

REPORT ON THE
FIFTY-EIGHTH ACTUARIAL VALUATION
OF THE STATE TEACHERS'
RETIREMENT SYSTEM OF VERMONT
PREPARED AS OF JUNE 30, 2005

OCTOBER 24, 2005



October 24, 2005

Board of Trustees
State Teachers' Retirement System
of Vermont
Montpelier, Vermont 05633

Dear Board Members:

Section 1942, subsection (n), of Title 16, Chapter 55, Vermont Statutes Annotated, relating to the State Teachers' Retirement System of Vermont, provides in part that the actuary shall make annual valuations of the system.

The fifty-eighth actuarial valuation of the system, prepared as of June 30, 2005, has now been completed and the results are presented in this report, together with our recommendations in regard to contributions payable by the State.

On the basis of the current valuation, we recommend that a normal contribution of 8.96% of covered compensation and a payment of \$13,004,599 towards the liquidation of the unfunded accrued liability be made. Based on the reported payroll, the total contribution amounts to \$56,627,046 for the year beginning July 1, 2005. Schedule G provides the estimated contributions for the following two fiscal years.

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

Respectfully submitted,

David L. Driscoll, F.S.A., E.A.
Principal, Consulting Actuary

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REPORT ON THE FIFTY-EIGHTH ACTUARIAL VALUATION OF THE
STATE TEACHERS' RETIREMENT SYSTEM OF VERMONT
PREPARED AS OF JUNE 30, 2005

SECTION I - SUMMARY OF PRINCIPAL RESULTS

1. For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results are summarized below:

Valuation Date	June 30, 2005	June 30, 2004
Active members		
Vested	8,084	7,745
Not vested	<u>2,660</u>	<u>2,570</u>
Total	10,744	10,315
Compensation	\$486,857,658	\$453,517,153
Average age	44.55	45.92
Average service	12.62	12.75
Average compensation	\$45,311	\$43,967
Retired members and beneficiaries		
Number	4,592	4,386
Annual retirement allowances	\$60,545,793	\$55,504,554
Inactive members	2,906	3,084
Terminated vested members	568	560
Adjusted assets for valuation	\$1,354,006,143	\$1,284,832,644
Unfunded actuarial accrued liability	\$138,143,845	\$139,828,760
Annual actuarial accrued liability contribution	\$13,004,599	\$12,385,332
Normal contribution rate	8.96%	7.79%

2. Comments on the results of the valuation are given in Section IV and further discussion of the contribution levels is set out in Section V.
3. Schedule B outlines the full set of actuarial assumptions and methods employed in the current valuation.
4. Schedule C outlines the benefit provisions that were taken into account in the valuation.
5. As part of the regular valuation, experience of the system during the previous year has been analyzed. We have summarized in graph form in Section VI experience during the past year.
6. Schedule F shows a graph of projected benefit payouts during the next ten years of benefits payable to current and future pensioners.
7. Schedule G shows projected contributions for the two following fiscal years.

SECTION II - MEMBER DATA

1. Member data were furnished by the Retirement Division of the State Treasurer's Office.
2. Schedule D presents tables that summarize active members, by age and service and service pensioners, disability pensioners and beneficiaries by annual benefit levels.

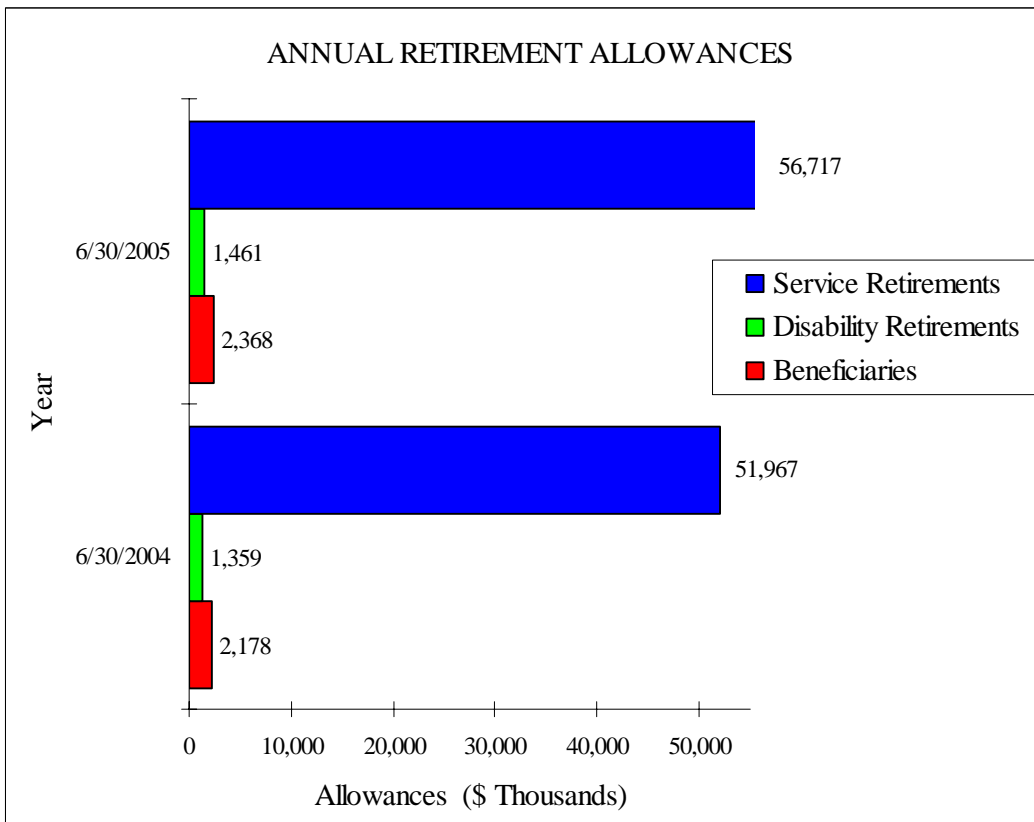
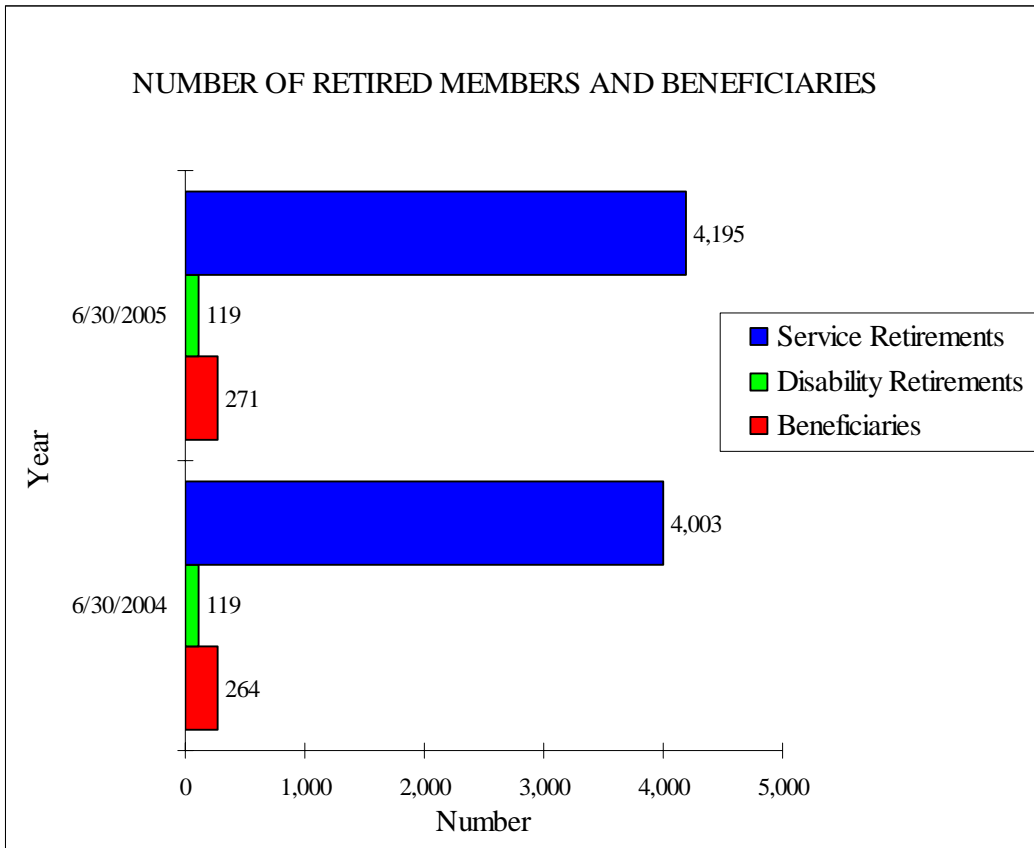
3. The following tables show a summary of membership of the system:

THE NUMBER AND ANNUAL ALLOWANCES OF RETIRED MEMBERS
AND BENEFICIARIES AS OF JUNE 30, 2005

GROUP	NUMBER	ANNUAL ALLOWANCES
Service Retirements	4,195	\$56,716,575
Disability Retirements	126	\$1,461,219
Beneficiaries of Deceased Members	271	\$2,367,999
Total	4,592	\$60,545,793

THE NUMBER AND ANNUAL COMPENSATION OF ACTIVE MEMBERS
AS OF JUNE 30, 2005

GROUP	NUMBER	ANNUAL COMPENSATION
Group A	51	\$2,864,923
Group C	10,693	\$483,992,735
Total	10,744	\$486,857,658



SECTION III - ASSETS

1. The amount of assets taken into account in the valuation is based on information supplied by the Office of the State Treasurer.
2. For actuarial purposes, the assets are valued using a method that reflects the market value of assets through gradual recognition of any unrealized appreciation or depreciation in assets beyond the assumed 8% rate of return, provided the adjusted asset value is within 20% of the market value. The following shows the development of the valuation assets.

Assets for valuation purposes, June 30, 2004		\$1,284,832,644
Cash flow during year (net of investment income)		
Contributions paid	\$ 45,978,439	
Benefit payouts	(61,934,447)	
Expenses	<u>(17,001,498)</u>	
Net		(32,957,506)
Expected investment income (8.0%)		<u>107,249,436</u>
Preliminary asset value		\$1,359,124,574
Market value, June 30, 2005	\$ 1,333,532,418	
Preliminary asset value	<u>1,359,124,574</u>	
Unrecognized appreciation	\$ (25,592,156)	
Adjustment	x 20%	<u>\$ (5,118,431)</u>
Adjusted asset value		\$1,354,006,143
Assets for valuation purposes, June 30, 2005		\$1,354,006,143

3. The assets for valuation purposes are 101.5% of market value.
4. The investment rate of return for the year ending June 30, 2005 is 8.05%, based on the valuation assets.

SECTION IV - COMMENTS ON VALUATION

1. Schedule A of the report contains the valuation balance sheet, which shows the present and prospective assets and liabilities of the system as of June 30, 2005.
2. The adjusted assets of the system amount to \$1,354,006,143. The present value of prospective allowances to be paid to current retired members, terminated vested members and beneficiaries amounts to \$662,988,679, and the present value of prospective benefits expected to become payable to current active and inactive members amounts to \$1,356,121,418, for total liabilities of \$2,019,110,097. Therefore, after subtracting assets of \$1,354,006,143, the amount to be provided through prospective contributions is \$665,103,954.
3. Prospective member contributions have a value of \$140,288,459, which leaves \$524,815,495 to be met by the State. The State's contributions consist of a normal contribution and an accrued liability contribution. The accrued liability contribution represents the amount (assumed to increase by 5% each year) necessary to liquidate the balance of the unfunded accrued liability as of June 30, 2005 over a 13-year period from that date. Future normal contributions represent the balance of contributions needed to fund the system. After subtracting the current balance of the unfunded accrued liability, which is \$138,143,845, from the present value of prospective State contributions, \$524,815,495, there remains \$386,671,650 to be met by future normal contributions. We have calculated that future normal contributions at the rate of 8.96% of members' compensation are required to provide this amount.
4. The normal contribution rate of 8.96% may be compared to the rate of 7.79% determined as of June 30, 2004. The following table presents a summary of the approximate effects of major experience factors affecting the system's normal contribution rate since June 30, 2004:

ITEM	EFFECT OF (GAIN) OR LOSS
Normal rate as of June 30, 2004	7.79%
Investment experience	+0.12%
Salary increases	+0.07%
Retired member mortality	+0.01%
COLA	+0.02%
Non-investment expenses	+0.21%
New members	-0.18%
Contribution shortfall	+0.54%
Net withdrawal/retirement	<u>+0.38%</u>
Normal rate as of June 30, 2005	8.96%

SECTION V - CONTRIBUTIONS PAYABLE UNDER THE SYSTEM

1. Section 1942, Subsection (n), of Title 16, Chapter 55, Vermont Statutes Annotated, relating to the State Teachers' Retirement System of Vermont, indicates that the actuary shall submit to the Board of Trustees his recommendation as to the contributions payable by the State based on annual valuations of the assets and liabilities of the system.
2. On the basis of the results of the current valuation, the actuary recommends that the Board of Trustees certify the following contributions for the fiscal year commencing July 1, 2005:

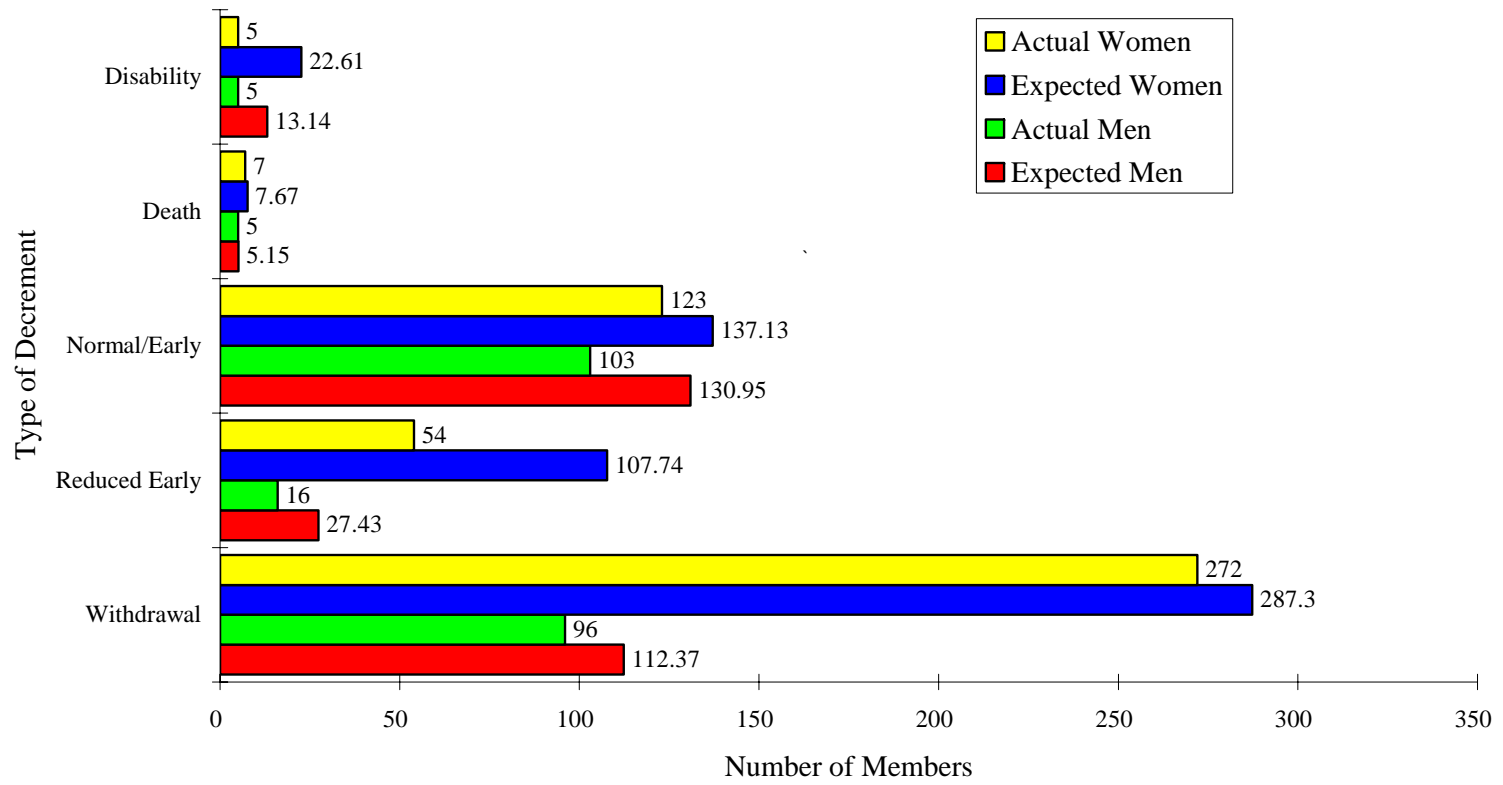
Normal contribution	\$43,622,447
Accrued liability contribution	<u>13,004,599</u>
Total	\$56,627,046

SECTION VI - EXPERIENCE

1. Records are maintained whereby the actual experience of the System may be compared with the expected experience based on the tables adopted by the Board of Trustees. This experience is reviewed periodically, and any change suggested by the cumulative experience of the system will be recommended to the Board.
2. The active service and salary experience for the latest year is summarized in graphs on the following pages.

