rule of 85 is met.

Judges:

The Normal Service Retirement Benefit as determined above. A benefit that begins before age 65 (or Rule of 85, if earlier) is reduced by one-half of one percent for each month before age 65.

National Guard:

The Normal Service Retirement Benefit as determined above. A benefit that begins before age 55 is reduced by one-half of one percent for each month before age 55.

3. Disability Benefit:

Eligibility:

Six months of service and inability to engage in any substantial gainful activity.

Benefit:

Main System and National Guard:

25% of the member's final average salary at disability, with a minimum of \$100 per month.

Judges:

70% of the member's final average salary at disability minus Social Security and Workers' Compensation benefits paid.

EXHIBIT V (continued)

4. Deferred Vested Retirement:

Eligibility:

Main System and National Guard:

Three years of service.

Judges:

Five years of service.

Benefit:

Main System and Judges:

The Normal Service Retirement Benefit payable at age 65 or the Rule of 85, if earlier. Reduced early retirement benefits can be elected upon attainment of age 55.

National Guard:

The Normal Service Retirement Benefit payable at age 55. Reduced early retirement benefits can be elected upon attainment of age 50.

5. Pre-Retirement Death Benefits:

Survivor annuity benefits (paid to surviving spouse):

Eligibility:

Main System and National Guard:

Three years of service.

Judges:

Five years of service.

Benefit:

Main System and National Guard:

One of the following options:

- Lump sum payment of accumulated contributions.
- The member's accrued benefit payable for 60 months.

EXHIBIT V (continued)

- 50% of the member's accrued benefit (not reduced on account of age) payable for the spouse's lifetime.
- Continuation portion of 100% joint and survivor annuity (only if participant was eligible for normal retirement).

Judges:

One of the following options:

- Lump sum payment of accumulated contributions.
- 100% of the member's accrued benefit (not reduced on account of age) payable for the spouse's lifetime.

Other death benefits:

Eligibility:

Main System, National Guard and Judges:

Not vested or no surviving spouse.

Benefit:

Main System, National Guard and Judges:

Refund of member's accumulated contributions.

6. Refund of Contributions:

Paid to terminated non-vested members and terminated vested members in lieu of a monthly retirement benefit.

7. Accumulated Member Contributions:

Member contributions accumulate with interest at the following rates:

<u>Time Period</u>	<u>Per Annum Interest Rate</u>
Through June 30, 1981	5.0%
July 1, 1981 to June 30, 1986	6.0%
After June 30, 1986	0.5% less than the actuarial interest rate assumption

EXHIBIT V (continued)

8. Standard and Optional Forms of Payment:

Standard form of payment:

Main System and National Guard:

Monthly benefit for life with a refund of the remaining balance (if any) of accumulated member contributions.

Judges:

Monthly benefit for life, with 50% payable to an eligible survivor.

Optional forms of payment:

Life annuity (for Judges), 50% joint and survivor annuity (for Main System and National Guard), 100% joint and survivor annuity (with pop-up feature), five year certain and life annuity, ten year certain and life annuity, or a level Social Security income annuity.

9. Final Average Salary:

Average of the highest salary received by the member for any 36 months employed during the last 120 months of employment.

10. Contributions:

Contribution rates specified in the Century Code (except employer rate for National Guard); differ between permanent full-time employees and part-time temporary employees. Rates are as follows:

	<u>Full-Time Employees</u>	<u>Employer</u>
Main System	4.00%	4.12%
Judges	5.00%	14.52%
National Guard	4.00%	8.33%

Part-time employees in the Main System contribute 8.12%, with no employer contributions.

Effective January 1, 2000:

A member's account balance includes vested employer contributions equal to the member's contributions to the deferred compensation Plan under chapter 54-52.2. The vested employer contribution may not exceed:

1. For months one through twelve of service credit, twenty-five dollars or one percent of the member's monthly salary, whichever is greater.

