

REPORT ON THE  
SIXTY-THIRD ACTUARIAL VALUATION  
OF THE STATE TEACHERS'  
RETIREMENT SYSTEM OF VERMONT  
PREPARED AS OF JUNE 30, 2010

OCTOBER 26, 2010

October 26, 2010

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-third actuarial valuation of the system, prepared as of June 30, 2010, 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 1.80% of covered compensation and a payment of \$38,731,326 towards the liquidation of the unfunded accrued liability be made. Based on the reported payroll, the total contribution amounts to \$48,850,024 for the year beginning July 1, 2010. 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., M.A.A.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, 2010

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, 2009	June 30, 2010
Active members		
Vested	8,076	7,994
Not vested	<u>2,723</u>	<u>2,515</u>
Total	10,799	10,509
Compensation	\$561,588,013	\$562,149,916
Average age	47.07	47.10
Average service	13.77	13.80
Average compensation	\$52,004	\$53,492
Retired members and beneficiaries		
Number	5,910	6,146
Annual retirement allowances	\$91,393,401	\$95,664,775
Inactive members	2,655	2,853
Terminated vested members	721	718
Adjusted assets for valuation	\$1,374,079,337	\$1,410,368,434
Unfunded actuarial accrued liability	\$727,758,506	\$711,823,061
Annual actuarial accrued liability contribution	\$38,735,606	\$38,731,326
Normal contribution rate	3.89%	1.80%

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. Schedule B outlines the full set of actuarial assumptions and methods employed in the current valuation. The assumptions are the same as those used in the prior valuation of the System except for changes in the retirement decrement needed to reflect changes in the retirement eligibility conditions under the System, which are described below. The assumptions will be reviewed in an experience study to be completed before June 30, 2011.
4. Schedule C outlines the benefit provisions taken into account in the valuation. Several changes in the statutes that define the benefit provisions of the System are effective July 1, 2010.

For Group C members who are within five years of normal retirement as of July 1, 2010, the maximum allowable benefit will increase from 50% of Average Final Compensation (AFC) to 53.34%, provided that service needed to earn a benefit in excess of 50% of AFC is rendered after July 1, 2010.

For Group C members who are not within five years of normal retirement as of July 1, 2010, eligibility for normal retirement is changed from age 62 or completion of 30 years of service, to attainment of age 65 or satisfaction of the "rule of 90." Reductions for early retirement are changed from 6% per year by which commencement of benefits precedes age 62 to factors based on the System's definition of actuarial equivalence. Maximum benefits for members of this group are increased from 50% to 60% of the AFC, and the benefit multiplier is increased from 1.67% per year to 2% per year of service in excess of 20.

The member contribution rate for all active Group C members increased from 3.54% to 5% of gross salary.

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 state contributions to the System for the two following fiscal years.

SECTION II - MEMBER DATA

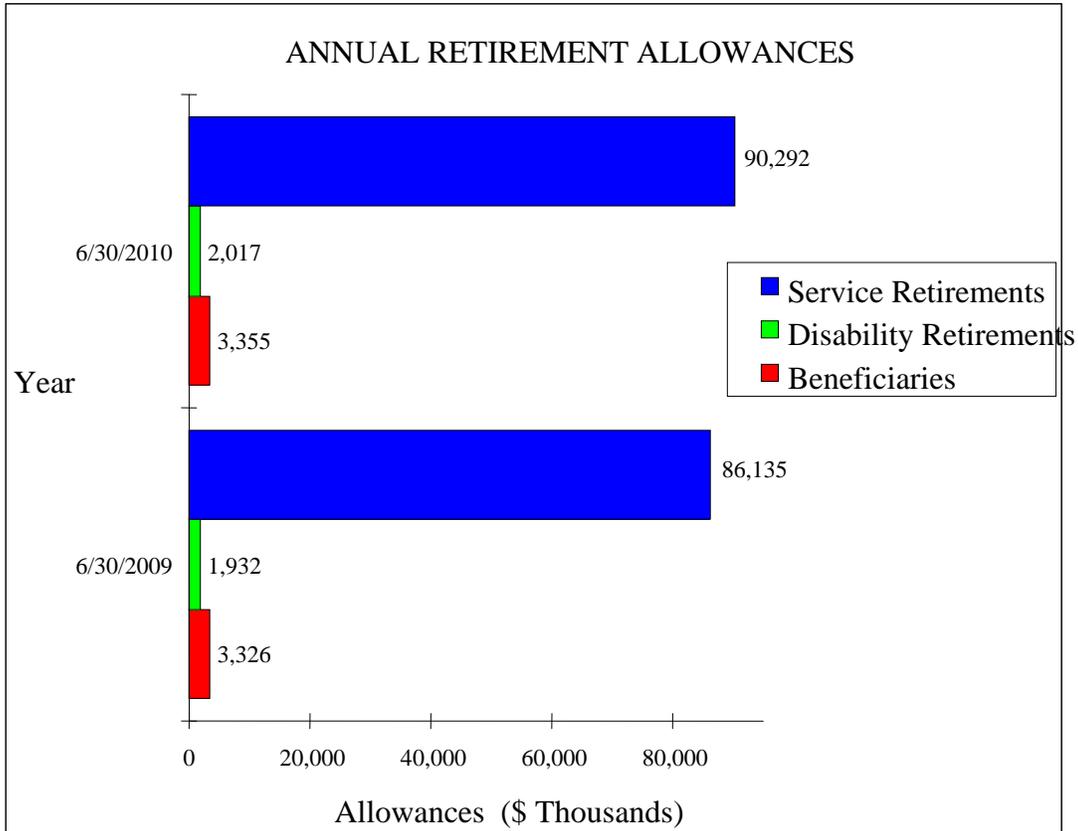
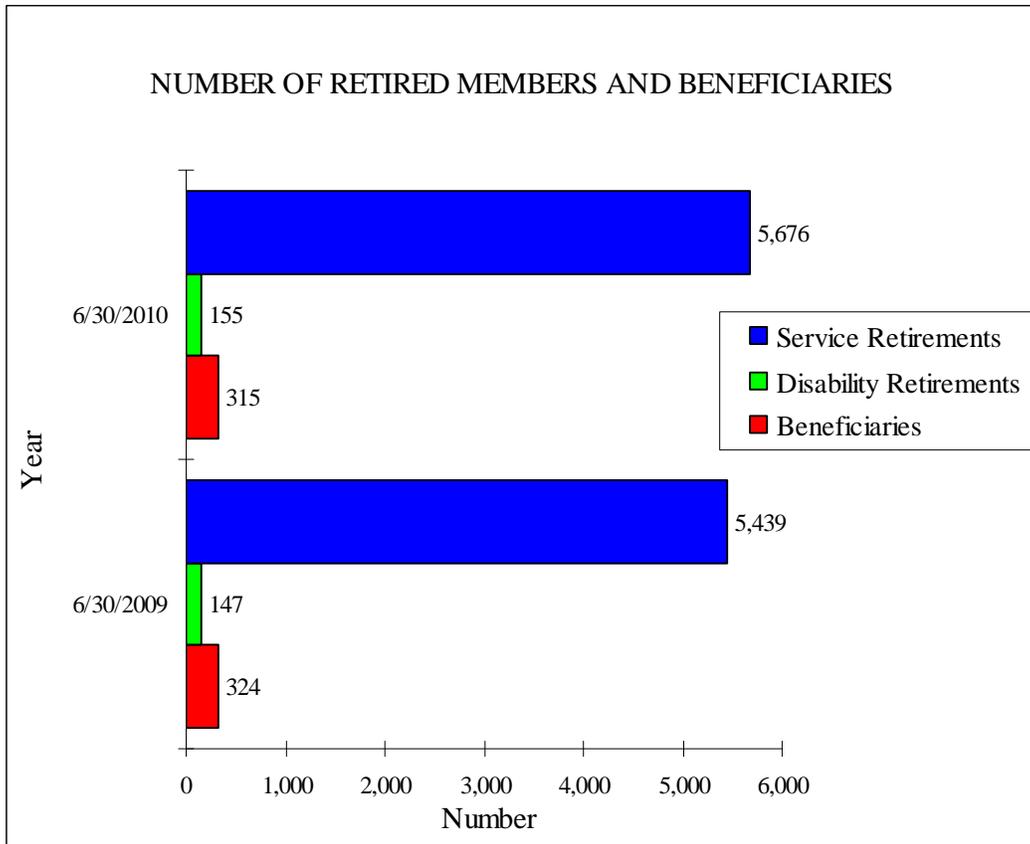
1. Member data were furnished by the Retirement Division of the State Treasurer's Office.
2. Schedule D presents tables that summarize active members, by age and service and service pensioners, disability pensioners and beneficiaries by annual benefit levels.
3. The following tables show a summary of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

