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OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

**ACTUARIAL VALUATION OF DEFINED BENEFIT ALLOWANCES –
TRADITIONAL, COMBINED AND MEMBER DIRECTED PLANS**

DECEMBER 31, 2009

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August 31, 2010

The Retirement Board
Ohio Public Employees Retirement System
Columbus, Ohio

Ladies and Gentlemen:

The results of the *December 31, 2009 annual actuarial valuation of defined benefit allowances* of the Ohio Public Employees Retirement System, based upon Chapter 145 of the Code as amended, are presented in this report. The gain/loss analysis of experience by division, the annual actuarial valuation of retiree health and Medicare benefits, projections of defined benefit allowances and projections of retiree health and Medicare benefits are covered in separate reports. The purposes of the valuation are as follows:

- Measure the financial position of OPERS,
- Assist the board in establishing employer and employee contribution rates necessary to fund the pension defined benefits provided by OPERS,
- Determine the number of years required to amortize the unfunded actuarial accrued liabilities based upon established contribution rates,
- Provide actuarial reporting and disclosure information for the System's financial report, and analyze the experience of the System over the past year.

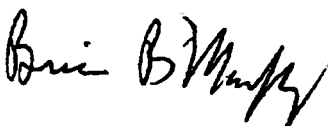
The individual member statistical data required for the valuations was furnished by your Executive Director and Staff, together with pertinent data on financial operations. Their cooperation in furnishing these materials is acknowledged with appreciation.

The actuarial assumptions used in the valuations are summarized in Section X of this report. The assumptions are established by the Retirement Board after consulting with the actuary.

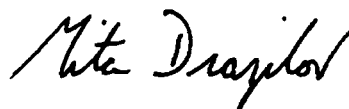
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, this report is complete and accurate and was made in accordance with standards of practice promulgated by the Actuarial Standards Board. The actuarial assumptions used for the valuation produce results which, individually and in the aggregate, are reasonable.

The signing actuaries are Members of the American Academy of Actuaries (MAAA) as indicated, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,



Brian B. Murphy, FSA, MAAA



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SECTION I
EXECUTIVE SUMMARY

INTRODUCTION

Section 145.22 of the Revised Code of Ohio (ORC) provides in part as follows:

“(A) The public employees retirement board shall have prepared annually by or under the supervision of an actuary an actuarial valuation of the pension assets, liabilities, and funding requirements of the public employees retirement system as established pursuant to this chapter.”

This report presents the results of the December 31, 2009 annual actuarial valuation of the Ohio Public Employees Retirement System (OPERS) Defined Benefit Allowances of the Traditional, Combined and Member Directed Plans. In conjunction with Chapter 145 of the ORC, the purposes of performing the annual valuation are as follows:

- Measure the financial position of OPERS,
- Assist the Board in establishing employer and employee contribution rates necessary to fund the pension defined benefits provided by OPERS,
- Determine the number of years required to amortize the unfunded actuarial accrued liabilities based upon established contribution rates,
- Provide actuarial reporting and disclosure information for the System’s financial report, and
- Analyze the experience of the System over the past year.

The report is presented as follows:

Section I	-	Executive Summary
Section II	-	Financial Information
Section III	-	Benefits and Conditions Evaluated
Section IV	-	Recommendations for Reserve Transfers
Section V	-	Active and Inactive Vested Valuation Results for State
Section VI	-	Active and Inactive Vested Valuation Results for Local Government
Section VII	-	Active and Inactive Vested Valuation Results for Public Safety
Section VIII	-	Active and Inactive Vested Valuation Results for Law Enforcement
Section IX	-	Allowances Being Paid to Retirees and Beneficiaries
Section X	-	Actuarial Methods and Assumptions
Section XI	-	Financial Principles
Section XII	-	Governmental Accounting Standards Board (GASB) Reporting

There have been no material benefit changes since the last valuation. Actuarial assumptions and methods are consistent with the prior actuarial valuation and are based upon an experience study issued October 30, 2006.

A summary of the primary valuation results as of December 31, 2009 is presented on the following page.

SUMMARY OF PENSION DEFINED BENEFIT VALUATION RESULTS
TRADITIONAL, COMBINED, AND MEMBER DIRECTED PLANS
DECEMBER 31
(\$ IN MILLIONS)

	2009						2008	
	General			Law			Grand Total	Grand Total
	State	Local	Total General	Public Safety	Law Enforcement	Total Law		
A. Demographic Information								
1. Active Number Counts								
a. Traditional Plan	114,828	218,849	333,677	94	8,006	8,100	341,777	349,969
b. Combined Plan	<u>2,180</u>	<u>4,155</u>	<u>6,335</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,335</u>	<u>6,419</u>
c. Total	117,008	223,004	340,012	94	8,006	8,100	348,112	356,388
2. Active Payroll								
a. Traditional Plan	\$ 4,657	\$ 7,182	\$ 11,838	\$ 4	\$ 447	\$ 451	\$ 12,289	\$ 12,546
b. Combined Plan	<u>106</u>	<u>153</u>	<u>259</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>259</u>	<u>255</u>
c. Total	\$ 4,763	\$ 7,334	\$ 12,097	\$ 4	\$ 447	\$ 451	\$ 12,548	\$ 12,801
3. Retired Number Counts	60,864	109,737	170,601	145	3,913	4,058	174,659	169,016
4. Deferred / Inactive Number Counts	138,846	243,772	382,618	22	931	953	383,571	365,616
5. Member Directed Active Number Counts	<u>2,681</u>	<u>5,167</u>	<u>7,848</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,848</u>	<u>7,555</u>
6. Total Number Counts	319,399	581,680	901,079	261	12,850	13,111	914,190	898,575
B. Defined Benefit Assets								
1. Market Value (MV)	\$ 22,358	\$ 32,983	\$ 55,341	\$ 32	\$ 2,361	\$ 2,393	\$ 57,734	\$ 49,389
2. Rate of Return on MV							20.08 %	(27.87)%
3. Funding Value (FV)	\$ 22,318	\$ 32,924	\$ 55,241	\$ 31	\$ 2,356	\$ 2,388	\$ 57,629	\$ 55,315
4. Rate of Return on FV							6.86 %	(15.82)%
5. Ratio of FV to MV							99.8%	112.0%
C. Defined Benefit Actuarial Results								
1. Normal Cost as a % of Payroll	15.45%	15.14%	15.25%	19.27%	20.26%	20.25%	15.43%	15.44%
2. Actuarial Accrued Liability (AAL)								
a. Active	\$ 13,880	\$ 20,318	\$ 34,198	\$ 11	\$ 1,507	\$ 1,518	\$ 35,716	\$ 35,882
b. Retired	15,670	21,326	36,996	32	1,549	1,581	38,578	35,486
c. Deferred/Inactive	<u>933</u>	<u>1,301</u>	<u>2,234</u>	<u>0</u>	<u>27</u>	<u>27</u>	<u>2,261</u>	<u>2,098</u>
d. Total	\$ 30,483	\$ 42,945	\$ 73,428	\$ 44	\$ 3,083	\$ 3,127	\$ 76,555	\$ 73,466
3. Unfunded AAL (UAAL)	\$ 8,165	\$ 10,021	\$ 18,187	\$ 12	\$ 727	\$ 739	\$ 18,926	\$ 18,150
4. Funded Ratio	73.2 %	76.7 %	75.2 %	72.0 %	76.4 %	76.4 %	75.3 %	75.3 %
D. Amortization Years to Fully Amortize UAAL *								
	42	25	30	N/A	24	25	30	30
E. Contribution Rates								
	CY 2012						CY 2011	
1. Pension Contributions								
a. Employer Normal Cost	5.45%	5.14%	5.25%	7.77%	8.16%	8.16%	5.35%	5.38%
b. Member Contribution Rate	10.00%	10.00%	10.00%	11.50%	12.10%	12.09%	10.08%	10.06%
c. UAAL Contribution Rate	<u>4.55%</u>	<u>4.86%</u>	<u>4.75%</u>	<u>6.33%</u>	<u>5.94%</u>	<u>5.94%</u>	<u>4.80%</u>	<u>4.77%</u>
d. Total	20.00%	20.00%	20.00%	25.60%	26.20%	26.19%	20.23%	20.21%
2. Retiree Health Contribution Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
3. Total Employer Contribution Rate	14.00%	14.00%	14.00%	18.10%	18.10%	18.10%	14.15%	14.15%

* Based on schedule of employer and member contribution rates shown on page III-3. For GASB purposes, amortization years are determined based upon scheduled contribution rate increases through 2012. See page XII-10 for additional explanation.

SUMMARY OF PENSION DEFINED BENEFIT VALUATION RESULTS
TRADITIONAL PLAN
DECEMBER 31
(\$ IN MILLIONS)

	2009						2008	
	General			Law			Grand Total	Grand Total
	State	Local	Total General	Public Safety	Law Enforcement	Total Law		
A. Demographic Information								
1. Active Number Counts	114,828	218,849	333,677	94	8,006	8,100	341,777	349,969
2. Active Payroll	\$ 4,657	\$ 7,181	\$ 11,837	\$ 4	\$ 447	\$ 451	\$ 12,288	\$ 12,546
3. Retired Number Counts	60,861	109,718	170,579	145	3,913	4,058	174,637	169,000
4. Deferred / Inactive Number Counts	138,494	243,109	381,603	22	931	953	382,556	364,983
5. Total Number Counts	314,183	571,676	885,859	261	12,850	13,111	898,970	883,952
B. Defined Benefit Assets								
1. Market Value (MV)	\$ 22,319	\$ 32,919	\$ 22,319	\$ 32	\$ 2,361	\$ 2,393	\$ 57,630	\$ 49,313
2. Rate of Return on MV							20.11 %	(27.87)%
3. Funding Value (FV)	\$ 22,276	\$ 32,855	\$ 55,131	\$ 31	\$ 2,356	\$ 2,388	57,519	\$ 55,230
4. Rate of Return on FV							6.86 %	(15.82)%
5. Ratio of FV to MV							99.8%	112.0%
C. Defined Benefit Actuarial Results								
1. Normal Cost as a % of Payroll	15.36%	15.05%	15.18%	19.27%	20.26%	20.25%	15.35%	15.33%
2. Actuarial Accrued Liability (AAL)								
a. Active	\$ 13,822	\$ 20,233	\$ 34,055	\$ 11	\$ 1,507	\$ 1,518	\$ 35,574	\$ 35,764
b. Retired	15,670	21,326	36,996	32	1,549	1,581	38,577	35,485
c. Deferred/Inactive	<u>932</u>	<u>1,298</u>	<u>2,229</u>	<u>0</u>	<u>27</u>	<u>27</u>	<u>2,256</u>	<u>2,097</u>
d. Total	\$ 30,424	\$ 42,856	\$ 73,280	\$ 44	\$ 3,083	\$ 3,127	\$ 76,407	\$ 73,346
3. Unfunded AAL (UAAL)	\$ 8,148	\$ 10,001	\$ 18,149	\$ 12	\$ 727	\$ 739	\$ 18,888	\$ 18,116
4. Funded Ratio	73.2 %	76.7 %	75.2 %	72.0 %	76.4 %	76.4 %	75.3 %	75.3 %
D. Amortization Years to Fully Amortize UAAL *								
	43	25	31	N/A	24	25	30	30
E. Contribution Rates								
	CY 2012						CY 2011	
1. Pension Contributions								
a. Employer Normal Cost	5.36%	5.05%	5.18%	7.77%	8.16%	8.16%	5.27%	5.27%
b. Member Contribution Rate	10.00%	10.00%	10.00%	11.50%	12.10%	12.09%	10.08%	10.06%
c. UAAL Contribution Rate	<u>4.64%</u>	<u>4.95%</u>	<u>4.82%</u>	<u>6.33%</u>	<u>5.94%</u>	<u>5.94%</u>	<u>4.88%</u>	<u>4.88%</u>
d. Total	20.00%	20.00%	20.00%	25.60%	26.20%	26.19%	20.23%	20.21%
2. Retiree Health Contribution Rate								
	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
3. Total Employer Contribution Rate								
	14.00%	14.00%	14.00%	18.10%	18.10%	18.10%	14.15%	14.15%

* Based on schedule of employer and member contribution rates shown on page III-3. For GASB purposes, amortization years are determined based upon scheduled contribution rate increases through 2012. See page XII-10 for additional explanation.

**SUMMARY OF PENSION DEFINED BENEFIT VALUATION RESULTS
COMBINED PLAN
DECEMBER 31
(\$ IN MILLIONS)**

	2009		2008	
	General		Grand Total	Grand Total
	State	Local		
A. Demographic Information				
1. Active Number Counts	2,180	4,155	6,335	6,419
2. Active Payroll	\$ 106	\$ 153	\$ 259	\$ 255
3. Retired Number Counts	2	10	12	12
4. Deferred / Inactive Number Counts	<u>352</u>	<u>663</u>	<u>1,015</u>	<u>633</u>
5. Total Number Counts	2,534	4,828	7,362	7,064
B. Defined Benefit Assets				
1. Market Value (MV)	\$ 39	\$ 64	\$ 103	\$ 76
2. Rate of Return on MV			7.80 %	(27.37)%
3. Funding Value (FV)	\$ 41	\$ 68	\$ 110	\$ 85
4. Rate of Return on FV			4.58 %	(17.72)%
5. Ratio of FV to MV			107%	112%
C. Defined Benefit Actuarial Results				
1. Normal Cost as a % of Payroll	17.18%	16.88%	16.99%	16.99%
2. Actuarial Accrued Liability (AAL)				
a. Active	\$ 57	\$ 85	\$ 143	\$ 118
b. Retired	0	0	0	0
c. Deferred/Inactive	<u>1</u>	<u>3</u>	<u>5</u>	<u>1</u>
d. Total	\$ 59	\$ 89	\$ 148	\$ 120
3. Unfunded AAL (UAAL)	\$ 18	\$ 20	\$ 38	\$ 35
4. Funded Ratio	70.3 %	77.1 %	74.4 %	70.8 %
D. Amortization Years to Fully Amortize UAAL *				
	4	3	3	4
E. Contribution Rates				
	CY 2012		CY 2011	
1. Total Normal Cost	17.18%	16.88%	16.99%	16.99%
2. Member Contribution Rate	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>
3. Employer Normal Cost	7.18%	6.88%	6.99%	6.99%
4. Other Contributions #	6.82%	7.12%	7.01%	7.01%
5. Total Employer Contribution Rate	14.00%	14.00%	14.00%	14.00%

* Based on schedule of employer and member contribution rates shown on page III-3.

Other contributions include; amortization payments for the pension UAAL, mitigating contributions, and contributions to the retiree health care fund.

SUMMARY OF PENSION DEFINED BENEFIT VALUATION RESULTS
MEMBER DIRECTED PLAN
DECEMBER 31

	2009	2008
	Grand Total	Grand Total
A. Demographic Information		
1. Active Number Counts	7,848	7,555
2. Retired Number Counts	10	4
3. Deferred / Inactive Number Counts	<u>0</u>	<u>0</u>
4. Total Number Counts	7,858	7,559
<hr/>		
B. Defined Benefit Assets		
1. Market Value (MV)	\$207,934	\$132,121
2. Rate of Return on MV	19.91 %	(34.18)%
3. Funding Value (FV)	\$205,639	\$147,976
4. Rate of Return on FV	7.42 %	(17.71)%
5. Ratio of FV to MV	98.9%	112.0%
<hr/>		
C. Defined Benefit Actuarial Results		
1. Normal Cost as a % of Payroll		
2. Actuarial Accrued Liability (AAL)		
a. Active	\$ 0	\$ 0
b. Retired	252,670	166,354
c. Deferred/Inactive	<u>0</u>	<u>0</u>
d. Total	252,670	166,354
3. Unfunded AAL (UAAL)	\$ 47,029	\$ 18,378
4. Funded Ratio	81.4 %	89.0 %

COMMENTS AND CONCLUSION

The December 31, 2009 actuarial valuations of members indicate the following about the portion of employer contribution rates allocated to financing retirement allowances:

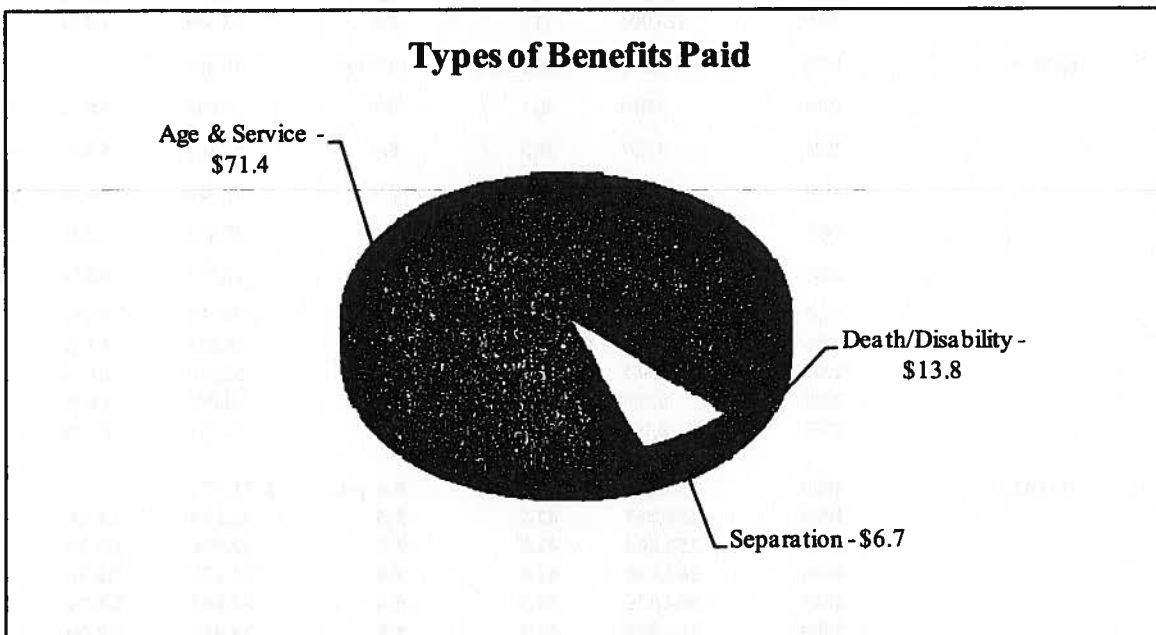
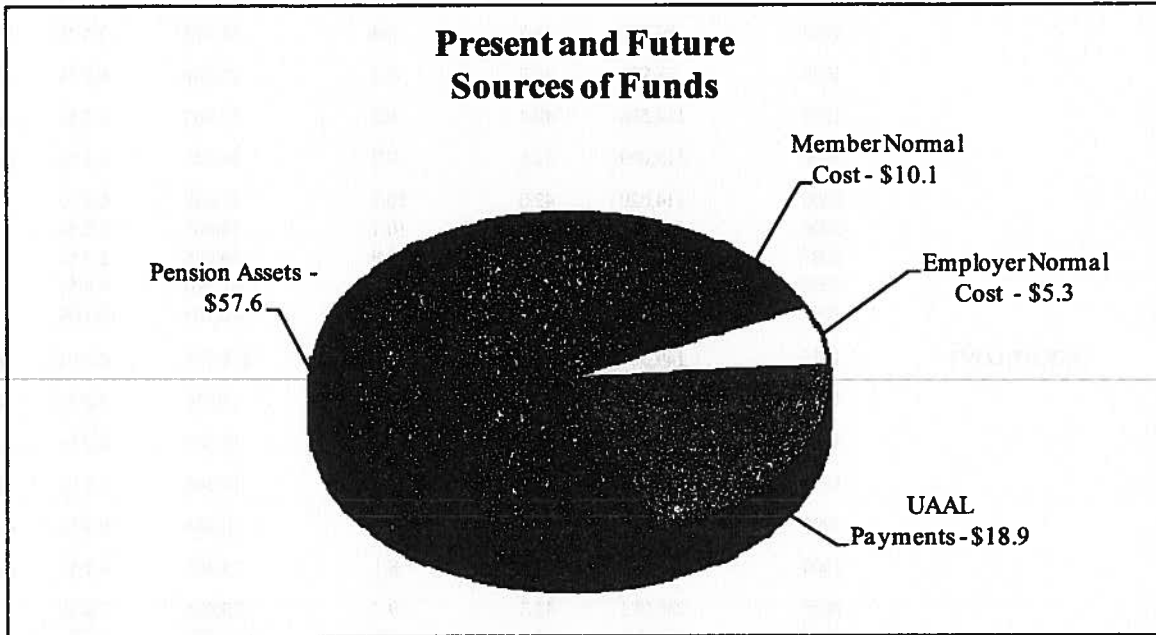
- The employer rates are sufficient to fully fund the cost of benefit commitments being made to members for service currently being rendered.
- After satisfying current cost requirements, the remaining portion of the employer rates provides sufficient funds to amortize unfunded actuarial accrued liabilities over a period of 30 years for the System in total.

Experience. The computed amortization period, taking into account all scheduled increases in contribution rates is 30 years, which is the same result that had been reported in the December 31, 2008 valuation. The fact that the amortization period remained unchanged is partly due to a reduction in the share of employer contributions expected to be allocated to the retiree health plan (see discussion below) and partly due to experience during the year. Measured on a market value basis, investment return was 20.80%. This figure is based upon an actuarial calculation and may not agree with figures reported elsewhere. The return on the funding value of assets was 6.86% due to only partial recognition of the 2009 market value gain, and continued recognition of the 2008 market value loss. Since the expected return on the funding value of assets is 8%, the actual return of 6.86% resulted in an increase to the amortization years. Individual salary increases during 2009 were less than expected on average which improved the amortization period. However, a decrease in active member total payroll during 2009 resulted in an increase to the amortization years. Continued decreases in the active member payroll would result in continued upward pressure on the amortization period. Information concerning 2009 experience including other sources of gains and losses is presented on pages I-14 through I-16.

~~Scheduled Reallocation of Employer Contribution Rates.~~ The schedule of future employer contributions allocated to retiree health benefits was changed since the previous annual actuarial valuation. The revised schedule shown on page III-3 allocates more future employer contributions to pension benefits for years 2013 and 2014.

Conclusion. Based on the results of the December 31, 2009 regular annual actuarial valuation, it is our opinion that the Ohio Public Employees Retirement System continues to operate in accordance with actuarial principles of level percent of payroll financing. However, the amortization period is likely to increase in the near future in the absence of gains in 2010.

**FINANCING \$91.9 BILLION* OF DEFINED BENEFIT PROMISES
FOR PRESENT ACTIVE AND RETIRED MEMBERS
DECEMBER 31, 2009
(DOLLAR AMOUNTS IN BILLIONS)**



* Present value of future benefits – all divisions combined.

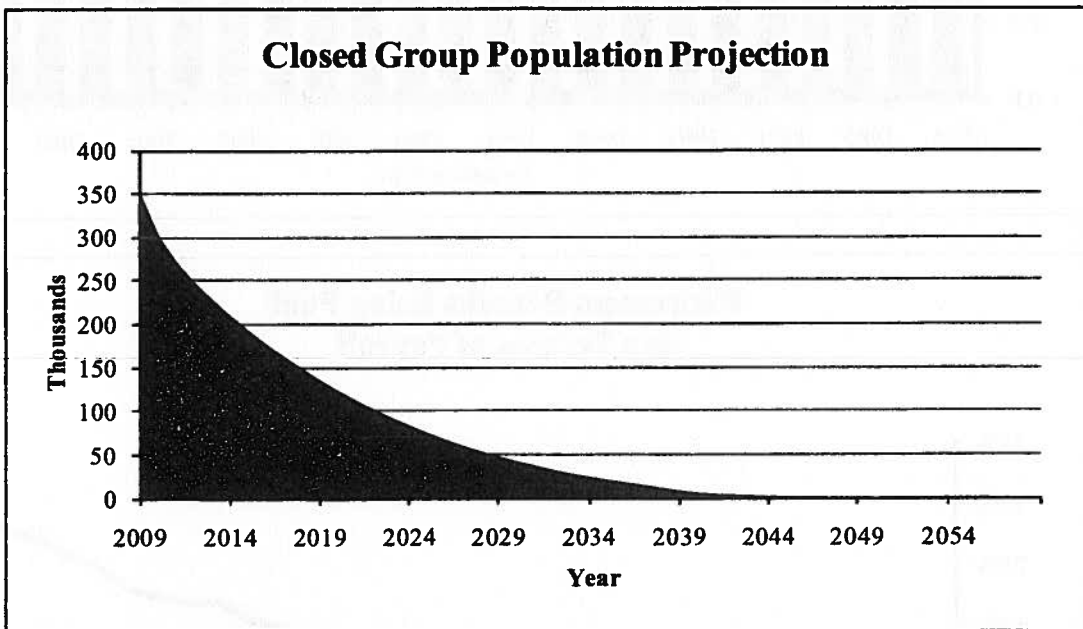
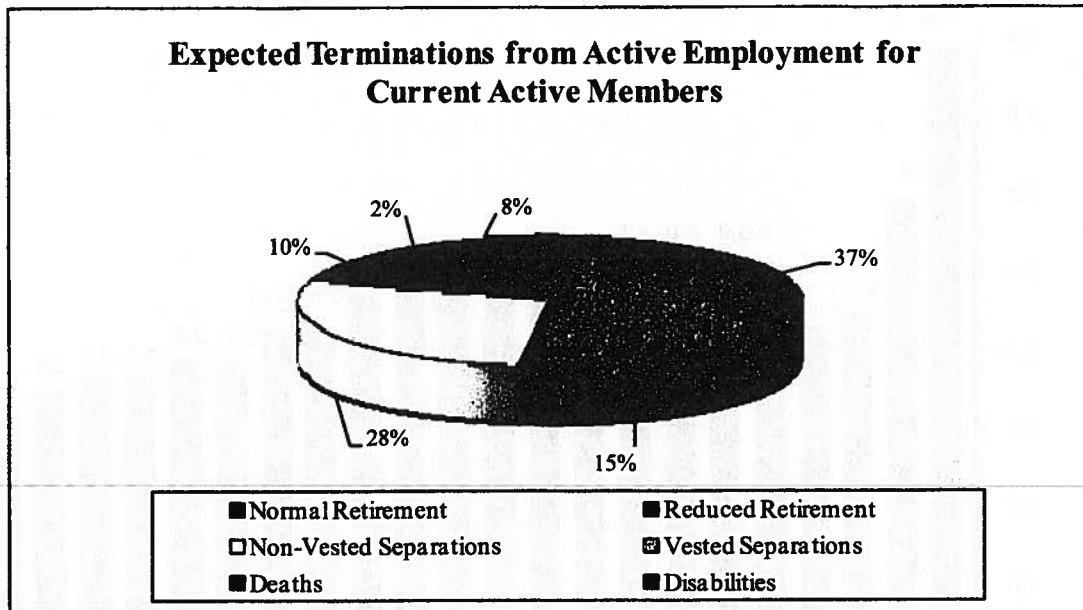
DEFINED BENEFIT ACTIVE MEMBERS IN VALUATION GROUP AVERAGES - COMPARATIVE STATEMENT

Valuation Group	Dec. 31	No. of Active Members	Group Averages			
			Attained Age	Accrued Service Yrs.	Annual Payroll	
					Average	Increase
STATE	1975	83,220	40.6 yrs.	6.5 yrs.	\$ 9,441	6.4 % @
	1980	92,872	39.4	7.3	13,934	8.1 % @
	1985	89,256	39.2	8.4	18,677	7.4 % @
	1990	98,939	40.7	8.1	25,281	6.2 % @
	1995	114,596	40.4	8.8	27,962	2.0 % @
	2000	113,099	41.6	9.7	34,201	4.1 % @
	2005	114,620	42.0	10.1	37,858	0.2 %
	2006	115,930	42.0	10.1	39,005	3.0 %
	2007	118,466	41.7	9.9	39,695	1.8 %
	2008	114,925	42.0	10.1	41,590	4.8 %
2009	117,008	41.4	9.8	40,704	(2.1)%	
LOCAL GOVT	1975	149,557	40.8 yrs.	6.1 yrs.	\$ 8,771	4.3 % @
	1980	160,797	40.7	7.4	13,035	8.2 % @
	1985	158,285	40.1	8.3	15,983	6.2 % @
	1990	173,220	41.5	7.9	19,506	4.1 % @
	1995	223,431	41.2	7.6	20,384	0.9 % @
	2000	245,831	41.8	8.1	24,401	3.7 % @
	2005	236,073	43.3	9.2	29,933	2.8 %
	2006	237,981	43.4	9.2	30,399	1.6 %
	2007	237,225	43.6	9.3	31,354	3.1 %
	2008	233,163	44.0	9.5	32,451	3.5 %
2009	223,004	44.3	9.9	32,889	1.3 %	
LAW *	1975	2,111	35.0 yrs.	4.9 yrs.	\$ 10,467	-
	1980	3,019	36.1	6.8	16,846	10.0 % @
	1985	4,207	36.5	8.4	20,103	5.5 % @
	1990	5,804	38.6	9.9	26,936	6.0 % @
	1995	6,605	39.3	11.1	32,441	3.2 % @
	2000	8,045	39.3	11.7	40,387	4.5 % @
	2005	8,111	39.9	12.6	49,472	3.0 %
	2006	8,219	40.0	12.7	50,983	3.1 %
	2007	8,385	40.2	12.8	52,816	3.6 %
	2008	8,300	40.5	13.1	54,809	3.8 %
2009	8,100	41.0	13.6	55,715	1.7 %	
TOTAL	2003	353,584	42.5 yrs.	9.4 yrs.	\$ 31,577	-
	2004	355,287	42.7	9.5	32,240	2.1 %
	2005	358,804	42.8	9.5	32,906	2.1 %
	2006	362,130	42.9	9.5	33,621	2.2 %
	2007	364,076	42.9	9.6	34,562	2.8 %
	2008	356,388	43.2	9.8	35,919	3.9 %
	2009	348,112	43.3	10.0	36,047	0.4 %

@ 5-year annual compound rate.

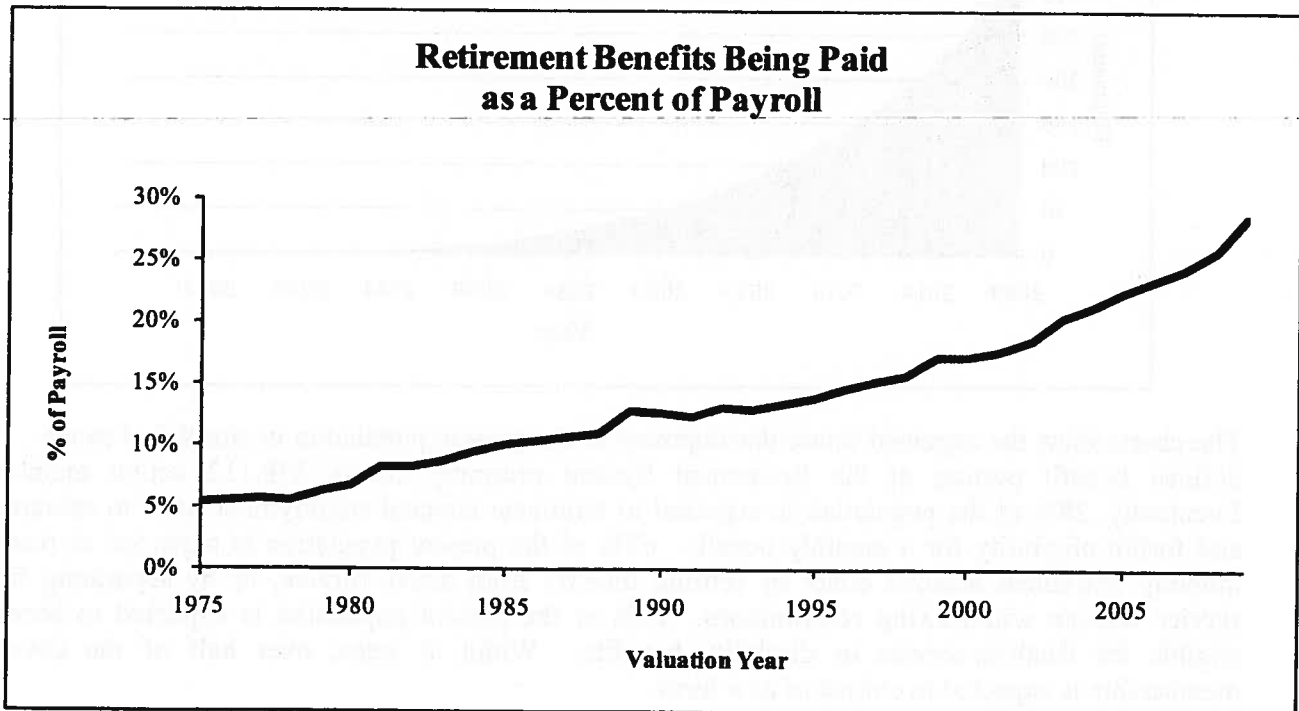
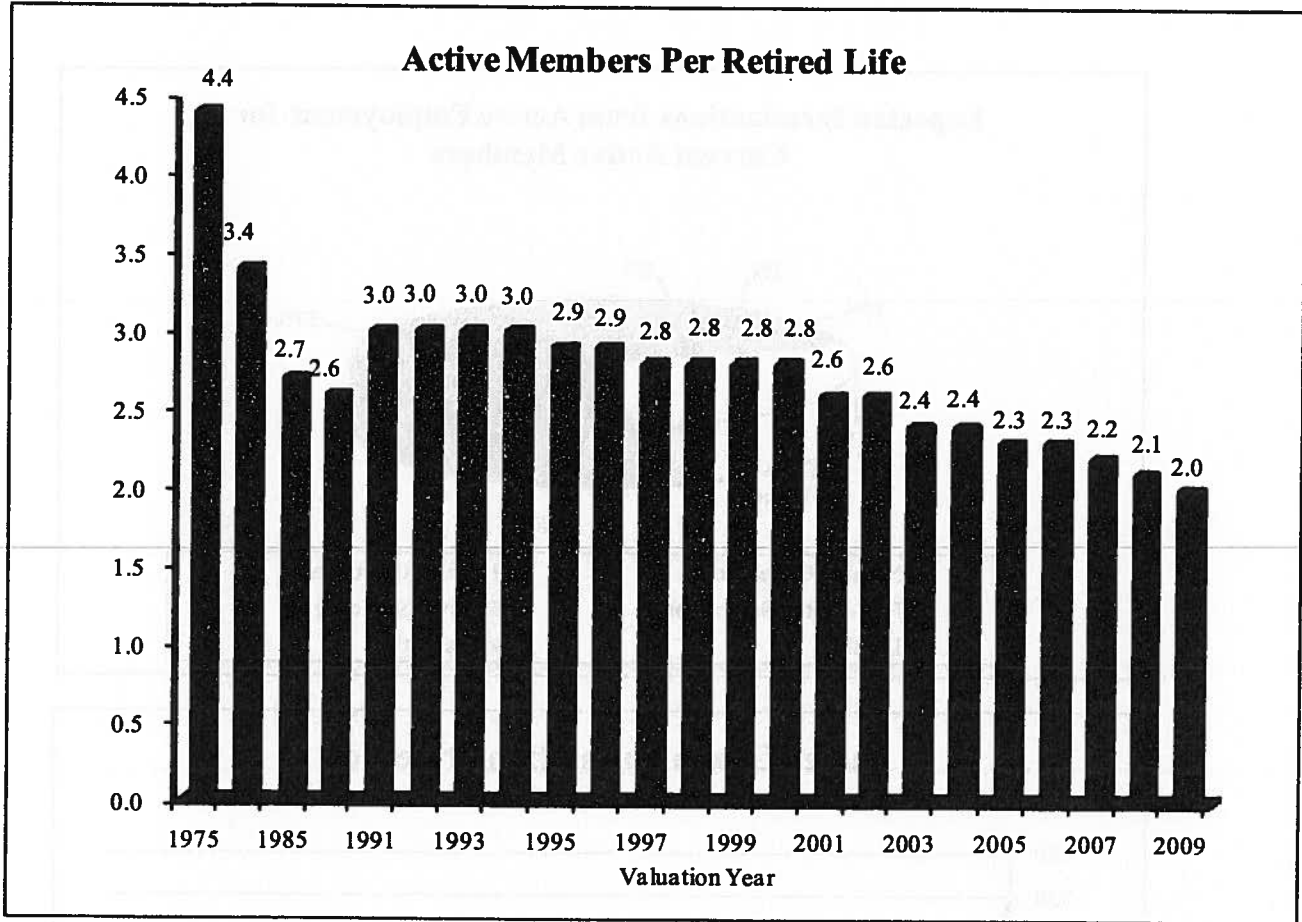
* Beginning with the December 31, 2005 valuation report, valuation results for the Law division are shown separately for Public Safety and Law Enforcement.

