



New York State and Local Retirement System Comprehensive Annual Financial Report

For Fiscal Year Ended March 31, 2005

Office of the New York State Comptroller
Alan G. Hevesi



New York State and Local Retirement System

Employees' Retirement System
Police and Fire Retirement System

NEW YORK STATE AND LOCAL RETIREMENT SYSTEM

Employees' Retirement System
Police and Fire Retirement System

Comprehensive Annual Financial Report

Fiscal Year Ended March 31, 2005

Prepared by the staff of the New York State and Local Retirement System
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Albany, NY 12244

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

New York State and Local Retirement System

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
March 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Ziehl

President

Jeffrey R. Emmer

Executive Director



Everyday, new members become part of one of the largest and most secure retirement systems in the world. Our goal, from day one, is to make sure they understand the retirement benefits that come with membership and help them see how those benefits can contribute to their financial security.

Introduction



September 30, 2005

I am pleased to present this Comprehensive Annual Financial Report (CAFR) for the New York State and Local Retirement System (the System), for the fiscal year ended March 31, 2005. The System is responsible for both the accuracy of the presented information and the completeness and fairness of the presentation, including all disclosures made within this report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the System for its CAFR for the fiscal year ended March 31, 2004. The Certificate of Achievement is a prestigious national award recognizing excellence in the preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents meet or exceed program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid only for one year. This was the first year we applied for and received a Certificate of Achievement. We believe our current report continues to meet the Certificate of Achievement program requirements and are submitting it to the GFOA for consideration again this year.

This CAFR was prepared to conform with the principles of governmental accounting and reporting set forth by the Governmental Accounting Standards Board. The System's transactions are reported on the accrual basis of accounting. Sufficient internal accounting controls exist to provide reasonable assurance regarding the safekeeping of assets and fair presentation of the financial statements and supporting schedules.

The CAFR is divided into five sections:

- Introduction Section – contains this letter of transmittal, an organization chart, the Deputy Comptroller's report, and a summary of System highlights
- Financial Section – contains the Independent Auditors' Report, Management's Discussion and Analysis, the System's financial statements, and required supplementary information
- Investment Section – contains a report on investment activity, investment policies, investment results, and various investment schedules
- Actuarial Section – contains an Actuary's Certification Letter and the results of the annual actuarial valuation
- Statistical Section – contains significant data pertaining to the System

The New York State Employees' Retirement System (ERS) was established in 1921. In 1966, the State Legislature created the Police and Fire Retirement System (PFRS). Together, they make up the System. The assets of ERS and PFRS are held in the Common Retirement Fund and managed by the Division of Pension Investment and Cash Management.

The System offers retirement benefits for members who reach specific ages or have completed a specified number of years of service, depending on the system and plan they are enrolled in. At the end of fiscal year 2004-05, there were a total of 982,009 members, retirees and beneficiaries, and 2,993 participating employers.

Funding

The System's funding objective is to meet long-term benefit promises through employer contributions that remain level as a percent of member payroll. Annual employer contributions are determined on an actuarial basis and actual employer contributions are the greater of a minimum contribution of 4.5 percent of member payroll or actuarial contributions. Employer contributions are returning to their designed long-term levels after many years of very small contributions. The System remains well-funded and a detailed discussion of its funding is provided in the Actuarial Section of this report.

Investments

To meet our obligations to pensioners, members and beneficiaries, the Fund's assets are diversified over a number of investments, and a host of different investment strategies are employed to control risk. In the past year, the Fund returned 8.51 percent.

Additionally, to maximize the value of stock owned by the Fund, I have been at the forefront of corporate reform, working with various companies and corporate boards on a host of different issues ranging from environmental and labor principles to accounting and executive compensation standards.

Accounting Practices

My staff is responsible for identifying control objectives relating to the protection of assets and ensuring that all transactions are properly recorded to permit the preparation of financial statements in accordance with generally accepted accounting principles. We are responsible for the design, implementation and maintenance of adequate internal controls to provide reasonable assurance that control objectives are achieved. The internal control system includes the organization plan, the appropriate segregation of duties and responsibilities, sound practices in the performance of duties, and personnel with capabilities commensurate with their responsibilities. We believe the internal controls in effect during the fiscal year ended March 31, 2005, adequately safeguard the System's assets and provide reasonable assurance regarding the proper recording of financial transactions.

GASB Statement No. 34 requires that we provide a narrative introduction, overview and analysis of the System's financial activities in the form of a Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found in the Financial Section, immediately following the report of the independent auditor.

Major Initiatives

In the past year, we have undertaken several major initiatives to improve service to our members. Highlights of these initiatives are included in the report from the Deputy Comptroller for the Retirement System.

Acknowledgements

This report was prepared by the Divisions of Retirement Services and Pension Investment and Cash Management. It is intended to provide complete and reliable information as a basis for making management decisions, for determining compliance with legal provisions, and determining responsible stewardship of the System's assets.

I would like to take this opportunity to express my gratitude to my staff and advisors who work so diligently to assure the successful operation of the System.

Sincerely,



Alan G. Hevesi

ADVISORY COMMITTEES

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Joe Grills

Assistant Treasurer (retired)
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Tyndall Management, LLC

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General Motors Investment Management Corporation

Dr. Robert G. Smith

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Managing Director
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College Retirement Equities Fund

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Senior Investment Manager
IBM Retirement Fund

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Glenn M. Johnson

Senior Consultant
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Brant K. Maller, Esq.

Partner
Bryan Cave, LLP

Everett B. Miller, III

Vice President, Alternative Investments
YMCA Retirement Fund

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Chief Investment Officer
Lawrence Ruben Company

J. Stanley Shaw, Esq.

Senior Partner
Shaw, Licitra, Esernio, Schwartz & Pfluger, P.C.

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Julien J. Studley, Inc.

Alan C. Sullivan

Senior Vice President
The DeMatteis Organization

Actuarial Advisory Committee

Armand DePalo

Senior Vice President & Chief Actuary
Guardian Life Insurance Company

Michael Heller

Vice President Actuarial Pension Operations
Teachers Insurance and Annuity Association—
College Retirement Equities Fund

Joel Steinberg

Chief Actuary
New York Life Insurance Co.

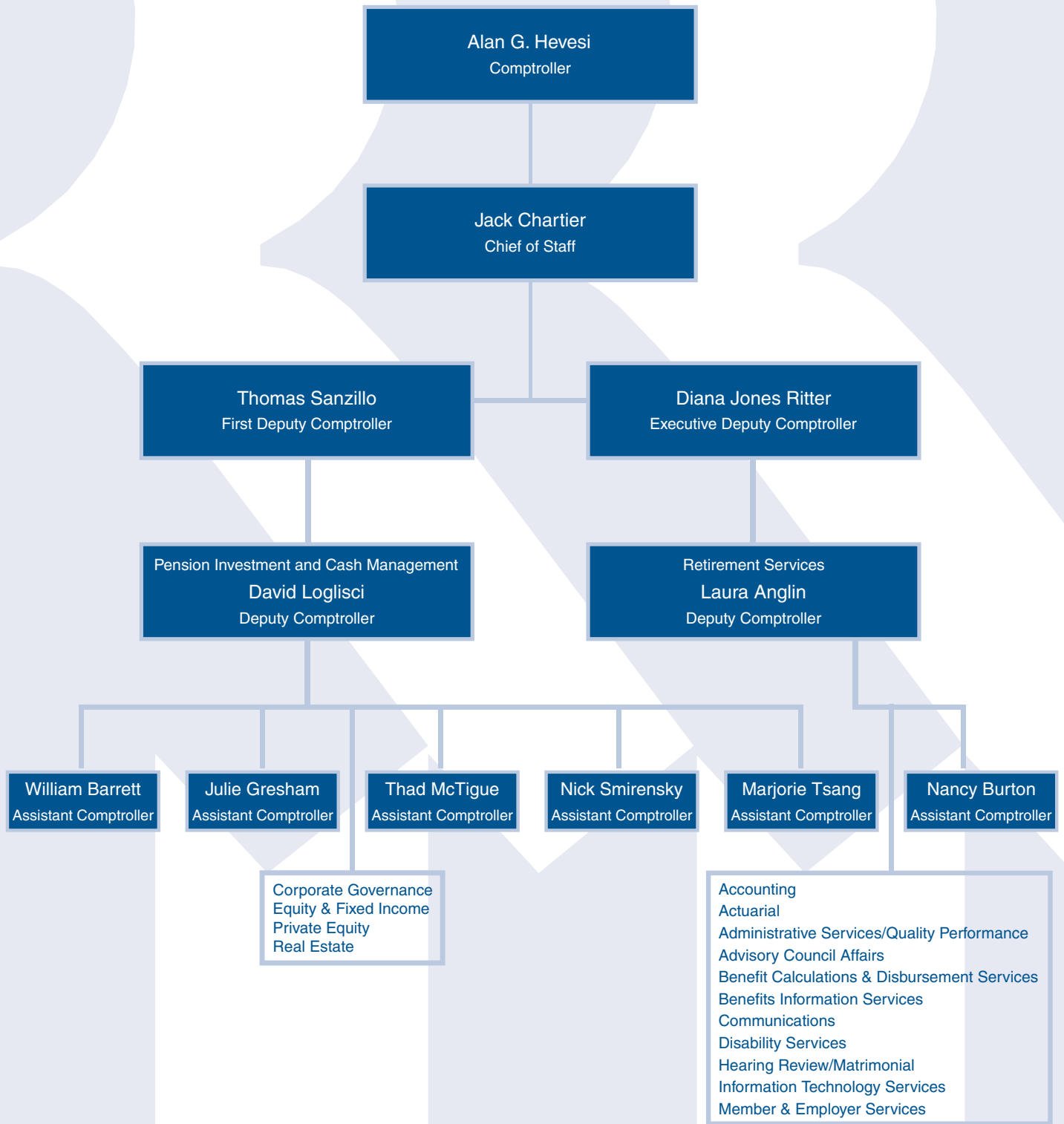
Stanley Talbi

Chief Actuary
Metropolitan Life Insurance

Suzanne Taranto

Vice President & Actuary
AXA Financial Services

NEW YORK STATE AND LOCAL RETIREMENT SYSTEM ORGANIZATIONAL CHART



The only consultants that provide services to us are investment professionals. See pages 61-66 for lists of these consultants.

Since taking office, Comptroller Hevesi has made improving customer service a priority. I am happy to report that during fiscal year (FY) 2004-05, we launched several major initiatives to enhance the services we offer and increased our outreach to those we serve. All of these efforts have helped us meet our commitment of providing members with the best services possible.

Following are some highlights of major projects and initiatives that we started in the past fiscal year.

Automated Information Phone Line Goes 24/7

After more than one year of planning, coordinating and testing, our Automated Information Phone line (also known as the Interactive Voice Response – IVR) became available 24 hours a day, seven days a week. The response to the expanded hours was extremely positive and helped increase the number of calls into the IVR to more than one million calls this year. Members use the IVR to find information about loan balances, previous service credit and consultation site locations. Retirees can find out if they are eligible for cost-of-living adjustments (COLA) and receive tax information, while employers can confirm an employee's membership. During regular business hours, callers can still be transferred to a customer service representative for personalized assistance.

Self-Service on the Way

We began the designing, building and testing of Phase 1 of our web-based, self-service program. Once completed, members and pensioners will be able to enroll online for this service. Depending on whether they are a member or a pensioner, they will be able to view their current contribution balance, beneficiary designations, current arrears balance and other personal membership information, or view the details of their last pension payment, including deductions and withholding amounts. We expect the first phase of this project to be rolled out in the next fiscal year.

Employer Partnership Gains Momentum

Strengthening our relationship with employers is a critical aspect of providing better service to our members, because much of the important information we need about members is gathered from employers. Last winter, we sent a survey to participating employers asking them a wide range of questions regarding how they do business with us and our members, as well as how they believe we can improve our services to them. More than half of those we sent surveys to responded, giving us important information about how they view our working relationship and what we could do to strengthen our partnership.

As a follow-up to the survey, we sent a comprehensive package to employers that featured brochures about our Internet reporting programs and contact information. Once again, we were pleasantly surprised at the response to this mailing. At the end of March 2004, 717 employers were using our Retirement Internet Reporting program, which allows employers to report their employees' salary and service information via the Internet. As of March 31, 2005, 1,038 employers were using the service, approximately one-third of all participating employers.

It is clear that this partnership has already gotten stronger. In the upcoming year, we will be holding focus groups with employers to get even more feedback. In the meantime, we will continue to seek new ways of strengthening our relationship with employers and are grateful to those who have already participated in this effort.

Scanning and Imaging Initiative Underway

We have millions of paper file folders in multiple storage facilities that have accumulated during our 84-year history. Employee access to this paper-based folder system can be cumbersome at times. By scanning member folders and converting them to electronic files, employees will have immediate access

to the information they need to help members more quickly. It will also help protect and preserve important information in the folders. In addition, once folders are scanned, it will enable several employees to access a folder simultaneously for different reasons. We have already started to scan certain forms and have seen how this process has made it more efficient for us to serve our members. Expanded implementation of scanning will reduce processing time for us and improve services for members and employers.

Redesigning Our Technology and the Way We Work

We are currently researching new computer technology to replace our existing system to provide better service to our members. Upgraded technology is only one phase of our comprehensive redesign project. We are also evaluating how we do our everyday work and developing new ideas on how we can work more efficiently. We will then use this information to make an informed decision guaranteeing our new technology will support a new and better way of doing business. While this entire process is going to take several years to complete, we are excited about the progress we have already made and optimistic about how our redesign project will improve customer service in the future.

Consultations By Appointments at More Locations

One-on-one interviews provide personalized service to many members, especially those who are nearing retirement and have specific questions. That is why our 16 consultation sites, located throughout New York State, are so popular. This fiscal year, we added appointment scheduling to more sites, bringing this convenient feature to more than half of our consultation offices. This ensures that when members arrive at one of our sites, our Information Representatives will have their member information accessible and they will be seen in a timely manner. Members have consistently praised our by-appointment policy and we will be adding it to more sites in the upcoming year.

Preparing to Retire Kit Wins Rave Reviews

We created a package for members nearing retirement that includes a *Preparing to Retire* guide book, an At-A-Glance Planner, and multi-media CD presentation. The kits were mailed to approximately 5,000 members as part of a pilot program. These members then received a follow-up survey. The response was overwhelmingly positive. Almost all respondents found the kit informative and valuable. Most said it prompted them to take some type of action to prepare for their retirement (i.e., check the status of the service credit, request an estimate of their benefit, etc). We will be distributing thousands of kits within the next year.

EFT Reaches 80 Percent

Our outreach to retirees and pensioners resulted in our reaching a milestone this year. We now have 80 percent of our pensioners voluntarily using the Electronic Funds Transfer program. Approximately 87 percent of PFRS retirees are enrolled in the program while 79 percent of ERS retirees use it.

E-News Reaching More

Our bi-monthly e-newsletter, which consists of timely retirement information for members and employers, continues to increase in popularity as we have now tripled the number of subscribers since we launched the publication two years ago. We have more than 24,000 members and employers on our E-News mailing list.

Two New Laws Benefit Members

Patriot Plan Extension Provides Relief

Chapter 127 (Laws of 2004) was enacted extending for one year the provision of the Patriot Plan allowing public retirement systems to suspend loan repayments for members on active military duty. Right now, members can defer loan repayments until their active duty is completed. The loan repayment period is extended by the length of time they served.

Retirees Get Additional 30 Days to Choose Option

Chapter 446 (Laws of 2004) was enacted allowing newly retired members to change their retirement option election up to 30 days after the date their retirement benefit is payable. Disability retirees may change their option selection up to 30 days after their disability application is approved or up to 30 days after their retirement date, whichever is later.

I look forward to updating you on these initiatives in next year's report as well as new customer service improvements we hope to add in the upcoming months.

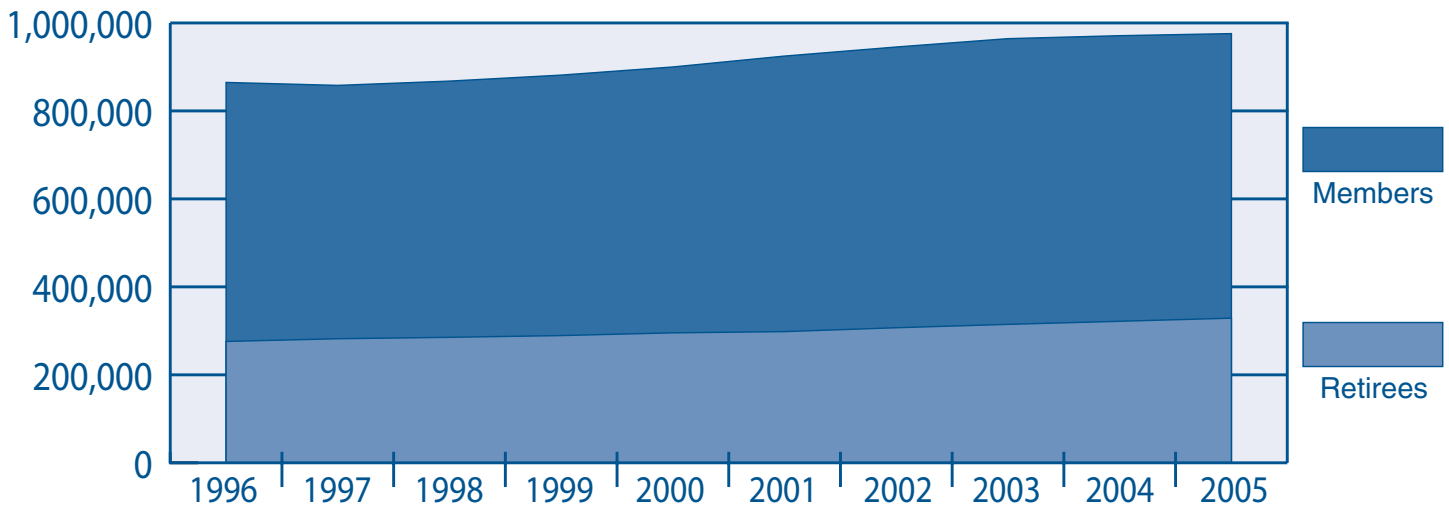
BY THE NUMBERS

Members and Retirees

Overall membership in the System is 982,009. This includes 647,758 members and 334,251 retirees and beneficiaries. Both of these numbers continue to climb, with the number of retirees increasing more quickly than members. For example, in 1990, retirees represented 26 percent of the System's members. In FY 2005, that number rose to approximately 34 percent.

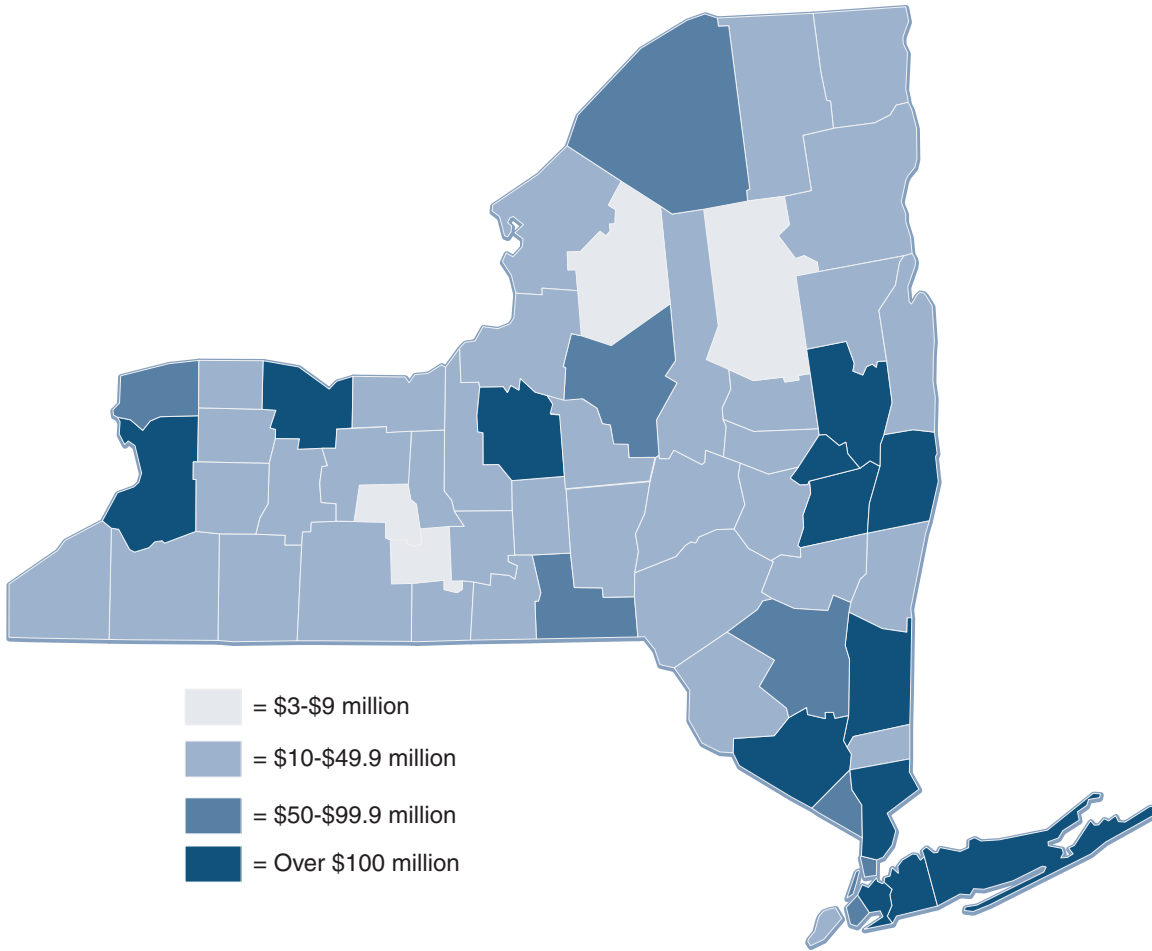
The value of the pension fund's net assets at the end of the fiscal year was \$128 billion.

Benefit payments continue to rise, reflecting improvements in final average salaries over the past decades, cost-of-living adjustment (COLA) payments and benefit improvements enacted over the years. For example, in 1996, benefit payments were approaching \$2.9 billion, while this year's payments totaled more than \$5.6 billion.



Retirees in New York State

Of the 334,251 retirees and beneficiaries in the System, 257,471 (77 percent) remain New York State residents. As such, benefit payments approaching \$4.5 billion this year alone reaches the State's communities and businesses, representing the System's greatest impact on the State's economy.



Annual Benefit Payments Within New York State

County	Recipients	Annual Payments	County	Recipients	Annual Payments
Albany	13,657	\$281,509,877	Oneida	7,401	113,038,709
Allegany	1,259	15,235,362	Onondaga	9,531	139,511,036
Bronx	2,794	52,453,910	Ontario	2,173	31,062,459
Broome	5,737	77,319,616	Orange	5,968	101,933,582
Cattaraugus	2,581	34,381,281	Orleans	1,012	12,700,742
Cayuga	2,157	32,473,328	Oswego	2,810	37,105,312
Chautauqua	3,379	44,178,380	Otsego	1,636	20,929,395
Chemung	2,559	39,434,914	Putnam	1,444	29,716,724
Chenango	1,388	18,449,603	Queens	5,067	104,065,159
Clinton	2,752	47,879,729	Rensselaer	6,145	115,273,062
Columbia	2,097	34,232,204	Richmond	1,899	40,343,311
Cortland	1,225	16,009,509	Rockland	4,976	93,305,507
Delaware	2,010	29,337,348	St. Lawrence	3,580	51,881,785
Dutchess	6,729	122,014,439	Saratoga	6,058	118,856,559
Erie	21,944	361,356,358	Schenectady	5,962	108,066,685
Essex	1,407	20,038,597	Schoharie	1,086	16,353,537
Franklin	1,780	25,521,755	Schuyler	571	7,622,044
Fulton	1,469	19,727,990	Seneca	1,260	18,342,312
Genesee	1,511	20,915,514	Steuben	2,361	32,740,038
Greene	1,656	27,647,199	Suffolk	25,025	527,148,650
Hamilton	422	6,009,498	Sullivan	1,938	31,597,843
Herkimer	1,706	20,197,163	Tioga	1,073	12,256,434
Jefferson	2,265	32,677,590	Tompkins	2,209	36,199,377
Kings	4,332	85,703,494	Ulster	3,688	56,347,375
Lewis	757	8,203,962	Warren	1,228	18,378,126
Livingston	2,138	30,934,252	Washington	1,947	29,695,744
Madison	1,670	22,743,452	Wayne	2,324	30,029,113
Monroe	11,603	173,455,064	Westchester	12,402	244,723,657
Montgomery	1,651	23,459,732	Wyoming	1,329	20,728,211
Nassau	18,288	387,920,194	Yates	606	7,613,742
New York	3,527	78,646,897	NY Military	5	77,832
Niagara	4,307	64,047,235	Total	257,471	\$4,462,279,509

Benefit Recipients Within the United States

Total dollars for the year ended March 31, 2005

State	Recipients	Annual Payments	State	Recipients	Annual Payments
Alabama	594	\$8,022,704	Nebraska	45	380,127
Alaska	45	521,581	Nevada	1,220	21,628,434
Arizona	2,346	34,695,144	New Hampshire	486	7,410,374
Arkansas	122	1,263,889	New Jersey	5,810	141,006,957
California	2,231	26,976,287	New Mexico	390	5,483,976
Colorado	595	7,740,186	New York	257,471	4,462,279,509
Connecticut	1,609	24,188,793	North Carolina	5,154	81,277,679
Delaware	367	5,985,799	North Dakota	11	104,226
Florida	31,859	491,242,982	Ohio	578	6,088,934
Georgia	2,020	29,271,091	Oklahoma	149	1,762,310
Guam	1	2,698	Oregon	237	2,838,280
Hawaii	103	1,817,372	Pennsylvania	3,074	47,699,844
Idaho	70	947,861	Puerto Rico	450	4,904,282
Illinois	254	2,945,059	Rhode Island	194	2,566,836
Indiana	218	2,359,194	South Carolina	2,852	46,532,867
Iowa	43	265,619	South Dakota	38	487,099
Kansas	73	696,209	Tennessee	789	11,316,853
Kentucky	248	3,058,012	Texas	1,332	15,647,939
Louisiana	170	2,155,499	Utah	98	1,156,560
Maine	508	7,051,133	Vermont	497	7,342,727
Maryland	1,156	15,904,872	Virginia	3,007	44,622,121
Massachusetts	1,239	17,171,902	Washington	365	4,685,274
Michigan	331	3,455,692	Washington, D.C.	95	1,247,181
Minnesota	123	1,527,494	West Virginia	152	2,159,721
Mississippi	159	2,154,536	Wisconsin	127	1,417,928
Missouri	208	2,494,856	Wyoming	50	821,047
Montana	86	1,298,869			

Benefit Recipients Outside the United States

For the year ended March 31, 2005

Total Recipients	Total Annual Payments
829	\$9,506,500



*A*s their public service career progresses, they reach specific milestones in membership. We keep them aware of these milestones and how they affect their future.

Financial

To the Trustees of
New York State and Local Retirement System:

We have audited the accompanying statement of plan net assets of the New York State and Local Retirement System ("the System") as of March 31, 2005, and the related statement of changes in plan net assets for the year then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit.

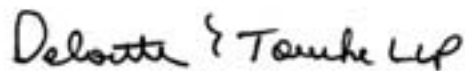
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the System as of March 31, 2005, and the changes in plan net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the Required Supplementary Information as listed in the foregoing table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the System's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit such information and we do not express an opinion on it.

The Additional Supplementary Information as listed in the foregoing table of contents is not a required part of the basic financial statements. This supplementary information is the responsibility of the System's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit such information and we do not express an opinion on it.

The introduction, investment, actuarial and statistical sections of this report have not been subjected to the auditing procedures applied in our audit of the 2005 basic financial statements, and accordingly, we express no opinion on them.



August 8, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following overview of the financial activity of the New York State and Local Retirement System (the "System") for the fiscal year ended March 31, 2005 is intended to provide the reader with an analysis of the System's overall financial position. This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the basic financial statements of the System which follow.

Financial Highlights

- The net assets of the System held in trust to pay pension benefits were \$128,038 million as of March 31, 2005. This amount reflects an increase of \$7,239 million from the prior fiscal year. This change is primarily the result of the net appreciation of the fair value of the investment portfolio.
- The System's funding objective is to meet long-term benefit obligations through member and employer contributions and investment earnings.

Overview of the Financial Statements

The financial statements consist of the statement of plan net assets, statement of changes in plan net assets, and the notes to the financial statements. The required supplementary information that appears after the notes to the financial statements is not a required part of the financial statements but present supplementary information required by the Government Accounting Standards Board.

The statement of plan net assets includes information about the System's assets, liabilities, and net assets as of the close of the System's fiscal year. This statement provides information about the fair value and composition of net assets.

The statement of changes in plan net assets presents the changes to the System's net assets for the fiscal year including investment income and appreciation from the investment portfolio and contributions from

members and employers. Benefits and administrative expenses paid by the System are included under the deductions section of the statement.

The notes to the financial statements and the required supplementary information are an integral part of the basic financial statements and provide additional information about the plans of the System, significant accounting policies and contributions and reserves to the System.

The required supplementary schedules include information about the aggregate actuarial funding method, which is utilized by the System to maintain a fully funded System, the cost-of-living adjustment made available to pensioners, and significant actuarial assumptions used to determine employer contributions. In addition, the funding progress, with employer contributions for the previous six years, is reported.

Analysis of Overall Financial Position of the System

The purpose of the System's investments is to provide for the long-term growth, while also ensuring a reliable cash flow that meets the funding requirements of the near-term pension obligation. To achieve these goals, the investments are efficiently allocated to a variety of asset types and strategies so that they meet the current funding needs and future growth requirements of the pension liability. Equity investments are included for their long-term return and growth characteristics, while fixed income assets are added to the allocation for their ability to control investment risk and provide for a reliable cash flow that meets the funding requirements of the pension payments.

Statement of Plan Net Assets as of March 31, 2005 as compared to March 31, 2004 follows:

(In thousands)				
	2005	2004	Dollar Change	Percentage Change
Assets:				
Investments	\$126,083,554	\$119,245,006	\$6,838,548	5.7%
Securities lending collateral—invested	19,314,532	14,846,332	4,468,200	30.1%
Receivables and other assets	3,449,108	2,350,290	1,098,818	46.8%
Total assets	148,847,194	136,441,628	12,405,566	9.1%
Liabilities:				
Securities lending collateral—due	19,314,532	14,846,332	4,468,200	30.1%
Other liabilities	1,494,948	796,290	698,658	87.7%
Total liabilities	20,809,480	15,642,622	5,166,858	33.0%
Net assets held in trust for pension benefits	\$128,037,714	\$120,799,006	\$7,238,708	6.0%

The plan net assets of the System totaled \$128,038 million as of March 31, 2005, an increase of \$7,239 million from the prior fiscal year.

The table below shows the detail of the invested assets portion of all plan assets. These invested assets totaled \$126,084 million as of March 31, 2005.

