

**NORTH DAKOTA PUBLIC EMPLOYEES
RETIREMENT SYSTEM**

Actuarial Valuation Report as of July 1, 2008

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October 17, 2008

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, 2008.

The census information on which our calculations are based and the financial information were provided by the Retirement Office staff. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary.

This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the Plan.

We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

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

Sincerely,

Brad Ramirez, FSA, MAAA, EA
 Consulting Actuary

John W. Monroe, ASA, MAAA
 Vice President & Associate Actuary

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 Associate Actuary

AB/kek

cc: Sparb Collins

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I. INTRODUCTION

This report summarizes the results of our actuarial valuation as of July 1, 2008. 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, 2008;
3. The assets of the System as of June 30, 2008; 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 over 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 present rate of contributions is not sufficient to meet the actuarially determined requirement for 2008-2009, based upon the actuarial assumptions and financing objectives approved by the Board. If unchanged, this difference will further increase the actuarial contribution requirement in future valuations.
- > The PERS Board should continue to review these results and projected future performance to determine appropriate measures to mitigate the difference between the actuarial and statutory contribution rates.
- > The employer actuarial contribution requirements for 2008-2009 are as follows:

	Amount	Percentage of Payroll	Statutory/ Approved Rate
Main System	\$39,272,552	6.26%	4.12%
Judges	470,992	8.99	14.52
National Guard	67,538	3.44	6.50
Law Enforcement with prior Main service	457,034	9.04	8.31
Law Enforcement without prior Main service	58,951	7.15	6.43

- > A comparison of this year's actuarial contribution rates to last year's rates as a percent of payroll are as follows:

	2008-2009	2007-2008
Main System	6.26%	6.08%
Judges	8.99	9.31
National Guard	3.44	3.53
Law Enforcement with prior Main service	9.04	12.39
Law Enforcement without prior Main service	7.15	8.50

- > The Main System statutory rate of 4.12% of payroll is less than the actuarially determined rate of 6.23% of payroll by 2.14% of payroll. Last year, the Main System statutory rate was less than the actuarially determined rate by 1.96% of payroll. The increase in the contribution rate deficit this year was primarily attributable salary increases larger than expected and contributions lower than the actuarially determined rate.

- > The return on the market value of assets for 2007-2008 for the PERS Fund was -5.21%, and was 19.63% for the preceding year.
- > The return on the actuarial value of assets for 2007-2008 for the PERS Fund was 8.51% compared to the investment return assumption of 8.00%. As a result, the PERS Fund experienced an investment gain on an actuarial value basis of approximately \$7.6 million.
- > The ratio of the actuarial value of assets to the market value of assets for the PERS Fund is 91.4%. Last year, this ratio was 80.0%.
- > A comparison of this year's funded ratio for PERS to the prior year is as follows:

	July 1, 2008	July 1, 2007
Actuarial Value of Assets	\$1,609,810,342	\$1,503,139,894
Actuarial Accrued Liability	1,737,626,999	1,610,168,634
Funded Ratio	92.6%	93.4%

- > Table 6 details actuarial gains and losses in the Main System 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.
- > There were no changes to the actuarial assumptions since the preceding valuation.

III. MEMBER CHARACTERISTICS

Detailed information for all non-retired members as of July 1, 2008 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 as of July 1, 2008 is summarized below:

	<u>Main System</u>	<u>Judges</u>	<u>National Guard</u>	<u>Law Enforcement with prior Main service</u>	<u>Law Enforcement without prior Main service</u>	<u>Total</u>
Number of active members	19,042	47	41	136	30	19,296
Average age	47.0	56.0	34.0	41.6	34.1	46.9
Average years of service	10.5	15.9	3.5	9.1	2.0	10.4
Total annual salary	\$627,601,090	\$5,237,074	\$1,964,662	\$5,057,594	\$824,167	\$640,684,587
Average annual salary	\$32,959	\$111,427	\$47,919	\$37,188	\$27,472	\$33,203
Total accumulated member contribution account balances	\$460,255,690	\$3,898,947	\$335,095	\$3,547,382	\$82,025	\$468,119,139

For the Main System, the number of active members represents an increase of 4.1% over the 18,299 active members last year. Among the members continuing in active service since the prior valuation, and have two or more years of full-time service, salaries increased by an average of 7.4%. Total payroll increased 10.0%, 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.

There are 20 members originally from the Main System that continue to be active members in the Judges System; two members from the Judges System are active in the Main System; 21 members originally from the Main System are active members in the Highway Patrol System; six members from the Highway Patrol System 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.

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

Active Members Eligible for:	Main System	Judges	National Guard	Law Enforcement with prior Main service	Law Enforcement without prior Main service	Total
Retirement:						
Normal	672	4	1	22	0	699
Rule of 85	927	5	N/A	0	0	932
Early Retirement	<u>3,284</u>	<u>17</u>	<u>0</u>	<u>16</u>	<u>0</u>	<u>3,317</u>
Total Retirement	4,883	26	1	38	0	4,948
Deferred Retirement	<u>8,966</u>	<u>11</u>	<u>9</u>	<u>56</u>	<u>6</u>	<u>9,048</u>
Total vested	13,849	37	10	94	6	13,996
Nonvested	<u>5,193</u>	<u>10</u>	<u>31</u>	<u>42</u>	<u>24</u>	<u>5,300</u>
Total	19,042	47	41	136	30	19,296

Inactive Members

There were 3,154 inactive members (including 1 from Judges, 3 from National Guard, 7 from Law Enforcement with prior Main service, and 3 from Law Enforcement without prior Main Service) as of July 1, 2008 with vested rights to deferred retirement benefits. The average deferred monthly benefit for this group was \$361. There were also 25 members from the Main System and 5 members from National Guard on leave of absence. For these groups, a liability is carried for their deferred retirement benefits.

There were 1,995 inactive members that are due refunds (including 1 from Judges, 2 from National Guard, and 4 from Law Enforcement with prior Main service).

IV. BENEFIT EXPERIENCE

New Awards

During the fiscal year ended in June 2008, 487 pensions became effective. The average monthly benefit for these pensioners was \$1,148 and their average age at retirement was 62.9. Last year, the average benefit among new pensioners was \$1,078. 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, 2008</u>	<u>July 1, 2007</u>
Normal	191	141
Rule of 85	186	190
Early	99	118
Disability	<u>11</u>	<u>25</u>
Total	487	474

Pensioners

Since benefits became payable under the current retirement program, a total of 8,511 retirement pensions have been awarded, of which 6,147 remained on the June 2008 rolls (including 23 retired Judges and 21 retired members of the National Guard/Law Enforcement). In addition, 53 pensions were in suspended status as of June 30, 2008. 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, 2008, the average monthly benefit was \$890, an increase from \$833 a year earlier. The average age of these pensioners on the valuation date was 72.5 years.

Beneficiaries

As of July 1, 2008, monthly benefit payments were being made to 689 beneficiaries, including 7 beneficiaries of Judges. The monthly payments to beneficiaries in payment status total \$396,379.

Prior Service Pensioners

As of July 1, 2008, there were 28 pensioners receiving monthly benefits of \$1,158 under the Special Prior Service Pension provisions of the System. The current average age of Prior Service pensioners was 96.3 years, and the average monthly benefit was \$41. Because of the relatively high average age and low benefits, the liability for the Special Prior Service Pensioners represented less than 0.01% 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.

V. ASSETS

Market Value of Assets

As shown in the draft financial statements as of June 30, 2008, the combined market value of net assets of the North Dakota Public Employees Retirement System (PERS) and Highway Patrolmen's Retirement System (HPRS) was \$1,816,810,807 compared to \$1,939,134,759 a year earlier. This year's combined market value represents a decrease of 6.31% 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, 2008</u>	<u>July 1, 2007</u>
Main System	\$1,718,937,287	\$1,837,958,873
Judges	31,545,700	33,487,664
National Guard	2,246,793	2,360,277
Law Enforcement with prior Main service	8,301,444	4,958,740
Law Enforcement without prior Main service	<u>191,807</u>	<u>159,313</u>
Total	\$1,761,223,031	\$1,878,924,867

The rate of return on the market value basis for the PERS Fund was -5.21% for the year ended June 30, 2008.

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 \$1,660,619,226 as of June 30, 2008. The determination of the combined actuarial asset value is shown in Table 1. This table shows that there is approximately \$156 million of appreciation that will be recognized in future years.

Table 2 summarizes the combined investment results over the previous ten-year period. Over this period, the earnings of \$953,822,100 on an actuarial value basis represented an average annual return of 8.25%. For the 2007-2008 year, the actuarial rate of return on the combined assets was 8.51%.

The total actuarial value of assets is allocated to PERS (Main System, Judges, National Guard and Law Enforcement) 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, 2008</u>	<u>July 1, 2007</u>
Main System	\$1,571,159,912	\$1,470,367,098
Judges	28,833,710	26,790,131
National Guard	2,053,636	1,888,222
Law Enforcement with prior Main service	7,587,767	3,966,992
Law Enforcement without prior Main service	<u>175,317</u>	<u>127,450</u>
Total	\$1,609,810,342	\$1,503,139,893

Chart 1 on page 13 is a graph showing the historical asset values for the PERS Fund on both an actuarial and market value basis. This graph illustrates that the market value of assets is currently greater than the actuarial value.

Income and disbursements for 2008 and 2007 on an actuarial value basis are summarized in Table 4 for the PERS Fund. The progress of the PERS Fund for the last ten 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, with the exception of one 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 benefit payments and expenses continue to exceed contributions. However, over the past ten years, the investment income has offset this deficit and served to increase the assets of the System.

