

REPORT ON AN ACTUARIAL VALUATION OF THE
STATE TEACHERS RETIREMENT SYSTEM OF OHIO
PREPARED AS OF JULY 1, 1986

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November 7, 1986

The Retirement Board
The State Teachers
Retirement System of Ohio
275 East Broad Street
Columbus, Ohio 43215

Ladies and Gentlemen:

This report presents the results of the actuarial valuation of the assets and liabilities of The State Teachers Retirement System of Ohio as of July 1, 1986, prepared in accordance with Section 3307.20 of Chapter 3307 of the Ohio Revised Code.

The valuation was based on the revised rates of separation recommended in the report on the experience investigation for the period July 1, 1980 through June 30, 1985, the revised interest rate of 7-3/4% per annum, and annual rates of salary increases adopted by the Board effective July 1, 1981.

The valuation indicates that the unfunded accrued liability of the System is equal to \$6,362 million as of July 1, 1986 after reflecting a transfer of \$15 million from the Employers' Trust Fund to the Health Care Stabilization Fund. On the basis of an assumed annual growth rate of the STRS payroll of 5.50% per annum, the unfunded amount of \$6,362 million will be liquidated over a period of exactly 39 years from July 1, 1986.

Alternative Recommendation

Adopted
Under Phase III of the management improvement plan adopted by the Board, the primary objective was to reduce the unfunded accrued liability liquidation period to 40 years by January 1, 1986. On this basis, the expected liquidation period to amortize the unfunded would be 39-1/2 years as of July 1, 1986.

However, the liquidation period of the unfunded as of July 1, 1986 is 39 years. Therefore, the Board is in the favorable position of having a liquidation period which is one-half of a year shorter than the original objective of 39-1/2 years.

As an alternative to leaving the liquidation period at 39 years, we recommend that the Board consider utilizing this gain in the liquidation period of the unfunded accrued liability to further strengthen the reserves of the Health Care Stabilization Fund.

Increasing the liquidation period to 39-1/2 years from 39 years would enable the Board to transfer an additional \$52 million from the Employers' Trust Fund to the Health Care Stabilization Fund.

The Retirement Board
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Such a transfer would increase the unfunded accrued liability by \$52 million to \$6,414 million. Thus, under the alternative recommendation, the current accrued liability contribution rate of 6.47% would be sufficient to:

- (a) Amortize the increased unfunded of \$6,414 million in 39-1/2 years, and
- (b) Provide for a total transfer of \$67 million from the Employers' Trust Fund to the Health Care Stabilization Fund, this transfer being the sum of the initial transfer of \$15 million and the additional transfer of \$52 million.

The transfer of \$67 million would be in addition to the regular transfers to the Health Care Stabilization Fund on account of the 2% employers contribution rate and the crediting of interest at the valuation interest rate.

Early Retirement Incentive Program

No recommendation is being made in regard to this program, since it is intended to be self-supporting through premiums paid by the school districts. The program is periodically reviewed to determine whether any premium adjustments are required to maintain its fiscally-neutral nature. We will report to the Board in the early part of 1987 as to whether any revisions are necessary in the current premiums of the program.

The Table of Contents, which immediately follows, outlines the material contained in the report.

Respectfully submitted,

(Signed) JOHN W. THOMPSON

John W. Thompson
Consulting Actuary

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REPORT ON AN ACTUARIAL VALUATION OF THE
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Deposit Report
Conts. 336,483,091
Calc P/R 3,815,521,040
DIF = \$57.4 MM

I - SUMMARY OF PRINCIPAL RESULTS

the results of an actuarial valuation of The State System of Ohio prepared as of July 1, 1986. For a comparison, the principal results of the valuation and a preceding year's results are summarized in Table I

TABLE I

	7/1/86	7/1/85
Active members included in valuation:		
Number	149,428	147,790
Annual salaries	\$ 3,788,136,615	\$ 3,531,209,445
Number of inactive members included in valuation:		
Eligible for pensions	15,012	14,778
Eligible for refunds only	60,484	58,995
Retirees and beneficiaries in receipt of benefits as of the valuation date:		
Number	60,960	58,348
Annual allowances	\$ 588,109,760	\$ 524,518,901
Assets (book value)	\$10,895,158,195	\$ 9,469,193,599
Normal Contribution Rate (excluding Health Care)	14.28%	14.28%*
One year term cost of Health Care as % of payroll	2.00%	2.00%
Unfunded Accrued Liability (excluding Health Care)	\$ 6,362,039,862	\$ 6,070,180,722*
Liquidation Period**	39.5 39 years	40-1/2 years*

*Determined on basis of revised rates of separation from active service and valuation interest rate assumption of 7-3/4% per annum effective July 1, 1985. On basis of rates of separation from active service and valuation interest rate assumption of 7-1/2% per annum previously in effect, normal rate of contribution was 14.22%, unfunded accrued liability was \$6,222,881,325, and liquidation period of unfunded was 39 years.

**An assumed increase in payroll of 5.50% per annum was used in determining the liquidation periods.

2. The valuation balance sheet showing the results of the valuation is presented in Table V of Section IV.
3. Comments on the valuation results are presented in Section V, while the gain and loss analysis during the valuation year is presented in Section VI.
4. Exhibit A of this report outlines the full set of actuarial assumptions and methods employed. Exhibit B presents a summary of the benefit and contribution provisions of the system.

SECTION II - MEMBERSHIP DATA

Data regarding the membership of the system which was used as a basis for the valuation were furnished by the system's office. The following tables summarize the membership of the system as of July 1, 1986 upon which the valuation was based. Detailed tabulations of the data are given in Exhibit C.

Table II following shows the number and annual salaries of active members as of July 1, 1986.

TABLE II
THE NUMBER AND ANNUAL SALARIES OF ACTIVE
MEMBERS AS OF JULY 1, 1986

GROUP	NUMBER	ANNUAL SALARIES
Men	55,525	\$ 1,686,491,661
Women	93,903	2,101,644,954
Total	149,428	\$ 3,788,136,615

Table III following shows the number of inactive members as of July 1, 1986.

TABLE III
THE NUMBER OF INACTIVE MEMBERS
AS OF JULY 1, 1986

GROUP	ELIGIBLE FOR ALLOWANCES	ELIGIBLE FOR REFUNDS ONLY
Men	4,265	18,787
Women	10,747	41,697
Total	15,012	60,484

Table IV on the following page shows the number and annual retirement allowances of retirees and beneficiaries as of July 1, 1986.

TABLE IV

THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF
RETIREES AND BENEFICIARIES AS OF JULY 1, 1986

GROUP	NUMBER	ANNUAL ALLOWANCES AS OF JULY 1, 1986		
		Basic	Cost-of-Living Increases	Total
Superannuation retirees:				
Men	15,357	\$ 185,703,376	\$ 25,511,901	\$ 211,215,277
Women	35,667	245,595,027	47,688,001	293,283,028
Subtotal	51,024	\$ 431,298,403	\$ 73,199,902	\$ 504,498,305
Disability retirees:				
Men	1,432	\$ 18,166,829	\$ 2,402,076	\$ 20,568,905
Women	2,375	20,596,079	3,054,742	23,650,821
Subtotal	3,807	\$ 38,762,908	\$ 5,456,818	\$ 44,219,726
Beneficiaries receiving optional allowances:				
Men	601	\$ 2,647,196	\$ 640,717	\$ 3,287,913
Women	2,453	13,865,469	3,652,474	17,517,943
Subtotal	3,054	\$ 16,512,665	\$ 4,293,191	\$ 20,805,856
Total	57,885	\$ 486,573,976	\$ 82,949,911	\$ 569,523,887
Survivors' Benefit Fund beneficiaries:				
Men	656	\$ 2,861,022	\$ 573,358	\$ 3,434,380
Women	2,001	11,312,504	2,339,717	13,652,221
Orphans	418	1,273,895	225,377	1,499,272
Total	3,075	\$ 15,447,421	\$ 3,138,452	\$ 18,585,873
Grand Total	60,960	\$ 502,021,397	\$ 86,088,363	\$ 588,109,760

In addition, 199 beneficiaries of deceased active members entitled to annual deferred allowances of \$619,548 were included in the valuation.