(In thousands)				
Investment Category	2005	2004	Dollar Change	Percentage Change
Short-term investments	\$2,602,502	\$1,879,098	\$723,404	38.5%
Government bonds	20,100,078	19,922,443	177,635	0.9%
Corporate bonds	9,210,738	9,768,784	(558,046)	(5.7)%
Domestic stocks	63,387,726	59,265,786	4,121,940	7.0%
International stocks	17,529,460	15,610,652	1,918,808	12.3%
Alternative investments	7,337,107	6,738,800	598,307	8.9%
Real property	4,634,083	4,529,429	104,654	2.3%
Mortgage loans	1,281,860	1,530,014	(248,154)	(16.2)%
Total investments	\$126,083,554	\$119,245,006	\$6,838,548	5.7%

The largest contributor to the dollar increase in invested assets of \$6,839 million was the domestic equity assets, which represented approximately 50% of the total investments and increased \$4,122 million from the previous fiscal year. International equity assets also contributed to the increase, representing approximately 14% of the total investments. International equity assets increased \$1,919 million from the previous fiscal year. The increase in these assets is primarily attributable to the positive performance in world equity markets.

Statement of Changes in Plan Net Assets for the year ending March 31, 2005 as compared to year ending March 31, 2004 follows:

(In Thousands)				
	2005	2004	Dollar Change	Percentage Change
Additions:				
Net investment income	\$9,679,978	\$27,334,752	\$(17,654,774)	(64.6)%
Total contributions	3,314,919	1,585,474	1,729,445	109.0%
Total additions	12,994,897	28,920,226	(15,925,329)	(55.1)%
Deductions:				
Total benefits paid	(5,690,865)	(5,424,277)	(266,588)	4.9%
Administrative expenses	(65,324)	(69,612)	4,288	(6.2)%
Net deductions	(5,756,189)	(5,493,889)	(262,300)	4.8%
Net increase (decrease)	7,238,708	23,426,337	(16,187,629)	(69.1)%
Net assets held in trust for pension benefits—beginning of year	120,799,006	97,372,669	23,426,337	24.1%
Net assets held in trust for pension benefits—end of year	\$128,037,714	\$120,799,006	\$7,238,708	6.0%

The increase in total contributions of \$1,729 million is due to the change in employer contribution rates. ERS rates increased from 5.9% last year to 12.9% this year. PFRS rates increased from 5.8% last year to 17.6% this year. Rates are determined utilizing the aggregate actuarial funding method.

Economic Factors and Rates

As displayed by the tables and related narrative discussion, during the System's 2004-05 fiscal year, investments increased as a result of economic and market conditions. The Common Retirement Fund experienced positive returns for the year with a total return of 8.51%. This year's investment performance reflects positive corporate earnings that were somewhat offset by rising oil prices and interest rates and a falling dollar. The domestic equity portfolio returned 7.01% for the year; while the Fund's international equity holdings returned 13.68%. The fixed income portfolio, which represents approximately 25% of the Fund's total assets and provides the cash required by the pension payments, returned 2.96% for the year. The private equity and real estate portfolios also experienced positive returns. They returned 24.56% and 32.15%, respectively.

Requests for Information

- This financial report is designed to provide a general overview of the New York State and Local Retirement System's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244-0001.

STATEMENT OF PLAN NET ASSETS – MARCH 31, 2005

	(In Thousands)		
ASSETS	Employees' Retirement System	Police and Fire Retirement System	Total
INVESTMENTS:			
Short-term investments	\$2,208,297	\$394,205	\$2,602,502
Government bonds	17,055,489	3,044,589	20,100,078
Corporate bonds	7,815,573	1,395,165	9,210,738
Domestic stocks	53,786,291	9,601,435	63,387,726
International stocks	14,874,246	2,655,214	17,529,460
Alternative investments	6,225,744	1,111,363	7,337,107
Real property owned	3,932,151	701,932	4,634,083
Mortgage loans	1,087,695	194,165	1,281,860
Total investments	106,985,486	19,098,068	126,083,554
SECURITIES LENDING COLLATERAL—Invested	16,388,930	2,925,602	19,314,532
FORWARD FOREIGN EXCHANGE CONTRACTS	683,226	121,963	805,189
RECEIVABLES:			
Employers' contributions	751,331	138,790	890,121
Employees' contributions	18,889	62	18,951
Employees' loans	913,370	1,397	914,767
Accrued interest and dividends	374,741	66,895	441,636
Investment sales	237,418	42,382	279,800
Other	10,863	46,828	57,691
Total receivables	2,306,612	296,354	2,602,966
OTHER ASSETS	34,750	6,203	40,953
Total assets	126,399,004	22,448,190	148,847,194
LIABILITIES:			
Securities lending collateral, due to borrowers	16,388,930	2,925,602	19,314,532
Forward foreign exchange contracts	682,516	121,836	804,352
Investment purchases	307,597	54,909	362,506
Benefits payable	93,844	12,529	106,373
Other liabilities	192,665	29,052	221,717
Total liabilities	17,665,552	3,143,928	20,809,480
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$108,733,452	\$19,304,262	\$128,037,714

See notes to financial statements

STATEMENT OF CHANGES IN PLAN NET ASSETS – YEAR ENDED MARCH 31, 2005

	(In Thousands)		
	Employees' Retirement System	Police and Fire Retirement System	Total
ADDITIONS:			
Investment income:			
Net appreciation in fair value of investments	\$5,601,938	\$1,001,775	\$6,603,713
Interest income	1,177,659	210,591	1,388,250
Dividend income	1,049,011	187,587	1,236,598
Security lending income	270,280	48,332	318,612
Other income	518,619	92,741	611,360
Less security lending expenses	(248,958)	(44,519)	(293,477)
Less investment expenses	(157,002)	(28,076)	(185,078)
Net investment income	8,211,547	1,468,431	9,679,978
Contributions:			
Employers	2,509,503	455,339	2,964,842
Employees	224,459	2,849	227,308
Interest on accounts receivable	21,335	1,451	22,786
Other	61,127	38,856	99,983
Total contributions	2,816,424	498,495	3,314,919
Total additions	11,027,971	1,966,926	12,994,897
DEDUCTIONS:			
Benefits paid:			
Retirement allowances	(4,601,033)	(911,816)	(5,512,849)
Death benefits	(151,265)	(10,592)	(161,857)
Other	(12,354)	(3,805)	(16,159)
Total benefits paid	(4,764,652)	(926,213)	(5,690,865)
Administrative expenses	(56,748)	(8,576)	(65,324)
Total deductions	(4,821,400)	(934,789)	(5,756,189)
NET INCREASE	6,206,571	1,032,137	7,238,708
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS—Beginning of year			
	102,526,881	18,272,125	120,799,006
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS—End of year			
	\$108,733,452	\$19,304,262	\$128,037,714

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS – YEAR ENDED MARCH 31, 2005

1. Description of Plans

The Comptroller of the State of New York serves as sole trustee of the Common Retirement Fund (the “Fund”) and administrative head of the New York State and Local Employees’ Retirement System (“ERS”), the New York State and Local Police and Fire Retirement System (“PFRS”), and the Public Employees’ Group Life Insurance Plan (“GLIP”). GLIP provides death benefits in the form of life insurance. These entities are collectively referred to as the New York State and Local Retirement System (the “System”). All net assets of the System are held in the Common Retirement Fund (the “Fund”) which was established to hold all net assets and changes in net plan assets allocated to the System. In these statements, GLIP amounts are apportioned and included in either ERS or PFRS.

System benefits are provided under the provisions of the New York State Retirement and Social Security Law and are guaranteed by the State Constitution. Once a public employer elects to participate in the System, the election is irrevocable. The System cannot be terminated and plan benefits cannot be diminished or impaired. Benefits can be reduced for future members only by an act of the State Legislature.

Generally, members of the System are employees of New York State (the “State”) and employees of its municipalities, other than New York City. Employees of non-State participating employers constituted approximately 64% for ERS and 83% for PFRS of the April 1, 2004 System’s membership.

The ERS and the PFRS are cost-sharing multiple-employer defined benefit pension plans. At March 31, 2005, there were 2,993 participating government employers in the System, including the State.

The number of members and benefit recipients as of April 1, 2004, the date of the most recent actuarial valuation, was:

	ERS	PFRS	Total
Retirees and beneficiaries currently receiving benefits	301,528	26,829	328,357
Inactive members vested	51,629	2,110	53,739
Active members	554,526	33,456	587,982
Total	907,683	62,395	970,078

Membership, benefits, and employer and employee obligations to contribute are described in the New York State Retirement and Social Security Law and are outlined as follows:

Membership Tiers—Pension legislation enacted in 1973, 1976, and 1983 established distinct classes of membership. For convenience, the System uses a tier concept to distinguish these groups, generally:

Tier 1—Those persons who last became members of the ERS before July 1, 1973 or PFRS before July 31, 1973.

Tier 2—The ERS – those persons who last became members on or after July 1, 1973, but before July 27, 1976; or PFRS – those persons who became members on or after July 31, 1973.

Tier 3—The ERS – generally those persons who are State correction officers who last became members on or after July 27, 1976, and all others who last became members on or after July 27, 1976, but before September 1, 1983.

Tier 4—The ERS – generally, except for correction officers, those persons who last became members on or after September 1, 1983.

Vesting—Members with five years or more of service are 100% vested.

Benefits

(1) Tier 1 and Tier 2

Most Tier 1 and Tier 2 members are on a plan with minimum retirement age of 55, which provides for 1.67% of final average salary for each year of service less than 20 years. Generally, the benefit with more than 20 years is 2% of final average salary for each year of service. Tier 2 members retiring between ages 55 to age 62, with less than 30 years of service receive reduced

benefits. As a result of Article 19 of the Retirement and Social Security Law, eligible Tier 1 and Tier 2 members, whose date of membership is prior to July 27, 1976, will receive an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 months.

(2) Tier 3 and Tier 4

Except for Tier 3 correction officers, generally the benefit is 1.67% of final average salary for each year of service if the service is less than 20 years. For 20 to 30 years service, the benefit is 2% of final average salary for each year of service. An additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. A member must be age 62 with 5 years of service or at least age 55 with 30 years service to retire with full benefits. Reduced retirement benefits are available if retirement occurs from age 55 to 62.

(3) Special Plans

The 25 Year Plans allow a retirement after 25 years of service of one-half of final average salary and the 20 Year Plans allow a retirement after 20 years of service of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

(4) Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one third of salary, are provided after ten years of service; in some cases, after five years of service.

(5) Accidental Disability Benefits

For all eligible Tier 1 members and Tier 2 ERS members, the benefit is a pension of 75% of final average salary with offset for any workers'

compensation benefits received. For Tier 1 and Tier 2 PFRS members, the benefit is a pension of 75% of final average salary with offset for any workers' compensation benefits received. The Tier 3 and Tier 4 ERS benefit is the ordinary benefit with the years of service eligibility requirement dropped.

(6) Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term-life insurance. The benefit is generally three times salary. For most members, there is also a reduced post-retirement ordinary death benefit.

(7) Post-retirement Benefit Increases

A cost-of-living adjustment is provided to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners regardless of age who have been retired for five years; and (iv) ERS recipients of an Accidental Death Benefit regardless of age who have been receiving such benefit for five years. This cost-of-living adjustment is a percentage of the annual retirement allowance of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement allowance. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor.

2. Summary of Significant Accounting Policies

Basis of Accounting—The accompanying financial statements are prepared using the accrual basis of accounting. Revenue is recognized when earned and liabilities are recognized when incurred. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Employer contributions are recognized when billed. The amounts shown on the financial statements are allocated between ERS and PFRS based on each system's equity in the Common Retirement Fund.

Investments—Investments are reported at fair value. Stocks traded on a national or international exchange are reported at market value at current exchange rates. Bonds are primarily reported at market values obtained from independent pricing services. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals made every three years or according to the fund agreement. Investments that do not have an established market are reported at estimated fair value. The Fund trades in foreign exchange contracts in the normal course of its investing activities in order to manage exposure to market risks. Such contracts, which are generally for a period of less than one year, are used to purchase and sell foreign currency at a guaranteed future price. These contracts are recorded at market value using foreign currency exchange rates.

Securities Lending—Section 177-D of the New York State Retirement and Social Security Law authorizes the Fund to enter into security loan agreements with broker/dealers and New York State or national banks. The Fund has designated its master custodian bank to manage a securities lending program. This program is subject to a written contract between the Fund and the Custodian who acts as Security Lending Agent for the Fund. The Custodian is authorized to lend securities within the borrower limits and guidelines established by the Fund. Types of collateral received from borrowers for securities loaned are cash and government securities. The Custodian is authorized to invest the cash collateral in short-term investments that are legal for the Fund. These include domestic corporate and bank notes, U.S. Treasuries, obligations of Federal agencies, and repurchase agreements. All rights of ownership to government securities pledged as collateral remain with the borrower except in the event of default. The Fund has not experienced any losses resulting from the default of a borrower or lending agent during the year ended March 31, 2005 or in the history of the program.

The Fund lends domestic fixed income, domestic equity, and international equity securities to brokers/dealers approved by the Fund. Collateral for securities loaned equals 102% of fair market value for domestic securities and 105% for international securities.

Investment guidelines provided to the Custodian by the Fund minimize the risk that the cash collateral could be invested in securities which may default. The Custodian acknowledges responsibility to reimburse the Fund for losses, which might arise from managing the program in a manner inconsistent with the contract. The Fund manages its market rate risk by recording investments at market value daily and maintaining the value of the collateral held by the Fund in excess of the value of the securities loaned. For the year ended March 31, 2005, the Fund had no credit risk resulting from Securities Lending.

All security loans can be terminated on demand by either the Fund or borrower. The average term of the open security loans is one day while the overall average term to maturity of invested collateral for the Fund's open loans is 26 days. To provide sufficient liquidity, the policy of the Fund is to maintain a minimum of 10% of collateral in overnight investments.

Member Loan Programs—Members are entitled to participate in a loan program that allows them to borrow up to 75% of their member contributions. Repayment of outstanding amounts is generally made through payroll deductions within five years. The interest rate charged for member loans is fixed at 1% below the actuarial interest rate at the time the loan is granted. The loan rate as of March 31, 2005 was 7%.

Benefits Payable—Benefits payable represents payments due on account of death and retirement on or before March 31, 2005, for which final calculations had not been completed and paid as of that date.

Other Liabilities—Other liabilities include a cash managed balance maintained on a daily basis, which represents disbursements issued on previous business days, which are funded when presented for payment at the issuing bank.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingencies. Estimates also affect the reported amounts of

income/additions and expenses/deductions during the reporting period. Actual results could differ from those estimates.

3. Deposit and Investment Risk Disclosure

Custodial Credit Risk—Equity and fixed income investments owned directly by the Fund are held at the Fund's custodian in the name of the Comptroller of the State of New York in Trust for the Common Retirement Fund. Directly held investments include: short-term and long-term fixed income, and domestic and global equity separately managed accounts. The aforementioned investments have the lowest custodial risk. Equity investments held indirectly by the Fund via limited partnerships, commingled investment funds, joint ventures, and other similar vehicles are held in custody by an organization contracted with by the general partner and/or the investment management firm responsible for the management of each investment organization. Title to real property is either held by a real estate holding company or a real estate investment fund. Ownership of mortgage assets is documented by the Fund's holding of original mortgage and note documents by the Office of the State Comptroller ("OSC"), Division of Pension Investment and Cash Management.

The following table summarizes the custody of investments for the Fund (in thousands):

Asset Type	March 31, 2005		Asset Type as a Percent	Custodian
	Market Value	Fund Total		
Short-Term Investments	\$2,602,502	\$2,602,502	2.1%	Held in the name of the Fund by the Fund's custodian bank.
Government Bonds	20,100,078	20,100,078	15.9%	Held in the name of the Fund by the Fund's custodian bank.
Corporate Bonds	9,210,738	9,210,738	7.3%	Held in the name of the Fund by the Fund's custodian bank.
Domestic Stocks	56,400,407		44.7%	Held in the name of the Fund by the Fund's custodian bank.
Commingled Domestic Stocks	6,987,319		5.6%	Custody arrangements contracted by fund managers.
Total Domestic Stocks		63,387,726		
International Stocks	7,422,995		5.9%	Held in the name of the Fund by the Fund's custodian bank.
Commingled International Stocks	10,106,465		8.0%	Custody arrangements contracted by fund managers.
Total International Stocks		17,529,460		
Alternative Investments	7,337,107	7,337,107	5.8%	Custody arrangements contracted by General Partners.
Separate Account Real Estate	3,716,987		3.0%	Title to real estate held in the name of real estate holding entity.
Real Estate Funds	917,096		0.7%	Title to real estate held as directed by fund manager.
Total Real Property Owned		4,634,083		
Mortgage Loans	1,281,860	1,281,860	1.0%	Ownership established by legal documents for each mortgage.
Total	\$126,083,554	\$126,083,554	100.0%	

Interest Rate Risk—As of March 31, 2005, the weighted-average maturity of the bond’s cash flows or the “Macaulay Duration” by bond type is as follows:

Bond Category	Duration (In Years)	Percentage of Bond Portfolio
Treasury	8.4	23.7%
TIPS	14.5	32.1
Agency	4.2	7.6
Mortgage	3.5	9.2
Corporate	6.6	26.5
Asset backed	3.9	0.9
Total	9.0	100.0%

Credit Risk—New York State statutes and the System’s investment policies require that corporate fixed income obligations must be investment grade at the time of their acquisition. Long-term bond ratings as of March 31, 2005 are as follows (in thousands):

	Market Value	Moody’s Rating	Percentage of Bond Portfolio
U.S. treasury bonds	\$3,802,685	Not Rated ¹	13.0%
U.S. treasury notes	450,744	Not Rated ¹	1.5
U.S. treasury strips	2,679,164	Not Rated ¹	9.1
Treasury inflation indexed securities	9,428,197	Not Rated ¹	32.2
Federal agency MBS	1,487,685	Not Rated ³	5.1
Asset backed securities	274,369	Aaa	0.9
Federal agency bonds	1,555,324	Aaa	5.3
Federal agency strips	539,559	Aaa	1.8
Federal agency strips	124,594	Aa2	0.4
Commercial mortgage backed securities	1,137,051	Aaa	3.9
Federal agency guaranteed MBS	32,125	Not Rated ³	0.1
NYS MPT—SONYMA	14,482	Not Rated ²	0.0
NYS conventional mortgage ptc	24,188	Not Rated ²	0.1
Yankee bonds	250,782	Aaa	0.9
Yankee bonds	81,533	Aa1	0.3
Yankee bonds	73,880	Aa2	0.3
Yankee bonds	158,047	Aa3	0.5
Yankee bonds	438,117	A1	1.5
Yankee bonds	247,759	A2	0.8
Yankee bonds	165,186	Baa2	0.6
Corporate debentures	282,300	Aaa	1.0
Corporate debentures	302,217	Aa1	1.0
Corporate debentures	288,918	Aa2	1.0
Corporate debentures	740,286	Aa3	2.5
Corporate debentures	1,065,890	A1	3.6
Corporate debentures	1,260,519	A2	4.3
Corporate debentures	816,129	A3	2.8
Corporate debentures	548,890	Baa1	1.9
Corporate debentures	589,727	Baa2	2.0
Corporate debentures	267,736	Baa3	0.9
Corporate debentures	88,329	Ba1	0.3
Corporate debentures	54,730	B2	0.2
Corporate debentures	19,800	B3	0.1
Corporate debentures	19,874	Caa2	0.1
Total	\$29,310,816		100.0%

Notes:

1. U.S. Treasury Bonds, Notes, Strips and Inflation Indexed Securities are obligations of the U.S. government or explicitly guaranteed by the U.S. government and therefore are not considered to have credit risk.
2. These securities were rated Aa or higher when purchased.
3. These securities are not individually rated. The U.S. government sponsored enterprises which issued and guarantees these securities are rated Aaa.

Concentration of Credit Risk—Section 177 of the New York State Retirement and Social Security Law establishes limits for the various investments held by the Fund. No investments in any one organization represent 5% of Fund net assets.

Foreign Currency Risk—The System’s investment policies permit it to invest up to 15% of its assets in publicly traded international equity investments. The System’s current position in such equity securities, invested in directly and through commingled funds, is 13.9% of invested assets.

Non-U.S. Dollar denominated equity investments at March 31, 2005 are as follows (in thousands):

Currency	Market Value
Euro	\$3,518,152
British Sterling Pound	2,131,865
Japanese Yen	2,094,285
Swiss Franc	726,423
Australian Dollar	370,183
Hong Kong Dollar	267,804
Swedish Krona	228,308
Canadian Dollar	171,625
Singapore Dollar	80,511
Danish Krone	79,807
Norwegian Krone	51,437
South Korean Won	34,160
New Zealand Dollar	26,768
Brazilian Real	19,114
Thailand Baht	18,668
New Taiwan Dollar	15,419
Malaysian Ringgit	14,686
Turkish Lira	12,300
South African Rand	11,400
Philippine Peso	10,633
Polish New Zloty	1,621
Venezuelan Bolivar	1,227
Egyptian Pound	958
	9,887,354
U.S. dollar traded shares of foreign-based companies	471,297
Investments in publicly traded equity securities of non-U.S. based corporations:	\$10,358,651
Commingled international equity investments (funds that invest in non-U.S. dollar denominated equity securities)	\$6,641,532

Foreign denominated deposits included in the statement of plan net assets as of March 31, 2005 are as follows (in thousands):

Euro	\$20,513
British Sterling Pound	20,345
Japanese Yen	5,576
Australian Dollar	615
Swiss Franc	292
Brazilian Real	259
Hong Kong Dollar	239
Danish Krone	176
Venezuelan Bolivar	109
Canadian Dollar	33
Malaysian Ringgit	18
New Zealand Dollar	7
Taiwan Dollar	6
Norwegian Krone	4
Swedish Krona	3
Singapore Dollar	1
Other	4
Total	\$48,200

Forward foreign currency contracts to purchase foreign currency entered into by the System as of March 31, 2005 are as follows (in thousands):

U.S. Dollar	\$132,874
Danish Krone	1,254
Swedish Krona	746
Canadian Dollar	16
New Zealand Dollar	(303)
Australian Dollar	(2,848)
Norwegian Krone	(4,706)
Euro	(8,617)
Japanese Yen	(12,090)
British Sterling Pound	(27,737)
Swiss Franc	(30,916)
Hong Kong Dollar	(46,836)
Net	\$837

Note: For non-U.S. dollar currencies, a positive number represents market value of currency contracts to purchase foreign currency in excess of the market value currency contracts to purchase U.S. dollars with that currency. A negative number represents the market value of contracts to sell foreign currency in excess of contracts to purchase that currency with U.S. dollars. The positive number for U.S. dollars represents the amount the market value of contracts to sell U.S. dollars to purchase foreign currency exceeds the value of contracts to purchase U.S. dollars by selling foreign currency.

The System classifies as forward contracts those currency contracts for which the settlement date is more than two days after trade date.

Spot currency contracts to purchase foreign currency entered into by the System as of March 31, 2005 are as follows (in thousands):

Australian Dollar	\$2,034
British Sterling Pound	(337)
Canadian Dollar	559
Danish Krone	198
Euro	1,908
Hong Kong Dollar	(228)
Japanese Yen	(8,771)
U.S. Dollar	4,613
Net	\$(24)

Note: For non-U.S. dollar currencies, a positive number represents market value of currency contracts to purchase foreign currency in excess of the market value currency contracts to purchase U.S. dollars with that currency. A negative number represents the market value of contracts to sell foreign currency in excess of contracts to purchase that currency with U.S. dollars. The positive number for U.S. dollars represents the amount the market value of contracts to sell U.S. dollars to purchase foreign currency exceeds the value of contracts to purchase U.S. dollars by selling foreign currency.

Agreements to purchase or sell foreign currency which settles in two days or less are recorded by the System as direct purchases of currency. As such, no currency gains or losses are recognized related to the change in the foreign exchange spot rates during the settlement period for these transactions.

Foreign denominated limited partnership investments and real property owned included in the statement of plan net assets as of March 31, 2005 are as follows (in thousands):

Limited Partnership Investments:	
Total limited partnership investments	\$7,559,115
Limited partnerships reporting with non-U.S. Dollar financial statements:	
Euro	\$716,200
British Sterling Pound	65,262
Subtotal	781,462
Approximate market value of non-U.S. Dollar investments reported in U.S. Dollar-based limited partnership financial statements	1,474,038
Total approximate market value of limited partnership investments in non-U.S. Dollar based companies	\$2,255,500
Approximate percentage of limited partnership investments domiciled outside of the United States	29.8 %

Real Property Owned:	
Total market value of real property owned	\$4,634,083
Approximate U.S. dollar market value of real property owned made outside the United States	\$197,898
Approximate percentage of total real property owned made or located outside the United States	4.3%

The overall portfolio summary of foreign denominated investments as of March 31, 2005 is as follows:

Total Portfolio Summary:	
Market value of all investments plus net forward currency contracts	\$126,084,391
Approximate total investments made outside the United States	\$19,502,594

4. Contributions

Contributions Required—Participating employers are required under the New York State Retirement and Social Security Law to contribute annually to the System. Annual bills for employer contributions accrue interest at the actuarial interest rate applicable during the year. For fiscal year ended March 31, 2005, the applicable interest rate was 8%.

System Expenses—The System receives an allocation from employer contributions which are designated by law to cover all non-investment related operating expenses. Investment expenses are offset directly by investment income.

Funding Policy—Funding of the System is accomplished through member and employer contributions and

the investment earnings on these contributions, according to the New York State Retirement and Social Security Law. The aggregate actuarial funding method is used by the System.

Generally, participating employers that have adopted the same benefit plans contribute at the same rate of payroll. The total employer contribution rate as a percentage of salary includes rates for administrative expenses, GLIP, and supplemental benefits. GLIP is a one-year term insurance plan. Consequently the GLIP rates are determined so as to pay for the current year's GLIP costs. Similarly, the administrative rates are determined so as to pay the current year's administrative expenses. Employers may make other contributions due to legislation, such as retirement incentives, the 17-year amortization,

the ten-year amortization of part of their FYE 2005 bill and deficiency payments (which an employer may incur when joining the System and are payable for up to 25 years). The average employer contribution rates below exclude certain contributions such as the ten-year and 17-year amortization. The average employer contribution rate for PFRS for fiscal year ended March 31, 2005 was approximately 17.6% of payroll. The average contribution rate for ERS for fiscal year ended March 31, 2005, including incentive contributions, was approximately 12.9% of payroll.

Changes to employer contribution requirements during the year ended March 31, 2005 were as follows:

- Allowed all employers to amortize over ten years certain amounts of their fiscal year ended 2005 bill that were above 7% of payroll.
- Allows all employers to amortize over ten years certain amounts of their fiscal year ending 2006 bill that are over 9.5% payroll.
- Allows local employers to amortize over ten years certain amounts of their fiscal year ending 2007 bill that are over 10.5% of payroll.

Required Contribution Rates—Tier 3 and 4 members must contribute 3% of their salary. As a result of Article 19, of the New York State Retirement and Social Security Law, eligible Tier 3 and Tier 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with a System, are not required to contribute. Less than 1% of other members are contributory. Members cannot be required to begin making contributions or make increased contributions beyond what was required when membership began.

Contributions Receivable—Employers' contributions receivable are presented net of withdrawals, refunds, advance employer payments, and credits due employers.

Incentive program costs receivable from the State as of March 31, 2005 totaled \$86 million. In addition, receivable amounts from participating employers include \$53.7 million for the incentive program costs, \$10 million in 1989 amortized contributions and \$71.3 million for new plan adoptions and retroactive membership.

Chapter 260 of the Laws of 2004 authorized employers to amortize over ten years, at 5% interest, the portion of their annual bill for fiscal year ended 2005 that exceeded 7% of payroll. The amortized amount receivable from New York State as of March 31, 2005 is \$457 million and from participating employers is \$134 million.

5. System Reserves

The legally required reserves maintained by the System are fully funded and are described below:

- Pension Reserve Funds—Funds from which pensions are paid, totaled \$39,500 million for ERS and \$8,359 million for PFRS, as of March 31, 2005.
- Annuity Reserve Funds—Funds from which member contribution annuities are paid. The balance at March 31, 2005 for ERS was \$173 million and \$16 million for PFRS.

There are certain other additional funds maintained by the System.

6. Contingencies

The System is a defendant in litigation involving individual benefit payments, participant eligibility and other issues arising from its normal activities. Management of the System believes there will be no material adverse effect on the basic financial statements as a result of the outcome of these matters.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress – Year Ended March 31, 2005 (Unaudited)

The System uses the aggregate actuarial funding method that does not identify or separately amortize unfunded actuarial liabilities, therefore, no schedule of funding progress is provided. The average employer contribution rates below exclude certain contributions such as the 17-year amortization and the ten-year amortization available for the fiscal year ended 2005 bills. The average employer contribution rate for PFRS for fiscal year ended March 31, 2005 was approximately 17.6% of payroll. The average contribution rate for ERS for fiscal year ended March 31, 2005, including incentive contributions, was approximately 12.9% of payroll.

Section 78 of the New York State Retirement and Social Security Law provides for a cost-of-living adjustment to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners regardless of age who have been retired for five years; and (iv) ERS recipients of an Accidental Death Benefit regardless of age who have been receiving such benefit for five years. This cost-of-living adjustment is a percentage of the annual retirement allowance of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement allowance. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor.

Significant actuarial assumptions used in the April 1, 2003 valuation to determine employer contributions for the year ended March 31, 2005 were:

Interest rate		8.0%
Salary scale	ERS	5.4%
	PFRS	6.9%
Decrement tables	4/1/95-3/31/00 System's experience	
Inflation rate		3.0%

The actuarial asset value for domestic bonds and mortgages is amortized value. Short-term investments are at market value. All other investments use a five-year moving average of market values method assuming a 7% rate of expected appreciation. This method immediately recognizes regular investment income (interest and dividends) while phasing in unexpected appreciation/depreciation over a five-year period. It treats realized and unrealized gains (or losses) in the same manner.

Schedule of Employer Contributions

(UNAUDITED) (In Thousands)

Employees' Retirement System Employer Contributions				
	Annual Required Contributions			
Year ended March 31	New York State	Local Employers	Total	Percentage Contribution
2000	\$7,568	\$74,546	\$82,114	100%
2001	14,443	111,331	125,774	100%
2002	57,462	196,951	254,413	100%
2003	265,662	317,555	583,217	100%
2004	435,404	690,116	1,125,520	100%
2005	1,019,389	1,490,114	2,509,503	100%

For fiscal year ended March 31, 2002, the Annual Required Contributions ("ARC") exceeded the Employers' Contributions as shown on the Statement of Changes in Plan Net Assets due to a prior year adjustment.

Police and Fire Retirement System Employer Contributions				
	Annual Required Contributions			
Year ended March 31	New York State	Local Employers	Total	Percentage Contribution
2000	\$308	\$49,387	\$49,695	100%
2001	1	38,339	38,340	100%
2002	304	35,464	35,768	100%
2003	8,712	60,002	68,714	100%
2004	19,391	141,544	160,935	100%
2005	68,265	387,074	455,339	100%

The ARC includes the employers' normal cost, the GLIP amounts, and other supplemental amounts amortized over the collection period. In addition, due to statutory contribution provisions, State contributions may vary from the ARC to allow for under/over payment of amounts for a one-year period.

