

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OF NEW JERSEY
FORTY-SEVENTH ANNUAL REPORT
OF THE ACTUARY
PREPARED AS OF JULY 1, 2001

February 8, 2002

Board of Trustees
Public Employees' Retirement System
of New Jersey
Trenton, New Jersey

Members of the Board:

Enclosed please find a report summarizing the results of the forty-seventh annual valuation of the assets and liabilities of the Public Employees' Retirement System of New Jersey. The valuation represents the eightieth annual valuation of retirement benefits provided by the State and other public employers in New Jersey if the valuations made under the provisions of the State Employees' Retirement System of New Jersey, which was superseded by the present system, are included. The valuation shows the financial condition of the System as of July 1, 2001 and gives the basis for determining the appropriation payable by the employers for the fiscal year beginning July 1, 2002.

The valuation was prepared on the basis of the revised actuarial assumptions that were developed on the basis of the three year experience investigation for the period ended March 31, 1999 which was approved by the Board of Trustees at the October 18, 2000 Board meeting and the revised funding policy set forth in Chapter 41, P.L. 1992 and Chapter 62, P.L. 1994. The funding policy includes the use of the projected unit credit funding method for pension benefits and a salary scale which averages 5.95 percent. An interest rate of 8¾ percent was used in determining the liabilities of the System in accordance with the directive of the State Treasurer issued in 1992 under the terms of Chapter 41, P.L. 1992. In addition, the valuation reflects the provision of Chapter 115, P.L. 1997 of the Pension Security Proposal Legislation. This legislation permitted the State to pay off the unfunded accrued liabilities from the proceeds of pension obligation bonds. Finally, the report also incorporates the provisions of Chapter 133, P.L. 2001, which provided for an increase in pension allowances payable from the System for active members, existing retirees and beneficiaries, reduced the age requirement and increased the benefits payable to certain veteran members, prescribed the use of market value as actuarial value of assets for the June 30, 1999 valuation and established the Benefit Enhancement Fund to fund the cost of the benefit improvements.

The Table of Contents, which follows, highlights the Sections of the Report.

Respectfully submitted,

(Signed) LISA A. WITLEN

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REPORT ON THE FORTY-SEVENTH
VALUATION OF
THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OF NEW JERSEY
PREPARED AS OF JULY 1, 2001

SECTION I—SUMMARY OF KEY RESULTS

The Public Employees' Retirement System of New Jersey, which began operation January 2, 1955, was established under Chapter 84 of the Laws of 1954. It supersedes the State Employees' Retirement System of New Jersey which began operating as of January 1, 1922. This report, prepared as of July 1, 2001, presents the results of the forty-seventh actuarial valuation of the System.

For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results are summarized on the following pages.

Valuation Date	July 1, 2001	July 1, 2000
Number of members	280,828	269,942
Annual compensation	\$ 9,161,706,923	\$ 8,576,117,039
Annual compensation for contribution purposes*	\$ 8,528,722,526	\$ 8,005,243,372
Number of beneficiaries on the roll	104,925	102,243
Annual allowances		
Basic allowances	\$ 906,517,857	\$ 846,024,499
COLA	<u>132,362,221</u>	<u>120,152,976</u>
Total annual allowances	\$ 1,038,880,078	\$ 966,177,475
Number of vested terminated members	2,057	1,957
Market value of assets**	\$ 24,494,402,742	\$ 27,960,216,276
Valuation assets**	\$ 28,003,359,845	\$ 24,312,734,508
CONTRIBUTION RATES		
<u>STATE</u>		
Normal contribution rates		
Basic allowances	0.00%	0.00%
Chapter 133 Normal Cost***	0.00	N/A
Non-Contributory Group Insurance		
Premium Fund	0.00	0.00
Active COLA	0.00	0.00
PRM premiums	<u>##</u>	<u>##</u>
Total normal contribution rate	0.00%	0.00%
Accrued liability contribution rates		
Basic allowances	0.00%	0.00%
Active COLA	0.00	0.00
ERI	<u>###</u>	<u>###</u>
Total accrued liability contribution rate	0.00%	0.00%
Total contribution rate – STATE	0.00%	0.00%
<u>LOCAL EMPLOYERS</u>		
Normal contribution rates		
Basic allowances	0.00%	0.00%
Chapter 133 Normal Cost***	0.00	N/A
Non-Contributory Group Insurance		
Premium Fund	0.00	0.00
Active COLA	<u>0.00</u>	<u>0.00</u>
Total normal contribution rate	0.00%	0.00%
Accrued liability contribution rate		
Basic allowances	0.00%	0.00%
Active COLA	0.00	0.00
ERI	<u>#</u>	<u>#</u>
Total accrued liability rate	0.00%	0.00%
Total contribution rate – LOCAL	0.00%	0.00%

* Excludes inactive members.

** Includes receivable contribution of \$86,693,289 for 2001 and \$84,052,293 for 2000 and excludes assets held in the Contributory Group Insurance Premium Fund of \$141,449,901 for 2001 and \$124,156,531 for 2000. In addition, the valuation assets shown for 2000 were determined prior to the retroactive effect of Chapter 133, P.L. 2001 which is first reflected in the July 1, 2001 results.

*** Required contributions are currently covered by assets held in the Benefit Enhancement Fund.

Rate varies by location on account of ERI.

Contributions will be the amount necessary to pay the current year's anticipated post-retirement medical premiums plus a 1/2% of compensation additional contribution.

ERI costs are included with the basic allowance costs.

Valuation Date	July 1, 2001	July 1, 2000
CONTRIBUTION AMOUNTS		
<u>STATE</u>		
Normal		
Basic allowances	\$ 0*	\$ 0*
Chapter 133 Normal Cost	0**	N/A
Non-Contributory Group Insurance		
Premium Fund	0*	0*
Active COLA	0*	0*
PRM premiums	<u>102,493,007</u>	<u>86,612,660</u>
Subtotal	\$ 102,493,007	\$ 86,612,660
Accrued liability		
Basic allowances	\$ 0***	\$ 0***
Active COLA	0***	0***
ERI	<u>#</u>	<u>#</u>
Subtotal	\$ 0	\$ 0
STATE Total at assumed payment date ##	\$ 102,493,007	\$ 86,612,660
<u>LOCAL EMPLOYERS</u>		
Normal		
Basic allowances	\$ 0*	\$ 0*
Chapter 133 Normal Cost	0**	N/A
Non-Contributory Group Insurance		
Premium Fund	0*	0*
Active COLA	<u>0*</u>	<u>0*</u>
Subtotal	\$ 0	\$ 0
Accrued liability		
Basic allowances	\$ 0***	\$ 0***
Active COLA	0***	0***
ERI ^o	<u>16,987,033</u>	<u>16,174,534</u>
Subtotal	\$ 16,987,033	\$ 16,174,534
LOCAL Total at assumed payment date ##	\$ 16,987,033	\$ 16,174,534

ERI costs are included with the basic allowance costs.

Contributions were calculated assuming payment on 7/1/2002 and 7/1/2001, respectively; interest should be added from those dates to the actual payment date.

* Required contributions have been reduced by a portion of excess valuation assets (See Section III).

** Required contributions are currently covered by assets held in the Benefit Enhancement Fund.

*** There is no required unfunded liability payment since a net surplus exists.

^o ERI costs for Local Employers consist of \$974,113 in principal and \$16,012,920 in interest for 2001 and \$153,668 in principal and \$16,020,866 in interest for 2000. The contributions also include the additional cost due to Chapter 59, P.L. 1999 for West Deptford Township.

The major benefit and contribution provisions of the statute as reflected in the valuation are summarized in Appendix A. The valuation also reflects the provisions of Chapter 133, P.L. 2001 which provides for the following changes:

- Increased the retirement benefits payable on account of service, deferred and early retirement by changing the accrual formula from $1/60$ to $1/55$ of final compensation for each year of Class B service (and from $1/70$ to $1/64$ for Class A Service). The law also increased the retirement benefit of veteran members with 35 or more years of service from $1/60$ to $1/55$ of compensation received in the last year of employment for each year of creditable service and reduced the age requirement for the benefit from 60 to 55. The law also provided for a 9.09% increase in retirement allowances for existing retirees, beneficiaries and veterans with 35 or more years of service.
- To fund the additional accrued liability for the increased benefits, the law provided that the actuarial value of assets for the valuation period ending June 30, 1999 be the full market value of the assets as of that date. Beginning with the revised June 30, 2000 valuation, the five-year average of market value with mark-up was again used.

Although this change has no material effect on the actuarial valuations as of June 30, 1999 and June 30, 2000, which were completed prior to this legislation, it did change the amount of valuation assets used for these valuations. The original amounts used for each valuation and the revised amounts reflecting the effect of Chapter 133, can be summarized as follows:

Actuarial Value of Assets	State	Local	Total System
June 30, 1999 Valuation			
Original	\$ 9,091,293,607	\$ 13,171,311,650	\$ 22,262,605,257
Revised	\$ 10,455,840,897	\$ 15,370,597,029	\$ 25,826,437,926
June 30, 2000 Valuation			
Original	\$ 9,932,222,595	\$ 14,380,511,913	\$ 24,312,734,508
Revised	\$ 11,119,378,737	\$ 16,293,890,193	\$ 27,413,268,930

- To fund the additional annual employer normal contribution for the increase in benefits, the law established the Benefit Enhancement Fund (BEF). The BEF will be funded by excess valuation assets beginning with the valuation period ending June 30, 1999. The amount of excess assets credited to the BEF cannot exceed the amount of member contributions for the fiscal year in which the additional normal contributions are payable. The BEF is limited to the present value of expected additional normal contributions for the increased benefits over the expected working lives of the active members for the valuation period. No additional excess valuation assets will be credited to the BEF after the maximum amount is attained. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay the amount of the normal contribution for the both the State and local employers not covered by assets from the BEF.

The development of the Benefit Enhancement Fund as of June 30, 2001, prior to any amount credited to the Fund as a result of this valuation, is as follows:

	<u>State</u>	<u>Local Employers</u>
a) Available Excess Valuation Assets credited to BEF as of the June 30, 1999 valuation (equal to Fiscal Year 2001 Member contributions)	\$ 90,024,979	\$ 149,721,622
b) Available Excess Valuation Assets credited to BEF as of the June 30, 2000 valuation (equal to Fiscal Year 2002 estimated Member contributions)	\$ 92,957,508	\$ 143,604,931
c) BEF prior to the June 30, 2001 valuation = [(a) * (1.0875) ² + (b) * (1.0875)]	\$207,559,894	\$ 333,239,575

There were no other changes to the plan provisions since the previous valuation.

A summary of the actuarial assumptions and methods employed in the valuation is set forth in Appendix B. As discussed above, the June 30, 1999 valuation assets were redetermined to be the full market value of assets. Beginning with the June 30, 2000 valuation, the five-year average of market value with mark-up was continued. There were no other changes in actuarial assumptions and methods used since the previous valuation.

The combination of the plan provisions, actuarial assumptions and member and beneficiary data is used to generate the overall required level of employer contributions. These contributions are composed of two separate portions—an “accrued liability contribution” and a “normal contribution”. The contributions payable are discussed in detail in Section V.

The valuation also generates a balance sheet which summarizes in some detail the total present and prospective assets and liabilities of the System. Table III of Section VI presents the detailed balance sheet as of July 1, 2001. The remainder of Section VI of this report analyzes the balance sheet.

A summary comparison of the balance sheets as of July 1, 2001 and July 1, 2000 is set forth in the following table. The allocation of assets among the various investment alternatives is shown in graphic form on page 9.

**TABLE I
COMPARATIVE BALANCE SHEET**

	July 1, 2000 (Total System)	July 1, 2001		
		State	Local	Total System
<u>ASSETS</u>				
Actuarial Value of Assets of System	\$ 24,312,734,508*	\$ 11,378,071,585	\$ 16,625,288,260	\$ 28,003,359,845
Net Unfunded Accrued Liability/(Surplus)	(3,578,393,268)	(1,237,355,493)	(2,806,249,769)	(4,043,605,262)**
Total Assets	\$ 20,734,341,240	\$ 10,140,716,092	\$ 13,819,038,491	\$ 23,959,754,583
<u>LIABILITIES</u>				
Present value of benefits to present beneficiaries payable from the:				
Retirement Reserve Fund	\$ 8,750,962,666	\$ 3,969,922,145	\$ 6,072,161,088	\$ 10,042,083,233
Post Retirement Medical Fund	188,495,212	254,252,724	N/A	254,252,724
Present value of benefits to present active members:				
Basic benefits***	9,975,338,006	4,967,802,594	6,565,360,706	11,533,163,300
COLA benefits	1,819,545,356	948,738,629	1,181,516,697	2,130,255,326
Total Liabilities	\$ 20,734,341,240	\$ 10,140,716,092	\$ 13,819,038,491	\$ 23,959,754,583

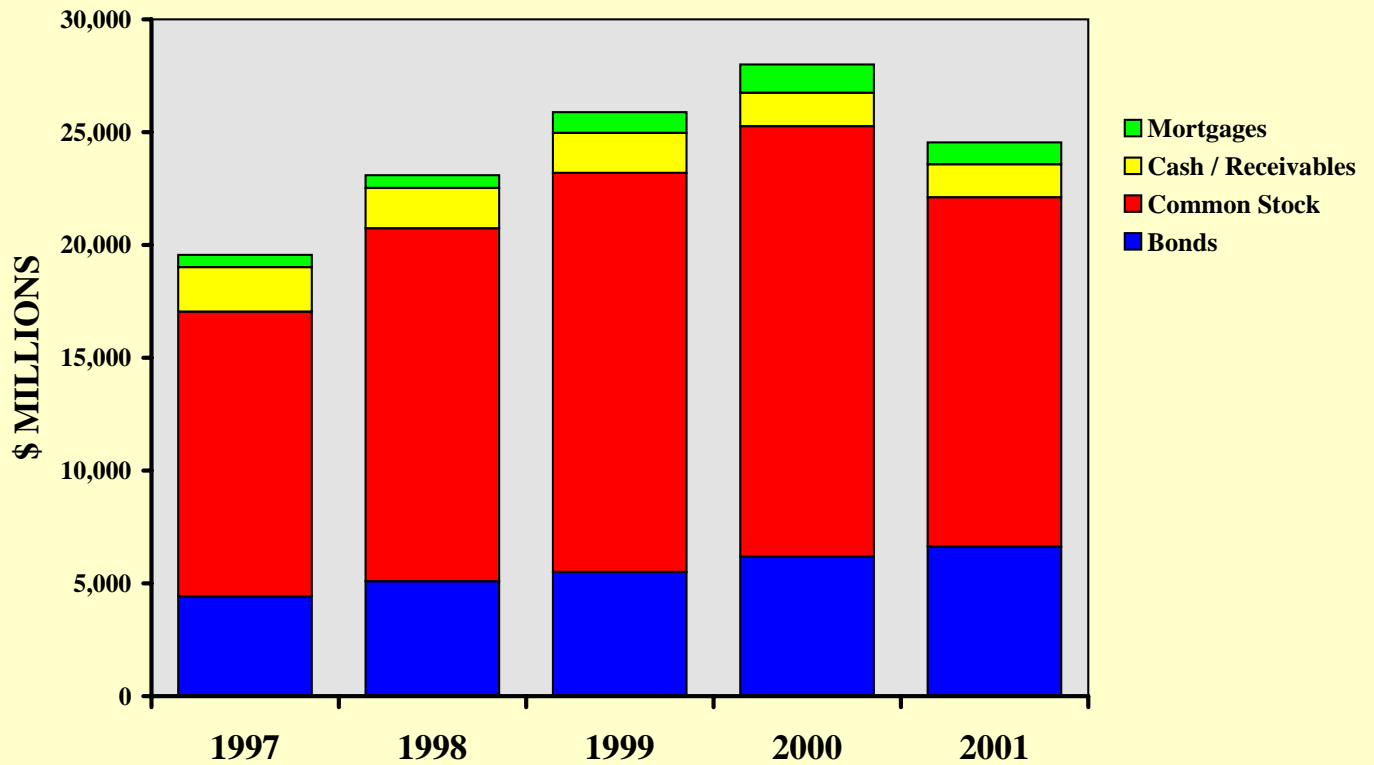
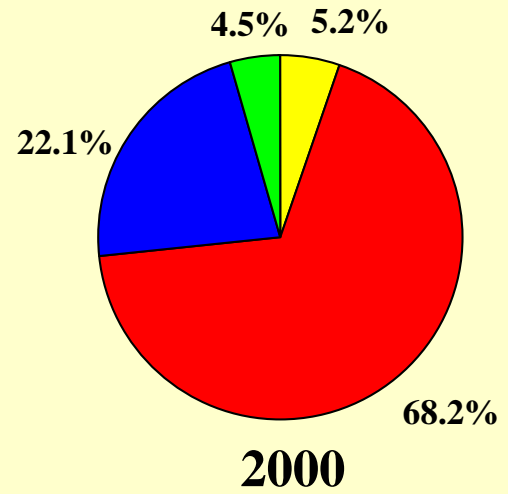
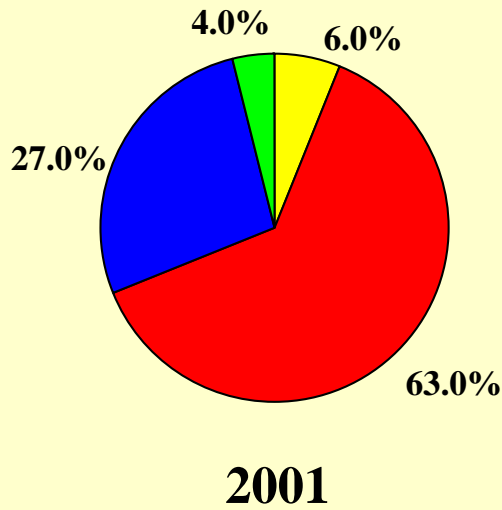
*Amount shown was determined prior to the retroactive effect of Chapter 133, P.L. 2001.

**Includes total System excess valuation assets of \$540,799,469 (\$207,559,894 for State and \$333,239,575 for Local) allocated to the Benefit Enhancement Fund.

***Includes pensioners' lump sum death benefits.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

ASSET ALLOCATION MARKET VALUE



Section IX of the report provides information regarding the level of funding for the System. Please refer to that Section for a discussion of this topic.

SECTION II—EMPLOYEE DATA

The data employed for the valuations were furnished to the actuary by the Division of Pensions and Benefits. Table IV of Section X summarizes the membership as of June 30, 2001 by various categories. Appendix C includes distributions of members by age and length of service. Some key comparisons are:

STATE

MEMBERSHIP—ACTIVE AND INACTIVE

GROUP	2001		2000	
	Number	Annual Compensation	Number	Annual Compensation
Men	33,694	\$ 1,520,322,341	32,362	\$ 1,426,725,503
Women	52,077	2,008,981,434	50,069	1,877,589,022
Law Enforcement Officers	1	49,933	5	329,515
Non-Law Enforcement Officers	85,770	3,529,253,842	82,426	3,303,985,010
Veterans	4,494	223,403,036	4,487	217,131,332
Non-Veterans	81,277	3,305,900,739	77,944	3,087,183,193

RETIRED MEMBERS AND BENEFICIARIES

GROUP	2001		2000	
	Number	Annual Allowances*	Number	Annual Allowances
Retirements	28,742	\$ 380,879,979	27,805	\$ 351,575,130
Active Members' Death Benefits	45	\$ 490,952	47	\$ 483,255
Retired Members' Death Benefits	2,731	\$ 24,355,036	2,636	\$ 22,595,267

*Annual allowances shown are prior to the increases due to Chapter 133, P.L. 2001.

LOCAL EMPLOYERS

MEMBERSHIP—ACTIVE AND INACTIVE

GROUP	2001		2000	
	Number	Annual Compensation	Number	Annual Compensation
Men	78,426	\$ 2,782,224,211	76,175	\$2,624,124,607
Women	116,631	2,850,178,937	111,336	2,647,677,907
Law Enforcement Officers	67	3,377,482	53	2,612,608
Non-Law Enforcement Officers	194,990	5,629,025,666	187,458	5,269,189,906
Veterans	9,656	361,313,540	9,830	355,698,429
Non-Veterans	185,401	5,271,089,608	177,681	4,916,104,085

RETIRED MEMBERS AND BENEFICIARIES

GROUP	2001		2000	
	Number	Annual Allowances*	Number	Annual Allowances
Retirements	66,982	\$ 590,042,763	65,608	\$ 552,994,975
Active Members' Death Benefits	98	\$ 987,984	103	\$ 1,000,725
Retired Members' Death Benefits	6,327	\$ 42,123,364	6,044	\$ 37,528,123

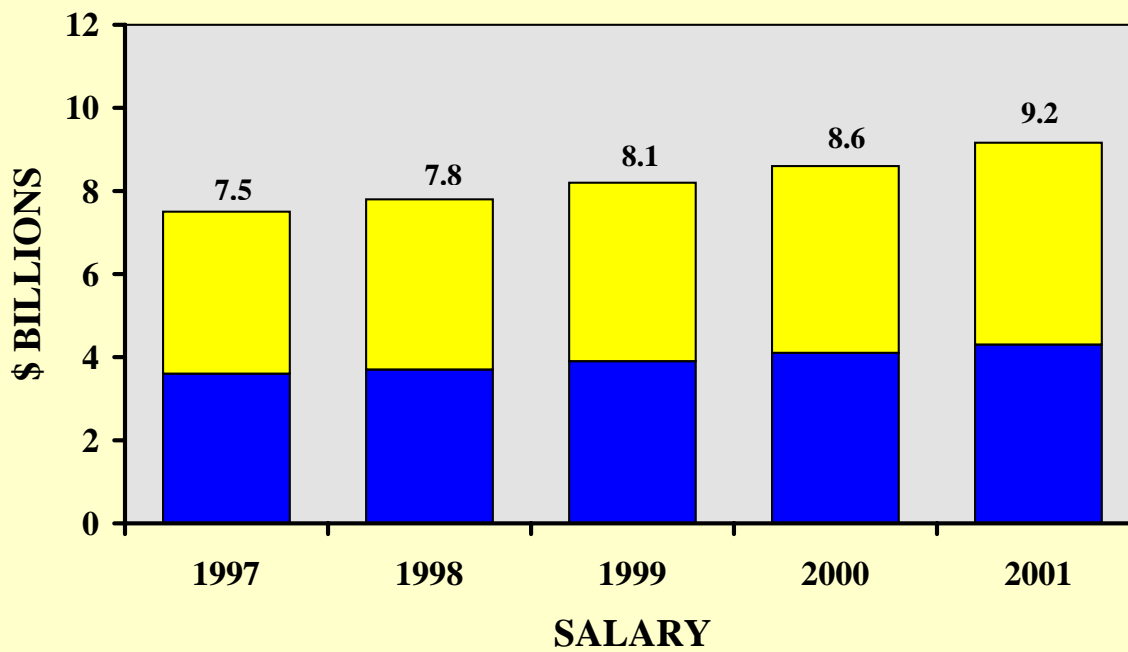
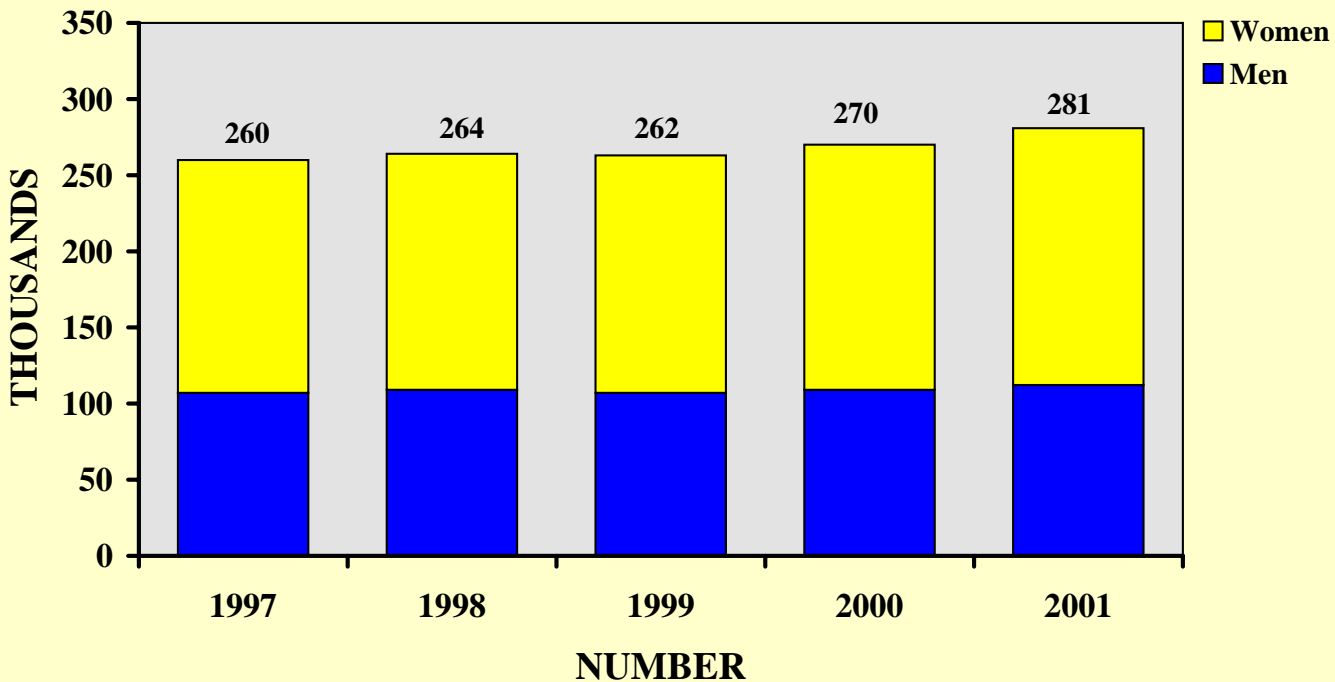
*Annual allowances shown are prior to the increases due to Chapter 133, P.L. 2001.