SECTION III - EMPLOYEE DATA

1. The valuation was based on detailed data submitted by the system covering 149,428 active members with annual compensation of \$3,788,136,615, 57,885 retired members and beneficiaries in receipt of total annual retirement allowances of \$569,523,887, 3,075 beneficiaries covered under the Survivors' Benefit Fund who are in receipt of annual retirement allowances of \$18,585,873, 199 beneficiaries of deceased active members entitled to annual deferred allowances of \$619,548, 15,012 inactive members eligible for allowances and 60,484 inactive members eligible for refunds only.
2. Tables 1 and 2 of Exhibit C show the number and annual compensation of active members distributed by age and years of service as of July 1, 1986. Table 3 shows the number of inactive members eligible for allowances distributed by age, while Table 4 shows the number of inactive members eligible for refunds distributed by age as of July 1, 1986. Tables 5 through 8 of Exhibit C show the number and annual retirement allowances of retired members and contingent annuitants included in the valuation. Table 9 of Exhibit C shows the number and annual allowances of children without an eligible parent distributed by age as of July 1, 1986.

SECTION IV - VALUATION BALANCE SHEET

The following valuation balance sheet shows the assets and liabilities of the retirement system as of July 1, 1986.

The liabilities of the funds are equal to the actuarially determined present values of benefits payable. The assets of \$1,568,044,169 in the Employers' Trust Fund reflect the transfer of \$15,095,722 made to the Health Care Stabilization Fund.

TABLE V

VALUATION BALANCE SHEET SHOWING THE PRESENT
AND PROSPECTIVE ASSETS AND LIABILITIES OF THE
STATE TEACHERS RETIREMENT SYSTEM OF OHIO
PREPARED AS OF JULY 1, 1986

TABLE V

VALUATION BALANCE SHEET SHOWING THE PRESENT AND
PROSPECTIVE ASSETS AND LIABILITIES OF THE
STATE TEACHERS RETIREMENT SYSTEM OF OHIO
PREPARED AS OF JULY 1, 1986

*Funding ratio
63%*

ASSETS		
Present assets:		
Annuity and Pension Reserve Fund*	\$ 6,314,594,139	✓
Survivors' Benefit Fund	210,169,972	✓
Health Care Stabilization Fund	164,585,536	✓
Teachers' Savings Fund	2,637,764,379	✓
Employers' Trust Fund	<u>1,568,044,169</u>	✓
		\$ 10,895,158,195
Prospective assets:		
Present value of future state appropriations to finance House Bills 204(1979) and 248(1971):		
Annuity and Pension Reserve Fund	\$ 48,178,573	
Survivors' Benefit Fund	<u>1,386,430</u>	
		\$ 49,565,003
Present value of members' future contributions to Teachers' Savings Fund		3,727,070,999
Present value of employer future contributions to the Employers' Trust Fund:		
Normal contributions	\$ 2,355,509,667	
Accrued liability contributions	<u>6,362,039,862</u>	
		<u>8,717,549,529</u>
Total prospective contributions		\$ 12,494,185,531
		<u>\$ 23,389,343,726</u>

*Includes \$150,744,457 attributable to the dedicated bond portfolio.

TABLE V

VALUATION BALANCE SHEET SHOWING THE PRESENT AND
PROSPECTIVE ASSETS AND LIABILITIES OF THE
STATE TEACHERS RETIREMENT SYSTEM OF OHIO
PREPARED AS OF JULY 1, 1986

LIABILITIES		
Present value of benefits payable on account of present retirees and beneficiaries from the following funds:		
Annuity and Pension Reserve Fund*	\$ 6,278,750,006	
Survivors' Benefit Fund	<u>211,556,402</u>	
Total liabilities for retirees and beneficiaries		\$ 6,490,306,408
Reserves held in the Health Care Stabilization Fund		164,585,536
Present value of benefits payable on account of active and inactive members from contributions to the Teachers' Savings Fund and Employers' Trust Fund:		
Superannuation allowances	\$ 14,489,192,677	
Disability allowances	1,050,553,965	
Survivor benefits	466,860,902	
Refunds	722,220,825	
Retirement death benefits	<u>5,623,413</u>	
Total liabilities for active and inactive members		\$ 16,734,451,782
Total Liabilities		<u>\$ 23,389,343,726</u>

*Includes \$150,744,457 less an amount of \$50,294,580, or a net amount of \$100,449,877 attributable to the dedicated bond portfolio.

SECTION V - COMMENTS ON VALUATION

The valuation balance sheet gives the following information in regard to the funds of the system as of July 1, 1986.

Annuity and Pension Reserve Fund

The Annuity and Pension Reserve Fund is the fund from which is paid all retirement allowances for which reserves have been transferred from the Teachers' Savings Fund and the Employers' Trust Fund. The present assets credited to the fund as of July 1, 1986 amounted to \$6,314,594,139, which included \$150,744,457 attributable to the dedicated bond portfolio established February 1, 1985, and future state appropriations to finance House Bills 204 (1979) and 248 (1971) were equal to \$48,178,573. Therefore, the present and future assets amounted to \$6,362,772,712. The liabilities of the fund were \$6,278,750,006 as of July 1, 1986. The difference between the assets and liabilities, or \$84,022,706, represents the surplus in the fund as of July 1, 1986. It should be noted that this surplus represents the effect of inter-fund transfers within STRS in excess of the amount actually required to meet the liabilities of the fund. It is recommended that periodic ad hoc transfers be continued out of the fund into the Employers' Trust Fund in order to bring the fund more closely into balance. Such a transfer would have a neutral effect on the unfunded accrued liability of STRS, since any surplus in the fund is applied to reduce the unfunded in the Employers' Trust Fund.

Survivors' Benefit Fund

The Survivors' Benefit Fund is the fund from which is paid the benefits to survivors of members who die in active service or after disability retirement. The liabilities of the fund were equal to \$211,556,402 as of July 1, 1986. The present assets credited to the fund as of July 1, 1986 amounted to

\$210,169,972 and future state appropriations to finance House Bills 204 (1979) and 248 (1971) amounted to \$1,386,430. Therefore, the total present and future assets were also equal to \$211,556,402. Thus, the Survivors' Benefit Fund is in balance as of July 1, 1986.

Health Care Stabilization Fund

The assets of the Health Care Stabilization Fund as of July 1, 1986 are equal to \$164,585,536, including a transfer of \$15,095,722 from the Employers' Trust Fund. The one year term cost to provide health care is equivalent to 2.00% of payroll.

Teachers' Savings Fund and Employers' Trust Fund

The Teachers' Savings Fund is the fund to which members' contributions are credited and from which is paid all refunds of members' contributions upon withdrawal or upon death where no other survivor benefit is payable. Upon retirement a member's contributions are transferred from this fund to the Annuity and Pension Reserve Fund and upon death where a benefit is paid to a survivor, his contributions are transferred to the Survivors' Benefit Fund.

The Employers' Trust Fund is the fund to which the employers' contributions are credited. At retirement or death the reserves necessary to provide the benefits payable less the members' contributions are transferred from this fund to the Annuity and Pension Reserve Fund, or to the Survivors' Benefit Fund.

The present assets credited to the Teachers' Savings Fund and Employers' Trust Fund were \$2,637,764,379 and \$1,568,044,169, respectively, as of the valuation date. The amount of \$1,568,044,169 in the Employers' Trust Fund reflects the transfer of \$15,095,722 to the Health Care Stabilization Fund. The present

value of the liabilities for active and inactive members amounts to \$16,734,451,782. If the present assets are subtracted from the liabilities, there remains \$12,528,643,234 to be met by future contributions of members and employers. The present value of members' future contributions was \$3,727,070,999 as of the valuation date, leaving \$8,801,572,235 to be met by future contributions of the employers. The normal rate payable based upon the entry age of members with less than two years of service was determined as of July 1, 1985 on the basis of the revised valuation interest rate of 7-3/4% per annum to be 14.28%, of which 8.75% of payroll is met by members' contributions and the remainder, or 5.53% of payroll, is met by employers. A detailed breakdown of the normal contribution rate by liability category is presented below.

