

New York State and Local Retirement System
2012 Comprehensive Annual Financial Report
For Fiscal Year Ended March 31, 2012

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, 2011

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.



Linda C. Danson

President

Jeffrey R. Enos

Executive Director



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2011***

Presented to

New York State and Local Retirement System

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, reading 'Alan H. Winkle', is centered on the page.

Alan H. Winkle
Program Administrator

Letter of Transmittal

September 2012

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, 2012. Responsibility for 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 present the financial position and results of the System's operations accurately. 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 in 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 establish 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 the 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, 2011. 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 which conforms 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 eight 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 was 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 in the Office of the State Comptroller.

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, depending on the system and plan in which they are enrolled, as well as disability and death benefits. At the end of fiscal year 2011-12, there were a total of 1,059,398 members, retirees and beneficiaries, and 3,040 participating employers.

This letter was also prepared to draw your attention to some of the highlights of the System's operations for the 2011-12 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 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; employer contributions will generally be more than the expected long-term rates if a funded ratio is below 100 percent.

As of April 1, 2011, the funded ratio of ERS was 90.2 percent, while the funded ratio of PFRS was 91.9 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 its current and future commitments. Although the Fund is still feeling the effects of the 2008-09 financial downturn, we continue to see steady growth in our investment returns.

The estimated value of the Fund at the end of the 2011-12 fiscal year was \$150.3 billion — the highest level since the global economic meltdown in State Fiscal Year 2008-09.

We typically target investments of 30 percent of our portfolio in fixed income assets (bonds and Treasury Inflation-Protected Securities or “TIPS”) and 70 percent in equity, including domestic and international public equities as well as real estate, absolute return strategies and private equity investments. This diversified strategy protects our members and New York’s taxpayers. We are gratified that our investment policies have once again proven to be a prudent approach to sustaining the solvency and soundness of the System.

In the past fiscal year, the Fund returned 5.96 percent. Over the last decade, the Fund’s annual rate of return was 6.45 percent. According to an analysis published by the National Association of State Retirement Administrators, over the last ten years, the average public pension system’s annual rate of return was 5.7 percent.

Accounting Practices

My staff is responsible for identifying control objectives relating to the protection of assets and for 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 maintained adequate internal controls to provide reasonable assurance that our control objectives are achieved.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that the valuation of costs and benefits requires estimates and judgments by management. The internal control system includes the organization plan, the appropriate segregation of duties and responsibilities, the implementation of sound practices in the performance of duties, and the employment of personnel whose capabilities are commensurate with their responsibilities.

Financial information and internal controls are subject to examination by the New York State Department of Financial Services. Additionally, KPMG LLP, an independent certified public accountant, audits the financial statements. KPMG’s opinion appears on page 29 of this report. Lastly, pursuant to the New York State Governmental Accountability, Audit and Internal Control Act, the System is subject to an audit of internal controls every three years.

We believe the internal controls in effect during the fiscal year ended March 31, 2012 adequately safeguard the System’s assets and provide reasonable assurance regarding the proper recording of financial transactions.

Programs and Initiatives

Since my first day as State Comptroller, I have pushed hard to end pension abuse. Last year, I was proud to sponsor a new law, Chapter 206 of the Laws of 2011, that allows Retirement System staff to compare Retirement System records with information reported by local governments to the New York State Department of Taxation and Finance. The comparison will enable staff to identify any retirees who are collecting both a service retirement benefit and a local government salary that exceeds the post-retirement earnings limit set by New York's Retirement & Social Security Law (RSSL).

Despite being four years removed from the 2008-09 global meltdown, the Fund is still feeling the effects of the crisis. And, though things are headed in the right direction, we are still in a period of economic instability.

Against this continuing backdrop of economic volatility, realizing revenue assumptions may be challenging. In an effort to aid localities as they prepare their budgets, we developed the Employer Projection & Rates (EPR) application, an online program that enables us to provide contribution information six weeks earlier than before. EPR is the result of our partnership with local government employers and was developed in response to their requests.

EPR gives employers access to a projection of the estimated pension costs due at the end of the next billing cycle — 17 months in advance of the payment due date. Each projection displays the specific retirement plans and options an employer offers and the corresponding rates. Providing employers with customized rates and their projection at one time, in one location, makes budget planning more convenient.

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

Acknowledgments

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

I am confident you will find this report to be a complete and reliable 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
President & CEO
Business Council of New York State, Inc.

Kenneth D. Brynien
President
New York State Public Employees Federation

Mario Cilento
President
New York State AFL-CIO

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

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

Bing Markee
Legislative Director
New York State Association of P.B.A.s

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

Richard Wells
President
Police Conference of New York, Inc.

Stanley Winter
President
Retired Public Employees' Association, Inc.

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
Hugh Johnson 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

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Principal
AM Connell Associates, LLC

Louis M. Dubin
President & Chief Executive Officer
LMD Worldwide, Inc.

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
Consultant to the YMCA Retirement Fund

David H. Peirez, Esq.
Senior Partner
Reisman, Peirez & Reisman, LLP

Barry S. Seidel
Executive Vice President
LMD Worldwide, Inc.

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

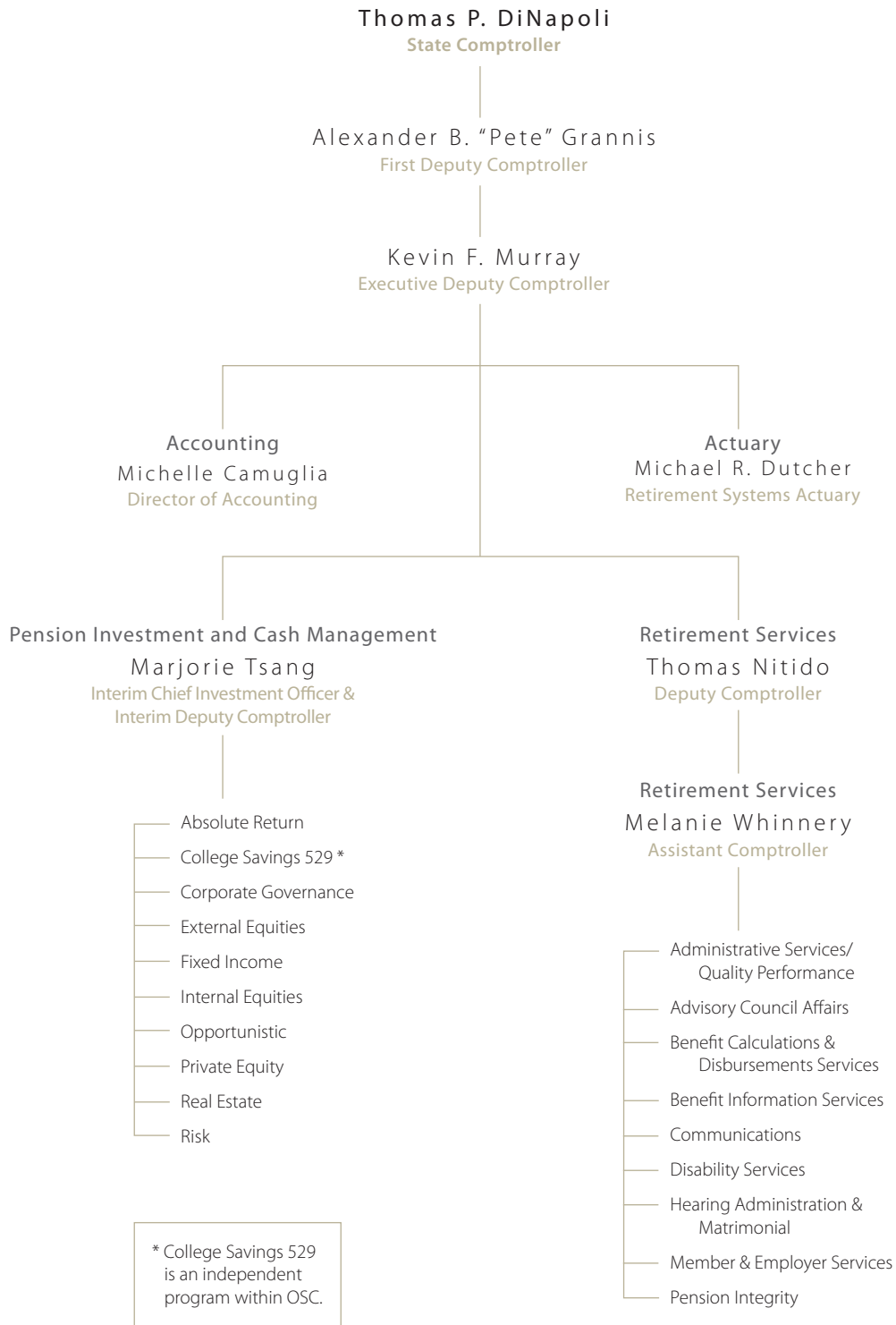
Eugene Farley
Director, M.S. in Accounting Program
Siena College

Gary Johnson
Director
Governor's Office of Employee Relations

Alan Lubin
(Retired)

Stanley Winter
President
Retired Public Employees' Association

New York State and Local Retirement System Organization Chart



Notes:

Information regarding investment managers and consultants can be found in the Investment Section on pages 84, 87 and 91 – 96. 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

“Teamwork is the ability to work together toward a common vision,” said the famed industrialist and philanthropist Andrew Carnegie. Carnegie, who gave much of his money to establish libraries, universities and a pension fund for former employees, added that teamwork emphasizes *“the ability to direct individual accomplishments toward organizational objectives. It is the fuel that allows common people to attain uncommon results.”*

I am proud of the way our team here at the New York State & Local Retirement System came together to tackle a number of challenges during this fiscal year. We successfully dealt with the effects of a hurricane and tropical storm, as well as the impact of retirements on our workforce and the enactment of another new pension tier, all while continuing to work toward a modernization of our central information system.

I am pleased to have the opportunity to summarize the work we have accomplished and our progress on continuing projects during the fiscal year that ended March 31, 2012.

Tier 5 Team Transitions to Tier 6

Throughout fiscal year 2011–2012, our Tier 5 Team continued to carry out the work necessary to implement Tier 5. Thanks to their effort and dedication, we can process requests for previous service from Uniformed Court and Peace Officers and grant loans to Tier 5 members as well as apply their loan payments.

In addition to making substantial progress in implementing Tier 5, the Team’s work left us well-positioned for Tier 6. Signed into law on March 16, 2012, Tier 6 was the second new pension tier in less than two and a half years. Before the new tier took effect on April 1, 2012, a significant number of public employees joined the System, qualifying for Tier 5 membership. Our Member & Employer Services bureau registered 4,075 new members between March 1, 2012 and March 29, 2012 — nearly triple the 1,399 members who joined in March 2011. Overall, we registered 30,491 new Employees’ Retirement System (ERS) members and 777 new Police and Fire Retirement System (PFRS) members during the fiscal year.

Since we had previously laid the groundwork for registering new Tier 5 members, we were able to register new Tier 6 members on April 1, 2012, the first day the tier became effective. Just as in December 2009, when legislation created Tier 5, the measure that resulted in Tier 6 presented many new challenges for us. But thanks to our most valuable resource — our staff — we are able to meet those challenges.

Supporting our Staff

The first of the baby boomers turned 65 on January 1, 2011. Every day since then, approximately 10,000 more have followed suit. Over the next 20 years, more than 70 million Americans will turn 65, swelling the ranks of the retired. The Division of Retirement Services, like other government agencies and businesses, will feel the impact of their retirement. In fact, 21 percent of our own staff was eligible to retire as of March 31, 2012.

We’ve taken many steps to prepare for the loss of institutional knowledge that will result from these retirements. Perhaps the most significant has been establishing our Supervisory Academy.

A customized training program that offers a nurturing learning environment to its participants, the Academy provides supervisors with information and experiences that support their individual goals, and ultimately advance our division's goals. Classes are designed to develop and enhance the skills and abilities necessary to be an effective supervisor. Academy classes began in September 2010; after the initial classes proved successful, a second session of the Academy debuted in September 2011.

Because participants have the opportunity to build effective relationships, as well as a network of peers from which to draw support, this training program helps with our succession planning efforts by transmitting and sharing important knowledge about the System, as well as helping supervisors do their jobs more effectively. That's especially critical for us now, as we take the next step toward a sweeping modernization of the information systems we use to do our work.

Redesigning How We Work

We've had the same computer information system in place for more than 25 years. Although it has been a reliable workhorse, the system is now outdated and its limitations prevent us from reaching our goals for customer satisfaction, service delivery and operational efficiency. It's time to design and implement a new system — one that will meet our business needs now and well into the future.

Accordingly, in November 2011, we issued a Request for Proposals (RFP) seeking qualified vendors to redesign and replace our system. The RFP incorporates a broad range of business process improvements that we have identified over the past several years.

The proposals we received in March 2012 are being evaluated by our staff, and the selected company is expected to start work on our system replacement during the first quarter of 2013.

This will be without question the most significant technological improvement we've made in decades. We're very excited about the steps we're taking to help us achieve a redesigned, efficient, customer-focused system for the 21st century.

Scanning Project

We've come a long way from the days when member and pensioner records were kept in handwritten ledgers. For nearly two years now, the workers at the New York State Industries for the Disabled (NYSID) have been scanning and indexing the System's active and historical documents, which are stored at our Riverview Center in Menands. The imaging of the approximately one million active member and pensioner paper folders will be completed by April 2013. As of March 2012, more than 380,000 folders had already been scanned — representing over 25 million images.

The project, which earned us NYSID's 2011 State Government Agency Customer of the Year Award, is essential groundwork for our system redesign and a huge improvement in the way we do business. It preserves vital records, provides a secure repository for those records, gives staff convenient access to documents, and allows multiple people to view the contents of a folder at the same time.

A Convenient Employer Tool

Last September we unveiled our Employer Projection & Rates (EPR) application. This new online tool helps employers manage their budget process by giving them a full projection of their costs for the next billing cycle six weeks earlier than before. In addition, each projection displays the specific retirement plans and options an employer offers and the corresponding rates.

Like all of our online programs for employers, EPR is fast, secure and always available. In addition, since EPR replaces two annual mailings — the projection and the rates for the various retirement plans — it is a greener, more cost-effective way to do business.

Realizing Our Vision

Our vision is to be the best public retirement system in the industry — one that is efficient, effective and responsive to our customers' needs.

When it comes to serving our customers, our Benefit Information Services (BIS) bureau has compiled some impressive statistics. During the past fiscal year, BIS staff answered 392,768 phone calls, created 30,915 benefit projections and scheduled 16,883 consultation interviews.

When eligibility requirements for the World Trade Center (WTC) presumption changed, our Disability Services bureau took action. Many members who participated in the rescue, recovery or clean-up efforts in the wake of the terrible events that took place on September 11, 2001, had already filed notices to protect their rights to future benefits. Some of those notices had been rejected because members didn't meet the previous eligibility requirements.

Rather than require members to file another notice when the law was amended, Disability Services staff reviewed all notices that had been previously rejected as ineligible. As a result of the review, many of these notices have now been approved, ensuring that those brave individuals who experienced the horrors of 9/11 — though they may not be currently disabled — can preserve their rights to a WTC-related disability or death benefit in the future.

Our Hearing Administration and Matrimonial bureau has taken several steps to make the hearing process more transparent and efficient. Previous hearing decisions are now available on our website. Additionally, when Retirement System determinations are based on medical records, members are sent copies of those records on an encrypted compact disk (CD) before the hearing. This enables the member to review the records and supplement them if need be.

Providing Timely Benefits

On April 1, 2011 — the start of the fiscal year — our balance of pending retirement calculations stood at 17,831 as a result of the 2010 Early Retirement Incentive. Due to the hard work and perseverance of our Benefit Calculations & Disbursement Services (BCDS) Bureau staff, that backlog was reduced to just 7,706 by the fiscal year's end, on March 31, 2012.

BCDS staff not only reduced the pending retirement calculation inventory by 56.6 percent, but did so as 19,362 new retirement applications were received during the same period. Significantly, BCDS accomplished this feat at a time when all our staff was required to take days off, due to the Deficit Reduction Program that was included in the enacted 2011–12 budget.

Inventory reduction is not just about the numbers — it’s about providing quality service to our customers in a timely and efficient way. BCDS remains committed to helping retiring members get the information they need and the benefits they have earned as swiftly as possible.

The Customer Always Comes First

Natural disasters test the resilience of service providers, as well as of the people directly in harm’s way. The resourcefulness of the Retirement System was especially evident last summer, when Hurricane Irene and Tropical Storm Lee caused extensive damage and historic flooding.

On August 30, 2011, we mailed 52,645 retirement checks. By August 31, 2011, three days after Hurricane Irene hit New York, 28 counties had been declared disaster areas.

Countless post offices were inaccessible, and in many areas, deliveries were delayed or suspended. Mail was often rerouted to United States Postal Service (USPS) branches that functioned as area distribution centers for the hardest hit communities.

In a coordinated effort with the USPS, we directed pensioners whose mail had been rerouted to the appropriate distribution center where they could pick up their much-needed pension checks.

When Tropical Storm Lee struck shortly after, on September 7, 2011, it was early enough in the month for affected pensioners to contact us. We were able to redirect their pension checks, averting many financial hardships.

New Laws Affecting Members and Retirees

Tier 3 & 5 PFRS Members Now Permitted to Borrow

Chapter 171 (Laws of 2011) allows Tier 3 PFRS members covered by Article 14 and Tier 5 PFRS members to take loans against their mandatory 3 percent contributions.

Monitoring Post-Retirement Earnings

Chapter 206 (Laws of 2011) amends the Tax Law to enable the Retirement System to receive data from the Department of Taxation and Finance’s wage reporting system in order to identify retirees in the New York State and Local Retirement System working for local governments and who exceed post-retirement earnings limitations.

Service Retirements Filing Changes

Chapter 375 (Laws of 2011) decreases, from 30 days to 15 days, the minimum amount of time a service retirement application must be on file prior to a member’s date of retirement.

Public Integrity Reform Act

Chapter 399 (Laws of 2011) requires public officials who commit a felony to forego their pension benefits. In addition, such officials would be forced to pay a penalty of up to twice the amount they received in the commission of the crime, in the course of their public duty, and would face increased jail time depending on the severity of the crime.

New Tax Treatment for Tier 3 and 5 PFRS Contributions

Chapter 525 (Laws of 2011) allows the mandatory 3 percent contributions made by Tier 3 and Tier 5 PFRS members to be deducted from their salaries before taxes under Internal Revenue Section 414(h), subject to a ruling from the IRS. The contributions would be tax-deferred until disbursed to the member.

Tier 6 Created

Chapter 18 (Laws of 2012) creates a new tier of membership for members joining either ERS or PFRS on or after April 1, 2012.

Public sector retirement systems are dealing with the most challenging fiscal environment in decades. We are pleased that on July 19, 2012 the Internal Revenue Service once again issued two favorable letters of determination to us on each of the qualified defined benefit plans we offer.

In brief, the determination letters acknowledge that both ERS and PFRS are entitled to continue to be treated as governmental plans under Section 414 (d) of the Internal Revenue Code. Why is this so important? A qualified plan is entitled to favorable tax treatment. Failure to meet the IRS requirements for a qualified plan could result in enormous tax consequences to the System.

The coming year promises to be an exciting one as we work toward our vision of becoming the best public retirement system in the country. I look forward to next year, when I will report again about the progress we've made toward our goal.

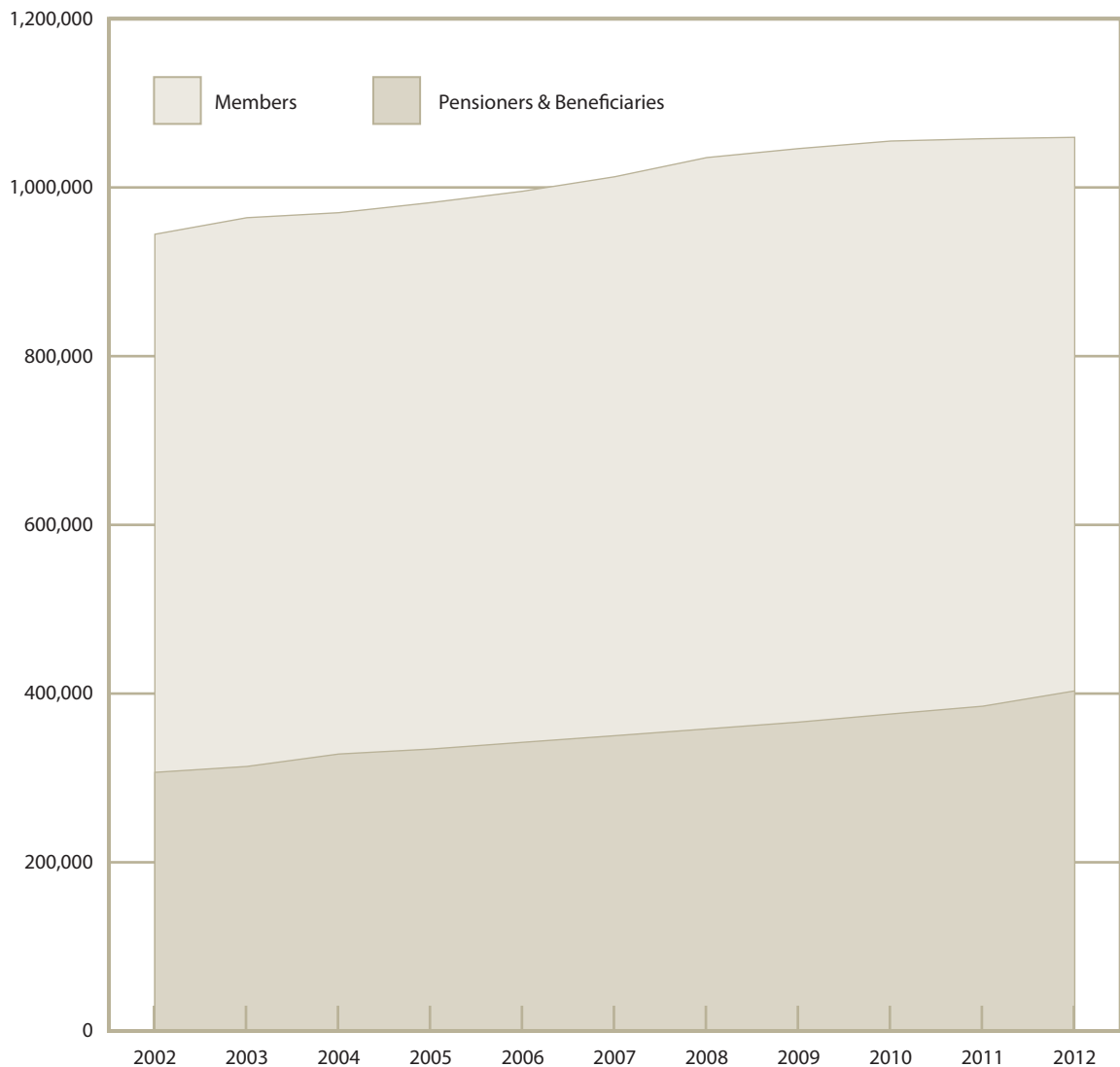
By the Numbers

Members and Retirees

Overall membership in the System is 1,059,398. This includes 656,224 members and 403,174 retirees and beneficiaries. The number of retirees is increasing more quickly than members. For example, in 1992, retirees represented 29 percent of the System's members. By FY 2012, that number had increased to approximately 38 percent.

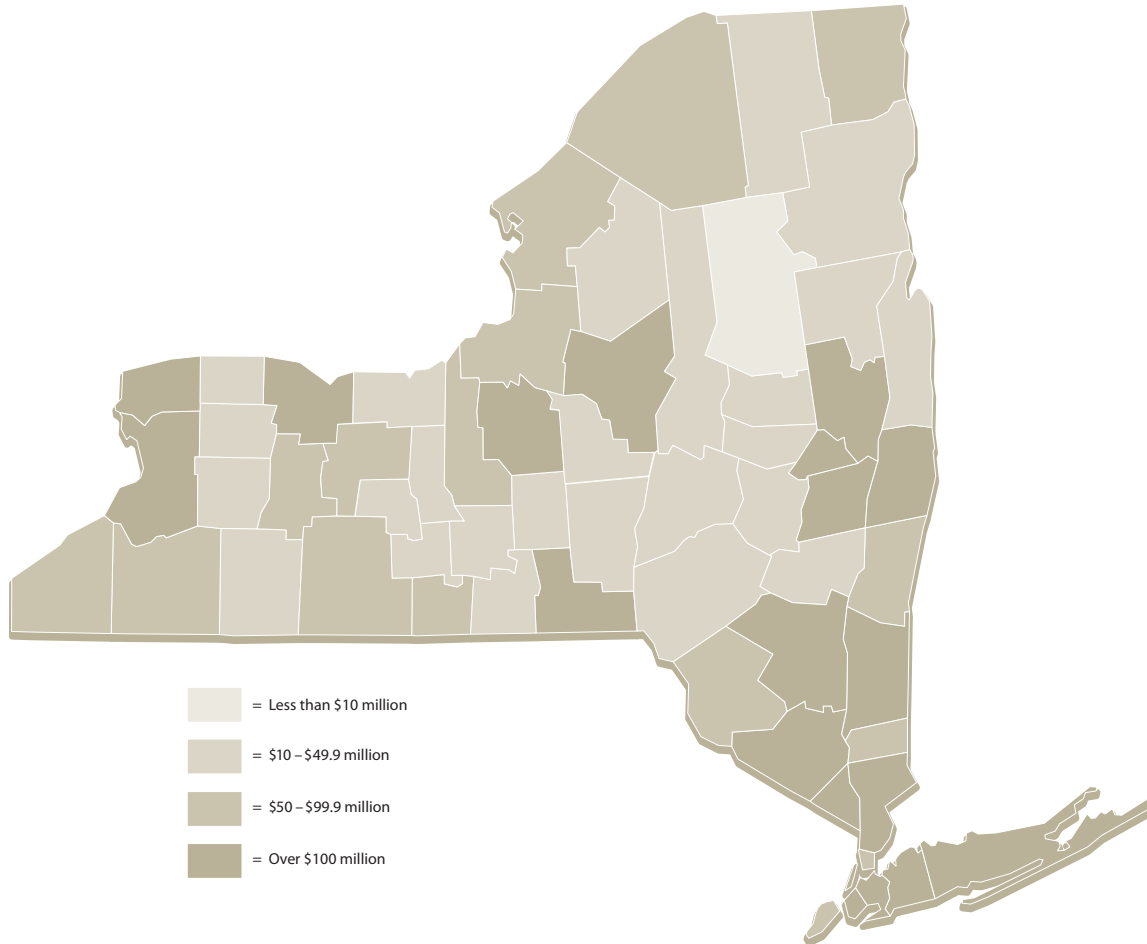
The value of the pension fund's net assets at the end of the fiscal year was \$153.4 billion.

Benefit payments continue to rise, reflecting the increasing number of benefit recipients, increases in final average salaries and cost-of-living adjustment (COLA) payments. For example, in 2002, benefit payments were approaching \$4.5 billion, while this year's payments totaled nearly \$8.9 billion.



Retirees in New York State

Of the 403,174 retirees and beneficiaries in the System, 315,349 (78 percent) remain New York State residents. As such, benefit payments surpassing \$7.2 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, 2012.

County	Recipients	Annual Payments
Albany	16,795	\$ 455,398,913
Allegany	1,463	23,441,215
Bronx	3,334	78,628,183
Broome	6,855	117,169,800
Cattaraugus	3,055	52,158,689
Cayuga	2,601	50,719,331
Chautauqua	4,075	70,393,946
Chemung	3,119	62,144,282
Chenango	1,777	28,465,898
Clinton	3,553	77,033,864
Columbia	2,693	58,848,931
Cortland	1,525	25,996,165
Delaware	1,673	29,203,052
Dutchess	8,377	199,521,476
Erie	26,563	577,206,550
Essex	1,732	31,728,264
Franklin	2,386	45,762,940
Fulton	1,869	32,765,635
Genesee	1,905	35,593,082
Greene	2,151	46,885,007
Hamilton	386	6,831,880
Herkimer	2,063	32,951,992
Jefferson	2,832	52,076,073
Kings	5,140	131,167,528
Lewis	943	13,910,675
Livingston	2,588	50,613,997
Madison	2,199	38,195,029
Monroe	14,250	275,348,898
Montgomery	2,069	40,123,289
Nassau	20,704	588,571,456
New York	4,249	120,472,807
Niagara	5,321	104,566,892

County	Recipients	Annual Payments
NY Military	3	\$ 27,069
Oneida	8,793	176,158,596
Onondaga	11,987	234,128,362
Ontario	2,912	52,289,362
Orange	7,663	172,446,129
Orleans	1,324	22,895,391
Oswego	3,555	60,005,180
Otsego	1,956	31,686,883
Putnam	1,995	54,666,583
Queens	5,726	149,555,915
Rensselaer	7,760	196,060,385
Richmond	2,359	65,051,008
Rockland	6,203	158,897,395
Saratoga	8,651	218,337,898
Schenectady	7,207	177,505,340
Schoharie	1,373	27,246,474
Schuyler	724	12,679,426
Seneca	1,384	24,474,989
St. Lawrence	4,347	81,509,475
Steuben	2,881	50,708,454
Suffolk	30,538	837,176,808
Sullivan	2,558	54,194,897
Tioga	1,361	20,331,322
Tompkins	2,545	47,538,763
Ulster	5,003	101,484,371
Warren	2,487	48,809,500
Washington	2,324	45,423,721
Wayne	2,886	49,171,547
Westchester	14,201	383,493,109
Wyoming	1,705	33,613,630
Yates	693	10,931,894
Total	315,349	\$ 7,152,395,615

Annual Benefit Payments Within the United States

As of March 31, 2012.