The number and retirement allowances of beneficiaries on the roll as of the valuation date are indicated in Table V of Section X. Appendix C provides detailed distributions.

Graphic presentations of the statistical data on membership are shown on the following pages.

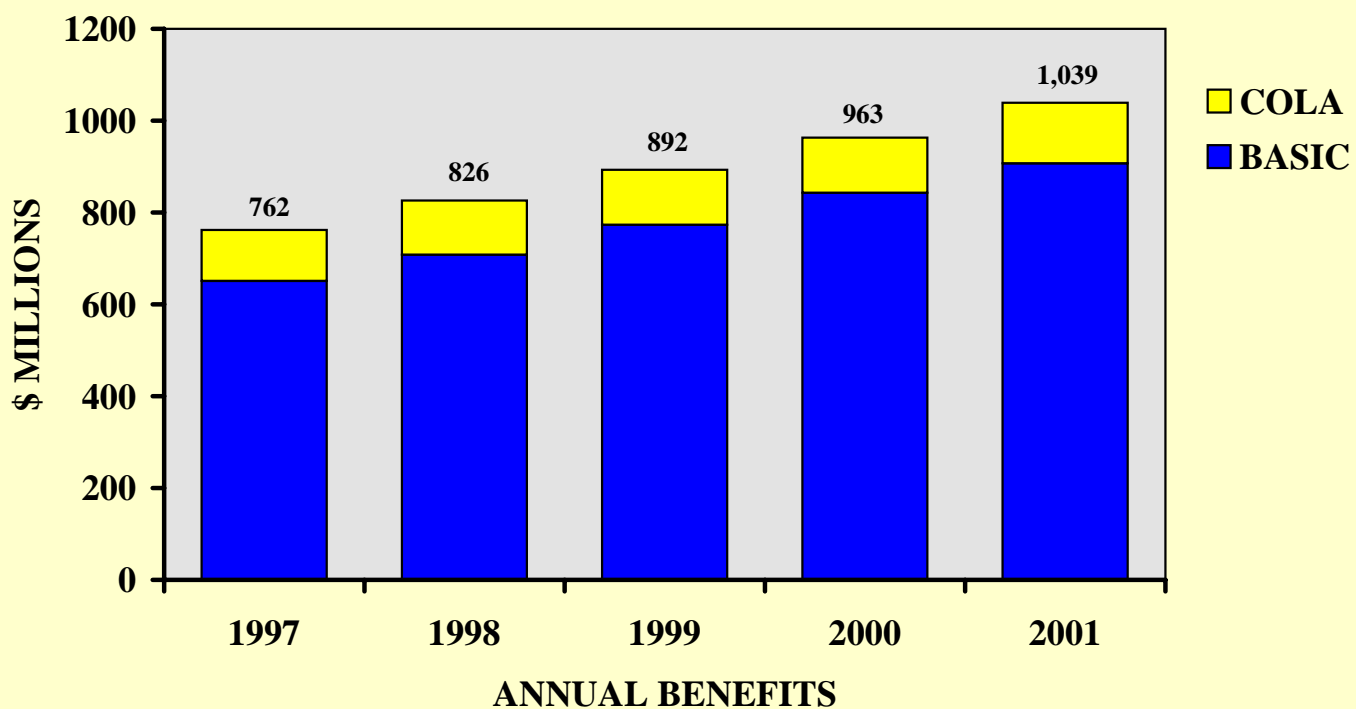
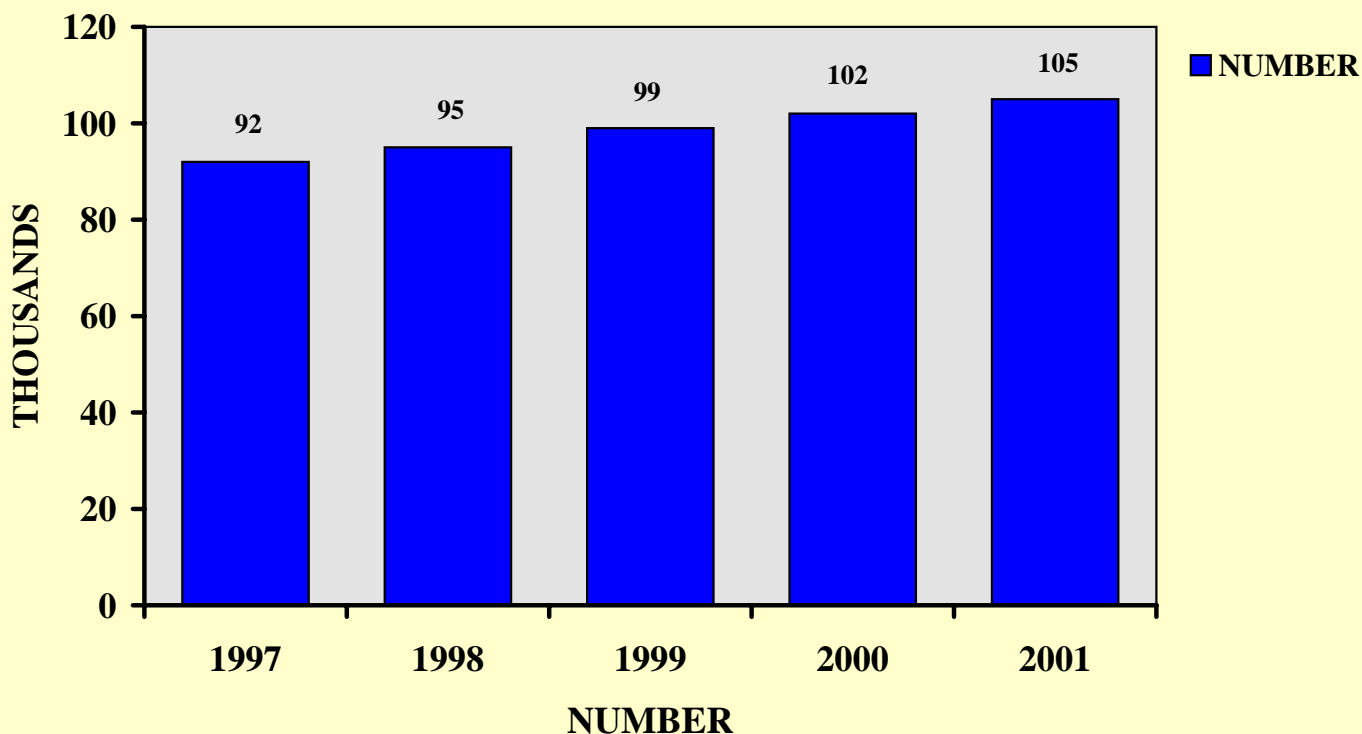
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

SUMMARY OF MEMBERSHIP (TOTAL SYSTEM)



THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

SUMMARY OF RETIRED PARTICIPATION (TOTAL SYSTEM)



SECTION III—ASSETS, LIABILITIES AND CONTRIBUTIONS

A. Reconciliation of Market Value of Assets from June 30, 2000 to June 30, 2001

	State	Local	Total System
1. Market Value of Assets as of June 30, 2000	\$ 11,264,387,136	\$ 16,735,933,378	\$ 28,000,320,514
2. Increases			
a. Pension Contributions			
(1) Members' Contributions	\$ 117,953,789	\$ 193,583,697	\$ 311,537,486
(2) Transfers from Other Systems	2,363,945	455,117	2,819,062
(3) Net Transfers From Other Funds	0	0	0
(4) Total	\$ 120,317,734	\$ 194,038,814	\$ 314,356,548
b. Employers' Contributions			
(1) Appropriations	\$ 0	\$ 0	\$ 0
(2) Post-retirement Medical Contributions	85,441,000	N/A	85,441,000
(3) Additional Employers' Contributions	0	12,473	12,473
(4) Delayed Enrollments	93,308	429,433	522,741
(5) Delayed Appropriations	(6,939)	9,162	2,223
(6) Total	\$ 85,527,369	\$ 451,068	\$ 85,978,437
c. Adjustment due to Special Reserve Fund reallocation	\$ 2,640,393	\$ (2,640,393)	\$ 0
d. Investment Income	\$ (1,027,914,939)	\$ (1,541,629,371)	\$ (2,569,544,310)
e. Total Increases	\$ (819,429,443)	\$ (1,349,779,882)	\$ (2,169,209,325)
3. Decreases			
a. Benefits Provided by Members			
(1) Withdrawals of Members' Contributions	\$ 19,179,697	\$ 40,923,440	\$ 60,103,137
(2) Withdrawals of Transfers' Contributions	4,786,988	9,538,494	14,325,482
(3) Adjustment for Loans	(315)	0	(315)
(4) Total	\$ 23,966,370	\$ 50,461,934	\$ 74,428,304
b. Benefits Provided by Employers			
(1) Insurance Premiums	\$ 12,546,624	\$ 18,819,936	\$ 31,366,560
(2) Death Benefit Claims	18,945,315	34,114,182	53,059,497
(3) Administrative Expense	6,509,700	9,764,551	16,274,251
(4) Miscellaneous Expense	(52,966)	12,517	(40,449)
(5) Total	\$ 37,948,673	\$ 62,711,186	\$ 100,659,859
c. Retirement Allowances	\$ 363,851,697	\$ 544,683,306	\$ 908,535,003
d. Medical Benefits	\$ 73,392,100	N/A	\$ 73,392,100
e. Pension Adjustment	\$ 51,634,328	\$ 73,302,241	\$ 124,936,569
f. Total Decreases	\$ 550,793,168	\$ 731,158,667	\$ 1,281,951,835
4. a. Preliminary Market Value of Assets as of June 30, 2001 = (1)+2(e)-3(f)	\$ 9,894,164,525	\$ 14,654,994,829	\$ 24,549,159,354
b. Receivable Contributions	86,612,660	0	86,612,660
c. Adjustment to June 30, 2001 Financial Report to reflect the additional Chapter 59, P.L. 1999 receivable ERI Contributions	0	80,629	80,629
d. Adjustment for NJIT transfer	41,575,439	(41,575,439)	0
e. Adjustment for Assets held in the Contributory Group Insurance Premium Fund	(46,735,167)	(94,714,734)	(141,449,901)
f. Market Value of Assets as of June 30, 2001 = 4(a)+4(b)+4(c)+4(d)+4(e)	\$ 9,975,617,457	\$ 14,518,785,285	\$ 24,494,402,742

B. Development of Valuation Assets

Chapter 133, P.L. 2001 revalued the actuarial value of plan assets to market retroactive to the June 30, 1999 valuation (beginning with the June 30, 2000 valuation, the five-year-average of market value with write-up was again used). The following summary shows the development of the actuarial value of plan assets for the current valuation:

	STATE	LOCAL EMPLOYERS	TOTAL SYSTEM
(1) Actuarial Value of Assets as of June 30, 2000 (without receivable contribution)*	\$ 11,038,635,235	\$ 16,414,737,933	\$ 27,453,373,168
(2) Net Cash Flow excluding Investment Income and receivable Employer Contributions from June 30, 2000 to June 30, 2001	(342,307,673)	(539,309,178)	(881,616,851)
(3) Expected Investment Income at 8.75%:			
a. One year's interest on Assets as of June 30, 2000	\$ 965,880,583	\$ 1,436,289,569	\$ 2,402,170,152
b. Interest on Net Cash Flow	(14,975,960)	(23,594,776)	(38,570,736)
c. Total	\$ 950,904,623	\$ 1,412,694,793	\$ 2,363,599,416
(4) Expected Actuarial Value of Assets as of June 30, 2001 = (1)+(2)+3(c)	\$ 11,647,232,185	\$ 17,288,123,548	\$ 28,935,355,733
(5) 20% of Difference from Market Value	(350,613,532)	(526,625,744)	(877,239,276)
(6) Preliminary Actuarial Value of Assets as of June 30, 2001 (without receivable contribution) = (4)+(5)	\$ 11,296,618,653	\$ 16,761,497,804	\$ 28,058,116,457
(7) Receivable Contribution	\$ 86,612,660	\$ 0	\$ 86,612,660
(8) Adjusted to June 30, 2001 Financial Report to reflect the additional Chapter 59, P.L. 1999 receivable ERI contributions	\$ 0	\$ 80,629	\$ 80,629
(9) Adjustment for NJIT transfer	\$ 41,575,439	\$ (41,575,439)	\$ 0
(10) Adjustment for assets held in the Contributory Group Insurance Premium Fund	\$ (46,735,167)	\$ (94,714,734)	\$ (141,449,901)
(11) Final Actuarial Value of Assets as of June 30, 2001 = (6)+(7)+(8)+(9)+(10)	\$ 11,378,071,585	\$ 16,625,288,260	\$ 28,003,359,845

*Reflects the retroactive adjustment required under provisions of Chapter 133, P.L. 2001.

C. Summary of Accrued Liabilities (including COLA and medical benefit reserve)

(i)	State	
1.	Present Value of Benefits Payable to Beneficiaries and Retirees	\$ 3,969,922,145
2.	Present Value of Benefits for Vested Terminated Members	\$ 34,145,277
3.	Accrued Liability for Active Members:	
a.	Service Retirement Allowances	\$ 4,233,686,300
b.	Ordinary Disability Retirement Allowances	341,789,351
c.	Accidental Disability Retirement Allowances	19,940,868
d.	Ordinary Death Benefits	97,676,426
e.	Accidental Death Benefits	958,743
f.	Return of Members' Contributions Upon Withdrawal Before Retirement	239,605,629
g.	Present value of active COLA benefits	<u>948,738,629</u>
h.	Total Active Accrued Liability = (a)+(b)+(c)+(d)+(e) +(f)+(g)	\$ 5,882,395,946
4.	Sub-Total Accrued Liability = (1)+(2)+(3)(h)	\$ 9,886,463,368
5.	Present Value of Post Retirement Medical Fund Benefits	<u>\$ 254,252,724*</u>
6.	Total Accrued Liability = (4)+(5)	\$10,140,716,092

*Includes the Fiscal Year 2002 receivable post-retirement medical contribution of \$86,612,660.

(ii)	Local Employers	
1.	Present Value of Benefits Payable to Beneficiaries and Retirees	\$ 5,885,278,088
2.	Present Value of Benefits for Vested Terminated Members	\$ 72,996,247
3.	Accrued Liability for Active Members:	
a.	Service Retirement Allowances	\$ 5,560,860,660
b.	Ordinary Disability Retirement Allowances	354,634,147
c.	Accidental Disability Retirement Allowances	13,953,706
d.	Ordinary Death Benefits	146,122,148
e.	Accidental Death Benefits	1,377,180
f.	Return of Members' Contributions Upon Withdrawal Before Retirement	415,416,618
g.	Present Value of Active COLA Benefits	<u>1,181,516,697</u>
h.	Total Active Accrued Liability = (a)+(b)+(c)+(d)+(e)+(f)+(g)	\$ 7,673,881,156
4.	Sub-Total Accrued Liability = (1)+(2)+(3)(h)	\$13,632,155,491
5.	Present Value of future ERI contributions	<u>\$ 186,883,000</u>
6.	Total Accrued Liability = (4)+(5)+(6)	\$13,819,038,491

D. Tracking of Unfunded Accrued Liability/(Surplus)

	State	Local Employers
(1) Unfunded Accrued Liability as of June 30, 2000*	\$ (1,205,042,161)	\$ (2,373,351,107)
(2) Interest on (1) at 8.75% for one year	(105,441,189)	(207,668,222)
(3) Gross Normal Cost for one year	393,600,055	458,769,760
(4) Contributions Made	208,485,496	194,489,882
(5) Expected Unfunded Accrued Liability/(Surplus) as of June 30, 2001= (1)+(2)+(3)-(4)	\$ (1,125,368,791)	\$ (2,316,739,451)
(6) Net change in Unfunded Accrued Liability due to Chapter 133, P.L. 2001	\$ (361,547,934)	\$ (737,701,761)
(7) Actual Unfunded Accrued Liability/(Surplus) as of July 1, 2001	\$ (1,237,355,493)	\$ (2,806,249,769)
(8) Gain/(Loss) for Year = (5)+(6) - (7)**	\$ (249,561,232)	\$ (248,191,443)

*Amounts shown were determined prior to the retroactive effect of Chapter 133, P.L. 2001.

**Analysis of Gain/(Loss) is discussed in Section IV.

E. Development of Excess Valuation Assets

Chapter 115, P.L. 1997 prescribes a procedure for determining the value of excess valuation assets. This law provided for a reduction in the normal contributions of the State or other employers for the valuation periods ended March 31, 1996 and March 31, 1997 to the extent possible by the excess valuation assets and permitted the State Treasurer to reduce the normal contribution payable by the State or other employers for valuations after March 31, 1997 up to a specified portion of excess valuation assets. It also provided for a reduction, for calendar years 1998 through 2001, of the contributions by employees of the State and Local employers by 2% from excess valuation assets. Chapter 133, P.L. 2001 further specified that if there are excess valuation assets available after reduction for the normal contributions payable by the State or other employers and for contributions by employees of the State and other employers, then an amount of excess assets not to exceed the amount of member contributions shall be credited to the benefit enhancement fund. The development of excess valuation assets as of June 30, 2001 is developed below:

	State	Local Employers
(1) Valuation Assets	\$ 11,378,071,585	\$ 16,625,288,260
(2) Actuarial Accrued Liability for basic benefits and COLA	9,886,463,368	13,819,038,491
(3) Post Retirement Medical Premium Fund	254,252,724*	N/A
(4) Present Value of Projected COLA Normal Cost Payments	284,683,826	403,685,055
(5) Accumulated prior reductions in Member rates of contribution	100,852,852	203,209,054
(6) Benefit Enhancement Fund**	207,559,894	333,239,575
(7) Excess Valuation Assets = (1)-(2)-(3)-(4)-(5)-(6)	\$ 644,258,921	\$ 1,866,116,085
(8) Reduction Due to Normal Cost from July 1, 2001 valuation	120,044,907	179,255,726
(9) Estimated current reduction of 2% in Member rates of contribution	69,700,000	111,100,000
(10) Estimated Member rates of contribution credited to the Benefit Enhancement Fund	52,658,197	41,615,455
(11) Net Excess Valuation Assets after Reductions = (7)-(8)-(9)-(10)	\$ 401,855,817	\$ 1,534,144,904

*Includes the Fiscal Year 2002 receivable post-retirement medical contribution of \$86,612,660.

**Established by Chapter 133, P.L. 2001 and developed retroactively from the June 30, 1999 valuation.

F. Development of Required Contribution

	Prior to Recognition of <u>Excess Assets</u>	Reflecting Recognition of <u>Excess Assets</u>
(i) State		
1. Normal Cost		
a. Basic Allowances including Retiree COLA		
(i) Gross Amount	\$ 274,152,990	\$ 0
(ii) Employee Portion	<u>181,749,406</u>	<u>0</u>
(iii) State Normal Cost = (i)-(ii)	\$ 92,403,584	\$ 0
b. Non-Contributory Group Insurance Premium Fund	16,441,919	0
c. Active COLA	21,703,333	0
d. Chapter 133 Normal Cost	23,399,620	23,399,620
e. PRM premiums	<u>102,493,007</u>	<u>102,493,007</u>
f. Preliminary Normal Cost Contribution	\$ 256,441,463	\$ 125,892,627
g. Chapter 133 Normal Cost Covered by Assets in Benefit Enhancement Fund	<u>(23,399,620)</u>	<u>(23,399,620)</u>
h. Total Normal Cost Contribution	\$ 233,041,843	\$ 102,493,007
2. Accrued Liability		
Basic Allowances including Retiree COLA and Active COLA	<u>\$ 0</u>	<u>\$ 0</u>
3. Total Contribution = 1(h)+2	\$ 233,041,843	\$ 102,493,007
(ii) Local Employers		
1. Normal Cost		
a. Basic Allowances including Retiree COLA		
(i) Gross Amount	\$ 415,402,344	\$ 0
(ii) Employee Portion	<u>289,634,214</u>	<u>0</u>
(iii) Normal Cost = (i)-(ii)	\$ 125,768,130	\$ 0
b. Non-Contributory Group Insurance Premium Fund	38,254,473	0
c. Active COLA	30,917,999	0
d. Chapter 133 Normal Cost	<u>34,615,057</u>	<u>34,615,057</u>
e. Preliminary Normal Cost Contribution	\$ 229,555,659	\$ 34,615,057
f. Chapter 133 Normal Cost Covered by Assets in Benefit Enhancement Fund	<u>(34,615,057)</u>	<u>(34,615,057)</u>
g. Total Normal Cost Contribution	\$ 194,940,602	\$ 0
2. Accrued Liability		
a. Basic Allowances including Retiree COLA and Active COLA	\$ 0	\$ 0
b. ERI Contributions	<u>16,987,033</u>	<u>16,987,033</u>
c. Total Accrued Liability Contribution	\$ 16,987,033	\$ 16,987,033
3. Total Contribution = 1(h)+2(c)	\$ 211,927,635	\$ 16,987,033

SECTION IV—COMMENTS CONCERNING THE VALUATION

The variation in liabilities and contributions reflects the System's actual experience during the year. The increase in the actuarial surplus is the net result of an increase in the surplus due to Chapter 133, P.L. 2001 and a decrease in the surplus on account of the investment return which was less than that expected (7.89% on an actuarial value of asset basis, rather than the 8.75% expected).

State

The following table outlines the effect of the various items of actuarial experience on the increase in the normal contribution rate for basic allowances and active COLA from 3.46% to 4.68% (prior to recognition of Excess Assets).

• Loss on account of new members	+ .04%
• Pay increases greater than expected	+ .01
• Phase-in of active COLA	+ .03
• Loss on account of active experience	+ .37
• Loss on account of Chapter 133, P.L. 2001*	+ .71
• Other experience	+ .06
• Total	+ 1.22%

*In accordance with Chapter 133, P.L. 2001, this amount is currently covered by assets in the Benefit Enhancement Fund.

The number of active members increased by about 3.4% between valuations while gross compensation used for contribution purposes increased by about 6.3% and average compensation increased by about 2.8% (from \$41,362 to \$42,516).

The number of pensioners and beneficiaries receiving benefits and the amount of benefits payable increased between the two valuations. The average benefit payable increased (from about \$1,024 per month to about \$1,073 per month). The increase reflects both the higher benefits payable to new retirees and the deaths of older pensioners with lower benefits but does not reflect the 9.09% increase in retirement allowance due to Chapter 133, P.L. 2001 which is effective after the valuation date. Cost-of-living increases after retirement are reflected in both amounts.