DEVELOPMENT OF PRESENT DEFINED BENEFIT POPULATION DECEMBER 31, 2009

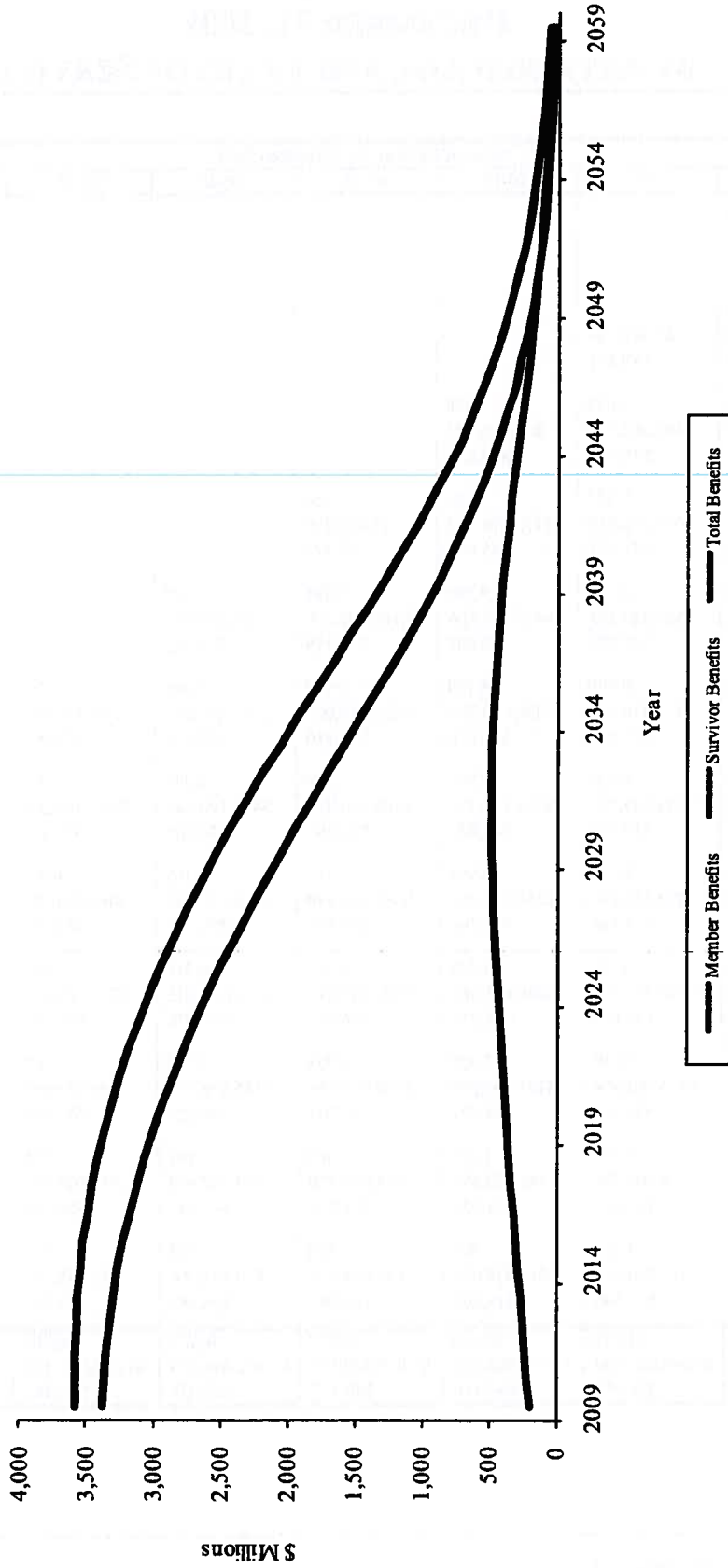


The charts show the expected future development of the present population in simplified terms. The defined benefit portion of the Retirement System presently covers 348,112 active members. Eventually, 28% of the population is expected to terminate covered employment prior to retirement and forfeit eligibility for a monthly benefit. 62% of the present population is expected to receive monthly retirement benefits either by retiring directly from active service, or by separating from service without withdrawing contributions. 10% of the present population is expected to become eligible for death-in-service or disability benefits. Within 8 years, over half of the covered membership is expected to consist of new hires.

ACTIVE/RETIRED MEMBER STATISTICS DECEMBER 31, 2009



**PROJECTED FUTURE BENEFIT PAYMENTS
ON BEHALF OF PRESENT RETIRED LIVES**



Total future payments: \$95.7 billion
 From present assets: \$38.6 billion
 From future earnings: \$57.1 billion

**ALL DIVISIONS
DEFINED BENEFIT ACTIVE MEMBERS IN VALUATION
DECEMBER 31, 2009
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Ages	Years of Service To Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19	11,926							11,926
Tot. Pay	\$71,331,908							\$71,331,908
Avg. Pay	\$5,981							\$5,981
20-24	31,025	374						31,399
Tot. Pay	\$342,841,658	\$7,413,123						\$350,254,781
Avg. Pay	\$11,050	\$19,821						\$11,155
25-29	22,081	5,078	280					27,439
Tot. Pay	\$551,656,327	\$184,382,205	\$10,146,093					\$746,184,625
Avg. Pay	\$24,983	\$36,310	\$36,236					\$27,194
30-34	14,869	9,947	3,834	164				28,814
Tot. Pay	\$432,113,109	\$418,276,559	\$172,699,797	\$7,099,999				\$1,030,189,464
Avg. Pay	\$29,061	\$42,051	\$45,044	\$43,293				\$35,753
35-39	12,487	8,730	9,105	3,288	127			33,737
Tot. Pay	\$365,019,437	\$369,040,168	\$435,965,806	\$164,002,689	\$5,932,466			\$1,339,960,566
Avg. Pay	\$29,232	\$42,273	\$47,882	\$49,879	\$46,712			\$39,718
40-44	11,239	8,049	8,170	7,956	3,444	145		39,003
Tot. Pay	\$318,756,313	\$334,808,851	\$390,686,223	\$428,954,007	\$181,410,357	\$7,676,570		\$1,662,292,321
Avg. Pay	\$28,362	\$41,596	\$47,820	\$53,916	\$52,674	\$52,942		\$42,620
45-49	10,942	8,234	7,998	7,558	8,285	3,939	247	47,203
Tot. Pay	\$291,214,460	\$323,805,727	\$360,108,210	\$388,124,919	\$466,190,684	\$217,103,303	\$13,315,883	\$2,059,863,186
Avg. Pay	\$26,614	\$39,325	\$45,025	\$51,353	\$56,269	\$55,116	\$53,910	\$43,638
50-54	9,697	7,816	7,945	7,164	7,165	6,906	2,378	49,071
Tot. Pay	\$251,497,063	\$290,320,437	\$341,365,791	\$347,688,348	\$386,777,637	\$405,531,328	\$137,958,610	\$2,161,139,214
Avg. Pay	\$25,936	\$37,144	\$42,966	\$48,533	\$53,982	\$58,722	\$58,015	\$44,041
55-59	7,376	6,392	6,430	6,543	6,119	4,849	2,993	40,702
Tot. Pay	\$179,585,528	\$230,471,214	\$268,611,480	\$303,342,217	\$316,827,815	\$277,569,629	\$190,265,433	\$1,766,673,316
Avg. Pay	\$24,347	\$36,056	\$41,775	\$46,361	\$51,778	\$57,243	\$63,570	\$43,405
60-64	4,623	4,008	3,820	3,958	3,778	2,595	1,650	24,432
Tot. Pay	\$90,621,524	\$133,962,134	\$151,964,595	\$180,891,949	\$185,978,726	\$143,555,655	\$106,370,127	\$993,344,710
Avg. Pay	\$19,602	\$33,424	\$39,781	\$45,703	\$49,227	\$55,320	\$64,467	\$40,658
65-69	2,429	1,518	1,227	1,083	947	710	513	8,427
Tot. Pay	\$26,571,759	\$38,401,220	\$42,129,495	\$44,632,270	\$44,642,644	\$36,039,354	\$30,582,089	\$262,998,831
Avg. Pay	\$10,939	\$25,297	\$34,335	\$41,212	\$47,141	\$50,760	\$59,614	\$31,209
70 & Over	2,198	1,364	805	558	405	315	314	5,959
Tot. Pay	\$15,338,805	\$15,750,966	\$14,814,823	\$15,064,175	\$14,687,984	\$13,145,281	\$15,302,543	\$104,104,577
Avg. Pay	\$6,979	\$11,548	\$18,404	\$26,997	\$36,267	\$41,731	\$48,734	\$17,470
Totals	140,892	61,510	49,614	38,272	30,270	19,459	8,095	348,112
Tot. Pay	\$2,936,547,891	\$2,346,632,604	\$2,188,492,313	\$1,879,800,573	\$1,602,448,313	\$1,100,621,120	\$493,794,685	\$12,548,337,499
Avg. Pay	\$20,843	\$38,150	\$44,110	\$49,117	\$52,938	\$56,561	\$61,000	\$36,047

**ALL DIVISIONS
DEFINED BENEFIT ACTIVE MEMBERS IN VALUATION
DECEMBER 31, 2009
BY GENDER AND YEARS OF SERVICE**

Service Years	Active Member Count			Active Member Pays	
	Males	Females	Total	Total	Average
0	26,341	29,126	55,467	\$ 638,877,360	\$11,518
1	12,783	15,579	28,362	583,139,331	20,561
2	10,174	12,385	22,559	608,413,025	26,970
3	8,483	10,226	18,709	584,721,932	31,254
4	7,086	8,709	15,795	521,396,243	33,010
5	6,001	7,409	13,410	482,311,493	35,967
6	5,447	6,323	11,770	435,499,553	37,001
7	5,091	6,190	11,281	434,092,705	38,480
8	5,485	6,589	12,074	465,780,156	38,577
9	5,619	7,356	12,975	528,948,697	40,767
10	5,405	6,461	11,866	500,405,533	42,171
11	4,769	5,744	10,513	462,830,896	44,025
12	4,509	5,233	9,742	426,150,846	43,744
13	4,233	4,896	9,129	415,678,127	45,534
14	3,933	4,431	8,364	383,426,911	45,843
15 & Up	46,613	49,483	96,096	5,076,664,691	52,829
Totals	161,972	186,140	348,112	\$12,548,337,499	\$36,047

SUMMARY OF PENSION EXPERIENCE
TRADITIONAL, COMBINED, AND MEMBER DIRECTED PLANS
(\$ IN MILLIONS)

	2009		2008	
	Total \$	% of Accrued Liabilities	Total \$	% of Accrued Liabilities
Beginning of Year				
1. Total Accrued Liabilities	\$73,465.65	100.0 %	\$69,733.55	100.0 %
2. Valuation Assets	55,315.17	75.3 %	67,151.34	96.3 %
3. Unfunded Actuarial Accrued Liabilities	\$ 18,150.48	24.7 %	\$ 2,582.21	3.7 %
Experience Gains(Losses)				
4. Gains (losses) in economic risk areas				
a. Pay increases	\$ 1,138.39	1.5 %	\$ 220.00	0.3 %
b. Investment return	(623.73)	(0.8)%	(15,837.36)	(22.7)%
c. Total	514.66	0.7 %	(15,617.36)	(22.4)%
5. Gains (losses) from decrement experience				
a. Service retirement	(27.67)	0.0 %	10.03	0.0 %
b. Disability retirement	76.10	0.1 %	41.02	0.1 %
c. Death-in-service	35.16	0.0 %	31.71	0.0 %
d. Other separations	(51.32)	(0.1)%	(25.88)	0.0 %
e. Total	32.27	0.0 %	56.88	0.1 %
6. Total experience gains (losses): (4c) + (5e)	\$ 546.93	0.7 %	\$ (15,560.48)	(22.3)%
End of Year				
7. Total Accrued Liabilities	\$76,555.03	100.0 %	\$73,465.65	100.0 %
8. Valuation Assets	57,629.43	75.3 %	55,315.17	75.3 %
9. Unfunded Actuarial Accrued Liabilities	\$ 18,925.60	24.7 %	\$ 18,150.48	24.7 %

**SUMMARY OF PENSION EXPERIENCE
TRADITIONAL PLAN
(\$ IN MILLIONS)**

	2009		2008	
	Total \$	% of Accrued Liabilities	Total \$	% of Accrued Liabilities
Beginning of Year				
1. Total Accrued Liabilities	\$73,345.90	100.0 %	\$69,638.54	100.0 %
2. Valuation Assets	55,230.35	75.3 %	67,067.18	96.3 %
3. Unfunded Actuarial Accrued Liabilities	\$ 18,115.55	24.7 %	\$ 2,571.36	3.7 %
Experience Gains (Losses)				
4. Gains (losses) in economic risk areas				
a. Pay increases	\$ 1,141.74	1.6 %	\$ 220.21	0.3 %
b. Investment return	(620.48)	(0.8)%	(15,813.52)	(22.7)%
c. Total	521.26	0.8 %	(15,593.31)	(22.4)%
5. Gains (losses) from decrement experience				
a. Service retirement	(27.53)	0.0 %	10.09	0.0 %
b. Disability retirement	74.03	0.1 %	39.08	0.1 %
c. Death-in-service	34.64	0.0 %	31.65	0.0 %
d. Other separations	(58.88)	(0.1)%	(27.86)	0.0 %
e. Total	22.26	0.0 %	52.96	0.1 %
6. Total experience gains (losses): (4c) + (5e)	\$ 543.52		\$ (15,540.35)	
End of Year				
7. Total Accrued Liabilities	\$76,407.06	100.0 %	\$73,345.90	100.0 %
8. Valuation Assets	57,519.36	75.3 %	55,230.35	75.3 %
9. Unfunded Actuarial Accrued Liabilities	\$ 18,887.70	24.7 %	\$ 18,115.55	24.7 %

**SUMMARY OF PENSION EXPERIENCE
COMBINED PLAN
(\$ IN MILLIONS)**

	2009		2008	
	Total \$	% of Accrued Liabilities	Total \$	% of Accrued Liabilities
Beginning of Year				
1. Total Accrued Liabilities	\$119.59	100.0 %	\$95.01	100.0 %
2. Valuation Assets	84.68	70.8 %	84.16	88.6 %
3. Unfunded Actuarial Accrued Liabilities	\$ 34.91	29.2 %	\$ 10.85	11.4 %
Experience Gains (Losses)				
4. Gains (losses) in economic risk areas				
a. Pay increases	\$ (3.35)	(2.8)%	\$ (0.21)	(0.2)%
b. Investment return	(3.25)	(2.7)%	(23.83)	(25.1)%
c. Total	(6.60)	(5.5)%	(24.04)	(25.3)%
5. Gains (losses) from decrement experience				
a. Service retirement	(0.12)	(0.1)%	(0.06)	(0.1)%
b. Disability retirement	2.07	1.7 %	1.94	2.0 %
c. Death-in-service	0.53	0.4 %	0.05	0.1 %
d. Other separations	7.56	6.3 %	1.98	2.1 %
e. Total	10.04	8.3 %	3.91	4.1 %
6. Total experience gains (losses): (4c) + (5e)	\$ 3.44	2.8 %	\$ (20.13)	(21.2)%
End of Year				
7. Total Accrued Liabilities	\$147.71	100.0 %	\$119.59	100.0 %
8. Valuation Assets	109.85	74.4 %	84.68	70.8 %
9. Unfunded Actuarial Accrued Liabilities	\$ 37.86	25.6 %	\$ 34.91	29.2 %

SECTION II
FINANCIAL INFORMATION

FINANCIAL DATA FOR CALENDAR YEAR 2009

CONSOLIDATED ASSET RECONCILIATION

ALL PLANS, ALL DIVISIONS

	DB Portion of		Member		Total	DC Portion of		Total	Total
	Traditional Pension Plan	Member-Directed Plan	Total Pension Defined Benefit	401(k) Health Care	Directed VERA	Health Care	Combined Pension Plan	Member Directed	Defined Contribution
Beginning Market Value @ 12/31/08	\$ 49,206,891,154	\$ 132,121	\$ 49,207,013,175	\$ 9,632,415,143	\$ 36,333,066	\$ 9,632,415,143	\$ 63,342,635	\$ 117,209,900	\$ 180,552,535
Assets Held in Trust for Benefits	105,920,000	-	105,920,000	-	-	-	-	-	-
Assets Held for Upcoming Year Budget	\$ 49,312,811,154	\$ 132,121	\$ 49,312,943,275	\$ 9,632,415,143	\$ 36,333,066	\$ 9,632,415,143	\$ 63,342,635	\$ 117,209,900	\$ 180,552,535
Total Beginning Market Value @ 12/31/08	\$ 49,206,891,154	\$ 132,121	\$ 49,207,013,175	\$ 9,632,415,143	\$ 36,333,066	\$ 9,632,415,143	\$ 63,342,635	\$ 117,209,900	\$ 180,552,535
External Cash Flows:									
Revenues:									
Member Contributions / Deposits	\$ 1,287,353,244	\$ 68,428	\$ 1,287,421,672	\$ -	\$ -	\$ -	\$ 26,144,923	\$ 27,904,862	\$ 54,049,785
Employer Contributions	1,129,427,514	23,400,092	1,152,827,606	751,910,032	12,487,462	764,397,494	4,746	26,368,618	26,373,364
Retiree Paid Health Care Premiums	-	-	-	94,370,543	-	94,370,543	-	-	94,370,543
Refund from HC Vendors (Formulary & Guarantees)	-	-	-	47,557,406	-	47,557,406	-	-	47,557,406
Medicare Part D Reimbursements	-	-	-	69,132,772	-	69,132,772	-	-	69,132,772
Other Income / Cancelled Warrants	140,494	-	140,494	654,031	-	654,031	-	-	794,525
Total Revenues	\$ 2,416,921,252	\$ 23,468,520	\$ 2,440,389,772	\$ 963,624,784	\$ 12,487,462	\$ 976,112,246	\$ 26,149,669	\$ 54,273,480	\$ 80,423,149
Disbursements:									
Refunds of Member Accounts	\$ (212,209,227)	\$ (247,630)	\$ (212,456,857)	\$ -	\$ -	\$ -	\$ (2,658,253)	\$ (7,465,144)	\$ (10,123,397)
Retirement Benefits	(3,661,076,708)	(30,566)	(3,661,123,399)	(94,370,543)	(233,364)	(1,278,398,268)	(5,000)	(45,709)	(3,661,174,108)
Retiree Paid Post Retirement Health Care	-	-	-	(1,278,164,904)	-	(1,278,164,904)	-	-	(1,278,164,904)
ER Paid Post Retirement Health Care	-	-	-	(105,854,803)	-	(105,854,803)	-	-	(105,854,803)
ER Paid Post Retirement Medicare	-	-	-	(9,642,605)	-	(9,642,605)	-	-	(9,642,605)
RMA Funding	(74,723,095)	-	(74,723,095)	(16,805,398)	(879,922)	(17,685,320)	(2,794,705)	(2,680,542)	(19,365,862)
Administrative Expenses	(3,948,009,030)	(278,196)	(3,948,303,351)	(1,504,838,253)	(1,113,286)	(1,505,951,539)	(5,457,938)	(10,191,395)	(15,649,553)
Total Disbursements	\$ (5,365,735,055)	\$ (278,822)	\$ (5,366,013,877)	\$ (3,394,136,804)	\$ (1,993,174)	\$ (3,396,330,608)	\$ (8,252,843)	\$ (12,877,036)	\$ (18,149,172)
Net External Cash Flow	\$ (1,531,087,778)	\$ 23,190,524	\$ (1,507,913,579)	\$ (541,213,469)	\$ 11,374,176	\$ (529,839,293)	\$ 20,691,711	\$ 44,082,085	\$ 64,773,796
Inter-Plan Activity									
Member Balance Transfers & Plan Switches	\$ 1,321,750	\$ (10,749,987)	\$ (9,367,091)	\$ -	\$ -	\$ -	\$ 10,093,584	\$ (726,493)	\$ 9,367,091
DCP Fixed Assets Advanced by TP	(36,008)	-	(36,008)	-	39,978	39,978	(1,813)	(2,157)	(3,970)
Mitigation Rate	4,144,794	(2,008,503)	2,136,291	-	(383,887)	-	-	(2,136,291)	(2,136,291)
Interest on 12/31/07 Advance Balance	2,373,246	-	2,373,246	-	(383,887)	(383,887)	(972,038)	(1,017,321)	(1,989,359)
Income Applied to Advance (Loan) Balance	-	-	-	-	-	-	-	-	-
Total Inter-Plan Activity	\$ 7,803,782	\$ (12,758,490)	\$ (4,954,708)	\$ -	\$ (343,909)	\$ (343,909)	\$ 9,119,733	\$ (3,882,262)	\$ 5,237,471
Investment Income:									
Interest and Dividends	\$ 1,256,035,853	\$ 2,181,271	\$ 1,258,217,124	\$ 286,845,432	\$ 1,074,782	\$ 287,920,214	\$ 1,449,899	\$ 2,299,580	\$ 3,749,479
Other Ordinary Investment Income	(189,173,755)	(462,653)	(189,636,408)	92,318	(227,963)	(135,645)	-	-	(189,772,887)
Realized Capital Value Changes	8,881,059,891	15,557,252	8,896,617,143	2,081,098,064	7,665,560	2,088,763,624	25,799,279	40,918,370	11,052,126,445
External Asset Management Fees	(107,025,189)	(185,863)	(107,211,052)	(7,709,148)	(91,581)	(7,800,729)	(148,152)	(247,687)	(115,407,803)
Rounding	(1)	2	1	-	-	-	(1)	-	(1)
Investment Return	\$ 9,840,896,799	\$ 17,090,009	\$ 9,857,986,808	\$ 2,360,326,666	\$ 8,420,798	\$ 2,368,747,464	\$ 27,101,025	\$ 42,970,415	\$ 70,071,440
Ending Market Value @ 12/31/09	\$ 57,630,423,957	\$ 103,129,693	\$ 57,733,553,650	\$ 11,415,195,274	\$ 55,784,131	\$ 11,470,979,405	\$ 120,255,104	\$ 200,380,138	\$ 320,635,242

DEVELOPMENT OF FUNDING VALUE OF PENSION DEFINED BENEFIT ASSETS TRADITIONAL, COMBINED, AND MEMBER DIRECTED PLANS

Year Ended December 31	2008	2009	2010	2011	2012
A. Funding Value Beginning of Year	\$67,151,335,838	\$55,315,177,260			
B. Market Value End of Year	49,388,551,125	57,733,761,582			
C. Market Value Beginning of Year	70,043,632,898	49,388,551,125			
D. Non-Investment/Administrative Net Cash Flow					
D1. Member Contributions	1,309,951,925	1,287,421,672			
D2. Employer and other Non-Member Contributions	972,661,363	1,155,104,391			
D3. Refund of Member Accounts	(213,047,175)	(212,456,857)			
D4. Retirement Benefits	(3,388,912,610)	(3,661,123,399)			
D5. Member Balance Transfers	1,151,565	1,014,381			
D6. Total Net Cash Flow: D1+D2+D3+D4+D5	(1,318,194,932)	(1,430,039,812)			
E. Investment Return					
E1. Market Total: B-C-D6	(19,336,886,841)	9,775,250,269			
E2. Assumed Rate of Return	8.00%	8.00%			
E3. Assumed Amount of Return	5,319,379,070	4,368,012,588			
E4. Amount Subject to Phase-In: E1-E3	(24,656,265,911)	5,407,237,681			
F. Phased-in Recognition of Investment Return					
F1. Current year: 0.25xE4	(6,164,066,478)	1,351,809,420			
F2. First Prior Year	202,310,562	(1,975,542,045)	\$1,351,809,420		
F3. Second Prior Year	1,041,340,682	-	(1,975,542,045)	\$1,351,809,420	
F4. Third Prior Year	202,684,011	-	-	(1,975,542,045)	\$1,351,809,421
F5. Total Phase-Ins	(4,717,731,223)	(623,732,625)	(623,732,625)	(623,732,625)	1,351,809,421
G. Funding Value End of Year					
G1. Preliminary Funding Value End of Year: A+D6+E3+F5	\$66,434,788,753	\$57,629,417,411			
G2. Upper Corridor Limit: 112% x B	55,315,177,260	64,661,812,972			
G3. Lower Corridor Limit: 88% x B	43,461,924,990	50,805,710,192			
G4. Funding Value End of Year	55,315,177,260	57,629,417,411			
H. Difference Between Market and Funding Value	(5,926,626,135)	104,344,171	728,076,796	1,351,809,421	-
I. Recognized Rate of Return	(15.82)%	6.86 %			
J. Market Rate of Return	(27.87)%	20.08 %			
K. Ratio of Funding Value to Market Value	112 %	100 %			

The Funding Value of Assets recognizes assumed investment return (line E3) fully each year. Differences between actual and assumed investment return (line E4) are phased in over a closed 4-year period. During periods when investment performance exceeds the assumed rate, Funding Value of Assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, Funding Value of Assets will tend to be greater than market value. If assumed rates are exactly realized for 3 consecutive years, funding value will become equal to market value.

DEVELOPMENT OF FUNDING VALUE OF PENSION DEFINED BENEFIT ASSETS TRADITIONAL PLAN

	Year Ended December 31				
	2008	2009	2010	2011	2012
A. Funding Value Beginning of Year	\$67,067,153,352	\$55,230,348,492			
B. Market Value End of Year	\$49,312,811,154	\$57,630,423,957			
C. Market Value Beginning of Year	\$69,959,641,079	\$49,312,811,154			
D. Non-Investment/Administrative Net Cash Flow					
D1. Member Contributions	\$1,309,792,968	\$1,287,353,244			
D2. Employer and other Non-Member Contributions	\$954,235,274	\$1,133,712,802			
D3. Refund of Member Accounts	(\$212,802,651)	(\$212,209,227)			
D4. Retirement Benefits	(\$3,388,862,796)	(\$3,661,076,708)			
D5. Member Balance Transfers	\$2,361,837	\$1,321,750			
D6. Total Net Cash Flow: D1+D2+D3+D4+D5	(1,335,275,368)	(\$1,450,898,139)			
E. Investment Return					
E1. Market Total: B-C-D6	(\$19,311,554,557)	\$9,768,510,942			
E2. Assumed Rate of Return	8.00%	8.00%			
E3. Assumed Amount of Return	\$5,311,961,253	\$4,360,391,954			
E4. Amount Subject to Phase-In: E1-E3	(\$24,623,515,810)	\$5,408,118,988			
F. Phased-In Recognition of Investment Return					
F1. Current year: 0.25xE4	(6,155,878,953)	\$1,352,029,747			
F2. First Prior Year	202,344,311	(\$1,972,512,446)	\$1,352,029,747		
F3. Second Prior Year	1,041,375,950	\$0	(1,972,512,446)	\$1,352,029,747	
F4. Third Prior Year	202,702,897	\$0	-	(1,972,512,446)	\$1,352,029,748
F5. Total Phase-Ins	(4,709,455,795)	(620,482,699)	(620,482,699)	(620,482,699)	1,352,029,748
G. Funding Value End of Year					
G1. Preliminary Funding Value End of Year: A+D6+E3+F5	\$66,334,383,442	\$57,519,359,608			
G2. Upper Corridor Limit: 112% x B	55,230,348,492	64,546,074,832			
G3. Lower Corridor Limit: 88% x B	43,395,273,816	50,714,773,082			
G4. Funding Value End of Year	\$55,230,348,492	\$57,519,359,608			
H. Difference Between Market and Funding Value	(5,917,537,338)	111,064,349	731,547,049	1,352,029,748	-
I. Recognized Rate of Return	(15.82)%	6.86 %			
J. Market Rate of Return	(27.87)%	20.11 %			
K. Ratio of Funding Value to Market Value	112.00 %	100.00 %			

The Funding Value of Assets recognizes assumed investment return (line E3) fully each year. Differences between actual and assumed investment return (line E4) are phased in over a closed 4-year period. During periods when investment performance exceeds the assumed rate, Funding Value of Assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, Funding Value of Assets will tend to be greater than market value. If assumed rates are exactly realized for 3 consecutive years, funding value will become equal to market value.

DEVELOPMENT OF FUNDING VALUE OF PENSION DEFINED BENEFIT ASSETS COMBINED PLAN

Year Ended December 31	2008	2009	2010	2011	2012
A. Funding Value Beginning of Year	\$84,155,016	\$84,680,792			
B. Market Value End of Year	75,607,850	103,129,693			
C. Market Value Beginning of Year	83,964,349	75,607,850			
D. Non-Investment/Administrative Net Cash Flow					
D1. Member Contributions	158,957	68,428			
D2. Employer and other Non-Member Contributions	18,426,089	21,391,589			
D3. Refund of Member Accounts	(244,524)	(247,630)			
D4. Retirement Benefits	(11,910)	(30,566)			
D5. Member Balance Transfers	(1,385,723)	(368,515)			
D6. Total Net Cash Flow: D1+D2+D3+D4+D5	16,942,889	20,813,306			
E. Investment Return					
E1. Market Total: B-C-D6	(25,299,388)	6,708,537			
E2. Assumed Rate of Return	8.00%	8.00%			
E3. Assumed Amount of Return	7,410,117	7,606,996			
E4. Amount Subject to Phase-In: E1-E3	(32,709,505)	(898,459)			
F. Phased-In Recognition of Investment Return					
F1. Current year: 0.25xE4	(8,177,376)	(224,615)			
F2. First Prior Year	(33,749)	(3,024,314)	(\$224,615)		
F3. Second Prior Year	(35,268)	-	(3,024,314)	(\$224,615)	
F4. Third Prior Year	(18,886)	-	-	(3,024,314)	(\$224,614)
F5. Total Phase-Ins	(8,265,279)	(3,248,929)	(3,248,929)	(3,248,929)	(224,614)
G. Funding Value End of Year					
G1. Preliminary Funding Value End of Year: A+D6+E3+F5	\$100,242,743	\$109,852,165			
G2. Upper Corridor Limit: 112% x B	84,680,792	115,505,256			
G3. Lower Corridor Limit: 88% x B	66,534,908	90,754,130			
G4. Funding Value End of Year	\$84,680,792	\$109,852,165			
H. Difference Between Market and Funding Value	(9,072,942)	(6,722,472)	(3,473,543)	(224,614)	-
I. Recognized Rate of Return	(17.72)%	4.58 %			
J. Market Rate of Return	(27.37)%	7.80 %			
K. Ratio of Funding Value to Market Value	112.00 %	107.00 %			

The Funding Value of Assets recognizes assumed investment return (line E3) fully each year. Differences between actual and assumed investment return (line E4) are phased in over a closed 4-year period. During periods when investment performance exceeds the assumed rate, Funding Value of Assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, Funding Value of Assets will tend to be greater than market value. If assumed rates are exactly realized for 3 consecutive years, funding value will become equal to market value.