THE NUMBER AND ANNUAL ALLOWANCES OF RETIRED MEMBERS  
AND BENEFICIARIES AS OF JUNE 30, 2010

Group	Number	Annual Allowances
Service Retirements	5,676	\$90,292,120
Disability Retirements	155	\$2,017,463
Beneficiaries of Deceased Members	315	\$3,355,192
<b>TOTAL</b>	<b>6,146</b>	<b>\$95,664,775</b>

THE NUMBER AND ANNUAL COMPENSATION OF  
ACTIVE MEMBERS AS OF JUNE 30, 2010

Group	Number	Annual Compensation
Group A	21	\$1,386,520
Group C	10,488	\$560,763,396
<b>TOTAL</b>	<b>10,509</b>	<b>\$562,149,916</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, 2009		\$ 1,374,079,337
Cash flow during year (net of investment income)		
Contributions paid	\$ 67,678,259	
Benefit payouts	97,935,502	
Expenses	24,365,242	
Net		(54,622,485)
Expected investment income (8.25%)		117,191,178
Preliminary asset value		\$ 1,436,648,030
Market value, June 30, 2010	\$ 1,305,250,049	
Preliminary asset value	1,436,648,030	
Unrecognized appreciation	\$ (131,397,981)	
Adjustment	x 20%	\$ (26,279,596)
Assets for valuation purposes, June 30, 2010		\$ 1,410,368,434

3. The assets for valuation purposes are 108.1% of market value.
4. The investment rate of return for the year ending June 30, 2010, is 6.75%, 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, 2010.
2. The adjusted assets of the system amount to \$ 1,410,368,434.
3. The actuarial accrued liability for current retired members, terminated vested members and beneficiaries amounts to \$1,011,709,949, and the actuarial accrued liability for current active and inactive members amounts to \$1,110,481,546, for a total actuarial accrued liability of \$2,122,191,495. Therefore, after subtracting assets of \$1,410,368,434, the unfunded actuarial accrued liability is \$711,823,061.
4. The State's contributions consist of a normal contribution and an accrued liability contribution. The accrued liability contribution represents the amount necessary to liquidate the unfunded accrued liability as of June 30, 2010, over a 28-year period from that date in installments that increase by 5% per year. 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, 2010, is \$10,118,698, or 1.80% of members' compensation.
5. The expected unfunded actuarial accrued liability as of June 30, 2010, 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, 2009:

1. Unfunded liability, 6/30/2009	\$727,758,506
2. Normal cost	39,336,165
3. Contributions	(67,678,259)
4. Interest on 1, 2 and 3	60,548,902
5. Changes in benefit provisions	(46,529,457)
6. Expected unfunded liability, 6/30/2010	713,435,857
7. Accrued liability, 6/30/2010	2,122,191,495
8. Actuarial value of assets, 6/30/2010	1,410,368,434
9. Actual unfunded liability, 7. - 8.	711,823,061
10. Total gain/(loss), 6. - 9.	\$1,612,796

Sources of gain/(loss)	
Investment experience	\$ (26,279,596)
Expenses other than investment expenses	(19,287,498)
Retirement experience	13,027,972
Termination experience	4,199,444
Disability experience	452,396
Mortality among active participants	(149,777)
Mortality among retirees, beneficiaries and terminated vested participants.	12,346,155
Salary experience	213,758
COLA experience	22,127,398
New entrants with prior service	(2,705,517)
Other (data corrections, service purchases, etc)	(2,331,939)
Total	\$1,612,796

