

REPORT ON THE
SIXTY-FIRST ACTUARIAL VALUATION
OF THE STATE TEACHERS'
RETIREMENT SYSTEM OF VERMONT
PREPARED AS OF JUNE 30, 2008

OCTOBER 21, 2008



October 21, 2008

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 sixty-first actuarial valuation of the system, prepared as of June 30, 2008, has now been completed and the results are presented in this report, together with our recommendations in regard to contributions payable by the State. The Table of Contents, which immediately follows, outlines the material contained in this report.

On the basis of the current valuation, we recommend that a normal contribution of 3.54% of covered compensation and a payment of \$20,649,422 towards the liquidation of the unfunded accrued liability be made. Based on the reported payroll, the total contribution amounts to \$39,612,723 for the year beginning July 1, 2008. Schedule G provides the estimated contributions for the following two fiscal years.

I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the Qualification Standards of the Academy to render the actuarial opinions contained herein. This report has been prepared in accordance with all applicable Actuarial Standards of Practice, and I am available to answer questions concerning it.

Respectfully submitted,

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

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REPORT ON THE SIXTY-FIRST ACTUARIAL VALUATION OF THE
STATE TEACHERS' RETIREMENT SYSTEM OF VERMONT
PREPARED AS OF JUNE 30, 2008

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, 2007	June 30, 2008
Active members		
Vested	7,977	7,902
Not vested	<u>2,698</u>	<u>2,783</u>
Total	10,675	10,685
Compensation	\$515,572,694	\$535,807,012
Average age	46.88	46.89
Average service	13.66	13.62
Average compensation	\$48,297	\$50,146
Retired members and beneficiaries		
Number	5,192	5,555
Annual retirement allowances	\$74,726,093	\$82,480,807
Inactive members	2,901	2,929
Terminated vested members	741	705
Adjusted assets for valuation	\$1,541,859,577	\$1,605,461,728
Unfunded actuarial accrued liability	\$274,790,333	\$379,505,069
Annual actuarial accrued liability contribution	\$14,625,964	\$20,649,422
Normal contribution rate	5.16%	3.54%

2. Comments on the results of the valuation are given in Section IV and further discussion of the contribution levels is provided in Section V.
3. As a result of an experience study performed by Buck Consultants and recent decisions by the System's Board of Trustees, changes in the actuarial assumptions used in the valuation have been made effective June 30, 2008. Various decrement tables were changed to more closely reflect the anticipated future experience of the System, and the liability held for inactive members was raised from 150% to 300% of member contributions with interest. As a result of these changes, the actuarial accrued liability developed in the valuation increased by \$45,302,660, while the total normal cost declined by \$8,885,999. 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. The statutes defining benefits payable under the System have been amended since the last valuation to reduce the years of service required for eligibility for an in-service death benefit. This change had a very modest impact on the costs and liabilities developed in the valuation.
5. An analysis of the actuarial experience of the System during the past fiscal year is presented in Section IV of this report. Some aspects of this experience are presented in graphs included in Section VI of this report.
6. Schedule F shows a graph of projected benefit payments over the next ten years.
7. Schedule G shows projected contributions for the two following fiscal years.

SECTION II - MEMBER DATA

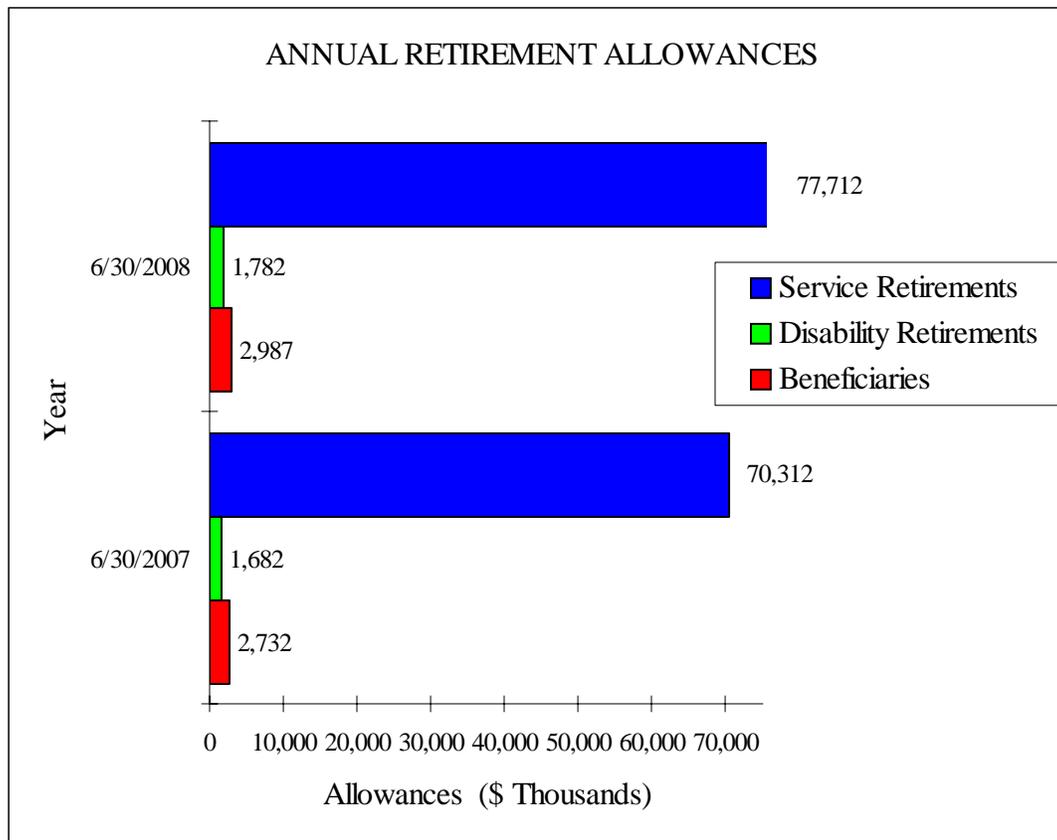
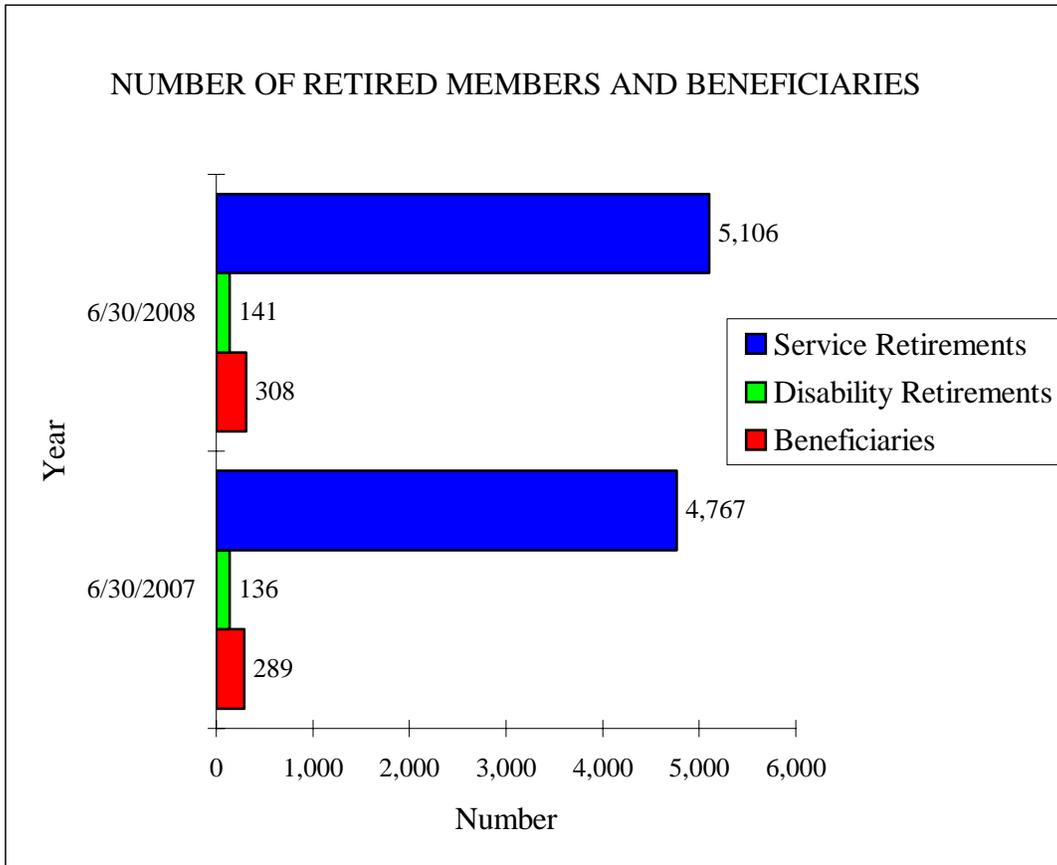
1. Member data were furnished by the Retirement Division of the State Treasurer's Office.
2. Schedule D presents tables that summarize active members, by age and service and service pensioners, disability pensioners and beneficiaries by annual benefit levels.
3. The following tables show a summary of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