Investment results on an actuarial value 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>
1999	10.88%	14.73%
2000	9.43	13.71
2001	(4.47)	9.36
2002	(6.94)	3.91
2003	5.19	2.18
2004	16.65	3.16
2005	14.17	4.36
2006	12.04	7.79
2007	19.63	15.84
2008	(5.21)	8.51

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, 2008 and 2007*

<u>Year Ending</u>	<u>Total Appreciation (Depreciation)</u>	<u>June 30, 2008</u>		<u>June 30, 2007</u>	
		<u>Percent Deferred</u>	<u>Amount Deferred</u>	<u>Percent Deferred</u>	<u>Amount Deferred</u>
June 30, 2004	\$156,289,529	0%	\$0	20%	\$31,257,906
June 30, 2005	154,870,262	20%	30,974,052	40%	61,948,105
June 30, 2006	152,103,565	40%	60,841,426	60%	91,262,139
June 30, 2007	285,031,438	60%	171,018,863	80%	228,025,150
June 30, 2008	(133,303,450)	80%	<u>(106,642,760)</u>	N/A	<u>0</u>
Total Deferred as of Valuation Date			156,191,581		\$412,493,300
(a) Total Appreciation (Depreciation) for last five Plan Years			614,991,344		770,526,935
(b) Write-Up/(Down) Amount for the year - equals 20% of (a)			122,998,269		154,105,387
			<u>July 1, 2008</u>		<u>July 1, 2007</u>
Market Value of Assets			\$1,816,810,807		\$1,939,134,759
Less: Deferred Appreciation (Depreciation)			<u>156,191,581</u>		<u>412,493,300</u>
Preliminary Actuarial Value of Assets			1,660,619,226		1,526,641,459
Additional write-up/(down) due to corridor			<u>0</u>		<u>24,666,348</u>
Actuarial Value of Assets			\$1,660,619,226		\$1,551,307,807
Actuarial Value as a Percent of Market Value			91.4%		80.00%

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
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
2003	33,595,900	2.84	(7,793,200)	(0.66)	25,802,700	2.18
2004	30,464,800	2.54	7,398,200	0.62	37,863,000	3.16
2005	29,115,600	2.38	24,276,800	1.98	53,392,400	4.36
2006	24,410,600	1.93	73,910,900	5.86	98,321,500	7.79
2007	34,727,000	2.58	178,771,700	13.26	213,498,700	15.84
2008	32,819,700	2.13	98,332,000	6.38	131,151,700	8.51
Total for Last Ten Years	\$329,387,500		\$624,434,600		\$953,822,100	
Average Yield for last Ten Years					8.25%	

* Net of investment expenses.

** Includes write-up (down).

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

	July 1, 2008		July 1, 2007	
	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Market Value</u>	<u>Actuarial Value</u>
PERS Main System	\$1,718,937,287	\$1,571,159,912	\$1,837,958,873	\$1,470,367,098
PERS Judges	31,545,700	28,833,710	33,487,664	26,790,131
PERS National Guard	2,246,793	2,053,636	2,360,277	1,888,222
PERS Law Enforcement with prior Main service	8,301,444	7,587,767	4,958,740	3,966,992
PERS Law Enforcement without prior Main service	<u>191,807</u>	<u>175,317</u>	<u>159,313</u>	<u>127,450</u>
PERS Combined	\$1,761,223,031	\$1,609,810,342	\$1,878,924,867	\$1,503,139,893
Highway Patrol	<u>55,587,776</u>	<u>50,808,884</u>	<u>60,209,892</u>	<u>48,167,914</u>
Total	\$1,816,810,807	\$1,660,619,226	\$1,939,134,759	\$1,551,307,807

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

Chart 1
Value of Assets for PERS

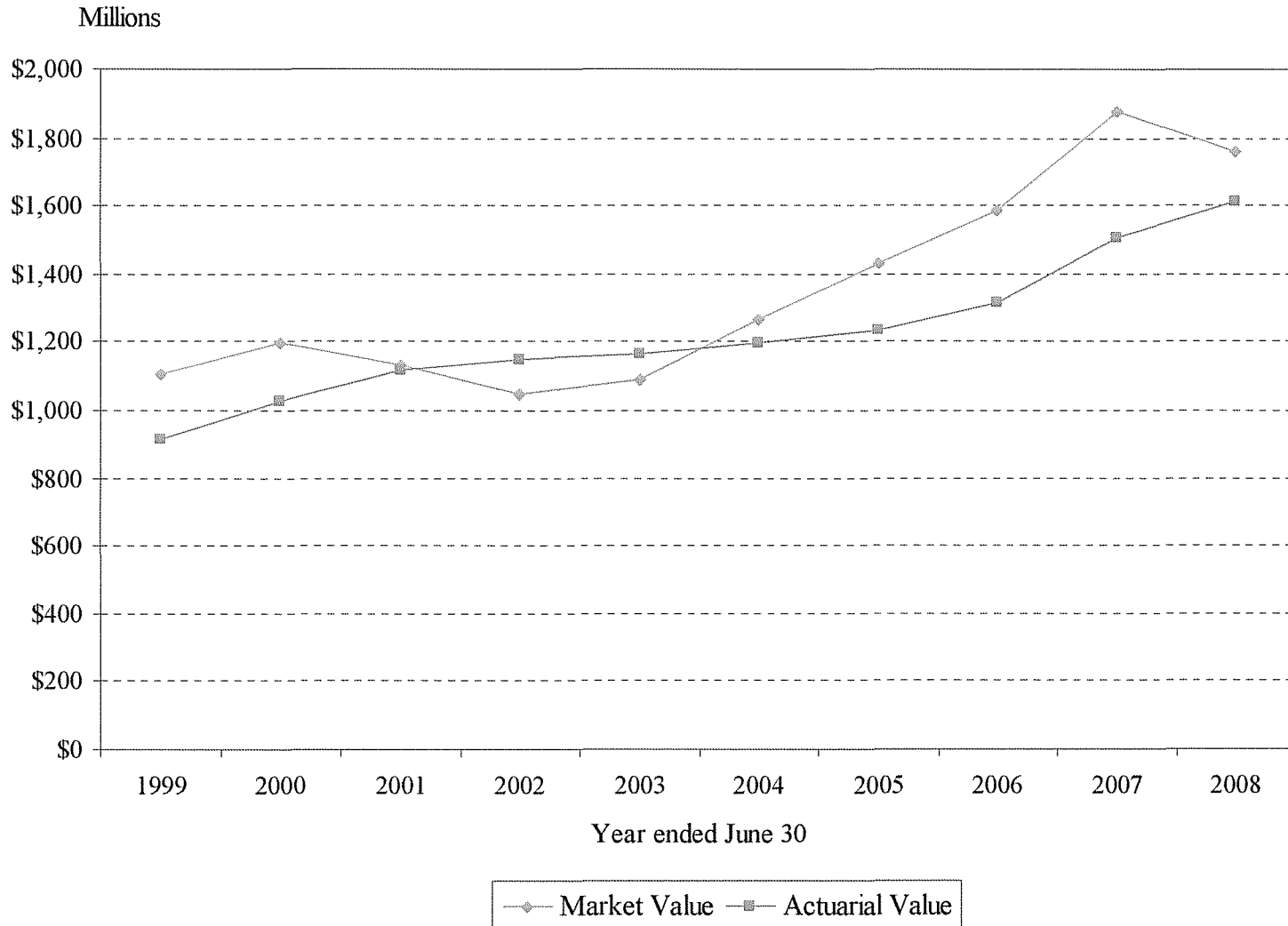


TABLE 4

***Summary Statement of Income and Disbursements for PERS
for the Years Ended June 30, 2008 and 2007
(Actuarial Value Basis)***

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Contribution Income:		
Employer Contributions	\$25,253,902	\$23,140,767
Member Contributions	23,896,615	21,883,581
Service Credit Repurchases	<u>3,454,411</u>	<u>3,679,036</u>
Total Contribution Income	\$52,604,928	\$48,703,384
Less: Administrative Expenses	<u>(1,118,233)</u>	<u>(1,109,260)</u>
Net Contribution Income	<u>\$51,486,695</u>	<u>\$47,594,124</u>
Teacher's Retirement Plan Transfer	\$3,208,999	\$0
Investment Income:		
Interest and Dividends	\$45,923,349	\$50,474,706
Miscellaneous Income	5,187	4,759
Less: Investment Expenses	<u>(14,120,304)</u>	<u>(16,841,198)</u>
Net Interest and Dividends	\$31,808,232	\$33,638,267
Write-up of Assets	<u>95,181,207</u>	<u>173,005,655</u>
Net Investment Income	<u>\$126,989,439</u>	<u>\$206,643,922</u>
Total Income Available for Benefit Payments and Reserves	<u>\$181,685,133</u>	<u>\$254,238,046</u>
Benefit Payments:		
Pension Benefits	\$(70,153,871)	\$(60,469,904)
Transfers to Other Plans	(76,487)	(39,829)
Refunds	<u>(4,784,327)</u>	<u>(5,131,324)</u>
Total Benefit Payments	<u>\$(75,014,685)</u>	<u>\$(65,641,057)</u>
Addition to Reserve for Future Benefit Payments	\$106,670,448	\$188,596,989
Actuarial Value of Assets, Start of Year	<u>1,503,139,894</u>	<u>1,314,542,905</u>
Actuarial Value of Assets, End of Year	<u>\$1,609,810,342</u>	<u>\$1,503,139,894</u>

TABLE 5***Progress of the PERS Fund through June 30, 2008
(Actuarial Value Basis)***

Year Ended June 30	Employer Contributions	Member Contributions*	Administrative Expenses	Net Investment Income	Transfers From/(To) Other Plans	Benefit Payments	Fund at End Of Year
1998							\$801,290,448
1999	\$15,873,917	\$16,152,785	(\$718,396)	\$117,425,238	(\$134,137)	(\$32,936,578)	916,953,277
2000	16,521,248	16,618,771	(800,529)	124,281,079	(8,693,091)	(37,878,930)	1,027,001,825
2001	17,101,628	17,353,268	(894,868)	95,499,825	(314,930)	(40,412,352)	1,115,334,396
2002	18,244,655	18,439,125	(983,258)	43,304,595	(337,553)	(44,001,131)	1,150,000,829
2003	19,212,733	19,758,764	(1,068,803)	25,009,784	(129,235)	(46,331,954)	1,166,452,118
2004	19,732,842	22,152,045	(995,879)	36,594,962	3,771,763	(51,174,769)	1,196,533,082
2005	20,704,241	24,097,496	(1,072,277)	51,592,706	(21,131)	(55,719,982)	1,236,114,135
2006	21,969,517	24,508,623	(1,037,535)	95,085,991	(41,271)	(62,056,555)	1,314,542,905
2007	23,140,767	25,562,617	(1,109,260)	206,643,922	(39,829)	(65,601,228)	1,503,139,894
2008	25,253,902	27,351,026	(1,118,233)	126,989,439	3,132,512	(74,938,198)	1,609,810,342
Total for Last Ten Years	\$197,755,450	\$211,994,520	(\$9,799,038)	\$922,427,541	(\$2,806,902)	(\$511,051,677)	

* Includes repurchases of service credit.

