

REPORT ON THE  
SIXTIETH ACTUARIAL VALUATION  
OF THE STATE TEACHERS'  
RETIREMENT SYSTEM OF VERMONT  
PREPARED AS OF JUNE 30, 2007

OCTOBER 24, 2007



October 24, 2007

Board of Trustees  
State Teachers' Retirement System of Vermont  
Montpelier, Vermont 05609

Dear Board Members:

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

The sixtieth actuarial valuation of the system, prepared as of June 30, 2007, has now been completed and the results are presented in this report, together with our recommendations in regard to contributions payable by the State.

On the basis of the current valuation, we recommend that a normal contribution of 5.16% of covered compensation and a payment of \$14,625,964 towards the liquidation of the unfunded accrued liability be made. Based on the reported payroll, the total contribution amounts to \$41,204,051 for the year beginning July 1, 2007. Schedule G provides the estimated contributions for the following two fiscal years.

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

Respectfully submitted,

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

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REPORT ON THE SIXTIETH ACTUARIAL VALUATION OF THE  
STATE TEACHERS' RETIREMENT SYSTEM OF VERMONT  
PREPARED AS OF JUNE 30, 2007

SECTION I - SUMMARY OF PRINCIPAL RESULTS

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

Valuation Date	June 30, 2006	June 30, 2007
Active members		
Vested	8,020	7,977
Not vested	<u>2,676</u>	<u>2,698</u>
Total	10,696	10,675
Compensation	\$499,044,327	\$515,572,694
Average age	46.73	46.88
Average service	13.58	13.66
Average compensation	\$46,657	\$48,297
Retired members and beneficiaries		
Number	4,879	5,192
Annual retirement allowances	\$66,776,433	\$74,726,093
Inactive members	2,777	2,901
Terminated vested members	759	741
Adjusted assets for valuation	\$1,427,393,070	\$1,541,859,577
Unfunded actuarial accrued liability	\$259,108,435	\$274,790,333
Annual actuarial accrued liability contribution	\$13,505,843	\$14,625,964
Normal contribution rate	5.09%	5.16%

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

SECTION II - MEMBER DATA

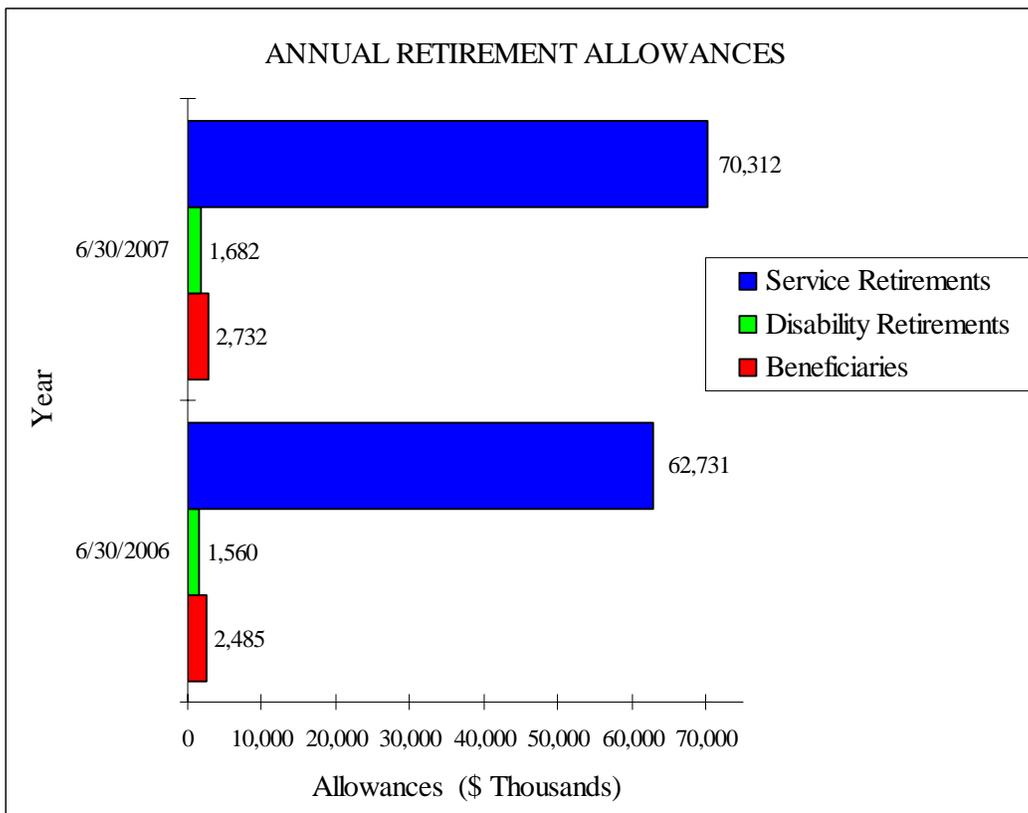
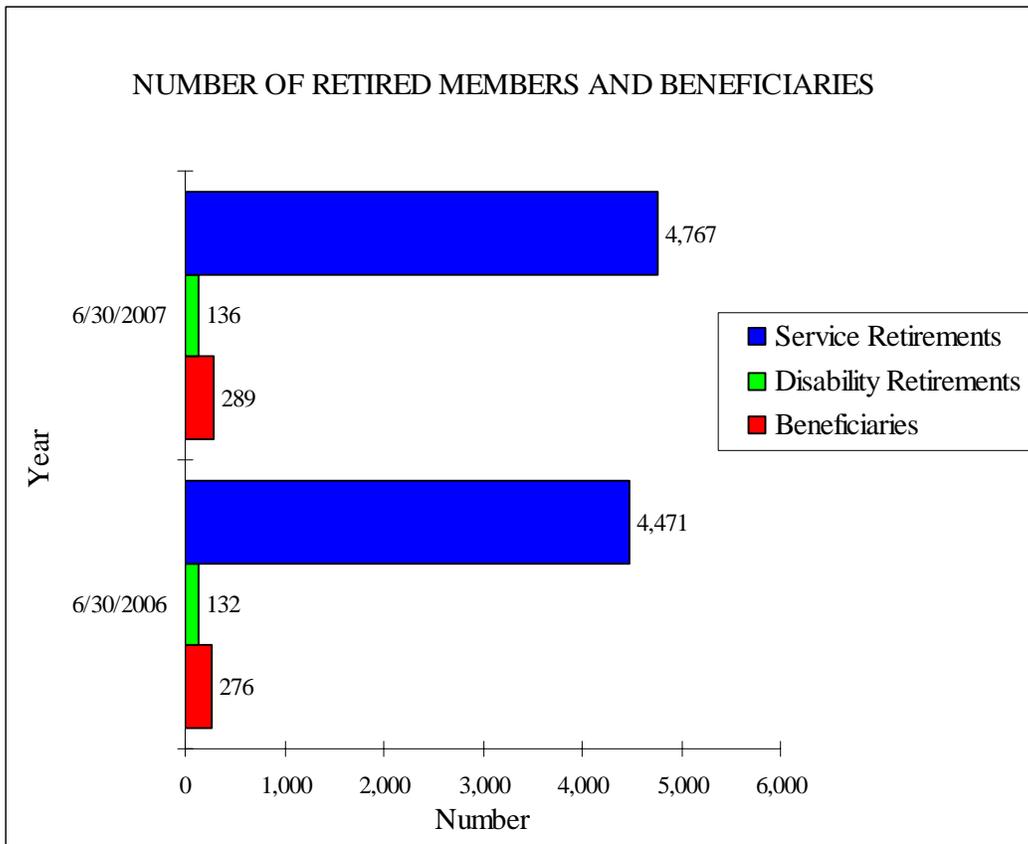
1. Member data were furnished by the Retirement Division of the State Treasurer's Office.
2. Schedule D presents tables that summarize active members, by age and service and service pensioners, disability pensioners and beneficiaries by annual benefit levels.
3. The following tables show a summary of membership of the system:

THE NUMBER AND ANNUAL ALLOWANCES OF RETIRED MEMBERS  
AND BENEFICIARIES AS OF JUNE 30, 2007

Group	Number	Annual Allowances
Service Retirements	4,767	\$70,312,140
Disability Retirements	136	\$1,682,287
Beneficiaries of Deceased Members	289	\$2,731,666
<b>TOTAL</b>	<b>5,192</b>	<b>\$74,726,093</b>

THE NUMBER AND ANNUAL COMPENSATION OF  
ACTIVE MEMBERS AS OF JUNE 30, 2007

Group	Number	Annual Allowances
Group A	37	\$2,229,354
Group C	10,638	\$513,343,340
<b>TOTAL</b>	<b>10,675</b>	<b>\$515,572,694</b>



SECTION III - ASSETS

1. The asset values and cash flow amounts shown below were taken from reports supplied by the Office of the State Treasurer. The information contained in the reports has not yet been audited but is believed to be sufficiently accurate for purposes of this valuation.
2. For actuarial purposes, the assets are valued using a method that reflects the market value of assets through gradual recognition of return on assets that differ from the assumed 8.25% rate of return, provided the adjusted asset value is within 20% of the market value. The following shows the development of the valuation assets.

Assets for valuation purposes, June 30, 2006			\$ 1,427,393,070
Cash flow during year (net of investment income)			
Contributions paid	\$	61,968,307	
Benefit payouts		76,196,890	
Expenses		19,773,507	
	Net		(34,002,090)
Expected investment income (8.25%)			122,169,097
Preliminary asset value			\$ 1,515,560,077
Market value, June 30, 2007	\$	1,647,057,577	
Preliminary asset value		1,515,560,077	
Unrecognized appreciation	\$	131,497,500	
Adjustment		x 20%	\$ 26,299,500
Assets for valuation purposes, June 30, 2007			\$ 1,541,859,577

3. The assets for valuation purposes are 93.6% of market value.
4. The investment rate of return for the year ending June 30, 2007, is 10.53%, based on the valuation assets.

SECTION IV - COMMENTS ON VALUATION

1. Schedule A of the report contains the valuation balance sheet, which shows the present and prospective assets and liabilities of the system as of June 30, 2007.
2. The adjusted assets of the system amount to \$1,541,859,577.
3. The actuarial accrued liability for current retired members, terminated vested members and beneficiaries amounts to \$795,812,367, and the actuarial accrued liability for current active and inactive members amounts to \$1,020,837,543, for a total actuarial accrued liability of \$1,816,649,910. Therefore, after subtracting assets of \$1,541,859,577, the unfunded actuarial accrued liability is \$274,790,333.
4. The State's contributions consist of a normal contribution and an accrued liability contribution. The accrued liability contribution represents the amount (assumed to increase by 5% each year) necessary to liquidate the unfunded accrued liability as of June 30, 2007, over a 29-year period from that date. Normal contributions represent the contributions needed to fund the benefits earned during the year. Under the Entry Age Normal funding method, the normal contribution as of June 30, 2007, is \$26,578,087, or 5.16% of members' compensation.
5. The expected unfunded actuarial accrued liability as of June 30, 2007, may be compared to the actual actuarial accrued liability to determine the gain or loss during the year. The following table presents a summary of the approximate effects of major experience factors affecting the system's unfunded actuarial accrued liability since June 30, 2006:

1.	Unfunded liability 6/30/2006	\$259,108,435
2.	Normal Cost	41,245,249
3.	Contribution	(61,968,307)
4.	Interest on 1, 2 and 3	22,273,639
5.	Expected Unfunded Liability, 6/30/2007	260,659,016
6.	Accrued Liability, 6/30/2007	1,816,649,910
7.	Actuarial Value of Assets, 6/30/2007	1,541,859,577
8.	Actual Unfunded Liability, 7. - 8.	274,790,333
9.	Total gain/(loss), 5. - 9.	(\$14,131,317)

Sources of Gain/(Loss)	
Investment experience	\$32,083,462
Expenses	(20,573,000)
Retirement experience	(50,324,971)
Termination experience	46,207,757
Mortality among active participants	688,956
Mortality among retirees, beneficiaries and terminated vested participants	(11,938,469)
COLA experience	217,412
Salary experience	3,581,940
New entrants with prior service	<u>(14,074,404)</u>
Total	(\$14,131,317)

SECTION V - CONTRIBUTIONS PAYABLE UNDER THE SYSTEM

1. Section 1942, Subsection (n), of Title 16, Chapter 55, Vermont Statutes Annotated, relating to the State Teachers' Retirement System of Vermont, indicates that the actuary shall submit to the Board of Trustees his recommendation as to the contributions payable by the State based on annual valuations of the assets and liabilities of the system.
2. On the basis of the results of the current valuation, the actuary recommends that the Board of Trustees certify the following contributions for the fiscal year commencing July 1, 2007:

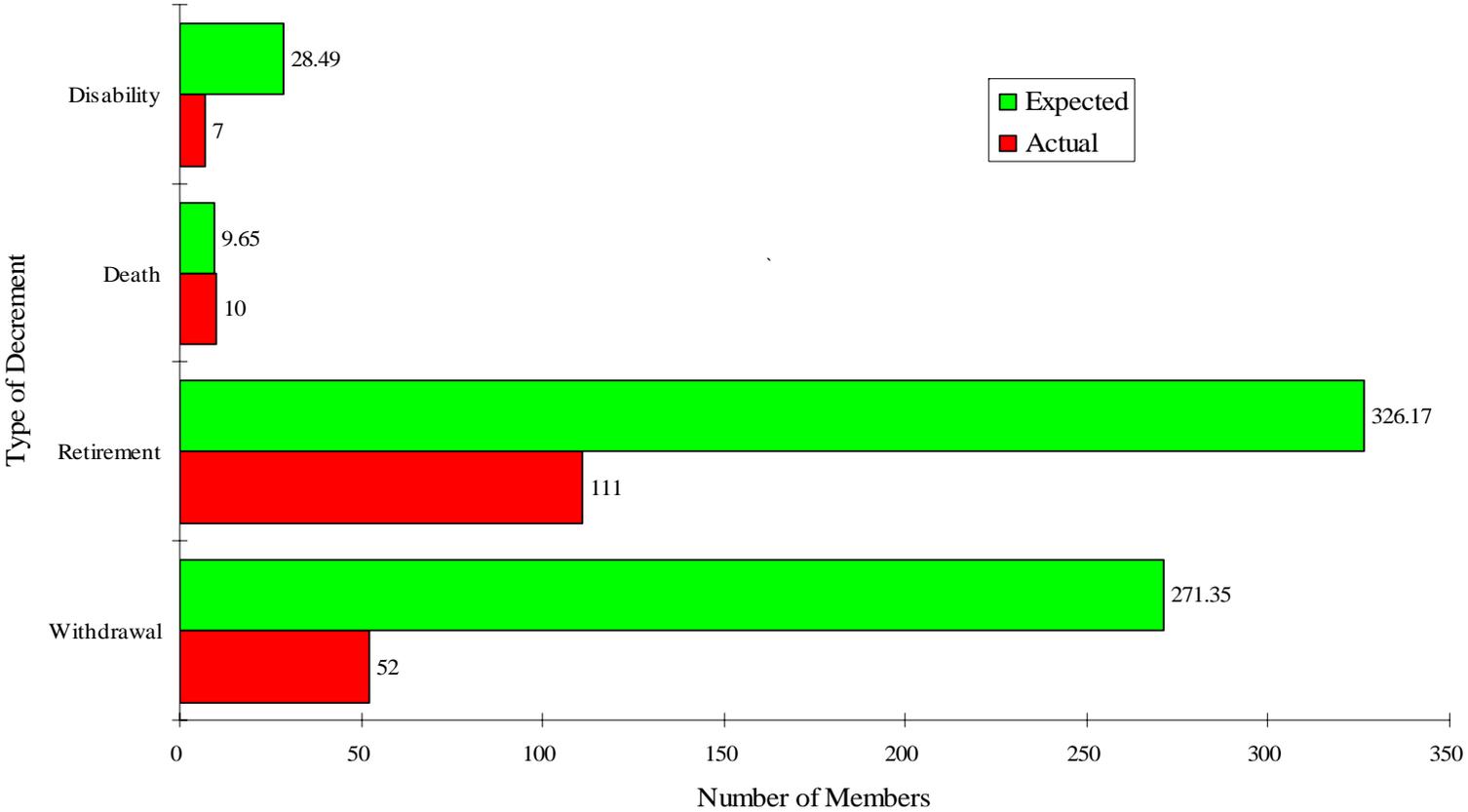
Normal contribution	\$26,578,087
Accrued liability contribution	<u>14,625,964</u>
Total	\$41,204,051

SECTION VI - EXPERIENCE

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

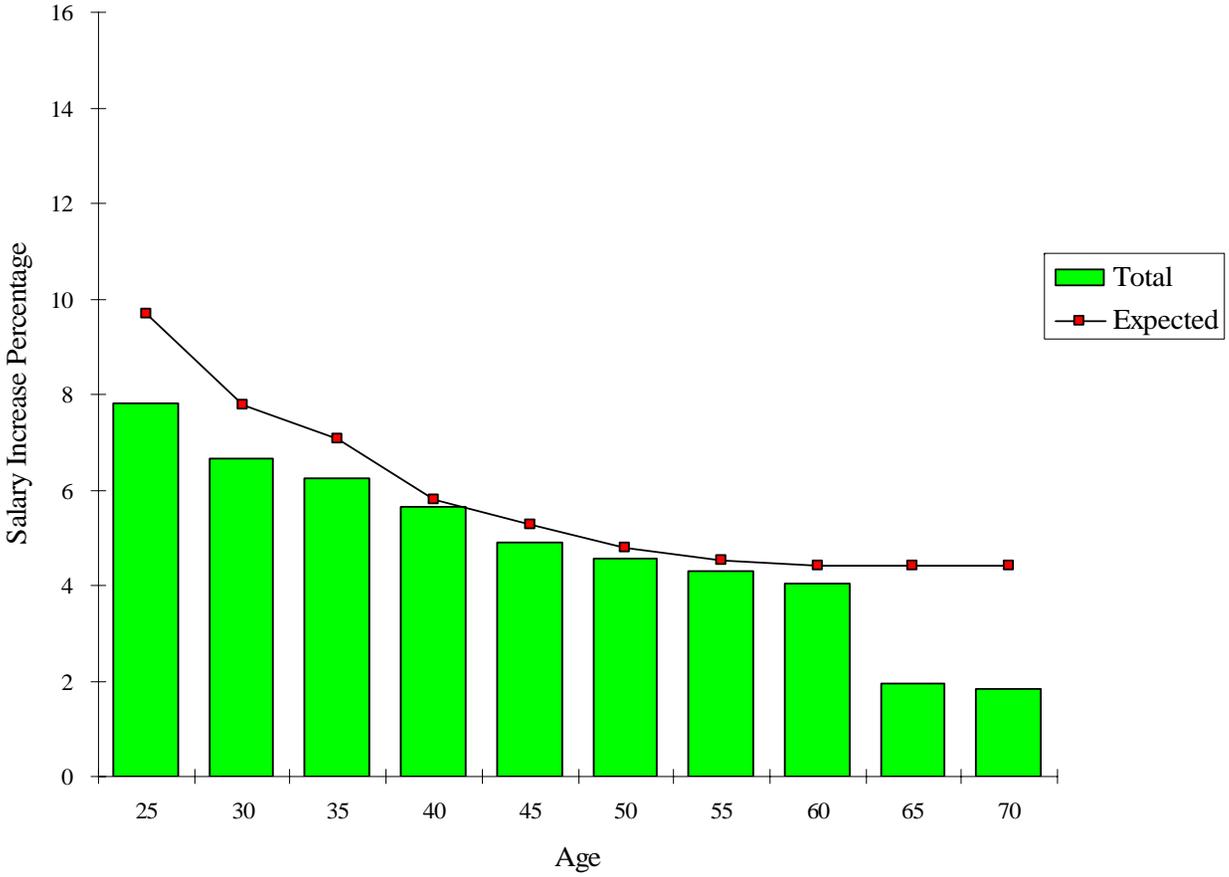
### ACTIVE SERVICE EXPERIENCE

July 1, 2006  
through June 30, 2007



**SALARY EXPERIENCE**

JULY 1, 2006 THROUGH JUNE 30, 2007



SECTION VII - ACCOUNTING INFORMATION

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

**SCHEDULE OF FUNDING PROGRESS**

(dollar amounts in thousands)