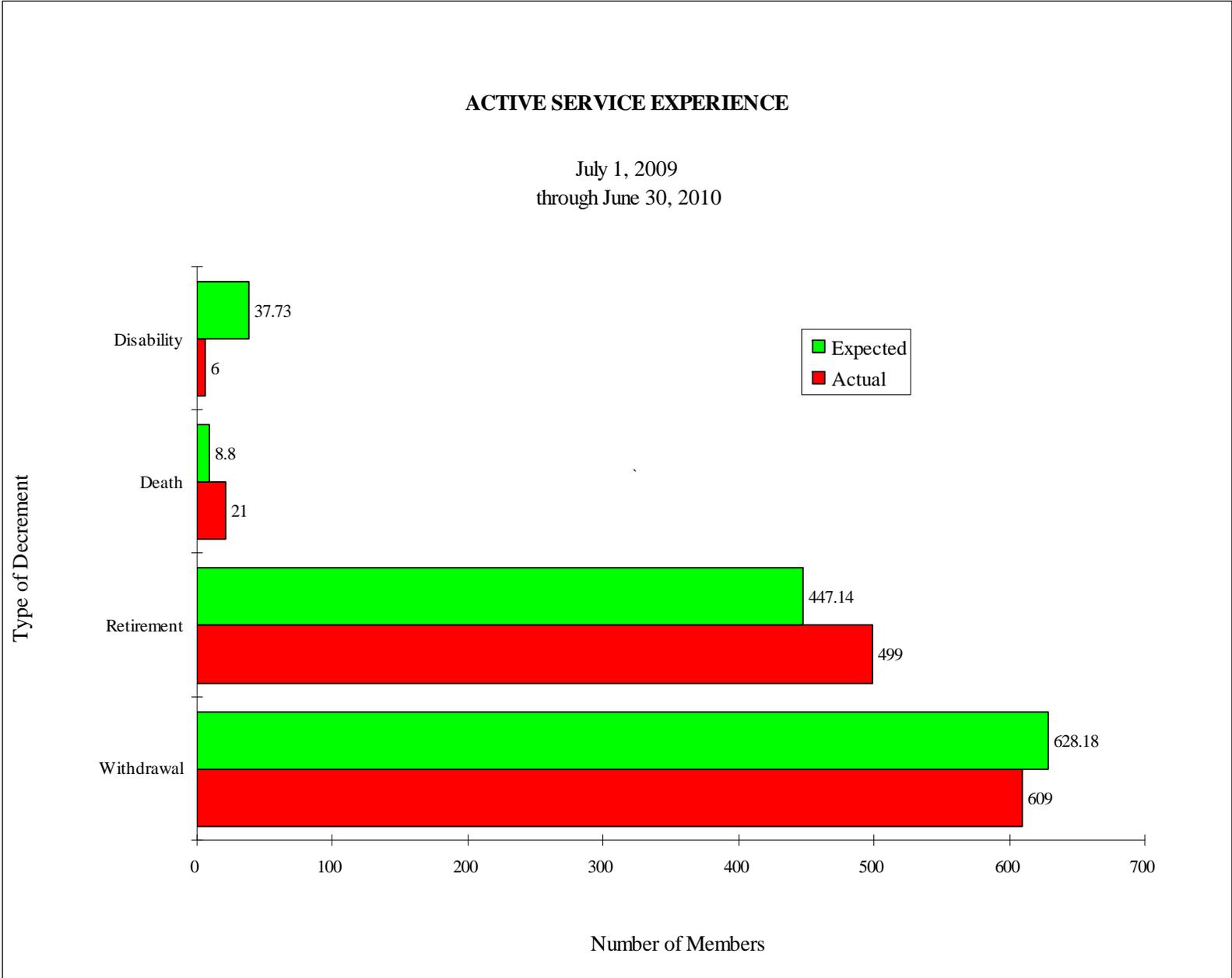
SECTION V - CONTRIBUTIONS PAYABLE UNDER THE SYSTEM

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, 2010:

Normal contribution	\$10,118,698
Accrued liability contribution	<u>38,731,326</u>
Total	\$48,850,024

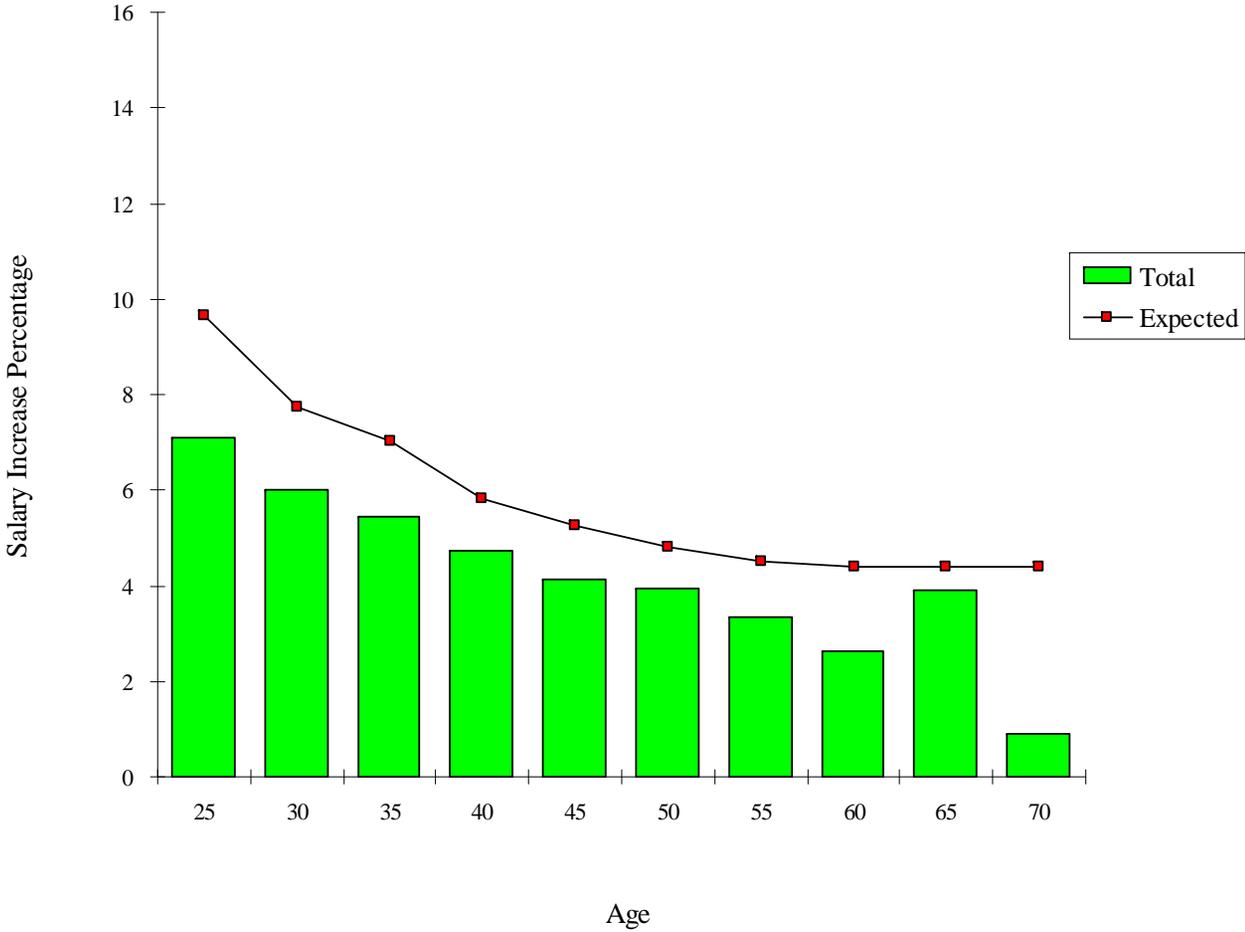
SECTION VI - EXPERIENCE

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.