TABLE VI
NORMAL CONTRIBUTION RATE

CATEGORY	RATE AS % OF PAYROLL
Superannuation Allowances	10.96%
Disability Allowances	1.28
Survivor Benefits	.61
Refunds	1.42
Retirement Death Benefits	.01
Total	14.28%

Future normal contributions by employers have a present value of \$2,355,509,667. If this amount is subtracted from \$8,801,572,235, the present value of future contributions by employers, there remains \$6,446,062,568 as the total amount of unfunded accrued liability exclusive of the surplus in the Annuity and Pension Reserve Fund. If the surplus of \$84,022,706 in the Annuity and Pension Reserve Fund is subtracted from the amount of \$6,446,062,568, the resulting net unfunded

accrued liability is equal to \$6,362,039,862. Employers pay 14.00% of payroll, of which 5.53% is payable toward the normal contribution and 2.00% is payable for health care, leaving 6.47% of payroll available to liquidate the unfunded accrued liability. Based upon an assumed increase in payroll of 5.50% per annum, the unfunded accrued liability would be liquidated in exactly 39 years.

If the Health Care Stabilization Fund were to be further strengthened in order to pay increasing claims in the future, an additional transfer of \$52,002,592 could be made from the Employers' Trust Fund, which would result in a total unfunded accrued liability of \$6,414,042,454 and an extension in the liquidation period of the unfunded to approximately 39-1/2 years.

SECTION VI - GAIN AND LOSS ANALYSIS

On the basis of the revised assumptions used in the valuation of the System as of July 1, 1985, the unfunded accrued liability as of July 1, 1986 was about \$80 million larger than expected. The \$80 million increase in excess of expectation includes \$15 million on account of the special transfer to the Health Care Stabilization Fund.

Income on investments during the year ended June 30, 1986, net of expenses, was earned at a rate of 12.00% based on book value of assets, but excluding the effect of the dedicated bond portfolio. The required investment rate of return of 8.42% would produce investment income of \$63 million in excess of the valuation interest rate of 7.75%. The investment income in excess of the required rate of 8.42% amounted to \$348 million, of which approximately \$36 million will be paid out to eligible retirees and beneficiaries in December, 1986, leaving a net gain of \$312 million.

Mortality and termination experience among retirees and beneficiaries resulted in a gain of approximately \$22 million.

Salary increases to active members were in excess of those expected and increased the unfunded accrued liability by approximately \$295 million.

The actual number of members who retired on account of both service and disability was greater than expected. In addition, the actual number of withdrawals and deaths was less than expected. This overall experience resulted in net losses to the system of approximately \$147 million.

There was a loss of approximately \$20 million from new entrants.

The above analysis may be summarized as follows:

	<u>Amount in Millions</u>
Items that <u>increased</u> the unfunded accrued liability:	
Salary increases above those expected	\$ 295
Separation experience	147
New entrants	20
Health care fund transfer	<u>15</u>
Total increases	\$ 477
Items that <u>decreased</u> the unfunded accrued liability:	
Required investment earnings	\$ 63
Additional excess investment earnings	312
Experience among retirees and beneficiaries	<u>22</u>
Total decreases	<u>397</u>
Net increase in unfunded accrued liability	\$ 80

If there had been no actuarial gains or losses during the year ended June 30, 1986, the expected remaining period to fund the unfunded accrued liability as of July 1, 1986 would have been 39-1/2 years, i.e., one year less than the period of 40-1/2 years as of the previous valuation date.

The net actuarial loss of \$80 million described above has the effect of adding approximately .8 years to the funding period. However, because the payroll of the total membership increased at a rate (7.3%) greater than the expected rate of 5.5%, the application of the accrued liability rate of 6.47% to the increased payroll base will generate contribution income greater than expected in the future. This actuarial gain in the form of increased income has the effect of reducing the required funding period by about 1.3 years. The net effect of these two factors is to decrease the expected funding period by 1.3 years minus .8 years, or .5 years. This produces a new funding period as of July 1, 1986 of 39.5 years minus .5 years, or 39 years.

These points may be summarized as follows:

	<u>Funding Period</u>
Expected period as of July 1, 1986	39.5 years
Increase due to actuarial loss of \$80 million	.8
Decrease due to additional accrued liability contribution income	<u>(1.3)</u>
Actual funding period	39.0 years

SECTION VII - ACCOUNTING INFORMATION

The actuarial present value of benefits has been calculated in accordance with NCGA Statement 6 for the Retirement System. The relevant amounts as of July 1, 1986 are shown below:

Actuarial present value of projected benefits payable to current retirees and beneficiaries	\$ 6,490,306,408
Actuarial present value of projected benefits payable to terminated vested members	<u>616,581,049</u>
Total	\$ 7,106,887,457
Actuarial present value of credited projected benefits for active members:	
Member contributions	\$ 2,473,845,625
Employer financed portion	<u>6,400,213,743</u>
Total	<u>\$ 8,874,059,368</u>
Total Actuarial Present Value of Credited Projected Benefits	<u>\$ 15,980,946,825</u>

The actuarial present value of credited projected benefits for active members is the portion of the total projected benefits allocated to the accrued liability using the unit credit actuarial cost method.

The actuarial present value of projected benefits as of July 1, 1986 is based on an interest rate of 7-3/4%.

EXHIBIT A

STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

INTEREST RATE: 7-3/4% per annum, compounded annually.

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed rates of separation and annual rates of salary increase are as follows:

<u>AGE</u>	<u>Withdrawal</u>	<u>Death</u>	<u>Disability</u>	<u>ANNUAL RATES OF</u>			<u>Salary Increase</u>
				<u>Superannuation</u>			
				<u>30 Years Service</u>	<u>25-29 Years Service</u>	<u>Under 25 Years Service</u>	
<u>MEN</u>							
20	.0855	.0009	-	-	-	-	.1050
30	.0655	.0010	.0003	-	-	-	.0850
40	.0295	.0016	.0009	-	-	-	.0650
50	.0150	.0035	.0054	.2250	-	-	.0530
55	.0153	.0054	.0077	.2070	.0495	-	.0500
60	.0163	.0096	-	.2475	.0675	.0765	.0475
65	.0163	.0177	-	.3825	.3600	.2565	.0450
70	-	.0309	-	.3600	.3600	.3150	.0450
<u>WOMEN</u>							
20	.0566	.0003	-	-	-	-	.1050
30	.0599	.0004	.0005	-	-	-	.0850
40	.0248	.0007	.0012	-	-	-	.0650
50	.0149	.0016	.0048	.2250	-	-	.0530
55	.0126	.0029	.0070	.2250	.0900	-	.0500
60	.0117	.0054	-	.2610	.1305	.1440	.0475
65	.0123	.0099	-	.4050	.3600	.2970	.0450
70	-	.0174	-	.3600	.3150	.2700	.0450

DEATH AFTER RETIREMENT: According to the 1955 American Annuity Table with ages set back two years for men and seven years for women. Special mortality tables are used for the period after disability retirement.

VALUATION METHOD: Projected benefit method with level percentage entry age normal cost and open-end unfunded accrued liability. Gains and losses are reflected in the accrued liability.

ASSET VALUATION METHOD: Cost value.

PAYROLL GROWTH: Assumed to grow at 5.50% per annum for purposes of determining the liquidation period of the unfunded accrued liability.

EXHIBIT B

SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS

Eligibility for membership

Immediate

Service Retirement

Eligibility

Age 60 with 5 years of service, or age 55 with 25 years of service, or 30 years of service regardless of age.

Benefits

Greater of 2% of average annual salary for the three highest paid years or \$86, multiplied by years of service credit and adjusted by the following percentage:

<u>Attained</u> <u>Age</u>	or	<u>Years</u> <u>of Ohio</u> <u>Service</u> <u>Credit</u>	<u>% of</u> <u>Base</u> <u>Amount</u>
58		25	75%
59		26	80
60		27	85
61		28	88
62		29	90
63		30	91
64		31	94
65		32	95
		33	97
		34 or more	100

Maximum benefit - 90% of average annual salary for three highest paid years.

Minimum benefit - the sum of the annuity provided by the member's accumulated contributions, a pension equal to the annuity and an additional pension of \$40 multiplied by the number of years of prior and military service.

