

**NORTH DAKOTA PUBLIC EMPLOYEES
RETIREMENT SYSTEM**

Actuarial Valuation Report as of July 1, 2009

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November 11, 2009

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, 2009.

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, FCA, MAAA, EA
Consulting Actuary

John Monroe, ASA, MAAA, EA
Vice President & Associate Actuary

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Associate Actuary

CZI/bqb

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TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
II. HIGHLIGHTS	2
III. MEMBER CHARACTERISTICS	5
IV. BENEFIT EXPERIENCE	7
V. ASSETS	8
VI. RESULTS OF ACTUARIAL VALUATION	19
VII. FUNDING STATUS	27
VIII. ACTUARIAL ASSUMPTIONS AND COST METHODS	30
APPENDICES	
A. ACTUARIAL VALUATION CERTIFICATE	A-1
B. CENSUS TABLES	B-1

I. INTRODUCTION

This report summarizes the results of our actuarial valuation as of July 1, 2009. 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, 2009;
3. The assets of the System as of June 30, 2009; 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

- For the PERS Fund overall, the present rate of contributions is not sufficient to meet the actuarially determined requirement for 2009-2010, 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 (or approved) contribution rates.
- The employer actuarial contribution requirements for 2009-2010 are as follows:

	Amount	Percentage of Payroll	Statutory/ Approved Rate
Main System	\$52,956,485	7.74%	4.12%
Judges	569,858	10.48	14.52
National Guard	49,565	3.71	6.50
Law Enforcement with prior Main service	517,062	9.11	8.31
Law Enforcement without prior Main service	64,896	6.83	6.43

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

	2009-2010	2008-2009
Main System	7.74%	6.26%
Judges	10.48	8.99
National Guard	3.71	3.44
Law Enforcement with prior Main service	9.11	9.04
Law Enforcement without prior Main service	6.83	7.15

- The Main System statutory rate of 4.12% of payroll is less than the actuarially determined rate of 7.74% of payroll by 3.62% of payroll. Last year, the Main System statutory rate was less than the actuarially determined rate by 2.14% of payroll. The increase in the contribution rate deficit this year was primarily due to the investment loss.

- The return on the market value of assets for 2008-2009 for the PERS Fund was -24.04%, and was -5.21% for the preceding year.
- The return on the actuarial value of assets for 2008-2009 for the PERS Fund was 1.72% compared to the investment return assumption of 8.00%. As a result, the PERS Fund experienced an investment loss on an actuarial value basis of approximately \$100.5 million.
- The ratio of the actuarial value of assets to the market value of assets for the PERS Fund is 122.5%. Last year, this ratio was 91.4%.
- The unrecognized investment losses represent about 23% of the PERS Fund market value of assets. Unless offset by future investment gains or other favorable experience, the recognition of the \$297 million market losses is expected to have a significant impact on the System's future funded ratio and actuarial contribution requirement. This potential impact may be illustrated as follows:
 - If the deferred losses were recognized immediately in the actuarial value assets, the funded percentage would decrease from 85.1% to 69.4%.
 - If the deferred losses were recognized immediately in the actuarial value of assets, the actuarial contribution requirement would increase as follows:

	2009-2010 Actuarial Contribution Rate	2009-2010 Rate Reflecting Deferred Losses
Main System	7.74%	10.69%
Judges	10.48	17.64
National Guard	3.71	5.70
Law Enforcement with prior Main service	9.11	10.92
Law Enforcement without prior Main service	6.83	7.20

- A comparison of this year's funded ratio for PERS to the prior year is as follows:

	July 1, 2009	July 1, 2008
Actuarial Value of Assets	\$1,617,147,801	\$1,609,810,342
Actuarial Accrued Liability	1,901,200,756	1,737,626,999
Funded Ratio	85.1%	92.6%

- The actuarial valuation report as of July 1, 2009 is based on financial data as of that date. Changes in the value of assets subsequent to that date, to the extent that they exist, are not reflected. Declines in asset values will increase the actuarial cost of the plan, while increases will decrease the actuarial cost of the plan.

- 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. The next experience study is scheduled to be performed prior to the next actuarial valuation.
- The following changes were made in the plan provisions since the prior valuation:
 - For active members in the Main System and the National Guard and Law Enforcement, the pre-retirement death benefit option of the member's accrued benefit payable for 60 months to the surviving spouse is no longer available.
 - An actuarially equivalent graduated benefit option with either a one percent or two percent increase to be applied the first day of January of each year has been added, effective March 1, 2011.
- There were no changes to the actuarial assumptions since the preceding valuation.
- Effective July 1, 2009, employees of the Bureau of Criminal Investigation are required to participate in the Law Enforcement plan rather than the Main plan. A corresponding asset transfer will also take place. This is not reflected in this valuation.

III. MEMBER CHARACTERISTICS

Detailed information for all non-retired members as of July 1, 2009 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, 2009 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	19,686	47	36	144	30	19,943
Average age	47.0	57.0	34.4	41.2	35.2	47.0
Average years of service	10.4	16.8	3.6	8.7	2.5	10.4
Total annual salary	\$684,333,238	\$5,439,847	\$1,336,097	\$5,677,624	\$949,790	\$697,736,596
Average annual salary	\$34,762	\$115,741	\$37,114	\$39,428	\$31,660	\$34,987
Total accumulated member contribution account balances	\$499,497,595	\$4,005,004	\$291,291	\$3,746,848	\$105,929	\$507,646,667

For the Main System, the number of active members represents an increase of 3.4% over the 19,042 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 6.6%. Total payroll increased 8.9%, 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 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; 22 members originally from the Main System are active members in the Highway Patrol System; 9 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	723	6	1	25	0	755
Rule of 85	1,035	6	N/A	0	0	1,041
Early Retirement	<u>3,378</u>	<u>14</u>	<u>1</u>	<u>15</u>	<u>0</u>	<u>3,408</u>
Total Retirement	5,136	26	2	40	0	5,204
Deferred Retirement	<u>8,992</u>	<u>12</u>	<u>13</u>	<u>52</u>	<u>8</u>	<u>9,077</u>
Total vested	14,128	38	15	92	8	14,281
Nonvested	<u>5,558</u>	<u>9</u>	<u>21</u>	<u>52</u>	<u>22</u>	<u>5,662</u>
Total	19,686	47	36	144	30	19,943

Inactive Members

There were 3,270 inactive members (including 1 from Judges, 3 from National Guard, 10 from Law Enforcement with prior Main service, and 2 from Law Enforcement without prior Main Service) as of July 1, 2009 with vested rights to deferred retirement benefits. The average deferred monthly benefit for this group was \$362. There were also 27 members from the Main System and 6 members from National Guard on leave of absence. For these groups, a liability is carried for their deferred retirement benefits.

There were 2,025 inactive members that are due refunds (including 8 from National Guard, 3 from Law Enforcement with prior Main service, and 2 from Law Enforcement without prior Main Service).

IV. BENEFIT EXPERIENCE

New Awards

During the fiscal year ended in June 2009, 501 pensions became effective. The average monthly benefit for these pensioners was \$1,130 and their average age at retirement was 63.2. Last year, the average benefit among new pensioners was \$1,148. 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, 2009</u>	<u>July 1, 2008</u>
Normal	166	191
Rule of 85	194	186
Early	127	99
Disability	<u>14</u>	<u>11</u>
Total	501	487

Pensioners

Since benefits became payable under the current retirement program, a total of 9,012 retirement pensions have been awarded, of which 6,461 remained on the June 2009 rolls (including 22 retired Judges and 23 retired members of the National Guard/Law Enforcement). In addition, 74 pensions were in suspended status as of June 30, 2009. 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, 2009, the average monthly benefit was \$891, an increase from \$890 a year earlier. The average age of these pensioners on the valuation date was 71.9 years.