ADDITIONAL SUPPLEMENTARY INFORMATION

Schedule of Administrative Expenses

(UNAUDITED) (In Thousands)

	Employees' Retirement System	Police and Fire Retirement System	Total
Personal Services:			
Salaries	\$30,882	\$5,011	\$35,893
Overtime salaries	1,405	229	1,634
Fringe benefits	14,437	2,350	16,787
Total personal services	46,724	7,590	54,314
Building Occupancy Expenses:			
Building, lease and condominium fees	3,400	179	3,579
Utilities and municipal assessments	309	16	325
Office supplies and services	314	79	393
Telephone	489	61	550
Total building occupancy expenses	4,512	335	4,847
Computer Expenses:			
IT hardware lease/purchases	617	32	649
IT supplies and maintenance	292	15	307
Total	909	47	956
Personnel and Operating Expenses:			
Training	207	31	238
Travel and auto expense— includes pre-retirement seminars	665	127	792
Postage—includes member, retiree communication	1,059	131	1,190
Printing—includes member, retiree communication	268	33	301
Subscriptions/memberships	55	7	62
Total personnel and operating expenses	2,254	329	2,583
Professional Expenses:			
Medical/clinical services	1,604	240	1,844
Miscellaneous consulting services	745	35	780
Total professional expenses	2,349	275	2,624
Total	\$56,748	\$8,576	\$65,324



*M*embers dedicate their careers to serving others. After a lifetime of dedicated service, they can rely on the financial security their retirement system provides.

Investment

Overall Objectives and Performance

The Division of Pension Investments and Cash Management manages the assets of the Common Retirement Fund. Its goal is to grow the assets to meet the System's pension liability and ensure a reliable cash flow that provides for the funding requirements of the near-term pension obligations. To achieve these goals, the Division allocates the Fund's assets to a variety of asset types and strategies. Generally, equity investments are included for their long-term return and growth characteristics, while fixed income assets are added for their ability to control investment risk and provide for a reliable cash flow that meets the System's funding requirements.

The Fund enjoyed another year of positive investment returns, outperforming its 8 percent actuarial earnings assumption. The economy, which greatly improved last year after several years of poor corporate profitability and a weak global economy, continued to grow at a rapid pace. Consumer and business spending were strong. However, the effects of rising interest rates and oil prices, along with a weakening dollar, began to moderate economic growth. The Federal Reserve tightened policy seven times during the Fund's fiscal year, raising the Federal funds target rate from 1 percent to 2.75 percent. Rising rates coupled with rising commodity prices — especially for energy — contributed to more modest investment returns than those experienced during the prior fiscal year.

With a total return of 8.51 percent, the Fund continued to successfully increase its assets to meet the System's growing benefit obligations. Certain asset classes, including private equity, real estate and fixed income, performed better than their benchmark indices. Internally managed domestic equity assets, which represent approximately 69 percent of total domestic equity assets, outperformed their benchmarks as well. Externally managed domestic and international equities provided positive performance on an absolute basis and helped the Fund continue to

achieve its excellent long-term results. The Fund's successful long-term performance confirms the importance of asset diversification and controlling investment risk within each asset class.

Domestic Equities

Representing approximately 50 percent of total assets, the Fund's domestic equity portfolio returned 7.01 percent for the year. Large capitalization strategies, which account for 80 percent of the domestic equity portfolio, returned 6.74 percent. Medium capitalization strategies, which account for 12 percent of the domestic equity portfolio, returned 10.39 percent, and small capitalization strategies, which account for 8 percent of the total domestic equity portfolio, returned 3.82 percent.

During the past year, the Fund's staff continued to implement the current domestic equity structure strategy that resulted from the best practices study conducted several years ago. Within domestic equity, 72 percent is managed in passive strategies, 19 percent in active strategies, and 9 percent in enhanced index strategies.

The internally managed S&P 500 and S&P 400 index funds continue to provide low cost and efficient exposure to the domestic equity markets for the Fund. With the expanded use of trade crossing networks and alternative trading systems, the Fund continued to lower trading costs.

The Fund also continued to use minority and women-owned brokerage service providers when trading for the internally managed assets. For the fiscal year, these brokers accounted for approximately 22 percent of the total commissions. In addition, the Fund's external equity managers used women and minority-owned brokers for approximately 11 percent of their total commissions.

International Equities

The Fund's international equity portfolio was one of the largest contributors to the 2004-05 fiscal year's strong positive performance. The Fund's international and global equity holdings represented approximately 13.9 percent of the total assets at the end of the fiscal year. The stock markets of established international economies, as measured by the Morgan Stanley Europe, Australia and Far East Index, returned 15.06 percent. The Fund's passive component outperformed the market with a return of 15.68 percent while the active component returned 14.15 percent for the same period. The Fund's emerging markets portfolio returned 16.23 percent.

During the past year, the Fund's staff continued the implementation of the international equity structure recommendations that resulted from the most recent best practices study. Within international equities, 75 percent is managed in core international markets, 15 percent in global equity markets, and 10 percent in emerging markets.

The Fund has continued to pursue an international equity strategy for risk reduction and diversification. The Fund's investments in international and global markets have proven to be an integral part of the portfolio because they provide exposure to a full range of investment possibilities and many unique opportunities overseas. As of March 31, 2005, investments in developed non-U.S. markets totaled 10.0 percent, emerging markets exposure totaled 1.3 percent and global strategies totaled 2.0 percent of total assets. Given the continued uncertainty of the current investment environment, the Fund's broadly diversified portfolio structure continues to be the appropriate strategy.

Fixed Income

The Fund's long-term fixed income portfolio provides a reliable funding source for the System's pension liabilities and helps moderate the return volatility of the Fund's equity holdings. U.S. government guaranteed securities represent more than half of the total fixed income portfolio, which also includes investment grade corporate securities, government sponsored agency debentures and mortgage backed securities, and commercial mortgage backed securities. The

Fund's short-term portfolio provides the liquidity needed to meet monthly pension payments as well as a funding source for investments in the Fund's other asset classes. Short-term holdings may include high quality commercial paper, U.S. Treasury Bills and Agency Discount Notes. Internal staff manage both portfolios with assistance from a fixed income advisor.

During FY 2004-05, the U.S. economy grew, with real Gross Domestic Product approaching 4 percent. Labor markets rebounded and inflation rose due to stronger global demand, especially for energy. The Federal Reserve responded by tightening policy, raising the Federal funds target from 1 percent to 2.75 percent, in a series of one-quarter point increments. In response to stronger-than-expected economic growth and Fed tightening moves, short and intermediate treasury yields increased while long yields remained relatively stable, resulting in an overall curve flattening.

The long-term fixed income portfolio returned 2.96 percent for the year, versus 1.15 percent for the Lehman Brothers Aggregate Index and 2.27 percent for the Salomon Long Pension Index. The Fund's out performance is primarily attributable to the portfolio's long duration, a result of the Fund's asset/liability duration match strategy. The Fund was a net buyer of U.S. government securities, primarily Treasury Inflation Indexed Securities (TIPS). As they were last year, TIPS were the best performing sector, returning 4.82 percent followed by New York State Mortgage Pass-Through securities and U.S. Government notes and bonds, which returned 3.57 percent and 2.64 percent respectively.

During FY 2004-05, the Fund executed long and short-term fixed income trades with 20 different broker-dealer firms. Seven of the executing firms were women and minority-owned firms. Women and minority-owned firms executed 20.5 percent of long-term and 26.1 percent of short-term broker affected trades.

The Fund's securities lending program generated income of \$25 million in the fiscal year. Securities lending income from all sectors—fixed income, domestic and international equities—increased from the previous year due to increased lending activity and higher interest rates.

Real Estate

The real estate portfolio provided a total return of 32.15 percent and continues to enhance overall investment returns, while adding to the diversification of the Fund's equity investments. Additionally, income generated from the portfolio is a funding source for the System's pension liabilities. The real estate portfolio is comprised of the assets accumulated from acquisitions and developments through joint venture relationships, real estate opportunity funds, and from purchases in the Fund's separate account portfolio.

The domestic real estate equity markets in FY 2004-05 demonstrated continued strong demand for institutional-quality product in most American markets. The Fund accessed the real estate markets through its joint venture relationships and new commitments to opportunity funds. The Fund took advantage of the increased demand for real estate from domestic, foreign, public and private investors by selling non-strategic and mature assets, taking profits and improving the over-all quality of the portfolio.

In FY 2004-05, the international real estate portfolio grew to include additional commingled funds that offer opportunistic returns through experienced fund managers that have proven acquisition, leasing, financing and sales track records in the international markets. The objective of the international investments is two-fold: (1) to further diversify the Fund's real estate portfolio, and (2) to earn the higher yields offered by international real estate that is less available in the domestic markets.

Real estate mortgage investments contribute to enhancing the long-term investment return of the Fund's fixed income portfolio. This portfolio consists of \$1.2 billion secured by a diversified commercial real estate portfolio.

Alternative Investments

The Fund's private equity portfolio is designed to provide returns that exceed those of public equities. The added return is accompanied by increased risk and illiquidity. As a result, private equity makes up a relatively small portion of the Fund's total investments. The Fund's private equity portfolio accounted for 6.3 percent of total assets as of March 31, 2005.

Private equity generally involves investments in companies that are not publicly traded. Strategies include investments in new companies, which are categorized as venture capital; established companies seeking capital for expansion, which are categorized as corporate finance; special situations funds that invest in specific industries, such as energy and power, or follow other strategies; finally, the Fund's international portfolio includes both venture capital and corporate finance strategies in companies located outside of the United States.

The Fund also invests in funds-of-funds, which are pooled investments in a portfolio of private equity funds. The fund-of-funds strategy has two primary objectives: diversification and to supplement the core private equity portfolio with smaller funds.

The Fund also invests in funds employing absolute return strategies that endeavor to generate positive performance uncorrelated to the equity and fixed income markets. These funds follow a multi-strategy and multi-manager approach to diversification, thereby reducing the overall risk level and correlation to the general markets.

The Fund employs a broadly diversified strategy for its private equity portfolio to reduce risk. Investments are made in a variety of strategies, with a number of different private equity managers and in funds that were initiated at different points in time.

Other Programs

New York State Mortgage Pass-Through Program

In existence since 1981, the Fund's New York State Mortgage Pass-Through Program has helped provide home ownership opportunities for more than 64,200 New York State residents. Since inception, the Fund has invested \$6.8 billion in New York State mortgages, including \$260 million in FY 2004-05.

Since 1996, the Fund has contracted exclusively with the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation to provide New York-only mortgages. The agencies pool and insure mortgages originated by a network of traditional mortgage lenders.

Affordable Housing Permanent Loan Program

Since 1991, the Fund has played a major role in improving the lives of thousands of residents while strengthening their neighborhoods. Through programs with the Community Preservation Corporation (CPC) and the JP Morgan Chase Community Development Corporation, the Fund has been able to provide moderate income and low-income families across the State with the opportunity to rent affordable housing. By purchasing permanent mortgages, the Fund provides for the production of affordable new multi-family housing and the revitalization of deteriorated or obsolete housing units. Special housing for the State's senior citizens is also part of the program. Since inception of this program, 6,392 units have been completed and 3,148 are in the pipeline. The Fund has committed an additional \$400 million to the CPC program and invested \$205 million in mortgages. In FY 2004-05, the Fund invested in affordable housing throughout the State, including Albany, Dutchess, Erie, Nassau, Orange, Putnam, Saratoga, Schenectady, Suffolk, Sullivan, Ulster and Westchester Counties.

Helping NY/Equity Real Estate Investments

The Fund has invested in commercial real estate and owns properties throughout New York State, including shopping centers, office buildings, residential properties and storage facilities. Under the real estate joint venture program, the Fund has been able to develop new buildings and acquire properties that are in need of re-leasing, repositioning and upgrading. As a result of such intensive management efforts, property values have increased. The Fund's joint venture focusing on development and re-development projects within New York State, the Excelsior Real Estate Fund, has created new housing units and contributed to the Fund's overall performance returns.

New York Business Development Corporation Program

The Fund provides the New York Business Development Corporation (NYBDC) with funds to make loans to small businesses for working capital, equipment, or

real property. NYBDC has a goal of making at least one-third of its loans to woman or minority-owned businesses. With its focus on small-business lending, NYBDC can frequently offer more favorable terms than other lenders.

In 1998, the Fund renewed its relationship with NYBDC to provide an additional \$100 million in capital. Since the program began in 1987, NYBDC has made 595 loans totaling \$174.4 million to businesses that employ over 13,000 New Yorkers. During FY 2004-05, NYBDC made 32 loans totaling \$12.2 million.

Financing for Emerging Businesses in New York State

The Fund's private equity portfolio includes investments in 97 New York businesses with a value of \$438 million. This figure reflects only the Fund's share of these investments. The total value of New York companies held by the Fund's partnerships was \$5.1 billion as of June 30, 2004 (the most recent data available). Companies in the private equity portfolio include: the NewsMarket in New York City, Concentrix in Pittsford, Latham International in Latham, Reichert in Buffalo, Q-RNA in New York City, GlobalSpec in Troy, Birds Eye Foods in Rochester, and Acorda Therapeutics in Hawthorne.

In 2000, the Fund initiated the New York State Private Equity Investment Program. The Program is designed to provide investment returns consistent with the risk of private equity investing while also expanding the availability of capital for New York businesses. By the end of FY 2004-05, CRF had made commitments to 12 different private equity managers totaling \$333 million. The \$333 million in commitments are devoted exclusively to New York investment opportunities. The 12 managers currently in the program are:

- Summer Street Capital Partners, a growth equity investment fund located in Buffalo;
- FA Technology Ventures, a venture capital fund focusing on information and energy technology located in Albany;
- Ascend Ventures, a technology venture fund located in New York City;

- ❑ Wheatley Partners, a technology venture fund with a focus on information and medical technology located in New York City and Long Island;
- ❑ DeltaPoint Capital, a growth equity fund located in Rochester;
- ❑ The HL New York Coinvestment Fund, a special fund that provides capital statewide for other private equity managers making investments in New York;
- ❑ High Peaks Ventures, a Troy and Saratoga based early stage venture capital fund;
- ❑ Founders Equity, a New York City based fund that makes growth equity investments; and
- ❑ Easton Hunt Capital Partners, a New York City based fund that pursues a broad strategy of investing in companies in a wide range of industries and stages of development.
- ❑ Paladin Homeland Security Fund (NY), a Washington, D.C. fund that opened a New York office to invest in companies that address a broad range of government and commercial security needs.
- ❑ Trillium Lakefront Partners NY, a Rochester based fund that will focus on investing in technology companies in upstate New York.
- ❑ Leeds-Weld NYS Co-Participation Platform, a New York City based fund providing growth capital.

Subsequent to the close of FY 2004-05, the Fund completed three additional commitments totaling \$31 million, bringing total commitment under the in-state program to \$394 million.

INVESTMENT RESULTS

Based on market values as of March 31, 2005

	Annualized Rate of Return		
	1 Year	3 Years	5 Years
Total Fund	8.51%	7.88%	3.34%
Domestic Equity	7.01%	3.83%	-1.14%
International Equity	13.99%	10.79%	-0.80%
Global Equity	9.65%	8.12%	1.44%
Emerging Market Equity	16.23%	19.28%	3.79%
Private Equity	24.56%	11.03%	5.22%
Equity Real Estate	32.15%	23.35%	20.16%
Fixed Income	2.96%	9.41%	9.28%
Standard & Poor's 500	6.67%	2.73%	-3.20%
Standard & Poor's 400	10.42%	7.99%	6.85%
Russell 3000	7.09%	3.69%	-2.48%
Russell 2000	5.41%	8.04%	4.01%
MSCI All Country World Free	11.39%	7.46%	-2.17%
MSCI All Country World Free ex U.S.	16.15%	13.07%	-0.05%
Europe Australia Far East (EAFE)	15.06%	11.64%	-1.15%
MSCI Emerging Markets	17.02%	19.18%	4.52%
Lehman Brothers Aggregate	1.15%	5.99%	7.14%
Salomon Smith Barney LPF Index	2.27%	8.03%	8.37%

These figures are for investment management purposes and may not agree with audited statements.

Investment return calculations were prepared using a time-weighted rate of return based on AIMR's performance presentation standards.

ASSET ALLOCATION – MARCH 31, 2005*

The Fund's decision on how it diversifies its investments among the various asset classes — domestic and international equity, fixed income, real estate and private equity — largely determines its long-term investment performance. Since this is the most critical decision in asset management, the Fund reviews its asset allocation policy frequently. During the 2004-05 fiscal year, the Fund implemented the findings of the Asset Liability Analysis, conducted in 2003 with the help of an investment consultant. The purpose of the analysis was to identify the best mix of assets that will meet the growth requirements of pension benefits while controlling the risk of volatile asset returns.

Asset Type	Target	Maximum	Actual
Equity	70%	75%	73.7%
Domestic	57%	62%	59.8%
Publicly Traded	43%		49.8%
Private Equity	9%		6.3%
Real Estate	5%		3.7%
International/Global	13%	15%	13.9%
Bonds, Cash			
Mortgages	23%	25%	18.8%
Inflation Indexed			
Bonds	7%	9%	7.5%

* A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2005, is on our website at www.osc.state.ny.us.

DOMESTIC STOCK PERFORMANCE

For the fiscal year ending March 31, 2005

	Total Assets (millions)	Annualized Rate of Return			Since Inception	Inception Date	Benchmark
		1 Year	3 Years	5 Years			
Domestic							
Total Portfolio	\$62,731.0	7.01%	3.83%	-1.14%			
Total Actively Managed	17,401.7	6.83%	4.62%	-1.21%			
Russell 3000 Index		7.09%	3.69%	-2.48%			
S&P 500 Index							
		6.67%	2.73%	-3.20%			
Total Large Cap Composite	50,325.5	6.74%	2.84%	-2.78%	12.94%	2/1/83	12.90%
CRF S&P 500 Index Fund	38,778.1	6.75%	2.84%	-3.01%	13.17%	8/1/78	13.13%
CRF Value Index Fund	282.2	9.65%	5.80%	—	6.94%	2/1/02	6.23%
CRF Growth Index Fund	98.2	4.02%	0.42%	—	0.42%	4/1/02	0.27%
Alliance Capital	1,221.1	6.02%	1.70%	-5.11%	13.83%	4/1/80	13.58%
Oppenheimer Capital	1,046.3	8.71%	2.93%	3.75%	14.83%	4/1/80	13.58%
Citigroup	600.7	7.87%	4.28%	3.80%	14.53%	7/1/82	14.09%
Capital Guardian	1,610.0	4.16%	4.03%	1.01%	14.40%	4/1/85	12.60%
Jacobs Levy	1,771.2	6.55%	2.45%	-2.34%	11.62%	5/1/93	10.67%
Chicago Equity	245.7	10.50%	4.31%	—	0.79%	6/1/01	0.05%
BGI R1000 Alpha Tilts	2,488.9	7.89%	4.41%	—	6.64%	11/1/01	5.75%
FIS Group	119.0	6.66%	—	—	10.91%	11/1/03	11.09%
Aronson+Johnson+Ortiz	257.7	—	—	—	3.56%	12/1/04	3.43%
Bear Stearns	301.1	—	—	—	0.80%	12/1/04	3.43%
Brandywine Asset	204.1	—	—	—	2.61%	12/1/04	3.43%
Franklin Portfolio Associates	270.6	—	—	—	10.10%	5/1/04	9.22%
Goldman Sachs	265.5	—	—	—	7.90%	5/1/04	9.22%
Quantitative Management	271.9	—	—	—	10.62%	5/1/04	9.22%
Transamerica	247.2	—	—	—	-0.86%	12/1/04	-0.33%
T. Rowe Price	246.3	—	—	—	-1.29%	2/1/05	-0.78%
S&P 400 Index							
		10.42%	7.99%	6.85%			
Total Mid Cap Composite	8,017.2	10.39%	8.68%	6.62%	13.98%	7/1/91	14.81%
CRF S&P 400 Midcap Fund	4,445.6	10.68%	7.88%	6.65%	13.99%	11/1/91	14.10%
Progress Investment	1,282.6	9.13%	9.76%	6.16%	14.45%	9/1/94	13.09%
New Amsterdam Partners	203.4	13.07%	9.69%	6.99%	15.72%	9/1/94	13.09%
Oppenheimer Mid Cap	511.4	13.45%	12.54%	13.10%	14.17%	6/1/97	12.86%
BGI Extended Alpha Tilts	1,574.3	10.15%	10.58%	3.15%	10.36%	11/1/98	7.60%
Russell 2000 Index							
		5.41%	8.04%	4.01%			
Total Small Cap Composite	4,388.2	3.82%	5.64%	1.11%	11.69%	7/1/91	11.48%
BGI R2000 Index Fund	1,725.3	5.55%	8.19%	—	12.76%	11/1/01	12.61%
Wells Capital	400.4	-2.54%	6.46%	-6.77%	10.16%	8/1/91	7.04%
Brown Capital	213.7	-7.31%	-6.06%	-1.06%	14.57%	9/1/94	10.06%
EARNEST Partners	218.7	17.42%	17.43%	—	16.83%	6/1/01	13.00%
Brandes Investment	336.9	1.51%	—	—	20.89%	9/1/02	21.96%
Systematic Financial	294.4	1.92%	—	—	16.16%	9/1/02	21.96%
BGI R2000 Alpha Tilts	1,198.9	6.62%	—	—	30.10%	4/1/03	31.41%

The assets under management (at market), time-weighted performance results (at market), and appropriate benchmark for each manager are presented in accordance with AIMR's performance presentation standards.

INTERNATIONAL STOCK PERFORMANCE

For the fiscal year ending March 31, 2005

	Total Assets (millions)	Annualized Rate of Return			Since Inception	Inception Date	Benchmark
		1 Year	3 Years	5 Years			
Total EAFE + Emerging Mkts. Composite	\$11,654.1	13.98%	12.12%	-0.07%	6.93%	9/1/89	6.00%
Total Actively Managed	10,968.2	14.00%	12.14%	0.04%	7.38%	9/1/89	4.65%
MSCI All Country World Free ex U.S.		16.15%	13.07%	-0.05%			
ACWI ex U.S. Equity Composite	3,303.8	—	—	—	12.05%	11/1/04	11.90%
Acadian Asset Management	619.0	—	—	—	13.84%	11/1/04	11.90%
Brandywine Asset Management	331.9	—	—	—	10.65%	11/1/04	11.90%
BGI Global World ex U.S.	2,352.9	—	—	—	11.79%	11/1/04	11.90%
MSCI EAFE Index		15.06%	11.64%	-1.15%			
EAFE Composite	10,299.2	13.99%	10.79%	-0.80%	6.57%	10/1/89	4.37%
Passive EAFE Composite	685.9	15.68%	12.59%	-0.32%	7.05%	12/1/90	6.50%
BGI Intl Tilt Fund	685.9	17.06%	14.27%	1.51%	5.78%	2/1/99	3.01%
Active EAFE Composite	9,613.3	14.15%	10.49%	-0.83%	6.95%	10/1/89	4.37%
Alliance Capital	993.3	15.05%	9.31%	-2.25%	7.07%	9/1/89	4.65%
Capital Guardian	2,337.1	9.90%	8.82%	-3.02%	8.76%	9/1/89	4.65%
Morgan Stanley International A/P	1,722.5	13.24%	11.17%	0.53%	7.13%	8/1/94	5.05%
Bank of Ireland	849.8	13.30%	7.71%	-1.86%	5.02%	1/1/98	5.12%
Templeton Investment	938.7	21.60%	14.08%	5.98%	8.86%	1/1/98	5.12%
Mondrian Investment	843.0	20.87%	15.72%	9.39%	9.43%	1/1/98	5.12%
Baillie Gifford	904.4	12.68%	9.08%	-3.75%	2.77%	2/1/99	3.01%
Baring International A/P	1,024.6	15.35%	13.47%	—	13.47%	4/1/02	11.64%
MSCI Emerging Markets Index		17.02%	19.18%	4.52%			
Emerging Markets Composite	1,354.9	16.23%	19.28%	3.79%	9.34%	1/1/92	7.31%
Cap Guardian Emerging Growth	476.6	12.91%	14.98%	0.79%	10.09%	12/20/91	8.12%
Templeton Emerging Market	456.8	20.43%	21.93%	6.92%	5.40%	10/1/93	4.90%
Morgan Stanley Emerging Market	421.5	15.39%	19.75%	1.90%	6.57%	10/1/93	4.90%

The assets under management (at market), time-weighted performance results (at market), and appropriate benchmark for each manager are presented in accordance with AIMR's performance presentation standards.

GLOBAL EQUITY PERFORMANCE

For the fiscal year ending March 31, 2005

	Total Assets (millions)	Annualized Rate of Return			Since Inception	Inception Date	Benchmark
		1 Year	3 Years	5 Years			
Global Equity: MSCI All Country World Index Free		11.39%	7.46%	-2.17%			
Global Equity Composite	\$2,566.0	9.65%	8.12%	1.44%	11.34%	9/1/94	7.24%
Capital Guardian	534.7	9.91%	5.49%	-2.96%	9.98%	9/1/94	7.24%
Brandes Investment	808.5	9.81%	10.76%	11.02%	11.29%	11/1/99	0.23%
Morgan Stanley Global	1,222.9	9.42%	8.08%	0.41%	2.71%	12/1/99	-0.34%

The assets under management (at market), time-weighted performance results (at market), and appropriate benchmark for each manager are presented in accordance with AIMR's performance presentation standards.

DOMESTIC EQUITY PORTFOLIO – TEN LARGEST HOLDINGS*

For the fiscal year ended March 31, 2005

Company	Shares	Market Value	% of Domestic Stock
General Electric	45,881,156	\$1,654,474,485	2.5%
Exxon Mobil Corp	26,542,503	1,581,933,179	2.4%
Citigroup	23,704,209	1,065,267,152	1.6%
Microsoft Corp	43,436,786	1,049,867,118	1.6%
Johnson & Johnson	12,246,347	822,464,665	1.3%
Pfizer	29,754,385	781,647,694	1.2%
Bank of America	17,703,830	780,738,903	1.2%
Wal-Mart	14,950,485	749,168,803	1.1%
American Intl Group	11,715,830	649,174,140	1.0%
International Business Machine	6,891,403	629,736,406	1.0%

* A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2005, is on our website at www.osc.state.ny.us.

DOMESTIC BOND PORTFOLIO AND COMPARISON

As of March 31, 2005

Sector	Market Value (millions)	Percent	Macaulay Duration	Yield	1 Year Total Return
Treasury	\$7,001.0	23.6%	8.37	4.40%	2.64%
TIPS	\$9,527.0	32.1%	14.46	4.19%	4.82%
Agency	\$2,239.0	7.6%	4.23	3.55%	1.28%
Mortgages	\$2,711.0	9.2%	3.45	5.02%	1.80%
Corporates	\$8,166.0	27.5%	6.48	5.13%	1.62%
Total	\$29,644.0	100.0%	9.05	4.53%	2.96%

DOMESTIC BOND PERFORMANCE

As of March 31, 2005

	Annualized Rate of Return		
	1 Year	3 Years	5 Years
Common Retirement Fund	2.96%	9.41%	9.28%
Lehman Brothers Aggregate	1.15%	5.99%	7.14%
Salomon Smith Barney LPF Index	2.27%	8.03%	8.37%

DOMESTIC BOND PORTFOLIO – TEN LARGEST HOLDINGS*

As of March 31, 2005

Issue	Market Value (millions)	Percent of Fixed Income
Treasury Inflation Indexed Securities Due 4/15/29	\$3,914.1	13.35%
Treasury Inflation Indexed Securities Due 4/15/32	1,531.9	5.23%
Treasury Inflation Indexed Securities Due 4/15/28	1,139.8	3.89%
Treasury Inflation Indexed Securities Due 1/15/25	804.7	2.75%
Treasury Inflation Indexed Securities Due 1/15/10	705.5	2.41%
Treasury Inflation Indexed Securities Due 7/15/13	589.4	2.01%
Treasury Bond Due 11/15/12	529.5	1.81%
Treasury Strip (Principal) Due 8/15/05	484.7	1.65%
Treasury Bond Due 2/15/21	394.1	1.34%
Treasury Bond Due 5/15/17	340.5	1.16%
Total	\$10,434.2	35.60%

* A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2005, is on our website at www.osc.state.ny.us.

REAL ESTATE PORTFOLIO

As of March 31, 2005

Property Diversification	Equity Amount (millions)	Percent	Mortgage Amount (millions)	Percent
Industrial/R&D	\$319,661	8.6%	\$69,499	5.8%
Land For Development	44,604	1.2%	0	0.0%
Lodging	167,264	4.5%	0	0.0%
Office	873,492	23.5%	664,928	55.4%
Other	107,793	2.9%	10,670	0.9%
Residential	498,076	13.4%	169,396	14.1%
Retail	1,706,097	45.9%	285,033	23.8%
Total	\$3,716,987	100.0%	\$1,199,526	100.0%
Regional Diversification				
Northeast	\$680,209	18.3%	\$829,077	69.1%
Mideast	431,170	11.6%	1,144	0.1%
Southeast	505,510	13.6%	2,382	0.2%
Southwest	624,454	16.8%	66,975	5.6%
Midwest	249,038	6.7%	17,473	1.5%
Mountain	130,095	3.5%	62,772	5.2%
Pacific	892,077	24.0%	150,204	12.5%
Other	204,434	5.5%	69,499	5.8%
Total	\$3,716,987	100.0%	\$1,199,526	100.0%

	Number of Partnerships	Capital Committed (millions)	Capital Contributed (millions)	Remaining Market Value (millions)	Cumulative Distributions (millions)	Total Value (millions)
Opportunistic Real Estate	27	\$2,350.1	\$1,747.4	\$865.1	\$1,442.7	\$2,307.8

ALTERNATIVE INVESTMENTS SUMMARY

As of March 31, 2005

	Number of Partnerships	Capital Committed (millions)	Capital Contributed (millions)	Remaining Market Value (millions)	Cumulative Distributions (millions)	Total Value (millions)
Venture Capital	34	\$2,875.3	\$1,563.6	\$882.6	\$712.7	\$1,595.3
Corporate Finance	61	7,565.0	5,753.7	3,846.3	4,748.7	8,595.0
Special Situations	42	3,766.3	2,935.4	1,683.4	3,027.2	4,710.6
International	23	2,514.0	1,443.9	1,146.7	827.4	1,974.1
Other	7	N/A	561.3	561.3	N/A	561.3
Total*	167	\$16,720.6	\$12,257.9	\$8,120.3	\$9,316.0	\$17,436.3

*The total figures include all alternative investments, including investments in the New York Business Development Corporation and investments using absolute return strategies.