Optional Forms of Benefit

Option 1 - 100% joint and survivorship. If the beneficiary dies before the member or if the beneficiary is the spouse and the marriage is terminated the member will receive the benefit before optional modification.

Option 2 - A joint and survivorship annuity payable during the lifetime of the member, with the designated beneficiary to receive a lesser annuity if living at the death of the member. If the beneficiary dies before the member or if beneficiary is the spouse and marriage is terminated the member will receive the benefit without optional modification.

Option 3 - A life annuity payable during the lifetime of the member, with a guarantee that at least an elected number of monthly payments will be paid in any event.

Option 4 - Any other benefit arrangement approved by the Board and certified by the actuary to be an actuarially equivalent benefit.

Disability Retirement

Eligibility

Completion of 5 or more years of service, under age 60 and permanently incapacitated for the performance of duty.

Benefits

- (1) Annuity with a reserve equal to the member's accumulated contributions plus
- (2) The difference between (1) and the greater of 2% of the average salary during the 3 highest paid years or \$86 times total service plus years and months from date of disability to age 60. Maximum allowance is 75% of final average salary. Minimum allowance is 30% of final average salary.

Death after Retirement

Lump sum payment of \$500 upon death after service or disability retirement.

Survivor's Benefit

Eligibility

Upon death after at least 1-1/2 years of credit for Ohio service with at least 1/4 year of such service in the 2-1/2 years preceding death or upon death of a disability retiree.

Benefits

If member eligible for retirement, spouse or other sole dependent beneficiary may elect to receive option 1 benefit in lieu of return of contributions.

If member not eligible for retirement certain designated beneficiaries may elect to receive following benefits in lieu of return of contributions.

<u>Number of Qualified Dependents</u>	<u>% of Average Annual Salary for 3 Highest Paid Years</u>	<u>Minimum Annual Benefit</u>
1	25%	\$ 1,152
2	40	2,232
3	50	2,832
4	55	2,832
5 or more	60	2,832

Qualified beneficiaries are spouse, dependent children and/or dependent parents over age 65.

Refund of Contributions

A member's contributions are refunded upon termination of employment where no other benefit is payable. Upon death after retirement or upon death of a survivor in receipt of benefits, the member's accumulated contributions at retirement less payments made are returned to the designated beneficiary.

Cost-of-living Benefits

The basic benefit is increased by 3% each year provided the change in Consumer Price Index equals or exceeds 3%.

Health Care

Retirants, their spouses and dependent children are covered by comprehensive medical expense health care plan.

Contribution

By Members

8.75% of salary.

By Employers

14.00% of salaries of their employees who are members.

EXHIBIT C

DISTRIBUTIONS OF ACTIVE MEMBERS,
INACTIVE MEMBERS, RETIRED MEMBERS
AND BENEFICIARIES

TABLE 1

THE NUMBER AND ANNUAL SALARIES
OF ACTIVE MEMBERS DISTRIBUTED BY
AGE AS OF JULY 1, 1986

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AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
19	1	1,070		
20	1	13,972		
21			1	14,221
22	10	96,920	57	338,243
23	173	1,951,940	834	9,004,790
24	449	6,110,197	1,505	18,783,511
25	570	8,423,794	1,693	23,406,402
26	637	9,908,746	1,673	24,624,548
27	634	10,654,609	1,691	26,507,599
28	748	13,777,909	1,826	30,211,255
29	952	18,890,792	2,132	37,493,949
30	1,037	21,400,552	2,255	41,275,722
31	1,206	26,576,746	2,590	50,171,465
32	1,328	30,392,806	2,744	53,110,665
33	1,555	37,195,508	2,975	61,087,886
34	1,899	47,576,804	3,677	76,968,776
35	2,087	55,462,873	3,904	84,998,232
36	2,197	59,977,242	4,151	91,022,401
37	2,525	71,638,615	4,340	95,164,196
38	2,550	74,304,297	4,148	93,945,112
39	3,111	94,291,334	4,621	104,964,220
40	2,646	81,777,736	3,851	88,154,909
41	2,119	67,153,965	3,077	70,006,589
42	2,055	65,520,736	2,949	68,995,839
43	2,233	72,357,703	3,187	75,588,359
44	2,137	71,404,353	3,187	75,309,827
45	1,901	63,984,771	2,733	65,863,457
46	1,720	59,360,919	2,402	59,188,155
47	1,612	56,072,637	2,296	56,294,270
48	1,546	55,488,590	2,304	58,404,198
49	1,441	51,529,604	2,155	54,444,227
50	1,456	51,373,169	2,034	52,314,471
51	1,342	49,395,055	1,784	46,129,255
52	1,244	44,437,398	1,711	44,659,865
53	1,086	39,254,653	1,427	37,082,761
54	1,032	37,495,818	1,474	39,907,773
55	974	36,282,907	1,502	40,226,869

TABLE 1

THE NUMBER AND ANNUAL SALARIES
OF ACTIVE MEMBERS DISTRIBUTED BY
AGE AS OF JULY 1, 1986

Page 22

CONTINUED

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
56	920	34,203,488	1,476	39,606,295
57	783	29,424,114	1,253	33,830,772
58	660	24,323,060	1,163	31,372,206
59	610	21,974,461	1,114	29,688,877
60	488	17,717,077	930	25,372,996
61	454	16,729,535	791	21,948,661
62	384	13,954,735	587	16,506,309
63	271	10,359,119	446	12,520,148
64	208	7,635,542	359	10,457,083
65	199	7,500,934	293	8,251,954
66	120	4,374,124	209	5,825,122
67	64	2,442,888	129	3,613,818
68	55	1,959,926	94	2,624,193
69	39	1,333,628	79	2,184,150
70	15	415,900	47	1,367,762
71	5	96,986	14	363,017
72	9	165,288	9	103,640
73	5	73,451	10	170,420
74	7	71,183	2	35,236
75	5	66,600	3	66,647
76	4	24,427	2	11,598
77	3	59,306		
79	1	7,625		
82	1	35,966	2	39,533
83	1	5,558		
84			1	20,500
TOTAL	55,525	\$1,686,491,661	93,903	\$2,101,644,954

TABLE 1A

THE NUMBER AND ANNUAL SALARIES
OF ACTIVE MEMBERS DISTRIBUTED BY
AGE AS OF JULY 1, 1986

AGE	NUMBER	AMOUNT
19	1	\$ 1,070
20	1	13,972
21	1	14,221
22	67	435,163
23	1,007	10,956,730
24	1,954	24,893,708
25	2,263	31,830,196
26	2,310	34,533,294
27	2,325	37,162,208
28	2,574	43,989,164
29	3,084	56,384,741
30	3,292	62,676,274
31	3,796	76,748,211
32	4,072	83,503,471
33	4,530	98,283,394
34	5,576	124,545,580
35	5,991	140,461,105
36	6,348	150,999,643
37	6,865	166,802,811
38	6,698	168,249,409
39	7,732	99,255,554
40	6,497	169,932,645
41	5,196	137,160,554
42	5,004	134,516,575
43	5,420	147,946,062
44	5,324	146,714,180
45	4,634	129,848,228
46	4,122	118,549,074
47	3,908	112,366,907
48	3,850	113,892,788
49	3,596	105,973,831
50	3,490	103,687,640
51	3,126	95,524,310
52	2,955	89,097,263
53	2,513	76,337,414
54	2,506	77,403,591
55	2,476	76,509,776

TABLE 1A

THE NUMBER AND ANNUAL SALARIES
OF ACTIVE MEMBERS DISTRIBUTED BY
AGE AS OF JULY 1, 1986

CONTINUED

AGE	NUMBER	AMOUNT
56	2,396	\$ 73,809,783
57	2,036	63,254,886
58	1,823	55,695,266
59	1,724	51,663,338
60	1,418	43,090,073
61	1,245	38,678,196
62	971	30,461,044
63	717	22,879,267
64	567	18,092,625
65	492	15,752,888
66	329	10,199,246
67	193	6,056,706
68	149	4,584,119
69	118	3,517,778
70	62	1,783,662
71	19	460,003
72	18	268,928
73	15	243,871
74	9	106,419
75	8	133,247
76	6	36,025
77	3	59,306
79	1	7,625
82	3	75,499
83	1	5,558
84	1	20,500
TOTAL	149,428	\$3,788,136,615