### GROUP C SALARY EXPERIENCE

JULY 1, 2009 THROUGH JUNE 30, 2010



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)
2010	\$1,410,368	\$2,122,191	\$711,823	66.5%	\$562,150	126.6%
2009	1,374,079	2,101,838	727,759	65.4%	561,588	129.6%
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	1,427,393	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	1,424,661	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	1,065,754	134,698	87.4%	372,299	36.2%
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%

Please note: 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	29,884,559	3,967,206	4,374,228	29,477,537	11,480,000	17,997,537	64,670,554
1997	30,954,237	5,496,997	4,228,309	32,222,925	18,080,000	14,142,925	78,813,479
1998	33,519,949	6,699,146	5,320,758	34,898,337	18,106,581	16,791,756	95,605,235
1999	27,232,542	8,126,445	6,679,063	28,679,924	18,080,000	10,599,924	106,205,159
2000	23,573,184	9,027,439	7,696,429	24,904,194	18,586,240	6,317,954	112,523,113
2001	20,882,521	9,564,465	8,481,287	21,965,699	19,143,827	2,821,872	115,344,985
2002	21,965,322	9,804,324	9,069,835	22,699,811	20,446,282	2,253,529	117,598,514
2003	23,197,088	9,995,874	9,679,438	27,711,317	20,446,282	7,267,035	124,865,549
2004	29,608,892	9,989,244	10,799,409	28,798,727	24,446,282	4,352,445	129,217,994
2005	43,592,332	10,337,440	11,445,481	42,484,291	24,446,282	18,038,009	147,256,003
2006	49,923,599	11,780,480	13,862,402	47,841,677	24,985,506	22,856,171	170,112,174
2007	38,200,000	14,034,254	17,120,008	35,114,246	38,496,410	(3,382,164)	166,730,009
2008	40,749,097	13,755,226	8,874,356	45,629,967	40,955,566	4,674,401	171,404,411
2009	37,077,050	14,140,864	9,326,363	41,891,551	37,349,818	4,541,733	175,946,144
2010	41,503,002	14,515,557	9,798,491	46,220,068	41,920,603	4,299,465	180,245,609

3. The Annual Required Contribution for fiscal year 2010 is derived as follows:

\$19,821,109 Product of the normal rate from the 2008 valuation report (3.54%) and payroll (\$559,918,328)

\$21,681,893 Amortization of unfunded liability (see amortization chart in 2008 valuation report)

\$41,503,002

SCHEDULE A

VALUATION BALANCE SHEET  
SHOWING THE ASSETS AND LIABILITIES OF THE  
STATE TEACHERS' RETIREMENT SYSTEM OF VERMONT  
PREPARED AS OF JUNE 30, 2010

VALUATION BALANCE SHEET  
 SHOWING THE ASSETS AND LIABILITIES OF THE  
 STATE TEACHERS' RETIREMENT SYSTEM OF VERMONT  
 PREPARED AS OF JUNE 30, 2010

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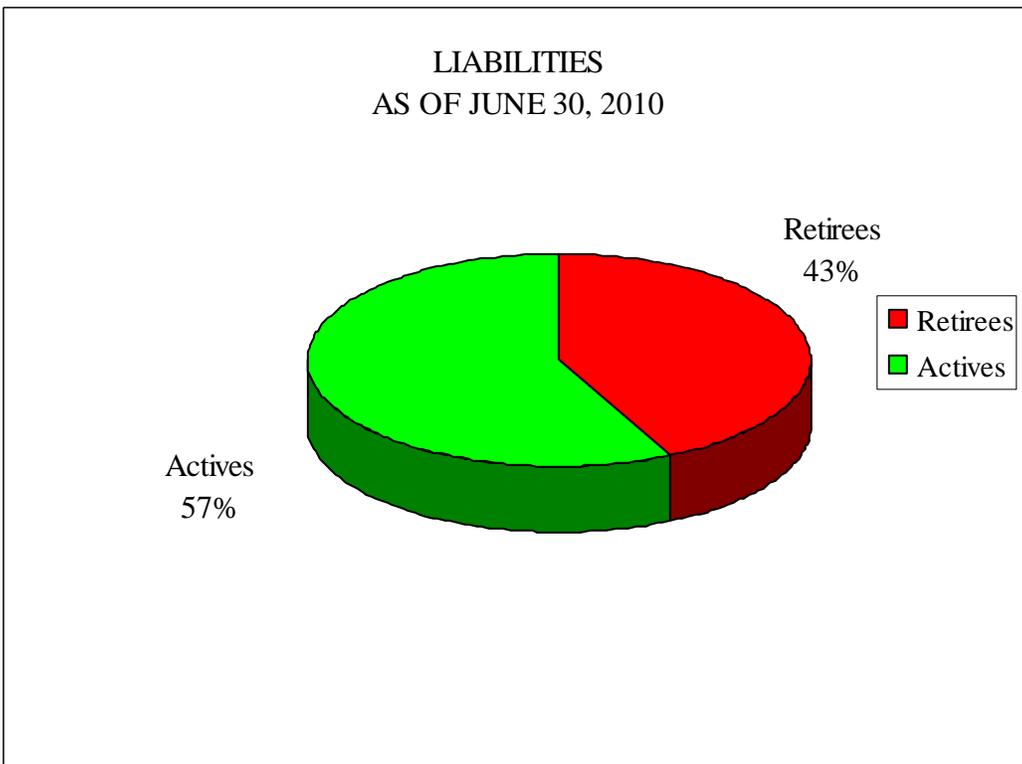
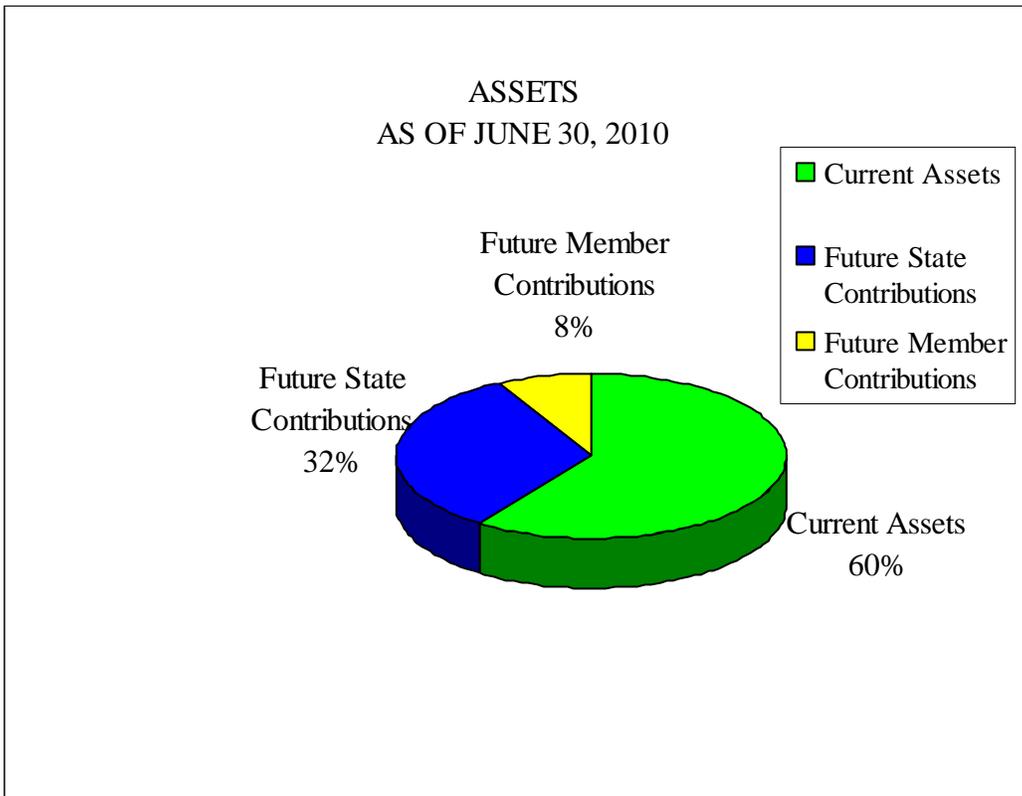
ASSETS