**DEVELOPMENT OF FUNDING VALUE OF PENSION DEFINED BENEFIT ASSETS
MEMBER DIRECTED PLAN**

	Year Ended December 31				
	2008	2009	2010	2011	2012
A. Funding Value Beginning of Year	\$27,470	\$147,976			
B. Market Value End of Year	132,121	207,932			
C. Market Value Beginning of Year	27,470	132,121			
D. Non-Investment/Administrative Net Cash Flow					
D1. Member Contributions	-	-			
D2. Employer and other Non-Member Contributions	-	-			
D3. Refund of Member Accounts	-	-			
D4. Retirement Benefits	(37,904)	(16,125)			
D5. Member Balance Transfers	175,451	61,146			
D6. Total Net Cash Flow: D1+D2+D3+D4+D5	137,547	45,021			
E. Investment Return					
E1. Market Total:B-C-D6	(32,896)	30,790			
E2. Assumed Rate of Return	8.00%	8.00%			
E3. Assumed Amount of Return	7,699	13,639			
E4. Amount Subject to Phase-In: E1-E3	(40,595)	17,151			
F. Phased-In Recognition of Investment Return					
F1. Current year: 0.25xE4	(10,149)	4,288			
F2. First Prior Year	-	(5,285)	\$4,288		
F3. Second Prior Year	-	-	(5,285)	\$4,288	
F4. Third Prior Year	-	-	-	(5,285)	\$4,287
F5. Total Phase-Ins	(10,149)	(997)	(997)	(997)	4,287
G. Funding Value End of Year					
G1. Preliminary Funding Value End of Year: A+D6+E3+F5	\$162,567	\$205,639			
G2. Upper Corridor Limit: 112% x B	147,976	232,884			
G3. Lower Corridor Limit: 88% x B	116,266	182,980			
G4. Funding Value End of Year	\$147,976	\$205,639			
H. Difference Between Market and Funding Value	(15,855)	2,293	3,290	4,287	-
I. Recognized Rate of Return	(17.71)%	7.42 %			
J. Market Rate of Return	(34.18)%	19.91 %			
K. Ratio of Funding Value to Market Value	112.00 %	99.00 %			

The Funding Value of Assets recognizes assumed investment return (line E3) fully each year. Differences between actual and assumed investment return (line E4) are phased in over a closed 4-year period. During periods when investment performance exceeds the assumed rate, Funding Value of Assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, Funding Value of Assets will tend to be greater than market value. If assumed rates are exactly realized for 3 consecutive years, funding value will become equal to market value.

**ALLOCATION OF FUNDING VALUE OF ASSETS AMONG DIVISIONS
DECEMBER 31, 2009
TRADITIONAL, COMBINED AND MEMBER DIRECTED PLANS**

	Total DB System				
	State	Local	Public Safety	Law Enforcement	Total
(1) Employer Accumulation Fund					
(a) Allocated Amounts	\$ 2,705,236,723	\$ 5,547,246,420	(\$2,627,716)	\$ 432,352,265	\$ 8,682,207,692
(b) Unallocated Amounts Allocated by 1(a)	<u>(22,399,119)</u>	<u>(45,416,704)</u>	<u>21,895</u>	<u>(3,602,487)</u>	<u>(71,396,415)</u>
(c) Total EAF	\$ 2,682,837,604	\$ 5,501,829,716	(\$2,605,821)	\$ 428,749,778	\$ 8,610,811,277
(2) Employee Savings Fund					
(a) Total Member Deposits	\$ 5,148,790,675	\$ 7,875,499,992	\$ 4,060,365	\$ 513,508,047	\$13,541,859,078
(b) ESF Allocated by 2(a)	\$ 4,537,321,166	\$ 6,940,233,114	\$ 3,578,047	\$ 452,510,008	\$11,933,642,335
(3) Retired Assets					
(a) Allocated Amounts	\$15,097,287,703	\$20,452,316,575	\$30,500,023	\$1,475,636,179	\$37,055,740,480
(b) Additional and DC Annuities	<u>1,480,312</u>	<u>31,239,380</u>	<u>0</u>	<u>0</u>	<u>32,719,692</u>
(c) Total Retiree Assets	\$15,098,768,015	\$20,483,555,955	\$30,500,023	\$1,475,636,179	\$37,088,460,172
(4) Subtotal: (1)(c)+ (2)(b)+ (3)(c)	\$22,318,926,785	\$32,925,618,785	\$31,472,249	\$2,356,895,965	\$57,632,913,784
(5) Assets Held For Upcoming Year Budget Allocated According to (4)	<u>39,056,568</u>	<u>57,604,486</u>	<u>55,170</u>	<u>4,131,575</u>	<u>100,847,799</u>
(6) Total Employer + Employee Defined Benefit Assets: (4)+(5)	\$22,357,983,353	\$32,983,223,271	\$31,527,419	\$2,361,027,540	\$57,733,761,583
(7) Market Value Adjustment Allocated According to (6)	<u>(40,475,584)</u>	<u>(59,257,696)</u>	<u>(60,759)</u>	<u>(4,550,132)</u>	<u>(104,344,171)</u>
(8) Funding Value of Defined Benefit Assets (6)+(7)	\$22,317,507,769	\$32,923,965,575	\$31,466,660	\$2,356,477,408	\$57,629,417,412

**ALLOCATION OF FUNDING VALUE OF ASSETS AMONG DIVISIONS
DECEMBER 31, 2009
TRADITIONAL PLAN**

	Traditional Plan				Total
	State	Local	Public Safety	Law Enforcement	
(1) Employer Accumulation Fund (EAF)					
(a) Allocated Amounts	\$ 2,666,637,552	\$ 5,483,726,588	(\$2,627,716)	\$ 432,352,265	\$ 8,580,088,689
(b) Unallocated Amounts Allocated by (1)(a)	<u>(22,219,211)</u>	<u>(45,692,029)</u>	<u>21,895</u>	<u>(3,602,487)</u>	<u>(71,491,832)</u>
(c) Total EAF	\$ 2,644,418,341	\$ 5,438,034,559	(\$2,605,821)	\$ 428,749,778	\$ 8,508,596,857
(2) Employee Savings Fund (ESF)					
(a) Total Member Deposits (Accumulated by Determined Division)	\$ 5,148,626,926	\$ 7,875,221,289	\$ 4,060,365	\$ 513,508,047	\$13,541,416,627
(b) ESF Allocated by (2)(a)	\$ 4,537,037,392	\$ 6,939,748,008	\$ 3,578,047	\$ 452,510,008	\$11,932,873,455
(3) Retired Assets					
(a) Allocated Amounts	\$15,097,250,801	\$20,451,999,150	\$30,500,023	\$1,475,636,179	\$37,055,386,153
(b) Additional Annuities	<u>1,480,312</u>	<u>31,239,380</u>	<u>0</u>	<u>0</u>	<u>32,719,692</u>
(c) Total Retiree Assets	\$15,098,731,113	\$20,483,238,530	\$30,500,023	\$1,475,636,179	\$37,088,105,845
(4) Subtotal: (1)(c)+ (2)(b)+ (3)(c)	\$22,280,186,846	\$32,861,021,097	\$31,472,249	\$2,356,895,965	\$57,529,576,157
(5) Assets Held For Upcoming Year Budget Allocated According to (4)	<u>39,056,568</u>	<u>57,604,486</u>	<u>55,170</u>	<u>4,131,575</u>	<u>100,847,800</u>
(6) Total Employer + Employee Defined Benefit Assets: (4)+(5)	\$22,319,243,414	\$32,918,625,583	\$31,527,419	\$2,361,027,540	\$57,630,423,956
(7) Market Value Adjustment Allocated According to (6)	<u>(43,013,257)</u>	<u>(63,440,202)</u>	<u>(60,759)</u>	<u>(4,550,132)</u>	<u>(111,064,350)</u>
(8) Funding Value of Defined Benefit Assets (6)+(7)	\$22,276,230,157	\$32,855,185,381	\$31,466,660	\$2,356,477,408	\$57,519,359,606

**ALLOCATION OF FUNDING VALUE OF ASSETS AMONG DIVISIONS
DECEMBER 31, 2009
COMBINED PLAN**

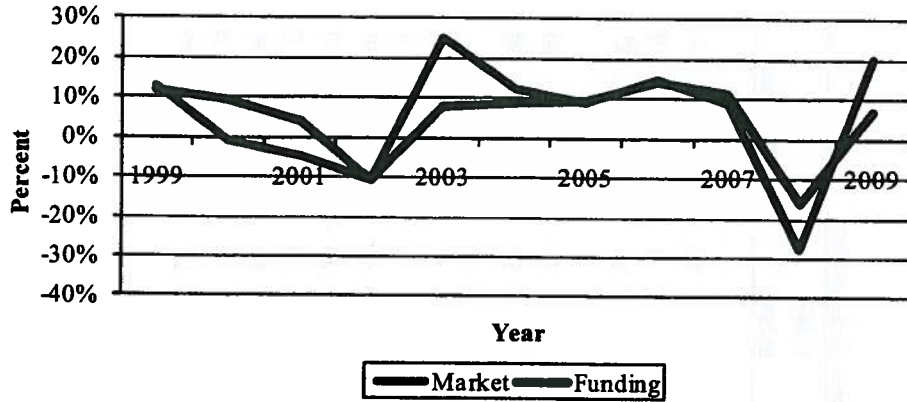
	Combined Plan				Total
	State	Local	Public Safety	Law Enforcement	
(1) Employer Accumulation Fund					
(a) Allocated Amounts	\$38,599,915	\$63,518,644	\$0	\$0	\$102,118,559
(b) Unallocated Amounts Allocated by (1)(a)	<u>(3,685)</u>	<u>(6,064)</u>	0	0	<u>(9,749)</u>
(c) Total EAF	\$38,596,230	\$63,512,580	\$0	\$0	\$102,108,810
(2) Employee Savings Fund					
(a) Total Member Deposits (Reported by Division)	\$ 162,407	\$ 277,605	\$0	\$0	\$ 440,012
(b) ESF Allocated by (2)(a)	\$ 283,828	\$ 485,150	\$0	\$0	\$ 768,978
(3) Retired Assets					
(a) Allocated Amounts	\$22,900	\$ 229,005	\$0	\$0	\$ 251,905
(b) DC Annuities	0	0	0	0	0
(c) Total Retiree Assets	\$ 22,900	\$ 229,005	\$0	\$0	\$ 251,905
(4) Subtotal: (1)(c)+(2)(b)+(3)(c)	\$38,902,958	\$64,226,735	\$0	\$0	\$103,129,693
(5) Assets Held For Upcoming Year Budget Allocated According to (4)	0	0	0	0	0
(6) Total Employer + Employee Defined Benefit Assets: (4)+(5)	\$38,902,958	\$64,226,735	\$0	\$0	\$103,129,693
(7) Market Value Adjustment Allocated According to (6)	<u>2,535,875</u>	<u>4,186,597</u>	0	0	<u>6,722,472</u>
(8) Funding Value of Defined Benefit Assets (6)+(7)	\$41,438,833	\$68,413,332	\$0	\$0	\$109,852,165

**ALLOCATION OF FUNDING VALUE OF ASSETS AMONG DIVISIONS
DECEMBER 31, 2009
MEMBER DIRECTED PLAN**

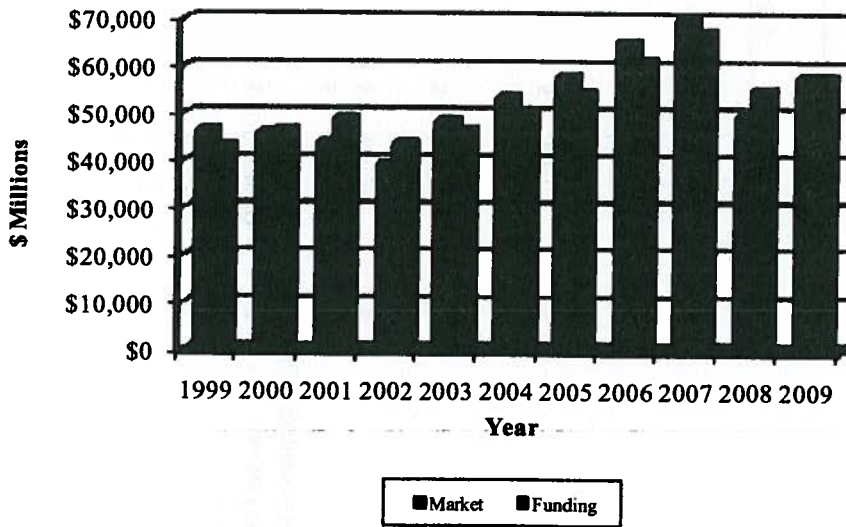
	Member Directed Plan					Total
	State	Local	Public Safety	Law Enforcement		
(1) Employer Accumulation Fund						
(a) Allocated Amounts	\$ (744)	\$ 1,188	\$ 0	\$ 0	\$ 444	
(b) Unallocated Amounts Allocated by 1(a)	<u>(176,223)</u>	<u>281,389</u>	<u>0</u>	<u>0</u>	<u>105,166</u>	
(c) Total EAF	\$ (176,967)	\$ 282,577	\$ 0	\$ 0	\$ 105,610	
(2) Employee Savings Fund						
(a) Total Member Deposits	\$ 1,341	\$ 1,098	\$ 0	\$ 0	\$ 2,439	
(b) ESF Allocated by 2(a)	\$ (54)	\$ (44)	\$ 0	\$ 0	\$ (98)	
(3) Retired Assets						
(a) Allocated Amounts	\$ 14,002	\$ 88,420	\$ 0	\$ 0	\$ 102,422	
(b) DC Annuities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
(c) Total Retiree Assets	\$ 14,002	\$ 88,420	\$ 0	\$ 0	\$ 102,422	
(4) Subtotal: (1)(c)+(2)(b)+(3)(c)	\$ (163,019)	\$ 370,953	\$ 0	\$ 0	\$ 207,934	
(5) Assets Held For Upcoming Year Budget Allocated According to (4)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
(6) Total Employer + Employee Defined Benefit Assets: (4)+(5)	\$ (163,019)	\$ 370,953	\$ 0	\$ 0	\$ 207,934	
(7) Market Value Adjustment Allocated According to (6)	<u>1,798</u>	<u>(4,021)</u>	<u>0</u>	<u>0</u>	<u>(2,223)</u>	
(8) Funding Value of Defined Benefit Assets (6)+(7)	\$ (161,221)	\$ 366,862	\$ 0	\$ 0	\$ 205,641	

COMPARISON OF DEFINED BENEFIT PENSION ASSETS

Comparison of Rates of Return



Comparison of Defined Benefit Pension Asset Values



SECTION III
BENEFITS AND CONDITIONS EVALUATED

BENEFITS AND CONDITIONS EVALUATED

PLANS

Traditional Pension Plan. The Traditional Pension Plan is a defined benefit plan under which a member's retirement benefit is based on a formula. The formula is determined by years of contributing service and the average of the three highest years of earnable salary (or final average salary). OPERS investment professionals manage the investment of employee and employer contributions to ensure that funds are available to pay the formula benefit.

Combined Plan. The Combined Plan is a retirement plan with both a defined benefit and a defined contribution component. Under the defined benefit portion of the Combined Plan, the member's benefit is determined by a reduced formula (similar to the Traditional Pension Plan). OPERS investment professionals manage the investment of employer contributions to ensure that funds are available to pay the reduced formula benefit. Under the defined contribution portion of the Combined Plan, employee contributions are deposited into the member's individual defined contribution account and invested as directed by the member. The member's retirement benefit under this portion of the Combined Plan is based on employee contributions and the gains and losses on those contributions. The member directs the investment by selecting from among the nine professionally-managed OPERS Investment Options.

Member-Directed Plan. The Member-Directed Plan is a defined contribution plan under which employee and employer contributions are deposited into a member's individual defined contribution account and invested as directed by the member. The member's retirement benefit is based on employee and employer contributions and the gains and losses on those contributions. Under the Member-Directed Plan, the member directs the investment by selecting from nine professionally-managed OPERS Investment Options.

BENEFITS AND CONDITIONS EVALUATED

TERMS

Final average salary (“FAS”) means the average of the annual earnings for the 3 highest calendar years of compensation.

Participant Contribution Account is the account for each Participant in the Combined or Member-Directed Plan to which shall be credited the employee contributions.

Miscellaneous Contribution Account is the account to which shall be credited any voluntary after-tax contributions for members in the Combined and Member-Directed Plans.

Rollover Account is the account to which shall be credited any rollover amounts for members in the Combined or Member-Directed Plans.

Employers’ Accumulation Fund is the fund to which shall be credited employer contributions for members in the Traditional or Combined Plan. There are separate accounts in the Employers’ Accumulation Fund for the Combined Plan and the Traditional Pension Plan.

Employer Contribution Account is the fund to which shall be credited a portion of the employer contributions for members in the Member-Directed Plan.

CONTRIBUTIONS

Member contributions. State and local government members contribute 10.0% of earnable salary in 2010. The maximum statutory rate is 10% of earnable salary.

Law enforcement members whose primary duties are to preserve the peace, to protect life and property, and to enforce the laws of the state contribute 11.1% of earnable salary in 2010 increasing to 13.00% by 2014. Remaining Law enforcement members (Public Safety) contribute 10.5% of earnable salary in 2010 increasing to 12.00% by 2013.

Employer contributions. Each employer contributes the remaining amounts necessary to finance OPERS benefits. Employer contributions are expressed as percents of member-covered payroll. The maximum statutory rate for state and local government employers is 14%. The maximum statutory rate for law enforcement employers is 18.1% (H.B. 416, effective 1/1/2001).

BENEFITS AND CONDITIONS EVALUATED

CONTRIBUTIONS (CONT'D)

Health Care Preservation Plan (HCPP). The following table shows total scheduled employer contribution rates (includes contributions for both the pension and retiree health programs):

Year	State	Local Government	Law Enforcement	Public Safety
2010	14.00%	14.00%	17.87%	17.87%
2011 and Later	14.00	14.00	18.10	18.10

The portion of the above employer contribution rates scheduled to be allocated to the retiree health program are as follows:

Year	All Divisions
2010	5.00%
2011	4.00%
2012	4.00%
2013	1.00%
2014	0.00%
2015 and Later	0.00%

The schedule was adopted at the July 21, 2010 Board meeting and is subject to change if conditions warrant.

Member contribution rates scheduled to be allocated to the pension program are as follows:

Year	State	Local Government	Law Enforcement	Public Safety
2010	10.00%	10.00%	11.10%	10.50%
2011	10.00%	10.00%	11.60%	11.00%
2012	10.00%	10.00%	12.10%	11.50%
2013	10.00%	10.00%	12.60%	12.00%
2014 and Later	10.00%	10.00%	13.00%	12.00%

TRADITIONAL PENSION PLAN

AGE & SERVICE BENEFITS - STATE AND LOCAL GOVERNMENT MEMBERS

Age and service eligibility. A member who (i) has attained age 60 years and has 5 or more years of service credit or 60 contributing months, or (ii) has attained age 55 years and has 25 or more years of service credit, or (iii) has 30 or more years of service credit, may retire with an age and service retirement allowance.

Age and service allowance. A retiring member's age and service allowance is equal to Ohio service credit times the greater of \$86, or 2.2% of FAS for the first 30 years of service plus 2.5% for years of service over 30 years (H.B. 628). The allowance is then adjusted by factors based on attained age or years of service (whichever yields the higher percentage) as determined in the following schedule:

Attained Age	OR	Years of Service Credit	Percentage of Base Amount
58		25	75%
59		26	80
60		27	85
61		N/A	88
N/A		28	90
62		N/A	91
63		N/A	94
N/A		29	95
64		N/A	97
65		30 or more	100

Maximum allowance is 100% of FAS or the limits under IRC Section 415(b). Minimum allowance is based upon twice the member's savings funding balance at retirement together with interest credits, annuitized with unisex factors that reflect plan interest and mortality assumptions, but not the plan's COLA.

TRADITIONAL PENSION PLAN

AGE & SERVICE BENEFITS – LAW MEMBERS (PUBLIC SAFETY) ELIGIBLE TO RETIRE UNDER OHIO REVISED CODE SECTION 145.33(B)(2)(B)

Age and service eligibility. A law member whose secondary duties are to preserve the peace, to protect life and property, and to enforce the laws of the state and who (i) has attained age 52 and has 25 or more years of credited service, or (ii) has attained age 62 and has 15 or more years of credited service, or (iii) has attained age 52 and has 15 or more years of credited service, may retire with an age and service allowance. A member covered by these provisions may retire at age 48 with 25 or more years of service subject to the reduction described in 145.33 (C)(1).

Age and service allowance. A retiring member's age and service allowance under eligibility (i) or (ii) above is equal to 2.5% of FAS times the first 25 years of service credit plus 2.1% of FAS times service credit in excess of 25 years (H.B. 628). Maximum allowance is 90% of FAS or the limits under IRC Section 415(b). A retiring member's age and service allowance under eligibility (iii) above is equal to 1.5% of FAS times years of service credit. Minimum allowance for all law members is based upon twice the member's savings fund balance at retirement together with interest credits.

AGE & SERVICE BENEFITS - LAW MEMBERS (LAW ENFORCEMENT) ELIGIBLE TO RETIRE UNDER OHIO REVISED CODE SECTION 145.33(B)(2)(A)

Age and service eligibility. A law member whose primary duties are to preserve the peace, to protect life and property, and to enforce the laws of the state and who (i) has attained age 48 and has 25 or more years of credited service, or (ii) has attained age 62 and has 15 or more years of credited service, or (iii) has attained age 52 and has 15 or more years of credited service, may retire with an age and service allowance.

Age and service allowance. A retiring member's age and service allowance under eligibility (i) or (ii) above is equal to 2.5% of FAS times the first 25 years of service credit plus 2.1% of FAS times service credit in excess of 25 years (H.B. 628). Maximum allowance is 90% of FAS or the limits under IRC Section 415(b). A retiring member's age and service allowance under eligibility (iii) above is equal to 1.5% of FAS times years of service credit. Minimum allowance for all law members is based upon twice the member's savings fund balance at retirement together with interest credits.

TRADITIONAL PENSION PLAN

DISABILITY RETIREMENT

The disability program was revised in order to comply with the Older Workers Benefit Protection Act. Employees becoming members after July 29, 1992 are covered by the post July 29, 1992 program. Other members were able to elect coverage under the pre July 29, 1992 program (original plan) or elect to be covered by the post July 29, 1992 program (revised plan).

Features of the original plan are:

- a) Upon becoming permanently disabled after completion of at least 5 years or 60 contributing months of service but before attaining age 60, a member is eligible for a disability allowance. The service requirement is waived for Law Enforcement members with an on-duty illness or injury.
- b) The amount of the allowance is the service the member would have had if employment had continued to age 60 times (i) 2.2% of FAS (H.B. 628), or (ii) \$86, whichever produces the greater benefit.
- c) Maximum allowance is 75% of FAS, minimum allowance is 30% of FAS.

Features of the revised plan are:

- a) A member may apply at any age after completion of 5 years or 60 contributing months of service. The service requirement is waived for Law Enforcement members with an on-duty illness or injury.
- b) A disability benefit equal to the greater of 45% of FAS or the actual service credit times 2.2% of FAS (H.B. 628) with no early retirement reduction (maximum 60% of FAS). The disability benefit period is to age 65 if the member is disabled prior to age 60. The benefit period declines gradually from 60 months for members disabled at ages 60 and 61 to 12 months for members disabled at age 69 or older.
- c) After the disability benefit ends, a service retirement benefit equal to the greater of (i) the accrued benefit based on actual service, or (ii) 2.2% of FAS (H.B. 628) times service credit including the period of disability (maximum 45% of FAS). In addition, an amount equal to the cost-of-living increases the member would have received had the member retired on the basis of age and service is paid.

TRADITIONAL PENSION PLAN

SURVIVOR BENEFITS

Death while eligible to retire. If a member dies in service after becoming eligible to retire with an age and service allowance and leaves a surviving spouse or other sole dependent beneficiary, the survivor receives the same amount that would have been paid had the member retired the last day of the month of death and elected the 100% joint and survivor form of payment.

Survivor (death-in-service) allowances. If a deceased member had at least 1-1/2 years of contributing service credit, with at least ¼ year of such service occurring within the 2-1/2 years prior to death, or was receiving a disability benefit, qualified survivors may receive the following monthly benefits. The benefit paid will be the greater of the applicable benefits paid under the following two schedules (H.B. 628):

Schedule 1

<u>Number of Qualified Survivors Affecting the Benefit</u>	<u>Annual Benefit as a % of Deceased Member's FAS</u>	<u>Minimum Monthly Benefit</u>
1	25%	\$250
2	40%	\$400
3	50%	\$500
4	55%	\$500
5 or more	60%	\$500

Schedule 2

<u>Years of Service</u>	<u>Annual Benefit as a % of Deceased Member's FAS</u>
20	29%
21	33%
22	37%
23	41%
24	45%
25	48%
26	51%
27	54%
28	57%
29 or more	60%

Qualifying survivors who are paid benefits under Schedule 2 share equally in the benefits, except that if there is a surviving spouse, the spouse receives the greater of 25% of FAS or \$250.

TRADITIONAL PENSION PLAN

A *qualified spouse* is the surviving spouse of a deceased member who is age 62 or at any age if the deceased member had 10 or more years of Ohio service credit or if the surviving spouse is caring for a qualified child or is adjudged physically or mentally incompetent.

A *qualified child* is a child who has never been married and under the age of 18 (or 22 if attending an approved school), or regardless of age is adjudged physically or mentally incompetent at the time of the member's death.

A *qualified parent* is a dependent parent aged 65 or older (earlier if mentally or physically incompetent) who received at least one-half support from the member during the 12-month period immediately preceding the member's death.

Qualified *survivors of disability benefit recipients* have the FAS used in calculating their benefits adjusted for each year between the effective date of the disability benefit and the recipient's date of death. The FAS is adjusted by the lesser of (1) 3% or (2) the actual average percentage change in the CPI.

BENEFITS AT RETIREMENT

Optional Benefit Forms. Retiring members may elect to have benefits paid in straight life form, in a form that guarantees a minimum number of monthly payments, or in a form that provides a continuation of all or a portion of the monthly benefit to a beneficiary after the death of the retiree. If a retiring member elects benefits in other than straight life form, the monthly amount is adjusted. The adjustment is based upon interest, COLA, and mortality assumptions (with a blend of male and female mortality rates to produce unisex election factors consistent with the gender distribution of members electing optional forms of payment).

TRADITIONAL PENSION PLAN

PLOP. Effective 01/01/2004, retiring members may also elect to receive a Partial Lump Sum Option Payment (PLOP) (S.B.247). The PLOP is an option that allows a retiree to initially receive a partial lump sum benefit payment along with a reduced monthly retirement allowance. The lump sum payment cannot be less than 6 times or more than 36 times the monthly amount that would be payable to the member under the plan of payment selected and shall not result in a monthly allowance that is less than 50% of the monthly benefit. The total amount paid as a lump sum and monthly benefit shall be the actuarial equivalent of the amount that would have been paid had the lump sum not been selected.

QEBA. Qualified Excess Benefit Arrangement was established 01/01/2004 (H.B.190). The QEBA is operated in accordance with Internal Revenue Code Section 415(m). Under this arrangement the recipient may be paid the portion of his/her retirement benefit that was previously limited due to IRC Section 415(b).

Post-retirement increases. Each July after June 30, 1971 or the annual anniversary established 12 months after the initial date of retirement, each allowance is increased by 3.0% of the corresponding base allowance, except that no allowance shall exceed the limits established by Section 415 of the Internal Revenue Code.

Post-retirement death benefit. Upon the death of an age and service or disability retiree, a death benefit in the following amount is payable:

Service Credit at Retirement	Amount of Death Benefit
5 to 9 years	\$ 500
10 to 14 years	1,000
15 to 19 years	1,500
20 to 24 years	2,000
25 or more years	2,500

Deferred benefits. A member with at least 5 years of service credit who leaves service before being eligible for an immediate allowance and who does not withdraw accumulated contributions will be entitled to a deferred allowance at age 60. For law members, the age at which benefits commence depends on the amount of service credit. The amount of the allowance will be based on credited service and final average salary at time of leaving service.

TRADITIONAL PENSION PLAN

REFUND OF MEMBERS ACCUMULATED CONTRIBUTIONS

In the event a member leaves service prior to retirement, the member may elect to receive a refund of contributions with interest and may be eligible to receive an additional amount as described below. These refund provisions are available to all members. If a member dies prior to retirement and survivor benefits are not payable, the member's contributions with interest are paid to a designated beneficiary or other survivor. Interest is credited annually to member contribution balances. The rate of interest credited is determined by the OPERS Board and will not be greater than 6%. At the present time, 1% interest is credited to member contribution balances.

If the member has, or had at the time of death, at least 5 years but less than 10 years of qualified service, an additional 33% of the member's eligible contributions will be paid to the member or survivor. If the member has, or had at the time of death, at least 10 years of qualified service credit, an additional 67% of the member's eligible contributions will be paid to the member or survivor. The additional amount is not paid if the member is a re-employed retiree, or in the case of a deceased member, was receiving disability benefits at the time of death.

SUPPLEMENTAL BENEFITS

Health Care Coverage. Health care coverage is available to persons being paid a monthly allowance from OPERS. Members retiring with a normal or early service retirement allowance after June 13, 1986 must have 10 or more years of qualified service credit to be eligible for this benefit.

Medicare premiums. Medicare part B premiums are paid for those eligible, upon proof of coverage. Members retiring with a normal or early service retirement allowance after June 13, 1986 must have 10 or more years of qualified service credit to be eligible for this benefit.

TRADITIONAL PENSION PLAN

ADDITIONAL ANNUITY PROGRAM

The additional annuity program provides Traditional Plan and re-employed retiree members the opportunity of supplementing their retirement income. Members make additional contributions (independent of the contributions described on page III-2) to an account that earns investment income based upon the return of the OPERS Stable Value Fund. At termination, the member may take the additional annuity account balance either as a lump sum or annuitized in monthly payments.

RE-EMPLOYED RETIREES

Re-employed age and service retirees contribute to the "Money Purchase Plan". In most instances, re-employed retirees will continue to receive their retirement allowance during re-employment. Upon termination of re-employment, members are eligible to apply for either a refund of contributions prior to age 65 or a Money Purchase Plan benefit as a lump sum or annuity after age 65. The Money Purchase Plan benefit is equal to member contributions and allowable interest plus an additional 67% matching amount. If monthly benefits are elected, joint and survivor options are also available.

COMBINED PLAN

AGE & SERVICE BENEFITS - STATE AND LOCAL GOVERNMENT MEMBERS*

Eligibility. A member who (i) has attained age 60 years and has 5 or more years of service credit in the Plan or 60 contributing months in the Plan, or (ii) has attained age 55 years and has 25 or more years of service credit, or (iii) has 30 or more years of service credit, may retire under the Combined Plan with an age and service retirement allowance under the defined benefit portion of the Plan and with a retirement benefit under the defined contribution portion of the Plan.

**Law Enforcement and Public Safety members must contribute to the Traditional Pension Plan only.*

Age and service retirement allowance (Defined Benefit portion of the Plan). A retiring member's age and service retirement allowance is equal to Ohio service credit in the Plan times 1.0% of FAS for the first 30 years of service plus 1.25% for years of service over 30 years. The allowance is then adjusted by factors based on attained age or years of service (whichever yields the higher percentage) as determined in the following schedule:

Attained Age	OR	Years of Service Credit	Percentage of Base Amount
58		25	75%
59		26	80
60		27	85
61		N/A	88
N/A		28	90
62		N/A	91
63		N/A	94
N/A		29	95
64		N/A	97
65		30 or more	100

Maximum allowance is 100% of FAS or the limits under IRC Section 415(b).

Retirement benefit (Defined Contribution portion of the Plan). The member's retirement benefit under this portion of the Combined Plan is based on the amounts credited to the Participant Contribution Account, Rollover Account, and Miscellaneous Account and the gains and losses on the amounts in those Accounts.

COMBINED PLAN

DISABILITY RETIREMENT

A Combined Plan member may apply after completion of 5 years in the Plan or 60 contributing months of service in the Plan. Combined Plan members may be covered under the original or revised disability plan. Combined Plan members who apply for disability may:

- 1) Take a lump sum distribution of the Participant Contribution Account, Rollover Account, and Miscellaneous Account and any additional amount they are entitled to from the Employers' Accumulation Fund, or
- 2) Transfer all service credit and the Participant's Accounts (as listed above) in the Combined Plan to the Traditional Pension Plan to be paid a disability benefit under the Traditional Pension Plan guidelines.

SURVIVOR BENEFITS

Combined Plan members are eligible for the same survivor benefits as those listed under the Traditional Pension Plan and must qualify for survivor benefits under the same guidelines as those members in the Traditional Pension Plan.

BENEFITS AT RETIREMENT

Optional Benefit Forms under the Defined Benefit portion of the Plan. Retiring members may elect to have their age and service retirement allowance in straight life form, in a form that guarantees a minimum number of monthly payments, or in a form that provides a continuation of all or a portion of the monthly benefit to a beneficiary after the death of the retiree. If a retiring member elects benefits in other than straight life form, the monthly amount is adjusted. The adjustment is based upon interest, COLA, and mortality assumptions (with a blend of male and female mortality rates to produce unisex election factors consistent with the gender distribution of members electing optional forms of payment).

COMBINED PLAN

Optional Benefit Forms under the Defined Contribution portion of the Plan. Retiring members may elect to have retirement benefits paid in a partial lump sum, subject to any rules adopted by the Board; monthly annuity payments (with joint and survivor options) similar to those offered under the defined benefit portion of the Plan; periodic payments over a period certain; periodic payments of a specific monthly amount; payments with a deferred start date; or a combination of these options.

PLOP. Effective 01/01/2004, retiring members may also elect to receive a Partial Lump Sum Option Payment (PLOP) (S.B.247). The PLOP is an option that allows a retiree to initially receive a partial lump sum benefit payment along with a reduced monthly retirement allowance. The lump sum payment cannot be less than 6 times or more than 36 times the monthly amount that would be payable to the member under the plan of payment selected and shall not result in a monthly allowance that is less than 50% of the monthly benefit. The total amount paid as a lump sum and monthly benefit shall be the actuarial equivalent of the amount that would have been paid had the lump sum not been selected. The PLOP is available to Combined Plan members for the age and service retirement allowance under the defined benefit portion of the Plan and for the monthly annuity under the defined contribution portion of the Plan.