County	Recipients	Annual Payments
Alabama	761	\$ 12,022,599
Alaska	60	885,881
Arizona	2,642	47,392,114
Arkansas	148	1,977,713
California	2,232	33,183,125
Colorado	702	10,769,032
Connecticut	1,967	39,649,849
Delaware	552	11,453,354
Florida	33,603	650,877,456
Georgia	3,199	56,043,346
Guam	2	12,402
Hawaii	113	2,027,806
Idaho	74	1,231,891
Illinois	348	4,826,078
Indiana	262	3,430,069
Iowa	69	906,130
Kansas	107	1,354,258
Kentucky	319	4,502,478
Louisiana	166	2,144,895
Maine	547	9,703,137
Maryland	1,331	22,161,101
Massachusetts	1,433	24,629,406
Michigan	333	4,405,834
Minnesota	137	1,859,727
Mississippi	199	2,914,741
Missouri	235	3,329,062
Montana	104	1,831,526

County	Recipients	Annual Payments
Nebraska	60	\$ 827,646
Nevada	1,328	27,585,011
New Hampshire	570	10,798,704
New Jersey	6,939	213,142,467
New Mexico	433	7,183,636
New York	315,349	7,152,395,615
North Carolina	7,503	138,255,742
North Dakota	13	109,855
Ohio	702	9,546,933
Oklahoma	162	1,960,580
Oregon	271	4,121,247
Pennsylvania	3,985	76,089,320
Puerto Rico	475	6,134,816
Rhode Island	224	3,467,473
South Carolina	4,427	88,152,746
South Dakota	63	1,092,860
Tennessee	1,333	24,992,411
Texas	1,795	28,182,417
Utah	131	1,920,704
Vermont	583	10,692,459
Virginia	3,525	61,540,385
Washington	437	6,993,397
Washington, D.C.	104	1,831,967
West Virginia	196	3,422,479
Wisconsin	143	2,133,746
Wyoming	66	1,103,866
Total	402,462	\$ 8,839,203,494

Annual Benefit Payments Outside the United States

As of March 31, 2012.

Total Recipients	Total Annual Payments
712	\$ 10,162,650

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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, 2012, 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 and Local Retirement System as of March 31, 2012, and changes in its 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 13, 2012, 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.

U.S. generally accepted accounting principles require that the management's discussion and analysis and required supplementary information as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board

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who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare 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 certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information is fairly stated in all material respects in relation to the basic financial statements 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 13, 2012

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, 2012 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 \$153.394 billion as of March 31, 2012. This amount reflects an increase of \$3.846 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, 2012 and 2011 is \$4.959 billion and \$16.741 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, 2011 is: Employees' Retirement System (ERS) 90.2 percent, Police and Fire Retirement System (PFRS) 91.9 percent.
- Retirement and death benefits paid this year totaled \$8.863 billion to 403,174 annuitants as compared to \$8.465 billion to 385,031 annuitants for last year. The increase is due to the number of new retirees.
- Contributions from employers increased from \$4.165 billion last year to \$4.585 billion this year.
- The System's investments reported a total positive return of 5.96 percent for the current year and a positive return of 14.57 percent 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 is 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 net 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, funding status and funding progress, System reserves, deposit and 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 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, 2012, as compared to March 31, 2011, follows:

	(In Thousands)			Percentage Change
	2012	2011	Dollar Change	
Assets:				
Investments	\$ 150,658,883	\$ 147,237,006	\$ 3,421,877	2.3 %
Securities lending collateral — invested	4,895,247	7,498,089	(2,602,842)	(34.7)
Receivables and other assets	4,037,749	4,179,904	(142,155)	(3.4)
Total assets	159,591,879	158,914,999	676,880	0.4
Liabilities:				
Securities lending obligations	5,077,571	7,678,952	(2,601,381)	(33.9)
Payables and other liabilities	1,119,874	1,687,496	(567,622)	(33.6)
Total liabilities	6,197,445	9,366,448	(3,169,003)	(33.8)
Net assets held in trust for pension benefits	\$ 153,394,434	\$ 149,548,551	\$ 3,845,883	2.6 %

The plan net assets of the System totaled \$153.394 billion as of March 31, 2012, an increase of \$3.846 billion from the prior fiscal year.

Table 2

Schedule of invested assets as of March 31, 2012, as compared to March 31, 2011, follows:

	(In Thousands)			Percentage Change
	2012	2011	Dollar Change	
Short-term investments	\$ 7,397,691	\$ 8,360,235	\$ (962,544)	(11.5)%
Government bonds	23,419,191	21,417,207	2,001,984	9.3
Corporate bonds	10,021,324	9,620,648	400,676	4.2
Domestic equity	55,888,530	55,720,380	168,150	0.3
International equity	23,170,630	24,224,573	(1,053,943)	(4.4)
Private equity	14,925,933	14,620,463*	305,470	2.1
Absolute return strategy investments	5,165,712	4,215,569*	950,143	22.5
Opportunistic funds	527,440	575,652*	(48,212)	(8.4)
Real estate and mortgage loans	10,142,432	8,482,279	1,660,153	19.6
Total investments	\$ 150,658,883	\$ 147,237,006	\$ 3,421,877	2.3 %

The largest percentage increases to the invested assets were in absolute return strategy investments and real estate and mortgage loans, which represent 3.4 percent and 6.7 percent of the portfolio, respectively. During the fiscal year, the Common Retirement Fund (the Fund) allocated \$200 million to an emerging managers program for the absolute return strategies portfolio. The recovery in the real estate market fundamentals was driven by the availability of debt financing, but at lower amounts than in the past, along with the willingness of lenders to restructure debt and the increase in property values across all property types.

* Private equity, absolute return strategy investments and opportunistic funds have been reclassified for March 31, 2011 to identify opportunistic funds separately consistent with the March 31, 2012 reporting.

Table 3

Summary schedule of changes in plan net assets for the year ended March 31, 2012, as compared to the year ended March 31, 2011, follows:

	(In Thousands)			Percentage Change
	2012	2011	Dollar Change	
Additions:				
Net investment income	\$ 7,868,313	\$ 19,339,896	\$ (11,471,583)	(59.3)%
Total contributions	5,016,050	4,578,479	437,571	9.6
Total additions	12,884,363	23,918,375	(11,034,012)	(46.1)
Deductions:				
Total benefits paid	(8,937,831)	(8,520,223)	(417,608)	4.9
Administrative expenses	(100,649)	(101,333)	684	(0.7)
Total deductions	(9,038,480)	(8,621,556)	(416,924)	4.8
Net increase	3,845,883	15,296,819	(11,450,936)	(74.9)
Net assets				
held in trust for pension benefits — beginning of year	149,548,551	134,251,732	15,296,819	11.4
held in trust for pension benefits — end of year	\$ 153,394,434	\$ 149,548,551	\$ 3,845,883	2.6 %

The change in net investment income is primarily attributable to the decrease in the net appreciation in fair value of investments from 2011 to 2012. This is reflected in the change in net gain from 14.57 percent in 2011 to 5.96 percent in 2012. The increase in total contributions is attributable to the change in employer billing rates and costs associated with retirement incentives.

Economic Factors and Rates of Return

The Fund posted a strong investment performance for the fiscal year ended March 31, 2012, with a net gain of 5.96 percent, reflecting a continued recovery in the global financial markets during that time. This was the third year of positive performance for the Fund following the fiscal crisis of 2008.

While the Fund benefitted from mostly favorable markets last year, market volatility continued and concerns about the global economy continued to exist — including the debt crisis within Europe, the pace of domestic jobs and housing recoveries, uncertainty regarding additional financial reforms and escalating political unrest in the Middle East.

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

Year Ended March 31, 2012.

	(In Thousands)		
	Employees' Retirement System	Police and Fire Retirement System	Total
Assets:			
Investments (notes 2, 5 and 6):			
Short-term investments	\$ 6,282,165	\$ 1,115,526	\$ 7,397,691
Government bonds	19,887,722	3,531,469	23,419,191
Corporate bonds	8,510,170	1,511,154	10,021,324
Domestic equity	47,460,885	8,427,645	55,888,530
International equity	19,676,642	3,493,988	23,170,630
Private equity	12,675,195	2,250,738	14,925,933
Absolute return strategy investments	4,386,755	778,957	5,165,712
Opportunistic funds	447,905	79,535	527,440
Real estate and mortgage loans	8,613,016	1,529,416	10,142,432
Total investments	127,940,455	22,718,428	150,658,883
Securities lending collateral — invested (note 7)	4,157,074	738,173	4,895,247
Forward foreign exchange contracts (note 6)	417,748	74,180	491,928
Receivables:			
Employers' contributions	1,548,410	163,554	1,711,964
Members' contributions	5,552	63	5,615
Member loans	1,078,928	1,918	1,080,846
Accrued interest and dividends	364,449	64,715	429,164
Investment sales	90,116	16,002	106,118
Other (note 2)	136,636	41,221	177,857
Total receivables	3,224,091	287,473	3,511,564
Capital assets, at cost, net of accumulated depreciation	29,091	5,166	34,257
Total assets	135,768,459	23,823,420	159,591,879
Liabilities:			
Securities lending obligations (note 7)	4,311,905	765,666	5,077,571
Forward foreign exchange contracts (note 6)	418,103	74,243	492,346
Accounts payable — investments	223,219	39,637	262,856
Accounts payable — benefits	153,074	33,913	186,987
Other liabilities (note 2)	156,118	21,567	177,685
Total liabilities	5,262,419	935,026	6,197,445
Net assets held in trust for pension benefits	\$ 130,506,040	\$ 22,888,394	\$ 153,394,434

See accompanying notes to financial statements.

Statement of Changes in Plan Net Assets

Year Ended March 31, 2012.

	(In Thousands)		
	Employees' Retirement System	Police and Fire Retirement System	Total
Additions:			
Income from investing activities:			
Net appreciation in fair value of investments	\$ 4,211,014	\$ 747,913	\$ 4,958,927
Interest income	1,171,377	208,046	1,379,423
Dividend income	1,193,835	212,035	1,405,870
Other income	439,560	78,070	517,630
Less investment expenses	<u>(359,651)</u>	<u>(63,877)</u>	<u>(423,528)</u>
Total income from investing activities	6,656,135	1,182,187	7,838,322
Income from securities lending activities:			
Securities lending income	15,794	2,805	18,599
Securities lending rebates	12,503	2,221	14,724
Securities lending management fees	<u>(2,829)</u>	<u>(503)</u>	<u>(3,332)</u>
Total income from securities lending activities	25,468	4,523	29,991
Total net investment income	6,681,603	1,186,710	7,868,313
Contributions:			
Employers	3,878,717	706,461	4,585,178
Members	268,545	4,702	273,247
Interest on accounts receivable	62,222	9,862	72,084
Other	<u>72,599</u>	<u>12,942</u>	<u>85,541</u>
Total contributions	4,282,083	733,967	5,016,050
Total additions	10,963,686	1,920,677	12,884,363
Deductions:			
Benefits paid:			
Retirement benefits	(7,316,153)	(1,361,669)	(8,677,822)
Death benefits	(172,340)	(12,620)	(184,960)
Other, net	<u>(73,815)</u>	<u>(1,234)</u>	<u>(75,049)</u>
Total benefits paid	(7,562,308)	(1,375,523)	(8,937,831)
Administrative expenses	(87,232)	(13,417)	(100,649)
Total deductions	(7,649,540)	(1,388,940)	(9,038,480)
Net increase	3,314,146	531,737	3,845,883
Net assets held in trust for pension benefits — beginning of year	127,191,894	22,356,657	149,548,551
Net assets held in trust for pension benefits — end of year	\$ 130,506,040	\$ 22,888,394	\$ 153,394,434

See accompanying notes to financial statements.

Notes to Financial Statements

Year Ended March 31, 2012

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, 2012 and 2011, the number of participating employers for ERS and PFRS consisted of the following:

	ERS		PFRS	
	2012	2011	2012	2011
State	1	1	1	1
Counties	57	57	4	4
Cities	61	61	61	61
Towns	912	911	206	205
Villages	491	492	376	376
School Districts	699	700	-	-
Miscellaneous	795	794	34	34
Total	3,016	3,016	682	681

As of March 31, 2012 and 2011, the System membership for ERS and PFRS consisted of the following:

	ERS		PFRS	
	2012	2011	2012	2011
Retirees and beneficiaries currently receiving benefits	371,468	353,940	31,706	31,091
Active members	505,575	513,092	31,024	31,659
Inactive members	116,532	124,829	3,093	3,143
Total members and benefit recipients	993,575	991,861	65,823	65,893

(a) Membership Tiers

Pension legislation enacted in 1973, 1976, 1983, 2009 and 2012 established distinct classes of membership. For convenience, the System uses a tier concept to distinguish these groups, generally:

ERS

Tier 1 Those persons who last became members before July 1, 1973.

Tier 2 Those persons who last became members on or after July 1, 1973, but before July 27, 1976.

Tier 3 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.

Tier 4 Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.

Tier 5 Those persons who last became members on or after January 1, 2010, but before April 1, 2012.

Tier 6 Those persons who first became members on or after April 1, 2012.

PFRS

Tier 1 Those persons who last became members before July 31, 1973.

Tier 2 Those persons who last became members on or after July 31, 1973, but before July 1, 2009.

Tier 3 Those persons who last became members on or after July 1, 2009, but before January 9, 2010.

Tier 4 N/A

Tier 5 Those persons who last became members on or after January 9, 2010, but before April 1, 2012, or who were previously PFRS Tier 3 members who elected to become Tier 5.

Tier 6 Those persons who first became members on or after April 1, 2012.

Vesting

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

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

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with more than 20 years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 months.

Tiers 3, 4 and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

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.

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.

Accidental Disability Benefits

For all eligible Tier 1 members and Tier 2 ERS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any workers' compensation benefits received. For Tier 1 and Tier 2 PFRS members, the benefit is a pension of 75 percent of final average salary with an offset for any workers' compensation benefits received. The benefit for Tier 3, 4, 5 and 6 members is the ordinary benefit with the years-of-service eligibility requirement dropped.

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 the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit.

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 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

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.

Equity securities 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, opportunistic funds 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 nonpublicly 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 percent 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 percent 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, 2012 was 6.5 percent.

(d) Benefits Payable

Benefits payable represent payments due on account of death and retirement on or before March 31, 2012, for which final calculations had not been completed and paid as of that date.

(e) Other Receivables

Included in other receivables at March 31, 2012 are redemption receivables totaling \$135.47 million due from absolute return strategy funds.

(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 \$177.68 million, of which \$80.54 million represents outstanding checks. In addition, tax withholding payments due to the Internal Revenue Service total \$71.21 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) Other Income

Included in other income is \$16.4 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.

(i) 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. As of March 31, 2012, capitalized outlays for the project total \$9.7 million. This project is currently ongoing and is expected to be completed in the fiscal year ending 2017, at which time amortization of the capitalized costs will begin.

(j) 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, 2012, the applicable interest rate was 7.5 percent.

(k) 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.

(l) Required Contribution Rates

Tier 3, 4 and 5 members must contribute 3 percent 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 percent 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. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Tier 6 members are required to contribute for all years of service.

(m) Contributions Receivable

Employers' contributions receivable are presented net of withdrawals, refunds, advance employer payments, and credits due employers. Receivable amounts from participating employers include \$154.81 million for amortization of retirement incentives, new plan adoptions and retroactive membership. Receivable amounts from the State for other amortizations total \$165.20 million.

RSSL Chapter 260 of the Laws of 2004 authorized employers to amortize over ten years, at 5 percent interest, the portion of their annual bill for the fiscal year ended 2005 that exceeded 7 percent of payroll. The amortized amount receivable from the State as of March 31, 2012 is \$176.92 million and from participating employers is \$37.52 million.

RSSL Chapter 260 of the Laws of 2004 authorized employers to amortize over ten years, at 5 percent interest, the portion of their annual bill for the fiscal year ended 2006 that exceeded 9.5 percent of payroll. The amortized amount receivable from the State as of March 31, 2012 is \$72.10 million and from participating employers is \$14.18 million.

RSSL Chapter 260 of the Laws of 2004 authorized local employers to amortize over ten years, at 5 percent interest, the portion of their annual bill for the fiscal year ended 2007 that exceeded 10.5 percent of payroll. The amortized amount receivable from participating employers as of March 31, 2012 is \$13.64 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 moneys 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 percent of payroll for ERS and 17.5 percent for PFRS. The Comptroller has set an interest rate of 5 percent. The amortized amount receivable from the State as of March 31, 2012 is \$230.67 million and from participating employers is \$40.39 million.

For the annual bill for the fiscal year ended 2012, the statutory amortization threshold is 10.5 percent of payroll for ERS and 18.5 percent for PFRS. The Comptroller has set an interest rate of 3.75 percent. The amortized amount receivable from the state as of March 31, 2012 is \$585.78 million and from participating employers is \$216.33 million.

3. Funded Status and Funding Progress

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 actuarial valuation for the fiscal year ended 2012, performed on April 1, 2011, determined employer contributions for the year ended March 31, 2013.

The funded status of the System as of April 1, 2011, 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, 2011	\$ 126,395	\$ 140,087	\$ 13,692	90.2%	\$ 24,389	56.1%
PFRS						
April 1, 2011	\$ 22,205	\$ 24,169	\$ 1,964	91.9%	\$ 3,146	62.4%

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, 2011 valuation to determine employer contributions for the year ending March 31, 2013 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%

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 percent rate of expected appreciation. This method immediately recognizes regular investment income (interest and dividends) while phasing in unexpected appreciation/depreciation over a five-year period. 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 bills for the fiscal years ended 2005, 2006 and 2007; 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 contribution rate for ERS for the fiscal year ended March 31, 2012, was approximately 16.3 percent of payroll. The average employer contribution rate for PFRS for the fiscal year ended March 31, 2012, was approximately 21.6 percent of payroll.

4. System Reserves

The legally required reserves, as covered by provisions of RSSL, are maintained by the System, are fully funded as of March 31, 2012, 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.
- Designated Annuitant Funds — Funds from which beneficiary annuities are paid.
- Loan Insurance Funds — Funds that provide loan insurance coverage for members with existing non-default loan balances at time of death.
- Group Life Insurance Plan Reserve — Reserves that provide group term death benefits not to exceed \$50,000, payable upon the death of eligible members.
- 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, 2012, the System reserves for ERS and PFRS consisted of the following:

	(In Millions)	
	ERS 2012	PFRS 2012
Annuity savings	\$ 9.50	\$ 31.00
Annuity reserve	108.31	10.41
Pension accumulation	54,415.10	10,170.43
Pension reserve	67,651.60	12,653.27
Designated annuitant	57.86	18.63
Loan insurance	1.82	0.10
Group Life Insurance Plan reserve	93.88	2.32
COESC contributions	8,167.97	2.23
Total	\$ 130,506.04	\$ 22,888.39

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's 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 security'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 security's full price.

As of March 31, 2012, the duration of the fixed income portfolio is as follows:

Bond Category	Fair Value (In Thousands)	Percentage of Bond Portfolio	Macaulay Duration (In Years)
Treasury	\$ 3,772,335	11.3%	7.62
Federal agency	1,878,713	5.6	3.94
Mortgage-backed	8,324,682	24.9	3.12
Corporate	8,190,585	24.5	5.05
Treasury Inflation Protected Securities (TIPS)	11,274,200	33.7	10.50
Total	\$ 33,440,515	100.0%	

(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, 2012, are as follows (In Thousands):

Quality Rating	Fair Value	Percentage of Fair Value
AAA	\$ 24,855,930	74.33%
AA	2,169,278	6.49
A	4,456,715	13.33
BAA	1,819,601	5.44
BA	20,629	0.06
BBB	95,240	0.28
BB	12,294	0.04
B	10,828	0.03
Total	\$ 33,440,515	100.00%

(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, 2012, the System did not hold any investments in any one issuer that would represent 5 percent 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 percent of the assets of the Fund or 5 percent 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 percent of the assets of the Fund.
- Bonds issued or guaranteed by the State of Israel payable in U.S. dollars, not to exceed 5 percent 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, international private equity investments, and international opportunistic funds. 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 individual investment managers.

Foreign investments included in the statement of plan net assets as of March 31, 2012 are as follows (In Thousands of U.S. dollars):

	Equity	Cash	Real Estate	Private Equity, Opportunistic and Absolute Return Strategy Funds	2012 Total
Algerian Dollar	\$ -	\$ -	\$ 182	\$ 1,521	\$ 1,703
Argentine Peso	-	-	634	27,726	28,360
Australian Dollar	511,187	2,858	94,993	56,134	665,172
Bahamian Dollar	-	-	714	4,466	5,180
Bahraini Dinar	-	-	-	84	84
Barbadian Dollar	-	-	261	-	261
Bermuda Dollar	-	-	1,804	542,907	544,711
Botswana Pula	-	-	-	1,834	1,834
Brazilian Real	194,026	49	52,439	34,736	281,250
British Pound Sterling	1,947,062	12,908	368,328	454,194	2,782,492
Bulgarian Leva	-	-	132	10,637	10,769
Canadian Dollar	253,929	324	23,042	250,471	527,766
Cayman Islands Dollar	-	-	-	2,127,327	2,127,327
Central African CFA Franc	-	-	146	11	157
Chilean Peso	13,321	(1)	-	203	13,523
Chinese Renminbi	-	-	297,060	322,351	619,411
Columbian Peso	13,863	-	452	(8)	14,307
Congolese Franc	-	-	-	259	259
Costa Rica Colon	-	-	266	-	266
Croatian Kuna	-	-	91	133	224
Czech Koruna	3,094	469	13,210	5,651	22,424
Danish Krone	151,141	271	46,813	82,569	280,794
Dominican Peso	-	-	156	542	698
Egyptian Pound	3,360	8	6,075	(113)	9,330
Estonian Kroon	-	-	-	144	144
Ethiopian Birr	-	-	866	-	866
Euro	2,515,045	48,934	1,012,052	2,067,837	5,643,868
Fijian Dollar	-	-	97	-	97
Gibraltar Pound	-	-	-	1,199	1,199
Hong Kong Dollar	572,888	447	11,798	41,840	626,973
Hungarian Forint	1,659	30	2,254	234	4,177
Iceland Krona	-	-	55	5,054	5,109

	Equity	Cash	Real Estate	Private Equity, Opportunistic and Absolute Return Strategy Funds	2012 Total
Indian Rupee	98,631	246	25,108	168,475	292,460
Indonesian Rupiah	43,079	156	365	38,152	81,752
Israeli Shekel	3,113	194	5,569	136,669	145,545
Jamaica Dollar	-	-	84	-	84
Japanese Yen	1,819,990	2,171	175,287	71,421	2,068,869
Kazakhstani Tenge	-	-	-	1,706	1,706
Kenyan Shilling	-	-	761	-	761
Kuwaiti Dinar	-	-	373	-	373
Latvian Lats	-	-	338	4,717	5,055
Libyan Dinar	-	-	-	92	92
Lithuanian Litas	-	-	-	83	83
Malaysian Ringgit	40,631	173	583	5,798	47,185
Maldivian Rufiyaa	-	-	1,900	-	1,900
Mauritian Rupee	-	-	195	8,606	8,801
Mexican Peso	46,246	942	27,880	7,072	82,140
Mongolian Tugrik	-	-	-	215	215
Moroccan Dirhan	536	-	-	-	536
New Taiwan Dollar	180,303	993	50	3,571	184,917
New Zealand Dollar	322	71	111	829	1,333
Nigerian Naira	-	-	1,210	(16)	1,194
Norwegian Krone	94,021	455	17	45,057	139,550
Panamanian Balboa	-	-	109	2	111
Peruvian Nouveau Sol	-	1	43	7,587	7,631
Philippine Peso	25,964	17	46	4,379	30,406
Polish Zloty	50,564	360	31,293	6,960	89,177
Qatar Rial	6,137	-	35	182	6,354
Romania Leu	-	-	3,381	(416)	2,965
Russian Ruble	-	-	20,703	64,241	84,944
Saudi Riyal	-	-	4,537	(1)	4,536
Singapore Dollar	182,135	394	9,685	35,569	227,783
South African Rand	97,072	35	1,309	82,584	181,000
South Korean Won	309,181	110	3,141	23,855	336,287
Sri Lanka Rupee	-	-	240	-	240
Swedish Krona	302,252	476	139,059	76,644	518,431
Swiss Franc	713,165	1,459	16,190	81,587	812,401
Thailand Baht	78,975	22	1,868	350	81,215
Trinidad and Tobago Dollar	-	-	256	-	256
Turkish Lira New	34,034	39	13,450	20,235	67,758
Ukraine Hryvane	-	-	4,878	6,499	11,377
United Arab Emirates Dirham	-	-	4,787	2,394	7,181
Uruguay Peso	-	-	-	324	324
Venezuelan Bolivar	-	-	1,251	4,968	6,219
Vietnamese Dong	-	-	122	2,531	2,653
Other	-	-	195	21	216
Total subject to foreign currency risk	10,306,926	74,611	2,430,329	6,952,885	19,764,751
Commingled international equity in U.S. Dollars	11,033,257	-	-	-	11,033,257
Foreign investments in U.S. Dollars	1,830,447	-	7,780	2,190,652	4,028,879
Total foreign investments	\$ 23,170,630	\$ 74,611	\$ 2,438,109	\$ 9,143,537	\$ 34,826,887

6. Derivatives

A derivative is 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:

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, asset (liability) as of March 31, 2012 (In Thousands of U.S. dollars):

Currency	Forward Currency Contracts	Spot Currency Contracts	Totals
Australian Dollar	\$ (51,294)	\$ (404)	\$ (51,698)
Brazilian Real	(3,715)	-	(3,715)
British Pound Sterling	(25,223)	(9,207)	(34,430)
Canadian Dollar	(11,941)	(196)	(12,137)
Euro	70,586	2,847	73,433
Hong Kong Dollar	(38,438)	661	(37,777)
Japanese Yen	(61,434)	(578)	(62,012)
Swedish Krona	-	88	88
Swiss Franc	13,902	262	14,164
U.S. Dollar	107,139	6,482	113,621
Total	\$ (418)	\$ (45)	\$ (463)

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. As of March 31, 2012, 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, 2012 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 percent of fair market value for domestic securities and 105 percent 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 that 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, 2012, the fair value of securities on loan was \$10.678 billion. The associated collateral was \$10.926 billion, of which \$5.066 billion was cash collateral and \$5.860 billion was securities. The cash collateral has been reinvested in other instruments which had a fair value of \$4.895 billion as of March 31, 2012. The securities lending obligations were \$5.078 billion. The unrealized loss in invested cash collateral on March 31, 2012 was \$182.325 million, which is reported in the statement of changes in plan net assets as part of "Net appreciation in fair value of investments."

All open security loans can be terminated on demand by either the Fund or the borrower. To provide sufficient liquidity, the policy of the Fund is to maintain a minimum of 10 percent 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, 2012 was 25 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, 2012, the System had contractual commitments totaling \$6.572 billion to fund future private equities and \$2.790 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, 2012 (Unaudited)

The System uses the aggregate funding method, which does not identify or separately amortize unfunded actuarial liabilities. The aggregate funding method sets the actuarial accrued liability equal to the actuarial value of assets so there is no unfunded actuarial accrued liability. All of the cost comes from the present value of future normal costs; there is no amortization of the unfunded actuarial accrued liability. With the actuarial accrued liability set equal to the actuarial value of assets, there is an implied funding ratio of 100 percent unless disclosed using another method. Therefore, 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 fiscal year ending 2012 actuarial valuation performed on April 1, 2011 determined employer contributions for the fiscal year ending March 31, 2013.