Adjusted assets of the system		\$1,410,368,434
Present value of prospective contributions		
Members	\$187,007,611	
State		
Accrued liability contributions	711,823,061	
Normal contributions	<u>57,182,298</u>	
Total prospective contributions		<u>\$ 956,012,970</u>
Total assets		<u>\$2,366,381,404</u>

LIABILITIES

Actuarial present value of benefits payable on account of present retired members, terminated vested members and beneficiaries		\$1,011,709,949
Actuarial present value of benefits expected to become payable on account of active and inactive members		<u>1,354,671,455</u>
Total liabilities		<u>\$2,366,381,404</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	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	
	Grandfathered	Non-Grandfathered	Grandfathered	Non-Grandfathered
50	-	-	40.00%	25.00%
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	17.00
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	
	Grandfathered	Non-Grandfathered
62	25.0%	20.0%
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 three 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.
Grandfathered status	Group C members who were within five years of normal retirement eligibility as defined prior to July 1, 2010, are “grandfathered”

GROUP A

GROUP C

Service Retirement Allowance

Eligibility	Age 60 or 30 years of creditable service.	Grandfathered: Age 62 or 30 years of creditable service for.  Non-Grandfathered: Age 65 or age plus creditable service equal 90.
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	<u>GROUP A</u>	<u>GROUP C</u>
Amount of Allowance	Member annuity based on accumulated contributions plus a pension which, with member annuity, equals 1/60 of AFC times creditable service.	<p>Grandfathered:</p> <p>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.</p> <p>Non Grandfathered:</p> <p>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 up to 20 years of service, plus 1/50 of AFC for years of service after 20.</p> <p>If member already has 20 or more years of service on June 30, 2010, the 1/50 will be applied to all service accrued after July 1, 2010.</p>
Minimum	\$6,600 after 30 years of creditable service (pro-rata portion if less than 30 years).	N/A

	<u>GROUP A</u>	<u>GROUP C</u>
Maximum	None	Grandfathered: 50% of AFC up to June 30, 2010. May continue to accrue up to 53.34% of AFC with service earned after July 1, 2010.  Non-Grandfathered: 60% 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.	Grandfathered: Accrued normal benefit reduced 6% for each year under age 62.  Non-Grandfathered: Accrued normal benefit reduced by actuarial reduction from normal retirement age.
Vested Retirement Allowance		
Eligibility	5 years of creditable service.	5 years of creditable service.
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).

	<u>GROUP A</u>	<u>GROUP C</u>
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.
Post-retirement Adjustments	On each December 31 allowances in payment for at least one year are adjusted for cost-of-living changes 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 changes based on one-half of the increase in 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.

GROUP AGROUP C

## Contributions

Members

5.5% of earnable compensation. Contributions stop after 25 years of creditable service.

5% 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, 2010

TABLE 1  
THE NUMBER AND ANNUAL COMPENSATION OF  
ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE  
AS OF JUNE 30, 2010

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	112	3,612,981	1	36,543	0	0	0	0	0	0	0	0	0	0	0	0	0	0	113	3,649,524	
25 to 29	540	19,883,744	121	5,227,041	0	0	0	0	0	0	0	0	0	0	0	0	0	0	661	25,110,785	
30 to 34	511	19,873,326	474	21,847,806	111	5,529,836	0	0	0	0	0	0	0	0	0	0	0	0	1,096	47,250,968	
35 to 39	327	13,618,739	437	20,814,219	410	22,201,255	59	3,415,965	0	0	0	0	0	0	0	0	0	0	1,233	60,050,178	
40 to 44	318	13,281,782	302	15,050,555	345	19,387,889	260	15,621,874	68	4,244,663	0	0	0	0	0	0	0	0	1,293	67,586,763	
45 to 49	239	10,166,276	264	13,545,863	274	15,734,323	241	14,989,149	212	13,563,714	86	5,389,203	1	76,170	0	0	0	0	1,317	73,464,698	
50 to 54	205	8,283,445	265	13,420,144	298	16,588,553	215	13,016,918	278	17,637,519	287	18,688,529	67	4,618,692	0	0	0	0	1,615	92,253,800	
55 to 59	160	7,478,512	210	10,578,063	316	17,206,964	298	17,694,911	299	18,750,725	288	19,358,583	311	21,218,183	76	5,094,325	0	0	1,958	117,380,266	
60 to 64	79	4,180,329	83	4,242,552	144	8,165,936	134	8,279,604	200	12,610,775	147	9,586,933	122	8,250,123	137	9,521,493	7	466,481	1,053	65,304,226	
65 to 69	21	1,016,597	12	684,255	17	937,355	19	1,225,705	22	1,355,776	23	1,472,961	15	1,003,555	17	1,141,307	5	322,580	151	9,160,091	
70 & up	3	78,016	3	89,266	4	140,854	1	60,508	2	108,663	0	0	1	111,111	1	57,477	4	292,722	19	938,617	
TOTAL	2,515	101,473,747	2,172	105,536,307	1,919	105,892,965	1,227	74,304,634	1,081	68,271,835	831	54,496,209	517	35,277,834	231	15,814,602	16	1,081,783	10,509	562,149,916	