QEBA. Qualified Excess Benefit Arrangement was established 01/01/2004 (H.B.190). The QEBA is operated in accordance with Internal Revenue Code Section 415(m). Under this arrangement the recipient may be paid the portion of his/her retirement benefit that was previously limited due to IRC Section 415(b). The QEBA is available to Combined Plan members for the age and service retirement allowance under the defined benefit portion of the Plan.

Post-retirement increases. Each July after June 30, 1971 or the annual anniversary established 12 months after the initial date of retirement, each age and service retirement allowance under the defined benefit portion of the plan is increased by 3.0% of the corresponding base allowance, except that no allowance shall exceed the limits established by Section 415 of the Internal Revenue Code.

COMBINED PLAN

Post-retirement death benefit. Upon the death of an age and service retiree, a death benefit in the following amount is payable:

Service Credit at Retirement	Amount of Death Benefit
5 to 9 years	\$ 500
10 to 14 years	1,000
15 to 19 years	1,500
20 to 24 years	2,000
25 or more years	2,500

REFUNDS AND VESTING

A participant in the Combined Plan shall at all times be 100% vested in the Participant Contribution Account, Miscellaneous Contribution Account, and the Rollover Account.

If the member has at least 5 years but less than 10 years of qualified service credit in the Plan, an additional 33% of the member's eligible contributions will be paid from the Employers' Accumulation Fund. If the member has at least 10 years of qualified service credit in the Plan, an additional 67% of the member's eligible contributions will be paid to the member. Amounts paid to purchase service credit earn interest at the same rates as the Traditional Pension Plan and are payable as a refund.

In the event a member leaves service prior to retirement, the member may elect to receive a refund of their Participant Contribution Account, the Rollover Account, the Miscellaneous Account, and any additional amounts they are entitled to from the Employers' Accumulation Fund (as described above).

SUPPLEMENTAL BENEFITS

Health Care Coverage. Health care coverage is available to persons being paid a monthly allowance from OPERS. Members retiring with a normal or early service retirement allowance after June 13, 1986 must have 10 or more years of qualified service credit to be eligible for this benefit.

COMBINED PLAN

Medicare premiums. Medicare part B premiums are paid for those eligible, upon proof of coverage. Members retiring with a normal or early service retirement allowance after June 13, 1986 must have 10 or more years of qualified service credit to be eligible for this benefit. [Although it is not mentioned under the Traditional Pension Plan either, Combined Plan members are eligible for the Medicare Part-A equivalent coverage under R.C. 145.325.]

MEMBER-DIRECTED PLAN

AGE & SERVICE BENEFITS - STATE AND LOCAL GOVERNMENT MEMBERS. (Law Enforcement and Public Safety members must contribute to the Traditional Pension Plan Only.)

Eligibility. A participant who has attained age fifty-five (55) may retire under the Member-Directed Plan.

Retirement benefits. The member's retirement benefit is based on the value of the Participant Contribution Account, the Rollover Account, the Miscellaneous Account, and any vested portion of the Employer Contribution Account.

DISABILITY RETIREMENT

Not available under the Member-Directed Plan. Members may:

- 1) If age fifty-five (55), terminate employment and begin receiving retirement benefits, or
- 2) Take a lump sum distribution of their Participant Contribution Account, Rollover Account, Miscellaneous Account and any vested portion of the Employer Contribution Account.

SURVIVOR BENEFITS

Not available under the Member-Directed Plan. Survivors must take a lump sum distribution of the member's Participant Contribution Account, Rollover Account, Miscellaneous Account and any vested portion of the Employer Contribution Account.

MEMBER-DIRECTED PLAN

BENEFITS AT RETIREMENT

Optional Benefit Forms. Retiring members may elect to have retirement benefits paid in a partial lump sum, subject to any rules adopted by the Board; monthly annuity payments (with joint and survivor options) similar to those offered under the defined benefit portion of the Combined Plan; periodic payments over a period certain; periodic payments of a specific monthly amount; payments with a deferred start date; or a combination of these options.

PLOP. Effective 01/01/2004, retiring members who elect a monthly annuity under the Member-Directed Plan may also elect to receive a Partial Lump Sum Option Payment (PLOP) (S.B.247). The PLOP is an option that allows a retiree to initially receive a partial lump sum benefit payment along with a reduced monthly annuity. The lump sum payment cannot be less than 6 times nor more than 36 times the monthly amount that would be payable to the member under the plan of payment selected and shall not result in a monthly annuity that is less than 50% of the monthly benefit. The total amount paid as a lump sum and monthly benefit shall be the actuarial equivalent of the amount that would have been paid had the lump sum not been selected. The PLOP is available to Member-Directed Plan members only if they elect a monthly annuity.

REFUNDS AND VESTING.

A participant shall at all times be 100% vested in the Participant Contribution Account, Miscellaneous Contribution Account, and the Rollover Account. A participant shall vest in the Employer Contribution Account according to the Participant's attained years of participation in the Plan as follows:

One year of participation	20%
Two years of participation	40%
Three years of participation	60%
Four years of participation	80%
Five years of participation	100%

In the event a member leaves service prior to retirement, the member may elect to receive a refund of their Participant Contribution Account, Rollover Account, and Miscellaneous Account and any vested amounts in the Employer Contribution Account (as described above).

MEMBER-DIRECTED PLAN

SUPPLEMENTAL BENEFITS

Health Care Coverage. A portion of the employer contribution for Member-Directed participants is credited to a Retiree Medical Account (RMA). Amounts contributed to the RMA may be used after separation from service and a refund or retirement distribution is made to pay qualified health, dental and vision care expenses. Members vest in their RMA based on their attained years of participation in the Plan as follows:

1 – 2 years	0%
3 years	30%
4 years	40%
5 years	50%
6 years	60%
7 years	70%
8 years	80%
9 years	90%
10 years	100%

Effective January 1, 2009, the vesting schedule will be as follows:

Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 years	100%

**SAMPLE BENEFIT COMPUTATION – TRADITIONAL PLAN
STATE OR LOCAL MEMBER - NORMAL RETIREMENT
RETIRING DECEMBER 31, 2009
UNDER BENEFIT PROVISIONS EVALUATED**

Data:

A.	<u>\$32,000</u>	Final Average Earnings
B.	<u>33</u>	Years of Credited Service
C.	<u>59</u>	Age of Retiree
D.	<u>56</u>	Age of Spouse
E.	<u>100%</u>	Percentage of Pension to Continue to Spouse after retiree's death (Retiree makes the choice of 100% Joint and Survivor with Pop-Up)

Computations:

F.	Formula Benefit: $(0.022 \times 30 \text{ years} + 0.025 \times 3 \text{ years}) \times \$32,000 =$	\$ 23,520
G.	Reduction for Line E Election: $(1 - 0.84810) \times (F) =$	<u>3,573</u>
H.	Benefit Payable to Retiree while Spouse is Alive: $(F) - (G) =$	19,947
I.	Benefit Payable to Spouse after Retiree's Death	19,947
J.	Benefit Payable to Retiree after Spouse's Death	23,520

Projected Benefits:

Year Ended December 31,	Retiree's Benefit (Both Alive)	Spouse's Benefit (After Retiree's Death)	Retiree's Benefit (After Spouse's Death)
2010	\$ 19,947	\$ 19,947	\$ 23,520
2011	20,545	20,545	24,226
2012	21,144	21,144	24,931
2013	21,742	21,742	25,637
2014	22,341	22,341	26,342
2015	22,939	22,939	27,048
2016	23,537	23,537	27,754
2017	24,136	24,136	28,459
2018	24,734	24,734	29,165
2019	25,333	25,333	29,870

**SAMPLE BENEFIT COMPUTATION – TRADITIONAL PLAN
STATE OR LOCAL MEMBER - EARLY RETIREMENT
RETIRING DECEMBER 31, 2009
UNDER BENEFIT PROVISIONS EVALUATED**

Data:

A.	<u>\$32,000</u>	Final Average Earnings
B.	<u>26</u>	Years of Credited Service
C.	<u>59</u>	Age of Retiree
D.	<u>56</u>	Age of Spouse
E.	<u>100%</u>	Percentage of Pension to Continue to Spouse after retiree's death (Retiree makes the choice of 100% Joint and Survivor with Pop-Up)

Computations:

F.	Formula Benefit: $0.022 \times 26 \text{ years} \times \$32,000 =$	\$ 18,304
G.	Adjustment factor for Early Retirement (from schedule)	80%
H.	Adjusted benefit: $(F) \times (G) =$	14,643
I.	Reduction for Line E Election: $(1 - 0.84810) \times (H) =$	<u>2,224</u>
J.	Benefit Payable to Retiree while Spouse is Alive: $(H) - (I)$	12,419
K.	Benefit Payable to Spouse after Retiree's Death	12,419
L.	Benefit Payable to Retiree after Spouse's Death	14,643

Projected Benefits:

Year Ended December 31,	Retiree's Benefit (Both Alive)	Spouse's Benefit (After Retiree's Death)	Retiree's Benefit (After Spouse's Death)
2010	\$ 12,419	\$ 12,419	\$ 14,643
2011	12,792	12,792	15,082
2012	13,164	13,164	15,522
2013	13,537	13,537	15,961
2014	13,910	13,910	16,400
2015	14,282	14,282	16,840
2016	14,655	14,655	17,279
2017	15,027	15,027	17,718
2018	15,400	15,400	18,158
2019	15,772	15,772	18,597

**SAMPLE BENEFIT COMPUTATION – TRADITIONAL PLAN
SECTION 145.33 (B)(2)(b) PUBLIC SAFETY
MEMBER - NORMAL RETIREMENT
RETIRING DECEMBER 31, 2009
UNDER BENEFIT PROVISIONS EVALUATED**

Data:

A.	<u>\$38,000</u>	Final Average Earnings
B.	<u>28</u>	Years of Credited Service
C.	<u>49</u>	Age of Retiree
D.	<u>46</u>	Age of Spouse
E.	<u>100%</u>	Percentage of Pension to Continue to Spouse after retiree's death (Retiree makes the choice of 100% Joint and Survivor with Pop-Up)

Computations:

F.	Formula Benefit: $(0.025 \times 25 \text{ years} + 0.021 \times 3 \text{ years}) \times \$38,000 \times 80\% =$	\$ 20,915
G.	Reduction for Line E Election: $(1 - 0.91118) \times (F) =$	<u>1,858</u>
H.	Benefit Payable to Retiree while Spouse is Alive: $(F) - (G) =$	19,057
I.	Benefit Payable to Spouse after Retiree's Death	19,057
J.	Benefit Payable to Retiree after Spouse's Death	20,915

Projected Benefits:

Year Ended December 31,	Retiree's Benefit (Both Alive)	Spouse's Benefit (After Retiree's Death)	Retiree's Benefit (After Spouse's Death)
2010	\$ 19,057	\$ 19,057	\$ 20,915
2011	19,629	19,629	21,542
2012	20,200	20,200	22,170
2013	20,772	20,772	22,797
2014	21,344	21,344	23,425
2015	21,916	21,916	24,052
2016	22,487	22,487	24,680
2017	23,059	23,059	25,307
2018	23,631	23,631	25,935
2019	24,202	24,202	26,562

**SAMPLE BENEFIT COMPUTATION – TRADITIONAL PLAN
SECTION 145.33 (B)(2)(a) LAW ENFORCEMENT
MEMBER - NORMAL RETIREMENT
RETIRING DECEMBER 31, 2009
UNDER BENEFIT PROVISIONS EVALUATED**

Data:

A.	<u>\$38,000</u>	Final Average Earnings
B.	<u>28</u>	Years of Credited Service
C.	<u>49</u>	Age of Retiree
D.	<u>46</u>	Age of Spouse
E.	<u>100%</u>	Percentage of Pension to Continue to Spouse after retiree's death (Retiree makes the choice of 100% Joint and Survivor with Pop-Up)

Computations:

F. Formula Benefit:	$(0.025 \times 25 \text{ years} + 0.021 \times 3 \text{ years}) \times \$38,000 =$	\$ 26,144
G. Reduction for Line E Election:	$(1 - 0.91118) \times (F) =$	<u>2,322</u>
H. Benefit Payable to Retiree while Spouse is Alive:	$(F) - (G) =$	23,822
I. Benefit Payable to Spouse after Retiree's Death		23,822
J. Benefit Payable to Retiree after Spouse's Death		26,144

Projected Benefits:

Year Ended December 31,	Retiree's Benefit (Both Alive)	Spouse's Benefit (After Retiree's Death)	Retiree's Benefit (After Spouse's Death)
2010	\$ 23,822	\$ 23,822	\$ 26,144
2011	24,537	24,537	26,928
2012	25,251	25,251	27,713
2013	25,966	25,966	28,497
2014	26,681	26,681	29,281
2015	27,395	27,395	30,066
2016	28,110	28,110	30,850
2017	28,825	28,825	31,634
2018	29,539	29,539	32,419
2019	30,254	30,254	33,203

**SAMPLE BENEFIT COMPUTATION – TRADITIONAL PLAN
STATE OR LOCAL MEMBER – TERMINATION BENEFIT
RETIRING DECEMBER 31, 2009
UNDER BENEFIT PROVISIONS EVALUATED**

Data:

A.	<u>\$32,000</u>	Final Average Earnings
B.	<u>15</u>	Years of Credited Service
C.	<u>45</u>	Age of Member
D.	<u>42</u>	Age of Spouse
E.	<u>60.57</u>	Ages at Which Benefits are Payable
F.	<u>100%</u>	Percentage of Pension to Continue to Spouse after retiree's death (Retiree makes the choice of 100% Joint and Survivor with Pop-Up)
G.	<u>\$44,000</u>	Accumulated Contributions with Interest at Termination Date

Computations:

H.	Formula Benefit: $(0.022 \times 15 \text{ years} + 0.025 \times 0 \text{ years}) \times \$32,000 =$	\$ 10,560
I.	Adjustment factor for Early Retirement (from schedule)	85%
J.	Adjusted benefit: $(H) \times (I) =$	8,976
K.	Reduction for Line F Election: $(1 - 0.84024) \times (J) =$	<u>1,434</u>
L.	Benefit Payable to Retiree while Spouse is Alive: $(J) - (K) =$	7,542
M.	Benefit Payable to Spouse after Retiree's Death	7,542
N.	Benefit Payable to Retiree after Spouse's Death	8,976
O.	In lieu of a lifetime benefit, terminatee may elect to receive a refund of accumulated contributions with interest plus an additional 67% of eligible accumulated contributions because terminatee had more than 10-years of service.	<u>73,480</u>

Projected Benefits:

Year Ended December 31,	Retiree's Benefit (Both Alive)	Spouse's Benefit (After Retiree's Death)	Retiree's Benefit (After Spouse's Death)
2010	\$ 7,542	\$ 7,542	\$ 8,976
2011	7,768	7,768	9,245
2012	7,995	7,995	9,515
2013	8,221	8,221	9,784
2014	8,447	8,447	10,053
2015	8,673	8,673	10,322
2016	8,900	8,900	10,592
2017	9,126	9,126	10,861
2018	9,352	9,352	11,130
2019	9,578	9,578	11,400

**SAMPLE BENEFIT COMPUTATION – TRADITIONAL PLAN
SECTION 145.33 (B)(2)(a) PUBLIC SAFETY / LAW ENFORCEMENT
MEMBER – TERMINATION BENEFIT
RETIRING DECEMBER 31, 2009
UNDER BENEFIT PROVISIONS EVALUATED**

Data:

A.	<u>\$38,000</u>	Final Average Earnings
B.	<u>15</u>	Years of Credited Service
C.	<u>37</u>	Age of Retiree
D.	<u>34</u>	Age of Spouse
E.	<u>52:49</u>	Ages at Which Benefits are Payable
F.	<u>100%</u>	Percentage of Pension to Continue to Spouse after retiree's death (Retiree makes the choice of 100% Joint and Survivor with Pop-Up)
G.	<u>\$46,000</u>	Accumulated Contributions at Termination Date

Computations:

H.	Formula Benefit: $(0.015 \times 15 \text{ years}) \times \$38,000 =$	\$ 8,550
I.	Reduction for Line F Election: $(1 - 0.89538) \times (H) =$	<u>895</u>
J.	Benefit Payable to Retiree while Spouse is Alive: $(H) - (I) =$	7,655
K.	Benefit Payable to Spouse after Retiree's Death	7,655
L.	Benefit Payable to Retiree after Spouse's Death	8,550
M.	In lieu of a lifetime benefit, terminnee may elect to receive a refund of accumulated contributions with interest plus an additional 67% of eligible accumulated contributions because terminnee had more than 10 years of service.	76,820

Projected Benefits:

Year Ended December 31,	Retiree's Benefit (Both Alive)	Spouse's Benefit (After Retiree's Death)	Retiree's Benefit (After Spouse's Death)
2010	\$ 7,655	\$ 7,655	\$ 8,550
2011	7,885	7,885	8,807
2012	8,114	8,114	9,063
2013	8,344	8,344	9,320
2014	8,574	8,574	9,576
2015	8,803	8,803	9,833
2016	9,033	9,033	10,089
2017	9,263	9,263	10,346
2018	9,492	9,492	10,602
2019	9,722	9,722	10,859

SECTION IV

RECOMMENDATIONS FOR RESERVE TRANSFERS

SECTION 1
RECOMMENDATIONS FOR MEMBERS TO VISITORS

DECEMBER 31, 2009 RETIRED LIFE VALUATION RESERVE TRANSFERS

Reserve transfers from the Employer Accumulation Fund to the A & PR Fund and/or Survivor Benefit Funds are recommended in the following instances.

- Whenever the December 31 valuation shows unfunded accrued liabilities or assets in excess of computed liabilities in any of the retired life funds.
- To adjust retired life reserves for the payment of health insurance premiums and Medicare reimbursements for the previous 12 month period if this has not already been done.
- To cover the cost of ad-hoc post retirement benefit increases.
- To adjust retired life reserves for any changes in computed liabilities resulting from assumption changes.

By making these annual adjustments in addition to the regular transfers when allowances are added to the rolls, the ratio of assets to liabilities for retired members and beneficiaries will stay at 100%. Year to year changes in this ratio before recommended transfers will normally be isolated to mortality experience within the retired life group.

In 1992, OPERS began making interim benefit payments for certain retirements to shorten the delay between the retirement effective date and receipt of the first monthly check. However, reserve transfers are not made until benefit amounts are final. Transfers for these cases have been accrued based upon supplemental information supplied by OPERS staff and are shown on the following page. The accruals, when added to other assets, are intended to put retired life reserves in the same position they would have been in if reserve transfers for the interim benefit cases had been coincident with benefit commencement.

It is recommended that the transfers shown on the following page be made from the Employer Accumulation Fund to the Annuity & Pension Reserve Fund and Survivor Benefit Funds as indicated. The Accrued Transfers is an estimate of pending future transfers for interim cases, and does not require a year end transfer. Any accrued transfers that have been made prior to OPERS' extract date and hence are not included in the "Accrued Transfers" column on pages IV-2 through IV-5 should be netted off the "Other" column on pages IV-2 through IV-5.

**TRADITIONAL PLAN
RESERVE TRANSFERS AFFECTING THE EMPLOYER ACCUMULATION FUND
DECEMBER 31, 2009**

	Assets		Transfers		Assets After Transfers	Liabilities	Ratio
	Before Transfers	Accrued	Other	Other			
State							
A&PR FUND							
SR	\$12,178,758,231	\$424,240,636	\$115,416,815		\$12,718,415,682	\$12,718,415,682	
MP	19,987,498	386,209	1,375,279		21,748,986	21,748,986	
AA	1,480,912	0	\$(1,214,260)		266,052	266,052	
JR	103,822	0	\$(103,822)		0	0	
CR	49,366,768	274,269	6,363,522		56,004,559	56,004,559	
DR	1,985,447,920	13,177,214	1,744,843		2,000,369,977	2,000,369,977	
BD	327,599,678	8,466,386	\$(1,013,050)		335,053,014	335,053,014	
TOTAL A&PR	14,562,744,229	446,544,714	122,569,327		15,131,858,270	15,131,858,270	100.0%
SBF							
AA	0	0	0		0	0	
S-1	104,612,752	1,118,389	\$(705,121)		105,026,020	105,026,020	
S-2	431,374,132	2,710,623	\$(1,158,770)		432,925,985	432,925,985	
TOTAL SBF	535,986,884	3,829,012	\$(1,863,891)		537,952,005	537,952,005	100.0%
TOTAL STATE	\$15,098,731,113	\$450,373,726	\$120,705,436		\$15,669,810,275	\$15,669,810,275	100.0%
Local							
A&PR FUND							
SR	\$16,500,789,762	\$614,753,614	\$181,540,030		\$17,297,083,406	\$17,297,083,406	
MP	50,097,391	743,919	1,132,113		51,973,423	51,973,423	
AA	31,239,380	460,011	4,409,334		36,108,725	36,108,725	
JR	138,704	0	(138,704)		0	0	
CR	66,392,837	306,139	9,069,569		75,768,545	75,768,545	
DR	2,564,032,526	13,939,861	(8,588,861)		2,569,383,526	2,569,383,526	
BD	384,004,157	9,694,395	10,599,327		404,297,879	404,297,879	
TOTAL A&PR	19,596,694,757	639,897,939	198,022,808		20,434,615,504	20,434,615,504	100.0%
SBF							
AA	0	0	0		0	0	
S-1	165,627,214	2,325,701	(250,047)		167,702,868	167,702,868	
S-2	720,916,558	3,393,925	(802,688)		723,507,795	723,507,795	
TOTAL SBF	886,543,772	5,719,626	(1,052,735)		891,210,663	891,210,663	100.0%
TOTAL LOCAL	\$20,483,238,529	\$645,617,565	\$196,970,073		\$21,325,826,167	\$21,325,826,167	100.0%

**TRADITIONAL PLAN
RESERVE TRANSFERS AFFECTING THE EMPLOYER ACCUMULATION FUND
DECEMBER 31, 2009**

	Assets		Transfers			Assets After Transfers	Liabilities	Ratio
	Before Transfers	Accrued	Other	Other	Other			
Public Safety								
A&PR FUND								
SR	\$5,792,401	\$ 751,790	\$46,804			\$6,590,995		
MP	0	0	0			0		
AA	0	0	0			0		
JR	0	0	0			0		
CR	0	0	0			0		
DR	8,331,539	0	194,856			8,526,395		
BD	1,339,860	0	71,555			1,411,415		
TOTAL A&PR	15,463,800	751,790	313,215			16,528,805		100.0%
SBF								
AA	0	0	0			0		
S-1	0	0	0			0		
S-2	15,036,223	448,465	120,981			15,605,669		
TOTAL SBF	15,036,223	448,465	120,981			15,605,669		
TOTAL PUBLIC SAFETY	\$30,500,023	\$1,200,255	\$434,196			\$32,134,474		100.0%
Law Enforcement								
A&PR FUND								
SR	\$893,238,723	\$36,506,714	\$17,459,528			\$947,204,965		
MP	0	0	0			0		
AA	0	0	0			0		
JR	0	0	0			0		
CR	400,355	0	9,055			409,410		
DR	486,008,530	4,126,222	11,240,990			501,375,742		
BD	61,290,455	1,797,898	2,527,451			65,615,804		
TOTAL A&PR	1,440,938,063	42,430,834	31,237,024			1,514,605,921		100.0%
SBF								
AA	0	0	0			0		
S-1	9,728,980	0	5,629			9,734,609		
S-2	24,969,136	141,486	\$ (225,697)			24,884,925		
TOTAL SBF	34,698,116	141,486	\$ (220,068)			34,619,534		
TOTAL LAW ENFORCEMENT	\$ 1,475,636,179	\$ 42,572,320	\$ 31,016,956			\$ 1,549,225,455		100.0%
GRAND TOTAL	\$37,088,105,844	\$1,139,763,866	\$349,126,661			\$38,576,996,371		100.0%

**COMBINED PLAN
RESERVE TRANSFERS AFFECTING THE EMPLOYER ACCUMULATION FUND
DECEMBER 31, 2009**

	Assets Before Transfers	Transfers		Assets After Transfers	Liabilities	Ratio
		Accrued	Other			
State						
A&PR FUND						
CA	\$ (15)	\$ 0	\$ 15	\$ 0	\$ 0	
CB	22,915	0	1,236	24,151	24,151	
TOTAL A&PR	22,900	0	1,251	24,151	24,151	
TOTAL STATE	\$22,900	\$ 0	\$1,251	\$24,151	\$24,151	
Local						
A&PR FUND						
CA	\$108,443	\$34,501	\$(57,547)	\$85,397	\$85,397	
CB	120,562	34,524	(9,935)	145,151	145,151	
TOTAL A&PR	229,005	69,025	(67,482)	230,548	230,548	100.0%
TOTAL LOCAL	\$229,005	\$69,025	(67,482)	\$230,548	\$230,548	100.0%
GRAND TOTAL	\$251,905	\$69,025	(66,231)	\$254,699	\$254,699	100.0%

**MEMBER DIRECTED PLAN
RESERVE TRANSFERS AFFECTING THE EMPLOYER ACCUMULATION FUND
DECEMBER 31, 2009**

	Assets Before Transfers	Transfers		Assets After Transfers	Liabilities	Ratio
		Accrued	Other			
State						
A&PR FUND						
MD	\$ 14,002	\$0	\$ (4,347)	\$ 9,655	\$ 9,655	
TOTAL A&PR	14,002	0	(4,347)	9,655	9,655	
TOTAL STATE	\$ 14,002	\$0	(4,347)	\$ 9,655	\$ 9,655	
Local						
A&PR FUND						
MD	\$ 88,420	\$0	\$154,595	\$243,015	\$243,015	100.0%
TOTAL A&PR	88,420	0	154,595	243,015	243,015	100.0%
TOTAL LOCAL	\$ 88,420	\$0	\$154,595	\$243,015	\$243,015	100.0%
GRAND TOTAL	\$102,422	\$0	\$150,248	\$252,670	\$252,670	100.0%

SECTION V
STATE DIVISION

STATE DIVISION

Data on active, inactive, retired and money purchase members that was used in the valuation is tabulated briefly below.

Defined Benefit Active Members in Valuation December 31, 2009

Groups	Number	Annual Payroll	Average		
			Pay	Age	Service
Traditional Plan					
Men	51,608	\$2,197,332,859	\$42,577	41.5 yrs.	10.2 yrs.
Women	63,220	2,459,895,839	38,910	41.3	9.7
Traditional Plan Total	114,828	\$4,657,228,698	40,558	41.4 yrs.	9.9 yrs.
Combined Plan					
Men	913	\$45,344,912	\$49,666	40.5 yrs.	5.6 yrs.
Women	1,267	60,157,606	47,480	40.7	5.3
Combined Plan Total	2,180	\$105,502,518	48,396	40.6 yrs.	5.4 yrs.
Grand Total	117,008	\$4,762,731,216	\$40,704	41.4 yrs.	9.8 yrs.

Also included in the valuation were 138,846 inactive members (134,941 eligible for deferred retirement allowances and 3,905 eligible for or contribution refunds) and 3,753 members active in the money purchase plan.

Retired Members in Valuation December 31, 2009

Fund / Type of Allowance	Number	Current Monthly Benefits	Actuarial Liabilities
Traditional Plan			
A & PR Fund			
Superannuation Retirement	47,111	\$98,428,113	\$12,774,686,294
Disability Retirement	8,464	17,617,868	2,335,422,991
Money Purchase	461	216,881	21,748,986
Total A & PR Fund	56,036	116,262,862	15,131,858,271
Total SBF	4,825	4,758,411	537,952,005
Traditional Plan Total	60,861	\$121,021,273	\$15,669,810,276
Combined Plan			
A & PR Fund	2	\$151	\$24,151
Combined Plan Total	2	\$151	\$24,151
Member Directed Plan			
A & PR Fund	1	\$52	\$9,655
Member Directed Plan Total	1	\$52	\$9,655
Grand Total	60,864	\$121,021,476	\$15,669,844,082

**STATE DIVISION
EMPLOYER CONTRIBUTIONS TO SUPPORT
DEFINED BENEFIT RETIREMENT ALLOWANCES
EXPRESSED AS PERCENTS OF ACTIVE MEMBER PAYROLL**

Valuation Date December 31 Contributions for	2009		2008	
	Traditional Plan	Combined Plan	Traditional and Combined Plans	Traditional and Combined Plans
Normal Cost				
Age and Service Allowances	8.39 %	3.68 %	8.57 %	8.55 %
Disability Allowances	2.53 %	1.91 %	2.51 %	2.51 %
Survivor's Benefits	0.42 %	0.30 %	0.42 %	0.42 %
Separation Benefits	4.02 %	1.29 %	3.95 %	3.96 %
Total Normal Cost	15.36 %	7.18 %	15.45 %	15.44 %
(Member Contributions) Employer Normal Cost	10.00 %	0.00 %	10.00 %	10.00 %
	5.36 %	7.18 %	5.45 %	5.44 %
Unfunded Actuarial Accrued Liabilities				
Total Available Contribution Amortization Years	4.64 % 43	2.82 % 4	4.55 % 42	4.56 % 37
Total Pension Employer Contribution Rate	10.00 %	10.00 %	10.00 %	10.00 %

The term "Amortization Years" refers to the period sufficient to produce the Total Employer Contribution Rate for retirement allowances and survivor benefits and incorporates all scheduled employer and member contribution rate increases and scheduled employer rate reallocations between the pension and retiree health programs.

**STATE DIVISION
COMPARATIVE STATEMENT**

Valuation Date December 31	Contribution Rate Effective January 1	Defined Benefit Active Members in Valuation			Computed Employer Contributions as % of Payroll					
		No.	Annual Payroll		Normal Cost	Unfunded Accrued Liability	Pension Total	Retiree Health	Grand Total	
			Total (\$Millions)	Average						Increase
1995	1998	114,596	\$ 3,204	\$ 27,962	5.2 %	6.67 %	2.44 %	9.11 %	4.20 %	13.31 %
1996@	1999	115,712	3,319	28,684	2.6 %	6.21 %	2.90 %	9.11 %	4.20 %	13.31 %
1997	2000	114,036	3,405	29,858	4.1 %	6.21 %	2.80 %	9.01 %	4.30 %	13.31 %
1998	2001	112,323	3,500	31,159	4.4 %	6.21 %	2.80 %	9.01 %	4.30 %	13.31 %
1999#	2002	112,761	3,592	31,851	2.2 %	7.68 %	0.63 %	8.31 %	5.00 %	13.31 %
2000	2003	113,099	3,868	34,201	7.4 %	7.69 %	0.62 %	8.31 %	5.00 %	13.31 %
2001@	2004	109,219	3,996	36,589	7.0 %	6.17 %	3.14 %	9.31 %	4.00 %	13.31 %
2002	2005	110,017	4,129	37,531	2.6 %	5.95 %	3.36 %	9.31 %	4.00 %	13.31 %
2003##	2006	108,249	4,079	37,679	0.4 %	5.70 %	3.34 %	9.04 %	4.50 %	13.54 %
2004	2007	110,207	4,165	37,794	0.3 %	5.67 %	2.60 %	8.27 %	5.50 %	13.77 %
2005@	2008	114,620	4,339	37,858	0.2 %	5.43 %	1.57 %	7.00 %	7.00 %	14.00 %
2006	2009	115,930	4,522	39,005	3.0 %	4.97 %	2.03 %	7.00 %	7.00 %	14.00 %
2007	2010	118,466	4,703	39,695	1.8 %	5.44 %	1.56 %	7.00 %	7.00 %	14.00 %
2008	2011	114,925	4,780	41,590	4.8 %	5.44 %	4.56 %	10.00 %	4.00 %	14.00 %
2009	2012	117,008	4,763	40,704	(2.1)%	5.45 %	4.55 %	10.00 %	4.00 %	14.00 %

After benefit changes.

@ Revised actuarial assumptions.

Combined Plan members are included beginning with the December 31, 2003 valuation.

STATE DIVISION
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
DECEMBER 31, 2009

Actuarial Present Value	(1) Total Actuarial Present Value	Allocation by Entry Age	
		(2) Portion Covered By Future Normal Cost Contributions	(3) Actuarial Accrued Liabilities (1)-(2)
Allowances currently being paid from the Annuity & Pension Reserve Fund	\$ 15,131,892,077	-	\$ 15,131,892,077
Allowances currently being paid from the Survivors Benefit Fund	537,952,005	-	537,952,005
Age and service allowances based on service rendered before and likely to be rendered after valuation date	15,409,221,731	3,100,677,558	12,308,544,173
Disability allowances likely to be paid present active members who become permanently disabled	2,108,746,704	929,481,689	1,179,265,015
Survivor benefits likely to be paid to spouses and children of present active members who die before retiring	434,579,046	153,715,642	280,863,404
Separation benefits (refunds of contributions and deferred allowances) likely to be paid to present active and inactive members	2,563,091,257	1,518,889,641	1,044,201,616
Total	\$ 36,185,482,820	\$ 5,702,764,530	\$ 30,482,718,290
Actuarial Value of Assets			22,317,507,769
Unfunded Actuarial Accrued Liability			\$ 8,165,210,521

STATE DIVISION
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
COMPARATIVE STATEMENT
(\$ IN MILLIONS EXCEPT AVERAGES)

Dec. 31	Defined Benefit Active Payroll		Active and Inactive Member Accrued Liabilities for Retirement Allowances				Unfunded /Payroll
			Computed	Valuation	Unfunded	Amortization	
	Total	Average	Total	Assets		Years	
1995	\$3,204	\$27,962	\$ 7,811	\$6,706	\$1,105	17	0.34
1996@	3,319	28,684	8,104	7,387	717	8	0.22
1997	3,405	29,858	8,591	8,268	323	3	0.09
1998	3,500	31,159	9,223	9,666	(443)	-	-
1999#	3,592	31,851	10,298	10,474	(176)	-	-
2000	3,868	34,201	11,273	11,558	(285)	-	-
2001@	3,996	36,589	11,352	11,863	(511)	-	-
2002	4,129	37,531	11,822	8,965	2,857	38	0.69
2003##	4,079	37,679	12,230	9,030	3,200	43	0.78
2004	4,165	37,794	12,441	9,664	2,777	34	0.67
2005@	4,339	37,858	13,326	10,296	3,030	39	0.70
2006	4,522	39,005	14,006	12,131	1,875	35	0.41
2007	4,703	39,695	14,526	13,442	1,084	20	0.23
2008	4,780	41,590	14,872	7,488	7,384	N/A	1.54
2009	4,763	40,704	14,813	6,648	8,165	N/A	1.71

After benefit changes.