Included in Table II, which provides a summary of the contributions payable, are payments representing anticipated State post-retirement medical benefit premiums for the current year's benefits plus an amount that will ensure an increase in the Post Retirement Medical Fund of 1/2 of 1% of the salary of active members for the valuation period.

Local Employers

The following table outlines the effect of the various items of actuarial experience on the increase in the normal contribution rate for basic allowances and active COLA from 2.96% to 4.38%.

• Loss on account of new members	+ .03%
• Pay increases greater than expected	+ .07
• Phase-in of active COLA	+ .05
• Loss on account of active experience	+ .55
• Loss on account of Chapter 133, P.L. 2001*	+ .66
• Other experience	+ .06
• Total	1.42%

*In accordance with Chapter 133, P.L. 2001, this amount is currently covered by assets in the Benefit Enhancement Fund.

The number of active members increased by about 3.5% between valuations. Gross compensation increased by about 6.7%, while average compensation increased by about 3.1% (from about \$29,515 per year to \$30,443).

The total number of pensioners and beneficiaries receiving benefits and the amount of benefits payable increased between the two valuations. The average benefit payable also increased (from about \$687 per month to about \$719 per month). The increase reflects both the higher benefits payable to new retirees and the deaths of older pensioners with smaller benefits but does not reflect the 9.09% increase in retirement allowance due to Chapter 133, P.L. 2001 which is effective after the valuation date. Cost-of-living increases after retirement are reflected in both amounts.

SECTION V—CONTRIBUTIONS PAYABLE BY THE STATE AND LOCAL EMPLOYERS

The employers are required to make two contributions, a normal contribution and an accrued liability contribution (if applicable). The normal contribution for basic allowances and retiree COLAs is defined under the Projected Unit Credit funding method as the present value of the benefits accruing during the current year. The unfunded accrued liability (surplus) for basic allowances and retiree COLAs is determined as the difference between the accrued liability and the actuarial value of assets on hand. If there was no unfunded accrued liability for the State for the valuation period immediately preceding the current valuation period, the current year's accrued liability contribution is determined as a level percentage of pay required to liquidate the unfunded accrued liability in annual payouts increasing at a specific rate and paid annually for a specific time (which shall not exceed 30 years) as determined by the State Treasurer. Thereafter, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years will increase or decrease the amortization period for the unfunded accrued liability (unless an increase will cause it to exceed 30 years). For Local Employers, the initial accrued liability contribution rates were determined with the March 31, 1992 valuation as a level percentage of pay required to liquidate the unfunded accrued liability in increasing annual payouts over a period of 40 years. Any actuarial gains or losses for the 10 valuation years following the March 31, 1992 valuation will increase or decrease the unfunded accrued liability contribution (thereafter, actuarial gains or losses will increase or decrease the amortization period unless an increase will cause it to exceed 30 years).

The employers are also required to make contributions for active employees towards the payment of cost-of-living adjustments after retirement. Similar to the funding for basic allowances and retiree COLAs, the normal contribution for active COLAs was determined as the present value of the benefits accruing during the current year. The initial accrued liability contribution rates were determined for the March 31, 1992 valuation as a level percentage of pay required to liquidate the unfunded accrued liability in annual payments increasing at the rate of 6% per year over a period of 40 years. Experience gains or losses are

recognized in future accrued liability contributions. COLA benefits are fully funded as of July 1, 2001 for both the State and Local Employers.

The portion of the contribution for providing post-retirement medical costs for State employees has been determined separately. This portion is made up of three pieces, an amount necessary to pay anticipated premiums for the current year's benefits less the expected return on Post Retirement Medical Fund assets, plus an amount that will ensure an increase in the fund equal to $\frac{1}{2}$ of 1% of the salary of active State employee members for the current valuation period.

The current year's contribution to the Post Retirement Medical Fund is summarized as follows:

Anticipated current year's premium	\$ 100,764,778
Expected asset return	(14,713,690)
1/2% of active member salary for State employees	<u>16,441,919</u>
Post-retirement medical contribution	\$ 102,493,007

On the basis of the normal rates applicable to State employees and the current year's payroll, the contributions for the fiscal year beginning July 1, 2002 payable by the State and the agencies which pay the same normal rates as the State are shown in Table II.

Based on Table II, the total contribution payable by the State to the Contingent Reserve Fund is \$0 for the year beginning July 1, 2002, and the total contribution payable by the State to the Non-Contributory Group Insurance Premium Fund is also \$0. In addition, the current year's contribution to the Post Retirement Medical Account has been determined to be \$102,493,007.

TABLE II
CONTRIBUTIONS PAYABLE BY THE STATE FOR THE YEAR BEGINNING JULY 1, 2002

Division	Number	Payroll	NORMAL CONTRIBUTION					Net Post Retirement Medical Contribution
			Basic Allowances Plus Pensioner COLA*	Contribution To Non-Contributory Group Insurance Premium Fund*	Active COLA*	Due to Chapter 133, P.L. 2001***	Total	
State	64,852	\$ 2,861,166,663	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 83,037,783
Disability Insurance Services	410	19,657,124	0	0	0	0	0	759,473
All Other Units of Division of Employment Security	2,152	99,026,574	0	0	0	0	0	5,524,373
State Colleges #	9,901	308,533,427	0	0	0	0	0	13,171,378
Total	77,315	\$ 3,288,383,788	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 102,493,007
ACCRUED LIABILITY CONTRIBUTION**								
All groups								
Active members			\$ 0	\$ 0	\$ 0	N/A	\$ 0	\$ 0
Retirees			0	0	0	N/A	0	0
Total			\$ 0	\$ 0	\$ 0	N/A	\$ 0	\$ 0
Grand Total			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 102,493,007

* Required normal contributions have been reduced by a portion of excess valuation assets as required by Chapter 115, P.L. 1997.

** There is no required accrued liability contributions since a net surplus exists.

*** Required normal contribution are currently covered by assets in the Benefit Enhancement Fund as required by Chapter 133, P.L. 2001.

Appendix H presents a summary of the fiscal year 2001 cost allocation for the State Colleges.

The certifications of the appropriations required of the Local employers are submitted separately. They were based upon a payroll of \$5,240,338,738 for 172,138 active members. The total appropriations by Local employers, including ERI contributions, are shown below.

**CONTRIBUTIONS PAYABLE BY LOCAL EMPLOYERS
FOR THE YEAR BEGINNING JULY 1, 2002**

Contributions to Contingent Reserve Fund:	
Normal	\$ 0*
Accrued Liability	0**
Contribution to Non-Contributory Group Insurance Premium Fund	0*
ERI Contributions	<u>16,987,033</u>
Total Contribution	\$ 16,987,033

* Required normal contributions have been reduced by a portion of excess valuations assets as required by Chapter 115, P.L. 1997. The additional normal contribution attributable to Chapter 133, P.L. 2001 is covered by assets available in the Benefit Enhancement Fund.

** There is no required accrued liability contribution since a net surplus exists.

SECTION VI - VALUATION BALANCE SHEET

The valuation balance sheet showing the assets and liabilities of the System as of July 1, 2001 is presented on the following Table III. The amounts of the present assets credited to the various funds were furnished by the Division of Pensions and Benefits, State of New Jersey.

The valuation was prepared on the basis of the results of the experience study for the period from April 1, 1996 to March 31, 1999. In determining the liabilities of the Contingent Reserve Fund and Retirement Reserve Fund, an interest rate of 8¾% was used in accordance with the directive of the State Treasurer issued in 1992. In determining the assets credited to the Benefit Enhancement Fund, an interest rate of 8 ¾% was also used in accordance with Chapter 133, P.L. 2001.

TABLE III

**VALUATION BALANCE SHEET
SHOWING THE ASSETS AND LIABILITIES OF THE FUNDS OF THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY
AS OF JULY 1, 2001**

TABLE III
VALUATION BALANCE SHEET
SHOWING THE ASSETS AND LIABILITIES OF THE FUNDS OF THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY
AS OF JULY 1, 2001

	ASSETS		
	STATE	LOCAL	TOTAL SYSTEM
Present assets of System creditable to:			
Retirement Reserve Fund:			
Credited to fund	\$ 3,630,570,747	\$ 5,617,223,561	\$ 9,247,794,308
Add (deduct) reserve transferable from (to)			
Contingent Reserve Fund	<u>339,351,398</u>	<u>454,937,527</u>	<u>794,288,925</u>
	\$ 3,969,922,145	\$ 6,072,161,088*	\$ 10,042,083,233
Annuity Savings Fund:			
Credited to Fund:	\$ 2,393,078,227	\$ 3,352,597,863	\$ 5,745,676,090
Contingent Reserve Fund:			
Credited to Fund	\$ 5,100,169,887	\$ 7,655,466,836	\$ 12,755,636,723
Add (deduct) excess interest earnings transferable from (to) Special Reserve Fund	0	0	0
Add (deduct) reserve transferable from (to) Retirement Reserve Fund	(339,351,398)	(454,937,527)	(794,288,925)
Add (deduct) reserve transferable from (to) Benefit Enhancement Fund	<u>(207,559,894)</u>	<u>(333,239,575)</u>	<u>(540,799,469)</u>
	\$ 4,553,258,595	\$ 6,867,289,734	\$ 11,420,548,329
Special Reserve Fund:			
Credited to Fund	\$ 0	\$ 0	\$ 0
Add (deduct) excess interest earnings transferable from (to) Contingent Reserve Fund	0	0	0
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Benefit Enhancement Fund##:			
Credited to Fund	\$ 0	\$ 0	\$ 0
Add (deduct) reserve transferable from (to) Contingent Reserve Fund	<u>207,559,894</u>	<u>333,239,575</u>	<u>540,799,469</u>
	\$ 207,559,894**	\$ 333,239,575**	\$ 540,799,469**
Post-Retirement Medical Fund	<u>\$ 254,252,724#</u>	<u>N/A</u>	<u>\$ 254,252,724#</u>
Total Present Assets	\$ 11,378,071,585	\$ 16,625,288,260	\$ 28,003,359,845
Present value of prospective accrued liability contributions payable by the State and Local employers to the Contingent Reserve Fund for basic allowances with cost-of-living adjustments	\$ (1,029,795,599)	\$ (2,473,010,194)	\$ (3,502,805,793)
Excess assets allocated to the Benefit Enhancement Fund	<u>\$ (207,559,894)</u>	<u>\$ (333,239,575)</u>	<u>\$ (540,799,469)</u>
Total Assets	\$ 10,140,716,092	\$ 13,819,038,491	\$ 23,959,754,583

*Includes the present value of ERI payments as of June 30, 2001 of \$186,883,000.

**Includes excess valuation assets of \$236,562,439 (\$92,957,508 for State and \$143,604,931 for Local) credited to the Fund for the June 30, 2000 valuation (for Fiscal Year 2002 anticipated Member contributions). These amounts will be redetermined when the actual Fiscal Year 2002 Member contributions are known.

Includes the Fiscal Year 2002 receivable post-retirement medical contribution of \$86,612,660.

##Established by Chapter 133, P.L. 2001 and developed retroactively from the June 30, 1999 valuation.

TABLE III
VALUATION BALANCE SHEET
SHOWING THE ASSETS AND LIABILITIES OF THE FUNDS OF THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY
AS OF JULY 1, 2001

	LIABILITIES		
	STATE	LOCAL	TOTAL SYSTEM
Present value of benefits payable on Account of beneficiaries or their Dependents now drawing allowances from the Retirement Reserve Fund	\$ 3,969,922,145	\$ 5,885,278,088	\$ 9,855,200,233
Present value of ERI benefits	*	\$ 186,883,000	\$ 186,883,000
Present value of benefits payable from contributions to the Annuity Savings Fund and the Contingent Reserve Fund:			
• Service retirement allowances including early retirement and vesting benefits	\$ 4,267,831,569	\$ 5,633,856,907	\$ 9,901,688,476
• Ordinary disability retirement allowances	341,789,359	354,634,147	696,423,506
• Accidental disability retirement allowances	19,940,868	13,953,706	33,894,574
• Ordinary death benefits	97,676,426	146,122,148	243,798,574
• Accidental death benefits	958,743	1,377,180	2,335,923
• Return of members' contributions upon withdrawal before retirement	239,605,629	415,416,618	655,022,247
• Cost-of-living adjustments	<u>948,738,629</u>	<u>1,181,516,697</u>	<u>2,130,255,326</u>
	\$ 5,916,541,223	\$ 7,746,877,403	\$ 13,663,418,626
Post-Retirement Medical Fund	<u>\$ 254,252,724**</u>	<u>\$ N/A</u>	<u>\$ 254,252,724**</u>
Total Liabilities	\$ 10,140,716,092	\$ 13,819,038,491	\$ 23,959,754,583

*The present value of ERI benefits for the State is included with the present value of benefits payable from the Retirement Reserve Fund.

**Includes the Fiscal Year 2002 receivable post-retirement medical contribution of \$86,612,660.

The valuation balance sheet indicates the following facts regarding the various funds.

(1) Retirement Reserve Fund

When a member retires, or when he dies and an allowance is payable to his beneficiary, the allowance including cost-of-living adjustments is paid from this fund. The member's own contributions with interest are transferred from the Annuity Savings Fund and the balance of the reserve on the total allowance is transferred from the Contingent Reserve Fund. On the valuation date, the Retirement Reserve Fund has present assets of \$9,247,794,308. The liabilities of the fund amount to \$10,042,083,233 so that there is a deficit of \$794,288,925 in the fund on the valuation date. It is recommended that the fund be put in balance as of June 30, 2001 by a transfer of assets from the Contingent Reserve Fund equal to \$794,288,925 and this transfer is shown in the balance sheet.

(2) Special Reserve Fund

The Special Reserve Fund is the fund to which any excess earnings are transferred and against which any losses from the sale of securities are charged. The maximum limit on the accumulations in this fund is set at one percent of the market value of the investments of the retirement system; any amounts in excess of this limit are creditable to the Contingent Reserve Fund. Due to the investment losses, this fund has assets amounting to \$0 as of June 30, 2001. The Special Reserve Fund is considered as an asset of the retirement system.

(3) Annuity Savings Fund and Contingent Reserve Fund

The Annuity Savings Fund, which is the fund to which members' contributions with interest are credited, has assets amounting to \$5,745,676,090 as of June 30, 2001. The Contingent Reserve Fund is the fund to which contributions made by employers to provide the benefits paid from retirement system monies are credited. Payments for the group insurance made by The Prudential Insurance Company of America to provide the non-contributory cash death benefits are deducted from the Contingent Reserve Fund. The assets creditable to the Contingent Reserve Fund amount to \$11,420,548,329 as of June 30, 2001 after adjustment is made on account of the amount transferable to the Retirement Reserve Fund and the Benefit Enhancement Fund.

If a member withdraws from active service before qualifying for retirement, the amount of his accumulated deductions is paid to him from the Annuity Savings Fund. If he dies before retirement and no survivorship benefit is payable, his accumulated deductions are paid to his beneficiary from the Annuity Savings Fund. If he retires, or if he dies leaving a beneficiary eligible for a survivorship benefit, his accumulated deductions are transferred from the Annuity Savings Fund to the Retirement Reserve Fund, and the reserve on the allowance which is not provided by his own deductions is transferred from the Contingent Reserve Fund to the Retirement Reserve Fund. Any lump sum benefit payable upon the death of a member before or after retirement is paid by The Prudential Insurance Company of America.

(4) Post-Retirement Medical Fund

This fund is established to hold contributions in respect of future post-retirement medical premiums. The fund has assets of \$254,252,724 as of June 30, 2001. These assets have been included as retirement system assets. Accordingly, offsetting liabilities equal to these fund balances have also been included.

(5) Benefit Enhancement Fund

Chapter 133, P.L. 2001 established the Benefit Enhancement Fund to fund the additional annual normal contribution for the increase in benefits under this law. The Benefit Enhancement Fund is funded by excess valuation assets transferable from the Contingent Reserve Fund. The amount of excess valuation assets transferable to the fund is limited to the amount of member contributions for the fiscal year in which the additional normal contributions are payable. The fund balance is limited to the present value of expected additional normal contributions for the increased benefits over the expected working lives of the active members for the valuation period. No additional excess valuation assets will be transferred to the fund after the maximum amount is attained. The assets creditable to the Benefit Enhancement Fund from the Contingent Reserve Fund is \$540,799,469 as of June 30, 2001.

The assets are included as retirement system assets.

The June 30, 2001 valuation balance sheet shows on the liabilities side that the prospective benefits for which reserves are being accumulated in the Annuity Savings Fund and the Contingent Reserve Fund have a present value of \$13,663,418,626 including \$2,130,255,326 for prospective cost-of-living adjustments. To meet the benefit payments, the System has present assets of \$17,166,224,419 consisting of \$5,745,676,090 in the Annuity Savings Fund and \$11,420,548,329 in the Contingent Reserve Fund. If this amount is subtracted from \$13,663,418,626, the present value of prospective benefits, there exists a surplus of \$3,502,805,793. When the assets in the Special Reserve Fund amounting to \$0 are added to this amount, the surplus remains \$3,502,805,793. In addition, please note that, in accordance with Chapter 133, P.L. 2001, \$540,799,469 has been accumulated in the Benefit Enhancement Fund to fund the additional annual employer normal contributions attributable to this legislation. Adding this amount to the surplus of \$3,502,805,793 yields a net surplus of \$4,043,605,262.

In accordance with the provisions of Chapter 385, P.L. 1987, Chapter 41, P.L. 1992 and Chapter 62, P.L. 1994, the contributions of the employers to the Contingent Reserve Fund consist of two annual contributions, a normal contribution and an accrued liability contribution. The normal contribution is the present value of the benefits accruing during the current year. The initial accrued liability amortization

periods were set at 40 years commencing with the March 31, 1992 valuation with payments assumed to increase 6% per year. The contributions for active member COLA adjustments are being phased in.

On these bases, the following future contribution rates, prior to any adjustments, are required to meet the employers' obligations:

ITEM	RATE			
	State		Local	
	Normal	Accrued Liability	Normal	Accrued Liability
• Basic Allowances	2.81%	0.00%	2.40%	0.00%
• Non-Contributory Group Insurance Premium Fund	0.50	N/A	0.73	N/A
• Cost-of-Living Adjustments	1.57	0.00	1.41	0.00
• Chapter 133, P.L. 2001	0.71	N/A	0.66	N/A
• ERI	N/A	N/A	N/A	*
Total	5.59%	0.00%	5.20%	0.00%

*Actual contribution will depend on the payment schedule chosen by each location.

In accordance with the provisions of Chapter 6, P.L. 1990, contributions to fund the cost-of-living adjustments for current actives were to be phased in beginning with the March 31, 1988 valuation. Further, in accordance with the provisions of Chapter 41, P.L. 1992, amended by the provisions of Chapter 8, P.L. 1993 and Chapter 62, P.L. 1994, the phase-in for the funding of these benefits was further adjusted. The current valuation reflects a 41.92% phase-in of the active COLA benefits. In addition, the valuation reflects the revised assumptions that were developed on the basis of the three year experience investigation for the period ended March 31, 1999.

Pursuant to Chapter 114, the Pension Obligation Bond proceeds paid to the System fully funded the State unfunded accrued liability and present value of the projected cost payments in excess of the projected phased-in normal cost contribution for active COLAs.

Chapter 115, P.L. 1997 provided for a reduction in the normal contributions of the State or other employers for the valuation periods ended March 31, 1996 and March 31, 1997 to the extent possible by the excess valuation assets and permitted the State Treasurer to reduce the normal contribution payable by the State or by the other employers for valuations after March 31, 1997 up to a specified portion of excess valuation assets (See Section III(F)). The net effect of this legislation was to reduce the required contributions for Fiscal Year 2003 to the post-retirement medical premium payment (State) and the ERI contributions (Local employers).

Finally, Chapter 133, P.L. 2001 provided for the establishment of the Benefit Enhancement Fund from which any additional normal cost due to the increase in benefits under this legislation would be paid. If assets in this fund are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay the amount of the normal contribution not covered by the fund for both the State and Local employers not covered by the fund.

The actual contribution rates determined in the valuation are as follows:

ITEM	RATE			
	State		Local	
	Normal	Accrued Liability	Normal	Accrued Liability
• Basic Allowances	0.00%	0.00%	0.00%	0.00%
• Non-Contributory Group Insurance Premium Fund	0.00	N/A	0.00	N/A
• Cost-of-Living Adjustments	0.00	0.00	0.00	0.00
• Chapter 133, P.L. 2001	0.00	N/A	0.00	N/A
• ERI	N/A	N/A	N/A	*
Total	0.00%	0.00%	0.00%	0.00%

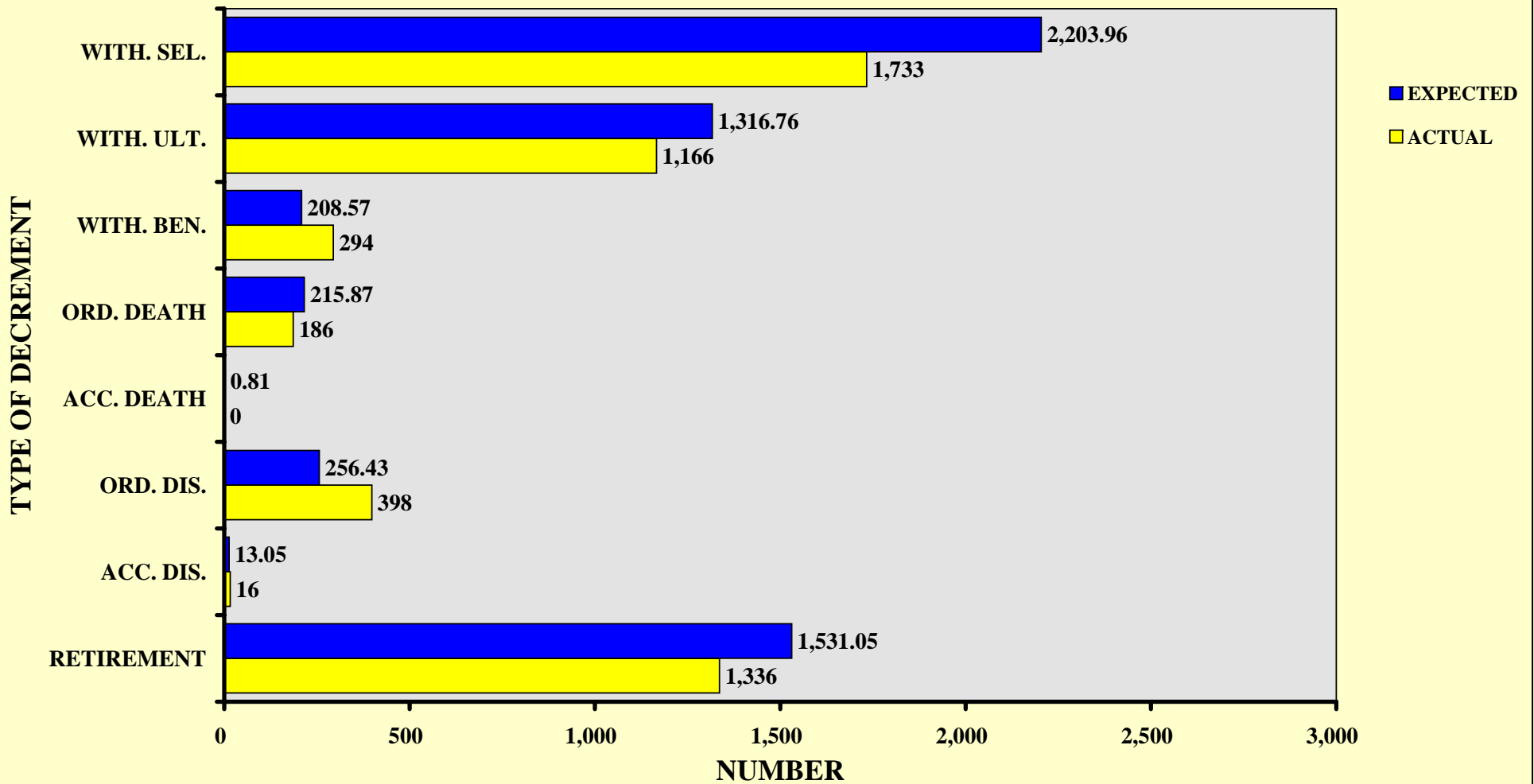
*Actual contribution will depend on the payment schedule chosen by each location.