TABLE 2  
 THE NUMBER AND ANNUAL COMPENSATION OF  
 ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE  
 AS OF JUNE 30, 2010

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	0	0	0	0	0	0	0	0	0	0	0	0	0
50 to 54	0	0	0	0	0	0	1	52,206	2	132,239	3	181,758	1	68,580	0	0	0	0	7	434,783	
55 to 59	0	0	0	0	0	0	0	0	1	54,089	4	241,716	3	200,175	0	0	0	0	8	495,980	
60 to 64	0	0	0	0	0	0	0	0	0	0	0	0	2	142,232	3	237,355	0	0	5	379,587	
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	1	76,170	0	0	0	0	1	76,170	
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	52,206	3	186,328	7	423,474	7	487,157	3	237,355	0	0	21	1,386,520	

TABLE 3  
THE NUMBER AND ANNUAL COMPENSATION OF  
ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE  
AS OF JUNE 30, 2010

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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 to 24	112	3,612,981	1	36,543	0	0	0	0	0	0	0	0	0	0	0	0	0	0	113	3,649,524	
25 to 29	540	19,883,744	121	5,227,041	0	0	0	0	0	0	0	0	0	0	0	0	0	0	661	25,110,785	
30 to 34	511	19,873,326	474	21,847,806	111	5,529,836	0	0	0	0	0	0	0	0	0	0	0	0	1,096	47,250,968	
35 to 39	327	13,618,739	437	20,814,219	410	22,201,255	59	3,415,965	0	0	0	0	0	0	0	0	0	0	1,233	60,050,178	
40 to 44	318	13,281,782	302	15,050,555	345	19,387,889	260	15,621,874	68	4,244,663	0	0	0	0	0	0	0	0	1,293	67,586,763	
45 to 49	239	10,166,276	264	13,545,863	274	15,734,323	241	14,989,149	212	13,563,714	86	5,389,203	1	76,170	0	0	0	0	1,317	73,464,698	
50 to 54	205	8,283,445	265	13,420,144	298	16,588,553	214	12,964,712	276	17,505,280	284	18,506,771	66	4,550,112	0	0	0	0	1,608	91,819,017	
55 to 59	160	7,478,512	210	10,578,063	316	17,206,964	298	17,694,911	298	18,696,636	284	19,116,867	308	21,018,008	76	5,094,325	0	0	1,950	116,884,286	
60 to 64	79	4,180,329	83	4,242,552	144	8,165,936	134	8,279,604	200	12,610,775	147	9,586,933	120	8,107,891	134	9,284,138	7	466,481	1,048	64,924,639	
65 to 69	21	1,016,597	12	684,255	17	937,355	19	1,225,705	22	1,355,776	23	1,472,961	14	927,385	17	1,141,307	5	322,580	150	9,083,921	
70 & up	3	78,016	3	89,266	4	140,854	1	60,508	2	108,663	0	0	1	111,111	1	57,477	4	292,722	19	938,617	
TOTAL	2,515	101,473,747	2,172	105,536,307	1,919	105,892,965	1,226	74,252,428	1,078	68,085,507	824	54,072,735	510	34,790,677	228	15,577,247	16	1,081,783	10,488	560,763,396	

TABLE 4

SUMMARY OF RETIRED MEMBER AND BENEFICIARY DATA  
BY LEVEL OF ANNUAL ALLOWANCE AS OF JUNE 30, 2010

ALL TEACHERS

Allowance Level	Service Pensioners		Disability Pensioners		Beneficiaries	
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
0 - 500	4	\$ 1,059	-	\$ -	-	\$ -
501 - 1,000	16	12,458	-	-	1	624
1,001 - 1,500	28	35,934	-	-	6	8,136
1,501 - 2,000	53	93,908	-	-	9	16,103
2,001 - 2,500	89	200,821	-	-	4	9,194
2,501 - 3,000	120	328,675	-	-	7	19,665
3,001 - 3,500	112	365,998	-	-	9	29,263
3,501 - 4,000	138	522,328	-	-	13	48,454
4,001 - 4,500	125	530,695	-	-	9	37,868
4,501 - 5,000	131	623,316	1	4,620	5	23,971
5,001 - 5,500	124	649,519	-	-	6	32,021
5,501 - 6,000	104	598,844	2	11,286	8	45,854
6,001 - 6,500	129	806,438	3	18,678	18	111,986
6,501 - 7,000	114	766,207	2	13,312	9	61,099
7,001 - 7,500	103	745,988	6	43,907	6	43,393
7,501 - 8,000	98	758,829	1	7,590	14	108,411
8,001 - 8,500	105	867,170	6	49,619	11	90,005
8,501 - 9,000	117	1,022,026	6	52,424	14	122,312
9,001 - 9,500	99	918,695	9	83,156	11	102,096
9,501 - 10,000	105	1,023,330	8	77,568	14	135,377
10,001 - 10,500	97	995,537	11	112,707	6	61,616
10,501 - 11,000	109	1,175,044	7	75,415	11	118,468
11,001 - 11,500	77	866,697	7	77,817	11	123,263
11,501 - 12,000	88	1,034,365	6	69,987	12	141,086
12,001 - 12,500	83	1,017,599	8	98,443	14	171,460
12,501 - 13,000	80	1,020,629	8	102,166	4	50,472
13,001 - 13,500	85	1,127,375	6	79,307	4	52,740
13,501 - 14,000	77	1,059,701	5	68,609	1	13,684
14,001 - 14,500	75	1,068,430	5	70,873	7	99,323
14,501 - 15,000	95	1,401,861	4	58,623	7	103,073
15,001 - 15,500	71	1,084,340	3	46,066	3	45,922
15,501 - 16,000	79	1,244,790	5	78,834	7	110,281
16,001 - 16,500	102	1,657,779	4	65,719	3	48,948
16,501 - 17,000	78	1,309,647	4	67,374	6	100,645
17,001 - 17,500	89	1,536,163	3	52,257	6	103,166
17,501 - 18,000	83	1,473,630	2	35,641	3	53,295
18,001 - 18,500	103	1,878,629	3	55,203	2	36,473
18,501 - 19,000	82	1,536,226	4	74,788	3	55,920
19,001 - 19,500	105	2,020,606	-	-	3	57,869
19,501 - 20,000	111	2,191,953	2	39,822	3	59,546
20,001 - 20,500	104	2,106,437	3	61,030	-	-
20,501 - 21,000	122	2,530,895	3	62,365	2	41,761