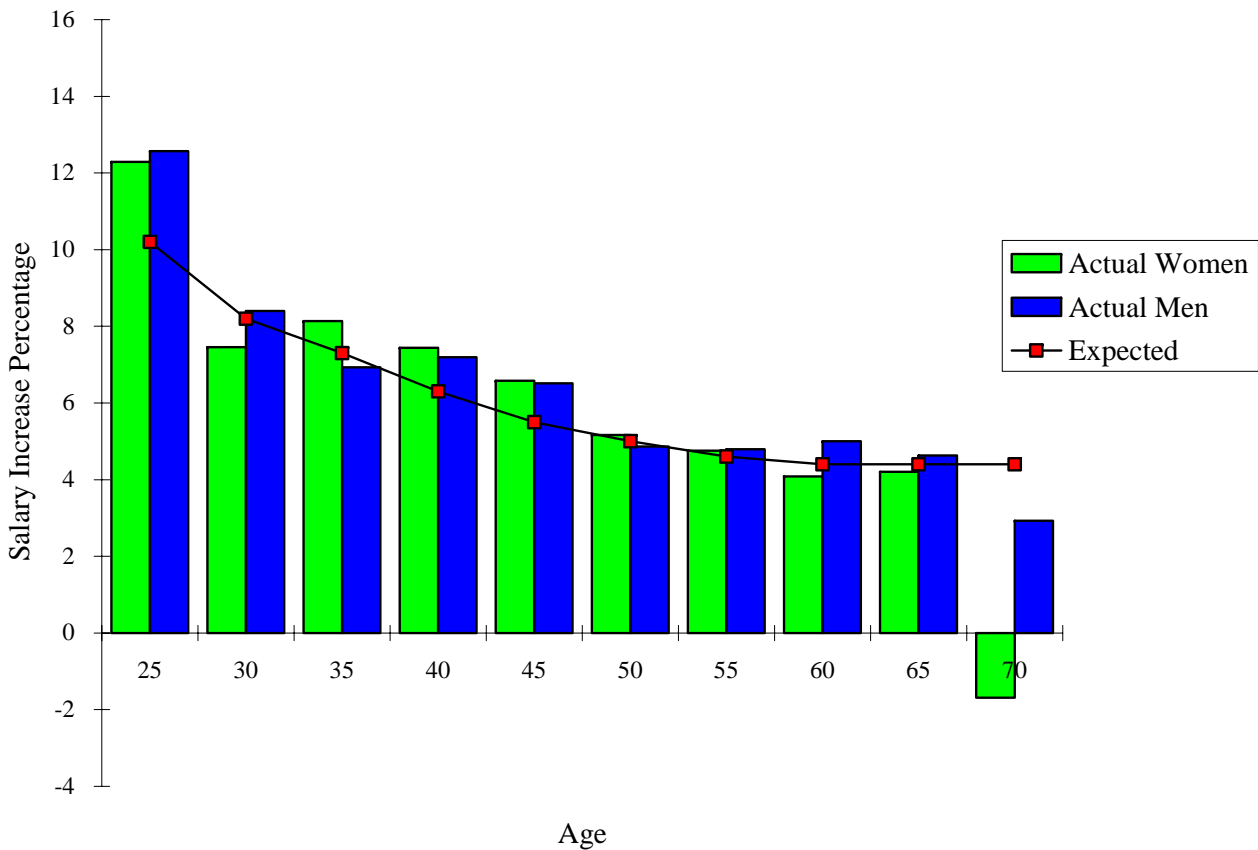
ACTIVE SERVICE EXPERIENCE

July 1, 2004
through June 30, 2005



SALARY EXPERIENCE

JULY 1, 2004 THROUGH JUNE 30, 2005



SECTION VII - ACCOUNTING INFORMATION

1. Based on our interpretation of Statement No. 25 of the Governmental Accounting Standards Board (GASB), we are providing the following Schedule of Funding Progress for accounting purposes.

SCHEDULE OF FUNDING PROGRESS

(dollar amounts in thousands)

Year Ending June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2005	\$1,354,006	\$1,492,150	\$138,144	90.7%	\$468,858	29.5%
2004	1,284,833	1,424,662	139,829	90.2%	453,517	30.8%
2003	1,218,001	1,358,822	140,821	89.6%	437,239	32.2%
2002	1,169,294	1,307,202	137,908	89.5%	418,904	32.9%
2001	1,116,846	1,254,341	137,496	89.0%	403,258	34.1%
2000	1,037,466	1,174,087	136,621	88.4%	387,999	35.2%
1999	931,056	1,066,400	135,343	87.3%	372,299	36.4%
1998	821,977	955,694	133,717	86.0%	357,899	37.4%
1997	717,396	849,179	131,783	84.5%	364,695	36.1%
1996	570,776	700,377	129,601	81.5%	355,895	36.4%
1995	520,850	648,052	127,202	80.4%	346,975	36.7%
1994	473,229	597,851	124,622	79.2%	335,155	37.2%
1993	433,327	555,220	121,893	78.1%	324,537	37.6%
1992	390,098	509,140	119,042	76.6%	312,347	38.1%
1991	360,301	476,397	116,096	75.6%	316,669	36.7%
1990	328,338	441,414	113,076	74.4%	289,641	39.0%

2. GASB Statement No. 27 requires the development of Annual Pension Cost and Net Pension Obligation. This development is shown in the following table.

DEVELOPMENT OF PENSION COST AND NET PENSION OBLIGATION (NPO)

Year Ending June 30	Annual Required Contribution	Interest on NPO	Amortization of NPO	Pension Cost (1)+(2)-(3)	Actual Contribution	Change in NPO (4)-(5)	NPO Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1988	16,294,346	0	0	16,294,346	17,186,259	(891,913)	(891,913)
1989	18,072,172	(75,813)	(74,450)	18,070,809	19,000,000	(929,191)	(1,821,104)
1990	21,320,155	(154,794)	(145,688)	21,311,049	19,561,000	1,750,049	(71,055)
1991	25,013,437	(6,040)	(5,299)	25,012,696	15,000,000	10,012,696	9,941,641
1992	28,595,220	845,039	833,331	28,606,928	14,618,992	13,987,936	23,929,577
1993	28,819,875	2,034,014	2,274,675	28,579,214	19,890,048	8,689,166	32,618,743
1994	25,805,408	2,772,593	2,970,742	25,607,259	20,580,000	5,027,259	37,646,002
1995	27,451,926	3,199,910	3,544,821	27,107,015	18,080,000	9,027,015	46,673,017
1996	28,711,597	3,967,206	4,374,228	28,304,575	11,480,000	16,824,575	63,497,592
1997	30,721,768	5,397,295	6,111,414	30,007,649	18,080,000	11,927,649	75,425,241
1998	26,927,205	6,411,145	6,285,437	27,052,913	18,106,581	8,946,332	84,371,573
1999	20,723,874	7,171,584	8,231,373	19,664,085	18,080,000	1,584,085	85,955,658
2000	19,936,345	7,306,231	8,385,918	18,856,658	18,586,240	270,418	86,226,076
2001	20,970,278	7,329,216	8,412,300	19,887,194	19,143,827	743,367	86,969,443
2002	22,146,880	7,392,403	8,484,824	21,054,459	20,446,282	608,177	87,577,620
2003	28,279,810	7,444,098	8,012,591	27,711,317	20,446,282	7,265,035	94,842,655
2004	41,658,946	7,587,412	8,677,279	40,569,079	24,446,282	16,122,797	110,965,452
2005	47,714,318	8,877,326	9,828,765	46,762,789	24,446,282	22,316,507	133,281,959

SCHEDULE A

VALUATION BALANCE SHEET
SHOWING THE ASSETS AND LIABILITIES OF THE
STATE TEACHERS' RETIREMENT SYSTEM OF VERMONT
PREPARED AS OF JUNE 30, 2005

VALUATION BALANCE SHEET
 SHOWING THE ASSETS AND LIABILITIES OF THE
 STATE TEACHERS' RETIREMENT SYSTEM OF VERMONT
 PREPARED AS OF JUNE 30, 2005