Beneficiaries

As of July 1, 2009, monthly benefit payments were being made to 727 beneficiaries, including 6 beneficiaries of Judges and one beneficiary of National Guard/Law Enforcement. In addition, 8 beneficiaries were in suspended status as of June 30, 2009. The monthly payments to beneficiaries in payment status total \$398,286.

Prior Service Pensioners

As of July 1, 2009, there were 22 pensioners receiving monthly benefits of \$917 under the Special Prior Service Pension provisions of the System. The current average age of Prior Service pensioners was 96.9 years, and the average monthly benefit was \$42. 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, 2009, the combined market value of net assets of the North Dakota Public Employees Retirement System (PERS) and Highway Patrolmen's Retirement System (HPRS) was \$1,360,977,213 compared to \$1,816,810,807 a year earlier. This year's combined market value represents a decrease of 25.09% 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, 2009</u>	<u>July 1, 2008</u>
Main System	\$1,287,683,367	\$1,718,937,287
Judges	23,849,876	31,545,700
National Guard	1,692,656	2,246,793
Law Enforcement with prior Main service	6,556,328	8,301,444
Law Enforcement without prior Main service	<u>221,366</u>	<u>191,807</u>
Total	\$1,320,003,593	\$1,761,223,031

The rate of return on the market value basis for the PERS Fund was -24.04% for the year ended June 30, 2009.

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. A characteristic of this asset valuation method is that, over time, it is more likely to produce an actuarial value of assets that is less than the market value of assets.

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 \$1,667,344,937 as of June 30, 2009. The determination of the combined actuarial asset value is shown in Table 1. This table shows that there is approximately \$306 million of depreciation 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 \$860,531,900 on an actuarial value basis represented an average annual return of 6.96%. For the 2008-2009 year, the actuarial rate of return on the combined assets was 1.72%.

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, 2009</u>	<u>July 1, 2008</u>
Main System	\$1,577,552,012	\$1,571,159,912
Judges	29,218,689	28,833,710
National Guard	2,073,688	2,053,636
Law Enforcement with prior Main service	8,032,215	7,587,767
Law Enforcement without prior Main service	<u>271,197</u>	<u>175,317</u>
Total	\$1,617,147,801	\$1,609,810,342

Chart 1 on page 14 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 less than the actuarial value.

Income and disbursements for 2009 and 2008 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.

A picture of the financial development of the PERS Fund over the last ten years is provided in Chart 2 on page 17. 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>
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
2009	(24.05)	1.72

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 18 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, 2009 and 2008***

<u>Year Ending</u>	<u>Total Appreciation (Depreciation)</u>	<u>June 30, 2009</u>		<u>June 30, 2008</u>	
		<u>Percent Deferred</u>	<u>Amount Deferred</u>	<u>Percent Deferred</u>	<u>Amount Deferred</u>
June 30, 2005	\$154,870,262	0%	\$0	20%	\$30,974,052
June 30, 2006	152,103,565	20%	30,420,713	40%	60,841,426
June 30, 2007	285,031,438	40%	114,012,575	60%	171,018,863
June 30, 2008	(133,303,450)	60%	(79,982,070)	80%	(106,642,760)
June 30, 2009	(463,523,678)	80%	<u>(370,818,942)</u>	N/A	<u>0</u>
Total Deferred as of Valuation Date			(\$306,367,724)		\$156,191,581
(a) Total Appreciation (Depreciation) for last five Plan Years			(4,821,863)		614,991,344
(b) Write-Up/(Down) Amount for the year - equals 20% of (a)			(964,373)		122,998,269
			<u>June 30, 2009</u>		<u>June 30, 2008</u>
Market Value of Assets			\$1,360,977,213		\$1,816,810,807
Less: Deferred Appreciation (Depreciation)			<u>(306,367,724)</u>		<u>156,191,581</u>
Actuarial Value of Assets			\$1,667,344,937		\$1,660,619,226
Actuarial Value as a Percent of Market Value			122.5%		91.4%

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
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
2009	29,260,400	1.77	(964,400)	(0.05)	28,296,000	1.72
Total for Last Ten Years	\$326,925,800		\$533,606,100		\$860,531,900	
Average Yield for last Ten Years					6.96%	

* Net of investment expenses.

** Includes write-up (down).

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

	July 1, 2009		July 1, 2008	
	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Market Value</u>	<u>Actuarial Value</u>
PERS Main System	\$1,287,683,367	\$1,577,552,012	\$1,718,937,287	\$1,571,159,912
PERS Judges	23,849,876	29,218,689	31,545,700	28,833,710
PERS National Guard	1,692,656	2,073,688	2,246,793	2,053,636
PERS Law Enforcement with prior Main service	6,556,328	8,032,215	8,301,444	7,587,767
PERS Law Enforcement without prior Main service	<u>221,366</u>	<u>271,197</u>	<u>191,807</u>	<u>175,317</u>
PERS Combined	\$1,320,003,593	\$1,617,147,801	\$1,761,223,031	\$1,609,810,342
Highway Patrol	<u>40,973,620</u>	<u>50,197,136</u>	<u>55,587,776</u>	<u>50,808,884</u>
Total	\$1,360,977,213	\$1,667,344,937	\$1,816,810,807	\$1,660,619,226

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, 2009 and 2008
(Actuarial Value Basis)***

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Contribution Income:		
Employer Contributions	\$27,705,267	\$25,253,902
Member Contributions	26,237,554	23,896,615
Service Credit Repurchases	<u>3,732,801</u>	<u>3,454,411</u>
Total Contribution Income	\$57,675,622	\$52,604,928
Less: Administrative Expenses	<u>(1,260,812)</u>	<u>(1,118,233)</u>
Net Contribution Income	<u>\$56,414,810</u>	<u>\$51,486,695</u>
Teacher's Retirement Plan Transfer	\$0	\$3,208,999
Investment Income:		
Interest and Dividends	\$34,952,090	\$45,923,349
Miscellaneous Income	1,983	5,187
Less: Investment Expenses	<u>(6,583,452)</u>	<u>(14,120,304)</u>
Net Interest and Dividends	\$28,370,621	\$31,808,232
Write-up of Assets	<u>(861,162)</u>	<u>95,181,207</u>
Net Investment Income	<u>\$27,509,459</u>	<u>\$126,989,439</u>
Total Income Available for Benefit Payments and Reserves	<u>\$83,924,269</u>	<u>\$181,685,133</u>
Benefit Payments:		
Pension Benefits	\$(71,169,574)	\$(70,153,871)
Transfers to Other Plans	(496,073)	(76,487)
Refunds	<u>(4,921,163)</u>	<u>(4,784,327)</u>
Total Benefit Payments	<u>\$(76,586,810)</u>	<u>\$(75,014,685)</u>
Addition to Reserve for Future Benefit Payments	\$7,337,459	\$106,670,448
Actuarial Value of Assets, Start of Year	<u>1,609,810,342</u>	<u>1,503,139,894</u>
Actuarial Value of Assets, End of Year	<u>\$1,617,147,801</u>	<u>\$1,609,810,342</u>

TABLE 5***Progress of the PERS Fund through June 30, 2009
(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
1999							\$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
2009	27,705,267	29,970,355	(1,260,812)	27,509,459	(496,073)	(76,090,737)	1,617,147,801
Total for Last Ten Years	\$209,586,800	\$225,812,090	(\$10,341,454)	\$832,511,762	(\$3,168,838)	(\$554,205,836)	

* Includes repurchases of service credit.