SECTION VII—EXPERIENCE

Records are maintained with regard to developing mortality, service and compensation experience of members and beneficiaries of the System as compared to the anticipated experience based on the current assumptions that were developed on the basis of the three year experience investigation for the period ended March 31, 1999. In accordance with the provisions of Section 19 of Chapter 84 of the Laws of 1954, as amended and supplemented, once in every three-year period significant deviations are noted and revised assumptions are recommended so that the funding requirements of the System can be properly anticipated.

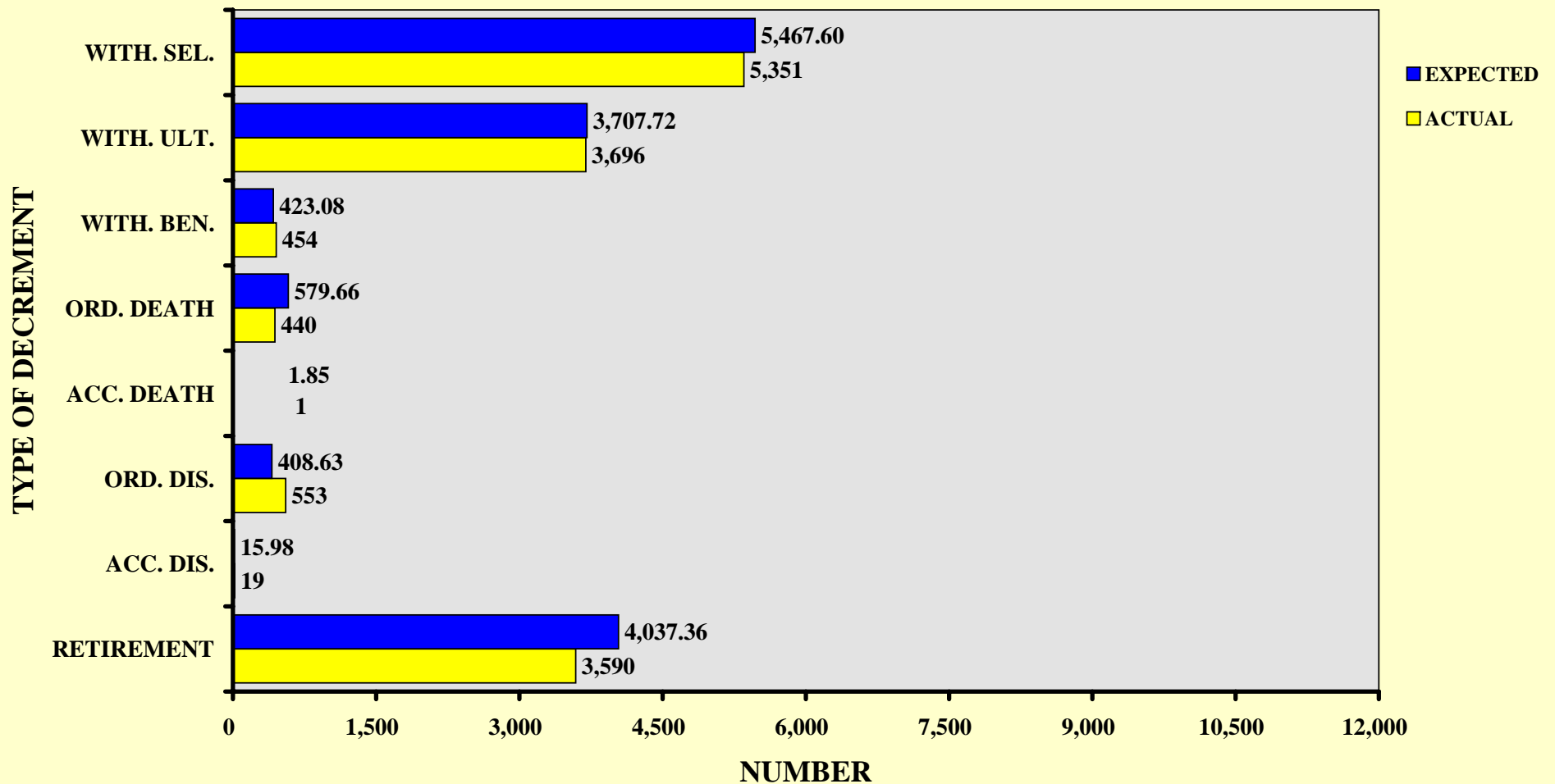
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

ACTIVE SERVICE EXPERIENCE - STATE
JUNE 30, 2000 - JULY 1, 2001



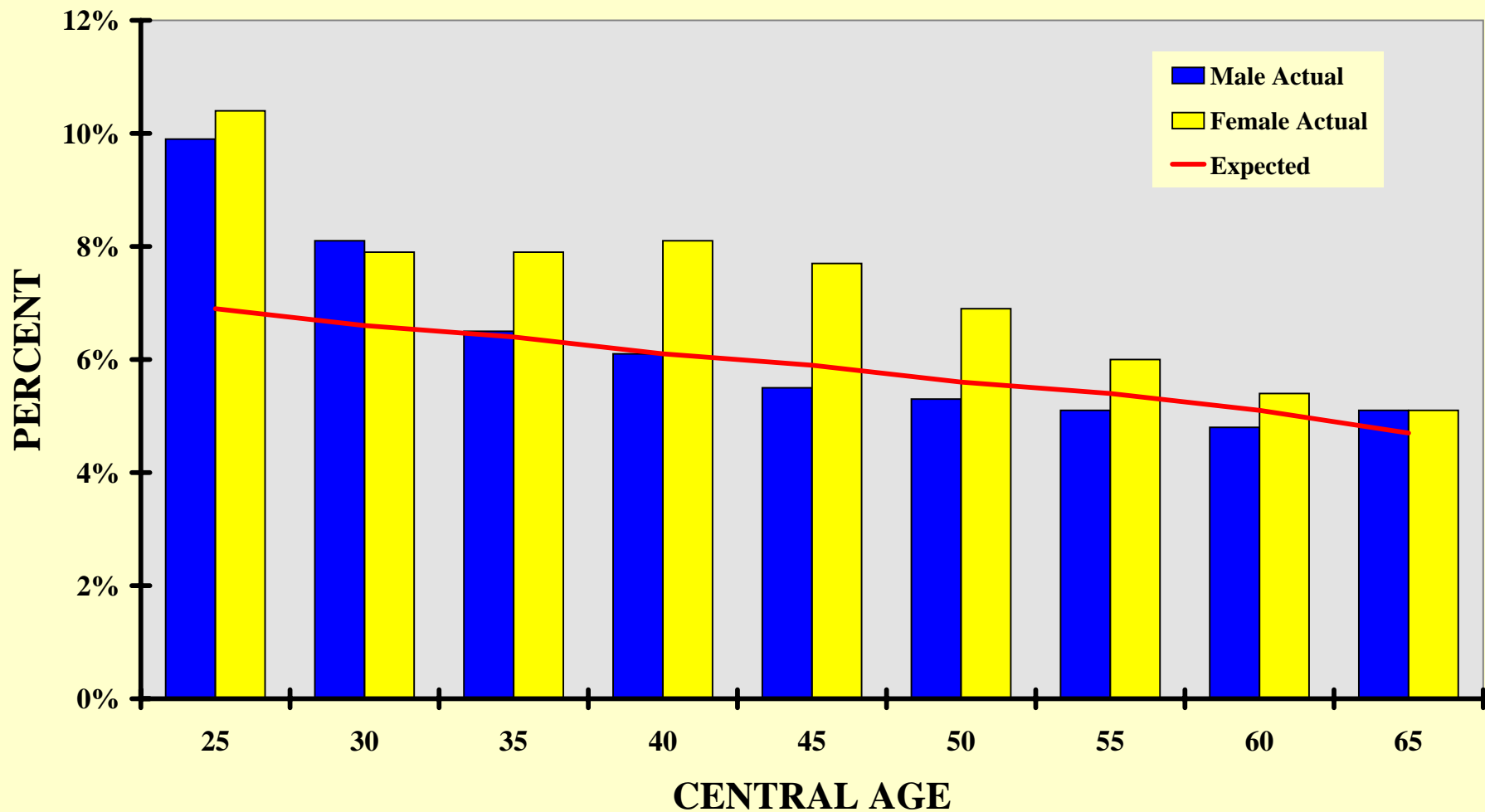
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

ACTIVE SERVICE EXPERIENCE - LOCAL JUNE 30, 2000 - JULY 1, 2001



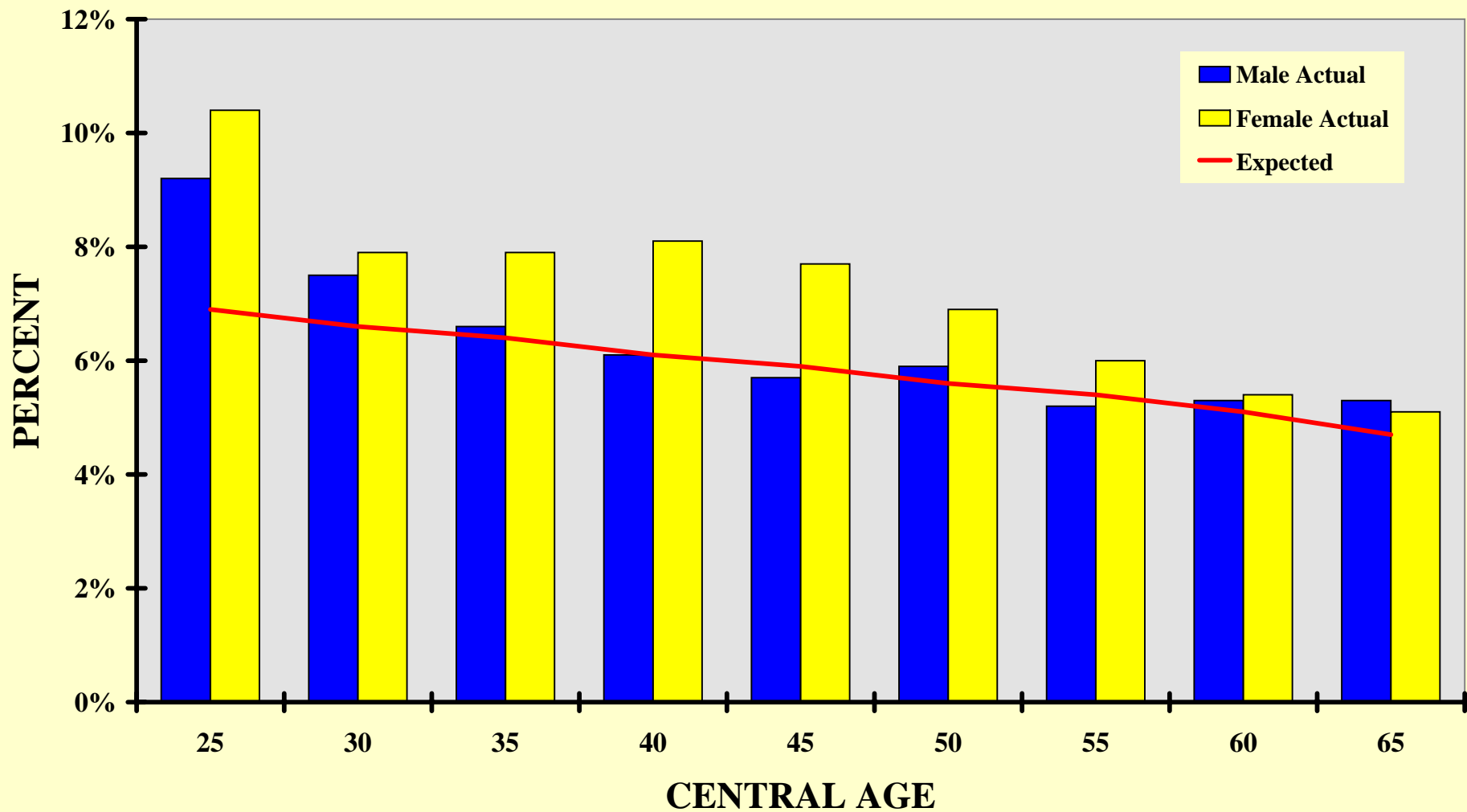
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

SALARY INCREASE EXPERIENCE - STATE
JUNE 30, 2000 - JULY 1, 2001



PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

SALARY INCREASE EXPERIENCE - LOCAL
JUNE 30, 2000 - JULY 1, 2001



SECTION VIII—ACCOUNTING INFORMATION

Statement No. 5 of the Governmental Accounting Standards Board, issued November 1986, established standards of disclosure of pension information by public retirement systems. Statement No. 25 of the Governmental Accounting Standards Board, issued November 1994, established financial reporting standards for defined benefit pension plans and for the notes to the financial statements of defined contribution plans of state and local governmental liabilities and superseded Statement No. 5 effective for periods beginning after June 15, 1996. Statement No. 27, Accounting for Pensions by State and Local Governmental Employers superseded Statement 5 for employers participating in pension plans and is effective for periods beginning after June 15, 1997.

The information required by Statements No. 25 and No. 27 is presented in the following tables. These include the development of the Annual Required Contribution (ARC), the Schedule of Funding Progress and the Schedule of Employer Contributions.

(A) Development of the Annual Required Contribution (ARC) as of June 30, 2003

	<u>State</u>	<u>Local</u>
1. Actuarial Value of Plan Assets as of June 30, 2001		
(a) Valuation Assets as of June 30, 2001 (including Receivable ERI Contributions)	\$ 11,378,071,585	\$ 16,625,288,260
(b) Adjustment for Post-Retirement Medical Receivable Contributions included in (a)	86,612,660	0
(c) Adjustment for Post Retirement Medical Benefit Fund included in (a)	<u>167,640,064</u>	<u>N/A</u>
(d) Valuation Assets as of June 30,2001 for GASB Disclosure = (a) – (b) – (c)	\$ 11,123,818,861	\$ 16,625,288,260

2. Actuarial Accrued Liability as of June 30, 2001:		
(a) Total Actuarial Accrued Liability (including the PRM liabilities)	\$ 10,140,716,092	\$ 13,819,038,491
(b) Post Retirement Medical Fund (including receivable contribution)	<u>254,252,724</u>	<u>N/A</u>
(c) Actuarial Accrued Liability as of June 30, 2001 for GASB Disclosure = (a) – (b)	\$ 9,886,463,368	\$ 13,819,038,491
3. Unfunded Actuarial Accrued Liability/(Surplus) as of June 30, 2001		
	\$ (1,237,355,493)	\$ (2,806,249,769)
4. Amortization of Unfunded Actuarial Accrued Liability/(Surplus) over 40* years with payments Increasing at 5% per year (not less than the current year's Unfunded COLA normal cost contribution)		
	\$ (129,688,147)	\$ (246,141,353)
5. Development of Net Normal Cost as of June 30, 2001:		
(a) Basic Allowance Normal Cost	\$ 297,552,610	\$ 450,017,401
(b) Full COLA Normal Cost	51,627,625	73,888,776
(c) Expected Employee Contributions	<u>181,749,406</u>	<u>289,634,214</u>
(d) Net Normal Cost as of June 30, 2001 = (a) + (b) – (c)	\$ 167,430,829	\$ 234,271,963
6. Annual Required Contribution as of June 30, 2003		
(a) Annual Required Contribution as of June 30, 2001 = 4 + 5(d), but not less than \$0	\$ 37,742,682	\$ 0
(b) Interest Adjustment to June 30, 2003	<u>6,893,937</u>	<u>0</u>
(c) Annual Required Contribution as of June 30, 2003 = (a) + (b)	\$ 44,636,619	\$ 0

*Includes a 10 year amortization of the change in asset method attributable to Chapter 133, P.L. 2001. The current year's payment, which is assumed to increase by 5% per year, is \$(120,338,119) for the State and \$(193,852,871) for Local employees. The balance of the actuarial surplus has been amortized over a 40 year period.

(B) Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded Actuarial Liability as a Percentage of Covered Payroll (b-a)/c
STATE						
3/31/96	\$ 6,565,471,539	\$ 6,225,818,232	\$ (339,653,307)	105.5%	\$ 2,762,479,385	(12.3%)
3/31/97	\$ 6,987,217,172	\$ 6,606,707,924	\$ (380,509,248)	105.8%	\$ 2,714,991,457	(14.0%)
3/31/98	\$ 7,600,621,930	\$ 7,155,035,122	\$ (445,586,808)	106.2%	\$ 2,805,791,909	(15.9%)
6/30/99	\$ 8,879,920,323	\$ 7,823,576,056	\$ (1,056,344,267)	113.5%	\$ 2,928,470,790	(36.1%)
6/30/00	\$ 9,743,727,383	\$ 8,538,685,222	\$ (1,205,042,161)	114.1%	\$ 3,094,280,664	(38.9%)
6/30/01	\$ 11,123,818,861	\$ 9,886,463,368	\$ (1,237,355,493)	112.5%	\$ 3,288,383,788	(37.6%)
LOCAL						
3/31/96	\$ 9,919,779,257	\$ 8,960,275,181	\$ (959,504,076)	110.7%	\$ 4,301,404,278	(22.3%)
3/31/97	\$ 10,523,061,499	\$ 9,599,816,842	\$ (923,244,657)	109.6%	\$ 4,407,751,955	(20.9%)
3/31/98	\$ 11,486,495,310	\$ 10,286,532,879	\$ (1,199,962,431)	111.7%	\$ 4,513,357,772	(26.6%)
6/30/99	\$ 13,171,311,650	\$ 11,163,283,877	\$ (2,008,027,773)	118.0%	\$ 4,655,241,261	(43.1%)
6/30/00	\$ 14,380,511,913	\$ 12,007,160,806	\$ (2,373,351,107)	119.8%	\$ 4,910,962,708	(48.3%)
6/30/01	\$ 16,625,288,260	\$ 13,819,038,491	\$ (2,806,249,769)	120.3%	\$ 5,240,338,738	(53.6%)

(C) Schedule of Employer Contributions

Fiscal Year	Annual Required Contribution	Employer Contribution	Percentage Contributed
STATE			
1998	\$ 78,833,287	\$ 0	0.0%
1999	\$ 86,945,810	\$ 0	0.0%
2000	\$ 103,033,425	\$ 0	0.0%
2001	\$ 85,078,620	\$ 0	0.0%
2002	\$ 88,911,187	\$ 0	0.0%
2003	\$ 44,636,619	\$ 0	0.0%
LOCAL			
1998	\$ 84,639,988	\$ 19,034,673	22.5%
1999	\$ 111,886,040	\$ 19,599,153	17.5%
2000	\$ 112,800,127	\$ 20,541,177	18.2%
2001	\$ 88,717,727	\$ 21,670,774	24.4%
2002	\$ 77,254,063	\$ 16,174,534	20.9%
2003	\$ 0	\$ 16,987,033	0.0%

- (D) The information presented in the required supplementary schedules was determined as part of the actuarial valuation. Additional information follows:

Valuation Date	June 30, 2001
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent, Closed
Remaining Amortization Period	40 years (except that the change in asset method attributable to Chapter 133, P.L. 2001 was amortized over a 10 year period).
Asset Valuation Method	Five year average of market value
Actuarial Assumptions:	
Investment Rate of Return	8.75%
Projected Salary Increases	5.95%
Cost of Living Adjustments	60% of the maximum of the CPI increase and 4.0%

SECTION IX—LEVEL OF FUNDING

Although the value of accrued benefits and the funding ratios shown in the previous section are required for the State's financial statements, it is instructive to also look at these values under an alternative approach. For this purpose, we are presenting liabilities determined on a Financial Accounting Standards Board Statement No. 87 Accumulated Benefit Obligation (ABO) basis. This is the same approach as GASB Statement No. 5 except that no assumption is made as to future salary increases.

<u>FASB 87 ABO Funded Ratios (excludes Medical Benefits)</u>		<u>State</u>	
Actuarial present value of accumulated benefits:			
	<u>June 30, 2001</u>	<u>June 30, 2000</u>	
Vested benefits			
Participants currently receiving payments	\$ 3,969,920,000	\$ 3,426,360,000	
Other participants	<u>4,029,200,000</u>	<u>3,441,790,000</u>	
	\$ 7,999,120,000	\$ 6,868,150,000	
Non-vested benefits	<u>337,980,000*</u>	<u>341,510,000**</u>	
Total	\$ 8,337,100,000	\$ 7,209,660,000	
Assets at market value	\$ 9,593,176,633	\$ 11,036,074,105	
Ratio of Assets to Total Present Value	115.6%	153.1%	

*Includes \$136,411,619 in accumulated employee contributions with interest for employees with less than 10 years of service.

**Includes \$139,008,176 in accumulated employee contributions with interest for employees with less than 10 years of service.

<u>FASB 87 ABO Funded Ratios (includes Medical Benefits)</u>		<u>State</u>	
Actuarial present value of accumulated benefits:			
	<u>June 30, 2001</u>	<u>June 30, 2000</u>	
Vested benefits			
Participants currently receiving payments	\$ 5,074,350,000	\$ 4,334,470,000	
Other participants	<u>5,792,480,000</u>	<u>4,925,530,000</u>	
	\$ 10,866,830,000	\$ 9,260,000,000	
Non-vested benefits	<u>487,150,000*</u>	<u>491,850,000**</u>	
Total	\$ 11,353,980,000	\$ 9,751,850,000	
Assets at market value	\$ 9,807,551,865	\$ 11,140,613,925	
Ratio of Assets to Total Present Value	86.4%	114.2%	

*Includes \$136,411,619 in accumulated employee contributions with interest for employees with less than 10 years of service.

**Includes \$139,008,176 in accumulated employee contributions with interest for employees with less than 10 years of service.

<u>Local Employers</u>		
Actuarial present value of accumulated benefits:	<u>June 30, 2001</u>	<u>June 30, 2000</u>
Vested benefits		
Participants currently receiving payments	\$ 6,072,160,000	\$ 5,324,610,000
Other participants	<u>5,540,060,000</u>	<u>4,003,300,000</u>
	\$ 11,612,220,000	\$ 9,327,910,000
Non-vested benefits	<u>576,930,000*</u>	<u>611,470,000**</u>
Total	\$ 12,189,150,000	\$ 9,939,380,000
Assets at market value	\$ 14,560,280,095	\$ 16,651,594,666
Ratio of Assets to Total Present Value	119.5%	167.5%

*Includes \$334,293,587 in accumulated employee contributions with interest for employees with less than 10 years of service.

**Includes \$348,155,766 in accumulated employee contributions with interest for employees with less than 10 years of service.

As in the case of the Governmental Accounting Standard Board Statement No. 5, the actuarial present value of vested and non-vested accrued benefits was based on an interest rate of 8.75% for both 2000 and 2001. The amounts shown include liabilities for future cost-of-living adjustments and post-retirement medical premiums for eligible future and current retired members.