TABLE 2

THE NUMBER AND ANNUAL SALARIES
OF ACTIVE MEMBERS DISTRIBUTED BY
YEARS OF SERVICE AS OF JULY 1, 1986

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	628\$	2,388,520	1,652\$	5,456,291
1	3,330	53,206,931	7,476	82,090,927
2	2,641	53,699,066	5,971	88,972,565
3	1,978	45,499,189	4,698	76,519,770
4	1,476	36,965,151	3,530	59,410,199
5	1,443	37,667,882	3,393	59,803,955
6	1,719	46,365,772	4,058	78,176,968
7	1,778	49,692,541	4,347	88,753,579
8	1,923	54,797,492	4,615	98,482,317
9	1,818	52,967,781	4,310	96,047,523
10	1,856	54,615,295	3,897	89,948,816
11	1,946	58,265,409	3,905	93,376,835
12	2,005	60,117,928	3,981	99,950,698
13	2,154	67,418,186	4,296	111,089,099
14	2,470	79,581,005	3,966	107,463,177
15	2,162	71,287,317	3,363	92,337,178
16	2,167	72,834,599	3,382	95,188,133
17	2,643	89,813,061	3,269	93,797,065
18	2,384	81,782,801	2,808	80,537,985
19	2,198	77,208,434	2,462	70,552,083
20	1,935	67,951,872	2,156	62,936,170
21	1,666	60,007,482	1,908	56,139,612
22	1,548	55,062,737	1,593	47,255,197
23	1,412	50,141,040	1,443	42,770,017
24	1,232	44,128,615	1,280	37,849,982
25	1,108	40,043,011	1,181	35,016,109
26	978	35,755,680	939	28,082,136
27	897	32,933,321	820	24,893,311
28	780	26,794,977	701	21,215,410
29	658	25,298,113	557	17,024,263
30	600	22,347,227	559	16,941,816
31	422	16,204,566	354	11,079,962
32	345	13,340,856	257	8,058,861
33	223	8,501,641	197	6,319,835
34	253	9,616,285	137	4,360,776
35	180	6,964,534	132	3,974,677

TABLE 2

THE NUMBER AND ANNUAL SALARIES
OF ACTIVE MEMBERS DISTRIBUTED BY
YEARS OF SERVICE AS OF JULY 1, 1986

CONTINUED

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
36	152	6,062,484	79	2,499,009
37	124	4,893,866	59	1,827,327
38	97	4,033,480	42	1,307,513
39	72	3,065,206	30	977,828
40	54	2,211,850	23	701,885
41	30	1,212,633	22	719,188
42	11	487,423	9	305,006
43	11	470,829	17	540,228
44	9	357,832	10	327,751
45	4	169,262	7	216,866
46	2	96,939	2	53,021
47	1	57,000	6	181,697
48			1	29,582
49	1	34,143	1	34,004
50			1	27,968
51			1	22,784
52	1	52,397		
TOTAL	55,525	\$1,686,491,661	93,903	\$2,101,644,954

THE NUMBER AND ANNUAL SALARIES
OF ACTIVE MEMBERS DISTRIBUTED BY
YEARS OF SERVICE AS OF JULY 1, 1986

YEARS OF SERVICE	NUMBER	AMOUNT
0	2,280	\$ 7,844,811
1	10,806	135,297,858
2	8,612	142,671,631
3	6,676	122,018,959
4	5,006	96,375,350
5	4,836	97,471,837
6	5,777	124,562,740
7	6,125	138,446,120
8	6,538	153,279,809
9	6,128	149,015,304
10	5,753	144,564,111
11	5,851	151,642,244
12	5,986	160,068,626
13	6,450	78,507,285
14	6,436	87,044,182
15	5,525	163,624,495
16	5,549	168,022,732
17	5,912	183,610,126
18	5,192	162,320,786
19	4,660	147,760,517
20	4,091	130,888,042
21	3,574	116,147,094
22	3,141	102,317,934
23	2,855	92,911,057
24	2,512	81,978,597
25	2,289	75,059,120
26	1,917	63,837,816
27	1,717	57,826,632
28	1,481	50,010,387
29	1,215	42,322,376
30	1,159	39,289,043
31	776	27,284,528
32	602	21,399,717
33	420	14,821,476
34	390	13,977,061
35	312	10,939,211

THE NUMBER AND ANNUAL SALARIES
OF ACTIVE MEMBERS DISTRIBUTED BY
YEARS OF SERVICE AS OF JULY 1, 1986

CONTINUED

YEARS OF SERVICE	NUMBER	AMOUNT
36	231	\$ 8,561,493
37	183	6,721,193
38	139	5,340,993
39	102	4,043,034
40	77	2,913,735
41	52	1,931,821
42	20	792,429
43	26	1,011,057
44	19	685,583
45	11	386,128
46	4	149,960
47	7	238,697
48	1	29,582
49	2	68,147
50	1	27,968
51	1	22,784
52	1	52,397
TOTAL	149,428	\$3,788,136,615

TABLE 3
THE NUMBER OF INACTIVE MEMBERS ELIGIBLE FOR
FUTURE ALLOWANCES DISTRIBUTED BY
AGE AS OF JULY 1, 1986

AGE	MEN	WOMEN
28	5	26
29	12	93
30	26	149
31	29	218
32	35	306
33	57	319
34	74	417
35	84	503
36	116	535
37	122	526
38	142	515
39	183	524
40	173	411
41	125	346
42	175	360
43	192	388
44	173	361
45	156	360
46	133	301
47	148	294
48	178	287
49	151	312
50	158	256
51	139	308
52	157	253
53	167	234
54	158	283
55	155	268
56	163	288
57	148	269
58	133	284
59	135	300
60	95	209
61	45	61
62	31	41
63	27	43
64	17	25

THE NUMBER OF INACTIVE MEMBERS ELIGIBLE FOR
FUTURE ALLOWANCES DISTRIBUTED BY
AGE AS OF JULY 1, 1986

CONTINUED

AGE	MEN	WOMEN
65	18	24
66	6	7
67	3	8
68	2	9
69	8	4
70	5	5
71		3
72	1	3
73	1	2
74	1	
75		2
76	1	3
78	2	1
79		1
80		1
84		1
TOTAL	4,265	10,747

TABLE 3A
THE NUMBER OF INACTIVE MEMBERS ELIGIBLE FOR
FUTURE ALLOWANCES DISTRIBUTED BY
AGE AS OF JULY 1, 1986

AGE	NUMBER
28	31
29	105
30	175
31	247
32	341
33	376
34	491
35	587
36	651
37	648
38	657
39	707
40	584
41	471
42	535
43	580
44	534
45	516
46	434
47	442
48	465
49	463
50	414
51	447
52	410
53	401
54	441
55	423
56	451
57	417
58	417
59	435
60	304
61	106
62	72
63	70
64	42

THE NUMBER OF INACTIVE MEMBERS ELIGIBLE FOR
FUTURE ALLOWANCES DISTRIBUTED BY
AGE AS OF JULY 1, 1986

CONTINUED

AGE	NUMBER
65	42
66	13
67	11
68	11
69	12
70	10
71	3
72	4
73	3
74	1
75	2
76	4
78	3
79	1
80	1
84	1
TOTAL	15,012

TABLE 4

THE NUMBER OF INACTIVE MEMBERS ELIGIBLE FOR
REFUNDS ONLY DISTRIBUTED BY
AGE AS OF JULY 1, 1986

AGE	MEN	WOMEN
19		1
20		3
21	8	4
22	25	94
23	85	292
24	165	456
25	231	726
26	269	850
27	348	1,012
28	420	1,106
29	514	1,278
30	551	1,228
31	578	1,278
32	654	1,421
33	664	1,628
34	771	1,798
35	803	1,851
36	875	1,762
37	857	1,868
38	901	1,878
39	992	2,182
40	806	1,872
41	624	1,468
42	595	1,407
43	581	1,473
44	537	1,370
45	466	1,093
46	375	1,007
47	355	810
48	337	746
49	317	730
50	309	648
51	299	556
52	265	563
53	226	454
54	266	476
55	223	420
56	259	458
57	221	395
58	225	387
59	201	334
60	176	313