TABLE 4, continued

SUMMARY OF RETIRED MEMBER AND BENEFICIARY DATA  
BY LEVEL OF ANNUAL ALLOWANCE AS OF JUNE 30, 2010

ALL TEACHERS

Allowance Level	Service Pensioners		Disability Pensioners		Beneficiaries	
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
21,001 - 21,500	126	2,680,791	1	21,192	3	64,231
21,501 - 22,000	115	2,503,364	1	21,604	2	43,405
22,001 - 22,500	98	2,180,321	2	44,412	1	22,277
22,501 - 23,000	99	2,254,333	-	-	1	22,830
23,001 - 23,500	98	2,278,052	-	-	1	23,452
23,501 - 24,000	79	1,876,864	-	-	1	23,963
24,001 - 24,500	77	1,868,972	-	-	-	-
24,501 - 25,000	83	2,053,456	-	-	-	-
25,001 - 25,500	86	2,170,849	-	-	-	-
25,501 - 26,000	71	1,828,141	-	-	1	25,646
26,001 - 26,500	69	1,810,104	-	-	-	-
26,501 - 27,000	67	1,792,685	1	26,660	3	80,187
27,001 - 27,500	71	1,933,541	-	-	1	27,319
27,501 - 28,000	53	1,470,307	-	-	-	-
28,001 - 28,500	43	1,214,462	-	-	-	-
28,501 - 29,000	46	1,323,453	1	28,701	-	-
29,001 - 29,500	37	1,081,306	1	29,156	-	-
29,501 - 30,000	45	1,337,435	-	-	-	-
30,001 - 30,500	37	1,119,187	-	-	2	60,392
30,501 - 31,000	32	983,011	1	30,532	-	-
31,001 - 31,500	37	1,155,290	-	-	-	-
31,501 - 32,000	25	793,734	-	-	1	31,741
32,001 - 32,500	23	742,996	-	-	-	-
32,501 - 33,000	20	654,284	-	-	1	32,589
33,001 - 33,500	17	565,635	-	-	-	-
33,501 - 34,000	12	405,284	-	-	1	33,993
34,001 - 34,500	17	582,152	-	-	1	34,337
34,501 - 35,000	20	694,526	-	-	-	-
35,001 - 35,500	12	423,425	-	-	-	-
35,501 - 36,000	16	571,733	-	-	-	-
36,001 - 36,500	14	507,805	-	-	-	-
36,501 - 37,000	9	330,926	-	-	-	-
37,001 - 37,500	4	148,810	-	-	-	-
37,501 - 38,000	4	151,535	-	-	-	-
38,001 - 38,500	11	420,743	-	-	-	-
38,501 - 39,000	7	271,121	-	-	-	-
39,001 - 39,500	7	274,233	-	-	-	-
39,501 - 40,000	3	119,424	-	-	1	39,835
Over 40,000	77	3,507,259	-	-	2	94,152
Total	5,676	\$ 90,292,120	155	\$ 2,017,463	315	\$ 3,355,192

TABLE 5  
 SERVICE PENSIONERS  
 AGE/SERVICE DISTRIBUTION WITH AVERAGE ALLOWANCE AS OF JUNE 30, 2010

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	1	0	0	0	0	1
	0	0	0	0	0	0	23,703	0	0	0	0	23,703
50-54	2	0	0	0	0	0	30	0	0	0	0	32
	3,941	0	0	0	0	0	28,379	0	0	0	0	26,852
55-59	12	13	47	36	42	2	263	2	0	0	0	417
	8,438	3,962	5,496	8,032	11,175	13,485	26,606	29,413	0	0	0	19,791
60-64	8	72	242	170	184	62	610	78	4	0	0	1,430
	9,785	4,155	5,784	9,761	14,685	20,887	25,393	28,770	34,756	0	0	17,697
65-69	23	66	244	209	217	122	469	111	19	0	0	1,480
	3,616	5,266	6,317	10,350	15,019	19,137	23,303	29,133	30,221	0	0	16,531
70-74	25	28	137	131	155	98	185	81	14	1	0	855
	3,323	5,191	6,595	10,043	13,260	18,284	22,544	26,802	32,516	42,832	0	15,362
75-79	15	27	81	76	85	80	138	81	13	1	0	597
	2,067	4,902	5,877	9,588	12,469	14,699	19,932	23,228	24,787	63,571	0	14,442
80-84	8	19	70	71	71	47	78	47	17	0	0	428
	3,105	3,569	4,995	7,819	10,062	12,697	17,818	20,212	21,919	0	0	11,731
85-89	14	17	31	46	40	36	49	15	5	2	0	255
	3,910	3,614	4,857	6,889	8,879	11,662	15,984	16,977	20,239	20,674	0	9,957
90-94	5	9	24	12	22	21	20	9	1	1	0	124
	1,952	3,730	6,021	8,035	10,017	11,855	16,397	16,870	12,593	24,334	0	10,244
95+	2	5	5	9	13	6	4	8	5	0	0	57
	6,930	4,789	7,431	10,234	14,326	16,930	18,412	19,817	22,073	0	0	13,990
Total Pensioners	114	256	881	760	829	474	1,847	432	78	5	0	5,676
Average Allowance	4,279	4,542	5,971	9,496	13,295	16,860	23,707	25,704	26,762	34,417	0	15,908

TABLE 6  
 DISABILITY PENSIONERS  
 AGE/SERVICE DISTRIBUTION WITH AVERAGE ALLOWANCE AS OF JUNE 30, 2010

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	2	1	0	0	0	0	0	0	0	3
	0	9,784	11,571	0	0	0	0	0	0	0	10,380
45-49	0	1	1	0	2	0	0	0	0	0	4
	0	11,520	9,206	0	9,288	0	0	0	0	0	9,825
50-54	0	0	2	1	0	0	0	0	0	0	3
	0	0	10,348	6,619	0	0	0	0	0	0	9,105
55-59	0	4	12	11	3	2	0	0	0	0	32
	0	10,588	10,319	12,599	17,768	18,634	0	0	0	0	12,354
60-64	0	5	8	7	11	8	0	0	0	0	39
	0	12,024	10,838	14,751	15,654	20,856	0	0	0	0	15,106
65-69	0	2	9	5	9	5	1	0	0	0	31
	0	11,687	11,921	11,148	14,499	19,718	28,701	0	0	0	14,329
70-74	0	0	2	4	3	3	1	0	0	0	13
	0	0	8,917	10,447	10,040	17,810	15,441	0	0	0	12,201
75-79	1	0	2	3	3	3	0	0	0	0	12
	10,693	0	9,882	12,258	8,241	14,121	0	0	0	0	11,193
80-84	0	0	2	3	1	2	2	0	0	0	10
	0	0	7,241	12,963	7,380	15,274	11,771	0	0	0	11,484
85-89	0	0	2	1	1	2	0	1	0	0	7
	0	0	7,483	7,455	4,620	16,033	0	13,323	0	0	10,347
90-94	0	0	0	1	0	0	0	0	0	0	1
	0	0	0	10,874	0	0	0	0	0	0	10,874
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	14	41	36	33	25	4	1	0	0	155
Average Allowance	10,693	11,210	10,398	12,222	13,376	18,444	16,921	13,323	0	0	13,016