Chart 2
Income and Disbursements for PERS

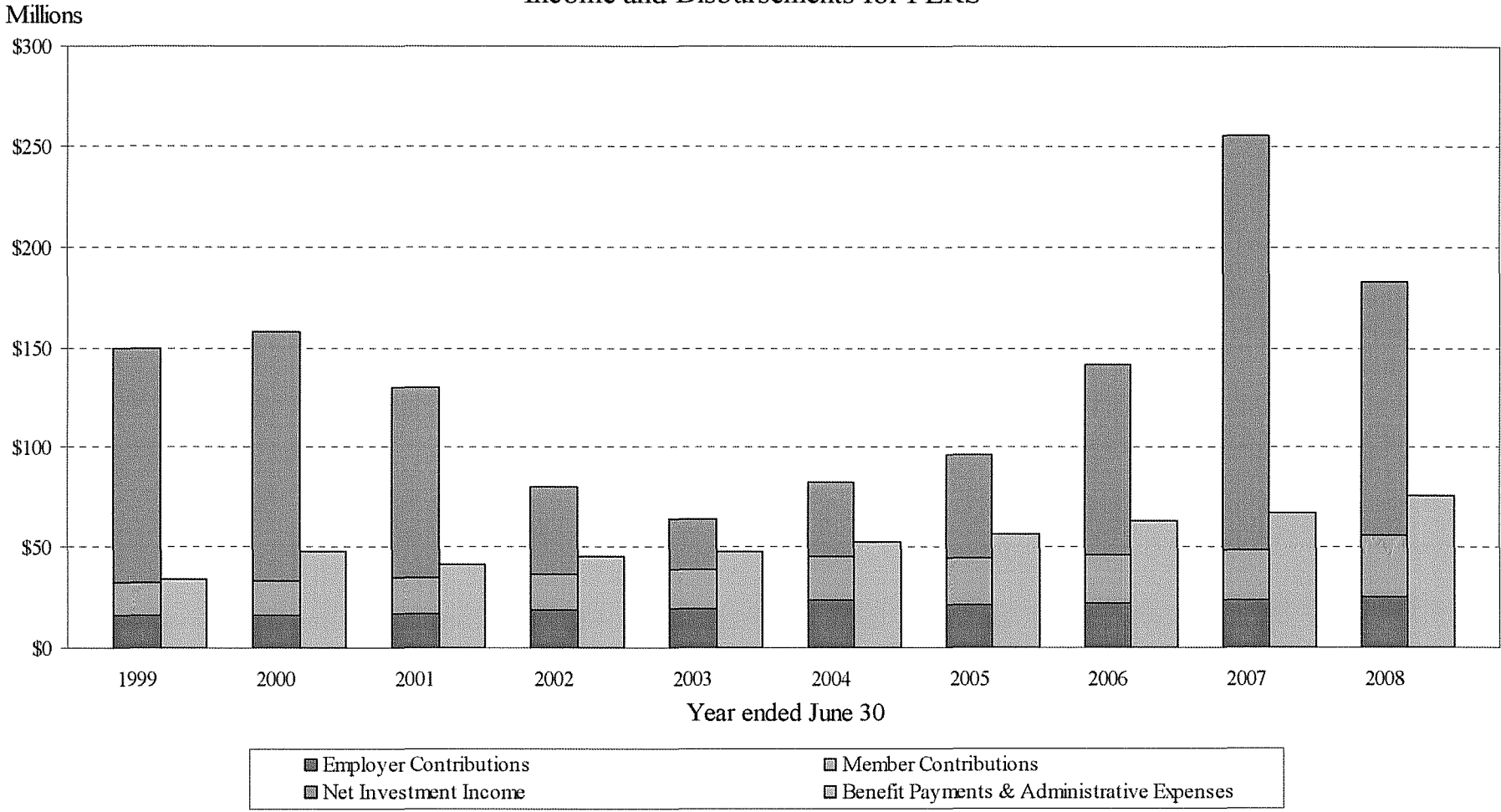
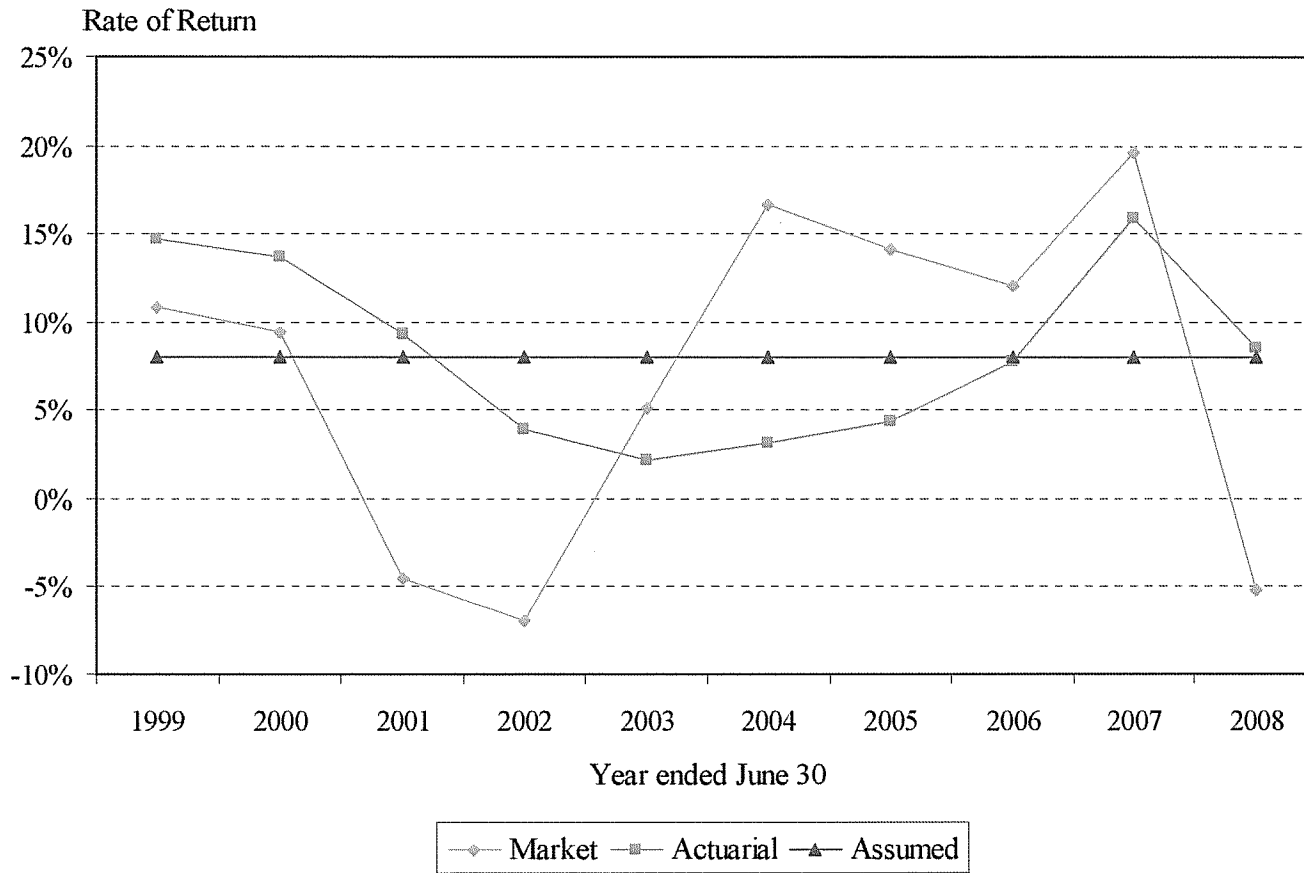


Chart 3
Investment Returns
(PERS and HPRS Combined)



VI. RESULTS OF ACTUARIAL VALUATION

The contribution requirement consists of the normal cost, administrative expense allowance, plus the cost of amortizing the unfunded actuarial accrued liability over a scheduled period of years. The Board has adopted an open amortization schedule of 20 years with increasing payments. The calculated employer contribution requirements on this basis for fiscal year 2008-2009 are shown below as a dollar amount and as a percentage of the covered payroll of contributing employees.

Main System

The components of the actuarial contribution requirements are shown below:

	<u>Amount for</u> <u>2008 – 2009</u>	<u>Percentage</u> <u>of Payroll</u>
Total normal cost	\$54,662,835	8.71%
Less: Member contributions	<u>(25,104,043)</u>	<u>(4.00)</u>
Net employer normal cost	\$29,558,792	4.71%
Administrative expense allowance	710,000	0.11
Amortization payment (credit)	<u>9,003,760</u>	<u>1.44</u>
Total employer contribution requirement	\$39,272,552	6.26%

Covered payroll is \$627,601,090.

The statutory contribution rate is 4.12% of payroll. Hence, statutory contributions are less than the actuarial contribution requirement shown above by 2.14% of payroll. If unchanged, this difference will further increase the actuarial contribution requirement in future valuations.