The Common Retirement Fund is the second largest public pension fund in the United States. As sole trustee, the Comptroller is responsible for managing, preserving and growing the assets of the Fund. To meet his obligations to the 982,009 pensioners, members and beneficiaries of the New York State Common Retirement Fund, the Fund is invested in a number of asset classes to maximize returns, including bonds and stocks of publicly traded companies in the U.S. and abroad.

Comptroller Hevesi's role as a fiduciary keeps him engaged in discussions and negotiations with management and boards of directors of companies in the Fund's portfolio regarding corporate governance and accountability. Profitability and social responsibility of corporations must strike a fine balance to maximize investment rewards over time. As a long-term investor, the Comptroller promotes policies that will allow companies and communities to thrive together in symbiotic relationships. Since he took office in January of 2003, Comptroller Hevesi has confronted corporations about their business practices, ranging from environmental and labor principles to accounting and executive compensation standards and what those things mean to shareholder value.

In recent years as corporate scandals contributed to a downward spiraling market, the U.S. Congress acted by presenting investors and corporations with the Sarbanes-Oxley Act of 2002 by Senator Paul Sarbanes of Maryland and Congressman Michael Oxley of Ohio in a major effort to reform corporate behavior. The Securities and Exchange Commission has the responsibility of enforcing the new rules it has created to implement the corporate governance standards that the new legislation demands of corporations. Comptroller Hevesi continues to be actively engaged during this time of on-going analysis for rule makers with regard to corporate governance reform. As sole trustee of the Fund, Comptroller Hevesi has similarly aligned his proxy-voting guidelines to the Sarbanes-Oxley Act, keeping expectations high for companies' responsiveness to the new corporate governance standards.

Comptroller Hevesi's experience as a former New York City Comptroller brings a unique and important network of established relationships within the

investor community. In addition to reaching out to other State Treasurers and Comptrollers to debate good corporate governance policies, he has kept the Common Retirement Fund an active member of the *Council of Institutional Investors* where institutional investors, both public and private, productively exchange ideas on investment policies and shareholder rights.

Highlights of Comptroller Hevesi's achievements as a shareholder activist in FY 2004-05 include:

- The Comptroller voted by proxy the New York State Common Retirement Fund's shares for 5,385 proposals at 1,795 companies' annual and special meetings.
- Comptroller Hevesi, as sole trustee and on behalf of the Fund, is the lead plaintiff in the WorldCom shareholder class action litigation. The Comptroller recovered \$6.06 billion for the WorldCom Investor class.
- Comptroller Hevesi, partnering with the *Coalition for Environmentally Responsible Economies* (CERES), Treasurers Denise Nappier of Connecticut, Philip Angelides of California and others, sponsored the second UN Summit on Climate Risk to bring together interested parties in the investment community to raise awareness regarding climate change and risks and liabilities associated with it. The Comptroller, along with California Controller Steve Westly, New York City Comptroller William Thompson, and Connecticut Treasurer Denise Nappier, unveiled their joint effort to commit to new goals and strategies for investing and climate change risk as founding members of the *Investor Network on Climate Risk*. Their action plan is posted at www.incr.com.
- The Comptroller joined New York State Assembly Insurance Committee Chair Alexander "Pete" Grannis in requesting insurance companies held in the investment portfolio to disclose company policies on climate change risk and climate-related business opportunities.

- The Comptroller signed on to the *Carbon Disclosure Project* (CDP) as an investor sponsor surveying companies on their greenhouse gas emissions. About 300 of the 500 largest corporations worldwide currently report their greenhouse gas emissions through CDP at www.cdproject.net.
- The Comptroller co-sponsored with the American Federation of State, County and Municipal Employees (AFSCME) a shareholder resolution at *The Walt Disney Company* requesting that the company become subject to the shareholder right of access to the company proxy for purposes of director nominations.
- The Comptroller co-sponsored with Trillium Asset Management a shareholder resolution at *ChevronTexaco* requesting a report on new initiatives by management to address the specific health and environmental concerns of communities affected by unremediated wastes and other sources of oil-related contamination in the area where Texaco operated in Ecuador.
- The Comptroller co-sponsored with the New York City Comptroller representing the New York City Teachers' Retirement System, the New York City Police Pension Fund, and the New York City Fire Department Pension Fund, a shareholder resolution at *Newmont Mining* requesting a review of company policies concerning waste disposal at Newmont Mining operations in Indonesia.
- The Comptroller co-sponsored a shareholder resolution with Boston Asset Management at *Apache Corporation* requesting that the company report on and develop ways to mitigate risks of carbon emissions. After successful negotiations, the proposal was withdrawn upon Apache Corporation pledging to report to stakeholders (including the company's Board of Directors and the public at large).
- The Comptroller co-sponsored with the New York City Comptroller representing the New York City Teachers' Retirement System, the New York City Police Pension Fund, and the New York City Fire Department Pension Fund proposed shareholder resolutions asking *YUM! Brands, Inc.*, *Raytheon*, and *TeleTech Holdings*, to implement the MacBride Principles (affirmative action guidelines for U.S. companies doing business in Northern Ireland to promote equal employment opportunities).
- The Comptroller co-sponsored with the New York City Comptroller representing the New York City Teachers' Retirement System, the New York City Police Pension Fund, and the New York City Fire Department Pension Fund proposed shareholder resolutions asking *BB&T Corp.*, *Allegheny Energy, Inc.*, *Cerner Corporation*, *Coventry Healthcare*, *Exxon Mobil*, *Computer Sciences Corporation* and *Reliant Resources*, include explicitly in its written Equal Employment Opportunity policy the prohibition of discrimination based on sexual orientation, and make every effort to implement that policy.
- The Comptroller co-sponsored with the New York City Comptroller representing the New York City Teachers' Retirement System, the New York City Police Pension Fund, and the New York City Fire Department Pension Fund proposed shareholder resolutions asking *Toys R Us*, *Universal Health Services*, *Cerner Corporation*, and *Delta Airlines*, to implement equal employment opportunity policies based on the ten "Equality Principles" prohibiting discrimination based on sexual orientation and gender identity.
- The Comptroller co-sponsored a shareholder resolution with Sister of Mercy Reg. Community of Detroit Charitable Trust at *Eli Lilly and Company* and with Nathan Cummings Foundation at *Merck and Company* requesting that the company provide shareholders with a report disclosing the company's political contributions, the policies and procedures governing those contributions, the identity of the persons responsible for making those contributions and the business rationale behind those contributions. After negotiating with the company, management agreed to produce such a report.
- The Comptroller co-sponsored a shareholder resolution with AFSCME at *Wyeth* requesting a feasibility report on adopting a policy that would require the company not to constrain the re-importation of prescription drugs into the U.S. by limiting the supply of drugs in foreign markets.

Domestic Equity Manager Fees

Alliance Capital Management Corp.	\$1,705,692
Apex Capital Management	35,831
Ariel Capital Management	887,825
Aronson+Johnson+Ortiz	255,749
Barclays Global Investors	21,343,972
Bear Stearns	236,066
Brandes Partners	2,469,189
Brandywine Asset Management	270,778
Brown Capital Management	2,718,037
Capital Guardian Trust Company	3,495,510
Cardinal Capital Management	481,233
Chicago Equity Partners	718,861
Denali Advisors LLC	64,996
Earnest Partners	838,927
Emerald Advisors	25,226
Eqty Research & Management	21,051
Fan Asset Management	367,578
Fortaleza Asset Management	264,220
Franklin Portfolio Associates	435,436
Fuller & Thaler Asset Management	669,672
FIS Funds Management	351,461
GlobeFlex Capital	322,395
Goldman Sachs	431,080
Hahn Capital Management	28,970
High Pointe Capital Management	42,076
Hoover Capital Management	943,403
Jacobs Levy Equity Management	4,616,560
Knelman Asset Management	42,027
Montgomery Asset Management	3,063,888
New Amsterdam Partners	597,693
Oppenheimer Capital	2,701,237
Piedmont Investment Advisors	24,103
Piedra Capital Ltd	480,795
Profit Investment Management	37,860
Progress Investment Management	2,644,500
Quantitative Management Associates	518,674
Rasara Strategies	403,716
Rutland Dickson	36,685
Salomon Smith Barney Inc.	1,083,014
Schneider Capital Management	786,002
Systematic Financial	1,805,415
Transamerica Investment Management	320,496
T. Rowe Price	139,204
Value Line, Inc.	460,433
Wellington Management	346,262
Total	\$59,533,798

Domestic Equity Commissions

Broker	Shares	Commission \$US	Broker	Shares	Commission \$US
Abel Noser Corp.	1,382,345	\$27,128	First Union Capital Market	8,227,242	368,859
Adams Harkness & Hill, Inc.	1,969,603	86,081	Fiserv Securities Inc.	12,168,400	208,253
Advest, Inc.	968,608	38,848	Fox-Pitt Kelton Inc.	911,377	33,671
Allen & Company Inc.	205,800	2,058	Friedman Billings & Ramsey	1,303,673	43,412
Arnhold And S. Bleichroed	65,100	3,051	Fulcrum Global Partners	1,073,827	48,348
Autranet	386,900	13,157	GGET LLC	163,100	4,933
B Riley & Co. Inc.	12,200	366	Gardner Rich & Co.	339,890	15,089
B-Trade Services LLC	27,628,846	580,432	General Motors Acceptance	16,100	644
Baird, Robert W. & Co., Inc.	3,215,172	149,807	Gerson Lehrman Group Brokers	115,900	5,795
Banc of America Securities LLC	8,812,951	361,941	GFI Securities LLC	8,600	172
Barrington Research Assoc.	20,100	1,005	Giordano-Dellacamera Securities	15,200	189
Beal, M.R. & Co.	1,540,850	61,634	Goldman Sachs & Co.	24,197,825	822,744
Bear Stearns & Co.	29,487,903	1,018,766	Granite Financial Group	70,400	962
Benchmark Company LLC	105,400	3,416	Green Street Advisors	64,450	3,078
Berean Capital, Inc.	85,000	3,400	Greentree Brokerage Service	598,103	28,683
Blair, William & Co.	730,315	34,696	Griffiths McBurney & Partners	23,218	1,405
Blaylock & Partners LP	3,099,700	142,834	Griswold Company	3,521,600	105,190
BNY Esi & Co. Inc.	4,205,185	202,309	Gruntal & Co.	1,500	75
BOE Securities Inc.	1,706,130	70,847	Guzman & Co.	3,218,126	121,922
Boston Institutional Services	198,500	9,079	Harborside Securities	360,000	9,547
Brean Murray, Foster Securities	12,300	615	Harris Nesbitt Corp	3,732,121	160,236
Bridge Trading Co.	1,808,140	88,357	HD Brous & Co.	29,800	894
Broadcourt Capital	1,379,229	66,743	Heflin & Co. Inc.	92,200	3,688
Buckingham Research	761,150	32,985	Hibernia Southcoast Capital	46,800	1,920
Bunting Warburg Inc.	53,400	2,639	Hofer And Arnett Inc.	85,900	3,885
Burlington Capital Mkts.	99,720	4,589	Howard Weil Div./Legg Mason	527,691	25,519
Burnham Securities Inc.	70,000	3,500	Imperial Capital LLC	1,746,000	59,078
CE Unterberg Towbin	549,500	21,980	Instinet	17,037,716	411,964
C.L. King & Associates Inc.	3,539,644	151,245	Institutional Direct Inc.	390,900	18,555
Cabrera Capital Markets	862,878	36,530	Institutional Services	3,113,342	142,494
Cantor, Fitzgerald & Co.	8,577,894	240,996	Intersecurities Inc.	4,500	225
Capital Institutional Services	943,419	58,409	Investment Technology Group	121,680,041	1,120,929
Charles Schwab & Co., Inc.	1,643,922	68,464	ISI Group Inc.	2,931,310	128,954
Cheevers & Co.	15,800	632	Jackson Partners	1,318,600	49,599
CIBC World Markets Corp.	5,300,749	236,348	Janney Montgomery Scott	377,250	18,813
Citation Group	2,057,374	95,068	Jefferies & Co.	19,496,528	598,100
Citigroup Global Market Inc.	24,646,717	903,595	JMP Securities	1,103,564	46,853
CJS Securities	335,000	16,750	JNK Securities Inc.	4,400	88
Cochran Caronia Securities	8,200	410	Johnson Rice & Co.	15,250	763
Credit Lyonnais Securities	1,233,740	37,341	Jones & Associates Inc.	4,847,479	162,769
Credit Research & Trading	92,950	4,134	JPMorgan Securities Inc.	12,392,029	441,966
CS First Boston Corp.	24,996,116	919,350	Kaufman Brothers	79,100	3,560
Custom Equity Research	50,000	2,500	Keefe Bruyette & Wood Inc.	1,265,400	61,533
Davenport & Co. of Virginia	226,900	11,345	Kellogg Partners	181,100	9,055
Davidson, D A & Co. Inc.	297,700	14,885	Kevin Dann Partners LLC	1,300	65
Davis Mendel & Regenstien	467,700	21,047	Kleinworth Wasserstein	320,180	5,657
Deutsche Bank Securities	18,783,913	596,379	Knight Securities	5,617,429	79,597
Direct Brokerage Service	6,800	340	KV Execution Services LLC	172,400	3,853
Divine Capital Markets	1,087,100	54,225	KWS Associates Inc	7,300	219
Donaldson Lufkin & Jenrette	266,920	13,346	La Branche Financial	3,120,105	85,169
Dougherty Company	107,600	4,760	Leerink Swann & Co.	1,376,007	64,938
Dowling & Partners Securities	339,600	16,390	Legg Mason Wood Walker Inc.	1,662,742	66,283
E*Trade Securities Inc	172,600	7,176	Lehman Brothers Inc.	32,223,194	1,065,834
E.I.F.B.	2,600	26	LEK Securities Corp.	470,420	10,760
Edge Securities Inc	21,450	1,073	Liquidnet Inc.	22,867,950	468,585
Edwards, A.G. & Sons, Inc.	1,909,639	79,367	Loop Capital Markets	5,351,206	255,656
Eppler, Guerin & Turner	1,650	83	Lynch Jones & Ryan Inc.	858,595	15,046
Ewing Capital Inc.	16,300	571	M. Ramsey King Securities Inc.	2,263,550	110,441
Factset Data Systems	1,798,350	82,177	Magna Securities Corp.	1,566,581	59,720
Fahnestock & Co., Inc.	328,100	16,290	Maxcor Financial Inc.	6,000	180
Fano Securities LLC	46,300	2,315	May Davis Group Inc.	331,500	13,335
Ferris, Baker Watts Inc.	61,600	3,080	McDonald & Co. Securities	2,267,800	88,203
Fidelity Capital Markets	266,166	7,989	McGinn Smith & Co. Inc.	37,700	1,885
First Albany Corp.	3,987,050	166,033	Melvin Securities LLC	59,280	2,655
First Analysis Securities	202,057	9,687	Merrill Lynch, Pierce, Fenner	21,122,573	858,149
First Clearing Corp.	598,550	27,145	Merriman Curhan Ford & Co.	513,475	22,837
First Southwest Co.	246,777	11,142	Mesirow Financial, Inc.	113,990	5,270

Broker	Shares	Commission \$US	Broker	Shares	Commission \$US
Metro Financial	19,100	344	UBS Painewebber Inc.	1,786,665	72,563
Midwest Research Securities	3,068,884	128,353	UBS Warburg LLC	25,143,440	950,648
Mitsubishi Finance Intl.	200,000	4,000	United Capital Group Inc.	14,500	508
Moors & Cabot Inc.	36,700	1,032	UNX Inc.	47,500	475
Morgan Keegan & Co., Inc.	649,270	28,731	US Clearing Institutional	333,100	15,804
Morgan Stanley & Co., Inc.	24,588,531	796,000	Utendahl Capital Partners	2,128,104	86,819
Multitrade Securities LLC	42,400	1,484	Vandham Securities Corp.	979,100	45,507
Muriel Siebert	1,829,690	54,902	Veritas Securities	1,205,080	36,152
National Financial Services	6,573,395	155,038	Wachovia Securities, LLC	1,017,360	41,038
Needham & Company	2,564,640	103,626	Wave Securities LLC	266,300	4,635
Neuberger & Berman	995,500	35,630	Wedbush Morgan Securities, Inc.	3,061,842	114,447
Nomura Securities International	153,200	1,530	Weeden & Co.	11,623,192	393,479
Nutmeg Securities	139,600	6,562	Wellington, H.G. & Co.	83,000	4,150
O'Neil, William & Co. Inc.	710,600	37,796	Wells Fargo Securities	359,450	16,230
Ormes Capital Markets Inc.	442,800	17,745	Westminster Research Assoc.	770,000	38,909
Pacific American Securities	2,425,216	96,481	Wexford Clearing Services	9,300	326
Pacific Crest Securities	31,400	1,570	William Smith Securities	21,500	430
Pacific Growth Equities	1,319,870	61,190	Williams Capital Group	11,828,321	479,812
Parker/Hunter Inc.	29,901	1,216	WR Hambrecht & Co.	208,871	8,553
PCS Securities Inc.	1,079,658	52,403	Yamner & Company Inc.	31,200	312
Percival Financial	1,280	64	Total	712,117,791	\$21,706,262
Pershing	35,800	1,074			
Petrie Parkman & Co.	98,300	4,915			
Pflueger & Baerwald Inc.	32,000	640			
Preferredtrade Inc.	37,062	551			
Pritchard Capital Partners	376,410	18,821			
Prudential Equity Group	9,836,656	390,150			
Prudential Wachovia	202,000	8,080			
Pulse Trading LLC	87,800	2,616			
Quaker Securities Inc.	2,700	135			
Raymond James & Assoc.	1,910,323	84,343			
RBC Capital Markets	3,258,673	147,155			
REFCO Securities, Inc.	7,300	365			
Richardson Greenshields	165,000	8,250			
Robert Van Securities	62,600	2,756			
Rochdale Securities Corp.	1,106,380	62,355			
Rockhouse Securities LLC	113,700	4,254			
Roth Capital Partners Inc.	189,450	8,783			
Ryan Beck & Co.	37,400	45			
SG Cowen & Co.	6,511,365	222,597			
Samuel A. Ramirez & Company	2,442,550	97,702			
Sanders Morris Mundy	835,960	37,426			
Sandler O'Neill & Partners	480,641	14,798			
Sanford Bernstein & Co. LLC	6,544,636	232,932			
SBK-Brooks Investment Corp.	114,057	5,370			
Scotia Capital Markets	72,100	2,524			
Scott & Stringfellow Inc.	1,835,563	81,482			
Seaport Securities Corp.	8,400	420			
SG Cowen Securities Corp.	339,510	13,568			
Sidoti & Company LLC	1,062,550	52,539			
Simmons & Co. International	68,600	3,430			
Southwest Securities Inc.	1,047,078	22,704			
Spear, Leeds & Kellogg	847,908	14,500			
Standard & Poors Securities	1,114,268	63,174			
Standford Group Co.	47,600	2,216			
State Street Global Markets	775,451	21,873			
Stephens, Inc.	486,300	24,315			
Sterne Agee & Leach Inc.	372,100	17,207			
Stifel Nicolaus & Co., Inc.	705,405	34,011			
Sunbelt Securities	4,300	77			
Suntrust Capital Markets	1,152,783	49,103			
TD Securities Inc.	125,400	6,004			
Thinkequity Partners LLC	271,100	13,001			
Thomas Weisel Partners	8,045,701	328,730			
Thomson Institutional Services	1,001,721	38,172			
US Bancorp Piper Jaffray	3,048,139	133,086			
US Clearing Corp.	40,890	1,879			

International Equity Manager Fees

Acadian Asset Management	\$1,985,312
Alliance Capital Management Corp.	2,552,341
Baillie Gifford Overseas Ltd.	2,632,231
Bank of Ireland Asset Management	2,128,141
Barclays Global Investors	3,581,650
Baring International Investment Ltd.	2,627,849
Brandes Investment Partners	2,999,988
Brandywine Asset Management	619,637
Capital Guardian Trust Company	11,782,754
Mondrian Investment Partners	2,387,728
Morgan Stanley Investment Management	13,144,725
Templeton Investment Counsel	7,798,709
Total	\$54,241,065

Global Equity Commissions

Broker	Shares	Commission \$US	Broker	Shares	Commission \$US
ABG Securities	1,249,748	\$15,983	JPMorgan Securities Inc.	118,569,902	308,442
ABN Amro Inc.	10,489,286	225,762	KAS Associate	117,852	3,484
Albert Fried & Co.	75,400	1,508	KBC Financial Products	536,900	10,326
Arnhold & S. Bleichroed	293,447	17,547	Keefe Bruyette & Wood Inc.	204,000	3,351
Auerbach Grayson & Co., Inc.	841,710	2,861	Kempen Capital Management	71,400	1,444
B-Trade Services LLC	9,800	2,490	Kepler Equities	236,997	14,075
Banco Bilbao Viscaya	69,391	2,611	Kleinwort Benson Govt. Securities	611,599	21,983
Banco Santander	148,759	6,144	Knight Securities	120,000	4,200
Bank Am. Bellevue	48,027	10,257	Kotak Securities	15,174	361
Bank of America Securities	364,276	14,538	La Branche Financial	169,960	3,399
Bank of America International Ln.	134,200	5,368	Lazard Freres & Co.	10,400	364
Baring Securities LTD	448,270	6,092	Lehman Brothers Inc.	31,164,353	508,191
Bayerische Hypo-Und Verei	170,900	6,931	Lek Securities	119,505	2,390
Beal, M.R. & Co.	18,000	630	Liquidnet Inc.	82,000	379
Bear Stearns Securities	3,892,969	50,037	MM Warburg & Co.	59,005	11,515
Becker (A.G.), Inc.	13,600	351	M. Ramsey King Securities Inc.	228,320	8,603
Blackwatch Brokerage Inc.	213,800	10,576	Macquarie Equities LTD	3,661,951	52,530
Bloomberg Tradebook	42,400	1,060	Mainfirst Bank AG	66,511	5,464
Bloxham Stockbrokers	10,760	457	Manufacturers Hanover Trust	302	15
BNP Securities	606,000	3,915	Maxwell Y. Espinosa	58,020	6,625
Bridge Trading Co.	9,300	372	McDonald & Co. Securities	55,300	1,936
Broadcourt Capital	14,400	576	Merrill Lynch	98,211,945	690,915
Brockhouse & Cooper Inc.	304,105	8,701	Merrion Capital Group	33,746	1,682
Bryan Garnier & Co.	33,099	299	Midwest Research Securities	84,300	3,301
Burdett Buckerde Young	57,901	3,107	Mizuho Securities	6,447,335	108,177
C.I. Nordic Securities AB	121,700	7,168	Mizuro International	1,743	420
Cantor, Fitzgerald & Co.	7,672,583	29,280	Mogavero Lee & Co. Inc.	768,700	16,615
Capital Institutional Securities	1,346,934	56,241	Moors & Cabot Inc.	6,500	65
Carnegie Fondkommission	1,124,982	29,314	Morgan Grenfell Asai Securities	262,240	6,901
Cazenove & Co.	5,655,094	46,249	Morgan Stanley & Co., Inc.	4,017,284,395	1,093,953
CDC Bourse	322,433	28,701	National Bank Financial	257,690	9,688
CDC Ixis Capital Markets	8,100	433	National Financial Service	7,000	210
Cheuvreux	2,300,376	43,808	NCB Stockbroker	570,771	22,443
CIBC World Markets Corp.	768,200	28,171	NDB Capital Markets Inc.	57,599	1,904
Citibank	267,655	6,144	Neonet Securities AB	366,824	5,164
Citigroup Global Market	1,059,732,422	731,107	Nesbitt Thomson Securities	1,605,328	54,193
Collins Stewart	1,704,973	9,036	Nikko Citigroup LTD	3,519,151	59,339
Credit Agricole Indosuez	2,720,059	60,500	Nomura Securities International	3,228,952	114,269
Credit Lyonnais Securities	4,942,474	46,101	Nordic Partners	346,340	6,946
CS First Boston Corp.	178,765,248	744,690	Numis Securities	40,300	597
Daiwa Securities America	2,536,453	101,748	Oddo Securities	4,757	265
Deutsche Bank Alex Brown	3,650,586	65,756	Paribas Corp.	169,964	23,521
Deutsche Bank Securities	578,965,431	380,340	Pereire-Tod	83,236	4,676
Deutsche Morgan Grenfell	1,683,568	14,537	Petercam Bussels	1,400	130
Deutsche Securities Asia	3,128,754	48,741	Pictet & Co.	29,510	3,152
Dresdner Bank	245,988	8,823	Princeton Securities	299,505	5,532
Dresdner Kleinworth Wasse	20,382,163	291,154	Prudential Equity Group	67,000	3,350
E-Xnet	18,441	841	Raymond James & Associates	314,510	12,455
E.I.F.B.	35,000	350	RBC Capital Markets	506,066	13,546
Edge Securities, Inc.	31,556	721	Redburn Partners LLP	157,200	3,514
Enskilda	3,509,123	53,773	Robert Fleming & Co.	70,000	737
Exane, Paris	191,426	13,956	S.B.S. Financial Group	10,400	1,351
Execution LTD	4,326,291	65,204	Sanford Bernstein & Co.	6,905,721	107,873
Factset Data Systems	128,299	5,597	Schroders Solomon Smith Barney	44,943	1,798
Findentiis Equities S.V.	474,800	7,629	Scotia Capital Markets	1,753,700	52,370
First Manhattan Co.	15,400	94	SG Cowen Securities Corp.	964,376	85,409
Fortis International	452,720	49,479	SG Securities Asia	23,122	9,849
Fox-Pitt Kelton Inc.	329,509	16,824	Smith Barney, Harris Upha.	2,028,924	49,702
Friedman Billings & Ramse	557,401	22,296	Societe Generale Securities Corp.	5,617,276	38,515
G-Trade Services Hamilton	470,310,613	91,899	State Street Global Market	240,390	2,626
Gintelco, Inco.	16,800	114	Svenska International Equities	737,956	8,730
Global Execution Network	161,150	519	Teather & Greenwood	83,795	763
Global Execution Techno	1,059,620	6,003	Thomas Weisel Partners	131,300	4,761
Goldman Sachs	176,950,259	751,689	Thompson Institutional Services	40,000	1,400
Goodbody Stockbrokers	505,893	20,678	UBS Securities, Inc.	508,114,598	74,579
Handelsbanken	30,710	1,320	UBS Warburg LLC	206,091,713	647,834
Harris Nesbitt Corp.	33,900	1,187	UFJ International	494,000	2,762
HSBC Securities Inc.	1,530,279	51,465	US Trust Company Federal	8,300	192
Imperial Capital LLC	269,000	8,070	Wachovia Securities, LLC	273,526	10,941
ING Barings LLC	149,900	3,999	Warburg Securities	6,451,642	224,494
Instinet	10,837,900	44,953	Wells Fargo Securities	21,000	660
Institutional Direct Inc.	17,960	539	West LB Securities	78,900	17,246
Intermonte Securities	151,388	7,215	Westminister	15,300	2,156
Investment Strategy Group	371,488	6,120	Westpac Custodian Noms.	50,749	1,195
J&E Davy	1,032,332	15,036	Williams Capital Group	558,384	28,985
JB Were & Son Inc.	1,853,853	43,912	Wilson HTM LTD	138,386	2,052
Jardine Fleming	745,000	3,458	Total	7,605,655,890	\$9,089,081
Jefferies & Co.	110,296	2,946			

Domestic Bond Transactions

Fiscal Year to Date as of March 31, 2005; summarized by broker or direct issuer.

Long-Term	
Broker	Par \$ US
Bank of America Securities	\$60,000,000
Bear Stearns & Co	639,015,000
Blaylock & Partners LP	146,360,000
Citigroup Global Markets	282,250,000
CS First Boston Corp	20,020,000
Deutsche Bank Securities	120,000,000
Development Corp For Israel	20,000,000
FHLMC	45,000,574
FNMA	215,122,610
Goldman Sachs & Co	148,000,000
Guzman & Co	90,000,000
JPMorgan Chase & Co	180,000,000
Lehman Brothers Inc	289,099,000
Morgan Stanley & Co., Inc	421,240,000
Ormes Capital Markets Inc	181,005,000
SBK-Brooks Investment Corp	30,000,000
UBS Securities, Inc.	100,000,000
Wachovia Securities, LLC	50,000,000
Williams Capital Group	148,000,000
Total	\$3,185,112,184
Short-Term	
Broker	Par \$ US
American Express Credit	\$1,063,156,000
Bank of America Securities	5,460,298,000
Bear Stearns & Co	742,439,000
Citigroup Global Market	4,767,075,000
CS First Boston Corp	2,190,639,000
Deutsche Bank Securities	7,414,205,000
Exxon Asset Management	25,540,000
General Electric Capital	6,247,376,000
General Motors Acceptance	1,090,000,000
Goldman Sachs & Co	2,543,684,000
Greenwich Capital	1,401,395,000
Household Finance	638,530,000
HSBC Securities Inc	202,900,000
JPMorgan Chase & Co	2,250,975,000
Lehman Brothers Inc	1,289,371,000
Loop Capital Mkts	195,000,000
Merrill Lynch, Pierce, Fenner	2,866,484,000
Morgan Stanley & Co., Inc	2,386,087,000
Prudential Funding	2,195,610,000
Toronto Dominion	100,000,000
Toyota Motor Credit	111,690,000
UBS Securities, Inc.	433,975,000
Utendahl Capital Partners	10,959,838,000
Wachovia Securities, LLC	61,945,000
Wells Fargo & Company	1,212,867,000
Williams Capital Group	799,395,000
Total	\$58,650,474,000

Real Estate Fees

Aetna	\$23,235
Apollo Management, LP	2,101,078
Blackstone	1,062,151
Canyon-Johnson	526,856
CIGNA	471,258
City Investment Fund Associates	2,480,254
Clarion Partners	14,893,276
Colony Capital LP	809,270
Community Preservation Corporation	231,325
GMAC Commercial Mortgage	170,088
Heitman Capital Management	10,300,551
JP Morgan Investment Management	1,971,028
Landmark Realty Advisors LLC	192,464
Lazard Freres Real Estate Investors LLC	778,767
Lend Lease (Capmark)	28,018
Morgan Stanley Group Inc.	1,206,942
NYSTRS	46,407
Olympus Real Estate Fund GP Partners	1,399,496
Praedium Group	707,759
Prima Capital	841,462
RREEF	7,584,647
Sentinel Advisors	2,072,646
ULLICO	27,400
Westbrook Real Estate Partners Management	2,246,415
Total	\$52,172,793

Alternative Investments Fees

ACOF Operating Manager (Ares)	\$451,264	High Peaks Venture Partners	668,661
Angelo, Gordon & Co.	57,475	Horsley Bridge Partners	427,742
Apax Partners & Co. (Apax Europe)	4,728,501	JPMorgan Investment Management	5,176,565
Apax Partners U.S.	2,736,972	JPMorgan Partners	3,088,503
Apollo Management	2,767,875	Joseph, Littlejohn & Levy	421,734
Arbitex Multi-Strategy Fund	240,385	Kelso & Company	122,081
Ascend Ventures Management	695,842	Kohlberg, Kravis, Roberts & Co.	668,885
Beacon Partners	611,866	Leeds Weld	200,822
Behrman Capital	1,286,476	Lexington Capital Partners	1,141,449
Blackstone Group	1,563,204	Lion Capital Partners (FKA: Hicks Muse)	1,288,054
Blum Strategic Advisors	1,486,473	Madison Dearborn Partners	526,906
Boston Ventures Management	404,553	Markstone Investment Management	1,000,000
Brait Capital Partners	254,513	MeriTech Capital Partners	312,780
Brazos	462,634	Mezzacappa Maiden Lane Fund	187,500
Bridgepoint Capital	2,438,956	Oaktree Capital Management	1,450,071
Carlyle Group	3,027,803	Olympia John Street Fund	249,999
Charterhouse Capital Partners	1,076,922	Olympus Advisory Partners	30,778
Cinven Limited	1,199,936	OZ Domestic Partners II	250,000
Clessidra	2,955,035	Pacific Corporate Group	1,500,000
CVC Capital Partners	2,575,867	Paladin Capital Management	453,167
Cypress Group	1,851,200	Permal East River Fund	197,260
DeltaPoint Capital	838,645	Perseus-Soros Management	667,253
DLJ Capital Corporation (Sprout)	131,585	Providence Equity Partners	1,622,329
E.M. Warburg, Pincus & Company	8,782,409	Renaissance Private Equity Partners (Aldus)	400,000
EHNY (Easton Hunt)	762,500	Saunders Karp & Megrue	655,066
Fairview Capital Partners	1,850,707	Summer Street Capital Fund NYS Advisors	625,000
First Albany Companies	1,875,000	TA Associates	2,662,948
FirstCorp Capital Advisors (Ethos)	449,341	Thomas H. Lee Company	590,929
Founders NY	285,441	TLP Management (Trillium)	543,403
Freeman, Spogli & Co.	660,599	TPG Partners	1,332,205
GE Investment Management Inc.	46,400	Trust Company of the West	(384,802)
GKM Newport	405,936	TSG Capital Group	179,193
GM Capital Partners I	1,105,381	Vestar Associates	835,460
Goldberg Lindsay & Co.	691,999	WCA Management Corporation (Welsh Carson)	2,889,842
Goldman Sachs & Co.	380,350	Wheatley NY Partners	500,000
Green	559,099	WJM Partners IV, LLC (SynComm)	403,700
Guggenheim Partners Select	167,460	Yucaipa	2,615,812
Hamilton Lane Advisors	5,074,496	Total	\$106,595,835
HarbourVest Partners	11,507,681		
Hellman & Friedman Investors	1,500,700		
Heritage Partners	1,228,436		

Consultant and Advisor Fees

Ark Asset Management	\$425,000
Ayer Consultants	80,000
Consulting Services Group	109,000
Hamilton Lane Advisors	400,000
Stockbridge Risk Management, Inc.	24,885
JP Morgan Fleming Investment Management	2,266,333
Pacific Corporate Group (PCG)	400,000
Russell Real Estate Advisors	386,500
Strategic Investment Solutions, Inc.	285,000
Wilshire	94,500
Total	\$4,471,218



*W*hen they begin to think about retirement, we provide a variety of services and information to help them prepare for this life-changing event. We do this because we want to ensure that they have confidence in the decision they are about to make and understand the retirement process.