SECTION X—SUMMARIES OF DATA

TABLE IV

MEMBERSHIP OF THE PUBLIC EMPLOYEES'
RETIREMENT SYSTEM OF NEW JERSEY

Group	June 30, 2001		June 30, 2000	
	Number	Payroll	Number	Payroll
Other than Law Enforcement Officers:				
Men	112,063	\$ 4,299,595,641	108,485	\$ 4,048,175,923
Women	168,697	4,858,683,867	161,399	4,524,998,993
Law Enforcement Officers:				
Men	57	2,950,911	52	2,674,187
Women	11	476,504	6	267,936
Total	280,828	\$ 9,161,706,923	269,942	\$ 8,576,117,039
Subtotals for:				
Non-Veterans				
State Employees	81,277	\$ 3,305,900,739	77,944	\$ 3,087,183,193
County Employees	29,028	1,000,470,992	28,455	945,826,719
Municipal Employees	88,524	2,304,166,568	84,720	2,152,753,340
Employees of Public Agencies	25,197	806,280,834	23,733	749,765,793
Employees of Consolidated School Districts	8,447	197,350,821	7,926	181,839,234
Non-Participating Locals	24,347	625,336,684	23,411	568,746,147
State Employees Paid by Local Employers	7,063	275,649,716	6,847	261,862,894
Employees of Locals Participating under Chapter 169, P.L. 1956	2,795	61,833,993	2,589	55,309,958
Veterans				
State Employees	4,494	223,403,036	4,487	217,131,332
County Employees	1,796	72,343,540	1,837	71,153,415
Municipal Employees	4,248	151,620,753	4,304	150,282,820
Employees of Public Agencies	1,672	71,150,480	1,711	70,799,881
Employees of Consolidated School Districts	359	11,193,728	356	10,788,930
Non-Participating Locals	1,247	39,685,659	1,287	38,050,075
State Employees Paid by Local Employers	285	13,484,832	289	12,930,026
Employees of Locals Participating under Chapter 169, P.L. 1956	49	1,834,548	46	1,693,282

- Notes: (a) The maintenance of each employee is fixed at the time of his application and is included in the compensation listed.
- (b) There are 585 State and 1,427 Local members as of June 30, 2001 and 569 State and 1,388 Local members as of June 30, 2000 who have selected vesting benefits not included in the membership shown by the table.

TABLE V
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF
BENEFICIARIES ON THE ROLL

(A) STATE

Group	June 30, 2001		June 30, 2000	
	Number	Retirement Allowances	Number	Retirement Allowances
Service Retirement and Early Retirement Benefits				
Men	11,084	\$ 186,049,682	10,997	\$176,038,633
Women	14,898	159,854,379	14,373	145,758,329
Total	25,982	\$ 345,904,061	25,370	\$321,796,962
Ordinary Disability Retirements				
Men	881	\$ 10,978,881	790	\$ 9,512,251
Women	1,596	19,511,957	1,370	16,024,921
Total	2,477	\$ 30,490,838	2,160	\$ 25,537,172
Accidental Disability Retirements				
Men	135	\$ 2,164,953	138	\$ 2,170,845
Women	148	2,320,127	137	2,070,151
Total	283	\$ 4,485,080	275	\$ 4,240,996
Ordinary Death Benefits				
Men	2	\$ 4,879	2	\$ 4,879
Women	9	12,354	11	15,969
Total	11	\$ 17,233	13	\$ 20,848
Accidental Death Benefits				
Men	1	\$ 7,678	1	\$ 7,509
Women	33	466,041	33	454,899
Total	34	\$ 473,719	34	\$ 462,408
Dependents of Deceased Beneficiaries				
Men	208	\$ 1,312,811	193	\$ 1,140,975
Women	2,450	22,216,050	2,378	20,679,403
Total	2,658	\$ 23,528,862	2,571	\$ 21,820,378
Grand Total	31,445	\$ 404,850,111	30,423	\$373,878,764

Note: In addition to the above, there are 73 beneficiaries as of June 30, 2001 and 65 beneficiaries as of June 30, 2000 who elected to receive death benefits, otherwise payable in a lump sum, as annuities certain, amounting to \$826,174 and \$774,889, respectively, per annum.

TABLE V

THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF
BENEFICIARIES ON THE ROLL
(CONTINUED)

(B) LOCAL EMPLOYERS

Group	June 30, 2001		June 30, 2000	
	Number	Retirement Allowances	Number	Retirement Allowances
Service Retirement and Early Retirement Benefits				
Men	25,748	\$ 273,109,226	25,835	\$ 262,273,389
Women	36,970	269,209,376	35,885	248,664,476
Total	62,718	\$ 542,318,602	61,720	\$ 510,937,865
Ordinary Disability Retirements				
Men	1,980	\$ 22,707,577	1,833	\$ 20,075,596
Women	1,859	18,300,939	1,635	15,526,813
Total	3,839	\$ 41,008,516	3,468	\$ 35,602,409
Accidental Disability Retirements				
Men	323	\$ 5,466,168	326	\$ 5,342,930
Women	102	1,249,477	94	1,111,771
Total	425	\$ 6,715,645	420	\$ 6,454,701
Ordinary Death Benefits				
Men	2	\$ 277	2	\$ 277
Women	20	20,114	22	20,514
Total	22	\$ 20,391	24	\$ 20,791
Accidental Death Benefits				
Men	3	\$ 39,115	4	\$ 58,079
Women	73	928,478	75	921,854
Total	76	\$ 967,593	79	\$ 979,933
Dependents of Deceased Beneficiaries				
Men	559	\$ 2,965,628	535	\$ 2,694,549
Women	5,563	37,237,893	5,328	33,176,219
Total	6,122	\$ 40,203,521	5,863	\$ 35,870,768
Grand Total	73,202	\$ 631,234,268	71,574	\$ 589,866,467

Note: In addition to the above, there are 205 beneficiaries as of June 30, 2001 and 181 beneficiaries as of June 30, 2000 who elected to receive death benefits, otherwise payable in a lump sum, as annuities certain, amounting to \$1,919,843 and \$1,657,355, respectively, per annum.

APPENDIX A

BRIEF SUMMARY OF THE BENEFIT AND
CONTRIBUTION PROVISIONS AS INTERPRETED
FOR VALUATION PURPOSES

1. Definitions

Final Compensation (FC)	Average annual compensation for the three years of creditable service immediately preceding retirement or the highest three fiscal years of membership service.
Accumulated Deductions	Sum of all required amounts deducted from the compensation of a member or contributed by him.
Class A Member	Any member who contributes towards a 1/64th retirement benefit.
Class B Member	Any member who contributes towards a 1/55th retirement benefit.

2. Benefits*

Service Retirement	Eligible at age 60. Benefit equals a member annuity plus an employer pension which, together, equal 1/64th of FC for each year of service for Class A members and 1/55th of FC for each year of service for Class B members.
Ordinary Disability Retirement	Eligible after 10 years of service. Benefit equals a member annuity plus an employer pension which, together, equal 1-1/2% of FC for each year of service; minimum benefit of 40% of FC.
Accidental Disability	Eligible upon total and permanent disability prior to age 70 as a result of a duty injury. Benefit equals a member annuity plus an employer pension which, together, equal 2/3 of contributory compensation at the date of injury.
Lump Sum Withdrawal	Eligible upon service termination prior to age 60 and prior to 10 years of service. Benefit equals refund of accumulated deductions plus, if the member has completed three years of service, interest allowed thereon.

*Special benefits for veterans, law enforcement officers and legislators are summarized at the end of this section.

Vested Retirement	Eligible after 10 years of service. Benefit equals the lump sum benefit described above or a deferred retirement benefit, commencing at age 60, equal to the service retirement benefit based on service and FC at date of termination.
Early Retirement	Eligible after 25 years of service. Benefit equals the lump sum benefit described above or the vested benefit reduced by 1/4 percent for each month retirement date precedes age 55.
Ordinary Death (Insured)	
Before Retirement	Eligible if active. Benefit equals accumulated deductions with interest plus an amount equal to 1-1/2 times contributory compensation at date of death.
After Retirement	<p><u>Before Age 60</u></p> <p>Eligible if disabled or vested terminated. Benefit equals 1-1/2 times last contributory compensation if disabled, accumulated deductions only if vested terminated.</p> <p><u>After Age 60 or Early Retirement</u></p> <p>Eligible after early retirement or after attainment of age 60 for other types of retirement (if not disabled, 10 years of service credit required on members enrolling after July 1, 1971). Benefit equals 3/16 of last contributory compensation.</p>
Voluntary Death Benefit	An additional, employee-paid, death benefit is also available through the purchase of group insurance with an outside carrier.
Accidental Death	Eligible upon death resulting during performance of duty. Benefit varies as follows:
	Widow(er) - 50% of contributory compensation paid as pension.
	Child(ren) - No spouse - 20% (1 child), 35% (2 children), 50% (3 or more children) of contributory compensation paid as pension to age 18 or life if disabled.
	Surviving dependent parent - No spouse or child - 25% (1 parent) or 40% (2 parents) of contributory compensation paid as pension.

	No relation above - Accumulated deductions paid to other beneficiary or estate.
	In addition the employer-paid lump sum ordinary death benefit is paid.
Optional Benefits	Various forms of payment of equivalent actuarial value are available to retirees.
Special Benefits	
Veterans	
Service Retirement	Eligible if member on January 2, 1955, attains age 60, completes 20 years of service. Benefit equals 50% of final contributory compensation (veteran members after January 2, 1955 must attain age 62 with 20 years of service).
Chap 220 Benefit	Eligible if age 55 and completes 35 years of service. Benefit equals 1/55th of final contributory compensation for each year of service.
Law Enforcement	
Service Retirement	Eligible at age 55 after 20 years of service. Benefit equals a member annuity plus an employer pension which, together, equal 2% of final contributory compensation for each of the first 25 years of service plus 1% of such compensation for non-contributory service or service over 25 years plus 1-2/3% for non-law enforcement service.
Chapter 4, P.L. 2001 Special Retirement	After completion of 25 years of service, an additional retirement benefit equal to 5% of final contributory pay is added to the above service related retirement benefit. There is a maximum total benefit of 70% of final contributory pay.
Ordinary Disability	Eligible after 5 years of service. Benefit is the same as for regular members.
Death After Retirement	Eligible upon death after an accidental disability retirement. Benefit is the same as for a regular member with a \$5,000 minimum.
Legislators	
Service Retirement	Eligible at age 60 and termination of all public service. Benefit is equal to a member annuity plus an employer pension which,

together, equal 3% of final contributory compensation for each year of service to a maximum of 2/3 of final compensation.

Vested Retirement

Eligible after 8 years of legislative service. Benefit is a service retirement benefit deferred to age 60 or, alternatively, a lump sum equal to his accumulated deductions.

3. Contributions

By Members

Members enrolling in the retirement system on or after July 1, 1994 will contribute 5% of compensation. Members enrolled prior to July 1, 1994 will contribute 5% of compensation to the retirement system effective July 1, 1995 unless they previously had contributed less than 6% in which case they will contribute 4% of compensation beginning July 1, 1995 and 5% of compensation beginning July 1, 1996.

By Employers

Normal Contribution

The State and Local employers pay annually a normal contribution to the retirement System. This contribution is determined each year on the basis of the annual valuation and represents the value of the benefits to be earned in the year following the valuation date. The normal contributions for active members' COLA are being phased in.

In accordance with the provisions of Chapter 79, P.L. 1960, which provided that the monies appropriated for payment of the non-contributory life insurance coverage shall be held separate from the retirement System monies, the amount required to pay such benefit is deducted from the normal contribution certified for payment to the retirement System and paid to a Group Insurance Premium Fund, which is administered by the State Treasurer.

In accordance with the provisions of Chapter 133, P.L. 2001, the Benefit Enhancement Fund (BEF) was established to fund the additional annual employer normal contribution due to the law's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

Accrued Liability
Contributions

The State and Local employers pay contributions to cover any unfunded accrued liability. An unfunded accrued liability was established for active life COLAs. The amortization periods for funding these liabilities were set initially at 40 years. The accrued liability contributions for active members' COLA liabilities are being phased in. Experience gains or losses for the 10 valuation years following the March 31, 1992 valuation will increase or decrease the unfunded accrued liability. Thereafter, actuarial gains or losses will increase or decrease the amortization period unless an increase will cause it to exceed 30 years.

APPENDIX B

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHOD

VALUATION INTEREST RATE: 8-3/4% per annum, compounded annually.

EMPLOYEE CONTRIBUTION INTEREST RATE: 8-3/4% per annum.

SEPARATIONS FROM SERVICE AND SALARY INCREASES: Representative values of the assumed annual rates of separation and annual rates of salary increases are as follows:

Annual Rates of

Age	Select Withdrawal						Ultimate Withdrawal*			
	1st Year		2nd Year		3rd Year		Prior to Eligibility For Benefit		After Eligibility For Benefit	
	State	Local	State	Local	State	Local	State	Local	State	Local
25	23.40%	25.06%	18.23%	19.13%	13.06%	13.19%	5.87%	5.67%		
30	22.07	21.88	17.06	16.25	12.05	10.62	3.67	4.73	.07%	.11%
35	17.87	19.10	13.37	13.74	8.88	8.37	2.59	3.47	.14	.12
40	16.66	18.26	12.31	12.98	7.96	7.69	2.59	3.12	.15	.20
45	15.71	17.67	11.48	12.45	7.24	7.21	1.73	2.77	.20	.26
50	14.70	16.99	10.59	11.83	6.48	6.66	1.73	2.08	.85	.73
55	14.07	16.58	10.04	11.46	6.33	6.33	1.73	1.89	.86	1.17

Annual Rates of

Age	Ordinary Death**		Ordinary Disability***		Service Retirement		Salary Increases
	State	Local	State	Local	State	Local	
25	.06%	.06%	.01%	.01%			6.90%
30	.08	.08	.04	.05			6.65
35	.10	.09	.05	.09			6.40
40	.13	.12	.09	.23			6.15
45	.18	.19	.31	.27			5.90
50	.29	.34	.47	.45			5.65
55	.38	.46	.63	.68	15.4%	11.7%	5.40
60	.55	.66	1.30	.68	8.8	7.8	5.15
65	.81	.96	1.34	.76	23.1	22.1	4.65
69	1.14	1.28	1.65	.92	15.0	11.6	4.65

* The sum of the rates of withdrawal after eligibility for a benefit and those prior to eligibility are the rates assumed for members withdrawing with a benefit.

** A separate rate is used for accidental death.

*** A separate rate is used for accidental disability.

DEATHS AFTER RETIREMENT: 1979 George B. Buck Mortality Tables for service retirement and dependent beneficiaries. Special mortality tables are used for the period after disability retirement. Representative values of the assumed annual rates of mortality are as follows:

<u>Service Retirements</u>			<u>Disability Retirements</u>		
<u>Age</u>	<u>Men</u>	<u>Women</u>	<u>Age</u>	<u>Men</u>	<u>Women</u>
55	0.71%	0.34%	35	3.16%	4.25%
60	1.20	0.57	40	3.25	2.74
65	2.06	0.99	45	3.88	3.18
70	3.39	1.74	50	4.12	3.29
75	5.34	2.98	55	4.50	3.70
80	8.31	4.90	60	5.10	4.39
85	12.50	7.84	65	6.04	3.63

VALUATION METHOD: Projected Unit Credit Method. This method essentially funds the System's benefits accrued to the valuation date. Experience gains or losses are recognized in future accrued liability contributions.

COLA: Benefits are assumed to increase 2.4% each year.

EXPENSES: Payable from excess investment return through employer contributions.

ASSET VALUATION METHOD: A five year average of market values with write-up was used. This method takes into account appreciation (depreciation) in investments in order to smooth asset values by averaging the excess of the actual over the expected income, on a market value basis, over a five year period. (In accordance with Chapter 133, P.L. 2001, the June 30, 1999 asset valuation method was changed to redetermine the actuarial value of assets to be the full market value. Beginning with the June 30, 2000 valuation, the five-year average of market value with mark-up was continued.)

APPENDIX C

TABULATIONS USED AS A BASIS FOR THE 2001 VALUATION

Table 1 gives a reconciliation of data from June 30, 2000 to June 30, 2001. Table 2 presents fifth year age and service tables for State and Local active members as well as for the entire system. Appendix C also contains tables that show the distribution of active members' and salaries by age and length of service as of June 30, 2001. Tables are also included that show the number and retirement allowances of beneficiaries classified by age as of June 30, 2001.

TABLE 1
RECONCILIATION OF CENSUS DATA
FROM JULY 1, 2000 TO JUNE 30, 2001

	Actives		Deferred Vested	Retirees		Beneficiaries	Total
	Contrib.	Noncontrib.		Service	Disabled		
Members as of July 1, 2000	241,196	28,746	1,957	87,090	6,323	8,830	374,142
Status Change:							
To Contributing	2,159	(2,159)					
To Noncontributing	(10,813)	10,813					
New Deferred Vested	(246)	(148)	394				
New Terminated Non-Vested	(5,754)	(6,317)					(12,071)
New Service Retirement	(4,492)	(495)		4,987			
New Deferred Vesteds Now Payable			(274)	274			
New Disabled	(644)	(405)			1,049		
New Death	(35)	(460)	(4)	(3,648)	(348)	(482)	(4,977)
New Beneficiaries						830	830
End of Payments				(3)		(10)	(13)
New Actives	28,096	1,800					29,896
Rehires	16		(16)				
Data Corrections							
Members as of June 30, 2001	249,483	31,375	2,057	88,700	7,024	9,168	387,807

TABLE 2
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND SERVICE

TOTAL -- STATE AND LOCAL

AGE	SERVICE	1	5	10	15	20	25	30	35	40	TOTAL
20	Number	3,819	233								4,052
	Salary	66,390,660	4,684,101								71,074,761
25	Number	10,040	2,931	100							13,071
	Salary	231,623,505	78,511,546	3,118,570							313,253,621
30	Number	9,207	6,345	3,538	380						19,470
	Salary	219,003,162	196,666,255	122,552,771	14,051,554						552,273,742
35	Number	9,199	6,724	6,981	4,766	178					27,848
	Salary	198,582,103	198,620,388	269,991,703	195,307,901	7,834,754					870,336,849
40	Number	11,268	8,635	7,613	7,864	3,539	216				39,135
	Salary	216,287,267	223,010,246	283,562,255	356,191,400	159,631,080	10,667,757				1,249,350,005
45	Number	10,049	9,880	8,680	7,765	5,865	3,308	297			45,844
	Salary	197,237,764	241,963,135	288,310,492	334,140,328	298,311,729	166,252,098	15,544,557			1,541,760,103
50	Number	7,123	7,738	8,829	7,964	5,167	4,855	2,594	132		44,402
	Salary	148,272,194	194,393,904	284,555,245	311,248,258	253,255,940	274,717,640	142,878,207	6,968,523		1,616,289,911
55	Number	4,599	5,644	7,452	7,825	5,084	3,676	3,120	873	39	38,312
	Salary	98,414,179	144,616,268	233,124,334	284,598,855	212,912,278	188,746,869	187,582,519	49,564,665	2,105,330	1,401,665,297
60	Number	2,677	3,743	4,917	5,453	4,092	2,976	1,535	679	274	26,346
	Salary	53,386,741	93,642,866	150,514,840	193,109,540	158,669,662	131,231,861	79,457,909	41,260,648	15,866,206	917,140,273
63	Number	862	1,347	1,600	1,782	1,337	1,051	446	141	98	8,664
	Salary	13,540,206	29,664,077	46,557,321	63,050,075	50,612,818	44,089,328	20,872,276	8,405,652	6,409,688	283,201,441
66 and over	Number	2,137	2,375	2,599	2,570	1,638	1,296	689	214	166	13,684
	Salary	24,278,353	34,886,137	60,648,672	76,122,351	55,394,191	47,393,881	26,896,397	9,659,099	10,081,839	345,360,920
TOTAL	Number	70,980	55,595	52,309	46,369	26,900	17,378	8,681	2,039	577	280,828
	Salary	1,467,016,134	1,440,658,923	1,742,936,203	1,827,820,262	1,196,622,452	863,099,434	473,231,865	115,858,587	34,463,063	9,161,706,923

TABLE 2
(continued)

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND SERVICE

STATE

AGE	SERVICE	1	5	10	15	20	25	30	35	40	TOTAL
20	Number	994	41								1,035
	Salary	21,196,995	976,979								22,173,974
25	Number	3,630	827	21							4,478
	Salary	100,486,369	24,324,199	646,122							125,456,690
30	Number	3,260	2,169	1,262	159						6,850
	Salary	94,810,629	74,479,197	45,081,907	6,136,211						220,507,944
35	Number	2,515	1,841	2,733	2,202	84					9,375
	Salary	71,372,633	64,444,349	113,284,591	92,538,668	3,669,818					345,310,059
40	Number	2,344	1,783	2,581	3,634	1,714	98				12,154
	Salary	65,809,420	60,853,958	109,590,026	177,912,939	76,785,525	4,741,383				495,693,251
45	Number	2,100	1,790	2,327	3,174	2,815	1,613	162			13,981
	Salary	59,832,367	61,235,264	96,260,245	154,901,466	150,039,429	81,242,544	8,380,882			611,892,197
50	Number	1,613	1,488	2,132	2,644	2,256	2,510	1,443	88		14,174
	Salary	46,112,287	49,414,917	88,329,090	124,815,628	119,897,499	148,366,636	79,586,263	4,594,781		661,117,101
55	Number	1,133	1,193	1,785	2,289	1,736	1,540	1,705	496	27	11,904
	Salary	31,403,400	38,620,734	71,908,480	103,330,615	86,001,867	87,120,056	106,540,135	28,142,201	1,452,382	554,519,870
60	Number	593	701	1,058	1,522	1,176	915	628	350	155	7,098
	Salary	16,022,768	22,866,475	40,172,358	64,768,163	53,988,676	46,951,877	36,011,885	22,198,290	8,663,338	311,643,830
63	Number	165	230	331	474	370	295	129	47	33	2,074
	Salary	3,924,639	6,963,880	11,144,453	20,320,858	17,237,030	14,319,407	6,805,865	3,051,027	2,246,095	86,013,254
66 and over	Number	355	377	482	566	352	285	126	48	57	2,648
	Salary	6,535,585	8,251,629	15,974,554	22,430,575	15,548,842	13,370,097	6,375,818	2,749,259	3,739,246	94,975,605
TOTAL	Number	18,702	12,440	14,712	16,664	10,503	7,256	4,193	1,029	272	85,771
	Salary	517,507,092	412,431,581	592,391,826	767,155,123	523,168,686	396,112,000	243,700,848	60,735,558	16,101,061	3,529,303,775

TABLE 2
(continued)

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND SERVICE

LOCAL

AGE	SERVICE	1	5	10	15	20	25	30	35	40	TOTAL
20	Number	2,825	192								3,017
	Salary	45,193,665	3,707,122								48,900,787
25	Number	6,410	2,104	79							8,593
	Salary	131,137,136	54,187,347	2,472,448							187,796,931
30	Number	5,947	4,176	2,276	221						12,620
	Salary	124,192,533	122,187,058	77,470,864	7,915,343						331,765,798
35	Number	6,684	4,883	4,248	2,564	94					18,473
	Salary	127,209,470	134,176,039	156,707,112	102,769,233	4,164,936					525,026,790
40	Number	8,924	6,852	5,032	4,230	1,825	118				26,981
	Salary	150,477,847	162,156,288	173,972,229	178,278,461	82,845,555	5,926,374				753,656,754
45	Number	7,949	8,090	6,353	4,591	3,050	1,695	135			31,863
	Salary	137,405,397	180,727,871	192,050,247	179,238,862	148,272,300	85,009,554	7,163,675			929,867,906
50	Number	5,510	6,250	6,697	5,320	2,911	2,345	1,151	44		30,228
	Salary	102,159,907	144,978,987	196,226,155	186,432,630	133,358,441	126,351,004	63,291,944	2,373,742		955,172,810
55	Number	3,466	4,451	5,667	5,536	3,348	2,136	1,415	377	12	26,408
	Salary	67,010,779	105,995,534	161,215,854	181,268,240	126,910,411	101,626,813	81,042,384	21,422,464	652,948	847,145,427
60	Number	2,084	3,042	3,859	3,931	2,916	2,061	907	329	119	19,248
	Salary	37,363,973	70,776,391	110,342,482	128,341,377	104,680,986	84,279,984	43,446,024	19,062,358	7,202,868	605,496,443
63	Number	697	1,117	1,269	1,308	967	756	317	94	65	6,590
	Salary	9,615,567	22,700,197	35,412,868	42,729,217	33,375,788	29,769,921	14,066,411	5,354,625	4,163,593	197,188,187
66 and over	Number	1,782	1,998	2,117	2,004	1,286	1,011	563	166	109	11,036
	Salary	17,742,768	26,634,508	44,674,118	53,691,776	39,845,349	34,023,784	20,520,579	6,909,840	6,342,593	250,385,315
TOTAL	Number	52,278	43,155	37,597	29,705	16,397	10,122	4,488	1,010	305	195,057
	Salary	949,509,042	1,028,227,342	1,150,544,377	1,060,665,139	673,453,766	466,987,434	229,531,017	55,123,029	18,362,002	5,632,403,148