THE NUMBER AND ANNUAL ALLOWANCES OF RETIRED MEMBERS
AND BENEFICIARIES AS OF JUNE 30, 2008

Group	Number	Annual Allowances
Service Retirements	5,106	\$77,712,375
Disability Retirements	141	\$1,781,709
Beneficiaries of Deceased Members	308	\$2,986,723
TOTAL	5,555	\$82,480,807

THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS AS OF JUNE 30, 2008

Group	Number	Annual Allowances
Group A	30	\$1,856,156
Group C	10,655	\$533,950,856
TOTAL	10,685	\$535,807,012



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, 2007			\$ 1,541,859,577
Cash flow during year (net of investment income)			
Contributions paid	\$	64,096,137	
Benefit payouts		83,981,022	
Expenses		22,119,263	
	Net		(42,004,148)
Expected investment income (8.25%)			131,641,686
Preliminary asset value			\$ 1,631,497,115
Market value, June 30, 2008	\$	1,501,320,179	
Preliminary asset value		1,631,497,115	
Unrecognized appreciation	\$	(130,176,936)	
Adjustment		X 20%	\$ (26,035,387)
Assets for valuation purposes, June 30, 2008			\$ 1,605,461,728

3. The assets for valuation purposes are 106.9% of market value.
4. The investment rate of return for the year ending June 30, 2008, is 6.94%, 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, 2008.
2. The adjusted assets of the system amount to \$1,605,461,728.
3. The actuarial accrued liability for current retired members, terminated vested members and beneficiaries amounts to \$880,528,729, and the actuarial accrued liability for current active and inactive members amounts to \$1,104,438,068, for a total actuarial accrued liability of \$1,984,966,797. Therefore, after subtracting assets of \$1,605,461,728, the unfunded actuarial accrued liability is \$379,505,069.
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, 2008, over a 28-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, 2008, is \$18,963,301, or 3.54% of members' compensation.
5. The expected unfunded actuarial accrued liability as of June 30, 2008, 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, 2007:

1. Unfunded liability, 6/30/2007	\$274,790,333
2. Normal cost	42,871,112
3. Contribution	(64,096,137)
4. Interest on 1, 2 and 3	23,615,496
5. Expected unfunded liability, 6/30/2008	277,180,804
6. Accrued liability, 6/30/2008	1,984,966,797
7. Actuarial value of assets, 6/30/2008	1,605,461,728
8. Actual unfunded liability, 6. - 7.	379,505,069
9. Total gain/(loss), 5. - 8.	(\$102,324,265)

Sources of gain/(loss)	
Investment experience	\$ (26,035,387)
Expenses other than investment expenses	(16,876,994)
Retirement experience	7,984,293
Termination experience	(18,781,694)
Disability experience	(723,288)
Mortality among active participants	(97,726)
Mortality among retirees, beneficiaries and terminated vested participants.	50,422
Salary experience	(167,082)
COLA experience	1,312,463
New entrants with prior service	(2,655,749)
Changes in actuarial assumptions	(45,302,660)
Changes in death benefit eligibility provisions	(120,335)
Other (Data corrections, service purchases, etc)	(910,528)
Total	(\$102,324,265)

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, 2008:

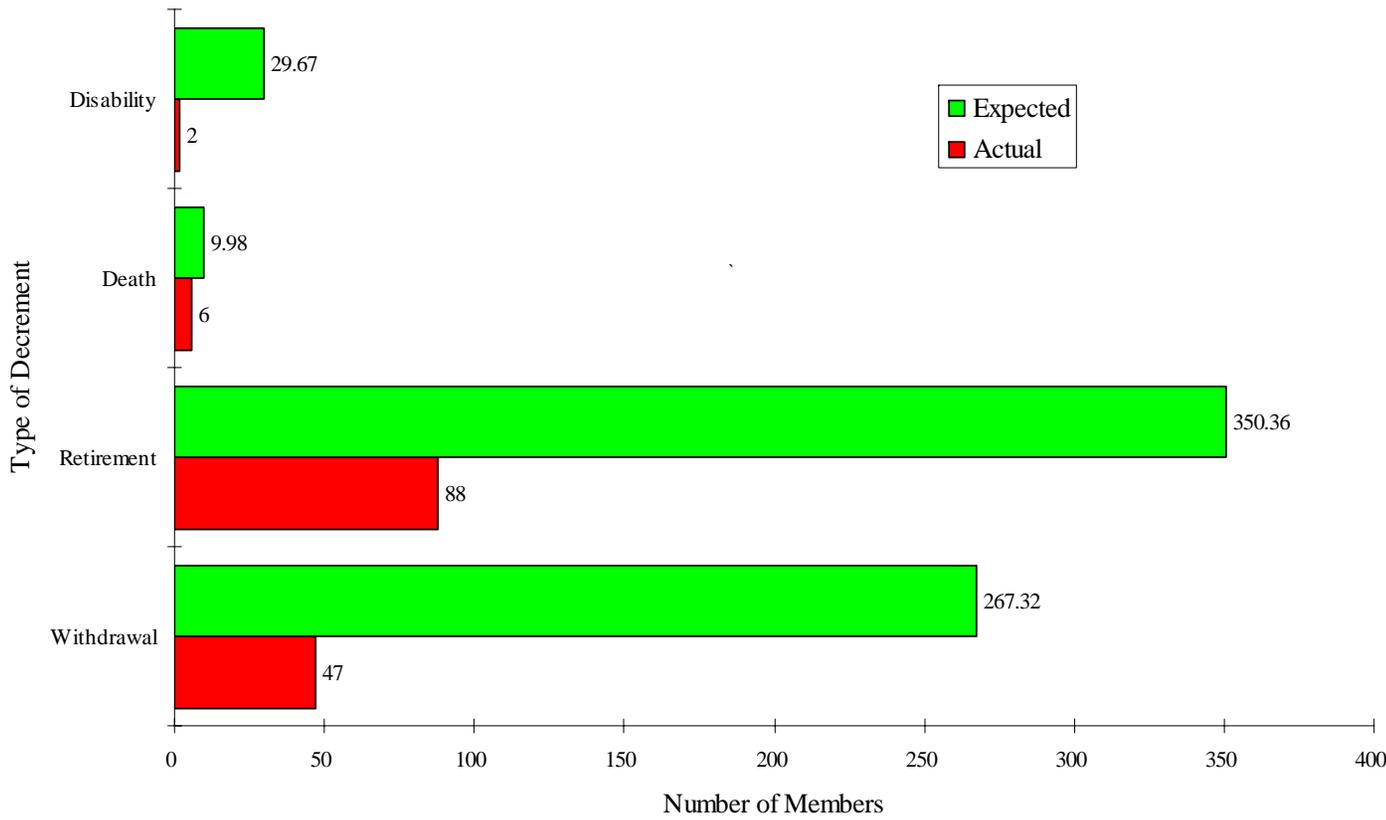
Normal contribution	\$18,963,301
Accrued liability contribution	<u>20,649,422</u>
Total	\$39,612,723

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.

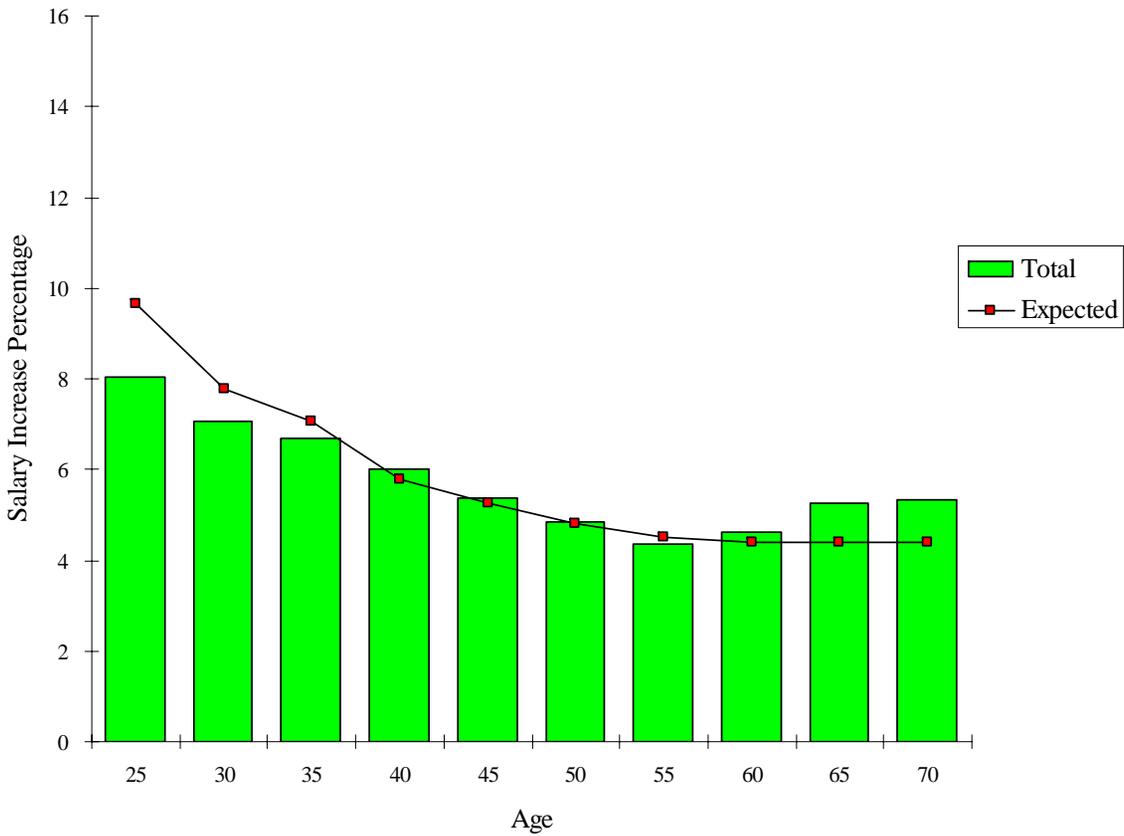
ACTIVE SERVICE EXPERIENCE

July 1, 2007
through June 30, 2008



SALARY EXPERIENCE

JULY 1, 2007 THROUGH JUNE 30, 2008



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)
2008	\$1,605,462	\$1,984,967	\$379,505	80.9%	\$535,807	70.8%
2007	1,541,860	1,816,650	274,790	84.9%	515,573	53.3%
2006 ¹	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%