1. The average employer contribution rates for ERS for fiscal years ending 2012 and 2013 were approximately 16.3 percent of projected payroll and 18.9 percent of projected payroll, respectively.
2. The average employer contribution rates for PFRS for fiscal years ending 2012 and 2013 were approximately 21.6 percent of projected payroll and 25.8 percent 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, 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
April 1, 2011	126,395	140,087	13,692	90.2	24,389	56.1
PFRS						
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
April 1, 2011	22,205	24,169	1,964	91.9	3,146	62.4

See accompanying independent auditors' report.

Schedule of Employer Contributions

(Unaudited) (In Thousands)

Employees' Retirement System — Annual Required Contributions

Year ended March 31	Annual Required Contributions			Percentage Contribution
	New York State	Local Employers	Total	
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
2012	1,649,528	2,229,189	3,878,717	100

Police and Fire Retirement System — Annual Required Contributions

Year ended March 31	Annual Required Contributions			Percentage Contribution
	New York State	Local Employers	Total	
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
2012	136,064	570,396	706,460	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, 2012 and 2011

(In Thousands)

	2012	2011
Personnel services:		
Salaries	\$ 51,695	\$ 51,437
Overtime salaries	2,884	3,317
Fringe benefits	<u>27,209</u>	<u>27,492</u>
Total personnel services	81,788	82,246
Building occupancy expenses:		
Building, lease, and condominium fees	3,486	3,496
Utilities and municipal assessments	140	213
Office supplies and services	110	156
Telephone	<u>768</u>	<u>581</u>
Total building occupancy expenses	4,504	4,446
Computer expenses:		
IT hardware lease/purchases	1,043	228
IT supplies and maintenance/agency mainframe	7,174	7,469
IT consulting services	<u>316</u>	<u>388</u>
Total computer expenses	8,533	8,085
Personnel and operating expenses:		
Training	76	154
Travel and auto expense — includes pre-retirement seminars	761	797
Postage — includes member and retiree communication	1,697	1,921
Printing — includes member and retiree communication	516	329
Subscriptions/memberships	<u>227</u>	<u>122</u>
Total personnel and operating expenses	3,277	3,323
Professional expenses:		
Medical/clinical services	1,473	1,627
Consulting services	<u>1,074</u>	<u>1,606</u>
Total professional expenses	2,547	3,233
Total	\$ 100,649	\$ 101,333

See accompanying independent auditors' report.

Schedule of Investment Expenses

Years Ended March 31, 2012 and 2011

(In Thousands)

Investment expenses	2012	2011
Investment management and incentive fees:		
Private equity	\$ 128,712	\$ 109,183*
Absolute return strategy funds	110,670	115,376*
Real estate	69,747	81,959
International equity	64,260	70,625
Domestic equity	25,505	36,725
Opportunistic funds	6,063	11,121*
Total investment management and incentive fees	404,957	424,989
Investment-related expenses:		
Legal fees	4,353	6,681
Mortgage loan servicing fees	2,822	2,565
Private equity consulting and monitoring	2,645	1,752
EDP expenses/licenses	2,594	2,575
Absolute return strategy consulting and monitoring	1,865	3,309
Administrative expenses	1,390	2,353
General consulting	753	350
Real estate consulting and monitoring	661	607
Fixed income consulting and monitoring	500	487
Custodial fees	396	483
Global equity consulting	330	477
Auditor fees	200	175
Domestic equity consulting and monitoring	62	60
Total investment-related expenses	18,571	21,874
Total investment expenses	\$ 423,528	\$ 446,863
* Private equity, absolute return strategy investments, and opportunistic funds have been reclassified for March 31, 2011 to identify opportunistic funds separately consistent with the March 31, 2012 reporting.		

See accompanying independent auditors' report.

Schedule of Consulting Fees

Year Ended March 31, 2012

(In Thousands)

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

	Amount	Nature
Day Pitney, LLP	\$ 1,463	Legal
Foster Pepper, PLLC	854	Legal
Morgan, Lewis & Bockius, LLP	466	Legal
Seward & Kissell	345	Legal
First Choice Evaluations	282	Medical Services
K&L Gates	235	Legal
Hunton & Williams	211	Legal
Garnet River, LLC	208	IT Consultant
KPMG LLP	197	Auditor
D & D Associates	183	Medical Services
Entwistle & Capucci, LLP	176	Legal
Honigman, Miller, Schwartz & Cohn	171	Legal
DeNovo Legal	161	Legal
Cox, Castle & Nicholson, LLP	121	Legal
Jeffrey Meyer MD	101	Medical Services
John S. Mazella MD, PC	92	Medical Services
Nixon Peabody, LLP	90	Legal
Louis Benton	83	Medical Services
Regional Orthopaedics, PLLC	55	Medical Services
Mary T. Babiarz Court Reporting Services, Inc.	51	Court Reporter
Garger Associates, LLP	39	Medical Services
Lexis Nexis Risk Data	35	Research Services
Leon Sultan MD	35	Medical Services
CEM Benchmarking, Inc.	35	Industry Measurement Survey
Groom Law Group	33	Tax Consultant
Michael J. Lynch MD, CM	30	Medical Services
Jack Economou	30	Hearing Officer
Jack W. Hunt & Associates, Inc.	29	Medical Services
Summit Security Services, Inc.	28	Security 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, 2012, and have issued our report thereon dated July 13, 2012. 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

Management of the System is responsible for establishing and maintaining 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,

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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*.

We noted certain matters that we reported to management of the System in a separate letter dated July 13, 2012.

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 13, 2012

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, 2012, with a net gain of 5.96 percent, reflecting a continued recovery in the global financial markets during that time. This was the third year of positive performance for the Fund following the fiscal crisis of 2008-09.

The Fund's positive performance reflects gains across most asset classes. The global equity portfolio returned 3.2 percent, the core fixed income portfolio returned 8.8 percent and Treasury Inflation Protected Securities (TIPS) returned 16.5 percent. The real estate portfolio returned 17.6 percent, the private equity portfolio returned 8.3 percent and the absolute return strategies portfolio returned (2.4) percent.

The sound investment framework provided by the Fund's asset allocation and diversification policies enabled it to generate strong positive returns as the economy continued 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 mostly favorable markets last year, market volatility remains and concerns about the global economy continue to exist — including the debt crisis within Europe, the pace of domestic jobs and housing recoveries, uncertainty regarding additional financial reforms and escalating 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, 2012, the global equity staff continued to implement the recommendations of the Global Equity strategic plan that revised the structure of, and outlined 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 and emphasizes the use of passive investment vehicles in the more efficient segments of the equity markets. This allows the Fund to maintain broad market exposure but at a reduced cost.

Global equities produced mixed returns for the fiscal year ending March 31, 2012, as indicated by global equity benchmark returns. The Fund's aggregate global equity portfolio returned 3.2 percent for the year, as compared to (0.7%) 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 strong returns, driven by improved economic indicators and continuing strength in the corporate sector. Non-U.S. equities produced negative returns for the year, particularly in the emerging markets, driven largely by the financial crisis in Europe and concerns about the global economic outlook.

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 13 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 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 Fund 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 11.3 percent and 33.7 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, 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 8.8 percent for the year, comparing favorably to 7.7 percent for the Barclays Capital Aggregate Bond Index. U.S. Government and Agency Securities were the best performing sectors in the core portfolio. The Fund's TIPS portfolio, which provides an important avenue for hedging inflation risk, returned 16.5 percent, compared to the Salomon Smith Barney TIPS Index of 12.6 percent. Short-term cash investments returned 0.4 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 22 percent of all long-term trades and 21 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 counterparties. Fixed income and equity securities are available for loan. The Fund's securities lending program earned \$30 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, 2012, equity real estate represented 6.1 percent of the total Fund and produced a total return of 17.6 percent. During the fiscal year ending March 31, 2012, the real estate market fundamentals continued to stabilize for most major property types, with multifamily leading this momentum. This marked the second full year of recovery for the Fund's real estate portfolio.

This recovery in the real estate market fundamentals was driven by the availability of debt financing but at lower amounts than in the past, along with the willingness of lenders to restructure debt and the increase in property values across all the property types. The Fund capitalized on market momentum and structuring investment transactions to enhance the performance of the 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 return the Fund's challenges will be twofold: to (a) asset manage the existing portfolio and maximize the value of the investments and (b) invest new capital to take advantage of business opportunities arising from the market disruption. As the broader economic recovery unfolds, the 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 fiscal year, real estate transactions have been concentrated in prime assets in gateway cities.

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 the 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, 2011 (date used due to a one-quarter reporting lag), the private equity program generated a one-year time-weighted return of 12.5 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 purposes 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 to both lower management expenses and enhance net returns. In addition, the Fund seeks to commit capital across various geographies, including 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 absolute return strategies portfolio invests with hedge fund managers that employ various strategies on a global basis across all asset classes and securities. The portfolio seeks to establish long-term partnerships with investment managers who have the ability to consistently deliver top-quartile returns and who partner with the Fund to better align investor and fund manager interests.

The portfolio holds 15 core positions across 20 strategies including credit, global macro, managed futures, distressed debt and emerging markets. Investments in equity long/short hedge funds are not part of absolute return strategies and are instead housed in the global equity portfolio. The Fund seeks diversification through a multi-manager and multi-strategy approach, investing with managers that have uncorrelated returns to the equity markets and lower the overall risk and volatility in the portfolio. Additionally, the absolute return strategies portfolio has committed \$200 million to The Rock Creek Group to help develop an emerging manager hedge fund portfolio, focusing on newer firms with assets totaling less than \$500 million and on women- and minority-owned fund managers.

As of March 31, 2012, the absolute return strategy program generated a return of (2.4) percent for the fiscal year.

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, 2012, commitments aggregating \$400 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 invest in companies finding solutions to the challenges of climate change and energy scarcity. A newly established Sustainability Working Group is now looking at alternative active strategies to complement the index funds.

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 68-69.

The Fund has also invested \$100 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 fixed income portfolio at competitive prices.

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 a program with the Community Preservation 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, 14,913 units have been completed.

As of March 31, 2012 the program has over 2,065 units in the pipeline. The Fund has invested \$577.4 million in mortgages. In fiscal year 2011-12, the Fund invested in affordable housing throughout the State, including Dutchess, Onondaga, Nassau, Rockland, 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 the 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 State properties has been negatively impacted, as has the entire real estate portfolio, due to the global economic crisis. New York State 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.

Examples of investments in the New York portfolio are as follows: The Fund 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 established investment vehicles to make value-added investments in New York State. These strategies focused on multifamily, office, senior housing, retail and other primary property types and were 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 evaluate 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 967 loans totaling \$312 million to businesses that employ over 19,000 New Yorkers. During the fiscal year ending March 31, 2012, NYBDC made 56 loans totaling \$24.0 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, 2012, the Fund's private equity portfolio included investments in over 200 New York businesses with a value of \$1.2 billion. 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 \$22 billion as of September 30, 2011 (the most recent data available). A sample of the New York State companies in the private equity portfolio include: Flat World Knowledge in Ossining, PACS Industries in Bethpage, SmartPill in Buffalo, ZeroPoint in Potsdam, Movable Ink in New York City, Bausch & Lomb in Rochester, WhoSay in Albany, Advion BioSciences in Ithaca, and Climax Manufacturing in Lowville.

In addition, as of March 31, 2012, the Fund had commitments totaling \$987 million to 18 different private equity managers. These commitments are devoted exclusively to New York State investment opportunities. The 18 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;
- Contour Venture Partners, an early stage venture fund based in New York City;
- 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 focusing on information and energy technology located in Albany;
- Founders Equity, a New York City based fund that makes growth equity investments;
- Tribeca Venture Partners (fka 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, 2012.

	Annualized Rate of Return			
	1 Year	3 Years	5 Years	10 Years
Total Fund	5.96%	15.19%	2.91%	6.45%
Global Equity	3.17	22.44	0.95	4.98
Private Equity	8.31	12.85	6.70	12.39
Absolute Return Strategy	(2.36)	6.16	0.54	-
Equity Real Estate	17.64	2.50	(3.60)	10.77
Core Fixed Income	8.75	8.21	7.54	7.43
Treasury Inflation Indexed Securities	16.48	10.31	8.62	8.75
Short-Term Investments	0.35	0.53	1.61	3.24
MSCI All Country World Index Free	(0.73)	20.75	(0.19)	5.33
Cambridge U.S. Private Equity Index	21.07	18.12	8.69	13.42
HFRX Global Hedge Fund Index	(7.18)	3.65	(2.40)	-
National Council of Real Estate Investment Fiduciaries (NCREIF)	14.26	2.42	3.09	8.06
Barclays Capital Aggregate Bond Index	7.71	6.83	6.25	5.80
Salomon Smith Barney LPF Index	13.75	9.29	8.18	7.42
Salomon Smith Barney Inflation Linked Index	12.58	8.89	7.71	-
<p>These figures are for investment management purposes and may not agree with audited statements.</p> <p>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).</p>				

Investment Summary

The following table summarizes the market values for March 31, 2012 and 2011 (In Thousands):

Asset Type	Market Value March 31, 2012	Percent of Total Market Value	Market Value March 31, 2011	Percent of Total Market Value
Domestic Equity	\$ 55,888,530	37.1%	\$ 55,720,380	37.8%
International Equity	23,170,630	15.4	24,224,573	16.5
Private Equity	14,925,933	9.9	14,620,463*	9.9
Absolute Return Strategy	5,165,712	3.4	4,215,569*	2.9
Opportunistic Funds	527,440	0.3	575,652*	0.3
Real Estate	9,339,491	6.2	7,630,946	5.2
Core Fixed Income	33,440,515	22.2	31,037,855	21.1
Mortgage Loans	802,941	0.5	851,333	0.6
Short-term Investments	7,397,691	5.0	8,360,235	5.7
Total Investments	\$ 150,658,883	100.0%	\$ 147,237,006	100.0%
* Private equity, absolute return strategy investments, and opportunistic funds have been reclassified for March 31, 2011 to identify opportunistic funds separately consistent with the March 31, 2012 reporting.				

Asset Allocation — March 31, 2012*

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 for the transition period.

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, 2012	Transition Target
Equity			
Domestic Equity	30.0%	39.1%	36.0%
International Equity	13.0	15.4	14.5
Alternatives			
Private Equity	10.0	9.6	9.0
Real Estate	6.0	6.1	6.0
Absolute Return	4.0	2.0	3.0
Opportunistic Portfolio	4.0	0.3	1.0
Real Asset	3.0	0.0	0.0
Bonds, Cash & Mortgages	22.0%	19.9%	21.0%
Inflation Indexed Bonds	8.0%	7.6%	8.5%

* A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2012 is on our website at www.osc.state.ny.us.

Global Equity Performance

For the Fiscal Year Ending March 31, 2012.

	Total Assets (\$ In Millions)	Annualized Rate of Return				Since Inception	Inception Date	Benchmark
		1 Year	3 Years	5 Years	10 Years			
Total Global Equity	\$ 81,954.9	3.17%	22.44%	0.95%	4.98%			
MSCI All Country World Index Free		(0.73)%	20.75%	(0.19)%	5.33%			
S&P 500 Index								
Total Large Cap Composite	\$ 44,460.4	8.47%	23.33%	1.77%	4.04%	10.87%	2/1/83	10.85%
CRF S&P 500 Index Fund	42,494.0	8.52	23.31	2.10	4.19	11.37	8/1/78	11.33
FIS Group	781.0	5.89	23.03	2.69	–	5.95	11/1/03	6.01
Aronson + Johnson + Ortiz	834.9	8.04	23.02	0.75	–	5.03	12/1/04	3.80
Piedmont Investment Advisors	350.5	6.35	–	–	–	11.99	3/1/10	14.92
S&P 400 Index								
Total Mid Cap Composite	\$ 5,961.4	2.61%	27.87%	4.41%	7.69%	11.67%	7/1/91	12.31%
CRF S&P 400 Mid Cap Fund	3,828.1	1.43	28.01	4.88	7.72	11.78	11/1/91	11.82
Progress Investment	1,215.4	3.90	27.35	3.60	7.83	11.43	9/1/94	10.51
New Amsterdam Partners	325.2	6.65	29.67	6.36	8.45	12.55	9/1/94	10.51
GlobeFlex Capital	293.2	6.28	30.99	4.50	–	10.92	9/1/03	9.20
Sasco Capital	299.5	8.71	29.12	3.43	–	8.26	7/1/05	5.47
Russell 2000 Index								
Total Small Cap Composite	\$ 5,310.0	1.73%	28.13%	3.80%	6.39%	9.99%	7/1/91	9.68%
CRF S&P 600 Index Fund	1,171.0	4.10	28.40	3.73	–	5.76	10/1/05	5.60
BGI R2000 Index Fund	2,432.2	(0.09)	27.10	2.29	6.58	8.10	11/1/01	8.28
Brown Capital	516.0	3.25	31.94	11.70	7.48	14.29	9/1/94	8.52
EARNEST Partners	533.8	2.51	26.21	3.17	8.58	9.04	6/1/01	7.48
Systematic Financial	418.6	(1.15)	30.52	1.91	–	8.92	9/1/02	8.99
Lombardia Capital Partners	238.4	2.84	30.89	–	–	9.40	5/1/08	4.01
Russell 3000 Index								
Steinberg Asset Management	\$ 143.2	4.76%	27.82%	1.94%	–	5.95%	7/1/05	3.41%
HFRI Equity Hedge Index								
Total Long-Short Alpha Composite	\$ 857.3	(1.11)%	–	–	–	1.34%	4/1/10	2.88%
Diamondback Partners, LP	252.3	(3.17)	–	–	–	7.18	6/1/09	7.02
Elm Ridge	144.7	(2.53)	–	–	–	(2.02)	7/1/10	6.11
Healthcor, LP	109.2	(1.37)	–	–	–	3.14	7/1/09	7.17
Pennant Windward Fund, LP	149.3	4.78	–	–	–	7.63	11/1/09	5.13
Highfields Capital IV	201.8	(0.82)	–	–	–	0.71	1/1/11	(1.32)
Total Long-Only Alpha Composite	\$ 410.3	–	–	–	–	16.71%	9/1/11	2.74%
Valueact Capital Partners II, LP	231.5	–	–	–	–	15.75	9/1/11	2.74
Triant Partners Strategic Fund I, LP	178.8	–	–	–	–	18.31	10/1/11	9.32
The assets under management (at market), time-weighted performance results (at market), and appropriate benchmark for each manager are presented in this 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, 2012.

	Total Assets (\$ In Millions)	Annualized Rate of Return			Since Inception	Inception Date	Benchmark
		1 Year	3 Years	5 Years			
Russell MidCap Index		3.31%	29.13%	3.03%			
Total Progress Composite	\$ 1,215.4	3.90%	27.35%	3.60%	11.43%	9/01/94	10.51%
Apex Capital Management	67.1	8.27	34.21	–	10.88	3/01/08	7.40
Bennett Lawrence	201.7	6.37	29.04	5.24	7.21	7/01/05	6.97
Cardinal Capital Management	202.2	3.00	23.49	2.92	10.08	9/01/03	8.94
Channing Capital	104.4	2.00	23.40	1.99	4.74	7/01/05	5.47
Credo Capital Management	52.2	1.68	25.76	–	4.30	3/01/08	6.21
Denali Advisors	126.2	3.23	28.92	–	5.80	3/01/08	5.13
Fan Asset Management	145.3	0.49	27.11	4.53	4.51	12/01/99	6.34
GW Capital	29.1	2.33	32.29	–	6.13	5/01/08	4.84
Holland Capital	145.4	5.98	25.55	5.76	6.68	7/01/05	7.05
Piedmont Investment	141.8	3.46	27.51	2.71	6.25	7/01/05	6.34
Russell 1000 Index							
		7.86%	24.03%	2.19%			
Total FIS Composite	\$ 780.9	5.89%	23.03%	2.69%	5.95%	11/01/03	6.01%
Apex Capital	46.3	11.31	25.73	4.70	6.17	11/01/03	6.17
BRC Investment	50.9	7.91	–	–	18.65	6/07/10	18.53
Credo Capital Management	12.6	1.67	25.75	–	21.60	11/10/08	23.23
Denali Advisors	57.0	1.12	20.49	(0.10)	6.83	11/01/03	5.70
Herndon Capital Growth	61.6	–	–	–	11.42	11/01/11	14.31
Herndon Capital Value	92.6	10.54	–	–	23.17	6/07/10	16.37
Mastrapasqua Asset Management	60.9	1.52	21.48	5.58	6.92	8/01/06	6.86
Moody Aldrich	34.8	(4.31)	–	–	17.19	7/01/10	19.01
Oakbrook Investments	56.0	3.59	–	–	22.78	7/01/10	22.41
Oakbrook Growth	39.9	15.49	25.52	6.27	6.66	2/01/06	5.81
Profit Investments	38.4	13.70	23.38	5.09	7.21	11/01/03	6.01
Seizert Capital	91.6	2.77	–	–	17.05	6/07/10	16.37
Stux Capital Management	85.6	3.80	24.78	–	16.58	11/10/08	16.20
The Edgar Lomax Co.	52.7	12.42	26.60	–	15.22	11/10/08	12.82
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, 2012.

	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		(0.73)%	20.75%	(0.19)%	5.33%			
Brandes Investment	\$ 907.0	(0.95)	18.14	(4.82)	4.30	5.75%	11/01/99	2.99%
Generation Investment	520.9	(0.24)	20.68	–	–	20.68	4/08/09	18.87
Templeton Investment	1,651.9	1.07	–	–	–	0.78	3/01/11	(0.23)
T. Rowe Price	583.8	0.75	–	–	–	1.48	3/01/11	(0.23)
FTSE Environmental Technology 50	78.1	(25.49)	–	–	–	(7.73)	11/01/09	(9.23)
HSBC Climate Change ex Nuclear	97.8	(14.05)	–	–	–	2.12	11/01/09	(1.02)
MSCI All Country World Free ex U.S.		(7.18)%	19.12%	(1.56)%	7.28%			
Acadian Asset Management	\$ 1,166.8	(6.49)	20.26	(3.17)	–	6.66%	11/01/04	6.35%
BGI Global World ex U.S.	7,406.2	(6.86)	19.46	(1.26)	–	6.64	11/01/04	6.35
The Boston Co.	397.1	(11.36)	16.08	(1.38)	–	4.09	4/01/05	5.06
MSCI EAFE Index		(5.77)%	17.13%	(3.51)%	5.70%			
Capital Guardian	\$ 1,412.7	(5.04)	16.78	(2.29)	5.50	7.30%	9/1/89	4.21%
Morgan Stanley International A/P	2,425.1	(7.82)	16.84	(1.47)	6.82	6.28	8/01/94	4.33
Mondrian Investment	1,143.4	(1.51)	16.10	(2.29)	7.71	6.95	1/01/98	4.20
Baillie Gifford	1,423.0	(1.67)	23.82	0.92	7.39	4.83	2/01/99	3.14
Baring International A/P	1,389.7	(4.72)	18.52	(1.86)	7.08	7.08	4/01/02	5.70
MSCI Emerging Markets Index		(8.81)%	25.06%	4.67%	14.13%			
Cap Guardian Emerging Growth	\$ 1,138.7	(12.96)	21.57	4.33	13.77	11.16%	12/01/91	9.61%
Morgan Stanley Emerging Market	903.7	(5.22)	25.26	2.82	14.04	8.47	10/01/93	7.72
Genesis Investment Management	194.9	–	–	–	–	(2.31)	3/01/12	(3.34)
Quantitative Management Associates	983.2	–	–	–	–	6.59	2/01/12	12.70
HFRI Equity Hedge Index		(3.80)%						
Long-Short Alpha								
Meditor Capital Management Limited	\$ 178.9	–	–	–	–	2.22%	5/01/11	(5.07)%
Brookside Capital Partners Fund, LP	99.9	(4.31)	–	–	–	(0.04)	12/01/09	5.13
Lansdowne UK Equity Fund	152.7	(6.27)	9.53	–	–	9.26	3/01/09	11.50
Viking Global Equities III, Ltd.	283.0	8.85	9.23	–	–	7.58	4/01/08	1.50
Long-Only Alpha								
Cevian Capital II, LP	\$ 248.3	–	–	–	–	24.15%	9/01/11	2.74%
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, 2012.

Company	Shares	Market Value	% of Domestic Equity
Apple, Inc.	3,175,014	\$ 1,903,325,643	3.6%
Exxon Mobil Corp.	16,491,676	1,430,323,059	2.7
Microsoft Corp.	25,961,680	837,264,180	1.6
International Business Machines Corp.	3,958,765	825,996,317	1.6
Chevron Corp.	7,149,026	766,661,520	1.4
General Electric Company	36,892,656	740,435,606	1.4
AT&T, Inc.	20,389,633	636,768,239	1.2
Wells Fargo & Company	18,554,697	633,457,356	1.2
JP Morgan Chase & Company	13,774,210	633,338,176	1.2
Proctor & Gamble Company	9,368,261	629,640,822	1.2

* A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2012 is on our website at www.osc.state.ny.us.

Fixed Income Portfolio and Comparison

As of March 31, 2012.

Sector	Market Value (Millions)	Market Value Percent	Macaulay Duration	Yield	1 Year Total Return
Treasury	\$ 3,772.0	17.0%	7.62	1.95%	13.98%
Agency	1,879.0	8.5	3.94	1.37	7.87
Mortgages	8,324.0	37.6	3.12	2.72	6.54
Corporates	8,191.0	36.9	5.05	2.51	7.71
Totals	\$ 22,166.0	100.0%	4.70	2.42%	8.75%
TIPS	\$ 11,274.0		10.50	2.18%	16.48%

Fixed Income Performance

As of March 31, 2012.

	Annual Rate of Return		
	1 Year	3 Years	5 Years
Common Retirement Fund — Core	8.75%	8.21%	7.54%
Barclays Capital Aggregate Bond Index	7.71	6.83	6.25
Salomon Smith Barney LPF Index	13.75	9.29	8.18
Common Retirement Fund — TIPS	16.48	10.31	8.62
Salomon Smith Barney — TIPS Index	12.58	8.89	7.71

Fixed Income Portfolio — Ten Largest Holdings*

As of March 31, 2012.

Issue	Market Value (Millions)	Percent of Fixed Income
Treasury Inflation Indexed Securities Due 4/15/29	\$ 2,482.0	7.42%
Treasury Inflation Indexed Securities Due 1/15/25	1,926.3	5.76
Treasury Inflation Indexed Securities Due 4/15/28	1,576.5	4.71
Treasury Inflation Indexed Securities Due 1/15/17	1,289.0	3.85
Treasury Inflation Indexed Securities Due 4/15/32	1,068.2	3.19
Treasury Inflation Indexed Securities Due 7/15/13	724.7	2.17
Treasury Inflation Indexed Securities Due 1/15/29	696.6	2.08
Treasury Bond Due 2/15/21	438.1	1.31
Treasury Inflation Indexed Securities Due 1/15/16	386.9	1.16
Treasury Inflation Indexed Securities Due 1/15/26	377.8	1.13
Total	\$ 10,966.1	32.79%

* A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2012 is on our website at www.osc.state.ny.us.

Real Estate Portfolio

As of March 31, 2012.

	Equity Amount*	Percent	Mortgage Amount	Percent
Property Diversification				
Industrial/R&D	\$ 806,508,747	8.6%	\$ -	0.0%
Land for Development	-	0.0	-	0.0
Lodging	994,068,920	10.6	-	0.0
Office	2,691,488,492	28.7	146,565,294	18.3
Other	1,575,505,459	16.8	3,701,807	0.5
Residential	1,144,117,059	12.2	418,212,280	52.1
Retail	2,166,320,005	23.1	234,461,564	29.2
Total	\$ 9,378,008,682	100.0%	\$ 802,940,945	100.00%
Regional Diversification				
Northeast	\$ 2,072,539,919	22.1%	\$ 801,907,770	99.9%
Mideast	909,666,842	9.7	-	0.0
Southeast	468,900,434	5.0	688,245	0.1
Southwest	759,618,703	8.1	-	0.0
Midwest	393,876,365	4.2	344,930	0.0
Mountain	262,584,243	2.8	-	0.0
Pacific	2,110,051,953	22.5	-	0.0
Other	2,400,770,223	25.6	-	0.0
Total	\$ 9,378,008,682	100.0%	\$ 802,940,945	100.0%
* Note: Based on NYSCRF full real estate portfolio market value.				
These figures may not agree with the audited statements because certain investments have been reclassified for investment management purposes.				

Opportunistic Real Estate

# of Active Partnerships	Capital Committed (Millions)	Capital Contributed (Millions)	Current Market Value (Millions)	Cumulative Distributions (Millions)	Total Value / Exposure (Millions)
77	\$ 11,913.1	\$ 9,492.0	\$ 5,223.2	\$ 3,568.3	\$ 8,791.5
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, 2012.