TABLE 3

**THE NUMBER AND ANNUAL COMPENSATION OF
MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2001**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
16	4	\$ 9,312	9	\$ 44,165
17	14	48,165	19	55,293
18	32	169,328	54	306,883
19	109	1,468,081	154	1,707,059
20	298	5,157,440	323	4,822,205
21	424	8,121,221	490	7,975,198
22	559	11,805,132	676	11,655,440
23	811	18,127,484	1,017	19,245,009
24	1,025	23,888,334	1,286	26,848,305
25	1,020	25,075,714	1,413	31,035,383
26	1,228	32,343,658	1,659	39,090,146
27	1,287	35,531,730	1,697	40,281,454
28	1,307	36,753,305	1,724	42,959,040
29	1,394	41,012,696	1,824	46,458,167
30	1,660	49,377,494	2,101	55,279,595
31	1,809	55,918,205	2,527	67,725,739
32	1,846	59,426,525	2,520	68,484,647
33	1,873	62,084,846	2,559	71,080,656
34	2,088	72,283,263	2,800	78,825,697
35	2,305	80,549,374	2,989	83,698,425
36	2,456	88,291,917	3,310	93,639,573
37	2,700	98,435,399	3,643	102,173,310
38	2,843	105,275,664	3,979	109,678,095
39	2,972	110,919,394	4,158	113,051,402
40	3,164	120,440,432	4,674	129,012,140
41	3,206	124,924,907	4,821	132,559,088
42	3,210	125,778,761	5,104	140,388,617
43	3,281	131,952,713	5,512	151,322,332
44	3,499	141,933,792	5,557	156,004,161
45	3,538	144,338,832	5,738	162,014,863
46	3,548	147,490,275	5,890	170,834,107
47	3,535	151,931,700	5,577	167,825,665
48	3,360	145,899,737	5,579	169,142,699
49	3,551	156,735,605	5,695	174,711,750
50	3,312	146,042,569	5,499	169,884,217
51	3,331	148,728,854	5,361	170,114,562
52	3,359	155,499,240	5,381	170,871,650
53	3,544	161,909,448	5,366	170,864,726
54	3,524	158,854,771	5,787	184,996,610
55	3,180	145,201,095	4,987	158,499,532
56	2,478	106,559,422	4,108	130,253,530
57	2,433	103,634,066	4,082	130,881,712
58	2,499	106,146,390	4,203	134,037,750
59	2,492	102,106,241	4,214	135,309,331
60	2,041	83,093,832	3,408	107,328,390
61	1,784	70,818,066	2,878	86,697,046

TABLE 3

**THE NUMBER AND ANNUAL COMPENSATION OF
MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2001**

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
62	1,768	\$ 67,535,564	2,538	\$ 79,599,191
63	1,527	57,503,499	2,109	65,671,963
64	1,246	46,265,835	1,824	54,229,842
65	1,100	41,971,452	1,596	47,185,024
66	900	31,533,456	1,293	34,880,113
67	769	25,094,621	1,089	29,221,532
68	669	22,491,809	895	23,542,380
69	585	18,353,302	767	19,116,948
70	514	15,688,117	725	18,326,190
71	484	13,618,081	567	12,381,529
72	425	11,941,639	523	11,643,263
73	343	8,859,408	461	9,981,652
74	348	9,695,080	352	7,379,510
75	305	7,397,789	313	5,808,240
76	216	4,496,778	259	4,274,547
77	182	3,652,005	228	4,061,113
78	179	3,222,870	188	2,963,104
79	112	1,925,992	151	2,256,651
80	113	2,074,426	115	1,810,492
81	94	1,681,089	102	1,638,978
82	67	1,473,090	68	961,599
83	58	951,259	57	916,314
84	51	995,513	23	410,699
85	33	805,361	30	378,003
86	19	155,459	21	161,151
87	15	238,119	23	296,904
88	17	317,404	13	130,368
89	11	208,126	7	77,984
90	8	106,532	7	37,617
91	8	66,074	3	15,380
92	7	45,646	3	50,898
93	4	36,908	1	13,960
94	2	7,756	1	29,964
95	1	7,260	1	2,192
96	1	3,000		
97	3	7,644	1	10,824
99	1	2,904	1	11,388
100	1	20,276	1	7,500
101	1	980		
Total	112,120	\$ 4,302,546,552	168,708	\$ 4,859,160,371

Of the 280,828 active members included in the June 30, 2001 valuation data, 151,681 are vested and 129,147 have not yet completed the vesting requirement.

**THE NUMBER AND ANNUAL COMPENSATION OF
MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2001**

STATE ONLY

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
16			1	\$ 21,266
18	2	\$ 10,132	2	26,370
19	11	225,893	35	631,978
20	53	1,043,975	93	1,898,414
21	89	1,837,929	150	3,127,102
22	114	2,606,517	227	4,705,212
23	175	4,285,470	344	8,267,812
24	262	6,695,677	464	11,885,989
25	291	7,872,566	512	13,516,755
26	395	11,721,962	645	18,617,409
27	411	12,128,046	683	19,821,717
28	416	12,947,239	685	20,300,285
29	432	13,450,973	707	21,605,852
30	489	15,689,978	823	25,614,668
31	472	15,536,928	1,056	33,446,570
32	519	17,955,221	993	32,710,781
33	542	19,071,431	1,004	34,113,116
34	605	21,909,178	1,128	38,581,355
35	665	24,713,411	1,164	41,159,844
36	702	27,132,875	1,206	43,549,614
37	778	32,020,467	1,272	47,466,531
38	845	34,463,105	1,397	52,355,212
39	850	35,878,875	1,425	53,560,746
40	921	39,918,954	1,496	59,130,500
41	942	41,051,197	1,483	59,046,562
42	942	42,391,446	1,584	62,248,932
43	1,049	47,287,194	1,673	66,507,894
44	1,091	50,459,336	1,655	68,235,096
45	1,122	52,272,457	1,638	67,245,487
46	1,148	54,702,968	1,737	73,050,275
47	1,114	54,612,745	1,691	71,256,128
48	1,113	55,021,868	1,653	70,412,981
49	1,248	63,547,008	1,717	72,574,302
50	1,133	58,804,421	1,627	69,191,931
51	1,174	61,110,763	1,689	72,973,115
52	1,195	63,438,520	1,579	67,735,992
53	1,282	68,415,966	1,659	70,548,324
54	1,270	67,822,839	1,719	72,851,323
55	1,142	62,033,706	1,432	60,065,107
56	761	40,304,974	1,193	49,429,659
57	789	40,468,947	1,159	48,759,755
58	755	39,674,933	1,222	50,296,163
59	711	35,971,910	1,163	48,335,298
60	537	26,760,559	946	37,589,979
61	442	21,493,978	763	30,631,802
62	450	21,057,443	664	26,611,816

**THE NUMBER AND ANNUAL COMPENSATION OF
MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2001**

STATE ONLY (CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
63	341	\$ 15,457,636	527	\$ 21,160,714
64	293	13,531,133	457	17,757,695
65	234	11,220,432	397	15,403,503
66	193	8,032,766	303	11,302,551
67	172	6,894,783	217	7,766,553
68	154	6,778,386	179	6,388,164
69	109	4,269,968	149	5,706,675
70	114	4,806,199	154	5,335,482
71	95	3,789,174	95	2,863,047
72	101	3,864,732	87	2,900,820
73	71	2,627,869	67	2,324,446
74	66	2,782,456	62	2,223,637
75	61	2,081,638	49	1,505,557
76	41	1,132,953	35	1,017,422
77	34	916,136	35	1,078,157
78	39	1,044,356	29	655,266
79	27	638,274	18	469,455
80	20	635,011	9	202,079
81	16	412,991	17	503,524
82	15	377,873	9	281,706
83	11	174,260	7	189,686
84	8	230,918		
85	11	434,225	4	61,487
86	4	52,339	1	7,241
87	2	34,929	6	84,705
88	3	119,394		
89	3	80,500		
90	2	15,000	1	13,273
91	1	18,000	1	7,500
92	2	15,330	2	48,378
93	2	30,700		
95			1	2,192
100			1	7,500
Total	33,694	\$ 1,520,322,341	52,077	\$ 2,008,981,434

**THE NUMBER AND ANNUAL COMPENSATION OF
MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2001**

LOCAL ONLY

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
16	4	\$ 9,312	8	\$ 22,899
17	14	48,165	19	55,293
18	30	159,196	52	280,513
19	98	1,242,188	119	1,075,081
20	245	4,113,465	230	2,923,791
21	335	6,283,292	340	4,848,096
22	445	9,198,615	449	6,950,228
23	636	13,842,014	673	10,977,197
24	763	17,192,657	822	14,962,316
25	729	17,203,148	901	17,518,628
26	833	20,621,696	1,014	20,472,737
27	876	23,403,684	1,014	20,459,737
28	891	23,806,066	1,039	22,658,755
29	962	27,561,723	1,117	24,852,315
30	1,171	33,687,516	1,278	29,664,927
31	1,337	40,381,277	1,471	34,279,169
32	1,327	41,471,304	1,527	35,773,866
33	1,331	43,013,415	1,555	36,967,540
34	1,483	50,374,085	1,672	40,244,342
35	1,640	55,835,963	1,825	42,538,581
36	1,754	61,159,042	2,104	50,089,959
37	1,922	66,414,932	2,371	54,706,779
38	1,998	70,812,559	2,582	57,322,883
39	2,122	75,040,519	2,733	59,490,656
40	2,243	80,521,478	3,178	69,881,640
41	2,264	83,873,710	3,338	73,512,526
42	2,268	83,387,315	3,520	78,139,685
43	2,232	84,665,519	3,839	84,814,438
44	2,408	91,474,456	3,902	87,769,065
45	2,416	92,066,375	4,100	94,769,376
46	2,400	92,787,307	4,153	97,783,832
47	2,421	97,318,955	3,886	96,569,537
48	2,247	90,877,869	3,926	98,729,718
49	2,303	93,188,597	3,978	102,137,448
50	2,179	87,238,148	3,872	100,692,286
51	2,157	87,618,091	3,672	97,141,447
52	2,164	92,060,720	3,802	103,135,658
53	2,262	93,493,482	3,707	100,316,402
54	2,254	91,031,932	4,068	112,145,287
55	2,038	83,167,389	3,555	98,434,425
56	1,717	66,254,448	2,915	80,823,871
57	1,644	63,165,119	2,923	82,121,957
58	1,744	66,471,457	2,981	83,741,587
59	1,781	66,134,331	3,051	86,974,033
60	1,504	56,333,273	2,462	69,738,411
61	1,342	49,324,088	2,115	56,065,244

**THE NUMBER AND ANNUAL COMPENSATION OF
MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2001**

LOCAL ONLY (CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
62	1,318	\$ 46,478,121	1,874	\$ 52,987,375
63	1,186	42,045,863	1,582	44,511,249
64	953	32,734,702	1,367	36,472,147
65	866	30,751,020	1,199	31,781,521
66	707	23,500,690	990	23,577,562
67	597	18,199,838	872	21,454,979
68	515	15,713,423	716	17,154,216
69	476	14,083,334	618	13,410,273
70	400	10,881,918	571	12,990,708
71	389	9,828,907	472	9,518,482
72	324	8,076,907	436	8,742,443
73	272	6,231,539	394	7,657,206
74	282	6,912,624	290	5,155,873
75	244	5,316,151	264	4,302,683
76	175	3,363,825	224	3,257,125
77	148	2,735,869	193	2,982,956
78	140	2,178,514	159	2,307,838
79	85	1,287,718	133	1,787,196
80	93	1,439,415	106	1,608,413
81	78	1,268,098	85	1,135,454
82	52	1,095,217	59	679,893
83	47	776,999	50	726,628
84	43	764,595	23	410,699
85	22	371,136	26	316,516
86	15	103,120	20	153,910
87	13	203,190	17	212,199
88	14	198,010	13	130,368
89	8	127,626	7	77,984
90	6	91,532	6	24,344
91	7	48,074	2	7,880
92	5	30,316	1	2,520
93	2	6,208	1	13,960
94	2	7,756	1	29,964
95	1	7,260		
96	1	3,000		
97	3	7,644	1	10,824
99	1	2,904	1	11,388
100	1	20,276		
101	1	980		
Total	78,426	\$ 2,782,224,211	116,631	\$ 2,850,178,937

TABLE 4

**THE NUMBER AND ANNUAL COMPENSATION OF
MEMBERS DISTRIBUTED BY YEARS OF SERVICE
AS OF JUNE 30, 2001**

SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	3,040	\$ 68,766,286	4,724	\$ 85,901,390
1	11,503	269,690,239	21,032	368,564,435
2	8,026	204,815,900	14,416	273,171,642
3	6,247	170,833,986	10,249	212,038,768
4	5,097	145,641,812	8,068	172,192,051
5	4,021	117,259,543	5,872	129,253,333
6	3,942	123,275,806	5,687	136,420,951
7	3,923	130,218,793	5,729	146,434,277
8	3,983	139,343,046	5,595	149,458,378
9	3,717	135,032,668	5,353	152,965,246
10	3,968	146,652,189	5,516	157,325,940
11	4,544	174,188,221	6,926	209,995,687
12	4,551	182,025,466	7,092	222,363,825
13	4,502	187,509,323	7,173	242,963,169
14	4,263	186,638,561	6,633	227,272,089
15	4,062	181,523,251	6,234	221,823,206
16	3,919	179,057,220	5,595	206,815,691
17	2,746	129,480,636	4,206	159,658,953
18	2,355	114,030,439	3,371	130,975,940
19	2,343	113,869,208	3,305	128,141,649
20	2,455	124,633,441	3,401	134,950,775
21	2,183	112,143,762	3,312	136,190,361
22	2,031	106,046,967	2,935	120,616,677
23	1,811	95,262,833	2,680	112,559,148
24	1,815	99,507,638	2,368	101,981,552
25	1,547	86,870,105	2,087	92,852,033
26	1,365	79,527,002	1,627	72,981,493
27	1,494	87,609,383	1,543	69,703,483
28	1,247	73,993,830	1,283	57,995,417
29	1,140	70,964,885	1,036	47,012,090
30	1,057	66,415,654	962	45,020,848
31	861	52,433,393	735	35,337,957
32	624	37,649,889	616	31,037,952
33	440	26,968,585	382	19,054,530
34	329	20,114,343	287	13,792,385
35	244	15,082,573	195	9,748,628
36	189	12,209,647	136	6,923,004
37	125	8,334,550	82	4,090,336
38	119	7,525,251	69	3,530,271
39	77	4,975,955	59	3,104,847
40	59	3,885,329	46	2,208,943
41	48	3,248,391	30	1,504,421
42	27	2,109,497	9	441,674
43	19	1,154,299	19	1,069,264
44	18	1,126,245	6	354,289
45	14	842,122	10	477,352

TABLE 4

**THE NUMBER AND ANNUAL COMPENSATION OF
MEMBERS DISTRIBUTED BY YEARS OF SERVICE
AS OF JUNE 30, 2001**

(CONTINUED)

SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
46	11	\$ 727,662	4	\$ 194,753
47	3	193,994	2	83,800
48	4	273,507	3	155,176
49	1	60,328	1	65,708
50	2	236,688	2	88,883
51	2	177,584	3	150,929
52	2	108,225		
54	3	112,656	1	93,032
55	1	115,784	1	51,740
59	1	51,962		
TOTAL	112,120	\$ 4,302,546,552	168,708	\$ 4,859,160,371

Of the 280,828 active members included in the June 30, 2001 valuation data, 151,681 are vested and 129,147 have not yet completed the vesting requirement.

**THE NUMBER AND ANNUAL COMPENSATION OF
MEMBERS DISTRIBUTED BY YEARS OF SERVICE
AS OF JUNE 30, 2001**

STATE ONLY

SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	930	\$ 24,827,077	1,496	\$ 36,473,940
1	3,419	95,998,606	5,227	135,720,758
2	2,092	62,883,806	3,417	95,648,274
3	1,524	49,314,161	2,490	75,501,122
4	1,176	38,517,401	1,792	55,381,897
5	823	27,025,515	1,138	36,168,712
6	816	28,565,697	1,222	40,784,391
7	798	28,869,618	1,333	46,423,258
8	1,035	39,740,712	1,422	49,742,598
9	857	34,705,139	1,412	52,001,842
10	922	40,278,591	1,429	53,040,018
11	1,189	50,855,172	2,235	84,991,445
12	1,253	57,090,719	2,226	87,481,976
13	1,401	66,125,032	2,651	109,687,747
14	1,376	67,668,115	2,462	103,367,654
15	1,481	73,711,275	2,339	101,185,355
16	1,347	68,707,997	2,087	92,301,709
17	943	50,143,363	1,585	71,465,371
18	850	45,799,392	1,264	58,129,676
19	784	42,369,744	1,244	56,570,556
20	857	47,250,751	1,464	66,787,298
21	837	46,854,486	1,395	65,931,662
22	758	42,907,995	1,282	60,149,151
23	698	39,809,413	1,148	54,847,924
24	746	44,069,964	1,003	49,612,399
25	659	39,344,754	910	45,831,868
26	542	34,419,238	664	33,249,779
27	552	34,229,840	705	35,852,307
28	476	30,180,759	539	27,163,787
29	561	37,322,731	490	24,719,315
30	457	30,519,769	486	24,695,878
31	397	25,719,565	417	21,018,873
32	319	20,489,917	354	18,402,264
33	215	13,960,105	224	11,686,941
34	139	8,781,362	151	7,521,521
35	119	8,074,295	112	6,008,227
36	103	6,965,700	77	4,036,822
37	58	3,953,380	45	2,256,654
38	63	4,030,646	46	2,340,811
39	35	2,439,547	37	2,025,811
40	29	1,818,778	23	1,145,830
41	23	1,623,283	13	545,943
42	13	906,449	6	292,292
43	8	514,313	6	329,680
44	2	92,801	2	167,737
45	6	409,458	3	141,440

**THE NUMBER AND ANNUAL COMPENSATION OF
MEMBERS DISTRIBUTED BY YEARS OF SERVICE
AS OF JUNE 30, 2001**

STATE ONLY (CONTINUED)

SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
46	1	\$ 122,880	1	\$ 34,481
47	1	59,720	1	41,324
48	2	109,963		
50			1	43,235
51			1	31,881
52	1	91,385		
59	1	51,962		
TOTAL	33,694	\$ 1,520,322,341	52,077	\$ 2,008,981,434

**THE NUMBER AND ANNUAL COMPENSATION OF
MEMBERS DISTRIBUTED BY YEARS OF SERVICE
AS OF JUNE 30, 2001**

LOCAL ONLY

SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	2,110	\$ 43,939,209	3,228	\$ 49,427,450
1	8,084	173,691,633	15,805	232,843,677
2	5,934	141,932,094	10,999	177,523,368
3	4,723	121,519,825	7,759	136,537,646
4	3,921	107,124,411	6,276	116,810,154
5	3,198	90,234,028	4,734	93,084,621
6	3,126	94,710,109	4,465	95,636,560
7	3,125	101,349,175	4,396	100,011,019
8	2,948	99,602,334	4,173	99,715,780
9	2,860	100,327,529	3,941	100,963,404
10	3,046	106,373,598	4,087	104,285,922
11	3,355	123,333,049	4,691	125,004,242
12	3,298	124,934,747	4,866	134,881,849
13	3,101	121,384,291	4,522	133,275,422
14	2,887	118,970,446	4,171	123,904,435
15	2,581	107,811,976	3,895	120,637,851
16	2,572	110,349,223	3,508	114,513,982
17	1,803	79,337,273	2,621	88,193,582
18	1,505	68,231,047	2,107	72,846,264
19	1,559	71,499,464	2,061	71,571,093
20	1,598	77,382,690	1,937	68,163,477
21	1,346	65,289,276	1,917	70,258,699
22	1,273	63,138,972	1,653	60,467,526
23	1,113	55,453,420	1,532	57,711,224
24	1,069	55,437,674	1,365	52,369,153
25	888	47,525,351	1,177	47,020,165
26	823	45,107,764	963	39,731,714
27	942	53,379,543	838	33,851,176
28	771	43,813,071	744	30,831,630
29	579	33,642,154	546	22,292,775
30	600	35,895,885	476	20,324,970
31	464	26,713,828	318	14,319,084
32	305	17,159,972	262	12,635,688
33	225	13,008,480	158	7,367,589
34	190	11,332,981	136	6,270,864
35	125	7,008,278	83	3,740,401
36	86	5,243,947	59	2,886,182
37	67	4,381,170	37	1,833,682
38	56	3,494,605	23	1,189,460
39	42	2,536,408	22	1,079,036
40	30	2,066,551	23	1,063,113
41	25	1,625,108	17	958,478
42	14	1,203,048	3	149,382
43	11	639,986	13	739,584
44	16	1,033,444	4	186,552
45	8	432,664	7	335,912

**THE NUMBER AND ANNUAL COMPENSATION OF
MEMBERS DISTRIBUTED BY YEARS OF SERVICE
AS OF JUNE 30, 2001**

LOCAL ONLY (CONTINUED)

SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
46	10	\$ 604,782	3	\$ 160,272
47	2	134,274	1	42,476
48	2	163,544	3	155,176
49	1	60,328	1	65,708
50	2	236,688	1	45,648
51	2	177,584	2	119,048
52	1	16,840		
54	3	112,656	1	93,032
55	1	115,784	1	51,740
TOTAL	78,426	\$ 2,782,224,211	116,631	\$ 2,850,178,937

TABLE 5

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2001**

**SERVICE RETIREMENTS AND EARLY
RETIREMENT BENEFITS**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
44	1	\$ 4,979		
45	6	74,058	11	\$ 119,910
46	6	64,871	19	258,348
47	10	127,753	20	261,321
48	26	406,052	32	482,716
49	31	497,440	36	515,624
50	29	456,380	39	608,904
51	51	935,619	56	925,159
52	67	1,267,934	70	1,214,382
53	95	1,966,175	93	1,614,874
54	145	3,186,786	142	2,839,193
55	155	3,568,206	127	2,638,155
56	194	4,521,648	179	3,649,553
57	209	5,079,304	207	3,988,593
58	282	7,162,208	307	5,901,482
59	337	8,603,963	294	5,629,950
60	353	8,092,012	448	7,080,931
61	520	9,654,429	803	9,246,892
62	584	10,513,871	990	11,012,743
63	891	14,792,760	1,320	14,810,634
64	957	15,854,985	1,573	17,101,776
65	1,113	17,504,125	1,708	17,526,559
66	1,283	19,929,033	1,944	19,107,395
67	1,439	20,894,678	2,137	20,391,100
68	1,526	20,972,839	2,175	20,473,071
69	1,699	23,989,335	2,366	21,257,572
70	1,637	22,278,044	2,413	21,186,233
71	1,767	22,584,362	2,432	20,287,061
72	1,747	21,569,584	2,461	20,293,661
73	1,804	21,543,552	2,417	19,289,944
74	1,769	19,867,021	2,397	18,037,999
75	1,712	20,095,535	2,315	17,167,443
76	1,608	18,157,956	2,244	15,921,281
77	1,563	17,020,944	2,290	15,830,631
78	1,498	15,590,977	2,126	13,984,263
79	1,343	13,041,620	1,841	12,047,248
80	1,291	12,102,629	1,842	11,286,101
81	1,160	10,062,549	1,623	9,736,235
82	1,007	8,298,763	1,344	7,712,573
83	953	8,049,229	1,222	6,856,061
84	806	5,799,337	1,065	5,769,396
85	637	4,863,820	872	4,620,401

TABLE 5

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2001**

**SERVICE RETIREMENTS AND EARLY
RETIREMENT BENEFITS
(continued)**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
86	600	\$ 4,367,088	869	\$ 4,607,364
87	445	2,976,940	653	3,281,529
88	381	2,513,537	552	2,745,833
89	295	2,117,250	474	2,594,084
90	250	1,763,240	346	1,818,432
91	161	1,169,253	277	1,456,540
92	115	1,067,260	206	1,053,150
93	98	836,425	148	878,555
94	79	609,033	113	620,032
95	37	253,551	86	568,668
96	17	170,370	55	344,551
97	13	126,657	38	150,887
98	11	46,243	24	126,259
99	8	42,012	12	35,362
100	5	21,633	7	54,193
101	1	2,501	5	35,859
102	2	16,640	1	140
103	1	8,895	2	8,948
104	1	1,016		
106	1	2,002		
TOTAL	36,832	\$ 459,158,908	51,868	\$ 429,063,755
<u>SUMMARY</u>				
NO OPTION	12,294	\$ 129,334,471	32,202	\$ 258,717,376
OPTION 1	7,984	90,154,181	13,518	110,447,719
OPTION 2	10,871	134,741,503	2,827	20,566,837
OPTION 3	5,379	97,415,209	3,161	37,162,158
OPTION 4	301	7,426,544	159	2,125,265
OPTION 5	3	87,000	1	44,400