THE NUMBER OF INACTIVE MEMBERS ELIGIBLE FOR
REFUNDS ONLY DISTRIBUTED BY
AGE AS OF JULY 1, 1986

CONTINUED

AGE	MEN	WOMEN
61	170	252
62	155	231
63	162	177
64	139	167
65	121	153
66	113	136
67	88	113
68	66	104
69	64	77
70	49	67
71	42	70
72	45	61
73	31	42
74	31	47
75	18	33
76	16	44
77	15	35
78	19	28
79	17	17
80	7	21
81	10	21
82	3	21
83	5	18
84	4	16
85	6	8
87	3	15
88	3	8
89	4	5
90	3	4
91	1	6
92	1	3
93	2	1
TOTAL	18,787	41,697

TABLE 4A

THE NUMBER OF INACTIVE MEMBERS ELIGIBLE FOR
REFUNDS ONLY DISTRIBUTED BY
AGE AS OF JULY 1, 1986

AGE	NUMBER
19	1
20	3
21	12
22	119
23	377
24	621
25	957
26	1,119
27	1,360
28	1,526
29	1,792
30	1,779
31	1,856
32	2,075
33	2,292
34	2,569
35	2,654
36	2,637
37	2,725
38	2,779
39	3,174
40	2,678
41	2,092
42	2,002
43	2,054
44	1,907
45	1,559
46	1,382
47	1,165
48	1,083
49	1,047
50	957
51	855
52	828
53	680
54	742
55	643

NUMBER OF INACTIVE MEMBERS ELIGIBLE FOR
REFUNDS ONLY DISTRIBUTED BY
AGE AS OF JULY 1, 1986

CONTINUED

AGE	NUMBER
56	717
57	616
58	612
59	535
60	489
61	422
62	386
63	339
64	306
65	274
66	249
67	201
68	170
69	141
70	116
71	112
72	106
73	73
74	78
75	51
76	60
77	50
78	47
79	34
80	28
81	31
82	24
83	23
84	20
85	14
87	18
88	11
89	9
90	7
91	7
92	4
93	3
TOTAL	60,484

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES
DISTRIBUTED BY AGE AS OF JULY 1, 1986

SUPERANNUATION RETIREES

AGE	MEN		WOMEN	
	NUMBER	ANNUAL ALLOWANCE	NUMBER	ANNUAL ALLOWANCE
49	2	\$ 41,507		
50	9	191,192	10	\$ 145,075
51	47	867,478	41	693,394
52	110	2,154,220	72	1,220,403
53	170	3,380,474	101	1,738,900
54	258	5,091,967	107	1,749,730
55	333	6,393,680	166	2,588,643
56	367	6,873,219	236	3,626,177
57	426	7,918,614	297	4,355,202
58	479	9,073,907	306	4,404,982
59	559	10,322,342	367	5,272,418
60	614	10,650,399	478	5,569,827
61	730	11,725,078	728	7,427,890
62	709	11,261,130	816	7,872,095
63	720	10,803,297	920	8,602,343
64	693	10,266,871	997	9,717,437
65	682	9,800,975	1,153	10,552,087
66	663	9,329,688	1,204	11,141,777
67	502	7,010,670	1,217	11,102,954
68	581	7,774,202	1,395	12,570,276
69	552	6,896,182	1,359	11,541,416
70	468	5,568,111	1,348	11,383,654
71	519	6,485,078	1,347	11,445,148
72	485	5,541,272	1,368	11,182,209
73	463	5,608,701	1,388	10,797,574
74	412	4,499,783	1,483	11,200,455
75	388	4,043,981	1,332	9,669,705
76	370	3,837,800	1,435	10,720,734
77	380	3,901,476	1,405	10,179,147
78	377	3,644,324	1,565	10,892,135
79	363	3,411,824	1,411	9,924,962
80	308	2,885,376	1,342	9,083,593
81	294	2,632,423	1,366	9,300,986
82	241	2,097,712	1,174	7,801,347
83	218	2,004,548	1,077	7,072,692
84	167	1,399,335	895	5,671,171
85	169	1,511,745	755	4,907,685

TABLE 5

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES
DISTRIBUTED BY AGE AS OF JULY 1, 1986

SUPERANNUATION RETIREES

CONTINUED

AGE	MEN		WOMEN	
	NUMBER	ANNUAL ALLOWANCE	NUMBER	ANNUAL ALLOWANCE
86	104	\$ 845,559	600	\$ 4,003,977
87	86	708,076	470	3,044,799
88	83	693,430	429	2,863,545
89	59	494,093	337	2,363,775
90	33	283,353	299	2,065,378
91	51	407,135	227	1,515,316
92	34	287,426	173	1,156,432
93	13	105,166	138	940,579
94	23	177,897	113	748,729
95	17	129,819	67	438,566
96	14	121,882	53	357,099
97	4	19,033	38	265,608
98	1	2,313	24	135,975
99	3	20,486	19	128,153
100			10	73,667
101	1	6,043	5	30,030
102			3	19,755
103	1	3,494	1	5,422
104	1	6,433		
105	1	3,058		
TOTAL	15,357	\$211,215,277	35,667	\$293,283,028

SUMMARY

NO OPTION	3,833	\$ 42,128,004	26,843	\$213,344,901
OPTION 1	5,810	82,068,800	3,497	27,160,634
OPTION 2	5,180	79,453,523	4,308	43,890,648
OPTION 3	534	7,564,950	1,019	8,886,845

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES
DISTRIBUTED BY AGE AS OF JULY 1, 1986

SUPERANNUATION RETIREES

AGE	NUMBER	AMOUNT
49	2 \$	41,507
50	19	336,267
51	88	1,560,872
52	182	3,374,623
53	271	5,119,374
54	365	6,841,697
55	499	8,982,323
56	603	10,499,396
57	723	12,273,816
58	785	13,478,889
59	926	15,594,760
60	1,092	16,220,226
61	1,458	19,152,968
62	1,525	19,133,225
63	1,640	19,405,640
64	1,690	19,984,308
65	1,835	20,353,062
66	1,867	20,471,465
67	1,719	18,113,624
68	1,976	20,344,478
69	1,911	18,437,598
70	1,816	16,951,765
71	1,866	17,930,226
72	1,853	16,723,481
73	1,851	16,406,275
74	1,895	15,700,238
75	1,720	13,713,686
76	1,805	14,558,534
77	1,785	14,080,623
78	1,942	14,536,459
79	1,774	13,336,786
80	1,650	11,968,969
81	1,660	11,933,409
82	1,415	9,899,059
83	1,295	9,077,240
84	1,062	7,070,506
85	924	6,419,430

TABLE 5A

THE NUMBER AND ANNUAL RETIREMENT
 ALLOWANCES OF BENEFICIARIES
 DISTRIBUTED BY AGE AS OF JULY 1, 1986

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SUPERANNUATION RETIREES

CONTINUED

AGE	NUMBER	AMOUNT
86	704	\$ 4,849,536
87	556	3,752,875
88	512	3,556,975
89	396	2,857,868
90	332	2,348,731
91	278	1,922,451
92	207	1,443,858
93	151	1,045,745
94	136	926,626
95	84	568,385
96	67	478,981
97	42	284,641
98	25	138,288
99	22	148,639
100	10	73,667
101	6	36,073
102	3	19,755
103	2	8,916
104	1	6,433
105	1	3,058
TOTAL	51,024	\$504,498,305