	Number of Partnerships	Capital Committed	Capital Contributed	Net Asset Value	Cumulative Distributions	Total Value
Buyout	144	\$ 21,612,089,970	\$ 17,053,908,607	\$ 10,979,062,272	\$ 14,201,672,642	\$ 25,180,734,914
Distressed/Turnaround	22	1,986,140,000	1,436,381,606	865,969,185	1,131,437,092	1,997,406,277
Growth	31	3,037,244,256	2,143,848,241	915,708,129	3,334,180,388	4,249,888,517
Other Opportunistic	6	473,051,891	461,272,838	83,001,432	540,820,632	623,822,064
Venture	42	3,573,298,060	3,186,021,623	2,000,354,374	1,513,256,360	3,513,610,734
Opportunistic Funds	4	680,000,000	552,888,836	527,440,243	102,190,222	629,630,465
Other	N/A	N/A	81,837,171	81,837,171	N/A	81,837,171
Total*	249	\$ 31,361,824,177	\$ 24,916,158,922	\$ 15,453,372,807	\$ 20,823,557,336	\$ 36,276,930,143
* 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 benefit of the members, beneficiaries and retirees of the New York State and Local 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 aim to enhance corporate risk oversight and management, transparency and accountability.

During the fiscal year ending March 31, 2012 the Fund's corporate governance program focused, in particular, on portfolio companies in the extractive industries.

In order to obtain information sufficient to measure the corresponding risk to the Fund's investments, the Fund continued to file shareholder proposals with oil and gas companies, requesting disclosure of potential environmental and regulatory risks associated with natural gas extraction through the process known as hydraulic fracturing. This shareholder campaign has led to increased disclosure and discussion of environmental liability across the entire sector.

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

Three resolutions were filed with oil and mining companies asking those companies to commit to placing independent directors with environmental expertise on their boards.

Additional shareholder engagements were initiated during the 2011-12 fiscal year:

- **Board Accountability:** Proposals were filed requesting that boards adopt best practices that make them more accountable to shareholders. Proposals were filed seeking to separate the Chairman and Chief Executive Officer roles, require annual election of directors, and that directors be elected by majority vote.
- **Political Spending Disclosure:** Resolutions were filed with 16 S&P 500 companies in the Fund's portfolio asking for annual disclosure of political contributions made with corporate funds. Resolutions at seven companies were withdrawn when the companies agreed to make the requested disclosures.
- **Sexual Orientation:** In 2011, shareholder resolutions were filed with 12 Fortune 500 and Fortune 1000 companies in the Fund's portfolio asking them to implement non-discrimination policies based on sexual orientation and gender identity. Nine of these companies responded to the initiative by agreeing to put anti-discrimination policies in place.
- **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 Leggett and Platt asking the company to require its overseas suppliers to implement the core labor rights standards of the UN's International Labor Organization. The resolution was withdrawn after the company agreed to adopt a new policy relating to overseas suppliers along the lines requested by the Fund.

Other highlights of Comptroller DiNapoli's corporate governance activities during fiscal year 2012 include:

- Continuing the Fund's active involvement in membership entities including the Investor Network on Climate Risk, the PRI, and both the Council of Institutional Investors and Ceres, where the Fund has board representation.
- Pursuant to the requirements of New York State's Retirement and Social Security Law, Section 423-a, continuing to monitor the operations of portfolio companies operating in Northern Ireland to "determine the existence of affirmative action taken by institutions or companies doing business in Northern Ireland to eliminate ethnic or religious discrimination."
- Continuing to monitor portfolio companies' investments in Sudan and Iran, as well as political developments which might affect the Fund's divestment/restricted purchase program related to those countries.
- Voting by proxy the Fund's shares for over 2,400 U.S. and international corporations.

Domestic Equity Management Fees

For the Fiscal Year Ended March 31, 2012.

Apex Capital Management, Inc.	\$ 289,138
Aronson + Johnson + Ortiz, LP	750,349
Bennett Lawrence Management, LLC	897,884
BlackRock Institutional Trust Company, NA	522,746
BRC Investment Management, LLC	153,396
Brown Capital Management, Inc.	3,577,304
Cardinal Capital Management, LLC	638,419
Channing Capital Management, LLC	275,120
Chicago Equity Partners, LLC	308,124
Credo Capital Management, LLC	186,139
Denali Advisors, LLC	476,269
Earnest Partners, LLC	1,850,767
Edgar Lomax Company	141,629
Fan Asset Management, LLC	515,393
FIS Group, Inc.	1,548,993
Globeflex Capital, LP	866,279
GW Capital, Inc.	132,633
Herndon Capital Management, LLC	312,387
Holland Capital Management, LP	400,963
Jacobs Levy Equity Management, Inc.	675,838
Lombardia Capital Partners, LLC	678,214
Mar Vista Investment Partners, LLC	44,293
Mastrapasqua Asset Management, Inc.	184,093
Moody Aldrich Partners, LLC	97,527
New Amsterdam Partners, LLC	723,309
OakBrook Investments, LLC	483,512
Palisades Investment Partners, LLC	89,768
Paradigm Asset Management Company, LLC	68,159
Piedmont Investment Advisors, LLC	809,664
Profit Investment Management, LLC	194,943
Progress Investment Management Company	2,751,325
Quantitative Management Associates, LLC	412,081
Rasara Strategies, Inc.	20,954
SASCO Capital, Inc.	1,011,736
Seizert Capital Partners, LLC	232,094
Shenandoah Asset Management, LLC	411,130
Steinberg Asset Management, LLC	420,826
Stux Capital Management, LLC	177,513
Systematic Financial Management, LP	2,174,201
Total	\$ 25,505,112

Domestic Equity Commissions

For the Fiscal Year Ended March 31, 2012.

Broker	Shares	Commission \$ U.S.
Abel Noser Corp.	140,467	\$ 2,809
Access Securities, Inc.	639,980	12,393
Alaris Trading Partners	11,300	141
Albert Fried & Company, LLC	9,900	495
Altrushare Securities, Inc.	2,146,209	43,975
American Portfolios Financial	105,189	4,208
Ancora Securities, Inc.	31,520	1,216
Avondale Partners, LLC	94,933	3,647
Baird Robert W & Company, Inc.	1,881,497	68,815
Bank of New York	22,707	681
Barclays Capital, Inc.	19,351,410	448,726
Baypoint Trading, LLC	677,380	22,979
Benchmark Company, LLC	35,400	1,251
Blaylock & Company, Inc.	5,014,416	109,737
Bloomberg Tradebook, LLC	13,577,713	268,349
BNP Securities (USA), Inc.	25,600	768
BNY Brokerage	16,531,823	446,657
BOE Securities, Inc.	3,727,112	113,307
Broadcourt Capital	952,326	12,882
Brown Brothers Harriman & Company	171,830	5,155
Buckingham Research Group, Inc.	389,060	14,384
C L King & Associates, Inc.	5,393,138	128,396
Cabrera Capital Markets, Inc.	8,043,060	215,837
Cantor Fitzgerald & Company	8,149,797	259,133
Capital Institutional Services, Inc.	6,554,346	175,732
CastleOak Securities, LP	5,560,602	119,536
Cheevers & Company	748,998	16,074
Chicago Analytic Trading Company	3,856,200	154,248
Citation Group	1,571,432	47,143
Citigroup Global Markets, Inc.	9,140,548	197,273
CJS Securities, Inc.	124,000	3,008
Collins Stewart, LLC	25,600	1,024
Concept Capital Markets	72,300	904
Cowen & Company, LLC	644,535	19,766
Craig-Hallum Capital Group, LLC	1,339,000	42,138
Credit Research & Trading Capital Group, LLC	87,800	2,948
Credit Suisse Securities, Ltd.	10,984,071	247,845
CSI U.S. Institutional Desk	11,594	348
Dahlman Rose & Company	351,467	16,357
Davenport & Company of Virginia	82,941	3,173

Broker	Shares	Commission \$ U.S.
Davidson, D A & Company, Inc.	18,250	\$ 730
Deutsche Bank Alex Brown	14,900	745
Deutsche Bank Securities, Inc.	30,526,057	414,846
Direct Access Partners, LLC	1,482,806	56,325
Divine Capital Markets, LLC	200,944	8,038
Donaldson, Lufkin & Jenrette	49,850	1,537
Fidelity Capital Markets	16,050	481
First Clearing Corp.	1,982,460	47,928
First Southwest Company	342,700	13,708
Friedman Billings & Ramsey	766,085	28,390
Gardner Rich & Company	864,980	26,542
Goldman Sachs & Company	12,136,229	284,103
Goldman Sachs Execution & Clearing, LP	976,140	26,000
Gordon, Haskett & Company	94,200	3,651
Great Pacific Securities, Inc.	4,523,315	95,240
Greentree Brokerage Services, Inc.	211,961	4,239
Griswold Company	4,940,072	97,416
Guggenheim Securities, LLC	32,670	1,143
Guzman & Company	16,051,032	315,689
Height Securities, LLC	8,054	242
Hibernia Southcoast Capital, Inc.	15,000	450
Howard Weil, Inc.	182,791	7,626
HSBC Brokerage (USA), Inc.	2,382,400	47,648
ICAP Corporates, LLC	590,800	23,632
Instinet	16,590,282	469,662
Invemed Associates, Inc.	7,450	261
Investment Technology Group	47,048,774	661,779
ISI Group, Inc.	1,997,637	73,526
Island Trader Securities, Inc.	468,144	15,732
Ivy Securities	512,787	17,864
Jackson Partners & Associates, Inc.	878,760	26,889
Jackson Securities, Inc.	6,205,000	118,203
Janney Montgomery Scott, Inc.	211,770	8,611
Jefferies & Company, Inc.	14,824,146	394,548
JNK Securities, Inc.	687,100	13,742
Johnson Rice & Company, LLC	653,871	25,883
Jones Trading Institutional Services, LLC	1,294,398	41,066
JP Morgan Securities, Inc.	11,950,599	322,653
Kaufman Brothers	116,400	4,074

Domestic Equity Commissions

Broker	Shares	Commission \$ U.S.
Keefe Bruyette & Wood, Inc.	1,299,564	\$ 47,023
Knight Equity Markets, LP	18,183,156	242,596
Lazard Capital Markets, LLC	334,275	3,732
Leerink Swann & Company	230,365	8,471
Liquidnet, Inc.	37,848,267	508,644
Longbow Securities, LLC	637,300	23,255
Loop Capital Markets, LLC	17,855,118	361,028
Lynch Jones & Ryan, Inc.	712,585	15,782
M Ramsey King Securities, Inc.	1,155,294	20,680
Macquarie Securities (USA), Inc.	509,700	15,291
Maxim Group	30,200	1,510
McDonald & Company Securities, Inc.	342,771	12,156
Melvin Securities, LLC	1,076,400	19,054
Merrill Lynch, Pierce, Fenner & Smith, Inc.	15,280,821	386,043
Merriman Curhan Ford & Company	451,500	13,545
Midwood Securities, Inc.	730,738	21,922
Mischler Financial Group, Inc.	712,049	27,733
MKM Partners, LLC	12,000	360
Mogavero Lee & Company, Inc.	191,750	7,441
Morgan Keegan & Company, Inc.	2,045,847	88,787
Morgan Stanley & Company, Inc.	12,532,602	361,000
MR Beal & Company	9,106,872	206,780
Muriel Siebert & Company, Inc.	2,860,787	66,953
National Financial Services Corp.	1,286,019	25,614
Native One Institutional Trading, LLC	503,900	5,039
Needham & Company	1,399,587	47,140
Nomura Securities International, Inc.	1,928,000	60,325
North South Capital, LLC	13,674	410
Northpoint Trading Partners, LLC	23,800	297
O'Neil, William & Company, Inc.	210,865	7,574
Oppenheimer & Company, Inc.	1,876,399	78,005
Pacific American Securities, LLC	271,854	7,839
Penserra Securities, Inc.	115,783	4,611
Percival Financial Partners, Ltd.	308,727	11,081
Pershing, LLC	241,867	9,307
Pickering Energy Partners, Inc.	123,090	5,399
Pipeline Trading Systems, LLC	260,688	4,485
Piper Jaffray	2,225,502	61,938
Prime Executions, Inc.	339,290	4,319

Broker	Shares	Commission \$ U.S.
Pulse Trading, LLC	1,065,930	\$ 14,603
Rafferty Capital Markets, LLC	95,900	3,836
Raymond James & Associates, Inc.	751,900	26,123
RBC Capital Markets	2,258,565	64,416
Reynders, Gray & Company, Inc.	121,340	4,704
Rochdale Securities Corp.	217,330	7,295
Rosenblatt Securities, LLC	1,533,500	9,379
Samuel A Ramirez & Company, Inc.	4,118,510	91,418
Sanders Morris Harris	11,100	444
Sandler O'Neill & Partners, LP	34,000	1,020
Sanford C Bernstein & Company, LLC	13,500,492	334,283
Scott & Stringfellow, Inc.	696,699	24,022
Seslia Securities	3,007	90
SG Americas Securities, LLC	10,162,850	134,016
Sidoti & Company, LLC	1,169,304	46,682
Signal Hill Capital Group, LLC	14,735	737
Simmons & Company International	98,150	3,305
Soleil Securities Corp.	13,725	549
State Street Global Markets, LLC	5,908,078	120,648
Stephens, Inc.	340,209	14,103
Sterne Agee & Leach, Inc.	585,490	15,677
Stifel Nicolaus & Company, Inc.	1,933,476	70,625
Strategas Securities, LLC	252,865	8,702
Sturdivant and Company, Inc.	5,691,789	121,632
SunTrust Capital Markets, Inc.	1,431,790	47,338
ThinkEquity Partners, LLC	409,200	16,368
Topeka Capital Markets, Inc.	338,889	4,958
Tuohy Brothers Investment Research, Inc.	56,420	2,257
UBS Securities, LLC	6,873,877	234,349
USCA Securities, LLC	64,720	2,494
Vandham Securities Corp.	73,943	2,467
Wachovia Capital Markets, LLC	2,068,686	74,432
Wedbush Morgan Securities, Inc.	310,235	11,602
Weeden & Company	6,553,254	132,867
Western International Securities, Inc.	8,700	217
Westminster Research Association, Inc.	123,725	4,949
William Blair & Company	1,028,861	42,277
Williams Capital Group, LP	10,414,481	241,543
Wunderlich Securities, Inc.	10,730	429
Total	525,751,526	\$ 11,664,325

International Equity Management Fees

For the Fiscal Year Ended March 31, 2012.

Acadian Asset Management, LLC	\$ 3,917,552
AllianceBernstein, LP	575,016
Baillie Gifford Overseas, Ltd.	4,863,995
Baring Asset Management	3,586,250
BlackRock Institutional Trust Company, NA	3,344,313
Boston Company, LLC	1,715,946
Brandes Investment Partners, LP	3,246,899
Capital Guardian Emerging Markets	6,721,373
Capital Guardian Trust Company	5,885,422
Generation Investment Management, LLP	4,545,119
Genesis	136,625
HSBC Bank, plc	281,250
Mondrian Investment Partners, Inc.	3,399,486
Morgan Stanley Emerging Markets Fund, Inc.	7,662,786
Morgan Stanley Investment Management, Inc.	6,013,819
Quantitative Management Associates, LLC	693,335
T. Rowe Price Associates, Inc.	2,999,943
Templeton Investment Counsel, LLC	4,670,695
Total	\$ 64,259,824

International Equity Commissions

For the Fiscal Year Ended March 31, 2012.

Broker	Shares	Commission \$ U.S.
ABG Securities	178,511	\$ 6,766
Allen & Company, Inc.	40,380	1,615
Allen & Company, LLC	17,300	558
Avondale Partners, LLC	18,300	589
B-Trade Services, LLC	27,400	206
Baird Robert W & Company, Inc.	127,947	4,218
Banco Bradesco S.A.	10,300	226
Banco Itau	94,600	941
Banco Pactual S.A.	521,700	10,696
Banco Santander	4,979,792	32,733
Bank Am Bellevue	70,429	2,833
Bank Berenberg	25,832	2,051
Bank of New York/Mellon	25,000	249
Barclays Capital, Inc.	51,325,308	370,281
Barclays Capital Securities, Ltd.	2,987,300	15,225
Berenberg Bank	29,040	2,659
BGC Brokers, LP	231,000	3,833
Bloomberg Tradebook, LLC	6,219,545	92,528
BMO Capital Markets	44,200	1,367
BNP Paribas Securities Corp.	10,906,817	25,467
BNP Securities	93,000	179
Brockhouse & Cooper, Inc.	3,050,850	53,284
BTIG, LLC	706,624	16,903
CL King & Associates, Inc.	34,300	1,242
CS IB Investmentbank AG	11,297	516
Calyon Financial Securities	19,000	570
Canaccord Adams, Inc.	57,900	1,805
Canadian Imperial Bank	25,100	730
Cantor Fitzgerald & Company	430,500	924
Capital Institutional Services	26,900	538
Carnegie Fondkommission	44,256	930
Cheuvreux	293,620	4,942
CIBC World Markets Corp.	128,872	4,207
Citibank	15,786	1,227
Citigroup Global Markets, Inc.	50,022,218	362,696
Collins Stewart, LLC	9,700	388
Collins Stewart, Inc.	60,623	1,440
Commerzbank Capital Markets Corp.	33,984	774
Credit Agricole Indosuez Cheuvreux	3,529,161	58,471
Credit Lyonnais Securities, Inc.	31,141,806	179,203
Credit Suisse Securities, Ltd.	109,634,475	1,026,521
Dahlman Rose & Company	237,330	4,747

Broker	Shares	Commission \$ U.S.
Daiwa Securities America, Inc.	7,091,781	\$ 36,291
Davidson, D A & Company, Inc.	10,100	404
Davy Stockbrokers	56,229	515
Deutsche Bank Securities, Inc.	112,152,911	498,944
Direct Trading Institutional, Inc.	8,800	176
Enskilda	155,962	8,319
Evolution Beeson Gregory, Ltd.	704,436	1,932
Exane, Inc.	267,528	919
Exane, Paris	697,360	9,339
Execution, Ltd.	1,182,003	20,885
First Analysis Securities	10,100	404
Fox River Execution Technology, LLC	585,236	6,521
Fraser Mackenzie	10,496	364
Friedman Billings & Ramsey	18,300	549
GBM Grupo Bursatil Mexicano	211,700	1,287
Gleacher & Company Securities, Inc.	21,900	548
Goldman Sachs International, Ltd.	50,757,017	450,714
Goodbody Stockbrokers	554,192	10,044
Gordon, Haskett & Company	4,900	98
G-Trade Services Hamilton	12,430,494	18,497
Guggenheim Securities, LLC	47,500	1,814
Handelsbanken	99,698	2,826
Height Securities, LLC	5,400	216
Helvea S.A.	121,391	2,782
Hong Kong Shanghai Bank	7,481,497	30,667
Howard Weil, Inc.	57,400	1,722
HSBC Bank plc London	779,226	8,981
HSBC Brokerage (USA), Inc.	64,897,133	158,580
HSBC Securities (Asia), Inc.	2,847,500	520
HSBC Securities (USA), Inc.	491,000	1,403
HSBC Securities, Inc.	3,078,429	26,195
India Infoline, Ltd.	50,809	1,624
ING Barings, LLC	716,094	19,723
Instinet	25,323,136	52,867
Investec Henderson Crosthwaite Securities	766,150	22,378
Investment Technology Group	4,035,876	32,131
ISI Group, Inc.	187,607	5,081
Jackson Securities, Inc.	30,900	618
Janney Montgomery Scott, Inc.	33,300	1,047
Jefferies & Company, Inc.	5,435,527	106,266
JMP Securities	9,500	285

Broker	Shares	Commission \$ U.S.
JP Morgan India Private, Ltd.	760,050	\$ 1,159
JP Morgan Securities (Asia Pacific), Ltd.	178,009	1,014
JP Morgan Securities (Far East), Ltd.	30,800	4,247
JP Morgan Securities Australia, Ltd.	1,000	9
JP Morgan Securities, Ltd.	1,047,290	8,855
JP Morgan Securities, Inc.	181,621,436	523,766
JP Morgan Securities, Inc. NY	100,000	1,979
Keefe Bruyette & Wood, Inc.	2,973,310	40,506
Kempen & Company	17,693	1,011
Kepler Equities	3,989	592
KeyBanc Capital Markets, Inc.	56,080	1,963
Knight Equity Markets, LP	1,725,790	13,283
Kotak Securities	19,739	489
Lazard Capital Markets, LLC	8,500	268
Leerink Swann & Company	3,600	144
Liberum Capital, Ltd.	39,952	1,849
Liquidnet, Inc.	33,692,522	75,198
M Ramsey King Securities, Inc.	206,870	3,185
Macquarie Equities, Ltd.	31,999,130	155,117
Mainfirst Bank AG	150,398	10,390
Man Financial, Inc.	163,069	12,397
McDonald & Company Securities, Inc.	118,200	3,902
Mediobanca S.p.A.	90,332	1,036
Merrill Lynch, Pierce, Fenner & Smith, Inc.	113,130,814	650,294
MF Global FXA Securities, Ltd.	91,900	1,244
Mirabaud Securities	2,795,161	6,884
Mitsubishi Finance International	1,301	2,792
Mizuho Securities	2,508,700	43,364
Morgan Keegan & Company, Inc.	16,100	403
Morgan Stanley & Company, Inc.	69,355,487	511,756
Motilal Oswal Securities, Ltd.	23,053	895
Natexis Bleichroeder, Inc.	15,688	914
National Bank Financial	30,600	1,119
NBC Clearing Services, Inc.	22,667	356
NCB Stockbroker	316,571	6,421
Needham & Company	25,500	810
Nomura Securities International	346,496,239	713,777
Numis Securities, Ltd.	71,040	987
Oddo Securities	163,386	8,542
Pacific Crest Securities	175,900	5,468
Penserra Securities, Inc.	8,100	162
Pershing, LLC	5,665,182	14,448
Petercam Brussels	160,490	4,146
Peters & Company, Ltd.	800	28
Pickering Energy Partners, Inc.	64,200	2,568

Broker	Shares	Commission \$ U.S.
Pipeline Trading Systems, LLC	19,500	\$ 195
Piper Jaffray	368,335	16,380
Portales Partners, LLC	288,502	10,572
Pulse Trading, LLC	158,900	2,471
Rabo Securities	11,809	835
Raymond James & Associates, Inc.	444,180	15,816
RBC Capital Markets	1,296,072	20,197
Redburn Partners, LLP	1,688,790	67,860
Redmayne-Bentley Leeds	37,873	1,558
Rosenblatt Securities, Inc.	48,500	1,022
Royal Bank of Canada Dominion Securities	296,935	13,145
Royal Bank of Scotland	16,857,622	52,504
Samsung Securities	1,229,653	2,947
Samuel A Ramirez & Company, Inc.	30,100	602
Sanford C Bernstein & Company, LLC	41,470,076	226,220
Santander Investment Securities, Inc.	1,166,657	14,439
Scotia Capital, Inc.	787,090	29,147
SEB Copenhagen	1,811,766	8,873
SG Americas Securities, LLC	1,007,451	29,302
Sidoti & Company, LLC	13,600	455
Simmons & Company International	5,500	220
Societe Generale Securities Corp.	5,021,638	71,759
Sprott Securities, Ltd.	5,300	217
Standard Chartered Bank	22,500	370
State Street Global Markets, LLC	145,251	2,051
Sterne Agee & Leach, Inc.	51,426	2,057
Stifel Nicolaus & Company, Inc.	676,718	22,830
Stuart Frankel & Company, Inc.	331,000	1,430
Suntrust Capital Markets, Inc.	16,000	480
Susquehanna Partners	13,000	441
Svenska International Equities	273,060	4,921
TD Securities, Inc.	256,120	3,685
Themis Trading, LLC	46,800	936
Toronto Dominion Bank	206,500	6,875
Tristone Capital USA, Inc.	1,900	76
Troika	28,041	887
UBS Securities, LLC	54,403,300	368,015
VTB Capital plc/Euroclear	22,643	747
Weeden & Company	316,500	6,734
Wells Fargo & Company	44,443	1,370
Wells Fargo Investments, LLC	131,700	3,068
William Blair & Company	179,407	7,111
Woori Investment & Securities Company, Ltd.	13,444	467
Total	1,508,306,761	\$ 7,702,778

Domestic Bond Transactions

For the Fiscal Year Ended March 31, 2012.

Summarized by Broker or Direct Issuer

Long-Term Broker	Par \$ U.S.
Barclays Capital, Inc.	\$ 1,327,601,324
BONDS.COM	869,524
Cabrera Capital Markets, Inc.	29,700,000
CastleOak Securities, LP	679,752,229
Citigroup Global Markets, Inc.	812,700,001
Deutsche Bank Securities, Inc.	438,500,000
Development Corp. for Israel	15,000,000
Goldman Sachs & Company	872,782,999
Great Pacific Securities, Inc.	1,200,952,001
HSBC Securities, Inc.	237,405,000
JP Morgan Securities, Inc.	687,394,579
Merrill Lynch, Pierce, Fenner & Smith, Inc.	847,262,999
Morgan Stanley & Company, Inc.	2,099,763,838
Muriel Siebert & Company, Inc.	414,961,000
RBC Capital Markets	494,706,000
SEB Copenhagen	50,000,000
Wells Fargo & Company	891,855,001
Williams Capital Group, LP	261,000,000
Total	\$ 11,362,206,495

Short-Term Broker	Par \$ U.S.
Barclays Capital, Inc.	\$ 2,405,123,000
BNP Paribas Securities Corp.	1,762,530,000
CastleOak Securities, LP	169,804,875
Chevron	2,425,939,000
Citigroup Global Markets, Inc.	6,761,769,000
Credit Suisse Securities, Ltd.	1,953,212,000
Deutsche Bank Securities, Inc.	15,787,673,786
Exxon Asset Management Company	2,404,670,000
General Electric Capital Corp.	4,702,533,000
Goldman Sachs & Company	6,703,399,000
Great Pacific Securities, Inc.	6,900,566,000
HSBC Securities, Inc.	185,508,000
JP Morgan Securities, Inc.	7,765,090,000
Merrill Lynch, Pierce, Fenner & Smith, Inc.	5,273,760,516
Morgan Stanley & Company, Inc.	2,156,813,525
Muriel Siebert & Company, Inc.	170,307,000
RBC Capital Markets	143,780,000
Toronto Dominion Bank	2,876,710,000
Toyota Motor Credit Corp.	1,522,935,000
UBS Securities, LLC	3,142,237,000
Wachovia Capital Markets	563,658,221
Williams Capital Group, LP	10,939,390,000
Total	\$ 86,717,408,923

Real Estate Management and Incentive Fees (Expensed)

For the Fiscal Year Ended March 31, 2012.

	Management Fees	Incentive Fees	Total
Apollo Management, LP	\$ 2,020,822	\$	\$ 2,020,822
Blackstone Real Estate Advisors	14,923,431		14,923,431
Carlyle Group	3,845,057		3,845,057
Cherokee Advisors, LLC	270,809		270,809
CIF-H GP LLC (Cayuga Lake Fund, LP)	1,715,854		1,715,854
CIF-V GP LLC (Seneca Lake Fund, LP)	747,882		747,882
CIM Group, LP	2,143,700		2,143,700
Clarion Partners	3,124,046	498,298	3,622,344
Colony Capital Asia, Ltd.	543,940		543,940
Colony Advisors, LLC	1,043,438		1,043,438
Cypress Grove International Management, LLC	214,791		214,791
Cypress Grove International Management, LLC (CGI Co-Investment Fund)	67,555		67,555
Franklin Templeton Institutional, LLC (Lake Montauk)	179,016		179,016
Genesis Workforce Housing Fund II, LLC	90,277		90,277
Heitman Capital Management, LLC	8,877,799	10,000,000	18,877,799
JP Morgan Investment Management, Inc.	4,476,489		4,476,489
Kimex	90,779		90,779
Lake Hempstead Fund, LP	250,000		250,000
Lake Success Fund, LP	375,000		375,000
LaSalle Investment Management, Inc.	495,285		495,285
Metropolitan Workforce Housing Fund, LLC	420,000		420,000
Morgan Stanley Group	3,005,672		3,005,672
Noble Investment Management, LLC	540,000		540,000
Redwood Grove International Management, LLC	696,057		696,057
Redwood Grove International Management B, LLC (RGI Co-Investment Fund)	233,423		233,423
Rockpoint Real Estate Funds	2,342,444		2,342,444
Stockbridge Real Estate Funds	2,887,629		2,887,629
Westbrook Realty Management	3,627,546		3,627,546
Total	\$ 59,248,741	\$ 10,498,298	\$ 69,747,039

Real Estate Management and Incentive Fees (Capitalized)

For the Fiscal Year Ended March 31, 2012.