Chart 2
Income and Disbursements for PERS

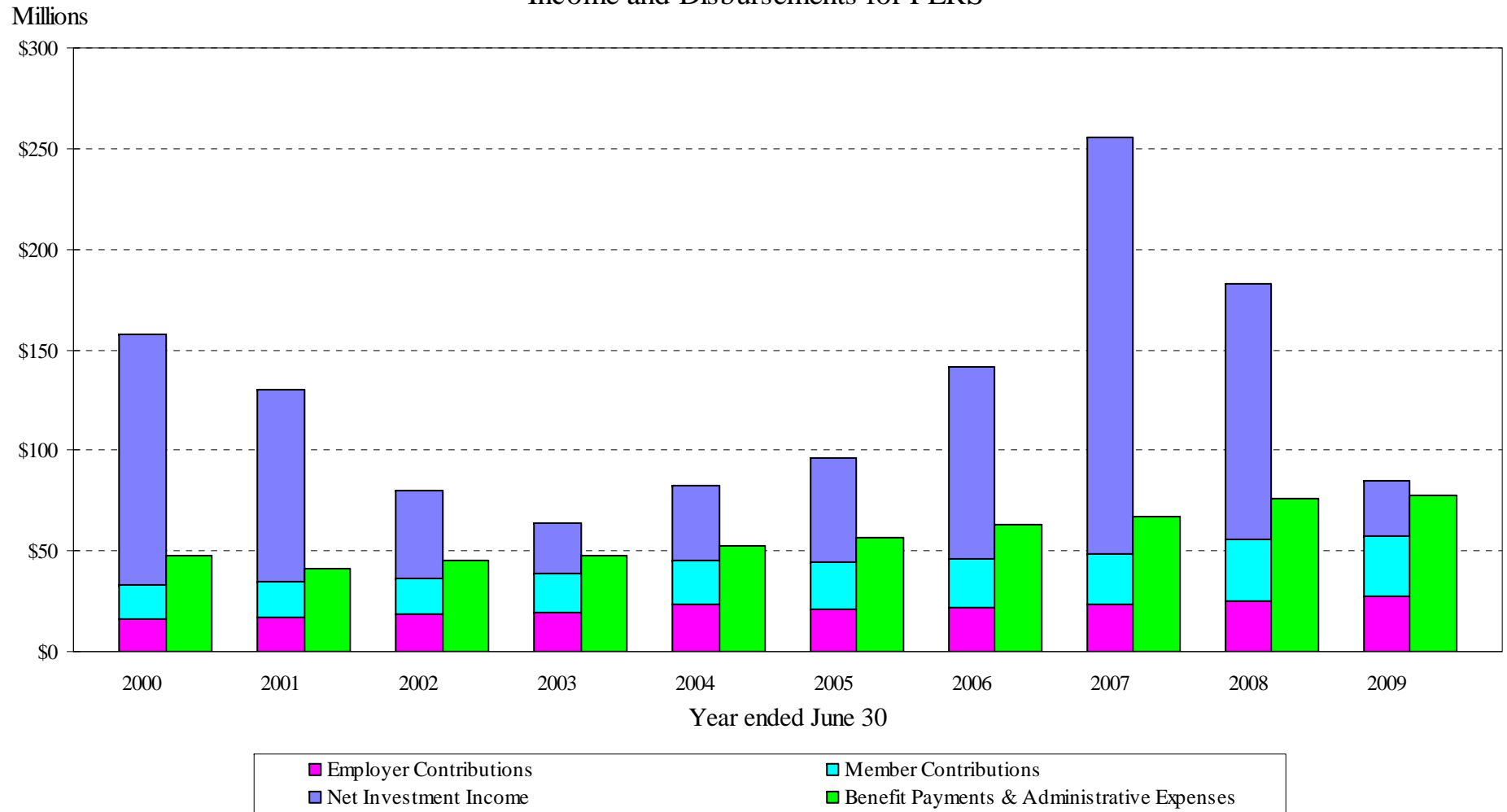
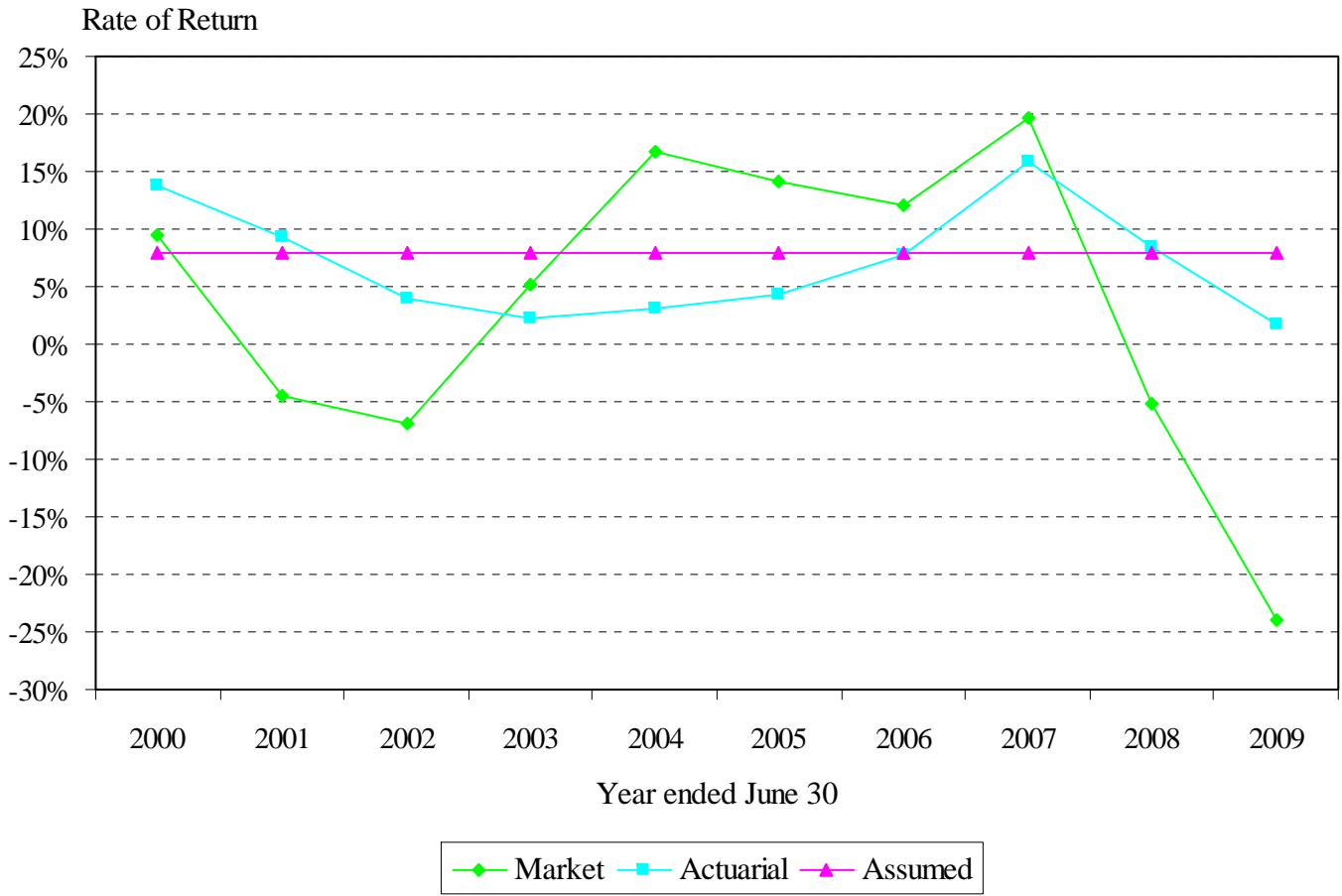


Chart 3
Investment Returns
(PERS and HPRS Combined)



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 2009-2010 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>2009 – 2010</u>	<u>Percentage</u> <u>of Payroll</u>
Total normal cost	\$59,835,649	8.75%
Less: Member contributions	<u>(27,373,330)</u>	<u>(4.00)</u>
Net employer normal cost	\$32,462,319	4.75%
Administrative expense allowance	710,000	0.10
Amortization payment (credit)	<u>19,784,166</u>	<u>2.89</u>
Total employer contribution requirement	\$52,956,485	7.74%

Covered payroll is \$684,333,238.