EXHIBIT V (continued)

2. For months thirteen through twenty-four of service credit, twenty-five dollars or two percent of the member's monthly salary, whichever is greater.
3. For months twenty-five through thirty-six of service credit, twenty-five dollars or three percent of the member's monthly salary, whichever is greater.
4. For service exceeding thirty-six months, twenty-five dollars or four percent of the member's monthly salary, whichever is greater.
5. The vested employer contribution may not exceed four percent of the member's monthly salary.

Vested employer contributions are credited monthly to the member's account balance.

11. Rollovers:

The fund may accept rollovers from other qualified plans under rules adopted by the Board for the purchase of additional service credit.

APPENDIX B: CENSUS TABLES

		<u>Table Designation</u>
I.	Active Members	
	(A) Number of active members grouped by age and years of employment:	
	Males	8-A
	Females	8-B
	All	8-C
	(B) Number of active members grouped by age and salary:	
	Males	9-A
	Females	9-B
	All	9-C
II.	Current Plan Pensions	
	(A) Distribution of pensions awarded during the year by amount of benefit and type of pension:	
	Males	10-A
	Females	10-B
	All	10-C
	(B) Distribution of pensions awarded during the year by age and type of pension:	
	Males	11-A
	Females	11-B
	All	11-C
	(C) Distribution of pensions in force by amount of benefit and type of pension:	
	Males	12-A
	Females	12-B
	All	12-C
	(D) Distribution of pensions in force by age and type of pension:	
	Males	13-A
	Females	13-B
	All	13-C
III.	Special Prior Service Pensions	
	(A) Distribution of pensions in force by amount of benefit:	
	Males	14-A
	Females	14-B
	All	14-C
	(B) Distribution of pensions in force by age:	
	Males	15-A
	Females	15-B
	All	15-C

TABLE 8-A

***Census of Members in Active Service on July 1, 2002
by Age and Years of Employment in PERS***

(Males - Main System, Judges and National Guard)

Age	Total	Years of Employment									
		Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over		
Total	6,774	2,439	1,173	1,078	807	677	375	165	60		
Under 20	3	3	-	-	-	-	-	-	-	-	-
20-24	162	161	1	-	-	-	-	-	-	-	-
25-29	430	386	44	-	-	-	-	-	-	-	-
30-34	570	343	176	50	1	-	-	-	-	-	-
35-39	702	288	174	195	44	1	-	-	-	-	-
40-44	954	310	186	183	172	102	1	-	-	-	-
45-49	1,156	322	185	182	194	195	76	2	-	-	-
50-54	1,203	261	158	192	170	212	152	57	1	1	1
55-59	868	200	124	142	110	97	98	75	22	22	22
60-64	507	107	77	95	84	52	38	26	28	28	28
65-69	143	31	32	24	22	15	7	4	8	8	8
70-75	58	24	13	10	7	-	3	-	1	1	1
75 & Over	18	3	3	5	3	3	-	1	-	-	-

TABLE 8-B

*Census of Members in Active Service on July 1, 2002
by Age and Years of Employment in PERS*

(Females - Main System, Judges and National Guard)

Age	Total	Years of Employment									
		Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over		
Total	10,315	4,186	1,977	1,657	1,151	804	370	124	46		
Under 20	6	6	-	-	-	-	-	-	-	-	-
20-24	241	241	-	-	-	-	-	-	-	-	-
25-29	631	562	67	2	-	-	-	-	-	-	-
30-34	775	514	197	63	1	-	-	-	-	-	-
35-39	1,125	578	241	200	104	2	-	-	-	-	-
40-44	1,873	784	381	301	246	151	10	-	-	-	-
45-49	2,043	683	425	353	202	212	158	10	-	-	-
50-54	1,682	441	340	333	252	164	90	58	4	-	-
55-59	1,153	223	186	241	211	160	75	34	23	-	-
60-64	575	114	97	118	95	94	32	15	10	-	-
65-69	149	25	29	34	25	17	5	5	9	-	-
70-75	49	12	10	10	13	2	-	2	-	-	-
75 & Over	13	3	4	2	2	2	-	-	-	-	-