Actuarial

June 2005

Benefit security is the primary concern of an actuarial funding method. Will sufficient assets have been accumulated when an employee or pensioner begins receiving a benefit?

Future pension costs cannot be determined precisely because they depend on future mortality, investment returns, salary increases, etc. Therefore, in their calculations, actuaries must make assumptions about these uncertainties. The actuary performs experience studies, ascertaining how closely each System's experience is conforming to the assumptions used. If significant differences occur that the actuary believes may indicate differences over a long period of time, the actuary may recommend assumption changes to reduce the expected differences.

Since pension data changes over time, e.g., number of employees or amount of service earned, an actuarial valuation is performed each year to ensure that costs are based on the most accurate information. We extensively validate the System's data by running reasonableness tests and accounting for every individual on a year-to-year basis. In addition, we review the information contained in the financial statements. The System utilizes the aggregate funding method which has a funding objective of level percent of payroll employer contribution rates. Our funding objective is being realized. Our assumptions and methods meet GASB 25 Standards and a summary is included later in this section.

There were no significant benefit improvements enacted during FYE 2004 or 2005. The April 1, 2003 valuation for FYE March 31, 2005, was performed under my direction and supervision using the assumptions recommended by me and adopted by the Comptroller as of April 1, 2003, and the aggregate actuarial funding method. I am the actuary for the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS), a member of the American Academy of Actuaries, and meet its qualification standards for this work. The valuation results, to the best of my knowledge and belief, represent the true financial condition of the System.



Teri E. Landin, M.A.A.A., A.S.A., E.A., M.S.P.A.

Actuary

New York State and Local Employees'
Retirement System

New York State and Local Police and Fire
Retirement System

Actuarial Funding

An actuarial funding method is a procedure for allocating the costs of a retirement system to particular time periods. It does not determine how much a system will ultimately cost; rather, it determines that portion of the estimated total cost that is to be allocated to a particular year.

For 70 years, the actuarial funding method used by the System was the aggregate method (AGG). Then, Chapter 210 of the Laws of 1990 changed the funding method to a modified projected unit credit (PUC) method beginning in FYE March 31, 1991 (referred to as fiscal year 1991 here). This law was challenged and the challenge was upheld by the Supreme Court. On appeal, both the appellate division and the Court of Appeals unanimously agreed with the Supreme Court. These decisions allowed the Comptroller to return to the aggregate funding method, beginning with the 1995 fiscal year. To ease the transition in ERS, i.e., to prevent budget crises among participating employers, the Comptroller devised a plan to phase-in non-GLIP (New York State Public Employees' Group Life Insurance Plan) rates beginning in the 1995 fiscal year when the rates were zero. The rates increased by 1.5 percent per year until 1999, when the transition would cease. However, due to excellent investment gains and favorable experience, almost all ERS employer bills were below the transition rates in 1997, and in 1998 all were below the transition rates, so the transition ceased in 1998.

Actuarial Valuation

At the beginning of the fiscal year, the Actuary, by law, determines the actuarial assets and liabilities. The actuarial valuation is important since it determines each year's employer contributions. Chapter 49 of the Laws of 2003 mandates that the actuarial valuation undertaken on the first day of a fiscal year be used to determine contribution rates for the next succeeding fiscal year.

Each valuation gives a long-term picture of the System currently and over the coming years. In this, it differs markedly from the March 31, point-in-time snapshot of the System provided by the Financial Statements. The two measurements serve different purposes and use different techniques.

Two examples help make this clear:

- The actuarial assets for valuation purposes include the current value of all the future contributions employers and employees will make on behalf of current members. The Financial Statement balance sheet asset figure includes only contributions paid or incurred through this fiscal year.
- The actuarial assets smooth out the ups and downs of common stock performance by using a multi-year smoothing procedure. Techniques like this are widely practiced and professionally recommended to protect employers from volatile contribution rates. The Financial Statements, on the other hand, simply present market values of assets on the last day of the fiscal year.

Aggregate Actuarial Funding Method

Actuarial liabilities are the current values (called the actuarial present values) of the benefits the Retirement System expects to pay to current members, pensioners and beneficiaries. The actuarial present value of benefits is calculated by projecting the amount of future retirement, death and disability benefits (based on past and future service) to be paid and then discounting for interest earnings, employee turnover and other contingencies.

The actuarial present value of the contributions that employers must make to the System to fund the projected benefit payment is equal to the actuarial liabilities, minus the actuarial value of present assets.

Under the aggregate funding method, the difference between the actuarial liabilities above and the actuarial value of present assets is funded as a level percentage of salary over the future working lifetimes of current members.

ELEMENTS OF THE ACTUARIAL VALUATION

Actuarial Assumptions

The current actuarial assumptions were adopted effective April 1, 2003. These assumptions and their predecessors are shown below. All assumptions presume ongoing Systems:

Fiscal Year Ending 3/31	Salary Scale*		Interest Rate	Multiple-Decrement Tables based on Systems' experience	
1982-85	Inflation	5.0%	7.50%	4/1/76-3/31/81 experience	
	Productivity & Merit	<u>3.5%</u>			
		8.5%			
1986	Inflation	5.0%	8.00%	4/1/76-3/31/81 experience	
	Productivity & Merit	<u>3.5%</u>			
		8.5%			
1987-88	Inflation	5.0%	8.00%	4/1/81-3/31/86 experience	
	Productivity & Merit	<u>2.3%</u>			
		7.3%			
1989-92	Inflation	5.0%	8.75%	4/1/81-3/31/86 experience	
	Productivity & Merit	<u>2.0%</u>			
		7.0%			
1993-96	Inflation	5.0%	8.75%	4/1/86-3/31/91 experience	
	Productivity & Merit	<u>2.0%</u>			
		7.0%			
1997-98	Inflation Productivity & Merit	ERS	PFRS	8.50%	4/1/90-3/31/95 experience
		4.75%	4.75%		
		<u>1.25%</u>	<u>1.75%</u>		
1999-2000	Inflation Productivity & Merit	6.0%	6.5%	8.50%	4/1/90-3/31/95 experience
		3.50%	3.50%		
		<u>2.50%</u>	<u>3.00</u>		
2001	Inflation Productivity & Merit	6.00%	6.50%	8.00%	4/1/90-3/31/95 experience
		3.00%	3.00%		
		<u>2.50%</u>	<u>3.00%</u>		
2002-04	Inflation Productivity & Merit	5.50%	6.00%	8.00%	4/1/95-3/31/00 experience
		3.00%	3.00%		
		<u>2.90%</u>	<u>3.90%</u>		
2005	Inflation Productivity & Merit	5.90%	6.90%	8.00%	4/1/95-3/31/00 experience
		3.00%	3.00%		
		<u>2.40%</u>	<u>3.90%</u>		
		5.40%	6.90%		

*This is an approximate value. Salary scales vary by age and plan and are based on each System's experience.

Selected Actuarial Assumptions used in the April 1, 2003 Valuation

Assumptions are computed by the Actuary and adopted by the Comptroller. They are based on recent member experience.

These illustrations are used to determine the number of people we anticipate will be dying, retiring, becoming disabled, withdrawing, etc.

Demographic assumptions below show central rates of decrement per 10,000 members, not necessarily probabilities.

Disability Retirement— Ordinary and Accidental

Age	ERS Ord	ERS Acc	PFRS Ord*	PFRS Acc
35	13	5	17	16
40	18	4	23	18
45	29	3	43	31
50	39	4	107	36

*includes performance of duty

Ordinary Death

Age	ERS	PFRS
35	7	5
40	10	8
45	15	12
50	22	22

Withdrawal

(Ten-year ultimate rates)

Age	ERS	PFRS
35	225	43
40	195	67
45	167	103
50	139	211

Service Retirement

ERS	Age	Tier 1	Tier 2-4
	55	5,828	847*
	60	2,493	885**
	65	4,389	3,853

* If 30 years is attained prior to, or at, age 55, add 4,000.

** In the year the member attains 30 years of service, add 2,000.

PFRS	Age	20-year	20-year with add'l 60 ^{ths}
	45	943	364
	50	751	503
	55	1,219	1,123

Service Retirees – Mortality

Age	Male Clerk	Female Clerk	PFRS
55	51	41	44
60	79	58	73
70	186	120	195
80	461	342	534

Disability Retirees – Mortality

Age	Male Clerk	Female Clerk	PFRS
30	15	12	4
40	121	96	8
60	271	211	70
80	852	533	625

Salary Scale – Percent Increase

Age	ERS	PFRS
25	8.79	16.47
35	6.14	7.19
45	5.15	5.79
55	4.93	6.06

Actuarial Value of Assets

Most of the assets of the ERS, PFRS, and GLIP are pooled in the Common Retirement Fund for investment purposes. The actuarial asset values for bonds and mortgages are amortized values. Short-term investments are at market value. All other investments (stocks, commingled funds, real estate, business investments, etc.) use a five-year moving average of market values method assuming a 7 percent rate of expected appreciation.

This method immediately recognizes regular investment income (interest and dividends) while phasing in unexpected appreciation/depreciation over a five-year period. Unexpected appreciation is the excess of actual appreciation over expected appreciation (assumed to be 7 percent of the market value at the beginning of the year, adjusted for the net cash flow during the year). Realized and unrealized gains are treated in the same manner under this method.

The GLIP values investments at market value. For FY 2005, the April 1, 2003 valuation of the System and Insurance Plan, the difference between market and actuarial value of smoothed investments was:

	Investment (millions)
Market Value	\$95,598
Actuarial Value	<u>104,526</u>
Difference	(\$8,928)

Administrative Expenses

The cost of administering the System is borne by the State and local employers on a current disbursement basis.

Group Life Insurance Plan (GLIP)

GLIP provides for up to \$50,000 of member and certain post-retirement death benefits to be paid as life insurance. All benefits provided are on a one-year term insurance basis. Participating employers are billed each year based on the aggregate of anticipated claims for the plan year. Premiums are set so that the reserve will, at its lowest amount during any year, be

approximately equal to payables. Payables is an estimate of the amount of claims currently being processed, plus claims incurred but not yet reported.

Deficiency Costs

An employer may also have a deficiency contribution. When a new employer joins a System, any past service liability is paid for by separate annual payments over a period of up to 25 years. These payments are not affected by the funding method.

Rate and Contribution Comparability

For comparability, unless stated otherwise, rates and contributions assume a payment date of December 15 before the fiscal year end. Presenting the State rates and contributions as of this payment date provides for comparability of State and local government rates and costs.

ACTUARIAL VALUATION BALANCE SHEETS

Used to determine employer contributions for the fiscal year ending March 31; as calculated April 1, 2002 and April 1, 2003

Actuarial Assets	2004	2005
	(in millions)	
ERS		
Actuarial Value of Present Assets:		
Held for Current Pensioners & Beneficiaries	\$34,959	\$37,795
Held for Members	65,335	46,681
Members' Contributions	<u>5,590</u>	<u>5,910</u>
Total	\$105,884	\$90,386
Actuarial Present Value of Prospective Contributions:		
From Employers	\$949	\$18,901
From Members	<u>777</u>	<u>807</u>
Total	\$1,726	\$19,708
Total Actuarial Assets	\$107,610	\$110,094
Actuarial Liabilities		
Actuarial Present Value of Benefits for Current Pensioners & Beneficiaries:		
Service Retirement Benefits	\$32,627	\$35,342
Disability Retirement Benefits	2,238	2,359
Death Benefits	<u>94</u>	<u>94</u>
Total	\$34,959	\$37,795
Actuarial Present Value of Benefits for Members:		
Service Retirement Benefits	\$68,996	\$68,649
Disability Retirement Benefits	1,798	1,740
Death Benefits	1,315	1,245
Other	<u>542</u>	<u>665</u>
Total	\$72,651	\$72,299
Total Actuarial Liabilities	\$107,610	\$110,094
PFRS		
Actuarial Assets		
Actuarial Value of Present Assets:		
Held for Current Pensioners & Beneficiaries	\$7,732	\$8,304
Held for Members	11,476	7,907
Members' Contributions	<u>12</u>	<u>15</u>
Total	\$19,220	\$16,226
Actuarial Present Value of Prospective Contributions:		
From Employers	\$192	\$4,146
From Members	<u>0</u>	<u>0</u>
Total	\$192	\$4,146
Total Actuarial Assets	\$19,412	\$20,371
Actuarial Liabilities		
Actuarial Present Value of Benefits for Current Pensioners & Beneficiaries:		
Service Retirement Benefits	\$6,072	\$6,581
Disability Retirement Benefits	1,576	1,631
Death Benefits	<u>84</u>	<u>92</u>
Total	\$7,732	\$8,304
Actuarial Present Value of Benefits for Members:		
Service Retirement Benefits	\$10,546	\$10,834
Disability Retirement Benefits	772	853
Death Benefits	307	313
Other	<u>55</u>	<u>67</u>
Total	\$11,680	\$12,067
Total Actuarial Liabilities	\$19,412	\$20,371

Actuarial Assets	2004	2005
(in millions)		
New York Public Employees' Group Life Insurance Plan		
Assets		
Investments	\$64	\$69
Liabilities		
Managed Overdraft (cash)	\$3	\$4
Claims Being Processed	17	11
Claims Unreported	6	5
Reserve for Mortality Fluctuations	<u>38</u>	<u>49</u>
Total Liabilities	\$64	\$69

LOCAL GOVERNMENT EMPLOYERS FINAL CONTRIBUTION RATES

For the fiscal year ending March 31, 2005, assuming a December 15, 2004 payment.

All rates exclude any contribution rates due to the 17-year amortization payments, prior years' adjustments, deficiency costs, retirement incentive programs, and certain benefits electable by local governments, such as credit for unused sick leave or one-year final average salary. All rates include Group Life Insurance.

	Plan ID	Percentage of Payroll		
		Tier 1	Tier 2	Tiers 3 & 4
ERS				
Age based plans				
Basic, Age 55, Age 60 Contributory	71-a	8.7	7.6	n/a
Tier 3	A14	n/a	n/a	11.4
Tier 4	A15	n/a	n/a	11.4
Non-contributory	75-c	15.8	13.2	n/a
Non-contributory w/ Guaranteed Benefits	75-e	15.8	13.2	n/a
Career	75-g	16.6	14.1	n/a
New Career	75-h/75-i	17.2	14.7	n/a
25-year plans				
Sheriffs and Deputies	89-a	18.3	17.1	n/a
Art 14B Sheriffs - 25-yr.	551	18.0	17.4	15.9
Art 14B Sheriffs - 25-yr. + 1/60th	551-e	18.4	18.0	16.4
full service for 1/60th	551-ee	19.1	18.6	17.0
County Law Enforcement	89-e, etc.	19.0	22.0	14.9
election on or after 4/1/98	89-p, etc.	19.0	18.5	14.3
20-year plans				
Sheriffs and Deputies	89-b	19.6	16.2	n/a
add'l 1/60th	89-b(m)	20.1	16.8	n/a
Art 14B Sheriffs - 20-yr.	552	20.1	19.8	18.2
Art 14B Sheriffs - 20-yr. + 1/60th	553	20.8	20.5	19.0
full service for 1/60th	553b	21.6	21.3	19.8
Detective Investigators	89-d	19.4	26.2	n/a
add'l 1/60th	89-d(m)	19.9	27.2	n/a
PFRS				
Age based plans				
Basic, Age 55, Age 60 Contributory	371-a	8.3	7.2	
Non-contributory	375-c	12.7	10.5	
Non-contributory w/ Guaranteed Benefits	375-e	12.7	10.5	
Career	375-g	13.8	11.4	
New Career	375-i	14.3	11.7	
Improved Career	375-j	14.3	11.7	
25-year plans				
Non-Contributory	384	14.1	13.3	
add'l 1/60th	384(f)	14.4	14.1	
20-year plans				
Contributory				
Employer assumes 1/2 of additional member cost	384-d	9.2	9.0	
Employer assumes all of additional member cost	384-d	13.1	12.9	
Non-contributory	384-d	16.0	15.2	
add'l 1/60th	384-e			
1990 elections		22.1	17.5	
1991 elections		24.9	17.5	
1992 elections		26.0	17.5	
1993 elections		28.6	17.5	
1994 elections		25.6	18.7	
1995 elections		29.4	19.0	
1996 elections		30.8	18.2	
1997 elections		28.8	18.0	
1998 elections		30.3	18.1	
all other years		16.7	16.3	

CONTRIBUTION RATE TREND FOR LOCAL GOVERNMENTS

Rates are based on a payment date three and one-half months prior to fiscal year end. Each rate is applied to the salary of members covered by that particular plan. Rates were calculated under the aggregate method.

Actual costs borne by employers are shown in the Statistical Section.

Plan Name (Section)	Percentage of Payroll									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
ERS										
Non-contributory (75-c)										
Tier 1	5.5	3.2	1.0	0.6	0.1	0.2	0.7	1.2	4.9	15.8
Tier 2	5.1	2.9	0.9	0.6	0.1	0.2	0.7	1.1	4.9	13.2
Guaranteed Benefit (75-e)										
Tier 1	5.5	3.2	1.0	0.6	0.1	0.2	0.7	1.2	4.9	15.8
Tier 2	5.1	2.9	0.9	0.6	0.1	0.2	0.7	1.1	4.9	13.2
Career (75-g)										
Tier 1	5.8	3.3	1.0	0.6	0.1	0.2	0.7	1.3	4.9	16.6
Tier 2	5.4	3.0	1.0	0.6	0.1	0.2	0.7	1.2	4.9	14.1
New Career (75-i)										
Tier 1	6.0	3.5	1.0	0.6	0.1	0.2	0.7	1.3	4.9	17.2
Tier 2	5.6	3.1	1.0	0.6	0.1	0.2	0.7	1.2	4.9	14.7
Article 14/15 Tier 3	4.1	2.4	0.9	0.6	0.1	0.2	0.7	1.2	4.9	11.4
Article 15 Tier 4	4.1	2.4	0.9	0.6	0.1	0.2	0.7	1.2	4.9	11.4
PFRS										
Non-contributory (375-c)										
Tier 1	7.7	5.6	3.6	0.4	0.1	0	0.1	0.1	4.6	12.7
Tier 2	6.3	4.4	3.0	0.4	0.1	0	0.1	0.1	4.6	10.5
Guaranteed Benefit (375-e)										
Tier 1	7.7	5.6	3.6	0.4	0.1	0	0.1	0.1	4.6	12.7
Tier 2	6.3	4.4	3.0	0.4	0.1	0	0.1	0.1	4.6	10.5
Career (375-g)										
Tier 1	8.2	6.0	3.8	0.4	0.1	0	0.1	0.1	4.6	13.8
Tier 2	6.7	4.8	3.2	0.4	0.1	0	0.1	0.1	4.6	11.4
New Career (375-i)										
Tier 1	8.3	6.1	3.9	0.4	0.1	0	0.1	0.1	4.6	14.3
Tier 2	6.8	4.8	3.2	0.4	0.1	0	0.1	0.1	4.6	11.7
25-Year (384)										
Tier 1	8.8	6.2	3.9	0.4	0.1	0	0.1	0.1	4.6	14.1
Tier 2	7.8	5.3	3.5	0.4	0.1	0	0.1	0.1	4.6	13.3
25-Year + 1/60 ^{ths} (384 (f))										
Tier 1	9.0	6.3	4.0	0.4	0.1	0	0.1	0.1	4.6	14.4
Tier 2	8.1	5.6	3.6	0.4	0.1	0	0.1	0.1	4.6	14.1
20-Year (384-d)										
Tier 1	10.0	7.1	4.4	0.4	0.1	0	0.1	0.1	4.6	16.0
Tier 2	9.1	6.4	4.0	0.4	0.1	0	0.1	0.1	4.6	15.2
20-Year + 1/60 ^{ths} (384-e)										
Tier 1										
1990 Elections	16.0	12.8	9.9	5.8	5.5	5.4	5.5	5.5	10.0	22.1
1991 Elections	18.8	15.6	12.7	8.6	8.3	8.2	8.3	8.3	12.8	24.9
1992 Elections	19.9	16.7	13.8	9.7	9.4	9.3	9.4	9.4	13.9	26.0
1993 Elections	22.5	19.3	16.4	12.3	12.0	11.9	12.0	12.0	16.5	28.6
1994 Elections	19.5	16.3	13.4	9.3	9.0	8.9	9.0	9.0	13.5	25.6
1995 Elections	23.3	20.1	17.2	13.1	12.8	12.7	12.8	12.8	17.3	29.4
1996 Elections	n/a	21.5	18.6	14.5	14.2	14.1	14.2	14.2	18.7	30.8
1997 Elections	n/a	n/a	16.6	12.5	12.2	12.1	12.2	12.2	16.7	28.8
1998 Elections	n/a	n/a	n/a	14.0	13.7	13.6	13.7	13.7	18.2	30.3
all other years	n/a	n/a	n/a	0.4	0.1	0	0.1	0.1	4.6	16.7
Tier 2										
1990-93 Elections	11.8	8.6	5.9	2.1	1.7	1.5	1.5	1.4	5.9	17.5
1994 Elections	13.0	10.2	7.6	3.8	3.5	3.2	3.1	2.9	7.4	18.7
1995 Elections	13.3	10.2	7.6	3.8	3.3	3.1	3.1	2.9	7.4	19.0
1996 Elections	n/a	9.2	6.6	2.8	2.3	2.1	2.2	2.0	6.5	18.2
1997 Elections	n/a	n/a	6.8	2.9	2.6	2.4	2.3	2.0	6.5	18.0
1998 Elections	n/a	n/a	n/a	2.9	2.5	2.4	2.5	2.3	6.8	18.1
all other years	n/a	n/a	n/a	0.4	0.1	0	0.1	0.1	4.6	16.3

EMPLOYER CONTRIBUTIONS

Contributions here may differ from those appearing elsewhere in the Actuarial Section because this section deals only with the contributions attributable to the single year shown. Actual contributions may include adjustments due to previous years, such as amortization payments/credits, reconciliation of other years' bills and application of smoothing credits. In addition, in 2005, employers could amortize a portion of their contributions. The following amounts show their total obligation.

Comparison of Employer Contributions*

For fiscal years ending 2004 and 2005 (in millions of dollars)

	2005 Contributions			2004 Contributions		
	Salary	Contribution	Avg. Rate	Salary	Contribution	Avg. Rate
ERS						
Tier 1	\$1,537	\$267	17.4%	\$1,688	\$83	4.9%
Tier 2	1,142	171	15.0	1,169	56	4.9
Tier 3 & 4	17,539	2,080	11.9	16,719	818	4.9
Deficiency		2			2	
Incentive		98			201	
Total	\$20,218	\$2,618	12.9%	\$19,575	\$1,160	5.9%
PFRS						
Tier 1	\$136	\$36	26.3%	\$163	\$17	10.3%
Tier 2	2,395	409	17.1	2,296	125	5.4
Total	\$2,531	\$445	17.6%	\$2,459	\$142	5.8%

* Numbers may not add up due to rounding.

Final Employer Contributions by Employer Type

Attributable to fiscal year 2005 costs only (in millions of dollars)

Employer	Normal*	Deficiency	Administrative	GLIP	Total
ERS					
State	\$1,066		\$25	\$31	\$1,122
Counties	491		12	15	517
Cities	71		2	2	75
Towns	149	1	4	5	159
Villages	44	**	1	1	47
Misc	357	1	9	12	379
Schools	300	**	8	11	319
Total	\$2,478	\$2	\$61	\$77	\$2,618
PFRS					
State	\$69		\$2	\$0	\$71
Counties	116		2	0	118
Cities	129		3	0	132
Towns	45		1	0	46
Villages	36		1	0	37
Misc	40		1	0	41
Total	\$435		\$10	\$0	\$445

* Includes incentives

** Less than 500,000

Employer Contributions By Tier*

(in millions of dollars)

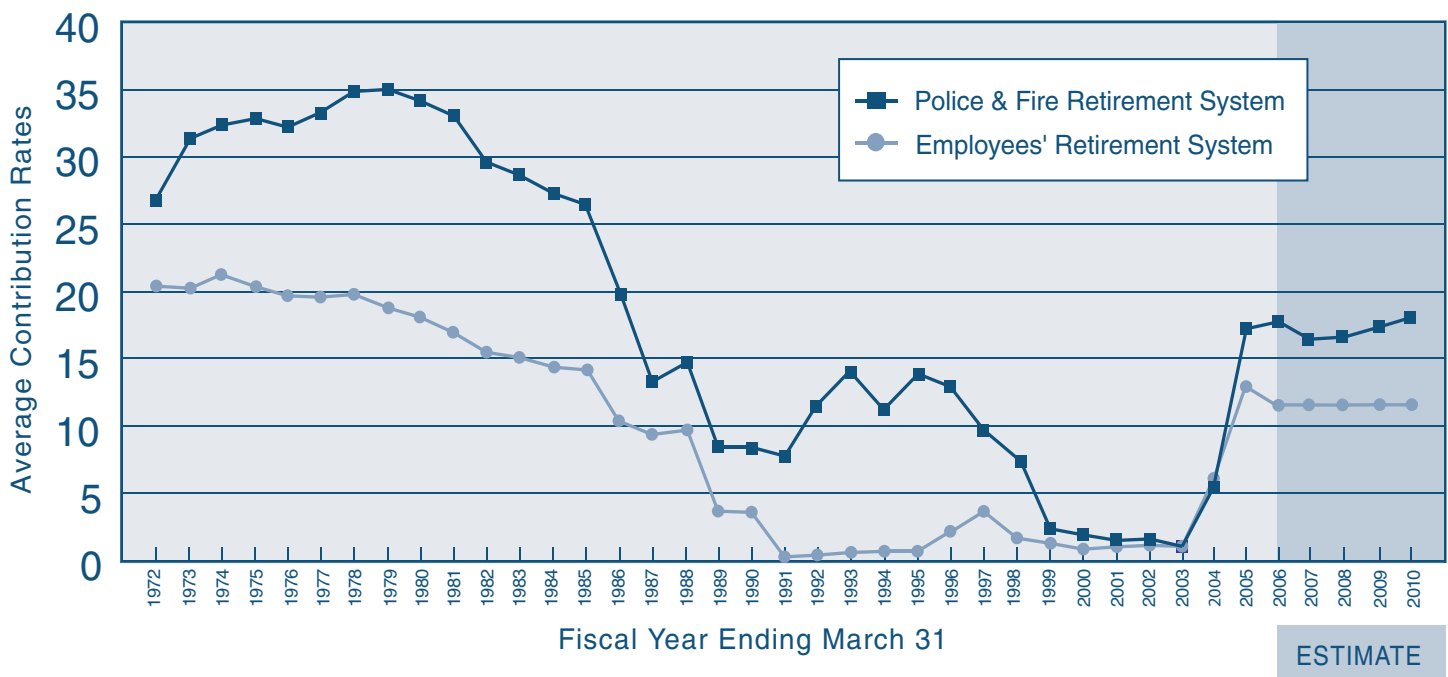
	2005 (as of 12/15/04)		2004 (as of 12/15/03)	
	Employer Contributions Attributable to Year	%	Employer Contributions Attributable to Year	%
ERS				
Tier 1	\$267	10.2%	\$83	7.1%
Tier 2	171	6.5	58	5.0
Tier 3 & 4	2,080	79.5	818	70.5
Deficiency	2	0.1	2	0.1
Incentive	98	3.7	201	17.3
Total	\$2,618	100%	\$1,160	100%
PFRS				
Tier 1	36	8.1	17	11.9
Tier 2	409	91.9	125	88.1
Total	\$445	100%	\$142	100%

* Numbers may not add up due to rounding.

HISTORICAL TRENDS

The State is obligated to pay its bill on March 1, one month before the end of the fiscal year. However, since 1995, the State has paid its bill on September 1, seven months before the end of the fiscal year. Through 2004, local employers paid their bills by December 15, three and one-half months before the end of the fiscal year. Beginning in 2005, the payment date for local employers was changed to February 1.

