

New York State and Local Retirement System
2011 Comprehensive Annual Financial Report
For Fiscal Year Ended March 31, 2011

A pension trust fund of the State of New York

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New York State and Local Retirement System

Employees' Retirement System
Police and Fire Retirement System

A pension trust fund of the State of New York



Prepared by the staff of the
New York State and Local Retirement System
110 State Street • 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, 2010

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.



President

Executive Director



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2010***

Presented to

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In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in cursive script that reads "Alan H. Winkle".

Alan H. Winkle
Program Administrator

Letter of Transmittal

September 2011

I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the New York State and Local Retirement System (the System) for the fiscal year ended March 31, 2011. Responsibility for both the accuracy of the data, and the completeness and fairness of the report, including all disclosures, rests with the System. All disclosures necessary and required to enable the public and the financial community to gain an understanding of the System's financial activities have been included.



We believe the enclosed financial statements and data are fairly presented in all material respects and are reported in a manner designed to accurately present the financial position and results of the System's operations. Further, this report is intended to provide complete and reliable information as a basis for making management decisions, adhering to, and complying with, legal provisions and ensuring responsible stewardship of the System's assets.

The CAFR is presented in five sections: introduction, financial, investment, actuarial and statistical. The introduction includes this transmittal letter, a listing of prominent individuals from the world of financial services, business, government and labor who help ensure the successful operation of the System, an organization chart and an overview of the System's operations.

The financial section was prepared to conform with generally accepted accounting principles (GAAP) for governmental units, as set forth by the Governmental Accounting Standards Board (GASB), as well as the reporting requirements prescribed by the Government Finance Officers Association of the United States and Canada (GFOA). GAAP are uniform minimum standards of, and guidelines for, financial accounting and reporting. They are the framework within which financial transactions are recorded and reported, resulting in financial statements that provide comparability between government entities, consistency between accounting periods and reliability for both internal and external users of financial statements.

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 financial section features a Management's Discussion and Analysis (MD&A). GASB requires that the System provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of an 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 auditors.

The investment section provides an overview of the System's investment program and other portfolio information. The actuarial section details the System's funding status and presents other actuarial information. Lastly, the statistical section includes financial and demographic information, typically presented on a multi-year basis.

The System was awarded a Certificate of Achievement for Excellence in Financial Reporting from GFOA for its CAFR for the fiscal year ended March 31, 2010. The Certificate of Achievement is a prestigious national award recognizing excellence in the preparation of state and local government financial reports. GFOA awards these certificates to those governments whose comprehensive annual financial reports meet or exceed the association's strict criteria. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards and which satisfies both generally accepted accounting principles and applicable legal requirements.

The System has received this prestigious award for each of the past seven years. We believe that our current report continues to meet the Certificate of Achievement program requirements and are submitting it to the GFOA for consideration again this year.

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

With more than one million participants, the System is one of the largest in the nation. Significantly, while the average public retirement system administers eight plans, the System has 292.

The System offers retirement benefits for members who reach specific ages or have completed a specified number of years of service, as well as disability and death benefits, depending on the system and plan in which they are enrolled. At the end of fiscal year 2010-11, there were a total of 1,057,754 members, retirees and beneficiaries, and 3,039 participating employers.

This letter was also prepared to draw your attention to some of the highlights of the System's operations for the 2010-11 fiscal year, thereby enabling you to gain a reasonable understanding of the System's financial affairs, as well as its internal controls, for this period.

Funding

The System's funding objective is to meet long-term benefit promises through employer contributions that remain level as a percentage 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.

A funded ratio is a measure of assets to liabilities. A ratio of 100 percent indicates employer contributions will approximate the expected long-term rates. If a funded ratio is above 100 percent, employer contributions will generally be less than the expected long-term rates while employer contributions will generally be more than the expected long-term rates if a funded ratio is below 100 percent.

As of April 1, 2010, the funded ratio of ERS was 93.9 percent, while the funded ratio of PFRS was 96.7 percent.

A detailed discussion of the System's funding is provided in the actuarial section of this report.

Investments

Our investment policies are specifically designed to maximize returns while controlling risk, enabling the Fund to meet both its current and future commitments. Obviously, we are still recovering from the 2008-09 financial downturn, but we handled the recession better than most pension funds precisely because we never lost sight of our most important objective — to keep the Fund adequately funded.

We typically target investing 30 percent of our assets in fixed income (bonds and TIPS) and 70 percent in equity, including domestic and international public equities as well as real estate, absolute return strategy and private equity investments. This diversified strategy protects our members and New York's taxpayers. A strategy based solely on fixed income investments would have resulted in a \$57 billion decrease in the Fund's value over the past 20 years, according to an analysis released by my office last October. Investing only in fixed income assets would have had a devastating effect on the Fund and on taxpayers, who would have paid an extra \$33 billion to keep the Fund at its current level.

With a strategy of diversification and value investing combined with a long-term perspective, the Fund remains one of the strongest in the nation. In fact, last August, *Governing Magazine* characterized us as “the nationwide pension leader.”

In the past year, the Fund returned 14.6 percent.

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. Since the objective of internal control is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements, we have designed, implemented and maintain 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, 2011 adequately safeguard the System's assets and provide reasonable assurance regarding the proper recording of financial transactions.

Programs and Initiatives

A new law giving local governments the option to pay a portion of their annual pension contribution over ten years was enacted last year. This employer contribution stabilization program gives localities, whose budgets are already strained, the option to lessen the impact increased costs could have on local taxpayers. Localities choosing to participate in this program must also build reserve accounts during periods of decreased contribution rates. The reserve accounts would be used to lessen the budgetary impact of future rate hikes.

To ensure the Fund remains adequately funded, I have accepted the recommendation from the Retirement System Actuary and our Actuarial Advisory Committee to lower the assumed investment rate of return to 7.5 percent. This is the average annual return we expect to earn on investments. Most states use an 8 percent rate. Our new assumption for the investment rate of return is more fiscally conservative than the national average for public pension funds and more conservative than the average for the top 100 private U.S. pension funds, according to Milliman's 10th Annual Pension Funding Study.

By law, we are required to review the assumption for the investment rate of return on the Fund's investments every five years. In practice, we review it every year. We will continue this practice because we never want to have a funding shortfall that drives up costs and make already tough budget decisions even tougher.

Other key initiatives and programs are highlighted in the report from the Executive Deputy Comptroller for the Retirement System.

Acknowledgments

I would like to express my gratitude to the staff in the Divisions of Retirement Services and Pension Investment and Cash Management. Without their combined efforts, this report would not be possible. I also wish to convey my sincere appreciation to the members of my advisory councils and committees for their dedicated service, dependability, guidance and commitment to serving the System's members. I appreciate their continued support and trust.

I am confident you will find this report to be a full accounting of the System.

Sincerely,



Thomas P. DiNapoli
State Comptroller

Administrative Organization

Advisory Committees

Advisory Council for the Retirement System

Honorable Peter J. Abbate, Jr.

Chairman
Assembly Governmental Employees Committee
New York State Assembly

Stephen J. Acquario

Executive Director
New York State Association of Counties

Peter A. Baynes

Executive Director
New York State Conference of Mayors

Heather Briccetti

Acting President & CEO
Business Council of New York State, Inc.

Kenneth D. Brynien

President
New York State Public Employees Federation

Honorable Martin J. Golden

Chairman
Senate Civil Service and Pensions Committee
New York State Senate

G. Jeffrey Haber

Executive Director
Association of Towns of the State of New York

Denis M. Hughes

President
New York State AFL-CIO

Gary Johnson

Director
Governor's Office of Employee Relations

Don Kelly

Director of Research
Civil Service Employees Association

Timothy G. Kremer

Executive Director
New York State School Boards Association

Louis J. LaCapra

Chief Administrative Officer
Port Authority of New York and New Jersey

Jim Lyman

Executive Director
Council 82, AFSCME

Michael McManus

President
Professional Fire Fighters Association

Joel H. Moser

Partner
Bingham McCutchen, LLP

Andrew Pallotta

Executive Vice President
New York State United Teachers

Donn Rowe

President
New York State Correctional Officers &
Police Benevolent Association

Raymond Santander

Assistant Director
AFSCME District Council 37

Advisory Council for the Retirement System
(continued)

Richard Wells

President
Police Conference of New York, Inc.

Tom Willdigg

President
New York State Association of P.B.A.s

Stanley Winter

President
Retired Public Employees' Association

Barbara Zaron

President
New York State Organization of
Management Confidential Employees

Investment Advisory Committee

Wale F. Adeosun

CEO & Chief Investment Officer
Kuramo Capital Management

Amy Chen

Chief Investment Officer
Smithsonian Institution

Timothy C. Collins

CEO & Senior Managing Director
Ripplewood Holdings, LLC

Jacques Jiha, Ph.D.

Executive Vice President, COO & CFO
Earl G. Graves, LTD/Black Enterprise

Hugh Johnson

Chairman & Chief Investment Officer
Johnson Illington Advisors, LLC

Douglas Phillips

Senior Vice President
Institutional Resources
University of Rochester

Raymond D. Potter

Managing Director, Head: International Fixed Income
& Emerging Markets Group
Hapoalim Securities USA, Inc.

R. Charles Tschampion

Director, Special Projects
CFA Institute

Arthur Zeikel

Merrill Lynch Asset Management (Retired)

Real Estate Advisory Committee

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Principal

AM Connell Associates, LLC

Louis M. Dubin

President & Chief Executive Officer

Resolution Asset Management Co./

A Subsidiary of Cantor Fitzgerald

G. Gail Edwards

President

JH Investments, Inc.

Jo Ann Hanson

President

Avanti Real Estate Corporation

Glenn M. Johnson

Chief Investment Officer

Northland Investment Corporation

Everett B. Miller, III

Vice President — Alternative Investments

YMCA Retirement Fund

David H. Peirez, Esq.

Senior Partner

Reisman, Peirez & Reisman, LLP

Barry S. Seidel

Chief Operating Officer

Resolution Asset Management Co./

A Subsidiary of Cantor Fitzgerald

Julien J. Studley

Principal

Studley New Vista Associates

Alan C. Sullivan

Senior Vice President

The DeMatteis Organization

Actuarial Advisory Committee

Jeremy Brown

Executive Vice President & Chief Actuary

Mutual of America Life Insurance Company

Armand DePalo

(Retired)

Michael Heller

Vice President — Actuarial Consulting Services

Teachers Insurance and Annuity Association —

College Retirement Equities Fund

Stanley Talbi

Executive Vice President

Metropolitan Life Insurance

Audit Advisory Committee

Eugene Farley

Director, M.S. in Accounting Program

Siena College

Gary Johnson

Director

Governor's Office of Employee Relations

Alan Lubin

Executive Vice President

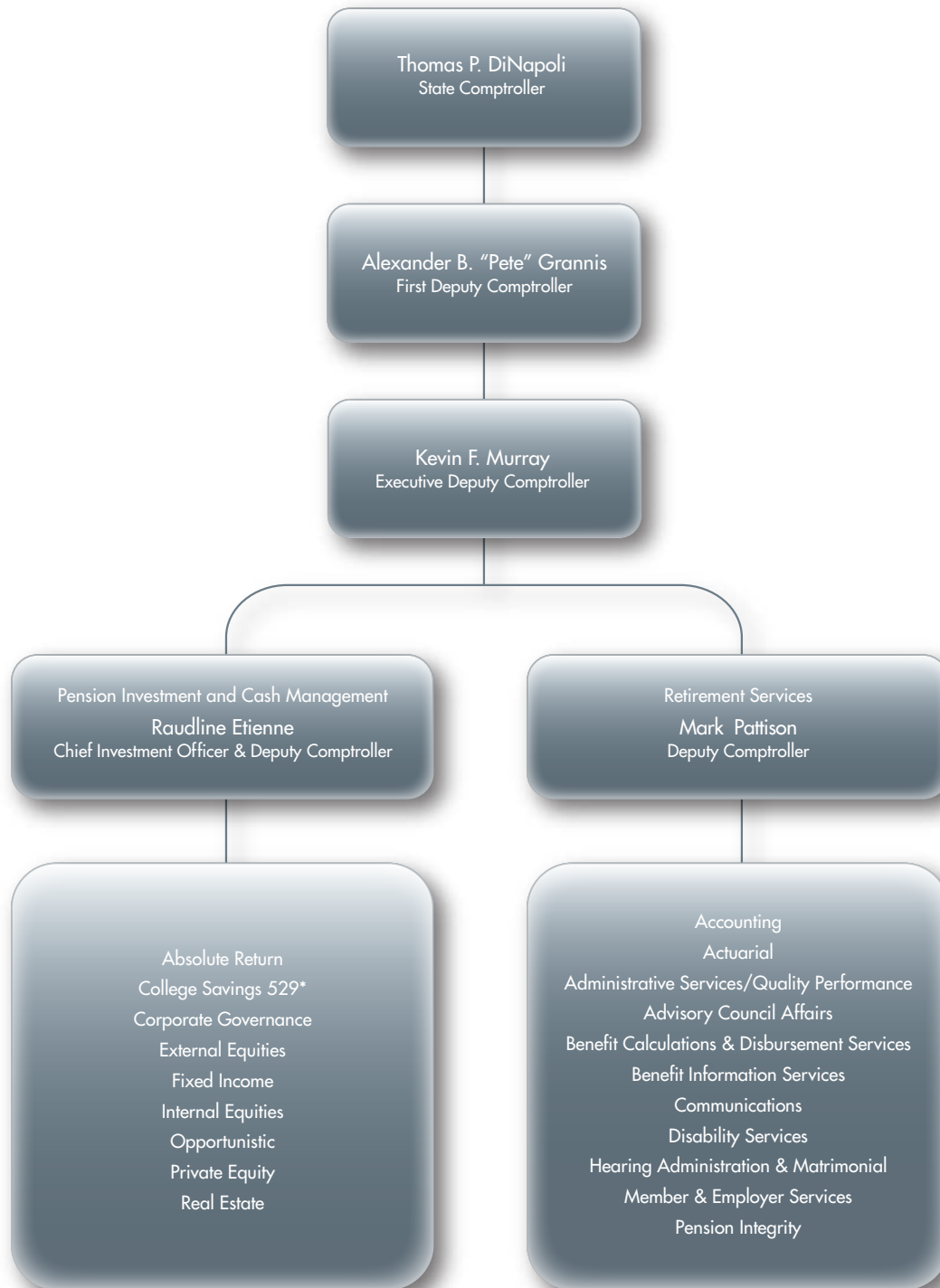
New York State United Teachers

Stanley Winter

President

Retired Public Employees' Association

New York State and Local Retirement System Organization Chart



* College Savings 529 is an independent program within OSC.

Notes:

Information regarding investment managers and consultants can be found in the Investment Section on pages 85, 88 and 92-98. Information regarding consultants other than investment advisors can be found on page 58 in the Financial Section.

Overview of Retirement Operations

Report from Executive Deputy Comptroller Kevin F. Murray

“
 Some people,” *Ronald Reagan once said*, “wonder all their lives if they’ve made a difference.”
It is my belief that the work we do here at the Retirement System indeed makes a difference in the lives of our members, retirees, beneficiaries and employers.

During fiscal year 2010-11, we experienced an unprecedented increase in retirement applications filed as a result of two early retirement incentives. The first incentive was for eligible ERS members represented by New York State United Teachers; the second was a two-part program which electing employers could make available to all ERS members who met eligibility requirements.

Our Benefit Calculations & Disbursement Services Bureau (BC&DS) processed 30,772 retirement applications in 2010 — 12,000 were attributed to the incentive. This total far exceeded the largest previously recorded single year total of 24,371 applications in 2002.

For the past two decades, BC&DS processed, on average, just under 400 applications per week — or approximately 20,000 applications per year. In 2010, however, BC&DS processed 1,000 cases a week for seven straight weeks during August and September alone. The incentive will also impact BC&DS during fiscal year 2011-12 as the bureau continues to process incentive-related applications.

The incentive proved just as demanding for other System staff. Our Employer Education and Participation unit, one of the primary contacts between the Retirement System and employers, fielded employers’ questions about adopting the incentive, targeting positions and eligibility requirements. In addition, between mid-June and the end of July, the six-person staff sent 654 separate lists of eligible members to employers and as of mid-November, processed some 734 resolutions from employers.

During the 2011 fiscal year, our Benefit Information Services (BIS) bureau answered 415,077 calls. That’s especially impressive considering we received over 235,000 more phone calls than in the 2010 fiscal year as a result of the incentive. Additionally, the number of email inquiries completed by BIS staff jumped from 19,875 to 23,899, an increase of over 20 percent. The number of benefit projections completed also rose, from 25,628 to 33,180, a 30 percent increase. Finally, the number of customers interviewed at our consultation sites increased to just over 48,700 — a 33 percent rise from the 36,400 customers we saw at these sites in the prior fiscal year.

As a result of the additional consultations, phone calls and emails, members were made aware of service for which they could receive credit, significantly increasing our inventory of pending requests for previous service credit.

The time period to file for retirement under the incentive ended December 31, 2010. Unlike previous incentives, however, retirement applications continue to be filed at the same rapid rate as during the incentive.

Despite the challenges presented by the incentives, we accomplished a considerable amount of work on other important projects and initiatives during the past fiscal year. The following summary of our efforts demonstrates our continuing commitment to making a difference in the lives of our members, pensioners, beneficiaries and employers.

Summary of Major Projects and Initiatives

New Policy to Protect Members' Social Security Numbers

A Social Security Number Usage policy, designed to eliminate the use of members' Social Security numbers (SSN) except when absolutely necessary, was developed to support Comptroller DiNapoli's Executive Order on Information Protection and Security. For example, the 1099s we issued this year displayed only the last four digits of each recipient's Social Security number. The change was part of a new Internal Revenue Service (IRS) pilot program. By minimizing the use of SSNs, the policy prevents unauthorized access to the personal and private information entrusted to our care.

As a result of the policy, we are encouraging members to use their registration number and retirees to use their retirement number when contacting us. To help ensure these unique identifying numbers would always be handy, this year we included an Identification Card in each Annual Statement. The cards, which contain the unique registration or retirement number of the individual, could be clipped out and saved in a secure and easily accessible place.

We will always have a business need for Social Security numbers, but by limiting their use, we are helping protect our members' and retirees' personal information — a responsibility we take very seriously.

Our Redesigned Website

Last May, we launched a major redesign of our website with the primary goal of making important information easier to find. The new site is easier to navigate and the content is more interactive, resulting in a more interesting and useful web experience for our customers. In fact, we conducted extensive usability testing on the redesigned site before it was launched. This testing has helped to ensure customer satisfaction with the new site.

Because we are continually striving to improve the experience for all of our users, one of the most significant additions was a search function that checks only Retirement website pages. Previously, the search also returned unrelated results from other divisions' pages within the Office of the State Comptroller (OSC) website.

Also, since we are committed to making the New York State and Local Retirement System's website accessible to everyone, our website complies with the guidelines for accessible web design in accordance with the Americans with Disabilities Act, the World Wide Web Consortium (W3C) and Section 508 of the United States Rehabilitation Act.

We believe the Retirement System's website is now much simpler to navigate and use, making it easier for all of our members, retirees and employers to locate, retrieve and exchange vital information.

Backfile Conversion / Scanning Project

The Retirement System has seen its fair share of paper file folders accumulate over the course of the last nine decades. At our Riverview Center alone, there are more than two million folders containing records of current and previous members and retirees.

Unfortunately, paper documents are a stumbling block in today's fast-paced digital workplace. Since staff access to this paper-based folder system can be cumbersome, scanning member folders and converting them to electronic files is more efficient and cost-effective.

Consequently, in 2005, we began the transition from paper to electronic records when we launched our Scanning & Imaging initiative. By 2007, we successfully completed a pilot program and implemented a system that enables us to scan, store and electronically view membership information. Since then, all new registrations are scanned as we receive them.

Last October, the Retirement System began the next step in the process — the backfile conversion — when we signed a contract with the New York State Industries for the Disabled (NYSID). NYSID has begun to scan and index the millions of documents stored at Riverview. By converting our paper to electronic images, we are taking advantage of improved technology that will ultimately better serve both our members and employers.

A Redesign of How We Work

For the past several years, we have been taking a close look at how we process our daily work to discover new ways to do it even better. These efforts, combined with a review of best practices employed by other retirement systems across the country, have helped us identify ways to redesign our work processes. We now look forward to installing state-of-the-art technology to support those processes.

Part of this redesign is a new information system to replace our current one, which we installed more than a quarter-century ago. Accordingly, we are now preparing to find a vendor to implement a solution that will meet our business and technical requirements. The end result will be a more modern, efficient and responsive Retirement System.

Commitment to Customer Service

When we improve our work processes, we not only reduce costs, but we improve our customer service, too. Over the last year, we have made a number of changes that have simplified paperwork, streamlined workflow and increased our efficiency. In turn, these changes improved our ability to meet our customers' needs.

For instance, the video conferences that our Hearing Administration & Matrimonial Bureau conducts are an example of us trying to do what's best for our members. When a member believes that his or her benefit was incorrectly calculated, that person is entitled to a hearing as expeditiously as one can be arranged. More and more frequently, these hearings are being held for the convenience of our members by video conference.

Our hearings are held in Albany, Binghamton, Buffalo, Mineola, Manhattan, Poughkeepsie, Rochester, Syracuse, Hauppauge, Watertown and White Plains, and most of these locations now connect to Albany by video. In fact, 613 of all the hearings that we held last year — some 73 percent — were conducted in this manner.

In addition, the Hearing Administration & Matrimonial Bureau put forward a new regulation designed to ensure that hearings could be conducted promptly. The bureau showed a substantial improvement in hearing administration efficiency, reducing open cases by 59 percent since the regulation became effective in 2009.

Similarly, our Disability Services Bureau reduced its backlog of applications by 19 percent. This was possible because of a number of steps the bureau took to address the situation, including compiling a list of best practices to assist examiners in developing good work habits; concentrating on closing older cases that had not been finalized and placing a greater emphasis on referring cases to the Medical Board for advice on whether they could be approved without having the applicant examined by an independent medical evaluator.

Tier 5 Work Continues

The December 2009 legislation that resulted in a new Tier 5 created extra work that affected just about all Retirement System staff. In fact, a Tier 5 Team, composed of subject experts from most of our bureaus, continues to meet on a regular basis to carry out the work necessary to implement Tier 5.

The team's first-year accomplishments were impressive. New members could be registered on the first day Tier 5 was effective, and information and contributions reported by employers could be posted to members' accounts in a timely manner. Other accomplishments included a new computer application identifying Uniformed Court Peace Officer (UPCO) members, in order to update their plan and contribution status, changes to several member business processes (e.g., previous service and withdrawals) and revisions to numerous forms, applications and letters.

While we expect it will take a full three years to make all the changes necessary to our business processes as a result of Tier 5, the extraordinary degree of inter-bureau cooperation achieved and work already completed bode well for the future.

New Online Service for Employers

As part of our ongoing attempt to find new and better ways to help our participating employers, we introduced the latest in our series of online programs last May. The Elected and Appointed Officials Reporting (EAOR) program allows non-State employers to send us the Standard Work Day and Reporting Resolution and Affidavit of Posting electronically, rather than mail hard copies. Filing copies of these documents is required by Regulation 315.4, which defines the process of determining and reporting time worked by elected and appointed officials to ensure service credit accurately represents time worked.

New Laws Affecting Members and Retirees

Employer Contribution Stabilization Program

Chapter 57 (Laws of 2010) established the Contribution Stabilization plan, an optional program allowing employers to pay a portion of their annual contribution to the Retirement System over time when contribution rates exceed a certain percentage. If the System average rates decrease, employers in the program will make payments higher than the System average.

Under this program, no money is being taken from the Fund and neither the calculation of future contribution rates, nor the System's funded ratio, is affected.

Early Retirement Incentives

Chapter 45 (Laws of 2010) enabled Tier 2, 3 and 4 Employees' Retirement System members in positions represented by the New York State United Teachers (NYSUT) to retire before age 62 without penalty if they were at least age 55 and had 25 years of service credit. For members employed by school districts, this early retirement option provided for a retirement period between June 1 and August 31, 2010; for members in public higher education, it provided for a different three-month period ending no later than December 31, 2010.

Chapter 105 (Laws of 2010) enacted a two-part early retirement incentive. Participating employers could elect to offer incentives to their ERS members under Part A, Part B or both. Part A provided one month of additional service credit for each year of service at retirement (not including sick leave or Article 19 credit), not to exceed three years, for eligible ERS members. Part B enabled eligible Tier 2, 3 and 4 ERS members to retire at age 55 after 25 years of service with no reduction in benefits.

Improved Death Benefit

Chapter 525 (Laws of 2010) allowed beneficiaries of State Police officers to receive an improved death benefit for those officers without 20 years of service credit but with enough unused vacation and sick time to reach 20 years of service. Chapter 525 was designed to be used for service retirements without regard to age.

Theodore Roosevelt once said, "Far and away, the best prize that life has to offer is the chance to work hard at work worth doing." Next year, we will again report about the worthwhile work Retirement System employees do all year long for our members and retirees.

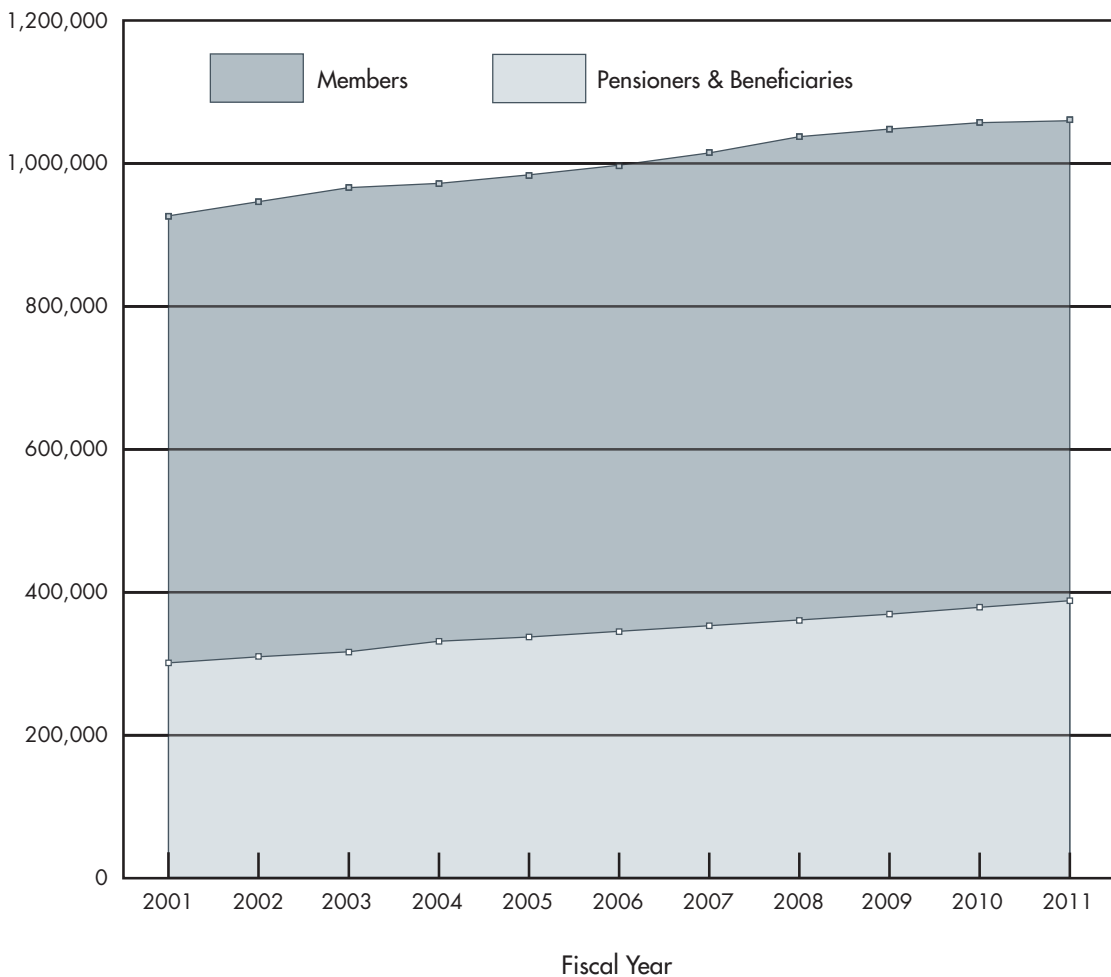
By the Numbers

Members and Retirees

Overall membership in the System is 1,057,754. This includes 672,723 members and 385,031 retirees and beneficiaries. The number of retirees is increasing more quickly than members. For example, in 1991, retirees represented 27 percent of the System's members. By fiscal year ending (FYE) 2011, that number had increased to approximately 36 percent.

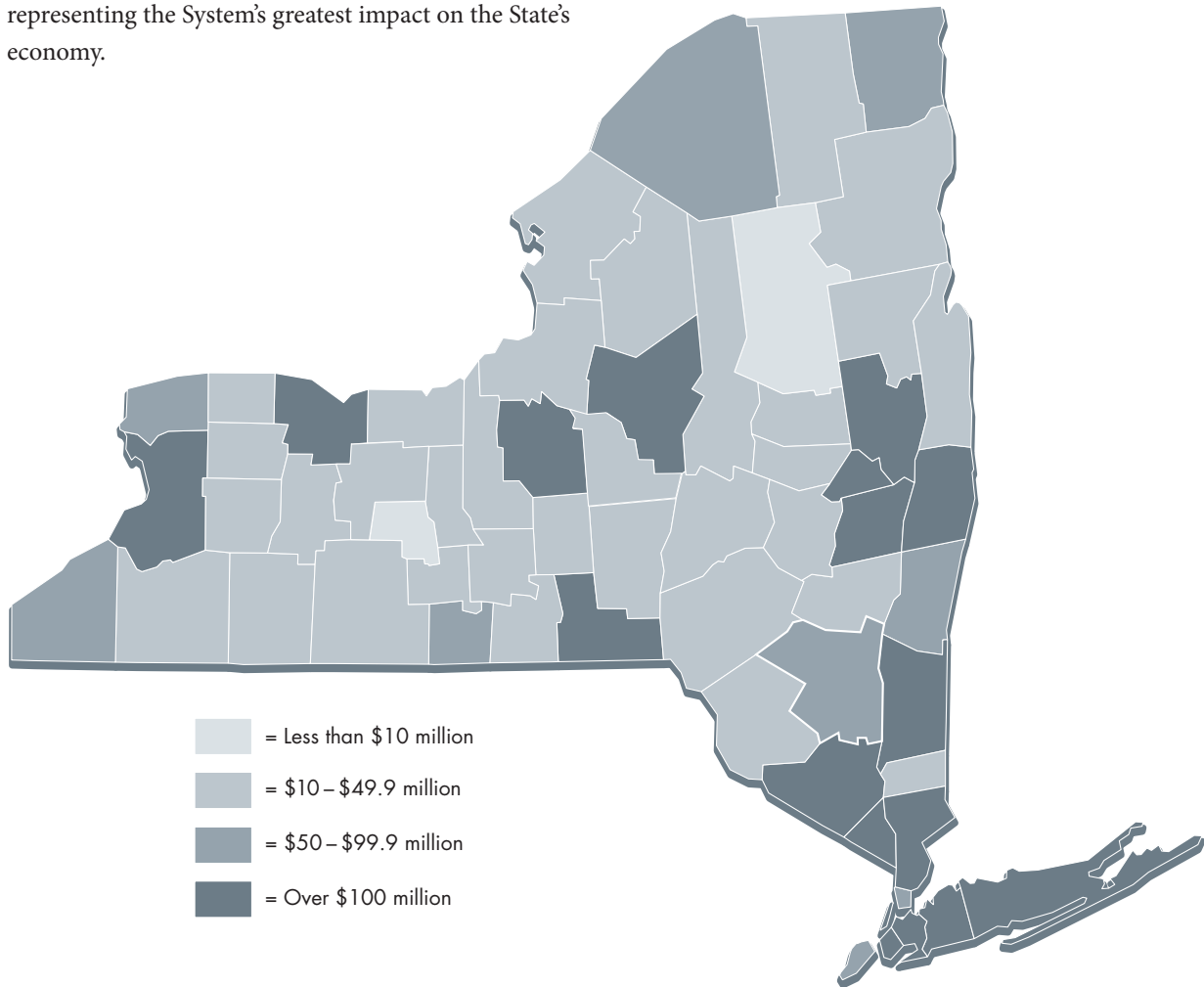
The value of the pension fund's net assets at the end of the fiscal year was \$149.5 billion.

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 2001, benefit payments were approaching \$4.2 billion, while this year's payments totaled more than \$8.4 billion.



Retirees in New York State

Of the 385,031 retirees and beneficiaries in the System, 299,423 (77 percent) remain New York State residents. As such, benefit payments nearing \$6.5 billion this year alone reach the State's communities and businesses, representing the System's greatest impact on the State's economy.



Annual Benefit Payments Within New York State

As of March 31, 2011.

County	Recipients	Annual Payments
Albany	15,910	\$ 408,837,207
Allegany	1,390	21,183,010
Bronx	3,136	68,832,967
Broome	6,572	107,488,679
Cattaraugus	2,946	48,512,118
Cayuga	2,499	47,065,493
Chautauqua	3,925	64,479,272
Chemung	2,961	56,538,831
Chenango	1,689	26,268,114
Clinton	3,350	70,214,299
Columbia	2,561	52,620,800
Cortland	1,459	23,662,403
Delaware	1,605	27,098,427
Dutchess	7,984	180,820,800
Erie	25,261	523,918,026
Essex	1,647	28,746,390
Franklin	2,219	40,574,767
Fulton	1,770	29,788,001
Genesee	1,788	31,213,649
Greene	2,039	42,623,581
Hamilton	365	6,248,711
Herkimer	1,987	30,026,582
Jefferson	2,710	48,198,475
Kings	4,809	112,677,640
Lewis	892	12,147,263
Livingston	2,409	44,800,492
Madison	2,088	34,376,648
Monroe	13,558	250,178,535
Montgomery	1,971	35,946,210
Nassau	19,677	530,051,530
New York	4,055	107,785,557
Niagara	5,043	94,366,477

County	Recipients	Annual Payments
NY Military	4	\$ 31,185
Oneida	8,394	158,581,728
Onondaga	11,322	210,322,273
Ontario	2,775	47,984,476
Orange	7,213	153,706,018
Orleans	1,217	19,771,617
Oswego	3,353	54,028,472
Otsego	1,873	29,057,655
Putnam	1,893	49,577,126
Queens	5,436	132,293,266
Rensselaer	7,323	175,239,215
Richmond	2,233	57,492,493
Rockland	5,822	140,098,058
Saratoga	8,149	195,800,161
Schenectady	6,835	159,595,701
Schoharie	1,268	24,101,995
Schuyler	694	11,765,933
Seneca	1,321	22,292,152
St. Lawrence	4,130	73,695,323
Steuben	2,773	46,692,348
Suffolk	29,119	764,309,215
Sullivan	2,388	48,407,891
Tioga	1,289	18,173,546
Tompkins	2,435	44,088,461
Ulster	4,627	88,335,015
Warren	2,347	44,107,428
Washington	2,215	41,763,050
Wayne	2,734	44,900,806
Westchester	13,701	350,560,777
Wyoming	1,614	30,340,295
Yates	651	9,803,698
Total	299,423	\$ 6,454,208,329

Annual Benefit Payments Within the United States

As of March 31, 2011.

State	Recipients	Annual Payments
Alabama	752	\$ 11,639,512
Alaska	58	757,511
Arizona	2,585	44,691,811
Arkansas	149	1,954,773
California	2,208	31,170,576
Colorado	693	10,262,465
Connecticut	1,912	36,801,514
Delaware	523	10,376,929
Florida	33,061	614,173,248
Georgia	3,056	51,735,382
Guam	1	2,947
Hawaii	112	1,892,908
Idaho	76	1,396,331
Illinois	340	4,583,556
Indiana	259	3,184,111
Iowa	67	783,395
Kansas	99	1,031,494
Kentucky	310	4,216,317
Louisiana	164	2,197,669
Maine	548	9,270,051
Maryland	1,277	20,487,196
Massachusetts	1,425	23,639,637
Michigan	336	4,318,765
Minnesota	137	1,928,228
Mississippi	199	2,883,715
Missouri	234	3,253,892
Montana	99	1,664,115

State	Recipients	Annual Payments
Nebraska	59	\$ 778,349
Nevada	1,314	26,642,953
New Hampshire	550	10,242,913
New Jersey	6,660	193,709,706
New Mexico	434	7,070,748
New York	299,423	6,454,208,329
North Carolina	7,262	130,565,546
North Dakota	11	101,172
Ohio	695	9,024,158
Oklahoma	167	1,985,115
Oregon	258	3,809,611
Pennsylvania	3,818	70,771,067
Puerto Rico	469	5,898,281
Rhode Island	214	3,196,951
South Carolina	4,184	80,257,725
South Dakota	69	1,086,200
Tennessee	1,251	22,596,080
Texas	1,744	26,383,539
Utah	112	1,683,951
Vermont	570	10,149,983
Virginia	3,451	58,254,107
Washington	430	6,573,962
Washington, D.C.	106	1,931,750
West Virginia	194	3,161,368
Wisconsin	141	2,165,116
Wyoming	61	1,062,867
Total	384,327	\$ 8,033,609,596

Annual Benefit Payments Outside the United States

As of March 31, 2011.

Total Recipients	Total Annual Payments
704	\$ 9,750,674

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Financial

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KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

The Trustee
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, 2011, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 present fairly, in all material respects, the plan net assets of the New York State Local Retirement System as of March 31, 2011, and changes in plan net assets for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 11, 2011, on our consideration of the System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and required supplementary information as listed in the accompanying table of contents are not a required part of the basic financial statements, but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

KPMG LLP is a Delaware limited liability partnership,
the U.S. member firm of KPMG International Cooperative
("KPMG International"), a Swiss entity.



Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the System. The accompanying additional supplementary information as listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The additional supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introduction, investment, actuarial, and statistical sections of this report have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

July 11, 2011

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, 2011 is intended to provide the reader with an analysis of the System's overall financial position. This Management's Discussion and Analysis 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 \$149.549 billion as of March 31, 2011. This amount reflects an increase of \$15.297 billion from the prior fiscal year. This change is primarily the result of the net appreciation of the fair value of the investment portfolio. Investment appreciation for the fiscal years ended March 31, 2011 and 2010 is \$16.741 billion and \$25.631 billion, respectively.

The System's funding objective is to meet long-term benefit obligations through member and employer contributions and investment earnings. The funded ratio is the ratio of actuarially determined assets against actuarial liabilities. The funded ratio for April 1, 2010 is: Employees' Retirement System (ERS) 93.9%, Police and Fire Retirement System (PFRS) 96.7%.

Retirement and death benefits paid this year totaled \$8.465 billion to 385,031 annuitants as compared to \$7.663 billion to 375,803 annuitants for last year. The increase is due to the number of new retirees.

Contributions from employers increased from \$2.344 billion last year to \$4.165 billion this year. The increase is due to the change in the employer billing rates and costs associated with the 2010 retirement incentives.

The System's investments reported a total positive return of 14.6% for the current year and a positive return of 25.9% for last year.

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 represents supplementary information required by the Governmental Accounting Standards Board. The additional supplementary information following the required supplementary information is also not required, but management has chosen to include such information.

The statement of plan net assets reflects the resources available to pay members, retirees and beneficiaries at the close of the System's fiscal year. This statement also 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, net appreciation or depreciation in fair value of 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 are an integral part of the basic financial statements and provide additional information about the plans of the System. Notes include a plan description, significant accounting policies, contributions, funding policy, System reserves, investment risk disclosure, derivatives, securities lending program, federal income tax status, commitments, and contingencies.

The required supplementary schedules include information about funding progress using the entry age normal funding method to approximate the funding status of the System. The aggregate actuarial funding method, which does not identify or separately amortize unfunded actuarial liabilities, is utilized by the System for funding purposes. In addition, employer contributions for the current year and the previous five years are reported.

The additional supplementary information includes schedules of administrative expenses, investment expenses, and consulting fees.

Analysis of Overall Financial Position of the System

The purpose of the System's investments is to provide for 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 in order to meet the current funding needs and future growth requirements of the pension liability. Equity related investments are included for their long-term return and growth characteristics, while fixed income and debt related investments are included in 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. It is important to note that the change from year to year is due not only to changes in fair values, but also to purchases, sales, and redemptions. Tables 1, 2, and 3 summarize and compare financial data for the current and prior years.

Table 1

Summary Schedule of Plan Net Assets as of March 31, 2011, as compared to March 31, 2010, follows:

	(In Thousands)			
	2011	2010	Dollar Change	Percentage Change
Assets:				
Investments	\$ 147,237,006	\$ 132,500,204	\$ 14,736,802	11.1 %
Securities lending collateral — invested	7,498,089	9,150,888	(1,652,799)	(18.1)
Receivables and other assets	4,179,904	3,508,556	671,348	19.1
Total assets	158,914,999	145,159,648	13,755,351	9.5
Liabilities:				
Securities lending obligations	7,678,952	9,335,281	(1,656,329)	(17.7)
Payables and other liabilities	1,687,496	1,572,635	114,861	7.3
Total liabilities	9,366,448	10,907,916	(1,541,468)	(14.1)
Net assets held in trust for pension benefits	\$ 149,548,551	\$ 134,251,732	\$ 15,296,819	11.4 %

The plan net assets of the System totaled \$149.549 billion as of March 31, 2011, an increase of \$15.297 billion from the prior fiscal year.

Table 2

Schedule of Invested Assets as of March 31, 2011, as compared to March 31, 2010, follows:

	(In Thousands)			
	2011	2010	Dollar Change	Percentage Change
Short-term investments	\$ 8,360,235	\$ 3,086,085	\$ 5,274,150	170.9%
Government bonds	21,417,207	24,105,872	(2,688,665)	(11.2)
Corporate bonds	9,620,648	9,620,194	454	-
Domestic equity	55,720,380	51,495,373	4,225,007	8.2
International equity	24,224,573	21,178,608	3,045,965	14.4
Private equity	14,915,133	12,799,735	2,115,398	16.5
Absolute return strategy investments	4,496,551	3,817,538	679,013	17.8
Real estate and mortgage loans	8,482,279	6,396,799	2,085,480	32.6
Total investments	\$ 147,237,006	\$ 132,500,204	\$ 14,736,802	11.1%

The largest percentage increases to the invested assets were in short-term investments and real estate and mortgage loans, which represent 5.7% and 5.8% of the portfolio, respectively. The increase in short-term investments and the decrease in government bonds are primarily related to Fund rebalancing initiatives. Increases in domestic and international equity, which represent 37.8% and 16.5% of the portfolio, respectively, collectively increased \$7.271 billion from the previous year.

Table 3

Summary Schedule of Changes in Plan Net Assets for the year ended March 31, 2011, as compared to the year ended March 31, 2010, follows:

	(In Thousands)			
	2011	2010	Dollar Change	Percentage Change
Additions:				
Net investment income	\$ 19,339,896	\$ 28,422,361	\$ (9,082,465)	(32.0)%
Total contributions	4,578,479	2,710,494	1,867,985	68.9
Total additions	23,918,375	31,132,855	(7,214,480)	(23.2)
Deductions:				
Total benefits paid	(8,520,223)	(7,718,872)	(801,351)	10.4
Administrative expenses	(101,333)	(100,029)	(1,304)	1.3
Total deductions	(8,621,556)	(7,818,901)	(802,655)	10.3
Net increase	15,296,819	23,313,954	(8,017,135)	(34.4)
Net assets held in trust for pension benefits – beginning of year	134,251,732	110,937,778	23,313,954	21.0
Net assets held in trust for pension benefits – end of year	\$ 149,548,551	\$ 134,251,732	\$ 15,296,819	11.4%

The change in net investment income is primarily attributable to the positive change in the value of the domestic and international equity portfolios. The increase in total contributions is attributable to the change in employer billing rates and costs associated with retirement incentives.

Economic Factors and Rates

The Common Retirement Fund posted strong investment performance during the 2010-11 fiscal year, with a net gain of 14.6%. This was the second year of positive performance following the fiscal crisis of 2008-09. All asset classes contributed to the positive Fund performance, with domestic equity returning 17.7%, international equity returning 13.4%, private equity returning 18.9%, real estate returning 26.7%, absolute return strategies returning 6.0%, fixed income returning 8.0%, and treasury inflation protected securities (TIPS) returning 9.7%.

The U.S. economy was again bolstered by the Federal Reserve's second round of quantitative easing announced in August 2010, at a level of \$600 billion, overcoming market fears regarding sovereign debt in Europe. The U.S. economy showed fairly modest growth, hampered by serious concerns about unemployment and housing foreclosures. Corporate profits showed solid strength but the near-term outlook remains uncertain.

Requests for Information

This financial report is designed to provide a general overview of the System's finances for all interested parties. 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. The report can also be accessed on the Comptroller's website at www.osc.state.ny.us/pension/cafr.htm.

Statement of Plan Net Assets – March 31, 2011

	(In Thousands)		
	Employees' Retirement System	Police and Fire Retirement System	Total
Assets:			
Investments (notes 2, 5 and 6):			
Short-term investments	\$ 7,099,939	\$ 1,260,296	\$ 8,360,235
Government bonds	18,188,588	3,228,619	21,417,207
Corporate bonds	8,170,347	1,450,301	9,620,648
Domestic equity	47,320,597	8,399,783	55,720,380
International equity	20,572,747	3,651,826	24,224,573
Private equity	12,666,694	2,248,439	14,915,133
Absolute return strategy investments	3,818,701	677,850	4,496,551
Real estate and mortgage loans	7,203,585	1,278,694	8,482,279
Total investments	125,041,198	22,195,808	147,237,006
Securities Lending Collateral – Invested (note 7)	6,367,761	1,130,328	7,498,089
Forward Foreign Exchange Contracts (note 6)	651,411	115,631	767,042
Receivables:			
Employers' contributions	1,215,537	129,427	1,344,964
Members' contributions	7,934	35	7,969
Member loans	1,064,266	1,848	1,066,114
Accrued interest and dividends	355,303	63,069	418,372
Investment sales	197,795	35,110	232,905
Other (note 2)	252,810	63,667	316,477
Total receivables	3,093,645	293,156	3,386,801
Capital assets, at cost, net of accumulated depreciation	22,132	3,929	26,061
Total assets	135,176,147	23,738,852	158,914,999
Liabilities:			
Securities lending obligations (note 7)	6,521,359	1,157,593	7,678,952
Forward foreign exchange contracts (note 6)	655,661	116,385	772,046
Accounts payable – investments	303,594	53,890	357,484
Accounts payable – benefits	355,128	32,193	387,321
Other liabilities (note 2)	148,511	22,134	170,645
Total liabilities	7,984,253	1,382,195	9,366,448
Net assets held in trust for pension benefits	\$ 127,191,894	\$ 22,356,657	\$ 149,548,551

See accompanying notes to financial statements.

Statement of Changes in Plan Net Assets

Year Ended March 31, 2011.

	(In Thousands)		
	Employees' Retirement System	Police and Fire Retirement System	Total
Additions			
Income from investing activities:			
Net appreciation in fair value of investments	\$ 14,219,167	\$ 2,521,388	\$ 16,740,555
Interest income	1,212,030	214,911	1,426,941
Dividend income	1,077,884	191,125	1,269,009
Other income	273,224	48,446	321,670
Less investment expenses	<u>(379,561)</u>	<u>(67,302)</u>	<u>(446,863)</u>
Total income from investing activities	16,402,744	2,908,568	19,311,312
Income from securities lending activities:			
Securities lending income	26,610	4,718	31,328
Securities lending rebates	365	65	430
Securities lending management fees	<u>(2,696)</u>	<u>(478)</u>	<u>(3,174)</u>
Total income from securities lending activities	24,279	4,305	28,584
Total net investment income	16,427,023	2,912,873	19,339,896
Contributions:			
Employers	3,622,638	541,933	4,164,571
Members	284,486	1,713	286,199
Interest on accounts receivable	28,559	8,627	37,186
Other	<u>73,171</u>	<u>17,352</u>	<u>90,523</u>
Total contributions	4,008,854	569,625	4,578,479
Total additions	20,435,877	3,482,498	23,918,375
Deductions:			
Benefits paid:			
Retirement benefits	(6,978,582)	(1,293,680)	(8,272,262)
Death benefits	(179,301)	(12,964)	(192,265)
Other, net	<u>(55,981)</u>	<u>285</u>	<u>(55,696)</u>
Total benefits paid	(7,213,864)	(1,306,359)	(8,520,223)
Administrative expenses	<u>(87,760)</u>	<u>(13,573)</u>	<u>(101,333)</u>
Total deductions	(7,301,624)	(1,319,932)	(8,621,556)
Net Increase	13,134,253	2,162,566	15,296,819
Net assets held in trust for pension benefits — beginning of year	114,057,641	20,194,091	134,251,732
Net assets held in trust for pension benefits — end of year	\$ 127,191,894	\$ 22,356,657	\$ 149,548,551

See accompanying notes to financial statements.

Notes to Financial Statements

Year Ended March 31, 2011

1. Description of Plans

The Comptroller of the State of New York serves as sole trustee of the New York State 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 Fund, which was established to hold all net assets and record changes in plan net assets allocated to the System. In these statements, GLIP amounts are apportioned to and included in ERS and PFRS.

System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL) and are guaranteed by the New York State (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 the State and its municipalities, other than New York City.

ERS and PFRS are cost-sharing multiple-employer defined benefit pension plans. The System is included in the State's financial report as a pension trust fund.

As of March 31, 2011 and 2010, the number of participating employers for ERS and PFRS consisted of the following:

	ERS		PFRS	
	2011	2010	2011	2010
State	1	1	1	1
Counties	57	57	4	4
Cities	61	61	61	61
Towns	911	910	205	205
Villages	492	492	376	376
Schools	700	700	-	-
Miscellaneous	794	790	34	34
Total	3,016	3,011	681	681

As of March 31, 2011 and 2010, the System membership for ERS and PFRS consisted of the following:

	ERS		PFRS	
	2011	2010	2011	2010
Retirees and beneficiaries currently receiving benefits	353,940	345,106	31,091	30,697
Active members	513,092	529,466	31,659	32,449
Inactive members	124,829	114,409	3,143	2,893
Total members and benefit recipients	991,861	988,981	65,893	66,039

(a) Membership Tiers

Pension legislation enacted in 1973, 1976, 1983 and 2009 established distinct classes of membership. For convenience, the System uses a tier concept to distinguish these groups, generally:

Tier 1

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

Tier 2

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, but before July 1, 2009.

Tier 3

ERS — Generally those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983; or PFRS — those persons who became members on or after July 1, 2009, but before January 9, 2010.

Tier 4

ERS — Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.

Tier 5

ERS — Generally those persons who first became members on or after January 1, 2010; or PFRS — those persons who became members on or after January 9, 2010 or were previously PFRS Tier 3 members who elected to become Tier 5.

Vesting

Members who joined the System prior to January 1, 2010 need five years of service to be 100% vested. Members who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) need ten years of service credit to be 100% vested.

(b) Benefits**(1) Tier 1 and Tier 2**

Most Tier 1 and Tier 2 members are in a plan with a 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 and 62 with less than 30 years of service receive reduced benefits. As a result of Article 19 of the RSSL, 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, 4 and 5

Except for Tier 3 and 5 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 of 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. Tier 3 and 4 members must be age 62 with five years of service or at least age 55 with 30 years of service to retire with full benefits. Reduced retirement benefits are available if retirement occurs between ages 55 and 62. Tier 5 members, with the exception of Uniformed Court Officers and Peace Officers employed by the Unified Court System must be age 62 with at least 10 years of service to retire with full benefits.

(3) Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit 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, they are provided 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 benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

2. Summary of Significant Accounting Policies

(a) 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. Employer contributions are recognized when due, pursuant to statutory requirements and formal commitments. Member contributions are based on when member salaries are earned and are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment sales and purchases are recorded on a trade-date basis. The amounts shown on the financial statements are allocated between ERS and PFRS based on each system's monthly average equity in the Fund.

(b) Method Used to Value Investments

Investments are reported at fair value. Fair value is defined as the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller. Due to the nature of investments, it is reasonable that changes in the value of investments will occur in the near future and changes could materially affect the amounts reported.

Stocks traded on a national or international exchange are reported at current quoted market values.

Bonds are primarily reported at fair 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.

Direct investments in real estate are valued based on independent appraisals made every three years or according to the fund agreement.

Real estate partnerships are reported at values provided by general partners. These values are based on discounted cash flows, comparative sales, capitalization rates applied to net operating income, or cost, if none of the preceding fit a property's attributes and strategy.

Private equity and absolute return strategy investments are reported at fair value as determined by the investment manager. Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, requires private equity investment managers to value nonpublic traded assets at current fair value, taking into consideration the financial performance of the issuer, cash flow analysis, recent sales prices, market comparable transactions, a new round of financing, a change in economic conditions, and other pertinent information. Fair value is determined using the best information available for a hypothetical transaction at the measurement date, not using forced sale or fire sale pricing.

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.

(c) 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 for loans issued during the fiscal year ended March 31, 2011 was 7%.

(d) Benefits Payable

Benefits payable represents payments due on account of death and retirement on or before March 31, 2011, for which final calculations had not been completed and paid as of that date.

(e) Other Receivables

Included in other receivables at March 31, 2011 is a promissory note in the amount of \$245.12 million from a real estate investment settlement that was due and payable in 2013. On June 22, 2011, this note was paid in full.

(f) Other Liabilities

Other liabilities include a cash managed balance, which represents disbursements issued on previous business days, which are funded when presented for payment at the issuing bank. Other liabilities total \$170.64 million, of which \$88.01 million represents outstanding checks. In addition, tax withholding payments due the Internal Revenue Service total \$63.83 million.

(g) 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. These estimates are subject to a certain amount of uncertainty in the near term, which could result in changes in the values reported for those assets in the statement of plan net assets. Because of the inherent uncertainty in privately held securities, the fair value may differ from the values that would have been used if a ready market for such securities existed, and the difference can be material. Estimates also affect the reported amounts of income/additions and expenses/deductions during the reporting period. Actual results could differ from these estimates.

(h) Recent Accounting Pronouncements

Effective March 31, 2010, the System adopted the Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement provides authoritative guidance related to the accounting and financial reporting of intangible assets, including internally generated software. Additional disclosures resulting from the implementation of this statement are presented in the Capital Assets section of this note.

The System implemented the provisions of GASB Statement No. 53, *Accounting for Derivative Instruments*, effective for fiscal year ended March 31, 2011. This statement establishes uniform financial reporting standards for derivative instruments. Additional disclosures resulting from the implementation of this statement are presented in Note (6).

(i) Other Income

Included in other income is \$32.9 million, which represents amounts received from settlements by the Attorney General of the State of New York pursuant to the Martin Act. There may be future settlements; however, amounts are unknown and management of the System believes there will be no material effect on the basic financial statements.

(j) Capital Assets

Capital assets are capitalized at cost and depreciated on a straight-line basis over the related assets' estimated useful lives.

During the fiscal year ended March 31, 2011, the System began capitalizing outlays associated with its data imaging, filing, and storage system. This project is currently ongoing and is expected to be completed in fiscal year ending 2017, at which time amortization of the capitalized costs will begin.

(k) Contributions Required

Participating employers are required under RSSL 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, 2011, the applicable interest rate was 8%.

(l) System Expenses

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

(m) Required Contribution Rates

Tier 3, 4 and 5 members must contribute 3% of their salary. As a result of RSSL Article 19, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Less than 1% of other members are contributory. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began.

(n) Retirement Incentives

During the fiscal year ended March 31, 2011, retirement incentives were offered to members of ERS under RSSL Chapter 105 of the Laws of 2010. This legislation allows for either a lump-sum payment from employers or a five year amortization. The estimated contribution receivable from participating employers and the State is included in the Contributions Receivable note below.

(o) Contributions Receivable

Employers' contributions receivable are presented net of withdrawals, refunds, advance employer payments, and credits due employers. Receivable amounts from participating employers include \$293.37 million for amortization of retirement incentives, new plan adoptions and retroactive membership. Receivable amounts from the State for other amortizations total \$323.21 million.

RSSL 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 the State as of March 31, 2011 is \$229.44 million and from participating employers is \$48.46 million.

RSSL 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 2006 that exceeded 9.5% of payroll. The amortized amount receivable from the State as of March 31, 2011 is \$87.68 million and from participating employers is \$17.17 million.

RSSL Chapter 260 of the Laws of 2004 authorized local employers to amortize over ten years, at 5% interest, the portion of their annual bill for fiscal year ended 2007 that exceeded 10.5% of payroll. The amortized amount receivable from participating employers as of March 31, 2011 is \$15.85 million.

RSSL Chapter 57 of the Laws of 2010 authorized the State and local employers to amortize a portion of their annual pension costs during periods when actuarial contribution rates exceed thresholds established by the statute. Amortized amounts will be paid in equal annual installments over a ten-year period including a rate of interest set by the Comptroller annually. Employers may prepay these amounts at any time without penalty. The first payment will be due in the fiscal year following the decision to amortize. Chapter 57 further provides that when contribution rates fall below legally specified levels and all outstanding amortizations have been paid, employers that elected to amortize will be required to pay additional monies into reserve funds, specific to each employer, which will be used to offset their contributions in the future. These reserve funds will be invested separately from pension assets. For the annual bill for the fiscal year ended 2011, the statutory amortization threshold is 9.5% of payroll for ERS and 17.5% for PFRS. The Comptroller has set an interest rate of 5%. The amortized amount receivable from the State as of March 31, 2011 is \$249.57 million and from participating employers is \$43.75 million.

3. Funded Status and Funding Progress

(a) Funding Policy

Funding of the System is accomplished through member and employer contributions and the investment earnings on these contributions, according to the RSSL. The System uses the aggregate actuarial funding method, which does not identify or separately amortize unfunded actuarial accrued liabilities. As required under GASB Statement No. 50, *Pension Disclosures (an amendment of GASB No. 25 and No. 27)*, the following is a schedule of funding progress using the entry age normal funding method to approximate the funding status of the System as of the most recent actuarial valuation date. This 2011 actuarial valuation performed on April 1, 2010, determined employer contributions for the year ending March 31, 2012.

The funded status of the System as of April 1, 2010, the most recent valuation date, is as follows (In Millions):

Actuarial Valuation Date	Actuarial Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
ERS						
April 1, 2010	\$ 125,482	\$ 133,574	\$ 8,092	93.9%	\$ 24,972	32.4%
PFRS						
April 1, 2010	\$ 22,230	\$ 22,998	\$ 768	96.7%	\$ 3,113	24.7%

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Significant actuarial assumptions used in the April 1, 2010 valuation to determine employer contributions for the year ending March 31, 2012 were as follows:

Interest Rate	7.5%
Salary Scale	
ERS	4.9%
PFRS	6.0%
Decrement Tables	April 1, 2005 – March 31, 2010 System's experience
Inflation Rate	2.7%

Significant actuarial assumptions used in the April 1, 2009 valuation to determine employer contributions for the year ending March 31, 2011 were as follows:

Interest Rate	8.0%
Salary Scale	
ERS	5.4%
PFRS	6.7%
Decrement Tables	April 1, 2000 – March 31, 2005 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. Normally, 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 or unrealized gains (or losses) in the same manner.

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 ten-year amortization of part of their fiscal year ended 2005, 2006 and 2007 bills; and deficiency payments, which an employer may incur when joining the System and are payable for up to 25 years. The following average employer contribution rates exclude certain contributions such as the ten-year amortization. The average employer contribution rate for PFRS for fiscal year ended March 31, 2011, was approximately 18.2% of payroll. The average contribution rate for ERS for fiscal year ended March 31, 2011, was approximately 11.9% of payroll.

4. System Reserves

The legally required reserves, as covered by provisions of RSSL Section 20, are maintained by the System, are fully funded as of March 31, 2011, and are described below:

- Annuity Savings Funds — Funds in which contributions of Tier 1 and Tier 2 members are accumulated.
- Annuity Reserve Funds — Funds from which member contribution annuities are paid.
- Pension Accumulation Funds — Funds in which employer contributions and income from the investments of the System are accumulated.
- Pension Reserve Funds — Funds from which pensions are paid.
- Coescalation (COESC) Contribution Funds — Funds in which contributions are accumulated. These funds are transferred to the Pension Accumulation Fund at retirement.

As of March 31, 2011, the System Reserves for ERS and PFRS consisted of the following:

	(In Millions)	
	ERS 2011	PFRS 2011
Annuity savings	\$ 12.15	\$ 27.74
Annuity reserve	114.27	10.83
Pension accumulation	58,462.76	10,301.92
Pension reserve	60,249.10	11,996.20
COESC contributions	8,201.59	0.79

There are certain other additional funds maintained by the System.

5. Deposit and Investment Risk Disclosure

(a) Custodial Credit Risk for Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Fund or are held either by the counterparty or the counterparty's trust department or agent, but not in the name of the Fund.

Equity and fixed income investments owned directly by the Fund, which trade in the United States (U.S.) markets, are held at the Fund's custodian, in separate accounts, in the name of the Comptroller of the State of New York in Trust for the Fund. These securities are typically held in electronic form through the Federal Book Entry System and by the Depository Trust Company (DTC) and its subsidiaries acting as an agent of the Fund's custodian bank. Securities held directly by the Fund, which trade in markets outside the U.S., are held by a subsidiary of the Fund's custodian bank in the local market, a bank performing custodial services in the local market acting as an agent for the Fund's custodian bank, and in some foreign markets, the securities are held in electronic form by a DTC subsidiary or an organization similar to DTC. Directly held investments include short-term and long-term fixed income and domestic and international 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 by the general partner and/or the investment management firm responsible for the management of each investment organization.

Title to real estate invested in by the Fund is held either 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, Division of Pension Investment and Cash Management.

(b) Custodial Credit Risk for Deposits

Deposits are exposed to custodial credit risk if the deposits are not covered by depository insurance or deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging institution's trust department or agent, but not in the name of the Fund.

In accordance with existing policies and procedures, the Division of Pension Investment and Cash Management in the Office of the State Comptroller monitors deposit balances for the purpose of determining collateralization levels. Collateral sufficient to cover all uninsured deposits is held at the State's custodial bank.

(c) Interest Rate Risk

The System has interest rate risk, which is the risk that changes in market interest rates will adversely affect the fair value of the Fund's fixed income securities.

The price volatility of the Fund's fixed income holdings is measured by duration. Macaulay duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. In accordance with existing policies and procedures, the Fund attempts to match the duration of the assets with the duration of the pensioner liabilities.

As of March 31, 2011, the duration of the fixed income portfolio is as follows:

Bond Category	Fair Value (In Millions)	Percentage of Bond Portfolio	Macaulay Duration (In Years)
Treasury	\$ 5,781	27.5%	9.04
Federal Agency	2,530	12.1	7.27
Mortgage-backed	4,828	23.0	4.08
Corporate	7,837	37.4	4.98
Total	\$ 20,976	100.0%	6.17
Treasury Inflation Protected Securities	\$ 10,062	–	10.42

(d) Credit Risk of Debt Securities

State statutes and the System's investment policies require that corporate fixed income obligations must be investment grade at the time of their acquisition. A bond is considered investment grade if its credit rating is Baa by Moody's or BBB- by Standard & Poor's. Long-term bond ratings as of March 31, 2011, are as follows (In Thousands):

Quality Rating	Fair Value	Percentage of Fair Value
AAA	\$ 18,335,477	59.08%
AA	2,116,569	6.82
A	4,029,777	12.98
BAA	1,518,664	4.89
BA	112,528	0.36
BBB	89,824	0.29
BB	28,051	0.09
Total debt securities with credit risk	26,230,890	84.51
Government and not-rated debt		
Federal Home Loan Bank	897,280	2.89
Federal Home Loan Mortgage Corp. (FHLMC)	868,971	2.80
Federal National Mortgage Association (FNMA)	173,070	0.56
NYS FHLMC	208,825	0.67
NYS FNMA	2,135,668	6.88
Tennessee Valley Authority	523,151	1.69
Total government and not-rated debt securities*	4,806,965	15.49
Total fixed income securities	\$ 31,037,855	100.00%
* Includes securities issued by government-sponsored enterprises that have an implied, but not explicit, guarantee from the federal government.		

(e) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer.

As of March 31, 2011, the System did not hold any investments in any one issuer that would represent 5% or more of total investments. Investments issued or explicitly guaranteed by the U.S. government and pooled investments are excluded from the regulation in the following paragraph.

Issuer limits for investments held by the Fund are established for each investment area by RSSL Article 2, Section 13 and Article 4A, Sections 176, 177, and 313 and policy guidelines adopted by the Division of Pension Investment and Cash Management.

Short-term fixed income investments are generally limited to the following investment types maturing in one year or less:

- Obligations for which the full faith and credit of the U.S. is pledged to provide payment of interest and principal.
- Obligations issued by any Federal Home Loan Bank or obligations fully guaranteed as to principal and interest by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation.
- Commercial paper that has the highest rating by two nationally recognized rating services. A maximum of \$500 million of the short-term portfolio may be invested in any one commercial paper issuer.
- Simultaneous purchase and sale of U.S. Treasury obligations may be executed with Primary Government Dealers. A maximum of \$200 million may be invested with any one Primary Government Dealer.

Fixed income investments are generally limited to the following investment types with maturities longer than one year:

- Obligations for which the full faith and credit of the U.S. is pledged to provide payment of principal and interest.
- Obligations payable in U.S. dollars issued by any department, agency, or political subdivision of the U.S. government or issued by any corporation, company, or other issuer of any kind or description created or existing under the laws of the U.S., any state of the U.S., District of Columbia or Commonwealth of Puerto Rico, and obligations of Canada or any province or city of Canada provided each obligation shall be rated investment grade by two nationally recognized rating services. The aggregate investment by the Fund in the obligations of any one issuer shall not exceed 2% of the assets of the Fund or 5% of the direct liabilities of the issuer.

- Interest-bearing obligations are payable in U.S. funds at the time the investments are rated in one of the four highest rating grades by each rating service, which has rated such obligations. The aggregate amount invested in the obligations of any single issuer may not exceed 1% of the assets of the Fund.
- Bonds issued or guaranteed by the State of Israel payable in U.S. dollars, not to exceed 5% of the assets of the Fund.
- Obligations issued or guaranteed by the International Bank for Reconstruction and Development, Inter-American Development Bank, Asian Development Bank, or the African Development Bank.

(f) Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Fund has exposure through direct investments in international equities, international equity commingled funds, international real estate investments, international absolute return strategies, and international private equity investments. The Fund's asset allocation and investment policies allow for active and passive investments in international securities. The Fund permits the managers of direct investments in international equities to use forward currency contracts to manage their exposure to foreign currencies relative to the U.S. dollar. Where the Fund participates in commingled funds, limited partnerships, or other investment arrangements, the decision whether or not to use forward currency contracts to manage their foreign currency exposure is left up to the funds' managers.

Foreign investments included in the statement of plan net assets as of March 31, 2011 are as follows (In Thousands of U.S. dollars):

	Equity	Cash	Real Estate	Private Equity and ARS Funds	2011 Total
Algerian Dollar	\$ -	\$ -	\$ 173	\$ -	\$ 173
Argentine Peso	-	-	575	66,402	66,977
Australian Dollar	617,199	2,613	72,391	113,234	805,437
Bahamian Dollar	-	-	-	4,351	4,351
Barbadian Dollar	-	-	265	-	265
Bermuda Dollar	-	-	2,400	257,393	259,793
Botswana Pula	-	-	-	2,285	2,285
Brazilian Real	58,675	80	51,924	39,039	149,718
British Pound Sterling	2,536,166	11,706	291,452	588,885	3,428,209
British Virgin Islands	-	-	-	76,268	76,268
Bulgarian Leva	-	-	162	6,360	6,522
Canadian Dollar	313,969	867	50,737	265,884	631,457
Cayman Islands	-	-	-	1,650,529	1,650,529
Central African CFA Franc	-	-	187	1,438	1,625
Chinese Renminbi	-	-	268,971	278,960	547,931
Columbian Peso	-	-	479	(36)	443
Congolese Franc	-	-	-	165	165
Costa Rica Colon	-	-	305	-	305
Croatian Kuna	-	-	155	254	409
Czech Koruna	7,154	-	12,182	5,307	24,643
Danish Krone	224,471	160	32,750	82,748	340,129
Dominican Peso	-	-	182	696	878
Egyptian Pound	6,018	29	7,813	(68)	13,792
Estonian Kroon	-	-	-	203	203

	Equity	Cash	Real Estate	Private Equity and ARS Funds	2011 Total
Ethiopian Birr	-	-	1,178	-	1,178
Euro	3,881,610	128,203	986,921	1,967,748	6,964,482
Fijian Dollar	-	-	84	-	84
French Pacific CFP Franc	-	-	102	-	102
Hong Kong Dollar	617,490	723	3,126	35,680	657,019
Hungarian Forint	2,114	42	3,745	885	6,786
Iceland Krona	-	-	60	4,153	4,213
Indian Rupee	111,684	4,771	3,493	179,198	299,146
Indonesian Rupiah	6,365	434	325	21,360	28,484
Israeli Shekel	64,659	478	1,728	229,366	296,231
Jamaica Dollar	-	-	287	-	287
Japanese Yen	2,256,966	2,247	124,563	63,722	2,447,498
Kazakhstani Tenge	-	-	-	6,965	6,965
Kenyan Shilling	-	-	994	-	994
Kuwaiti Dinar	-	-	581	1	582
Latvian Lats	-	-	595	1,360	1,955
Libyan Dinar	-	-	-	180	180
Malaysian Ringgit	6,943	688	548	26,380	34,559
Maldivian Rufiyaa	-	-	1,236	-	1,236
Mauritian Rupee	-	-	277	13,654	13,931
Mexican Peso	23,246	6	36,445	9,026	68,723
Moroccan Dirhan	-	-	100	-	100
New Taiwan Dollar	107,318	700	-	491	108,509
New Zealand Dollar	6,426	53	125	431	7,035
Nigerian Naira	-	-	1,414	167	1,581
Norwegian Krone	101,598	292	-	32,752	134,642
Omani Rial	-	-	97	16	113
Pakistan Rupee	-	-	-	433	433
Panamanian Balboa	-	-	-	112	112
Peruvian Nouveau Sol	-	1	44	9,263	9,308
Philippine Peso	1,036	-	48	3,953	5,037
Polish Zloty	35,412	22	32,460	5,409	73,303
Qatar Rial	4,091	-	-	93	4,184
Romania Leu	-	-	5,803	123	5,926
Russian Ruble	-	-	19,911	86,305	106,216
Saudi Riyal	-	-	5,315	522	5,837
Seychellois Rupee	-	-	91	-	91
Singapore Dollar	234,797	1,810	9,679	28,978	275,264
Slovakia Koruna	-	-	4,780	95	4,875
South African Rand	15,653	87	2,143	110,518	128,401
South Korean Won	172,275	507	2,695	12,804	188,281
Sri Lanka Rupee	-	-	182	-	182
Swedish Krona	380,706	542	125,689	95,941	602,878
Swiss Franc	943,448	2,074	22,193	73,863	1,041,578
Taiwan Dollar	-	-	-	6,447	6,447
Thailand Baht	29,266	22	2,213	5,956	37,457
Trinidad and Tobago Dollar	-	-	332	-	332
Turkish Lira New	21,497	89	19,465	14,918	55,969
Ukraine Hryvane	-	-	2,839	8,478	11,317
United Arab Emirates	-	-	6,530	6,523	13,053
Venezuelan Bolivar	-	-	119	3,876	3,995
Vietnamese Dong	-	-	78	559	637
Other	-	-	237	(9)	228
Total subject to foreign currency risk	12,788,252	159,246	2,223,973	6,508,992	21,680,463
Commingled international equity in U.S. Dollars	9,805,499	-	-	-	9,805,499
Foreign investments in U.S. Dollars	1,630,822	-	7,955	2,022,795	3,661,572
Total foreign investments	\$ 24,224,573	\$ 159,246	\$ 2,231,928	\$ 8,531,787	\$ 35,147,534

6. Derivatives

Derivatives are generally defined as an investment contract or security with a value that depends on, or is derived from, the value of an underlying asset, reference rate or financial index. The System has classified the following as derivatives:

(a) Forward Currency Contracts

The System may enter into forward currency contracts to manage exposure to fluctuations in foreign currency exchange rates on portfolio holdings. The System also enters into forward exchange contracts to settle future obligations. A forward exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. A contract is classified as a forward contract when the settlement date is more than two days after the trade date. Risk associated with such contracts includes movement in the value of a foreign currency relative to the U.S. dollar. The contracts are valued at forward exchange rates and include net appreciation/depreciation in the statement of plan net assets. Realized gain or loss on forward currency contracts is the difference between the original contract and the closing value of such contract and is included in the statement of changes in plan net assets.

The table below summarizes the fair value of foreign currency contracts as of March 31, 2011 (In Thousands of U.S. dollars):

Currency	Forward Currency Contracts	Spot Currency Contracts	Totals
Australian Dollar	\$ 44,696	\$ 4,104	\$ 48,800
British Pound Sterling	57,375	(1,374)	56,001
Czech Koruna	(963)	-	(963)
Danish Krone	(7,308)	-	(7,308)
Euro	(80,345)	(7,354)	(87,699)
Hong Kong Dollar	(57,155)	(1,183)	(58,338)
Japanese Yen	(24,198)	-	(24,198)
Qatar Rial	(126)	-	(126)
Singapore Dollar	(210)	-	(210)
South Africa Rand	199	-	199
Swiss Franc	(21,595)	6,535	(15,060)
US Dollar	84,626	(722)	83,904
Totals	\$ (5,004)	\$ 6	\$ (4,998)

7. Securities Lending Program

RSSL Section 177-D authorizes the Fund to enter into security loan agreements with broker/dealers and state or national banks. The Fund has designated its master custodian bank (the custodian) 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, government securities, and obligations of federal agencies. 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. Treasury obligations, obligations of federal agencies, repurchase agreements, and specific asset-backed securities. All rights of ownership to securities pledged as collateral remain with the borrower except in the event of default. Under the terms of the securities lending agreement, the securities lending agent has agreed to hold the Fund harmless from borrower default from the loss of securities or income. As of March 31, 2011, there were no violations of legal or contractual provisions. The Fund has not experienced any losses resulting from the default of a borrower or lending agent during the year ended March 31, 2011 or in the history of the program.

The Fund lends fixed income, domestic equity, and international equity securities to approved broker/dealers. Collateral for securities loaned equals 102% of fair market value for domestic securities and 105% for international securities. Credit risk associated with the investment of cash collateral pledged by borrowers is mitigated by the maturity restrictions, percentage limitations, and rating requirements for individual asset classes included in the Fund's reinvestment guidelines. 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 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. As of March 31, 2011, the fair value of securities on loan was \$12.718 billion. The associated collateral was \$13.023 billion, of which \$7.480 billion was cash collateral and \$5.238 million was securities. The cash collateral has been reinvested in other instruments which had a fair value of \$7.498 billion as of March 31, 2011. The securities lending obligations were \$7.679 billion. The unrealized loss in invested cash collateral on March 31, 2011 was \$180.862 million, which is reflected in the statement of changes in plan net assets, "Net appreciation in fair value of investments."

All open security loans can be terminated on demand by either the Fund or borrower. To provide sufficient liquidity, the policy of the Fund is to maintain a minimum of 10% collateral in overnight investments. While the Securities Lending Investment Guidelines allow investments up to a maximum of three years for U.S. Treasury and federal agency obligations and one year for all other investments, the average term of open security loans at March 31, 2011 was 26 days. All loans were open loans. There were no direct matching loans.

The collateral pool is valued at fair value obtained from independent pricing services.

8. Federal Income Tax Status

Management believes that the System meets the definition of a governmental plan. In the System's communications with the Internal Revenue Service (IRS), it has been treated as a qualified plan and is, therefore, considered exempt from federal income taxes. In January 2011, the System filed an application with the IRS under "Cycle E" for recertification of its qualified plan status. The System is awaiting a response to its application and has no reason to believe it will not receive a favorable determination from the IRS.