SUMMARY

NO OPTION	30,676	\$255,472,905
OPTION 1	9,307	109,229,434
OPTION 2	9,488	123,344,171
OPTION 3	1,553	16,451,795

TABLE 6
 THE NUMBER AND ANNUAL RETIREMENT
 ALLOWANCES OF BENEFICIARIES
 DISTRIBUTED BY AGE AS OF JULY 1, 1986

AGE	MEN		WOMEN	
	NUMBER	ANNUAL ALLOWANCE	NUMBER	ANNUAL ALLOWANCE
29			3	\$ 35,252
30			4	44,383
31	2	\$ 26,532	6	77,464
32			7	86,730
33	2	21,456	7	81,431
34	4	44,665	19	211,818
35	6	86,140	14	183,551
36	8	109,438	15	187,428
37	11	161,196	33	414,786
38	16	211,443	23	285,375
39	13	195,606	36	466,972
40	14	210,272	26	349,692
41	14	238,187	27	365,859
42	18	277,405	21	259,970
43	24	329,012	35	411,269
44	22	355,480	38	493,985
45	20	283,542	33	394,363
46	20	301,977	30	381,701
47	27	493,221	44	554,671
48	24	364,376	50	640,296
49	27	458,498	51	598,557
50	36	616,262	32	422,167
51	35	570,505	49	662,286
52	40	643,008	60	759,046
53	47	742,937	55	753,420
54	58	958,222	59	702,021
55	59	1,038,485	74	868,569
56	66	1,140,661	68	808,754
57	61	975,889	81	839,773
58	77	1,153,035	88	1,005,644
59	69	1,054,003	108	1,134,145
60	80	1,106,628	101	1,003,951
61	92	1,322,315	101	1,030,154
62	69	996,355	90	864,912
63	53	763,780	92	823,380
64	59	729,285	87	756,631
65	63	751,512	80	713,562

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES
DISTRIBUTED BY AGE AS OF JULY 1, 1986

DISABILITY RETIREES

CONTINUED

AGE	MEN		WOMEN	
	NUMBER	ANNUAL ALLOWANCE	NUMBER	ANNUAL ALLOWANCE
66	30	\$ 365,986	75	\$ 636,802
67	33	413,653	69	529,064
68	25	269,461	83	600,200
69	25	201,394	44	268,455
70	13	91,532	53	354,900
71	14	101,780	49	284,863
72	10	104,358	28	162,938
73	4	38,656	36	197,871
74	3	20,706	29	174,192
75	4	20,375	19	102,129
76	3	11,922	22	115,437
77	4	29,561	12	65,633
78			10	47,133
79	6	43,288	19	83,502
80	2	7,697	16	64,010
81	2	8,816	13	59,211
82	4	21,282	10	45,899
83	3	17,411	12	63,748
84	5	26,985	8	35,959
85	3	22,019	5	16,361
86			3	18,252
87			4	19,616
88			3	10,965
89	1	3,580	2	5,614
90	1	6,425		
91			1	6,028
93			1	2,637
94	1	4,690	1	3,054
95			1	2,380
TOTAL	1,432	\$ 20,568,905	2,375	\$ 23,650,821

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES
DISTRIBUTED BY AGE AS OF JULY 1, 1986

DISABILITY RETIREES

AGE	NUMBER	AMOUNT
29	3	\$ 35,252
30	4	44,383
31	8	103,996
32	7	86,730
33	9	102,887
34	23	256,483
35	20	269,691
36	23	296,866
37	44	575,982
38	39	496,818
39	49	662,578
40	40	559,964
41	41	604,046
42	39	537,375
43	59	740,281
44	60	849,465
45	53	677,905
46	50	683,678
47	71	1,047,892
48	74	1,004,672
49	78	1,057,055
50	68	1,038,429
51	84	1,232,791
52	100	1,402,054
53	102	1,496,357
54	117	1,660,243
55	133	1,907,054
56	134	1,949,415
57	142	1,815,662
58	165	2,158,679
59	177	2,188,148
60	181	2,110,579
61	193	2,352,469
62	159	1,861,267
63	145	1,587,160
64	146	1,485,916
65	143	1,465,074
66	105	1,002,788
67	102	942,717
68	108	869,661
69	69	469,849

TABLE 6A

THE NUMBER AND ANNUAL RETIREMENT
 ALLOWANCES OF BENEFICIARIES
 DISTRIBUTED BY AGE AS OF JULY 1, 1986

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DISABILITY RETIREES

CONTINUED

AGE	NUMBER	AMOUNT
70	66 \$	446,432
71	63	386,643
72	38	267,296
73	40	236,527
74	32	194,898
75	23	128,504
76	25	127,359
77	16	95,194
78	10	47,133
79	25	126,790
80	18	71,707
81	15	68,027
82	14	67,181
83	15	81,159
84	13	62,944
85	8	38,380
86	3	18,252
87	4	19,616
88	3	10,965
89	3	9,194
90	1	6,425
91	1	6,028
93	1	2,637
94	2	7,744
95	1	2,380
TOTAL	3,807 \$	44,219,726

TABLE 7

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES
DISTRIBUTED BY AGE AS OF JULY 1, 1986

CONTINGENT ANNUITANTS

AGE	MEN		WOMEN	
	NUMBER	ANNUAL ALLOWANCE	NUMBER	ANNUAL ALLOWANCE
24			1 \$	16,830
26	1 \$	5,150		
30			1	13,271
31			1	654
32	1	6,626	1	2,841
34	2	13,244		
36			2	18,222
37			1	3,244
38			4	27,456
39	3	15,832	1	2,339
40	2	19,156	1	5,824
41			1	8,118
42	3	19,199		
43	1	5,613	1	3,207
44			1	8,151
45			2	12,723
46	1	5,890	4	36,036
47			1	12,125
48			1	6,301
49	2	15,461	1	7,720
50	1	6,279	4	19,987
51			2	20,417
52	1	6,306	5	50,131
53			8	102,914
54	1	6,295	5	55,885
55			11	132,086
56			14	188,883
57	1	11,329	12	138,421
58	1	10,919	17	161,887
59	3	12,155	15	153,187
60	4	26,427	23	235,430
61	4	24,399	27	198,406
62	3	16,050	33	344,402
63	6	58,792	35	312,213
64	3	27,928	37	326,703
65	11	69,172	39	381,235
66	13	86,258	48	332,020
67	13	68,901	49	338,291
68	22	112,790	53	422,106
69	24	143,849	68	507,653
70	31	158,141	67	538,098

TABLE 7

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES
DISTRIBUTED BY AGE AS OF JULY 1, 1986

CONTINGENT ANNUITANTS

CONTINUED

AGE	MEN		WOMEN	
	NUMBER	ANNUAL ALLOWANCE	NUMBER	ANNUAL ALLOWANCE
71	26	\$ 115,829	81	\$ 632,473
72	28	150,512	73	485,212
73	28	154,803	96	653,527
74	24	154,725	102	683,226
75	27	140,669	93	618,887
76	28	150,860	110	699,230
77	18	96,199	112	708,498
78	24	116,352	116	788,398
79	32	169,846	108	682,341
80	32	152,456	103	685,828
81	34	157,158	118	751,846
82	22	106,292	92	647,159
83	23	120,140	96	620,361
84	15	112,814	86	544,448
85	17	103,344	79	523,328
86	19	93,687	67	463,668
87	8	36,674	70	482,308
88	17	99,273	52	334,769
89	6	27,280	40	269,806
90	3	15,507	33	218,873
91	4	19,609	31	207,053
92	2	13,790	24	137,088
93	1	6,268	18	115,747
94	2	8,629	11	82,264
95	1	2,744	13	83,448
96	1	4,017	7	48,486
97	1	6,275	10	53,072
98			5	28,118
99			6	36,880
100			1	6,452
101			1	6,450
102			1	6,450
103			1	6,832
TOTAL	601	\$ 3,287,913	2,453	\$ 17,517,943

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES
DISTRIBUTED BY AGE AS OF JULY 1, 1986

CONTINGENT ANNUITANTS

AGE	NUMBER	AMOUNT
24	1 \$	16,830
26	1	5,150
30	1	13,271
31	1	654
32	2	9,467
34	2	13,244
36	2	18,222
37	1	3,244
38	4	27,456
39	4	18,171
40	3	24,980
41	1	8,118
42	3	19,199
43	2	8,820
44	1	8,151
45	2	12,723
46	5	41,926
47	1	12,125
48	1	6,301
49	3	23,181
50	5	26,266
51	2	20,417
52	6	56,437
53	8	102,914
54	6	62,180
55	11	132,086
56	14	188,883
57	13	149,750
58	18	172,806
59	18	165,342
60	27	261,857
61	31	222,805
62	36	360,452
63	41	371,005
64	40	354,631
65	50	450,407
66	61	418,278
67	62	407,192
68	75	534,896
69	92	651,502
70	98	696,239