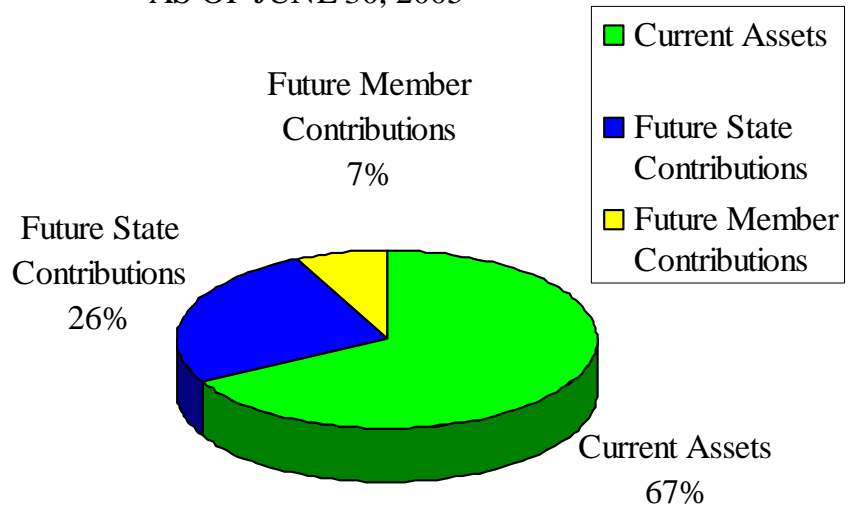
ASSETS

Adjusted assets of the system		\$1,354,006,143
Present value of prospective contributions		
Members	\$140,288,459	
State		
Accrued liability contributions	138,143,845	
Normal contributions	<u>386,671,650</u>	
Total prospective contributions		<u>\$ 665,103,954</u>
Total assets		<u><u>\$2,019,110,097</u></u>

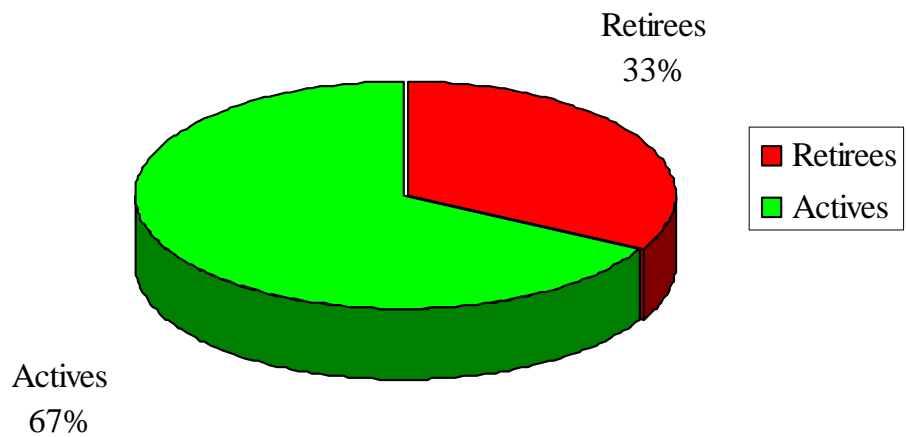
LIABILITIES

Actuarial present value of benefits payable on account of present retired members, terminated vested members and beneficiaries		\$ 662,988,679
Actuarial present value of benefits expected to become payable on account of active and inactive members		<u>1,356,121,418</u>
Total liabilities		<u><u>\$2,019,110,097</u></u>

ASSETS
AS OF JUNE 30, 2005



LIABILITIES
AS OF JUNE 30, 2005



SCHEDULE B

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

INTEREST RATE: 8.00% per annum, compounded annually.

SEPARATIONS BEFORE NORMAL RETIREMENT: Representative values of the assumed annual rates of withdrawal, vested retirement, early retirement, disability and death are as follows:

Age	Withdrawal and Vested Retirement		Disability		Death	
	Males	Females	Males	Females	Males	Females
25	5.40%	6.48%	.010%	.015%	.04%	.03%
30	5.40	5.40	.015	.015	.04	.03
35	4.86	4.32	.020	.015	.04	.03
40	4.05	3.60	.030	.020	.08	.03
45	3.60	3.15	.053	.045	.08	.05
50	3.60	2.70	.180	.180	.12	.08
55	3.60	2.70	.440	.390	.12	.12
59	3.60	2.70	1.170	.710	.15	.18
60	3.60	2.70	1.470	.840	.15	.19
61	3.60	2.70	1.830	1.010	.50	.22

Age	Reduced Early Retirement		Full Early Retirement	
	Males	Females	Males	Females
50	-	-	44.00%	40.00%
55	5.00%	8.75%	30.80	20.00
56	4.00	6.25	17.60	10.00
57	3.00	6.25	16.50	10.00
58	6.00	6.25	16.50	10.00
59	6.00	6.25	20.90	10.00
60	6.00	12.50	41.25	30.00
61	20.00	12.50	22.00	17.00

SERVICE RETIREMENTS: Occur between ages 62 (60 for Group A) and 70. The assumed rates of service retirement are as follows:

Age	Annual Rate of Retirement	
	Male	Female
62	35.2%	25.0%
63	26.4	20.0
64	27.5	20.0
65	41.8	30.0
66	33.0	30.0
67	39.6	30.0
68	26.4	20.0
69	33.0	30.0
70	100.0	100.0

SALARY INCREASES: Representative values of the assumed annual rates of future salary increase are as follows:

Age	Annual Rate of Salary Increase
25	10.68%
30	8.10
35	7.30
40	6.03
45	5.49
50	4.95
55	4.59
60	4.41
64	4.41

DEATHS AFTER RETIREMENT: The 1995 Buck Mortality Tables, set back one year, are used for the period after service retirement, while the RP-2000 Tables for Disabled Retirees are used for the period following disability retirement.

FUTURE EXPENSES: No provision made.

ACTUARIAL COST METHOD: Projected benefit method with aggregate level normal cost and frozen supplemental liability (entry age normal cost with frozen initial liability).

SPOUSE'S AGE: Husbands are assumed to be 3 years older than their wives.

PERCENT MARRIED: 85% of the male members and 35% of the female members are assumed to be married.

COST-OF-LIVING ADJUSTMENTS: Assumed to occur on January 1 following one year of retirement at the rate of 3% per annum for Group A members and 1.5% per annum for Group C member (beginning at age 62 for Group C members who elect reduced early retirement).

ASSET VALUATION METHOD: The amount of the assets for valuation purposes equals the preliminary asset value plus 20% of the difference between the market and preliminary asset values. The preliminary asset value is equal to the previous year's asset value (for valuation purposes) adjusted for contributions less benefit payments and expenses and expected investment income. If necessary, a further adjustment is made to ensure that the valuation assets are within 20% of the market value.

INACTIVE MEMBERS: Ten percent are assumed to return to active service, the remaining ninety percent are assumed to terminate. This is effected by holding a liability equal to 150% of accumulated contributions of inactive members for valuation purposes.

HEALTH AND MEDICAL BENEFITS FOR RETIREES: Not included in this valuation.

SCHEDULE C

BRIEF SUMMARY OF PRINCIPAL PLAN PROVISIONS
AS INTERPRETED FOR VALUATION PURPOSES

BRIEF SUMMARY OF PRINCIPAL PLAN PROVISIONS
AS INTERPRETED FOR VALUATION PURPOSES

Effective Date	July 1, 1947.
Creditable Service	Service as a member plus purchased service.
Average Final Compensation (AFC)	Average annual compensation during highest 3 successive years.
Membership	Immediate upon employment.