Year Ending June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2007	\$1,541,860	\$1,816,650	\$274,790	84.9%	\$515,573	53.3%
2006 <sup>1</sup>	1,427,393	1,686,502	259,108	84.6%	499,044	51.9%
2005	1,354,006	1,492,150	138,144	90.7%	468,858	29.5%
2004	1,284,833	1,424,662	139,829	90.2%	453,517	30.8%
2003	1,218,001	1,358,822	140,821	89.6%	437,239	32.2%
2002	1,169,294	1,307,202	137,908	89.5%	418,904	32.9%
2001	1,116,846	1,254,341	137,496	89.0%	403,258	34.1%
2000	1,037,466	1,174,087	136,621	88.4%	387,999	35.2%
1999	931,056	1,066,400	135,343	87.3%	372,299	36.4%
1998	821,977	955,694	133,717	86.0%	357,899	37.4%
1997	717,396	849,179	131,783	84.5%	364,695	36.1%
1996	570,776	700,377	129,601	81.5%	355,895	36.4%
1995	520,850	648,052	127,202	80.4%	346,975	36.7%
1994	473,229	597,851	124,622	79.2%	335,155	37.2%

<sup>1</sup>The System's funding method was changed from Entry Age Normal with Frozen Initial Liability to Entry Age Normal effective with the 2006 actuarial valuation.

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

DEVELOPMENT OF PENSION COST AND NET PENSION OBLIGATION (NPO)

Year Ending June 30	Annual Required Contribution	Interest on NPO	Amortization of NPO	Pension Cost (1)+(2)-(3)	Actual Contribution	Change in NPO (4)-(5)	NPO Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1994	25,805,408	2,772,593	2,970,742	25,607,259	20,580,000	5,027,259	37,646,002
1995	27,451,926	3,199,910	3,544,821	27,107,015	18,080,000	9,027,015	46,673,017
1996	28,711,597	3,967,206	4,374,228	28,304,575	11,480,000	16,824,575	63,497,592
1997	30,721,768	5,397,295	6,111,414	30,007,649	18,080,000	11,927,649	75,425,241
1998	26,927,205	6,411,145	6,285,437	27,052,913	18,106,581	8,946,332	84,371,573
1999	20,723,874	7,171,584	8,231,373	19,664,085	18,080,000	1,584,085	85,955,658
2000	19,936,345	7,306,231	8,385,918	18,856,658	18,586,240	270,418	86,226,076
2001	20,970,278	7,329,216	8,412,300	19,887,194	19,143,827	743,367	86,969,443
2002	22,146,880	7,392,403	8,484,824	21,054,459	20,446,282	608,177	87,577,620
2003	28,279,810	7,444,098	8,012,591	27,711,317	20,446,282	7,265,035	94,842,655
2004	41,658,946	7,587,412	8,677,279	40,569,079	24,446,282	16,122,797	110,965,452
2005	47,714,318	8,877,326	9,828,765	46,762,879	24,446,282	22,316,507	133,282,049
2006	56,627,046	10,662,467	11,805,450	55,484,063	24,985,506	30,498,557	163,780,606
2007	38,929,729	13,511,900	8,536,948	43,904,682	38,496,410	5,408,272	169,188,878

3. The Annual Required Contribution for fiscal year 2007 is derived as follows:

\$25,423,886 Product of the normal rate from the 2006 valuation report (5.09%) and payroll (\$499,044,327)

\$13,505,843 Amortization of unfunded liability (see amortization chart in 2006 valuation report)

\$38,929,729

SCHEDULE A

VALUATION BALANCE SHEET  
SHOWING THE ASSETS AND LIABILITIES OF THE  
STATE TEACHERS' RETIREMENT SYSTEM OF VERMONT  
PREPARED AS OF JUNE 30, 2007

VALUATION BALANCE SHEET  
 SHOWING THE ASSETS AND LIABILITIES OF THE  
 STATE TEACHERS' RETIREMENT SYSTEM OF VERMONT  
 PREPARED AS OF JUNE 30, 2007

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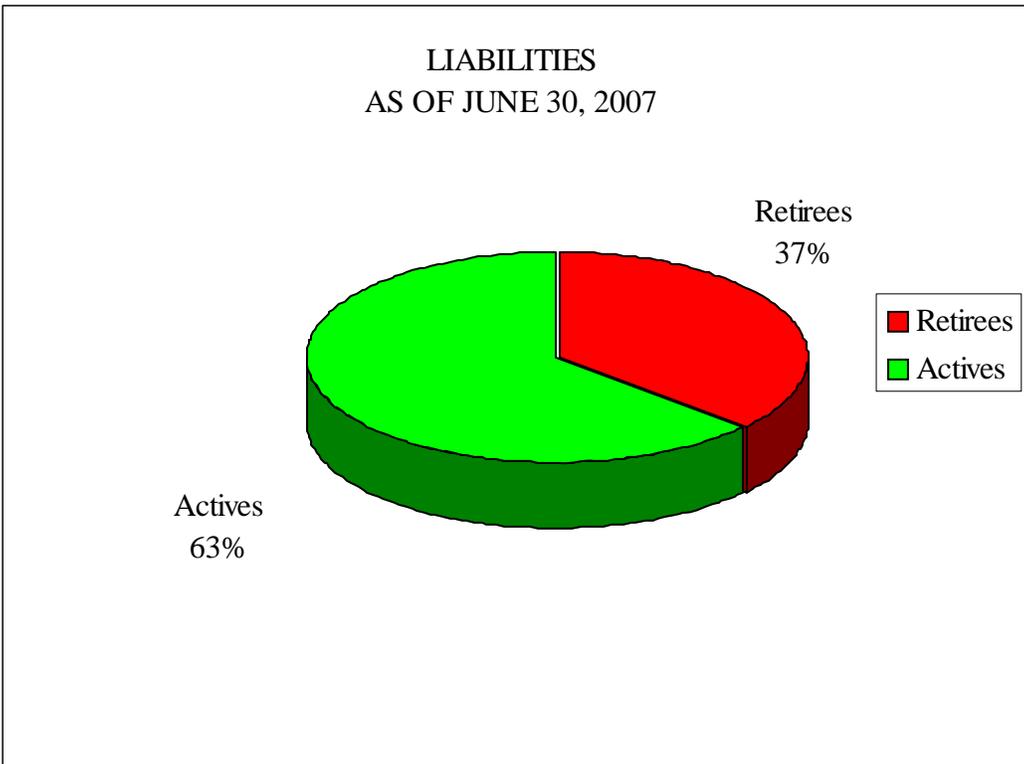
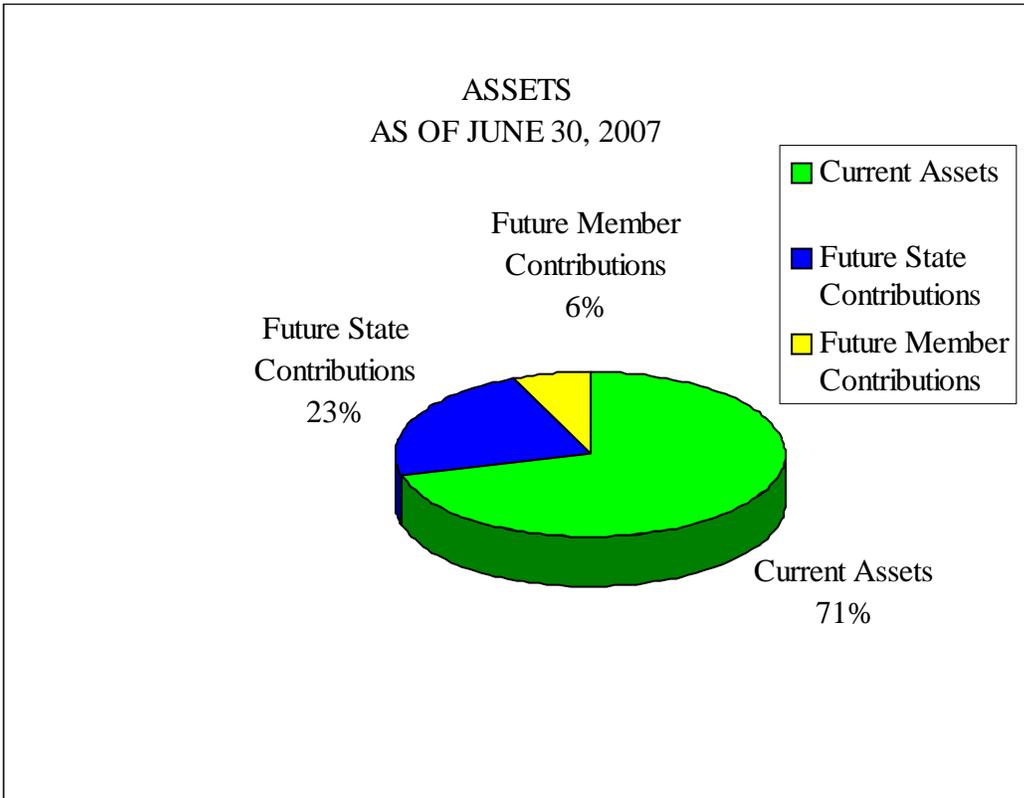
ASSETS