TABLE 7A

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES
DISTRIBUTED BY AGE AS OF JULY 1, 1986

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CONTINGENT ANNUITANTS

CONTINUED

AGE	NUMBER	AMOUNT
71	107 \$	748,302
72	101	635,724
73	124	808,330
74	126	837,951
75	120	759,556
76	138	850,090
77	130	864,697
78	140	904,750
79	140	852,187
80	135	838,284
81	152	909,004
82	114	753,451
83	119	740,501
84	101	657,262
85	96	626,672
86	86	557,355
87	78	518,982
88	69	434,042
89	46	297,086
90	36	234,380
91	35	226,662
92	26	150,878
93	19	122,015
94	13	90,893
95	14	86,192
96	8	52,503
97	11	59,347
98	5	28,118
99	6	36,880
100	1	6,452
101	1	6,450
102	1	6,450
103	1	6,832
TOTAL	3,054 \$	20,805,856

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES
DISTRIBUTED BY AGE AS OF JULY 1, 1986

BENEFICIARIES RECEIVING ALLOWANCES
UNDER SURVIVORS BENEFIT FUND

AGE	MEN		WOMEN	
	NUMBER	ANNUAL ALLOWANCE	NUMBER	ANNUAL ALLOWANCE
12		\$ 1,776		
14		1,776		\$ 2,582
15	1	6,032		2,461
16		2,663		3,407
17		2,253	1	7,913
18		5,330	1	3,364
19	1	4,728		4,109
20		7,969		4,710
21		4,799		4,706
22		3,464		
25			1	5,268
27			1	7,125
28		4,464	1	10,909
29		2,807		
30		2,653		
31	3	12,300	3	21,618
32	1	4,264		6,254
33	2	4,385	1	2,526
34	2	7,405	5	26,206
35	5	31,855	6	29,007
36	5	18,224	5	26,680
37	1	6,761	5	35,408
38	3	17,274	7	44,528
39	3	18,222	10	49,020
40	6	16,653	12	67,526
41		1,382	16	102,536
42			10	63,464
43	6	22,683	18	114,551
44	3	19,594	15	115,403
45	6	27,596	17	154,301
46	5	23,350	15	124,043
47	2	6,286	21	155,760
48	8	34,284	22	168,379
49	6	32,996	21	156,263
50	4	24,452	28	202,954
51	8	54,540	26	212,094
52	7	40,492	30	230,624
53	8	37,430	21	183,524
54	11	52,956	46	423,081
55	13	89,030	48	452,606
56	8	46,750	35	343,637
57	17	98,158	55	494,997

TABLE 8

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES
DISTRIBUTED BY AGE AS OF JULY 1, 1986

BENEFICIARIES RECEIVING ALLOWANCES
UNDER SURVIVORS BENEFIT FUND

CONTINUED

AGE	MEN		WOMEN	
	NUMBER	ANNUAL ALLOWANCE	NUMBER	ANNUAL ALLOWANCE
58	12	\$ 80,371	53	\$ 443,861
59	18	101,726	61	551,557
60	17	98,542	51	472,044
61	20	112,827	53	396,773
62	25	132,542	50	415,639
63	20	109,523	58	394,648
64	24	134,823	67	524,629
65	28	138,827	67	487,278
66	30	131,827	56	422,083
67	28	145,511	41	256,080
68	19	130,500	48	299,421
69	22	113,417	58	348,338
70	24	124,942	44	232,220
71	36	187,399	51	271,697
72	18	89,674	52	310,961
73	18	86,345	56	320,092
74	24	110,364	49	276,147
75	18	81,067	57	266,234
76	17	69,921	54	296,017
77	9	52,562	51	279,234
78	15	68,266	68	363,630
79	10	51,458	58	287,500
80	13	57,902	44	217,843
81	9	43,808	36	182,347
82	8	27,826	39	229,475
83	7	40,539	40	222,274
84	5	25,875	25	149,447
85	4	32,145	24	154,982
86	3	9,641	20	120,100
87	3	12,578	17	105,384
88	5	19,624	12	77,646
89			10	58,247
90	2	11,972	9	51,159
91			6	31,479
92			2	13,977
93			5	27,771
94			2	5,376
95			2	10,799
97			1	7,968
101			1	6,314
TOTAL	656	\$ 3,434,380	2,001	\$ 13,652,221

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES
DISTRIBUTED BY AGE AS OF JULY 1, 1986

BENEFICIARIES RECEIVING ALLOWANCES
UNDER SURVIVORS BENEFIT FUND

AGE	NUMBER	AMOUNT
12	\$	1,776
14		4,358
15	1	8,493
16		6,070
17	1	10,166
18	1	8,694
19	1	8,837
20		12,679
21		9,505
22		3,464
25	1	5,268
27	1	7,125
28	1	15,373
29		2,807
30		2,653
31	6	33,918
32	1	10,518
33	3	6,911
34	7	33,611
35	11	60,862
36	10	44,904
37	6	42,169
38	10	61,802
39	13	67,242
40	18	84,179
41	16	103,918
42	10	63,464
43	24	137,234
44	18	134,997
45	23	181,897
46	20	147,393
47	23	162,046
48	30	202,663
49	27	189,259
50	32	227,406
51	34	266,634
52	37	271,116
53	29	220,954
54	57	476,037
55	61	541,636
56	43	390,387
57	72	593,155
58	65	524,232
59	79	653,283
60	68	570,586

TABLE 8A

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES
DISTRIBUTED BY AGE AS OF JULY 1, 1986

BENEFICIARIES RECEIVING ALLOWANCES
UNDER SURVIVORS BENEFIT FUND

CONTINUED

AGE	NUMBER	AMOUNT
61	73	\$ 509,600
62	75	548,181
63	78	504,171
64	91	659,452
65	95	626,105
66	86	553,910
67	69	401,597
68	67	429,921
69	80	461,755
70	68	357,162
71	87	459,096
72	70	400,635
73	74	406,437
74	73	386,511
75	75	347,301
76	71	365,938
77	60	331,796
78	83	431,896
79	68	338,958
80	57	275,745
81	45	226,155
82	47	257,301
83	47	262,813
84	30	175,322
85	28	187,127
86	23	129,741
87	20	117,962
88	17	97,270
89	10	58,247
90	11	63,131
91	6	31,479
92	2	13,977
93	5	27,771
94	2	5,376
95	2	10,799
97	1	7,968
101	1	6,314
TOTAL	2,657	\$ 17,086,601

TABLE 9

THE DISTRIBUTION OF THE NUMBER AND ANNUAL ALLOWANCES BY AGE AS OF JULY 1, 1986
CHILDREN WITHOUT AN ELIGIBLE PARENT

AGE OF YOUNGEST CHILD	NUMBER OF CHILDREN AGE																						TOTAL	ANNUAL ALLOWANCES
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22 AND OVER		
1	-																						-	\$ -
2		2			1											1							5	14,873
3			1		1																		2	5,397
4				1	1																		3	7,849
5					6																		6	33,384
6						4	1	1															6	27,830
7							8	1	1		1	3			1	1							16	46,782
8								7		2	3	1			2								15	63,491
9									7		2	2											11	36,526
10										8		2	2	1	2								16	46,175
11											9		3	1	3	1	1						23	96,386
12												12	2	2	1	1	2	1	1				20	75,220
13													16	5	2	2	1	3					29	113,675
14														16	2	2	2	2	1				29	100,508
15															22	2	5	1	2	3	1		36	137,517
16																31	5	6	4				48	170,435
17																	26	1	5	5	5		42	144,970
18																		20	2	3	3		28	93,090
19																			17	7			24	79,360
20																				17			17	65,045
21																					30		30	97,628
22 & OVER																						12	12	43,131
TOTAL	-	2	1	1	8	5	9	9	9	10	12	18	21	22	34	46	49	34	37	31	48	12	418	\$1,499,272