The total employer actuarial contribution requirement was 6.08% of payroll last year. Since then, actual experience of the System during 2007-2008 has changed the actuarial contribution requirement. Table 6 presents a detailed explanation of the factors that changed the contribution requirement from July 1, 2007 to July 1, 2008.

Judges

The components of the actuarial contribution requirement are shown below:

	<u>Amount for 2008 – 2009</u>	<u>Percentage of Payroll</u>
Total normal cost	\$1,025,761	19.59%
Less: Member contributions	<u>(261,853)</u>	<u>(5.00)</u>
Net employer normal cost	\$763,908	14.59%
Administrative expense allowance	5,000	0.10
Amortization payment (credit)	<u>(297,916)</u>	<u>(5.70)</u>
Total employer contribution requirement	\$470,992	8.99%

Covered payroll is \$5,237,074.

The statutory contribution rate is 14.52% of payroll. Hence, statutory contributions exceed the actuarial contribution requirement shown above by 5.53% of payroll.

The net employer normal cost plus the administrative expense allowance is 14.69% of payroll. This should be viewed as the ultimate plan cost rate, since the total employer contribution requirement of 8.99% of payroll reflects an amortization credit. By this measure, statutory contributions are less than the ultimate plan cost rate of 14.69% of payroll by 0.17% 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, 2007	9.31%
Plan experience during the year	(0.22)
Effect of maintaining 20-year amortization schedule	0.19
Contribution gain	<u>(0.29)</u>
Employer cost rate as of July 1, 2008	8.99%

National Guard

The components of the actuarial contribution requirement are shown below:

	<u>Amount for</u> <u>2008 – 2009</u>	<u>Percentage</u> <u>of Payroll</u>
Total normal cost	\$162,896	8.29%
Less: Member contributions	<u>(78,586)</u>	<u>(4.00)</u>
Net employer normal cost	\$84,310	4.29
Administrative expense allowance	1,131	0.06
Amortization payment (credit)	<u>(17,903)</u>	<u>(0.91)</u>
Total employer contribution requirement	\$67,538	3.44%

Covered payroll is \$1,964,662.

The statutory contribution rate is 6.50% of payroll. Hence, statutory contributions exceed the actuarial contribution requirement shown above by 3.06% of payroll.

The net employer normal cost plus the administrative expense allowance is 4.35% of payroll. This should be viewed as the ultimate plan cost rate, since the total employer contribution requirement of 3.44% of payroll reflects an amortization credit. By this measure, statutory contributions are greater than the ultimate plan cost rate of 4.35% of payroll by 2.15% of payroll.

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

	<u>Percentage</u> <u>of Payroll</u>
Employer cost rate as of July 1, 2007	3.53%
Plan experience during the year	<u>(0.13)</u>
Effect of maintaining 20-year amortization schedule	<u>0.04</u>
Employer cost rate as of July 1, 2008	3.44%

Law Enforcement with prior Main service

The components of the actuarial contribution requirement are shown below:

	<u>Amount for 2008 – 2009</u>	<u>Percentage of Payroll</u>
Total normal cost	\$448,849	8.88%
Less: Member contributions	<u>(202,304)</u>	<u>(4.00)</u>
Net employer normal cost	\$246,545	4.88%
Administrative expense allowance	3,214	0.06
Amortization payment (credit)	<u>207,275</u>	<u>4.10</u>
Total employer contribution requirement	\$457,034	9.04%

Covered payroll is \$5,057,594.

The statutory contribution rate is 8.31% of payroll. Hence, statutory contributions are less than the actuarial contribution requirement shown above by 0.73% of payroll. If unchanged, this difference will further increase the actuarial contribution requirement in future valuations.

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, 2007	12.39%
Plan experience during the year	0.94
Asset transfer of \$3,280,079 for prior transfers from Main	(4.14)
Effect of maintaining 20-year amortization schedule	<u>(0.15)</u>
Employer cost rate as of July 1, 2008	9.04%

Law Enforcement without prior Main service

The components of the actuarial contribution requirement are shown below:

	<u>Amount for 2008 – 2009</u>	<u>Percentage of Payroll</u>
Total normal cost	\$77,794	9.44%
Less: Member contributions	<u>(32,967)</u>	<u>(4.00)</u>
Net employer normal cost	\$44,827	5.44%
Administrative expense allowance	655	0.08
Amortization payment (credit)	<u>13,469</u>	<u>1.63</u>
Total employer contribution requirement	\$58,951	7.15%

Covered payroll is \$824,167.

The statutory contribution rate is 6.43% of payroll. Hence, statutory contributions are less than the actuarial contribution requirement shown above by 0.72% of payroll. If unchanged, this difference will further increase the actuarial contribution requirement in future valuations.

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, 2007	8.50%
Plan experience during the year	<u>(1.29)</u>
Effect of maintaining 20-year amortization schedule	<u>(0.06)</u>
Employer cost rate as of July 1, 2008	7.15%

Main System, Judges, National Guard and Law Enforcement Combined

The components of the actuarial contribution requirement are shown below.

	<u>Amount for 2008 – 2009</u>	<u>Percentage of Payroll</u>
Total normal cost	\$56,378,135	8.80%
Less: Member contributions	<u>(25,679,753)</u>	<u>(4.01)</u>
Net employer normal cost	\$30,698,382	4.79%
Administrative expense allowance	720,000	0.11
Amortization payment (credit)	<u>8,908,685</u>	<u>1.39</u>
Total employer contribution requirement	\$40,327,067	6.29%

Covered payroll is \$640,684,587.

TABLE 6
Main System
Explanation of Change in Employer Cost Rate

	Percent of Payroll
Employer Cost Rate as of July 1, 2007	6.08%
<i>Retired Life Mortality</i>	0.00%
The release of liability due to deaths among retirees and beneficiaries was nearly equal to that expected.	
<i>Active Life Mortality</i>	0.02%
The release of liability due to deaths among active members was less than expected, 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>Withdrawals</i>	0.02%
The release of liability due to withdrawals prior to retirement was less than expected, increasing the employer cost rate.	
<i>Retirement</i>	(0.24)%
The actual liability due to non-disabled retirements was less than expected, decreasing the employer cost rate.	
<i>Investments</i>	(0.13)%
On an actuarial value basis, the rate of return on assets was more than the assumed rate of return, decreasing the employer cost rate.	
<i>Asset Transfer</i>	0.03%
The asset transfer of \$3,280,079 for prior transfers from Main to Law Enforcement with prior Main service increased the employer cost rate.	
<i>Salary Scale</i>	0.16%
Salaries increased more than expected, increasing the employer cost rate.	
<i>Contributions</i>	0.12%
Actual contributions received by the System were less than the actuarially determined amount, increasing 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>	0.00%
Actual expenses were more than expected.	
<i>New and Reinstated Members</i>	0.12%
The addition of new and reinstated members increased the employer cost rate.	
<i>Part-Time Experience</i>	(0.07%)
Some continuing active members earned less than one year of service during the current year, decreasing the employer cost rate.	
<i>Change in Size and Composition of Active Membership and Miscellaneous Experience</i>	0.20%
The demographic characteristics of the active membership changed during the year, increasing the employer cost rate.	
<i>Plan Provision Changes</i>	0.00%
There were no changes in plan provisions.	
<i>Assumption Changes</i>	0.00%
There were no changes in actuarial assumptions.	
<i>Funding Schedule</i>	(0.05)%
The effect of maintaining a 20-year funding schedule results in small decrease in cost.	
<i>Employer Cost Rate as of July 1, 2008</i>	6.26%

VII. FUNDING STATUS

The calculation of funded ratios provides one measure of the progress of funding a retirement plan. The funded 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 funded 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 funded 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 28. They show that the funded ratio has generally improved during the beginning of this period, but has deteriorated since July 1, 2000. The ratio improved last year due to a large investment gain, but decreased this year despite a small investment gain. This is in part due to the amortization policy which calculates an amortization payment that is less than the interest on the Unfunded Actuarial Accrued Liability.