The statutory contribution rate is 4.12% of payroll. Hence, statutory contributions are less than the actuarial contribution requirement shown above by 3.62% of payroll. If unchanged, this difference will further increase the actuarial contribution requirement in future valuations.

The total employer actuarial contribution requirement was 6.26% of payroll last year. Since then, actual experience of the System during 2008-2009 has changed the actuarial contribution requirement. Table 6 presents a detailed explanation of the factors that changed the contribution requirement from July 1, 2008 to July 1, 2009.

Judges

The components of the actuarial contribution requirement are shown below:

	<u>Amount for 2009 – 2010</u>	<u>Percentage of Payroll</u>
Total normal cost	\$1,045,560	19.22%
Less: Member contributions	<u>(271,992)</u>	<u>(5.00)</u>
Net employer normal cost	\$773,568	14.22%
Administrative expense allowance	5,000	0.09
Amortization payment (credit)	<u>(208,710)</u>	<u>(3.83)</u>
Total employer contribution requirement	\$569,858	10.48%

Covered payroll is \$5,439,847.

The statutory contribution rate is 14.52% of payroll. Hence, statutory contributions exceed the actuarial contribution requirement shown above by 4.04% of payroll.

The net employer normal cost plus the administrative expense allowance is 14.31% of payroll. This should be viewed as the ultimate plan cost rate, since the total employer contribution requirement of 10.48% of payroll reflects an amortization credit. By this measure, statutory contributions are greater than the ultimate plan cost rate of 14.31% of payroll by 0.21% 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, 2008	8.99%
Investment loss	2.42
Contribution gain	(0.38)
Plan experience during the year	(0.69)
Effect of maintaining 20-year amortization schedule	<u>0.14</u>
Employer cost rate as of July 1, 2009	10.48%

National Guard

The components of the actuarial contribution requirement are shown below:

	<u>Amount for 2009 – 2010</u>	<u>Percentage of Payroll</u>
Total normal cost	\$117,669	8.81%
Less: Member contributions	<u>(53,443)</u>	<u>(4.00)</u>
Net employer normal cost	\$64,226	4.81%
Administrative expense allowance	1,115	0.08
Amortization payment (credit)	<u>(15,776)</u>	<u>(1.18)</u>
Total employer contribution requirement	\$49,565	3.71%

Covered payroll is \$1,336,097.

The approved contribution rate is 6.50% of payroll. Hence, approved contributions exceed the actuarial contribution requirement shown above by 2.79% of payroll.

The net employer normal cost plus the administrative expense allowance is 4.89% of payroll. This should be viewed as the ultimate plan cost rate, since the total employer contribution requirement of 3.71% of payroll reflects an amortization credit. By this measure, approved contributions are greater than the ultimate plan cost rate of 4.89% of payroll by 1.61% 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, 2008	3.44%
Investment loss	0.72
Contribution loss	0.17
Plan experience during the year	(0.66)
Effect of maintaining 20-year amortization schedule	<u>0.04</u>
Employer cost rate as of July 1, 2009	3.71%

Law Enforcement with prior Main service

The components of the actuarial contribution requirement are shown below:

	<u>Amount for 2009 – 2010</u>	<u>Percentage of Payroll</u>
Total normal cost	\$496,308	8.74%
Less: Member contributions	<u>(227,105)</u>	<u>(4.00)</u>
Net employer normal cost	\$269,203	4.74%
Administrative expense allowance	3,253	0.06
Amortization payment (credit)	<u>244,606</u>	<u>4.31</u>
Total employer contribution requirement	\$517,062	9.11%

Covered payroll is \$5,677,624.

The approved contribution rate is 8.31% of payroll. Hence, approved contributions are less than the actuarial contribution requirement shown above by 0.80% 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, 2008	9.04%
Investment loss	0.60
Contribution loss	0.01
Plan experience during the year	(0.38)
Effect of maintaining 20-year amortization schedule	<u>(0.16)</u>
Employer cost rate as of July 1, 2009	9.11%

Law Enforcement without prior Main service

The components of the actuarial contribution requirement are shown below:

	<u>Amount for 2009 – 2010</u>	<u>Percentage of Payroll</u>
Total normal cost	\$90,588	9.53%
Less: Member contributions	<u>(37,992)</u>	<u>(4.00)</u>
Net employer normal cost	\$52,596	5.53%
Administrative expense allowance	632	0.07
Amortization payment (credit)	<u>11,668</u>	<u>1.23</u>
Total employer contribution requirement	\$64,896	6.83%

Covered payroll is \$949,790.

The approved contribution rate is 6.43% of payroll. Hence, approved contributions are less than the actuarial contribution requirement shown above by 0.40% 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, 2008	7.15%
Investment loss	0.04
Contribution loss	0.05
Plan experience during the year	(0.36)
Effect of maintaining 20-year amortization schedule	<u>(0.05)</u>
Employer cost rate as of July 1, 2009	6.83%

Main System, Judges, National Guard and Law Enforcement Combined

The components of the actuarial contribution requirement are shown below.

	<u>Amount for 2009 – 2010</u>	<u>Percentage of Payroll</u>
Total normal cost	\$61,585,774	8.83%
Less: Member contributions	<u>(27,963,862)</u>	<u>(4.01)</u>
Net employer normal cost	\$33,621,912	4.82%
Administrative expense allowance	720,000	0.10
Amortization payment (credit)	<u>19,815,954</u>	<u>2.84</u>
Total employer contribution requirement	\$54,157,866	7.76%

Covered payroll is \$697,736,596.