@ Revised actuarial assumptions.

Combined Plan members are included beginning with the December 31, 2003 valuation.

While no one or two numeric indices can fully describe the financial condition of a retirement plan, the ratio of unfunded actuarial accrued liabilities divided by active member payroll ("UNFUNDED / PAYROLL" above) is significant. Unfunded actuarial accrued liabilities represent plan debt, while active member payroll represents the plan's capacity to collect contributions to pay toward debt --- thus the ratio is a relative index of condition. The lower the ratio, the greater the financial strength, and vice-versa.

STATE DIVISION
MALE ACTIVE MEMBERS IN DEFINED BENEFIT VALUATION
DECEMBER 31, 2009
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service To Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19	764							764
Tot. Pay	\$4,825,940							\$4,825,940
Avg. Pay	\$6,317							\$6,317
20-24	6,973	24						6,997
Tot. Pay	\$73,736,255	\$651,155						\$74,387,410
Avg. Pay	\$10,575	\$27,131						\$10,631
25-29	4,596	740	17					5,353
Tot. Pay	\$114,306,313	\$29,887,404	\$768,896					\$144,962,613
Avg. Pay	\$24,871	\$40,388	\$45,229					\$27,081
30-34	2,722	1,479	521	12				4,734
Tot. Pay	\$88,057,072	\$69,111,799	\$26,564,683	\$647,411				\$184,380,965
Avg. Pay	\$32,350	\$46,729	\$50,988	\$53,951				\$38,948
35-39	1,906	1,211	1,416	495	8			5,036
Tot. Pay	\$66,935,509	\$59,976,092	\$76,382,962	\$27,939,229	\$444,330			\$231,678,122
Avg. Pay	\$35,118	\$49,526	\$53,943	\$56,443	\$55,541			\$46,004
40-44	1,504	1,017	1,241	1,546	560	10		5,878
Tot. Pay	\$52,950,461	\$52,687,479	\$67,951,215	\$95,262,399	\$34,095,267	\$553,267		\$303,500,088
Avg. Pay	\$35,206	\$51,807	\$54,755	\$61,619	\$60,884	\$55,327		\$51,633
45-49	1,321	1,002	1,089	1,310	1,619	783	36	7,160
Tot. Pay	\$45,226,453	\$50,489,606	\$58,676,812	\$78,101,012	\$104,318,113	\$46,710,422	\$2,153,613	\$385,676,031
Avg. Pay	\$34,237	\$50,389	\$53,881	\$59,619	\$64,434	\$59,656	\$59,823	\$53,865
50-54	1,079	843	889	985	1,194	1,416	395	6,801
Tot. Pay	\$37,948,430	\$42,682,311	\$48,834,987	\$60,278,395	\$74,410,810	\$91,415,299	\$24,591,859	\$380,162,091
Avg. Pay	\$35,170	\$50,631	\$54,932	\$61,196	\$62,321	\$64,559	\$62,258	\$55,898
55-59	813	700	729	793	932	920	547	5,434
Tot. Pay	\$27,712,779	\$35,033,973	\$39,961,583	\$46,098,992	\$57,203,976	\$59,976,633	\$39,860,666	\$305,848,602
Avg. Pay	\$34,087	\$50,049	\$54,817	\$58,132	\$61,378	\$65,192	\$72,871	\$56,284
60-64	484	393	446	500	494	416	340	3,073
Tot. Pay	\$14,090,867	\$18,691,157	\$23,599,099	\$30,923,190	\$30,099,655	\$27,239,354	\$27,121,575	\$171,764,897
Avg. Pay	\$29,113	\$47,560	\$52,913	\$61,846	\$60,930	\$65,479	\$79,769	\$55,895
65-69	205	139	119	123	104	84	88	862
Tot. Pay	\$3,637,434	\$6,113,395	\$6,098,277	\$7,637,622	\$6,658,912	\$5,763,973	\$6,929,985	\$42,839,598
Avg. Pay	\$17,744	\$43,981	\$51,246	\$62,094	\$64,028	\$68,619	\$78,750	\$49,698
70 & Over	183	68	56	38	23	28	33	429
Tot. Pay	\$1,623,914	\$1,155,365	\$1,831,079	\$2,026,990	\$1,666,719	\$1,884,891	\$2,462,456	\$12,651,414
Avg. Pay	\$8,874	\$16,991	\$32,698	\$53,342	\$72,466	\$67,318	\$74,620	\$29,490
Totals	22,550	7,616	6,523	5,802	4,934	3,657	1,439	52,521
Tot. Pay	\$531,051,427	\$366,479,736	\$350,669,593	\$348,915,240	\$308,897,782	\$233,543,839	\$103,120,154	\$2,242,677,771
Avg. Pay	\$23,550	\$48,120	\$53,759	\$60,137	\$62,606	\$63,862	\$71,661	\$42,701

STATE DIVISION
FEMALE ACTIVE MEMBERS IN DEFINED BENEFIT VALUATION
DECEMBER 31, 2009
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service To Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19	969							969
Tot. Pay	\$5,112,819							\$5,112,819
Avg. Pay	\$5,276							\$5,276
20-24	9,319	47						9,366
Tot. Pay	\$86,693,798	\$972,546						\$87,666,344
Avg. Pay	\$9,303	\$20,692						\$9,360
25-29	5,543	946	17					6,506
Tot. Pay	\$142,103,830	\$38,131,762	\$654,280					\$180,889,872
Avg. Pay	\$25,637	\$40,308	\$38,487					\$27,804
30-34	3,204	1,788	556	14				5,562
Tot. Pay	\$102,103,059	\$81,173,798	\$26,840,848	\$647,310				\$210,765,015
Avg. Pay	\$31,867	\$45,399	\$48,275	\$46,236				\$37,894
35-39	2,427	1,483	1,385	483	16			5,794
Tot. Pay	\$84,418,141	\$69,000,278	\$70,679,095	\$25,873,969	\$810,314			\$250,781,797
Avg. Pay	\$34,783	\$46,527	\$51,032	\$53,569	\$50,645			\$43,283
40-44	2,048	1,378	1,245	1,410	658	31		6,770
Tot. Pay	\$72,845,653	\$64,950,824	\$62,233,533	\$79,976,666	\$36,394,067	\$1,671,535		\$318,072,278
Avg. Pay	\$35,569	\$47,134	\$49,987	\$56,721	\$55,310	\$53,920		\$46,983
45-49	1,906	1,404	1,275	1,324	1,651	815	50	8,425
Tot. Pay	\$67,910,857	\$64,422,511	\$62,208,530	\$73,607,569	\$97,451,483	\$48,354,393	\$2,942,181	\$416,897,524
Avg. Pay	\$35,630	\$45,885	\$48,791	\$55,595	\$59,026	\$59,331	\$58,844	\$49,483
50-54	1,684	1,315	1,236	1,244	1,376	1,510	445	8,810
Tot. Pay	\$60,498,112	\$58,655,191	\$60,649,367	\$66,458,492	\$77,258,431	\$92,352,013	\$26,734,399	\$442,606,005
Avg. Pay	\$35,925	\$44,605	\$49,069	\$53,423	\$56,147	\$61,160	\$60,077	\$50,239
55-59	1,104	996	1,070	1,197	1,249	937	551	7,104
Tot. Pay	\$39,801,221	\$45,011,639	\$51,940,116	\$63,631,172	\$70,157,756	\$56,877,341	\$34,895,313	\$362,314,558
Avg. Pay	\$36,052	\$45,192	\$48,542	\$53,159	\$56,171	\$60,702	\$63,331	\$51,001
60-64	454	507	596	658	743	512	281	3,751
Tot. Pay	\$14,404,672	\$21,991,120	\$28,796,444	\$34,431,600	\$39,309,719	\$29,209,496	\$17,090,440	\$185,233,491
Avg. Pay	\$31,728	\$43,375	\$48,316	\$52,328	\$52,907	\$57,050	\$60,820	\$49,382
65-69	140	157	141	146	194	155	93	1,026
Tot. Pay	\$2,808,292	\$5,904,511	\$5,823,955	\$7,339,476	\$10,162,835	\$8,099,989	\$5,305,218	\$45,444,276
Avg. Pay	\$20,059	\$37,608	\$41,305	\$50,270	\$52,386	\$52,258	\$57,045	\$44,293
70 & Over	91	48	42	46	68	56	53	404
Tot. Pay	\$980,359	\$861,049	\$1,567,362	\$1,944,198	\$3,160,481	\$2,798,274	\$2,957,743	\$14,269,466
Avg. Pay	\$10,773	\$17,939	\$37,318	\$42,265	\$46,478	\$49,969	\$55,806	\$35,320
Totals	28,889	10,069	7,563	6,522	5,955	4,016	1,473	64,487
Tot. Pay	\$679,680,813	\$451,075,229	\$371,393,530	\$353,910,452	\$334,705,086	\$239,363,041	\$89,925,294	\$2,520,053,445
Avg. Pay	\$23,527	\$44,798	\$49,107	\$54,264	\$56,206	\$59,602	\$61,049	\$39,078

STATE DIVISION
INACTIVE MEMBERS IN DEFINED BENEFIT VALUATION
DECEMBER 31, 2009
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service to Valuation Date							Total Number
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19								
20-24	14,776							14,776
25-29	30,723	153						30,876
30-34	26,912	456	29	1				27,398
35-39	19,278	557	155	15				20,005
40-44	10,758	804	379	94	11			12,046
45-49	7,693	883	610	246	71	7		9,510
50-54	7,112	895	704	336	153	52	4	9,256
55-59	5,772	844	741	442	168	34	4	8,005
60-64	3,473	482	318	141	61	9	3	4,487
65-69	1,406	135	44	16	7	2	1	1,611
70 & Over	832	26	10	6	1		1	876
Totals	128,735	5,235	2,990	1,297	472	104	13	138,846

SECTION VI

LOCAL GOVERNMENT DIVISION

SECTION 1
DOE & CO. ENVIRONMENTAL DIVISION

LOCAL GOVERNMENT DIVISION

Data on active, inactive, retired and money purchase members that was used in the valuation is tabulated briefly below.

Defined Benefit Active Members in Valuation December 31, 2009

Groups	Number	Annual Payroll	Average		
			Pay	Age	Service
Traditional Plan					
Men	100,558	\$3,495,479,355	\$34,761	44.7 yrs.	10.1 yrs.
Women	118,291	3,685,884,270	31,159	44.1	9.9
Traditional Plan Total	218,849	\$7,181,363,625	\$32,814	44.4 yrs.	10.0 yrs.
Combined Plan					
Men	1,789	\$70,846,697	\$39,601	43.4 yrs.	6.1 yrs.
Women	2,366	82,102,790	34,701	42.4	5.8
Combined Plan Total	4,155	\$152,949,487	\$36,811	42.8 yrs.	5.9 yrs.
Grand Total	223,004	\$7,334,313,112	\$32,889	44.3 yrs.	9.9 yrs.

Also included in the valuation were 243,772 inactive members (233,340 eligible for deferred retirement allowances and 10,432 eligible for contribution refunds) and 13,909 members active in the money purchase plan.

Retired Members in Valuation December 31, 2009

Fund / Type of Allowance	Number	Current Monthly Benefits	Actuarial Liabilities
Traditional Plan			
A & PR Fund			
Superannuation Retirement	86,315	\$134,905,113	\$17,408,960,676
Disability Retirement	12,024	22,785,160	2,973,681,405
Money Purchase	1,439	518,520	51,973,423
Total A & PR Fund	99,778	158,208,793	20,434,615,504
Total SBF	9,940	7,955,794	891,210,663
Traditional Plan Total	109,718	\$166,164,587	\$21,325,826,167
Combined Plan			
A & PR Fund	10	\$1,529	\$230,548
Combined Plan Total	10	\$1,529	\$230,548
Member Directed Plan			
A & PR Fund	9	\$1,746	\$243,015
Member Directed Plan Total	9	\$1,746	\$243,015
Grand Total	109,737	\$166,167,862	\$21,326,299,730

**LOCAL GOVERNMENT DIVISION
EMPLOYER CONTRIBUTIONS TO SUPPORT
DEFINED BENEFIT RETIREMENT ALLOWANCES
EXPRESSED AS PERCENTS OF ACTIVE MEMBER PAYROLL**

Valuation Date December 31	2009			2008	
	2012			2011	
Contributions for	<u>Traditional Plan</u>	<u>Combined Plan</u>	<u>Traditional and Combined Plans</u>	<u>Traditional and Combined Plans</u>	<u>Traditional and Combined Plans</u>
Normal Cost					
Age and Service Allowances	8.51 %	3.73 %	8.66 %	8.67 %	
Disability Allowances	1.97 %	1.46 %	1.96 %	1.95 %	
Survivor's Benefits	0.48 %	0.34 %	0.48 %	0.48 %	
Separation Benefits	4.09 %	1.35 %	4.04 %	4.04 %	
Total Normal Cost	15.05 %	6.88 %	15.14 %	15.14 %	
(Member Contributions)	10.00 %	0.00 %	10.00 %	10.00 %	
Employer Normal Cost	5.05 %	6.88 %	5.14 %	5.14 %	
Unfunded Actuarial Accrued Liabilities					
Total Available Contribution	4.95 %	3.12 %	4.86 %	4.86 %	
Amortization Years	25	3	25	26	
Total Pension Employer Contribution Rate	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %

The term "Amortization Years" refers to the period sufficient to produce the Total Employer Contribution Rate for retirement allowances and survivor benefits and incorporates all scheduled employer and member contribution rate increases and scheduled employer rate reallocations between the pension and retiree health programs.

**LOCAL GOVERNMENT DIVISION
COMPARATIVE STATEMENT**

Valuation Date	Contribution Rate Effective January 1	Defined Benefit Active Members in Valuation			Computed Employer Contributions as % of Payroll				
		No.	Annual Payroll		Normal Cost	Unfunded Accrued Liability	Pension Total	Retiree Health	Grand Total
			Total (\$Millions)	Average					
1995	1998	223,431	\$4,555	\$20,384	3.7 %	6.17 %	9.35 %	4.20 %	13.55 %
1996@	1999	229,954	4,792	20,839	2.2 %	6.16 %	9.35 %	4.20 %	13.55 %
1997	2000	231,668	4,976	21,481	3.1 %	6.15 %	9.25 %	4.30 %	13.55 %
1998	2001	234,601	5,240	22,334	4.0 %	6.17 %	9.25 %	4.30 %	13.55 %
1999#	2002	240,005	5,586	23,276	4.2 %	7.68 %	8.55 %	5.00 %	13.55 %
2000	2003	245,831	5,999	24,401	4.8 %	7.68 %	8.55 %	5.00 %	13.55 %
2001@	2004	243,202	6,451	26,526	8.7 %	6.14 %	9.55 %	4.00 %	13.55 %
2002	2005	247,377	6,721	27,171	2.4 %	5.92 %	9.55 %	4.00 %	13.55 %
2003##	2006	237,082	6,702	28,269	4.0 %	5.66 %	9.20 %	4.50 %	13.70 %
2004	2007	236,907	6,896	29,110	3.0 %	5.57 %	8.35 %	5.50 %	13.85 %
2005@	2008	236,073	7,066	29,933	2.8 %	5.00 %	7.00 %	7.00 %	14.00 %
2006	2009	237,981	7,234	30,399	1.6 %	4.53 %	7.00 %	7.00 %	14.00 %
2007	2010	237,225	7,438	31,354	3.1 %	5.12 %	7.00 %	7.00 %	14.00 %
2008	2011	233,163	7,566	32,451	3.5 %	5.14 %	10.00 %	4.00 %	14.00 %
2009	2012	223,004	7,334	32,889	1.3 %	5.14 %	10.00 %	4.00 %	14.00 %

After benefit changes.

@ Revised actuarial assumptions.

Combined Plan members are included beginning with the December 31, 2003 valuation.

LOCAL GOVERNMENT DIVISION
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
DECEMBER 31, 2009

Actuarial Present Value	(1) Total Actuarial Present Value	Allocation by Entry Age	
		(2) Portion Covered By Future Normal Cost Contributions	(3) Actuarial Accrued Liabilities (1)-(2)
Allowances currently being paid from the Annuity & Pension Reserve Fund	\$20,435,089,067	\$ -	\$20,435,089,067
Allowances currently being paid from the Survivors Benefit Fund	891,210,663	-	891,210,663
Age and service allowances based on service rendered before and likely to be rendered after valuation date	23,077,246,309	4,970,533,421	18,106,712,888
Disability allowances likely to be paid present active members who become permanently disabled	2,575,005,205	1,158,545,464	1,416,459,741
Survivor benefits likely to be paid to spouses and children of present active members who die before retiring	778,213,712	270,746,952	507,466,760
Separation benefits (refunds of contributions and deferred allowances) likely to be paid to present active and inactive members	4,065,701,358	2,477,224,095	1,588,477,263
Total	\$51,822,466,314	\$8,877,049,932	\$42,945,416,382
Actuarial Value of Assets			32,923,965,575
Unfunded Actuarial Accrued Liability			\$10,021,450,807

LOCAL GOVERNMENT DIVISION
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
COMPARATIVE STATEMENT
(\$ IN MILLIONS EXCEPT AVERAGES)

Dec. 31	Defined Benefit Active Payroll		Active and Inactive Member Accrued Liabilities for Retirement Allowances				Unfunded /Payroll
			Computed	Valuation	Unfunded	Amortization	
	Total	Average	Total	Assets		Years	
1995	\$ 4,555	\$20,384	\$ 10,630	\$ 8,856	\$1,774	21	0.39
1996@	4,792	20,839	11,286	9,940	1,346	15	0.28
1997	4,976	21,481	11,973	11,218	755	5	0.15
1998	5,240	22,334	12,912	13,135	(223)	-	-
1999#	5,586	23,276	14,643	14,498	145	2	0.03
2000	5,999	24,401	15,881	16,131	(250)	-	-
2001@	6,451	26,526	15,983	16,651	(668)	-	-
2002	6,721	27,171	16,710	12,682	4,028	25	0.60
2003##	6,702	28,269	17,645	13,148	4,497	27	0.67
2004	6,896	29,110	18,269	14,223	4,046	23	0.59
2005@	7,066	29,933	19,484	14,921	4,563	25	0.65
2006	7,234	30,399	20,147	17,523	2,624	19	0.36
2007	7,438	31,354	20,838	19,656	1,182	9	0.16
2008	7,566	32,451	21,590	11,561	10,029	N/A	1.33
2009	7,334	32,889	21,620	11,599	10,021	N/A	1.37

After benefit changes.

@ Revised actuarial assumptions.

Combined Plan members are included beginning with the December 31, 2003 valuation.

While no one or two numeric indices can fully describe the financial condition of a retirement plan, the ratio of unfunded actuarial accrued liabilities divided by active member payroll ("UNFUNDED / PAYROLL" above) is significant. Unfunded accrued liabilities represent plan debt, while active member payroll represents the plan's capacity to collect contributions to pay toward debt --- thus the ratio is a relative index of condition. The lower the ratio, the greater the financial strength, and vice-versa.

**LOCAL GOVERNMENT DIVISION
MALE ACTIVE MEMBERS IN DEFINED BENEFIT VALUATION
DECEMBER 31, 2009
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Ages	Years of Service To Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19	4,736							4,736
Tot. Pay	\$30,099,339							\$30,099,339
Avg Pay	\$6,355							\$6,355
20-24	7,431	118						7,549
Tot. Pay	\$94,156,883	\$2,853,407						\$97,010,290
Avg Pay	\$12,671	\$24,181						\$12,851
25-29	5,194	1,411	107					6,712
Tot. Pay	\$123,285,419	\$49,518,629	\$4,052,517					\$176,856,565
Avg Pay	\$23,736	\$35,095	\$37,874					\$26,349
30-34	3,814	2,519	1,052	51				7,436
Tot. Pay	\$102,673,923	\$102,529,050	\$47,593,048	\$2,272,193				\$255,068,214
Avg Pay	\$26,920	\$40,702	\$45,241	\$44,553				\$34,302
35-39	3,461	2,474	2,312	871	40			9,158
Tot. Pay	\$92,722,089	\$103,022,752	\$109,881,656	\$43,471,416	\$2,030,913			\$351,128,826
Avg Pay	\$26,791	\$41,642	\$47,527	\$49,910	\$50,773			\$38,341
40-44	3,253	2,334	2,384	2,105	880	38		10,994
Tot. Pay	\$87,437,010	\$96,570,137	\$116,395,527	\$111,451,827	\$46,986,096	\$2,180,121		\$461,020,718
Avg Pay	\$26,879	\$41,375	\$48,824	\$52,946	\$53,393	\$57,372		\$41,934
45-49	3,139	2,351	2,382	2,236	2,322	1,073	73	13,576
Tot. Pay	\$75,791,985	\$90,637,546	\$110,378,763	\$114,929,275	\$128,489,188	\$59,991,961	\$4,064,187	\$584,282,905
Avg Pay	\$24,145	\$38,553	\$46,339	\$51,399	\$55,336	\$55,910	\$55,674	\$43,038
50-54	2,953	2,278	2,328	2,123	2,216	1,932	808	14,638
Tot. Pay	\$67,830,118	\$81,862,063	\$101,748,501	\$102,060,149	\$120,294,665	\$113,701,468	\$48,979,556	\$636,476,520
Avg Pay	\$22,970	\$35,936	\$43,706	\$48,074	\$54,285	\$58,852	\$60,618	\$43,481
55-59	2,544	2,016	1,889	1,866	1,710	1,513	1,056	12,594
Tot. Pay	\$53,435,865	\$67,139,689	\$77,121,238	\$86,483,146	\$89,631,488	\$88,004,692	\$68,168,074	\$529,984,192
Avg Pay	\$21,005	\$33,303	\$40,826	\$46,347	\$52,416	\$58,166	\$64,553	\$42,082
60-64	2,047	1,497	1,192	1,133	1,013	778	543	8,203
Tot. Pay	\$32,839,537	\$47,828,445	\$47,495,025	\$51,232,557	\$51,432,132	\$45,018,927	\$35,734,190	\$311,580,813
Avg Pay	\$16,043	\$31,950	\$39,845	\$45,218	\$50,772	\$57,865	\$65,809	\$37,984
65-69	1,409	706	480	330	235	193	171	3,524
Tot. Pay	\$14,001,721	\$14,653,579	\$15,491,932	\$13,583,357	\$11,157,670	\$9,192,658	\$10,763,345	\$88,844,262
Avg Pay	\$9,937	\$20,756	\$32,275	\$41,162	\$47,479	\$47,630	\$62,944	\$25,211
70 & Over	1,312	881	435	249	146	113	91	3,227
Tot. Pay	\$8,987,762	\$9,880,362	\$6,758,086	\$5,718,352	\$4,364,683	\$3,895,685	\$4,368,478	\$43,973,408
Avg Pay	\$6,850	\$11,215	\$15,536	\$22,965	\$29,895	\$34,475	\$48,005	\$13,627
Totals	41,293	18,585	14,561	10,964	8,562	5,640	2,742	102,347
Tot. Pay	\$783,261,651	\$666,495,659	\$636,916,293	\$531,202,272	\$454,386,835	\$321,985,512	\$172,077,830	\$3,566,326,052
Avg. Pay	\$18,968	\$35,862	\$43,741	\$48,450	\$53,070	\$57,090	\$62,756	\$34,845

LOCAL GOVERNMENT DIVISION
FEMALE ACTIVE MEMBERS IN DEFINED BENEFIT VALUATION
DECEMBER 31, 2009
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service To Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19	5,457							5,457
Tot. Pay	\$31,293,810							\$31,293,810
Avg Pay	\$5,735							\$5,735
20-24	7,180	182						7,362
Tot. Pay	\$83,956,671	\$2,836,816						\$86,793,487
Avg Pay	\$11,693	\$15,587						\$11,789
25-29	6,324	1,733	128					8,185
Tot. Pay	\$153,542,740	\$54,395,603	\$4,176,486					\$212,114,829
Avg Pay	\$24,279	\$31,388	\$32,629					\$25,915
30-34	4,869	3,531	1,339	80				9,819
Tot. Pay	\$128,148,710	\$131,141,032	\$51,353,250	\$3,116,226				\$313,759,218
Avg Pay	\$26,319	\$37,140	\$38,352	\$38,953				\$31,954
35-39	4,512	3,157	3,126	1,096	60			11,951
Tot. Pay	\$113,156,026	\$116,029,406	\$129,288,297	\$46,206,379	\$2,498,436			\$407,178,544
Avg Pay	\$25,079	\$36,753	\$41,359	\$42,159	\$41,641			\$34,071
40-44	4,339	3,125	2,862	2,286	1,140	59		13,811
Tot. Pay	\$101,648,680	\$110,555,330	\$119,241,800	\$104,948,541	\$50,723,313	\$2,739,081		\$489,856,745
Avg Pay	\$23,427	\$35,378	\$41,664	\$45,909	\$44,494	\$46,425		\$35,469
45-49	4,528	3,374	3,081	2,392	2,288	1,104	84	16,851
Tot. Pay	\$100,027,416	\$112,880,179	\$119,342,949	\$104,094,023	\$110,518,090	\$51,314,103	\$3,923,419	\$602,100,179
Avg Pay	\$22,091	\$33,456	\$38,735	\$43,518	\$48,303	\$46,480	\$46,707	\$35,731
50-54	3,965	3,341	3,398	2,673	2,172	1,826	660	18,035
Tot. Pay	\$84,656,412	\$105,179,959	\$125,025,258	\$111,037,462	\$102,048,036	\$92,734,751	\$32,616,982	\$653,298,860
Avg Pay	\$21,351	\$31,482	\$36,794	\$41,540	\$46,983	\$50,786	\$49,420	\$36,224
55-59	2,900	2,658	2,694	2,614	2,124	1,358	762	15,110
Tot. Pay	\$57,836,496	\$82,174,739	\$97,025,512	\$103,243,218	\$93,556,229	\$65,219,794	\$41,992,791	\$541,048,779
Avg Pay	\$19,944	\$30,916	\$36,015	\$39,496	\$44,047	\$48,026	\$55,109	\$35,807
60-64	1,625	1,596	1,573	1,628	1,487	856	453	9,218
Tot. Pay	\$28,791,356	\$44,803,725	\$51,505,198	\$62,255,122	\$62,822,065	\$40,129,088	\$24,303,496	\$314,610,050
Avg Pay	\$17,718	\$28,073	\$32,743	\$38,240	\$42,248	\$46,880	\$53,650	\$34,130
65-69	673	510	483	477	404	273	152	2,972
Tot. Pay	\$6,009,076	\$11,426,884	\$14,442,299	\$15,649,794	\$16,080,164	\$12,679,647	\$7,005,451	\$83,293,315
Avg Pay	\$8,929	\$22,406	\$29,901	\$32,809	\$39,802	\$46,446	\$46,088	\$28,026
70 & Over	612	365	270	223	163	117	136	1,886
Tot. Pay	\$3,746,770	\$3,779,553	\$4,561,795	\$5,300,052	\$5,310,265	\$4,491,398	\$5,449,411	\$32,639,244
Avg Pay	\$6,122	\$10,355	\$16,896	\$23,767	\$32,578	\$38,388	\$40,069	\$17,306
Totals	46,984	23,572	18,954	13,469	9,838	5,593	2,247	120,657
Tot. Pay	\$892,814,163	\$775,203,226	\$715,962,844	\$555,850,817	\$443,556,598	\$269,307,862	\$115,291,550	\$3,767,987,060
Avg Pay	\$19,003	\$32,887	\$37,774	\$41,269	\$45,086	\$48,151	\$51,309	\$31,229

**LOCAL GOVERNMENT DIVISION
INACTIVE MEMBERS IN DEFINED BENEFIT VALUATION
DECEMBER 31, 2009
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Ages	Years of Service to Valuation Date							Total Number
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19	2							2
20-24	31,612	1						31,613
25-29	38,195	368						38,563
30-34	34,552	840	84					35,476
35-39	27,463	1,304	376	48	1			29,192
40-44	19,901	1,518	730	183	27			22,359
45-49	18,167	1,682	1,022	378	92	18		21,359
50-54	19,256	2,001	1,362	619	237	65	3	23,543
55-59	15,977	1,966	1,481	672	275	42	3	20,416
60-64	10,133	1,157	673	280	109	8	2	12,362
65-69	4,936	348	106	42	12	6		5,450
70 & Over	3,258	131	37	6	3	2		3,437
Totals	223,452	11,316	5,871	2,228	756	141	8	243,772

SECTION VII
PUBLIC SAFETY DIVISION

PUBLIC SAFETY DIVISION

Data on active, inactive, retired and money purchase members that was used in the valuation is tabulated briefly below.

Active Members in Valuation December 31, 2009

Groups	Number	Annual Payroll	Average		
			Pay	Age	Service
Men	87	\$3,785,918	\$43,516	40.4 yrs.	10.7 yrs.
Women	7	275,322	39,332	45.0	13.6
Totals	94	\$4,061,240	\$43,205	40.7 yrs.	10.9 yrs.

Also included in the valuation were 22 inactive members (22 eligible for deferred retirement allowances and 0 eligible for contribution refunds) and 1 member active in the money purchase plan.

Retired Members in Valuation December 31, 2009

Fund / Type of Allowance	Number	Current Monthly Benefits	Actuarial Liabilities
A & PR Fund			
Superannuation Retirement	26	\$39,206	\$6,590,995
Disability Retirement	27	68,222	9,937,810
Money Purchase	0	0	0
Total A & PR Fund	53	107,428	16,528,805
Total SBF	92	108,738	15,605,669
Grand Total	145	\$216,166	\$32,134,474

**PUBLIC SAFETY DIVISION
EMPLOYER CONTRIBUTIONS TO SUPPORT
RETIREMENT ALLOWANCES
EXPRESSED AS PERCENTS OF ACTIVE MEMBER PAYROLL**

Valuation Date December 31	2009	2008
Contributions for	2012	2011
Normal Cost		
Age and Service Allowances	10.27 %	10.03 %
Disability Allowances	5.41 %	5.73 %
Survivor's Benefits	0.66 %	0.79 %
Separation Benefits	2.93 %	2.77 %
Total Normal Cost	19.27 %	19.32 %
(Member Contributions)	11.50 %	11.00 %
Employer Normal Cost	7.77 %	8.32 %
Unfunded Actuarial Accrued Liabilities		
Total Available Contribution	6.33 %	5.78 %
Amortization Years	N/A	26
Total Pension Employer Contribution Rate	14.10 %	14.10 %

N/A – The unfunded actuarial accrued liabilities are unable to be amortized based upon the total pension contribution rate.

The term “Amortization Years” refers to the period sufficient to produce the Total Employer Contribution Rate for retirement allowances and survivor benefits and incorporates all scheduled employer and member contribution rate increases and scheduled employer rate reallocations between the pension and retiree health programs.

**PUBLIC SAFETY DIVISION
COMPARATIVE STATEMENT ***

Valuation Date December 31	Contribution Rate Effective January 1	Active Members in Valuation			Computed Employer Contributions as % of Payroll					
		No.	Annual Payroll		Normal Cost	Unfunded Accrued Liability	Pension Total	Retiree Health	Grand Total	
			Total	Average						Increase
2005@	2008	135	6,078	45,023	6.7 %	9.01 %	1.39 %	10.40 %	7.00 %	17.40 %
2006	2009	127	5,851	46,067	2.3 %	8.73 %	1.90 %	10.63 %	7.00 %	17.63 %
2007	2010	120	5,638	46,985	2.0 %	8.95 %	1.92 %	10.87 %	7.00 %	17.87 %
2008	2011	127	6,219	48,969	4.2 %	8.32 %	5.78 %	14.10 %	4.00 %	18.10 %
2009	2012	94	4,061	43,205	(11.8)%	7.77 %	6.33 %	14.10 %	4.00 %	18.10 %

* Prior to 2005, Public Safety and Law Enforcement results were reported together. Historical information prior to 2005 may be found on page VIII-3.
 @ Revised actuarial assumptions.

PUBLIC SAFETY DIVISION
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
DECEMBER 31, 2009

Actuarial Present Value	(1) Total Actuarial Present Value	Allocation by Entry Age	
		(2) Portion Covered By Future Normal Cost Contributions	(3) Actuarial Accrued Liabilities (1)-(2)
Allowances currently being paid from the Annuity & Pension Reserve Fund	\$16,528,805	\$ -	\$16,528,805
Allowances currently being paid from the Survivors Benefit Fund	15,605,669	-	15,605,669
Age and service allowances based on service rendered before and likely to be rendered after valuation date	12,835,425	3,806,795	9,028,630
Disability allowances likely to be paid present active members who become permanently disabled	3,531,419	1,915,441	1,615,978
Survivor benefits likely to be paid to spouses and children of present active members who die before retiring	475,413	225,011	250,402
Separation benefits (refunds of contributions and deferred allowances) likely to be paid to present active and inactive members	1,742,300	1,075,501	666,799
Total	\$50,719,031	\$7,022,748	\$43,696,283
Actuarial Value of Assets			31,466,660
Unfunded Actuarial Accrued Liability			\$12,229,623

PUBLIC SAFETY DIVISION
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
COMPARATIVE STATEMENT *
(\$ IN MILLIONS EXCEPT AVERAGES)

Dec. 31	Defined Benefit Active Payroll		Active and Inactive Member Accrued Liabilities for Retirement Allowances				Unfunded /Payroll
			Computed Total	Valuation Assets	Unfunded	Amortization Years	
	Total	Average					
2005@	\$6	\$45,023	\$16	\$(44)	\$60	N/A	10.00
2006	6	46,067	16	(64)	80	N/A	13.33
2007	6	46,985	18	(82)	100	N/A	16.67
2008	6	48,969	18	9	9	79	1.50
2009	4	43,205	12	0	12	N/A	3.00

N/A – The unfunded actuarial accrued liabilities are unable to be amortized based upon the total pension contribution rate.