TABLE 8-C

*Census of Members in Active Service on July 1, 2002
by Age and Years of Employment in PERS*

(All Members - Main System, Judges and National Guard)

Age	Total	Years of Employment									
		Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over		
Total	17,089	6,625	3,150	2,735	1,958	1,481	745	289	106		
Under 20	9	9	-	-	-	-	-	-	-	-	-
20-24	403	402	1	-	-	-	-	-	-	-	-
25-29	1,061	948	111	2	-	-	-	-	-	-	-
30-34	1,345	857	373	113	2	-	-	-	-	-	-
35-39	1,827	866	415	395	148	3	-	-	-	-	-
40-44	2,827	1,094	567	484	418	253	11	-	-	-	-
45-49	3,199	1,005	610	535	396	407	234	12	-	-	-
50-54	2,885	702	498	525	422	376	242	115	5	-	-
55-59	2,021	423	310	383	321	257	173	109	45	-	-
60-64	1,082	221	174	213	179	146	70	41	38	-	-
65-69	292	56	61	58	47	32	12	9	17	-	-
70-75	107	36	23	20	20	2	3	2	1	-	-
75 & Over	31	6	7	7	5	5	-	1	-	-	-

TABLE 9-A

*Census of Members in Active Service on July 1, 2002
by Age and Salary*

(Males - Main System, Judges and National Guard)

Age	Total	Salary													
		Less than \$10,000	\$10,000- \$14,999	\$15,000- \$19,999	\$20,000- \$24,999	\$25,000- \$29,999	\$30,000- \$34,999	\$35,000- \$39,999	\$40,000- \$44,999	\$45,000- \$49,999	\$50,000 & Over				
Total	6,774	209	253	790	1,375	1,372	982	631	379	267	516				
Under 20	3	-	-	2	1	-	-	-	-	-	-	-	-	-	-
20-24	162	10	10	30	63	37	10	2	-	-	-	-	-	-	-
25-29	430	8	18	60	127	117	45	40	11	3	1				
30-34	570	15	20	69	144	133	91	42	29	17	10				
35-39	702	13	21	92	145	152	102	75	43	26	33				
40-44	954	15	27	103	192	198	140	108	62	37	72				
45-49	1,156	24	34	120	215	232	181	116	73	55	106				
50-54	1,203	26	28	118	218	232	207	104	83	63	124				
55-59	868	26	33	102	159	168	118	83	52	37	90				
60-64	507	26	26	55	89	80	72	49	21	27	62				
65-69	143	20	19	24	15	15	15	10	5	2	18				
70-75	58	17	15	13	4	8	-	1	-	-	-				
75 & Over	18	9	2	2	3	-	1	1	-	-	-				

TABLE 9-B

*Census of Members in Active Service on July 1, 2002
by Age and Salary*

(Females - Main System, Judges and National Guard)

Age	Total	Salary													
		Less than \$10,000	\$10,000- \$14,999	\$15,000- \$19,999	\$20,000- \$24,999	\$25,000- \$29,999	\$30,000- \$34,999	\$35,000- \$39,999	\$40,000- \$44,999	\$45,000- \$49,999	\$50,000 & Over				
Total	10,315	692	1,664	2,181	2,295	1,524	929	451	262	150	167				
Under 20	6	1	2	3	-	-	-	-	-	-	-	-	-	-	-
20-24	241	42	43	84	48	16	5	2	1	-	-	-	-	-	-
25-29	631	44	82	179	142	110	40	21	12	-	-	-	-	-	1
30-34	775	59	121	152	167	121	87	38	11	12	7	-	-	-	-
35-39	1,125	85	180	227	249	162	117	48	28	17	12	-	-	-	-
40-44	1,873	136	348	385	366	257	157	102	53	25	44	-	-	-	-
45-49	2,043	107	339	399	428	322	223	99	61	34	31	-	-	-	-
50-54	1,682	79	232	348	421	266	141	74	52	30	39	-	-	-	-
55-59	1,153	48	167	230	299	179	107	53	31	17	22	-	-	-	-
60-64	575	52	100	128	140	71	41	11	11	14	7	-	-	-	-
65-69	149	23	25	37	27	19	10	3	1	1	3	-	-	-	-
70-75	49	13	22	5	7	-	1	-	-	-	1	-	-	-	-
75 & Over	13	3	3	4	1	1	-	-	1	-	-	-	-	-	-