TABLE 6
Main System
Explanation of Change in Employer Cost Rate

	Percent of Payroll
Employer Cost Rate as of July 1, 2008	6.26%
<i>Retired Life Mortality</i>	0.20%
The release of liability due to deaths among retirees and beneficiaries was less than expected, 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, 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>	(0.01)%
The release of liability due to withdrawals prior to retirement was greater than expected, decreasing the employer cost rate.	
<i>Retirement</i>	(0.30)%
The actual liability due to non-disabled retirements was less than expected, decreasing the employer cost rate.	
<i>Investments</i>	1.04%
On an actuarial value basis, the rate of return on assets was less than the assumed rate of return, increasing the employer cost rate.	
<i>Salary Scale</i>	0.10%
Salaries increased more than expected, increasing the employer cost rate.	
<i>Contributions</i>	0.13%
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>	0.01%
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>	(0.05)%
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>	0.33%
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>	(0.11)%
The effect of maintaining a 20-year funding schedule results in a small decrease in cost.	
Employer Cost Rate as of July 1, 2009	7.74%

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

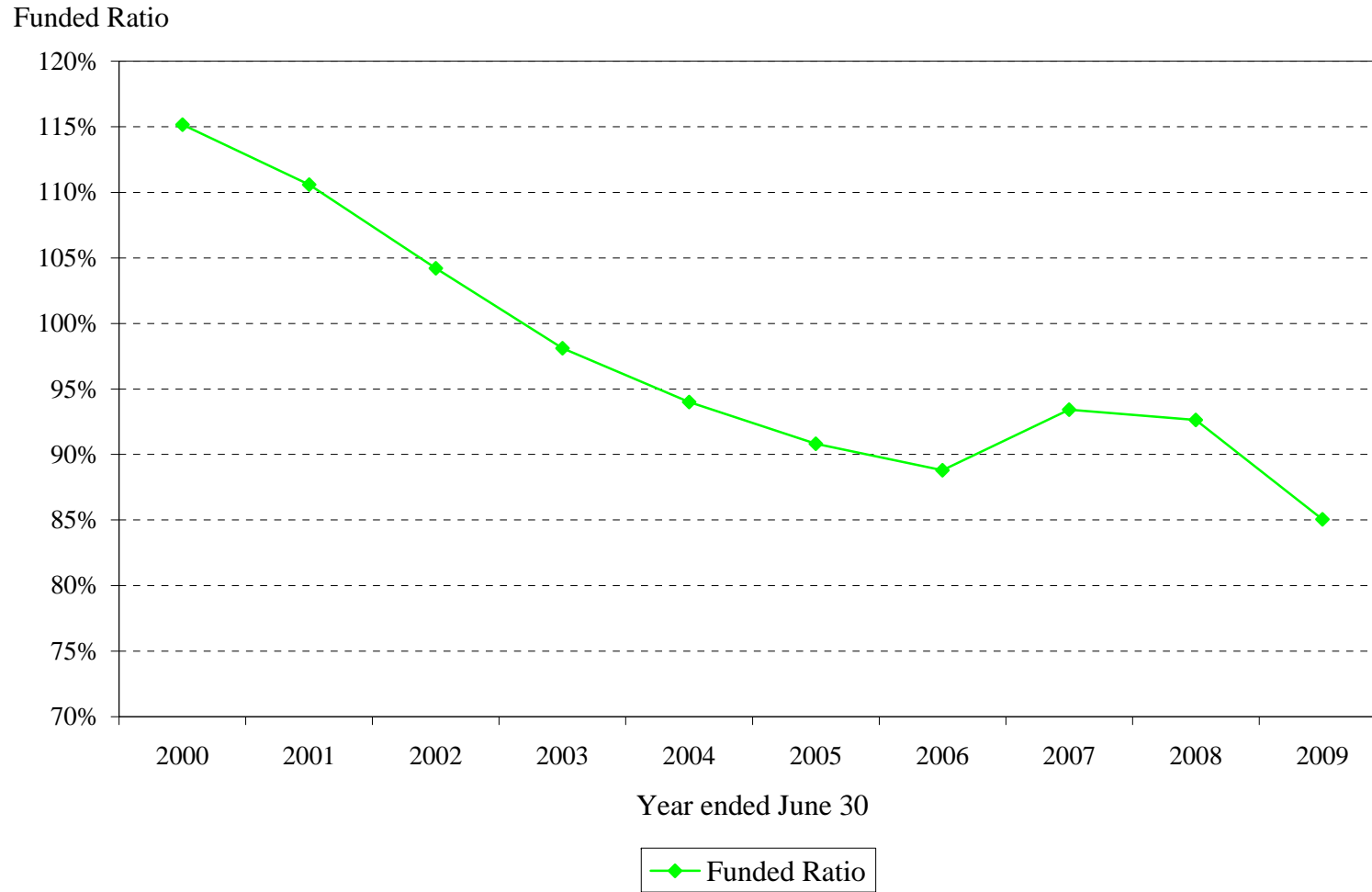
The funded ratios (under the GASB Statement No. 25 standard) for the last ten years are developed in Table 7. These ratios are graphed in Chart 4 on page 29. They show that the funded ratio has deteriorated since July 1, 2000. The ratio improved last year due to an investment gain, but decreased this year due to an investment loss. This is in part also 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 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
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
2009	1,901,200,800	1,617,147,800	85.1

Chart 4
Funded Ratio (PERS)



VIII. ACTUARIAL ASSUMPTIONS AND COST METHODS

The actuarial assumptions and cost methods used in the actuarial valuation as of July 1, 2009 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). A characteristic of this asset valuation method is that, over time, it is more likely to produce an actuarial value of assets that is less than the market value of assets.

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

November 11, 2009

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, 2009 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

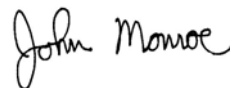
The valuation was based on information supplied by the Retirement Office with respect to member and financial data. We have not verified, and customarily would not verify, such information but we have no reason to doubt its substantial accuracy.

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, FCA, MAAA, EA
Consulting Actuary



John Monroe, ASA, MAAA, EA
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, 2009:	
	a. Active members	\$1,147,511,985
	b. Special prior service pensions.....	27,078
	c. Retired members and beneficiaries	632,540,488
	d. Inactive non-retired members	<u>80,952,754</u>
	e. Total	\$1,861,032,305
2.	Assets at actuarial value (\$1,287,683,367 at market value)	1,577,552,012
3.	Unfunded/(Surplus) actuarial accrued liability - equals (1) minus (2)	283,480,293
4.	Member and employer normal cost for ensuing year*	59,835,649
5.	Estimated annual salaries of covered members	684,333,238
6.	Member normal cost - equals 4% of (5)	27,373,330
7.	Employer normal cost for ensuing year - equals (4) minus (6)	32,462,319
8.	Amortization payment - equals 20-year amortization of item (3) as a level percent of aggregate salary*	19,784,166
9.	Administrative expenses.....	710,000
10.	Total employer cost for ensuing year - equals (7) plus (8) plus (9)	52,956,485
11.	Total employer cost as percentage of payroll - equals (10) divided by (5)	7.74%

* Adjusted for interest to recognize payments through the year.

EXHIBIT I-B
ACTUARIAL VALUATION RESULTS
JUDGES

1.	Actuarial accrued liability on July 1, 2009:		
	a. Active members	\$16,096,656	
	b. Retired members and beneficiaries	10,047,174	
	c. Inactive non-retired members	<u>201,513</u>	
	d. Total		\$26,345,343
2.	Assets at actuarial value (\$23,849,876 at market value)		29,218,689
3.	Unfunded/(Surplus) actuarial accrued liability - equals (1) minus (2)		(2,873,346)
4.	Member and employer normal cost for ensuing year*		1,045,560
5.	Estimated annual salaries of covered members		5,439,847
6.	Member normal cost - equals 5% of (5)		271,992
7.	Employer normal cost for ensuing year - equals (4) minus (6)		773,568
8.	Amortization payment - equals 20-year amortization of item (3) as a level percent of aggregate salary*		(208,710)
9.	Administrative expenses		5,000
10.	Total employer cost for ensuing year - equals (7) plus (8) plus (9)		569,858
11.	Total employer cost as percentage of payroll - equals (10) divided by (5)		10.48%

* Adjusted for interest to recognize payments through the year.