9. Commitments

As of March 31, 2011, the System had contractual commitments totaling \$5.797 billion to fund future private equities and \$3.705 billion to fund future real estate investments.

10. 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, 2011 (Unaudited)

The System uses the aggregate funding method, which does not identify or separately amortize unfunded actuarial liabilities. However, we have provided below a schedule of funding progress using the entry age normal funding method to approximate the funding status of the System. Every April 1st, an actuarial valuation is performed, which determines employer contributions for the year ending the next succeeding March 31st. For example, the 2011 actuarial valuation performed on April 1, 2010 determined employer contributions for the fiscal year ending March 31, 2012.

1. The average employer contribution rates for ERS for fiscal years ending 2011 and 2012 were approximately 11.9% of projected payroll and 16.3% of projected payroll, respectively.
2. The average employer contribution rates for PFRS for fiscal years ending 2011 and 2012 were approximately 18.2% of projected payroll and 21.6% of projected payroll, respectively.
3. These average employer contribution rates exclude certain contributions such as the 17-year amortization and the 10-year amortization available for the bills for fiscal years ended 2006, 2007, and 2008.

(In Millions)

Actuarial Valuation Date	Actuarial Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
ERS						
April 1, 2005	\$ 105,088	\$ 102,224	\$ (2,864)	102.8%	\$ 20,218	(14.2)%
April 1, 2006	112,209	107,785	(4,424)	104.1	20,919	(21.1)
April 1, 2007	121,116	114,525	(6,591)	105.8	22,018	(29.9)
April 1, 2008	128,916	120,183	(8,733)	107.3	22,779	(38.3)
April 1, 2009	126,438	125,136	(1,302)	101.0	24,099	(5.4)
April 1, 2010	125,482	133,574	8,092	93.9	24,972	32.4
PFRS						
April 1, 2005	\$ 18,657	\$ 17,802	\$ (855)	104.8%	\$ 2,531	(33.8)%
April 1, 2006	19,827	18,853	(974)	105.2	2,712	(35.9)
April 1, 2007	21,379	20,074	(1,305)	106.5	2,825	(46.2)
April 1, 2008	22,767	21,072	(1,695)	108.0	2,926	(57.9)
April 1, 2009	22,423	21,597	(826)	103.8	2,970	(27.8)
April 1, 2010	22,230	22,998	768	96.7	3,113	24.7

See accompanying independent auditors' report.

Schedule of Employer Contributions

Year Ended March 31, 2011 (Unaudited) (In Thousands)

Employees' Retirement System — Annual Required Contributions

Year ended March 31	Annual Required Contributions			Percentage Contribution
	New York State	Local Employers	Total	
2006	\$ 994,328	\$ 1,354,393	\$ 2,348,721	100%
2007	878,920	1,337,167	2,216,087	100
2008	892,480	1,242,474	2,134,954	100
2009	802,655	1,160,758	1,963,413	100
2010	808,129	1,071,080	1,879,209	100
2011	1,659,288	1,963,350	3,622,638	100

Police and Fire Retirement System — Annual Required Contributions

Year ended March 31	Annual Required Contributions			Percentage Contribution
	New York State	Local Employers	Total	
2006	\$ 73,596	\$ 359,830	\$ 433,426	100%
2007	109,333	393,131	502,464	100
2008	115,294	398,200	513,494	100
2009	86,575	406,235	492,810	100
2010	89,335	375,678	465,013	100
2011	99,668	442,265	541,933	100

The annual required contributions (ARC) include the employers' normal costs, 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/overpayment of amounts for a one-year period.

See accompanying independent auditors' report.

Additional Supplementary Information

Schedule of Administrative Expenses

Years Ended March 31, 2011 and 2010

(In Thousands)

	2011	2010
Personnel services:		
Salaries	\$ 51,437	\$ 50,891
Overtime salaries	3,317	3,241
Fringe benefits	<u>27,492</u>	<u>26,862</u>
Total personnel services	82,246	80,994
Building occupancy expenses:		
Building, lease, and condominium fees	3,496	3,480
Utilities and municipal assessments	213	181
Office supplies and services	156	125
Telephone	<u>581</u>	<u>606</u>
Total building occupancy expenses	4,446	4,392
Computer expenses:		
IT hardware lease/purchases	228	587
IT supplies and maintenance/agency mainframe	7,469	7,617
IT consulting services	<u>388</u>	<u>895</u>
Total computer expenses	8,085	9,099
Personnel and operating expenses:		
Training	154	154
Travel and auto expense — includes pre-retirement seminars	797	817
Postage — includes member and retiree communication	1,921	1,486
Printing — includes member and retiree communication	329	626
Subscriptions/memberships	<u>122</u>	<u>126</u>
Total personnel and operating expenses	3,323	3,209
Professional expenses:		
Medical/clinical services	1,627	1,518
Consulting services	<u>1,606</u>	<u>817</u>
Total professional expenses	3,233	2,335
Total	\$ 101,333	\$ 100,029

See accompanying independent auditors' report.

Schedule of Investment Expenses

Years Ended March 31, 2011 and 2010

(In Thousands)

Investment expenses	2011	2010
Investment management and incentive fees:*		
Absolute return strategy funds	\$ 123,728	\$ 48,759
Private equity	111,952	115,803
Real estate	81,959	76,901
International equity	70,625	70,184
Domestic equity	<u>36,725</u>	<u>34,598</u>
Total investment management and incentive fees	424,989	346,245
Investment-related expenses:		
Legal fees	6,681	5,187
Administrative expenses	2,353	2,383
Absolute return strategy consulting and monitoring	3,309	2,071
EDP expenses/licenses	2,575	2,253
Mortgage loan servicing fees	2,565	1,797
Private equity consulting and monitoring	1,752	1,760
Real estate consulting and monitoring	607	746
Fixed income consulting and monitoring	487	514
Custodial fees	483	963
Global equity consulting	477	-
General consulting	350	-
Auditor fees	175	170
Domestic equity consulting and monitoring	<u>60</u>	<u>389</u>
Total investment-related expenses	21,874	18,233
Total investment expenses	\$ 446,863	\$ 364,478
<p>* The System began reporting incentive fees for absolute return strategy funds during the fiscal year ended March 31, 2011. The System continues to report real estate incentive fees in the schedule above; private equity general partner carry interest is reflected as a reduction in realized gain.</p>		

See accompanying independent auditors' report.

Schedule of Consulting Fees

Year Ended March 31, 2011

(In Thousands)

Fees paid to outside professionals other than investment advisors, in excess of \$25,000.

	Amount	Nature
Entwistle & Capucci LLP	\$ 4,169	Legal
Day Pitney LLP	989	Legal
K&L Gates	490	Legal
Garnet River LLC	368	IT Consultant
Morgan, Lewis & Bockius LLP	317	Legal
First Choice Evaluations	265	Medical Services
Foster Pepper PLLC	236	Legal
Cox, Castle & Nicholson LLP	206	Legal
D & D Associates	199	Medical Services
KPMG LLP	175	Auditor
Garger Associates LLP	102	Medical Services
John S Mazella MD PC	93	Medical Services
Nixon Peabody LLP	92	Legal
IBM Corporation	88	IT Consultant
Herrick Feinstein LLP	72	Legal
Edward A Toriello MD	58	Medical Services
CEM Benchmarking Inc.	55	Industry Measurement Survey
Louis Benton	51	Medical Services
Mary T Babiarz Court Reporting Services Inc.	50	Court Reporter
Hunton & Williams	43	Legal
Austin R Leve MD	39	Medical Services
Precise Court Reporting	38	Court Reporter
Jack Economou	37	Hearing Officer
Attentive Personnel Inc.	36	Personnel Services
Jeffrey Meyer MD	35	Medical Services
Riverside Orthopaedic & Sports Medicine Assoc.	34	Medical Services
Groom Law Group	31	Tax Consultant
Alante Security Group Inc.	29	Security Services
Michael J Lynch MD CM	28	Medical Services
Mary Godesky MD	25	Medical Services

See accompanying independent auditors' report.



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**Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

The Trustee
New York State and Local Retirement System:

We have audited the financial statements of the New York State and Local Retirement System (the System) as of and for the year ended March 31, 2011, and have issued our report thereon dated July 11, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the System's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the System's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

KPMG LLP is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.



We noted certain matters that we reported to management of the System in a separate letter dated July 11, 2011.

This report is intended solely for the information and use of the Trustee and management, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

July 11, 2011

Investment

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Overview of Investments

Overall Objectives and Performance

The Division of Pension Investment and Cash Management is responsible for the management of the assets of the Common Retirement Fund. The Fund's primary objectives are to provide the means to pay benefits to the System's participants and to minimize employer contributions through an investment program designed to protect and enhance the long-term value of the assets. The Fund's asset allocation policy was constructed to meet these objectives by achieving a maximum level of return consistent with policies on liquidity, diversification and investment risk. Investments in equities, although historically volatile, provide superior long-term performance and growth characteristics, while fixed income investments provide more predictable cash flow to meet the System's funding requirements and pension obligations.

The Fund posted a strong investment performance for the fiscal year ended March 31, 2011, with a net gain of 14.6 percent, reflecting recovery in the global financial markets during that time. This was the second year of positive performance for the Fund following the fiscal crisis of 2008.

The Fund's positive performance reflects gains across all asset classes. The global equity portfolio returned 16.2 percent, the core fixed income portfolio returned 8.0 percent and Treasury Inflation Protected Securities (TIPS) returned 9.7 percent. The real estate portfolio returned 26.7 percent, the private equity portfolio returned 18.9 percent and the absolute return strategies portfolio returned 6.0 percent.

During the fiscal year, the Fund adopted a Global Equity strategic plan, representing a more global approach to the overall equity allocation. In addition, the Long-Short Equity portfolio, which had been a component of the Fund's absolute return strategies program, was integrated into the overall public equity program.

Also, during the fiscal year, the Fund developed and began implementation of a new risk management initiative. The goals of this strategic risk program are to enable multi-dimensional risk analysis and mitigation, foster greater transparency and utilize critical risk intelligence, thus strengthening the Fund's investment practices.

The sound investment framework provided by the Fund's asset allocation and diversification policies enabled it to generate strong positive returns as the economy began to recover. With its long-term investment approach, the Fund remains positioned to continue to provide sufficient cash flow to fund pension payments.

While the Fund benefited from favorable markets last year, market volatility continues and some substantial concerns about the global economy exist — including the financial weakness of certain European markets, the pace of domestic jobs and housing recoveries, uncertainty regarding financial reforms and political unrest in the Middle East.

The investment performance information provided in this section of the Comprehensive Annual Financial Report was calculated using a daily time-weighted rate of return.

Global Equities

During the fiscal year ended March 31, 2011, the Fund adopted a Global Equity strategic plan that revises the structure of, and outlines the direction and goals for, the Fund's public equity program. The revised equity structure reflects a more global approach to the overall equity allocation. One of the key drivers for adding a global approach is the increasing globalization of the business and investment universes. This approach recognizes the continuing, and increasing interrelationships within the world economy and the ability of managers to add value when unconstrained by country or region. Also, as part of this restructuring of the public equity program, the Long-Short Equity portfolio, which had been a component of the Fund's absolute return strategies program, was integrated into the overall public equity program. During the current fiscal year, staff will continue to implement the overall recommendations of the Global Equity strategic plan.

Global equities produced strong returns for the fiscal year ending March 31, 2011, as indicated by global equity benchmark returns. The aggregate global equity portfolio returned 16.2 percent for the year, as compared to 14.1 percent for the global equity market as represented by the MSCI All Country World Index Free Net, a broad market index. The U.S. equity markets added exceptionally strong returns, driven by a rise in corporate profits even while the U.S. economy continued to struggle with high unemployment rates, slowing demand, more bank failures and other negative events. The aggregate domestic equity portfolio returned 17.7 percent for the year, as compared to 17.4 percent for the domestic equity market as represented by the Russell 3000 Index, a broad market index. Within domestic equity, 80 percent is allocated to passive, internally managed strategies, which continued to provide low cost and efficient exposure to the domestic equity markets. With the expanded use of crossing networks and alternative trading systems, the Fund continued to lower trading costs. Non-U.S. equities also produced strong returns for the fiscal year ending March 31, 2011, as indicated by international market benchmark returns. In aggregate, the Fund's non-U.S. equity investments returned 13.4 percent, as compared to the 13.2 percent return of the Morgan Stanley All Country World ex United States (ACWI ex U.S.) Index, a broad benchmark of stock market performance.

The Fund continued to use minority- and women-owned brokerage service providers when trading internally managed equities. For the year, these brokers accounted for approximately 34 percent of the total commissions. In addition, the Fund's external equity managers used women- and minority-owned brokers for approximately 12 percent of their commission totals.

Fixed Income

The fixed income portfolio is designed to provide a secure funding stream for the System's pension obligations and also to supply sufficient liquidity to meet monthly pension payments. The Fund accomplishes these goals by investing in both long-term and short-term assets.

The long-term fixed income portfolio provides a reliable flow of income to help address the cash flow needs of the System's pension obligations and moderates the greater return volatility of the Fund's equity-like portfolio strategies. The short-term fixed income portfolio provides liquidity to meet monthly pension fund liabilities as well as cash to fund investments in all the Fund's other asset classes.

U.S. Treasury Securities and Treasury Inflation Protected Securities (TIPS) make up 14.6 percent and 25.4 percent, respectively, of the long-term fixed income portfolio. The remainder of the long-term portfolio is comprised of government sponsored agency debentures, corporate bonds, commercial mortgage-backed securities, mortgages, Yankee bonds (dollar denominated bonds issued by foreign companies or governments) and asset-backed securities. The Fund's short-term fixed income portfolio may be invested in high quality commercial paper, U.S. Treasury Bills, collateralized Bank Certificates of Deposit, Agency Discount Notes, and short corporate and asset-backed securities.

The Fund's core long-term fixed income portfolio (excluding TIPS) returned 8.0 percent for the year, comparing favorably to 5.1 percent for the Barclays Capital Aggregate Bond Index and 7.3 percent for the SSB New Long Term Pension Fund Index. Commercial mortgage-backed securities (CMBS) and U.S. Government Securities were the best performing sectors. The Fund's TIPS portfolio, which provides an important avenue for hedging inflation risk, returned 9.7 percent, compared to the Salomon Smith Barney TIPS Index of 8.2 percent. Short-term cash investments returned 0.5 percent for the fiscal year. The Fund manages both the long-term and short-term fixed income portfolios internally with the assistance of a fixed income advisor.

The Fund used 22 broker-dealer firms to execute trades in the long-term and short-term fixed income portfolios. Almost one-quarter of these trading partners are women- and minority-owned firms. Women- and minority-owned firms continue to play a central role in the Fund's long-term and short-term fixed income strategy, executing over 14 percent of all long-term trades and 12 percent of all short-term broker initiated trades.

Since 1986, the Fund has generated additional income by lending a portion of its assets to qualified counter-parties. Fixed income and equity securities are available for loan. The Fund's securities lending program earned \$28 million in revenue for the fiscal year.

Real Estate

The real estate program's primary investment objective is to increase the overall performance of the Fund over multi-year periods, with reduced volatility and lower risk. Other goals are to take advantage of the Fund's knowledge of the marketplace, and leverage its experience in partnering with operators, managers, and advisors when seeking opportunities and strategies that provide growth and scale to the Fund.

As of March 31, 2011, the real estate program produced a total return of 26.7 percent for the fiscal year. This positive return represents a large improvement over last year's investment performance. During the fiscal year ending March 31, 2011, real estate market fundamentals began to stabilize for most major property types.

This recovery in real estate market fundamentals was driven by a revival in the availability of debt financing, debt restructuring and the rebound in property values across all property types. The Fund capitalized on market momentum and sold strategic investments, thereby enhancing performance of the real estate portfolio.

Portfolio risk is mitigated by diversification by property type, geography, investment strategy and selection of superior joint venture partners and managers, as well as advisors. In order to achieve long-term appreciation, the Fund's challenges for the next fiscal year will be to manage the existing portfolio and maximize the value of current investments, and invest new capital to take advantage of business opportunities arising from the recent market disruption. As the broader economic recovery unfolds, the Fund's current real estate portfolio is poised to regain value given the strong fundamentals of the existing properties. The assets are located in primary markets with the potential for tenant demand, and the quality of the properties is quite high. During the past fiscal year, real estate transactions have been concentrated in prime assets in gateway cities.

Real estate investment strategies include: investments in under-managed real estate that will be repositioned and re-leased as the economy recovers at a slower pace; focus on geographic markets that still exhibit early-recovery or growth characteristics; and investments in trophy properties in irreplaceable locations with appeal to global tenants. Examples of these opportunities include investments in real estate in line with green standards such as LEED certification, which gives building owners and operators the tools they need to have an immediate and measurable impact on their buildings' performance. Finally, the Fund recognizes the talent and expertise of small managers in the real estate arena and, subject to meeting the Fund's fiduciary duties to its retirees and beneficiaries, is seeking to invest with emerging managers.

Alternative Investments

Private Equity

The Fund's private equity portfolio is designed to generate long-term returns that exceed those of public equities. As of December 31, 2010 (date used due to a one-quarter reporting lag), the private equity program generated a one-year return of 18.9 percent.

The Fund seeks to participate in private equity investments primarily through private equity partnerships, which are pooled funds managed by specialized investment managers for the purpose of making structured investments in private companies. Private equity investments are generally held for long-term appreciation, are typically subject to transfer restrictions and, as such, are less liquid than publicly traded securities.

The Fund seeks to partner with the very best private equity investors, including emerging and diverse managers, across various investment strategies such as leveraged buyouts, growth equity, venture capital, distressed debt, turnarounds, restructurings, and other special situations. The Fund also selectively considers opportunistic strategies, such as co-investments with investment managers and secondary transactions that can serve both to lower management expenses and enhance net returns. In addition, the Fund seeks to commit capital across various geographies, including to international managers who have the expertise to source attractive investment opportunities in emerging global markets and industries that show high potential for economic growth and capital appreciation.

The Fund will seek to establish long-term partnerships with investment managers who have the ability to consistently deliver top-quartile returns. The Fund can better achieve such superior returns through active asset class management, which requires frequent and direct interaction with investment managers to monitor performance and ensure proper alignment of interests.

Absolute Return Strategies

The Fund invests in funds employing strategies with an objective of capturing long-term appreciation by investing in various public markets and protecting against losses in market corrections. These funds invest through a number of strategies across all asset classes and securities. The absolute return strategies program seeks uncorrelated returns to the equity markets, while achieving diversification through a multi-manager and multi-strategy approach, thereby lowering the overall risk and volatility in the portfolio.

As of March 31, 2011, the absolute return strategy program generated a 6.0 percent return for the fiscal year.

During the fiscal year, the Fund allocated \$200 million to an emerging managers program for the absolute return strategies portfolio. As of April 1, 2010, the Fund's investments in Equity Long/Short hedge funds were transferred from the absolute return strategies portfolio to the global equities portfolio.

Other Programs

Green Strategic Investment Program

The Fund established the Green Strategic Investment Program in the fiscal year ending March 31, 2009, committing to invest \$500 million in environmentally-focused investment strategies across all asset classes. As of March 31, 2011, commitments aggregating \$350 million have been made in public equity, private equity and fixed income.

In public equity, the Fund continues to invest in two index funds focusing on sustainability and climate change. The HSBC Climate Change Index Fund and the FTSE Environmental Technology 50 are now valued at over \$218 million. These funds invest in companies finding solutions to the challenges of climate change and energy scarcity.

In private equity, the Fund invested \$100 million in Hudson Clean Energy Partners, a fund committed to renewable energy companies. The Fund continued to invest through its in-state program in companies focused on clean energy and sustainability in New York State. See the Financing for Businesses in New York State section on pages 69-70.

The Fund has also invested \$50 million in World Bank green bonds, which support projects in the World Bank's member countries that meet specific criteria for low carbon development. Purchasing these bonds provided a rare opportunity for the Fund to support climate change solutions within its high-grade fixed income investment mandate.

New York State Mortgage Pass-Through Program

Since 1981, the Fund has purchased New York only mortgage pools through the New York State Mortgage Pass-Through Program. Investing in these mortgages has allowed the Fund to assist in providing home ownership opportunities for more than 80,600 New York State residents. Since the program's inception, the Fund has invested over \$9.8 billion in New York only mortgages.

Under the current structure, federal agencies create and insure pools of single-family mortgage loans originated by traditional lenders, most of which are located in New York State. While the low interest rate environment placed downward pressure on purchases during the past fiscal year, the Fund purchased \$107 million in mortgages, which assisted over 400 New Yorkers in buying homes.

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 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 multifamily housing and the revitalization of deteriorated or obsolete housing units. Special housing for the State's senior citizens and other constituencies with special needs is also part of the program. Since inception of this program, 13,177 units have been completed and the number of units completed in the fiscal year ending March 31, 2011 increased 12 percent over the prior fiscal year.

As of March 31, 2011, the program has over 2,606 units in the pipeline and the Fund has invested \$510.2 million in mortgages. In the fiscal year ending March 31, 2011, the Fund invested in affordable housing throughout the State, including Albany, Dutchess, Niagara, Onondaga, Nassau, Rockland, Suffolk, Saratoga, Ulster and Westchester Counties. The Fund remains dedicated to analyzing additional investment opportunities in affordable housing, so long as the investment structures and potential returns fulfill the fiduciary mandate of the overall pension fund to its beneficiaries and retirees.

Helping NY/Equity Real Estate Investments

The Fund invests in New York State commercial real estate properties through a mix of investment structures such as joint ventures, commingled funds and club fund investments. The Fund owns shopping centers, office buildings, residential properties and hotels. Through these investment vehicles, the Fund has been able to acquire, develop, re-lease and reposition properties that are in need of upgrading with the goal of increasing property values. This portfolio of New York properties has been negatively impacted, as has the entire real estate portfolio, due to the global economic crisis. New York properties, particularly those that are in central business districts, however, have rebounded in value as investors seek to buy stabilized, in-fill assets in gateway cities such as New York.

Following are examples of investments in the New York portfolio: the Fund has invested in the development of a 361-unit rental apartment building that set aside 20 percent of the units for affordable rental housing, pursuant to the New York City Department of Housing Preservation and Development's 421-a program. Also, the Fund has established an investment fund to make value-added investments in New York State through the Excelsior Real Estate Funds. This fund focuses on multifamily, office, senior housing, retail and other primary property types, and is designed to invest in ground-up development, redevelopment and repositioning of commercial property throughout the State.

The Fund has also invested in the development of workforce-for-sale housing in the New York State and Tri-State regions. Together with the New York City pension funds, the Fund invests in a club fund with a mandate to invest across all real estate asset classes, including office, multifamily residential and retail within the five boroughs. The Fund is committed to evaluating investment opportunities in New York provided the investments meet the diversification and actuarial needs of the portfolio.

New York Business Development Corporation

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 25 percent of its loans to women- or minority-owned businesses. With its focus on small business lending, NYBDC can frequently offer more favorable terms than other lenders.

Since the program began in 1987, NYBDC has made 937 loans totaling \$284 million to businesses that employ over 18,000 New Yorkers. During the fiscal year ending March 31, 2011, NYBDC made 45 loans totaling \$20.1 million.

Financing for Businesses in New York State

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 State businesses.

At March 31, 2011, the Fund's private equity portfolio included investments in almost 200 New York businesses with a value of \$843 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 more than \$14 billion as of September 30, 2010 (the most recent data available). A sample of the New York State companies in the private equity portfolio include: Flat World Knowledge in Nyack, NAMIC/VA in Glens Falls, SmartPill in Buffalo, ZeroPoint in Potsdam, Application Security in New York City, Bausch & Lomb in Rochester, Auterra in Rensselaer, Advion BioSciences in Ithaca, and Climax Manufacturing in Lowville.

In addition, as of March 31, 2011, the Fund had commitments totaling \$978 million to seventeen different private equity managers. These commitments are devoted exclusively to New York State investment opportunities. The seventeen managers in the program are:

- Ascend Ventures, a technology venture fund located in New York City;
- Ascent Biomedical Ventures NY, a New York City based venture capital fund focusing on life sciences;
- CSFB New York Co-Investment Fund, a fund that makes investments alongside other private equity funds investing in New York State;
- DeltaPoint Capital, a growth equity fund located in Rochester;
- DFJ Gotham, a New York City based fund focused on early-stage venture capital investments;
- 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;
- FA Technology Ventures, a venture capital fund located in Albany that focuses on information and energy technology;
- Founders Equity, a New York City based fund that makes growth equity investments;
- Greenhill SAVP New York, a New York City based early-stage applied technology venture firm focused on investing in business information and technology-enabled services companies;

- High Peaks Ventures, a Troy based early stage venture capital fund;
- Hudson River Co-Investment Fund, a special situations fund managed by Hamilton Lane Advisors that makes investments alongside other private equity managers in New York;
- Milestone Venture Partners, a New York City based fund that focuses on companies providing technology-enhanced businesses services;
- Paladin Homeland Security Fund (NY), a Washington, D.C. based fund that opened a New York office to invest in companies that address a broad range of government and commercial security needs;
- SoftBank Capital, a New York City and Buffalo based fund that invests in broadband technology and technologies that leverage broadband;
- Summer Street Capital Partners, a growth equity investment fund located in Buffalo;
- Trillium Lakefront Partners NY, a Rochester based fund that focuses on investing in technology companies in upstate New York;
- Wheatley Partners, a technology venture fund with a focus on information and medical technology located in New York City and Long Island.

Investment Results

Based on Market Values as of March 31, 2011.

	Annualized Rate of Return			
	1 Year	3 Years	5 Years	10 Years
Total Fund	14.57%	2.02%	4.16%	6.12%
Global Equity	16.24	2.06	2.80	4.96
Private Equity	18.90	0.74	10.43	9.79
Absolute Return Strategy	5.99	-0.20	2.93	-
Equity Real Estate	26.73	-14.88	-1.39	10.00
Core Fixed Income	7.96	6.81	7.16	6.97
Treasury Inflation Indexed Securities	9.74	4.22	6.28	7.60
Short-Term Investments	0.52	0.96	2.63	3.51
MSCI All Country World Index Free	14.08	0.31	2.94	5.04
Cambridge U.S. Private Equity Index	19.97	1.46	9.98	10.01
HFRX Global Hedge Fund Index	6.29	-2.38	0.57	-
National Council of Real Estate Investment Fiduciaries (NCREIF)	13.11	-4.18	3.51	7.38
Barclays Capital Aggregate Bond Index	5.12	5.30	6.02	5.56
Salomon Smith Barney LPF Index	7.30	6.29	6.88	6.51
Salomon Smith Barney Inflation Linked Index	8.24	3.95	6.27	-
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. Private Equity and Real Estate are reported on a three-month lag and Absolute Return Strategy on a one-month lag (adjusted by cash flows).				

Investment Summary

The following table summarizes the market values for March 31, 2011 and 2010 (In Thousands):

Asset Type	Market Value March 31, 2011	Percent of Total Market Value	Market Value March 31, 2010	Percent of Total Market Value
Domestic Equity	\$ 55,720,380	37.8%	\$ 51,495,373	38.9%
International Equity	24,224,573	16.5	21,178,608	16.0
Private Equity	14,915,133	10.1	12,799,735	9.7
Absolute Return Strategy	4,496,551	3.0	3,817,538	2.8
Real Estate	7,630,946	5.2	5,551,078	4.2
Core Fixed Income	31,037,855	21.1	33,726,066	25.5
Mortgage Loans	851,333	0.6	845,721	0.6
ShortTerm Investments	8,360,235	5.7	3,086,085	2.3
Total Investments	\$ 147,237,006	100.0%	\$ 132,500,204	100.0%

Asset Allocation – March 31, 2011*

The Fund diversifies its assets among various classes including domestic and international equity, fixed income, inflation indexed securities, real estate, private equity, and absolute return strategies.

Asset liability studies, conducted periodically with help from an investment consultant, identify the optimal mix of assets to meet the growth requirements of pension obligations while controlling risk as measured by return volatility. In the fiscal year ended March 31, 2010, the Fund completed an asset liability analysis and adopted a new Long-Term Policy Allocation, as reflected in the schedule below. As part of the new policy, the Fund added an opportunistic portfolio and a real asset portfolio. The opportunistic portfolio is meant to provide greater flexibility to take advantage of opportunities that may not fit under traditional asset categories. The real asset portfolio is dedicated to a long-term, inflation protected strategy, investing in assets and commodities such as timberland, farmland, gold and infrastructure. In addition, to limit some long-term volatility, the new Long-Term Policy Allocation reduces exposure to domestic and international equities.

As implementation of the new Long-Term Policy Allocation is expected to take several years, the Fund established Transition Targets.

The Fund has formal rebalancing guidelines which ensure a disciplined process for meeting asset allocation goals, as well as allocation ranges for individual asset classes which minimize unnecessary turnover.

Asset Type	Long-Term Policy Allocation	Allocation as of March 31, 2011	Transition Target
Equity			
Domestic Equity	30.0%	38.7%	36.0%
International Equity	13.0	17.3	14.5
Alternatives			
Private Equity	10.0	9.5	9.0
Real Estate	6.0	5.0	6.0
Absolute Return	4.0	1.9	3.0
Opportunistic Portfolio	4.0	0.4	1.0
Real Asset	3.0	0.0	0.0
Bonds, Cash & Mortgages	22.0%	20.3%	21.0%
Inflation Indexed Bonds	8.0%	6.9%	8.5%

* A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2011 is on our website at www.osc.state.ny.us.

Global Equity Performance

For the Fiscal Year Ending March 31, 2011.

	Total Assets (\$ In Millions)	Annualized Rate of Return				Since Inception	Inception Date	Benchmark
		1 Year	3 Years	5 Years	10 Years			
Total Global Equity	\$ 82,098.9	16.24%	2.06%	2.80%	4.96%			
MSCI All Country World Index Free		14.08%	0.31%	2.94%	5.04%			
S&P 500 Index								
Total Large Cap Composite	\$ 43,098.1	15.79	2.31	2.33	3.23	10.96	2/1/83	10.93
CRF S&P 500 Index Fund	39,515.3	15.63	2.47	2.72	3.39	11.46	8/1/78	11.42
Jacobs Levy	1,034.4	21.71	3.46	2.68	3.53	9.03	5/1/93	8.56
Chicago Equity	557.9	16.93	3.79	2.70	-	3.02	6/1/01	2.50
FIS Group	639.2	17.89	3.50	3.33	-	5.95	11/1/03	5.77
Aronson + Johnson + Ortiz	287.3	19.14	3.21	1.95	-	4.56	12/1/04	3.65
Quantitative Management	589.5	18.26	3.44	3.05	-	5.56	5/1/04	5.29
Progress Investment II LC	294.5	14.18	0.10	-	-	0.10	5/1/08	-
Piedmont Investment Advisors	180.0	11.91	-	-	-	17.45	3/01/10	21.84
S&P 400 Index								
Total Mid Cap Composite	\$ 6,695.1	26.95%	10.00%	6.08%	9.35%			
CRF S&P 400 Mid Cap Fund	4,627.7	26.90	10.23	6.29	9.40	12.34	11/1/91	12.35
Progress Investment	1,199.3	26.44	6.97	4.95	8.98	11.90	9/1/94	10.96
New Amsterdam Partners	307.8	37.76	10.92	5.36	8.52	12.91	9/1/94	10.96
Globe Flex Capital	280.0	26.76	7.42	5.62	-	11.55	9/1/03	10.00
Sasco Capital	280.3	22.66	5.91	7.31	-	8.18	7/1/05	6.04
Russell 2000 Index								
Total Small Cap Composite	\$ 6,001.8	25.79%	8.57%	3.35%	7.87%			
CRF S&P 600 Index Fund	1,062.6	25.27	8.72	3.99	-	6.07	10/1/05	5.70
BGI R2000 Index Fund	2,577.9	25.97	8.77	3.46	-	9.01	11/1/01	9.22
Wells Capital	813.6	19.28	13.01	8.67	9.18	10.95	8/1/91	7.31
Brown Capital	502.4	36.57	19.38	13.13	10.53	14.99	9/1/94	9.07
EARNEST Partners	528.4	22.03	6.78	2.58	-	9.72	6/1/01	8.38
Systematic Financial	428.5	28.56	9.86	4.10	-	10.15	9/1/02	10.23
Progress Investment II SC	88.4	28.17	5.07	-	-	5.07	5/1/08	-
The assets under management (at market), time-weighted performance results (at market), and appropriate benchmark for each manager are presented in the table.								
These figures may not agree with the audited statements because certain investments have been reclassified for investment management purposes.								

For the Fiscal Year Ending March 31, 2011.

	Total Assets (\$ In Millions)	Annualized Rate of Return			Since Inception	Inception Date	Benchmark
		1 Year	3 Years	5 Years			
Russell MidCap Index		24.27%	7.25%	4.67%			
Total Progress Composite	\$ 1,199.4	26.44%	6.97%	4.95%	11.90%	9/01/94	10.96%
Apex Capital Management	62.3	36.58	12.67	-	11.74	3/01/08	8.96
Bennett Lawrence	190.0	44.88	7.04	4.34	7.36	7/01/05	7.42
Cardinal Capital Management	200.0	26.03	8.47	4.21	11.05	9/01/03	9.85
Channing Capital	103.8	18.74	6.67	4.28	5.23	7/01/05	6.04
Credo Capital Management	51.7	30.59	5.60	-	5.17	3/01/08	6.80
Denali Advisors	125.0	16.91	7.14	-	6.65	3/01/08	6.08
Fan Asset Management	145.8	27.65	7.34	5.41	4.87	12/01/99	6.51
Holland Capital	138.2	25.25	6.71	5.59	6.80	7/01/05	7.52
Rasara Strategies	9.8	-2.79	-10.01	-11.12	-1.74	6/01/01	-1.85
Piedmont Investment	139.2	18.79	5.66	5.28	6.74	7/01/05	6.87
Steinberg Asset Management	33.6	22.98	1.16	5.12	6.16	7/01/05	6.87
Total Progress II Composite	\$ 382.9	17.45%	-	-			
GW Capital	29.0	26.42	-	-	7.47	5/01/08	6.52
Herndon Capital	59.4	21.00	-	-	3.18	5/01/08	3.50
Lombardia Capital — LC	91.7	12.24	-	-	0.57	5/01/08	-3.20
Lombardia Capital — SC	32.6	24.98	-	-	11.75	5/01/08	5.82
Palisades Investment Partners	87.0	15.41	-	-	-2.16	5/01/08	-1.01
Paradigm Asset Management	26.8	31.11	-	-	2.41	5/01/08	8.59
Profit Investments	56.4	9.00	-	-	2.14	5/01/08	3.50
Russell 1000 Index		16.69%	2.98%	2.93%			
Total FIS Composite	\$ 639.3	17.89%	3.50%	3.33%	5.95%	11/01/03	5.77%
Apex Capital	42.1	23.06	5.71	3.63	5.50	11/01/03	5.54
BRC Investment	62.6	-	-	-	26.79	6/07/10	24.89
Credo Capital Management	12.5	30.58	-	-	30.94	11/10/08	31.98
Denali Advisors	57.6	11.93	1.69	2.39	7.63	11/01/03	5.82
Herndon Capital	45.1	-	-	-	32.57	6/07/10	26.01
Mar Vista Investment	26.9	-	-	-	18.93	6/07/10	28.76
Mastrapasqua Asset Management	60.4	26.09	6.10	-	8.11	8/01/06	5.99
Moody Aldrich	37.8	-	-	-	37.95	7/01/10	30.02
Oakbrook Investments	54.9	-	-	-	38.25	7/01/10	37.89
Oakbrook Growth	21.7	17.41	4.61	4.85	5.03	2/01/06	4.29
Profit Investments	34.3	8.85	3.64	3.76	6.37	11/01/03	5.77
Seizert Capital	77.8	-	-	-	29.85	6/07/10	26.01
Stux Capital Management	57.2	19.91	-	-	22.32	11/10/08	19.84
The Edgar Lomax Co.	48.4	14.29	-	-	16.40	11/10/08	16.32
The assets under management (at market), time-weighted performance results (at market), and appropriate benchmark for each manager are presented in the table.							
These figures may not agree with the audited statements because certain investments have been reclassified for investment management purposes.							

For the Fiscal Year Ending March 31, 2011.

	Total Assets (\$ In Millions)	Annualized Rate of Return				Since Inception	Inception Date	Benchmark
		1 Year	3 Years	5 Years	10 Years			
MSCI All Country World Index Free		14.08%	0.31%	2.94%	5.04%			
Brandes Investment	\$ 915.6	12.37	-3.61	-0.75	4.95	6.36	11/01/99	3.28
Generation Investment	438.8	12.34	-	-	-	32.72	4/08/09	29.24
Templeton Investment	1,633.6	-	-	-	-	-0.22	3/01/11	-0.06
T.Rowe Price	579.4	-	-	-	-	0.85	3/01/11	-0.06
MSCI All Country World Free ex U.S.		13.15%	-0.85%	3.59%	7.41%			
Acadian Asset Management	\$ 1,247.7	18.66	-3.19	2.23	-	8.87	11/01/04	8.63
BGI Global World ex U.S.	4,238.5	13.47	-0.53	3.89	-	8.91	11/01/04	8.63
The Boston Co.	448.0	9.49	3.24	4.07	-	6.91	4/01/05	7.25
MSCI EAFE Index		10.42%	-3.01%	1.30%	5.39%			
Alliance Capital	\$ 1,054.5	6.71	-8.39	-3.35	3.06	5.34	9/01/89	4.70
Capital Guardian	3,263.3	13.85	-1.75	1.72	5.20	7.91	9/01/89	4.70
Morgan Stanley International A/P	2,630.7	11.92	-0.39	3.74	7.11	7.19	8/01/94	4.97
Mondrian Investment	1,161.0	8.89	-3.00	2.61	8.12	7.62	1/01/98	4.99
Baillie Gifford	1,447.2	16.00	1.34	4.72	6.75	5.38	2/01/99	3.91
BGI International Tilt Fund	920.6	13.78	-2.49	1.51	6.53	5.41	2/01/99	3.91
Baring International A/P	1,458.5	12.07	-0.21	2.55	-	8.47	4/01/02	7.05
MSCI Emerging Markets Index		18.46%	4.32%	10.70%	16.79%			
Cap Guardian Emerging Growth	\$ 1,308.2	16.58	4.74	12.39	17.02	12.58	12/01/91	10.65
Templeton Emerging Market	918.0	15.68	3.95	7.52	15.28	7.73	10/01/93	8.73
Morgan Stanley Emerging Market	961.7	16.00	0.70	8.52	16.87	9.31	10/01/93	8.73
The assets under management (at market), time-weighted performance results (at market), and appropriate benchmark for each manager are presented in the table.								
These figures may not agree with the audited statements because certain investments have been reclassified for investment management purposes.								