	<u>GROUP A</u>	<u>GROUP C</u>
Service Retirement Allowance		
Eligibility	Age 60 or 30 years of creditable service.	Age 62 or 30 years of creditable service.
Amount of Allowance	Member annuity based on accumulated contributions plus a pension which, with member annuity, equals 1/60 of AFC times creditable service.	Member annuity based on accumulated contributions plus a pension which, with member annuity, equals 1/80 of AFC times creditable service prior to July 1, 1990 plus 1/60 of AFC times creditable service after July 1, 1990.
Minimum	\$6,600 after 30 years of creditable service (pro-rata portion if less than 30 years).	\$6,600 after 30 years of creditable service (pro-rata portion if less than 30 years).
Maximum	None	50% of AFC.
Early Retirement Allowance		
Eligibility	Age 55.	Age 55 and 5 years of creditable service.
Amount of Allowance	Actuarial equivalent of service allowance using AFC and creditable service at early retirement.	Accrued normal benefit reduced 6% for each year under age 62. No reduction if credited service is 30 years or more.
Vested Retirement Allowance		
Eligibility	5 years of creditable service.	5 years of creditable service.

	<u>GROUP A</u>	<u>GROUP C</u>
Amount of Allowance	Commencing at age 60 calculated as a service allowance using AFC and creditable service at termination.	Commencing at age 62, calculated as a service allowance using AFC and creditable service at termination.
Disability Retirement Allowance Eligibility	Total and permanent disability after 5 years of creditable service (5 years preceding retirement served in State).	Total and permanent disability after 5 years of creditable service (5 years preceding retirement served in State).
Amount of Allowance	Calculated as a service allowance based on AFC and creditable service at disability retirement, subject to a 25% of AFC minimum.	Calculated as a service allowance based on AFC and creditable service at disability retirement, subject to a 25% of AFC minimum.
Death Benefits Eligibility	Age 60 or 30 years of creditable service; 20 years of creditable service if in service at death.	Age 55 and 5 years of creditable service or 20 years of creditable service.
Amount of Allowance	Accrued allowance paid under 100% survivorship option. If the eligibility requirements are not met or if beneficiary so elects, the member's accumulated contributions are paid to the beneficiary or estate. Certain children's benefits may also be payable.	Accrued allowance paid under 100% survivorship option. If the eligibility requirements are not met or if beneficiary so elects, the member's accumulated contributions are paid to the beneficiary or estate. Certain children's benefits may also be payable.
Return of Contributions	If no other beneficiary is payable, a terminated member receives his accumulated contributions with interest.	If no other beneficiary is payable, a terminated member receives his accumulated contributions with interest.
Options	The allowance may be paid in various optional forms at the election of the member.	The allowance may be paid in various optional forms at the election of the member.

	<u>GROUP A</u>	<u>GROUP C</u>
Post-retirement Adjustments	On each December 31 allowances in payment for at least one year are adjusted for cost of living based on the consumer price index, but not in excess of 5%.	On each December 31, allowances in payment for at least one year are adjusted for cost of living based on one-half of the consumer price index, but not in excess of 5%. For members receiving a reduced early retirement allowance, the adjustment will not apply before age 62.
Contributions		
Members	5.5% of earnable compensation. Contributions stop after 25 years of creditable service.	3.4% of earnable compensation.
State	Normal and accrued liability contributions actuarially determined to keep the system financially sound.	Normal and accrued liability contributions actuarially determined to keep the system financially sound.

SCHEDULE D

SUMMARY TABLES OF MEMBER DATA AS OF JUNE 30, 2005

TABLE 1
THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE
AS OF JUNE 30, 2005

<i>0 to 4</i>		<i>5 to 9</i>		<i>10 to 14</i>		<i>15 to 19</i>		<i>20 to 24</i>		<i>25 to 29</i>		<i>30 to 34</i>		<i>35 to 39</i>		<i>40 & up</i>		<i>Total</i>	
No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
127	3,367,033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	127	3,367,033
574	17,340,382	157	5,538,661	0	0	0	0	0	0	0	0	0	0	0	0	0	0	731	22,879,043
473	15,624,555	499	19,373,781	75	3,268,184	0	0	0	0	0	0	0	0	0	0	0	0	1,047	38,266,520
339	11,306,296	392	16,029,193	282	12,580,732	74	3,508,696	0	0	0	0	0	0	0	0	0	0	1,087	43,424,917
297	10,127,235	319	13,456,483	268	12,880,014	249	12,391,736	82	4,265,966	0	0	0	0	0	0	0	0	1,215	53,121,434
330	10,952,152	332	14,107,091	250	11,852,295	291	15,012,773	310	16,646,928	81	4,598,256	3	161,501	0	0	0	0	1,597	73,330,996
275	9,626,540	354	15,098,020	352	16,541,665	402	20,604,170	359	19,844,423	469	26,747,298	135	7,682,598	0	0	0	0	2,346	116,144,714
155	5,955,674	195	9,064,005	225	11,003,990	347	18,446,267	312	16,979,530	278	15,855,363	354	20,951,550	28	1,689,260	0	0	1,894	99,945,639
68	2,975,883	59	2,517,734	60	2,849,213	121	6,403,535	92	5,018,583	69	3,858,225	95	5,584,196	38	2,302,891	5	266,611	607	31,776,871
9	290,903	11	475,555	7	323,524	11	551,254	10	592,793	8	525,923	6	351,348	10	626,991	2	134,067	74	3,872,358
13	425,035	1	47,342	0	0	2	100,358	2	122,248	0	0	0	0	0	0	1	33,150	19	728,133
2,660	87,991,688	2,319	95,707,865	1,519	71,299,617	1,497	77,018,789	1,167	63,470,471	905	51,585,065	593	34,731,193	76	4,619,142	8	433,828	10,744	486,857,658

TABLE 2
THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE
AS OF JUNE 30, 2005

GROUP A

AGE	<i>0 to 4</i>		<i>5 to 9</i>		<i>10 to 14</i>		<i>15 to 19</i>		<i>20 to 24</i>		<i>25 to 29</i>		<i>30 to 34</i>		<i>35 to 39</i>		<i>40 & up</i>		<i>Total</i>		
	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 to 24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45 to 49	0	0	0	0	1	41,534	2	98,448	5	230,892	2	126,252	1	62,684	0	0	0	0	11	559,810	
50 to 54	0	0	0	0	0	0	0	0	4	184,876	7	381,077	0	0	0	0	0	0	11	565,953	
55 to 59	0	0	0	0	0	0	1	62,157	1	46,609	5	294,149	7	442,449	1	83,579	0	0	15	928,943	
60 to 64	0	0	0	0	0	0	0	0	3	178,210	3	176,402	2	131,426	2	131,457	0	0	10	617,495	
65 to 69	0	0	0	0	0	0	0	0	1	50,290	1	54,343	0	0	1	54,939	0	0	3	159,572	
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	33,150	1	33,150	
TOTAL	0	0	0	0	1	41,534	3	160,605	14	690,877	18	1,032,223	10	636,559	4	269,975	1	33,150	51	2,864,923	