EXHIBIT I-C
ACTUARIAL VALUATION RESULTS
NATIONAL GUARD

1.	Actuarial accrued liability on July 1, 2009:	
	a. Active members	\$703,950
	b. Retired members and beneficiaries	986,724
	c. Inactive non-retired members	<u>156,969</u>
	d. Total	\$1,847,643
2.	Assets at actuarial value (\$1,692,656 at market value)	2,073,688
3.	Unfunded/(Surplus) actuarial accrued liability - equals (1) minus (2)	(226,045)
4.	Member and employer normal cost for ensuing year*	117,669
5.	Estimated annual salaries of covered members	1,336,097
6.	Member normal cost - equals 4% of (5)	53,443
7.	Employer normal cost for ensuing year - equals (4) minus (6)	64,226
8.	Amortization payment - equals 20-year amortization of item (3) as a level percent of aggregate salary*	(15,776)
9.	Administrative expenses	1,115
10.	Total employer cost for ensuing year - equals (7) plus (8) plus (9)	49,565
11.	Total employer cost as percentage of payroll - equals (10) divided by (5)	3.71%

* 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, 2009:	
	a. Active members	\$8,436,823
	b. Retired members and beneficiaries	2,798,558
	c. Inactive non-retired members	<u>301,704</u>
	d. Total	\$11,537,085
2.	Assets at actuarial value (\$6,556,328 at market value)	8,032,215
3.	Unfunded/(Surplus) actuarial accrued liability - equals (1) minus (2)	3,504,870
4.	Member and employer normal cost for ensuing year*	496,308
5.	Estimated annual salaries of covered members	5,677,624
6.	Member normal cost - equals 4% of (5)	227,105
7.	Employer normal cost for ensuing year - equals (4) minus (6)	269,203
8.	Amortization payment - equals 20-year amortization of item (3) as a level percent of aggregate salary*	244,606
9.	Administrative expenses	3,253
10.	Total employer cost for ensuing year - equals (7) plus (8) plus (9)	517,062
11.	Total employer cost as percentage of payroll - equals (10) divided by (5)	9.11%

* 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, 2009:	
	a. Active members	\$324,965
	b. Retired members and beneficiaries.....	0
	c. Inactive non-retired members	<u>113,415</u>
	d. Total.....	\$438,380
2.	Assets at actuarial value (\$221,366 at market value).....	271,197
3.	Unfunded/(Surplus) actuarial accrued liability - equals (1) minus (2).....	167,183
4.	Member and employer normal cost for ensuing year*	90,588
5.	Estimated annual salaries of covered members	949,790
6.	Member normal cost - equals 4% of (5).....	37,992
7.	Employer normal cost for ensuing year - equals (4) minus (6).....	52,596
8.	Amortization payment - equals 20-year amortization of item (3) as a level percent of aggregate salary*	11,668
9.	Administrative expenses.....	632
10.	Total employer cost for ensuing year - equals (7) plus (8) plus (9)	64,896
11.	Total employer cost as percentage of payroll - equals (10) divided by (5)	6.83%

* 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, 2009:	
	a. Active members	\$1,173,074,379
	b. Special prior service pensions.....	27,078
	c. Retired members and beneficiaries	646,372,944
	d. Inactive non-retired members	<u>81,726,355</u>
	e. Total.....	\$1,901,200,756
2.	Assets at actuarial value (\$1,320,003,593 at market value)	1,617,147,801
3.	Unfunded/(Surplus) actuarial accrued liability - equals (1) minus (2)	284,052,955
4.	Member and employer normal cost for ensuing year*	61,585,774
5.	Estimated annual salaries of covered members	697,736,596
6.	Member normal cost.....	27,963,862
7.	Employer normal cost for ensuing year - equals (4) minus (6)	33,621,912
8.	Amortization payment - equals 20-year amortization of item (3) as a level percent of aggregate salary*	19,815,954
9.	Administrative expenses.....	720,000
10.	Total employer cost for ensuing year - equals (7) plus (8) plus (9)	54,157,866
11.	Total employer cost as percentage of payroll - equals (10) divided by (5)	7.76%

* 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.

4. Refund of Employee Contributions:

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.

EXHIBIT II (continued)

5. 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)

6. 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.

7. Interest Rate:

8.00% per annum, net of investment expenses.

8. Annual Administrative Expenses:

Main System: \$ 710,000

Judges: \$ 5,000

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

9. 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)

10. Payroll Growth:

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

11. 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.

12. Part-Time Employees:

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

13. 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.

14. 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.

15. 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. A characteristic of this asset valuation method is that, over time, it is more likely to produce an actuarial value of assets that is less than the market value of assets.

16. 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)

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

None assumed.

18. 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

The following changes were made in the plan provisions since the prior valuation:

- For active members in the Main System and the National Guard and Law Enforcement, the pre-retirement death benefit option of the member's accrued benefit payable for 60 months to the surviving spouse is no longer available.
- An actuarially equivalent graduated benefit option with either a one percent or two percent increase to be applied the first day of January of each year has been added, effective March 1, 2011.

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.
- 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 with pop-up (for Main System, National Guard and Law Enforcement)
- 100% joint and survivor annuity with pop-up
- Twenty-year certain and life annuity
- Ten-year certain and life annuity
- Social Security level income annuity
- A partial lump sum payment in addition to one of the annuity options above.
- Effective March 1, 2011, an actuarially equivalent graduated benefit option with either a one percent or two percent increase to be applied the first day of January of each year. Not available for disability or early retirements or in combination with a partial lump sum option, a deferred normal retirement option, or a Social Security level income annuity.

EXHIBIT V (continued)

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 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%	6.50%
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, 2009
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	7,844	3,074	1,427	1,033	746	603	546	303	112
Under 20	2	2	-	-	-	-	-	-	-
20-24	245	245	-	-	-	-	-	-	-
25-29	614	544	70	-	-	-	-	-	-
30-34	682	438	192	52	-	-	-	-	-
35-39	739	358	189	170	22	-	-	-	-
40-44	811	294	172	151	160	34	-	-	-
45-49	1,070	346	219	150	141	146	64	4	-
50-54	1,269	325	202	173	134	161	196	77	1
55-59	1,256	272	168	176	142	140	181	138	39
60-64	812	155	140	100	106	99	78	75	59
65-69	240	69	48	42	30	17	18	4	12
70-74	74	18	19	13	8	5	8	3	-
75 & Over	30	8	8	6	3	1	1	2	1

TABLE 8-B

*Census of Members in Active Service on July 1, 2009
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	12,099	4,810	2,423	1,722	1,137	928	619	330	130
Under 20	4	4	-	-	-	-	-	-	-
20-24	237	236	1	-	-	-	-	-	-
25-29	787	715	72	-	-	-	-	-	-
30-34	947	651	248	48	-	-	-	-	-
35-39	1,150	613	300	196	41	-	-	-	-
40-44	1,372	643	308	195	158	62	6	-	-
45-49	1,981	670	453	316	189	201	146	6	-
50-54	2,206	582	431	393	263	202	185	138	12
55-59	1,948	409	357	323	277	254	154	117	57
60-64	1,079	211	182	173	152	172	93	56	40
65-69	277	49	50	53	43	28	27	11	16
70-74	79	21	11	19	12	7	4	1	4
75 & Over	32	6	10	6	2	2	4	1	1