Domestic Equity Portfolio – Ten Largest Holdings*

For the Fiscal Year Ending March 31, 2011.

Company	Shares	Market Value	% of Domestic Equity
Exxon Mobil Corp.	17,116,424	\$ 1,440,004,751	2.7%
Apple, Inc.	3,247,698	1,131,660,368	2.1
Chevron Corp.	7,356,775	790,338,310	1.5
General Electric Company	36,465,921	731,141,716	1.4
International Business Machines Corp.	4,273,042	696,804,959	1.3
Microsoft Corp.	26,278,144	666,413,732	1.3
JP Morgan Chase & Company	14,398,691	663,779,655	1.3
AT&T, Inc.	20,120,155	615,676,743	1.2
Proctor & Gamble Company	9,481,641	584,069,086	1.1
Wells Fargo & Company	18,252,506	578,604,440	1.1

* A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2011 is on our website at www.osc.state.ny.us.

Fixed Income Portfolio and Comparison

As of March 31, 2011.

Sector	Market Value (Millions)	Market Value Percent	Macaulay Duration	Yield	1 Year Total Return
Treasury	\$ 5,781.0	27.5%	9.04	3.61%	8.72%
Agency	2,530.0	12.1	7.27	3.34	8.64
Mortgages	4,828.0	23.0	4.08	3.82	9.80
Corporates	7,837.0	37.4	4.98	3.16	6.38
Totals	\$20,976.0	100.0%	6.17	3.46%	7.96%
TIPS	\$ 10,062.0		10.42	2.33%	9.74%

Fixed Income Performance

As of March 31, 2011.

	Annual Rate of Return		
	1 Year	3 Years	5 Years
Common Retirement Fund — Core	7.96%	6.81%	7.16%
Barclays Capital Aggregate Bond Index	5.12	5.30	6.02
Salomon Smith Barney LPF Index	7.30	6.29	6.88
Common Retirement Fund — TIPS	9.74	4.22	6.28
Salomon Smith Barney — TIPS Index	8.24	3.95	6.27

Fixed Income Portfolio – Ten Largest Holdings*

As of March 31, 2011.

Issue	Market Value (Millions)	Percent of Fixed Income
Treasury Inflation Indexed Securities Due 4/15/29	\$ 2,605.5	8.39%
Treasury Inflation Indexed Securities Due 1/15/25	1,684.4	5.43
Treasury Inflation Indexed Securities Due 4/15/28	1,382.7	4.45
Treasury Inflation Indexed Securities Due 1/15/17	1,204.9	3.88
Treasury Inflation Indexed Securities Due 4/15/32	877.7	2.83
Treasury Inflation Indexed Securities Due 7/15/13	723.6	2.33
Treasury Bond Due 2/15/29	543.2	1.75
Treasury Bond Due 2/15/21	406.5	1.31
Treasury Inflation Indexed Securities Due 1/15/16	367.5	1.18
Treasury Bond Due 8/15/29	358.7	1.16
Total	\$ 10,154.6	32.72%

*A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2011 is on our website at www.osc.state.ny.us.

Real Estate Portfolio

As of March 31, 2011.

	Equity Amount	Percent	Mortgage Amount	Percent
Property Diversification				
Industrial/R&D	\$ 901,132,387	11.8%	\$ –	0.0%
Land For Development	–	0.0	–	0.0
Lodging	845,431,571	11.1	–	0.0
Office	2,149,441,097	28.2	195,073,363	22.9
Other	1,545,888,414	20.3	3,765,511	0.0
Residential	643,993,002	8.4	382,843,791	45.0
Retail	1,544,362,364	20.2	269,650,586	31.7
Total	\$ 7,630,248,835	100.0%	\$ 851,333,251	100.00%
Regional Diversification				
Northeast	\$ 1,577,935,459	20.7%	\$ 806,373,696	94.70%
Mideast	1,002,614,697	13.1	–	0.0
Southeast	333,365,572	4.4	802,920	0.1
Southwest	466,208,204	6.1	–	0.0
Midwest	332,678,849	4.4	467,121	0.1
Mountain	119,794,907	1.6	–	0.0
Pacific	1,638,977,450	21.5	43,689,514	5.1
Other	2,158,673,697	28.3	–	0.0
Total	\$ 7,630,248,835	100.0%	\$ 851,333,251	100.0%
These figures may not agree with the audited statements because certain investments have been reclassified for investment management purposes.				

Opportunistic Real Estate

Number of Partnerships	Capital Committed (Millions)	Capital Contributed (Millions)	Net Asset Value (Millions)	Cumulative Distributions (Millions)	Total Value (Millions)
77	\$ 11,739.9	\$ 8,679.6	\$ 4,420.2	\$ 3,274.9	\$ 7,695.1
These figures may not agree with the audited statements because certain investments have been reclassified for investment management purposes.					

Alternative Investments Summary

As of March 31, 2011.

	Number of Partnerships	Capital Committed	Capital Contributed	Net Asset Value	Cumulative Distributions	Total Value
Buyout	139	\$ 20,993,749,950	\$ 16,318,525,936	\$ 10,682,351,095	\$ 13,246,979,955	\$ 23,929,331,050
Distressed/Turnaround	20	1,800,000,000	1,329,609,448	915,658,782	976,274,064	1,891,932,846
Growth	24	2,518,210,483	2,126,192,232	964,190,593	3,149,494,636	4,113,685,229
Opportunistic	9	923,051,891	760,791,706	371,602,438	567,654,263	939,256,701
Venture	42	3,588,298,060	3,049,177,938	1,891,678,206	1,287,730,134	3,179,408,340
Other	N/A	N/A	89,652,263	89,652,263	N/A	89,652,263
Total*	234	\$ 29,823,310,384	\$ 23,673,949,523	\$ 14,915,133,377	\$ 19,228,133,052	\$ 34,143,266,429

* The total figures include the fund's private equity investments, Public-Private Investment Program (PPIP) Investments, and other investments through the New York Business Development Corporation (NYBDC).

Corporate Governance

As sole Trustee of the New York State Common Retirement Fund (the Fund), Comptroller DiNapoli has a fiduciary duty to protect the Fund's investments for the exclusive benefit of the members, retirees and beneficiaries of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. In fulfilling that duty, Comptroller DiNapoli monitors the Fund's portfolio companies for compliance with corporate governance practices that help assure that (i) the Fund's investments are not subject to undue risks, and (ii) the companies are functioning in a sustainable fashion that enhances long-term shareholder value. Further, Comptroller DiNapoli actively seeks reforms that enhance portfolio companies' corporate risk oversight and management, transparency and accountability.

During the fiscal year ending March 31, 2011, Comptroller DiNapoli's corporate governance program focused, in particular, on portfolio companies in the extractive industries whose activities create the potential for significant risks arising from day-to-day operations.

In fiscal year 2011, a multi-year corporate governance campaign involving Massey Energy (Massey or the Company) came to a close. The Comptroller had co-filed shareholder resolutions in fiscal year 2008 and 2009 at Massey requesting disclosure of the Company's response to the environmental controversies associated with carbon dioxide emissions. Despite significant shareholder support for such disclosure, Massey was unresponsive. During the 2010 fiscal year, the Comptroller filed a board declassification proposal calling for the annual election of directors, to increase individual director accountability to shareholders. After the Comptroller's proposal received a vote of over 97 percent in support, the Company agreed to annual elections and other corporate governance reforms. In April 2010, after an explosion in Massey's Upper Big Branch mine in West Virginia killed 29 miners, the Comptroller was the first institutional investor to call for the resignation of Massey's Chairman/CEO, Don Blankenship, and the first institutional investor to call for shareholders to withhold votes for all directors up for election at the meeting. In December 2010, Blankenship resigned from all his roles at the Company. In May 2011, shareholders approved Alpha Natural Resources' purchase of Massey at a premium to the then current share price.

In fiscal year 2011, Comptroller DiNapoli continued to file shareholder proposals at oil and gas companies requesting disclosure of potential environmental and regulatory risks associated with natural gas extraction, through the process known as hydraulic fracturing. Two of the portfolio companies receiving these proposals voluntarily agreed to increase disclosure of potential operational risks and chemicals used; therefore, those proposals were withdrawn. One proposal went to a vote at the annual meeting of shareholders and received almost 44 percent support.

The Comptroller also filed four shareholder proposals asking coal and utilities companies to report on the climate change impacts of their operations. Three were withdrawn when the companies agreed to increased disclosure of these impacts.

Comptroller DiNapoli filed three resolutions with oil and mining companies asking those companies to commit to placing independent directors with environmental expertise on their boards. Comptroller DiNapoli also joined with other institutional investors to write to 27 major oil and gas companies, asking those companies to review the safety of their offshore oil drilling operations in the wake of the 2010 BP oil spill in the Gulf of Mexico. In addition, the Fund became co-lead plaintiff, together with the Ohio State Attorney General, in a securities fraud lawsuit against BP to recover shareholder losses attributable to company misstatements concerning off-shore drilling safety risks.

Additional shareholder engagements that were initiated by Comptroller DiNapoli during the fiscal year ending March 31, 2011 are as follows:

- **Political Spending Disclosure:** The Comptroller joined several members of the Council of Institutional Investors (CII) in writing to 430 S&P 500 companies asking for annual disclosure of political contributions made with corporate funds. Resolutions asking for full disclosure of political contributions were filed at nine companies that did not respond to the CII letter. Resolutions at three companies were withdrawn when the companies agreed to make the requested disclosures. Of the five resolutions that went to a vote, two received almost 50 percent shareholder approval.
- **Non-Discrimination Based Upon Sexual Orientation:** The Comptroller wrote to 141 Fortune 1000 companies in the Fund's portfolio asking them to implement policies prohibiting discrimination based on sexual orientation and gender identity. Ten of these companies responded to the Comptroller's initiative by agreeing to put anti-discrimination policies in place. The Comptroller filed shareholder resolutions against twelve of the largest companies that failed to respond to his letter. Nine of these resolutions were withdrawn after the companies agreed to adopt new anti-discrimination policies. In addition, the Fund re-filed the resolution submitted in fiscal 2009 to ExxonMobil on this issue.
- **Global Labor Standards/Workers' Rights:** The Fund participated in an international engagement on workers' rights coordinated by the United Nations (UN)' Principles for Responsible Investment (PRI) campaign. As part of this effort, the Fund submitted a resolution to Mohawk Industries asking it to require its overseas suppliers to implement the core labor rights standards of the UN's International Labor Organization. The resolution was withdrawn after Mohawk Industries agreed to adopt a new policy relating to overseas suppliers.

Other highlights of Comptroller DiNapoli's corporate governance activities during fiscal year 2011 include:

- Continuing the Fund's active involvement in membership entities including CII, the Investor Network on Climate Risk (Ceres), and PRI.
- Continuing the monitoring of portfolio companies' investments in Sudan and Iran, as well as political developments in those countries which might negatively affect the Fund's divestment/restricted purchase program related to those countries.
- Voting by proxy the Fund's shares for over 2,400 domestic and international corporations.

Domestic Equity Management Fees

For the Fiscal Year Ended March 31, 2011.

AllianceBernstein, LP	\$ 834,262
Apex Capital Management, Inc.	265,343
Aronson + Johnson + Ortiz, LP	747,504
Atlanta Life Investment Advisors, Inc.	28,350
Bennett Lawrence Management, LLC	781,402
BlackRock Institutional Trust Company, NA	2,390,596
BRC Investment Management, LLC	132,327
Brown Capital Management, Inc.	3,169,081
Capital Guardian Trust Company	921,798
Cardinal Capital Management, LLC	599,054
Channing Capital Management, LLC	265,286
Chicago Equity Partners, LLC	1,346,346
Credo Capital Management, LLC	174,437
Denali Advisors, LLC	450,168
Earnest Partners, LLC	1,396,023
Edgar Lomax Company	129,265
Fan Asset Management, LLC	488,202
FIS Group, Inc.	1,301,824
Globeflex Capital, LP	799,616
GW Capital, Inc.	122,077
Hendron Capital Management, LLC	202,964
Holland Capital Management, LP	362,455
Hoover Investment Management Company, LLC	958,595
Insight Capital Research & Management, Inc.	92,118

Jacobs Levy Equity Management, Inc.	2,902,903
Lombardia Capital Partners, LLC	412,243
Mar Vista Investment Partners, LLC	61,444
Mastrapasqua Asset Management, Inc.	173,220
Moody Aldrich Partners, LLC	104,999
New Amsterdam Partners, LLC	644,435
OakBrook Investments, LLC	218,548
Palisades Investment Partners, LLC	175,078
Paradigm Asset Management Company, LLC	125,375
Piedmont Investment Advisors, LLC	564,758
Profit Investment Management, LLC	266,408
Progress Investment Management Company	2,856,577
Quantitative Management Associates, LLC	932,755
Rasara Strategies, Inc.	47,000
SASCO Capital, Inc.	931,115
Seizert Capital Partners, LLC	173,183
Shenandoah Asset Management, LLC	394,021
Steinberg Asset Management, LLC	162,991
Stux Capital Management, LLC	143,559
Systematic Financial Management, LP	2,153,926
T. Rowe Price Associates, Inc.	836,642
Vantage Consulting Group, Inc.	7,945
Wells Capital Management, Inc.	4,476,356
Total	\$ 36,724,574

Domestic Equity Commissions

For the Fiscal Year Ended March 31, 2011.

Broker	Shares	Commission \$ U.S.
Abel Noser Corp.	221,229	\$ 7,011
Access Securities, Inc.	44,160	1,325
Alaris Trading Partners	612,500	7,656
Allen & Company, LLC	9,200	308
Altrushare Securities, Inc.	2,862,449	59,820
American Portfolios Financial	39,685	1,434
American Technology Research, Inc.	197,900	7,916
Ancora Securities, Inc.	110,500	4,420
Aqua Securities, LP	40,715	814
Avian Securities, LLC	33,400	668
Avondale Partners, LLC	1,119,937	34,536
Baird Robert W & Company, Inc.	4,447,948	157,866
Barclays Capital	26,738,212	697,741
Barrington Research Associates, Inc.	81,900	3,276
Baypoint Trading, LLC	4,578,046	46,506
Benchmark Company, LLC	215,701	6,919
Blaylock & Company, Inc.	4,111,943	80,408
Bley Investment Group, Inc.	101,900	3,057
Bloomberg Tradebook, LLC	4,918,709	87,697
BMO Capital Markets	359,700	12,431
BNP Paribas Securities Corp. IB	84,200	1,684
BNY Brokerage	18,450,741	510,529
BOE Securities, Inc.	937,006	31,209
Broadcourt Capital	4,154,119	83,389
Brown Brothers Harriman & Company	91,340	2,740
Buckingham Research Group, Inc.	690,953	24,391
C L King & Associates, Inc.	5,227,586	119,214
Cabrera Capital Markets, Inc.	1,772,682	62,351
Canaccord Adams, Inc.	195,100	5,460
Cantor Fitzgerald & Company	9,660,757	306,312
Capital Institutional Services, Inc.	5,362,702	133,798
Caris and Company, Inc.	3,069	123
CastleOak Securities	4,226,368	86,861
Cheevers & Company	785,782	13,941
Chicago Analytic Trading Company	2,727,000	109,080
Citation Group	6,748,695	163,996
Citigroup Global Markets, Inc.	19,918,492	555,262
CJS Securities, Inc.	62,900	2,516
Collins Stewart, LLC	75,200	3,008
Cowen & Company, LLC	2,146,326	74,958
Craig-Hallum Capital Group, LLC	2,740,520	83,139
Credit Research & Trading Capital Group, LLC	215,550	5,420
Credit Suisse Securities	18,277,110	462,333
CSI U.S. Institutional Desk	1,126	45
Dahlman Rose & Company	239,850	7,729
Davenport & Company of Virginia	137,592	5,460

Broker	Shares	Commission \$ U.S.
Davidson, D A & Company, Inc.	629,744	\$ 21,908
Deutsche Bank Alex Brown	535,010	17,488
Deutsche Bank Securities, Inc.	12,604,191	356,549
Direct Access Partners, LLC	645,893	14,295
Direct Trading Institutional, Inc.	1,546,066	12,703
Divine Capital Markets, LLC	817,868	32,694
Doley Securities, LLC	63,888	2,556
Donaldson, Lufkin & Jenrette	41,575	1,339
Dougherty & Company, LLC	148,100	5,924
Dowling & Partners	92,300	3,235
Emerging Growth Equities, Ltd.	1,617,950	16,180
Ewing Capital, Inc.	128,800	4,508
Fidelity Capital Markets	2,527,528	41,213
First Analysis Securities	158,900	6,356
First Clearing Corp.	452,740	14,110
First Southwest Company	269,300	10,510
Friedman Billings & Ramsey	1,188,158	39,440
Gardner Rich & Company	666,153	20,911
Global Hunter Securities, LLC	14,860	520
Goldman Sachs & Company	11,924,587	316,466
Goldman Sachs Execution & Clearing, LP	4,758,438	82,142
Gordon, Haskett & Company	183,790	7,342
Great Pacific Securities, Inc.	3,319,390	67,444
Greentree Brokerage Services, Inc.	544,810	6,558
Griswold Company	3,603,384	72,405
Guggenheim Securities, LLC	20,560	727
Guzman & Company	23,474,678	523,891
Heflin & Company, LLC	478,000	15,720
Height Securities, LLC	85,982	2,735
Hibernia Southcoast Capital, Inc.	450,790	17,623
Howard Weil, Inc.	506,956	20,312
HSBC Brokerage (USA), Inc.	154,000	3,080
ICAP Corporates, LLC	640,000	25,453
Instinet	17,877,361	534,902
Intersil Corp.	14,400	576
Invemed Associates, Inc.	34,270	1,371
Investment Technology Group	122,478,457	1,358,958
ISI Group, Inc.	2,676,230	91,051
Island Trader Securities, Inc.	211,301	8,142
Ivy Securities	367,800	7,624
Jackson Partners & Associates, Inc.	952,358	30,477
Jackson Securities, Inc.	3,106,048	77,667
Janney Montgomery Scott, Inc.	272,580	11,284
Jefferies & Company	12,356,227	322,714
JMP Securities	370,700	14,756
JNK Securities, Inc.	430,000	8,600

Broker	Shares	Commission \$ U.S.
Johnson Rice & Company, LLC	466,628	\$ 15,797
Jones & Associates, Inc.	19,400	388
JonesTrading Institutional Services, LLC	1,367,343	44,856
JP Morgan Securities, LLC	14,767,443	443,316
Kaufman Brothers	33,500	1,173
Keefe Bruyette & Wood, Inc.	2,644,122	70,703
Kellogg Partners	367,737	14,062
Knight Equity Markets, LP	21,567,194	262,698
LaBranche Financial Services, LLC	11,500	232
Lazard Capital Markets, LLC	596,188	21,128
Leerink Swann & Company	747,012	28,874
Lighthouse Financial Group, LLC	41,140	1,642
Liquidnet, Inc.	65,128,637	1,004,561
Longbow Securities, LLC	437,550	16,783
Loop Capital Markets, LLC	10,049,794	202,987
Lynch Jones & Ryan, Inc.	366,613	9,091
M Ramsey King Securities, Inc.	1,999,288	43,537
Macquarie Securities (USA), Inc.	1,074,825	31,374
Maxim Group	223,050	8,922
McDonald & Company Securities, Inc.	1,667,590	57,505
Melvin Securities, LLC	2,435,479	38,629
Merlin Securities, LLC	16,900	338
Merrill Lynch, Pierce, Fenner & Smith, Inc.	21,954,867	555,874
Merriman Curhan Ford & Company	810,153	27,372
Midwood Securities, Inc.	1,276,495	38,295
Miller Tabak & Company, LLC	928,975	9,429
Mischler Financial Group, Inc.	178,568	6,926
MKM Partners	154,024	5,564
Mogavero Lee & Company, Inc.	383,910	13,588
Montrose Securities Equities	51,900	519
Moors & Cabot, Inc.	96,977	1,940
Morgan Joseph & Company, Inc.	29,700	891
Morgan Keegan & Company, Inc.	2,022,044	89,371
Morgan Stanley & Company, Inc.	24,370,646	515,007
MR Beal & Company	7,709,053	181,466
Muriel Siebert & Company, Inc.	4,300,069	100,488
Natexis Bleichroeder, Inc.	7,900	316
National Financial Services Corp.	1,136,206	25,644
Needham & Company	2,491,825	79,796
Nollenberger Capital Partners, Inc.	32,900	1,316
Nomura Securities International	7,615,550	217,601
North South Capital, LLC	30,326	1,015
Northland Securities, Inc.	11,300	339
O'Neil, William & Company, Inc.	894,490	33,100
Oppenheimer & Company, Inc.	1,676,187	58,483
Pacific American Securities, LLC	3,794,885	99,993
Pacific Crest Securities	74,400	2,789
PCS Dunbar Securities	1,583,750	79,188
Penson Financial Services, Inc.	635,127	15,850

Broker	Shares	Commission \$ U.S.
Percival Financial Partners, Ltd.	161,100	\$ 6,444
Pickering Energy Partners, Inc.	32,930	1,317
Pipeline Trading Systems, LLC	1,708,222	23,775
Piper Jaffray	4,804,755	153,452
Prime Executions, Inc.	71,270	2,138
Pritchard Capital Partner	68,800	2,945
Pulse Trading, LLC	2,868,063	78,133
Raymond James & Associates, Inc.	2,413,043	74,194
RBC Capital Markets	4,358,055	114,981
RBC Dain Rauscher, Inc.	11,800	472
Reynders, Gray & Company, Inc.	171,280	6,851
Rochdale Securities Corp.	1,270,190	39,411
Rosenblatt Securities, LLC	27,300	541
Samuel A Ramirez & Company, Inc.	3,220,081	73,914
Sanders Morris Harris	173,620	6,838
Sandler O'Neill & Partners, LP	414,698	12,238
Sanford C Bernstein & Company, LLC	13,654,909	276,288
Scotia Capital, Inc.	218,700	7,657
Scott & Stringfellow, Inc.	1,314,309	47,819
Seslia Securities	40,000	600
SG Americas Securities, LLC	6,970,162	109,070
Sidoti & Company, LLC	846,950	33,722
Signal Hill Capital Group, LLC	234,020	9,369
Simmons & Company International	169,506	4,844
Soleil Securities Corp.	117,822	3,895
State Street Global Markets, LLC	3,850,605	82,343
Stephens, Inc.	297,800	12,330
Sterne Agee & Leach, Inc.	451,247	15,386
Stifel Nicolaus & Company, Inc.	5,178,095	163,524
Strategas Securities, LLC	18,580	743
Studness Research, Inc.	148,650	4,460
Sturdivant & Company, Inc.	4,237,960	88,296
SunTrust Capital Markets, Inc.	1,906,314	66,002
ThinkEquity Partners, LLC	1,093,172	38,486
Thomas Weisel Partners, LLC	529,800	20,238
Thompson Davis & Company	41,700	1,668
Toussant Capital Partners, LLC	7,320	146
Tuohy Brothers Investment Research, Inc.	50,610	2,024
UBS Securities, LLC	7,220,770	206,968
Vandham Securities Corp.	157,113	5,567
Wachovia Capital Markets, LLC	4,151,048	124,873
Wedbush Morgan Securities, Inc.	484,889	16,301
Weeden & Company	9,577,372	198,895
Wells Fargo & Company	49,957	1,903
White Cap Trading	200	3
William Blair & Company	1,292,943	53,339
Williams Capital Group, LP	13,599,261	237,449
Wunderlich Securities, Inc.	13,300	532
Total	701,202,072	\$ 15,242,348

International Equity Management Fees

For the Fiscal Year Ended March 31, 2011.

Acadian Asset Management, LLC	\$ 3,916,131
AllianceBernstein, LP	2,590,001
Baillie Gifford Overseas, Ltd.	2,731,194
Baring Asset Management	3,556,766
Blackrock Institutional Trust Company	2,820,596
Boston Company, LLC	1,785,328
Brandes Investment Partners, LP	3,151,530
Capital Guardian Emerging Markets	7,453,141
Capital Guardian Trust Company	9,752,092
Generation Investment Management, LLP	3,721,356
Goldman Sachs Asset Management, LP	506,694
HSBC Bank, plc	168,750
Mondrian Investment Partners, Inc.	3,265,082
Morgan Stanley Emerging Markets Fund, Inc.	7,507,999
Morgan Stanley Investment Management, Inc.	6,117,462
Templeton Emerging Markets Fund	8,468,466
Templeton Investment Counsel, LLC	3,111,942
Total	\$ 70,624,530

International Equity Commissions

For the Fiscal Year Ended March 31, 2011.

Broker	Shares	Commission \$ U.S.
ABG Securities	3,095,121	\$ 72,406
ABN Amro, Inc.	74,919	1,936
Arden Partners	495,900	582
Baillie Gifford & Company	1,437,608	0
Banco Icatu	664,863	38,653
Banco Pactual S.A.	169,200	10,587
Bank Am Bellevue	365,186	8,888
Bank Berenberg	22,100	1,458
Bank of America NY & SA	1,691,040	16,311
Bank of American International London	657,226	9,987
Bank of New York/Mellon	11,700	276
Barclays Capital, Inc.	83,841,400	471,619
Barclays Capital Securities, Ltd.	8,801,626	50,029
Baypoint Trading, LLC	665,900	13,318
Bear Stearns & Company	247,450	4,949
BGC Brokers, LP	284,000	1,055
Bloomberg Tradebook, LLC	26,462,501	582,978
BMO Capital Markets	1,141,100	43,563
BNP Paribas Securities Corp.	7,614,717	20,988
BNY Brokerage	35,034	537
Brockhouse & Cooper, Inc.	17,339,331	81,544
BTIG, LLC	3,205,476	48,274
CA IB Investmentbank AG	104,176	6,383
Cabrera Capital Markets, Inc.	1,153,050	6,441
Canaccord Adams, Inc.	1,648,978	33,756
Cantor Fitzgerald & Company	4,620,954	24,609
Carax Monaco S.A.M.	272,479	3,711
Cedel Bank	7,025,078	0
Chevreur	349,904	17,584
CIBC World Markets Corp.	754,672	24,690
Citigroup Global Markets	90,587,724	657,384
Collins Stewart, Inc.	530,436	3,312
Cowen & Company, LLC	2,961	101
Credit Agricole Indosuez Cheuvreux	12,770,787	218,496
Credit Lyonnais Securities, Inc.	32,109,967	238,151
Credit Suisse Securities	116,236,572	1,198,984
Daiwa Securities America, Inc.	1,710,719	54,242
Danske Securities	53,039	4,410
Davy Stockbrokers	587,519	10,609
Deutsche Bank Alex Brown	1,840,459	69,504

Broker	Shares	Commission \$ U.S.
Deutsche Bank Securities, Inc.	131,036,849	\$ 792,773
Deutsche Securities Asia, Ltd.	4,667,000	3,546
Eden Group	32,484	149
Enskilda	237,258	7,060
Evolution Beeson Gregory, Ltd.	6,058,390	60,583
Exane, Inc.	26,995	1,905
Exane, Paris	2,132,211	51,478
Execution, Ltd.	5,268,945	46,082
Fidelity Capital Markets	382,363	8,759
Fidentis Equities S.V.	783,108	11,687
Fox River Execution Technology, LLC	73,513	846
Friedman Billings & Ramsey	26,274	1,051
Goldman Sachs & Company	520,354	0
Goldman Sachs International, Ltd.	94,870,261	704,355
Goldman Sachs New York	55,840,102	319,073
Goodbody Stockbrokers	493,035	10,481
G-Trade Services Hamilton	6,572,231	54,284
Handelsbanken	964,319	15,649
Helvea S.A.	70,820	9,756
Hong Kong Shanghai Bank	6,023,665	17,595
HSBC Bank plc London	57,800	461
HSBC Brokerage (USA), Inc.	2,027,817	31,430
HSBC Securities & Capital Markets (India), Inc.	38,000	154
HSBC Securities (Asia), Inc.	2,251,000	549
HSBC Securities (USA), Inc.	69,782	1,727
HSBC Securities, Inc.	31,728,446	156,189
India Infoline, Ltd.	141,842	8,512
ING Barings, LLC	415,228	7,419
Instinet	17,922,316	38,048
Intermonte Securities Milan	497,800	10,865
Investec Henderson Crosthwaite Securities	249,471	3,784
Investment Technology Group	26,218,506	117,421
ISI Group, Inc.	334,183	12,359
Jefferies & Company, Inc.	5,482,488	144,872
JP Morgan Securities, Inc.	76,224,166	678,994
KBC Financial Products	135,819	1,509
Keefe Bruyette & Wood, Inc.	1,255,030	44,108
Kepler Equities	127,896	12,225
Knight Equity Markets, LP	845,411	14,881

Broker	Shares	Commission \$ U.S.
Leerink Swann & Company	11,459	\$ 458
Liberum Capital, Ltd.	136,305	605
Liquidnet, Inc.	34,060,293	184,863
M Ramsey King Securities, Inc.	198,760	3,975
Macquarie Equities, Ltd.	46,106,266	364,007
Mainfirst Bank AG	561,814	37,813
Man Financial, Inc.	105,178	10,572
Merrill Lynch, Pierce, Fenner & Smith, Inc.	129,941,477	869,178
MF Global FXA Securities, Ltd.	35,240	3,304
Miller Tabak & Company, LLC	197,111	3,942
Mirabaud Securities	392,500	3,437
Mitsubishi Finance International	3,085,287	25,375
Mizuho Securities	6,649,882	85,548
Morgan Stanley & Company, Inc.	87,352,634	731,450
Natexis Bleichroeder, Inc.	90,017	4,855
National Bank Financial	75,200	2,913
NBC Clearing Services, Inc.	82,257	2,125
NCB Stockbroker	1,408,458	3,265
Nomura Securities International	109,769,332	502,852
Numis Securities, Ltd.	1,406,449	14,944
NZB Neue Zurcher Bank AG	1,862	926
Oddo Securities	270,780	15,013
Penson Financial Services Canada, Inc.	40,170	452
Pershing, LLC	4,287,783	30,971
Piper Jaffray	505,165	21,596
Portales Partners, LLC	328,168	12,167
Princeton Securities	2,662,080	53,242
Rabo Securities	124,204	6,087

Broker	Shares	Commission \$ U.S.
Raymond James & Associates, Inc.	200	\$ 9
RBC Capital Markets	289,000	10,460
Redburn Partners, LLP	4,091,056	102,794
Royal Bank of Canada Dominion Securities	305,425	9,326
Royal Bank of Scotland	34,777,903	276,993
Samsung Securities	3,200	31
Sanford C Bernstein & Company, LLC	31,077,043	147,671
Santander Investment Securities	694,761	9,923
Scotia Capital, Inc.	1,169,530	42,464
SEB Copenhagen	49,325	3,221
Smith New Court Securities	2,920	284
Societe Generale Securities Corp.	21,089,589	137,919
Standard Chartered Bank	512,000	2,609
State Street Bank and Trust Company	36,896,314	0
State Street Global Markets, LLC	8,714,466	2,071
Sterne Agee & Leach, Inc.	360,776	11,550
Stifel Nicolaus & Company, Inc.	320,792	13,423
Stuart Frankel & Company, Inc.	77,903	1,558
Svenska International Equities	524,265	20,363
TD Securities, Inc.	199,320	7,183
Toronto Dominion	689,200	24,424
UBS Securities, LLC	74,101,939	644,802
Weeden & Company	1,327,236	30,577
William Blair & Company	425,701	20,349
Williams Capital Group, LP	16,500	330
Woori Investment and Securities	13,440	571
Total	1,560,401,985	\$ 11,971,764

Domestic Bond Transactions

For the Fiscal Year Ended March 31, 2011.

Summarized by Broker or Direct Issuer

Long-Term Broker	Par \$ U.S.
Barclays Capital	\$ 714,189,000
Beacon Capital	4,758,331
CastleOak Securities, LP	235,220,000
Citigroup Global Markets, Inc.	139,889,000
Deutsche Bank Securities, Inc.	24,700,000
Development Corp. for Israel	15,000,000
Fannie Mae	106,888,824
Goldman Sachs & Company	438,497,000
Great Pacific Securities, Inc.	142,465,668
HSBC Securities, Inc.	58,006,000
JP Morgan Securities, Inc.	60,800,235
Merrill Lynch, Pierce, Fenner & Smith, Inc.	894,103,000
Morgan Stanley & Company, Inc.	736,695,584
Muriel Siebert & Company, Inc.	12,000,000
RBC Capital Markets	467,882,000
Wells Fargo & Company	156,403,000
Williams Capital Group, LP	57,787,000
Total	\$ 4,265,284,643

Short-Term Broker	Par \$ U.S.
Banc of America Securities, LLC	\$ 9,039,550,000
Barclays Capital	3,180,524,000
BNP Paribas Securities Corp.	5,973,897,000
CastleOak Securities, LP	183,134,397
Chevron	1,836,759,000
Citigroup Global Markets, Inc.	5,077,599,000
Credit Suisse Securities, Ltd.	596,447,000
Deutsche Bank Securities, Inc.	3,927,922,000
Exxon Asset Management Company	499,620,000
General Electric Capital Corp.	6,326,560,000
Goldman Sachs & Company	8,318,187,000
Great Pacific Securities, Inc.	2,501,034,000
HSBC Securities, Inc.	23,895,000
Jackson Securities, Inc.	100,000,000
JP Morgan Securities, Inc.	2,398,620,000
Merrill Lynch, Pierce, Fenner & Smith, Inc.	45,982,322
Morgan Stanley & Company, Inc.	1,089,496,427
RBC Capital Markets	3,000,000
Toronto Dominion Bank	1,370,350,000
Toyota Motor Credit Corp.	990,350,000
UBS Securities, LLC	9,037,664,000
Wells Fargo & Company	117,447,148
Williams Capital Group, LP	8,167,014,000
Total	\$ 70,805,052,294

Real Estate Management and Incentive Fees (Expensed)

For the Fiscal Year Ended March 31, 2011.

	Management Fees	Incentive Fees	Total
Apollo Management, LP	\$ 2,239,666	\$	\$ 2,239,666
Blackstone Real Estate Advisors	15,639,557		15,639,557
Canyon-Johnson Realty Advisors, LLC	139,907		139,907
Carlyle Group	4,586,476		4,586,476
Cherokee Advisors, LLC	3,710,025		3,710,025
CIF-H GP, LLC (Cayuga Lake Fund, LP)	2,783,919		2,783,919
CIF-V GP, LLC (Seneca Lake Fund, LP)	1,093,750		1,093,750
CIM Group, LP	2,184,708		2,184,708
Colony Capital Asia, Ltd.	543,378		543,378
Colony Advisors, LLC	1,490,625		1,490,625
Cypress Grove International Management, LLC	1,221,004		1,221,004
Cypress Grove International Management, LLC (CGI Co-Investment Fund)	106,237		106,237
Franklin Templeton Institutional, LLC (Lake Montauk)	692,109		692,109
Genesis Workforce Housing Fund II, LLC	434,375		434,375
Heitman Capital Management, LLC	7,918,111		7,918,111
ING Clarion	3,918,688	4,868,984	8,787,672
JP Morgan Investment Management, Inc.	4,203,351	591,487	4,794,838
Kimex	36,231		36,231
Lake Hempstead Fund, LP	250,000		250,000
Lake Success Fund, LP	375,000		375,000
Metropolitan Workforce Housing Fund, LLC	1,070,625		1,070,625
Morgan Stanley Group	4,496,620		4,496,620
Noble Hospitality Fund, LLC	3,780,000		3,780,000
Redwood Grove International Management, LLC	1,321,278		1,321,278
Redwood Grove International Management B, LLC (RGI Co-Investment Fund)	289,461		289,461
Rockpoint Real Estate Funds	2,328,144		2,328,144
Stockbridge Real Estate Funds	5,972,178		5,972,178
Westbrook Realty Management	3,697,865		3,697,865
Total	\$ 76,523,288	\$ 5,460,471	\$ 81,983,759

Real Estate Management and Incentive Fees (Capitalized)

For the Fiscal Year Ended March 31, 2011.

	Management Fees	Incentive Fees	Total
ACA Advisors (Aetos)	\$ 498,086	\$	\$ 498,086
Apollo Management, LP	1,358,384		1,358,384
BCP Strategic Partners (Beacon)	8,757,306		8,757,306
CB Richard Ellis Investors S.A.R.L	1,252,801		1,252,801
City Investment Fund Associates	1,408,596		1,408,596
Colony Advisors, LLC	1,288,973		1,288,973
Heitman Capital Management, LLC	305,963		305,963
ING Clarion		3,755,468	3,755,468
JP Morgan Investment Management, Inc.	1,146,456		1,146,456
Landmark Partners	13,505		13,505
Lazard Freres Real Estate Investors, LLC (LF Strategic)	514,321		514,321
LSP (Lone Star)	1,577,312		1,577,312
Olympus Real Estate Fund III, LP	141,821		141,821
Prædium	2,057,724		2,057,724
RREEF America, LLC	149,894		149,894
Warburg Pincus, LLC	763,562		763,562
Total	\$ 21,234,704	\$ 3,755,468	\$ 24,990,173

Private Equity Management Fees (Expensed)

For the Fiscal Year Ended March 31, 2011.