¹The 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
2008	41,204,051	13,958,082	9,005,231	46,156,902	25,705,566	20,451,336	189,640,214

3. The Annual Required Contribution for fiscal year 2008 is derived as follows:

\$26,578,087 Product of the normal rate from the 2007 valuation report (5.16%) and payroll (\$515,572,694)

\$14,625,964 Amortization of unfunded liability (see amortization chart in 2007 valuation report)

\$41,204,051

SCHEDULE A

VALUATION BALANCE SHEET
SHOWING THE ASSETS AND LIABILITIES OF THE
STATE TEACHERS' RETIREMENT SYSTEM OF VERMONT
PREPARED AS OF JUNE 30, 2008

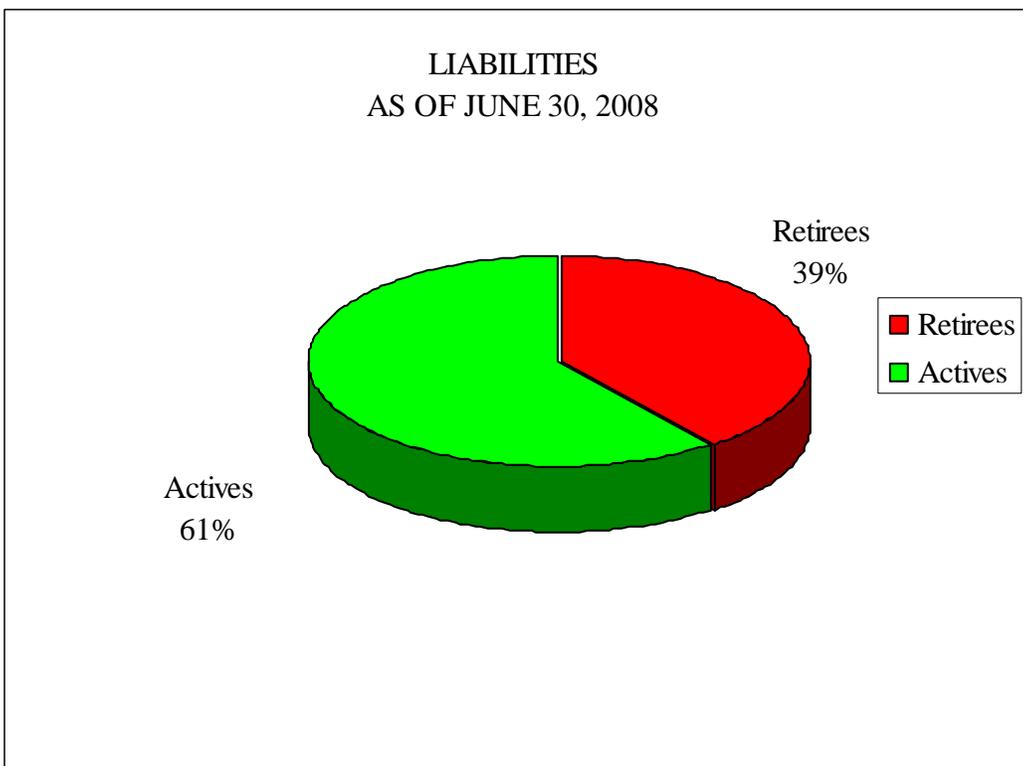
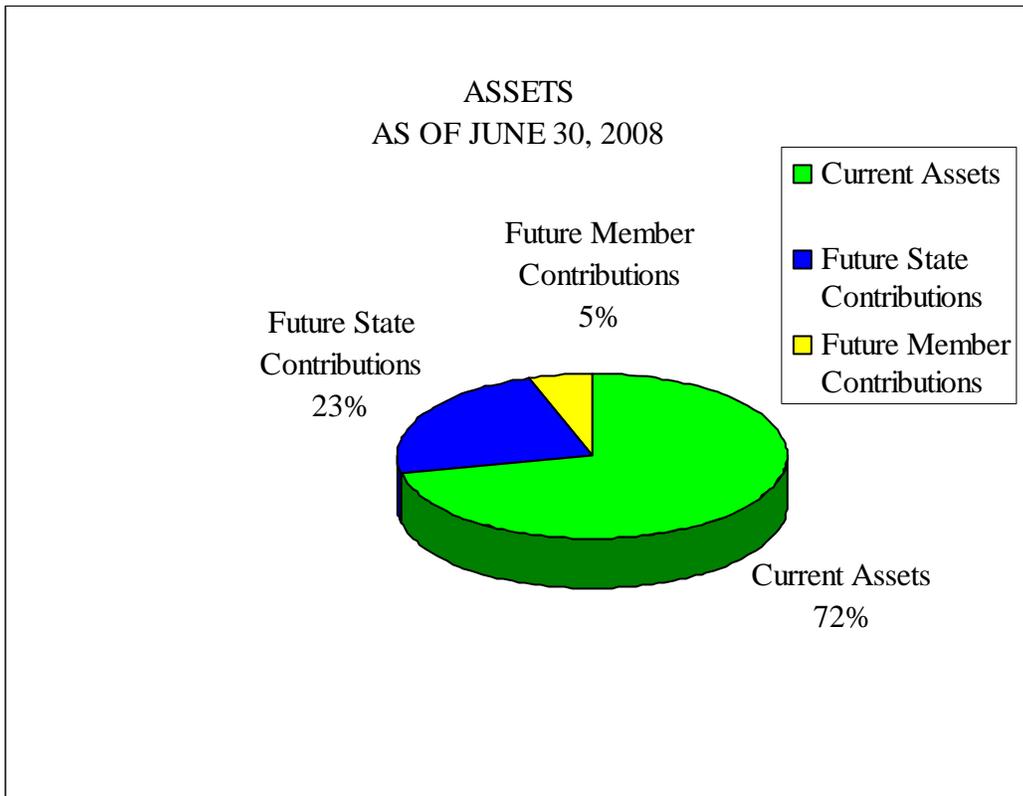
VALUATION BALANCE SHEET
 SHOWING THE ASSETS AND LIABILITIES OF THE
 STATE TEACHERS' RETIREMENT SYSTEM OF VERMONT
 PREPARED AS OF JUNE 30, 2008