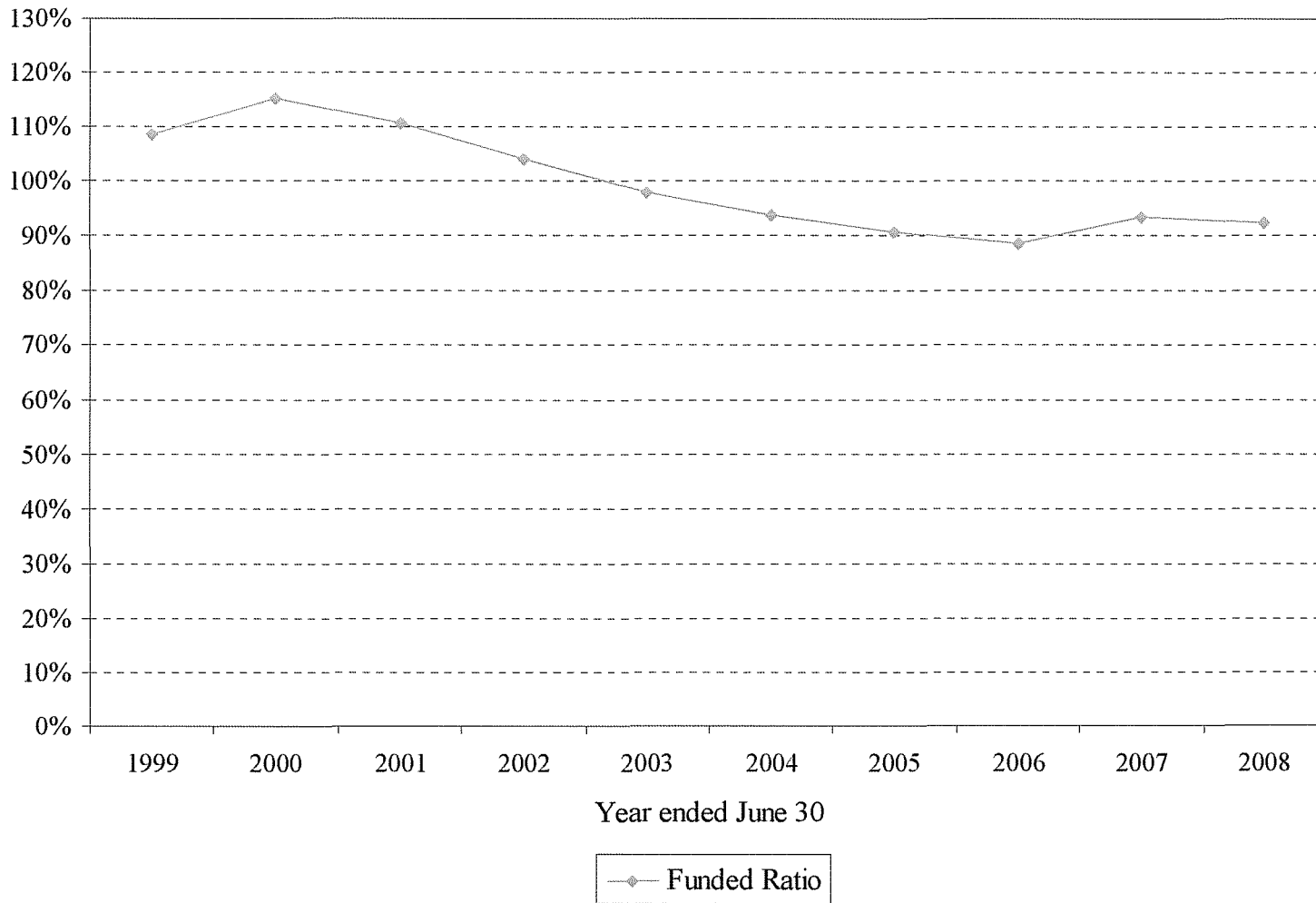
Funded ratios change over time due to several factors. These factors include the level of contributions, actual experience (including investment returns), plan amendments and changes in assumptions. In particular, we observe that in years when benefit improvements were effective, for example in 1999 and 2001, the funded ratio was lower than what it would have been otherwise. Also, the actuarial assumptions were changed in 2000 and 2006, changing the funded ratio from what it would have been otherwise.

TABLE 7***Funded Ratio for PERS***

As of July 1	Actuarial Accrued Liability	Actuarial Value of Assets	Funded Ratio
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
2003	1,188,830,500	1,166,452,100	98.1
2004	1,272,857,600	1,196,533,100	94.0
2005	1,361,182,100	1,236,114,100	90.8
2006	1,480,456,700	1,314,542,900	88.8
2007	1,609,168,600	1,503,137,900	93.4
2008	1,737,627,000	1,609,810,300	92.6

Chart 4
Funded Ratio (PERS)

Funded Ratio



VIII. ACTUARIAL ASSUMPTIONS AND COST METHODS

The actuarial assumptions and cost methods used in the actuarial valuation as of July 1, 2008 are the same as those used in the previous valuation. A summary of the actuarial assumptions and cost methods 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, National Guard and Law Enforcement, 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, National Guard and Law Enforcement, 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 the period over which payments will be received. The valuation uses the 1983 Group Annuity Mortality Table with males set back one year 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	5.7	25.2	2.5	30.3
60	8.4	21.0	4.2	25.7
65	13.9	17.0	7.1	21.3
70	24.8	13.3	12.4	17.2
75	40.4	10.2	24.0	13.4
80	67.1	7.6	42.9	10.2
85	106.0	5.6	69.9	7.6

Disability Incidence Rates Before Retirement

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, National Guard and Law Enforcement, 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, Main withdrawal 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>
29 & Under	18%	15%	12%	10%	15%
30 - 39	12	12	11	10	11
40 & Over	10	10	8	7	6

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

<u>Age</u>	<u>Male</u>	<u>Female</u>
20 - 24	12.0%	12.0%
25 - 29	8.0	10.0
30 - 34	5.0	8.0
35 - 39	3.5	5.0
40 - 44	3.0	4.0
45 - 49	2.5	3.5
50 & Over	2.0	3.0

During the first five years of service, National Guard and Law Enforcement withdrawal 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>
29 & Under	23%	20%	17%	16%	15%
30 - 39	17	15	13	12	11
40 & Over	15	12	10	8	6

After five years of service, National Guard and Law Enforcement withdrawal 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:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20 - 24	6.0%	6.0%
25 - 29	4.0	5.0
30 - 34	2.5	4.0
35 - 39	2.0	3.0
40 - 44	1.5	2.5
45 - 49	1.5	2.0
50 & Over	1.0	1.5

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>Rule of 85 Eligible Rate</u>	<u>All Other Retirements</u>
55	4%	4%
56	6	4
57	6	4
58	6	4
59	6	4
60	8	6
61	15	12
62	35	25
63	25	20
64	25	20
65	40	30
66	20	20
67	20	20
68	20	20
69	20	20
70	100	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 and Law Enforcement 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. Retirement for inactive vested members of the Law Enforcement is assumed to occur at the earlier of age 55 and Rule of 85.

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

Annual Administrative Expenses

Annual administrative expenses for all 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. The same assumption applies at retirement, except for Judges, for whom 100% are assumed to have spouses. For the Main system, males are assumed to be four years older than their female spouses. For all other systems, 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, National Guard and Law Enforcement, and for Judges payroll is expected to increase 4.0% per year. This method provides payment in constant, or real, dollars.

APPENDIX A

October 17, 2008

**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, 2008 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 Methods
- III. Changes in Actuarial Assumptions and Cost Methods
- IV. Changes in Plan Provisions
- V. Summary of Plan Provisions

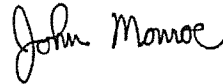
The valuation was based on information supplied by the Retirement Office with respect to member and financial data. We have not verified, and customarily would not verify, such information but we have no reason to doubt its substantial accuracy.

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.



Brad Ramirez, FSA, MAAA, EA
Consulting Actuary



John W. Monroe, ASA, MAAA
Vice President & Associate Actuary



Kurt Schneider, ASA, MAAA, EA
Associate Actuary

EXHIBIT I-A

ACTUARIAL VALUATION RESULTS

MAIN SYSTEM

1.	Actuarial accrued liability on July 1, 2008:		
	a. Active members	\$1,058,062,656	
	b. Special prior service pensions	36,164	
	c. Retired members and beneficiaries	567,388,976	
	d. Inactive non-retired members	<u>74,683,792</u>	
	e. Total		\$1,700,171,588
2.	Assets at actuarial value (\$1,718,937,287 at market value)		1,571,159,912
3.	Unfunded/(Surplus) actuarial accrued liability - equals (1) minus (2)		129,011,676
4.	Member and employer normal cost for ensuing year*		54,662,835
5.	Estimated annual salaries of covered members		627,601,090
6.	Member normal cost - equals 4% of (5)		25,104,043
7.	Employer normal cost for ensuing year - equals (4) minus (6)		29,558,792
8.	Amortization payment - equals 20-year amortization of item (3) as a level percent of aggregate salary*		9,003,760
9.	Administrative expenses		710,000
10.	Total employer cost for ensuing year - equals (7) plus (8) plus (9)		39,272,552
11.	Total employer cost as percentage of payroll - equals (10) divided by (5)		6.26%

* Adjusted for interest to recognize payments through the year.

EXHIBIT I-B

ACTUARIAL VALUATION RESULTS

JUDGES

1.	Actuarial accrued liability on July 1, 2008:	
	a. Active members	\$14,785,007
	b. Retired members and beneficiaries	9,757,181
	c. Inactive non-retired members	<u>190,066</u>
	d. Total	\$24,732,254
2.	Assets at actuarial value (\$31,545,700 at market value)	28,833,710
3.	Unfunded/(Surplus) actuarial accrued liability - equals (1) minus (2)	(4,101,456)
4.	Member and employer normal cost for ensuing year*	1,025,761
5.	Estimated annual salaries of covered members	5,237,074
6.	Member normal cost - equals 5% of (5)	261,853
7.	Employer normal cost for ensuing year - equals (4) minus (6)	763,908
8.	Amortization payment - equals 20-year amortization of item (3) as a level percent of aggregate salary*	(297,916)
9.	Administrative expenses	5,000
10.	Total employer cost for ensuing year - equals (7) plus (8) plus (9)	470,992
11.	Total employer cost as percentage of payroll - equals (10) divided by (5)	8.99%

* Adjusted for interest to recognize payments through the year.

EXHIBIT I-C

ACTUARIAL VALUATION RESULTS

NATIONAL GUARD

1.	Actuarial accrued liability on July 1, 2008:		
	a. Active members	\$948,740	
	b. Retired members and beneficiaries	731,178	
	c. Inactive non-retired members	<u>117,189</u>	
	d. Total		\$1,797,107
2.	Assets at actuarial value (\$2,246,793 at market value)		2,053,636
3.	Unfunded/(Surplus) actuarial accrued liability - equals (1) minus (2)		(256,529)
4.	Member and employer normal cost for ensuing year*		162,896
5.	Estimated annual salaries of covered members		1,964,662
6.	Member normal cost - equals 4% of (5)		78,586
7.	Employer normal cost for ensuing year - equals (4) minus (6)		84,310
8.	Amortization payment - equals 20-year amortization of item (3) as a level percent of aggregate salary *		(17,903)
9.	Administrative expenses		1,131
10.	Total employer cost for ensuing year - equals (7) plus (8) plus (9)		67,538
11.	Total employer cost as percentage of payroll - equals (10) divided by (5)		3.44%

* Adjusted for interest to recognize payments through the year.