Access US General Partner, LP	\$ 165,813
Aisling Capital, LLC (+Perseus-Soros)	1,379,968
Apax Partners U.S.	113,616
Apollo Management, LP	3,141,806
Ares Management	1,929,141
Ascend Ventures Management, LLC	50,000
Ascent Biomedical Ventures	1,000,000
Asia Alternatives Private Equity Partners	432,997
Banc of America Capital Access Funds Management (Pioneer Fund)	1,400,000
Behrman Brothers Management	666,637
Blackstone Group	5,796,355
Brait Capital Partners, Ltd.	775,384
Brazos	528,927
Bridgepoint Capital, Ltd.	1,604,945
Carlyle Group	6,372,105
Charterhouse Capital Partners	1,256,308
Clessidra Capital	268,480
Credit Suisse	1,075,690
CVC Capital Partners	3,313,337
Cypress Group	376,777
DeltaPoint Capital	660,718
DFJ Gotham General Manager II, LLC	450,461
Easton Hunt New York, LP	308,800
EQT Partners	1,943,461
Ethos Private Equity	837,545
Fairview Capital Partners	2,236,108
Falcon Strategic Partners	372,255
First Albany Companies	631,599
Freeman, Spogli & Company (FS Equity)	153,087
GenNx360 Capital Partners	776,274
Gilde, LP	175,350
Goldman Sachs & Company	312,480
Green Equity Investors, LP	667,142
Greenhill Venture Partners (GSAV)	125,000
Hamilton Lane Advisors, LLC	4,837,043
HarbourVest Partners, LLC (Mohawk River)	3,631,250

Hellman & Friedman Investors, Inc.	\$ 4,519,587
High Peaks Venture Partners	896,042
HM Capital Partners I, LP (Sector)	1,030,554
Hudson Capital GP, LLC	1,550,626
InterMedia Advisors	1,099,312
Irving Place Capital Advisors	709,608
JP Morgan Partners, LLC	4,390,510
JMI Equity	59,429
Kelso & Company	3,750,000
Kohlberg, Kravis, Roberts & Company	9,075,835
Levine Leichtman Capital Partners, Inc.	598,063
Lindsay Goldberg & Company	4,639,856
Lion Capital Partners	850,270
Madison Dearborn Partners, Inc.	814,868
Milestone Managers, LLC	468,750
Muller and Monroe Asset Management	258,904
New Mountain Capital, LLC	1,353,490
Oaktree PPIP Private Fund, LP	30,535
Pacific Corporate Group, Inc.	1,013,254
Paladin Capital Management	656,400
Palladium Equity Partners	910,028
Parish Capital	1,983,314
Performance Equity Management	1,521,064
Providence Equity Partners	4,306,895
Quadrangle	2,023,905
SB Asia (SAIF)	574,000
Stonington Partners	37,650
TFSI Management	951,717
Thomas H. Lee Company	1,482,742
TLP Management (Trillium)	278,687
TPG Partners	3,001,508
Vestar Capital Partners	160,253
Vista Equity Partners	2,801,607
Warburg Pincus, LLC	1,311,755
Wheatley NY Partners, LLC	335,365
York Distressed Mortgage Fund, LP	2,739,031
Total	\$ 111,952,273

Private Equity Management Fees (Capitalized)

For the Fiscal Year Ended March 31, 2011.

Ascend Ventures Management, LLC	\$ 17,842
Ascent Biomedical Ventures	93,750
Avenue Capital Management	2,648,133
Bridgepoint Capital, Ltd.	940,160
CVC Capital Partners	325,533
DFJ Gotham General Manager II, LLC	38,614
Ethos Private Equity	264,812
Falcon Strategic Partners	173,603
Gilde, LP	17,957
Greenhill Venture Partners (GSAV)	375,000
Hamilton Lane Advisors, LLC	139,202
HarbourVest Partners, LLC (Mohawk River)	6,568,793
Hellman & Friedman Investors, Inc.	1,125,952
Irving Place Capital Advisors	220,142
JP Morgan Partners, LLC	1,824,032
Lion Capital Partners	1,641,356
Madison Dearborn Partners, Inc.	17,045
Markstone Investment Management	3,014,431
Oaktree Capital Management	5,011,778
Palladium Equity Partners	239,876
SB Asia (SAIF)	742,500
TA Associates	3,390,140
Thomas H. Lee Company	114,345
Warburg Pincus, LLC	9,019,448
Wheatley NY Partners, LLC	17,705
Total	\$ 37,982,149

Absolute Return Strategy Management and Incentive Fees

For the Fiscal Year Ended March 31, 2011.

	Management Fees	Incentive Fees	Total
Apollo Value Management, LP	\$ 24,375	\$ 13,731	\$ 38,106
Avenue Europe International Management, LP	23,825		23,825
BlueCrest Capital Management, LLP	5,627,683	9,317,179	14,944,862
Brevan Howard Capital Management, LP	3,296,535	526,382	3,822,917
Brigade Capital General Partner, LLC		2,058,689	2,058,689
Brigade Capital Management, LLC	1,588,438		1,588,438
Brookside Capital Investors, LP		1,055,463	1,055,463
Brookside Capital, LLC	1,503,999		1,503,999
Canyon Capital Advisors, LLC	40,060		40,060
Caspian Capital, LP	1,842,729	3,123,478	4,966,207
Coast Asset Management, LLC	4,403		4,403
COMAC Capital (Europe), Ltd.	2,749,340		2,749,340
COMAC International, Ltd.		-1,240,238	-1,240,238
Contrarian Capital Management, LLC	10,288		10,288
D.E. Shaw & Company, LP	6,134,146	3,556,619	9,690,765
Diamondback Capital Management, LLC	3,678,830		3,678,830
Diamondback Capital, LLC		5,129,736	5,129,736
Discovery Capital Management, LLC	484,946		484,946
Drawbridge Special Opportunities Advisors, LLC	571,958		571,958
Drawbridge Special Opportunities GP, LLC		1,345,426	1,345,426
Elm Ridge Capital Management, LLC	1,403,208		1,403,208
Elm Ridge Partners, LLC		177,039	177,039
Evolution Capital Management, LLC	100,173		100,173
Finisterre Capital, LLP	2,324,430	5,708,646	8,033,076
GLG Partners (Cayman), Ltd.	8,143		8,143
GoldenTree Asset Management, LP	95,406		95,406
Gramercy Advisors, LLC	930,783	1,894,281	2,825,064
Guggenheim Advisors, LLC	12,075		12,075

	Management Fees	Incentive Fees	Total
Harbinger Capital Partners, LLC	\$ 622,036	\$	\$ 622,036
HealthCor Capital, LP		666,427	666,427
HealthCor Management, LP	2,193,275		2,193,275
Highfields Associates, LLC		857,338	857,338
Highfields Capital Management, LP	491,666		491,666
Horseman Capital Management, LP	250,940		250,940
King Street Capital Management, LP	2,571,720	1,771,611	4,343,331
Lansdowne Partners, Ltd. Partnership	2,276,746	3,141,506	5,418,252
Level Global Associates, LLC		866,454	866,454
Level Global Investors, LP	1,523,213		1,523,213
Marathon Asset Management, LP	651,023		651,023
Mezzacappa Investors II, LLC	533,121		533,121
Normandy, Ltd.	113,073		113,073
Ore Hill Partners, LLC	7,703		7,703
OZ Advisors, LP		6,752,501	6,752,501
OZ Management II, LP	4,385,583		4,385,583
Paulson & Company, Inc.		2,874,938	2,874,938
Paulson Advisors, LLC	2,873,592		2,873,592
Pennant Capital Management, LLC	1,952,908		1,952,908
Pennant General Partner, LLC		2,603,731	2,603,731
Perella Weinberg Partners Xerion Equity, LP	2,018,075	3,273,369	5,291,444
Pharo Global Advisors, Ltd.	2,050,536	417,047	2,467,583
Plainfield Asset Management, LLC	321,207		321,207
Rock Creek Group, LP	542,610		542,610
Schultze Asset Management, LLC	56,018	5,359	61,377
Sector Omega A.S.	251,150		251,150
St. James Bank & Trust Company, Ltd.	10,000		10,000
Stark Onshore Management, LLC	441,752		441,752
Viking Global Investors, LP	2,912,371		2,912,371
Viking Global Performance, LLC		5,102,726	5,102,726
York European Opportunities Offshore Holdings, LLC	1,036,761	185,224	1,221,985
Totals	\$ 62,542,852	\$ 61,184,662	\$ 123,727,514

Consultant & Advisor Fees

For the Fiscal Year Ended March 31, 2011.

Aksia, LLC	\$ 2,697,471
Albourne America, LLC	35,000
Bank of New York Mellon	576,058
Bard Consulting, LLC	24,300
Glass Lewis & Company	5,000
Hamilton Lane Advisors, LLC	66,667
Hewitt EnnisKnupp, Inc.	476,667
JP Morgan Asset Management, Inc.	475,000
LP Capital Advisors, LLC	1,136,412
Mercer Investment Consulting, Inc.	18,500
Pension Consulting Alliance, Inc.	73,430
RV Kuhns & Associates, Inc.	350,000
Smith Graham & Company Investment Advisors, LP	487,500
Stockbridge Risk Management, Inc.	13,481
Townsend Group	548,376
Wilshire Associates, Inc.	60,000
Total	\$ 7,043,862

Actuarial

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Statement of the Actuary

September 2011

As the Actuary for the Employees' Retirement System (ERS) and the Police and Fire Retirement System (PFRS), it is my duty to ensure that the New York State and Local Retirement System (the System) properly funds the retirement benefits of members, retirees and beneficiaries in order to ensure that adequate assets are being accumulated to pay benefits as they become due. The System has a funding objective of employer contributions that, over time, are a level percentage of payroll.

We annually perform actuarial valuations which determine the annual contributions required of employers. A valuation relies on data for current active and retired members and beneficiaries as of a given date, called the valuation date. Some of the required data to perform a valuation for active members includes date of birth, salary and credited service. For retired members and beneficiaries, dates of birth, monthly benefits and benefit options are some of the required data elements. In preparation for the valuation, we extensively validate the System's data by running reasonableness tests and account for every individual on a year-to-year basis. Also, we review the information contained in the financial statements.

For active members, the valuation projects expected benefits at retirement, death and withdrawal based on estimated pay and service, as well as the member's plan benefit formula. For retirees, the valuation determines the present value of payments expected to be made for the retiree's and beneficiary's lifetimes.

Since benefit security is the System's primary objective, all obligations, rates of interest and other factors must be determined on the basis of reasonable actuarial assumptions and methods. The types of assumptions that must be made include both demographic (rates of employee mortality, disability, turnover and retirement) and economic (interest rates, inflation and salary growth). Therefore, in their calculations, actuaries must make assumptions about these uncertainties.

The actuary performs annual experience studies, ascertaining how closely the System's experience is conforming to the assumptions used. If significant differences occur that the actuary believes may indicate permanent shifts, the actuary may recommend assumption changes to reduce the expected differences.

The System retains an external auditor to independently review its financial records every year. Furthermore, an Actuarial Advisory Committee meets annually to review the actuarial assumptions and the results of the actuarial valuation. The System also engages the services of an outside actuarial consultant to perform a review every five years; similarly, every five years, the System is audited by the New York State Department of Insurance. Lastly, the Comptroller of the State of New York, in his role as sole trustee of the System, established an Office of Internal Audit to help him fulfill his fiduciary objectives.

The April 1, 2009 valuation for determining 2011 employer contribution rates was performed under my direction and supervision, using the assumptions recommended by Teri E. Landin, the previous Retirement System Actuary, and adopted by the Comptroller as of April 1, 2007. Tier 5 legislation was adopted after this valuation was completed.

Our assumptions and methods meet the Governmental Accounting Standards Board (GASB) 25 standards and a summary is included later in this section. I am responsible for all of the valuation results and other actuarial calculations contained in this report. I prepared the Schedule of Funding Progress but, while I prepared the employer contribution rates that determined the 2011 employer billing, I did not prepare the Schedule of Employer Contributions.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial practices which are consistent with the principles prescribed by the Actuarial Standards Board as well as the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.



Michael Dutcher, E.A., A.S.A.

Actuary

New York State and Local Employees' Retirement System

New York State and Local Police and Fire Retirement System

Actuarial Funding and Valuation

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 multiyear 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 actuarial assumptions for fiscal year ended 2011 employer contribution rates were adopted effective April 1, 2007. These assumptions and their predecessors are shown below. All assumptions presume ongoing Systems:

Fiscal Year Ended 3/31	Salary Scale*			Interest Rate	Multiple-Decrement Tables based on Systems'
1987-88	Inflation Productivity & Merit	5.0% 2.3% 7.3%		8.00%	4/1/81-3/31/86 experience
1989-92	Inflation Productivity & Merit	5.0% 2.0% 7.0%		8.75%	4/1/81-3/31/86 experience
1993-96	Inflation Productivity & Merit	5.0% 2.0% 7.0%		8.75%	4/1/86-3/31/91 experience
		ERS	PFRS		
1997-98	Inflation Productivity & Merit	4.75% 1.25% 6.00%	4.75% 1.75% 6.50%	8.50%	4/1/90-3/31/95 experience
1999-2000	Inflation Productivity & Merit	3.50% 2.50% 6.00%	3.50% 3.00% 6.50%	8.50%	4/1/90-3/31/95 experience
2001	Inflation Productivity & Merit	3.00% 2.50% 5.50%	3.00% 3.00% 6.00%	8.00%	4/1/90-3/31/95 experience
2002-04	Inflation Productivity & Merit	3.00% 2.90% 5.90%	3.00% 3.90% 6.90%	8.00%	4/1/95-3/31/00 experience
2005	Inflation Productivity & Merit	3.00% 2.40% 5.40%	3.00% 3.90% 6.90%	8.00%	4/1/95-3/31/00 experience
2006	Inflation Productivity & Merit	3.00% 2.40% 5.40%	3.00% 3.90% 6.90%	8.00%	4/1/95-3/31/00 experience with subsequent adjustments
2007-11	Inflation Productivity & Merit	3.00% 2.40% 5.40%	3.00% 3.70% 6.70%	8.00%	4/1/00-3/31/05 experience with subsequent adjustments
*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, 2009 Valuation

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

Service Retirement — ERS

Age	Service (in years)		
	<20	20 – 20.99	≥30
Tier 1			
55	1,515	2,442	4,836
60	1,298	1,917	2,732
65	3,154	3,683	3,223
Tier 2-4			
55	552	924	3,285
60	662	1,250	2,690
65	2,210	3,683	3,223

Service Retirement — PFRS

Service	20-year	20-year with add'l 60ths	
	(both tiers)	Tier 1	Tier 2
20	2,320	739	739
25	931	551	551
30	839	1,703	1,703

Service Retirees — Mortality

Age	Male Clerk	Female Clerk	PFRS
55	46	33	43
60	64	49	65
70	159	117	174
80	413	316	502

Disability Retirees — Mortality

Age	Male	Female	PFRS
30	35	12	4
40	111	96	24
60	259	224	110
80	812	472	739

Disability Retirement — Ordinary and Accidental

Age	ERS Ord	ERS Acc	PFRS Ord*	PFRS Acc
35	7	2	15	22
40	14	2	21	35
45	23	2	28	40
50	39	2	35	40

*includes performance of duty.

Ordinary Death

Age	ERS	PFRS
35	6	5
40	9	5
45	13	8
50	19	12

Withdrawal — ERS (Ten-year ultimate rates)

Age	ERS
35	273
40	222
45	182
50	137

Withdrawal — PFRS

Service	PFRS
5	130
10	73
15	33

Salary Scale — Annual Percentage Increase

Age	ERS	PFRS
25	9.24	16.25
35	6.62	6.89
45	5.40	5.76
55	4.75	6.09

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. Normally, 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. For FY 2011, the April 1, 2009 valuation reflects a full five-year smoothing method.

The GLIP values investments at market value. For FY 2011, the April 1, 2009 valuation of the System and Insurance Plan, the difference between market and actuarial value of smoothed investments, was:

	Investment (In Millions)
Market Value	\$108,961
Actuarial Value	146,688
Difference	\$ 37,727

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 February 1 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; in millions of dollars, as calculated April 1, 2008 and April 1, 2009.

	2010	2011
	(In Millions)	
ERS		
Actuarial Assets		
Actuarial Value of Present Assets:		
Held for Current Pensioners & Beneficiaries	\$ 54,945	\$ 57,419
Held for Members	66,542	61,300
Members' Contributions	7,430	7,718
Total	\$ 128,917	\$ 126,437
Actuarial Present Value of Prospective Contributions:		
From Employers	\$ 13,449	\$ 21,391
From Members	1,010	1,031
Total	\$ 14,459	\$ 22,422
Total Actuarial Assets	\$ 143,376	\$ 148,859
Actuarial Liabilities		
Actuarial Present Value of Benefits for Current Pensioners & Beneficiaries:		
Service Retirement Benefits	\$ 51,656	\$ 54,192
Disability Retirement Benefits	3,176	3,119
Death Benefits	113	108
Total	\$ 54,945	\$ 57,419
Actuarial Present Value of Benefits for Members:		
Service Retirement Benefits	\$ 84,760	\$ 87,650
Disability Retirement Benefits	1,736	1,783
Death Benefits	1,351	1,410
Other	584	597
Total	\$ 88,431	\$ 91,440
Total Actuarial Liabilities	\$ 143,376	\$ 148,859

	2010	2011
	(In Millions)	
PFRS		
Actuarial Assets		
Actuarial Value of Present Assets:		
Held for Current Pensioners & Beneficiaries	\$ 11,156	\$ 11,588
Held for Members	11,588	10,809
Members' Contributions	23	26
Total	\$ 22,767	\$ 22,423
Actuarial Present Value of Prospective Contributions:		
From Employers	\$ 4,386	\$ 5,330
From Members	0	0
Total	\$ 4,386	\$ 5,330
Total Actuarial Assets	\$ 27,153	\$ 27,753
Actuarial Liabilities		
Actuarial Present Value of Benefits for Current Pensioners & Beneficiaries:		
Service Retirement Benefits	\$ 8,988	\$ 9,352
Disability Retirement Benefits	2,059	2,122
Death Benefits	109	114
Total	\$ 11,156	\$ 11,588
Actuarial Present Value of Benefits for Members:		
Service Retirement Benefits	\$ 14,227	\$ 14,270
Disability Retirement Benefits	1,381	1,446
Death Benefits	300	336
Other	89	113
Total	\$ 15,997	\$ 16,165
Total Actuarial Liabilities	\$ 27,153	\$ 27,753

New York Public Employees' Group Life Insurance Plan

Actuarial Assets	2010	2011
	(In Millions)	
Assets		
Investments	\$ 113	\$ 128
Premiums Receivable	-	1
Total Assets	\$ 113	\$ 129
Liabilities		
Managed Overdraft (cash)	3	4
Claims Being Processed	29	30
Claims Unreported	14	14
Reserve for Mortality Fluctuations	67	81
Total Liabilities	\$ 113	\$ 129

Local Government Employers' Final Contribution Rates For Select Plans

For the fiscal year ending March 31, 2011, assuming a February 1, 2011 payment.

All rates exclude any contribution rates due to 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	7.6	7.2	n/a
Tier 3	A14	n/a	n/a	11.2
Tier 4	A15	n/a	n/a	11.2
Non-contributory	75-c	13.8	12.5	n/a
Non-contributory w/ Guaranteed Benefits	75-e	13.8	12.5	n/a
Career	75-g	14.6	13.3	n/a
New Career	75-h/75-i	15.2	13.9	n/a
25-year plans				
Sheriffs and Deputies	89-a	17.7	17.1	n/a
Article 14B Sheriffs – 25-yr.	551	16.8	16.6	15.1
Article 14B Sheriffs – 25-yr. + 1/60th	551-e	17.6	17.5	15.9
full service for 1/60th	551-ee	18.3	18.2	16.6
County Law Enforcement	89-e, etc.	18.3	21.6	14.2
election on or after 4/1/98	89-p, etc.	18.3	18.1	13.8
20-year plans				
Sheriffs and Deputies	89-b	20.0	16.8	n/a
additional 1/60th	89-b(m)	20.1	17.4	n/a
Article 14B Sheriffs – 20-yr.	552	20.1	20.0	18.4
Article 14B Sheriffs – 20-yr. + 1/60th	553	20.5	20.3	18.9
full service for 1/60th	553b	21.3	21.1	19.6
Detective Investigators	89-d	19.8	26.8	n/a
additional 1/60th	89-d(m)	19.9	27.4	n/a

	Plan ID	Percentage of Payroll		
		Tier 1	Tier 2	Tier 3
PFRS				
Age-based plans				
Basic, Age 55, Age 60 Contributory	371-a	8.4	7.5	
Non-contributory	375-c	13.2	11.1	
Non-contributory w/ Guaranteed Benefits	375-e	13.2	11.1	
Career	375-g	14.4	12.1	
New Career	375-i	14.9	12.5	
Improved Career	375-j	14.9	12.5	
25-year plans				
Non-contributory	384	14.7	14.7	
additional 1/60th	384(f)	15.2	15.0	
20-year plans				
Contributory				
employer assumes 1/2 of additional member cost	384-d	10.4	10.1	
employer assumes all of additional member cost	384-d	14.8	14.3	
PFA 14		n/a	n/a	16.5
Non-contributory	384-d	17.4	16.8	
additional 1/60th	384-e			
1990 elections		23.1	18.4	
1991 elections		23.1	18.4	
1992 elections		23.1	18.4	
1993 elections		23.1	18.4	
1994 elections		23.1	18.4	
1995 elections		23.1	18.4	
1996 elections		23.1	18.4	
1997 elections		23.1	18.4	
1998 elections		23.1	18.4	
all other years		17.7	17.5	

Contribution Rate Trend for Local Governments

Rates prior to 2006 are based on a payment date of December 15. Beginning in 2006, the rates are based on a February 1 payment date. Each rate is applied to the salary of members covered by that particular plan. Rates were calculated under the aggregate method. All rates include Group Life Insurance and administrative rates.

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

Plan Name (Section)	Percentage of Payroll									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
ERS										
Non-contributory (75-c)										
Tier 1	0.7	1.2	4.9	15.8	13.7	12.0	10.9	9.7	8.4	13.8
Tier 2	0.7	1.1	4.9	13.2	11.7	10.9	9.9	8.8	7.6	12.5
Guaranteed Benefit (75-e)										
Tier 1	0.7	1.2	4.9	15.8	13.7	12.0	10.9	9.7	8.4	13.8
Tier 2	0.7	1.1	4.9	13.2	11.7	10.9	9.9	8.8	7.6	12.5
Career (75-g)										
Tier 1	0.7	1.3	4.9	16.6	14.4	12.7	11.5	10.3	8.9	14.6
Tier 2	0.7	1.2	4.9	14.1	12.5	11.6	10.5	9.4	8.1	13.3
New Career (75-i)										
Tier 1	0.7	1.3	4.9	17.2	15.0	13.2	12.0	10.7	9.2	15.2
Tier 2	0.7	1.2	4.9	14.7	13.0	12.1	11.0	9.8	8.5	13.9
Article 14/15 Tier 3	0.7	1.2	4.9	11.4	10.2	9.7	8.8	7.9	6.9	11.2
Article 15 Tier 4	0.7	1.2	4.9	11.4	10.2	9.7	8.8	7.9	6.9	11.2

Plan Name (Section)	Percentage of Payroll									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
PFRS										
Non-contributory (375-c)										
Tier 1	0.1	0.1	4.6	12.7	11.6	12.2	11.9	11.2	10.8	13.2
Tier 2	0.1	0.1	4.6	10.5	9.3	10.1	9.7	9.5	9.2	11.1
Guaranteed Benefit (375-e)										
Tier 1	0.1	0.1	4.6	12.7	11.6	12.2	11.9	11.2	10.8	13.2
Tier 2	0.1	0.1	4.6	10.5	9.3	10.1	9.7	9.5	9.2	11.1
Career (375-g)										
Tier 1	0.1	0.1	4.6	13.8	12.6	13.4	13.0	12.3	11.8	14.4
Tier 2	0.1	0.1	4.6	11.4	10.2	11.1	10.7	10.4	10.0	12.1
New Career (375-i)										
Tier 1	0.1	0.1	4.6	14.3	13.0	13.8	13.5	12.7	12.2	14.9
Tier 2	0.1	0.1	4.6	11.7	10.4	11.3	10.9	10.7	10.3	12.5
25-Year (384)										
Tier 1	0.1	0.1	4.6	14.1	12.8	13.5	13.3	12.5	11.9	14.7
Tier 2	0.1	0.1	4.6	13.3	12.1	13.4	13.2	12.5	11.9	14.7
25-Year + 1/60ths (384(f))										
Tier 1	0.1	0.1	4.6	14.4	13.1	14.0	13.8	12.9	12.4	15.2
Tier 2	0.1	0.1	4.6	14.1	12.8	13.6	13.3	12.7	12.2	15.0
20-Year (384-d)										
Tier 1	0.1	0.1	4.6	16.0	14.8	15.7	15.5	14.9	14.2	17.4
Tier 2	0.1	0.1	4.6	15.2	14.2	15.0	14.7	14.5	13.8	16.8
20-Year + 1/60ths (384-e)										
Tier 1										
1990 elections	5.5	5.5	10.0	22.1	20.8	21.5	21.3	20.5	19.9	23.1
1991 elections	8.3	8.3	12.8	24.9	23.7	24.4	24.2	20.5	19.9	23.1
1992 elections	9.4	9.4	13.9	26.0	24.8	25.5	25.3	20.5	19.9	23.1
1993 elections	12.0	12.0	16.5	28.6	27.4	28.1	27.9	20.5	19.9	23.1
1994 elections	9.0	9.0	13.5	25.6	24.4	25.1	24.9	20.5	19.9	23.1
1995 elections	12.8	12.8	17.3	29.4	28.2	28.9	28.7	20.5	19.9	23.1
1996 elections	14.2	14.2	18.7	30.8	29.6	30.3	30.1	20.5	19.9	23.1
1997 elections	12.2	12.2	16.7	28.8	27.6	28.3	28.1	20.5	19.9	23.1
1998 elections	13.7	13.7	18.2	30.3	29.1	29.8	29.6	20.5	19.9	23.1
all other years	0.1	0.1	4.6	16.7	15.4	16.1	15.9	15.1	14.5	17.7
Tier 2										
1990-1993 elections	1.5	1.4	5.9	17.5	16.3	17.1	16.6	15.9	15.3	18.4
1994 elections	3.1	2.9	7.4	18.7	17.3	17.9	17.4	15.9	15.3	18.4
1995 elections	3.1	2.9	7.4	19.0	17.7	18.5	17.8	15.9	15.3	18.4
1996 elections	2.2	2.0	6.5	18.2	16.8	17.5	16.9	15.9	15.3	18.4
1997 elections	2.3	2.0	6.5	18.0	16.6	17.4	16.8	15.9	15.3	18.4
1998 elections	2.5	2.3	6.8	18.1	16.8	17.5	16.8	15.9	15.3	18.4
all other years	0.1	0.1	4.6	16.3	15.1	16.0	15.7	15.0	14.4	17.5

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 and reconciliation of other years' bills. In addition, in 2005, 2006 and 2007, employers could amortize a portion of their contributions. The following amounts show their total obligation. The contributions and average rates below include normal, administrative, Group Life Insurance, incentive and deficiency contributions.

Comparison of Employer Contributions*

For fiscal years ending 2010 and 2011 (In Millions)

	2011 Contribution			2010 Contribution		
	Salary	Contribution	Avg. Rate	Salary	Contribution	Avg. Rate
ERS						
Tier 1	\$ 470	\$ 72	15.4%	\$ 714	\$ 67	9.3%
Tier 2	552	78	14.2	806	70	8.7
Tier 3 & 4	22,816	2,673	11.7	23,433	1,698	7.2
Tier 5	551	52	9.4	19	1	5.8
Deficiency		3			2	
Total	\$ 24,389	\$ 2,878	11.8%	\$ 24,972	\$ 1,838	7.4%
PFRS						
Tier 1	\$ 32	\$ 8	24.7%	\$ 43	\$ 9	21.7%
Tier 2	3,072	558	18.2	3,061	460	15.0
Tier 3	11	2	15.8	9	1	13.0
Tier 5	31	5	15.0	10	1	12.9
Total	\$ 3,146	\$ 572	18.2%	\$ 3,123	\$ 471	15.1%

*Numbers may not add up due to rounding.

Final Employer Contributions by Employer Type

Attributable to fiscal year 2011 costs only (In Millions)

Employer	Normal	Deficiency	Administrative	GLIP	Total
ERS					
State	\$ 1135		\$ 40	\$ 36	\$ 1212
Counties	504		18	15	536
Cities	70		3	3	75
Towns	157	\$ 1	6	6	170
Villages	48	**	2	2	51
Miscellaneous	422	1	16	16	456
Schools	351	**	13	13	377
Total	\$2,687	\$ 3	\$ 98	\$ 91	\$2,878
PFRS					
State	\$ 103		\$ 3	\$ 1	\$ 106
Counties	138		4	1	143
Cities	158		4	1	164
Towns	58		2	0	60
Villages	47		1	0	48
Miscellaneous	49		1	0	51
Total	\$ 553		\$ 16	\$ 3	\$ 572

**Less than \$500,000

Employer Contributions by Tier*

(In Millions)

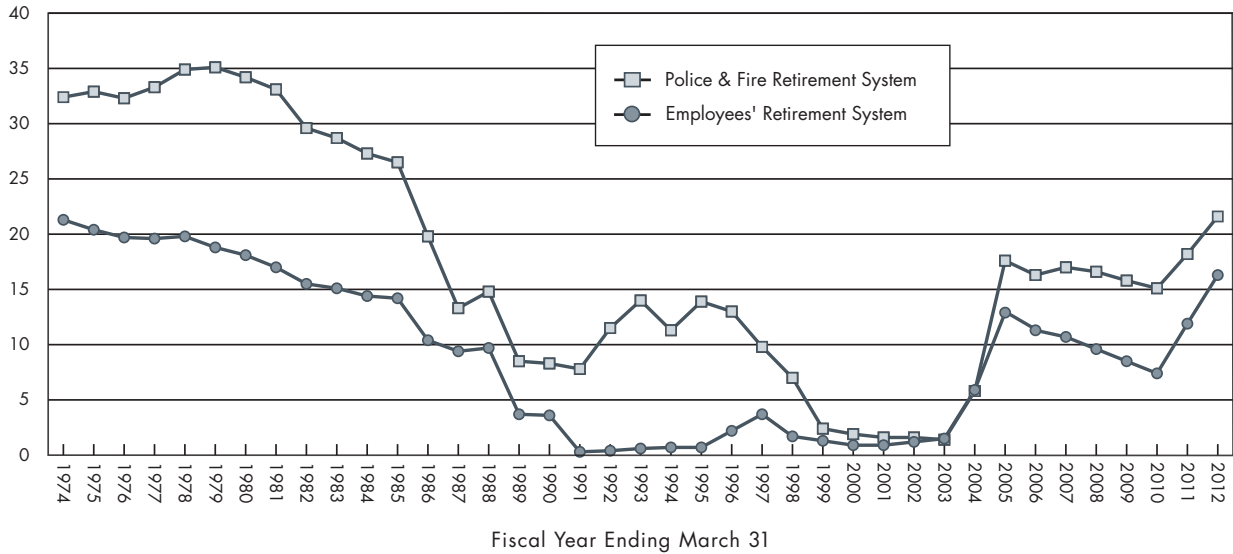
	2011 (as of 2/1/11)		2010 (as of 2/1/10)	
	Employer Contributions Attributable to Year	Percent	Employer Contributions Attributable to Year	Percent
ERS				
Tier 1	\$ 72	2.5%	\$ 67	3.6%
Tier 2	78	2.7	70	3.8
Tier 3 & 4	2,673	92.9	1,698	92.4
Tier 5	52	1.8	1	0.1
Deficiency	3	0.1	2	0.1
Total	\$ 2,878	100.0%	\$ 1,838	100.0%
PFRS				
Tier 1	\$ 8	1.4%	\$ 9	1.9%
Tier 2	558	97.5	460	97.7
Tier 3	2	0.3	1	0.2
Tier 5	5	0.8	1	0.2
Total	\$ 572	100.0%	\$ 471	100.0%

*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. 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)

	Contributions Billed for Preceding Year	Salary Growth	Return on Investments ^(a)	Assumption Changes	Change in Benefits	Other Adjustments	Projected Contributions for Year Shown ^(b)
ERS							
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
2006	2,652	124	-746	23	n/a	399	2,452
2007	2,395	112	51	n/a	n/a	-191	2,367
2008	2,316	93	-147	n/a	n/a	-91	2,171
2009	2,018	88	-192	n/a	n/a	-79	1,835
2010	1,854	135	1,098	-75	n/a	130	3,142
2011	3,029	89	782	417	n/a	-71	4,246
PFRS							
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
2006	446	21	-119	4	n/a	80	432
2007	430	21	6	n/a	n/a	16	473
2008	476	22	-24	n/a	n/a	12	486
2009	487	26	-29	8	n/a	-1	491
2010	474	31	152	-13	n/a	-42	602
2011	576	10	117	22	n/a	-31	694
(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.							

Solvency Test

The System is funded in accordance with the aggregate method. The following solvency test is one means of checking the System's funding progress. In this test, the System's actuarial value of assets is compared to:

- (1) member contributions on deposit,
- (2) the liabilities for future benefits to persons who have retired, and
- (3) the employer financed liabilities for service already rendered by active members.

The accrued liabilities in this chart are calculated in accordance with the entry age normal method.

Valuation Date	Accrued Liability				Actuarial Assets	Portion of Actuarial Accrued Liabilities Covered by Actuarial Assets		
	Member Contributions (1)	Retiree (2)	Active (3)	Total (1) + (2) + (3)		(1)	(2)	(3)
ERS								
4/1/05	\$ 6,474	\$ 45,679	\$ 50,071	\$ 102,224	\$ 105,088	100.0%	100.0%	105.7%
4/1/06	6,792	48,601	52,392	107,785	112,209	100.0	100.0	108.4
4/1/07	7,112	51,231	56,182	114,525	121,116	100.0	100.0	111.7
4/1/08	7,430	54,945	57,808	120,183	128,916	100.0	100.0	115.1
4/1/09	7,718	57,419	59,999	125,136	126,438	100.0	100.0	102.2
4/1/10	7,979	62,692	62,903	133,574	125,482	100.0	100.0	87.1
PFRS								
4/1/05	\$ 18	\$ 9,533	\$ 8,251	\$ 17,802	\$ 18,657	100.0%	100.0%	110.4%
4/1/06	21	10,169	8,663	18,853	19,827	100.0	100.0	111.2
4/1/07	22	10,638	9,414	20,074	21,379	100.0	100.0	113.9
4/1/08	22	11,156	9,894	21,072	22,767	100.0	100.0	117.1
4/1/09	26	11,588	9,983	21,597	22,423	100.0	100.0	108.3
4/1/10	27	12,891	10,080	22,998	22,230	100.0	100.0	92.4

Schedule of Active Member Data

FYE March 31	Active Members	Annual Member Payroll (In Millions)	% Increase in Annual Member Payroll	Average Salary
ERS				
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
2005	508,856	20,218	3.3	39,733
2006	513,016	20,919	3.5	40,776
2007	519,203	22,018	5.3	42,408
2008	528,435	22,779	3.5	43,106
2009	530,023	24,099	5.8	45,468
2010	529,466	24,972	3.6	47,164
PFRS				
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
2005	32,388	2,531	2.9	78,149
2006	32,469	2,712	7.1	83,518
2007	32,811	2,825	4.2	86,099
2008	33,089	2,926	3.6	88,440
2009	33,052	2,970	1.5	89,854
2010	32,449	3,113	4.8	95,934

Schedule of Retired Members and Beneficiaries Added to and Removed from Benefit Payroll

Fiscal Year	Number of Retired Members and Beneficiaries		Annual Benefits of Retired Members and Beneficiaries		Total Number of Retired Members and Beneficiaries	Total Annual Benefit	Percentage Increase in Total Annual Benefits	Average Annual Benefit
	Added During the Year	Removed During the Year	Added During the Year	Removed During the Year				
ERS								
2001	13,807	10,993	\$492,276,739	\$ 99,260,472	273,147	\$3,645,893,340	12.08%	\$13,348
2002	19,523	11,673	430,043,721	123,115,462	280,997	3,952,821,599	8.42	14,067
2003	18,197	11,853	426,684,543	132,184,921	287,341	4,247,321,222	7.45	14,781
2004	25,929	11,742	664,359,794	133,836,233	301,528	4,777,844,783	12.49	15,845
2005	16,902	11,899	359,819,587	140,495,573	306,531	4,997,168,797	4.59	16,302
2006	20,121	12,815	444,562,616	142,494,586	313,837	5,299,236,827	6.04	16,885
2007	19,780	12,504	453,890,020	144,683,098	321,113	5,608,443,749	5.83	17,466
2008	20,787	13,174	538,291,047	156,937,687	328,726	5,989,797,109	6.80	18,221
2009	21,585	14,038	565,713,502	173,445,214	336,273	6,382,065,397	6.55	18,979
2010	22,885	14,052	604,707,420	181,343,790	345,106	6,805,429,027	6.63	19,720
PFRS								
2001	1,044	615	\$106,445,661	\$ 11,333,671	24,931	\$ 726,368,713	15.07%	\$29,135
2002	1,372	696	70,026,198	15,920,481	25,607	780,474,430	7.45	30,479
2003	1,297	648	76,534,113	15,646,434	26,256	841,362,108	7.80	32,045
2004	1,248	675	75,509,272	16,735,085	26,829	900,136,295	6.99	33,551
2005	1,588	697	91,631,714	18,120,868	27,720	973,647,141	8.17	35,124
2006	1,404	716	85,412,810	18,880,308	28,408	1,040,179,643	6.83	36,616
2007	1,230	685	74,195,781	18,847,992	28,953	1,095,527,432	5.32	37,838
2008	1,157	727	73,592,416	20,604,380	29,383	1,148,515,468	4.84	39,088
2009	1,270	748	85,132,844	21,203,012	29,905	1,212,445,300	5.57	40,543
2010	1,606	814	106,721,728	25,637,123	30,697	1,293,529,905	6.69	42,139
ERS — Annual benefits are based on option 0 benefits plus COLA.								
PFRS — Annual benefits are based on option 0 benefits (prior to option selection and partial lump sum distribution) plus COLA.								