ASSETS

Adjusted assets of the system		\$1,605,461,728
Present value of prospective contributions		
Members	\$120,795,362	
State		
Accrued liability contributions	379,505,069	
Normal contributions	<u>132,997,192</u>	
Total prospective contributions		<u>\$ 633,297,623</u>
Total assets		<u>\$2,238,759,351</u>

LIABILITIES

Actuarial present value of benefits payable on account of present retired members, terminated vested members and beneficiaries		\$ 880,528,729
Actuarial present value of benefits expected to become payable on account of active and inactive members		<u>1,358,230,622</u>
Total liabilities		<u>\$2,238,759,351</u>



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	20.00%	20.00%	.010%	.015%	.02%	.02%
30	12.00	14.00	.015	.015	.02	.02
35	8.00	11.30	.020	.015	.02	.02
40	6.50	8.60	.030	.020	.05	.02
45	5.80	6.00	.053	.045	.05	.04
50	5.40	5.00	.180	.180	.07	.06
55	5.40	4.84	.440	.390	.07	.10
59	5.40	4.84	1.170	.710	.09	.14
60	5.40	4.84	1.470	.840	.09	.15
61	5.40	4.84	1.830	1.010	.297	.17

Age	Reduced Early Retirement		Full Early Retirement	
	Males	Females	Males	Females
50	-	-	40.00%	40.00%
55	8.75%	8.75%	20.00	20.00
56	6.25	6.25	10.00	10.00
57	6.25	6.25	10.00	10.00
58	6.25	6.25	10.00	10.00
59	6.25	6.25	10.00	10.00
60	12.50	12.50	30.00	30.00
61	12.50	12.50	17.00	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	25.0%	25.0%
63	20.0	20.0
64	20.0	20.0
65	30.0	30.0
66	30.0	30.0
67	30.0	30.0
68	20.0	20.0
69	30.0	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 individual entry age normal actuarial cost method was used. For actuarial valuations prior to June 30, 2006, the entry age normal method 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: A liability equal to 300% of accumulated contributions of inactive members is included in the valuation liabilities.

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; 10 years of creditable service if in service at death.	Age 55 and 5 years of creditable service or 10 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, 2008

TABLE 1
THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE
AS OF JUNE 30, 2008

AGE	<i>0 to 4</i>		<i>5 to 9</i>		<i>10 to 14</i>		<i>15 to 19</i>		<i>20 to 24</i>		<i>25 to 29</i>		<i>30 to 34</i>		<i>35 to 39</i>		<i>40 & up</i>		<i>Total</i>	
	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary
Under 20	1	32,699	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	32,699
20 to 24	127	3,864,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	127	3,864,454
25 to 29	610	21,517,414	121	4,893,209	0	0	0	0	0	0	0	0	0	0	0	0	0	0	731	26,410,623
30 to 34	539	20,113,075	483	20,924,242	69	3,323,368	0	0	0	0	0	0	0	0	0	0	0	0	1,091	44,360,685
35 to 39	384	14,606,442	401	18,303,758	374	19,197,431	50	2,730,325	0	0	0	0	0	0	0	0	0	0	1,209	54,837,956
40 to 44	324	12,493,319	313	14,585,700	257	13,649,594	222	12,491,043	65	3,828,397	0	0	0	0	0	0	0	0	1,181	57,048,053
45 to 49	304	12,131,594	292	13,762,928	266	14,067,639	238	13,277,009	278	16,347,682	67	3,985,785	1	71,026	0	0	0	0	1,446	73,643,663
50 to 54	235	9,002,103	291	13,933,381	292	15,188,643	251	14,591,356	309	18,941,376	336	20,921,711	96	6,203,130	0	0	0	0	1,810	98,781,700
55 to 59	168	7,101,586	248	12,078,441	273	14,252,707	330	18,598,211	341	20,636,513	327	20,676,465	314	20,105,013	70	4,523,895	0	0	2,071	117,972,831
60 to 64	72	3,370,050	93	4,422,623	89	4,789,162	132	7,647,943	171	9,970,006	133	8,519,890	99	6,362,234	90	5,926,655	7	403,423	886	51,411,986
65 to 69	14	571,803	17	921,588	10	531,133	16	869,179	16	1,069,466	17	1,100,458	13	904,103	8	467,456	6	373,279	117	6,808,465
70 & up	5	129,858	4	133,601	2	108,678	0	0	2	144,460	0	0	0	0	2	117,300	0	0	15	633,897
TOTAL	2,783	104,934,397	2,263	103,959,471	1,632	85,108,355	1,239	70,205,066	1,182	70,937,900	880	55,204,309	523	33,645,506	170	11,035,306	13	776,702	10,685	535,807,012

TABLE 2
THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE
AS OF JUNE 30, 2008

GROUP A

AGE	<i>0 to 4</i>		<i>5 to 9</i>		<i>10 to 14</i>		<i>15 to 19</i>		<i>20 to 24</i>		<i>25 to 29</i>		<i>30 to 34</i>		<i>35 to 39</i>		<i>40 & up</i>		<i>Total</i>		
	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 to 24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45 to 49	0	0	0	0	0	0	0	0	1	53,453	1	47,765	1	71,026	0	0	0	0	3	172,244	
50 to 54	0	0	0	0	0	0	1	46,938	2	111,974	4	250,543	1	71,026	0	0	0	0	8	480,481	
55 to 59	0	0	0	0	0	0	0	0	1	49,020	4	265,357	5	266,065	1	82,157	0	0	11	662,599	
60 to 64	0	0	0	0	0	0	0	0	0	0	3	194,673	2	132,417	2	138,623	0	0	7	465,713	
65 to 69	0	0	0	0	0	0	0	0	0	0	1	75,119	0	0	0	0	0	0	1	75,119	
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	46,938	4	214,447	13	833,457	9	540,534	3	220,780	0	0	30	1,856,156	