Trends in Employer Contributions



CHANGES IN CONTRIBUTIONS

Yearly, the System's experience in many areas (employee salary growth or decrease, investment return, legislative enactments of benefits) is assessed and quantified. Each element exerts an increasing, decreasing or neutral pressure on contributions to be charged for that year.

Analysis of Changes (by source)

Experience during one fiscal year produces the increase or decrease in contributions for the following year.
(in millions)

Year	Contributions Billed for Preceding Year	Salary Growth	Return on Investments ^(a)	Funding Method	Change in Benefits	Other Adjustments	Projected Contributions for Year Shown ^(b)
ERS							
1996	795	-78	-25	n/a	0	131	823
1997	793	-108	-208	n/a	0	47	524
1998	559	-111	-258	n/a	0	81	271
1999	270	-103	-98	n/a	0	148	217
2000	217	-46	-55	n/a	0	34	150
2001	149	n/a	n/a	n/a	n/a	17	166
2002	166	n/a	-57	n/a	n/a	118	227
2003	228	-69	-30	n/a	n/a	172	301
2004	292	n/a	n/a	680	n/a	188	1,160
2005	1,157	-300	1,881	n/a	n/a	-85	2,653
PFRS							
1996	222	-8	-8	n/a	0	13	219
1997	217	-3	-28	n/a	0	-12	174
1998	169	-12	-44	n/a	0	16	129
1999	129	0	-94	n/a	0	13	48
2000	48	22	-37	n/a	0	9	42
2001	39	n/a	n/a	n/a	n/a	-5	34
2002	34	n/a	n/a	n/a	n/a	1	35
2003	36	n/a	n/a	n/a	n/a	-1	35
2004	32	n/a	n/a	102	n/a	8	142
2005	144	-28	339	n/a	n/a	-1	454

(a) For 2005, this amount is the investment loss relative to the minimum contribution of 2004.

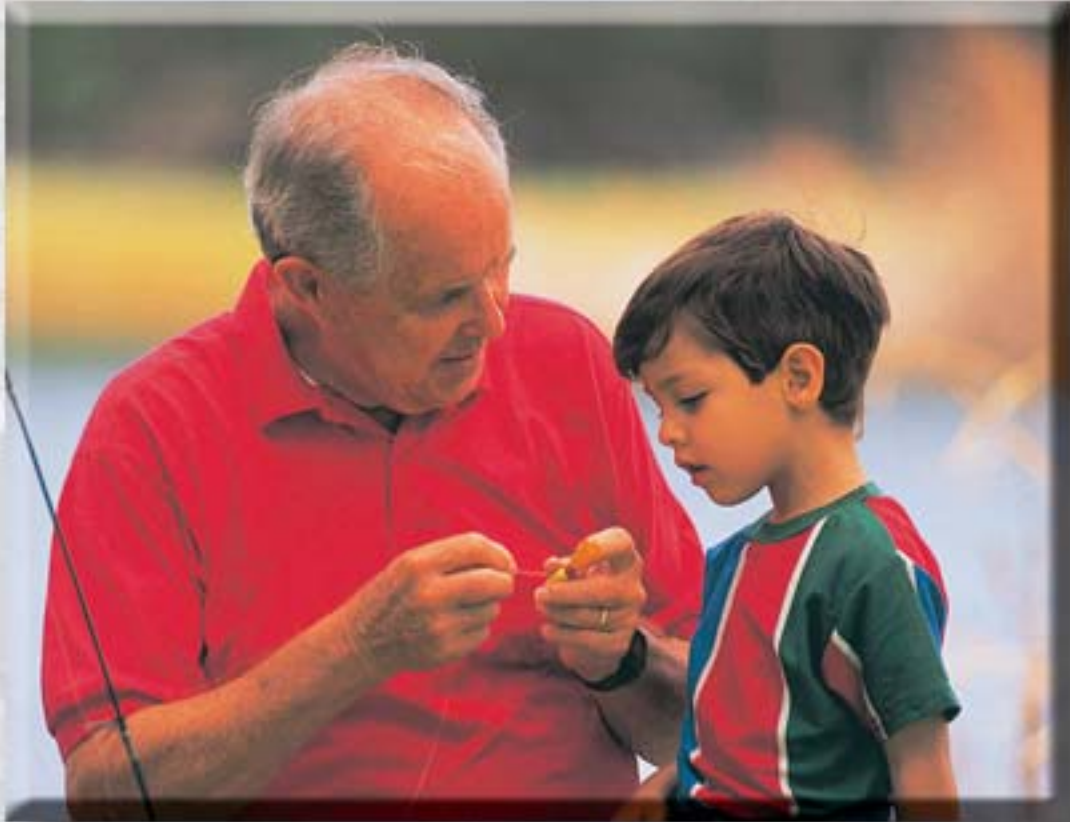
(b) This is an estimated figure. Minor adjustments, mostly salary related, result in the final contribution figure for the year as shown in the Contributions Billed Column.

SCHEDULE OF ACTIVE MEMBER DATA

FYE Mar 31	Active Members	Annual Member Payroll (in millions)	% Increase in Annual Member Payroll	Average Salary
ERS				
1995	492,006	\$15,232	4.3	\$30,959
1996	481,901	15,105	-0.8	31,345
1997	474,697	15,109	0.0	31,829
1998	478,508	15,556	3.0	32,509
1999	486,781	16,365	5.2	33,618
2000	494,545	16,935	3.5	34,243
2001	507,037	17,981	6.2	35,463
2002	512,209	18,760	4.3	36,626
2003	502,872	18,969	1.1	37,721
2004	507,241	19,575	3.2	38,591
PFRS				
1995	31,733	1,600	4.9	50,421
1996	31,874	1,673	4.6	52,488
1997	31,735	1,723	3.0	54,293
1998	31,912	1,842	6.9	57,721
1999	32,067	2,018	9.6	62,931
2000	31,955	2,049	1.5	64,131
2001	32,220	2,081	1.6	64,591
2002	32,321	2,338	12.3	72,346
2003	32,419	2,322	-0.7	71,631
2004	32,359	2,459	5.9	75,987

SCHEDULE OF RETIRED MEMBERS AND BENEFICIARIES ADDED TO AND REMOVED FROM BENEFIT PAYROLL

FYE	Service Retired Members		All Other Pensioners Beneficiaries		Total Retired Members and Beneficiaries
	Added During Year	Removed During Year	Added During Year	Removed During Year	
ERS					
1995	8,896	9,083	2,955	1,770	239,727
1996	18,861	8,356	2,901	1,691	251,442
1997	14,279	8,316	2,719	1,711	258,413
1998	10,133	8,738	2,682	1,739	260,751
1999	11,927	9,028	3,146	1,897	264,899
2000	13,717	9,456	3,121	1,948	270,333
2001	10,847	9,059	2,960	1,934	273,147
2002	16,437	9,564	3,086	2,109	280,997
2003	15,024	9,870	3,173	1,983	287,341
2004	22,700	9,620	3,229	2,122	301,528
PFRS					
1995	722	465	244	100	22,460
1996	717	408	223	104	22,888
1997	867	380	195	120	23,450
1998	681	429	194	132	23,764
1999	748	460	239	144	24,147
2000	753	497	239	140	24,502
2001	792	490	252	125	24,931
2002	1,061	536	311	160	25,607
2003	1,054	521	243	127	26,256
2004	955	518	293	157	26,829



*A*fter a rewarding and dedicated career in public service, they retire with confidence, knowing they can now enjoy the benefits of being part of one of the most secure and most highly respected retirement systems in the world.

Statistical

SCHEDULE OF REVENUE BY SOURCE

(in thousands)

Year Ending	Member Contributions	Employer Amount	Contributions % of Payroll	Other*	Investment Income Net	Totals
ERS						
1996	\$338,462	\$555,935	2.2%	\$150,790	\$11,650,047	\$12,695,234
1997	347,740	725,631	3.7%	110,743	7,048,400	8,232,514
1998	368,801	337,510	1.7%	77,201	20,979,916	21,763,428
1999	398,705	239,670	1.3%	84,344	7,776,526	8,499,245
2000	422,023	100,379	0.9%	131,183	16,263,868	16,917,453
2001	317,351	165,791	0.9%	106,643	(-9,424,415)	(-8,834,630)
2002	206,018	214,592	1.2%	105,013	2,307,773	2,833,396
2003	214,131	583,217	1.5%	103,999	(-9,504,775)	(-8,603,428)
2004	217,335	1,125,520	5.9%	71,830	23,154,279	24,568,964
2005	224,459	2,509,503	12.9%	82,462	8,211,547	11,027,971
PFRS						
1996	3,468	221,006	13.0%	28,341	2,180,214	2,433,029
1997	457	177,881	9.8%	12,723	1,322,792	1,513,853
1998	611	125,065	7.0%	11,427	3,915,536	4,052,639
1999	1,115	52,012	2.4%	26,459	1,448,226	1,527,812
2000	720	64,168	1.9%	8,575	3,013,040	3,086,503
2001	1,712	48,975	1.6%	9,718	(-1,746,407)	(-1,686,002)
2002	4,184	49,254	1.6%	14,353	423,179	490,970
2003	5,061	68,714	1.4%	5,731	(-1,731,040)	(-1,651,534)
2004	4,536	160,935	5.8%	5,318	4,180,473	4,351,262
2005	2,849	455,339	17.6%	40,307	1,468,431	1,966,926

* Includes interest earned on member loans, interest on accounts receivable and transfers from other systems.

SCHEDULE OF EXPENSES BY TYPE

(in thousands)

Year Ending	Retirement Allowances	Death Benefits	Other	Admin Expenses	Totals
ERS					
1996	\$2,255,246	\$131,256	\$148,663	\$40,540	\$2,575,705
1997	2,491,945	104,431	80,177	41,404	2,717,957
1998	2,640,173	115,016	87,617	42,983	2,885,789
1999	2,786,727	114,161	85,425	46,059	3,032,372
2000	2,966,883	125,881	64,017	44,220	3,201,001
2001	3,342,257	140,381	83,805	49,080	3,615,523
2002	3,597,437	139,058	83,453	56,527	3,876,475
2003	4,028,327	132,503	41,394	59,149	4,261,373
2004	4,313,639	149,473	73,167	61,129	4,597,408
2005	4,601,033	151,265	12,354	56,748	4,821,400
PFRS					
1996	482,535	8,735	15,716	6,099	513,085
1997	511,502	14,037	2,038	6,172	533,749
1998	539,147	10,684	2,607	6,146	558,584
1999	572,293	8,800	3,079	6,547	590,719
2000	610,507	16,899	2,901	6,433	636,740
2001	685,761	12,560	2,644	8,726	709,691
2002	739,018	12,738	4,668	10,085	766,509
2003	807,879	15,869	3,794	8,347	835,889
2004	876,508	7,841	3,649	8,483	896,481
2005	911,816	10,592	3,805	8,576	934,789

SERVICE RETIREES: PFRS

As of March 31, 2005 — By age and years of service, number, average final average salary (FAS), and average pension (Avg Pen)

Nearest Age	40-49			50-59			60-69			70 & Over			
	Yrs of Service	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen
State													
Under 10	0	0	0	2	31,894	3,800	4	27,160	3,582	8	19,368	3,955	
10-14	0	0	0	10	30,681	6,222	28	14,119	2,910	15	4,945	1,289	
15-19	0	0	0	4	38,581	10,696	16	25,457	8,220	16	19,286	8,289	
20-24	114	82,987	43,560	339	59,755	32,392	735	34,837	22,871	426	20,341	18,514	
25-29	4	79,102	47,936	192	75,939	46,159	311	49,658	32,624	216	27,845	23,509	
30-34	0	0	0	170	84,007	56,350	290	61,868	43,629	137	38,299	31,375	
35 & Over	0	0	0	49	89,153	65,860	176	76,385	57,494	70	48,054	40,271	
Total	118	82,855	43,708	766	70,512	42,771	1,560	47,016	32,022	888	26,833	22,822	
Counties													
Under 10	0	0	0	1	26,225	3,003	1	96,529	62,985	0	0	0	
10-14	0	0	0	14	32,691	6,716	15	24,849	5,010	2	10,197	3,399	
15-19	0	0	0	7	41,213	11,485	8	33,222	9,783	3	27,876	11,729	
20-24	27	114,074	58,214	546	77,955	42,062	811	57,007	33,459	688	25,239	22,425	
25-29	1	136,154	82,055	228	111,611	69,034	268	80,504	50,509	227	48,074	33,605	
30-34	0	0	0	393	125,600	87,378	318	110,961	78,315	261	60,943	44,994	
35 & Over	0	0	0	87	134,148	99,999	311	124,515	93,629	163	73,561	59,102	
Total	28	114,863	59,066	1,276	101,736	64,203	1,732	82,305	54,799	1,344	41,873	33,092	
Cities													
Under 10	0	0	0	1	16,180	1,502	5	30,403	7,640	2	17,551	10,602	
10-14	0	0	0	43	22,649	4,340	47	16,772	3,438	11	9,700	2,711	
15-19	0	0	0	15	31,634	9,513	37	21,981	6,706	14	11,437	5,140	
20-24	260	64,380	32,643	1,309	51,470	27,024	1,242	37,428	22,695	907	19,904	16,804	
25-29	10	77,401	42,842	477	69,888	40,084	566	52,284	31,760	713	26,469	19,994	
30-34	0	0	0	363	77,728	52,103	619	63,192	43,314	826	34,836	27,684	
35 & Over	0	0	0	76	83,089	60,605	381	76,987	57,312	659	41,767	35,149	
Total	270	64,863	33,021	2,284	59,853	34,302	2,897	50,493	32,882	3,132	29,861	24,154	
Towns													
Under 10	0	0	0	5	19,988	2,250	24	17,891	2,251	24	8,453	1,248	
10-14	0	0	0	18	19,194	3,751	36	21,080	4,534	13	14,039	3,992	
15-19	0	0	0	8	38,594	10,638	18	25,317	8,007	12	12,976	4,800	
20-24	103	77,800	39,214	329	62,371	32,337	282	44,607	26,455	166	24,246	19,394	
25-29	4	119,099	61,964	119	75,724	42,600	69	60,327	35,245	84	34,606	24,376	
30-34	0	0	0	61	91,106	61,455	105	80,157	53,937	87	45,976	34,099	
35 & Over	0	0	0	19	88,519	63,877	67	90,028	66,964	66	52,580	43,634	
Total	107	79,344	40,065	559	67,129	37,271	601	54,632	33,949	452	33,060	24,896	
Villages													
Under 10	0	0	0	7	18,647	2,081	32	10,926	1,200	33	7,560	1,087	
10-14	0	0	0	22	23,787	5,109	52	18,063	4,083	20	11,501	3,248	
15-19	0	0	0	10	28,350	9,005	18	22,315	7,814	15	14,600	6,688	
20-24	98	67,204	33,749	351	59,774	30,749	301	41,545	24,576	234	22,347	19,156	
25-29	4	54,510	27,255	99	70,611	37,701	90	50,844	29,590	140	28,031	20,249	
30-34	0	0	0	52	90,479	58,213	91	70,365	45,990	111	41,418	31,099	
35 & Over	0	0	0	21	99,476	71,676	51	88,779	65,541	73	56,154	45,345	
Total	102	66,706	33,495	562	63,528	34,297	635	46,775	28,314	626	29,630	22,812	
Miscellaneous													
Under 10	0	0	0	1	93,980	9,915	0	0	0	3	26,778	8,006	
10-14	0	0	0	2	22,094	4,301	10	19,894	4,146	5	13,577	4,002	
15-19	0	0	0	4	32,888	9,204	2	40,499	11,710	1	59,403	30,318	
20-24	18	98,782	51,137	297	100,156	53,076	128	62,372	36,136	355	22,396	21,793	
25-29	2	133,656	76,958	118	132,675	81,152	56	94,633	56,651	102	32,483	25,100	
30-34	0	0	0	92	160,656	110,107	62	108,233	75,021	58	75,890	52,371	
35 & Over	0	0	0	9	174,376	129,590	45	114,056	85,275	61	81,079	62,117	
Total	20	102,269	53,719	523	118,588	70,155	303	83,848	53,965	585	35,588	29,398	

NEW OPTION SELECTIONS

Options	2001		2002		2003		2004		2005	
	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount
ERS Females										
Single Life Allow*	4,563	59,508,416	6,452	99,176,118	5,677	96,067,432	8,243	149,496,797	5,247	81,636,306
Cash Refund	261	3,338,927	379	7,320,376	331	6,721,903	420	8,894,146	241	4,693,912
Joint Allow — Full	395	3,173,518	348	2,805,305	474	4,593,304	468	5,021,081	491	4,764,930
Joint Allow — Half	348	2,805,305	474	4,593,304	468	5,021,081	641	8,048,890	101	1,812,815
Five Years Certain	122	1,668,685	162	2,784,787	172	3,226,648	222	4,557,326	122	2,024,282
Ten Years Certain	273	3,186,206	376	4,978,966	380	5,798,993	462	7,596,080	301	4,246,617
Pop-Up — Full	426	4,563,098	672	9,099,569	640	9,728,746	1,006	15,502,992	774	10,668,170
Pop-Up — Half	362	6,330,918	581	11,329,223	602	12,501,668	911	20,663,873	549	11,210,370
Other (Option 4)	60	869,566	107	1,418,942	152	2,656,713	319	7,655,101	221	4,698,885
Total	6,497	\$83,474,550	9,327	\$142,927,193	8,562	\$144,357,955	12,367	\$225,419,493	8,047	125,756,287
ERS Males										
Single Life Allow*	1,985	36,768,135	2,894	68,716,452	2,548	65,644,897	4,000	111,058,334	2,368	53,450,027
Cash Refund	232	5,092,435	326	9,700,379	266	8,278,893	306	10,077,292	152	4,060,743
Joint Allow — Full	1,183	21,450,120	1,743	39,038,673	1,593	38,399,014	2,225	59,373,089	1,438	29,008,270
Joint Allow — Half	278	8,298,450	406	13,683,394	423	15,755,710	570	22,133,780	276	9,283,088
Five Years Certain	62	1,266,056	83	2,164,035	70	1,569,497	98	2,872,636	46	1,085,860
Ten Years Certain	197	3,371,337	268	5,870,393	183	4,415,259	345	9,282,052	204	3,742,888
Pop-Up — Full	791	13,744,159	1,297	30,205,030	1,212	30,010,166	1,897	49,956,113	1,165	25,286,952
Pop-Up — Half	426	11,786,554	797	26,656,329	798	27,398,620	1,236	44,375,187	527	17,164,397
Other (Option 4)	136	2,964,676	211	6,330,608	311	11,516,279	606	23,024,243	342	11,256,158
Total	5,290	\$104,741,922	8,025	\$202,365,293	7,404	\$202,988,335	11,283	\$332,152,726	6,518	154,338,38
PFRS Females										
Single Life Allow*	16	681,034	23	943,975	20	914,770	25	1,291,734	33	1,413,658
Cash Refund	1	36,475	0	0	0	0	0	0	1	42,100
Joint Allow — Full	3	74,856	4	116,658	2	58,744	3	93,926	4	139,093
Joint Allow — Half	0	0	1	27,365	0	0	0	0	1	40,776
Five Years Certain	0	0	1	34,374	2	52,058	1	45,711	0	0
Ten Years Certain	2	65,370	1	28,202	3	105,411	4	196,304	1	36,215
Pop-Up — Full	2	67,720	7	231,166	4	187,041	5	203,594	9	393,649
Pop-Up — Half	2	72,500	3	87,374	2	114,368	3	122,261	3	119,647
Other (Option 4)	0	0	0	0	0	0	3	199,565	0	0
Total	26	\$997,955	40	\$1,469,114	33	\$1,432,392	44	\$2,153,095	52	2,185,138
PFRS Males										
Single Life Allow*	327	15,241,316	386	18,597,782	342	18,258,385	340	17,659,393	467	24,401,509
Cash Refund	59	3,907,362	46	2,604,967	58	3,723,502	36	2,140,713	31	1,727,413
Joint Allow — Full	124	4,864,840	182	7,905,730	194	8,146,033	157	7,122,604	220	10,391,581
Joint Allow — Half	59	3,235,217	74	4,163,052	181	11,939,440	68	4,258,224	62	3,945,060
Five Years Certain	4	189,972	7	448,493	9	684,330	2	41,229	4	254,391
Ten Years Certain	46	1,904,061	46	2,142,703	41	2,240,362	35	1,649,243	44	2,490,755
Pop-Up — Full	113	4,169,466	193	7,604,346	172	7,219,838	179	8,624,795	227	10,233,926
Pop-Up — Half	126	6,833,062	150	8,409,546	62	4,067,760	168	10,972,757	209	12,818,275
Other (Option 4)	48	3,154,143	64	4,220,282	84	6,180,180	78	5,759,184	115	8,258,561
Total	906	\$43,499,439	1,148	\$56,096,901	1,143	\$62,459,830	1,063	\$58,228,142	1,379	74,521,471

*Includes Option 0 and 5

OPTION SELECTION — TOTAL PAYMENTS

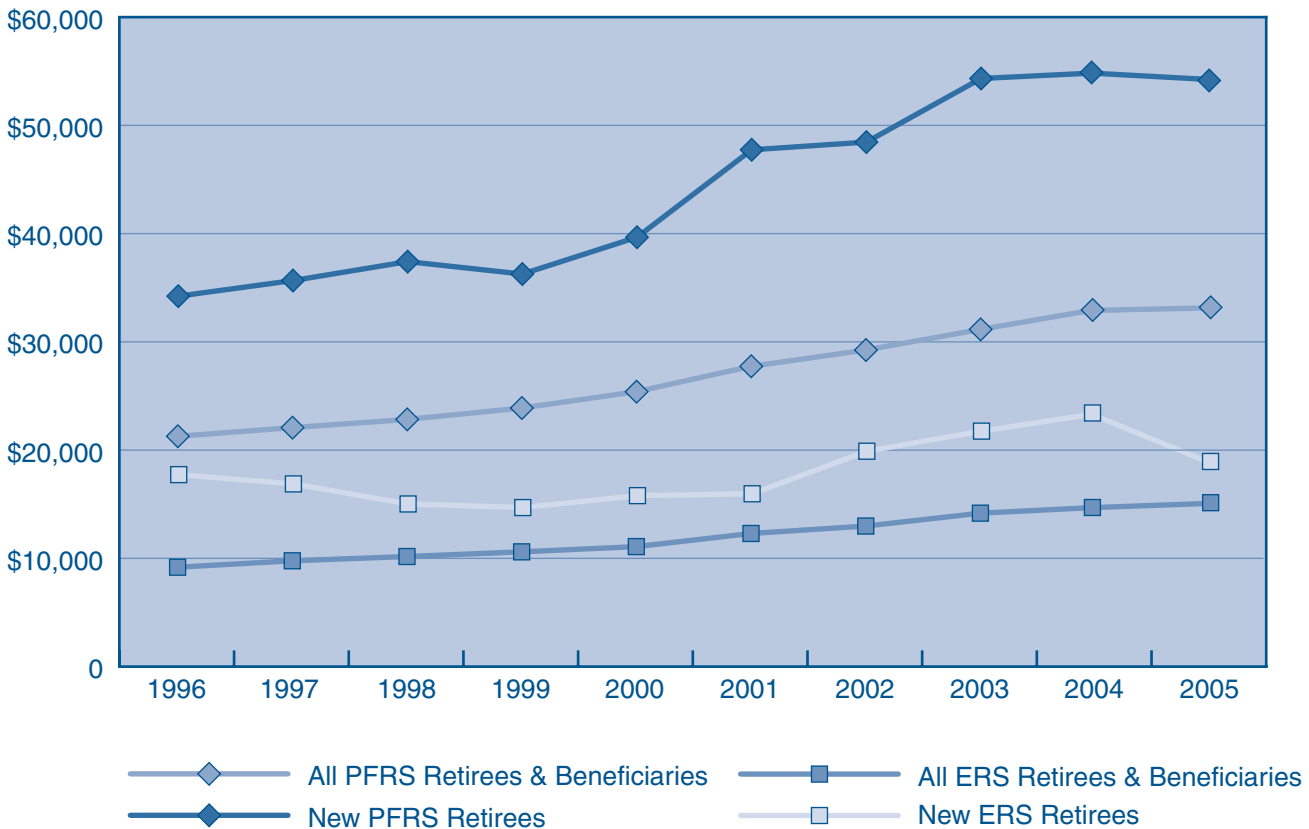
Options	2001		2002		2003		2004		2005	
	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount
ERS Females										
Single Life Allow*	99,265	863,846,706	102,399	944,714,162	104,621	1,020,639,541	109,422	1,150,128,802	111,208	1,209,514,511
Cash Refund	14,907	92,825,438	14,396	96,542,914	13,812	99,288,876	13,462	104,808,828	12,862	105,543,520
Joint Allow — Full	4,213	25,394,842	4,497	29,041,050	4,741	32,760,780	5,168	39,392,798	5,433	42,506,428
Joint Allow — Half	2,425	22,255,498	2,453	23,823,520	2,497	25,816,131	2,525	27,958,816	2,519	28,970,918
Five Years Certain	3,933	34,417,430	3,974	36,449,354	4,018	38,761,831	4,121	42,440,866	4,095	43,268,104
Ten Years Certain	5,027	35,423,257	5,245	39,384,605	5,446	43,957,429	5,741	50,259,750	5,855	53,324,494
Pop-Up — Full	3,850	31,168,544	4,445	39,777,929	5,003	49,123,842	5,906	63,994,049	6,571	73,926,385
Pop-Up — Half	5,912	68,311,993	6,374	78,733,312	6,869	90,454,887	7,660	110,073,323	8,072	120,040,888
Other (Option 4)	580	5,239,458	670	6,530,507	804	9,045,287	1,108	16,594,148	1,299	21,046,670
Total	140,112	\$1,178,883,166	144,453	\$1,294,997,353	147,811	\$1,409,848,604	155,113	\$1,605,651,380	157,914	\$1,698,141,118
ERS Males										
Single Life Allow*	47,398	719,396,532	48,242	771,256,736	48,706	817,069,001	50,692	907,947,398	51,081	941,586,810
Cash Refund	10,307	118,102,186	9,814	122,049,240	9,272	124,429,451	8,868	128,481,686	8,345	126,777,793
Joint Allow — Full	19,073	265,233,277	19,899	295,383,040	20,548	323,378,306	21,751	371,768,536	22,225	389,414,355
Joint Allow — Half	10,884	208,268,467	10,714	215,793,664	10,537	224,319,450	10,614	239,819,822	10,358	241,988,502
Five Years Certain	2,313	34,787,620	2,276	35,683,866	2,255	36,238,185	2,254	37,952,604	2,177	37,662,497
Ten Years Certain	4,305	53,825,167	4,381	58,229,496	4,366	60,773,072	4,504	68,063,497	4,483	69,454,942
Pop-Up — Full	6,698	89,179,010	7,772	117,712,669	8,755	145,048,917	10,423	192,863,128	11,328	215,299,672
Pop-Up — Half	7,384	152,200,352	7,985	176,620,355	8,533	200,122,671	9,517	240,742,988	9,818	254,477,336
Other (Option 4)	1,442	27,504,268	1,598	33,109,984	1,862	44,047,156	2,405	66,175,228	2,696	76,667,052
Total	109,804	\$1,668,496,879	112,681	\$1,825,839,049	114,834	\$1,975,426,209	121,028	\$2,253,814,887	122,511	\$2,353,328,959
PFRS Females										
Single Life Allow*	193	5,027,119	213	5,969,827	232	6,850,636	254	8,089,776	284	9,463,139
Cash Refund	5	140,064	5	140,064	5	140,064	5	140,064	6	182,164
Joint Allow — Full	4	104,820	7	192,573	9	251,350	12	345,634	16	484,727
Joint Allow — Half	3	90,293	4	117,658	4	117,693	4	117,693	5	158,469
Five Years Certain	3	38,848	4	73,222	6	125,280	7	171,412	7	171,412
Ten Years Certain	17	454,313	18	482,650	21	588,180	25	785,192	26	821,407
Pop-Up — Full	8	227,580	16	503,107	20	691,326	25	896,179	34	1,290,977
Pop-Up — Half	8	259,715	11	353,626	13	471,293	16	595,149	19	718,092
Other (Option 4)	0	0	0	0	0	0	3	199,565	3	200,193
Total	241	\$6,342,752	278	\$7,832,727	310	\$9,235,822	351	\$11,340,664	400	\$13,490,580
PFRS Males										
Single Life Allow*	15,173	361,649,048	15,209	375,729,594	15,193	388,818,332	15,195	401,359,170	15,304	420,485,132
Cash Refund	2,113	52,579,862	2,101	54,259,642	2,092	56,821,255	2,059	57,736,722	2,024	58,238,028
Joint Allow — Full	1,288	33,652,427	1,425	40,692,808	1,572	47,386,659	1,695	53,764,144	1,873	63,187,682
Joint Allow — Half	1,238	36,588,741	1,265	40,113,400	1,287	43,573,216	1,315	47,079,067	1,336	50,253,762
Five Years Certain	422	11,639,068	414	11,709,742	413	12,134,002	405	11,969,026	401	11,960,544
Ten Years Certain	1,332	34,867,196	1,347	36,349,552	1,359	37,845,908	1,374	39,107,855	1,390	40,838,034
Pop-Up — Full	646	15,722,862	825	23,148,637	1,008	31,078,981	1,175	39,254,067	1,390	49,236,437
Pop-Up — Half	1,107	38,392,914	1,235	46,678,219	1,397	58,223,028	1,541	68,595,031	1,729	80,856,780
Other (Option 4)	118	6,028,624	181	10,410,770	260	16,455,410	332	21,944,909	440	29,949,741
Total	23,437	\$591,120,742	24,002	\$639,092,364	24,581	\$692,336,791	25,091	\$740,809,991	25,887	\$805,006,140

*Includes Option 0 and 5

AVERAGE PENSION BENEFITS PAID DURING YEAR SHOWN

Average benefit payments to all pensioners receiving benefits during the year compared with average benefit payments to new retirees during the year.

Year	ERS		PFRS	
	All Retirees & Beneficiaries	New Retirees	All Retirees & Beneficiaries	New Retirees
1996	\$9,183	\$17,735	\$21,281	\$34,223
1997	9,775	16,878	22,077	35,664
1998	10,171	15,026	22,838	37,413
1999	10,603	14,693	23,889	36,266
2000	11,086	15,795	25,098	39,677
2001	12,299	15,968	27,745	47,744
2002	12,984	19,899	29,246	48,456
2003	14,176	21,755	31,154	54,330
2004	14,651	23,576	33,022	54,545
2005	15,110	19,231	33,375	53,604



AVERAGE BENEFIT PAY TYPES

New Benefits: ERS

These tables show the average unmodified retirement allowance awarded to Employees' Retirement System members retiring during the fiscal year ending March 31, 2005. The average allowances are shown for groupings based on years of service. The allowance is also expressed as a percentage of the average final average salary (FAS) of the grouping.