TABLE 3
THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE
AS OF JUNE 30, 2005

GROUP C

AGE	<i>0 to 4</i>		<i>5 to 9</i>		<i>10 to 14</i>		<i>15 to 19</i>		<i>20 to 24</i>		<i>25 to 29</i>		<i>30 to 34</i>		<i>35 to 39</i>		<i>40 & up</i>		<i>Total</i>	
	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 to 24	127	3,367,033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	127	3,367,033
25 to 29	574	17,340,382	157	5,538,661	0	0	0	0	0	0	0	0	0	0	0	0	0	0	731	22,879,043
30 to 34	473	15,624,555	499	19,373,781	75	3,268,184	0	0	0	0	0	0	0	0	0	0	0	0	1,047	38,266,520
35 to 39	339	11,306,296	392	16,029,193	282	12,580,732	74	3,508,696	0	0	0	0	0	0	0	0	0	0	1,087	43,424,917
40 to 44	297	10,127,235	319	13,456,483	268	12,880,014	249	12,391,736	82	4,265,966	0	0	0	0	0	0	0	0	1,215	53,121,434
45 to 49	330	10,952,152	332	14,107,091	249	11,810,761	289	14,914,325	305	16,416,036	79	4,472,004	2	98,817	0	0	0	0	1,586	72,771,186
50 to 54	275	9,626,540	354	15,098,020	352	16,541,665	402	20,604,170	355	19,659,547	462	26,366,221	135	7,682,598	0	0	0	0	2,335	115,578,761
55 to 59	155	5,955,674	195	9,064,005	225	11,003,990	346	18,384,110	311	16,932,921	273	15,561,214	347	20,509,101	27	1,605,681	0	0	1,879	99,016,696
60 to 64	68	2,975,883	59	2,517,734	60	2,849,213	121	6,403,535	89	4,840,373	66	3,681,823	93	5,452,770	36	2,171,434	5	266,611	597	31,159,376
65 to 69	9	290,903	11	475,555	7	323,524	11	551,254	9	542,503	7	471,580	6	351,348	9	572,052	2	134,067	71	3,712,786
70 & up	13	425,035	1	47,342	0	0	2	100,358	2	122,248	0	0	0	0	0	0	0	0	18	694,983
TOTAL	2,660	87,991,688	2,319	95,707,865	1,518	71,258,083	1,494	76,858,184	1,153	62,779,594	887	50,552,842	583	34,094,634	72	4,349,167	7	400,678	10,693	483,992,735

TABLE 4

SUMMARY OF RETIRED MEMBER AND BENEFICIARY DATA
BY LEVEL OF ANNUAL ALLOWANCE AS OF JUNE 30, 2005

ALL TEACHERS

Allowance Level	Service Pensioners		Disability Pensioners		Beneficiaries	
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
0 - 500	10	\$ 2,695	-	\$ -	-	\$ -
501 - 1,000	16	12,264	-	-	3	2,433
1,001 - 1,500	32	40,319	-	-	4	5,285
1,501 - 2,000	62	109,821	-	-	3	5,249
2,001 - 2,500	73	164,416	-	-	5	11,367
2,501 - 3,000	89	244,262	-	-	12	33,786
3,001 - 3,500	87	281,349	-	-	15	49,531
3,501 - 4,000	117	439,380	-	-	12	45,051
4,001 - 4,500	119	507,847	1	4,344	7	30,588
4,501 - 5,000	108	511,960	-	-	3	13,970
5,001 - 5,500	104	546,316	1	5,045	10	52,431
5,501 - 6,000	105	604,494	3	17,152	22	126,619
6,001 - 6,500	109	677,927	5	31,099	5	31,366
6,501 - 7,000	96	647,176	4	27,277	8	53,309
7,001 - 7,500	96	696,403	3	21,629	12	86,306
7,501 - 8,000	94	732,093	4	31,105	15	115,266
8,001 - 8,500	86	708,765	7	57,928	13	106,982
8,501 - 9,000	93	814,501	7	61,204	13	114,579
9,001 - 9,500	90	832,789	4	36,587	7	64,434
9,501 - 10,000	85	830,199	13	127,225	7	68,440
10,001 - 10,500	89	912,023	10	102,804	8	82,144
10,501 - 11,000	86	923,694	3	32,467	9	96,440
11,001 - 11,500	82	921,855	2	22,595	13	146,722
11,501 - 12,000	79	926,345	11	128,733	6	70,380
12,001 - 12,500	74	907,900	10	122,024	7	86,421
12,501 - 13,000	71	904,231	4	50,618	2	25,413
13,001 - 13,500	69	914,075	4	53,029	5	66,331
13,501 - 14,000	85	1,170,433	3	41,380	6	82,482
14,001 - 14,500	76	1,082,864	1	14,262	4	57,376
14,501 - 15,000	75	1,109,493	4	58,773	5	74,248
15,001 - 15,500	89	1,356,088	-	-	3	45,896
15,501 - 16,000	78	1,231,108	4	62,994	4	62,784
16,001 - 16,500	86	1,396,618	2	32,697	4	64,732
16,501 - 17,000	65	1,088,178	1	16,738	2	33,554
17,001 - 17,500	78	1,344,513	2	34,718	4	68,962
17,501 - 18,000	73	1,295,937	5	88,800	3	53,299
18,001 - 18,500	78	1,420,872	-	-	-	-
18,501 - 19,000	78	1,460,628	-	-	-	-
19,001 - 19,500	86	1,656,712	2	38,580	1	19,066
19,501 - 20,000	95	1,875,136	2	39,238	2	39,260
20,001 - 20,500	76	1,538,842	-	-	3	60,593
20,501 - 21,000	92	1,905,029	1	20,840	-	-