TABLE 3
THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE
AS OF JUNE 30, 2008

GROUP C

AGE	<i>0 to 4</i>		<i>5 to 9</i>		<i>10 to 14</i>		<i>15 to 19</i>		<i>20 to 24</i>		<i>25 to 29</i>		<i>30 to 34</i>		<i>35 to 39</i>		<i>40 & up</i>		<i>Total</i>	
	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary
Under 20	1	32,699	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	32,699
20 to 24	127	3,864,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	127	3,864,454
25 to 29	610	21,517,414	121	4,893,209	0	0	0	0	0	0	0	0	0	0	0	0	0	0	731	26,410,623
30 to 34	539	20,113,075	483	20,924,242	69	3,323,368	0	0	0	0	0	0	0	0	0	0	0	0	1,091	44,360,685
35 to 39	384	14,606,442	401	18,303,758	374	19,197,431	50	2,730,325	0	0	0	0	0	0	0	0	0	0	1,209	54,837,956
40 to 44	324	12,493,319	313	14,585,700	257	13,649,594	222	12,491,043	65	3,828,397	0	0	0	0	0	0	0	0	1,181	57,048,053
45 to 49	304	12,131,594	292	13,762,928	266	14,067,639	238	13,277,009	277	16,294,229	66	3,938,020	0	0	0	0	0	0	1,443	73,471,419
50 to 54	235	9,002,103	291	13,933,381	292	15,188,643	250	14,544,418	307	18,829,402	332	20,671,168	95	6,132,104	0	0	0	0	1,802	98,301,219
55 to 59	168	7,101,586	248	12,078,441	273	14,252,707	330	18,598,211	340	20,587,493	323	20,411,108	309	19,838,948	69	4,441,738	0	0	2,060	117,310,232
60 to 64	72	3,370,050	93	4,422,623	89	4,789,162	132	7,647,943	171	9,970,006	130	8,325,217	97	6,229,817	88	5,788,032	7	403,423	879	50,946,273
65 to 69	14	571,803	17	921,588	10	531,133	16	869,179	16	1,069,466	16	1,025,339	13	904,103	8	467,456	6	373,279	116	6,733,346
70 & up	5	129,858	4	133,601	2	108,678	0	0	2	144,460	0	0	0	0	2	117,300	0	0	15	633,897
TOTAL	2,783	104,934,397	2,263	103,959,471	1,632	85,108,355	1,238	70,158,128	1,178	70,723,453	867	54,370,852	514	33,104,972	167	10,814,526	13	776,702	10,655	533,950,856

TABLE 4

SUMMARY OF RETIRED MEMBER AND BENEFICIARY DATA
BY LEVEL OF ANNUAL ALLOWANCE AS OF JUNE 30, 2008

ALL TEACHERS

Allowance Level	Service Pensioners		Disability Pensioners		Beneficiaries	
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
0 - 500	7	\$ 2,303	-	\$ -	-	\$ -
501 - 1,000	15	11,110	-	-	1	614
1,001 - 1,500	27	34,325	-	-	4	5,245
1,501 - 2,000	51	91,120	-	-	7	12,727
2,001 - 2,500	81	182,855	-	-	2	4,707
2,501 - 3,000	107	292,031	-	-	9	25,272
3,001 - 3,500	96	312,616	-	-	12	39,379
3,501 - 4,000	121	455,705	-	-	15	55,400
4,001 - 4,500	123	520,706	-	-	9	37,527
4,501 - 5,000	134	637,252	1	4,553	12	56,801
5,001 - 5,500	105	549,513	-	-	10	53,002
5,501 - 6,000	100	574,721	-	-	14	80,467
6,001 - 6,500	144	898,625	4	24,871	18	112,036
6,501 - 7,000	108	730,022	2	13,470	7	47,403
7,001 - 7,500	93	674,659	6	43,655	10	73,492
7,501 - 8,000	94	728,156	4	31,683	10	78,157
8,001 - 8,500	104	859,667	5	41,479	10	83,119
8,501 - 9,000	99	863,033	5	44,074	13	113,010
9,001 - 9,500	103	952,680	10	92,382	15	138,888
9,501 - 10,000	95	926,309	5	48,067	7	67,981
10,001 - 10,500	89	912,499	11	112,252	6	61,512
10,501 - 11,000	94	1,011,016	12	129,156	12	128,704
11,001 - 11,500	73	822,320	4	45,686	9	100,864
11,501 - 12,000	86	1,009,212	2	23,685	15	176,987
12,001 - 12,500	85	1,041,123	8	97,180	8	97,398
12,501 - 13,000	73	932,653	8	101,115	4	51,349
13,001 - 13,500	79	1,047,625	7	92,420	2	26,535
13,501 - 14,000	75	1,031,371	4	55,166	7	97,181
14,001 - 14,500	81	1,155,609	4	56,926	4	57,036
14,501 - 15,000	74	1,089,384	2	29,491	4	58,522
15,001 - 15,500	71	1,082,610	6	92,043	6	91,532
15,501 - 16,000	95	1,497,984	1	15,936	3	47,117
16,001 - 16,500	66	1,071,965	3	48,504	7	114,353
16,501 - 17,000	85	1,423,538	3	50,056	6	100,325
17,001 - 17,500	85	1,464,860	3	51,522	2	34,594
17,501 - 18,000	87	1,547,569	1	17,545	3	53,275
18,001 - 18,500	93	1,698,826	5	91,438	2	36,508
18,501 - 19,000	94	1,766,946	2	37,490	3	56,127
19,001 - 19,500	97	1,867,225	-	-	2	38,131
19,501 - 20,000	97	1,915,336	3	58,975	1	19,643
20,001 - 20,500	108	2,188,077	3	60,886	-	-
20,501 - 21,000	106	2,200,407	2	41,570	3	62,046