	Management Fees	Incentive Fees	Total
ACA Advisors (Aetos)	\$ 613,829	\$	\$ 613,829
Apollo Management, LP	1,382,934		1,382,934
BCP Strategic Partners (Beacon)	6,897,268		6,897,268
Canyon-Johnson Realty Advisors, LLC	106,712		106,712
CBRE Global Investors Luxembourg S.à.r.l.	1,047,445		1,047,445
CIF-H GP, LLC (Cayuga Lake Fund, LP)	547,873		547,873
City Investment Fund Associates, LLC	1,189,632		1,189,632
Clarion Partners		36,767,250	36,767,250
Colony Advisors, LLC	3,526,114		3,526,114
Genesis Workforce Housing Fund II, LLC	304,145		304,145
Heitman Capital Management, LLC	291,132		291,132
JP Morgan Investment Management, Inc.	448,649		448,649
Landmark Partners	8,224		8,224
Lazard Freres Real Estate Investors, LLC (LF Strategic)	381,788		381,788
LSP (Lone Star)	1,447,806		1,447,806
Metropolitan Workforce Housing Fund, LLC	400,117		400,117
Noble Investment Management, LLC	237,187		237,187
Praedium	1,695,252		1,695,252
RREEF America, LLC	149,895		149,895
Warburg Pincus, LLC	574,682		574,682
Total	\$ 21,250,684	\$ 36,767,250	\$ 58,017,934

Private Equity Management Fees (Expensed)

For the Fiscal Year Ended March 31, 2012.

57 Stars, LLC	\$ 999,858
Access Capital Advisors, LLC	1,117,618
Aisling Capital, LLC	1,262,825
Apax Partners U.S.	119,503
Apollo Management, LP	3,216,763
Ares Management, LLC	2,091,258
Ascent Biomedical Ventures	935,188
Asia Alternatives Management, LLC	1,203,750
Avenue Capital Group	573,885
Banc of America Capital Investors, LP	1,168,398
Behrman Brothers Management Corp.	323,783
Blackstone Group, LP	4,023,539
Blum Capital Partners, LP	914,530
Brait Capital Partners, Ltd.	531,749
Brazos Private Equity Partners, LLP	220,559
Bridgepoint Capital, Ltd.	2,540,805
Carlyle Group	5,121,097
CCMP Capital Advisors, LLC	238,983
Centerbridge Partners, LP	1,914,036
Charterhouse Capital Partners	1,329,386
Clessidra Capital Partners	556,514
Contour Venture Partners	450,000
Credit Suisse	1,258,380
CVC Capital Partners	3,717,601
Cypress Associates, LLC	129,293
DeltaPoint Capital Management, LLC	612,456
Draper Fisher Jurvetson	458,627
Easton Capital Investment Group	103,278
EQT Partners	1,446,905
Ethos Private Equity	462,338
Fairview Capital Partners, Inc.	1,918,877
Falcon Investment Advisors, LLC	272,729
First Albany Companies, Inc.	187,147
Founders NY	59,700
Freeman, Spogli & Company	3,215,642
GenNx360 Capital Partners	671,534
Gilde, LP	234,941
Goldman, Sachs & Company	124,197
Hamilton Lane Advisors, LLC	4,797,050
HarbourVest Partners, LLC	2,600,000
Hellman & Friedman Investors, Inc.	3,348,925

High Peaks Venture Partners	\$ 792,129
HM Capital Partners I, LP	685,910
Hony Capital	1,070,440
Hudson Capital GP, LLC	1,727,721
InterMedia Advisors, LLC	854,981
Irving Place Capital Advisors	1,147,684
JMI Equity	602,513
JP Morgan Partners, LLC	5,096,860
Kelso & Company	3,114,754
KKR & Company, LP	6,544,390
KSL Capital Partners, LLC	2,071,394
Levine Leichtman Capital Partners, Inc.	555,072
Lexington Partners	71,820
Lindsay Goldberg & Company, LLC	4,480,320
Lion Capital, LLP	1,764,727
Madison Dearborn Partners, Inc.	422,153
Markstone Capital Group	1,558,729
Milestone Managers, LLC	281,250
Muller & Monroe Asset Management, LLC	527,877
New Mountain Capital, LLC	1,157,808
Paladin Capital Group	500,000
Palladium Equity Partners	621,775
Parish Capital Advisors, LLP	76,488
Patria Investimentos	1,487,671
Performance Equity Management, LLC	1,395,390
Providence Equity Partners, LLC	3,350,860
Quadrangle Group	841,588
SAIF Partners	2,016,081
Searchlight Capital Partners	4,692,095
Snow Phipps Group, LLC	4,326,440
SoftBank Capital	456,593
TFSI Management	688,032
Thomas H. Lee Partners, LP	1,014,136
TLP Management, LLC	221,661
TPG Capital	5,966,129
Tribeca Venture Partners	125,000
Vestar Capital Partners, Inc.	196,539
Vista Equity Partners	5,170,138
Warburg Pincus, LLC	3,558,240
Wheatley NY Partners, LLC	163,981
Yucaipa Companies, LLC	841,072
Total	\$ 128,712,088

Private Equity Management Fees (Capitalized)

For the Fiscal Year Ended March 31, 2012.

Apax Partners U.S.	\$ 310,899
Ascend Ventures Management, LLC	103,083
Avenue Capital Group	1,250,654
Behrman Brothers Management Corp.	132,452
Blackstone Group, LP	65,011
Blum Capital Partners, LP	312,873
Bridgepoint Capital, Ltd.	1,468,997
Cerberus Capital Management, LP	669,930
Cinven Capital Management, Ltd.	460,087
Clearwater Capital Partners	630,015
CVC Capital Partners	35,823
Fairview Capital Partners, Inc.	187,500
Goldman, Sachs & Company	31,135
HarbourVest Partners, LLC	5,722,056
Horsley Bridge Partners, Inc.	433,125
Institutional Venture Partners	951,776
Invesco Private Capital	685,824
Leonard Green & Partners, LP	182,865
Lexington Partners	172,847
Madison Dearborn Partners, Inc.	114,660
Oaktree Capital Management, LP	4,761,594
Parish Capital Advisors, LLP	48,000
Rosemount Capital Management, LLC	1,247,801
SAIF Partners	351,386
Summer Street Capital Partners	383,127
TA Associates	3,935,256
Venture Capital Fund of America	945,556
Warburg Pincus, LLC	4,146,638
York Distressed Mortgage Fund, LP	1,995,000
Total	\$ 31,735,970

Absolute Return Strategy Management and Incentive Fees

For the Fiscal Year Ended March 31, 2012.

	Management Fees	Incentive Fees	Total
Angelo, Gordon & Company, LP	\$ 941,515	\$	\$ 941,515
Apollo Value Management, LP	27,263		27,263
Avenue Europe International Management, LP	11,281		11,281
BlueCrest Capital Management, LLP	5,961,949	874,782	6,836,731
Brevan Howard Capital Management, LP	4,382,750	7,343,329	11,726,079
Brigade Capital Management, LLC	2,357,491	568,382	2,925,873
Brookside Capital, LLC	1,444,782		1,444,782
Canyon Capital Advisors, LLC	21,810		21,810
Cevian Capital, Ltd.	1,977,229		1,977,229
COMAC Capital (Europe), Ltd.	3,429,798	2,061,064	5,490,862
Contrarian Capital Management, LLC	3,861		3,861
D.E. Shaw & Company, LP	8,149,075	8,624,289	16,773,364
Diamondback Capital Management, LLC	4,353,232		4,353,232
Discovery Capital Management, LLC	2,085,221	2,764,660	4,849,881
Drawbridge Special Opportunities Advisors, LLC	677,511	754,115	1,431,626
Elm Ridge Capital Management, LLC	2,224,441	65,923	2,290,364
GLG Partners (Cayman), Ltd.	3,604		3,604
GoldenTree Asset Management, LP	81,163		81,163
Gramercy Advisors, LLC	944,839		944,839
Guggenheim Advisors, LLC	5,161		5,161
Harbinger Capital Partners, LLC	90,052		90,052
HealthCor Management, LP	2,160,761		2,160,761
Highfields Capital Management, LP	2,891,468	(414,394)	2,477,074
Highland Capital Management, LP	681		681
King Street Capital Management, LP	2,629,745	162,792	2,792,537
Lansdowne Partners, Ltd. Partnership	2,246,842		2,246,842
Marathon Asset Management, LP	636,481		636,481
Mariner Investment Group, LLC	1,960,312	(422,726)	1,537,586
Meditor Capital Management, Ltd.	2,911,237		2,911,237
Mezzacappa Investors II, LLC	201,274		201,274
Normandy, Ltd.	39,348		39,348
OZ Management II, LP	4,650,875	69,185	4,720,060
Paulson Advisors, LLC	2,460,956		2,460,956
Pennant Capital Management, LLC	2,134,018	1,703,210	3,837,228
Perella Weinberg Partners Xerion Capital, LP	1,856,823	(1,050,474)	806,349
Pharo Global Advisors, Ltd.	2,001,860		2,001,860
Plainfield Asset Management, LLC	105,922		105,922
Rock Creek Group, LP	1,547,857		1,547,857
Schultze Asset Management, LLC	74,490		74,490
Sector Omega A.S.	31,321		31,321
Stark Onshore Management, LLC	543,890		543,890
Triam Fund Management, LP	1,495,890	3,661,682	5,157,572
ValueAct Capital Management, LP	1,569,206		1,569,206
Viking Global Investors, LP	4,003,055	5,554,636	9,557,691
York European Opportunities Offshore Holdings, LLC	1,021,292		1,021,292
Total	\$ 78,349,632	\$ 32,320,455	\$ 110,670,087

Opportunistic Funds Management and Incentive Fees

For the Fiscal Year Ended March 31, 2012.

	Management Fees	Incentive Fees	Total
Finisterre Capital, LLP	\$ 2,058,123	\$ 1,530,832	\$ 3,588,955
Invesco Institutional (N.A.), Inc.	632,119	0	632,119
Oaktree/Arctic Slope PPIP Private Fund GP, LP	68,224	281,060	349,284
York Distressed Mortgage Holdings, LLC	1,593,816	(101,255)	1,492,561
Total	\$ 4,352,282	\$ 1,710,637	\$ 6,062,919

Consultant and Advisor Fees

For the Fiscal Year Ended March 31, 2012.

A. Gary Shilling & Company, Inc.	\$ 56,250
Aksia, LLC	693,701
Albourne America, LLC	420,000
Bank of New York Mellon	750,761
Bentall Kennedy	35,000
Glass Lewis & Company	83,750
Hewitt EnnisKnupp, Inc.	330,000
JP Morgan Asset Management, Inc.	737,469
LP Capital Advisors, LLC	1,739,061
Pension Consulting Alliance, Inc.	168,890
RV Kuhns & Associates, Inc.	612,500
Situs Strategic Advisors, LLC	24,855
Smith Graham & Company Investment Advisors, LP	500,000
Stockbridge Risk Management, Inc.	24,224
Townsend Group	576,730
Wilshire Associates, Inc.	61,750
Total	\$ 6,814,941

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Actuarial

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Statement of the Actuary

September 2012

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 option are some of the required data elements. In preparation for the valuation, we extensively validate the System's data by running reasonableness tests and accounting 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 Financial Services. 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 fulfill his fiduciary objectives.

The April 1, 2010 valuation for determining 2012 employer contribution rates was performed under my direction and supervision, using the assumptions adopted by the Comptroller as of April 1, 2010.

Our assumptions and methods meet the Governmental Accounting Standards Board 25 standards. 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 2012 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.

A handwritten signature in black ink that reads "Michael Dutcher". The signature is written in a cursive, flowing style.

Michael Dutcher, E.A., A.S.A., M.A.A.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 State 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 System's actuarial assets and liabilities. The actuarial valuation is important since it determines each year's employer contributions. Chapter 49 of the Laws of 2003 mandates that the actuarial valuation undertaken on the first day of a fiscal year be used to determine contribution rates for the next succeeding fiscal year.

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

Two examples help make this clear:

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

Aggregate Actuarial Funding Method

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

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

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

Elements of the Actuarial Valuation

Actuarial Assumptions

The actuarial assumptions for fiscal year ended 2012 employer contribution rates were adopted effective April 1, 2010. 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% <u>2.3%</u> 7.3%		8.00%	4/1/81-3/31/86 experience
1989-92	Inflation Productivity & Merit	5.0% <u>2.0%</u> 7.0%		8.75%	4/1/81-3/31/86 experience
1993-96	Inflation Productivity & Merit	5.0% <u>2.0%</u> 7.0%		8.75%	4/1/86-3/31/91 experience
		ERS	PFRS		
1997-98	Inflation Productivity & Merit	4.75% <u>1.25%</u> 6.00%	4.75% <u>1.75%</u> 6.50%	8.50%	4/1/90-3/31/95 experience
1999-2000	Inflation Productivity & Merit	3.50% <u>2.50%</u> 6.00%	3.50% <u>3.00%</u> 6.50%	8.50%	4/1/90-3/31/95 experience
2001	Inflation Productivity & Merit	3.00% <u>2.50%</u> 5.50%	3.00% <u>3.00%</u> 6.00%	8.00%	4/1/90-3/31/95 experience
2002-04	Inflation Productivity & Merit	3.00% <u>2.90%</u> 5.90%	3.00% <u>3.90%</u> 6.90%	8.00%	4/1/95-3/31/00 experience
2005	Inflation Productivity & Merit	3.00% <u>2.40%</u> 5.40%	3.00% <u>3.90%</u> 6.90%	8.00%	4/1/95-3/31/00 experience
2006	Inflation Productivity & Merit	3.00% <u>2.40%</u> 5.40%	3.00% <u>3.90%</u> 6.90%	8.00%	4/1/95-3/31/00 experience with subsequent adjustments
2007-11	Inflation Productivity & Merit	3.00% <u>2.40%</u> 5.40%	3.00% <u>3.70%</u> 6.70%	8.00%	4/1/00-3/31/05 experience with subsequent adjustments
2012	Inflation Productivity & Merit	2.70% <u>2.20%</u> 4.90%	2.70% <u>3.30%</u> 6.00%	7.50%	4/1/05-3/31/10 experience
* 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, 2010 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 counts per 10,000 members. 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	1,566	2,977	5,586
60	982	1,600	1,930
65	2,050	2,553	2,321
Tier 2-4			
55	592	821	4,185
60	489	781	1,994
65	1,576	2,579	2,775
Tier 5			
55	477	662	821
60	393	630	781
65	1,576	2,579	2,775

Service Retirement — PFRS

Service	20-year (All Tiers)	20-year with add'l 60ths (All Tiers)
20	2,165	847
25	1,188	541
30	945	1,681

Service Retirees — Mortality

Age	Male Clerk	Female Clerk	PFRS
55	61	32	38
60	59	55	49
70	136	123	126
80	352	301	445

Disability Retirees — Mortality

Age	Male	Female	PFRS
30	10	10	6
40	16	15	7
60	212	233	63
80	761	532	510

Disability Retirement — Ordinary and Accidental

Age	ERS Ord	ERS Acc	PFRS Ord*	PFRS Acc
35	7	0	13	18
40	15	1	25	38
45	23	1	31	47
50	38	1	47	43

* includes performance of duty.

Ordinary Death

Age	ERS	PFRS
35	7	4
40	9	4
45	11	6
50	16	9

Withdrawal — ERS (Ten-year ultimate rates)

Age	ERS
35	222
40	183
45	162
50	125

Withdrawal — PFRS

Service	PFRS
5	121
10	55
15	43

Salary Scale — Annual Percentage Increase

Service	ERS	PFRS
5	5.92	7.41
10	4.86	4.85
15	4.40	4.41
20	4.06	4.42
25	3.81	4.22

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 2012, the April 1, 2010 valuation reflects a full five-year smoothing method.

The GLIP values investments at market value. For FY 2012, the April 1, 2010 valuation of the System and Insurance Plan, the difference between market and actuarial value of smoothed investments, was:

	Investments (In Millions)
Market Value	\$ 132,500
Actuarial Value	<u>145,767</u>
Difference	\$ 13,267

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, 2009 and April 1, 2010.

	2011	2012
	(In Millions)	
ERS		
Actuarial Assets		
Actuarial Value of Present Assets:		
Held for Current Pensioners & Beneficiaries	\$ 57,419	\$ 62,692
Held for Members	61,300	54,811
Members' Contributions	<u>7,718</u>	<u>7,979</u>
Total	\$ 126,437	\$ 125,482
Actuarial Present Value of Prospective Contributions:		
From Employers	\$ 21,391	\$ 31,572
From Members	<u>1,031</u>	<u>1,105</u>
Total	\$ 22,422	\$ 32,677
Total Actuarial Assets	\$ 148,859	\$ 158,159
Actuarial Liabilities		
Actuarial Present Value of Benefits for Current Pensioners & Beneficiaries:		
Service Retirement Benefits	\$ 54,192	\$ 59,149
Disability Retirement Benefits	3,119	3,429
Death Benefits	<u>108</u>	<u>114</u>
Total	\$ 57,419	\$ 62,692
Actuarial Present Value of Benefits for Members:		
Service Retirement Benefits	\$ 87,650	\$ 91,873
Disability Retirement Benefits	1,783	1,794
Death Benefits	1,410	1,190
Other	<u>597</u>	<u>610</u>
Total	\$ 91,440	\$ 95,467
Total Actuarial Liabilities	\$ 148,859	\$ 158,159

	2011	2012
	(In Millions)	
PFRS		
Actuarial Assets		
Actuarial Value of Present Assets:		
Held for Current Pensioners & Beneficiaries	\$ 11,588	\$ 12,891
Held for Members	10,809	9,312
Members' Contributions	<u>26</u>	<u>27</u>
Total	\$ 22,423	\$ 22,230
Actuarial Present Value of Prospective Contributions:		
From Employers	\$ 5,330	\$ 6,360
From Members	<u>0</u>	<u>16</u>
Total	\$ 5,330	\$ 6,376
Total Actuarial Assets	\$ 27,753	\$ 28,606
Actuarial Liabilities		
Actuarial Present Value of Benefits for Current Pensioners & Beneficiaries:		
Service Retirement Benefits	\$ 9,352	\$ 10,323
Disability Retirement Benefits	2,122	2,443
Death Benefits	<u>114</u>	<u>125</u>
Total	\$ 11,588	\$ 12,891
Actuarial Present Value of Benefits for Members:		
Service Retirement Benefits	\$ 14,270	\$ 13,809
Disability Retirement Benefits	1,446	1,520
Death Benefits	336	279
Other	<u>113</u>	<u>107</u>
Total	\$ 16,165	\$ 15,715
Total Actuarial Liabilities	\$ 27,753	\$ 28,606

New York Public Employees' Group Life Insurance Plan

Actuarial Assets	2011	2012
	(In Millions)	
Assets		
Investments	\$ 128	\$ 131
Premiums Receivable	1	-
Total Assets	\$ 129	\$ 131
Liabilities		
Managed Overdraft (cash)	4	4
Claims Being Processed	30	31
Claims Unreported	14	16
Reserve for Mortality Fluctuations	81	80
Total Liabilities	\$ 129	\$ 131

Local Government Employers' Final Contribution Rates For Select Plans

For the fiscal year ending March 31, 2012, assuming a February 1, 2012 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	Tier 5
ERS					
Age-based plans					
Basic, Age 55, Age 60 Contributory	71-a	10.5	9.8	n/a	n/a
Article 14	A14	n/a	n/a	15.6	n/a
Article 15	A15	n/a	n/a	15.6	12.6
Non-Contributory	75-c	19.4	17.5	n/a	n/a
Non-Contributory w/ Guaranteed Benefits	75-e	19.4	17.5	n/a	n/a
Career	75-g	20.4	18.6	n/a	n/a
New Career	75-h/75-i	21.3	19.5	n/a	n/a
25-year plans					
Sheriffs and Deputies	89-a	22.9	21.5	n/a	n/a
Article 14B Sheriffs — 25-year	551	21.3	20.9	18.7	16.7
Article 14B Sheriffs — 25-year + 1/60th	551-e	22.9	22.7	20.4	17.9
full service for 1/60th	551-ee	23.8	23.6	21.2	18.6
County Law Enforcement	89-e, etc.	22.9	22.7	16.5	14.4
20-year plans					
Sheriffs and Deputies	89-b	26.6	22.0	n/a	n/a
additional 1/60th	89-b(m)	26.8	23.2	n/a	n/a
Article 14B Sheriffs — 20-year	552	26.7	26.5	24.1	21.6
Article 14B Sheriffs — 20-year + 1/60th	553	26.8	26.6	24.3	22.0
full service for 1/60th	553b	27.8	27.6	25.3	22.9
Detective Investigators	89-d	25.9	25.8	n/a	n/a
additional 1/60th	89-d(m)	26.1	25.9	n/a	n/a

	Plan ID	Percentage of Payroll			
		Tier 1	Tier 2	Tier 3	Tier 5*
PFRS					
Age-based plans					
Basic, Age 55, Age 60 Contributory	371-a	10.4	9.0	9.0	5.5
Non-Contributory	375-c	16.1	13.0	13.0	9.3
Non-Contributory w/ Guaranteed Benefits	375-e	16.1	13.0	13.0	9.3
Career	375-g	17.6	14.2	14.2	10.4
New Career	375-i	18.1	14.6	14.6	10.8
Improved Career	375-j	18.1	14.6	14.6	10.8
25-year plans					
Non-Contributory	384	17.7	17.6	17.6	16.9
additional 1/60th	384(f)	19.2	19.0	19.0	18.3
20-year plans					
Contributory					
employer assumes 1/2 of additional member cost	384-d	12.7	12.3	n/a	n/a
employer assumes all of additional member cost	384-d	18.1	17.6	n/a	n/a
Non-Contributory	384-d	21.5	20.9	20.4	20.0
additional 1/60th	384-e	21.8	21.2	20.4	20.3
* Age-based plans in Tier 5 are contributory; the rates shown for the 20- and 25-year plans are shown for non-contributory plans.					

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ERS										
Non-Contributory (75-c)										
Tier 1	1.2	4.9	15.8	13.7	12.0	10.9	9.7	8.4	13.8	19.4
Tier 2	1.1	4.9	13.2	11.7	10.9	9.9	8.8	7.6	12.5	17.5
Guaranteed Benefit (75-e)										
Tier 1	1.2	4.9	15.8	13.7	12.0	10.9	9.7	8.4	13.8	19.4
Tier 2	1.1	4.9	13.2	11.7	10.9	9.9	8.8	7.6	12.5	17.5
Career (75-g)										
Tier 1	1.3	4.9	16.6	14.4	12.7	11.5	10.3	8.9	14.6	20.4
Tier 2	1.2	4.9	14.1	12.5	11.6	10.5	9.4	8.1	13.3	18.6
New Career (75-i)										
Tier 1	1.3	4.9	17.2	15.0	13.2	12.0	10.7	9.2	15.2	21.3
Tier 2	1.2	4.9	14.7	13.0	12.1	11.0	9.8	8.5	13.9	19.5
Article 14/15 — Tier 3	1.2	4.9	11.4	10.2	9.7	8.8	7.9	6.9	11.2	15.6
Article 15 — Tier 4	1.2	4.9	11.4	10.2	9.7	8.8	7.9	6.9	11.2	15.6
Article 15 — Tier 5										12.6

Plan Name (Section)	Percentage of Payroll									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
PFRS										
Non-Contributory (375-c)										
Tier 1	0.1	4.6	12.7	11.6	12.2	11.9	11.2	10.8	13.2	16.1
Tiers 2 & 3	0.1	4.6	10.5	9.3	10.1	9.7	9.5	9.2	11.1	13.0
Tier 5*										9.3
Guaranteed Benefit (375-e)										
Tier 1	0.1	4.6	12.7	11.6	12.2	11.9	11.2	10.8	13.2	16.1
Tiers 2 & 3	0.1	4.6	10.5	9.3	10.1	9.7	9.5	9.2	11.1	13.0
Tier 5*										9.3
Career (375-g)										
Tier 1	0.1	4.6	13.8	12.6	13.4	13.0	12.3	11.8	14.4	17.6
Tiers 2 & 3	0.1	4.6	11.4	10.2	11.1	10.7	10.4	10.0	12.1	14.2
Tier 5*										10.4
New Career (375-i)										
Tier 1	0.1	4.6	14.3	13.0	13.8	13.5	12.7	12.2	14.9	18.1
Tiers 2 & 3	0.1	4.6	11.7	10.4	11.3	10.9	10.7	10.3	12.5	14.6
Tier 5*										10.8
25-Year (384)										
Tier 1	0.1	4.6	14.1	12.8	13.5	13.3	12.5	11.9	14.7	17.7
Tiers 2 & 3	0.1	4.6	13.3	12.1	13.4	13.2	12.5	11.9	14.7	17.6
Tier 5*										16.9
25-Year + 1/60ths (384(f))										
Tier 1	0.1	4.6	14.4	13.1	14.0	13.8	12.9	12.4	15.2	19.2
Tiers 2 & 3	0.1	4.6	14.1	12.8	13.6	13.3	12.7	12.2	15.0	19.0
Tier 5*										18.3
20-Year (384-d)										
Tier 1	0.1	4.6	16.0	14.8	15.7	15.5	14.9	14.2	17.4	21.5
Tier 2	0.1	4.6	15.2	14.2	15.0	14.7	14.5	13.8	16.8	20.9
Tier 3										20.4
Tier 5*										20.0
20-Year + 1/60ths (384-e)										
Tier 1										
1990 elections	5.5	10.0	22.1	20.8	21.5	21.3	20.5	19.9	23.1	21.8
1991 elections	8.3	12.8	24.9	23.7	24.4	24.2	20.5	19.9	23.1	21.8
1992 elections	9.4	13.9	26.0	24.8	25.5	25.3	20.5	19.9	23.1	21.8
1993 elections	12.0	16.5	28.6	27.4	28.1	27.9	20.5	19.9	23.1	21.8
1994 elections	9.0	13.5	25.6	24.4	25.1	24.9	20.5	19.9	23.1	21.8
1995 elections	12.8	17.3	29.4	28.2	28.9	28.7	20.5	19.9	23.1	21.8
1996 elections	14.2	18.7	30.8	29.6	30.3	30.1	20.5	19.9	23.1	21.8
1997 elections	12.2	16.7	28.8	27.6	28.3	28.1	20.5	19.9	23.1	21.8
1998 elections	13.7	18.2	30.3	29.1	29.8	29.6	20.5	19.9	23.1	21.8
all other years	0.1	4.6	16.7	15.4	16.1	15.9	15.1	14.5	17.7	21.8
Tier 2										
1990-1993 elections	1.4	5.9	17.5	16.3	17.1	16.6	15.9	15.3	18.4	21.2
1994 elections	2.9	7.4	18.7	17.3	17.9	17.4	15.9	15.3	18.4	21.2
1995 elections	2.9	7.4	19.0	17.7	18.5	17.8	15.9	15.3	18.4	21.2
1996 elections	2.0	6.5	18.2	16.8	17.5	16.9	15.9	15.3	18.4	21.2
1997 elections	2.0	6.5	18.0	16.6	17.4	16.8	15.9	15.3	18.4	21.2
1998 elections	2.3	6.8	18.1	16.8	17.5	16.8	15.9	15.3	18.4	21.2
all other years	0.1	4.6	16.3	15.1	16.0	15.7	15.0	14.4	17.5	21.2
Tier 3										20.4
Tier 5*										20.3

* Age-based plans in Tier 5 are contributory; the rates shown for the 20- and 25-year plans are shown for non-contributory plans.

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 average rates below are for normal, administrative, and Group Life Insurance contributions.

Comparison of Employer Contributions*

For fiscal years ending 2011 and 2012 (In Millions)

	2012 Contribution			2011 Contribution		
	Salary	Contribution	Avg. Rate	Salary	Contribution	Avg. Rate
ERS						
Tier 1	\$ 387	\$ 83	21.5%	\$ 470	\$ 72	15.4%
Tier 2	454	90	19.8	552	78	14.2
Tier 3 & 4	22,259	3,585	16.1	22,816	2,673	11.7
Tier 5	1,191	154	12.9	551	52	9.4
Total	\$ 24,291	\$ 3,912	16.1%	\$ 24,389	\$ 2,875	11.8%
PFRS						
Tier 1	\$ 24	\$ 6	25.4%	\$ 32	\$ 8	24.7%
Tier 2	3,090	665	21.5	3,072	558	18.2
Tier 3	12	2	19.6	11	2	15.8
Tier 5	65	12	17.9	31	5	15.0
Total	\$ 3,191	\$ 685	21.5%	\$ 3,146	\$ 572	18.2%

Deficiency contributions for FY 2012 (as of 2/1/12) totaled \$2,437,084.