** Prior to 2005, Public Safety and Law Enforcement results were reported together. Historical information prior to 2005 may be found on page VIII-5.*

@ Revised actuarial assumptions.

While no one or two numeric indices can fully describe the financial condition of a retirement plan, the ratio of unfunded actuarial accrued liabilities divided by active member payroll (“UNFUNDED/PAYROLL” above) is significant. Unfunded accrued liabilities represent plan debt, while active member payroll represents the plan’s capacity to collect contributions to pay toward debt --- thus the ratio is a relative index of condition. The lower the ratio, the greater the financial strength, and vice-versa.

PUBLIC SAFETY DIVISION
MALE ACTIVE MEMBERS IN VALUATION DECEMBER 31, 2009
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service To Valuation Date						Total	
	0-4	5-9	10-14	15-19	20-24	25-29		30+
15-19								
Tot. Pay								
Avg Pay								
20-24	4							4
Tot. Pay	\$80,399							\$80,399
Avg Pay	\$20,100							\$20,100
25-29	14	2						16
Tot. Pay	\$577,636	\$82,079						\$659,715
Avg Pay	\$41,260	\$41,040						\$41,232
30-34	7	7	2					16
Tot. Pay	\$243,816	\$349,129	\$88,137					\$681,082
Avg Pay	\$34,831	\$49,876	\$44,069					\$42,568
35-39	3	1	6					10
Tot. Pay	\$112,055	\$48,282	\$258,354					\$418,691
Avg Pay	\$37,352	\$48,282	\$43,059					\$41,869
40-44	2	2	1	3	1			9
Tot. Pay	\$121,330	\$67,247	\$62,952	\$124,445	\$47,611			\$423,585
Avg Pay	\$60,665	\$33,624	\$62,952	\$41,482	\$47,611			\$47,065
45-49	1	2	2		3	3		11
Tot. Pay	\$48,711	\$86,343	\$97,461		\$164,093	\$191,064		\$587,672
Avg Pay	\$48,711	\$43,172	\$48,731		\$54,698	\$63,688		\$53,425
50-54	1		1	3	2	2		9
Tot. Pay	\$31,904		\$35,787	\$140,400	\$111,359	\$63,228		\$382,678
Avg Pay	\$31,904		\$35,787	\$46,800	\$55,680	\$31,614		\$42,520
55-59	1			1	3	1		6
Tot. Pay	\$60,755			\$49,852	\$145,984	\$66,410		\$323,001
Avg Pay	\$60,755			\$49,852	\$48,661	\$66,410		\$53,834
60-64	1		1		1	1		4
Tot. Pay	\$31,768		\$16,247		\$52,701	\$53,671		\$154,387
Avg Pay	\$31,768		\$16,247		\$52,701	\$53,671		\$38,597
65-69								
Tot. Pay								
Avg Pay								
70 & Over					2			2
Tot. Pay					\$74,708			\$74,708
Avg Pay					\$37,354			\$37,354
Totals	34	14	13	7	12	7		87
Tot. Pay	\$1,308,374	\$633,080	\$558,938	\$314,697	\$596,456	\$374,373	\$ -	\$3,785,918
Avg. Pay	\$38,482	\$45,220	\$42,995	\$44,957	\$49,705	\$53,482		\$43,516

PUBLIC SAFETY DIVISION
FEMALE ACTIVE MEMBERS IN VALUATION DECEMBER 31, 2009
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service To Valuation Date						Total	
	0-4	5-9	10-14	15-19	20-24	25-29		30+
15-19								
Tot. Pay								
Avg. Pay								
20-24								
Tot. Pay								
Avg. Pay								
25-29	1							1
Tot. Pay	\$42,443							\$42,443
Avg. Pay	\$42,443							\$42,443
30-34								
Tot. Pay								
Avg. Pay								
35-39		1						1
Tot. Pay		\$28,987						\$28,987
Avg. Pay		\$28,987						\$28,987
40-44		1						1
Tot. Pay		\$50,319						\$50,319
Avg. Pay		\$50,319						\$50,319
45-49		1			1			2
Tot. Pay		\$52,800			\$42,454			\$95,254
Avg. Pay		\$52,800			\$42,454			\$47,627
50-54								
Tot. Pay								
Avg. Pay								
55-59						1		1
Tot. Pay						\$42,936		\$42,936
Avg. Pay						\$42,936		\$42,936
60-64					1			1
Tot. Pay					\$15,383			\$15,383
Avg. Pay					\$15,383			\$15,383
65-69								
Tot. Pay								
Avg. Pay								
70 & Over								
Tot. Pay								
Avg. Pay								
Totals	1	3			2	1		7
Tot. Pay	\$42,443	\$132,106	\$ -	\$ -	\$57,837	\$42,936	\$ -	\$275,322
Avg. Pay	\$42,443	\$44,035			\$28,919	\$42,936		\$39,332

PUBLIC SAFETY DIVISION
INACTIVE MEMBERS IN VALUATION DECEMBER 31, 2009
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service to Valuation Date							Total Number
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19								
20-24	1							1
25-29	3							3
30-34	8	2						10
35-39	3	1						4
40-44	1							1
45-49					1			1
50-54								
55-59				1				1
60-64	1							1
65-69								
70 & Over								
Totals	17	3		2				22

SECTION VIII

LAW ENFORCEMENT DIVISION

SECTION III
LAW ENFORCEMENT DIVISION

LAW ENFORCEMENT DIVISION

Data on active, inactive, retired and money purchase members that was used in the valuation is tabulated briefly below.

Active Members in Valuation December 31, 2009

Groups	Number	Annual Payroll	Average		
			Pay	Age	Service
Men	7,017	\$395,398,061	\$56,349	40.9 yrs.	13.8 yrs.
Women	989	51,833,870	52,410	41.2	13.2
Totals	8,006	\$447,231,931	\$55,862	41.0 yrs.	13.7 yrs.

Also included in the valuation were 931 inactive members (899 eligible for deferred retirement allowances and 32 eligible for contribution refunds) and 31 members active in the money purchase plan.

Retired Members in Valuation December 31, 2009

Fund / Type of Allowance	Number	Current Monthly Benefits	Actuarial Liabilities
A & PR Fund			
Superannuation Retirement	2,167	\$ 6,260,060	\$ 947,614,375
Disability Retirement	1,462	4,057,522	566,991,546
Money Purchase	0	0	0
Total A & PR Fund	3,629	10,317,582	1,514,605,921
Total SBF	284	281,045	34,619,534
Grand Total	3,913	\$10,598,627	\$1,549,225,455

**LAW ENFORCEMENT DIVISION
EMPLOYER CONTRIBUTIONS TO SUPPORT
RETIREMENT ALLOWANCES
EXPRESSED AS PERCENTS OF ACTIVE MEMBER PAYROLL**

Valuation Date December 31	2009	2008
Contributions for	2012	2011
Normal Cost		
Age and Service Allowances	12.09 %	12.09 %
Disability Allowances	5.22 %	5.22 %
Survivor's Benefits	0.59 %	0.59 %
Separation Benefits	2.36 %	2.13 %
Total Normal Cost	20.26 %	20.03 %
(Member Contributions)	12.10 %	11.60 %
Employer Normal Cost	8.16 %	8.43 %
Unfunded Actuarial Accrued Liabilities		
Total Available Contribution	5.94 %	5.67 %
Amortization Years	24	32
Total Pension Employer Contribution Rate	14.10 %	14.10 %

The term "Amortization Years" refers to the period sufficient to produce the Total Employer Contribution Rate for retirement allowances and survivor benefits and incorporates all scheduled employer and member contribution rate increases and scheduled employer rate reallocations between the pension and retiree health programs.

**LAW ENFORCEMENT DIVISION
COMPARATIVE STATEMENT ***

Valuation Date	Contribution Rate Effective January 1	Active Members in Valuation			Computed Employer Contributions as % of Payroll					
		No.	Annual Payroll		Normal Cost	Unfunded Accrued Liability	Pension Total	Retiree Health	Grand Total	
			Total	Average						Increase
1995	1998	6,605	\$214,273	\$32,441	3.2 %	9.69 %	2.81 %	12.50 %	4.20 %	16.70 %
1996@	1999	6,742	229,138	33,987	4.8 %	10.50 %	2.00 %	12.50 %	4.20 %	16.70 %
1997	2000	7,256	258,897	35,680	5.0 %	10.49 %	1.91 %	12.40 %	4.30 %	16.70 %
1998	2001	7,507	277,239	36,931	3.5 %	10.48 %	1.92 %	12.40 %	4.30 %	16.70 %
1999#	2002	7,766	299,040	38,506	4.3 %	11.54 %	0.16 %	11.70 %	5.00 %	16.70 %
2000	2003	8,045	324,918	40,387	4.9 %	11.59 %	0.11 %	11.70 %	5.00 %	16.70 %
2001@	2004	7,892	335,432	42,503	5.2 %	8.88 %	3.82 %	12.70 %	4.00 %	16.70 %
2002	2005	8,030	356,694	44,420	4.5 %	8.77 %	3.93 %	12.70 %	4.00 %	16.70 %
2003	2006	8,253	384,388	46,576	4.9 %	8.65 %	3.78 %	12.43 %	4.50 %	16.93 %
2004	2007	8,173	392,672	48,045	3.2 %	8.63 %	3.04 %	11.67 %	5.50 %	17.17 %
2005@	2008	7,976	395,189	49,547	3.0 %	9.65 %	0.75 %	10.40 %	7.00 %	17.40 %
2006	2009	8,092	413,182	51,061	3.1 %	9.65 %	0.98 %	10.63 %	7.00 %	17.63 %
2007	2010	8,265	437,223	52,901	3.6 %	9.95 %	0.92 %	10.87 %	7.00 %	17.87 %
2008	2011	8,173	448,694	54,900	3.8 %	8.43 %	5.67 %	14.10 %	4.00 %	17.87 %
2009	2012	8,006	447,232	55,862	1.8 %	8.16 %	5.94 %	14.10 %	4.00 %	17.87 %

After benefit changes.

@ Revised actuarial assumptions.

* Prior to 2005, Law Enforcement and Public Safety are combined for purposes of this schedule.

LAW ENFORCEMENT DIVISION
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
DECEMBER 31, 2009

Actuarial Present Value	(1) Total Actuarial Present Value	Allocation by Entry Age	
		(2) Portion Covered By Future Normal Cost Contributions	(3) Actuarial Accrued Liabilities (1)-(2)
Allowances currently being paid from the Annuity & Pension Reserve Fund	\$ 1,514,605,920	\$ -	\$ 1,514,605,920
Allowances currently being paid from the Survivors Benefit Fund	34,619,534	-	34,619,534
Age and service allowances based on service rendered before and likely to be rendered after valuation date	1,728,985,871	494,289,696	1,234,696,175
Disability allowances likely to be paid present active members who become permanently disabled	439,051,795	208,630,195	230,421,600
Survivor benefits likely to be paid to spouses and children of present active members who die before retiring	55,786,339	23,418,807	32,367,532
Separation benefits (refunds of contributions and deferred allowances) likely to be paid to present active and inactive members	132,461,864	95,982,791	36,479,073
Total	\$3,905,511,323	\$822,321,489	\$3,083,189,834
Actuarial Value of Assets			2,356,477,408
Unfunded Actuarial Accrued Liability			\$ 726,712,426

LAW ENFORCEMENT DIVISION
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
COMPARATIVE STATEMENT *
(\$ IN MILLIONS EXCEPT AVERAGES)

Dec. 31	Defined Benefit Active Payroll		Active and Inactive Member Accrued Liabilities for Retirement Allowances				Unfunded /Payroll
			Computed Total	Valuation Assets	Unfunded	Amortization Years	
	Total	Average					
1995	\$214	\$32,441	\$ 638	\$ 612	\$ 26	12	0.12
1996@	229	33,987	711	676	35	30	0.15
1997	259	35,680	821	773	48	10	0.19
1998	277	36,931	914	895	19	5	0.07
1999#	299	38,506	1,080	1,038	42	20	0.14
2000	325	40,387	1,175	1,137	38	18	0.12
2001@	335	42,503	1,071	1,149	(78)	-	-
2002	357	44,420	1,135	854	281	36	0.79
2003	384	46,576	1,170	838	332	41	0.86
2004	393	48,045	1,197	868	329	43	0.84
2005@	395	49,547	1,298	926	372	N/A	0.94
2006	413	51,061	1,356	1,069	287	N/A	0.69
2007	437	52,901	1,430	1,214	216	N/A	0.49
2008	449	54,900	1,500	771	729	N/A	1.62
2009	447	55,862	1,534	807	727	N/A	1.63

After benefit changes.

@ Revised actuarial assumptions.

* Prior to 2005, Law Enforcement and Public Safety are combined for purposes of this schedule.

While no one or two numeric indices can fully describe the financial condition of a retirement plan, the ratio of unfunded actuarial accrued liabilities divided by active member payroll ("UNFUNDED / PAYROLL" above) is significant. Unfunded accrued liabilities represent plan debt, while active member payroll represents the plan's capacity to collect contributions to pay toward debt --- thus the ratio is a relative index of condition. The lower the ratio, the greater the financial strength, and vice-versa.

LAW ENFORCEMENT DIVISION
MALE ACTIVE MEMBERS IN VALUATION DECEMBER 31, 2009
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service To Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19								
Tot. Pay								
Avg. Pay								
20-24	106	3						109
Tot. Pay	\$3,821,932	\$99,199						\$3,921,131
Avg. Pay	\$36,056	\$33,066						\$35,974
25-29	353	209	9					571
Tot. Pay	\$15,354,459	\$10,551,880	\$433,210					\$26,339,549
Avg. Pay	\$43,497	\$50,487	\$48,134					\$46,129
30-34	216	545	311	7				1,079
Tot. Pay	\$9,382,437	\$30,057,710	\$17,366,189	\$416,859				\$57,223,195
Avg. Pay	\$43,437	\$55,152	\$55,840	\$59,551				\$53,034
35-39	157	363	768	306	3			1,597
Tot. Pay	\$6,712,914	\$18,924,893	\$44,464,870	\$18,345,528	\$148,473			\$88,596,678
Avg. Pay	\$42,757	\$52,135	\$57,897	\$59,953	\$49,491			\$55,477
40-44	79	162	384	553	184	6		1,368
Tot. Pay	\$3,171,370	\$8,476,028	\$21,938,393	\$34,093,699	\$11,935,615	\$463,611		\$80,078,716
Avg. Pay	\$40,144	\$52,321	\$57,131	\$61,652	\$64,867	\$77,269		\$58,537
45-49	41	78	147	260	362	144	4	1,036
Tot. Pay	\$1,923,588	\$4,144,118	\$8,186,063	\$15,507,601	\$22,767,671	\$9,481,181	\$232,483	\$62,242,705
Avg. Pay	\$46,917	\$53,130	\$55,688	\$59,645	\$62,894	\$65,842	\$58,121	\$60,080
50-54	12	31	76	102	177	194	60	652
Tot. Pay	\$451,511	\$1,594,686	\$4,218,554	\$5,855,432	\$11,064,985	\$13,623,242	\$4,422,207	\$41,230,617
Avg. Pay	\$37,626	\$51,441	\$55,507	\$57,406	\$62,514	\$70,223	\$73,703	\$63,237
55-59	13	16	41	65	93	102	74	404
Tot. Pay	\$687,254	\$797,938	\$2,211,789	\$3,562,486	\$5,680,436	\$6,411,447	\$5,133,708	\$24,485,058
Avg. Pay	\$52,866	\$49,871	\$53,946	\$54,807	\$61,080	\$62,857	\$69,374	\$60,607
60-64	11	13	10	35	28	26	28	151
Tot. Pay	\$410,390	\$594,621	\$452,870	\$1,891,583	\$1,628,496	\$1,575,690	\$1,848,723	\$8,402,373
Avg. Pay	\$37,308	\$45,740	\$45,287	\$54,045	\$58,161	\$60,603	\$66,026	\$55,645
65-69	2	6	4	7	8	5	7	39
Tot. Pay	\$115,236	\$302,851	\$273,032	\$422,021	\$484,222	\$303,087	\$481,253	\$2,381,702
Avg. Pay	\$57,618	\$50,475	\$68,258	\$60,289	\$60,528	\$60,617	\$68,750	\$61,069
70 & Over		2	2	2	3	1	1	11
Tot. Pay		\$74,637	\$96,501	\$74,583	\$111,128	\$75,033	\$64,455	\$496,337
Avg. Pay		\$37,319	\$48,251	\$37,292	\$37,043	\$75,033	\$64,455	\$45,122
Totals	990	1,428	1,752	1,337	858	478	174	7,017
Tot. Pay	\$42,031,091	\$75,618,561	\$99,641,471	\$80,169,792	\$53,821,026	\$31,933,291	\$12,182,829	\$395,398,061
Avg. Pay	\$42,456	\$52,954	\$56,873	\$59,962	\$62,728	\$66,806	\$70,016	\$56,349

LAW ENFORCEMENT DIVISION
FEMALE ACTIVE MEMBERS IN VALUATION DECEMBER 31, 2009
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service To Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19								
Tot. Pay								
Avg. Pay								
20-24	12							12
Tot. Pay	\$395,720							\$395,720
Avg. Pay	\$32,977							\$32,977
25-29	56	37	2					95
Tot. Pay	\$2,443,487	\$1,814,848	\$60,704					\$4,319,039
Avg. Pay	\$43,634	\$49,050	\$30,352					\$45,464
30-34	37	78	53					168
Tot. Pay	\$1,504,092	\$3,914,041	\$2,893,642					\$8,311,775
Avg. Pay	\$40,651	\$50,180	\$54,597					\$49,475
35-39	21	40	92	37				190
Tot. Pay	\$962,703	\$2,009,478	\$5,010,572	\$2,166,168				\$10,148,921
Avg. Pay	\$45,843	\$50,237	\$54,463	\$58,545				\$53,415
40-44	14	30	53	53	21	1		172
Tot. Pay	\$581,809	\$1,451,487	\$2,862,803	\$3,096,430	\$1,228,388	\$68,955		\$9,289,872
Avg. Pay	\$41,558	\$48,383	\$54,015	\$58,423	\$58,495	\$68,955		\$54,011
45-49	6	22	22	36	39	17		142
Tot. Pay	\$285,450	\$1,092,624	\$1,217,632	\$1,885,439	\$2,439,592	\$1,060,179		\$7,980,916
Avg. Pay	\$47,575	\$49,665	\$55,347	\$52,373	\$62,554	\$62,363		\$56,204
50-54	3	8	17	34	28	26	10	126
Tot. Pay	\$80,576	\$346,227	\$853,337	\$1,858,018	\$1,589,351	\$1,641,327	\$613,607	\$6,982,443
Avg. Pay	\$26,859	\$43,278	\$50,196	\$54,648	\$56,763	\$63,128	\$61,361	\$55,416
55-59	1	6	7	7	8	17	3	49
Tot. Pay	\$51,158	\$313,236	\$351,242	\$273,351	\$451,946	\$970,376	\$214,881	\$2,626,190
Avg. Pay	\$51,158	\$52,206	\$50,177	\$39,050	\$56,493	\$57,081	\$71,627	\$53,596
60-64	1	2	2	4	11	6	5	31
Tot. Pay	\$52,934	\$53,066	\$99,712	\$157,897	\$618,575	\$329,429	\$271,703	\$1,583,316
Avg. Pay	\$52,934	\$26,533	\$49,856	\$39,474	\$56,234	\$54,905	\$54,341	\$51,075
65-69					2		2	4
Tot. Pay					\$98,841		\$96,837	\$195,678
Avg. Pay					\$49,421		\$48,419	\$48,920
70 & Over								
Tot. Pay								
Avg. Pay								
Totals	151	223	248	171	109	67	20	989
Tot. Pay	\$6,357,929	\$10,995,007	\$13,349,644	\$9,437,303	\$6,426,693	\$4,070,266	\$1,197,028	\$51,833,870
Avg. Pay	\$42,105	\$49,305	\$53,829	\$55,189	\$58,960	\$60,750	\$59,851	\$52,410

LAW ENFORCEMENT DIVISION
INACTIVE MEMBERS IN VALUATION DECEMBER 31, 2009
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service to Valuation Date							Total Number
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19								
20-24	10							10
25-29	88	8						96
30-34	99	19	5					123
35-39	124	40	19	4				187
40-44	122	28	20	6	4			180
45-49	63	13	18	16	3			113
50-54	39	16	12	13	13			93
55-59	39	10	12	7	5			73
60-64	26	2	3	1				32
65-69	10	1						11
70 & Over	11				1		1	13
Totals	631	137	89	47	26		1	931

SECTION IX

**ALLOWANCES BEING PAID TO
RETIREES AND BENEFICIARIES**

**MONTHLY ALLOWANCES OF RETIRED LIVES
BY YEAR OF RETIREMENT
AS OF DECEMBER 31, 2009**

Year of Retirement	No.	Initial	Post-Ret. Increase	Total	Average
2009	10,479	\$22,236,731	\$ 74,722	\$ 22,311,453	\$2,129
2008	9,530	18,289,012	611,805	18,900,817	1,983
2007	9,122	16,985,095	1,087,541	18,072,636	1,981
2006	9,776	17,194,831	1,601,444	18,796,275	1,923
2005	9,184	16,510,259	2,029,176	18,539,435	2,019
2004	8,694	14,703,769	2,241,653	16,945,422	1,949
2003	8,231	14,020,755	2,551,055	16,571,810	2,013
2002	9,197	15,202,604	3,229,088	18,431,692	2,004
2001	7,579	11,837,679	2,859,356	14,697,035	1,939
2000	7,317	10,679,452	2,847,992	13,527,444	1,849
1999	6,437	8,894,747	2,518,769	11,413,516	1,773
1998	6,392	8,181,578	2,470,338	10,651,916	1,666
1997	5,998	7,822,477	2,563,754	10,386,231	1,732
1996	5,894	7,099,453	2,526,261	9,625,714	1,633
1995	5,309	6,196,838	2,357,842	8,554,680	1,611
1990-1994	20,961	20,739,786	9,758,147	30,497,933	1,455
1985-1989	17,604	14,488,366	9,225,441	23,713,807	1,347
1980-1984	10,212	5,506,027	4,794,172	10,300,199	1,009
1975-1979	4,907	1,903,004	2,688,489	4,591,493	936
1970-1974	1,316	319,811	679,587	999,398	759
1965-1969	352	76,081	236,060	312,141	887
1960-1964	145	32,768	105,349	138,117	953
Before 1960	23	4,488	20,479	24,967	1,086
TOTAL	174,659	\$238,925,611	\$59,078,520	\$298,004,131	\$1,706

**MONTHLY ALLOWANCES OF RETIRED LIVES
BY YEARS OF SERVICE
AS OF DECEMBER 31, 2009**

Years of Service	No.	Initial	Post-Ret. Increase	Total	Average
<5 or n/a	5,976	\$ 1,898,181	\$ 393,157	\$ 2,291,338	\$383
5	4,214	1,522,564	387,986	1,910,550	453
6	3,368	1,317,039	339,638	1,656,677	492
7	3,164	1,288,281	340,986	1,629,267	515
8	2,868	1,288,372	321,494	1,609,866	561
9	2,145	1,028,650	276,570	1,305,220	608
10	8,989	3,873,980	1,040,723	4,914,703	547
11	5,254	2,655,076	699,300	3,354,376	638
12	5,212	2,744,979	766,279	3,511,258	674
13	4,669	2,792,035	768,783	3,560,818	763
14	4,519	2,770,113	795,897	3,566,010	789
15	4,979	3,309,534	956,379	4,265,913	857
16	4,787	3,400,740	993,543	4,394,283	918
17	4,346	3,417,653	1,006,870	4,424,523	1,018
18	4,310	3,622,747	1,062,968	4,685,715	1,087
19	4,286	3,794,438	1,094,176	4,888,614	1,141
20	5,282	5,138,753	1,448,972	6,587,725	1,247
21	4,476	4,681,001	1,351,287	6,032,288	1,348
22	4,232	4,812,566	1,358,244	6,170,810	1,458
23	4,123	4,961,387	1,383,214	6,344,601	1,539
24	3,911	5,090,956	1,399,630	6,490,586	1,660
25	7,733	11,296,645	2,973,008	14,269,653	1,845
26	4,934	7,734,702	2,150,731	9,885,433	2,004
27	5,000	8,610,289	2,297,445	10,907,734	2,182
28	5,482	10,950,685	2,634,364	13,585,049	2,478
29	5,261	11,301,208	2,409,585	13,710,793	2,606
30	20,932	47,731,551	9,860,035	57,591,586	2,751
31	6,512	15,164,800	3,438,558	18,603,358	2,857
32	5,079	12,137,359	2,897,740	15,035,099	2,960
33	3,927	9,773,370	2,285,163	12,058,533	3,071
34	3,230	8,273,153	1,979,514	10,252,667	3,174
35	3,019	7,832,951	1,914,990	9,747,941	3,229
36	2,174	5,654,275	1,409,592	7,063,867	3,249
37	1,694	4,364,433	1,145,149	5,509,582	3,252
38	1,274	3,314,427	865,089	4,179,516	3,281
39	1,052	2,726,193	753,340	3,479,533	3,308
40 & Over	2,246	6,650,525	1,878,121	8,528,646	3,797
TOTAL	174,659	\$238,925,611	\$59,078,520	\$298,004,131	\$1,706

ANNUITY AND PENSION RESERVE FUND
ANNUAL ALLOWANCE, REPORTED ASSETS AND ACTUARIAL LIABILITIES
COMPARATIVE STATEMENT
(\$ MILLIONS)

Valuation Date	Annual Allowances			Reported Assets*	Actuarial Liabilities	Ratio of Assets to Liabilities	Ratio of DB Active to Retired
	No.	\$ Millions	% of DB Payroll				
12/31/1980	64,231	\$ 231	6.7 %	\$ 2,477	\$ 2,424	102.2 %	4.0
12/31/1981@	68,089	272	8.2 %	3,084	2,994	103.0 %	3.7
12/31/1982@	71,253	299	8.2 %	3,173	3,068	103.4 %	3.5
12/31/1983	74,442	333	8.7 % **	3,554	3,428	103.7 %	3.3
12/31/1984	77,493	386	9.5 % **	3,993	3,993	100.0 %	3.2
12/31/1985	80,999	429	10.0 % **	4,498	4,456	100.9 %	3.1
12/31/1986	84,892	474	10.4 % **	4,965	4,935	100.6 %	3.0
12/31/1987	86,924	518	10.6 % **	5,485	5,437	100.9 %	3.0
12/31/1988	89,972	581	10.9 % **	6,182	6,173	100.1 %	2.9
12/31/1989@	92,504	661	12.4 % **	6,985	6,911	101.1 %	2.9
12/31/1990	94,088	706	11.7 % **	7,438	7,338	101.4 %	3.0
12/31/1991	95,843	762	11.5 % **	8,014	7,904	101.4 %	3.4
12/31/1992	98,609	835	12.1 % **	8,814	8,692	101.4 %	3.4
12/31/1993	100,651	901	12.5 % **	9,390	9,356	100.4 %	3.4
12/31/1994	102,587	958	12.6 % **	9,964	9,893	100.7 %	3.3
12/31/1995	104,806	1,036	13.0 % **	10,808	10,737	100.7 %	3.3
12/31/1996@	107,617	1,141	13.7 % **	11,819	11,762	100.5 %	3.3
12/31/1997	110,470	1,233	14.3 % **	12,843	12,755	100.7 %	3.2
12/13/1998	113,000	1,327	14.7 % **	13,885	13,751	101.0 %	3.1
12/31/1999+	115,431	1,530	16.1 % **	14,978	16,139	92.8 %	3.1
12/31/2000	118,620	1,641	16.1 % **	16,980	16,980	100.0 %	3.1
12/31/2001@	121,875	1,775	16.5 % **	18,001	18,001	100.0 %	3.0
12/31/2002	126,409	1,958	17.5 % **	20,085	20,085	100.0 %	2.9
12/31/2003	130,433	2,136	19.1 % **	22,535	22,535	100.0 %	2.7
12/31/2004	134,535	2,311	20.2 % **	24,470	24,470	100.0 %	2.6
12/31/2005@	138,996	2,508	21.2 % **	27,084	27,084	100.0 %	2.6
12/31/2006	144,037	2,710	22.3 % **	29,304	29,304	100.0 %	2.5
12/31/2007	148,493	2,916	23.2 % **	31,547	31,547	100.0 %	2.5
12/31/2008	153,931	3,148	24.6 % **	34,060	34,060	100.0 %	2.3
12/31/2009	159,518	3,419	27.2 % **	37,098	37,098	100.0 %	2.2

* Including certain recommended transfers and accrued transfers.

@ Revised actuarial assumptions.

** Excluding health insurance and Medicare payments.

+ Including estimated effect of legislated benefit changes.

**ANNUITY AND PENSION RESERVE FUND
 RETIREES AND BENEFICIARIES DECEMBER 31, 2009
 TYPE OF BENEFIT, MONTHLY AMOUNT AND ACTUARIAL LIABILITIES**

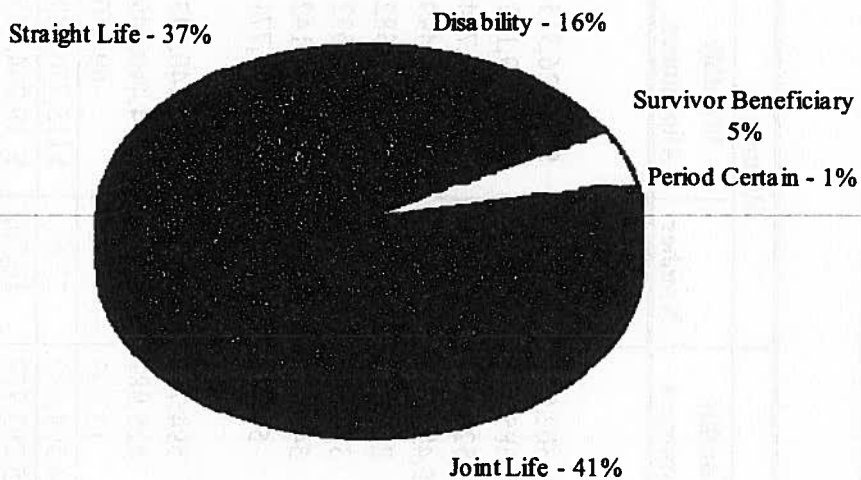
Type of Allowance	Number	Current Total \$	Actuarial Liabilities
Superannuation Retirement			
Plan A - Joint & 50%	20,342	\$ 42,429,493	\$ 5,860,197,808
Plan B - Straight Life	62,669	104,914,731	12,299,774,331
Plan C - Special Joint & Survivor	15,032	33,665,284	4,792,923,533
Plan D - Joint & 100%	20,339	41,115,064	6,533,417,747
Plan E - Life & 0 to 5 Years Guaranteed	328	456,927	52,478,257
- Life & 6 to 10 Years Guaranteed	464	732,564	83,965,747
- Life & 11 to 15 Years Guaranteed	666	891,600	102,176,738
- Life & 16 to 20 Years Guaranteed	39	76,694	11,839,954
Money Purchase	1,900	735,401	73,722,408
Survivor Beneficiary - Life Benefit	15,688	15,266,530	1,397,682,017
Survivor Beneficiary - Temporary Benefit	74	87,083	3,903,577
Total Superannuation	137,541	\$240,371,371	\$31,212,082,117
Disability Retirement	21,977	\$ 44,528,772	\$ 5,886,033,753
Total from A & PR	159,518	\$284,900,143	

**ANNUITY AND PENSION RESERVE FUND
 RETIREES AND BENEFICIARIES DECEMBER 31, 2009
 TYPE OF BENEFIT AND AMOUNT BY GENDER OF RECIPIENT**

Type of Allowance	Men		Women		Total	
	Number	Monthly Allowances	Number	Monthly Allowances	Number	Monthly Allowances
Superannuation Retirement						
Plan A - Joint & 50%	14,106	\$31,302,978	6,236	\$ 11,126,515	20,342	\$ 42,429,493
Plan B - Straight Life	19,164	37,685,539	43,505	67,229,192	62,669	104,914,731
Plan C - Special Joint & Survivor	6,359	17,525,570	8,673	16,139,714	15,032	33,665,284
Plan D - Joint & 100%	16,782	35,427,565	3,557	5,687,499	20,339	41,115,064
Plan E - Life & 0 to 5 Years Guaranteed	145	215,345	183	241,582	328	456,927
- Life & 6 to 10 Years Guaranteed	242	397,932	222	334,632	464	732,564
- Life & 11 to 15 Years Guaranteed	408	549,458	258	342,142	666	891,600
- Life & 16 to 20 Years Guaranteed	26	51,923	13	24,771	39	76,694
Money Purchase	1,322	594,758	578	140,643	1,900	735,401
Survivor Beneficiary - Life Benefit	1,332	825,981	14,356	14,440,549	15,688	15,266,530
Survivor Beneficiary - Temporary Benefit	20	17,633	54	69,450	74	87,083
Total Superannuation	59,906	\$124,594,682	77,635	\$115,776,689	137,541	\$240,371,371
Disability Retirement	11,275	\$ 25,283,777	10,702	\$ 19,244,995	21,977	\$ 44,528,772
Total from A & PR	71,181	\$149,878,459	88,337	\$135,021,684	159,518	\$284,900,143