EXHIBIT I-D

ACTUARIAL VALUATION RESULTS

LAW ENFORCEMENT WITH PRIOR MAIN SERVICE

1.	Actuarial accrued liability on July 1, 2008:		
	a. Active members	\$7,937,618	
	b. Retired members and beneficiaries	2,458,631	
	c. Inactive non-retired members	<u>161,495</u>	
	d. Total		\$10,557,744
2.	Assets at actuarial value (\$8,301,444 at market value)		7,587,767
3.	Unfunded/(Surplus) actuarial accrued liability - equals (1) minus (2)		2,969,977
4.	Member and employer normal cost for ensuing year*		448,849
5.	Estimated annual salaries of covered members		5,057,594
6.	Member normal cost - equals 4% of (5)		202,304
7.	Employer normal cost for ensuing year - equals (4) minus (6)		246,545
8.	Amortization payment - equals 20-year amortization of item (3) as a level percent of aggregate salary*		207,275
9.	Administrative expenses		3,214
10.	Total employer cost for ensuing year - equals (7) plus (8) plus (9)		457,034
11.	Total employer cost as percentage of payroll - equals (10) divided by (5)		9.04%

* Adjusted for interest to recognize payments through the year.

EXHIBIT I-E

ACTUARIAL VALUATION RESULTS

LAW ENFORCEMENT WITHOUT PRIOR MAIN SERVICE

1.	Actuarial accrued liability on July 1, 2008:		
	a. Active members.....	\$239,669	
	b. Retired members and beneficiaries.....	0	
	c. Inactive non-retired members.....	<u>128,637</u>	
	d. Total.....		\$368,306
2.	Assets at actuarial value (\$191,807 at market value).....		175,317
3.	Unfunded/(Surplus) actuarial accrued liability - equals (1) minus (2).....		192,989
4.	Member and employer normal cost for ensuing year*.....		77,794
5.	Estimated annual salaries of covered members.....		824,167
6.	Member normal cost - equals 4% of (5).....		32,967
7.	Employer normal cost for ensuing year - equals (4) minus (6).....		44,827
8.	Amortization payment - equals 20-year amortization of item (3) as a level percent of aggregate salary*.....		13,469
9.	Administrative expenses.....		655
10.	Total employer cost for ensuing year - equals (7) plus (8) plus (9).....		58,951
11.	Total employer cost as percentage of payroll - equals (10) divided by (5).....		7.15%

* Adjusted for interest to recognize payments through the year.

EXHIBIT I-F

ACTUARIAL VALUATION RESULTS

**MAIN SYSTEM, JUDGES, NATIONAL GUARD AND
LAW ENFORCEMENT PLAN COMBINED**

1.	Actuarial accrued liability on July 1, 2008:	
	a. Active members	\$1,081,973,690
	b. Special prior service pensions.....	36,164
	c. Retired members and beneficiaries.....	580,335,966
	d. Inactive non-retired members	<u>75,281,179</u>
	e. Total.....	\$1,737,626,999
2.	Assets at actuarial value (\$1,761,223,031 at market value).....	1,609,810,342
3.	Unfunded/(Surplus) actuarial accrued liability - equals (1) minus (2).....	127,816,657
4.	Member and employer normal cost for ensuing year*	56,378,135
5.	Estimated annual salaries of covered members.....	640,684,587
6.	Member normal cost.....	25,679,753
7.	Employer normal cost for ensuing year - equals (4) minus (6).....	30,698,382
8.	Amortization payment - equals 20-year amortization of item (3) as a level percent of aggregate salary*	8,908,685
9.	Administrative expenses.....	720,000
10.	Total employer cost for ensuing year - equals (7) plus (8) plus (9)	40,327,067
11.	Total employer cost as percentage of payroll - equals (10) divided by (5)	6.29%

* Adjusted for interest to recognize payments through the year.

EXHIBIT II

ACTUARIAL ASSUMPTIONS AND COST METHODS

1. Mortality Tables:

Healthy: 1983 Group Annuity Mortality Table, set back one year for males (not set back for females).

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 OASDI disability incidence rates.
 Females 30% of OASDI 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
60	0.68	0.49

3. Annual Withdrawal Rates:

Main System:

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>
29 & Under	18%	15%	12%	10%	15%
30 - 39	12	12	11	10	11
40 & Over	10	10	8	7	6

EXHIBIT II (continued)

Ultimate withdrawal rates after five years service:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20 - 24	12.0%	12.0%
25 - 29	8.0	10.0
30 - 34	5.0	8.0
35 - 39	3.5	5.0
40 - 44	3.0	4.0
45 - 49	2.5	3.5
50 & Over	2.0	3.0

National Guard and Law Enforcement:

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>
29 & Under	23%	20%	17%	16%	15%
30 - 39	17	15	13	12	11
40 & Over	15	12	10	8	6

Ultimate withdrawal rates 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

EXHIBIT II (continued)

Judges:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20 - 24	6.0%	6.0%
25 - 29	4.0	5.0
30 - 34	2.5	4.0
35 - 39	2.0	3.0
40 - 44	1.5	2.5
45 - 49	1.5	2.0
50 & Over	1.0	1.5

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 for Rule of 85.

Judges:

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

National Guard and Law Enforcement:

Age 50 and 3 years of service.

EXHIBIT II (continued)

4. Retirement Rates for Active Members:

Main System:

<u>Age</u>	<u>Rule of 85 Eligible Rate</u>	<u>All Other Retirements</u>
55	4%	4%
56	6	4
57	6	4
58	6	4
59	6	4
60	8	6
61	15	12
62	35	25
63	25	20
64	25	20
65	40	30
66	20	20
67	20	20
68	20	20
69	20	20
70	100	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 and Law Enforcement:

<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.

Law Enforcement:

The earlier of:

- Age 55.
- Unreduced retirement date for each individual.

6. Interest Rate:

8.00% per annum, net of investment expenses.

7. Annual Administrative Expenses:

Main System: \$ 710,000

Judges: \$ 5,000

National Guard and Law Enforcement combined: \$ 5,000

8. Salary Scale:

Main System, National Guard and Law Enforcement:

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

Five or more years of service (sample rates are as follows):

<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, National Guard and Law Enforcement: 4.50% per annum.
Judges: 4.00% per annum.

10. Marital Status for Non-Retired Members:

At death, 75% of male members and 60% of female members are assumed to have spouses. The same assumption applies at retirement, except for Judges, for whom 100% are assumed to have spouses. For the Main system, males are assumed to be four years older than their female spouses. For all other systems, 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 payroll growth 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. Social Security Disability (for Judges' disability benefit offset):

Eligibility: 50%

Consumer Price Index Increases: 3.5% per annum

Wage Base Increases: 5.0% per annum

EXHIBIT II (continued)

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

None assumed.

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

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 cost methods since the preceding valuation.

EXHIBIT IV

CHANGES IN PLAN PROVISIONS

There were no changes in plan provisions since the preceding 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.

Law Enforcement:

Attainment of age 55 and three consecutive years of service, or age plus service equal to at least 85 (Rule of 85).

Benefit:

Main System, National Guard and Law Enforcement:

2.00% of final average salary multiplied by service.

Judges:

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

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 and Law Enforcement:

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.

Law Enforcement:

The Normal Service Retirement Benefit as determined above. A benefit that begins before age 55 (or Rule of 85, if earlier) 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, National Guard and Law Enforcement:

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, National Guard and Law Enforcement:

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.

Law Enforcement:

The Normal Service Retirement Benefit payable at age 55 or the Rule of 85, if earlier. Reduced early retirement benefit can be selected upon attainment of age 50.

5. Pre-Retirement Death Benefits:

Eligibility:

Main System, National Guard and Law Enforcement:

Three years of service.

Judges:

Five years of service.

EXHIBIT V (continued)

Benefit:

Main System, National Guard and Law Enforcement:

One of the following options:

- Lump sum payment of member's accumulated contributions with interest.
- The member's accrued benefit payable for 60 months to the surviving spouse.
- 50% of the member's accrued benefit (not reduced on account of age) payable for the surviving spouse's lifetime.
- Continuation portion of 100% joint and survivor annuity (only if participant was eligible for normal retirement).
- A partial lump sum payment in addition to the one of the annuity options above.

Judges:

One of the following options:

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

Eligibility:

Main System, Judges, National Guard and Law Enforcement:

Not vested nor a surviving spouse.

Benefit:

Main System, Judges, National Guard and Law Enforcement:

Lump sum payment of member's accumulated contributions with interest.

6. **Refund of Member Contributions:**

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

EXHIBIT V (continued)

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

8. Standard and Optional Forms of Payment:

Standard form of payment:

Main System, National Guard and Law Enforcement:

Monthly benefit for life with a refund to beneficiary at death 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, National Guard and Law Enforcement), 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.