TABLE 6

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2001**

ORDINARY DISABILITY RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
31			1	\$ 9,700
32			1	14,494
33	3	\$ 32,022		
34	4	50,030	2	22,236
35	8	95,795	3	37,108
36	5	60,599	2	24,768
37	8	109,261	4	45,535
38	11	124,926	4	38,869
39	16	191,828	11	125,439
40	24	315,580	11	152,264
41	16	191,283	17	204,179
42	19	252,493	23	277,484
43	28	357,369	21	277,850
44	30	400,340	32	415,807
45	47	602,694	41	543,741
46	31	404,911	55	737,623
47	40	571,810	64	847,197
48	35	394,624	52	677,898
49	65	874,179	59	764,844
50	55	743,160	60	763,814
51	54	751,920	80	1,012,045
52	80	1,047,443	83	989,162
53	87	1,160,057	98	1,294,905
54	88	1,180,268	106	1,245,461
55	99	1,385,108	89	1,106,389
56	84	1,121,823	100	1,188,470
57	79	1,067,497	107	1,200,883
58	99	1,271,667	134	1,575,915
59	96	1,224,969	158	1,761,885
60	105	1,296,663	137	1,581,523
61	101	1,273,806	162	1,760,940
62	117	1,430,553	162	1,879,648
63	121	1,456,264	160	1,965,600
64	116	1,388,588	151	1,739,301
65	106	1,332,338	175	1,836,553
66	128	1,505,118	158	1,701,846
67	110	1,168,058	125	1,276,680
68	96	1,085,350	113	1,131,486
69	91	1,002,797	107	1,020,347
70	73	733,315	78	662,668
71	76	744,636	80	698,835
72	59	528,539	63	521,119

TABLE 6
THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2001

ORDINARY DISABILITY RETIREMENTS
(continued)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
73	45	\$ 372,906	46	\$ 362,699
74	50	417,065	49	396,088
75	35	298,446	47	390,525
76	39	266,942	36	272,637
77	29	235,762	35	215,440
78	28	217,089	26	204,889
79	32	263,111	23	143,004
80	23	173,264	23	137,711
81	21	165,270	22	155,514
82	12	69,515	19	138,275
83	9	77,217	18	123,095
84	11	88,446	7	54,350
85	2	9,301	4	20,482
86	3	25,348	4	27,947
87	4	19,927	1	4,316
88	2	12,055		
89	1	7,384	1	3,965
90			1	3,972
91	1	4,582	1	7,260
92	1	3,879	1	8,258
93	1	12,146		
95	1	4,167	1	1,860
97	1	12,957	1	8,101
TOTAL	2,861	\$ 33,686,458	3,455	\$ 37,812,896
<u>SUMMARY</u>				
NO OPTION	1,391	\$ 17,794,091	2,402	\$ 27,350,535
OPTION 1	455	5,161,976	686	6,878,535
OPTION 2	659	6,496,348	174	1,556,797
OPTION 3	346	4,106,663	183	1,916,498
OPTION 4	10	127,380	10	110,531
OPTION 5	0	0	0	0

TABLE 7

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2001**

ACCIDENTAL DISABILITY RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
32	1	\$ 15,075		
33			1	\$ 18,768
34			1	17,743
35	2	43,336		
36	3	61,106		
37	4	72,015	2	50,043
38	2	40,179		
39	2	40,156		
40	3	58,650		
42	2	44,930	1	23,286
43	4	62,718	1	14,435
44	2	47,236	1	14,153
45	4	86,800	3	56,968
46	4	56,436	9	172,397
47	9	204,180	3	65,727
48	9	156,944	7	100,124
49	5	122,604	6	118,966
50	5	51,747	2	44,941
51	10	174,038	3	30,584
52	5	113,086	3	57,075
53	15	270,105	5	113,178
54	15	281,161	9	163,040
55	9	172,338	9	150,439
56	16	292,994	5	97,885
57	13	246,602	4	67,376
58	17	319,002	7	117,132
59	19	371,052	6	72,077
60	14	227,716	8	168,924
61	11	167,911	6	53,132
62	7	101,817	7	108,103
63	6	108,200	9	160,673
64	13	221,693	8	112,268
65	11	171,178	5	46,298
66	14	186,515	7	107,868
67	11	175,891	3	38,332
68	15	201,568	10	142,213
69	19	320,351	8	84,893
70	13	234,093	6	76,884
71	11	126,886	9	84,929
72	9	177,885	5	57,613
73	9	140,040	4	46,391
74	11	146,567	6	53,342

TABLE 7
THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2001

ACCIDENTAL DISABILITY RETIREMENTS
(continued)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
75	8	\$ 106,088	8	\$ 79,663
76	10	163,059	7	78,639
77	9	120,750	5	47,370
78	12	180,759	3	28,396
79	5	113,406	5	76,722
80	8	102,795	6	55,337
81	8	126,956	1	11,050
82	10	124,252	3	28,153
83	8	120,058	2	27,568
84	5	61,809	3	28,419
85	7	114,978	5	57,269
86	3	43,032	3	39,948
87	3	38,826	2	10,505
88	3	39,495	1	8,426
89	3	33,900	2	28,399
90			1	6,406
91			1	11,009
92	1	11,487	2	24,510
93			1	13,619
98	1	16,669		
TOTAL	458	\$ 7,631,121	250	\$ 3,569,604
<u>SUMMARY</u>				
NO OPTION	289	\$ 5,059,966	189	\$ 2,784,910
OPTION 1	57	820,995	38	475,388
OPTION 2	51	731,787	13	132,656
OPTION 3	60	997,713	10	176,650
OPTION 4	1	20,660	0	0
OPTION 5	0	0	0	0

TABLE 8

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2001**

**ORDINARY DEATH BENEFITS TO BENEFICIARIES
WHO ELECTED TO RECEIVE A LIFE ANNUITY
IN LIEU OF A LUMP SUM**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
43			1	\$ 15,830
57			1	4,631
62	1	\$ 4,631		
64	1	122		
68	1	248	1	4,788
74			2	417
75			1	287
76			1	329
79			1	185
80			1	227
81	1	155		
82			3	1,525
83			2	361
84			4	1,480
86			4	940
89			1	222
90			1	130
91			1	152
92			2	619
95			2	347
TOTAL	4	\$ 5,156	29	\$ 32,468

TABLE 9
THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2001

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
14	1	\$ 3,727		
17	1	7,678		
18			1	\$ 3,653
19			2	13,298
35			1	14,399
38			1	11,367
40			1	16,910
41			1	21,222
42			1	12,441
43			1	18,594
44			2	38,308
46			3	67,516
47			1	12,219
50			2	19,522
53			2	22,517
54			4	58,733
55			3	34,401
56			2	27,411
57			3	52,295
58			2	30,393
59			2	36,008
60			1	8,469
61			1	43,471
62	1	17,051	2	37,187
63			1	9,202
64			3	36,696
65			1	20,956
66			3	50,687
67			2	50,711
69			3	51,399
70			2	51,791
71	1	18,337	2	19,447
73			3	40,702
74			3	24,177
75			3	65,324
76			3	17,553
77			2	20,190
78			1	8,319
79			4	38,889
80			7	66,479
81			1	16,852
82			2	14,155
83			1	7,425

TABLE 9
THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2001

ACCIDENTAL DEATH BENEFITS
(continued)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
84			4	\$ 28,527
85			2	16,592
86			2	16,795
87			3	45,448
88			1	7,185
89			1	11,644
90			2	15,822
91			1	6,680
92			1	6,544
93			1	11,331
95			1	11,074
101			1	5,587
TOTAL	4	\$ 46,793	106	\$ 1,394,519

TABLE 10
THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2001

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
12	1	\$ 1,112	1	\$ 12,306
13	1	3,631		
14			1	1,643
16			1	7,692
17	1	6,697	1	7,692
18			1	9,103
19			1	5,917
20	1	9,098		
21	1	1,152		
22	1	1,454	2	13,014
24	1	5,693	1	16,483
25	1	6,688	1	7,784
26	1	1,538		
27			1	10,500
28	2	13,156	3	13,637
29	1	2,531	2	7,846
31	2	19,161	1	232
32	3	20,256		
33	1	31,129	2	2,076
35	5	15,654	4	14,713
36	1	2,747	4	12,515
37			3	27,102
38	1	6,233	10	54,055
39	3	19,731	5	33,967
40	4	20,561	5	34,845
41	7	22,911	17	96,711
42			15	79,282
43	6	31,502	20	126,908
44	4	16,280	18	109,892
45	7	49,542	26	189,556
46	10	38,839	17	117,126
47	6	28,050	17	103,239
48	10	54,578	16	134,858
49	8	28,619	17	86,760
50	9	67,889	22	184,129
51	9	38,198	29	217,253
52	9	43,265	22	223,565
53	7	30,671	40	329,442
54	4	21,179	51	501,194
55	10	66,602	35	286,865
56	6	35,943	55	436,592
57	9	47,810	30	270,427
58	6	58,769	44	439,248

TABLE 10
THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2001

DEPENDENTS OF DECEASED BENEFICIARIES
(continued)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
59	14	\$ 71,243	49	\$ 552,042
60	16	93,657	76	766,572
61	8	62,189	90	1,039,391
62	6	30,216	91	940,346
63	11	53,527	103	944,373
64	13	92,755	96	934,503
65	13	67,733	111	1,097,413
66	15	107,563	122	1,243,094
67	18	161,165	148	1,434,928
68	18	95,750	168	1,581,552
69	15	124,948	212	1,996,623
70	18	137,335	202	1,742,256
71	19	102,803	240	2,312,236
72	20	144,692	257	2,404,546
73	18	140,316	251	2,160,648
74	28	177,048	287	2,371,856
75	29	189,718	308	2,311,079
76	17	82,120	334	2,479,748
77	31	160,383	349	2,366,247
78	34	221,990	355	2,633,932
79	33	149,604	354	2,437,519
80	23	120,539	357	2,246,622
81	24	119,376	364	2,544,220
82	22	80,542	333	2,079,281
83	19	102,440	328	1,949,850
84	22	114,233	304	1,581,999
85	12	47,272	249	1,482,916
86	12	56,396	231	1,138,165
87	18	61,859	235	1,355,644
88	13	59,547	164	961,990
89	18	59,056	164	920,589
90	5	24,206	115	661,966
91	7	19,503	104	592,598
92	7	38,858	87	399,214
93	7	32,129	65	440,770
94	2	2,441	50	293,724
95	2	1,834	38	297,494
96			27	161,868
97			24	163,094
98	1	2,583	7	47,394
99			9	46,084
100			4	30,440
101			3	15,953

TABLE 10
THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2001

DEPENDENTS OF DECEASED BENEFICIARIES
(continued)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
102			5	\$ 51,846
103			1	3,284
105			1	9,864
TOTAL	767	\$ 4,278,439	8,013	\$ 59,453,943

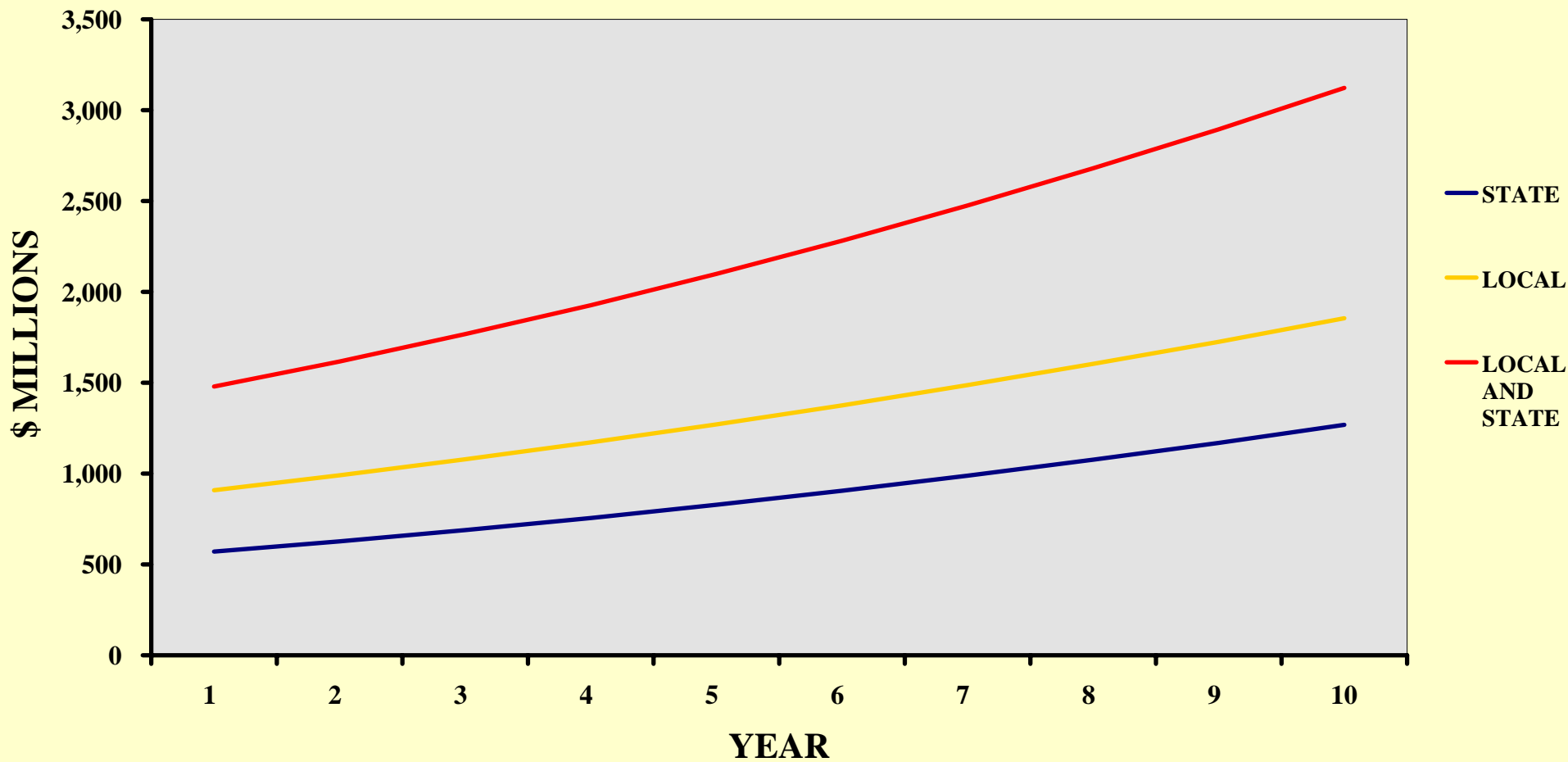
In addition to the above there are 278 beneficiaries who elected to receive the lump sum benefit under Option 1 as annuities certain amounting to \$2,746,017 per annum.

APPENDIX D

PROJECTED BENEFIT PAYOUT

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

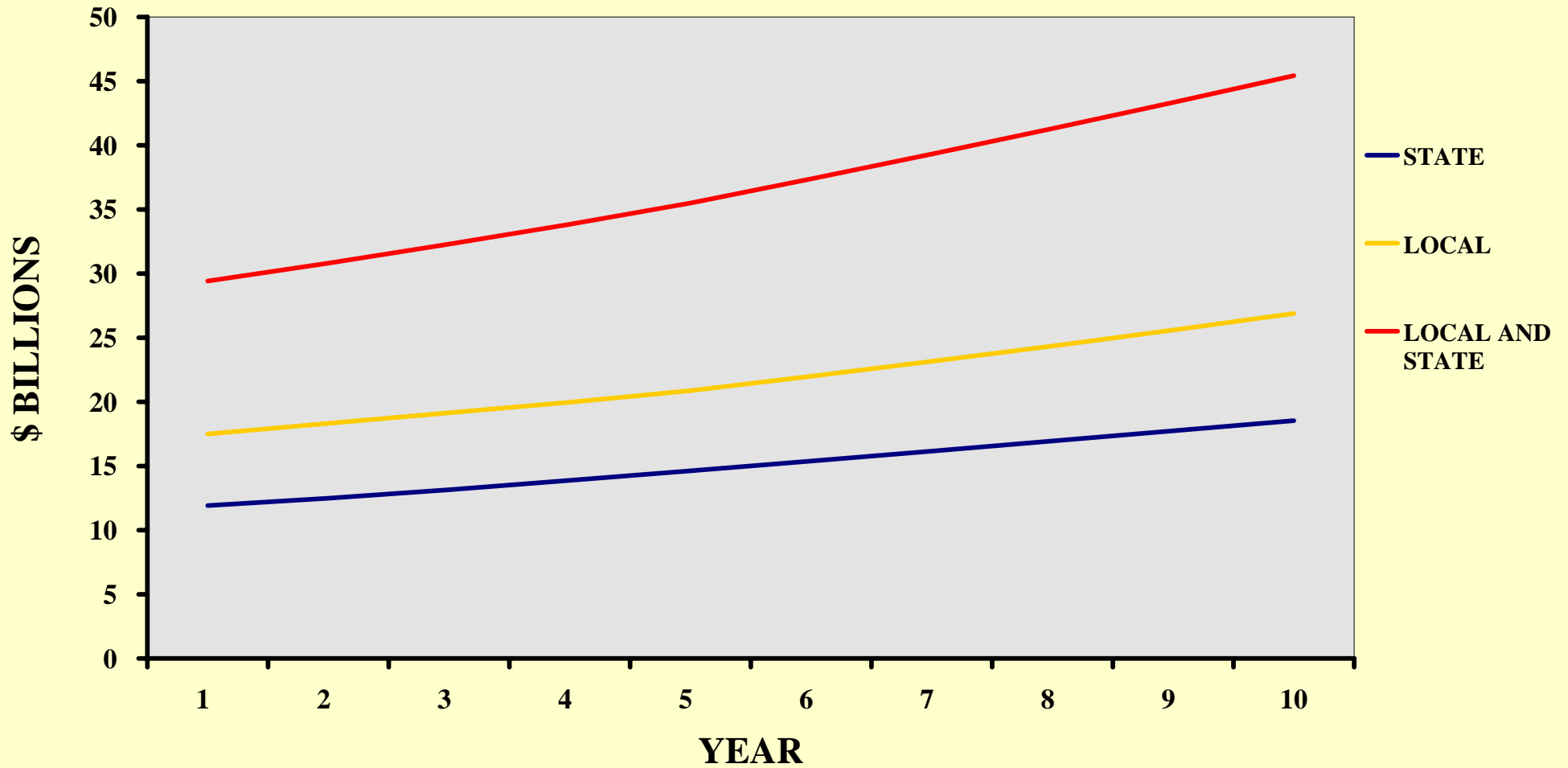
PROJECTED BENEFIT PAYOUT WITH COLA



APPENDIX E
PROJECTED ASSETS

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

PROJECTED VALUATION ASSETS



PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Group</u>	<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>		<u>ERI 2 Information</u>	
			<u>Current Payment</u>	<u>Present Value as of 7/1/2001</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/2001</u>
10	10010	BERGEN COUNTY	604,670	8,651,758		
10	10011	BERGEN CO BD OF SOC SERV	19,345	276,793	32,723	665,869
10	10013	BERGEN CO VOCATIONAL SCHOOL			61,552	496,371
10	10022	OCEAN CO MOSQUITO COMM	7,027	100,543		
10	10030	ATLANTIC COUNTY	70,168	1,003,976		
10	10031	ATLANTIC COUNTY WELFARE BD	21,688	310,314		
10	10040	MIDDLESEX COUNTY	388,489	5,558,596	731,148	2,643,847
10	10041	MIDDLESEX CO BD OF SOCIAL SRV	10,755	153,886		
10	10042	MIDDLESEX CO MOSQ EXTERM COMM	25,504	364,910		
10	10043	MIDDLESEX CO VOCATIONAL SCHOOL			27,380	220,799
10	10050	SUSSEX COUNTY	123,991	1,774,100	142,440	1,088,950
10	10060	MORRIS COUNTY	325,512	4,657,511		
10	10061	MORRIS COUNTY BOARD OF SOC SVCS	4,631	66,268		
10	10063	MORRIS CO VOCATIONAL SCH DIST	5,345	76,477		
10	10070	BURLINGTON COUNTY	176,179	2,520,816		
10	10071	BURLINGTON CO BD OF SOCIAL SERV	16,435	235,154	19,904	405,000
10	10080	MONMOUTH COUNTY	110,379	1,579,330		
10	10081	MONMOUTH CO DIV OF SOCIAL SERVI	59,638	853,305		
10	10090	SOMERSET COUNTY	119,981	1,716,722		
10	10098	SOMERSET CO PK COMMISSION	48,868	699,208		
10	10103	UNION CO VOCATIONAL SCHOOLS			9,793	105,805
10	10110	WARREN CO BD OF CHOSEN FRHLDRS	56,829	813,114		
10	10111	WARREN CO WELFARE BOARD	1,900	27,186		
10	10120	CAPE MAY COUNTY			338,526	1,224,118
10	10121	CAPE MAY CO BD SOCIAL SERVICES			43,042	155,644
10	10130	CAMDEN CO BD OF CHOSEN FRHLDRS	181,316	2,594,318	633,085	2,289,248
10	10131	CAMDEN CO BD OF SOCIAL SRV	112,324	1,607,159	189,919	686,749
10	10140	CUMBERLAND COUNTY			172,940	625,354
10	10141	CUMBERLAND CO BD SOCIAL SERV	28,768	411,629	64,907	234,705
10	10150	SALEM COUNTY			134,181	485,204
10	10151	SALEM CO BD OF SOCIAL SERVICES			71,844	259,790
10	10160	GLOUCESTER COUNTY	32,563	465,921	84,211	304,507
10	10161	GLOUCESTER CO BD OF SOCIAL SERV			50,426	182,341
10	10170	MERCER COUNTY			238,519	3,126,622
10	10171	MERCER CO BD OF SOCIAL SERVICE	18,109	259,109	43,008	875,134
10	10173	MERCER CO VOCATIONAL SCHOOLS			11,223	69,413
10	10180	HUNTERDON COUNTY	44,003	629,596	185,705	1,419,704
10	10181	HUNTERDON CO BD SOCIAL SERVICES			47,398	362,356
20	20033	TEANECK BD OF ED	14,037	200,830		
20	20053	NORTH ARLINGTON BD OF ED	4,091	58,535	24,924	269,284
20	20090	LAKWOOD TOWNSHIP	66,073	945,394		
20	20093	LAKWOOD TWP BD OF ED			16,390	101,373
20	20100	LAVALLETTE BOROUGH			5,932	120,695