TABLE 4, continued

SUMMARY OF RETIRED MEMBER AND BENEFICIARY DATA
BY LEVEL OF ANNUAL ALLOWANCE AS OF JUNE 30, 2005

ALL TEACHERS

Allowance Level	Service Pensioners		Disability Pensioners		Beneficiaries	
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
21,001 - 21,500	65	1,380,612	-	-	1	21,463
21,501 - 22,000	69	1,499,909	-	-	-	-
22,001 - 22,500	45	999,157	-	-	-	-
22,501 - 23,000	41	933,991	-	-	-	-
23,001 - 23,500	54	1,254,003	-	-	-	-
23,501 - 24,000	49	1,163,999	-	-	-	-
24,001 - 24,500	46	1,115,014	-	-	1	24,033
24,501 - 25,000	30	742,298	-	-	-	-
Over 25,000	365	10,880,042	3	79,334	2	69,408
Total	4,195	\$ 56,716,575	126	\$ 1,461,219	271	\$ 2,367,999

SCHEDULE E

AMORTIZATION SCHEDULE FOR THE UNFUNDED ACTUARIAL
ACCRUED LIABILITY

AMORTIZATION SCHEDULE FOR THE UNFUNDED ACTUARIAL
ACCRUED LIABILITY

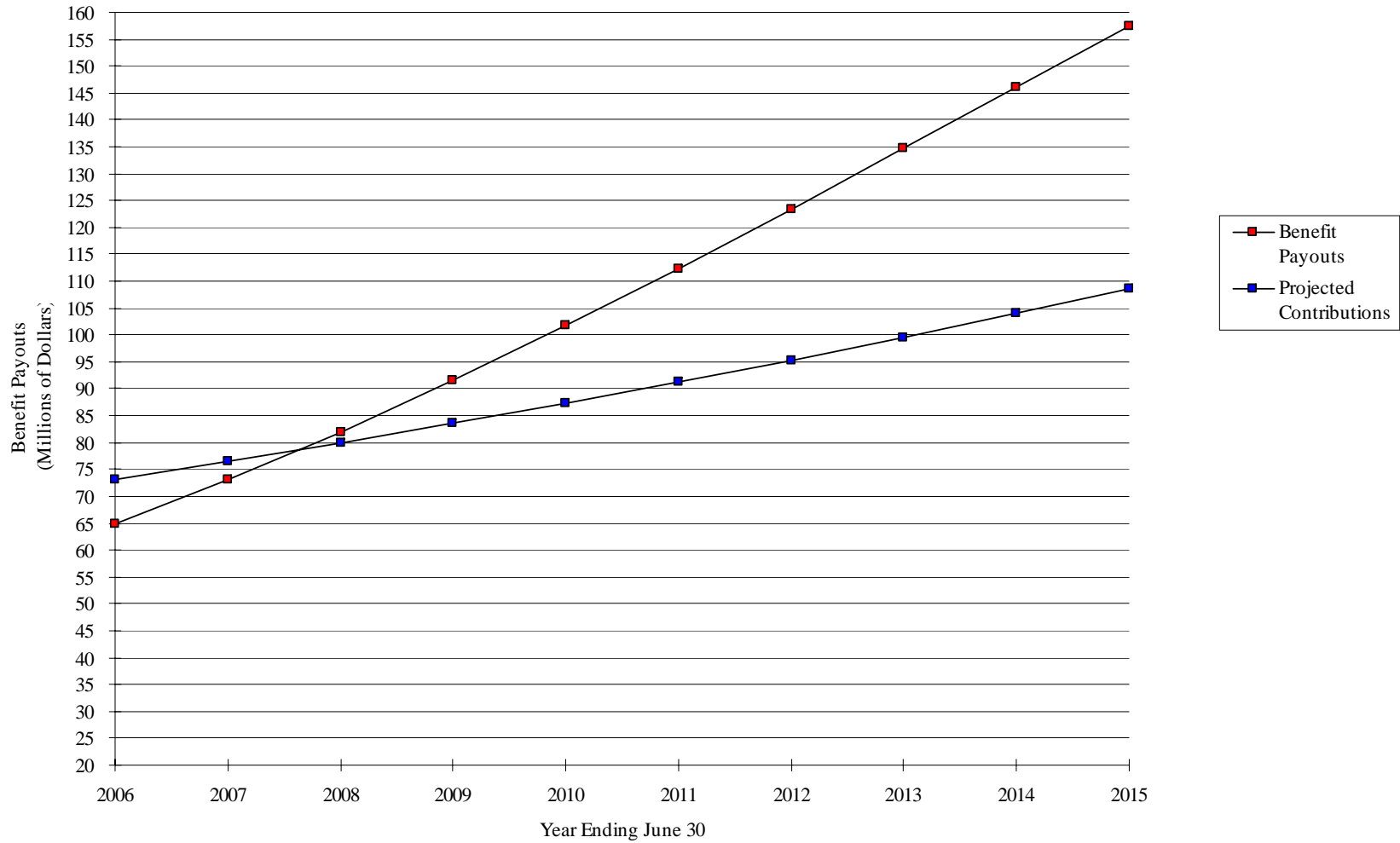
Date	Balance	Contribution (Year Following)
6/30/2005	138,143,845	13,004,599
6/30/2006	135,680,576	13,654,829
6/30/2007	132,344,507	14,337,570
6/30/2008	128,032,027	15,054,449
6/30/2009	122,629,546	15,807,171
6/30/2010	116,012,615	16,597,530
6/30/2011	108,044,964	17,427,407
6/30/2012	98,577,467	18,298,777
6/30/2013	87,447,016	19,213,716
6/30/2014	74,475,297	20,174,402
6/30/2015	59,467,466	21,183,122
6/30/2016	42,210,716	22,242,278
6/30/2017	22,472,719	23,354,392
6/30/2018	0	0

SCHEDULE F

PROJECTED BENEFIT PAYOUTS AND
CONTRIBUTIONS FOR THE PERIOD
JULY 1, 2005 THROUGH JUNE 30, 2015

PROJECTED BENEFIT PAYOUTS AND CONTRIBUTIONS

JULY 1, 2005 THROUGH JUNE 30, 2015



SCHEDULE G

PROJECTION OF CONTRIBUTIONS FOR FOLLOWING TWO FISCAL YEARS

PROJECTION OF CONTRIBUTIONS FOR FOLLOWING TWO FISCAL YEARS

On the basis of the June 30, 2005, actuarial valuation, the recommended contribution for the fiscal year ending June 30, 2006, is \$56,627,046, based on the following:

Payroll	\$486,857,658
Normal rate	8.96%
Accrued liability contribution	\$13,004,599

On this basis, the projected contributions for the following two fiscal years are as follows:

Fiscal Year	Projected Payroll	Normal Rate	CONTRIBUTIONS		
			Normal	Accrued Liability	Total
2007	508,766,000	8.96%	\$45,585,000	\$13,654,829	\$59,239,829
2008	531,661,000	8.96%	47,637,000	14,337,570	61,974,570

In these projections, we assumed that total payroll would increase by 4½% each year.