Adjusted assets of the system		\$1,541,859,577
Present value of prospective contributions		
Members	\$141,256,264	
State		
Accrued liability contributions	274,790,333	
Normal contributions	<u>221,501,877</u>	
Total prospective contributions		<u>\$ 637,548,474</u>
Total assets		<u><u>\$2,179,408,051</u></u>

LIABILITIES

Actuarial present value of benefits payable on account of present retired members, terminated vested members and beneficiaries		\$ 795,812,367
Actuarial present value of benefits expected to become payable on account of active and inactive members		<u>1,383,595,684</u>
Total liabilities		<u><u>\$2,179,408,051</u></u>

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SCHEDULE B

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

## OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

INTEREST RATE: 8.25% per annum, compounded annually.

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

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

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

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

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

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

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

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

**INFLATION:** The separately stated assumptions for investment return, salary increases and cost of living adjustments are consistent with an expected annual inflation rate of 3.00% to 3.25% per year.

**FUTURE EXPENSES:** No provision made.

**ACTUARIAL COST METHOD:** The costs of the Plan have been determined in accordance with the individual entry age normal actuarial cost method. For actuarial valuations prior to June 30, 2006, entry age normal cost with frozen initial liability was used.

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

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

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

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

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

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

SCHEDULE C

BRIEF SUMMARY OF PRINCIPAL PLAN PROVISIONS  
AS INTERPRETED FOR VALUATION PURPOSES

BRIEF SUMMARY OF PRINCIPAL PLAN PROVISIONS  
AS INTERPRETED FOR VALUATION PURPOSES

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

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

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

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

SCHEDULE D

SUMMARY TABLES OF MEMBER DATA AS OF JUNE 30, 2007

TABLE 1  
THE NUMBER AND ANNUAL COMPENSATION OF  
ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE  
AS OF JUNE 30, 2007

AGE	<i>0 to 4</i>		<i>5 to 9</i>		<i>10 to 14</i>		<i>15 to 19</i>		<i>20 to 24</i>		<i>25 to 29</i>		<i>30 to 34</i>		<i>35 to 39</i>		<i>40 &amp; up</i>		<i>Total</i>	
	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary
Under 20	1	29,617	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	29,617
20 to 24	130	3,820,616	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	130	3,820,616
25 to 29	609	20,510,754	137	5,171,003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	746	25,681,757
30 to 34	490	17,412,472	481	19,788,272	62	2,904,766	0	0	0	0	0	0	0	0	0	0	0	0	1,033	40,105,510
35 to 39	366	13,377,680	423	18,492,584	327	16,188,340	60	3,199,098	0	0	0	0	0	0	0	0	0	0	1,176	51,257,702
40 to 44	302	11,245,086	306	13,703,088	260	13,250,567	222	12,115,798	67	3,742,569	0	0	0	0	0	0	0	0	1,157	54,057,108
45 to 49	321	11,889,832	329	15,016,805	238	12,226,030	250	13,505,186	293	16,700,612	78	4,686,209	3	167,915	0	0	0	0	1,512	74,192,589
50 to 54	232	8,522,865	341	15,795,118	293	14,895,920	312	17,495,199	305	17,914,532	400	24,147,693	100	6,010,796	0	0	0	0	1,983	104,782,123
55 to 59	161	6,085,701	244	11,543,889	257	13,048,621	316	17,308,557	344	19,767,321	321	19,852,419	344	21,228,603	37	2,327,852	0	0	2,024	111,162,963
60 to 64	71	2,833,712	87	4,046,011	88	4,416,034	124	6,773,741	149	8,546,717	123	7,490,094	103	6,478,610	55	3,503,706	9	535,419	809	44,624,044
65 to 69	8	410,647	12	572,505	13	656,344	14	810,202	14	862,543	8	532,001	13	877,467	7	457,408	3	186,655	92	5,365,772
70 & up	7	257,395	3	125,227	0	0	0	0	1	56,930	0	0	0	0	1	53,341	0	0	12	492,893
TOTAL	2,698	96,396,377	2,363	104,254,502	1,538	77,586,622	1,298	71,207,781	1,173	67,591,224	930	56,708,416	563	34,763,391	100	6,342,307	12	722,074	10,675	515,572,694

TABLE 2  
THE NUMBER AND ANNUAL COMPENSATION OF  
ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE  
AS OF JUNE 30, 2007