New Service Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	19	\$796	6
5-9	1,027	3,075	11
10-14	2,459	5,409	18
15-19	1,916	9,278	26
20-24	2,221	17,528	41
25-29	1,731	25,061	51
30-34	1,664	35,212	64
35-39	1,845	44,241	74
40 & Over	396	51,055	80
Total	13,278	\$20,861	42

New Ordinary Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	10	\$9,888	33
5-9	17	11,122	32
10-14	322	11,003	30
15-19	352	12,160	31
20-24	274	15,656	35
25-29	129	19,562	44
30-34	80	25,682	54
35-39	16	27,236	60
40 & Over	0	0	0
Total	1,200	\$14,513	35

New Accidental Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$0	0
5-9	0	0	0
10-14	1	24,611	75
15-19	9	33,876	67
20-24	10	32,457	66
25-29	5	35,273	75
30-34	11	46,656	75
35-39	0	0	0
40 & Over	0	0	0
Total	36	\$37,323	71

New Performance of Duty Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	2	\$31,561	75
5-9	10	31,378	72
10-14	13	44,538	74
15-19	10	40,877	74
20-24	11	47,095	74
25-29	3	65,652	75
30-34	1	72,673	75
35-39	1	50,565	75
40 & Over	0	0	0
Total	51	\$43,194	74

New Benefits: PFRS

These tables show the average unmodified retirement allowance awarded to Police and Fire Retirement System members retiring during the fiscal year ending March 31, 2005. The average allowances are shown for groupings based on years of service. The allowance is also expressed as a percentage of the average final average salary (FAS) of the grouping.

New Service Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$0	0
5-9	12	3,281	11
10-14	36	5,396	20
15-19	18	10,856	29
20-24	339	43,169	52
25-29	210	56,777	59
30-34	383	66,980	67
35-39	242	77,780	74
40 & Over	15	82,813	79
Total	1,255	\$57,932	60

New Ordinary Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$0	0
5-9	0	0	0
10-14	3	21,773	33
15-19	12	27,684	39
20-24	1	27,302	50
25-29	2	26,383	48
30-34	0	0	0
35-39	0	0	0
40 & Over	0	0	0
Total	18	\$26,533	40

New Accidental Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	1	\$40,286	75
5-9	7	49,405	71
10-14	22	61,830	73
15-19	36	59,267	74
20-24	26	62,941	73
25-29	5	68,658	73
30-34	9	71,148	75
35-39	3	58,576	75
40 & Over	0	0	0
Total	109	\$61,246	73

New Performance of Duty Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$0	0
5-9	5	35,103	50
10-14	9	28,572	50
15-19	18	38,977	50
20-24	13	31,466	50
25-29	2	30,487	50
30-34	2	34,850	50
35-39	0	0	0
40 & Over	0	0	0
Total	49	\$34,163	50

NEW BENEFITS — SERVICE RETIREMENTS BY AGE AND SERVICE

During the fiscal year ending March 31, 2005 — Number retiring, average Single Life Allowance, average allowance as a percentage of average final average salary

Age at Retirement	50-59			60-64			65-69			70 & Over		
	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%
ERS												
Yrs of Service												
Under 5	4	\$940	5	5	\$880	5	5	\$509	6	5	\$892	9
5-9	312	2,773	10	369	2,773	11	249	3,075	12	97	3,028	12
10-14	1,261	4,327	17	697	4,327	19	362	6,969	20	139	6,427	20
15-19	809	8,116	23	652	8,116	27	300	11,154	28	155	9,866	28
20-24	772	16,125	38	931	16,125	42	368	18,731	43	150	17,686	43
25-29	771	26,356	49	656	26,356	52	218	24,504	53	86	23,527	53
30-34	1,037	36,820	64	436	36,820	64	120	34,334	64	71	28,427	64
35-39	1,392	43,947	74	316	43,947	74	91	44,538	74	46	40,225	73
40 & Over	148	46,914	79	157	46,914	80	43	51,947	82	48	49,226	86
Total	6,506	\$23,357	45	4,219	\$19,467	41	1,756	\$16,674	36	797	\$17,100	39

Age at Retirement	40-49*			50-54			55-59			60 & Over		
	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%
PFRS												
Yrs of Service												
Under 5	0	0	0	0	0	0	0	0	0	0	0	0
5-9	0	0	0	0	0	0	10	3,182	11	2	3,773	14
10-14	0	0	0	0	0	0	33	5,451	20	3	4,788	19
15-19	0	0	0	0	0	0	16	10,352	29	2	14,891	34
20-24	208	41,753	51	107	0	52	22	45,532	53	2	36,582	50
25-29	21	48,240	55	111	0	59	75	57,551	60	3	20,811	47
30-34	0	0	0	90	0	66	249	66,804	67	44	59,179	68
35-39	0	0	0	0	0	0	127	76,249	73	115	79,472	74
40 & Over	0	0	0	0	0	0	0	0	0	15	82,813	79
Total	229	\$42,348	52	308	\$57,862	59	532	\$60,175	62	186	\$70,820	70

*Does not include any retirees less than age 40.

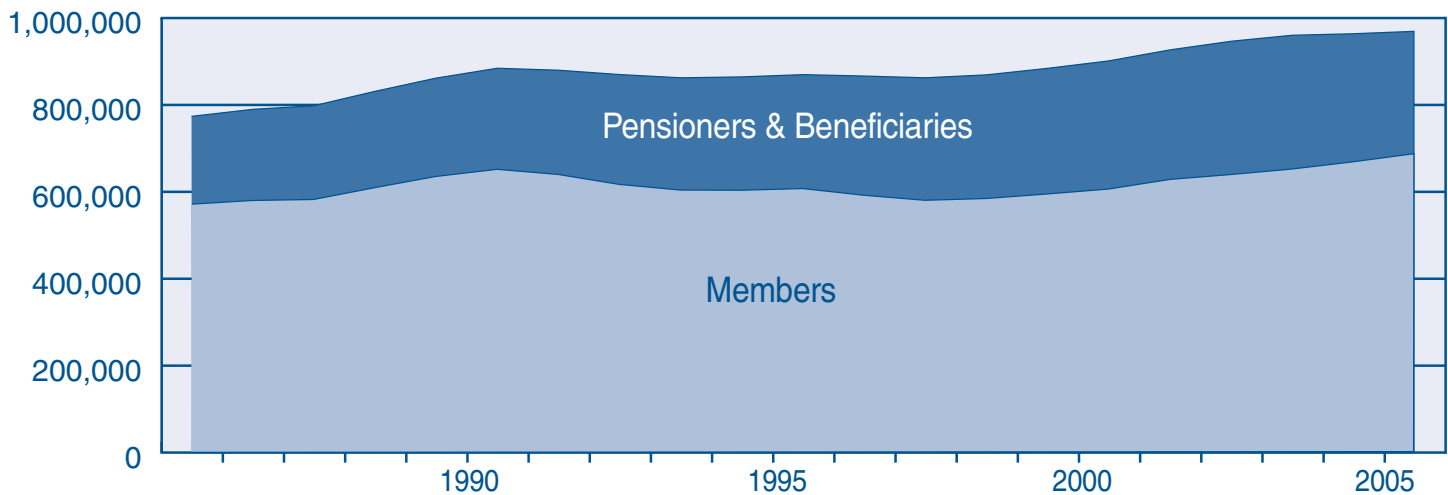
NEW BENEFITS — ORDINARY AND ACCIDENTAL DEATH

During fiscal year ending March 31, 2005 — The Employees' Retirement System approved two accidental death benefits, averaging \$19,008 per year. In the Police and Fire Retirement System, four accidental death benefits were approved, averaging \$29,520 per year.

Ordinary Death Benefits

Years of Service	ERS			PFRS		
	Number Paid	Average Benefit	Percentage of Salary	Number Paid	Average Benefit	Percentage of Salary
Under 5	157	\$77,942	218.3	5	\$155,787	262.1
5-9	167	100,885	281.2	4	222,500	301.0
10-14	201	82,410	219.9	2	78,093	226.1
15-19	201	109,735	255.4	2	185,000	300.1
20-24	139	128,138	271.7	1	562,718	772.5
25-29	90	159,494	296.7	6	945,124	828.1
30-34	43	260,652	419.2	3	591,108	827.2
35-39	15	302,454	488.1	0	0	0.0
40 & Over	5	201,078	684.8	0	0	0.0
Total	1,018	\$114,560	265.2	23	\$443,561	512.6

COMBINED SYSTEMS PARTICIPANTS



Fiscal Year	Members	% Changed	Pensioners/ Beneficiaries	% Changed	Total Participants	% Changed
1986	578,174	1	209,686	4	787,860	2
1987	580,474	*	215,703	3	796,177	1
1988	607,649	5	221,594	3	829,243	4
1989	633,468	4	226,261	2	859,729	4
1990	649,847	3	232,563	3	882,410	3
1991	638,049	(2)	239,835	3	877,884	(1)
1992	615,114	(4)	252,812	5	867,926	(1)
1993	602,133	(2)	258,294	2	860,427	(1)
1994	601,710	*	260,788	1	862,498	*
1995	605,544	1	262,187	1	867,731	1
1996	590,130	(3)	274,330	5	864,460	0
1997	578,566	(2)	281,863	3	860,429	0
1998	582,689	1	284,515	1	867,204	1
1999	593,188	2	289,046	2	882,234	2
2000	604,479	2	294,835	2	899,314	2
2001	626,565	4	298,078	1	924,643	3
2002	637,896	2	306,604	3	944,500	2
2003	650,543	2	313,597	2	964,140	2
2004	641,721	(1)	328,357	5	970,078	1
2005	647,758	1	334,251	2	982,009	1

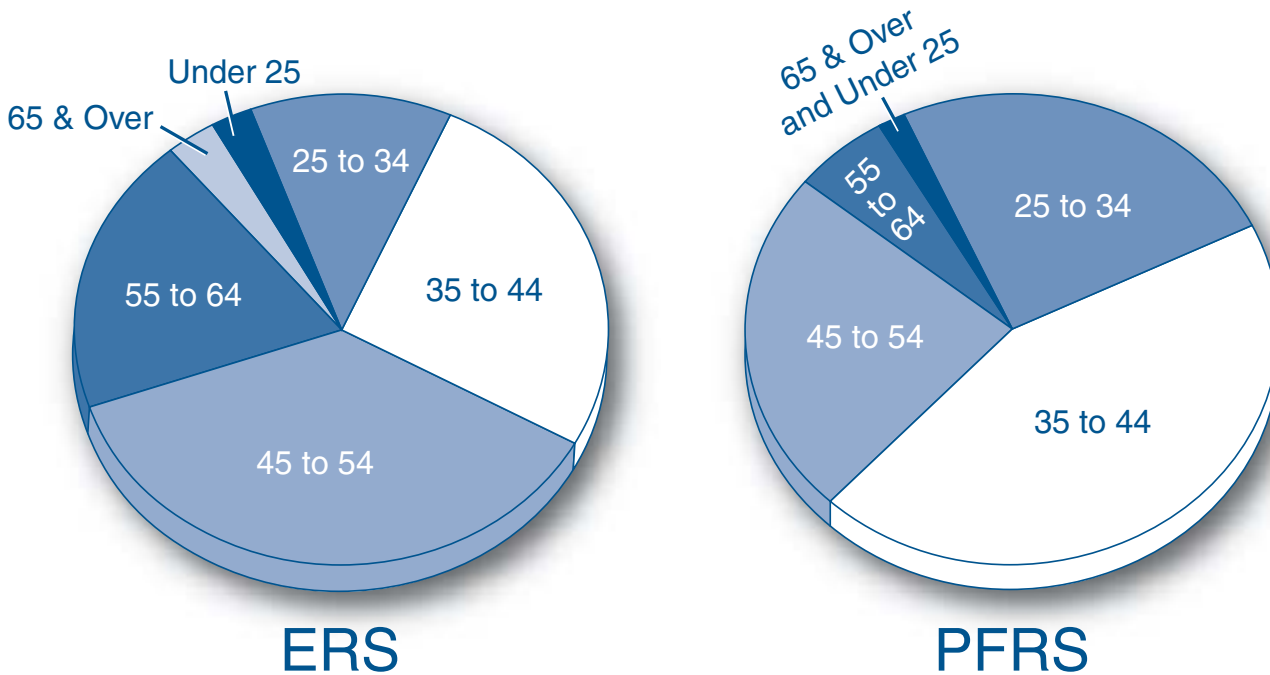
*Less than 1%

MEMBERSHIP BY AGE AND YEARS OF SERVICE

As of March 31, 2005

Age	Years of Service											
	Total		0-4		5-9		10-19		20-29		30 & Over	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
ERS												
Total	612,410	100.00	191,558	31.28	109,597	17.90	180,438	29.46	101,942	16.65	28,875	4.71
Under 25	16,042	2.62	15,844	2.59	198	0.03	0	0.00	0	0.00	0	0.00
25-34	75,432	12.32	52,217	8.53	19,156	3.13	4,059	0.66	0	0.00	0	0.00
35-44	160,941	26.28	56,378	9.21	35,689	5.83	57,561	9.40	11,313	1.85	0	0.00
45-54	225,136	36.76	46,371	7.57	36,346	5.93	73,855	12.06	56,522	9.23	12,042	1.97
55-64	117,573	19.20	17,893	2.92	15,636	2.55	39,120	6.39	30,117	4.92	14,807	2.42
65 & Over	17,286	2.82	2,854	0.47	2,572	0.42	5,843	0.95	3,990	0.65	2,026	0.33
PFRS												
Total	35,348	100.00	8,221	23.26	5,507	15.58	13,471	38.11	6,178	17.48	1,971	5.58
Under 25	537	1.52	536	1.52	1	0.00	0	0.00	0	0.00	0	0.00
25-34	8,635	24.43	5,238	14.82	2,600	7.36	797	2.25	0	0.00	0	0.00
35-44	15,602	44.14	1,959	5.54	2,413	6.83	10,012	28.32	1,218	3.45	0	0.00
45-54	8,468	23.96	362	1.02	430	1.22	2,507	7.09	4,469	12.64	700	1.98
55-64	2,046	5.79	108	0.31	62	0.18	151	0.43	490	1.39	1,235	3.49
65 & Over	60	0.17	18	0.05	1	0.00	4	0.01	1	0.00	36	0.10

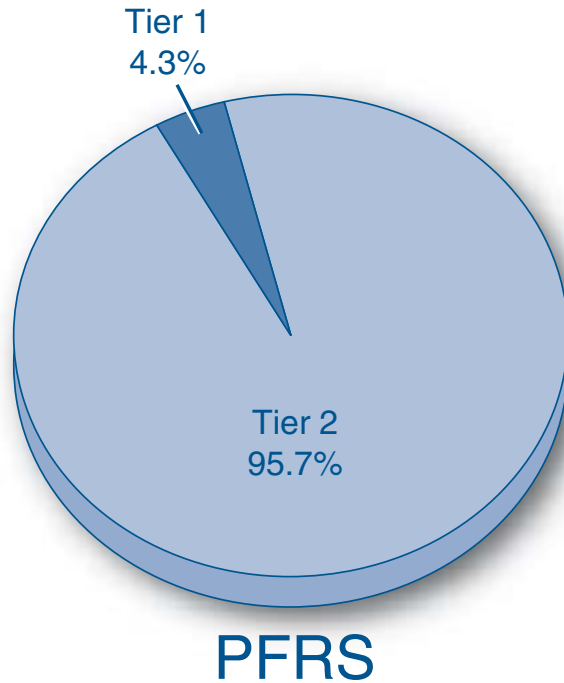
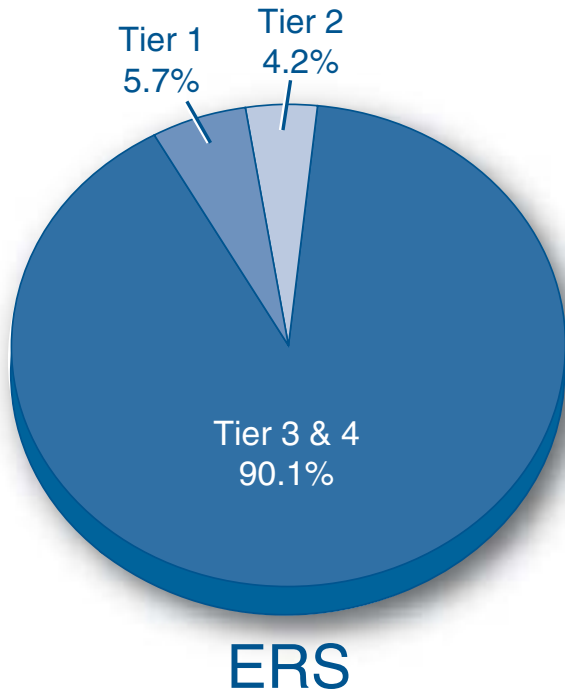
Chart of Distribution by Age



MEMBERSHIP BY TIER

As of March 31, 2005

	ERS		PFRS		Total	
	Number	Percent	Number	Percent	Number	Percent
Tier 1	34,980	5.7%	1,503	4.3%	36,483	5.6%
Tier 2	25,938	4.2%	33,845	95.7%	59,783	9.2%
Tier 3 & 4	551,492	90.1%	0	0.0%	551,492	85.2%
Total	612,410	100.0%	35,348	100.0%	647,758	100.0%



MEMBERSHIP BY STATUS

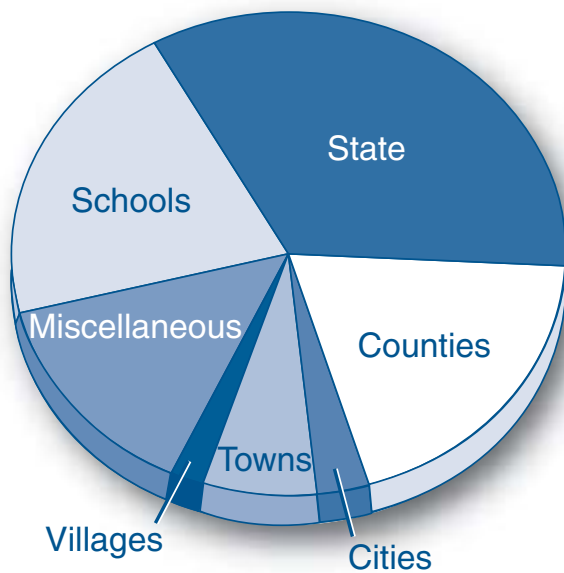
	ERS			PFRS		
	Active	Inactive	Total	Active	Inactive	Total
1996	481,901	71,748	553,649	31,874	4,607	36,481
1997	474,697	68,966	543,663	31,735	3,168	34,903
1998	478,508	69,297	547,805	31,912	2,972	34,884
1999	486,781	71,455	558,236	32,067	2,885	34,952
2000	494,545	74,824	569,369	31,955	3,155	35,110
2001	507,037	83,922	590,959	32,220	3,386	35,606
2002	512,209	90,219	602,428	32,321	3,147	35,468
2003	502,872	111,683	614,555	32,419	3,569	35,988
2004	507,241	98,914	606,155	32,359	3,207	35,566
2005	508,856	103,554	612,410	32,388	2,960	35,348

MEMBERSHIP BY EMPLOYER TYPE*

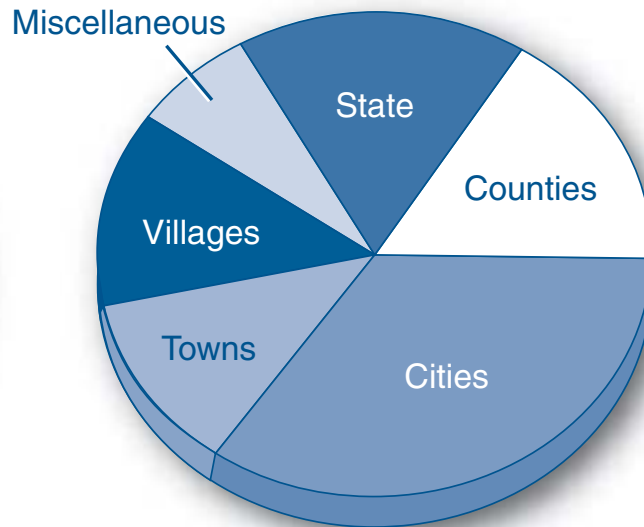
As of March 31, 2005

	ERS		PFRS		Total	
	Total**	Active	Total**	Active	Total**	Active
State	208,899	177,245	6,038	5,508	214,937	182,753
Counties	118,006	96,123	5,833	5,570	123,839	101,693
Cities	18,979	15,402	12,113	11,307	31,092	26,709
Towns	40,561	34,326	4,217	3,786	44,778	38,112
Villages	13,106	10,755	4,653	3,871	17,759	14,626
Misc.	86,791	69,741	2,494	2,346	89,285	72,087
Schools	126,068	105,264	0	0	126,068	105,264
Total	612,410	508,856	35,348	32,388	647,758	541,244

**Total includes inactive members identified with their last employer as active members.



ERS



PFRS

* A detailed listing of participating employers as of March 31, 2005, is on our website at www.osc.state.ny.us/retire/employers/index.htm.

NUMBER OF EMPLOYERS

As of March 31, 2005

Category	ERS	PFRS
State	1	1
Counties	57	4
Cities	61	61
Towns	906	205
Villages	488	381
Misc.	755	32
Schools	699	0
Total	2,967	684

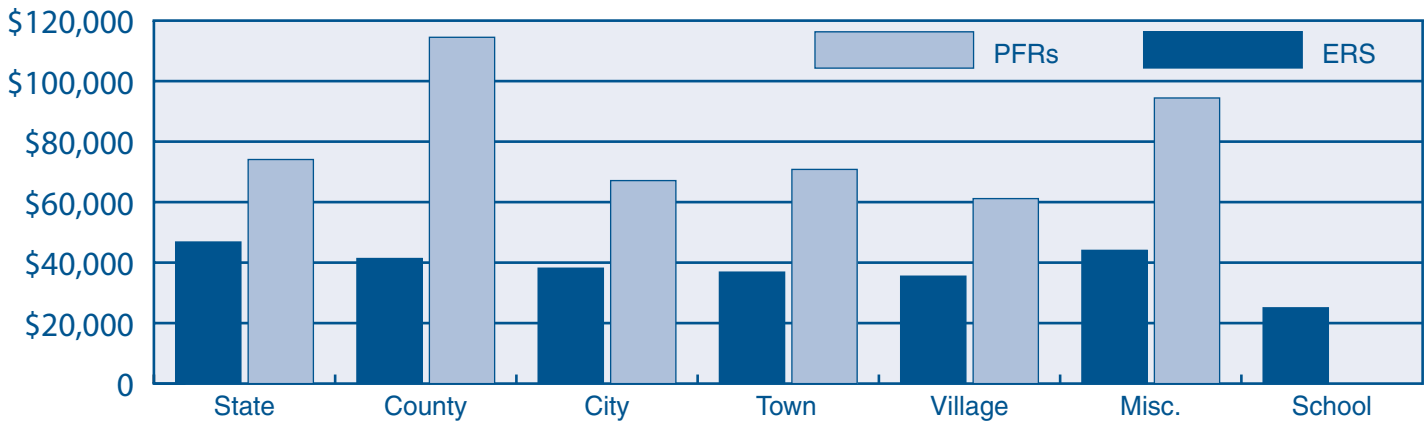
AVERAGE SALARY BY EMPLOYER TYPE

Fiscal year ending March 31, 2005

	Average Salary	Members*	Total Salaries
ERS			
State	\$46,813	177,245	\$8,297,317,477
Counties	41,359	96,123	3,975,524,112
Cities	38,152	15,402	587,616,268
Towns	36,857	34,326	1,265,154,689
Villages	35,512	10,755	381,930,243
Misc.	44,055	69,741	3,072,429,398
Schools	25,064	105,264	2,638,325,172
Total	\$39,733	508,856	\$20,218,297,360
PFRS			
State	\$74,085	5,508	\$408,060,233
Counties	114,492	5,570	637,722,466
Cities	67,118	11,307	758,899,191
Towns	70,813	3,786	268,098,727
Villages	61,164	3,871	236,766,570
Misc.	94,429	2,346	221,530,945
Total	\$78,149	32,388	\$2,531,078,132

*Active members receiving salary.

Average Salary by Employer Type



MEMBERS AND SALARIES BY PLAN: ERS

As of March 31, 2005

	Tier 1	Tier 1 Salaries	Tier 2	Tier 2 Salaries
Age 55/60 Contributory	12	\$343,855	10	\$385,161
Age 55 75-c	117	3,671,884	117	3,857,780
Age 55 75-e	32	1,160,874	39	1,325,148
Age 55 75-g	364	15,868,293	256	11,562,661
Age 55 75-h	12,864	755,485,739	9,061	526,355,120
Age 55 75-i	14,050	703,133,888	10,597	529,112,142
Reg CO/SHTA 3/4 Dis	25	1,956,794	9	568,529
Corr Off 89	378	24,786,925	406	25,644,835
Sheriffs 89-a	15	983,209	2	92,874
Sheriffs 89-b	24	1,720,062	12	831,302
Sheriffs 89-b(m)	14	1,026,527	6	287,650
Investigators 89-d	0	0	1	93,922
Investiga. 89-d(m)	8	986,161	2	179,589
Sheriffs - 551	3	177,263	21	1,179,030
Sheriffs - 551e	0	0	4	244,830
Sheriffs - 552	7	422,139	14	774,396
Sheriffs - 553	29	2,398,187	43	3,266,947
Legislators 80-a	72	5,311,860	5	289,734
United Crt Pc Off	0	0	278	21,903,514
25-Yr CO/Sher/OMH	158	11,991,234	167	12,099,544
25-Yr 1/60 PO,AMT,PAR	57	5,419,212	24	2,113,595
	Tier 3 & 4	Tier 3 & 4 Salaries		
Article 14 & 15	421,395	\$15,483,348,245		
Reg CO/SHTA 3/4 Dis	388	20,241,821		
Art 14 Corr Officer	21,721	1,074,008,123		
Sheriffs - 551	344	17,670,770		
Sheriffs - 551e	42	2,071,179		
Sherrifs - 552	516	26,341,792		
Sheriffs - 553	1,423	89,402,176		
United Crt Pc Off	5,300	322,804,932		
25-Yr CO/Sher/OMH	8,242	488,066,159		
25-Yr 1/60 PO,AMT,PAR	141	11,019,820		
20-Yr 1/60 Invest	19	1,942,844		
West. Co. C.I.	22	2,367,090		

MEMBERS AND SALARIES BY PLAN: PFRS

As of March 31, 2005

	Tier 1	Tier 1 Salaries	Tier 2	Tier 2 Salaries
Age 55/60 Contributory	2	\$13,906	71	\$706,949
Age 55 375-c	6	212,415	349	4,890,870
Age 55 375-e	0	0	62	770,691
Age 55 375-g	4	290,565	101	1,617,891
Age 55 375-h	19	1,570,869	5	401,748
Age 55 375-i	58	5,407,172	486	11,328,505
Age 55 375-j	0	0	8	394,154
State Police 381-b	21	2,005,629	4,724	362,169,927
Reg Park Pol 383-a	11	889,075	287	14,383,196
EnCon Police 383-b	9	787,746	310	18,974,754
Forest Ranger 383-c	0	0	122	6,877,289
25-Yr Contributory	0	0	0	0
25-Yr Non-contrib	11	660,837	90	3,609,043
25-Yr 384(f) Contributory	0	0	0	0
25-Yr 384(f) Non-contrib	19	1,802,864	126	9,377,095
20-Yr Contributory	0	0	4	51,432
20-Yr Non-contrib	300	26,458,520	9,624	629,379,870
384-e Contributory	0	0	0	0
384-e Non-contrib	813	96,241,097	14,746	1,329,804,025

PENSIONERS AND BENEFICIARIES BY AGE

As of March 31, 2005

Age	Pensioners & Beneficiaries	Pensioners	Beneficiaries
ERS			
0-25	162	0	162
26-30	111	0	111
31-35	209	20	189
36-40	475	194	281
41-45	1,326	878	448
46-50	2,670	2,024	646
51-55	6,220	5,357	863
56-60	38,943	37,472	1,471
61-65	48,347	46,332	2,015
66-70	50,832	48,204	2,628
71-75	48,274	44,945	3,329
76-80	44,641	40,149	4,492
81-85	35,291	30,817	4,474
86-90	19,753	16,611	3,142
91-95	7,509	6,073	1,436
96-100	1,603	1,238	365
101+	165	111	54
Total	306,531	280,425	26,106
PFRS			
0-25	13	0	13
26-30	6	1	5
31-35	33	25	8
36-40	161	145	16
41-45	499	469	30
46-50	1,203	1,164	39
51-55	3,010	2,930	80
56-60	5,661	5,548	113
61-65	5,409	5,257	152
66-70	3,898	3,744	154
71-75	3,166	2,964	202
76-80	2,569	2,348	221
81-85	1,374	1,170	204
86-90	516	394	122
91-95	172	114	58
96-100	26	12	14
101+	4	2	2
Total	27,720	26,287	1,433

PENSIONERS AND BENEFICIARIES: ERS

As of March 31, 2005—by year of retirement; annual Option 0 retirement allowance without annual cost-of-living adjustment (COLA), average COLA and total

Year of Retirement	Number	Option 0 Benefit w/o COLA	Average COLA	Total	Year of Retirement	Number	Option 0 Benefit w/o COLA	Average COLA	Total
1942	1	424	2,018	2,442	1974	1,771	4,257	4,722	8,979
1943	0	0	0	0	1975	1,941	4,452	4,302	8,754
1944	1	553	4,858	5,411	1976	2,735	4,699	4,155	8,854
1945	0	0	0	0	1977	3,477	4,556	3,789	8,345
1946	2	437	3,635	4,072	1978	3,606	4,853	3,648	8,501
1947	0	0	0	0	1979	4,322	5,038	3,516	8,554
1948	1	463	3,095	3,558	1980	4,877	5,141	3,005	8,146
1949	1	281	1,706	1,987	1981	5,446	5,415	2,516	7,931
1950	1	218	662	880	1982	6,270	5,867	2,345	8,212
1951	0	0	0	0	1983	5,838	6,264	2,199	8,463
1952	3	623	2,357	2,980	1984	8,783	8,350	2,647	10,997
1953	2	1,295	4,756	6,051	1985	7,001	8,337	2,361	10,698
1954	2	1,350	5,717	7,067	1986	7,945	8,885	2,295	11,180
1955	4	1,081	3,595	4,675	1987	7,883	9,818	2,321	12,139
1956	3	1,511	4,666	6,177	1988	7,647	10,528	2,230	12,758
1957	5	2,278	7,361	9,639	1989	8,365	11,400	2,111	13,510
1958	5	2,277	8,149	10,425	1990	9,030	12,526	1,908	14,434
1959	10	4,428	10,932	15,360	1991	13,270	16,398	1,879	18,277
1960	14	2,147	7,271	9,418	1992	12,500	13,815	1,497	15,313
1961	17	2,052	5,765	7,816	1993	9,733	14,327	1,291	15,619
1962	23	2,523	6,028	8,551	1994	8,387	14,469	1,099	15,568
1963	34	1,925	4,654	6,579	1995	10,210	15,222	993	16,215
1964	50	2,656	5,893	8,549	1996	16,932	19,658	922	20,580
1965	54	2,227	5,126	7,353	1997	15,050	18,480	638	19,117
1966	89	2,545	4,685	7,230	1998	11,237	16,437	369	16,806
1967	132	2,338	4,516	6,854	1999	12,191	16,089	235	16,324
1968	185	2,288	3,712	6,001	2000	14,207	17,353	123	17,476
1969	245	2,703	3,996	6,699	2001	14,866	20,826	0	20,826
1970	433	3,599	4,908	8,507	2002	12,241	18,968	0	18,968
1971	643	3,957	5,128	9,085	2003	25,746	27,435	0	27,435
1972	1,269	4,963	6,060	11,023	2004	12,995	19,193	0	19,193
1973	1,380	3,841	4,602	8,443	2005	10,662	21,314	0	21,314