ANNUITIES BEING PAID BY TYPE DECEMBER 31, 2009

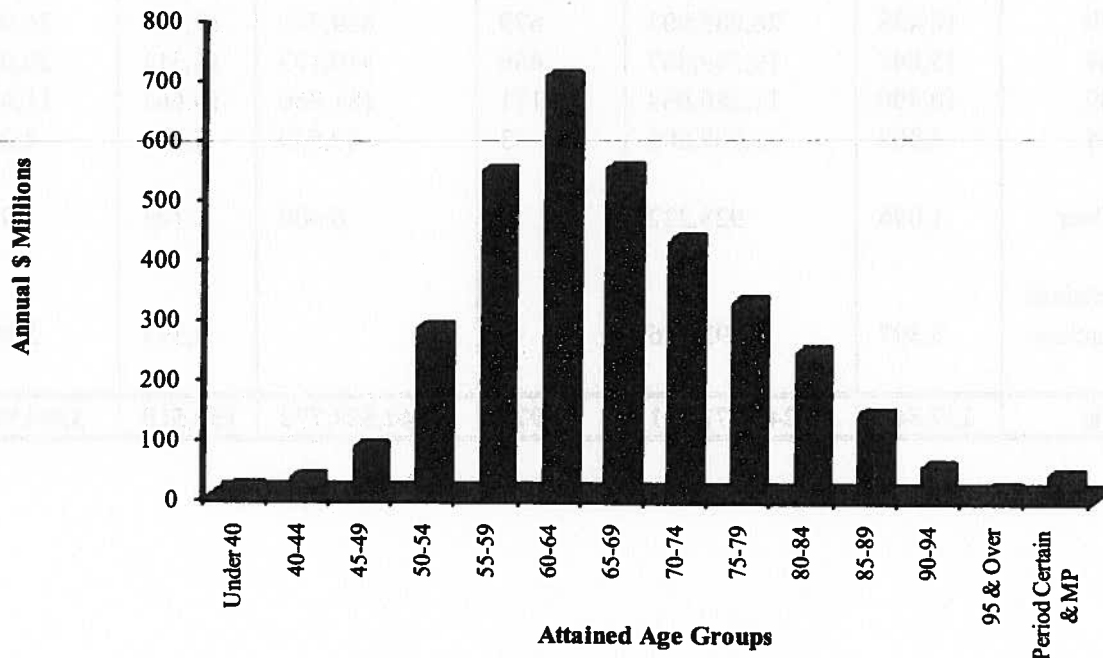
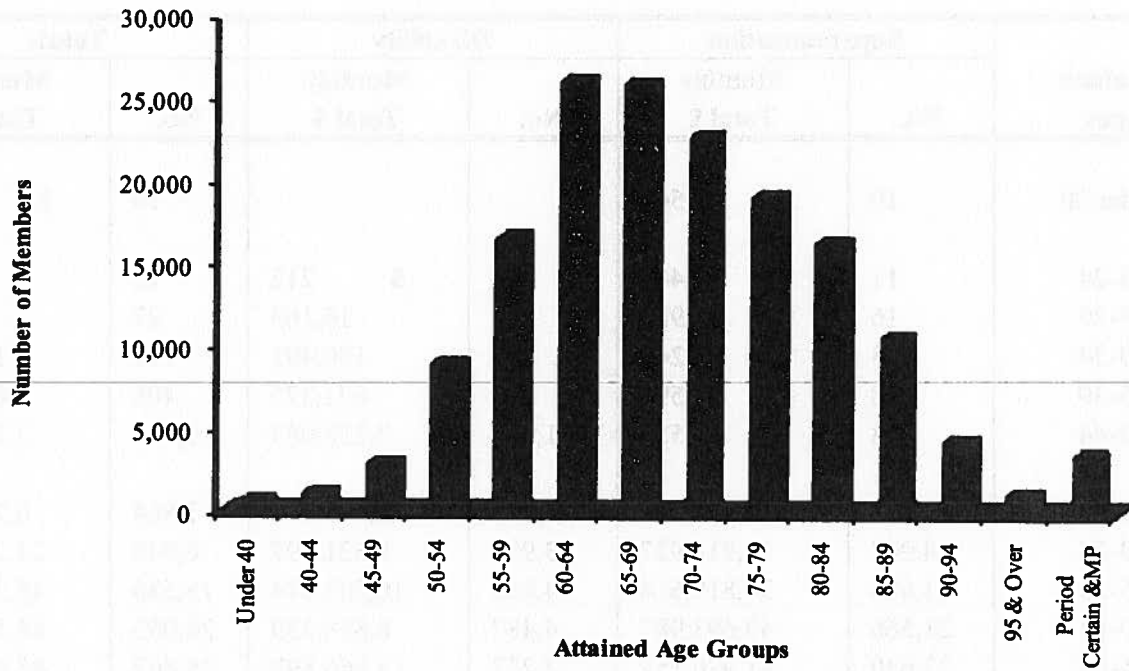
Annuity and Pension Reserve Fund



**ANNUITY AND PENSION RESERVE FUND
 RETIREES AND BENEFICIARIES DECEMBER 31, 2009
 CURRENT MONTHLY TOTAL \$ BY ATTAINED AGES**

Attained Ages	Superannuation		Disability		Totals	
	No.	Monthly Total \$	No.	Monthly Total \$	No.	Monthly Total \$
Under 20	10	\$ 4,563			10	\$ 4,563
20-24	11	4,407	1	\$ 212	12	4,619
25-29	16	11,957	11	16,163	27	28,120
30-34	15	8,240	96	140,491	111	148,731
35-39	28	22,592	380	671,375	408	693,967
40-44	58	47,557	1,015	2,228,083	1,073	2,275,640
45-49	548	1,268,501	2,316	5,473,272	2,864	6,741,773
50-54	4,947	13,918,927	3,999	9,321,797	8,946	23,240,724
55-59	11,684	34,819,614	4,852	10,503,874	16,536	45,323,488
60-64	21,566	49,693,987	4,487	8,858,339	26,053	58,552,326
65-69	23,630	41,976,152	2,237	3,866,892	25,867	45,843,044
70-74	21,454	33,882,126	1,207	1,840,411	22,661	35,722,537
75-79	18,438	26,085,803	679	859,770	19,117	26,945,573
80-84	15,845	19,549,867	466	510,193	16,311	20,060,060
85-89	10,490	11,286,064	171	181,960	10,661	11,468,024
90-94	4,308	3,969,606	53	49,540	4,361	4,019,146
95 & Over	1,096	928,222	7	6,400	1,103	934,622
Period Certain & Money Purchase	3,397	2,893,186			3,397	2,893,186
Totals	137,541	\$240,371,371	21,977	\$44,528,772	159,518	\$284,900,143

**ANNUITY AND PENSION RESERVE FUND
BENEFITS BEING PAID BY ATTAINED AGES
DECEMBER 31, 2009**



**ANNUITY AND PENSION RESERVE FUND
PERCENT OF RECIPIENTS
BY AGE GROUPS
AND YEAR**

Attained Age Group	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Under 30	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30-39	0.3%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%
40-49	2.5%	2.7%	2.9%	3.1%	3.3%	3.4%	3.5%	3.5%	3.3%	3.2%	3.1%	2.9%
50-59	16.0%	15.9%	15.9%	16.1%	15.8%	14.7%	13.7%	12.9%	11.7%	10.7%	9.8%	9.2%
60-69	32.5%	31.5%	30.7%	29.6%	28.9%	28.8%	28.6%	28.3%	28.1%	28.2%	28.9%	29.1%
70-79	26.2%	26.7%	27.2%	27.7%	28.5%	29.4%	30.4%	31.5%	32.7%	34.0%	35.5%	36.3%
80-89	16.9%	17.4%	17.7%	17.9%	18.0%	18.2%	18.3%	18.4%	18.7%	18.5%	18.7%	18.6%
90 & Over	3.4%	3.4%	3.3%	3.2%	3.2%	3.2%	3.2%	3.1%	3.1%	3.0%	3.1%	3.0%
Period Certain & MP	2.1%	2.1%	1.9%	1.9%	1.8%	1.8%	1.8%	1.7%	1.8%	1.8%	0.3%	0.3%
TOTALS	99.9%	100.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Average Age	70.0	70.1	70.1	70.2	70.2	70.4	70.6	70.7	71.0	71.2	71.4	71.5

**STATE DIVISION
SURVIVOR BENEFIT FUND TABULATED BY
TYPE OF BENEFIT BEING PAID AND MONTHLY AMOUNT
DECEMBER 31, 2009**

Group	Number	Current Total	Actuarial Liabilities
S-1 - Survivor Benefit to Beneficiary of Deceased Member Joint and Survivor Computation			
Men	130	\$ 123,692	\$ 12,215,422
Women	693	910,113	92,810,599
Totals	823	\$1,033,805	\$105,026,021
S-2 - Survivor Benefit to Beneficiary of Deceased Member Fixed Rate Amount			
Widower - no child	602	\$ 593,904	\$ 74,050,581
Widower - child	61	57,493	9,624,711
Child's record	131	69,060	4,535,025
Parent	0	0	0
Other	0	0	0
Child only	195	152,783	7,533,080
Subtotals - male	989	873,240	\$ 95,743,397
Widower - no child	2,227	\$2,272,972	\$279,452,430
Widower - child	140	145,595	26,122,779
Child's record	181	98,501	7,653,980
Parent	2	2,228	158,117
Other	2	1,510	252,661
Child only	213	164,068	8,375,440
Subtotals - female	2,765	2,684,874	322,015,407
Totals	3,754	\$3,558,114	\$417,758,804
Total Benefits Being Paid from Survivor Benefit Fund			
Men	1,119	\$ 996,932	\$107,958,819
Women	3,458	3,594,987	414,826,006
Totals	4,577	\$4,591,919	\$522,784,825

**LOCAL GOVERNMENT DIVISION
SURVIVOR BENEFIT FUND TABULATED BY
TYPE OF BENEFIT BEING PAID AND MONTHLY AMOUNT
DECEMBER 31, 2009**

Group	Number	Current Total	Actuarial Liabilities
S-1 - Survivor Benefit to Beneficiary of Deceased Member Joint and Survivor Computation			
Men	189	\$ 149,565	\$ 14,498,461
Women	1,401	1,496,329	153,204,408
Totals	1,590	1,645,894	167,702,869
S-2 - Survivor Benefit to Beneficiary of Deceased Member Fixed Rate Amount			
Widower - no child	982	\$ 717,340	\$ 87,041,186
Widower - child	86	58,302	9,976,566
Child's record	205	97,977	6,937,485
Parent	0	0	0
Other	2	1,129	142,460
Child only	342	221,025	13,369,827
Subtotals - male	1,617	1,095,773	117,467,524
Widower - no child	5,064	\$4,146,945	\$492,911,388
Widower - child	325	295,316	52,102,771
Child's record	407	196,312	15,416,494
Parent	2	1,956	129,597
Other	3	2,240	277,941
Child only	357	223,277	11,700,564
Subtotals - female	6,158	4,866,046	572,538,755
Totals	7,775	5,961,819	690,006,279
Total Benefits Being Paid from Survivor Benefit Fund			
Men	1,806	\$1,245,338	\$131,965,985
Women	7,559	6,362,375	725,743,163
Totals	9,365	\$7,607,713	\$857,709,148

**PUBLIC SAFETY DIVISION
SURVIVOR BENEFIT FUND TABULATED BY
TYPE OF BENEFIT BEING PAID AND MONTHLY AMOUNT
DECEMBER 31, 2009**

Group	Number	Current	Total	Actuarial Liabilities
S-1 - Survivor Benefit to Beneficiary of Deceased Member Joint and Survivor Computation				
Men	0	\$ 0	\$ 0	\$ 0
Women	0		0	0
Totals	0	\$ 0	\$ 0	\$ 0
S-2 - Survivor Benefit to Beneficiary of Deceased Member Fixed Rate Amount				
Widower - no child	5	\$ 4,604		\$ 422,558
Widower - child	0	0		0
Child's record	2	1,373		80,340
Other	0	0		0
Child only	6	5,205		372,625
Subtotals - male	13	11,182		875,523
Widower - no child	64	\$ 84,752		\$ 13,456,758
Widower - child	3	3,949		736,708
Child's record	2	1,653		119,028
Other	4	4,190		143,329
Child only	0	0		0
Subtotals - female	73	94,544		14,455,823
Totals	86	\$ 105,726		\$ 15,331,346
Total Benefits Being Paid from Survivor Benefit Fund				
Men	13	\$ 11,182		\$ 875,523
Women	73	94,544		14,455,823
Totals	86	\$105,726		\$15,331,346

**LAW ENFORCEMENT DIVISION
SURVIVOR BENEFIT FUND TABULATED BY
TYPE OF BENEFIT BEING PAID AND MONTHLY AMOUNT
DECEMBER 31, 2009**

Group	Number	Current Total	Actuarial Liabilities
S-1 - Survivor Benefit to Beneficiary of Deceased Member Joint and Survivor Computation			
Men	0	\$ 0	\$ 0
Women	47	79,249	9,734,609
Totals	47	\$ 79,249	\$ 9,734,609
S-2 - Survivor Benefit to Beneficiary of Deceased Member Fixed Rate Amount			
Widower - no child	4	\$ 3,655	\$ 540,738
Widower - child	2	1,859	339,307
Child's record	13	6,930	507,194
Other	0	0	0
Child only	16	12,903	800,553
Subtotals - male	35	25,347	2,187,792
Widower - no child	134	\$ 121,717	\$ 17,023,118
Widower - child	20	19,767	3,656,484
Child's record	19	8,954	653,477
Other	18	16,564	538,496
Child only	0	0	0
Subtotals - female	191	167,002	21,871,575
Totals	226	\$ 192,349	\$ 24,059,367
Total Benefits Being Paid from Survivor Benefit Fund			
Men	35	\$ 25,347	\$ 2,187,792
Women	238	246,251	31,606,184
Totals	273	\$ 271,598	\$ 33,793,976

**STATE DIVISION
DEFERRED SURVIVOR BENEFICIARIES
TABULATED BY GENDER AND DEFERRED AGE
DECEMBER 31, 2009**

Group	Number	Current Total	Actuarial Liabilities
Widowers			
Deferred to age 50	0	\$ 0	\$ 0
Deferred to age 62	72	46,659	4,342,679
Deferred to age 65	0	0	0
Total	72	46,659	4,342,679
Widows			
Deferred to age 50	3	2,522	392,093
Deferred to age 62	172	116,449	10,398,608
Deferred to age 65	1	862	33,800
Total	176	119,833	10,824,501
Totals	248	\$166,492	\$15,167,180

**LOCAL GOVERNMENT DIVISION
DEFERRED SURVIVOR BENEFICIARIES
TABULATED BY GENDER AND DEFERRED AGE
DECEMBER 31, 2009**

Group	Number	Current Total	Actuarial Liabilities
Widowers			
Deferred to age 50	0	\$ 0	\$ 0
Deferred to age 62	133	75,174	7,028,262
Deferred to age 65	0	0	0
Total	133	75,174	7,028,262
Widows			
Deferred to age 50	3	2,884	483,205
Deferred to age 62	439	270,023	25,990,048
Deferred to age 65	0	0	0
Total	442	272,907	26,473,253
Totals	575	\$348,081	\$33,501,515

**PUBLIC SAFETY DIVISION
 DEFERRED SURVIVOR BENEFICIARIES
 TABULATED BY GENDER AND DEFERRED AGE
 DECEMBER 31, 2009**

Group	Number	Current Total	Actuarial Liabilities
Widowers			
Deferred to age 50	0	\$ 0	\$ 0
Total	0	0	0
Widows			
Deferred to age 50	0	\$ 0	\$ 0
Deferred to age 62	6	3,012	274,323
Total	6	3,012	274,323
Totals	6	\$3,012	\$274,323

**LAW ENFORCEMENT DIVISION
 DEFERRED SURVIVOR BENEFICIARIES
 TABULATED BY GENDER AND DEFERRED AGE
 DECEMBER 31, 2009**

Group	Number	Current Total	Actuarial Liabilities
Widowers			
Deferred to age 50	0	\$ 0	\$ 0
Deferred to age 62	0	0	0
Total	0	0	0
Widows			
Deferred to age 50	0	\$ 0	\$ 0
Deferred to age 62	11	9,447	825,558
Total	11	9,447	825,558
Totals	11	\$9,447	\$825,558

SURVIVOR BENEFIT FUND
REPORTED ASSETS AND LIABILITIES
DIVISIONS COMBINED

Valuation Date	Monthly Allowances				\$ Millions		Ratio of Assets to Liabilities
	Current		Deferred		Reported Assets+	Actuarial Liabilities	
	No.	Amount	No.	Amount			
6/30/1977	8,153	\$ 1,659,897	1,003	\$ 125,094	\$ 257.0	\$ 204.6	126 %
6/30/1978	8,559	1,799,580	1,004	135,944	301.2	224.5	134 %
6/30/1979	8,824	1,914,251	1,039	146,549	355.2	245.1	145 %
12/31/1979	8,971	2,033,403	1,044	155,890	383.0	259.5	148 %
12/31/1980	9,389	2,220,641	1,022	170,246	429.4	285.4	150 %
12/31/1981@	9,629	2,468,950	1,045	191,228	460.6	336.0	137 %
12/31/1982@	9,913	2,654,686	1,006	199,239	499.7	330.6	151 %
12/31/1983	10,132	2,812,639	1,020	225,475	454.7	352.8	129 %
12/31/1984*	11,819	3,119,531	990	248,373	492.2	451.1	109 %
12/31/1985	11,889	3,278,253	979	259,842	532.8	469.6	113 %
12/31/1986	12,054	3,489,915	960	268,931	575.5	451.2	128 %
12/31/1987	12,153	3,656,420	933	279,327	626.1	472.9	132 %
12/31/1988	12,237	3,822,085	941	283,026	490.8	490.8	100 %
12/31/1989@	12,198	4,177,540	941	320,792	525.3	522.1	101 %
12/31/1990	12,182	4,330,622	907	321,218	542.5	537.1	101 %
12/31/1991	12,268	4,528,326	860	314,414	567.9	557.1	102 %
12/31/1992	12,318	4,750,848	852	329,509	589.8	583.3	101 %
12/31/1993	12,437	4,985,681	862	345,937	620.7	607.7	102 %
12/31/1994	12,569	5,207,186	845	347,178	641.5	628.5	102 %
12/31/1995	12,608	5,408,577	866	376,573	668.9	652.4	103 %
12/31/1996@	12,724	5,822,113	878	395,594	711.6	710.6	100 %
12/31/1997	12,856	6,074,566	932	433,430	743.0	740.5	100 %
12/13/1998	13,079	6,337,739	1,060	500,514	780.2	779.6	100 %
12/31/1999#	13,236	7,345,740	989	550,153	801.4	910.9	88 %
12/31/2000	13,317	9,026,315	666	348,886	1,037.4	1,037.4	100 %
12/31/2001@	13,588	9,449,543	993	490,441	1,086.4	1,086.4	100 %
12/31/2002	13,708	9,764,826	902	470,284	1,120.2	1,120.2	100 %
12/31/2003	13,988	10,246,174	842	493,329	1,193.1	1,193.1	100 %
12/31/2004	13,903	10,503,169	858	524,733	1,227.1	1,227.1	100 %
12/31/2005@	14,108	10,948,727	831	528,162	1,289.3	1,289.3	100 %
12/31/2006	14,172	11,333,735	832	508,430	1,332.6	1,332.6	100 %
12/31/2007	14,186	11,714,551	832	510,846	1,375.9	1,375.9	100 %
12/31/2008	14,238	12,122,501	847	526,623	1,425.6	1,425.6	100 %
12/31/2009	14,301	12,576,956	840	527,032	1,479.4	1,479.4	100 %

@ Revised actuarial assumptions.

* Benefits increased.

After benefit changes.

+ Includes certain recommended transfers and accrued transfers.

SECTION X

ACTUARIAL METHODS AND ASSUMPTIONS

**SUMMARY OF
ACTUARIAL METHODS AND ASSUMPTIONS USED FOR OPERS
ACTUARIAL VALUATIONS
ASSUMPTIONS ADOPTED BY RETIREMENT BOARD
AFTER CONSULTING WITH ACTUARY**

The individual entry age actuarial cost method of valuation was used in determining liabilities and normal cost. Differences in the past between assumed experience and actual experience (“actuarial gains and losses”) become part of actuarial accrued liabilities.

Unfunded actuarial accrued liabilities are amortized to produce payments (principal & interest) which are level percent of payroll contributions.

The actuarial assumptions used in the valuation are shown in this Section. Economic assumptions were established following the December 31, 2000 actuarial valuation. Decrement assumptions were revised following the December 31, 2005 actuarial valuation.

ECONOMIC ASSUMPTIONS

The investment return rate assumed in the valuations was 8.00% per year, compounded annually (net after administrative expenses).

The wage inflation rate assumed in this valuation was 4.00% per year. The wage inflation rate is defined to be the portion of total pay increases for an individual that are due to macro economic forces including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes rated to individual merit and seniority effects.

No specific *price inflation* assumption is required to perform this valuation, since there are no benefits that are linked to price increases. However, a price inflation assumption on the order of 3.0% to 3.5% would be consistent with the other economic assumptions.

The assumed real rate of return over wage inflation is defined to be the portion of total investment return that is more than the assumed total wage growth rate. Considering other economic assumptions, the 8.00% investment return rate translates to an assumed real rate of return over wage inflation of 4.00%. The assumed real rate of return over price inflation would be higher – on the order of 4.5% to 5.5% – considering both an inflation assumption and an average expense provision.

The active member population (the sum of the Traditional and Combined Plan active members) is assumed to remain constant. For purposes of financing the unfunded liabilities, total payroll (the sum of the Traditional and Combined Plan active payroll) is assumed to grow at the wage inflation rate – 4.00% per year.

Pay increase assumptions for individual active members are shown for sample ages on pages X-5, X-6, X-7 & X-8. Part of the assumption for each age is for merit and/or seniority increase, and the other 4.00% recognizes wage inflation, including price inflation, productivity increases, and other macro economic forces.

NON-ECONOMIC ASSUMPTIONS

The post-retirement mortality rates used in evaluating age and service and survivor benefit allowances to be paid were 110% of RP-2000 mortality table for males and 100% of RP-2000 mortality table for females with 15 years of projected mortality improvements. Related values are shown on page X-9. The mortality rates used in evaluating disability allowances were the RP-2000 mortality table for disabled lives, setback 4 years for males and setforward 4 years for females.

The probabilities of unreduced and reduced age and service retirement are shown on pages X-3 and X-4.

The probabilities of withdrawal from service, disability and death-in-service are shown for sample ages on pages X-5, X-6, X-7 & X-8. For withdrawal from service it was assumed that members terminating before age 35, members terminating with less than 5 years of service, and a percentage of all other members would withdraw their contributions and forfeit their entitlement to an employer financed benefit. The percentage is 100% at age 35 and is reduced for each year of age after 35, becoming 0% at age 55 (age 45 for law members).

For purposes of death-in-service and disability benefits, it is assumed that Combined Plan members will take a benefit from the Traditional Plan, unless a lump sum distribution from the Combined Plan would have a greater value.

Defined Contribution Accounts under the Combined Plan are assumed to earn 8% per year.

The Funding Value of Defined Benefit Assets recognizes assumed investment return fully each year. Differences between actual and assumed investment return are phased in over a closed 4-year period. Funding value is not permitted to deviate from market value by more than 12%. Traditional and Combined Plan retiree health funding values of assets are developed independently beginning with the December 31, 2004 valuation.

Present assets (cash & investments) at funding value are shown on pages II-2 through II-6.

The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (M.A.A.A.). Great care was taken in the production of this report, but there may be cases where schedules do not add, or where they do not exactly balance to other related schedules due to rounding.

Probabilities of Unreduced Age and Service Retirement

Ages	Percent of Eligible Active Members Retiring Within Next Year					
	State		Local Government		Public Safety	Law Enforcement
	Men	Women	Men	Women		
45	40%	30%	30%	30%		
46	40%	30%	30%	30%		
47	40%	30%	30%	30%		
48	40%	30%	30%	30%		20%
49	40%	30%	30%	30%		20%
50	40%	30%	30%	30%		20%
51	40%	30%	30%	30%		20%
52	35%	30%	30%	30%	30%	20%
53	35%	30%	30%	30%	30%	22%
54	35%	30%	30%	30%	25%	22%
55	30%	30%	30%	30%	25%	22%
56	25%	30%	28%	30%	25%	22%
57	25%	30%	28%	30%	25%	22%
58	25%	30%	28%	30%	20%	22%
59	25%	30%	25%	30%	20%	25%
60	30%	35%	25%	30%	35%	30%
61	30%	35%	25%	30%	35%	20%
62	30%	35%	35%	30%	35%	25%
63	30%	35%	35%	30%	35%	25%
64	35%	35%	30%	30%	35%	25%
65	30%	30%	20%	20%	35%	30%
66	25%	20%	20%	20%	35%	30%
67	20%	20%	15%	15%	35%	30%
68	20%	20%	15%	15%	35%	30%
69	20%	20%	15%	15%	35%	30%
70	20%	20%	15%	15%	100%	100%
71	20%	20%	15%	15%	100%	100%
72	20%	20%	15%	15%	100%	100%
73	20%	20%	15%	15%	100%	100%
74	20%	20%	15%	15%	100%	100%
75 & Over	100%	100%	100%	100%	100%	100%
Ref	1309	1310	1311	1312	1334	1335

Probabilities of Reduced Retirement

Ages	Percent of Eligible Active Members Retiring Within Next Year				
	State		Local Government		Public Safety
	Men	Women	Men	Women	
48					15%
49					15%
50					15%
51					15%
52					
53					
54					
55	11%	11%	10%	12%	
56	11%	11%	10%	12%	
57	11%	11%	10%	12%	
58	11%	11%	10%	12%	
59	11%	11%	10%	12%	
60	11%	12%	10%	12%	
61	11%	14%	10%	12%	
62	16%	15%	15%	12%	
63	16%	15%	15%	12%	
64	16%	15%	12%	12%	
Ref	1313	1314	758	1315	1336

STATE
SEPARATIONS FROM ACTIVE EMPLOYMENT BEFORE AGE & SERVICE RETIREMENT
& INDIVIDUAL PAY INCREASE ASSUMPTIONS

Sample Ages	Years of Service	Percent of Active Members Separating Within the Next Year						Pay Increase Assumptions For An Individual Employee			
		Death		Withdrawal		Disability		Merit & Seniority	Base (Economy)	Increase Next Year	
		Men	Women	Men	Women	Men	Women				
	0			40.00%	40.00%						
	1			25.00%	25.00%						
	2			15.00%	17.00%						
	3			10.00%	12.00%						
	4			8.00%	9.00%						
25	5 & Over	0.04%	0.01%	7.04%	8.40%	0.15%	0.15%	4.30%	4.00%	8.30%	
30		0.04%	0.02%	5.44%	7.28%	0.18%	0.18%	3.00%	4.00%	7.00%	
35		0.08%	0.03%	4.20%	5.48%	0.32%	0.32%	2.20%	4.00%	6.20%	
40		0.11%	0.05%	3.32%	3.88%	0.52%	0.52%	1.80%	4.00%	5.80%	
45		0.15%	0.08%	2.58%	3.16%	0.72%	0.72%	1.40%	4.00%	5.40%	
50		0.21%	0.12%	2.18%	2.88%	0.92%	0.92%	1.20%	4.00%	5.20%	
55		0.36%	0.19%	2.10%	2.74%	1.36%	1.36%	0.90%	4.00%	4.90%	
60		0.67%	0.35%	2.10%	2.70%	2.20%	2.20%	0.70%	4.00%	4.70%	
Ref		#506x1sb0	#507x0.7sb0	47 #870x1	443 #871x1	#385x1	#385x1	301			

The pay increase assumptions are age based only, and not service based.

**LOCAL GOVERNMENT
SEPARATIONS FROM ACTIVE EMPLOYMENT BEFORE AGE & SERVICE RETIREMENT
& INDIVIDUAL PAY INCREASE ASSUMPTIONS**

Sample Ages	Years of Service	Percent of Active Members Separating Within the Next Year										Pay Increase Assumptions For An Individual Employee						
		Death		Withdrawal		Disability		Merit & Seniority	Base (Economy)	Increase Next Year	Men	Women	Men	Women				
		Men	Women	Men	Women	Men	Women											
	0			40.00%	40.00%													
	1			25.00%	25.00%													
	2			15.00%	17.00%													
	3			10.00%	12.00%													
	4			8.00%	9.00%													
25	5 & Over	0.04%	0.01%	7.10%	8.40%	0.13%	0.12%	4.30%	4.00%	8.30%								
30		0.04%	0.02%	5.90%	7.04%	0.17%	0.13%	3.00%	4.00%	7.00%								
35		0.08%	0.03%	4.48%	5.50%	0.28%	0.21%	2.20%	4.00%	6.20%								
40		0.11%	0.05%	3.32%	4.18%	0.44%	0.33%	1.80%	4.00%	5.80%								
45		0.15%	0.08%	2.70%	3.40%	0.62%	0.45%	1.40%	4.00%	5.40%								
50		0.21%	0.12%	2.50%	3.14%	0.90%	0.66%	1.20%	4.00%	5.20%								
55		0.36%	0.19%	2.50%	3.04%	1.34%	0.98%	0.90%	4.00%	4.90%								
60		0.67%	0.35%	2.50%	3.00%	1.54%	1.35%	0.70%	4.00%	4.70%								
Ref		#506x1sb0	#507x0.7sb0	47	443	#333xl	#334xl	301										
				#872xl	#873xl													

The pay increase assumptions are age based only, and not service based.

PUBLIC SAFETY
SEPARATIONS FROM ACTIVE EMPLOYMENT BEFORE AGE & SERVICE RETIREMENT
& INDIVIDUAL PAY INCREASE ASSUMPTIONS

Sample Ages	Years of Service	Percent of Active Members Separating Within the Next Year						Pay Increase Assumptions For An Individual Employee				
		Death		Withdrawal		Disability		Merit & Seniority	Base (Economy)	Increase Next Year		
		Men	Women	Men	Women	Men	Women					
	0		18.00%		16.00%							
	1		12.00%		12.00%							
	2		8.00%		8.00%							
	3		7.00%		7.00%							
	4		7.00%		7.00%							
25	5 & Over	0.04%	0.01%	4.70%	4.22%	0.20%	0.20%	6.30%	4.00%	10.30%		
30		0.04%	0.02%	3.90%	3.16%	0.60%	0.60%	4.00%	4.00%	8.00%		
35		0.08%	0.03%	2.90%	2.80%	0.90%	0.90%	1.60%	4.00%	5.60%		
40		0.11%	0.05%	2.20%	2.80%	1.15%	1.15%	0.85%	4.00%	4.85%		
45		0.15%	0.08%	1.76%	2.32%	1.50%	1.50%	0.60%	4.00%	4.60%		
50		0.21%	0.12%	1.60%	2.00%	2.10%	2.10%	0.50%	4.00%	4.50%		
55		0.36%	0.19%	1.60%	2.00%	3.10%	3.10%	0.50%	4.00%	4.50%		
60		0.67%	0.35%	1.60%	2.00%	4.00%	4.00%	0.50%	4.00%	4.50%		
Ref		#506x1sb0	#507x0.7sb0	445	446	#386xl	#386xl	303				
		#874xl	#875xl									

The pay increase assumptions are age based only, and not service based.

**LAW ENFORCEMENT
SEPARATIONS FROM ACTIVE EMPLOYMENT BEFORE AGE & SERVICE RETIREMENT
& INDIVIDUAL PAY INCREASE ASSUMPTIONS**

Sample Ages	Years of Service	Percent of Active Members Separating Within the Next Year						Pay Increase Assumptions For An Individual Employee			
		Death		Withdrawal		Disability		Merit & Seniority	Base (Economy)	Increase Next Year	
		Men	Women	Men	Women	Men	Women				
	0			15.00%	18.00%						
	1			9.00%	12.00%						
	2			7.00%	8.00%						
	3			5.00%	7.00%						
	4			5.00%	7.00%						
25	5 & Over	0.04%	0.01%	3.54%	3.80%	0.20%	0.20%	6.30%	4.00%	10.30%	
30		0.04%	0.02%	2.66%	2.90%	0.60%	0.60%	4.00%	4.00%	8.00%	
35		0.08%	0.03%	2.14%	2.30%	0.90%	0.90%	1.60%	4.00%	5.60%	
40		0.11%	0.05%	1.48%	1.50%	1.15%	1.15%	0.85%	4.00%	4.85%	
45		0.15%	0.08%	1.20%	1.30%	1.50%	1.50%	0.60%	4.00%	4.60%	
50		0.21%	0.12%	1.20%	1.20%	2.10%	2.10%	0.50%	4.00%	4.50%	
55		0.36%	0.19%	1.20%	1.20%	3.10%	3.10%	0.50%	4.00%	4.50%	
60		0.67%	0.35%	1.20%	1.20%	4.00%	4.00%	0.50%	4.00%	4.50%	
Ref		#506x1sb0	#507x0.7sb0	375	446	#386xl	#386xl	303			
				#876xl	#575xl		#386xl				

The pay increase assumptions are age based only, and not service based.

Single Life Retirement Values

Sample Attained Ages	Present Value of \$1 Monthly for Life Increasing 3.0% Annually (First Increase After 1 Year)		Future Life Expectancy (years)	
	Males	Females	Males	Females
	50	\$175.27	\$180.54	31.49
55	163.16	169.81	26.81	29.64
60	148.41	156.78	22.30	25.08
65	131.41	141.67	18.09	20.80
70	112.77	124.92	14.25	16.86
75	92.36	106.74	10.77	13.29
80	71.69	87.43	7.77	10.09
Ref:	#397xl1sb0	#398x1sb0		

MISCELLANEOUS AND TECHNICAL ASSUMPTIONS

DECEMBER 31, 2009

Marriage Assumption:	70% of males and 60% of females are assumed to be married for purposes of death-in-service benefits for State and Local members. 90% of males and 90% of females are assumed to be married for purposes of death-in-service benefits for Law members. Male spouses are assumed to be three years older than female spouses for active member valuation purposes. In retired or inactive cases where spouse information is needed, but not available, the three year age difference is also assumed.
Pay Increase Timing:	Beginning of year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
Final Average Salary:	For present value of future benefit purposes, final average salary was calculated in accordance with pay increase assumptions, but was not permitted to fall below the final average salary reported in the data.
Decrement Timing:	Decrements are assumed to occur mid-year.
Eligibility Testing:	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Decrement Relativity:	Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
Decrement Operation:	Disability and mortality decrements do not operate during the first 5 years of service.
Death after Disability:	Death after disability benefits were approximated by assuming that the disability benefit would be paid as a joint and 35% survivor benefit for people in the original disability plan and as a joint and 20% survivor benefit for people in the post 1992 plan.
Service Credit Accruals:	It is assumed that members accrue one year of service credit per year. A (0.80)% factor is applied to State active member liabilities (other than for refunds) and a (1.00)% factor is applied to Local active member liabilities (other than for refunds) to recognize that a portion of the membership is part time.