GROUP A

AGE	<i>0 to 4</i>		<i>5 to 9</i>		<i>10 to 14</i>		<i>15 to 19</i>		<i>20 to 24</i>		<i>25 to 29</i>		<i>30 to 34</i>		<i>35 to 39</i>		<i>40 &amp; up</i>		<i>Total</i>		
	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 to 24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45 to 49	0	0	0	0	0	0	0	0	3	168,583	2	116,227	2	116,871	0	0	0	0	7	401,681	
50 to 54	0	0	0	0	0	0	1	45,208	1	60,920	8	477,381	1	46,314	0	0	0	0	11	629,823	
55 to 59	0	0	0	0	0	0	0	0	2	113,167	3	185,281	2	103,541	2	152,390	0	0	9	554,379	
60 to 64	0	0	0	0	0	0	0	0	0	0	4	219,510	2	128,791	3	221,978	0	0	9	570,279	
65 to 69	0	0	0	0	0	0	0	0	1	73,192	0	0	0	0	0	0	0	0	1	73,192	
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	1	45,208	7	415,862	17	998,399	7	395,517	5	374,368	0	0	37	2,229,354	

TABLE 3  
THE NUMBER AND ANNUAL COMPENSATION OF  
ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE  
AS OF JUNE 30, 2007

GROUP C

AGE	<i>0 to 4</i>		<i>5 to 9</i>		<i>10 to 14</i>		<i>15 to 19</i>		<i>20 to 24</i>		<i>25 to 29</i>		<i>30 to 34</i>		<i>35 to 39</i>		<i>40 &amp; up</i>		<i>Total</i>	
	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary
Under 20	1	29,617	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	29,617
20 to 24	130	3,820,616	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	130	3,820,616
25 to 29	609	20,510,754	137	5,171,003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	746	25,681,757
30 to 34	490	17,412,472	481	19,788,272	62	2,904,766	0	0	0	0	0	0	0	0	0	0	0	0	1,033	40,105,510
35 to 39	366	13,377,680	423	18,492,584	327	16,188,340	60	3,199,098	0	0	0	0	0	0	0	0	0	0	1,176	51,257,702
40 to 44	302	11,245,086	306	13,703,088	260	13,250,567	222	12,115,798	67	3,742,569	0	0	0	0	0	0	0	0	1,157	54,057,108
45 to 49	321	11,889,832	329	15,016,805	238	12,226,030	250	13,505,186	290	16,532,029	76	4,569,982	1	51,044	0	0	0	0	1,505	73,790,908
50 to 54	232	8,522,865	341	15,795,118	293	14,895,920	311	17,449,991	304	17,853,612	392	23,670,312	99	5,964,482	0	0	0	0	1,972	104,152,300
55 to 59	161	6,085,701	244	11,543,889	257	13,048,621	316	17,308,557	342	19,654,154	318	19,667,138	342	21,125,062	35	2,175,462	0	0	2,015	110,608,584
60 to 64	71	2,833,712	87	4,046,011	88	4,416,034	124	6,773,741	149	8,546,717	119	7,270,584	101	6,349,819	52	3,281,728	9	535,419	800	44,053,765
65 to 69	8	410,647	12	572,505	13	656,344	14	810,202	13	789,351	8	532,001	13	877,467	7	457,408	3	186,655	91	5,292,580
70 & up	7	257,395	3	125,227	0	0	0	0	1	56,930	0	0	0	0	1	53,341	0	0	12	492,893
TOTAL	2,698	96,396,377	2,363	104,254,502	1,538	77,586,622	1,297	71,162,573	1,166	67,175,362	913	55,710,017	556	34,367,874	95	5,967,939	12	722,074	10,638	513,343,340

TABLE 4

SUMMARY OF RETIRED MEMBER AND BENEFICIARY DATA  
BY LEVEL OF ANNUAL ALLOWANCE AS OF JUNE 30, 2007

ALL TEACHERS

Allowance Level	Service Pensioners		Disability Pensioners		Beneficiaries	
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
0 - 500	6	\$ 1,848	-	\$ -	-	\$ -
501 - 1,000	15	11,243	-	-	1	606
1,001 - 1,500	28	35,691	-	-	4	5,109
1,501 - 2,000	48	86,111	-	-	6	10,762
2,001 - 2,500	75	170,578	-	-	2	4,644
2,501 - 3,000	101	276,697	-	-	11	30,872
3,001 - 3,500	90	292,751	-	-	13	42,922
3,501 - 4,000	125	471,539	-	-	12	44,690
4,001 - 4,500	113	480,095	1	4,493	7	28,916
4,501 - 5,000	134	635,135	-	-	10	47,008
5,001 - 5,500	109	570,628	-	-	9	47,464
5,501 - 6,000	100	576,154	1	5,935	17	98,224
6,001 - 6,500	129	805,799	4	24,957	12	74,603
6,501 - 7,000	103	696,174	3	20,491	5	33,634
7,001 - 7,500	93	676,423	5	35,986	10	73,080
7,501 - 8,000	85	657,469	4	31,055	9	70,010
8,001 - 8,500	109	898,320	6	49,368	16	132,075
8,501 - 9,000	96	838,522	6	52,983	16	140,285
9,001 - 9,500	100	922,481	9	83,217	10	93,111
9,501 - 10,000	87	847,898	6	59,421	6	58,276
10,001 - 10,500	92	942,152	10	102,499	10	103,212
10,501 - 11,000	82	881,521	8	86,191	9	96,663
11,001 - 11,500	76	856,663	4	44,930	8	89,863
11,501 - 12,000	80	939,499	7	82,777	14	164,113
12,001 - 12,500	75	917,028	10	122,718	6	72,823
12,501 - 13,000	71	906,525	6	76,990	4	51,153
13,001 - 13,500	81	1,072,347	3	39,632	2	26,719
13,501 - 14,000	75	1,031,038	5	68,671	7	96,444
14,001 - 14,500	82	1,169,873	3	42,799	4	57,144
14,501 - 15,000	65	958,326	3	44,385	4	59,221
15,001 - 15,500	82	1,252,701	4	60,788	5	76,081
15,501 - 16,000	81	1,275,974	1	15,517	4	63,196
16,001 - 16,500	67	1,091,342	3	48,923	6	97,413
16,501 - 17,000	85	1,424,162	4	67,113	4	66,881
17,001 - 17,500	71	1,224,792	1	17,311	4	68,990
17,501 - 18,000	95	1,685,968	2	35,907	1	17,717
18,001 - 18,500	82	1,497,004	4	72,719	4	72,656
18,501 - 19,000	106	1,984,813	1	18,583	3	55,879
19,001 - 19,500	88	1,694,310	2	38,498	-	-
19,501 - 20,000	94	1,855,197	1	19,845	-	-
20,001 - 20,500	106	2,144,729	3	60,639	2	40,606
20,501 - 21,000	112	2,324,131	1	20,606	3	62,246