TABLE 9-C

*Census of Members in Active Service on July 1, 2002
by Age and Salary*

(All Members - Main System, Judges and National Guard)

Age	Total	Salary													
		Less than \$10,000	\$10,000- \$14,999	\$15,000- \$19,999	\$20,000- \$24,999	\$25,000- \$29,999	\$30,000- \$34,999	\$35,000- \$39,999	\$40,000- \$44,999	\$45,000- \$49,999	\$50,000 & Over				
Total	17,089	901	1,917	2,971	3,670	2,896	1,911	1,082	641	417	683				
Under 20	9	1	2	5	1	-	-	-	-	-	-	-	-	-	-
20-24	403	52	53	114	111	53	15	4	1	-	-	-	-	-	-
25-29	1,061	52	100	239	269	227	85	61	23	3	2				
30-34	1,345	74	141	221	311	254	178	80	40	29	17				
35-39	1,827	98	201	319	394	314	219	123	71	43	45				
40-44	2,827	151	375	488	558	455	297	210	115	62	116				
45-49	3,199	131	373	519	643	554	404	215	134	89	137				
50-54	2,885	105	260	466	639	498	348	178	135	93	163				
55-59	2,021	74	200	332	458	347	225	136	83	54	112				
60-64	1,082	78	126	183	229	151	113	60	32	41	69				
65-69	292	43	44	61	42	34	25	13	6	3	21				
70-75	107	30	37	18	11	8	1	1	-	-	1				
75 & Over	31	12	5	6	4	1	1	1	1	-	-				

TABLE 10-A

*Pensions Awarded During the Year Ended June 30, 2002
by Type of Pension and Monthly Amount*

(Males - Main System, Judges and National Guard)

Monthly Amount	Type of Pension				
	Total	Normal	Early	Disability	Rule of 85
Total	123	41	30	9	43
Under \$200	15	9	5	1	-
200-399	14	4	8	2	-
400-599	16	7	3	6	-
600-799	15	10	5	-	-
800-999	9	3	5	-	1
1,000-1,199	15	3	1	-	11
1,200-1,399	10	2	1	-	7
1,400-1,599	5	2	-	-	3
1,600-1,799	5	-	1	-	4
1,800-1,999	5	-	1	-	4
2,000-2,199	3	1	-	-	2
2,200-2,399	2	-	-	-	2
2,400-2,599	4	-	-	-	4
2,600-2,799	1	-	-	-	1
2,800-2,999	-	-	-	-	-
3,000-3,199	-	-	-	-	-
3,200-3,399	1	-	-	-	1
3,400-3,599	1	-	-	-	1
3,600-3,799	-	-	-	-	-
3,800-3,999	1	-	-	-	1
4,000 & Over	1	-	-	-	1

TABLE 10-B

*Pensions Awarded During the Year Ended June 30, 2002
by Type of Pension and Monthly Amount*

(Females - Main System, Judges and National Guard)