Incentive contributions for FY 2012 (as of 2/1/12) totaled \$287,424,076.

*Numbers may not add up due to rounding.

Final Employer Contributions by Employer Type*

Attributable to fiscal year 2012 costs only (In Millions)

Employer	Normal	Administrative	GLIP	Total
ERS				
State	\$ 1,535	\$ 29	\$ 35	\$ 1,600
Counties	700	13	15	728
Cities	100	2	3	105
Towns	226	4	6	236
Villages	69	1	2	72
Miscellaneous	610	12	16	639
Schools	509	10	13	533
Total	\$ 3,748	\$ 73	\$ 90	\$ 3,912
PFRS				
State	\$ 127	\$ 2	\$ 0	\$ 129
Counties	154	3	0	157
Cities	196	4	0	200
Towns	73	1	0	75
Villages	59	1	0	60
Miscellaneous	64	1	0	65
Total	\$ 673	\$ 13	\$ 0	\$ 685

Employer Contributions by Tier*

(In Millions)

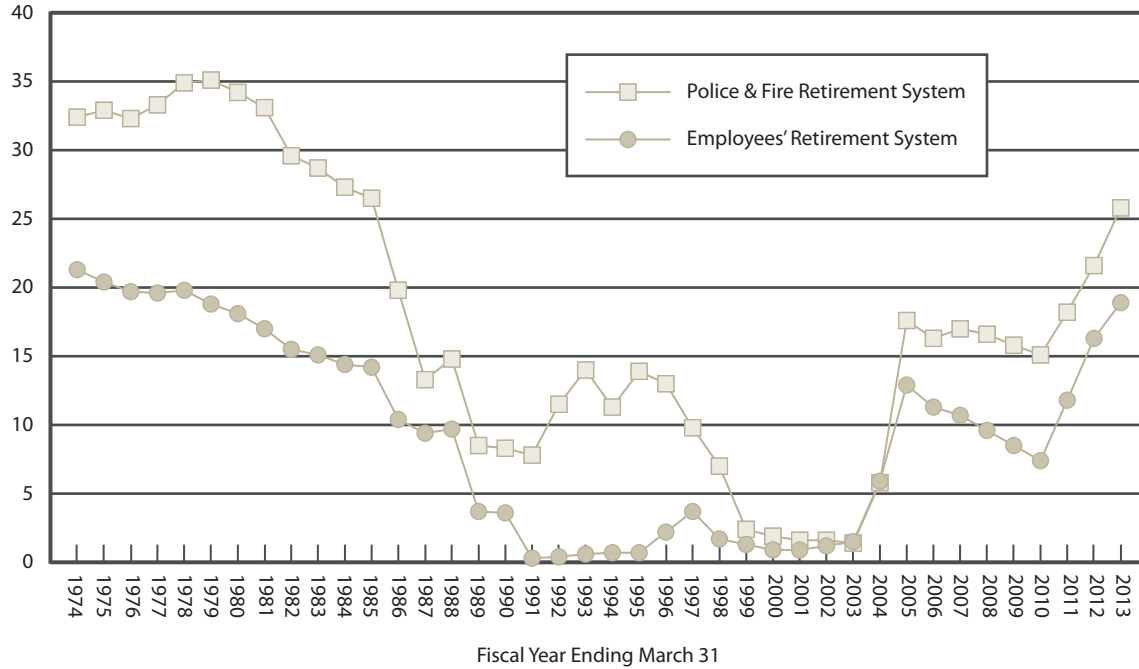
	2012 (as of 2/1/12)		2011 (as of 2/1/11)	
	Employer Contributions Attributable to Year	Percent	Employer Contributions Attributable to Year	Percent
ERS				
Tier 1	\$ 83	2.1%	\$ 72	2.5%
Tier 2	90	2.3	78	2.7
Tier 3 & 4	3,585	91.6	2,673	92.9
Tier 5	154	3.9	52	1.8
Total	\$ 3,912	100.0%	\$ 2,875	100.0%
PFRS				
Tier 1	\$ 6	0.9%	\$ 8	1.4%
Tier 2	665	97.1	558	97.5
Tier 3	2	0.3	2	0.3
Tier 5	12	1.7	5	0.8
Total	\$ 685	100.0%	\$ 572	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							
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
2012	3,948	15	570	202	n/a	(81)	4,654
PFRS							
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
2012	693	18	93	(8)	n/a	53	849
(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
4/1/11	8,214	67,412	64,461	140,087	126,395	100.0	100.0	78.8
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
4/1/11	29	13,383	10,757	24,169	22,205	100.0	100.0	81.7

Schedule of Active Member Data

FYE March 31	Active Members	Annual Member Payroll (In Millions)	% Increase in Annual Member Payroll	Average Salary
ERS				
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
2011	513,092	24,389	(2.3)	47,534
PFRS				
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
2011	31,659	3,146	1.0	99,357

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								
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
2011	22,733	13,899	683,435,574	186,508,676	353,940	7,302,355,926	7.30	20,632
PFRS								
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
2011	1,184	790	80,517,204	24,073,826	31,091	1,349,973,282	4.36	43,420
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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Statistical

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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
2012	\$ 273,247	\$ 4,585,178		\$ 157,625	\$ 7,868,313	\$ 12,884,363
ERS	268,545	3,878,717	16.3%	134,821	6,681,603	10,963,686
PFRS	4,702	706,461	21.6%	22,804	1,186,710	1,920,677
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)

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

Schedule of Investment Income

(In Thousands)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net Change in Fair Value of Investments	\$ 4,958,927	\$ 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)
Interest	1,379,423	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
Dividends	1,405,870	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
Real Estate and Mortgages	239,038	97,844	155,974	194,517	8,872	176,456	279,002	392,734	544,184	317,197
Alternative	170,225	234,940	109,603	49,646	150,360	170,689	137,393	188,346	154,397	64,910
Security Lending income	33,323	31,328	62,224	545,934	1,335,474	1,248,865	811,972	318,612	122,074	170,903
International	153,157	46,127	5,748	23,223	379,185	276,755	270,128	119,595	32	17
Other Included Prior Year Adjustment	(44,790)	(57,241)	81,669	(44,810)	47,318	8,551	(158,570)	(89,315)	(11,327)	(290,477)
Security Lending Expenses	(3,332)	(2,744)	(2,080)	(367,584)	(1,217,664)	(1,209,216)	(772,192)	(293,477)	(103,326)	(148,957)
Investment expenses	(423,528)	(446,863)	(364,478)	(362,748)	(289,220)	(174,383)	(184,848)	(185,078)	(144,861)	(128,056)
Net investment Income	\$ 7,868,313	\$ 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)

Schedule of Deductions from Plan Net Assets

(In Thousands)

Year Ending	Retirement Allowances	Post-Retirement Supplement	Death Benefits	Separation from Service	Administrative Expenses	Other Expenses	Total
2012	\$ 8,109,356	\$ 568,466	\$ 184,960	\$ 29,789	\$ 100,649	\$ 45,260	\$ 9,038,480
ERS	6,845,843	470,310	172,340	28,866	87,232	44,949	7,649,540
PFRS	1,263,513	98,156	12,620	923	13,417	311	1,388,940
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

Schedule of Total Changes in Plan Net Assets

(In Thousands)

Year Ending	Member Contributions	Employer Contributions	Other Income	Investment Income	Total	Retirement Allowances
2012	\$ 273,247	\$ 4,585,178	\$ 157,625	\$ 7,868,313	\$ 12,884,363	\$ 8,109,356
ERS	268,545	3,878,717	134,821	6,681,603	10,963,686	6,845,843
PFRS	4,702	706,461	22,804	1,186,710	1,920,677	1,263,513
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

Post-Retirement Supplement	Death Benefits	Separation from Service	Administrative Expenses	Other Expenses	Total	Net Increase / Decrease
\$ 568,466	\$ 184,960	\$ 29,789	\$ 100,649	\$ 45,260	\$ 9,038,480	\$ 3,845,883
470,310	172,340	28,866	87,232	44,949	7,649,540	3,314,146
98,156	12,620	923	13,417	311	1,388,940	531,737
\$ 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)

Service Retirees — PFRS

As of March 31, 2012 — 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	1	20,139	1,860	4	29,782	3,975	10	20,850	4,092
10 – 14	0	0	0	0	0	0	8	42,270	9,000	27	24,807	5,186	23	8,384	2,047
15 – 19	0	0	0	0	0	0	3	44,332	12,733	15	38,917	12,271	18	18,744	7,647
20 – 24	0	0	0	153	110,803	58,462	358	87,643	46,661	410	50,346	30,376	801	27,711	22,319
25 – 29	0	0	0	23	121,530	71,750	223	107,586	65,436	253	70,207	43,910	354	41,277	31,295
30 – 34	0	0	0	1	127,006	83,887	123	118,285	79,639	346	88,167	60,593	274	52,196	40,305
35 & Over	0	0	0	0	0	0	8	95,385	62,004	171	94,530	70,398	141	63,419	50,991
Total	0	0	0	177	112,289	60,332	724	98,303	57,597	1,226	70,512	46,417	1,621	37,502	29,250
Counties															
Under 10	0	0	0	0	0	0	1	70,158	8,887	4	41,542	18,350	0	0	0
10 – 14	0	0	0	0	0	0	2	81,914	15,774	27	31,772	6,824	7	20,299	4,654
15 – 19	0	0	0	0	0	0	1	41,401	15,162	12	45,634	13,141	9	30,267	11,163
20 – 24	0	0	0	106	140,843	73,178	224	122,935	64,613	791	72,573	41,821	875	40,197	29,376
25 – 29	0	0	0	10	147,659	86,115	128	146,797	89,493	320	111,641	70,357	324	65,259	44,127
30 – 34	0	0	0	0	0	0	81	164,593	113,221	718	132,809	93,305	339	82,409	61,003
35 & Over	0	0	0	0	0	0	8	176,335	130,551	538	155,644	117,103	272	106,079	83,288
Total	0	0	0	116	141,431	74,293	445	137,855	81,347	2,410	113,608	77,180	1,826	62,169	45,711
Cities															
Under 10	0	0	0	0	0	0	1	34,303	4,974	5	71,156	9,803	6	17,694	8,680
10 – 14	0	0	0	0	0	0	30	33,235	6,567	86	22,993	4,910	27	13,569	3,324
15 – 19	0	0	0	0	0	0	14	39,563	11,228	33	28,910	9,003	27	20,118	7,275
20 – 24	0	0	0	457	88,458	44,954	1,172	75,241	38,933	1,404	49,364	28,347	1,305	28,915	21,590
25 – 29	0	0	0	17	102,050	56,465	459	97,384	56,905	673	69,503	41,741	728	37,431	26,393
30 – 34	0	0	0	0	0	0	185	108,873	70,978	759	81,514	54,912	879	49,798	37,663
35 & Over	0	0	0	0	0	0	33	100,172	70,480	488	94,130	69,685	653	59,129	47,785
Total	0	0	0	474	88,946	45,367	1,894	83,376	46,233	3,448	65,886	41,863	3,625	40,933	30,907
Towns															
Under 10	0	0	0	0	0	0	5	37,046	4,331	20	22,145	3,218	30	14,170	2,045
10 – 14	0	0	0	0	0	0	10	28,340	5,429	46	27,812	5,632	27	20,577	5,422
15 – 19	0	0	0	0	0	0	2	43,234	9,526	18	37,708	11,959	18	19,192	7,347
20 – 24	0	0	0	190	96,215	48,505	413	83,091	42,468	329	58,091	32,734	248	34,016	24,475
25 – 29	0	0	0	6	113,413	57,762	131	99,168	55,138	138	75,915	43,635	90	45,178	30,444
30 – 34	0	0	0	0	0	0	50	111,955	71,572	189	95,082	64,686	123	62,801	45,729
35 & Over	0	0	0	0	0	0	8	128,332	91,547	118	108,508	80,300	81	74,175	58,889
Total	0	0	0	196	96,741	48,789	619	88,024	47,121	858	73,151	45,491	617	44,669	31,677
Villages															
Under 10	0	0	0	0	0	0	12	28,335	2,929	22	18,243	1,978	40	9,675	1,332
10 – 14	0	0	0	0	0	0	17	27,989	5,421	60	24,286	5,130	41	15,800	4,204
15 – 19	0	0	0	0	0	0	7	40,399	11,352	26	28,463	8,870	25	20,147	8,287
20 – 24	0	0	0	165	89,746	45,162	346	77,382	39,193	375	56,473	31,353	326	31,760	23,709
25 – 29	0	0	0	7	61,717	33,378	98	96,623	51,328	113	74,630	41,362	154	37,563	25,967
30 – 34	0	0	0	0	0	0	35	112,182	68,650	124	102,043	66,576	134	52,012	37,994
35 & Over	0	0	0	0	0	0	6	128,372	89,826	112	112,257	82,697	75	78,816	62,174
Total	0	0	0	172	88,605	44,683	521	80,688	41,726	832	69,033	41,503	795	38,437	27,566
Miscellaneous															
Under 10	0	0	0	0	0	0	2	58,834	5,996	2	58,211	6,477	1	101,364	8,700
10 – 14	0	0	0	0	0	0	1	70,674	15,890	8	34,760	6,918	11	17,838	4,674
15 – 19	0	0	0	0	0	0	1	58,461	14,362	9	51,152	16,205	1	59,403	32,172
20 – 24	0	0	0	13	113,407	58,296	161	124,629	65,596	305	95,358	52,348	291	29,294	26,002
25 – 29	0	0	0	2	94,710	50,194	92	143,058	87,297	141	127,806	78,829	85	55,934	37,457
30 – 34	0	0	0	0	0	0	34	169,252	114,853	133	159,988	109,747	78	90,197	64,388
35 & Over	0	0	0	0	0	0	2	172,027	127,541	51	149,160	110,389	79	95,317	74,094
Total	0	0	0	15	110,914	57,216	293	135,058	77,797	649	118,406	73,222	546	51,651	39,778

Disability Retirees — PFRS

As of March 31, 2012 — 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	9	74,176	41,591	36	50,559	30,772	36	33,407	21,225	29	21,323	17,256	11	9,536	20,363	
10 – 14	1	105,151	52,576	27	67,621	38,143	27	44,472	26,820	42	28,431	21,635	39	15,440	20,658	
15 – 19	0	0	0	25	82,249	49,241	41	60,162	34,848	56	37,121	26,332	86	20,206	21,457	
20 – 24	0	0	0	15	104,264	69,275	30	85,442	55,716	57	48,042	32,867	63	32,426	29,587	
25 – 29	0	0	0	1	153,338	115,004	17	104,370	71,335	33	66,988	43,807	27	42,844	34,152	
30 – 34	0	0	0	0	0	0	5	108,306	74,772	13	96,295	69,554	13	50,292	41,708	
35 & Over	0	0	0	0	0	0	1	115,417	71,184	8	92,441	70,567	7	60,878	50,223	
Total	10	77,274	42,689	104	71,341	43,488	157	62,832	39,785	238	45,511	32,233	246	27,335	26,646	
Counties																
Under 10	2	95,579	72,322	28	75,510	45,988	17	51,831	35,749	34	26,680	31,314	9	17,692	28,625	
10 – 14	5	110,046	66,102	72	100,397	69,533	34	73,179	48,588	133	37,075	33,109	28	24,656	29,883	
15 – 19	1	108,740	81,555	74	116,063	81,802	46	93,876	63,925	235	52,399	43,557	63	36,611	36,495	
20 – 24	0	0	0	45	132,337	88,785	76	118,839	81,684	223	68,881	54,698	113	52,481	44,661	
25 – 29	0	0	0	5	147,629	110,721	26	128,601	91,888	49	96,292	72,604	63	61,330	49,399	
30 – 34	0	0	0	0	0	0	3	166,378	125,000	37	123,415	89,249	17	71,747	59,349	
35 & Over	0	0	0	0	0	0	0	0	0	18	137,222	103,948	10	87,809	71,013	
Total	8	106,266	69,589	224	109,932	75,430	202	101,792	70,160	729	62,094	50,250	303	49,663	43,800	
Cities																
Under 10	8	66,871	39,725	51	54,270	34,358	49	40,504	27,031	32	23,374	21,329	8	9,341	20,931	
10 – 14	8	77,394	46,816	109	64,550	39,877	107	47,028	29,745	105	27,175	22,400	39	16,637	20,463	
15 – 19	1	67,395	50,546	102	69,267	43,442	122	58,484	37,806	154	35,750	27,834	78	23,310	22,113	
20 – 24	0	0	0	40	90,565	58,021	146	68,862	44,021	230	46,397	34,278	118	32,739	29,435	
25 – 29	0	0	0	3	123,565	61,995	63	85,621	57,837	89	60,182	41,395	135	38,682	31,636	
30 – 34	0	0	0	0	0	0	16	95,123	66,337	59	66,688	45,425	92	43,220	35,021	
35 & Over	0	0	0	0	0	0	1	85,994	42,997	15	78,545	55,208	29	53,569	41,509	
Total	17	71,854	43,698	305	68,401	42,744	504	61,920	40,267	684	44,221	32,744	499	34,382	29,780	
Towns																
Under 10	4	85,918	64,471	22	48,370	29,678	20	40,854	25,435	7	26,751	21,500	4	13,562	17,534	
10 – 14	5	87,426	49,143	28	72,431	48,467	41	55,045	32,277	47	31,335	23,884	14	21,216	22,285	
15 – 19	1	79,610	39,805	36	84,407	55,874	27	69,382	44,452	48	38,552	31,489	25	28,682	27,031	
20 – 24	0	0	0	26	102,367	70,069	60	81,729	54,953	56	56,874	41,121	32	40,022	33,627	
25 – 29	0	0	0	2	106,745	53,373	22	97,746	65,930	22	69,259	49,809	7	56,682	48,474	
30 – 34	0	0	0	0	0	0	4	142,141	89,827	14	96,592	67,164	5	72,653	57,992	
35 & Over	0	0	0	0	0	0	0	0	0	1	108,517	81,856	3	134,508	102,216	
Total	10	86,041	54,341	114	78,999	52,193	174	72,241	46,777	195	49,641	36,950	90	39,029	34,110	
Villages																
Under 10	4	47,674	29,582	20	59,323	35,253	26	38,847	24,964	22	20,484	21,479	2	9,732	17,022	
10 – 14	3	56,004	30,411	37	78,886	52,873	34	55,408	33,226	38	34,619	26,646	15	18,464	21,797	
15 – 19	0	0	0	43	87,214	56,521	43	67,234	42,342	60	45,044	34,919	22	25,125	24,638	
20 – 24	0	0	0	15	97,948	67,068	47	80,087	50,273	46	60,246	43,744	27	35,893	33,030	
25 – 29	0	0	0	0	0	0	12	91,277	59,244	22	82,355	53,142	14	42,494	34,855	
30 – 34	0	0	0	0	0	0	3	130,828	65,414	5	82,547	64,075	7	48,667	39,163	
35 & Over	0	0	0	0	0	0	0	0	0	5	97,077	57,721	3	55,907	46,598	
Total	7	51,244	29,937	115	81,084	53,024	165	66,890	41,633	198	50,253	37,225	90	32,462	29,964	
Miscellaneous																
Under 10	6	81,458	57,343	11	73,580	45,054	17	51,008	32,026	11	35,695	28,851	0	0	0	
10 – 14	4	109,843	75,815	31	111,078	75,789	22	76,049	48,073	25	55,091	35,128	1	17,069	12,800	
15 – 19	0	0	0	14	117,575	77,454	21	96,348	66,246	49	60,878	45,288	14	27,441	26,677	
20 – 24	0	0	0	5	124,206	93,684	60	119,038	81,625	50	91,118	66,816	9	40,622	34,050	
25 – 29	0	0	0	0	0	0	27	138,070	99,800	15	115,215	82,055	6	56,611	40,005	
30 – 34	0	0	0	0	0	0	1	107,493	80,620	7	126,629	93,748	3	101,660	80,688	
35 & Over	0	0	0	0	0	0	0	0	0	1	153,924	115,695	3	87,876	71,993	
Total	10	92,812	64,732	61	106,883	72,096	148	105,008	72,067	158	76,439	55,432	36	46,531	38,633	

New Option Selections

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

Options	2008		2009		2010		2011		2012	
	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount
ERS Females										
Single Life Allowance**	5,964	118,346,336	6,020	117,373,738	6,470	135,699,269	6,357	157,233,622	9,847	244,526,001
Cash Refund	190	5,129,706	139	2,952,850	137	3,440,980	68	1,726,027	69	1,813,098
Joint Allowance — Full	488	6,365,435	587	7,839,649	605	8,179,336	606	9,213,038	861	14,148,043
Joint Allowance — Half	109	2,636,357	107	2,316,682	130	2,857,915	125	3,341,251	189	5,485,019
Five Year Certain	158	3,525,255	170	3,540,592	174	4,035,895	143	3,654,514	211	5,788,347
Ten Year Certain	310	5,606,643	328	5,782,115	344	6,447,082	311	5,943,014	419	9,708,694
Pop-Up — Full	959	17,243,940	1,068	20,258,310	1,220	23,267,795	1,154	25,707,695	1,600	36,193,577
Pop-Up — Half	647	17,161,986	675	17,455,164	768	21,443,099	830	25,014,603	1,131	36,260,986
Other (Option 4)	378	9,125,777	351	9,943,735	513	14,718,088	559	18,639,606	804	27,448,210
Total	9,203	185,141,439	9,445	187,462,839	10,361	220,089,463	10,153	250,473,374	15,131	381,371,979
ERS Males										
Single Life Allowance**	2,729	76,452,207	2,913	78,050,419	3,073	87,195,113	3,131	104,062,350	4,739	153,233,477
Cash Refund	89	2,637,239	74	1,980,335	46	1,575,785	27	928,824	33	1,638,041
Joint Allowance — Full	1,747	48,379,335	1,829	47,655,930	1,788	49,472,665	1,730	53,676,380	2,555	80,606,825
Joint Allowance — Half	285	11,052,440	292	10,797,761	269	11,005,428	306	13,377,569	429	19,451,402
Five Year Certain	74	1,998,467	79	2,075,848	86	2,226,857	94	2,714,802	120	3,952,047
Ten Year Certain	210	5,349,517	229	5,917,116	238	6,195,158	246	7,362,695	324	9,913,276
Pop-Up — Full	1,649	45,693,790	1,826	51,456,191	1,943	56,611,837	1,723	55,839,349	2,537	83,585,224
Pop-Up — Half	649	25,701,013	652	24,941,333	697	27,219,634	757	32,626,784	1,069	44,906,134
Other (Option 4)	590	23,803,742	577	21,436,505	704	27,006,569	794	34,497,279	1,262	57,034,571
Total	8,022	241,067,755	8,471	244,311,441	8,844	268,509,049	8,808	305,086,035	13,068	454,321,001
PFRS Females										
Single Life Allowance**	51	2,802,664	55	3,230,599	74	4,376,135	42	2,657,247	57	3,496,158
Cash Refund	0	0	0	0	1	123,250	0	0	0	0
Joint Allowance — Full	3	136,946	1	26,776	9	312,730	3	228,283	3	90,382
Joint Allowance — Half	3	112,741	2	111,458	1	51,482	0	0	2	168,563
Five Year Certain	1	42,848	0	0	1	53,097	1	134,929	2	152,893
Ten Year Certain	6	387,521	4	215,773	9	500,229	8	477,772	6	442,145
Pop-Up — Full	8	410,995	9	420,387	12	637,082	10	553,586	11	595,115
Pop-Up — Half	5	333,212	6	277,268	6	322,506	4	321,162	5	262,928
Other (Option 4)	3	192,078	3	156,122	4	243,421	3	209,089	2	210,532
Total	80	4,419,007	80	4,438,387	117	6,619,935	71	4,582,071	88	5,418,718
PFRS Males										
Single Life Allowance**	295	17,010,732	357	20,828,207	445	26,893,720	311	19,885,227	423	25,769,728
Cash Refund	6	596,715	5	516,624	7	467,321	6	401,003	1	44,596
Joint Allowance — Full	149	8,066,867	138	7,854,616	190	10,876,836	148	8,289,809	161	9,062,001
Joint Allowance — Half	37	2,783,481	42	2,923,322	54	3,831,638	41	2,978,684	52	4,154,005
Five Year Certain	5	285,106	10	698,024	12	794,519	5	261,642	6	372,945
Ten Year Certain	32	2,182,349	40	2,393,248	39	2,333,741	20	1,218,286	26	1,729,546
Pop-Up — Full	189	8,891,580	195	9,659,792	273	13,319,717	174	9,127,129	211	10,693,161
Pop-Up — Half	96	6,313,488	120	8,473,124	139	10,487,412	94	6,026,504	136	10,128,505
Other (Option 4)	88	6,220,685	96	7,365,875	133	10,739,374	105	8,679,910	117	8,982,280
Total	897	52,351,006	1,003	60,712,837	1,292	79,744,284	904	56,868,198	1,133	70,936,772
* In 2012, 150 PFRS pensioners selected partial lump sums which totaled \$15,382,414.										
** Includes Option 0 and ½.										