TABLE 4, continued

SUMMARY OF RETIRED MEMBER AND BENEFICIARY DATA  
BY LEVEL OF ANNUAL ALLOWANCE AS OF JUNE 30, 2007

ALL TEACHERS

Allowance Level	Service Pensioners		Disability Pensioners		Beneficiaries	
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
21,001 - 21,500	109	2,317,899	-	-	1	21,037
21,501 - 22,000	74	1,611,806	2	43,351	-	-
22,001 - 22,500	80	1,781,607	-	-	2	44,256
22,501 - 23,000	68	1,545,941	-	-	-	-
23,001 - 23,500	49	1,137,533	-	-	-	-
23,501 - 24,000	69	1,637,097	-	-	-	-
24,001 - 24,500	65	1,575,005	-	-	-	-
24,501 - 25,000	69	1,708,256	-	-	1	24,936
25,001 - 25,500	47	1,187,311	-	-	-	-
25,501 - 26,000	49	1,261,982	1	25,923	1	25,694
26,001 - 26,500	56	1,469,918	-	-	-	-
26,501 - 27,000	44	1,175,850	-	-	-	-
27,001 - 27,500	36	981,260	-	-	-	-
27,501 - 28,000	27	748,211	-	-	-	-
28,001 - 28,500	29	817,421	1	28,350	-	-
28,501 - 29,000	31	891,588	1	28,716	-	-
29,001 - 29,500	21	614,442	-	-	-	-
29,501 - 30,000	25	744,776	-	-	-	-
30,001 - 30,500	24	726,353	-	-	-	-
30,501 - 31,000	21	646,072	-	-	-	-
31,001 - 31,500	13	406,776	-	-	-	-
31,501 - 32,000	16	507,781	-	-	1	31,687
32,001 - 32,500	11	354,587	-	-	-	-
32,501 - 33,000	10	326,605	-	-	-	-
33,001 - 33,500	13	432,257	-	-	1	33,053
33,501 - 34,000	9	303,459	-	-	-	-
34,001 - 34,500	7	239,427	-	-	-	-
34,501 - 35,000	11	381,840	-	-	-	-
35,001 - 35,500	6	211,543	-	-	-	-
35,501 - 36,000	6	214,749	-	-	-	-
36,001 - 36,500	3	108,893	-	-	-	-
36,501 - 37,000	5	183,768	-	-	1	36,959
37,001 - 37,500	7	260,958	-	-	-	-
37,501 - 38,000	7	263,953	-	-	-	-
38,001 - 38,500	2	76,480	-	-	-	-
38,501 - 39,000	3	116,681	-	-	1	38,733
39,001 - 39,500	4	157,365	-	-	-	-
39,501 - 40,000	4	159,354	-	-	-	-
Over 40,000	43	1,943,685	-	-	-	-
Total	4,767	\$ 70,312,140	136	\$ 1,682,287	289	\$ 2,731,666

TABLE 5  
 SERVICE PENSIONERS  
 AGE/SERVICE DISTRIBUTION WITH AVERAGE ALLOWANCE AS OF JUNE 30, 2007

Attained Age	Service at termination										Total	
	<5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45+		
< 45	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	3	0	0	0	0	3
	0	0	0	0	0	0	24,285	0	0	0	0	24,285
50-54	2	0	0	0	0	0	49	0	0	0	0	51
	11,498	0	0	0	0	0	24,919	0	0	0	0	24,392
55-59	4	19	53	48	49	5	330	3	0	0	0	511
	6,597	3,871	4,757	8,186	11,306	12,064	24,764	41,557	0	0	0	18,896
60-64	12	37	173	143	141	59	500	67	3	0	0	1,135
	4,111	4,731	5,539	8,691	12,806	15,858	23,491	28,230	34,639	0	0	16,659
65-69	22	33	156	161	164	104	273	88	13	0	0	1,014
	4,005	4,709	6,285	8,996	13,330	17,118	22,108	26,554	28,993	0	0	15,175
70-74	21	29	108	87	111	85	161	73	16	2	0	693
	2,211	5,039	6,046	9,792	11,801	14,937	20,410	23,806	27,576	50,037	0	14,202
75-79	13	27	74	78	80	64	100	65	12	0	0	513
	5,022	3,924	5,129	7,848	11,119	13,549	17,210	21,443	23,099	0	0	12,303
80-84	18	21	51	60	70	42	84	34	9	0	0	389
	4,578	3,152	4,362	6,780	9,019	10,992	16,279	16,790	19,238	0	0	10,237
85-89	10	24	44	41	49	49	38	18	6	4	0	283
	2,140	3,628	5,065	6,443	9,356	11,092	14,202	17,896	15,344	18,760	0	9,280
90-94	3	12	17	16	20	11	19	14	4	2	0	118
	5,048	4,826	6,833	9,460	10,534	15,651	18,022	17,829	18,686	17,529	0	12,078
95+	2	3	3	6	12	8	2	9	11	1	0	57
	2,357	5,091	7,347	10,075	13,982	16,128	18,720	18,903	21,085	17,650	0	15,025
Total Pensioners	107	205	679	640	696	427	1,559	371	74	9	0	4,767
Average Allowance	3,946	4,305	5,606	8,486	11,801	14,565	22,156	23,712	23,934	25,313	0	14,750

TABLE 6  
 DISABILITY PENSIONERS  
 AGE/SERVICE DISTRIBUTION WITH AVERAGE ALLOWANCE AS OF JUNE 30, 2007

Attained Age	Service at termination										Total
	<5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45+	
< 45	0	1	2	0	0	0	0	0	0	0	3
	0	10,065	10,102	0	0	0	0	0	0	0	10,089
45-49	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
50-54	0	1	7	5	2	0	0	0	0	0	15
	0	11,886	9,720	11,322	17,428	0	0	0	0	0	11,426
55-59	0	3	8	9	5	5	0	0	0	0	30
	0	10,760	9,345	13,489	14,408	19,952	0	0	0	0	13,341
60-64	0	1	11	4	8	9	0	0	0	0	33
	0	9,446	12,416	10,462	12,379	19,055	0	0	0	0	13,891
65-69	0	1	4	5	7	4	0	0	0	0	21
	0	17,311	8,766	10,596	12,488	19,133	0	0	0	0	12,824
70-74	0	0	2	3	3	3	0	0	0	0	11
	0	0	9,410	11,730	9,725	12,200	0	0	0	0	10,889
75-79	1	0	1	2	3	2	1	0	0	0	10
	10,398	0	8,062	12,779	7,389	13,952	11,344	0	0	0	10,543
80-84	0	0	3	2	0	3	1	0	0	0	9
	0	0	6,698	9,134	0	14,078	11,547	0	0	0	10,238
85-89	0	0	1	1	1	0	0	1	0	0	4
	0	0	7,661	10,227	4,493	0	0	12,954	0	0	8,834
90-94	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
95+	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
Total Pensioners	1	7	39	31	29	26	2	1	0	0	136
Average Allowance	10,398	11,570	9,981	11,680	12,041	17,482	11,446	12,954	0	0	12,370