SCHEDULE E

AMORTIZATION SCHEDULE FOR THE UNFUNDED ACTUARIAL  
ACCRUED LIABILITY

AMORTIZATION SCHEDULE FOR THE UNFUNDED ACTUARIAL  
ACCRUED LIABILITY

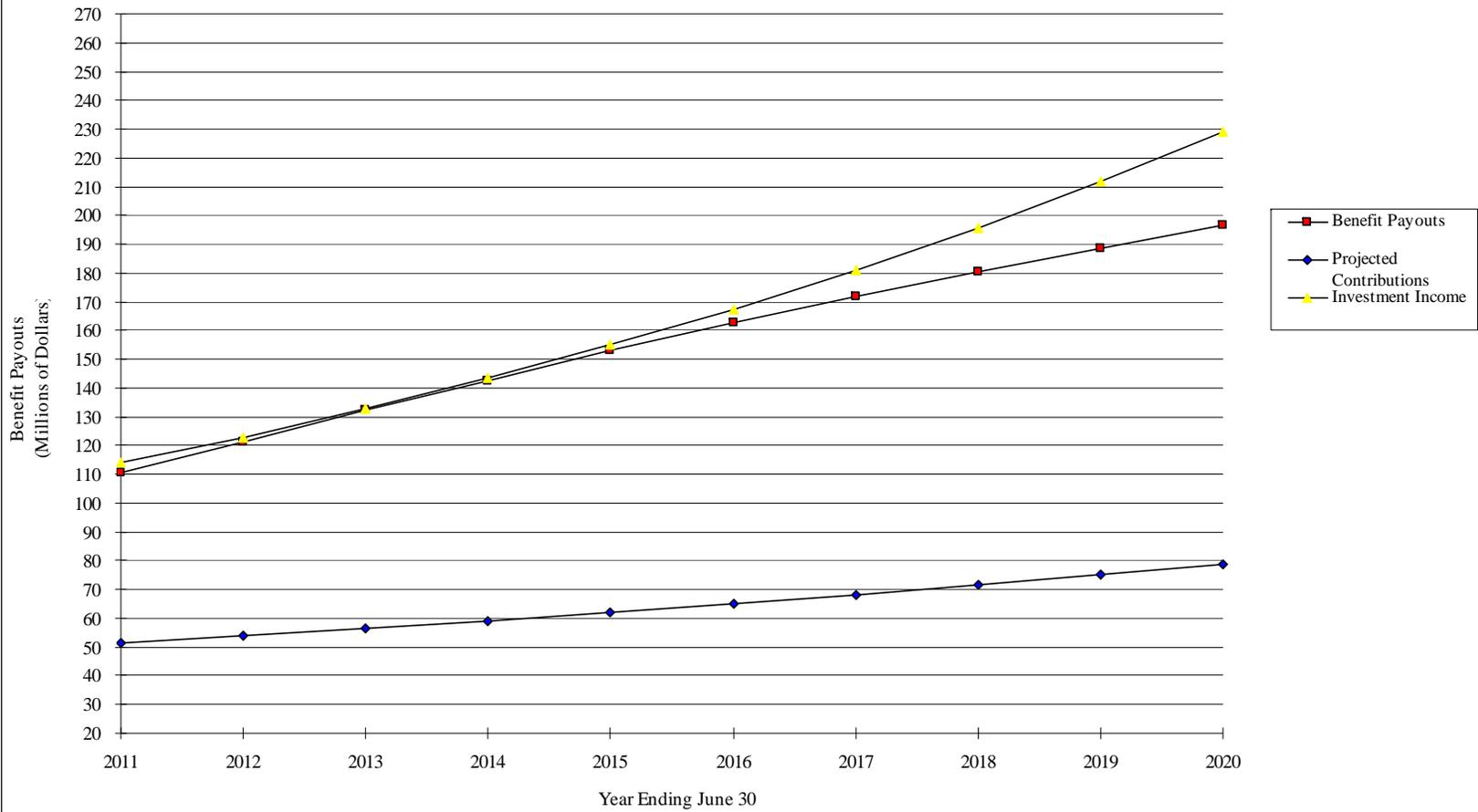
Date	Balance	Contribution (Year Following)
6/30/2010	711,823,061	38,731,326
6/30/2011	730,251,129	40,667,892
6/30/2012	748,184,647	42,701,287
6/30/2013	765,482,069	44,836,351
6/30/2014	781,985,138	47,078,169
6/30/2015	797,517,250	49,432,077
6/30/2016	811,881,679	51,903,681
6/30/2017	824,859,636	54,498,865
6/30/2018	836,208,160	57,223,808
6/30/2019	845,657,817	60,084,998
6/30/2020	852,910,196	63,089,248
6/30/2021	857,635,177	66,243,710
6/30/2022	859,467,964	69,555,896
6/30/2023	858,005,849	73,033,691
6/30/2024	852,804,698	76,685,376
6/30/2025	843,375,120	80,519,645
6/30/2026	829,178,304	84,545,627
6/30/2027	809,621,487	88,772,908
6/30/2028	784,053,032	93,211,553
6/30/2029	751,757,069	97,872,131
6/30/2030	711,947,671	102,765,738
6/30/2031	663,762,530	107,904,025
6/30/2032	606,256,073	113,299,226
6/30/2033	538,391,990	118,964,187
6/30/2034	459,035,111	124,912,396
6/30/2035	366,942,578	131,158,016
6/30/2036	260,754,265	137,715,956
6/30/2037	138,982,321	144,601,754
6/30/2038	0	0

SCHEDULE F

PROJECTED BENEFIT PAYOUTS AND  
CONTRIBUTIONS FOR THE PERIOD  
JULY 1, 2010 THROUGH JUNE 30, 2020

**PROJECTED BENEFIT PAYOUTS AND CONTRIBUTIONS**

JULY 1, 2010 THROUGH JUNE 30, 2020



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, 2010, actuarial valuation, the recommended contribution for the fiscal year ending June 30, 2011, is \$48,826,531, based on the following:

Payroll	\$562,149,916
Normal rate	1.80%
Accrued liability contribution	\$38,731,326

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
2012	\$587,446,662	1.80%	\$10,574,040	\$40,667,892	\$51,241,932
2013	613,881,762	1.80%	11,049,872	42,701,287	53,751,159

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