TABLE 8-C

*Census of Members in Active Service on July 1, 2009
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	19,943	7,884	3,850	2,755	1,883	1,531	1,165	633	242
Under 20	6	6	-	-	-	-	-	-	-
20-24	482	481	1	-	-	-	-	-	-
25-29	1,401	1,259	142	-	-	-	-	-	-
30-34	1,629	1,089	440	100	-	-	-	-	-
35-39	1,889	971	489	366	63	-	-	-	-
40-44	2,183	937	480	346	318	96	6	-	-
45-49	3,051	1,016	672	466	330	347	210	10	-
50-54	3,475	907	633	566	397	363	381	215	13
55-59	3,204	681	525	499	419	394	335	255	96
60-64	1,891	366	322	273	258	271	171	131	99
65-69	517	118	98	95	73	45	45	15	28
70-74	153	39	30	32	20	12	12	4	4
75 & Over	62	14	18	12	5	3	5	3	2

TABLE 9-A

*Census of Members in Active Service on July 1, 2009
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	7,844	143	229	299	656	1,072	1,319	1,202	887	581	1,456
Under 20	2	-	1	-	1	-	-	-	-	-	-
20-24	245	8	14	27	43	62	53	17	16	4	1
25-29	614	15	12	39	63	113	135	126	52	30	29
30-34	682	6	7	19	55	92	115	146	97	55	90
35-39	739	12	11	20	59	85	127	136	91	69	129
40-44	811	10	9	24	55	101	152	119	92	74	175
45-49	1,070	11	25	25	84	152	195	144	121	77	236
50-54	1,269	19	32	29	95	165	204	185	153	97	290
55-59	1,256	16	32	40	87	159	189	194	140	102	297
60-64	812	16	38	36	81	96	114	106	94	61	170
65-69	240	16	27	26	22	33	27	25	24	10	30
70-74	74	8	13	8	8	12	6	4	6	2	7
75 & Over	30	6	8	6	3	2	2	-	1	-	2

TABLE 9-B

*Census of Members in Active Service on July 1, 2009
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	12,099	318	1,091	1,573	1,972	1,857	1,801	1,261	856	509	861
Under 20	4	2	-	2	-	-	-	-	-	-	-
20-24	237	28	39	42	63	29	20	9	5	-	2
25-29	787	33	83	104	131	145	129	85	54	17	6
30-34	947	26	89	93	145	134	173	122	78	42	45
35-39	1,150	48	121	128	162	160	185	119	80	56	91
40-44	1,372	30	149	188	207	193	204	142	85	65	109
45-49	1,981	52	176	273	296	295	301	200	138	94	156
50-54	2,206	33	165	314	384	345	299	224	159	101	182
55-59	1,948	24	122	234	331	313	281	230	160	81	172
60-64	1,079	16	90	137	177	191	162	97	87	39	83
65-69	277	12	35	38	53	41	37	25	9	14	13
70-74	79	8	15	17	16	7	8	6	1	-	1
75 & Over	32	6	7	3	7	4	2	2	-	-	1

TABLE 9-C

*Census of Members in Active Service on July 1, 2009
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	19,943	461	1,320	1,872	2,628	2,929	3,120	2,463	1,743	1,090	2,317
Under 20	6	2	1	2	1	-	-	-	-	-	-
20-24	482	36	53	69	106	91	73	26	21	4	3
25-29	1,401	48	95	143	194	258	264	211	106	47	35
30-34	1,629	32	96	112	200	226	288	268	175	97	135
35-39	1,889	60	132	148	221	245	312	255	171	125	220
40-44	2,183	40	158	212	262	294	356	261	177	139	284
45-49	3,051	63	201	298	380	447	496	344	259	171	392
50-54	3,475	52	197	343	479	510	503	409	312	198	472
55-59	3,204	40	154	274	418	472	470	424	300	183	469
60-64	1,891	32	128	173	258	287	276	203	181	100	253
65-69	517	28	62	64	75	74	64	50	33	24	43
70-74	153	16	28	25	24	19	14	10	7	2	8
75 & Over	62	12	15	9	10	6	4	2	1	-	3

TABLE 10-A

*Pensions Awarded During the Year Ended June 30, 2009
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	220	77	49	4	90
Under \$200	28	20	6	-	2
200-399	18	8	10	-	-
400-599	25	11	11	3	-
600-799	21	8	9	1	3
800-999	18	7	8	-	3
1,000-1,199	6	3	-	-	3
1,200-1,399	18	4	2	-	12
1,400-1,599	11	3	1	-	7
1,600-1,799	12	-	2	-	10
1,800-1,999	12	2	-	-	10
2,000-2,199	8	3	-	-	5
2,200-2,399	8	1	-	-	7
2,400-2,599	7	2	-	-	5
2,600-2,799	2	-	-	-	2
2,800-2,999	6	1	-	-	5
3,000-3,199	4	1	-	-	3
3,200-3,399	6	2	-	-	4
3,400-3,599	2	-	-	-	2
3,600-3,799	2	-	-	-	2
3,800-3,999	1	-	-	-	1
4,000-4,199	1	1	-	-	-
4,200-4,399	1	-	-	-	1
4,400-4,599	1	-	-	-	1
4,600-4,799	-	-	-	-	-
4,800-4,999	-	-	-	-	-
5,000 & Over	2	-	-	-	2

TABLE 10-B

*Pensions Awarded During the Year Ended June 30, 2009
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	281	89	78	10	104
Under \$200	36	14	21	1	-
200-399	35	13	20	1	1
400-599	37	11	19	5	2
600-799	21	10	6	3	2
800-999	30	17	4	-	9
1,000-1,199	34	5	8	-	21
1,200-1,399	23	9	-	-	14
1,400-1,599	16	2	-	-	14
1,600-1,799	12	1	-	-	11
1,800-1,999	16	3	-	-	13
2,000-2,199	5	2	-	-	3
2,200-2,399	4	1	-	-	3
2,400-2,599	3	-	-	-	3
2,600-2,799	1	-	-	-	1
2,800-2,999	3	-	-	-	3
3,000-3,199	1	-	-	-	1
3,200-3,399	-	-	-	-	-
3,400-3,599	1	-	-	-	1
3,600-3,799	-	-	-	-	-
3,800-3,999	1	1	-	-	-
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	1	-	-	-	1

TABLE 10-C

*Pensions Awarded During the Year Ended June 30, 2009
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	Rule of 85
Total	501	166	127	14	194
Under \$200	64	34	27	1	2
200-399	53	21	30	1	1
400-599	62	22	30	8	2
600-799	42	18	15	4	5
800-999	48	24	12	-	12
1,000-1,199	40	8	8	-	24
1,200-1,399	41	13	2	-	26
1,400-1,599	27	5	1	-	21
1,600-1,799	24	1	2	-	21
1,800-1,999	28	5	-	-	23
2,000-2,199	13	5	-	-	8
2,200-2,399	12	2	-	-	10
2,400-2,599	10	2	-	-	8
2,600-2,799	3	-	-	-	3
2,800-2,999	9	1	-	-	8
3,000-3,199	5	1	-	-	4
3,200-3,399	6	2	-	-	4
3,400-3,599	3	-	-	-	3
3,600-3,799	2	-	-	-	2
3,800-3,999	2	1	-	-	1
4,000-4,199	2	1	-	-	1
4,200-4,399	1	-	-	-	1
4,400-4,599	1	-	-	-	1
4,600-4,799	-	-	-	-	-
4,800-4,999	-	-	-	-	-
5,000 & Over	3	-	-	-	3

TABLE 11-A

***Pensions Awarded During the Year Ended June 30, 2009
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	220	77	49	4	90
Under 50	1	-	-	1	-
50-54	5	-	-	-	5
55-59	29	3	7	1	18
60-64	99	-	37	2	60
65-69	62	50	5	-	7
70-74	18	18	-	-	-
75 & Over	6	6	-	-	-