Monthly Amount	Type of Pension				
	Total	Normal	Early	Disability	Rule of 85
Total	182	48	70	15	49
Under \$200	31	9	22	-	-
200-399	42	9	25	8	-
400-599	29	11	13	4	1
600-799	20	9	4	3	4
800-999	16	3	2	-	11
1,000-1,199	18	4	3	-	11
1,200-1,399	10	2	1	-	7
1,400-1,599	5	-	-	-	5
1,600-1,799	3	1	-	-	2
1,800-1,999	2	-	-	-	2
2,000-2,199	2	-	-	-	2
2,200-2,399	2	-	-	-	2
2,400-2,599	-	-	-	-	-
2,600-2,799	-	-	-	-	-
2,800-2,999	1	-	-	-	1
3,000-3,199	-	-	-	-	-
3,200-3,399	-	-	-	-	-
3,400-3,599	1	-	-	-	1
3,600-3,799	-	-	-	-	-
3,800-3,999	-	-	-	-	-
4,000 & Over	-	-	-	-	-

TABLE 10-C

*Pensions Awarded During the Year Ended June 30, 2002
by Type of Pension and Monthly Amount*

(All Members - Main System, Judges and National Guard)

Monthly Amount	Type of Pension				
	Total	Normal	Early	Disability	Rule of 85
Total	305	89	100	24	92
Under \$200	46	18	27	1	-
200-399	56	13	33	10	-
400-599	45	18	16	10	1
600-799	35	19	9	3	4
800-999	25	6	7	-	12
1,000-1,199	33	7	4	-	22
1,200-1,399	20	4	2	-	14
1,400-1,599	10	2	-	-	8
1,600-1,799	8	1	1	-	6
1,800-1,999	7	-	1	-	6
2,000-2,199	5	1	-	-	4
2,200-2,399	4	-	-	-	4
2,400-2,599	4	-	-	-	4
2,600-2,799	1	-	-	-	1
2,800-2,999	1	-	-	-	1
3,000-3,199	-	-	-	-	-
3,200-3,399	1	-	-	-	1
3,400-3,599	2	-	-	-	2
3,600-3,799	-	-	-	-	-
3,800-3,999	1	-	-	-	1
4,000 & Over	1	-	-	-	1

TABLE 11-A

*Pensions Awarded During the Year Ended June 30, 2002
by Type of Pension and Age*

(Males - Main System, Judges and National Guard)

Age	Type of Pension				
	Total	Normal	Early	Disability	Rule of 85
Total	123	41	30	9	43
Under 50	2	-	-	2	-
50-54	9	-	-	2	7
55-59	20	-	4	4	12
60-64	49	-	24	1	24
65-69	30	28	2	-	-
70-74	8	8	-	-	-
75 & Over	5	5	-	-	-

TABLE 11-B

*Pensions Awarded During the Year Ended June 30, 2002
by Type of Pension and Age*

(Females - Main System, Judges and National Guard)

Age	Type of Pension				
	Total	Normal	Early	Disability	Rule of 85
Total	182	48	70	15	49
Under 50	4	-	-	4	-
50-54	6	-	-	3	3
55-59	30	-	15	3	12
60-64	80	-	47	4	29
65-69	48	35	8	-	5
70-74	13	12	-	1	-
75 & Over	1	1	-	-	-

TABLE 11-C

*Pensions Awarded During the Year Ended June 30, 2002
by Type of Pension and Age*

(All Members - Main System, Judges and National Guard)

Age	Type of Pension				
	Total	Normal	Early	Disability	Rule of 85
Total	305	89	100	24	92
Under 50	6	-	-	6	-
50-54	15	-	-	5	10
55-59	50	-	19	7	24
60-64	129	-	71	5	53
65-69	78	63	10	-	5
70-74	21	20	-	1	-
75 & Over	6	6	-	-	-

TABLE 12-A

***Current Plan Pensions in Force on July 1, 2002
by Type of Pension and Monthly Amount***

(Males - Main System, Judges and National Guard)