EXHIBIT V (continued)

10. Contributions:

Contribution rates specified in the Century Code (except employer rate for National Guard and Law Enforcement); 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%
Law Enforcement with prior Main service	4.00%	8.31%
Law Enforcement without prior Main service	4.00%	6.43%

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 12 of service credit, \$25 or 1% of the member's monthly salary, whichever is greater.
2. For months 13 through 24 of service credit, \$25 or 2% of the member's monthly salary, whichever is greater.
3. For months 25 through 36 of service credit, \$25 or 3% of the member's monthly salary, whichever is greater.
4. For service exceeding 36 months, \$25 or 4% of the member's monthly salary, whichever is greater.
5. The vested employer contribution may not exceed 4% 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 nearest age and years of employment:	
	Males	8-A
	Females	8-B
	All	8-C
	(B) Number of active members grouped by nearest 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 nearest 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 nearest 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 nearest age:	
	Males	15-A
	Females	15-B
	All	15-C

TABLE 8-A

*Census of Members in Active Service on July 1, 2008
by Nearest Age and Years of Employment in PERS*

(Males - Main System, Judges, National Guard, and Law Enforcement)

Nearest Age	Total	Years of Employment							
		Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over
Total	7,531	2,818	1,422	990	760	620	541	270	110
Under 20	5	5	-	-	-	-	-	-	-
20-24	235	235	-	-	-	-	-	-	-
25-29	557	496	60	1	-	-	-	-	-
30-34	610	377	182	51	-	-	-	-	-
35-39	713	323	200	155	34	1	-	-	-
40-44	824	297	175	162	158	31	1	-	-
45-49	1,069	331	188	162	157	152	71	8	-
50-54	1,224	282	214	163	124	166	201	69	5
55-59	1,211	251	172	160	149	152	177	115	35
60-64	753	146	134	88	99	91	73	64	58
65-69	226	46	64	36	30	19	10	11	10
70-74	71	21	21	9	6	6	6	2	-
75 & Over	33	8	12	3	3	2	2	1	2

TABLE 8-B

*Census of Members in Active Service on July 1, 2008
by Nearest Age and Years of Employment in PERS*

(Females - Main System, Judges, National Guard, and Law Enforcement)

Nearest Age	Total	Years of Employment							
		Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over
Total	11,765	4,597	2,463	1,601	1,187	926	592	299	100
Under 20	3	3	-	-	-	-	-	-	-
20-24	226	225	1	-	-	-	-	-	-
25-29	764	699	65	-	-	-	-	-	-
30-34	908	588	274	45	1	-	-	-	-
35-39	1,106	600	296	168	40	2	-	-	-
40-44	1,406	623	337	196	164	82	4	-	-
45-49	2,059	655	500	309	215	229	142	9	-
50-54	2,121	554	425	357	282	184	178	136	5
55-59	1,836	400	333	298	271	241	144	104	45
60-64	990	183	163	158	165	153	95	41	32
65-69	247	43	48	51	40	25	22	5	13
70-74	71	17	13	15	7	7	4	4	4
75 & Over	28	7	8	4	2	3	3	-	1

TABLE 8-C

*Census of Members in Active Service on July 1, 2008
by Nearest Age and Years of Employment in PERS*

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

Nearest Age	Total	Years of Employment							
		Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over
Total	19,296	7,415	3,885	2,591	1,947	1,546	1,133	569	210
Under 20	8	8	-	-	-	-	-	-	-
20-24	461	460	1	-	-	-	-	-	-
25-29	1,321	1,195	125	1	-	-	-	-	-
30-34	1,518	965	456	96	1	-	-	-	-
35-39	1,819	923	496	323	74	3	-	-	-
40-44	2,230	920	512	358	322	113	5	-	-
45-49	3,128	986	688	471	372	381	213	17	-
50-54	3,345	836	639	520	406	350	379	205	10
55-59	3,047	651	505	458	420	393	321	219	80
60-64	1,743	329	297	246	264	244	168	105	90
65-69	473	89	112	87	70	44	32	16	23
70-74	142	38	34	24	13	13	10	6	4
75 & Over	61	15	20	7	5	5	5	1	3

TABLE 9-A

*Census of Members in Active Service on July 1, 2008
by Nearest Age and Salary*

(Males - Main System, Judges, National Guard, and Law Enforcement)

Nearest 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	7,531	175	240	376	727	1,273	1,319	1,029	722	510	1,160
Under 20	5	1	-	1	2	1	-	-	-	-	-
20-24	235	12	16	38	37	72	41	13	5	-	1
25-29	557	14	10	45	64	126	155	67	30	39	7
30-34	610	9	9	25	54	95	121	117	82	32	66
35-39	713	16	10	24	57	122	135	114	75	57	103
40-44	824	9	10	44	73	147	144	121	75	65	136
45-49	1,069	16	24	39	108	177	189	126	112	73	205
50-54	1,224	21	34	44	94	200	199	167	127	95	243
55-59	1,211	24	32	46	118	174	199	170	123	85	240
60-64	753	21	40	33	84	108	108	114	74	45	126
65-69	226	11	32	17	24	45	22	17	12	18	28
70-74	71	13	12	14	8	5	6	3	6	1	3
75 & Over	33	8	11	6	4	1	-	-	1	-	2

TABLE 9-B

*Census of Members in Active Service on July 1, 2008
by Nearest Age and Salary*

(Females - Main System, Judges, National Guard, and Law Enforcement)

Nearest 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	11,765	432	1,154	1,663	2,080	1,902	1,695	1,088	666	441	644
Under 20	3	1	-	2	-	-	-	-	-	-	-
20-24	226	22	40	53	53	31	17	7	3	-	-
25-29	764	43	77	104	166	129	126	67	25	18	9
30-34	908	51	83	100	122	177	157	101	53	30	34
35-39	1,106	61	116	139	164	163	186	96	67	61	53
40-44	1,406	50	169	203	230	205	198	138	71	64	78
45-49	2,059	66	203	316	344	333	263	191	117	81	145
50-54	2,121	48	188	316	379	332	305	206	134	77	136
55-59	1,836	39	147	240	357	302	260	187	114	65	125
60-64	990	24	78	136	193	175	139	82	73	40	50
65-69	247	15	31	35	51	45	38	8	8	4	12
70-74	71	5	17	16	12	7	6	5	1	1	1
75 & Over	28	7	5	3	9	3	-	-	-	-	1

TABLE 9-C

*Census of Members in Active Service on July 1, 2008
by Nearest Age and Salary*

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

Nearest 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	19,296	607	1,394	2,039	2,807	3,175	3,014	2,117	1,388	951	1,804
Under 20	8	2	-	3	2	1	-	-	-	-	-
20-24	461	34	56	91	90	103	58	20	8	-	1
25-29	1,321	57	87	149	230	255	281	134	55	57	16
30-34	1,518	60	92	125	176	272	278	218	135	62	100
35-39	1,819	77	126	163	221	285	321	210	142	118	156
40-44	2,230	59	179	247	303	352	342	259	146	129	214
45-49	3,128	82	227	355	452	510	452	317	229	154	350
50-54	3,345	69	222	360	473	532	504	373	261	172	379
55-59	3,047	63	179	286	475	476	459	357	237	150	365
60-64	1,743	45	118	169	277	283	247	196	147	85	176
65-69	473	26	63	52	75	90	60	25	20	22	40
70-74	142	18	29	30	20	12	12	8	7	2	4
75 & Over	61	15	16	9	13	4	-	-	1	-	3

TABLE 10-A

*Pensions Awarded During the Year Ended June 30, 2008
by Type of Pension and Monthly Amount*

(Males - Main System, Judges, National Guard, and Law Enforcement)

Monthly Amount	Type of Pension				
	Total	Normal	Early	Disability	Rule of 85
Total	214	75	44	9	86
Under \$200	13	6	6	-	1
200-399	31	16	10	4	1
400-599	24	8	12	1	3
600-799	15	3	6	4	2
800-999	14	8	4	-	2
1,000-1,199	15	10	-	-	5
1,200-1,399	9	5	-	-	4
1,400-1,599	15	3	2	-	10
1,600-1,799	10	2	1	-	7
1,800-1,999	10	3	1	-	6
2,000-2,199	12	-	1	-	11
2,200-2,399	8	2	-	-	6
2,400-2,599	12	3	-	-	9
2,600-2,799	5	1	-	-	4
2,800-2,999	3	1	-	-	2
3,000-3,199	3	-	1	-	2
3,200-3,399	3	1	-	-	2
3,400-3,599	4	1	-	-	3
3,600-3,799	2	-	-	-	2
3,800-3,999	3	1	-	-	2
4,000-4,199	1	-	-	-	1
4,200-4,399	-	-	-	-	-
4,400-4,599	-	-	-	-	-
4,600-4,799	-	-	-	-	-
4,800-4,999	-	-	-	-	-
5,000 & Over	2	1	-	-	1

TABLE 10-B

*Pensions Awarded During the Year Ended June 30, 2008
by Type of Pension and Monthly Amount*

(Females - Main System, Judges, National Guard, and Law Enforcement)

Monthly Amount	Type of Pension				
	Total	Normal	Early	Disability	Rule of 85
Total	273	116	55	2	100
Under \$200	46	30	14	-	2
200-399	43	25	16	2	-
400-599	23	16	6	-	1
600-799	25	9	12	-	4
800-999	21	10	1	-	10
1,000-1,199	29	12	3	-	14
1,200-1,399	22	2	1	-	19
1,400-1,599	20	5	-	-	15
1,600-1,799	9	2	1	-	6
1,800-1,999	6	1	1	-	4
2,000-2,199	3	1	-	-	2
2,200-2,399	9	1	-	-	8
2,400-2,599	3	1	-	-	2
2,600-2,799	4	-	-	-	4
2,800-2,999	3	-	-	-	3
3,000-3,199	-	-	-	-	-
3,200-3,399	2	-	-	-	2
3,400-3,599	1	-	-	-	1
3,600-3,799	1	-	-	-	1
3,800-3,999	1	-	-	-	1
4,000-4,199	1	-	-	-	1
4,200-4,399	1	1	-	-	-
4,400-4,599	-	-	-	-	-
4,600-4,799	-	-	-	-	-
4,800-4,999	-	-	-	-	-
5,000 & Over	-	-	-	-	-

TABLE 10-C

*Pensions Awarded During the Year Ended June 30, 2008
by Type of Pension and Monthly Amount*

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

Monthly Amount	Type of Pension				
	Total	Normal	Early	Disability	Rule of 85
Total	487	191	99	11	186
Under \$200	59	36	20	-	3
200-399	74	41	26	6	1
400-599	47	24	18	1	4
600-799	40	12	18	4	6
800-999	35	18	5	-	12
1,000-1,199	44	22	3	-	19
1,200-1,399	31	7	1	-	23
1,400-1,599	35	8	2	-	25
1,600-1,799	19	4	2	-	13
1,800-1,999	16	4	2	-	10
2,000-2,199	15	1	1	-	13
2,200-2,399	17	3	-	-	14
2,400-2,599	15	4	-	-	11
2,600-2,799	9	1	-	-	8
2,800-2,999	6	1	-	-	5
3,000-3,199	3	-	1	-	2
3,200-3,399	5	1	-	-	4
3,400-3,599	5	1	-	-	4
3,600-3,799	3	-	-	-	3
3,800-3,999	4	1	-	-	3
4,000-4,199	2	-	-	-	2
4,200-4,399	1	1	-	-	-
4,400-4,599	-	-	-	-	-
4,600-4,799	-	-	-	-	-
4,800-4,999	-	-	-	-	-
5,000 & Over	2	1	-	-	1