TABLE 11-B

*Pensions Awarded During the Year Ended June 30, 2009
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	281	89	78	10	104
Under 50	2	-	-	2	-
50-54	9	-	-	4	5
55-59	52	-	19	2	31
60-64	122	-	55	2	65
65-69	72	65	4	-	3
70-74	16	16	-	-	-
75 & Over	8	8	-	-	-

TABLE 11-C

***Pensions Awarded During the Year Ended June 30, 2009
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	501	166	127	14	194
Under 50	3	-	-	3	-
50-54	14	-	-	4	10
55-59	81	3	26	3	49
60-64	221	-	92	4	125
65-69	134	115	9	-	10
70-74	34	34	-	-	-
75 & Over	14	14	-	-	-

TABLE 12-A

*Current Plan Pensions in Force on July 1, 2009
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	2,798	910	645	154	1,089
Under \$200	285	167	98	10	10
200-399	424	172	186	58	8
400-599	344	123	150	56	15
600-799	230	95	96	18	21
800-999	198	79	46	6	67
1,000-1,199	228	72	24	3	129
1,200-1,399	200	44	14	1	141
1,400-1,599	142	30	10	1	101
1,600-1,799	134	27	5	-	102
1,800-1,999	110	17	5	-	88
2,000-2,199	96	12	1	1	82
2,200-2,399	91	13	5	-	73
2,400-2,599	77	10	-	-	67
2,600-2,799	59	9	1	-	49
2,800-2,999	42	10	1	-	31
3,000-3,199	29	4	1	-	24
3,200-3,399	34	7	-	-	27
3,400-3,599	16	1	2	-	13
3,600-3,799	9	2	-	-	7
3,800-3,999	12	3	-	-	9
4,000-4,199	8	3	-	-	5
4,200-4,399	9	2	-	-	7
4,400-4,599	5	2	-	-	3
4,600-4,799	4	2	-	-	2
4,800-4,999	3	2	-	-	1
5,000 & Over	9	2	-	-	7

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

TABLE 12-B

***Current Plan Pensions in Force on July 1, 2009
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	3,663	1,170	1,321	184	988
Under \$200	619	242	358	10	9
200-399	905	323	501	74	7
400-599	605	229	289	64	23
600-799	352	132	103	29	88
800-999	307	88	36	6	177
1,000-1,199	256	59	24	1	172
1,200-1,399	185	38	5	-	142
1,400-1,599	123	17	1	-	105
1,600-1,799	97	13	2	-	82
1,800-1,999	65	8	1	-	56
2,000-2,199	42	9	-	-	33
2,200-2,399	35	3	-	-	32
2,400-2,599	21	1	1	-	19
2,600-2,799	16	1	-	-	15
2,800-2,999	12	-	-	-	12
3,000-3,199	2	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	4	2	-	-	2
4,000-4,199	2	-	-	-	2
4,200-4,399	2	1	-	-	1
4,400-4,599	-	-	-	-	-
4,600-4,799	-	-	-	-	-
4,800-4,999	1	1	-	-	-
5,000 & Over	1	-	-	-	1

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

TABLE 12-C

***Current Plan Pensions in Force on July 1, 2009
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	6,461	2,080	1,966	338	2,077
Under \$200	904	409	456	20	19
200-399	1,329	495	687	132	15
400-599	949	352	439	120	38
600-799	582	227	199	47	109
800-999	505	167	82	12	244
1,000-1,199	484	131	48	4	301
1,200-1,399	385	82	19	1	283
1,400-1,599	265	47	11	1	206
1,600-1,799	231	40	7	-	184
1,800-1,999	175	25	6	-	144
2,000-2,199	138	21	1	1	115
2,200-2,399	126	16	5	-	105
2,400-2,599	98	11	1	-	86
2,600-2,799	75	10	1	-	64
2,800-2,999	54	10	1	-	43
3,000-3,199	31	5	1	-	25
3,200-3,399	40	8	-	-	32
3,400-3,599	19	1	2	-	16
3,600-3,799	11	3	-	-	8
3,800-3,999	16	5	-	-	11
4,000-4,199	10	3	-	-	7
4,200-4,399	11	3	-	-	8
4,400-4,599	5	2	-	-	3
4,600-4,799	4	2	-	-	2
4,800-4,999	4	3	-	-	1
5,000 & Over	10	2	-	-	8

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

TABLE 13-A

***Current Plan Pensions in Force on July 1, 2009
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	2,798	910	645	154	1,089
Under 50	9	-	-	9	-
50-54	27	-	-	16	11
55-59	143	5	17	27	94
60-64	408	6	111	42	249
65-69	639	161	159	21	298
70-74	562	210	119	14	219
75-79	448	192	102	15	139
80-84	300	160	80	4	56
85-89	185	120	37	5	23
90 & Over	77	56	20	1	-

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

TABLE 13-B

***Current Plan Pensions in Force on July 1, 2009
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	3,663	1,170	1,321	184	988
Under 50	15	-	-	15	-
50-54	43	-	-	28	15
55-59	176	-	38	27	111
60-64	475	1	177	36	261
65-69	845	227	291	31	296
70-74	773	258	306	27	182
75-79	558	240	226	14	78
80-84	413	201	176	3	33
85-89	224	135	74	3	12
90 & Over	141	108	33	-	-

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

TABLE 13-C

***Current Plan Pensions in Force on July 1, 2009
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	6,461	2,080	1,966	338	2,077
Under 50	24	-	-	24	-
50-54	70	-	-	44	26
55-59	319	5	55	54	205
60-64	883	7	288	78	510
65-69	1,484	388	450	52	594
70-74	1,335	468	425	41	401
75-79	1,006	432	328	29	217
80-84	713	361	256	7	89
85-89	409	255	111	8	35
90 & Over	218	164	53	1	-

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

TABLE 14-A

*Special Prior Service Pensions in Force on July 1, 2009
by Monthly Amount*

(Males)

Monthly Amount	Total
Total	5
Under \$20	1
20-39	2
40-59	-
60-79	1
80-99	1
100-119	-
120-139	-
140-159	-
160 & Over	-

TABLE 14-B

*Special Prior Service Pensions in Force on July 1, 2009
by Monthly Amount*

(Females)

Monthly Amount	Total
Total	17
Under \$20	4
20-39	5
40-59	4
60-79	2
80-99	1
100-119	-
120-139	1
140-159	-
160 & Over	-

TABLE 14-C

*Special Prior Service Pensions in Force on July 1, 2009
by Monthly Amount*

(All Members)

Monthly Amount	Total
Total	22
Under \$20	5
20-39	7
40-59	4
60-79	3
80-99	2
100-119	-
120-139	1
140-159	-
160 & Over	-

TABLE 15-A

*Special Prior Service Pensions in Force on July 1, 2009
by Nearest Age*

(Males)

Nearest Age	Total
Total	5
85-89	-
90-94	1
95-99	4
100 & Over	-

TABLE 15-B

*Special Prior Service Pensions in Force on July 1, 2009
by Nearest Age*

(Females)

Nearest Age	Total
Total	17
85-89	-
90-94	3
95-99	12
100 & Over	2

TABLE 15-C

***Special Prior Service Pensions in Force on July 1, 2009
by Nearest Age***

(All Members)

Nearest Age	Total
Total	22
85-89	-
90-94	4
95-99	16
100 & Over	2

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