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Group</u>	<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>		<u>ERI 2 Information</u>	
			<u>Current Payment</u>	<u>Present Value as of 7/1/2001</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/2001</u>
20	20110	LINDEN CITY	90,535	1,295,382	72,132	1,467,749
20	20114	LINDEN CTY FREE PUBLIC LIBRARY	17,533	250,878	5,894	119,918
20	20150	SEASIDE HEIGHTS BOROUGH			48,758	372,750
20	20160	ASBURY PARK CITY	26,909	385,021		
20	20163	ASBURY PARK BD OF ED	11,498	164,514		
20	20170	EAST ORANGE CITY	46,289	662,313	130,986	2,665,324
20	20190	NEW BRUNSWICK CITY	56,157	803,498	13,794	280,668
20	20200	PERTH AMBOY CITY	24,613	352,177		
20	20203	PERTH AMBOY BD OF ED			40,725	251,885
20	20220	BELLEVILLE TOWNSHIP	75,126	1,074,923		
20	20240	DOVER TOWN	4,525	64,739	26,317	201,193
20	20250	IRVINGTON TOWNSHIP	46,548	666,010	36,969	133,680
20	20260	MONTCLAIR TOWNSHIP	45,345	648,810	27,353	556,581
20	20264	MONTCLAIR LIBRARY			14,927	303,738
20	20280	WEST ORANGE TOWNSHIP	71,370	1,021,177	21,277	432,961
20	20284	WEST ORANGE LIBRARY			10,080	36,449
20	20320	PALMYRA BOROUGH	374	5,353	9,172	186,633
20	20350	ORANGE CITY	10,654	152,439	9,450	192,279
20	20354	ORANGE CITY LIBRARY	11,353	162,439	681	13,856
20	20373	VENTNOR CITY BD OF ED	3,092	44,244		
20	20390	KEARNY TOWN	76,441	1,093,733	142,108	1,086,407
20	20393	KEARNY TOWN BD OF ED	1,054	1,955	54,321	180,705
20	20410	WESTFIELD TOWN			73,425	821,599
20	20463	LODI BD OF ED	31,216	446,645	28,957	179,100
20	20550	VILLAGE OF RIDGEFIELD PARK	20,134	288,079		
20	20564	RIDGEWOOD PUBLIC LIBRARY			8,492	172,801
20	20570	SOUTH ORANGE VILLAGE	19,605	280,506		
20	20580	ENGLEWOOD CITY			220,622	797,775
20	20583	ENGLEWOOD CITY BD OF ED			59,235	477,685
20	20590	HACKENSACK CITY	49,321	705,688	52,522	189,918
20	20620	BERGENFIELD BOROUGH	7,445	106,525	91,022	329,136
20	20640	CHATHAM BOROUGH	53,417	282,564		
20	20650	FAIRVIEW BOROUGH	12,159	173,984	1,388	28,236
20	20653	FAIRVIEW BORO BD OF ED	31	433	4,021	43,444
20	20690	ROSELLE PARK BOROUGH	2,813	40,255		
20	20713	SOMERVILLE BD OF ED	15,092	215,942		
20	20720	WASHINGTON BOROUGH			3,835	78,032
20	20760	MAPLEWOOD TOWNSHIP			165,922	599,978
20	20780	ATLANTIC CITY	48,865	699,177		
20	20783	ATLANTIC CITY BD OF ED	5,849	83,696	58,240	193,743
20	20800	CLIFTON CITY			159,412	1,218,700
20	20810	GARFIELD CITY			3,190	64,909
20	20820	OCEAN CITY			70,947	256,543

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Group</u>	<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>		<u>ERI 2 Information</u>	
			<u>Current Payment</u>	<u>Present Value as of 7/1/2001</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/2001</u>
20	20830	PASSAIC CITY			96,185	735,338
20	20843	RAHWAY CITY BD OF ED	12,076	172,776		
20	20860	COLLINGSWOOD BOROUGH	8,422	120,495		
20	20880	ELMWOOD PARK BOROUGH			22,118	450,062
20	20890	FORT LEE BOROUGH	899	12,862	26,949	548,374
20	20910	HADDONFIELD BOROUGH	4,203	60,144		
20	20940	MANASQUAN BOROUGH			66,486	240,418
20	20983	PALISADES PARK BD OF ED	9,583	137,117		
20	20990	POINT PLEASANT BOROUGH	10,970	156,957		
20	21010	ROSELLE BOROUGH			5,566	113,264
20	21020	SAYREVILLE BOROUGH	31,391	449,152		
20	21040	SPRING LAKE BOROUGH	9,013	128,968		
20	21070	HAMILTON TOWNSHIP	65,426	936,132	162,131	586,269
20	21090	MILLBURN TOWNSHIP	34,999	500,775		
20	21100	MORRIS TOWNSHIP	49,195	703,889		
20	21113	WEEHAWKEN TWP BD OF ED	5,573	79,740	17,149	185,281
20	21120	HOBOKEN CITY			59,146	1,203,519
20	21160	HARRISON TOWNSHIP	40,307	576,720		
20	21163	HARRISON TWP BD OF ED			989	10,685
20	21180	OCEANPORT BOROUGH	2,642	37,797		
20	21193	ORADELL BD OF ED			1,171	9,443
20	21200	RUMSON BOROUGH	2,505	35,835		
20	21210	FAIRFIELD TOWNSHIP			97,477	352,479
20	21213	FAIRFIELD TOWNSHIP BD OF ED	1,370	19,598		
20	21250	UNION TOWNSHIP	40,559	580,322		
20	21260	ABSECON CITY	8,881	127,071		
20	21270	BAYONNE CITY			48,130	979,369
20	21273	BAYONNE BOARD OF ED	2,178	31,174	15,276	123,188
20	21293	UNION CITY BD OF ED	30,683	187,016	54,957	182,820
20	21303	WEST NEW YORK BD OF ED			3,886	41,985
20	21330	CARTERET BOROUGH	13,007	186,105		
20	21333	CARTERET BD OF ED	8,631	123,486		
20	21423	LAWRENCE TOWNSHIP BD OF ED	9,517	136,170		
20	21443	NORTH BERGEN TOWNSHIP BD OF ED			19,815	214,086
20	21463	ROCKAWAY TOWNSHIP BD OF ED	9,006	16,699		
20	21480	EATONTOWN BOROUGH	7,587	108,567	9,298	189,192
20	21520	WEST CALDWELL TOWNSHIP	5	82		
20	21590	GLASSBORO BOROUGH	6,594	94,355		
20	21600	HO-HO-KUS BOROUGH	4,376	62,602		
20	21650	SECAUCUS TOWN	2,261	32,345		
20	21653	SECAUCUS TOWN BD OF ED			30,771	102,363
20	21663	BEVERLY CITY BD OF ED			1,003	10,837
20	21670	EDGEWATER BOROUGH	23,438	335,344		

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Group</u>	<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>		<u>ERI 2 Information</u>	
			<u>Current Payment</u>	<u>Present Value as of 7/1/2001</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/2001</u>
20	21700	MANVILLE BOROUGH			16,173	329,092
20	21710	RAMSEY BOROUGH	39,938	571,431		
20	21720	RED BANK BOROUGH	35,778	511,915		
20	21730	WOODBURY CITY	10,250	146,669	11,585	235,720
20	21740	EWING TOWNSHIP	23,331	333,816		
20	21743	EWING TOWNSHIP BD OF ED			51,149	412,478
20	21780	TRENTON CITY	282,353	4,039,971	89,424	1,819,614
20	21783	TRENTON CITY BD OF ED	58,582	838,210	197,100	2,129,512
20	21810	NEPTUNE CITY BOROUGH	1,055	15,097		
20	21830	SOUTH PLAINFIELD BOROUGH	18,952	271,166		
20	21910	PATERSON CITY	54,146	774,738		
20	21930	SPARTA TOWNSHIP	8,229	117,746		
20	21940	TOTOWA BOROUGH			23,692	85,671
20	21960	WOODBIDGE TOWNSHIP	119,374	1,708,025	104,812	379,001
20	21990	FRANKLIN BOROUGH	19,189	274,558		
20	22030	VERONA TOWNSHIP	24,627	352,370	6,388	129,977
20	22050	CINNAMINSON TOWNSHIP	2,147	30,705		
20	22120	MENDHAM TOWNSHIP	7,582	108,485		
20	22223	HOWELL TWP BD OF ED	13,637	195,123	14,385	155,419
20	22233	MILLTOWN BOROUGH BD OF ED	2,419	34,613		
20	22290	BORDENTOWN CITY	5,834	83,469		
20	22350	MIDDLETOWN TOWNSHIP	30,283	433,300		
20	22383	WALL TOWNSHIP BD OF ED	7,899	113,018	31,389	339,134
20	22400	CHATHAM TOWNSHIP	11,915	170,494		
20	22430	HARRINGTON PARK BOROUGH	12,730	182,134		
20	22500	WILLINGBORO TOWNSHIP			21,127	429,897
20	22540	BOUND BROOK BOROUGH	5,841	83,567	3,693	75,151
20	22553	JACKSON TOWNSHIP BD OF ED			123,479	995,762
20	22580	LYNDHURST TOWNSHIP	5,625	80,496	5,021	56,187
20	22620	PISCATAWAY TOWNSHIP	44,213	632,603		
20	22640	ROXBURY TOWNSHIP	7,114	101,781	27,423	558,022
20	22643	ROXBURY TWP BD OF ED	12,822	183,451	38,559	310,949
20	22650	RANDOLPH TOWNSHIP			93,330	337,480
20	22663	MT OLIVE TWP BD OF ED	14,333	205,091		
20	22670	CHESTER TOWNSHIP	8,388	120,014		
20	22680	BRICK TOWNSHIP	6,476	92,650		
20	22683	BRICK TWP BD OF ED			180,281	720,759
20	22730	BLOOMINGDALE BOROUGH	13,367	191,249		
20	22760	LINCOLN PARK BOROUGH	8,958	128,179	3,831	13,850
20	22770	PARAMUS BOROUGH	16,533	236,553	12,736	259,155
20	22780	METUCHEN BOROUGH	9,366	134,016		
20	22800	WASHINGTON TOWNSHIP	15,492	221,667		
20	22900	MILFORD BOROUGH	6,271	89,723		

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Group</u>	<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>		<u>ERI 2 Information</u>	
			<u>Current Payment</u>	<u>Present Value as of 7/1/2001</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/2001</u>
20	22910	PENNINGTON BOROUGH	17,804	254,735		
20	22993	BERLIN BOROUGH BD OF ED			5,843	36,140
20	23020	GLOUCESTER TOWNSHIP	12,898	184,544		
20	23030	SOUTH BRUNSWICK TOWNSHIP	39,664	567,524		
20	23060	CAPE MAY CITY	4,869	69,660		
20	23073	PLEASANTVILLE BD OF ED	2,007	28,714	2,293	18,491
20	23080	SEA ISLE CITY	21,908	313,465	2,082	23,297
20	23120	HOLMDEL TOWNSHIP	6,274	89,772		
20	23130	NORTH HALEDON BOROUGH	4,520	64,677		
20	23190	MIDDLE TOWNSHIP	5,781	82,714		
20	23200	BEDMINSTER TOWNSHIP	6,586	94,225		
20	23220	BERLIN TOWNSHIP	265	3,794		
20	23230	LITTLE SILVER BOROUGH	1,931	27,635		
20	23240	WESTAMPTON TOWNSHIP	5,837	83,517		
20	23273	LITTLE FERRY BD OF ED			8,149	27,110
20	23290	PAULSBORO BOROUGH	6,539	93,568		
20	23330	NORTH BRUNSWICK TOWNSHIP	27,108	387,868	6,070	123,507
20	23340	WEST PATERSON BOROUGH	23,767	340,071		
20	23370	TETERBORO BOROUGH	8,397	120,159	3,161	35,366
20	23433	MOUNT LAUREL TWP BD OF ED			85,984	531,812
20	23463	PITTSBORO TWP BD OF ED	2,601	37,217	2,012	21,739
20	23490	PINE HILL BOROUGH	5,082	72,716		
20	23610	HAMPTON TOWNSHIP	7,007	100,254		
20	23630	SOUTH AMBOY CITY	12,068	172,680		
20	23700	LAMBERTVILLE CITY			14,014	107,141
30	30010	NORTH JERSEY WATER SUPPLY COMM	23,138	331,052		
30	30030	PASSAIC VALLEY WATER COMM	52,569	752,165		
30	30070	NEWARK HOUSING AUTHORITY	244,369	3,496,497		
30	30130	TRENTON HOUSING AUTHORITY	34,836	498,444	40,709	828,357
30	30160	ATLANTIC CITY HOUSING AUTHORITY			21,958	446,793
30	30200	ORANGE CITY HOUSING AUTHORITY			7,828	28,307
30	30230	ASBURY PK HOUSING AUTHORITY			697	14,199
30	30240	BERGEN CO UTILITIES AUTHORITY	63,284	905,490	19,013	386,891
30	30250	NEW BRUNSWICK HOUSING AUTHORITY			1,323	26,910
30	30290	BAYONNE HOUSING AUTHORITY			61,182	
30	30300	PASSAIC VALLEY SEWERAGE COMM	15,923	227,840	111,952	855,871
30	30320	EWING LAWRENCE SEWERAGE AUTH	8,894	127,263		
30	30360	IRVINGTON HOUSING AUTH	3,740	53,502		
30	30410	ELIZABETH CITY HOUSING AUTH	54,905	785,589		
30	30420	BURLINGTON COUNTY BRIDGE COMM	33,608	480,871	8,034	163,472
30	30510	PATERSON HOUSING AUTHORITY	14,514	207,664	2,001	40,719
30	30560	MIDDLESEX CO UTILITIES AUTH	47,144	674,548	64,337	1,309,123
30	30570	CAMDEN CITY HOUSING AUTHORITY			5,324	23,768

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Group</u>	<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>		<u>ERI 2 Information</u>	
			<u>Current Payment</u>	<u>Present Value as of 7/1/2001</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/2001</u>
30	30630	SOMERSET RARITAN VALL SEW AUTH	11,692	167,296		
30	30670	NJ SCHOOL BOARDS ASSOCIATION	48,074	687,859		
30	30680	STAFFORD MUNICIPAL UTL AUTH	7,359	105,287		
30	30730	DELAWARE RIVER BASIN COMM	44,325	634,211		
30	30740	NJ EXPRESSWAY AUTHORITY	38,537	551,400		
30	30770	PATERSON PARKING AUTHORITY			1,301	26,476
30	30820	HAMILTON TWP FIRE DISTRICT 3	1,232	17,621		
30	30850	ATLANTIC COMMUNITY COLLEGE	25,711	367,883		
30	30870	PASSAIC CO VOCATIONAL SCHOOL			47,702	158,686
30	30900	GLOUCESTER TWP M U A			5,345	108,761
30	30940	MIDDLESEX COUNTY COLLEGE	13,786	197,262	28,072	571,214
30	31150	GLOUCESTER COUNTY COLLEGE	12,202	174,577		
30	31190	BRIDGETON CITY HOUSING AUTH			658	13,399
30	31210	NJ HOUSING & MTG FINANCE AGENCY	15,058	215,461		
30	31250	JERSEY CITY SEWERAGE AUTHORITY			1,379	28,052
30	31260	LINDEN CITY HOUSING AUTHORITY			7,292	151,477
30	31320	HACKENSACK MEADOWLAND DEV COMM			677	13,787
30	31370	MERCER CO IMPROVEMENT AUTHORITY			5,867	119,392
30	31510	BRICK TWP MUN UTILITIES AUTH	15,541	222,356		
30	31580	MOUNT LAUREL TWP MUN UTIL AUTH			697	14,199
30	31680	OCEAN GROVE BD OF FIRE COMM			5,850	119,048
30	31720	NJ SPORTS & EXPOSITION AUTH	3,404	48,696		
30	31830	S MONMOUTH REG SEWERAGE AUTH	3,159	45,191		
30	32000	MANASQUAN RIVER REG SEW AUTH	237	3,391		
30	32080	OCEAN TWP MUN UTIL AUTHORITY			1,382	28,122
30	32260	HUDSON CO COMMUNITY COLLEGE			2,083	42,389
30	32280	MONTCLAIR REDEVELOPMENT AGENCY	6,534	93,486		
30	32450	GLOUCESTER CO HOUSING AUTHORITY			14,462	294,272
30	32700	NJ INSTITUTE OF TECHNOLOGY	68,262	976,711	34,594	703,935
30	32820	ESSEX CO EDUCATIONAL SERV COMM	11,495	164,465		
30	32890	ATLANTIC CITY MUN UTIL AUTH	6,971	99,741		
30	32900	NJ TRANSIT CORPORATION	25,675	367,370		
30	33040	BUENA BORO HOUSING AUTH			694	14,129
30	34340	OLD BRIDGE MUNICIPAL UTIL AUTH	2,202	31,495	37,489	
30	34630	CAMDEN CO HEALTH SERVICES CTR	122,937	1,759,004		
30	39990	COMP RATING & INSP BUR	30,223	432,432	36,126	735,099
40	40290	HUNTERDON CENTRAL HIGH SCHOOL	4,327	61,911		
40	40310	EAST WINDSOR REG SCHOOL DIST			10,312	83,158
40	40400	MATAWAN-ABERDEEN REG SCHOOL			82,346	664,058
40	40420	LENAPE REGIONAL H S DISTRICT	11,800	168,838	46,460	154,553
40	40460	LOWER CAMDEN CO REG HS DIST 1	5,887	84,242	13,310	107,335
50	50050	ALLENTOWN BOROUGH	12,438	177,969	687	13,969
50	50130	AUDUBON BOROUGH			1,476	30,019

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Group</u>	<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>		<u>ERI 2 Information</u>	
			<u>Current Payment</u>	<u>Present Value as of 7/1/2001</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/2001</u>
50	50240	BELVIDERE TOWN			14,720	112,536
50	50380	BRANCHVILLE BOROUGH	332	4,743		
50	50740	DEPTFORD TOWNSHIP	2,391	34,211		
50	50830	EAST HANOVER TOWNSHIP	8,936	127,858	8,356	170,034
50	50890	ELK TOWNSHIP	1,512	21,622		
50	51003	FARMINGDALE BD OF ED			1,338	8,276
50	51053	FRANKFORD TOWNSHIP BD OF ED			11,549	71,430
50	51130	FREEHOLD TOWNSHIP	9,821	140,527	78,903	285,318
50	51440	HELMETTA BOROUGH	3,234	46,268		
50	51520	HOPATCONG BOROUGH	27,992	400,520		
50	51620	JAMESBURG BOROUGH	9,944	142,279		
50	51750	LEBANON BOROUGH			664	13,512
50	51793	LINDENWOLD BOROUGH BD OF ED			22,557	181,905
50	51800	LINWOOD CITY			14,896	303,121
50	51880	LOWER TOWNSHIP	7,394	105,785		
50	51930	OLD BRIDGE TOWNSHIP	38,585	552,092		
50	51940	MAGNOLIA BOROUGH	2,496	35,722		
50	51960	MANALAPAN TOWNSHIP	9,251	132,361		
50	51973	MANCHESTER TOWNSHIP BD OF ED	2,964	42,411		
50	52073	MEDFORD TOWNSHIP BD OF ED			17,325	57,633
50	52210	MONROE TOWNSHIP	18,515	264,912	1,355	27,573
50	52213	MONROE TOWNSHIP BD OF ED			11,345	70,168
50	52293	MT EPHRAIM BD OF ED			5,008	16,660
50	52360	NEWARK CITY	462,757	6,621,235	192,659	3,920,262
50	52603	PEMBERTON TOWNSHIP BD OF ED	32,546	465,679	96,270	320,253
50	52630	PENNSAUKEN TOWNSHIP	3,179	45,482	3,435	69,915
50	52810	RARITAN TOWNSHIP	9,242	132,231	21,006	160,588
50	52820	HAZLET TOWNSHIP	737	10,547		
50	52920	ROSELAND BOROUGH			30,258	109,412
50	52960	SADDLE BROOK TOWNSHIP			21,538	164,659
50	52963	SADDLE BROOK BD OF ED			28,710	310,190
50	53080	SOUTHAMPTON TOWNSHIP	4,048	57,924		
50	53280	TABERNACLE TOWNSHIP			7,815	87,456
50	53310	TEWKSBUARY TOWNSHIP			24,179	107,925
50	53360	UNION BEACH BOROUGH	5,199	74,388		
50	53433	VERNON TOWNSHIP BD OF ED			34,714	115,480
50	53460	VOORHEES TOWNSHIP	42,978	191,836	26,145	94,541
50	53490	WALLINGTON BOROUGH			7,160	145,708
50	53670	WEST LONG BRANCH BOROUGH	7,185	102,793	3,696	75,220
50	53743	WHITE TOWNSHIP BD OF ED	8,600	123,052		
50	53820	WOODLAND TOWNSHIP	8,887	127,151		
55	55420	EAST BRUNSWICK SEWERAGE AUTH			697	14,199
55	55640	FLORHAM PARK SEW AUTHORITY			2,138	43,509

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Group</u>	<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>		<u>ERI 2 Information</u>	
			<u>Current Payment</u>	<u>Present Value as of 7/1/2001</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/2001</u>
55	55760	WASHINGTON TWP MUN UTIL AUTH	2,660	38,054		
55	55880	WRIGHTSTOWN MUN UTIL AUTH			687	13,969
55	55900	CINNAMINSON SEWERAGE AUTHORITY	5,903	84,468		
55	56190	SOMERS POINT SEWERAGE AUTHORITY	1,313	18,793		
57	57420	CHESTER TWP BD OF ED			24,045	79,989
57	57510	NORTH WARREN REG HIGH SCHOOL			27,120	167,737
60	60010	ESSEX COUNTY	652,888	9,341,676	461,377	9,388,181
60	60020	HUDSON COUNTY	25,118	359,395	208,363	1,592,927
60	60023	HUDSON CO SCHOOLS OF TECHNOLOGY			10,911	117,884
60	60031	PASSAIC CO BD OF SOCIAL SERVICE	22,814	326,439	27,603	231,612
		TOTALS	7,812,653	110,502,988	9,150,143	76,299,383

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

APPENDIX G - CHAPTER 59 EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Number</u>	<u>Location Name</u>	<u>CHAPTER 59 ERI Information</u>	
		<u>5 Year Level Payment</u>	<u>Present Value as of 7/1/01</u>
23660	WEST DEPTFORD TOWNSHIP	\$ 24,237	\$ 80,629

APPENDIX H

BREAKDOWN OF CONTRIBUTIONS FOR STATE COLLEGES THE YEAR BEGINNING JULY 1, 2002

Division	Number	Payroll	NORMAL CONTRIBUTION					Offset Amount due to Chapter 115, P.L. 1997 and Chapter 133, P.L. 2001	Net Normal Cost*
			Contribution Prior to Chapter 133, P.L. 2001	Chapter 133, P.L. 2001 Benefit Increase	Post Retirement Medical Contribution	Gross Normal Cost			
State Colleges									
Location 410: Rowan College	638	\$ 22,038,796	\$ 874,940	\$ 156,825	\$ 678,504	\$ 1,710,269	\$ (1,031,765)	\$ 678,504	
Location 411: Jersey City State College	596	16,789,948	666,562	119,475	430,471	1,215,508	(786,037)	430,471	
Location 412: Kean College	769	20,081,728	797,245	142,898	451,994	1,392,137	(940,143)	451,994	
Location 413: William Paterson College	688	17,148,688	680,802	122,027	284,931	1,087,760	(802,829)	284,931	
Location 414: Montclair State College	740	20,037,148	795,475	142,581	379,224	1,318,280	(938,056)	379,224	
Location 415: The College of NJ	617	18,504,358	734,623	131,674	591,385	1,457,682	(866,297)	591,385	
Location 420: Ramapo State College	365	10,663,540	423,342	75,880	124,017	623,239	(499,222)	124,017	
Location 421: Richard Stockton College	465	14,663,084	582,124	104,340	233,684	920,148	(686,464)	233,684	
Location 430: Thomas A. Edison State College	99	4,064,820	161,373	28,925	51,247	241,545	(190,298)	51,247	
Location 32700 & 55530: New Jersey Institute of Technology	443	16,881,709	670,204	120,128	306,454	1,096,786	(790,332)	306,454	
Location 90010: Rutgers State University	4,481	147,659,608	5,862,087	1,050,722	6,925,452	13,838,261	(6,912,809)	6,925,452	
Location 90020: Rutgers State University	0	0	0	0	28,698	28,698	0	28,698	
Location 90030: Rutgers State University	0	0	0	0	21,524	21,524	0	21,524	
Location 90130: University of Medicine & Dentistry	0	0	0	0	2,591,023	2,591,023	0	2,591,023	
Location 90131: University of Medicine & Dentistry	0	0	0	0	72,770	72,770	0	72,770	
Total	9,901	\$ 308,533,427	\$ 12,248,777	\$ 2,195,475	\$ 13,171,378	\$ 27,615,630	\$ (14,444,252)	\$ 13,171,378	

* The required normal cost contribution is equal to the Post Retirement Medical Contribution after reflecting the provisions of Chapter 115, P.L. 1997 and Chapter 133, P.L. 2001 legislations.