Monthly Amount	Type of Pension				
	Total	Normal	Early	Disability	Service*
Total	2,132	796	524	146	666
Under \$200	260	156	82	13	9
200-399	401	181	154	59	7
400-599	339	138	142	48	11
600-799	208	94	78	17	19
800-999	156	54	30	6	66
1,000-1,199	157	49	13	1	94
1,200-1,399	137	31	9	-	97
1,400-1,599	92	19	3	1	69
1,600-1,799	84	17	4	-	63
1,800-1,999	65	15	3	-	47
2,000-2,199	58	10	1	1	46
2,200-2,399	45	6	3	-	36
2,400-2,599	37	4	-	-	33
2,600-2,799	31	9	-	-	22
2,800-2,999	12	4	-	-	8
3,000-3,199	12	-	-	-	12
3,200-3,399	16	2	2	-	12
3,400-3,599	4	-	-	-	4
3,600-3,799	3	2	-	-	1
3,800-3,999	3	-	-	-	3
4,000-4,199	3	-	-	-	3
4,200-4,399	6	4	-	-	2
4,400-4,599	1	-	-	-	1
4,600 & Over	2	1	-	-	1

* Includes Rule of 85, Rule of 88, and Rule of 90.

TABLE 12-B

***Current Plan Pensions in Force on July 1, 2002
by Type of Pension and Monthly Amount***

(Females - Main System, Judges and National Guard)

Monthly Amount	Type of Pension				
	Total	Normal	Early	Disability	Service*
Total	2,523	886	1,061	145	431
Under \$200	488	178	292	16	2
200-399	790	293	434	62	1
400-599	472	186	225	46	15
600-799	267	114	76	16	61
800-999	183	42	21	4	116
1,000-1,199	119	29	10	1	79
1,200-1,399	77	21	2	-	54
1,400-1,599	45	11	-	-	34
1,600-1,799	35	8	1	-	26
1,800-1,999	14	-	-	-	14
2,000-2,199	15	1	-	-	14
2,200-2,399	6	1	-	-	5
2,400-2,599	3	-	-	-	3
2,600-2,799	4	-	-	-	4
2,800-2,999	1	-	-	-	1
3,000-3,199	-	-	-	-	-
3,200-3,399	2	1	-	-	1
3,400-3,599	1	-	-	-	1
3,600-3,799	-	-	-	-	-
3,800-3,999	1	1	-	-	-
4,000-4,199	-	-	-	-	-
4,200-4,399	-	-	-	-	-
4,400-4,599	-	-	-	-	-
4,600 & Over	-	-	-	-	-

* Includes Rule of 85, Rule of 88, and Rule of 90.

TABLE 12-C

***Current Plan Pensions in Force on July 1, 2002
by Type of Pension and Monthly Amount***

(All Members - Main System, Judges and National Guard)

Monthly Amount	Type of Pension				
	Total	Normal	Early	Disability	Service*
Total	4,655	1,682	1,585	291	1,097
Under \$200	748	334	374	29	11
200-399	1,191	474	588	121	8
400-599	811	324	367	94	26
600-799	475	208	154	33	80
800-999	339	96	51	10	182
1,000-1,199	276	78	23	2	173
1,200-1,399	214	52	11	-	151
1,400-1,599	137	30	3	1	103
1,600-1,799	119	25	5	-	89
1,800-1,999	79	15	3	-	61
2,000-2,199	73	11	1	1	60
2,200-2,399	51	7	3	-	41
2,400-2,599	40	4	-	-	36
2,600-2,799	35	9	-	-	26
2,800-2,999	13	4	-	-	9
3,000-3,199	12	-	-	-	12
3,200-3,399	18	3	2	-	13
3,400-3,599	5	-	-	-	5
3,600-3,799	3	2	-	-	1
3,800-3,999	4	1	-	-	3
4,000-4,199	3	-	-	-	3
4,200-4,399	6	4	-	-	2
4,400-4,599	1	-	-	-	1
4,600 & Over	2	1	-	-	1

* Includes Rule of 85, Rule of 88, and Rule of 90.