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Schedule of Additions to Plan Net Assets

(In Thousands)

Year Ending	Member Contributions	Employer Contributions	Contributions % of Payroll	Other Income*	Investment Income	Total
2011	\$ 286,199	\$ 4,164,571		\$ 127,709	\$ 19,339,896	\$ 23,918,375
ERS	284,486	3,622,638	11.9%	101,730	16,427,023	20,435,877
PFRS	1,713	541,933	18.2%	25,979	2,912,873	3,482,498
2010	\$ 284,291	\$ 2,344,222		\$ 81,981	\$ 28,422,361	\$ 31,132,855
ERS	282,791	1,879,209	7.4%	76,466	24,145,393	26,383,859
PFRS	1,500	465,013	15.1%	5,515	4,276,968	4,748,996
2009	\$ 273,316	\$ 2,456,223		\$ 155,918	\$ -40,428,820	\$ -37,543,363
ERS	268,991	1,963,413	8.5%	89,042	-34,368,280	-32,046,834
PFRS	4,325	492,810	15.8%	66,876	-6,060,540	-5,496,529
2008	\$ 265,676	\$ 2,648,448		\$ 116,112	\$ 3,163,728	\$ 6,193,964
ERS	263,098	2,134,954	9.6%	98,703	2,690,533	5,187,288
PFRS	2,578	513,494	16.6%	17,409	473,195	1,006,676
2007	\$ 250,158	\$ 2,718,551		\$ 131,863	\$ 17,416,082	\$ 20,516,654
ERS	247,237	2,216,087	10.7%	110,929	14,803,498	17,377,751
PFRS	2,921	502,464	17.0%	20,934	2,612,584	3,138,903
2006	\$ 241,173	\$ 2,782,147		\$ 94,556	\$ 17,615,876	\$ 20,733,752
ERS	237,686	2,348,721	11.3%	79,731	14,959,666	17,625,804
PFRS	3,487	433,426	16.3%	14,825	2,656,210	3,107,948
2005	\$ 227,308	\$ 2,964,842		\$ 122,769	\$ 9,679,978	\$ 12,994,897
ERS	224,459	2,509,503	12.9%	82,462	8,211,547	11,027,971
PFRS	2,849	455,339	17.6%	40,307	1,468,431	1,966,926
2004	\$ 221,871	\$ 1,286,455		\$ 77,148	\$ 27,334,752	\$ 28,920,226
ERS	217,335	1,125,520	5.9%	71,830	23,154,279	24,568,964
PFRS	4,536	160,935	5.8%	5,318	4,180,473	4,351,262
2003	\$ 219,192	\$ 651,931		\$ 109,730	\$ -11,235,815	\$ -10,254,962
ERS	214,131	583,217	1.5%	103,999	-9,504,775	-8,603,428
PFRS	5,061	68,714	1.4%	5,731	-1,731,040	-1,651,534
2002	\$ 210,202	\$ 263,846		\$ 119,366	\$ 2,730,952	\$ 3,324,366
ERS	206,018	214,592	1.2%	105,013	2,307,773	2,833,396
PFRS	4,184	49,254	1.6%	14,353	423,179	490,970

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

Schedule of Investment Income

(In Thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Net Change in Fair Value of Investments	\$16,740,555	\$25,631,185	\$-43,720,432	\$-1,287,032	\$13,538,322	\$14,449,770	\$6,603,713	\$24,279,817	\$-13,693,054	\$ -12,473
Interest	1,426,941	1,540,095	1,722,343	1,976,372	1,816,416	1,474,863	1,388,250	1,474,952	1,670,749	1,807,163
Dividends	1,269,009	1,202,421	1,531,091	2,060,063	1,563,627	1,308,358	1,236,598	1,018,810	800,953	700,280
Real Estate and Mortgages	97,844	155,974	194,517	8,872	176,456	279,002	392,734	544,184	317,197	319,072
Alternative	234,940	109,603	49,646	150,360	170,689	137,393	188,346	154,397	64,910	63,929
Securities Lending Income	31,328	62,224	545,934	1,335,474	1,248,865	811,972	318,612	122,074	170,903	382,589
International	46,127	5,748	23,223	379,185	276,755	270,128	119,595	32	17	0
Other Included Prior Year Adjustment	-57,241	81,669	-44,810	47,318	8,551	-158,570	-89,315	-11,327	-290,477	-15,268
Securities Lending Expenses	-2,744	-2,080	-367,584	-1,217,664	-1,209,216	-772,192	-293,477	-103,326	-148,957	-355,202
Investment Expenses	-446,863	-364,478	-362,748	-289,220	-174,383	-184,848	-185,078	-144,861	-128,056	-159,138
Net Investment Income	\$19,339,896	\$28,422,361	\$-40,428,820	\$ 3,163,728	\$17,416,082	\$17,615,876	\$9,679,978	\$27,334,752	\$-11,235,815	\$2,730,952

Schedule of Deductions from Plan Net Assets

(In Thousands)

Year Ending	Retirement Allowances	Post-Retirement Supplments	Death Benefits	Separation from Service	Administrative Expenses	Other Expenses	Total
2011	\$ 7,717,007	\$ 555,255	\$ 192,265	\$ 27,745	\$ 101,333	\$ 27,951	\$ 8,621,556
ERS	6,520,651	457,931	179,301	26,653	87,760	29,328	7,301,624
PFRS	1,196,356	97,324	12,964	1,092	13,573	-1,377	1,319,932
2010	\$ 6,931,780	\$ 548,321	\$ 183,023	\$ 25,805	\$ 100,029	\$ 29,943	\$ 7,818,901
ERS	5,807,070	451,277	170,188	23,940	86,769	29,318	6,568,562
PFRS	1,124,710	97,044	12,835	1,865	13,260	625	1,250,339
2009	\$ 6,497,135	\$ 534,487	\$ 180,491	\$ 31,680	\$ 99,229	\$ 21,706	\$ 7,364,728
ERS	5,431,840	439,000	173,580	29,577	86,727	23,775	6,184,499
PFRS	1,065,295	95,487	6,911	2,103	12,502	-2,069	1,180,229
2008	\$ 6,142,751	\$ 511,069	\$ 181,693	\$ 29,841	\$ 90,304	\$ 17,680	\$ 6,973,338
ERS	5,135,670	418,423	169,688	27,919	78,849	17,896	5,848,445
PFRS	1,007,081	92,646	12,005	1,922	11,455	-216	1,124,893
2007	\$ 5,722,875	\$ 495,908	\$ 164,632	\$ 29,331	\$ 79,772	\$ 18,985	\$ 6,511,503
ERS	4,777,587	405,264	153,660	27,034	69,893	18,363	5,451,801
PFRS	945,288	90,644	10,972	2,297	9,879	622	1,059,702
2006	\$ 5,388,590	\$ 479,128	\$ 161,249	\$ 27,320	\$ 78,506	\$ 16,581	\$ 6,151,374
ERS	4,498,131	390,703	149,847	25,691	68,836	17,164	5,150,372
PFRS	890,459	88,425	11,402	1,629	9,670	-583	1,001,002
2005	\$ 5,041,053	\$ 471,796	\$ 161,857	\$ 30,705	\$ 65,324	\$ -14,546	\$ 5,756,189
ERS	4,216,367	384,666	151,265	29,187	56,748	-16,833	4,821,400
PFRS	824,686	87,130	10,592	1,518	8,576	2,287	934,789
2004	\$ 4,722,003	\$ 468,144	\$ 157,314	\$ 29,849	\$ 69,612	\$ 46,967	\$ 5,493,889
ERS	3,931,334	382,305	149,473	27,572	61,129	45,595	4,597,408
PFRS	790,669	85,839	7,841	2,277	8,483	1,372	896,481
2003	\$ 4,373,342	\$ 462,864	\$ 148,372	\$ 22,863	\$ 67,496	\$ 22,325	\$ 5,097,262
ERS	3,649,565	378,762	132,503	21,586	59,149	19,808	4,261,373
PFRS	723,777	84,102	15,869	1,277	8,347	2,517	835,889
2002	\$ 3,871,910	\$ 464,545	\$ 151,796	\$ 30,677	\$ 66,612	\$ 57,444	\$ 4,642,984
ERS	3,219,973	377,464	139,058	29,262	56,527	54,191	3,876,475
PFRS	651,937	87,081	12,738	1,415	10,085	3,253	766,509

Schedule of Total Changes in Plan Net Assets

(In Thousands)

Year Ending	Member Contributions	Employer Contributions	Other Income	Investment Income	Total	Retirement Allowances
2011	\$ 286,199	\$ 4,164,571	\$ 127,709	\$ 19,339,896	\$ 23,918,375	\$ 7,717,007
ERS	284,486	3,622,638	101,730	16,427,023	20,435,877	6,520,651
PFRS	1,713	541,933	25,979	2,912,873	3,482,498	1,196,356
2010	\$ 284,291	\$ 2,344,222	\$ 81,981	\$ 28,422,361	\$ 31,132,855	\$ 6,931,780
ERS	282,791	1,879,209	76,466	24,145,393	26,383,859	5,807,070
PFRS	1,500	465,013	5,515	4,276,968	4,748,996	1,124,710
2009	\$ 273,316	\$ 2,456,223	\$ 155,918	\$ -40,428,820	\$ -37,543,363	\$ 6,497,135
ERS	268,991	1,963,413	89,042	-34,368,280	-32,046,834	5,431,840
PFRS	4,325	492,810	66,876	-6,060,540	-5,496,529	1,065,295
2008	\$ 265,676	\$ 2,648,448	\$ 116,112	\$ 3,163,728	\$ 6,193,964	\$ 6,142,751
ERS	263,098	2,134,954	98,703	2,690,533	5,187,288	5,135,670
PFRS	2,578	513,494	17,409	473,195	1,006,676	1,007,081
2007	\$ 250,158	\$ 2,718,551	\$ 131,863	\$ 17,416,082	\$ 20,516,654	\$ 5,722,875
ERS	247,237	2,216,087	110,929	14,803,498	17,377,751	4,777,587
PFRS	2,921	502,464	20,934	2,612,584	3,138,903	945,288
2006	\$ 241,173	\$ 2,782,147	\$ 94,556	\$ 17,615,876	\$ 20,733,752	\$ 5,388,590
ERS	237,686	2,348,721	79,731	14,959,666	17,625,804	4,498,131
PFRS	3,487	433,426	14,825	2,656,210	3,107,948	890,459
2005	\$ 227,308	\$ 2,964,842	\$ 122,769	\$ 9,679,978	\$ 12,994,897	\$ 5,041,053
ERS	224,459	2,509,503	82,462	8,211,547	11,027,971	4,216,367
PFRS	2,849	455,339	40,307	1,468,431	1,966,926	824,686
2004	\$ 221,871	\$ 1,286,455	\$ 77,148	\$ 27,334,752	\$ 28,920,226	\$ 4,722,003
ERS	217,335	1,125,520	71,830	23,154,279	24,568,964	3,931,334
PFRS	4,536	160,935	5,318	4,180,473	4,351,262	790,669
2003	\$ 219,192	\$ 651,931	\$ 109,730	\$ -11,235,815	\$ -10,254,962	\$ 4,373,342
ERS	214,131	583,217	103,999	-9,504,775	-8,603,428	3,649,565
PFRS	5,061	68,714	5,731	-1,731,040	-1,651,534	723,777
2002	\$ 210,202	\$ 263,846	\$ 119,366	\$ 2,730,952	\$ 3,324,366	\$ 3,871,910
ERS	206,018	214,592	105,013	2,307,773	2,833,396	3,219,973
PFRS	4,184	49,254	14,353	423,179	490,970	651,937

Post-Retirement Supplement	Death Benefits	Separation from Service	Administrative Expenses	Other Expenses	Total	Net Increase / Decrease
\$ 555,255	\$ 192,265	\$ 27,745	\$ 101,333	\$ 27,951	\$ 8,621,556	\$ 15,296,819
457,931	179,301	26,653	87,760	29,328	7,301,624	13,134,253
97,324	12,964	1,092	13,573	-1,377	1,319,932	2,162,566
\$ 548,321	\$ 183,023	\$ 25,805	\$ 100,029	\$ 29,943	\$ 7,818,901	\$ 23,313,954
451,277	170,188	23,940	86,769	29,318	6,568,562	19,815,297
97,044	12,835	1,865	13,260	625	1,250,339	3,498,657
\$ 534,487	\$ 180,491	\$ 31,680	\$ 99,229	\$ 21,706	\$ 7,364,728	\$ -44,908,091
439,000	173,580	29,577	86,727	23,775	6,184,499	-38,231,333
95,487	6,911	2,103	12,502	-2,069	1,180,229	-6,676,758
\$ 511,069	\$ 181,693	\$ 29,841	\$ 90,304	\$ 17,680	\$ 6,973,338	\$ -779,374
418,423	169,688	27,919	78,849	17,896	5,848,445	-661,157
92,646	12,005	1,922	11,455	-216	1,124,893	-118,217
\$ 495,908	\$ 164,632	\$ 29,331	\$ 79,772	\$ 18,985	\$ 6,511,503	\$ 14,005,151
405,264	153,660	27,034	69,893	18,363	5,451,801	11,925,950
90,644	10,972	2,297	9,879	622	1,059,702	2,079,201
\$ 479,128	\$ 161,249	\$ 27,320	\$ 78,506	\$ 16,581	\$ 6,151,374	\$ 14,582,378
390,703	149,847	25,691	68,836	17,164	5,150,372	12,475,432
88,425	11,402	1,629	9,670	-583	1,001,002	2,106,946
\$ 471,796	\$ 161,857	\$ 30,705	\$ 65,324	\$ -14,546	\$ 5,756,189	\$ 7,238,708
384,666	151,265	29,187	56,748	-16,833	4,821,400	6,206,571
87,130	10,592	1,518	8,576	2,287	934,789	1,032,137
\$ 468,144	\$ 157,314	\$ 29,849	\$ 69,612	\$ 46,967	\$ 5,493,889	\$ 23,426,337
382,305	149,473	27,572	61,129	45,595	4,597,408	19,971,556
85,839	7,841	2,277	8,483	1,372	896,481	3,454,781
\$ 462,864	\$ 148,372	\$ 22,863	\$ 67,496	\$ 22,325	\$ 5,097,262	\$ -15,352,224
378,762	132,503	21,586	59,149	19,808	4,261,373	-12,864,801
84,102	15,869	1,277	8,347	2,517	835,889	-2,487,423
\$ 464,545	\$ 151,796	\$ 30,677	\$ 66,612	\$ 57,444	\$ 4,642,984	\$ -1,318,618
377,464	139,058	29,262	56,527	54,191	3,876,475	-1,043,079
87,081	12,738	1,415	10,085	3,253	766,509	-275,539

Service Retirees – ERS

As of March 31, 2011 — by age and years of service, number, average final average salary (Avg FAS) and average option 0 (prior to option selection) plus COLA (Avg Pen).

Nearest Age	Under 55			55–64			65–74			75–84			85 & Over			
	Years of Service	Number	Avg FAS	Avg Pen	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	896	37,743	3,741	1,250	34,364	4,093	649	26,587	3,737	815	14,565	2,760	
10–14	3	50,511	6,418	4,499	29,365	4,913	5,708	31,627	6,221	4,724	28,511	6,643	2,587	19,068	5,654	
15–19	8	58,743	11,604	2,486	38,235	9,013	4,434	38,023	10,622	3,889	32,021	10,669	2,248	21,043	8,692	
20–24	5	64,080	19,068	3,127	49,606	19,042	7,093	45,867	20,132	5,821	36,389	18,467	2,871	25,052	15,135	
25–29	1,215	72,918	36,151	5,084	60,241	30,095	7,826	50,253	27,883	4,961	39,608	24,905	1,832	26,439	20,023	
30–34	76	67,341	37,218	7,810	63,460	40,062	8,272	52,952	35,039	3,733	43,470	31,858	1,317	28,879	25,709	
35 & Over	53	62,582	41,559	12,994	63,115	47,598	10,264	59,204	46,286	3,782	51,597	43,212	1,537	38,572	36,980	
Total	1,360	72,039	36,148	36,896	55,239	32,301	44,847	48,083	27,062	27,559	37,817	21,361	13,207	24,698	15,692	
Counties																
Under 10	0	0	0	828	33,548	3,319	1,211	31,968	3,832	426	25,855	3,601	582	12,191	2,391	
10–14	2	29,011	4,037	2,562	29,009	4,795	3,706	30,013	5,853	3,149	24,634	5,739	1,640	16,602	4,916	
15–19	3	47,248	9,510	1,575	37,482	8,785	2,911	36,097	9,997	2,617	28,282	9,485	1,521	25,075	7,903	
20–24	207	64,227	32,955	1,981	47,058	18,621	3,931	42,101	18,672	3,047	32,425	16,213	1,383	23,505	13,473	
25–29	230	77,069	39,697	1,916	56,061	28,099	3,322	46,632	25,705	2,232	35,975	22,341	780	25,169	18,327	
30–34	28	75,920	43,911	2,961	58,569	36,852	2,847	50,296	33,278	1,206	39,796	28,675	391	27,376	23,185	
35 & Over	18	53,246	34,763	4,159	63,726	47,704	2,910	58,688	45,918	991	47,413	39,589	345	33,395	31,266	
Total	488	70,297	36,565	15,982	50,071	26,725	20,838	42,682	21,240	13,668	31,949	15,914	6,646	20,777	11,178	
Cities																
Under 10	0	0	0	142	29,959	2,859	188	27,517	3,243	93	19,403	2,629	129	10,669	2,093	
10–14	0	0	0	469	25,731	4,272	601	26,827	5,352	498	21,809	5,110	302	14,110	4,081	
15–19	0	0	0	280	34,301	8,063	427	31,374	8,797	422	24,864	8,394	287	15,884	6,683	
20–24	0	0	0	310	42,579	15,638	558	38,538	16,884	473	28,454	14,273	261	18,410	10,866	
25–29	1	41,919	13,790	228	46,056	22,199	523	41,632	23,246	463	30,149	19,449	245	19,768	15,144	
30–34	0	0	0	471	53,285	33,447	562	44,481	29,695	345	33,762	25,176	128	20,467	18,465	
35 & Over	1	56,070	35,066	885	55,318	41,434	600	47,600	37,460	288	37,325	31,824	132	25,599	25,838	
Total	2	48,995	24,428	2,785	44,410	24,057	3,459	38,025	19,753	2,582	28,262	15,468	1,484	17,415	10,607	
Towns																
Under 10	0	0	0	284	27,838	2,871	555	26,654	3,220	241	21,289	2,817	166	11,587	2,143	
10–14	0	0	0	590	29,582	4,970	1,124	27,511	5,438	1,024	23,855	5,439	449	16,612	4,641	
15–19	0	0	0	431	34,374	8,133	916	33,933	9,424	843	27,248	8,878	383	19,278	7,457	
20–24	1	64,133	18,779	447	45,717	17,281	1,142	40,507	17,668	977	32,501	16,064	404	22,636	12,939	
25–29	2	58,320	29,851	352	51,761	24,973	905	44,112	24,459	689	34,512	21,035	231	24,858	17,117	
30–34	3	62,967	34,625	640	57,844	36,464	856	47,626	31,466	448	37,949	27,151	139	24,741	19,921	
35 & Over	5	76,184	52,191	1,298	67,777	51,106	924	55,369	43,054	363	42,577	35,013	92	29,708	27,462	
Total	11	68,236	40,301	4,042	50,427	28,065	6,422	39,693	19,551	4,585	30,647	15,004	1,864	20,292	10,608	
Villages																
Under 10	0	0	0	93	27,501	2,805	146	26,648	3,339	72	19,756	2,587	52	11,323	1,838	
10–14	0	0	0	212	27,399	4,528	327	27,834	5,445	327	22,427	5,225	182	14,128	4,088	
15–19	0	0	0	126	33,370	7,911	284	35,965	9,894	277	25,914	8,672	145	16,542	6,637	
20–24	0	0	0	147	46,104	17,041	306	42,355	18,692	324	29,321	14,557	128	18,565	10,335	
25–29	0	0	0	120	50,996	24,383	272	45,240	24,955	259	33,330	20,383	88	23,036	15,936	
30–34	0	0	0	191	52,950	33,031	283	47,130	31,154	162	34,605	25,209	37	23,728	18,419	
35 & Over	0	0	0	352	61,472	46,077	282	55,617	43,878	123	39,280	33,067	47	28,088	26,391	
Total	0	0	0	1,241	46,108	24,316	1,900	40,786	20,408	1,544	28,824	14,536	679	17,909	9,498	
Miscellaneous																
Under 10	0	0	0	614	43,612	4,232	865	37,390	4,445	232	31,043	4,089	228	14,738	2,672	
10–14	0	0	0	1,441	38,263	6,271	2,073	36,877	7,171	1,504	29,520	6,748	620	19,068	5,417	
15–19	2	66,501	11,383	1,015	48,493	11,070	1,734	42,509	11,757	1,078	33,108	10,741	486	20,929	8,379	
20–24	5	61,810	16,515	1,298	58,007	21,276	2,219	50,645	21,815	1,259	37,447	18,180	514	25,230	14,474	
25–29	1	20,369	7,242	885	63,785	30,315	1,685	54,848	29,794	983	44,118	26,894	418	28,864	20,946	
30–34	8	65,402	38,356	1,567	72,257	45,279	1,397	61,342	40,217	757	48,067	34,458	262	32,933	28,007	
35 & Over	16	71,992	46,453	2,126	74,170	55,523	1,825	70,406	54,698	745	56,852	46,613	286	43,717	39,933	
Total	32	66,797	36,334	8,946	59,668	29,769	11,798	50,982	24,895	6,558	39,120	20,252	2,814	25,415	15,279	
Schools																
Under 10	0	0	0	1,076	20,845	2,099	1,881	19,334	2,316	906	13,925	1,953	953	7,609	1,518	
10–14	2	37,516	5,355	1,920	24,701	4,103	4,239	23,046	4,501	4,321	18,169	4,196	2,388	10,605	3,208	
15–19	5	25,167	4,285	1,645	28,458	6,660	3,539	27,527	7,638	3,371	21,167	7,097	2,230	11,951	5,124	
20–24	3	33,539	10,604	2,088	35,810	13,691	4,675	33,550	14,701	3,896	23,342	11,636	2,061	14,278	8,080	
25–29	1	101,218	35,215	1,288	41,507	20,592	3,471	35,239	19,425	2,767	25,682	15,858	1,087	16,757	11,774	
30–34	5	61,768	34,519	1,170	47,653	30,157	1,974	38,492	25,323	1,302	29,437	20,939	445	21,209	16,945	
35 & Over	12	62,365	40,590	1,090	55,799	41,708	1,210	44,730	34,687	654	34,920	28,850	247	24,680	22,628	
Total	28	52,140	27,101	10,277	35,173	15,272	20,989	30,528	13,272	17,217	22,399	10,406	9,411	13,006	6,707	

Service Retirees – PFRS

As of March 31, 2011 — by age and years of service, number, average final average salary (Avg FAS) and average option 0 (prior to option selection and partial lump sum distribution) plus COLA (Avg Pen).

Nearest Age	Under 40			40-49			50-59			60-69			70 & Over		
Years of Service	Number	Avg FAS	Avg Pen	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	0	0	0	0	0	0	5	28,612	3,512	9	20,507	4,274
10-14	0	0	0	0	0	0	13	36,382	7,432	21	24,571	5,274	24	8,607	2,059
15-19	0	0	0	0	0	0	3	44,332	12,733	17	36,565	11,385	16	18,721	7,807
20-24	0	0	0	151	105,542	55,121	356	83,619	44,614	440	47,840	29,341	770	26,572	21,645
25-29	0	0	0	13	116,925	68,711	204	101,221	61,370	261	66,034	41,585	332	39,268	30,182
30-34	0	0	0	0	0	0	103	114,528	77,044	342	83,402	57,322	258	50,344	39,007
35 & Over	0	0	0	0	0	0	11	101,822	70,280	167	90,459	68,108	126	61,342	49,475
Total	0	0	0	164	106,444	56,198	690	92,667	53,979	1,253	66,397	43,946	1,535	35,769	28,142
Counties															
Under 10	0	0	0	0	0	0	2	48,424	6,343	3	46,492	23,102	0	0	0
10-14	0	0	0	0	0	0	3	67,381	13,466	26	31,192	6,625	7	20,299	4,590
15-19	0	0	0	0	0	0	1	41,401	15,162	13	45,246	12,873	8	28,977	11,019
20-24	0	0	0	120	136,568	70,876	219	115,631	61,005	838	69,947	40,419	842	37,698	28,273
25-29	0	0	0	7	150,963	91,974	126	137,819	84,195	329	106,681	67,228	305	62,216	42,229
30-34	0	0	0	0	0	0	111	157,309	108,073	694	130,106	91,503	314	79,060	58,430
35 & Over	0	0	0	0	0	0	24	175,394	129,960	545	150,403	113,117	237	101,202	79,747
Total	0	0	0	127	137,361	72,039	486	133,127	80,560	2,448	109,279	74,162	1,713	58,320	43,230
Cities															
Under 10	0	0	0	0	0	0	1	34,303	4,974	5	49,549	6,993	6	17,694	8,580
10-14	0	0	0	0	0	0	31	29,452	5,759	81	21,421	4,403	24	13,726	3,417
15-19	0	0	0	0	0	0	14	38,148	10,785	33	29,481	9,121	26	18,368	6,847
20-24	0	0	0	444	85,578	43,475	1,173	70,549	36,463	1,397	47,519	27,588	1,250	27,260	20,759
25-29	0	0	0	15	104,863	56,904	440	92,069	53,596	643	66,870	40,229	721	35,646	25,432
30-34	0	0	0	0	0	0	192	99,095	64,122	738	78,938	53,287	875	47,789	36,338
35 & Over	0	0	0	0	0	0	57	96,044	69,100	472	92,212	68,462	648	56,010	45,617
Total	0	0	0	459	86,208	43,914	1,908	78,221	43,469	3,369	63,555	40,588	3,550	39,098	29,846
Towns															
Under 10	0	0	0	0	0	0	5	29,391	3,025	19	23,049	3,394	29	12,815	1,811
10-14	0	0	0	0	0	0	10	28,022	5,073	47	26,904	5,497	26	20,138	5,260
15-19	0	0	0	0	0	0	3	40,456	10,060	18	38,977	12,067	16	19,447	7,447
20-24	0	0	0	185	94,957	47,885	402	80,681	41,290	332	56,619	32,182	232	31,815	23,421
25-29	0	0	0	2	147,413	73,707	139	95,272	53,253	119	74,058	42,289	92	43,499	29,733
30-34	0	0	0	0	0	0	54	107,177	68,350	187	92,856	63,238	114	60,654	44,289
35 & Over	0	0	0	0	0	0	13	112,270	80,789	116	106,998	79,396	73	71,006	56,728
Total	0	0	0	187	95,518	48,161	626	85,419	46,067	838	71,349	44,501	582	42,418	30,357
Villages															
Under 10	0	0	0	0	0	0	7	28,622	3,325	22	16,562	1,939	38	9,527	1,270
10-14	0	0	0	0	0	0	13	27,258	5,100	62	24,272	5,181	38	14,799	4,041
15-19	0	0	0	0	0	0	7	30,830	8,435	24	31,056	10,144	23	15,563	6,577
20-24	0	0	0	170	88,594	44,569	329	74,790	37,969	365	54,898	30,627	313	30,184	22,931
25-29	0	0	0	5	60,013	31,025	100	93,335	49,321	108	70,493	39,105	153	36,497	25,432
30-34	0	0	0	0	0	0	40	101,312	62,526	116	97,480	63,779	130	49,507	36,244
35 & Over	0	0	0	0	0	0	6	142,432	101,701	113	106,687	78,669	70	72,553	57,339
Total	0	0	0	175	87,778	44,182	502	78,918	41,203	810	66,208	39,874	765	36,377	26,336
Miscellaneous															
Under 10	0	0	0	0	0	0	1	53,875	6,645	2	58,211	6,329	1	61,485	19,328
10-14	0	0	0	0	0	0	0	0	0	9	32,884	6,610	10	17,834	4,619
15-19	0	0	0	0	0	0	3	64,646	18,473	7	46,413	14,798	1	59,403	31,920
20-24	0	0	0	19	118,188	61,546	175	122,311	64,241	303	94,406	51,800	291	26,586	24,733
25-29	0	0	0	1	138,181	69,090	93	142,680	87,542	129	124,566	76,717	91	50,683	34,617
30-34	0	0	0	0	0	0	37	164,008	110,205	122	157,643	108,447	74	86,724	61,815
35 & Over	0	0	0	0	0	0	6	163,894	119,811	48	142,062	105,357	74	93,159	72,435
Total	0	0	0	20	119,188	61,924	315	133,248	76,959	620	115,262	71,057	542	47,895	37,600

Disability Retirees – ERS

As of March 31, 2011 — by age and years of service, number, average final average salary (Avg FAS) and average option 0 (prior to option selection) plus COLA (Avg Pen).

Nearest Age	Under 55			55–64			65–74			75–84			85 & Over		
Years of Service	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen
State															
Under 10	300	29,222	13,406	359	23,004	11,078	220	20,142	10,138	140	18,112	7,696	47	12,969	8,916
10–14	669	37,687	15,415	1,050	32,405	12,979	796	27,096	11,215	445	20,709	9,846	96	12,937	9,051
15–19	599	43,542	18,119	1,110	37,814	16,085	822	30,929	14,490	355	22,748	13,732	93	14,739	11,709
20–24	430	47,779	19,938	959	42,710	19,562	635	34,128	19,464	220	23,201	17,318	35	14,855	13,819
25–29	197	52,504	26,972	517	45,903	24,430	337	36,088	22,600	87	24,015	19,590	25	15,031	17,225
30–34	33	49,646	25,406	255	43,656	25,743	112	37,080	26,108	29	24,245	20,893	4	13,575	19,972
35 & Over	3	39,491	22,837	73	45,673	28,898	13	42,666	32,654	2	27,753	24,704	0	0	0
Total	2,231	41,553	17,921	4,323	37,801	17,470	2,935	30,652	15,807	1,278	21,736	12,913	300	13,908	11,237
Counties															
Under 10	66	40,284	21,033	75	26,463	12,028	48	18,750	9,432	38	17,638	7,497	14	12,659	5,525
10–14	263	45,362	20,481	357	33,045	12,254	341	27,953	9,928	136	18,851	8,676	41	11,456	6,320
15–19	272	52,650	24,059	371	40,402	17,134	284	31,090	13,393	110	23,092	12,669	19	13,163	10,674
20–24	184	64,804	33,210	323	44,310	20,663	156	36,326	21,697	56	26,462	20,236	8	16,315	14,471
25–29	67	58,254	30,062	187	47,345	25,397	73	37,091	24,155	26	26,632	21,262	3	11,528	11,331
30–34	5	50,334	26,199	82	50,659	31,149	20	40,923	27,874	6	33,538	27,964	1	15,837	19,811
35 & Over	1	67,443	41,657	21	49,894	32,661	1	57,389	43,041	1	58,756	52,043	0	0	0
Total	858	52,513	25,194	1,416	40,352	18,571	923	30,758	14,507	373	22,006	12,773	86	12,534	8,242
Cities															
Under 10	13	30,337	11,047	22	21,605	9,335	14	19,421	10,403	15	19,837	10,624	4	20,084	8,908
10–14	46	35,226	12,093	93	28,605	9,889	59	23,910	10,028	30	18,069	9,275	12	8,776	6,810
15–19	38	40,325	13,382	85	35,071	12,827	63	30,916	11,988	31	17,902	10,502	9	9,104	7,104
20–24	21	42,969	15,201	63	34,615	14,824	42	30,872	17,087	22	18,981	15,809	1	12,236	8,226
25–29	9	48,724	20,641	62	38,786	19,565	28	32,217	19,703	13	22,054	15,072	3	10,555	15,946
30–34	4	49,315	24,976	24	40,872	23,782	5	26,001	15,353	6	16,847	15,798	2	12,607	14,135
35 & Over	1	52,287	31,712	2	41,646	25,665	1	45,174	37,710	1	22,668	25,557	0	0	0
Total	132	38,921	13,977	351	33,522	14,200	212	28,322	13,568	118	18,836	12,096	31	10,861	8,569
Towns															
Under 10	19	31,292	11,227	20	29,516	13,933	14	24,447	11,788	12	16,517	9,370	3	16,946	8,878
10–14	62	36,000	12,709	96	34,153	12,376	68	28,526	12,395	45	18,687	8,773	6	18,793	12,786
15–19	84	46,147	15,577	110	38,081	14,261	85	33,544	13,068	24	26,655	11,290	3	14,727	11,932
20–24	54	54,698	19,651	102	42,334	19,688	51	33,915	20,972	20	28,153	22,083	6	20,355	22,532
25–29	19	62,129	28,550	63	46,050	22,532	42	38,746	26,008	4	20,618	16,768	1	22,678	19,292
30–34	1	110,222	54,615	38	52,167	30,772	13	42,802	31,416	4	24,564	23,186	0	0	0
35 & Over	0	0	0	7	65,758	40,000	3	40,209	29,460	1	18,435	15,187	0	0	0
Total	239	45,805	16,602	436	40,642	18,148	276	33,215	17,309	110	22,192	12,680	19	18,557	15,454
Villages															
Under 10	6	30,891	10,926	5	24,225	10,548	8	16,079	11,120	5	11,541	10,747	3	13,258	8,415
10–14	23	38,014	13,260	28	31,977	12,448	26	23,050	9,576	12	22,505	9,406	2	9,512	8,953
15–19	16	47,671	15,612	31	38,661	15,874	30	32,632	13,168	11	22,136	12,940	3	8,068	7,198
20–24	17	49,745	18,578	32	42,033	18,002	16	29,901	20,103	15	21,185	15,225	0	0	0
25–29	5	67,851	29,566	17	46,051	21,335	16	32,712	19,763	5	29,610	21,487	1	41,924	35,886
30–34	1	71,581	38,988	15	59,325	33,562	9	35,387	25,123	3	31,062	29,281	1	32,572	33,503
35 & Over	0	0	0	1	58,962	35,672	0	0	0	0	0	0	0	0	0
Total	68	45,278	16,514	129	41,021	18,382	105	28,831	15,209	51	22,162	14,365	10	15,750	13,413
Miscellaneous															
Under 10	30	32,080	11,316	40	26,767	10,709	34	25,275	10,161	23	20,519	10,422	2	15,701	11,475
10–14	112	41,171	14,008	226	40,357	13,115	145	32,740	10,782	61	21,426	9,527	12	12,676	7,553
15–19	106	48,411	16,151	232	40,982	14,217	121	36,660	13,958	34	24,033	12,437	10	17,957	12,559
20–24	75	53,416	19,037	141	50,029	19,123	52	39,648	18,606	29	24,245	16,312	2	38,243	29,053
25–29	27	52,158	22,644	91	50,569	24,591	25	37,878	25,559	12	31,634	25,506	2	22,554	24,164
30–34	7	47,108	23,191	38	56,595	32,595	9	43,362	29,719	8	39,263	29,403	0	0	0
35 & Over	1	85,104	49,233	8	48,587	33,308	1	28,043	20,472	1	37,830	33,855	0	0	0
Total	358	46,186	16,400	776	43,678	16,920	387	34,805	14,192	168	23,992	13,642	28	17,310	12,343
Schools															
Under 10	20	24,061	8,723	50	19,974	8,181	55	15,991	5,847	46	14,448	6,756	17	9,971	7,248
10–14	144	31,415	10,521	338	27,430	8,828	334	23,765	7,646	141	17,822	6,520	51	7,609	4,815
15–19	84	35,521	11,876	304	31,554	10,628	248	28,036	9,924	94	17,467	9,080	43	11,124	7,668
20–24	55	44,158	16,205	152	34,386	13,760	98	27,087	13,146	43	20,537	11,930	8	11,991	9,611
25–29	21	48,032	20,716	82	38,332	17,777	49	28,547	16,895	17	25,568	20,109	6	15,672	16,122
30–34	7	50,882	26,354	34	43,449	23,440	6	46,621	30,752	2	15,144	15,454	1	7,477	9,753
35 & Over	1	68,907	43,273	6	47,290	28,878	1	22,658	17,842	0	0	0	0	0	0
Total	332	35,696	12,774	966	31,049	11,536	791	25,444	9,678	343	17,981	8,657	126	9,788	6,999

Disability Retirees – PFRS

As of March 31, 2011 — by age and years of service, number, average final average salary (Avg FAS) and average option 0 (prior to option selection and partial lump sum distribution) plus COLA (Avg Pen).