Option Selection — Total Payments

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

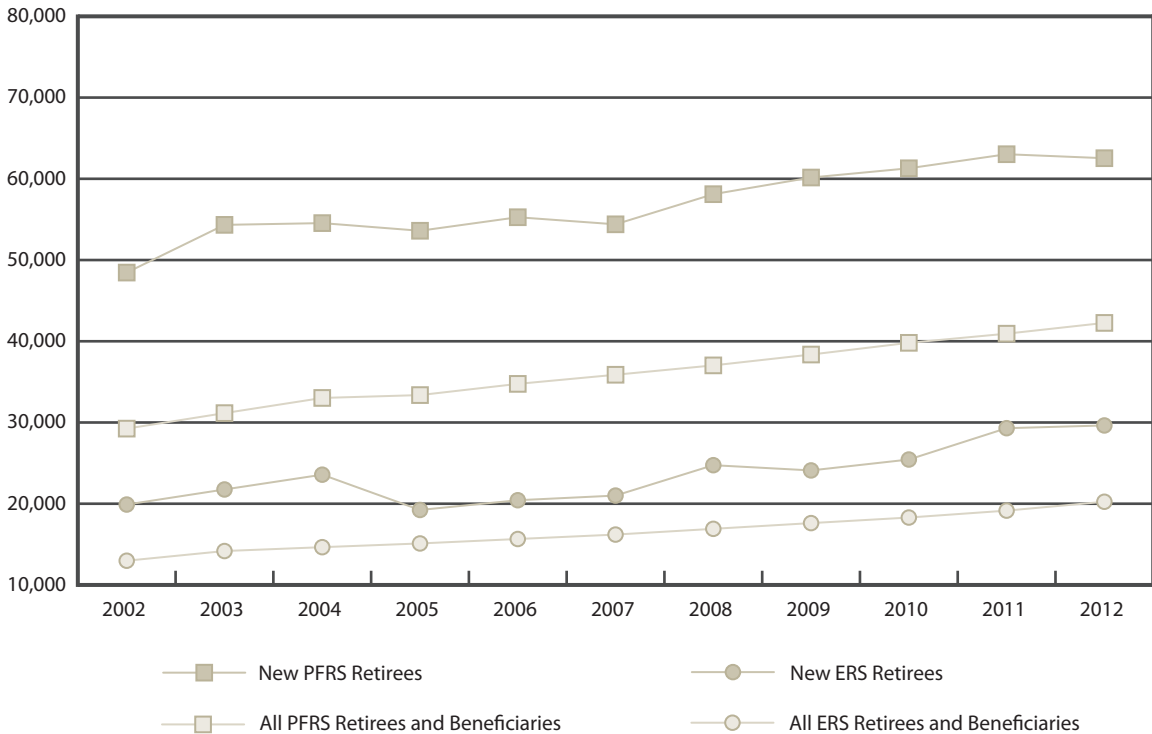
Options	2008		2009		2010		2011		2012	
	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount
ERS Females										
Single Life Allowance**	118,702	1,458,630,906	120,829	1,546,867,498	123,418	1,651,966,005	125,963	1,778,387,368	131,577	1,986,711,063
Cash Refund	11,233	106,845,568	10,611	105,592,285	9,959	104,714,788	9,353	102,351,848	8,758	100,233,102
Joint Allowance — Full	6,485	57,467,899	6,796	63,159,337	7,134	68,984,032	7,473	75,659,051	8,052	87,382,895
Joint Allowance — Half	2,529	33,838,436	2,518	35,141,461	2,541	36,993,044	2,571	39,574,808	2,655	44,160,312
Five Year Certain	4,145	49,302,698	4,147	51,408,691	4,154	54,120,480	4,112	56,118,973	4,142	60,318,191
Ten Year Certain	6,211	63,919,023	6,307	67,904,510	6,396	72,182,741	6,462	76,116,358	6,644	83,605,226
Pop-Up — Full	8,952	115,433,815	9,850	134,321,140	10,900	156,246,377	11,880	180,512,529	13,289	214,674,185
Pop-Up — Half	9,500	160,985,965	9,988	176,454,432	10,546	195,702,899	11,174	218,408,531	12,074	252,090,560
Other (Option 4)	2,178	43,018,662	2,487	52,216,903	2,962	66,540,138	3,468	84,453,806	4,227	111,203,138
Total	169,935	2,089,442,976	173,533	2,233,066,261	178,010	2,407,450,508	182,456	2,611,583,271	191,418	2,940,378,671
ERS Males										
Single Life Allowance**	53,261	1,080,255,793	54,026	1,132,437,884	54,939	1,191,967,692	55,942	1,266,672,453	58,582	1,389,716,674
Cash Refund	7,010	120,976,748	6,601	118,139,799	6,196	114,530,603	5,774	110,133,454	5,389	106,841,326
Joint Allowance — Full	24,445	476,994,614	25,227	510,604,138	25,965	544,500,819	26,627	582,284,424	28,084	645,917,503
Joint Allowance — Half	9,695	248,706,014	9,505	252,076,795	9,316	255,647,747	9,144	260,218,588	9,130	271,792,548
Five Year Certain	2,078	39,004,651	2,045	39,662,201	2,025	40,538,860	1,990	41,634,759	2,000	44,325,066
Ten Year Certain	4,490	78,566,297	4,476	81,680,103	4,485	85,236,946	4,525	89,931,374	4,633	96,940,848
Pop-Up — Full	14,836	316,493,717	16,293	362,900,820	17,843	414,379,167	19,180	464,337,060	21,269	541,371,444
Pop-Up — Half	10,867	308,589,951	11,215	328,172,647	11,578	348,976,024	12,033	375,880,652	12,781	414,558,462
Other (Option 4)	3,981	128,321,850	4,456	148,099,493	5,072	173,735,025	5,775	206,388,513	6,945	261,383,004
Total	130,663	2,797,909,640	133,844	2,973,773,884	137,419	3,169,512,887	140,990	3,397,481,277	148,813	3,772,846,875
PFRS Females										
Single Life Allowance**	417	16,561,339	471	19,834,215	543	24,173,859	583	26,779,606	638	30,248,414
Cash Refund	5	171,250	5	171,250	5	293,594	5	293,595	5	295,261
Joint Allowance — Full	24	872,771	25	899,547	34	1,212,278	37	1,441,268	39	1,495,342
Joint Allowance — Half	9	310,138	11	422,207	12	473,968	12	473,968	13	569,194
Five Year Certain	8	214,260	8	214,260	9	267,357	10	402,287	12	555,181
Ten Year Certain	46	2,026,828	50	2,244,594	59	2,746,242	66	3,187,109	72	3,631,250
Pop-Up — Full	70	3,144,357	79	3,564,812	91	4,206,801	101	4,791,269	112	5,388,537
Pop-Up — Half	45	2,024,834	51	2,302,433	57	2,624,952	61	2,946,302	66	3,228,967
Other (Option 4)	9	603,168	12	759,290	16	1,003,261	19	1,214,436	21	1,426,365
Total	633	25,928,948	712	30,412,611	826	37,002,316	894	41,529,840	978	46,838,511
PFRS Males										
Single Life Allowance**	15,165	457,465,829	15,157	472,399,750	15,221	492,714,408	15,134	505,331,446	15,157	524,509,183
Cash Refund	1,895	57,109,254	1,838	56,260,625	1,780	55,450,594	1,720	54,117,611	1,653	52,698,493
Joint Allowance — Full	2,261	85,342,889	2,351	91,727,133	2,489	100,979,665	2,595	108,224,229	2,710	115,847,369
Joint Allowance — Half	1,346	56,170,372	1,338	57,803,257	1,357	60,695,908	1,338	61,942,344	1,352	65,139,874
Five Year Certain	390	12,378,453	390	12,801,439	384	13,146,036	383	13,227,537	379	13,342,340
Ten Year Certain	1,418	45,200,765	1,428	46,804,803	1,418	47,687,360	1,403	48,264,086	1,397	49,099,834
Pop-Up — Full	1,976	77,545,484	2,150	86,317,312	2,407	99,335,964	2,557	107,908,349	2,748	118,181,382
Pop-Up — Half	2,013	101,783,001	2,109	109,729,379	2,213	119,330,744	2,285	124,898,266	2,397	134,364,179
Other (Option 4)	708	49,392,734	798	56,544,319	923	66,855,781	1,016	74,869,627	1,129	83,685,215
Total	27,172	942,388,784	27,559	990,388,020	28,192	1,056,196,465	28,431	1,098,783,495	28,922	1,156,867,868
* In the four years since this program began, 511 PFRS pensioners have selected partial lump sums which totaled \$48,645,085.										
** 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
2012	20,241	29,636

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
2012	42,259	62,535



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, 2012. 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	40	\$ 782	5
5 – 9	1,682	3,711	11
10 – 14	3,464	7,122	18
15 – 19	2,368	11,866	25
20 – 24	4,003	22,100	41
25 – 29	4,399	32,739	51
30 – 34	5,510	43,548	62
35 – 39	3,197	52,608	72
40 & Over	2,593	66,111	82
Total	27,256	\$ 31,960	48

New Accidental Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5 – 9	1	44,121	75
10 – 14	1	51,591	74
15 – 19	1	52,175	74
20 – 24	2	13,925	37
25 – 29	1	52,160	75
30 – 34	0	0	0
35 – 39	0	0	0
40 & Over	0	0	0
Total	6	\$ 37,983	62

New Ordinary Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	4	\$ 10,816	33
5 – 9	14	15,210	33
10 – 14	211	13,642	30
15 – 19	225	16,042	32
20 – 24	215	20,322	36
25 – 29	137	24,660	44
30 – 34	74	29,220	52
35 – 39	8	49,343	64
40 & Over	0	0	0
Total	888	\$ 19,199	36

New Performance of Duty Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5 – 9	4	39,966	68
10 – 14	6	56,966	75
15 – 19	11	54,536	66
20 – 24	20	65,048	73
25 – 29	8	53,214	71
30 – 34	0	0	0
35 – 39	0	0	0
40 & Over	0	0	0
Total	49	\$ 57,719	71

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, 2012. 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	17	4,266	11
10 – 14	25	7,704	20
15 – 19	10	11,896	28
20 – 24	366	54,439	52
25 – 29	266	71,343	59
30 – 34	209	88,159	67
35 – 39	76	91,139	69
40 & Over	34	111,973	79
Total	1,003	\$ 68,240	57

New Accidental Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5 – 9	9	48,636	70
10 – 14	22	73,333	73
15 – 19	22	81,757	75
20 – 24	30	87,678	75
25 – 29	23	88,447	75
30 – 34	9	84,922	73
35 – 39	1	136,813	75
40 & Over	0	0	0
Total	116	\$ 81,168	74

New Ordinary Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5 – 9	2	42,240	50
10 – 14	8	26,937	35
15 – 19	4	32,582	34
20 – 24	0	0	0
25 – 29	0	0	0
30 – 34	2	59,191	56
35 – 39	0	0	0
40 & Over	0	0	0
Total	16	\$ 34,293	39

New Performance of Duty Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5 – 9	8	43,130	50
10 – 14	19	45,550	50
15 – 19	14	44,792	50
20 – 24	22	42,109	50
25 – 29	14	49,744	50
30 – 34	5	60,955	50
35 – 39	4	43,252	50
40 & Over	0	0	0
Total	86	\$ 45,793	50

New Benefits — Service Retirements by Age and Service

During the fiscal year ending March 31, 2012, 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	2	\$ 599	5	13	\$ 804	5	19	\$ 810	5	6	\$ 713	5
5 - 9	556	3,233	9	552	3,812	11	369	4,327	12	205	3,632	12
10 - 14	1,271	5,225	15	1,089	8,032	19	760	8,550	20	344	8,095	20
15 - 19	795	8,988	20	761	12,624	27	538	14,214	28	274	13,501	28
20 - 24	940	18,167	34	1,545	22,596	43	1,101	24,142	44	417	23,740	44
25 - 29	1,457	33,760	47	1,707	32,238	52	907	32,614	53	328	31,162	54
30 - 34	2,737	44,102	62	1,936	43,485	63	587	43,088	63	250	39,048	63
35 - 39	1,773	50,686	72	1,029	55,473	72	284	54,347	72	111	52,308	72
40 & Over	810	58,230	81	1,171	67,562	82	428	72,483	83	184	76,750	86
Total	10,341	\$ 32,839	49	9,803	\$ 33,744	50	4,993	\$ 28,774	45	2,119	\$ 26,920	44

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	11	3,375	10	6	5,899	13
10 - 14	0	0	0	0	0	0	19	6,878	19	6	10,319	23
15 - 19	0	0	0	0	0	0	6	11,879	27	4	11,921	29
20 - 24	250	54,447	52	82	56,573	53	27	51,787	50	7	39,397	49
25 - 29	41	63,353	57	122	71,373	59	84	78,282	61	19	57,705	61
30 - 34	1	83,887	66	23	88,503	68	115	88,392	66	70	87,724	68
35 - 39	0	0	0	0	0	0	12	71,850	66	64	94,755	70
40 & Over	0	0	0	0	0	0	0	0	0	34	111,973	79
Total	292	\$ 55,798	52	227	\$ 67,762	57	274	\$ 70,220	56	210	\$ 83,473	65

New Benefits — Accidental and Ordinary Death

Accidental Death Benefits

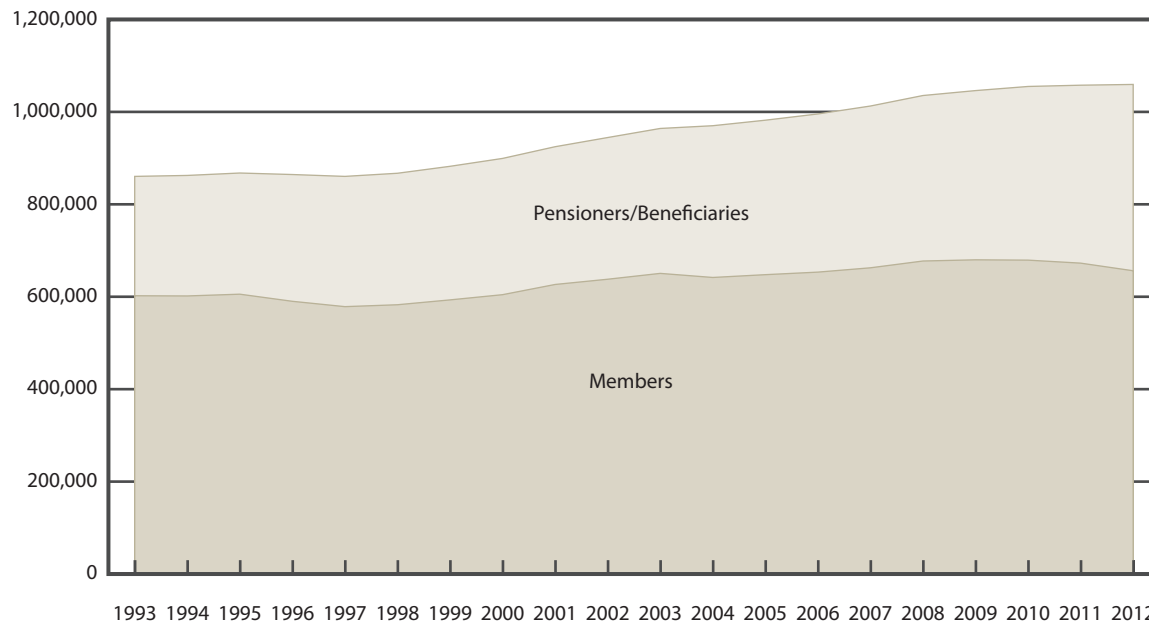
During the fiscal year ending March 31, 2012, the Employees' Retirement System approved two accidental death benefits, which averaged \$41,781. The Police and Fire Retirement System approved three accidental death benefits, which averaged \$66,441.

Ordinary Death Benefits

Years of Service	Number Paid	Average Benefit	Percentage of Salary
ERS			
Under 5	128	\$ 76,138	208.5
5 - 9	125	123,363	278.6
10 - 14	199	95,219	222.9
15 - 19	132	123,036	236.5
20 - 24	120	154,894	274.1
25 - 29	81	180,003	283.0
30 - 34	46	191,837	303.8
35 - 39	12	298,598	344.5
40 & Over	11	562,252	609.6
Total	854	\$ 131,283	254.9
PFRS			
Under 5	1	\$ 121,395	300.0
5 - 9	0	0	0.0
10 - 14	3	277,500	250.4
15 - 19	5	229,200	300.8
20 - 24	4	856,431	728.1
25 - 29	5	893,522	761.8
30 - 34	1	1,563,851	852.6
35 - 39	1	552,603	702.7
40 & Over	0	0	0.0
Total	20	\$ 605,484	541.6

Combined System Participants

Fiscal Year	Members	% Changed	Pensioners/ Beneficiaries	% Changed	Total Participants	% Changed
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
2012	656,224	(2)	403,174	5	1,059,398	0

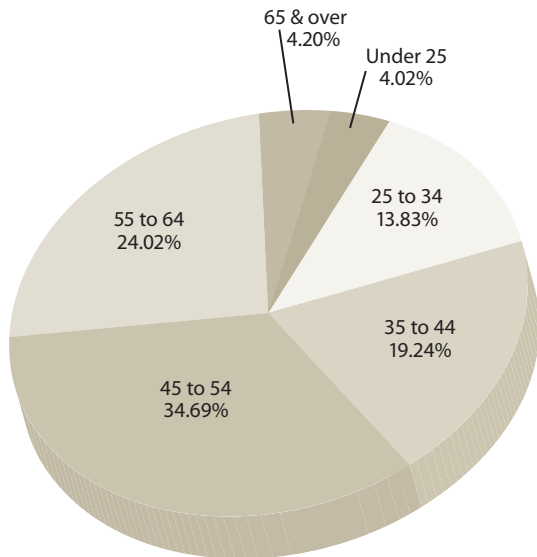


Membership by Age and Years of Service

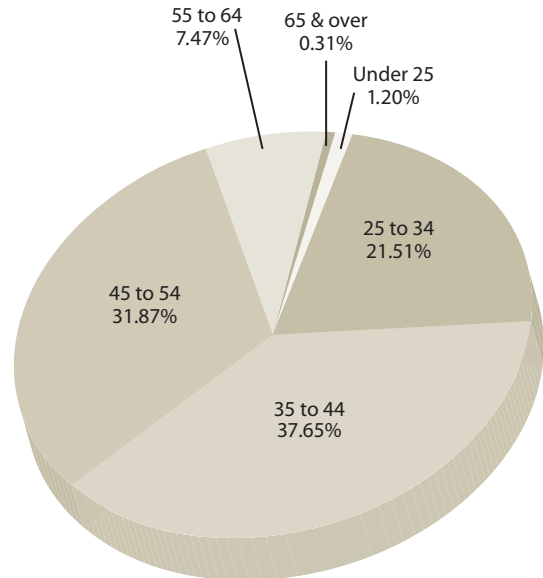
As of March 31, 2012.

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	622,107	100.00	191,313	30.75	127,064	20.42	168,256	27.05	103,556	16.65	31,918	5.13
Under 25	25,035	4.02	24,740	3.98	295	0.05	0	0	0	0	0	0
25 – 34	86,022	13.83	56,948	9.15	24,169	3.89	4,905	0.79	0	0	0	0
35 – 44	119,675	19.24	41,103	6.61	33,330	5.36	39,616	6.37	5,626	0.90	0	0
45 – 54	215,817	34.69	43,223	6.95	41,371	6.65	67,897	10.91	53,113	8.54	10,213	1.64
55 – 64	149,403	24.02	21,247	3.42	23,514	3.78	47,405	7.62	38,663	6.21	18,574	2.99
65 & Over	26,155	4.20	4,052	0.65	4,385	0.70	8,433	1.36	6,154	0.99	3,131	0.50
PFRS												
Total	34,117	100.00	5,841	17.12	6,677	19.57	11,571	33.92	8,168	23.94	1,860	5.45
Under 25	409	1.20	406	1.19	3	0.01	0	0	0	0	0	0
25 – 34	7,338	21.51	3,574	10.48	3,095	9.07	669	1.96	0	0	0	0
35 – 44	12,844	37.65	1,413	4.14	2,840	8.32	7,631	22.37	960	2.81	0	0
45 – 54	10,872	31.87	353	1.03	612	1.79	3,013	8.83	6,435	18.86	459	1.35
55 – 64	2,549	7.47	79	0.23	117	0.34	247	0.72	766	2.25	1,340	3.93
65 & Over	105	0.31	16	0.05	10	0.03	11	0.03	7	0.02	61	0.18

ERS



PFRS



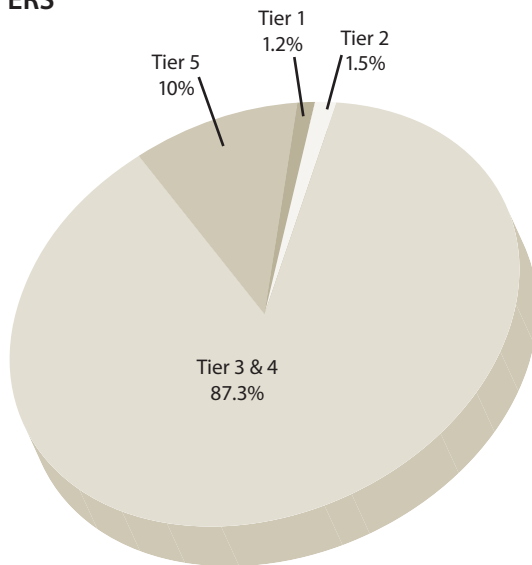
Membership by Tier

As of March 31, 2012.

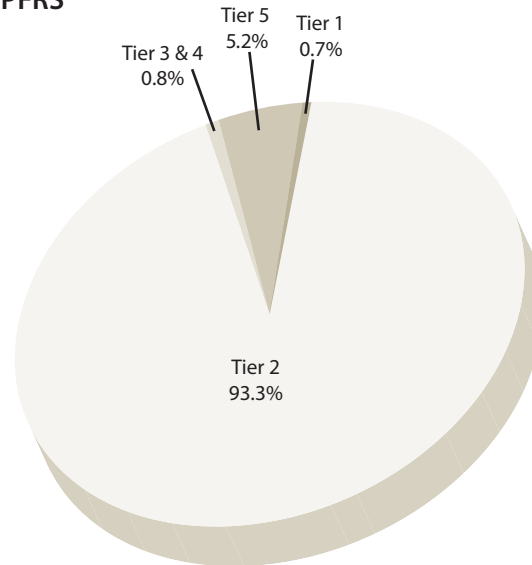
	ERS		PFRS		Total	
	Number	Percent	Number	Percent	Number	Percent
Tier 1	7,551	1.2	230	0.7	7,781	1.2
Tier 2	9,222	1.5	31,830	93.3	41,052	6.3
Tiers 3 & 4 *	542,993	87.3	274	0.8	543,267	82.8
Tier 5	62,341	10.0	1,783	5.2	64,124	9.8
Total **	622,107	100.0	34,117	100.0	656,224	100.0

* 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
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
2012	505,575	116,532	622,107	31,024	3,093	34,117

Number of Employers

As of March 31, 2012.

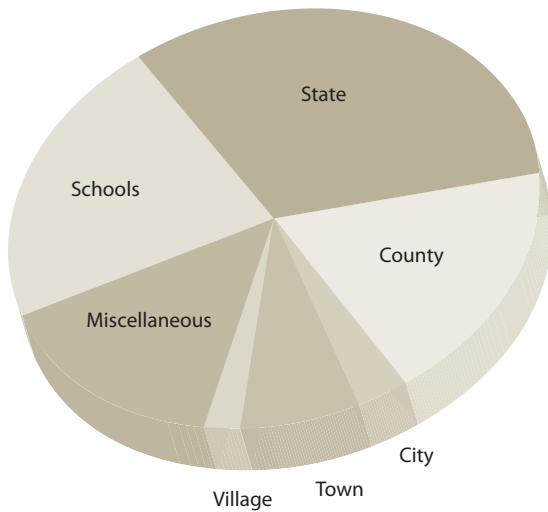
Category	ERS	PFRS
State	1	1
Counties	57	4
Cities	61	61
Towns	912	206
Villages	491	376
Miscellaneous	795	34
Schools	699	0
Total	3,016	682

Membership by Employer Type*

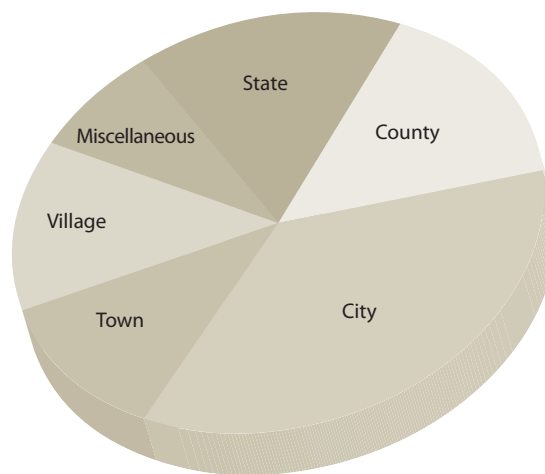
As of March 31, 2012.

	ERS		PFRS		Total	
	Total	Active	Total	Active	Total	Active
State	203,274	169,234	5,548	5,136	208,822	174,370
Counties	111,051	89,019	5,372	5,082	116,423	94,101
Cities	18,420	14,657	11,974	11,026	30,394	25,683
Towns	44,644	36,167	4,178	3,719	48,822	39,886
Villages	14,051	10,926	4,433	3,601	18,484	14,527
Miscellaneous	97,225	76,199	2,612	2,460	99,837	78,659
Schools	133,442	109,373	0	0	133,442	109,373
Total	622,107	505,575	34,117	31,024	656,224	536,599

ERS



PFRS



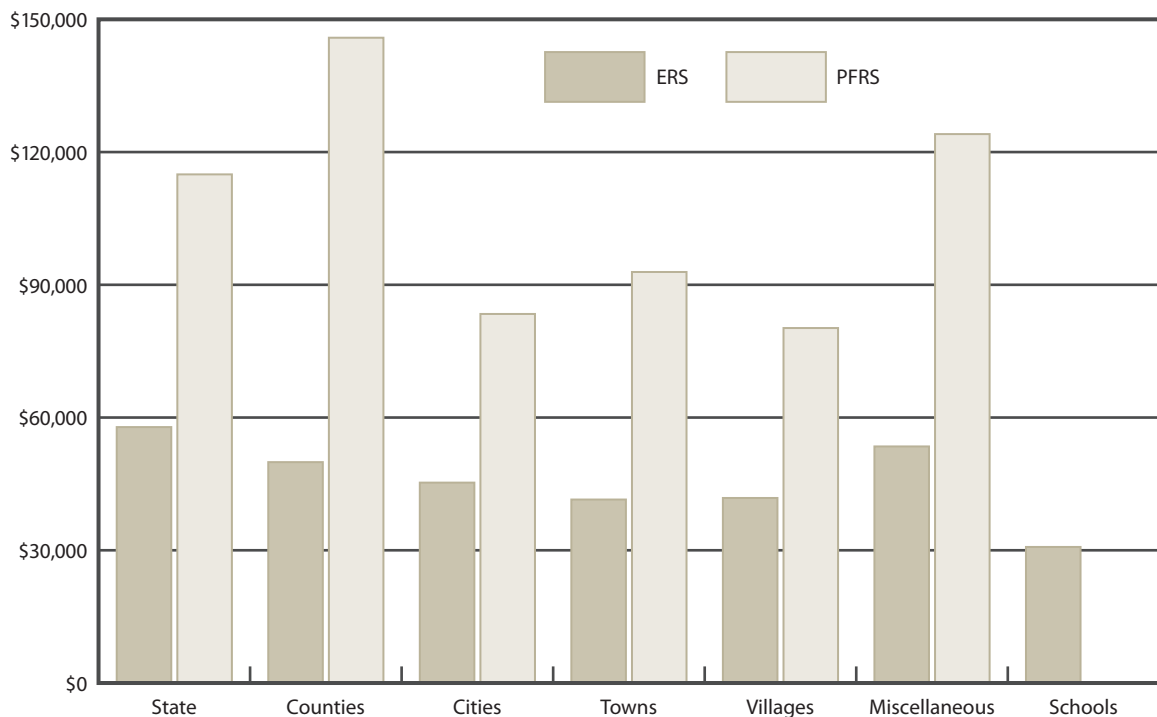
* A detailed listing of employers as of March 31, 2012 is on our website at www.osc.state.ny.us/retire/employers/index.htm.

Average Salary by Employer Type

Fiscal year ending March 31, 2012.

	Average Salary	Total Members*	Salaries
ERS			
State	\$ 57,842	169,234	\$ 9,788,866,163
Counties	49,921	89,019	4,443,929,826
Cities	45,288	14,657	663,784,462
Towns	41,468	36,167	1,499,755,617
Villages	41,820	10,926	456,923,043
Miscellaneous	53,468	76,199	4,074,205,756
Schools	30,750	109,373	3,363,256,565
Total	\$ 48,046	505,575	\$ 24,290,721,432
PFRS			
State	\$ 114,956	5,136	\$ 590,413,437
Counties	145,842	5,082	741,170,642
Cities	83,409	11,026	919,665,739
Towns	92,896	3,719	345,481,227
Villages	80,228	3,601	288,899,228
Miscellaneous	124,062	2,460	305,193,529
Total	\$ 102,850	31,024	\$ 3,190,823,802

* Active members receiving salary.



Members and Salaries by Plan — ERS

As of March 31, 2012.

	Tier 1	Tier 1 Salaries	Tier 2	Tier 2 Salaries
Age 55/60 Contributory	8	\$ 253,662	3	\$ 126,983
Age 55 75-c	33	1,019,928	59	2,383,195
Age 55 75-e	13	420,290	18	646,132
Age 55 75-g	96	4,207,616	104	4,925,008
Age 55 75-h	2,374	172,970,489	2,856	204,363,585
Age 55 75-i	3,712	198,910,394	3,910	222,528,967
Reg Correction Officers/SHTA 3/4 Disability	3	278,513	2	160,120
Correction Officers 89	47	3,842,473	107	8,751,330
Sheriffs 89-a	2	205,879	0	0
Sheriffs 89-b	0	0	0	0
Sheriffs 89-b(m)	1	78,161	2	122,172
Investigators 89-d	0	0	0	0
Investigators 89-d(m)	3	505,237	1	101,369
Sheriffs — 551	0	0	4	310,382
Sheriffs — 551e	0	0	0	0
Sheriffs — 552	2	156,259	2	131,429
Sheriffs — 553	5	531,527	10	993,729
Legislators 80-a	6	430,254	1	63,480
Unified Court Peace Officers	0	0	46	4,215,302
25-Year Correction Officers/Sheriffs/OMH	35	3,055,847	44	3,711,048
25-Year 1/60 Peace Officers, Amb Med Techs, Paramedics	3	364,635	2	214,960

	Tier 3 & 4	Tier 3 & 4 Salaries	Tier 5	Tier 5 Salaries
Article 14 & 15	396,926	\$ 19,592,355,331	56,128	\$ 1,109,826,349
Reg Correction Officers/SHTA 3/4 Disability	411	31,169,525	6	210,350
Article 14 Correction Officers	19,044	1,297,704,356	840	37,348,707
Sheriffs — 551	344	23,375,992	6	100,749
Sheriffs — 551e	58	3,685,455	5	108,217
Sheriffs — 552	507	33,864,904	31	881,184
Sheriffs — 553	1,632	141,062,597	120	5,150,429
Unified Court Peace Officers	6,173	479,909,352	215	9,996,535
25-Year Correction Officers/Sheriffs/OMH	8,474	633,778,332	926	27,221,356
25-Year 1/60 Peace Officers, Amb Med Techs, Paramedics	171	15,373,852	0	0
20-Year 1/60 Investigators	17	2,801,957	1	100,021
Westchester County Criminal Investigators	26	3,715,523	0	0

Members and Salaries by Plan — PFRS

As of March 31, 2012.