TABLE 13-A

***Current Plan Pensions in Force on July 1, 2002
by Type of Pension and Age***

(Males - Main System, Judges and National Guard)

Age	Type of Pension				
	Total	Normal	Early	Disability	Service*
Total	2,132	796	524	146	666
Under 50	22	-	-	22	-
50-54	31	-	-	21	10
55-59	94	1	9	28	56
60-64	234	-	65	25	144
65-69	499	103	134	26	236
70-74	462	185	127	13	137
75-79	386	207	99	8	72
80-84	247	168	65	3	11
85-89	135	110	25	-	-
90 & Over	22	22	-	-	-

* Includes Rule of 85, Rule of 88, and Rule of 90.

TABLE 13-B

*Current Plan Pensions in Force on July 1, 2002
by Type of Pension and Age*

(Females - Main System, Judges and National Guard)

Age	Type of Pension				
	Total	Normal	Early	Disability	Service*
Total	2,523	886	1,061	145	431
Under 50	27	-	-	27	-
50-54	21	-	-	15	6
55-59	95	-	31	27	37
60-64	336	-	170	31	135
65-69	624	119	323	23	159
70-74	519	202	244	12	61
75-79	437	227	177	5	28
80-84	279	185	85	4	5
85-89	155	123	31	1	-
90 & Over	30	30	-	-	-

* Includes Rule of 85, Rule of 88, and Rule of 90.

TABLE 13-C

***Current Plan Pensions in Force on July 1, 2002
by Type of Pension and Age***

(All Members - Main System, Judges and National Guard)

Age	Type of Pension				
	Total	Normal	Early	Disability	Service*
Total	4,655	1,682	1,585	291	1,097
Under 50	49	-	-	49	-
50-54	52	-	-	36	16
55-59	189	1	40	55	93
60-64	570	-	235	56	279
65-69	1,123	222	457	49	395
70-74	981	387	371	25	198
75-79	823	434	276	13	100
80-84	526	353	150	7	16
85-89	290	233	56	1	-
90 & Over	52	52	-	-	-

* Includes Rule of 85, Rule of 88, and Rule of 90.

TABLE 14-A

***Special Prior Service Pensions in Force on July 1, 2002
by Monthly Amount***

(Males)

Monthly Amount	Total
Total	45
Under \$20	4
20-39	11
40-59	5
60-79	10
80-99	8
100-119	5
120-139	2
140-159	-
160 & Over	-

TABLE 14-B

***Special Prior Service Pensions in Force on July 1, 2002
by Monthly Amount***

(Females)

<u>Monthly Amount</u>	<u>Total</u>
Total	77
Under \$20	14
20-39	21
40-59	17
60-79	14
80-99	4
100-119	2
120-139	2
140-159	2
160 & Over	1

TABLE 14-C

***Special Prior Service Pensions in Force on July 1, 2002
by Monthly Amount***

(All Members)

Monthly Amount	Total
Total	122
Under \$20	18
20-39	32
40-59	22
60-79	24
80-99	12
100-119	7
120-139	4
140-159	2
160 & Over	1

TABLE 15-A

***Special Prior Service Pensions in Force on July 1, 2002
by Age***

(Males)

Age	Total
Total	45
80-84	-
85-89	6
90-94	30
95-99	9
100 & Over	-

TABLE 15-B

***Special Prior Service Pensions in Force on July 1, 2002
by Age***

(Females)

Age	Total
Total	77
80-84	1
85-89	20
90-94	41
95-99	12
100 & Over	3

TABLE 15-C

***Special Prior Service Pensions in Force on July 1, 2002
by Age***

(All Members)

Age	Total
Total	122
80-84	1
85-89	26
90-94	71
95-99	21
100 & Over	3