Nearest Age	Under 40			40-49			50-59			60-69			70 & Over		
Years of Service	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen
State															
Under 10	4	61,904	34,905	42	49,153	29,559	36	30,619	19,888	27	19,260	17,287	8	9,120	21,535
10-14	0	0	0	27	64,306	35,613	30	42,580	25,155	43	24,803	20,618	35	14,693	20,442
15-19	1	110,998	83,248	29	80,713	49,037	40	56,980	31,783	59	34,985	25,737	81	20,007	21,269
20-24	0	0	0	15	98,820	64,006	26	76,927	49,459	65	46,419	32,860	53	30,155	28,668
25-29	0	0	0	0	0	0	14	97,856	67,576	39	64,342	42,502	22	40,047	32,819
30-34	0	0	0	0	0	0	5	121,148	86,502	10	85,401	63,074	14	49,718	40,954
35 & Over	0	0	0	0	0	0	1	115,417	71,184	8	92,441	70,315	7	60,878	49,971
Total	5	71,723	44,573	113	67,466	40,577	152	57,567	36,037	251	42,912	31,309	220	26,406	26,250
Counties															
Under 10	5	88,078	62,032	25	72,801	43,795	19	47,783	34,258	33	25,640	31,175	8	16,251	27,672
10-14	6	110,446	73,926	72	96,636	65,758	38	61,908	42,881	131	36,002	32,562	24	24,455	28,472
15-19	2	114,438	87,995	74	111,157	77,325	42	85,358	58,945	240	51,460	42,796	53	33,472	34,676
20-24	0	0	0	47	127,827	84,217	68	114,787	79,441	252	66,472	52,781	84	49,773	43,512
25-29	0	0	0	4	134,843	101,186	20	125,984	90,005	57	91,441	68,066	54	59,892	49,266
30-34	0	0	0	0	0	0	7	144,610	104,468	32	121,189	87,728	16	69,556	57,610
35 & Over	0	0	0	0	0	0	0	0	0	17	132,114	100,023	10	83,117	67,568
Total	13	102,457	71,516	222	106,084	71,687	194	93,726	65,409	762	60,367	48,890	249	47,591	42,792
Cities															
Under 10	7	59,632	38,587	51	53,303	33,572	48	37,223	24,597	29	22,529	21,430	8	8,323	20,719
10-14	8	74,789	48,590	102	61,008	37,754	100	43,157	27,322	105	26,524	21,910	32	14,867	20,279
15-19	0	0	0	108	68,864	42,648	122	55,474	36,497	154	34,973	27,168	72	22,135	21,177
20-24	0	0	0	32	85,651	55,729	147	66,619	42,953	232	44,744	33,521	105	31,669	28,896
25-29	0	0	0	1	210,284	105,142	60	74,999	50,692	89	56,389	38,944	128	37,584	31,097
30-34	0	0	0	0	0	0	20	87,561	60,877	56	63,352	43,028	89	41,453	33,662
35 & Over	0	0	0	0	0	0	2	67,073	50,683	11	82,158	59,348	30	52,910	41,269
Total	15	67,716	43,922	294	65,747	41,012	499	58,214	38,157	676	42,418	31,673	464	33,510	29,284
Towns															
Under 10	5	62,776	41,185	20	46,350	28,553	22	39,007	24,247	6	20,370	18,510	2	14,764	24,991
10-14	3	78,635	48,200	36	67,293	43,594	35	52,905	32,018	49	30,501	23,419	11	20,956	22,118
15-19	4	100,507	64,110	35	82,494	52,627	30	62,462	41,490	50	38,356	31,993	19	23,722	24,583
20-24	0	0	0	21	95,657	62,804	57	78,491	52,416	57	55,121	41,057	25	37,309	30,683
25-29	0	0	0	3	109,730	54,865	23	92,304	62,725	18	67,976	50,159	7	56,682	48,222
30-34	0	0	0	0	0	0	3	135,933	91,539	11	80,827	53,901	4	77,928	61,880
35 & Over	0	0	0	0	0	0	0	0	0	3	143,643	108,197	1	81,111	62,903
Total	12	79,318	50,580	115	74,564	47,529	170	68,167	44,728	194	47,526	36,180	69	35,262	31,528
Villages															
Under 10	3	47,919	27,385	21	57,433	34,157	25	37,457	24,168	22	20,226	21,290	3	13,589	21,867
10-14	2	52,833	35,100	37	77,087	52,223	32	52,143	31,038	36	32,908	25,259	14	18,615	21,307
15-19	1	102,312	78,116	42	83,449	54,658	43	66,443	42,445	57	42,791	33,649	20	23,394	22,486
20-24	0	0	0	14	91,748	62,246	48	80,498	51,311	46	57,850	42,339	23	33,583	31,703
25-29	0	0	0	0	0	0	10	85,570	55,930	21	80,098	52,700	13	40,774	33,151
30-34	0	0	0	0	0	0	0	0	0	5	82,547	63,823	8	48,600	39,412
35 & Over	0	0	0	0	0	0	0	0	0	4	90,580	56,641	4	54,545	46,599
Total	6	58,623	38,412	114	77,611	51,023	158	64,441	40,790	191	48,099	36,103	85	31,514	29,123
Miscellaneous															
Under 10	7	80,791	57,566	12	66,995	40,008	16	49,917	31,771	10	34,972	28,247	0	0	0
10-14	3	120,302	90,226	28	110,946	77,679	23	71,296	44,128	23	56,211	35,663	2	15,317	11,104
15-19	0	0	0	12	117,958	72,552	25	90,679	63,492	46	58,005	43,318	12	22,271	22,588
20-24	0	0	0	7	125,860	94,800	63	113,249	76,772	39	86,177	64,710	8	39,465	32,768
25-29	0	0	0	0	0	0	27	135,858	98,003	14	115,046	81,383	6	56,611	39,753
30-34	0	0	0	0	0	0	4	128,469	96,892	4	120,005	86,882	3	101,660	80,436
35 & Over	0	0	0	0	0	0	0	0	0	1	153,924	115,443	3	87,876	71,741
Total	10	92,644	67,364	59	105,202	71,005	158	101,406	69,499	137	72,382	52,711	34	44,761	36,778

New Option Selections

The \$ Amount column represents payment after the option selection and partial lump sum distribution.*

Options	2007		2008		2009		2010		2011	
	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount
ERS Females										
Single Life Allowance**	5,864	102,317,059	5,964	118,346,336	6,020	117,373,738	6,470	135,699,269	6,357	157,233,622
Cash Refund	239	3,991,555	190	5,129,706	139	2,952,850	137	3,440,980	68	1,726,027
Joint Allowance — Full	586	6,693,402	488	6,365,435	587	7,839,649	605	8,179,336	606	9,213,038
Joint Allowance — Half	119	2,581,317	109	2,636,357	107	2,316,682	130	2,857,915	125	3,341,251
Five Year Certain	141	2,310,622	158	3,525,255	170	3,540,592	174	4,035,895	143	3,654,514
Ten Year Certain	320	4,737,306	310	5,606,643	328	5,782,115	344	6,447,082	311	5,943,014
Pop-Up — Full	891	13,379,759	959	17,243,940	1,068	20,258,310	1,220	23,267,795	1,154	25,707,695
Pop-Up — Half	629	14,338,482	647	17,161,986	675	17,455,164	768	21,443,099	830	25,014,603
Other (Option 4)	322	7,848,459	378	9,125,777	351	9,943,735	513	14,718,088	559	18,639,606
Total	9,111	158,197,965	9,203	185,141,439	9,445	187,462,839	10,361	220,089,463	10,153	250,473,374
ERS Males										
Single Life Allowance**	2,590	61,660,389	2,729	76,452,207	2,913	78,050,419	3,073	87,195,113	3,131	104,062,350
Cash Refund	120	3,337,509	89	2,637,239	74	1,980,335	46	1,575,785	27	928,824
Joint Allowance — Full	1,714	39,625,966	1,747	48,379,335	1,829	47,655,930	1,788	49,472,665	1,730	53,676,380
Joint Allowance — Half	260	8,705,376	285	11,052,440	292	10,797,761	269	11,005,428	306	13,377,569
Five Year Certain	69	1,621,189	74	1,998,467	79	2,075,848	86	2,226,857	94	2,714,802
Ten Year Certain	239	5,313,750	210	5,349,517	229	5,917,116	238	6,195,158	246	7,362,695
Pop-Up — Full	1,399	34,099,516	1,649	45,693,790	1,826	51,456,191	1,943	56,611,837	1,723	55,839,349
Pop-Up — Half	570	19,984,133	649	25,701,013	652	24,941,333	697	27,219,634	757	32,626,784
Other (Option 4)	487	15,261,361	590	23,803,742	577	21,436,505	704	27,006,569	794	34,497,279
Total	7,448	189,609,195	8,022	241,067,755	8,471	244,311,441	8,844	268,509,049	8,808	305,086,035
PFRS Females										
Single Life Allowance**	38	1,946,275	51	2,802,664	55	3,230,599	74	4,376,135	42	2,657,247
Cash Refund	0	0	0	0	0	0	1	123,250	0	0
Joint Allowance — Full	5	264,852	3	136,946	1	26,776	9	312,730	3	228,283
Joint Allowance — Half	0	0	3	112,741	2	111,458	1	51,482	0	0
Five Year Certain	0	0	1	42,848	0	0	1	53,097	1	134,929
Ten Year Certain	11	702,482	6	387,521	4	215,773	9	500,229	8	477,772
Pop-Up — Full	15	806,456	8	410,995	9	420,387	12	637,082	10	553,586
Pop-Up — Half	9	349,816	5	333,212	6	277,268	6	322,506	4	321,162
Other (Option 4)	2	166,534	3	192,078	3	156,122	4	243,421	3	209,089
Total	80	4,236,416	80	4,419,007	80	4,438,387	117	6,619,935	71	4,582,071
PFRS Males										
Single Life Allowance**	319	18,147,428	295	17,010,732	357	20,828,207	445	26,893,720	311	19,885,227
Cash Refund	11	636,736	6	596,715	5	516,624	7	467,321	6	401,003
Joint Allowance — Full	159	7,663,839	149	8,066,867	138	7,854,616	190	10,876,836	148	8,289,809
Joint Allowance — Half	35	2,321,650	37	2,783,481	42	2,923,322	54	3,831,638	41	2,978,684
Five Year Certain	4	183,555	5	285,106	10	698,024	12	794,519	5	261,642
Ten Year Certain	22	1,271,061	32	2,182,349	40	2,393,248	39	2,333,741	20	1,218,286
Pop-Up — Full	217	9,834,709	189	8,891,580	195	9,659,792	273	13,319,717	174	9,127,129
Pop-Up — Half	122	7,399,364	96	6,313,488	120	8,473,124	139	10,487,412	94	6,026,504
Other (Option 4)	89	5,856,766	88	6,220,685	96	7,365,875	133	10,739,374	105	8,679,910
Total	978	53,315,110	897	52,351,006	1,003	60,712,837	1,292	79,744,284	904	56,868,198
* In 2011, 141 PFRS pensioners selected partial lump sums which totaled \$13,867,162; in 2010, 136 PFRS pensioners selected partial lump sums which totaled \$11,151,031; in 2009, 84 PFRS pensioners selected partial lump sums which totaled \$8,244,479.										
** Includes Option 0 and ½.										

Option Selection – Total Payments

The \$ Amount column represents payment after the option selection and partial lump sum distribution.*

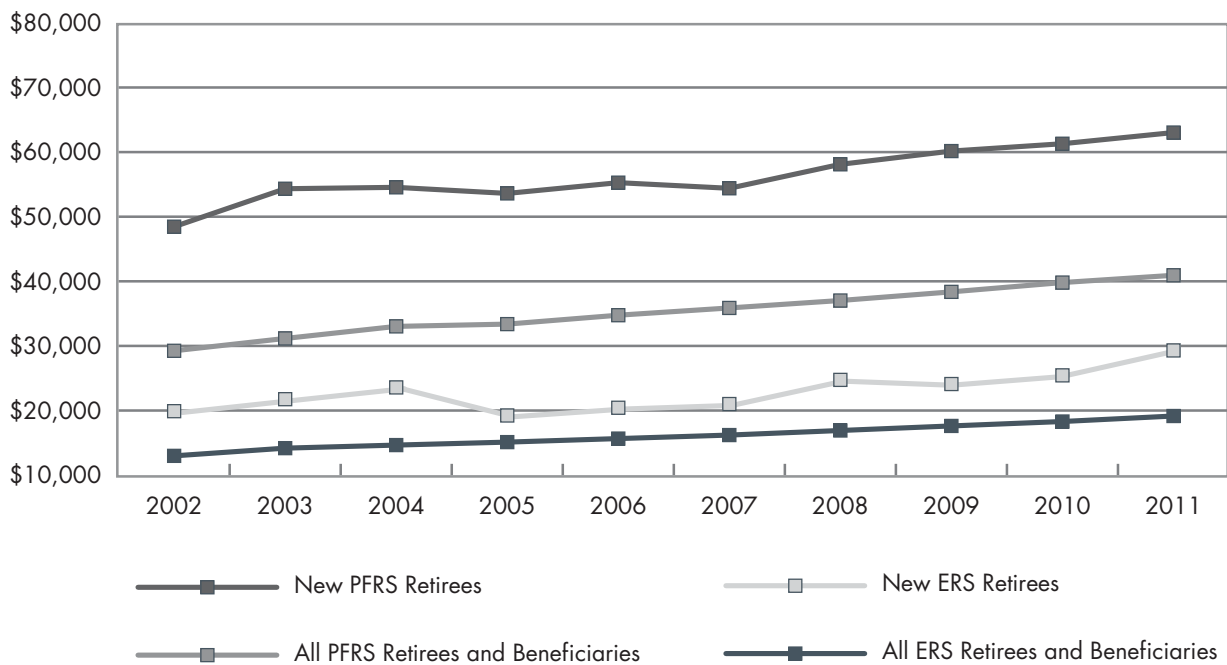
Options	2007		2008		2009		2010		2011	
	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount
ERS Females										
Single Life Allowance**	116,359	1,366,477,072	118,702	1,458,630,906	120,829	1,546,867,498	123,418	1,651,966,005	125,963	1,778,387,368
Cash Refund	11,799	105,849,175	11,233	106,845,568	10,611	105,592,285	9,959	104,714,788	9,353	102,351,848
Joint Allowance – Full	6,194	52,462,664	6,485	57,467,899	6,796	63,159,337	7,134	68,984,032	7,473	75,659,051
Joint Allowance – Half	2,544	32,140,256	2,529	33,838,436	2,518	35,141,461	2,541	36,993,044	2,571	39,574,808
Five Year Certain	4,130	46,820,065	4,145	49,302,698	4,147	51,408,691	4,154	54,120,480	4,112	56,118,973
Ten Year Certain	6,094	59,844,239	6,211	63,919,023	6,307	67,904,510	6,396	72,182,741	6,462	76,116,358
Pop-Up – Full	8,135	99,271,557	8,952	115,433,815	9,850	134,321,140	10,900	156,246,377	11,880	180,512,529
Pop-Up – Half	9,022	145,279,269	9,500	160,985,965	9,988	176,454,432	10,546	195,702,899	11,174	218,408,531
Other (Option 4)	1,843	34,353,728	2,178	43,018,662	2,487	52,216,903	2,962	66,540,138	3,468	84,453,806
Total	166,120	1,942,498,030	169,935	2,089,442,976	173,533	2,233,066,261	178,010	2,407,450,508	182,456	2,611,583,271
ERS Males										
Single Life Allowance**	52,433	1,025,470,309	53,261	1,080,255,793	54,026	1,132,437,884	54,939	1,191,967,692	55,942	1,266,672,453
Cash Refund	7,446	123,366,960	7,010	120,976,748	6,601	118,139,799	6,196	114,530,603	5,774	110,133,454
Joint Allowance – Full	23,709	441,987,740	24,445	476,994,614	25,227	510,604,138	25,965	544,500,819	26,627	582,284,424
Joint Allowance – Half	9,915	245,585,927	9,695	248,706,014	9,505	252,076,795	9,316	255,647,747	9,144	260,218,588
Five Year Certain	2,116	38,419,966	2,078	39,004,651	2,045	39,662,201	2,025	40,538,860	1,990	41,634,759
Ten Year Certain	4,495	75,653,931	4,490	78,566,297	4,476	81,680,103	4,485	85,236,946	4,525	89,931,374
Pop-Up – Full	13,507	274,914,771	14,836	316,493,717	16,293	362,900,820	17,843	414,379,167	19,180	464,337,060
Pop-Up – Half	10,486	287,086,053	10,867	308,589,951	11,215	328,172,647	11,578	348,976,024	12,033	375,880,652
Other (Option 4)	3,489	106,450,494	3,981	128,321,850	4,456	148,099,493	5,072	173,735,025	5,775	206,388,513
Total	127,596	2,618,936,155	130,663	2,797,909,640	133,844	2,973,773,884	137,419	3,169,512,887	140,990	3,397,481,277
PFRS Females										
Single Life Allowance**	365	13,669,830	417	16,561,339	471	19,834,215	543	24,173,859	583	26,779,606
Cash Refund	5	171,250	5	171,250	5	171,250	5	293,594	5	293,595
Joint Allowance – Full	22	787,733	24	872,771	25	899,547	34	1,212,278	37	1,441,268
Joint Allowance – Half	6	197,296	9	310,138	11	422,207	12	473,968	12	473,968
Five Year Certain	7	171,412	8	214,260	8	214,260	9	267,357	10	402,287
Ten Year Certain	40	1,639,307	46	2,026,828	50	2,244,594	59	2,746,242	66	3,187,109
Pop-Up – Full	62	2,732,578	70	3,144,357	79	3,564,812	91	4,206,801	101	4,791,269
Pop-Up – Half	39	1,610,867	45	2,024,834	51	2,302,433	57	2,624,952	61	2,946,302
Other (Option 4)	6	411,090	9	603,168	12	759,290	16	1,003,261	19	1,214,436
Total	552	21,391,365	633	25,928,948	712	30,412,611	826	37,002,316	894	41,529,840
PFRS Males										
Single Life Allowance**	15,239	446,579,958	15,165	457,465,829	15,157	472,399,750	15,221	492,714,408	15,134	505,331,446
Cash Refund	1,950	57,708,676	1,895	57,109,254	1,838	56,260,625	1,780	55,450,594	1,720	54,117,611
Joint Allowance – Full	2,141	77,876,210	2,261	85,342,889	2,351	91,727,133	2,489	100,979,665	2,595	108,224,229
Joint Allowance – Half	1,345	54,358,973	1,346	56,170,372	1,338	57,803,257	1,357	60,695,908	1,338	61,942,344
Five Year Certain	396	12,343,089	390	12,378,453	390	12,801,439	384	13,146,036	383	13,227,537
Ten Year Certain	1,412	43,579,306	1,418	45,200,765	1,428	46,804,803	1,418	47,687,360	1,403	48,264,086
Pop-Up – Full	1,801	69,058,966	1,976	77,545,484	2,150	86,317,312	2,407	99,335,964	2,557	107,908,349
Pop-Up – Half	1,946	96,338,817	2,013	101,783,001	2,109	109,729,379	2,213	119,330,744	2,285	124,898,266
Other (Option 4)	625	43,439,577	708	49,392,734	798	56,544,319	923	66,855,781	1,016	74,869,627
Total	26,855	901,283,575	27,172	942,388,784	27,559	990,388,020	28,192	1,056,196,465	28,431	1,098,783,495
* In 2011, 141 PFRS pensioners selected partial lump sums which totaled \$13,867,162; in 2010, 136 PFRS pensioners selected partial lump sums which totaled \$11,151,031; in 2009, 84 PFRS pensioners selected partial lump sums which totaled \$8,244,479.										
** Includes Option 0 and ½.										

Average Pension Benefits Paid During Year Shown

Average benefit payments to all retirees and beneficiaries receiving benefits during the year compared with average benefit payments to new retirees during the year. The benefit consists of actual payments (after option selection and partial lump sum distribution), plus COLA.

Year	All Retirees & Beneficiaries	New Retirees
ERS		
2002	\$ 12,984	\$ 19,899
2003	14,176	21,755
2004	14,651	23,576
2005	15,110	19,231
2006	15,657	20,430
2007	16,202	21,004
2008	16,909	24,744
2009	17,615	24,100
2010	18,300	25,441
2011	19,151	29,300

Year	All Retirees & Beneficiaries	New Retirees
PFRS		
2002	\$ 29,246	\$ 48,456
2003	31,154	54,330
2004	33,022	54,545
2005	33,375	53,604
2006	34,753	55,269
2007	35,877	54,397
2008	37,030	58,106
2009	38,367	60,158
2010	39,808	61,295
2011	40,932	63,026



Average Benefit Pay Types

New Benefits: ERS

These tables show the average unmodified retirement allowance (prior to option selection) awarded to Employees' Retirement System members retiring during the fiscal year ending March 31, 2011. 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	22	\$ 1,247	6
5 – 9	1,013	3,791	11
10 – 14	2,017	6,657	18
15 – 19	1,504	11,206	25
20 – 24	2,789	21,130	41
25 – 29	2,973	31,502	51
30 – 34	3,463	41,068	62
35 – 39	2,438	50,288	73
40 & Over	1,993	62,672	83
Total	18,212	\$ 31,653	50

New Accidental Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5 – 9	1	37,996	75
10 – 14	4	41,388	75
15 – 19	2	50,460	75
20 – 24	0	0	0
25 – 29	0	0	0
30 – 34	0	0	0
35 – 39	0	0	0
40 & Over	0	0	0
Total	7	\$ 43,495	75

New Ordinary Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	4	\$ 10,689	33
5 – 9	8	11,309	31
10 – 14	170	12,339	29
15 – 19	169	14,831	32
20 – 24	180	19,357	36
25 – 29	104	24,578	44
30 – 34	44	28,487	51
35 – 39	7	38,295	63
40 & Over	3	64,507	75
Total	689	\$ 18,132	36

New Performance of Duty Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5 – 9	2	59,063	74
10 – 14	14	48,207	71
15 – 19	11	61,824	75
20 – 24	20	66,990	71
25 – 29	5	69,997	74
30 – 34	1	71,872	75
35 – 39	0	0	0
40 & Over	0	0	0
Total	53	\$ 61,033	72

New Benefits: PFRS

These tables show the average unmodified retirement allowance (prior to option selection or partial lump sum distribution) awarded to Police and Fire Retirement System members retiring during the fiscal year ending March 31, 2011. 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	7	4,083	12
10 – 14	16	6,972	19
15 – 19	4	8,730	27
20 – 24	377	53,478	52
25 – 29	174	69,499	58
30 – 34	188	87,263	66
35 – 39	81	89,557	72
40 & Over	33	118,008	78
Total	880	\$ 68,162	58

New Accidental Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5 – 9	2	63,316	75
10 – 14	11	69,453	73
15 – 19	15	92,149	75
20 – 24	19	87,585	74
25 – 29	3	109,601	75
30 – 34	3	83,141	71
35 – 39	2	98,385	68
40 & Over	0	0	0
Total	55	\$ 85,672	74

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	2	29,818	33
15 – 19	3	39,839	33
20 – 24	1	39,481	50
25 – 29	0	0	0
30 – 34	0	0	0
35 – 39	0	0	0
40 & Over	0	0	0
Total	6	\$ 36,439	36

New Performance of Duty Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5 – 9	2	28,709	50
10 – 14	7	38,281	50
15 – 19	6	43,852	50
20 – 24	15	48,809	50
25 – 29	4	62,820	50
30 – 34	0	0	0
35 – 39	0	0	0
40 & Over	0	0	0
Total	34	\$ 46,232	50

New Benefits – Service Retirements by Age and Service

During the fiscal year ending March 31, 2011, the number of members retiring, their average Single Life Allowance (prior to option selection or partial lump sum distribution) and the average allowance as a percentage of the average final average salary (FAS).

Years of Service	Age at Retirement											
	50 – 59			60 – 64			65 – 69			70 & Over		
	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%
ERS												
Under 5	1	\$ 1,441	7	14	\$ 1,496	5	3	\$ 144	3	4	\$ 1,158	11
5 – 9	319	3,168	9	344	4,192	11	237	4,067	12	113	3,757	12
10 – 14	779	5,008	15	656	7,364	19	408	7,995	20	174	8,235	20
15 – 19	495	9,061	21	485	11,794	27	332	13,262	28	192	11,694	28
20 – 24	654	17,443	33	1,161	21,660	43	693	23,100	43	281	22,661	43
25 – 29	1,038	32,334	48	1,239	31,151	53	491	31,637	54	205	29,084	53
30 – 34	1,780	42,405	62	1,232	40,295	62	323	40,420	63	128	31,544	63
35 – 39	1,507	48,882	73	692	52,482	73	160	53,850	73	79	50,671	74
40 & Over	752	56,759	81	860	65,991	82	235	67,316	83	146	66,091	90
Total	7,325	\$ 33,611	52	6,683	\$ 32,690	51	2,882	\$ 26,947	44	1,322	\$ 25,815	46

Years of Service	Age at Retirement											
	40 – 49			50 – 54			55 – 59			60 & Over		
	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%
PFRS												
Under 5	0	\$ 0	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0	0
5 – 9	0	0	0	0	0	0	5	4,390	12	2	3,316	13
10 – 14	0	0	0	0	0	0	14	7,329	20	2	4,479	18
15 – 19	0	0	0	0	0	0	4	8,730	27	0	0	0
20 – 24	248	52,619	51	92	57,324	53	28	50,157	51	9	48,165	52
25 – 29	32	65,717	57	69	69,982	58	64	68,023	59	9	89,742	60
30 – 34	0	0	0	17	92,349	65	110	85,207	65	61	89,555	67
35 – 39	0	0	0	0	0	0	32	88,252	72	49	90,409	72
40 & Over	0	0	0	0	0	0	2	135,765	75	31	116,863	79
Total	280	\$ 54,116	52	178	\$ 65,576	56	259	\$ 70,987	59	163	\$ 90,628	68

New Benefits – Accidental and Ordinary Death

Accidental Death Benefits

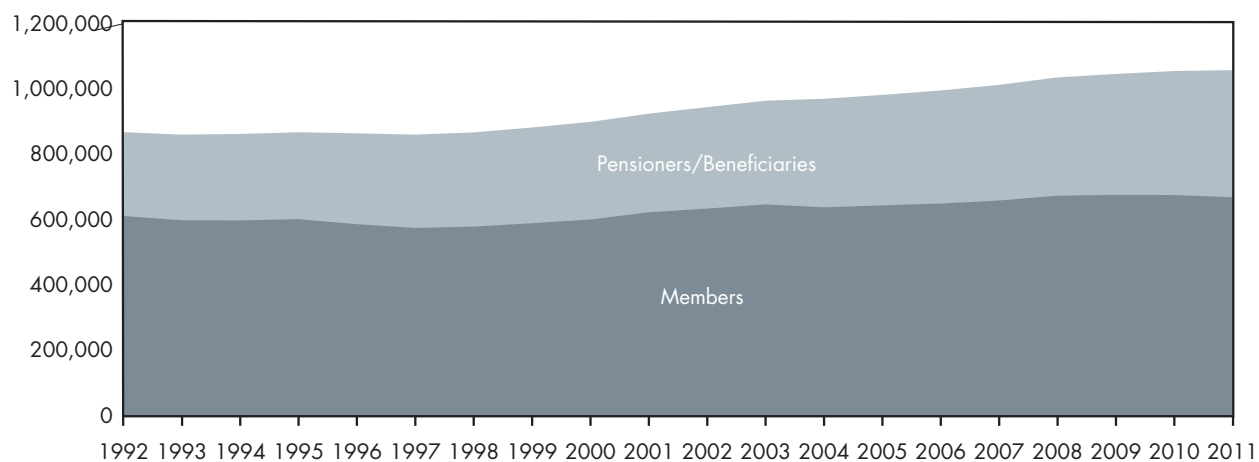
During fiscal year ending March 31, 2011, the Employees' Retirement System approved three accidental death benefits, which averaged \$25,134 per year. In the Police and Fire Retirement System, six accidental death benefits were approved, averaging \$45,884 per year.

Ordinary Death Benefits

Years of Service	Number Paid	Average Benefit	Percentage of Salary
ERS			
Under 5	115	\$ 72,959	214.5
5 – 9	157	115,083	277.2
10 – 14	241	94,029	222.1
15 – 19	129	124,197	244.8
20 – 24	135	159,029	280.3
25 – 29	97	181,330	280.5
30 – 34	50	179,601	300.1
35 – 39	12	338,124	474.9
40 & Over	11	457,478	697.8
Total	947	\$ 129,111	260.5
PFRS			
Under 5	1	\$ 261,000	301.0
5 – 9	2	204,813	282.4
10 – 14	5	196,100	270.9
15 – 19	5	268,146	270.3
20 – 24	8	724,699	688.7
25 – 29	2	627,105	780.8
30 – 34	3	594,591	706.6
35 – 39	1	1,269,894	967.6
40 & Over	1	690,606	781.4
Total	28	\$ 492,426	518.3

Combined System Participants

Fiscal Year	Members	% Changed	Pensioners/ Beneficiaries	% Changed	Total Participants	% Changed
1992	615,114	-4	252,812	5	867,926	-1
1993	602,133	-2	258,294	2	860,427	-1
1994	601,710	0	260,788	1	862,498	0
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
2006	653,291	1	342,245	2	995,536	1
2007	662,633	1	350,066	2	1,012,699	2
2008	677,321	2	358,109	2	1,035,430	2
2009	679,908	0	366,178	2	1,046,086	1
2010	679,217	0	375,803	3	1,055,020	1
2011	672,723	-1	385,031	2	1,057,754	0

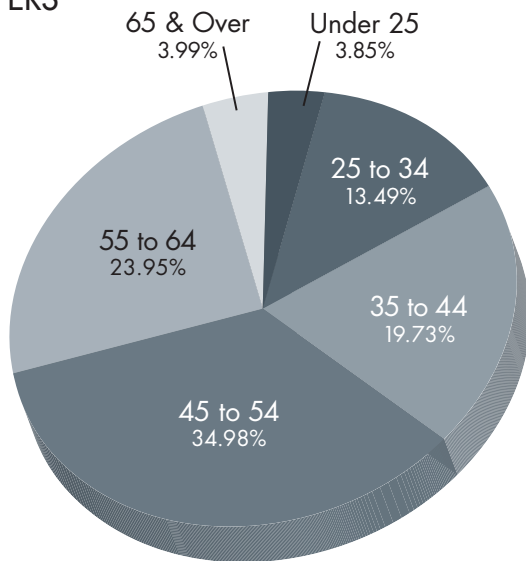


Membership by Age and Years of Service

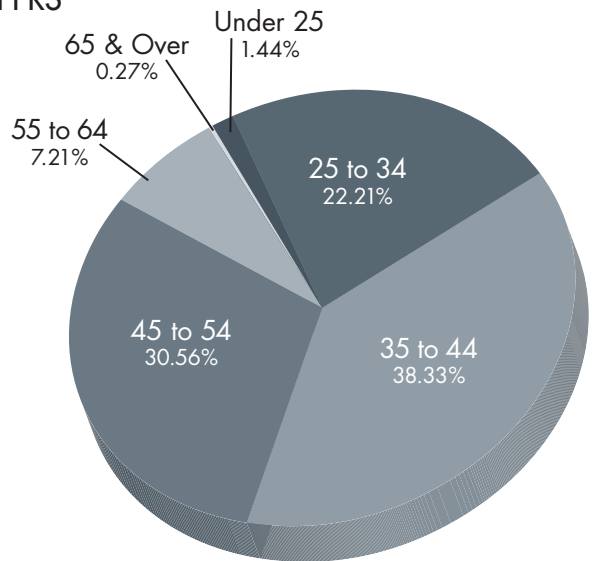
As of March 31, 2011.

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	637,921	100.00	203,396	31.88	121,247	19.01	167,707	26.29	110,293	17.29	35,278	5.53
Under 25	24,564	3.85	24,296	3.81	268	0.04	0	0.00	0	0.00	0	0.00
25 – 34	86,075	13.49	59,675	9.35	21,534	3.38	4,866	0.76	0	0.00	0	0.00
35 – 44	125,846	19.73	46,050	7.22	32,319	5.07	40,534	6.35	6,943	1.09	0	0.00
45 – 54	223,143	34.98	47,200	7.40	40,751	6.39	68,118	10.68	56,516	8.86	10,558	1.66
55 – 64	152,811	23.95	22,271	3.49	22,432	3.52	46,242	7.25	40,441	6.34	21,425	3.36
65 & Over	25,482	3.99	3,904	0.61	3,943	0.62	7,947	1.25	6,393	1.00	3,295	0.52
PFRS												
Total	34,802	100.00	6,591	18.94	6,684	19.21	11,323	32.54	8,353	24.00	1,851	5.32
Under 25	500	1.44	500	1.44	0	0.00	0	0.00	0	0.00	0	0.00
25 – 34	7,729	22.21	4,028	11.57	3,093	8.89	608	1.75	0	0.00	0	0.00
35 – 44	13,338	38.33	1,620	4.65	2,893	8.31	7,632	21.93	1,193	3.43	0	0.00
45 – 54	10,634	30.56	350	1.01	580	1.67	2,852	8.19	6,420	18.45	432	1.24
55 – 64	2,508	7.21	77	0.22	110	0.32	220	0.63	736	2.11	1,365	3.92
65 & Over	93	0.27	16	0.05	8	0.02	11	0.03	4	0.01	54	0.16

ERS



PFRS



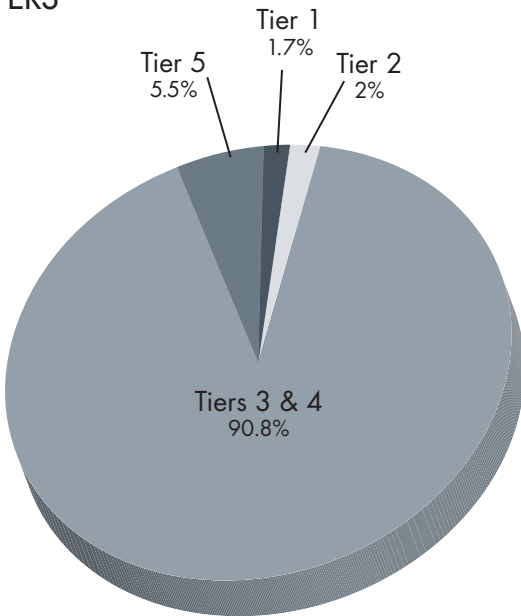
Membership by Tier

As of March 31, 2011.

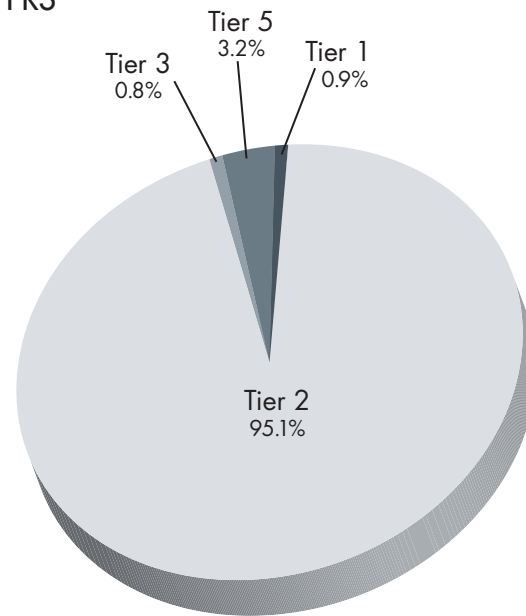
	ERS		PFRS		Total	
	Number	Percent	Number	Percent	Number	Percent
Tier 1	10,718	1.7	304	0.9	11,022	1.6
Tier 2	12,911	2.0	33,091	95.1	46,002	6.8
Tiers 3 & 4*	579,104	90.8	281	0.8	579,385	86.1
Tier 5	35,188	5.5	1,126	3.2	36,314	5.4
Total**	637,921	100.0	34,802	100.0	672,723	100.0

* There is no Tier 4 in the Police and Fire Retirement System.
 ** Total may not add up to 100% due to rounding.

ERS



PFRS



Membership by Status

	ERS			PFRS		
	Active	Inactive	Total	Active	Inactive	Total
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
2006	513,016	104,973	617,989	32,469	2,833	35,302
2007	519,203	107,720	626,923	32,811	2,899	35,710
2008	528,435	112,684	641,119	33,089	3,113	36,202
2009	530,023	113,677	643,700	33,052	3,156	36,208
2010	529,466	114,409	643,875	32,449	2,893	35,342
2011	513,092	124,829	637,921	31,659	3,143	34,802

Number of Employers

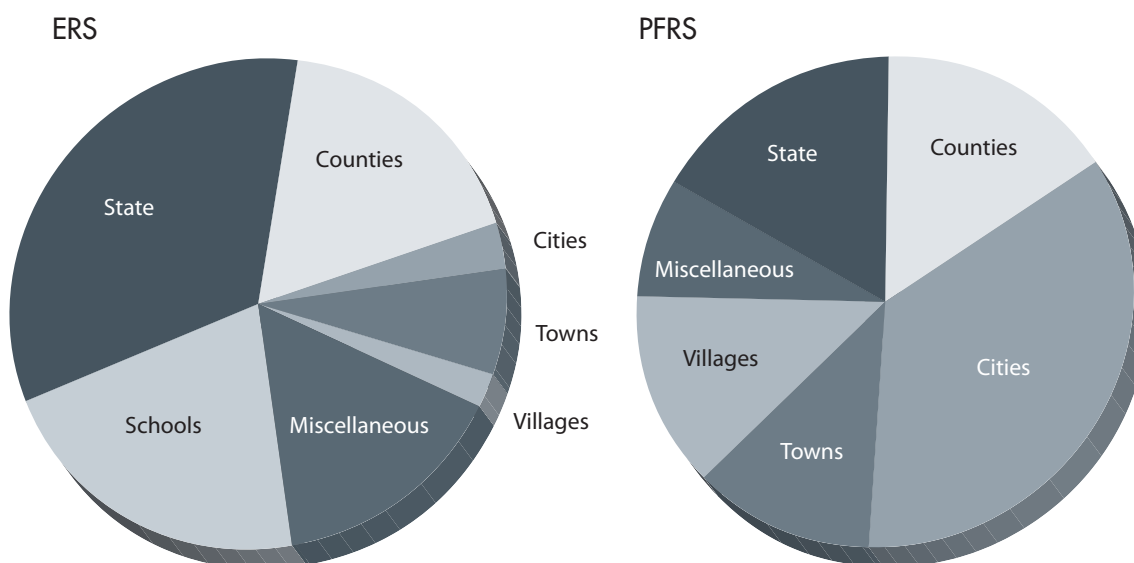
As of March 31, 2011.

Category	ERS	PFRS
State	1	1
Counties	57	4
Cities	61	61
Towns	911	205
Villages	492	376
Miscellaneous	794	34
Schools	700	0
Total	3016	681

Membership by Employer Type *

As of March 31, 2011.