	Tier 1	Tier 1 Salaries	Tier 2	Tier 2 Salaries	Tier 3	Tier 3 Salaries
Age 55/60 Basic	0	\$ 0	59	\$ 713,807	3	\$ 53,288
Age 55 375-c	3	156,269	207	3,650,474	5	53,949
Age 55 375-e	0	0	47	992,214	1	45,662
Age 55 375-g	0	0	53	1,224,806	1	8,450
Age 55 375-h	1	147,470	1	132,242	0	0
Age 55 375-i	18	2,084,532	229	11,906,667	4	74,215
Age 55 375-j	0	0	4	403,040	0	0
State Police 381-b	2	270,877	4,448	511,277,198	0	0
Reg Park Police 383-a	2	319,379	268	27,137,012	0	0
EnCon Police 383-b	1	173,043	295	37,130,218	0	0
Forest Ranger 383-c	0	0	115	13,604,847	0	0
25-Year 384	1	58,731	58	2,461,265	16	858,472
25-Year 384(f)	3	305,967	99	10,468,038	69	3,829,224
20-Year 384-d	33	4,102,001	8,720	779,517,615	78	3,694,699
20-Year 1/60 384-e	107	15,937,368	14,293	1,689,217,301	52	3,365,537

	Tier 5 Contributory	Tier 5 Contributory Salaries	Tier 5 Non-Contributory	Tier 5 Non-Contributory Salaries
Age 55/60 Basic	14	\$ 85,844	0	\$ 0
Age 55 375-c	38	240,486	0	0
Age 55 375-e	7	147,330	0	0
Age 55 375-g	6	39,908	0	0
Age 55 375-h	0	0	0	0
Age 55 375-i	30	441,062	0	0
Age 55 375-j	0	0	0	0
State Police 381-b	3	221,149	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	15	478,691	8	303,584
25-Year 384(f)	2	118,677	7	249,082
20-Year 384-d	681	20,707,807	187	8,637,497
20-Year 384-e	620	28,140,725	110	5,636,082

Pensioners and Beneficiaries by Age

As of March 31, 2012.

Age	Pensioners & Beneficiaries	Pensioners	Beneficiaries
ERS			
0 – 25	213	0	213
26 – 30	176	0	176
31 – 35	237	8	229
36 – 40	403	81	322
41 – 45	940	421	519
46 – 50	2,740	2,008	732
51 – 55	6,844	5,646	1,198
56 – 60	39,252	37,412	1,840
61 – 65	73,522	70,655	2,867
66 – 70	70,546	67,096	3,450
71 – 75	55,549	51,654	3,895
76 – 80	45,395	41,022	4,373
81 – 85	36,972	32,244	4,728
86 – 90	24,960	20,920	4,040
91 – 95	10,813	8,791	2,022
96 – 100	2,603	2,060	543
101+	303	213	90
Total	371,468	340,231	31,237

Age	Pensioners & Beneficiaries	Pensioners	Beneficiaries
PFRS			
0 – 25	12	0	12
26 – 30	10	2	8
31 – 35	17	9	8
36 – 40	97	83	14
41 – 45	587	560	27
46 – 50	1,995	1,933	62
51 – 55	2,548	2,454	94
56 – 60	4,073	3,945	128
61 – 65	6,503	6,279	224
66 – 70	5,572	5,321	251
71 – 75	4,143	3,912	231
76 – 80	2,731	2,479	252
81 – 85	2,020	1,802	218
86 – 90	1,019	847	172
91 – 95	320	238	82
96 – 100	54	34	20
101+	5	2	3
Total	31,706	29,900	1,806

Pensioners and Beneficiaries — ERS

As of March 31, 2012 — 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	\$ 2,258	\$ 2,682
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	0	0	0	0
1954	0	0	0	0
1955	1	2,107	6,248	8,355
1956	2	1,145	4,553	5,698
1957	2	3,266	9,210	12,476
1958	1	2,142	12,222	14,364
1959	2	2,145	5,752	7,897
1960	3	3,474	8,924	12,398
1961	1	1,219	2,893	4,112
1962	2	3,195	7,143	10,338
1963	6	1,693	5,734	7,427
1964	8	3,541	7,055	10,596
1965	9	3,791	10,578	14,369
1966	17	3,135	6,072	9,208
1967	18	2,258	5,169	7,427
1968	25	2,811	5,085	7,896
1969	49	2,927	4,968	7,895
1970	95	3,020	4,412	7,431
1971	126	4,092	5,528	9,621
1972	262	4,836	6,189	11,025
1973	344	4,496	5,324	9,821
1974	486	4,686	5,570	10,256
1975	586	4,909	4,938	9,847
1976	976	5,267	5,048	10,315
1977	1,282	5,070	4,759	9,830

Year of Retirement	Number	Option 0 Benefit w/o COLA*	Average COLA	Total
1978	1,458	\$ 5,269	\$ 4,532	\$ 9,801
1979	1,841	5,365	4,362	9,727
1980	2,226	5,469	3,729	9,198
1981	2,614	5,490	3,138	8,628
1982	3,182	6,164	3,096	9,260
1983	3,148	6,483	2,944	9,427
1984	4,961	8,530	3,518	12,048
1985	4,263	8,508	3,222	11,729
1986	5,183	9,000	3,167	12,167
1987	5,321	9,889	3,237	13,126
1988	5,408	10,801	3,200	14,001
1989	6,101	11,597	3,125	14,722
1990	6,756	12,888	2,951	15,839
1991	10,428	16,823	3,114	19,937
1992	9,843	14,182	2,622	16,804
1993	7,894	14,639	2,404	17,043
1994	7,000	14,708	2,202	16,910
1995	8,625	15,542	2,151	17,693
1996	14,739	20,195	2,265	22,459
1997	13,309	18,815	1,930	20,745
1998	9,984	16,770	1,534	18,304
1999	10,990	16,423	1,376	17,799
2000	12,942	17,718	1,255	18,973
2001	13,712	21,237	1,202	22,439
2002	11,407	19,337	1,006	20,344
2003	24,414	27,854	891	28,745
2004	12,313	19,411	605	20,016
2005	14,895	21,415	454	21,869
2006	16,326	22,281	284	22,565
2007	16,981	24,572	167	24,740
2008	17,447	26,350	0	26,350
2009	16,165	26,395	0	26,395
2010	18,453	27,947	0	27,947
2011	28,193	34,330	0	34,330
2012	12,519	27,615	0	27,615

* 6,123 of the 31,237 beneficiaries are not eligible for COLA and are not included in the above counts

Pensioners and Beneficiaries — PFRS

As of March 31, 2012 — 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	\$ 21,033	\$ 23,062
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	9,241	12,331
1954	1	2,357	14,162	16,519
1955	2	2,482	7,354	9,836
1956	1	3,614	20,817	24,431
1957	1	3,789	21,603	25,392
1958	0	0	0	0
1959	0	0	0	0
1960	1	3,478	18,548	22,026
1961	1	2,435	6,503	8,938
1962	0	0	0	0
1963	4	3,833	14,251	18,084
1964	1	4,864	17,228	22,092
1965	4	5,050	16,014	21,064
1966	6	6,454	14,063	20,516
1967	9	5,378	12,663	18,041
1968	17	4,762	11,586	16,347
1969	22	4,808	9,880	14,687
1970	33	5,867	11,873	17,741
1971	39	6,338	11,448	17,786
1972	160	7,208	12,499	19,707
1973	138	7,592	12,501	20,092
1974	182	7,935	12,417	20,352
1975	127	8,641	11,497	20,138
1976	163	9,559	11,180	20,740
1977	276	10,693	11,473	22,165

Year of Retirement	Number	Option 0 Benefit w/o COLA*	Average COLA	Total
1978	287	\$ 10,764	\$ 10,958	\$ 21,722
1979	349	11,569	10,483	22,052
1980	386	12,380	9,353	21,733
1981	352	13,274	8,123	21,397
1982	434	14,880	7,612	22,492
1983	478	15,714	7,177	22,890
1984	463	17,581	7,107	24,688
1985	555	19,323	6,647	25,971
1986	781	20,668	6,514	27,182
1987	844	23,101	6,410	29,511
1988	921	24,676	6,058	30,735
1989	959	25,041	5,581	30,622
1990	964	27,609	5,025	32,634
1991	1,070	30,887	4,534	35,420
1992	1,178	35,207	4,004	39,211
1993	1,089	34,116	3,652	37,768
1994	955	33,077	3,266	36,343
1995	834	37,623	2,836	40,458
1996	827	36,371	2,541	38,912
1997	818	40,399	2,247	42,646
1998	768	39,846	1,815	41,660
1999	788	40,491	1,650	42,141
2000	925	46,884	1,365	48,249
2001	1,123	52,816	1,235	54,051
2002	966	52,861	966	53,827
2003	1,293	60,572	723	61,295
2004	1,220	57,788	571	58,360
2005	1,108	58,238	377	58,615
2006	1,122	59,257	229	59,486
2007	1,115	60,229	128	60,358
2008	1,138	62,512	0	62,512
2009	1,081	65,571	0	65,571
2010	1,113	67,635	0	67,635
2011	1,266	67,906	0	67,906
2012	581	64,347	0	64,347

* 365 of the 1,806 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						
2003	\$ 3,813,343,496	\$ 66,441,940	\$ 44,516,791	\$ -	\$ 10,418,476	\$ 11,506,673
2004	3,795,141,457	322,153,335	293,543,167	-	13,356,806	15,253,362
2005	3,975,524,112	525,026,378	498,617,747	-	14,529,793	11,878,838
2006	3,973,182,698	464,679,243	438,815,394	-	13,890,586	11,973,263
2007	4,082,673,936	447,024,967	417,028,835	-	17,682,805	12,313,327
2008	4,216,431,872	422,160,637	394,084,911	-	11,157,933	16,917,793
2009	4,377,722,306	386,066,989	357,016,093	-	11,534,099	17,516,797
2010	4,440,975,009	348,633,573	319,242,145	-	15,718,947	13,672,481
2011	4,400,173,486	559,214,523	525,419,127	-	15,589,216	18,206,180
2012	4,443,930,817	776,404,451	748,265,831	-	14,983,770	13,154,850
Cities						
2003	601,802,088	9,912,113	6,344,547	-	1,778,236	1,789,330
2004	583,920,060	38,393,995	33,655,003	-	2,331,779	2,407,213
2005	587,616,268	78,322,434	74,067,881	-	2,431,174	1,823,379
2006	612,669,624	68,193,077	63,955,140	-	2,421,685	1,816,252
2007	625,077,477	65,850,318	60,796,905	-	3,158,385	1,895,028
2008	648,030,721	61,051,722	56,528,107	-	1,938,692	2,584,923
2009	669,808,943	54,817,726	50,114,905	-	2,015,498	2,687,323
2010	672,358,993	49,473,203	44,600,856	-	2,784,205	2,088,142
2011	660,882,586	78,687,818	73,186,068	-	2,750,875	2,750,875
2012	663,784,626	107,570,937	102,977,843	-	2,624,624	1,968,470
Towns						
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	174,236,832	161,410,776	687,246	6,068,074	6,070,736
2012	1,499,756,171	243,005,724	232,009,841	701,186	5,881,293	4,413,404
Villages						
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	53,044,335	49,083,776	251,569	1,854,495	1,854,495
2012	456,923,176	75,242,014	71,732,124	359,252	1,800,376	1,350,262

FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
Miscellaneous						
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	476,258,246	441,882,050	1,123,038	16,626,579	16,626,579
2012	4,074,206,349	705,637,232	676,397,501	1,117,975	16,069,562	12,052,194
Schools						
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	387,560,100	360,157,255	414,165	13,494,340	13,494,340
2012	3,363,257,728	530,456,512	507,067,857	433,238	13,117,370	9,838,047

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						
2003	\$ 593,362,415	\$ 15,430,950	\$ 14,797,670	\$ -	\$ 633,280	\$ -
2004	610,067,673	39,836,533	36,912,877	-	550,206	2,373,450
2005	637,722,466	117,568,271	115,040,396	-	-	2,527,875
2006	669,734,523	111,831,299	109,868,889	-	-	1,962,410
2007	686,235,014	121,577,173	118,828,521	-	-	2,748,652
2008	705,089,650	120,646,667	117,816,582	-	707,521	2,122,564
2009	705,233,176	117,939,533	115,751,728	-	-	2,187,805
2010	691,324,895	113,345,262	109,684,666	-	-	3,660,596
2011	774,589,528	128,266,705	124,105,246	-	693,576	3,467,883
2012	741,170,663	165,977,875	162,848,546	-	-	3,129,329
Cities						
2003	748,146,539	13,408,241	12,691,514	-	716,727	-
2004	751,505,609	48,737,822	45,020,390	-	724,846	2,992,586
2005	758,899,191	147,817,338	144,668,066	-	-	3,149,272
2006	788,096,235	131,076,054	128,739,253	-	-	2,336,801
2007	803,949,506	142,751,818	139,481,125	-	-	3,270,693
2008	862,509,071	142,311,942	138,966,064	-	836,467	2,509,411
2009	878,117,139	151,071,141	148,374,256	-	-	2,696,885
2010	898,507,065	146,455,535	141,869,364	-	-	4,586,171
2011	896,261,192	171,091,657	165,609,925	-	913,625	4,568,107
2012	919,665,789	202,376,328	198,704,804	-	-	3,671,524
Towns						
2003	253,409,418	4,449,842	4,201,437	-	248,405	-
2004	256,399,657	15,954,403	14,694,751	-	246,013	1,013,639
2005	268,098,727	47,286,150	46,217,472	-	-	1,068,678
2006	281,549,923	45,712,713	44,877,786	-	-	834,927
2007	293,260,663	50,495,562	49,326,214	-	-	1,169,348
2008	307,058,431	51,073,666	49,853,332	-	305,084	915,250
2009	321,618,843	53,509,018	52,550,766	-	-	958,252
2010	324,877,420	52,903,830	51,226,025	-	-	1,677,805
2011	333,981,112	60,280,009	58,310,352	-	328,283	1,641,374
2012	345,481,241	74,297,961	72,943,723	-	-	1,354,238
Villages						
2003	229,923,695	2,103,772	1,882,370	-	221,402	-
2004	228,232,646	12,613,728	11,474,812	-	223,124	915,792
2005	236,766,570	39,044,844	38,088,252	-	-	956,592
2006	245,318,712	37,677,735	36,941,498	-	-	736,237
2007	251,789,449	40,309,964	39,301,296	-	-	1,008,668
2008	260,713,425	40,875,275	39,828,283	-	261,751	785,241
2009	271,083,935	41,155,426	40,339,680	-	-	815,746
2010	279,110,145	41,046,994	39,630,908	-	-	1,416,086
2011	284,144,385	49,801,862	48,105,170	-	282,784	1,413,908
2012	288,899,267	61,448,733	60,286,366	-	-	1,162,367
Miscellaneous						
2003	237,403,863	7,179,150	6,915,554	-	263,596	-
2004	196,674,046	17,859,051	16,667,270	-	242,166	949,615
2005	221,530,945	39,079,882	38,249,624	-	-	830,258
2006	230,403,597	40,016,217	39,322,040	-	-	694,177
2007	245,010,928	42,931,506	41,968,985	-	-	962,521
2008	266,355,184	44,355,212	43,330,386	-	256,207	768,619
2009	278,364,071	44,753,630	43,917,335	-	-	836,295
2010	276,719,595	44,766,923	43,309,191	-	-	1,457,732
2011	277,823,751	51,630,642	49,951,567	-	279,846	1,399,229
2012	305,193,545	60,344,419	59,216,144	-	-	1,128,275

Contributions Recorded 2003 – 2012

(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
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	1,759.0	
Local	2,405.6	
2012		
Total	\$ 4,585.2	\$ 273.2
State	1,785.6	
Local	2,799.6	
* Includes employer premiums to Group Term Life Insurance Plan.		

20-Year Summary*

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Total Participants	1,059,398	1,057,754	1,055,020	1,046,086	1,035,430	1,012,699	995,536	982,009	970,078
Number of Members	656,224	672,723	679,217	679,908	677,321	662,633	653,291	647,758	641,721
ERS (a)	622,107	637,921	643,875	643,700	641,119	626,923	617,989	612,410	606,155
State	203,274	213,089	216,582	219,741	220,216	215,296	211,041	208,899	207,641
Counties	111,051	114,111	115,722	116,515	117,084	115,944	115,472	118,006	117,514
Cities	18,420	18,667	18,897	18,893	18,992	18,843	18,891	18,979	18,933
Towns	44,644	44,416	44,361	43,403	43,203	41,989	41,393	40,561	39,841
Villages	14,051	14,165	14,150	14,000	13,891	13,597	13,388	13,106	12,878
Miscellaneous	97,225	98,115	97,960	97,272	95,601	92,736	90,879	86,791	85,732
Schools	133,442	135,358	136,203	133,876	132,132	128,518	126,925	126,068	123,616
PFRS (a)	34,117	34,802	35,342	36,208	36,202	35,710	35,302	35,348	35,566
State	5,548	5,779	5,973	6,222	6,223	6,219	5,955	6,038	5,898
Counties	5,372	5,499	5,560	5,841	5,898	5,873	5,850	5,833	5,814
Cities	11,974	12,137	12,289	12,433	12,414	12,206	12,147	12,113	12,374
Towns	4,178	4,205	4,249	4,340	4,364	4,295	4,261	4,217	4,231
Villages	4,433	4,512	4,547	4,592	4,621	4,591	4,641	4,653	4,732
Miscellaneous	2,612	2,670	2,724	2,780	2,682	2,526	2,448	2,494	2,517
Members by Tier (b)									
ERS Tier 1	7,551	10,718	13,395	16,829	20,513	25,053	29,492	34,980	39,622
ERS Tier 2	9,222	12,911	15,651	18,097	20,315	22,458	24,263	25,938	27,398
ERS Tiers 3 through 5	605,334	614,292	614,829	608,774	600,291	579,412	564,234	551,492	539,135
PFRS Tier 1	230	304	393	576	745	924	1,143	1,503	2,076
PFRS Tier 2	31,830	33,091	34,261	35,632	35,457	34,786	34,159	33,845	33,490
PFRS Tiers 3 & 5	2,057	1,407	688	0	0	0	0	0	0
Pensioners & Beneficiaries	403,174	385,031	375,803	366,178	358,109	350,066	342,245	334,251	328,357
ERS	371,468	353,940	345,106	336,273	328,726	321,113	313,837	306,531	301,528
PFRS	31,706	31,091	30,697	29,905	29,383	28,953	28,408	27,720	26,829
Employers	3,040	3,039	3,035	3,026	3,021	3,010	3,001	2,993	2,985
ERS	3,016	3,016	3,011	3,001	2,995	2,983	2,974	2,967	2,959
PFRS	682	681	681	683	683	683	685	684	684
Benefit Payments (c)	\$ 8,862.8	\$ 8,464.6	\$ 7,663.1	\$ 7,212.1	\$ 6,835.6	\$ 6,383.4	\$ 6,028.9	\$ 5,674.7	\$ 5,347.5
Retirement Allowances	8,109.3	7,717.0	6,931.8	6,497.1	6,142.8	5,722.9	5,388.6	5,041.0	4,722.1
Death Benefits (Lump Sum)	185.0	192.3	183.0	180.5	181.7	164.6	161.2	161.9	157.3
COLA Payments	568.5	555.3	548.3	534.5	511.1	495.9	479.1	471.8	468.1
# of Service Retirements	28,259	19,092	19,193	17,979	17,261	16,390	16,827	14,533	23,655
# of Death Benefits Paid	879	984	955	935	1,014	832	932	1,041	1,025
# of Disability Retirements	1,161	844	1,421	1,020	950	1,227	1,267	1,463	1,103
Employer Contributions (d)	\$ 4,585.2	\$ 4,164.5	\$ 2,344.2	\$ 2,456.2	\$ 2,648.4	\$ 2,718.6	\$ 2,782.2	\$ 2,964.8	\$ 1,286.5
ERS	3,790.6	3,525.8	1,785.5	1,898.7	2,073.5	2,116.0	2,271.4	2,434.5	1,052.3
PFRS	706.4	538.8	465.0	492.8	510.6	502.5	433.4	455.3	158.4
Group Life Insurance Plan	88.2	99.9	93.7	64.7	64.3	100.1	77.3	75.0	75.8
Rate (as a % of Salary) (e)									
ERS	16.3%	11.9%	7.4%	8.5%	9.6%	10.7%	11.3%	12.9%	5.9%
PFRS	21.6%	18.2%	15.1%	15.8%	16.6%	17.0%	16.3%	17.6%	5.8%
Employee Contributions	\$ 273.2	\$ 286.2	\$ 284.3	\$ 273.3	\$ 265.7	\$ 250.2	\$ 241.2	\$ 227.3	\$ 221.9
ERS	268.5	284.5	282.8	269.0	263.1	247.2	237.7	224.5	217.4
PFRS	4.7	1.7	1.5	4.3	2.6	2.9	3.5	2.8	4.5
Investments (f)	\$ 150,658.9	\$ 147,237.0	\$ 132,500.2	\$ 108,960.7	\$ 153,877.7	\$ 154,575.5	\$ 140,453.3	\$ 126,083.5	\$ 119,245.0
Equities	79,059.2	79,945.0	72,674.0	47,871.0	83,153.7	90,119.7	88,550.9	80,917.2	74,876.5
Fixed Income	33,440.5	31,037.9	33,726.1	36,541.6	36,571.4	33,536.2	28,889.0	29,310.8	29,691.2
Commercial Mortgages	803.0	851.3	845.7	710.2	772.4	889.7	1,162.7	1,281.9	1,530.0
Short-term Investments	7,397.7	8,360.2	3,086.1	3,826.7	6,443.1	8,551.1	6,619.3	2,602.5	1,879.1
Private Equity	14,925.9	14,915.1	12,799.7	10,563.7	12,699.4	10,044.8	8,284.8	6,832.4	6,738.8
Equity Real Estate	9,339.5	7,631.0	5,551.1	7,066.5	8,909.4	6,752.7	5,430.7	4,634.0	4,529.4
Absolute Return Strategy	5,165.7	4,496.5	3,817.5	2,381.0	5,328.3	4,681.3	1,516.0	504.7	0.0
Opportunistic Funds	527.4	575.7	479.9	0.0	0.0	0.0	0.0	0.0	0.0
Rate of Return	6.0%	14.6%	25.9%	(26.4)%	2.6%	12.6%	14.6%	8.5%	28.8%
Fixed Income Investments	9.0%	8.0%	7.4%	2.4%	8.6%	6.0%	1.7%	3.0%	8.9%
Equity Investments	4.9%	17.1%	41.3%	(30.8)%	0.9%	15.0%	19.1%	10.6%	42.8%
Administrative Cost	\$ 100.6	\$ 101.3	\$ 100.0	\$ 99.2	\$ 90.3	\$ 79.8	\$ 78.5	\$ 65.3	\$ 69.6
Financial Statement Assets	\$ 153,394.4	\$ 149,548.6	\$ 134,251.7	\$ 110,937.8	\$ 155,845.9	\$ 156,625.2	\$ 142,620.1	\$ 128,037.7	\$ 120,799.0

2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
964,140	944,500	924,643	899,314	882,234	867,204	860,429	864,460	867,731	862,498	860,427
650,543	637,896	626,565	604,479	593,188	582,689	578,566	590,130	605,544	601,710	602,133
614,555	602,428	590,959	569,369	558,236	547,805	543,663	553,649	569,298	566,320	567,223
216,005	216,507	222,343	216,347	216,380	214,628	216,084	225,771	238,760	239,412	241,538
119,319	118,318	119,638	115,576	113,856	112,792	115,904	118,055	120,517	120,186	120,819
19,637	19,671	19,551	19,148	18,966	18,907	18,909	19,410	20,283	20,699	20,792
39,395	38,063	37,121	35,882	35,056	34,764	33,949	33,997	34,349	34,316	34,474
12,823	12,360	11,969	11,509	11,279	11,087	10,942	10,939	11,057	11,067	11,137
85,708	81,752	69,968	67,212	64,218	62,176	58,128	58,582	59,080	58,057	56,906
121,668	115,757	110,369	103,695	98,481	93,451	89,747	86,895	85,252	82,583	81,557
35,988	35,468	35,606	35,110	34,952	34,884	34,903	36,481	36,246	35,390	34,910
5,802	5,679	5,534	5,279	5,232	5,195	5,230	5,793	5,866	5,692	5,787
5,901	6,029	6,176	6,267	6,338	6,332	6,277	6,542	6,278	5,904	5,565
12,541	12,612	12,781	12,660	12,552	12,579	12,538	12,923	12,919	12,761	12,682
4,233	4,191	4,180	4,163	4,149	4,139	4,095	4,170	4,077	4,050	3,987
4,867	4,795	4,805	4,727	4,699	4,683	4,743	4,967	4,967	4,862	4,922
2,644	2,162	2,130	2,014	1,982	1,956	2,020	2,086	2,139	2,121	1,967
50,032	56,541	60,736	57,657	64,173	69,942	75,166	84,015	96,299	101,254	107,383
30,122	31,981	32,914	32,641	34,296	36,061	37,739	41,631	45,716	47,778	49,846
534,401	513,906	497,309	479,071	459,767	441,802	430,758	428,003	427,283	417,288	409,994
2,597	3,260	3,927	4,469	4,997	5,537	6,087	6,872	7,439	8,005	9,009
33,391	32,208	31,679	30,641	29,955	29,347	28,816	29,609	28,807	27,385	25,901
0	0	0	0	0	0	0	0	0	0	0
313,597	306,604	298,078	294,835	289,046	284,515	281,863	274,330	262,187	260,788	258,294
287,341	280,997	273,147	270,333	264,899	260,751	258,413	251,442	239,727	238,729	237,059
26,256	25,607	24,931	24,502	24,147	23,764	23,450	22,888	22,460	22,059	21,235
2,968	2,922	2,897	2,860	2,843	2,809	2,786	2,779	2,765	2,752	2,731
2,943	2,917	2,890	2,853	2,836	2,813	2,782	2,773	2,760	2,748	2,727
681	679	678	678	679	678	676	675	674	672	672
\$ 4,984.6	\$ 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
4,373.3	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
148.4	151.8	152.9	142.8	123.0	125.7	118.5	140.0	107.3	112.0	115.1
462.9	464.5	336.1	162.3	141.9	107.7	118.2	98.1	62.8	65.1	70.3
16,078	17,499	11,640	14,470	12,675	11,932	15,324	19,578	9,613	9,651	11,409
1,019	1,068	1,005	1,026	956	974	965	1,092	1,068	1,062	1,033
1,064	1,038	1,079	1,189	1,356	938	1,016	1,235	1,183	1,413	1,367
\$ 651.9	\$ 263.8	\$ 214.8	\$ 164.5	\$ 291.7	\$ 462.6	\$ 903.5	\$ 776.9	\$ 315.1	\$ 530.1	\$ 369.8
525.5	179.1	131.0	83.0	193.2	280.1	668.8	521.8	47.2	337.2	140.9
66.3	47.3	49.0	62.0	50.1	125.1	177.9	219.3	237.8	158.2	198.9
60.1	37.4	34.8	19.5	48.4	57.4	56.8	35.9	30.1	34.7	30.0
1.5%	1.2%	0.9%	0.9%	1.3%	1.7%	3.7%	2.2%	0.7%	0.7%	0.6%
1.4%	1.6%	1.6%	1.9%	2.4%	7.0%	9.8%	13.0%	13.9%	11.3%	14.0%
\$ 219.2	\$ 210.2	\$ 319.1	\$ 422.7	\$ 399.8	\$ 369.4	\$ 348.2	\$ 341.9	\$ 334.0	\$ 307.5	\$ 284.1
214.1	206.0	317.4	422.0	398.7	368.8	347.7	338.5	331.6	306.0	282.8
5.1	4.2	1.7	0.7	1.1	0.6	0.5	3.5	2.4	1.5	1.3
\$ 95,598.3	\$ 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
51,357.0	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
32,019.7	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
1,723.6	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
771.2	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
5,564.8	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
4,162.0	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
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
(10.2)%	2.8%	(8.7)%	17.8%	8.8%	30.4%	10.9%	21.8%	8.8%	6.9%	12.5%
16.8%	4.3%	14.1%	1.3%	6.6%	15.6%	4.3%	12.9%	4.8%	9.0%	9.2%
(24.3)%	2.9%	(20.3)%	25.3%	10.1%	47.2%	15.0%	29.7%	12.4%	5.1%	15.3%
\$ 67.5	\$ 66.6	\$ 57.8	\$ 50.7	\$ 52.6	\$ 49.1	\$ 47.6	\$ 46.6	\$ 43.8	\$ 39.7	\$ 36.9
\$ 97,372.7	\$ 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

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) 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 RSSL Chapter 105 of the Laws of 2010.
- (e) 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.
- (f) 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.

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