MISCELLANEOUS AND TECHNICAL ASSUMPTIONS
DECEMBER 31, 2009 (CONCLUDED)

Miscellaneous Loads:	A load of approximately 0.60% of payroll is included in the computed normal cost to recognize subsidized service purchases. Law active accrued liabilities for retirement are reduced by 10% to recognize that total service reported is not entirely Law service, and that non-Law service cannot be used to satisfy Law eligibility conditions.
Incidence of Contributions:	Contributions are assumed to be received continuously throughout the year based upon contribution rates presented in the Summary of Benefits, and the actual payroll payable at the time contributions are made.
Benefit Service:	Exact fractional service is used to determine the amount of benefit payable.
Normal Form of Benefit:	The assumed normal form of benefit is a straight life benefit, except where otherwise noted.

SECTION XI
FINANCIAL PRINCIPLES

FINANCIAL PRINCIPLES AND OPERATIONAL TECHNIQUES OF OPERS

Promises Made, and To Be Paid For. As each year is completed, OPERS in effect hands an “IOU” to each member then acquiring a year of service credit --- the “IOU” says: “The Ohio Public Employees Retirement System owes you one year’s worth of retirement benefits, payments in cash commencing when you qualify for retirement.”

The related ***key financial questions*** are:

Which generation of taxpayers contributes the money to cover the IOU?

The present taxpayers, who receive the benefit of the member’s present year of service? ***Or the future taxpayers,*** who happen to be in Ohio at the time the IOU becomes a cash demand, years and often decades later?

The law governing OPERS financing intends that this year’s taxpayers contribute the money to cover the IOUs being handed out this year. With this financial objective, ***the employer contribution rate is expected to remain approximately level from generation to generation of taxpayers.***

There are systems which have a design for deferring contributions to future taxpayers. Lured by a lower contribution rate now, they put aside the consequence that the contribution rate must then relentlessly grow to a level much higher than would be required if a level contribution pattern were followed.

An inevitable by-product of the level-cost design is the accumulation of reserve assets, for decades, and the income produced when the assets are invested. ***Investment income*** becomes ***the 3rd and largest contributor*** for benefits to employees, and is interlocked with the contribution amounts required from employees and employers.

Translated to actuarial terminology, this level-cost objective means that the contribution rates must total at least the following:

Normal Cost (the cost of members' service being rendered this year)

... plus ...

Interest on Unfunded Actuarial Accrued Liabilities (unfunded actuarial accrued liabilities are the difference between: liabilities for service already rendered; and the accrued assets of OPERS).

Computing Contributions to Support Fund Benefits. From a given schedule of benefits and from employee and asset data, the actuary calculates the contribution rates to support the benefits by means of *an actuarial valuation and a funding method.*

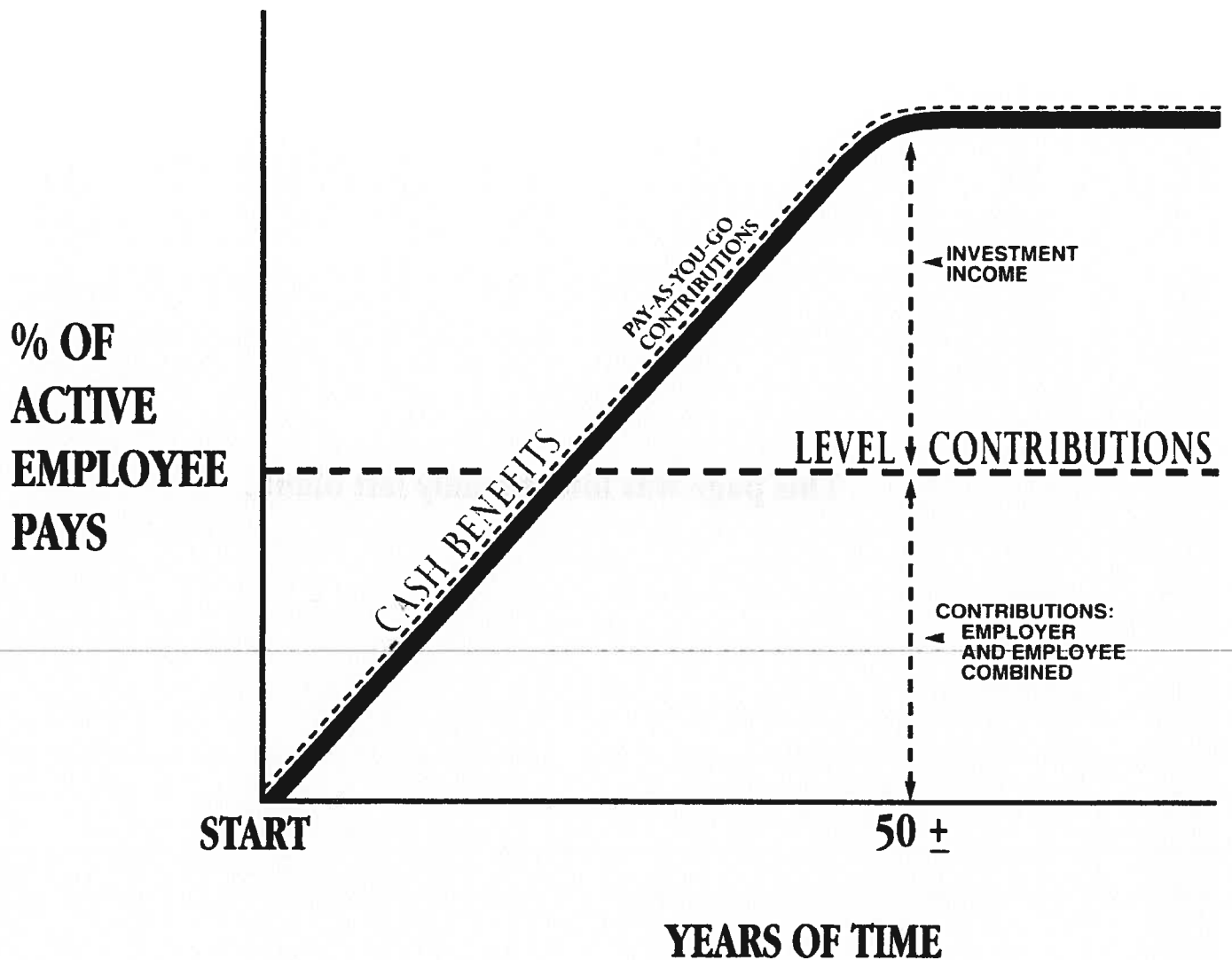
An actuarial valuation has a number of ingredients such as: the rate of investment return which plan assets will earn; the rates of withdrawal of active members who leave covered employment; the rates of mortality; the rates of disability; the rates of pay increases; and the assumed age or ages at actual retirement.

In an actuarial valuation, assumptions must be made as to what the above rates will be for the next year and for decades in the future. The assumptions are established by the Retirement Board after receiving the advice of the actuary.

Reconciling Differences Between Assumed Experience and Actual Experience. Once actual experience has occurred and has been observed, it will not coincide exactly with assumed experience, regardless of the skill of the actuary and the many calculations made. The future can not be predicted with 100% precision.

OPERS copes with these continually changing differences by having annual actuarial valuations. Each actuarial valuation is a complete recalculation of assumed future experience, taking into account all past differences between assumed and actual experience. The result is *continuing adjustments in financial position.*

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CASH BENEFITS LINE. This relentlessly increasing line is the fundamental reality of retirement plan financing. It happens each time a new benefit is added for future retirements (and happens regardless of the design for contributing for benefits).

LEVEL CONTRIBUTION LINE. Determining the level contribution line requires detailed assumptions concerning a variety of experiences in future decades, including:

Economic Risk Areas

- Rates of investment return
- Rates of pay increase
- Changes in active member group size

Non-Economic Risk Areas

- Ages at actual retirement
- Rates of mortality
- Rates of withdrawal of active members (turnover)
- Rates of disability

THE ACTUARIAL VALUATION PROCESS

The financing diagram on the opposite page shows the relationship between *the two fundamentally different philosophies of paying* for retirement benefits: the method where contributions match cash benefit payments (or barely exceed cash benefit payments, as in the Federal Social Security program) which is thus an *increasing contribution method*; and, the *level contribution method* which attempts to equalize contributions between the generations.

The actuarial valuation is the mathematical process by which the level contribution rate is determined. The activity constituting the valuation may be summarized as follows:

- A. **Census Data**, including:
 - Retired lives now receiving benefits
 - Former employees with vested benefits not yet payable
 - Active employees

- B. + **Asset data** (cash & investments)

- C. + **Benefit provisions** that establish eligibility and amounts of payments to members

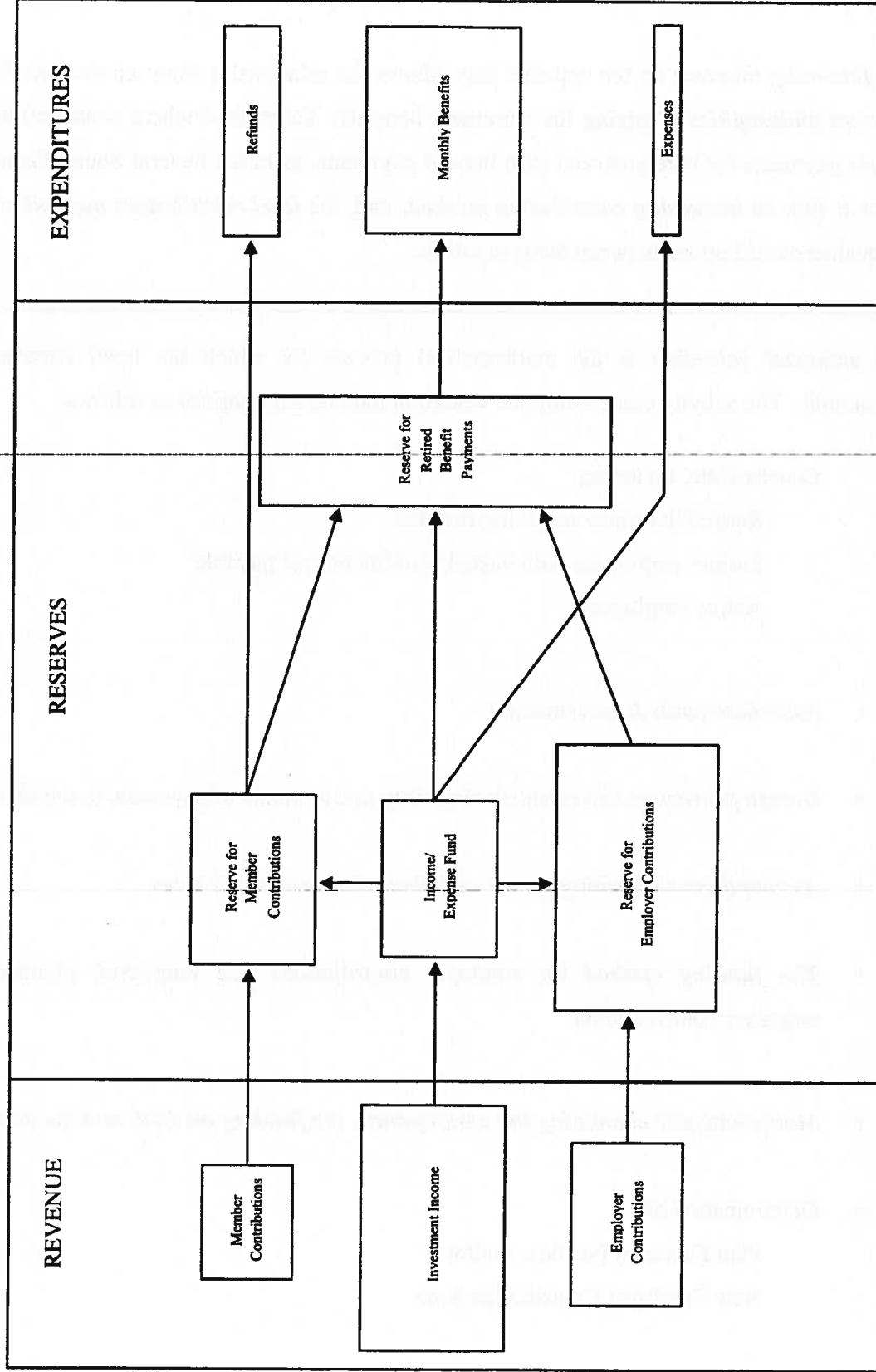
- D. + **Assumptions concerning future experience** in various risk areas

- E. + **The funding method** for employer contributions (the long-term, planned pattern for employer contributions)

- F. + **Mathematically combining the assumptions, the funding method, and the data**

- G. = Determination of:
 - Plan Financial Position; and/or
 - New Employer Contribution Rate

Flow of Money Through the Retirement System



GLOSSARY

Accrued Service. The service credited under the plan which was rendered before the date of the actuarial valuation.

Accumulated Benefit Obligation. The actuarial present value of vested and non-vested benefits based on service to date and past and current salary levels.

Actuarial Accrued Liability. The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as “accrued liability” or “past service liability.”

Actuarial Assumptions. Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the “actuarial present value of future plan benefits” between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the “actuarial funding method.”

Actuarial Equivalent. A single amount or series of amounts of equal value to another single amount or series of amounts, computed on the basis of the rate(s) of interest and mortality tables used by the plan.

Actuarial Present Value. The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Actuary. A person who is trained in the applications of probability and compound interest to problems in business and finance that involve payment of money in the future, contingent upon the occurrence of future events. Most actuaries in the United States are Members of the American Academy of Actuaries. The Society of Actuaries is an international research, education and membership organization for actuaries in the life and health insurance, employee benefits, and pension fields. It administers a series of examinations leading initially to Associateship and the designation A.S.A. and ultimately to Fellowship with the designation F.S.A.

Amortization. Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

Experience Gain (Loss). A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.

Funding Value of Assets. The value of current plan assets recognized for valuation purposes. Generally based on a phased-in recognition of all or a portion of market related investment return. Sometimes referred to as Actuarial Value of Assets.

Normal Cost. The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as "current service cost." Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

Plan Termination Liability. The actuarial present value of future plan benefits based on the assumption that there will be no further accruals for future service and salary. The termination liability will generally be less than the liabilities computed on a "going concern" basis and is not normally determined in a routine actuarial valuation.

Reserve Account. An account used to indicate that funds have been set aside for a specific purpose and are not generally available for other uses.

Unfunded Actuarial Accrued Liability. The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as "unfunded accrued liability."

MEANING OF “UNFUNDED ACTUARIAL ACCRUED LIABILITIES”

“Actuarial accrued liabilities” are the present value of the portions of promised benefits that are not covered by future normal cost contributions --- a liability has been established (“accrued”) because the service has been rendered but the resulting monthly cash benefit may not be payable until years in the future.

If “actuarial accrued liabilities” at any time exceed the plan’s accrued assets (cash & investments), the difference is *“unfunded actuarial accrued liabilities.”* This is the common condition. If the plan’s assets equaled the plan’s “actuarial accrued liabilities”, the plan would be termed “fully funded.” This is an unusual condition.

Each time a plan adds a new benefit which applies to service already rendered, an “actuarial accrued liability” is created, which is also an “unfunded actuarial accrued liability” because the plan can’t print instant cash to cover the value of the new benefit promises. Payment for such unfunded actuarial accrued liabilities is spread over a period of years, commonly in the 15-40 year range.

Unfunded actuarial accrued liabilities can occur in another way: if actual plan experience is less favorable than assumed, the difference is added to unfunded actuarial accrued liabilities. For example, in plans where benefits are directly related to an employee’s pay near time of retirement, unfunded actuarial accrued liabilities increased rapidly during the 1970’s because unexpected rates of pay increase created additional actuarial accrued liabilities which could not be matched by reasonable investment results. Most of the unexpected pay increases were the direct result of inflation, which is a very destructive force on financial stability.

The existence of unfunded actuarial accrued liabilities is not bad but the changes from year to year in amount of unfunded actuarial accrued liabilities are important--- “bad” or “good” or somewhere in between.

Nor are unfunded actuarial accrued liabilities a bill payable immediately, but it is important that policy-makers prevent the amount from becoming unreasonably high and *it is vital for plans to have a sound method for making payments toward them* so that they are controlled.

SECTION XII

GASB REPORTING

This information is presented in draft form for review by the System's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the System's financial statements.

**SCHEDULE OF DEFINED BENEFIT FUNDING PROGRESS
FOR COMPLIANCE WITH GASB STATEMENT NO. 25
(\$ AMOUNTS IN MILLIONS)
TRADITIONAL, COMBINED, AND MEMBER DIRECTED PLANS**

The schedule below measures the funding progress with respect to the *retirement allowance* portion of OPERS benefits for compliance with GASB Statement No. 25. Assets and liabilities related to post-employment health care benefits are specifically excluded from the schedule. Assets do, however, include market value adjustments.

Valuation Year	Actuarial Accrued Liabilities (AAL)	Valuation Assets	Unfunded Actuarial Accrued Liabilities (UAAL)	Ratio of Assets to AAL	Active Member Payroll	UAAL as a % of Active Member Payroll
1991	\$22,027	\$18,108	\$3,919	82 %	\$6,651	59 %
1992	23,961	20,364	3,597	85 %	6,889	52 %
1993	26,506	23,063	3,443	87 %	7,236	48 %
1994	28,260	25,066	3,194	89 %	7,625	42 %
1995	30,556	27,651	2,905	90 %	7,973	36 %
1995*	30,224	27,651	2,573	91 %	7,973	32 %
1996	32,631	30,534	2,097	94 %	8,340	25 %
1997	34,971	33,846	1,125	97 %	8,640	13 %
1998	37,714	38,360	(646)	102 %	9,017	0 %
1999	43,070	43,060	10	100 %	9,477	0 %
2000	46,347	46,844	(497)	101 %	10,192	0 %
2001	49,095	48,748	347	99 %	10,782	3 %
2001*	47,492	48,748	(1,256)	103 %	10,782	0 %
2002	50,872	43,706	7,166	86 %	11,207	64 %
2003	54,774	46,746	8,028	85 %	11,165	72 %
2004	57,604	50,452	7,152	88 %	11,454	62 %
2005	61,146	54,473	6,673	89 %	11,807	57 %
2005*	62,498	54,473	8,025	87 %	11,807	68 %
2006	66,161	61,296	4,865	93 %	12,175	40 %
2007	69,734	67,151	2,583	96 %	12,583	21 %
2008	73,466	55,315	18,150	75 %	12,801	142 %
2009	76,555	57,629	18,926	75 %	12,548	151 %

* Revised actuarial assumptions.

**SCHEDULE OF DEFINED BENEFIT FUNDING PROGRESS
FOR COMPLIANCE WITH GASB STATEMENT NO. 25
(\$ AMOUNTS IN MILLIONS)
TRADITIONAL PLAN**

The schedule below measures the funding progress with respect to the *retirement allowance* portion of OPERS benefits for compliance with GASB Statement No. 25. Assets and liabilities related to post-employment health care benefits are specifically excluded from the schedule. Assets do, however, include market value adjustments.

Valuation Year	Actuarial Liabilities (AAL)	Valuation Assets	Unfunded Actuarial Liabilities (UAAL)	Ratio of Assets to AAL	Active Member Payroll	UAAL as a % of Active Member Payroll
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1992	23,961	20,364	3,597	85 %	6,889	52 %
1993	26,506	23,063	3,443	87 %	7,236	48 %
1994	28,260	25,066	3,194	89 %	7,625	42 %
1995	30,556	27,651	2,905	90 %	7,973	36 %
1995*	30,224	27,651	2,573	91 %	7,973	32 %
1996	32,631	30,534	2,097	94 %	8,340	25 %
1997	34,971	33,846	1,125	97 %	8,640	13 %
1998	37,714	38,360	(646)	102 %	9,017	0 %
1999	43,070	43,060	10	100 %	9,477	0 %
2000	46,347	46,844	(497)	101 %	10,192	0 %
2001	49,095	48,748	347	99 %	10,782	3 %
2001*	47,492	48,748	(1,256)	103 %	10,782	0 %
2002	50,872	43,706	7,166	86 %	11,207	64 %
2003	54,756	46,737	8,019	85 %	11,056	73 %
2004	57,573	50,430	7,143	88 %	11,313	63 %
2005	61,099	54,433	6,666	89 %	11,633	57 %
2005*	62,447	54,433	8,014	87 %	11,633	69 %
2006	66,089	61,235	4,854	93 %	11,971	41 %
2007	69,639	67,067	2,572	96 %	12,347	21 %
2008	73,346	55,230	18,116	75 %	12,546	144 %
2009	76,407	57,519	18,888	75 %	12,290	154 %

* Revised actuarial assumptions.

**SCHEDULE OF DEFINED BENEFIT FUNDING PROGRESS
FOR COMPLIANCE WITH GASB STATEMENT NO. 25
(\$ AMOUNTS IN MILLIONS)
COMBINED PLAN**

The schedule below measures the funding progress with respect to the *retirement allowance* portion of OPERS benefits for compliance with GASB Statement No. 25. Assets and liabilities related to post-employment health care benefits are specifically excluded from the schedule. Assets do, however, include market value adjustments.

Valuation Year	Actuarial Accrued Liabilities (AAL)	Valuation Assets	Unfunded Actuarial Accrued Liabilities (UAAL)	Ratio of Assets to AAL	Active Member Payroll	UAAL as a % of Active Member Payroll
1991						
1992						
1993						
1994						
1995						
1995						
1996						
1997						
1998						
1999						
2000						
2001						
2001						
2002						
2003	\$18	\$9	\$9	50 %	\$109	8 %
2004	31	22	9	71 %	141	6 %
2005	47	40	7	85 %	174	4 %
2005*	51	40	11	78 %	174	6 %
2006	72	61	11	85 %	205	5 %
2007	95	84	11	88 %	236	5 %
2008	120	85	35	71 %	255	14 %
2009	148	110	38	74 %	258	15 %

* Revised actuarial assumptions.

**SCHEDULE OF DEFINED BENEFIT FUNDING PROGRESS
FOR COMPLIANCE WITH GASB STATEMENT NO. 25
(\$ AMOUNTS)
MEMBER DIRECTED PLAN**

The schedule below measures the funding progress with respect to the *retirement allowance* portion of OPERS benefits for compliance with GASB Statement No. 25. Assets and liabilities related to post-employment health care benefits are specifically excluded from the schedule. Assets do, however, include market value adjustments.

Valuation Year	Actuarial Accrued Liabilities (AAL)	Valuation Assets	Unfunded Actuarial Accrued Liabilities (UAAL)	Ratio of Assets to AAL	Active Member Payroll	UAAL as a % of Active Member Payroll
1991						
1992						
1993						
1994						
1995						
1995						
1996						
1997						
1998						
1999						
2000						
2001						
2001						
2002						
2003						
2004						
2005						
2005*						
2006						
2007						
2008	166,354	147,976	18,378	89 %	NA	NA
2009	252,670	205,639	47,031	81 %	NA	NA

* Revised actuarial assumptions.

SCHEDULE OF EMPLOYER CONTRIBUTIONS*
FOR COMPLIANCE WITH GASB STATEMENT NO. 25

Traditional Plan

Valuation Date December 31	Year Ended December 31	Annual Required Contributions
2004	2006	8.44%
2005	2008	7.12%
2006	2009	7.13%
2007	2010	7.14%
2008	2011	13.33%
2009	2012	13.64%

Combined Plan

Valuation Date December 31	Year Ended December 31	Annual Required Contributions
2004	2006	8.33%
2005	2008	7.29%
2006	2009	7.33%
2007	2010	7.22%
2008	2011	10.00%
2009	2012	10.00%

Member Directed Plan

Valuation Date December 31	Year Ended December 31	Annual Required Contributions
2008	2011	\$ 1,570
2009	2012	\$ 4,019

* The amounts reported in this schedule do not include contributions for post-employment healthcare benefits.

**SCHEDULE OF UNFUNDED ACTUARIAL ACCRUED LIABILITY@
FOR COMPLIANCE WITH GASB STATEMENT NO. 25
TRADITIONAL, COMBINED AND MEMBER DIRECTED PLANS**

		December 31, 2009						
		State Group	Local Group	General Group	Public Safety Group	Law Enforcement Group	Total	
Accrued Liabilities								
Active and Inactive Members		\$ 14,812,874,208	\$21,619,116,652	\$36,431,990,860	\$11,561,809	\$1,533,964,379	\$37,977,517,048	
Retirees and Beneficiaries		\$ 15,669,844,081	\$21,326,299,730	\$36,996,143,811	\$32,134,474	\$1,549,225,455	\$38,577,503,740	
Total Accrued Liabilities		\$ 30,482,718,289	\$42,945,416,382	\$73,428,134,671	\$43,696,283	\$3,083,189,834	\$76,555,020,788	
Assets								
Active and Inactive Members								
EAF*		\$ 2,111,761,538	\$ 4,659,085,941	\$ 6,770,847,479	\$ (4,240,272)	\$ 355,160,502	\$ 7,121,767,709	
ESF		\$ 4,537,321,166	\$ 6,940,233,114	\$ 11,477,554,280	\$ 3,578,047	\$ 452,510,008	\$ 11,933,642,335	
Unallocated		\$ 39,056,568	\$ 57,604,486	\$ 96,661,054	\$ 55,170	\$ 4,131,575	\$ 100,847,799	
Market Value Adjustment		\$ (40,475,584)	\$ (59,257,696)	\$ (99,733,280)	\$ (60,759)	\$ (4,550,132)	\$ (104,344,171)	
Total Active and Inactive Assets		\$ 6,647,663,688	\$11,597,665,845	\$18,245,329,533	\$ (667,814)	\$807,251,953	\$19,051,913,672	
Retirees and Beneficiaries								
A & PR Fund*		\$15,131,892,076	\$20,435,089,067	\$35,566,981,143	\$16,528,805	\$1,514,605,921	\$37,098,115,869	
SBF Fund*		\$537,952,005	\$891,210,663	\$1,429,162,668	\$15,605,669	\$34,619,534	\$1,479,387,871	
Total R&B Assets		\$15,669,844,081	\$21,326,299,730	\$36,996,143,811	\$32,134,474	\$1,549,225,455	\$38,577,503,740	
Total Assets		\$22,317,507,769	\$32,923,965,575	\$55,241,473,344	\$31,466,660	\$2,356,477,408	\$57,629,417,412	
Unfunded Actuarial Accrued Liability		\$8,165,210,520	\$10,021,450,807	\$18,186,661,327	\$ 12,229,623	\$ 726,712,426	\$18,925,603,376	

@ The amounts reported in this schedule do not include contributions for post-employment healthcare benefits.
* After reserve transfers.

**SCHEDULE OF UNFUNDED ACTUARIAL ACCRUED LIABILITY@
FOR COMPLIANCE WITH GASB STATEMENT NO. 25
TRADITIONAL PLAN**

	December 31, 2009					
	State Group	Local Group	General Group	Public Safety Group	Law Enforcement Group	Total
Accrued Liabilities						
Active and Inactive Members	\$ 14,753,957,336	\$21,530,580,909	\$36,284,538,245	\$11,561,809	\$1,533,964,379	\$37,830,064,433
Retirees and Beneficiaries	15,669,810,275	21,325,826,167	36,995,636,442	32,134,474	1,549,225,455	38,576,996,371
Total Accrued Liabilities	\$ 30,423,767,611	\$42,856,407,076	\$73,280,174,687	\$43,696,283	\$3,083,189,834	\$76,407,060,804
Assets						
Active and Inactive Members						
EAF*	\$ 2,073,339,179	\$ 4,595,446,922	\$ 6,668,786,101	\$ (4,240,272)	\$ 355,160,502	\$ 7,019,706,331
ESF	4,537,037,392	6,939,748,008	11,476,785,400	3,578,047	452,510,008	11,932,873,455
Unallocated	39,056,568	57,604,486	96,661,054	55,170	4,131,575	100,847,799
Market Value Adjustment	(43,013,257)	(63,440,202)	(106,453,459)	(60,759)	(4,550,132)	(111,064,350)
Total Active and Inactive Assets	\$ 6,606,419,882	\$11,529,359,214	\$18,135,779,096	\$ (667,814)	\$807,251,953	\$18,942,363,235
Retirees and Beneficiaries						
A & PR Fund*	\$15,131,858,270	\$20,434,615,504	\$35,566,473,774	\$16,528,805	\$1,514,605,921	\$37,097,608,500
SBF Fund*	537,952,005	891,210,663	1,429,162,668	15,605,669	34,619,534	1,479,387,871
Total R&B Assets	\$15,669,810,275	\$21,325,826,167	\$36,995,636,442	\$32,134,474	\$1,549,225,455	\$38,576,996,371
Total Assets	\$22,276,230,157	\$32,855,185,381	\$55,131,415,538	\$31,466,660	\$2,356,477,408	\$57,519,359,606
Unfunded Actuarial Accrued Liability	\$8,147,537,454	\$10,001,221,695	\$18,148,759,149	\$ 12,229,623	\$ 726,712,426	\$18,887,701,198

@ The amounts reported in this schedule do not include contributions for post-employment healthcare benefits.
* After reserve transfers.

**SCHEDULE OF UNFUNDED ACTUARIAL ACCRUED LIABILITY@
FOR COMPLIANCE WITH GASB STATEMENT NO. 25
COMBINED PLAN**

	December 31, 2009					
	State Group	Local Group	General Group	Public Safety Group	Law Enforcement Group	Total
Accrued Liabilities						
Active and Inactive Members	\$ 58,916,872	\$ 88,535,743	\$ 147,452,615			\$ 147,452,615
Retirees and Beneficiaries	24,151	230,548	254,699			254,699
Total Accrued Liabilities	\$ 58,941,023	\$ 88,766,291	\$ 147,707,314			\$ 147,707,314
Assets						
Active and Inactive Members						
EAF*	\$38,594,979	\$63,511,037	\$102,106,016			\$102,106,016
ESF	283,828	485,150	768,978			768,978
Unallocated	0	0	0			0
Market Value Adjustment	2,535,875	4,186,597	6,722,472			6,722,472
Total Active and Inactive Assets	\$41,414,682	\$68,182,784	\$109,597,466			\$109,597,466
Retirees and Beneficiaries						
A & PR Fund*	\$ 24,151	\$ 230,548	\$ 254,699			\$ 254,699
SBF Fund*	0	0	0			0
Total R&B Assets	\$ 24,151	\$ 230,548	\$ 254,699			\$ 254,699
Total Assets	\$41,438,833	\$68,413,332	\$109,852,165			\$109,852,165
Unfunded Actuarial Accrued Liability	\$ 17,502,190	\$ 20,352,959	\$ 37,855,149			\$ 37,855,149

@ The amounts reported in this schedule do not include contributions for post-employment healthcare benefits.
* After reserve transfers.

**SCHEDULE OF UNFUNDED ACTUARIAL ACCRUED LIABILITY@
FOR COMPLIANCE WITH GASB STATEMENT NO. 25
MEMBER DIRECTED PLAN**

	December 31, 2009					Total
	State Group	Local Group	General Group	Public Safety Group	Law Enforcement Group	
Accrued Liabilities						
Active and Inactive Members	\$ 0	\$ -	\$ -			\$ -
Retirees and Beneficiaries	9,655	243,015	252,670			252,670
Total Accrued Liabilities	\$9,655	\$ 243,015	\$ 252,670			\$ 252,670
Assets						
Active and Inactive Members						
EAF*	(\$172,620)	\$127,982	(\$44,638)			(\$44,638)
ESF	(54)	(44)	(98)			(98)
Unallocated	0	0	0			0
Market Value Adjustment	1,798	(4,091)	(2,293)			(2,293)
Total Active and Inactive Assets	(\$170,876)	\$123,847	(\$47,029)			(\$47,029)
Retirees and Beneficiaries						
A & PR Fund*	\$9,655	\$ 243,015	\$ 252,670			\$ 252,670
SBF Fund*	0	0	0			0
Total R&B Assets	\$9,655	\$ 243,015	\$ 252,670			\$ 252,670
Total Assets	(\$161,221)	\$ 366,862	\$ 205,641			\$ 205,641
Unfunded Actuarial Accrued Liability	\$170,876	\$ (123,847)	\$ 47,029			\$ 47,029

@ The amounts reported in this schedule do not include contributions for post-employment healthcare benefits.
* After reserve transfers.

**REQUIRED SUPPLEMENTARY INFORMATION
FOR COMPLIANCE WITH GASB STATEMENT NO. 25**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest valuation date follows:

Valuation date	December 31, 2009
Actuarial cost method	Individual entry age
Amortization method for unfunded actuarial accrued liabilities	Level percent open
Equivalent Single Amortization Period (Years from December 31, 2010)	
Traditional Plan	30
Combined Plan	4
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases including wage inflation at 4.0%	4.5% - 10.3%
Cost-of-living adjustments	3.0% simple

Membership of the Traditional and Combined Plans consisted of the following at December 31, 2009, the date of the latest actuarial valuation:

	Traditional	Combined	Member Directed	Total
Retirees and beneficiaries receiving benefits	174,637	12	10	174,659
Terminated plan members entitled to but not yet receiving benefits				
Less than 5 years of service	352,134	762	0	352,896
5 or more years of service	30,422	253	0	30,675
Total	<u>382,556</u>	<u>1,015</u>	<u>0</u>	<u>383,571</u>
Active plan members				
Less than 5 years of service	137,419	3,473	0	140,892
5 or more years of service	204,358	2,862	0	207,220
Total	<u>341,777</u>	<u>6,335</u>	<u>0</u>	<u>348,112</u>
Total				
Less than 5 years of service	489,553	4,235	0	493,788
5 or more years of service	409,417	3,127	0	412,554
Total	<u>898,970</u>	<u>7,362</u>	<u>0</u>	<u>906,342</u>

GRS

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