	ERS		PFRS		Total	
	Total	Active	Total	Active	Total	Active
State	213,089	175,075	5,779	5,311	218,868	180,386
Counties	114,111	90,387	5,499	5,260	119,610	95,647
Cities	18,667	14,600	12,137	11,164	30,804	25,764
Towns	44,416	35,443	4,205	3,741	48,621	39,184
Villages	14,165	10,920	4,512	3,677	18,677	14,597
Miscellaneous	98,115	75,912	2,670	2,506	100,785	78,418
Schools	135,358	110,755	0	0	135,358	110,755
Total	637,921	513,092	34,802	31,659	672,723	544,751



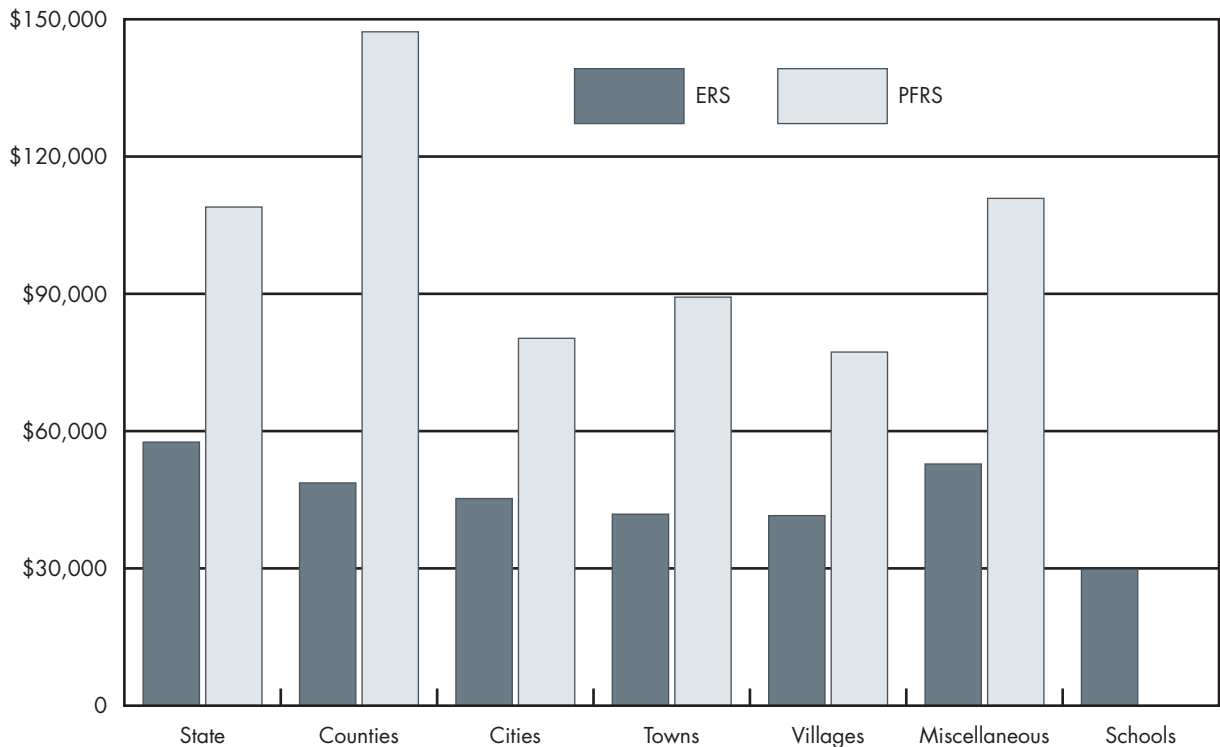
* A detailed listing of employers as of March 31, 2011 is on our website at www.osc.state.ny.us/retire/employers/index.htm.

Average Salary by Employer Type

Fiscal year ending March 31, 2011.

	Average Salary	Total Members*	Salaries
ERS			
State	\$ 57,592	175,075	\$ 10,082,945,654
Counties	48,681	90,387	4,400,172,682
Cities	45,266	14,600	660,882,418
Towns	41,846	35,443	1,483,142,220
Villages	41,537	10,920	453,586,687
Miscellaneous	52,812	75,912	4,009,080,598
Schools	29,792	110,755	3,299,607,467
Total	\$ 47,534	513,092	\$ 24,389,417,727
PFRS			
State	\$ 108,970	5,311	\$ 578,738,319
Counties	147,260	5,260	774,589,487
Cities	80,281	11,164	896,261,138
Towns	89,276	3,741	333,981,081
Villages	77,276	3,677	284,144,323
Miscellaneous	110,863	2,506	277,823,739
Total	\$ 99,357	31,659	\$ 3,145,538,087

*Active members receiving salary.



Members and Salaries by Plan – ERS

As of March 31, 2011.

	Tier 1	Tier 1 Salaries	Tier 2	Tier 2 Salaries
Age 55/60 Contributory	9	\$ 306,513	5	\$ 252,423
Age 55 75-c	42	1,222,924	69	2,741,426
Age 55 75-e	13	415,347	21	692,895
Age 55 75-g	110	4,821,003	121	5,615,413
Age 55 75-h	2,978	217,974,338	3,580	257,810,406
Age 55 75-i	4,465	233,122,858	4,660	261,287,166
Reg CO/SHTA 3/4 Disability	5	479,904	2	192,775
Correction Officers 89	65	5,447,689	141	11,785,031
Sheriffs 89-a	5	416,092	0	0
Sheriffs 89-b	1	75,439	1	58,704
Sheriffs 89-b(m)	2	145,108	3	195,899
Investigators 89-d	0	0	0	0
Investigators 89-d(m)	3	459,098	1	99,276
Sheriffs – 551	1	57,207	4	305,593
Sheriffs – 551e	0	0	0	0
Sheriffs – 552	2	153,461	4	241,955
Sheriffs – 553	8	807,426	13	1,203,043
Legislators 80-a	6	416,094	2	210,030
Unified Court Peace Officers	0	0	49	4,356,244
25-Year Correction Officers/Sheriffs/OMH	42	3,596,536	50	4,529,367
25-Year 1/60 Peace Officers, Amb Med Techs, Paramedics	3	342,249	4	378,176

	Tier 3 & 4	Tier 3 & 4 Salaries	Tier 5	Tier 5 Salaries
Article 14 & 15	423,259	\$ 20,062,737,868	33,208	\$ 506,128,953
Reg CO/SHTA 3/4 Disability	442	36,918,797	6	180,870
Article 14 Correction Officers	20,069	1,357,909,107	920	25,095,334
Sheriffs – 551	361	23,396,587	0	18,405
Sheriffs – 551e	61	3,414,845	1	19,444
Sheriffs – 552	531	32,967,466	16	343,035
Sheriffs – 553	1,698	135,982,398	80	1,994,529
Unified Court Peace Officers	6,248	492,046,768	257	6,450,843
25-Year Correction Officers/Sheriffs/OMH	8,732	650,616,730	493	10,708,971
25-Year 1/60 Peace Officers, Amb Med Techs, Paramedics	176	14,659,140	0	0
20-Year 1/60 Investigators	19	2,839,750	0	0
Westchester County Criminal Investigators	25	2,772,780	0	0

Members and Salaries by Plan – PFRS

As of March 31, 2011.

	Tier 1	Tier 1 Salaries	Tier 2	Tier 2 Salaries	Tier 3	Tier 3 Salaries
Age 55/60 Basic	0	\$ 0	62	\$ 802,601	4	\$ 63,496
Age 55 375-c	4	187,298	240	4,281,794	6	55,495
Age 55 375-e	0	0	64	1,066,096	1	42,438
Age 55 375-g	0	0	59	1,325,713	2	7,575
Age 55 375-h	2	163,923	1	77,416	0	0
Age 55 375-i	27	3,160,581	248	12,601,282	6	93,484
Age 55 375-j	1	164,978	4	369,569	0	0
State Police 381-b	4	527,906	4,648	530,445,728	0	0
Reg Park Police 383-a	3	304,572	244	16,906,788	0	0
EnCon Police 383-b	1	95,253	292	21,896,985	0	0
Forest Ranger 383-c	0	0	115	8,310,817	0	0
25-Year 384	2	100,938	72	2,711,149	14	665,733
25-Year 384(f)	3	292,788	108	10,895,313	71	3,317,262
20-Year 384-d	49	5,585,453	9,075	776,295,124	86	3,229,399
20-Year 1/60 384-e	147	21,678,876	14,816	1,683,585,808	60	3,351,568

	Tier 5 Contributory	Tier 5 Contributory Salaries	Tier 5 Non-Contributory	Tier 5 Non-Contributory Salaries
Age 55/60 Basic	5	\$ 15,829	0	\$ 0
Age 55 375-c	17	87,440	0	0
Age 55 375-e	6	42,143	0	0
Age 55 375-g	3	10,612	0	0
Age 55 375-h	0	0	0	0
Age 55 375-i	9	55,256	0	0
Age 55 375-j	0	0	0	0
State Police 381-b	1	8,929	0	0
Reg Park Police 383-a	0	0	0	0
EnCon Police 383-b	0	0	0	0
Forest Ranger 383-c	0	0	0	0
25-Year 384	20	136,627	3	65,726
25-Year 384(f)	1	42,779	3	119,295
20-Year 384-d	378	9,603,959	167	4,909,723
20-Year 384-e	409	12,434,613	96	3,343,954

Pensioners and Beneficiaries by Age

As of March 31, 2011.

Age	Pensioners & Beneficiaries	Pensioners	Beneficiaries
ERS			
0 – 25	211	0	211
26 – 30	174	1	173
31 – 35	216	8	208
36 – 40	412	82	330
41 – 45	962	460	502
46 – 50	2,866	2,126	740
51 – 55	6,034	4,873	1,161
56 – 60	37,009	35,269	1,740
61 – 65	67,483	64,751	2,732
66 – 70	65,942	62,614	3,328
71 – 75	53,313	49,511	3,802
76 – 80	44,863	40,575	4,288
81 – 85	36,823	32,054	4,769
86 – 90	24,631	20,643	3,988
91 – 95	10,271	8,370	1,901
96 – 100	2,471	1,914	557
101+	259	195	64
Total	353,940	323,446	30,494

Age	Pensioners & Beneficiaries	Pensioners	Beneficiaries
PFRS			
0 – 25	14	0	14
26 – 30	6	0	6
31 – 35	14	7	7
36 – 40	114	96	18
41 – 45	626	601	25
46 – 50	1,894	1,837	57
51 – 55	2,334	2,250	84
56 – 60	4,378	4,246	132
61 – 65	6,524	6,304	220
66 – 70	5,389	5,145	244
71 – 75	3,856	3,638	218
76 – 80	2,628	2,377	251
81 – 85	2,029	1,799	230
86 – 90	939	777	162
91 – 95	291	212	79
96 – 100	52	35	17
101+	3	1	2
Total	31,091	29,325	1,766

Pensioners and Beneficiaries – ERS

As of March 31, 2011 — by fiscal year of retirement: annual option 0 retirement benefit (prior to option selection) without annual cost-of-living adjustment (COLA), average COLA and total.

Year of Retirement	Number	Option 0 Benefit w/o COLA	Average COLA	Total
1942	1	\$ 424	\$ 2,224	\$ 2,648
1943	0	0	0	0
1944	0	0	0	0
1945	0	0	0	0
1946	0	0	0	0
1947	0	0	0	0
1948	0	0	0	0
1949	0	0	0	0
1950	0	0	0	0
1951	0	0	0	0
1952	0	0	0	0
1953	1	1,550	9,286	10,836
1954	1	1,680	9,932	11,612
1955	1	2,107	6,147	8,254
1956	2	1,145	4,480	5,625
1957	3	2,547	7,157	9,704
1958	2	3,126	16,632	19,757
1959	2	2,145	5,672	7,817
1960	3	3,474	8,819	12,293
1961	1	1,219	2,845	4,064
1962	2	3,195	7,033	10,227
1963	8	1,476	4,649	6,125
1964	8	3,402	6,944	10,346
1965	11	3,363	9,418	12,781
1966	21	3,085	6,027	9,112
1967	27	2,182	4,796	6,978
1968	37	2,663	4,607	7,270
1969	59	2,914	4,968	7,882
1970	126	3,148	4,395	7,543
1971	167	4,477	5,808	10,285
1972	310	4,703	6,066	10,770
1973	445	4,340	5,203	9,543
1974	601	4,658	5,549	10,207
1975	725	4,697	4,723	9,420
1976	1,136	5,193	4,900	10,093
1977	1,527	4,972	4,572	9,544

Year of Retirement	Number	Option 0 Benefit w/o COLA	Average COLA	Total
1978	1,717	\$ 5,140	\$ 4,329	\$ 9,469
1979	2,156	5,328	4,254	9,583
1980	2,579	5,414	3,635	9,049
1981	2,978	5,497	3,070	8,567
1982	3,606	6,087	2,960	9,047
1983	3,514	6,458	2,827	9,285
1984	5,514	8,490	3,391	11,881
1985	4,692	8,507	3,110	11,618
1986	5,616	8,963	3,041	12,004
1987	5,736	9,854	3,102	12,956
1988	5,797	10,770	3,070	13,840
1989	6,495	11,542	2,984	14,526
1990	7,120	12,809	2,804	15,613
1991	10,912	16,767	2,950	19,717
1992	10,280	14,128	2,469	16,597
1993	8,247	14,591	2,253	16,844
1994	7,273	14,645	2,055	16,700
1995	8,883	15,499	1,998	17,497
1996	15,113	20,102	2,085	22,187
1997	13,590	18,771	1,757	20,528
1998	10,191	16,722	1,374	18,097
1999	11,230	16,330	1,215	17,546
2000	13,149	17,647	1,091	18,738
2001	13,931	21,169	1,024	22,193
2002	11,588	19,295	837	20,132
2003	24,642	27,804	694	28,498
2004	12,437	19,375	444	19,819
2005	15,049	21,380	270	21,650
2006	16,472	22,229	143	22,372
2007	17,115	24,517	0	24,517
2008	17,573	26,288	0	26,288
2009	16,257	26,360	0	26,360
2010	18,451	27,932	0	27,932
2011	12,949	33,262	0	33,262

5,861 of the 30,494 beneficiaries are not eligible for COLA and are not included in the above counts.

Pensioners and Beneficiaries – PFRS

As of March 31, 2011 — by fiscal year of retirement: annual modified option 0 retirement benefit without annual cost-of-living adjustment (COLA), average COLA and total. Modified option 0 is the amount after reduction for a partial lump sum distribution.

Year of Retirement	Number	Option 0 Benefit w/o COLA	Average COLA	Total
1942	1	\$2,029	\$20,781	\$22,810
1943	0	0	0	0
1944	0	0	0	0
1945	0	0	0	0
1946	0	0	0	0
1947	0	0	0	0
1948	0	0	0	0
1949	0	0	0	0
1950	0	0	0	0
1951	0	0	0	0
1952	0	0	0	0
1953	1	3,090	9,115	12,205
1954	1	2,357	13,934	16,291
1955	2	2,482	7,238	9,720
1956	1	3,614	20,565	24,179
1957	4	3,111	13,942	17,053
1958	0	0	0	0
1959	0	0	0	0
1960	1	3,478	18,296	21,774
1961	2	2,617	10,547	13,164
1962	1	3,669	16,947	20,616
1963	5	3,560	12,999	16,559
1964	1	4,864	16,976	21,840
1965	4	5,050	15,780	20,830
1966	6	6,454	13,862	20,316
1967	10	5,373	12,626	17,999
1968	18	4,720	11,324	16,044
1969	24	4,854	9,707	14,561
1970	37	5,877	11,737	17,615
1971	47	6,420	11,505	17,925
1972	181	7,131	12,207	19,339
1973	157	7,696	12,435	20,131
1974	200	8,044	12,241	20,285
1975	140	8,590	11,274	19,864
1976	183	9,602	11,053	20,655
1977	296	10,614	11,187	21,801

Year of Retirement	Number	Option 0 Benefit w/o COLA	Average COLA	Total
1978	322	10,770	10,724	21,495
1979	373	11,607	10,231	21,838
1980	427	12,297	9,060	21,357
1981	375	13,335	7,953	21,288
1982	461	14,851	7,379	22,231
1983	506	15,629	6,948	22,577
1984	487	17,545	6,887	24,432
1985	577	19,288	6,424	25,713
1986	810	20,685	6,258	26,944
1987	881	23,038	6,157	29,195
1988	945	24,685	5,823	30,508
1989	982	25,018	5,337	30,355
1990	980	27,606	4,797	32,403
1991	1,086	30,910	4,294	35,204
1992	1,194	35,167	3,767	38,934
1993	1,100	34,142	3,417	37,559
1994	965	33,061	3,037	36,098
1995	844	37,660	2,615	40,275
1996	833	36,379	2,310	38,689
1997	827	40,371	2,015	42,386
1998	777	39,943	1,580	41,523
1999	794	40,612	1,412	42,024
2000	929	46,861	1,139	48,000
2001	1,125	52,799	1,001	53,801
2002	968	52,864	720	53,584
2003	1,300	60,526	557	61,082
2004	1,225	57,721	409	58,130
2005	1,110	58,171	231	58,402
2006	1,123	59,294	112	59,406
2007	1,115	60,171	0	60,171
2008	1,138	62,478	0	62,478
2009	1,080	65,282	0	65,282
2010	1,111	67,064	0	67,064
2011	638	67,043	0	67,043

360 of the 1,766 beneficiaries are not eligible for COLA and are not included in the above counts.

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.

FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
Counties						
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
2006	3,973,182,698	464,679,243	438,815,394	0	13,890,586	11,973,263
2007	4,082,673,936	447,024,967	417,028,835	0	17,682,805	12,313,327
2008	4,216,431,872	422,160,637	394,084,911	0	11,157,933	16,917,793
2009	4,377,722,306	386,066,989	357,016,093	0	11,534,099	17,516,797
2010	4,440,975,009	348,633,573	319,242,145	0	15,718,947	13,672,481
2011	4,400,173,486	559,214,523	525,419,127	0	15,589,216	18,206,180
Cities						
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
2006	612,669,624	68,193,077	63,955,140	0	2,421,685	1,816,252
2007	625,077,477	65,850,318	60,796,905	0	3,158,385	1,895,028
2008	648,030,721	61,051,722	56,528,107	0	1,938,692	2,584,923
2009	669,808,943	54,817,726	50,114,905	0	2,015,498	2,687,323
2010	672,358,993	49,473,203	44,600,856	0	2,784,205	2,088,142
2011	660,882,586	78,687,818	73,186,068	0	2,750,875	2,750,875
Towns						
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
2006	1,318,853,035	143,799,692	134,049,741	678,480	5,182,369	3,889,102
2007	1,356,019,116	140,466,376	128,916,495	696,150	6,782,132	4,071,599
2008	1,417,734,849	131,248,138	120,766,233	677,721	4,200,582	5,603,602
2009	1,465,224,022	120,574,358	109,598,831	695,659	4,404,475	5,875,393
2010	1,483,730,590	108,762,029	97,393,459	717,958	6,084,843	4,565,769
2011	1,483,142,934	173,975,388	161,410,776	425,802	6,068,074	6,070,736
Villages						
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
2006	396,489,726	43,514,076	40,517,640	232,514	1,579,370	1,184,552
2007	411,425,147	42,088,503	38,567,121	240,460	2,050,581	1,230,341
2008	427,838,001	39,705,557	36,476,385	243,599	1,279,527	1,706,046
2009	444,961,775	36,293,410	32,947,899	231,780	1,334,454	1,779,277
2010	452,674,761	32,980,639	29,491,939	243,794	1,854,239	1,390,667
2011	453,586,842	52,963,526	49,086,030	168,506	1,854,495	1,854,495

FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
Miscellaneous						
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
2006	3,318,406,341	362,539,880	338,428,405	1,038,366	13,184,634	9,888,475
2007	3,452,844,188	351,765,032	323,252,763	1,090,110	17,138,851	10,283,308
2008	3,612,130,156	333,088,130	307,009,697	1,016,328	10,741,056	14,321,049
2009	3,877,365,154	307,150,742	279,817,198	1,031,567	11,272,265	15,029,712
2010	4,053,679,047	288,402,076	258,729,069	1,396,742	16,157,869	12,118,396
2011	4,009,081,340	475,779,714	441,882,050	644,506	16,626,579	16,626,579
Schools						
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
2006	2,804,610,717	295,369,803	276,074,953	76,738	10,981,781	8,236,331
2007	2,892,495,432	295,496,975	272,049,180	87,908	14,599,932	8,759,955
2008	3,028,665,963	276,852,420	255,641,659	94,016	9,050,047	12,066,698
2009	3,179,510,771	258,982,162	236,727,573	107,511	9,491,589	12,655,489
2010	3,277,959,694	237,870,801	214,479,105	111,442	13,303,002	9,977,252
2011	3,299,608,584	387,255,314	360,157,255	109,379	13,494,340	13,494,340

Local Government Salaries and Billings – PFRS

Contributions include the normal cost of benefits including supplemental pensions, 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.

FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
Counties						
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
2006	669,734,523	111,831,299	109,868,889	0	0	1,962,410
2007	686,235,014	121,577,173	118,828,521	0	0	2,748,652
2008	705,089,650	120,646,667	117,816,582	0	707,521	2,122,564
2009	705,233,176	117,939,533	115,751,728	0	0	2,187,805
2010	691,324,895	113,345,262	109,684,666	0	0	3,660,596
2011	774,589,528	128,266,705	124,105,246	0	693,576	3,467,883
Cities						
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
2006	788,096,235	131,076,054	128,739,253	0	0	2,336,801
2007	803,949,506	142,751,818	139,481,125	0	0	3,270,693
2008	862,509,071	142,311,942	138,966,064	0	836,467	2,509,411
2009	878,117,139	151,071,141	148,374,256	0	0	2,696,885
2010	898,507,065	146,455,535	141,869,364	0	0	4,586,171
2011	896,261,192	171,091,657	165,609,925	0	913,625	4,568,107
Towns						
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
2006	281,549,923	45,712,713	44,877,786	0	0	834,927
2007	293,260,663	50,495,562	49,326,214	0	0	1,169,348
2008	307,058,431	51,073,666	49,853,332	0	305,084	915,250
2009	321,618,843	53,509,018	52,550,766	0	0	958,252
2010	324,877,420	52,903,830	51,226,025	0	0	1,677,805
2011	333,981,112	60,280,009	58,310,352	0	328,283	1,641,374
Villages						
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
2006	245,318,712	37,677,735	36,941,498	0	0	736,237
2007	251,789,449	40,309,964	39,301,296	0	0	1,008,668
2008	260,713,425	40,875,275	39,828,283	0	261,751	785,241
2009	271,083,935	41,155,426	40,339,680	0	0	815,746
2010	279,110,145	41,046,994	39,630,908	0	0	1,416,086
2011	284,144,385	49,801,862	48,105,170	0	282,784	1,413,908
Miscellaneous						
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
2006	230,403,597	40,016,217	39,322,040	0	0	694,177
2007	245,010,928	42,931,506	41,968,985	0	0	962,521
2008	266,355,184	44,355,212	43,330,386	0	256,207	768,619
2009	278,364,071	44,753,630	43,917,335	0	0	836,295
2010	276,719,595	44,766,923	43,309,191	0	0	1,457,732
2011	277,823,751	51,630,642	49,951,567	0	279,846	1,399,229

Contributions Recorded 2002 - 2011

(In Millions)

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
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	
2006		
Total	\$ 2,782.1	\$ 241.2
State	1,067.9	
Local	1,714.2	
2007		
Total	\$ 2,718.5	\$ 250.2
State	988.2	
Local	1,730.3	
2008		
Total	\$ 2,648.5	\$ 265.7
State	1,007.8	
Local	1,640.7	
2009		
Total	\$ 2,456.2	\$ 273.3
State	889.2	
Local	1,567.0	
2010		
Total	\$ 2,344.2	\$ 284.3
State	897.5	
Local	1,446.7	
2011		
Total	\$ 4,164.6	\$ 286.2
State	1759.0	
Local	2405.6	
* Includes employer premiums to Group Term Life Insurance Plan.		

20-Year Summary*

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Total Participants	1,057,754	1,055,020	1,046,086	1,035,430	1,012,699	995,536	982,009	970,078	964,140
Number of Members	672,723	679,217	679,908	677,321	662,633	653,291	647,758	641,721	650,543
ERS (a)	637,921	643,875	643,700	641,119	626,923	617,989	612,410	606,155	614,555
State	213,089	216,582	219,741	220,216	215,296	211,041	208,899	207,641	216,005
Counties	114,111	115,722	116,515	117,084	115,944	115,472	118,006	117,514	119,319
Cities	18,667	18,897	18,893	18,992	18,843	18,891	18,979	18,933	19,637
Towns	44,416	44,361	43,403	43,203	41,989	41,393	40,561	39,841	39,395
Villages	14,165	14,150	14,000	13,891	13,597	13,388	13,106	12,878	12,823
Miscellaneous	98,115	97,960	97,272	95,601	92,736	90,879	86,791	85,732	85,708
Schools	135,358	136,203	133,876	132,132	128,518	126,925	126,068	123,616	121,668
PFRS (a)	34,802	35,342	36,208	36,202	35,710	35,302	35,348	35,566	35,988
State	5,779	5,973	6,222	6,223	6,219	5,955	6,038	5,898	5,802
Counties	5,499	5,560	5,841	5,898	5,873	5,850	5,833	5,814	5,901
Cities	12,137	12,289	12,433	12,414	12,206	12,147	12,113	12,374	12,541
Towns	4,205	4,249	4,340	4,364	4,295	4,261	4,217	4,231	4,233
Villages	4,512	4,547	4,592	4,621	4,591	4,641	4,653	4,732	4,867
Miscellaneous	2,670	2,724	2,780	2,682	2,526	2,448	2,494	2,517	2,644
Members by Tier (b)									
ERS Tier 1	10,718	13,395	16,829	20,513	25,053	29,492	34,980	39,622	50,032
ERS Tier 2	12,911	15,651	18,097	20,315	22,458	24,263	25,938	27,398	30,122
ERS Tiers 3 through 5	614,292	614,829	608,774	600,291	579,412	564,234	551,492	539,135	534,401
PFRS Tier 1	304	393	576	745	924	1,143	1,503	2,076	2,597
PFRS Tier 2	33,091	34,261	35,632	35,457	34,786	34,159	33,845	33,490	33,391
PFRS Tiers 3 & 5	1,407	688	0	0	0	0	0	0	0
Pensioners & Beneficiaries	385,031	375,803	366,178	358,109	350,066	342,245	334,251	328,357	313,597
ERS	353,940	345,106	336,273	328,726	321,113	313,837	306,531	301,528	287,341
PFRS	31,091	30,697	29,905	29,383	28,953	28,408	27,720	26,829	26,256
Employers	3,039	3,035	3,026	3,021	3,010	3,001	2,993	2,985	2,968
ERS	3,016	3,011	3,001	2,995	2,983	2,974	2,967	2,959	2,943
PFRS	681	681	683	683	683	685	684	684	681
Benefit Payments (c)	\$ 8,464.6	\$ 7,663.1	\$ 7,212.1	\$ 6,835.6	\$ 6,383.4	\$ 6,028.9	\$ 5,674.7	\$ 5,347.5	\$ 4,984.6
Retirement Allowances	7,717.0	6,931.8	6,497.1	6,142.8	5,722.9	5,388.6	5,041.0	4,722.1	4,373.3
Death Benefits (Lump Sum)	192.3	183.0	180.5	181.7	164.6	161.2	161.9	157.3	148.4
COLA Payments	555.3	548.3	534.5	511.1	495.9	479.1	471.8	468.1	462.9
# of Service Retirements	19,092	19,193	17,979	17,261	16,390	16,827	14,533	23,655	16,078
# of Death Benefits Paid	984	955	935	1,014	832	932	1,041	1,025	1,019
# of Disability Retirements	844	1,421	1,020	950	1,227	1,267	1,463	1,103	1,064
Employer Contributions (f)	\$ 4,164.5	\$ 2,344.2	\$ 2,456.2	\$ 2,648.4	\$ 2,718.6	\$ 2,782.2	\$ 2,964.8	\$ 1,286.5	\$ 651.9
ERS	3,525.8	1,785.5	1,898.7	2,073.5	2,116.0	2,271.4	2,434.5	1,052.3	525.5
PFRS	538.8	465.0	492.8	510.6	502.5	433.4	455.3	158.4	66.3
Group Life Insurance Plan	99.9	93.7	64.7	64.3	100.1	77.3	75.0	75.8	60.1
Rate (as a % of Salary) (d)									
ERS	11.9%	7.4%	8.5%	9.6%	10.7%	11.3%	12.9%	5.9%	1.5%
PFRS	18.2%	15.1%	15.8%	16.6%	17.0%	16.3%	17.6%	5.8%	1.4%
Employee Contributions	\$ 286.2	\$ 284.3	\$ 273.3	\$ 265.7	\$ 250.2	\$ 241.2	\$ 227.3	\$ 221.9	\$ 219.2
ERS	284.5	282.8	269.0	263.1	247.2	237.7	224.5	217.4	214.1
PFRS	1.7	1.5	4.3	2.6	2.9	3.5	2.8	4.5	5.1
Investments (e)	\$147,237.0	\$132,500.2	\$108,960.7	\$153,877.7	\$154,575.5	\$140,453.3	\$126,083.5	\$119,245.0	\$ 95,598.3
Equities	79,945.0	72,674.0	47,871.0	83,153.7	90,119.7	88,550.9	80,917.2	74,876.5	51,357.0
Fixed Income	31,037.9	33,726.1	36,541.6	36,571.4	33,536.2	28,889.0	29,310.8	29,691.2	32,019.7
Commercial Mortgages	851.3	845.7	710.2	772.4	889.7	1,162.7	1,281.9	1,530.0	1,723.6
Short-Term Investments	8,360.2	3,086.1	3,826.7	6,443.1	8,551.1	6,619.3	2,602.5	1,879.1	771.2
Private Equity	14,915.1	12,799.7	10,563.7	12,699.4	10,044.8	8,284.8	6,832.4	6,738.8	5,564.8
Equity Real Estate	7,631.0	5,551.1	7,066.5	8,909.4	6,752.7	5,430.7	4,634.0	4,529.4	4,162.0
Absolute Return Strategy	4,496.5	3,817.5	2,381.0	5,328.3	4,681.3	1,516.0	504.7	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate of Return	14.6%	25.9%	-26.4%	2.6%	12.6%	14.6%	8.5%	28.8%	-10.2%
Fixed Income Investments	8.0%	7.4%	2.4%	8.6%	6.0%	1.7%	3.0%	8.9%	16.8%
Equity Investments	17.1%	41.3%	-30.8%	0.9%	15.0%	19.1%	10.6%	42.8%	-24.3%
Administrative Cost	\$ 101.3	\$ 100.0	\$ 99.2	\$ 90.3	\$ 79.8	\$ 78.5	\$ 65.3	\$ 69.6	\$ 67.5
Financial Statement Assets	\$149,548.6	\$134,251.7	\$110,937.8	\$155,845.9	\$156,625.2	\$142,620.1	\$128,037.7	\$120,799.0	\$ 97,372.7

2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
944,500	924,643	899,314	882,234	867,204	860,429	864,460	867,731	862,498	860,427	867,927
637,896	626,565	604,479	593,188	582,689	578,566	590,130	605,544	601,710	602,133	615,114
602,428	590,959	569,369	558,236	547,805	543,663	553,649	569,298	566,320	567,223	580,158
216,507	222,343	216,347	216,380	214,628	216,084	225,771	238,760	239,412	241,538	247,209
118,318	119,638	115,576	113,856	112,792	115,904	118,055	120,517	120,186	120,819	125,168
19,671	19,551	19,148	18,966	18,907	18,909	19,410	20,283	20,699	20,792	21,890
38,063	37,121	35,882	35,056	34,764	33,949	33,997	34,349	34,316	34,474	35,413
12,360	11,969	11,509	11,279	11,087	10,942	10,939	11,057	11,067	11,137	11,388
81,752	69,968	67,212	64,218	62,176	58,128	58,582	59,080	58,057	56,906	56,456
115,757	110,369	103,695	98,481	93,451	89,747	86,895	85,252	82,583	81,557	82,634
35,468	35,606	35,110	34,952	34,884	34,903	36,481	36,246	35,390	34,910	34,956
5,679	5,534	5,279	5,232	5,195	5,230	5,793	5,866	5,692	5,787	5,603
6,029	6,176	6,267	6,338	6,332	6,277	6,542	6,278	5,904	5,565	5,715
12,612	12,781	12,660	12,552	12,579	12,538	12,923	12,919	12,761	12,682	12,808
4,191	4,180	4,163	4,149	4,139	4,095	4,170	4,077	4,050	3,987	3,989
4,795	4,805	4,727	4,699	4,683	4,743	4,967	4,967	4,862	4,922	4,874
2,162	2,130	2,014	1,982	1,956	2,020	2,086	2,139	2,121	1,967	1,967
56,541	60,736	57,657	64,173	69,942	75,166	84,015	96,299	101,254	107,383	115,086
31,981	32,914	32,641	34,296	36,061	37,739	41,631	45,716	47,778	49,846	52,871
513,906	497,309	479,071	459,767	441,802	430,758	428,003	427,283	417,288	409,994	412,201
3,260	3,927	4,469	4,997	5,537	6,087	6,872	7,439	8,005	9,009	10,204
32,208	31,679	30,641	29,955	29,347	28,816	29,609	28,807	27,385	25,901	24,752
0	0	0	0	0	0	0	0	0	0	0
306,604	298,078	294,835	289,046	284,515	281,863	274,330	262,187	260,788	258,294	252,813
280,997	273,147	270,333	264,899	260,751	258,413	251,442	239,727	238,729	237,059	232,484
25,607	24,931	24,502	24,147	23,764	23,450	22,888	22,460	22,059	21,235	20,329
2,922	2,897	2,860	2,843	2,809	2,786	2,779	2,765	2,752	2,731	2,724
2,917	2,890	2,853	2,836	2,813	2,782	2,773	2,760	2,748	2,727	2,720
679	678	678	679	678	676	675	674	672	672	669
\$ 4,488.3	\$ 4,181.0	\$ 3,720.2	\$ 3,482.0	\$ 3,305.0	\$ 3,122.0	\$ 2,877.9	\$ 2,527.9	\$ 2,393.7	\$ 2,267.9	\$ 2,067.7
3,872.0	3,619.9	3,415.1	3,217.1	3,071.6	2,885.3	2,639.8	2,357.8	2,216.6	2,082.5	1,884.8
151.8	152.9	142.8	123.0	125.7	118.5	140.0	107.3	112.0	115.1	105.2
464.5	336.1	162.3	141.9	107.7	118.2	98.1	62.8	65.1	70.3	77.7
17,499	11,640	14,470	12,675	11,932	15,324	19,578	9,613	9,651	11,409	19,573
1,068	1,005	1,026	956	974	965	1,092	1,068	1,062	1,033	1,162
1,038	1,079	1,189	1,356	938	1,016	1,235	1,183	1,413	1,367	1,445
\$ 263.8	\$ 214.8	\$ 164.5	\$ 291.7	\$ 462.6	\$ 903.5	\$ 776.9	\$ 315.1	\$ 530.1	\$ 369.8	\$ 356.8
179.1	131.0	83.0	193.2	280.1	668.8	521.8	47.2	337.2	140.9	181.2
47.3	49.0	62.0	50.1	125.1	177.9	219.3	237.8	158.2	198.9	175.6
37.4	34.8	19.5	48.4	57.4	56.8	35.9	30.1	34.7	30.0	0.0
1.2%	0.9%	0.9%	1.3%	1.7%	3.7%	2.2%	0.7%	0.7%	0.6%	0.4%
1.6%	1.6%	1.9%	2.4%	7.0%	9.8%	13.0%	13.9%	11.3%	14.0%	11.5%
\$ 210.2	\$ 319.1	\$ 422.7	\$ 399.8	\$ 369.4	\$ 348.2	\$ 341.9	\$ 334.0	\$ 307.5	\$ 284.1	\$ 287.0
206.0	317.4	422.0	398.7	368.8	347.7	338.5	331.6	306.0	282.8	284.2
4.2	1.7	0.7	1.1	0.6	0.5	3.5	2.4	1.5	1.3	2.8
\$111,168.5	\$112,432.9	\$127,138.9	\$111,008.7	\$104,921.8	\$ 82,333.8	\$ 74,827.9	\$ 63,406.6	\$ 58,416.8	\$ 56,428.9	\$ 51,925.8
66,375.5	63,661.7	82,733.6	66,397.8	63,348.7	45,827.4	42,818.4	34,775.2	31,357.7	29,953.5	25,480.2
31,839.2	35,305.7	31,764.3	34,307.9	32,451.7	27,373.5	25,709.5	22,771.6	21,279.0	20,788.5	20,452.4
1,628.7	1,835.8	1,318.6	1,509.5	1,635.0	1,506.3	1,736.3	1,836.6	1,932.3	2,120.7	2,314.8
1,429.0	992.0	2,238.3	2,541.8	1,927.0	3,011.2	1,092.8	983.8	1,036.5	937.5	1,128.0
5,579.5	5,941.6	5,385.9	3,159.8	2,671.7	2,122.9	2,067.3	1,937.0	1,664.0	1,554.7	1,343.6
4,316.6	4,696.0	3,698.1	3,091.8	2,887.7	2,492.5	1,403.6	1,102.4	1,147.3	1,074.0	1,206.7
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.8%	-8.7%	17.8%	8.8%	30.4%	10.9%	21.8%	8.8%	6.9%	12.5%	10.7%
4.3%	14.1%	1.3%	6.6%	15.6%	4.3%	12.9%	4.8%	9.0%	9.2%	9.0%
2.9%	-20.3%	25.3%	10.1%	47.2%	15.0%	29.7%	12.4%	5.1%	15.3%	11.5%
\$ 66.6	\$ 57.8	\$ 50.7	\$ 52.6	\$ 49.1	\$ 47.6	\$ 46.6	\$ 43.8	\$ 39.7	\$ 36.9	\$ 36.6
\$112,724.9	\$114,043.5	\$128,889.4	\$112,723.1	\$106,319.2	\$ 83,947.5	\$ 77,452.8	\$ 65,413.3	\$ 60,121.7	\$ 58,049.7	\$ 53,711.2

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) Tier 3 through 5 membership statistics are combined. Tier 5 was enacted in January 2010.
- (c) Total does not include Employee Contributions Refunded or Other Benefits found in the Financial Statements.
- (d) Beginning in the 2006 fiscal year, all rates assume a February 1 payment date prior to the close of the fiscal year. Previous years assume rates based on a December 15 payment date. Contributions include normal, administrative, retirement incentive and deficiency 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.
- (f) Employer Contributions reflect increased employer billing rates from the fiscal year ended March 31, 2010 and costs associated with retirement incentives offered to members of ERS under Retirement & Social Security Law (RSSL) Chapter 105 of the Laws of 2010.

New York State Office of the State Comptroller
Thomas P. DiNapoli

New York State and Local Retirement System

 Employees' Retirement System
Police and Fire Retirement System