TABLE 4, continued

SUMMARY OF RETIRED MEMBER AND BENEFICIARY DATA
BY LEVEL OF ANNUAL ALLOWANCE AS OF JUNE 30, 2008

ALL TEACHERS

Allowance Level	Service Pensioners		Disability Pensioners		Beneficiaries	
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
21,001 - 21,500	112	2,379,958	-	-	3	63,515
21,501 - 22,000	105	2,279,454	1	21,845	-	-
22,001 - 22,500	80	1,780,604	1	22,092	1	22,498
22,501 - 23,000	97	2,205,498	-	-	1	22,652
23,001 - 23,500	72	1,672,180	-	-	-	-
23,501 - 24,000	67	1,592,577	-	-	1	23,615
24,001 - 24,500	75	1,818,190	-	-	-	-
24,501 - 25,000	76	1,883,349	-	-	-	-
25,001 - 25,500	61	1,540,670	-	-	1	25,273
25,501 - 26,000	59	1,519,115	-	-	1	25,812
26,001 - 26,500	60	1,576,015	1	26,273	1	26,387
26,501 - 27,000	52	1,392,989	-	-	-	-
27,001 - 27,500	46	1,252,958	-	-	-	-
27,501 - 28,000	37	1,026,388	-	-	-	-
28,001 - 28,500	35	988,047	-	-	-	-
28,501 - 29,000	28	803,952	1	28,732	-	-
29,001 - 29,500	35	1,023,830	1	29,491	-	-
29,501 - 30,000	24	713,668	-	-	1	29,745
30,001 - 30,500	25	755,880	-	-	-	-
30,501 - 31,000	33	1,014,471	-	-	-	-
31,001 - 31,500	21	656,752	-	-	-	-
31,501 - 32,000	16	508,507	-	-	-	-
32,001 - 32,500	18	579,540	-	-	1	32,115
32,501 - 33,000	11	360,587	-	-	-	-
33,001 - 33,500	11	366,264	-	-	1	33,499
33,501 - 34,000	13	438,703	-	-	-	-
34,001 - 34,500	16	547,250	-	-	-	-
34,501 - 35,000	5	174,320	-	-	-	-
35,001 - 35,500	7	246,522	-	-	-	-
35,501 - 36,000	12	428,295	-	-	-	-
36,001 - 36,500	4	145,073	-	-	-	-
36,501 - 37,000	6	220,489	-	-	-	-
37,001 - 37,500	3	112,030	-	-	-	-
37,501 - 38,000	11	414,944	-	-	-	-
38,001 - 38,500	4	153,111	-	-	-	-
38,501 - 39,000	4	154,703	-	-	-	-
39,001 - 39,500	2	78,914	-	-	1	39,256
39,501 - 40,000	5	198,768	-	-	-	-
Over 40,000	58	2,632,247	-	-	1	47,390
Total	5,106	\$ 77,712,375	141	\$ 1,781,709	308	\$ 2,986,723

TABLE 5
 SERVICE PENSIONERS
 AGE/SERVICE DISTRIBUTION WITH AVERAGE ALLOWANCE AS OF JUNE 30, 2008

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	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
50-54	5	0	0	0	0	0	49	0	0	0	0	54
	5,244	0	0	0	0	0	25,223	0	0	0	0	23,373
55-59	6	19	59	46	45	6	322	4	1	0	0	508
	7,613	4,032	5,083	8,252	10,974	11,964	25,247	26,930	45,414	0	0	18,996
60-64	10	54	215	154	150	51	556	64	2	0	0	1,256
	5,642	4,754	5,590	9,409	13,503	17,034	24,382	29,906	27,553	0	0	17,025
65-69	24	36	167	174	187	108	339	102	15	0	0	1,152
	3,326	4,837	6,274	9,390	13,776	17,266	22,415	27,293	30,199	0	0	15,809
70-74	19	29	116	111	118	87	172	70	15	2	0	739
	2,690	5,064	6,348	10,102	12,188	16,338	21,401	24,975	30,051	51,388	0	14,747
75-79	18	30	77	79	88	75	106	70	11	0	0	554
	4,523	4,427	5,153	8,199	11,802	14,410	17,899	22,164	21,399	0	0	12,748
80-84	13	18	55	63	64	46	85	40	13	0	0	397
	4,308	3,331	4,810	7,192	9,187	11,223	17,455	18,275	21,958	0	0	11,179
85-89	13	20	41	43	48	46	42	17	6	3	0	279
	2,129	3,383	4,970	6,527	9,389	11,416	14,963	16,560	15,551	20,565	0	9,393
90-94	2	9	16	12	18	10	15	12	1	2	0	97
	1,620	4,479	6,395	8,725	10,654	15,652	18,430	19,450	18,341	17,766	0	11,986
95+	2	5	6	11	13	8	4	8	12	1	0	70
	6,694	5,268	6,983	10,497	14,359	16,946	18,317	19,249	21,535	18,126	0	14,616
Total Pensioners	112	220	752	693	731	437	1,690	387	76	8	0	5,106
Average Allowance	3,937	4,461	5,712	8,926	12,297	15,196	22,817	24,561	24,936	27,266	0	15,220

DISABILITY PENSIONERS
AGE/SERVICE DISTRIBUTION WITH AVERAGE ALLOWANCE AS OF JUNE 30, 2008

	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	10,201	10,238	0	0	0	0	0	0	0	10,226
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	0	6	4	2	0	0	0	0	0	12
	0	0	10,510	9,551	17,663	0	0	0	0	0	11,382
55-59	0	5	10	11	2	5	0	0	0	0	33
	0	11,586	9,580	14,306	15,071	20,222	0	0	0	0	13,404
60-64	0	3	8	2	10	6	0	0	0	0	29
	0	10,973	11,272	12,492	14,018	20,572	0	0	0	0	14,196
65-69	0	1	7	7	6	6	0	0	0	0	27
	0	17,545	11,711	10,801	13,983	16,600	0	0	0	0	13,283
70-74	0	0	2	2	4	2	0	0	0	0	10
	0	0	11,056	9,817	8,965	18,581	0	0	0	0	11,477
75-79	1	0	2	4	3	4	0	0	0	0	14
	10,538	0	7,693	13,009	7,489	14,287	0	0	0	0	11,255
80-84	0	0	3	2	0	2	2	0	0	0	9
	0	0	6,851	9,332	0	15,486	11,601	0	0	0	10,377
85-89	0	0	1	1	1	0	0	1	0	0	4
	0	0	7,868	10,503	4,553	0	0	13,129	0	0	9,013
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	10	41	33	28	25	2	1	0	0	141
Average Allowance	10,538	11,859	10,181	12,030	12,586	17,977	11,601	13,129	0	0	12,636