SCHEDULE E

AMORTIZATION SCHEDULE FOR THE UNFUNDED ACTUARIAL  
ACCRUED LIABILITY

AMORTIZATION SCHEDULE FOR THE UNFUNDED ACTUARIAL  
ACCRUED LIABILITY

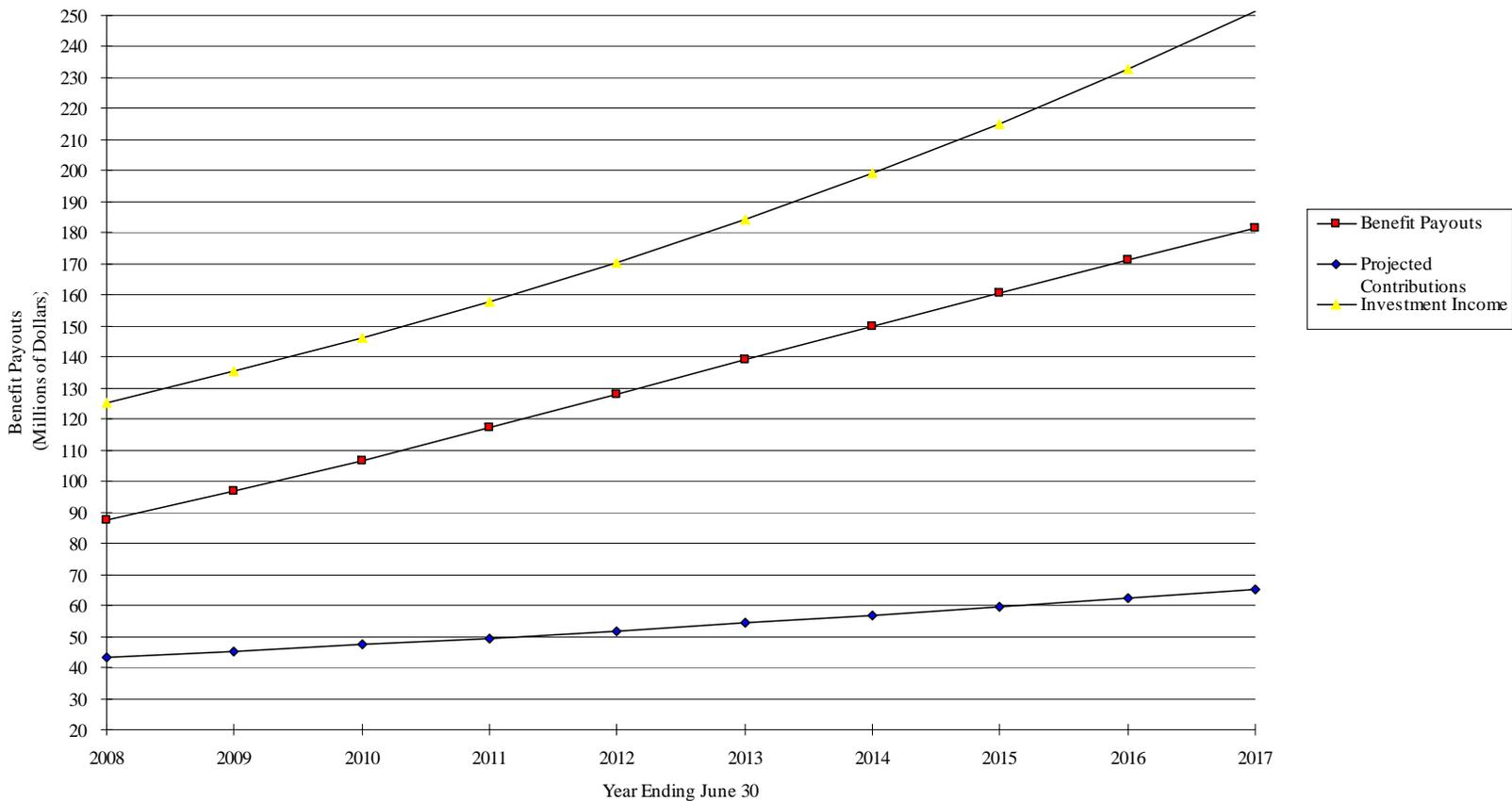
Date	Balance	Contribution (Year Following)
6/30/2007	274,790,333	14,625,964
6/30/2008	282,243,206	15,357,263
6/30/2009	289,550,073	16,125,126
6/30/2010	296,660,848	16,931,382
6/30/2011	303,519,406	17,777,951
6/30/2012	310,062,997	18,666,849
6/30/2013	316,221,596	19,600,191
6/30/2014	321,917,200	20,580,201
6/30/2015	327,063,057	21,609,211
6/30/2016	331,562,831	22,689,672
6/30/2017	335,309,690	23,824,156
6/30/2018	338,185,311	25,015,364
6/30/2019	340,058,799	26,266,132
6/30/2020	340,785,510	27,579,439
6/30/2021	340,205,767	28,958,411
6/30/2022	338,143,468	30,406,332
6/30/2023	334,404,564	31,926,649
6/30/2024	328,775,415	33,522,981
6/30/2025	321,020,984	35,199,130
6/30/2026	310,882,893	36,959,087
6/30/2027	298,077,292	38,807,041
6/30/2028	282,292,558	40,747,393
6/30/2029	263,186,778	42,784,763
6/30/2030	240,385,025	44,924,001
6/30/2031	213,476,394	47,170,201
6/30/2032	182,010,782	49,528,711
6/30/2033	145,495,386	52,005,147
6/30/2034	103,390,904	54,605,404
6/30/2035	55,107,412	57,335,548
6/30/2036	0	0

SCHEDULE F

PROJECTED BENEFIT PAYOUTS AND  
CONTRIBUTIONS FOR THE PERIOD  
JULY 1, 2007 THROUGH JUNE 30, 2017

**PROJECTED BENEFIT PAYOUTS AND CONTRIBUTIONS**

JULY 1, 2007 THROUGH JUNE 30, 2017



SCHEDULE G

PROJECTION OF CONTRIBUTIONS FOR FOLLOWING TWO FISCAL YEARS

**PROJECTION OF CONTRIBUTIONS FOR FOLLOWING TWO FISCAL YEARS**

On the basis of the June 30, 2007, actuarial valuation, the recommended contribution for the fiscal year ending June 30, 2008, is \$41,204,051, based on the following:

Payroll	\$515,572,694
Normal rate	5.16%
Accrued liability contribution	\$14,625,964

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

Fiscal Year	Projected Payroll	Normal Rate	CONTRIBUTIONS		
			Normal	Accrued Liability	Total
2009	\$538,773,465	5.16%	\$27,800,711	\$15,357,263	\$43,157,974
2010	\$563,018,271	5.16%	\$29,051,743	\$16,125,126	\$45,176,869

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