TABLE 11-A

*Pensions Awarded During the Year Ended June 30, 2008
by Type of Pension and Nearest Age*

(Males - Main System, Judges, National Guard, and Law Enforcement)

Nearest Age	Total	Type of Pension			
		Normal	Early	Disability	Rule of 85
Total	214	75	44	9	86
Under 50	2	-	-	2	-
50-54	12	-	-	4	8
55-59	32	2	7	-	23
60-64	84	2	33	3	46
65-69	64	51	4	-	9
70-74	17	17	-	-	-
75 & Over	3	3	-	-	-

TABLE 11-B

*Pensions Awarded During the Year Ended June 30, 2008
by Type of Pension and Nearest Age*

(Females - Main System, Judges, National Guard, and Law Enforcement)

Nearest Age	Total	Type of Pension			
		Normal	Early	Disability	Rule of 85
Total	273	116	55	2	100
Under 50	-	-	-	-	-
50-54	10	-	-	-	10
55-59	37	1	9	1	26
60-64	95	-	43	-	52
65-69	101	86	3	1	11
70-74	21	20	-	-	1
75 & Over	9	9	-	-	-

TABLE 11-C

*Pensions Awarded During the Year Ended June 30, 2008
by Type of Pension and Nearest Age*

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

Nearest Age	Total	Type of Pension			
		Normal	Early	Disability	Rule of 85
Total	487	191	99	11	186
Under 50	2	-	-	2	-
50-54	22	-	-	4	18
55-59	69	3	16	1	49
60-64	179	2	76	3	98
65-69	165	137	7	1	20
70-74	38	37	-	-	1
75 & Over	12	12	-	-	-

TABLE 12-A

*Current Plan Pensions in Force on July 1, 2008
by Type of Pension and Monthly Amount*

(Males - Main System, Judges, National Guard, and Law Enforcement)

Monthly Amount	Type of Pension				
	Total	Normal	Early	Disability	Service*
Total	2,689	889	615	160	1,025
Under \$200	272	155	96	12	9
200-399	427	173	181	65	8
400-599	336	123	146	52	15
600-799	221	95	88	19	19
800-999	193	77	40	6	70
1,000-1,199	231	76	25	3	127
1,200-1,399	190	42	11	1	136
1,400-1,599	134	27	9	1	97
1,600-1,799	125	27	3	-	95
1,800-1,999	101	17	5	-	79
2,000-2,199	89	10	1	1	77
2,200-2,399	85	13	5	-	67
2,400-2,599	70	8	-	-	62
2,600-2,799	58	10	1	-	47
2,800-2,999	37	9	1	-	27
3,000-3,199	25	3	1	-	21
3,200-3,399	29	5	-	-	24
3,400-3,599	14	1	2	-	11
3,600-3,799	7	2	-	-	5
3,800-3,999	11	3	-	-	8
4,000-4,199	7	2	-	-	5
4,200-4,399	8	2	-	-	6
4,400-4,599	4	2	-	-	2
4,600-4,799	4	2	-	-	2
4,800-4,999	3	2	-	-	1
5,000 & Over	8	3	-	-	5

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

TABLE 12-B

*Current Plan Pensions in Force on July 1, 2008
by Type of Pension and Monthly Amount*

(Females - Main System, Judges, National Guard, and Law Enforcement)

Monthly Amount	Type of Pension				
	Total	Normal	Early	Disability	Service*
Total	3,458	1,117	1,272	179	890
Under \$200	599	234	347	9	9
200-399	897	324	491	76	6
400-599	578	223	276	58	21
600-799	342	129	98	29	86
800-999	281	72	33	6	170
1,000-1,199	225	56	17	1	151
1,200-1,399	163	29	5	-	129
1,400-1,599	109	16	1	-	92
1,600-1,799	86	12	2	-	72
1,800-1,999	50	5	1	-	44
2,000-2,199	37	7	-	-	30
2,200-2,399	31	2	-	-	29
2,400-2,599	17	1	1	-	15
2,600-2,799	15	1	-	-	14
2,800-2,999	9	-	-	-	9
3,000-3,199	1	1	-	-	-
3,200-3,399	6	1	-	-	5
3,400-3,599	3	-	-	-	3
3,600-3,799	2	1	-	-	1
3,800-3,999	3	1	-	-	2
4,000-4,199	1	-	-	-	1
4,200-4,399	2	1	-	-	1
4,400-4,599	-	-	-	-	-
4,600-4,799	-	-	-	-	-
4,800-4,999	1	1	-	-	-
5,000 & Over	-	-	-	-	-

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

TABLE 12-C

***Current Plan Pensions in Force on July 1, 2008
by Type of Pension and Monthly Amount***

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

Monthly Amount	Total	Type of Pension			
		Normal	Early	Disability	Service*
Total	6,147	2,006	1,887	339	1,915
Under \$200	871	389	443	21	18
200-399	1,324	497	672	141	14
400-599	914	346	422	110	36
600-799	563	224	186	48	105
800-999	474	149	73	12	240
1,000-1,199	456	132	42	4	278
1,200-1,399	353	71	16	1	265
1,400-1,599	243	43	10	1	189
1,600-1,799	211	39	5	-	167
1,800-1,999	151	22	6	-	123
2,000-2,199	126	17	1	1	107
2,200-2,399	116	15	5	-	96
2,400-2,599	87	9	1	-	77
2,600-2,799	73	11	1	-	61
2,800-2,999	46	9	1	-	36
3,000-3,199	26	4	1	-	21
3,200-3,399	35	6	-	-	29
3,400-3,599	17	1	2	-	14
3,600-3,799	9	3	-	-	6
3,800-3,999	14	4	-	-	10
4,000-4,199	8	2	-	-	6
4,200-4,399	10	3	-	-	7
4,400-4,599	4	2	-	-	2
4,600-4,799	4	2	-	-	2
4,800-4,999	4	3	-	-	1
5,000 & Over	8	3	-	-	5

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

TABLE 13-A

*Current Plan Pensions in Force on July 1, 2008
by Type of Pension and Nearest Age*

(Males - Main System, Judges, National Guard, and Law Enforcement)

Nearest Age	Total	Type of Pension			
		Normal	Early	Disability	Service*
Total	2,689	889	615	160	1,025
Under 50	15	-	-	15	-
50-54	34	-	-	19	15
55-59	156	6	21	31	98
60-64	342	4	91	34	213
65-69	606	152	158	18	278
70-74	547	192	110	21	224
75-79	436	193	104	13	126
80-84	314	176	79	4	55
85-89	167	110	36	5	16
90 & Over	72	56	16	-	-

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

TABLE 13-B

***Current Plan Pensions in Force on July 1, 2008
by Type of Pension and Nearest Age***

(Females - Main System, Judges, National Guard, and Law Enforcement)

Nearest Age	Total	Type of Pension			
		Normal	Early	Disability	Service*
Total	3,458	1,117	1,272	179	890
Under 50	19	-	-	19	-
50-54	47	-	-	23	24
55-59	152	1	28	26	97
60-64	441	1	179	39	222
65-69	805	214	285	34	272
70-74	730	239	299	20	172
75-79	535	230	224	13	68
80-84	399	199	168	3	29
85-89	205	131	66	2	6
90 & Over	125	102	23	-	-

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

TABLE 13-C***Current Plan Pensions in Force on July 1, 2008
by Type of Pension and Nearest Age******(All Members - Main System, Judges, National Guard, and Law Enforcement)***

Nearest Age	Total	Type of Pension			
		Normal	Early	Disability	Service*
Total	6,147	2,006	1,887	339	1,915
Under 50	34	-	-	34	-
50-54	81	-	-	42	39
55-59	308	7	49	57	195
60-64	783	5	270	73	435
65-69	1,411	366	443	52	550
70-74	1,277	431	409	41	396
75-79	971	423	328	26	194
80-84	713	375	247	7	84
85-89	372	241	102	7	22
90 & Over	197	158	39	-	-

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

TABLE 14-A

*Special Prior Service Pensions in Force on July 1, 2008
by Monthly Amount*

(Males)

Monthly Amount	Total
Total	7
Under \$20	1
20-39	3
40-59	-
60-79	1
80-99	2
100-119	-
120-139	-
140-159	-
160 & Over	-

TABLE 14-B

***Special Prior Service Pensions in Force on July 1, 2008
by Monthly Amount***

(Females)

Monthly Amount	Total
Total	21
Under \$20	6
20-39	5
40-59	5
60-79	3
80-99	1
100-119	-
120-139	1
140-159	-
160 & Over	-

TABLE 14-C

*Special Prior Service Pensions in Force on July 1, 2008
by Monthly Amount*

(All Members)

Monthly Amount	Total
Total	28
Under \$20	7
20-39	8
40-59	5
60-79	4
80-99	3
100-119	-
120-139	1
140-159	-
160 & Over	-

TABLE 15-A

***Special Prior Service Pensions in Force on July 1, 2008
by Nearest Age***

(Males)

<u>Nearest Age</u>	<u>Total</u>
Total	<u>7</u>
85-89	-
90-94	2
95-99	5
<u>100 & Over</u>	<u>-</u>

TABLE 15-B

***Special Prior Service Pensions in Force on July 1, 2008
by Nearest Age***

(Females)

Nearest Age	Total
Total	21
85-89	-
90-94	6
95-99	12
100 & Over	3

TABLE 15-C

***Special Prior Service Pensions in Force on July 1, 2008
by Nearest Age***

(All Members)

Nearest Age	Total
Total	28
85-89	-
90-94	8
95-99	17
100 & Over	3

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