SCHEDULE E

AMORTIZATION SCHEDULE FOR THE UNFUNDED ACTUARIAL
ACCRUED LIABILITY

AMORTIZATION SCHEDULE FOR THE UNFUNDED ACTUARIAL
ACCRUED LIABILITY

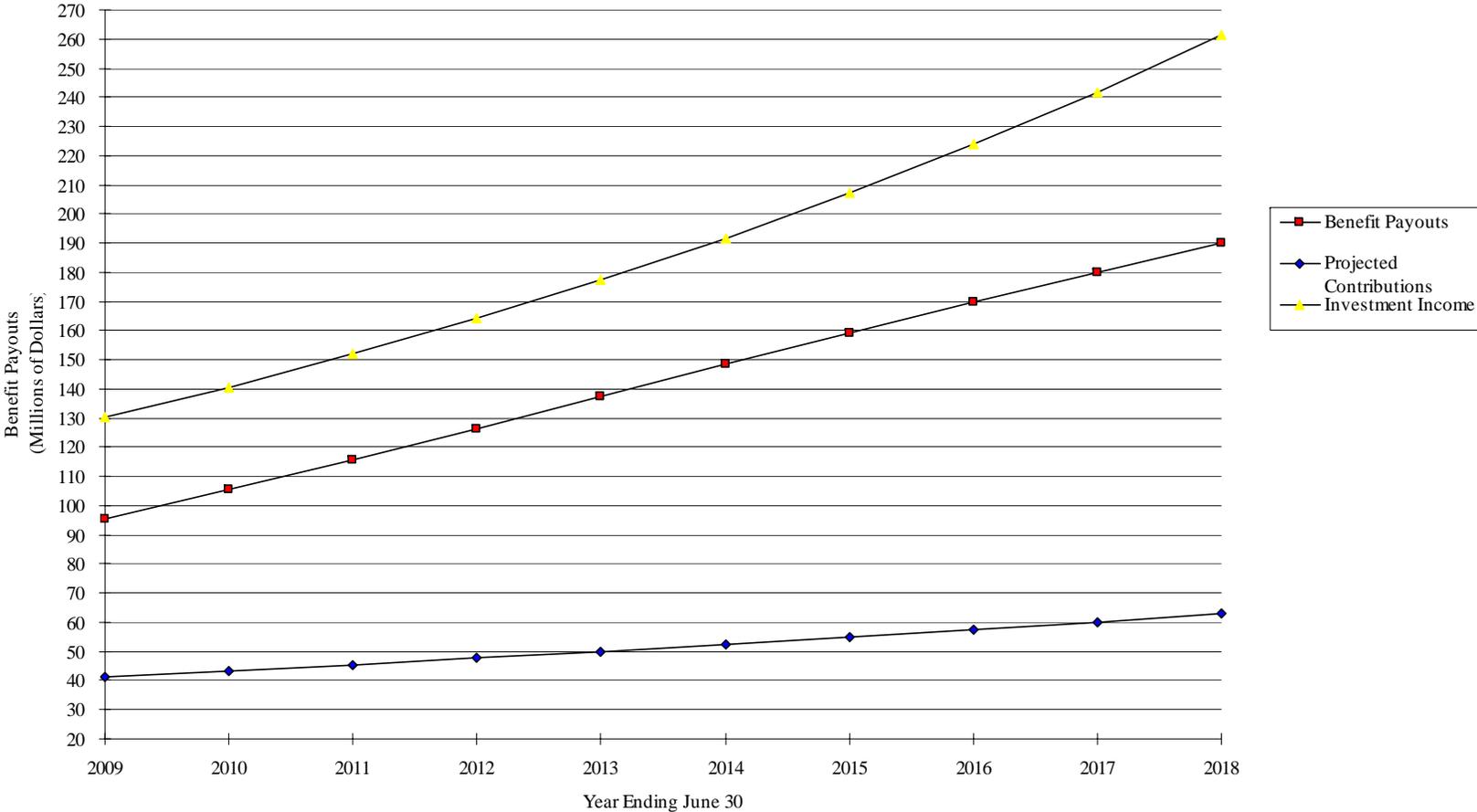
Date	Balance	Contribution (Year Following)
6/30/2008	379,505,069	20,649,422
6/30/2009	389,329,905	21,681,893
6/30/2010	398,891,074	22,765,988
6/30/2011	408,113,111	23,904,287
6/30/2012	416,911,644	25,099,501
6/30/2013	425,192,515	26,354,476
6/30/2014	432,850,841	27,672,200
6/30/2015	439,769,977	29,055,810
6/30/2016	445,820,388	30,508,601
6/30/2017	450,858,427	32,034,031
6/30/2018	454,724,997	33,635,733
6/30/2019	457,244,096	35,317,520
6/30/2020	458,221,234	37,083,396
6/30/2021	457,441,712	38,937,566
6/30/2022	454,668,740	40,884,444
6/30/2023	449,641,403	42,928,666
6/30/2024	442,072,435	45,075,099
6/30/2025	431,645,808	47,328,854
6/30/2026	418,014,105	49,695,297
6/30/2027	400,795,661	52,180,062
6/30/2028	379,571,465	54,789,065
6/30/2029	353,881,782	57,528,518
6/30/2030	323,222,483	60,404,944
6/30/2031	287,041,065	63,425,191
6/30/2032	244,732,316	66,596,451
6/30/2033	195,633,613	69,926,274
6/30/2034	139,019,811	73,422,588
6/30/2035	74,097,691	77,093,654
6/30/2036	0	0

SCHEDULE F

PROJECTED BENEFIT PAYOUTS AND
CONTRIBUTIONS FOR THE PERIOD
JULY 1, 2008 THROUGH JUNE 30, 2018

PROJECTED BENEFIT PAYOUTS AND CONTRIBUTIONS

JULY 1, 2008 THROUGH JUNE 30, 2018



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, 2008, actuarial valuation, the recommended contribution for the fiscal year ending June 30, 2009, is \$39,612,723, based on the following:

Payroll	\$535,807,012
Normal rate	3.54%
Accrued liability contribution	\$20,649,422

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
2010	\$559,918,328	3.54%	\$19,821,109	\$21,681,893	\$41,503,002
2011	\$585,114,652	3.54%	\$20,713,059	\$22,765,988	\$43,479,047

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