4,758 of the 26,106 beneficiaries are not eligible for COLA

PENSIONERS AND BENEFICIARIES: PFRS

As of March 31, 2005—by year of retirement; annual Option 0 retirement allowance without annual cost-of-living adjustment (COLA), average COLA and total

Year of Retirement	Number	Option 0 Benefit w/o COLA	Average COLA	Total	Year of Retirement	Number	Option 0 Benefit w/o COLA	Average COLA	Total
1942	1	2,029	19,179	21,208	1974	329	7,841	10,504	18,345
1943	0	0	0	0	1975	241	8,434	9,853	18,286
1944	0	0	0	0	1976	275	9,547	9,621	19,168
1945	0	0	0	0	1977	448	10,531	9,717	20,248
1946	0	0	0	0	1978	448	10,695	9,254	19,950
1947	0	0	0	0	1979	501	11,608	8,685	20,293
1948	0	0	0	0	1980	568	12,186	7,574	19,759
1949	0	0	0	0	1981	504	13,390	6,486	19,876
1950	1	2,158	6,552	8,710	1982	589	14,831	5,894	20,726
1951	0	0	0	0	1983	654	15,882	5,510	21,392
1952	1	2,908	16,045	18,953	1984	615	17,695	5,435	23,130
1953	2	2,524	6,799	9,322	1985	732	19,321	4,963	24,284
1954	3	2,189	11,631	13,820	1986	994	20,778	4,774	25,551
1955	3	2,550	6,703	9,253	1987	1,050	22,911	4,639	27,550
1956	3	2,702	14,255	16,958	1988	1,083	24,604	4,323	28,926
1957	5	3,287	14,386	17,673	1989	1,092	25,115	3,835	28,950
1958	2	2,866	12,049	14,915	1990	1,084	27,370	3,287	30,657
1959	2	2,980	14,361	17,341	1991	1,167	30,948	2,765	33,713
1960	3	2,889	13,898	16,787	1992	1,301	35,047	2,259	37,306
1961	5	2,657	10,226	12,884	1993	1,183	34,204	1,880	36,084
1962	6	4,397	16,054	20,451	1994	1,036	33,204	1,453	34,657
1963	9	3,466	11,835	15,301	1995	897	37,536	1,101	38,637
1964	6	2,788	8,469	11,257	1996	863	36,213	690	36,903
1965	7	4,675	12,191	16,867	1997	854	40,029	542	40,571
1966	16	5,151	10,625	15,776	1998	821	39,692	321	40,014
1967	27	4,292	9,306	13,598	1999	829	40,364	230	40,594
1968	38	4,751	9,953	14,705	2000	950	46,797	107	46,904
1969	53	5,033	8,640	13,674	2001	1,152	52,362	0	52,362
1970	70	5,568	9,668	15,236	2002	994	52,865	0	52,865
1971	99	6,384	9,945	16,329	2003	1,328	60,091	0	60,091
1972	329	7,247	10,874	18,121	2004	1,225	57,105	0	57,105
1973	268	7,566	10,778	18,344	2005	645	56,540	0	56,540

309 of the 1,433 beneficiaries are not eligible for COLA

TOTAL BENEFIT PAYMENTS 1996-2005

As of March 31, 2005; in millions of dollars

Year Ended 3/31	Retirement Benefits	Death Benefits	Post-Retirement Supplements	Total
1996 Total	\$2,639.7	\$140.0	\$98.1	\$2,877.8
ERS	2,173.2	131.3	82.0	2,386.5
PFRS	466.5	8.7	16.1	491.3
1997 Total	2,885.3	118.5	118.2	3,121.9
ERS	2,398.6	104.4	93.4	2,596.4
PFRS	486.7	14.0	24.8	525.5
1998 Total	3,071.6	125.7	107.7	3,305.0
ERS	2,551.2	115.0	89.0	2,755.2
PFRS	520.4	10.7	18.7	549.8
1999 Total	3,217.1	123.0	141.9	3,482.0
ERS	2,670.2	114.2	116.5	2,900.9
PFRS	546.9	8.8	25.4	581.1
2000 Total	3,415.1	142.8	162.3	3,720.2
ERS	2,834.4	125.9	132.5	3,092.8
PFRS	580.7	16.9	29.8	627.4
2001 Total	3,691.9	152.9	336.1	4,181.0
ERS	3,069.7	140.4	272.5	3,482.6
PFRS	622.1	12.6	63.6	698.3
2002 Total	3,872.0	151.8	464.5	4,488.3
ERS	3,220.0	139.1	377.5	3,736.6
PFRS	652.0	12.7	87.0	751.7
2003 Total	4,373.3	148.4	462.9	4,984.6
ERS	3,649.5	132.5	378.8	4,160.8
PFRS	723.8	15.9	84.1	823.8
2004 Total	4,722.1	157.3	468.1	5,347.5
ERS	3,931.3	149.5	382.3	4,463.1
PFRS	790.8	7.8	85.8	884.4
2005 Total	5,041.0	161.9	471.8	5,674.7
ERS	4,216.3	151.3	384.7	4,752.3
PFRS	824.7	10.6	87.1	922.4

LOCAL GOVERNMENT SALARIES AND BILLINGS: ERS

Contributions include the normal cost of benefits including supplemental pensions and, in some cases, the Retirement Incentive Program, Deficiency Contributions that defray any liabilities an employer brings when it joins the System, the Group Life Insurance Plan (GLIP) and the administrative cost for the fiscal year. Amounts shown are due December 15th preceding the fiscal year end.

Counties FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
1996	\$3,163,577,386	\$81,839,187	\$64,864,477	\$0	\$7,087,183	\$9,887,527
1997	3,218,571,512	136,275,142	114,221,941	0	12,176,734	9,876,467
1998	3,290,512,685	63,815,472	44,818,131	0	12,310,699	6,686,642
1999	3,317,593,629	71,817,750	52,153,534	0	9,683,998	9,949,052
2000	3,513,663,377	47,550,204	44,089,156	0	3,461,048	0
2001	3,598,319,558	44,904,136	37,440,928	0	7,463,208	0
2002	3,817,914,090	101,316,465	82,773,336	0	7,229,857	11,313,272
2003	3,813,343,496	66,441,940	44,516,791	0	10,418,476	11,506,673
2004	3,795,141,457	322,153,335	293,543,167	0	13,356,806	15,253,362
2005	3,975,524,112	525,026,378	498,617,747	0	14,529,793	11,878,838
Cities						
1996	468,482,983	12,796,945	10,183,620	0	1,090,225	1,523,100
1997	465,938,196	18,773,658	15,453,610	0	1,866,113	1,453,935
1998	483,184,125	9,763,360	6,930,581	0	1,870,253	962,526
1999	510,868,002	8,341,076	5,336,046	0	1,503,222	1,501,808
2000	541,255,927	5,242,065	4,680,415	0	561,650	0
2001	548,044,933	5,945,398	4,797,725	0	1,147,673	0
2002	570,316,356	7,884,399	5,078,809	0	1,089,756	1,715,834
2003	601,802,088	9,912,113	6,344,547	0	1,778,236	1,789,330
2004	583,920,060	38,393,995	33,655,003	0	2,331,779	2,407,213
2005	587,616,268	78,322,434	74,067,881	0	2,431,174	1,823,379
Towns						
1996	883,425,384	24,229,410	18,120,430	1,443,435	1,962,629	2,702,916
1997	893,982,245	34,339,512	26,951,230	1,039,084	3,606,421	2,742,777
1998	924,719,662	16,253,628	9,965,051	835,123	3,605,662	1,847,792
1999	966,516,862	14,095,626	7,685,795	657,842	2,875,778	2,876,211
2000	1,013,354,164	10,047,557	8,538,716	505,798	1,030,043	0
2001	1,055,866,622	11,612,993	9,070,412	400,687	2,141,894	0
2002	1,085,721,959	15,493,134	9,563,447	451,393	2,173,047	3,305,247
2003	1,203,818,756	19,417,971	12,155,338	513,119	3,353,593	3,395,921
2004	1,207,515,635	72,030,307	61,780,774	577,779	4,866,863	4,804,891
2005	1,265,154,689	157,705,823	148,275,368	655,228	5,013,542	3,761,685
Villages						
1996	265,470,358	6,758,564	4,809,519	548,468	589,626	810,951
1997	267,726,816	9,729,246	7,389,554	426,991	1,086,892	825,809
1998	279,130,832	4,857,232	2,898,474	328,961	1,074,921	554,876
1999	291,877,202	4,408,822	2,370,180	295,755	871,955	870,932
2000	307,420,950	2,926,461	2,412,659	206,686	307,116	0
2001	319,734,235	3,473,281	2,652,633	171,241	649,407	0
2002	334,321,723	4,842,867	3,029,367	151,907	656,935	1,004,658
2003	368,910,087	5,800,458	3,502,984	192,398	1,051,923	1,053,153
2004	370,581,719	21,180,783	18,035,178	193,720	1,476,242	1,475,643
2005	381,930,243	48,209,003	45,295,775	205,354	1,547,360	1,160,514
Miscellaneous						
1996	1,744,697,265	40,069,867	29,192,142	1,370,815	4,031,983	5,474,927
1997	1,692,883,994	65,736,110	52,806,024	863,471	6,796,159	5,270,456
1998	1,771,011,679	39,905,878	28,789,372	820,131	6,771,187	3,525,188
1999	2,007,093,850	31,140,442	18,366,321	991,354	5,901,449	5,881,318
2000	2,119,841,417	14,170,508	11,097,152	817,590	2,255,766	0
2001	2,204,318,973	27,280,907	21,886,029	811,881	4,582,997	0
2002	2,303,685,930	40,850,448	28,831,958	630,188	4,439,975	6,948,327
2003	2,649,751,097	35,373,978	19,246,626	672,563	7,719,584	7,735,205
2004	2,965,176,890	190,554,899	165,913,695	704,728	11,993,022	11,943,454
2005	3,072,429,398	388,716,948	365,761,361	1,236,040	12,411,163	9,308,384
Schools						
1996	1,629,239,509	41,458,406	32,592,704	307,411	3,567,213	4,991,078
1997	1,698,809,142	60,257,868	48,246,882	230,485	6,673,012	5,107,489
1998	1,787,810,125	31,726,387	21,081,785	124,127	6,969,775	3,550,700
1999	1,900,655,161	24,204,803	12,876,441	93,697	5,605,170	5,629,495
2000	2,044,487,654	14,062,795	11,951,657	62,234	2,048,904	0
2001	2,151,035,909	14,337,947	9,886,159	56,668	4,395,120	0
2002	2,297,785,319	26,100,959	14,739,853	77,255	4,461,655	6,822,196
2003	2,552,514,086	35,552,496	20,821,356	77,980	7,351,551	7,301,609
2004	2,552,215,506	137,535,816	117,151,107	83,999	10,099,716	10,200,994
2005	2,638,325,172	324,251,317	305,400,864	82,793	10,724,381	8,043,279

LOCAL GOVERNMENT SALARIES AND BILLINGS: PFRS

Contributions include the normal cost of benefits including supplemental pensions, Deficiency Contributions that defray any liabilities an employer brings when it joins the System, the Group Life Insurance Plan (GLIP) and the administrative cost for the fiscal year. Amounts shown are due December 15th preceding the fiscal year end.

Counties						
FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
1996	\$438,331,957	\$66,488,055	\$64,383,417	\$0	\$419,529	\$1,685,109
1997	460,475,667	56,865,391	55,003,997	0	21,817	1,839,577
1998	496,031,494	44,599,945	43,158,593	0	0	1,441,352
1999	543,082,677	20,314,600	18,243,419	0	514,882	1,556,299
2000	545,700,011	21,010,509	20,415,078	0	595,431	0
2001	535,409,526	17,496,569	17,494,960	0	1,609	0
2002	581,374,784	15,619,968	15,090,687	0	529,281	0
2003	593,362,415	15,430,950	14,797,670	0	633,280	0
2004	610,067,673	39,836,533	36,912,877	0	550,206	2,373,450
2005	637,722,466	117,568,271	115,040,396	0	0	2,527,875
Cities						
1996	548,848,604	71,583,860	68,780,463	0	544,741	2,258,656
1997	562,547,665	58,283,466	55,930,381	0	8,813	2,344,272
1998	591,399,214	40,148,314	38,356,940	0	0	1,791,374
1999	619,314,622	13,502,022	11,013,745	0	599,107	1,889,170
2000	654,093,495	11,940,326	11,290,231	0	650,095	0
2001	671,218,008	12,948,799	12,937,263	0	11,536	0
2002	693,245,778	13,533,899	12,846,509	0	687,390	0
2003	748,146,539	13,408,241	12,691,514	0	716,727	\$0
2004	751,505,609	48,737,822	45,020,390	0	724,846	2,992,586
2005	758,899,191	147,817,338	144,668,066	0	0	3,149,272
Towns						
1996	171,631,098	20,388,262	19,502,063	0	172,896	713,303
1997	182,369,269	15,994,158	15,255,565	0	848	737,745
1998	191,780,937	11,966,416	11,382,916	0	0	583,500
1999	201,612,792	3,969,445	2,870,493	0	195,311	903,641
2000	214,222,469	3,663,610	3,451,239	0	212,371	0
2001	220,479,447	2,959,710	2,955,384	0	4,326	0
2002	233,950,431	4,863,621	4,636,856	0	226,765	0
2003	253,409,418	4,449,842	4,201,437	0	248,405	0
2004	256,399,657	15,954,403	14,694,751	0	246,013	1,013,639
2005	268,098,727	47,286,150	46,217,472	0	0	1,068,678
Villages						
1996	158,134,644	16,526,084	15,717,425	6,572	154,638	647,449
1997	165,237,098	12,732,047	12,049,570	0	2,170	680,307
1998	173,879,013	8,900,622	8,371,109	0	0	529,513
1999	180,722,032	1,805,998	1,072,239	0	177,239	556,520
2000	195,202,698	2,171,938	1,983,342	0	188,596	0
2001	202,039,062	1,378,614	1,371,915	0	6,699	0
2002	211,413,597	2,090,046	1,881,908	0	208,138	0
2003	229,923,695	2,103,772	1,882,370	0	221,402	0
2004	228,232,646	12,613,728	11,474,812	0	223,124	915,792
2005	236,766,570	39,044,844	38,088,252	0	0	956,592
Miscellaneous						
1996	133,277,198	19,417,148	18,751,150	0	132,611	533,387
1997	131,223,651	16,328,306	15,758,123	0	905	569,278
1998	126,705,254	11,906,461	11,488,373	0	0	418,088
1999	176,049,026	5,226,713	4,687,996	0	133,835	404,882
2000	153,688,055	7,310,677	7,079,070	0	231,607	0
2001	160,242,257	5,343,741	5,342,721	0	1,020	0
2002	208,867,932	5,508,343	5,379,731	0	128,612	0
2003	237,403,863	7,179,150	6,915,554	0	263,596	0
2004	196,674,046	17,859,051	16,667,270	0	242,166	949,615
2005	221,530,945	39,079,882	38,249,624	0	0	830,258

CONTRIBUTIONS RECORDED 1996 – 2005

In millions of dollars

Contributions recorded are the amounts presented in the System's financial statements and include employer costs plus/minus any adjustments in amounts receivable and changes resulting from legislation.

Year ended 3/31	Employer Contributions*	Member Contributions
1996 Total	776.9	341.9
State	289.8	
Local	487.2	
1997 Total	903.5	348.2
State	406.7	
Local	496.8	
1998 Total	462.6	369.4
State	104.5	
Local	358.1	
1999 Total	291.7	399.8
State	91.2	
Local	200.5	
2000 Total	164.5	422.7
State	10.9	
Local	153.6	
2001 Total	214.8	319.1
State	51.2	
Local	163.6	
2002 Total	263.8	210.2
State	64.6	
Local	199.2	
2003 Total	651.9	219.2
State	274.4	
Local	377.5	
2004 Total	1,286.5	221.9
State	454.8	
Local	831.7	
2005 Total	2,964.8	227.3
State	1,087.7	
Local	1,877.1	

* Includes employer premiums to Group Term Life Insurance Plan.

NOTES TO 20-YEAR SUMMARY

- * Combined Systems unless noted; \$ in millions; data as of March 31 fiscal year end.
- (a) Includes active members and inactive members identified with their last employer.
- (b) Beginning in the 2002 fiscal year, Tier 3 and 4 membership statistics are combined.
- (c) Total does not include Employee Contributions Refunded or Other Benefits found in the Financial Statements.
- (d) All rates assume a December 15 payment date prior to the close of the fiscal year. While the State pays on March 1 prior to fiscal year end, the December date is used for comparability. Contributions include Retirement Incentives and other costs.
- (e) Investments for 1995 and later years are shown at (and rate of return is calculated on) market value as required by GASB 25 which the System adopted that year. Pre-1995 fixed income investments are shown at book value, all others at market. Pre-1995 rates of return also reflect this valuation.

Twenty Year Summary	2005	2004	2003	2002	2001	2000	1999	1998	1997
Total Participants	982,009	970,078	964,140	944,500	924,643	899,314	882,234	867,204	860,429
Number of Members	647,758	641,721	650,543	637,896	626,565	604,479	593,188	582,689	578,566
ERS (a)	612,410	606,155	614,555	602,428	590,959	569,369	558,236	547,805	543,663
State	208,899	207,641	216,005	216,507	222,343	216,347	216,380	214,628	216,084
Counties	118,006	117,514	119,319	118,318	119,638	115,576	113,856	112,792	115,904
Cities	18,979	18,933	19,637	19,671	19,551	19,148	18,966	18,907	18,909
Towns	40,561	39,841	39,395	38,063	37,121	35,882	35,056	34,764	33,949
Villages	13,106	12,878	12,823	12,360	11,969	11,509	11,279	11,087	10,942
Misc.	86,791	85,732	85,708	81,752	69,968	67,212	64,218	62,176	58,128
Schools	126,068	123,616	121,668	115,757	110,369	103,695	98,481	93,451	89,747
PFRS (a)	35,348	35,566	35,988	35,468	35,606	35,110	34,952	34,884	34,903
State	6,038	5,898	5,802	5,679	5,534	5,279	5,232	5,195	5,230
Counties	5,833	5,814	5,901	6,029	6,176	6,267	6,338	6,332	6,277
Cities	12,113	12,374	12,541	12,612	12,781	12,660	12,552	12,579	12,538
Towns	4,217	4,231	4,233	4,191	4,180	4,163	4,149	4,139	4,095
Villages	4,653	4,732	4,867	4,795	4,805	4,727	4,699	4,683	4,743
Misc.	2,494	2,517	2,644	2,162	2,130	2,014	1,982	1,956	2,020
Members By Tier (b)									
ERS Tier 1	34,980	39,622	50,032	56,541	60,736	57,657	64,173	69,942	75,166
ERS Tier 2	25,938	27,398	30,122	31,981	32,914	32,641	34,296	36,061	37,739
ERS 3 & 4	551,492	539,135	534,401	513,906	497,309	479,071	459,767	441,802	430,758
PFRS Tier 1	1,503	2,076	2,597	3,260	3,927	4,469	4,997	5,537	6,087
PFRS Tier 2	33,845	33,490	33,391	32,208	31,679	30,641	29,955	29,347	28,816
Pensioners & Beneficiaries	334,251	328,357	313,597	306,604	298,078	294,835	289,046	284,515	281,863
ERS	306,531	301,528	287,341	280,997	273,147	270,333	264,899	260,751	258,413
PFRS	27,720	26,829	26,256	25,607	24,931	24,502	24,147	23,764	23,450
Employers	2,993	2,985	2,968	2,922	2,897	2,860	2,843	2,809	2,786
ERS	2,967	2,959	2,943	2,917	2,890	2,853	2,836	2,813	2,782
PFRS	684	684	681	679	678	678	679	678	676
Benefit Payments (c)	\$5,674.7	\$5,347.5	\$4,984.6	\$4,488.3	\$4,181	\$3,720.2	\$3,482.0	\$3,305.0	\$3,122.0
Retirement Allowances	5,041.0	4,722.1	4,373.3	3,872.0	3,619.9	3,415.1	3,217.1	3,071.6	2885.3
Death Benefits (Lump Sum)	161.9	157.3	148.4	151.8	152.9	142.8	123.0	125.7	118.5
COLA Payments	471.8	468.1	462.9	464.5	336.1	162.3	141.9	107.7	118.2
# of Service Retirements	14,533	23,655	16,078	17,499	11,640	14,470	12,675	11,932	15,324
# of Death Benefits Paid	1,041	1,025	1,019	1,068	1,005	1,026	956	974	965
# of Disability Retirements	1,463	1,103	1,064	1,038	1,079	1,189	1,356	938	1,016
Employer Contributions	\$2,964.8	\$1,286.5	\$651.9	\$263.8	\$214.8	\$164.5	\$291.7	\$462.6	\$903.5
ERS	2,434.5	1,052.3	525.5	179.1	131.0	83.0	193.2	280.1	668.8
PFRS	455.3	158.4	66.3	47.3	49.0	62.0	50.1	125.1	177.9
Group Life Insurance Plan	75.0	75.8	60.1	37.4	34.8	19.5	48.4	57.4	56.8
Rate (as a % of Salary) (d)									
ERS	12.9%	5.9%	1.5%	1.2%	0.9%	0.9%	1.3%	1.7%	3.7%
PFRS	17.6%	5.8%	1.4%	1.6%	1.6%	1.9%	2.4%	7.0%	9.8%
Employee Contributions	\$227.3	\$221.9	\$219.2	\$210.2	\$319.1	\$422.7	\$399.8	\$369.4	\$348.2
ERS	224.5	217.4	214.1	206.0	317.4	422.0	398.7	368.8	347.7
PFRS	2.8	4.5	5.1	4.2	1.7	0.7	1.1	0.6	0.5
Investments (e)	\$126,083.5	\$119,245.0	\$95,598.3	\$111,168.5	\$112,432.9	\$127,138.9	\$111,008.7	\$104,921.8	\$82,333.8
Equities	80,917.2	74,876.5	51,357.0	66,375.5	63,661.7	82,733.6	66,397.8	63,348.7	45,827.4
Fixed Income	29,310.8	29,691.2	32,019.7	31,839.2	35,305.7	31,764.3	34,307.9	32,451.7	27,373.5
Commercial Mortgages	1,281.9	1,530.0	1,723.6	1,628.7	1,835.8	1,318.6	1,509.5	1,635.0	1,506.3
Short-term Investments	2,602.5	1,879.1	771.2	1,429.0	992.0	2,238.3	2,541.8	1,927.0	3,011.2
Alternative Investments	7,337.1	6,738.8	5,564.8	5,579.5	5,941.6	5,385.9	3,159.8	2,671.7	2,122.9
Equity Real Estate	4,634.0	4,529.4	4,162.0	4,316.6	4,696.0	3,698.1	3,091.8	2,887.7	2,492.5
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate of Return	8.51%	28.8%	-10.2%	2.76%	-8.65%	17.8%	8.8%	30.4%	10.9%
Fixed Income Investments	3.0%	8.9%	16.8%	4.3%	14.1%	1.3%	6.6%	15.6%	4.3%
Equity Investments	10.6%	42.8%	-24.3%	2.9%	-20.3%	25.3%	10.1%	47.2%	15.0%
Administrative Cost	\$65.3	\$69.6	\$67.5	\$66.6	\$57.8	\$50.7	\$52.6	\$49.1	\$47.6
Financial Statement Assets	\$128,037.7	\$120,799.0	\$97,372.7	\$112,724.9	\$114,043.5	\$128,889.4	\$112,723.1	\$106,319.2	\$83,947.5

1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
864,460	867,731	862,498	860,427	867,927	877,884	882,410	859,729	829,243	796,177	787,860
590,130	605,544	601,710	602,133	615,114	638,049	649,847	633,468	607,649	580,474	578,174
553,649	569,298	566,320	567,223	580,158	602,433	614,392	598,381	573,152	546,772	545,851
225,771	238,760	239,412	241,538	247,209	260,156	268,947	262,648	253,836	244,250	233,851
118,055	120,517	120,186	120,819	125,168	129,158	130,614	126,729	119,679	112,838	107,375
19,410	20,283	20,699	20,792	21,890	22,982	23,530	23,109	22,648	21,814	21,018
33,997	34,349	34,316	34,474	35,413	36,251	36,615	35,472	33,714	32,055	30,795
10,939	11,057	11,067	11,137	11,388	11,671	11,867	11,636	11,174	10,634	10,078
58,582	59,080	58,057	56,906	56,456	57,292	57,420	54,657	50,824	47,288	43,513
86,895	85,252	82,583	81,557	82,634	84,923	85,399	84,130	81,277	77,893	74,301
36,481	36,246	35,390	34,910	34,956	35,616	35,455	35,087	34,497	33,702	32,323
5,793	5,866	5,692	5,787	5,603	5,689	5,586	5,424	5,229	4,966	4,367
6,542	6,278	5,904	5,565	5,715	6,089	6,211	6,486	6,459	6,441	6,010
12,923	12,919	12,761	12,682	12,808	12,992	12,999	12,855	12,721	12,585	12,447
4,170	4,077	4,050	3,987	3,989	3,965	3,862	3,725	3,604	3,440	3,297
4,967	4,967	4,862	4,922	4,874	4,853	4,747	4,540	4,444	4,250	4,026
2,086	2,139	2,121	1,967	1,967	2,028	2,050	2,057	2,040	2,020	1,820
84,015	96,299	101,254	107,383	115,086	129,525	139,420	149,243	158,387	167,478	179,104
41,631	45,716	47,778	49,846	52,871	56,040	58,958	60,798	62,421	63,942	67,956
428,003	427,283	417,288	409,994	412,201	416,868	416,014	388,340	352,344	315,352	298,791
6,872	7,439	8,005	9,009	10,204	11,601	12,734	13,908	15,201	16,375	17,588
29,609	28,807	27,385	25,901	24,752	24,015	22,721	21,179	19,296	17,327	14,735
274,330	262,187	260,788	258,294	252,813	239,835	232,563	226,261	221,594	215,703	209,686
251,442	239,727	238,729	237,059	232,484	220,579	214,206	208,791	205,051	200,175	195,175
22,888	22,460	22,059	21,235	20,329	19,256	18,357	17,470	16,543	15,528	14,511
2,779	2,765	2,752	2,731	2,724	2,743	2,715	2,670	2,630	2,647	2,633
2,773	2,760	2,748	2,727	2,720	2,708	2,687	2,638	2,617	2,610	2,600
675	674	672	672	669	666	658	656	653	654	627
\$2,877.9	\$2,527.9	\$2,393.7	\$2,267.9	\$2,067.7	\$1,834.2	\$1,670.4	\$1,579.1	\$1,381.9	\$1,275.8	\$1,157.0
2,639.8	2,357.8	2,216.6	2,082.5	1,884.8	1,647.5	1,485.2	1,359.3	1,234.2	1,130.0	1,012.5
140.0	107.3	112.0	115.1	105.2	103.9	99.0	101.2	96.5	92.1	87.0
98.1	62.8	65.1	70.3	77.7	82.8	86.2	118.6	51.2	53.7	57.5
19,578	9,613	9,651	11,409	19,573	12,703	12,201	11,255	11,063	12,036	13,109
1,092	1,068	1,062	1,033	1,162	1,306	1,155	1,266	1,357	1,161	1,284
1,235	1,183	1,413	1,367	1,445	1,647	1,328	1,190	1,075	978	905
\$776.9	\$315.1	\$530.1	\$369.8	\$356.8	(\$72.4)	\$412.2	\$759.4	\$1,321.3	\$1,174.1	\$1,276.9
521.8	47.2	337.2	140.9	181.2	(188.2)	284.5	573.7	1,102.6	978.4	1,026.6
219.3	237.8	158.2	198.9	175.6	91.8	82.6	139.2	180.3	150.0	206.5
35.9	30.1	34.7	30.0	0.0	24.0	45.1	46.5	38.4	45.6	43.8
2.2%	0.7%	0.7%	0.6%	0.4%	0.3%	3.6%	3.7%	9.7%	9.4%	10.4%
13.0%	13.9%	11.3%	14.0%	11.5%	7.8%	8.3%	8.5%	14.8%	13.3%	19.8%
\$341.9	\$334.0	\$307.5	\$284.1	\$287.0	\$255.3	\$229.9	\$194.7	\$188.5	\$151.2	\$132.3
338.5	331.6	306.0	282.8	284.2	254.3	228.6	193.2	187.0	151.0	132.0
3.5	2.4	1.5	1.3	2.8	1.0	1.3	1.5	1.5	0.2	0.3
\$74,827.9	\$63,406.6	\$58,416.8	\$56,428.9	\$51,925.8	\$48,945.5	\$45,189.3	\$40,280.6	\$35,812.5	\$35,621.8	\$29,781.6
42,818.4	34,775.2	31,357.7	29,953.5	25,480.2	23,751.5	21,120.3	18,478.6	16,333.9	18,297.2	14,217.1
25,709.5	22,771.6	21,279.0	20,788.5	20,452.4	19,192.6	18,383.1	16,445.4	14,600.4	12,729.5	11,892.5
1,736.3	1,836.6	1,932.3	2,120.7	2,314.8	2,612.9	2,460.4	2,595.2	2,647.9	2,660.6	2,614.0
1,092.8	983.8	1,036.5	937.5	1,128.0	1,049.6	1,472.3	1,506.8	1,577.5	1,278.0	679.9
2,067.3	1,937.0	1,664.0	1,554.7	1,343.6	1,263.7	786.6	631.7	0.0	0.0	0.0
1,403.6	1,102.4	1,147.3	1,074.0	1,206.7	1,075.2	966.6	623.0	216.4	38.4	34.4
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	436.4	618.1	343.6
21.8%	8.8%	6.9%	12.5%	10.7%	11.7%	13.9%	13.4%	1.6%	17.8%	24.0%
12.9%	4.8%	9.0%	9.2%	9.0%	9.3%	9.2%	10.2%	9.6%	10.2%	10.4%
29.7%	12.4%	5.1%	15.3%	11.5%	14.0%	17.7%	18.0%	-8.6%	24.9%	39.2%
\$46.6	\$43.8	\$39.7	\$36.9	\$36.6	\$36.7	\$34.0	\$30.7	\$31.8	\$34.4	\$29.3
\$77,452.8	\$65,413.3	\$60,121.7	\$58,049.7	\$53,711.2	\$50,538.7	\$47,147.0	\$42,867.5	\$38,508.2	\$38,239.9	\$33,068.0



New York State and Local Retirement System
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Alan G. Hevesi