



**Report on the Annual Valuation of the
Public Employees' Retirement System
of Mississippi**

Prepared as of June 30, 2010



Cavanaugh Macdonald

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October 19, 2010

Board of Trustees
Public Employees' Retirement System of Mississippi
429 Mississippi Street
Jackson, MS 39201-1005

Ladies and Gentlemen:

Presented in this report are the results of the annual actuarial valuation of the Public Employees' Retirement System of Mississippi. The purpose of the valuation was to measure the System's funding progress and to determine the unfunded accrued liability amortization period beginning July 1, 2010.

The date of the valuation was June 30, 2010.

The valuation was based upon data, furnished by the Executive Director and the PERS staff, concerning active, inactive and retired members along with pertinent financial information. The complete cooperation of the PERS staff in furnishing materials requested is hereby acknowledged with appreciation.

Your attention is directed particularly to the presentation of contribution rates on page 1 and the comments on page 7.

To the best of our knowledge, this report is complete and accurate. The valuation was performed by, and under the supervision of, independent actuaries who are members of the American Academy of Actuaries with experience in performing valuations for public retirement systems. The undersigned meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

The valuation was prepared in accordance with the principles of practice prescribed by the Actuarial Standards Board.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

3550 Busbee Pkwy, Suite 250, Kennesaw, GA 30144

Phone (678) 388-1700 • Fax (678) 388-1730

www.CavMacConsulting.com

Offices in Englewood, CO • Kennesaw, GA • Omaha, NE • Hilton Head Island, SC



Board of Trustees
October 19, 2010
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The actuarial calculations were performed by qualified actuaries according to generally accepted actuarial procedures and methods. The calculations are based on the current provisions of the system, and on actuarial assumptions that are, in the aggregate, internally consistent and reasonably based on the actual experience of the system.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Thomas J. Cavanaugh'.

Thomas J. Cavanaugh, FSA, FCA, EA, MAAA
Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Edward J. Koebel'.

Edward J. Koebel, FCA, EA, MAAA
Principal and Senior Actuary

TJC/EJK:mjn



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**REPORT ON THE ANNUAL VALUATION OF THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
PREPARED AS OF JUNE 30, 2010**

SECTION I – SUMMARY OF PRINCIPAL RESULTS

1. This report, prepared as of June 30, 2010, presents the results of the annual actuarial valuation of the System. For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results are summarized below. The current valuation and reported benefit amounts reflect any benefit increases granted to retirees as of July 1, 2010. We recommend that the contribution rate be set at 12.93% of active members' compensation for the 2011/2012 fiscal year in order to keep the anticipated accrued liability payment period within 30 years in accordance with GASB Statements 25 and 27.

SUMMARY OF PRINCIPAL RESULTS

VALUATION DATE	June 30, 2010	June 30, 2009
Active members included in valuation		
Number	164,896	167,122
Annual compensation	\$ 5,763,556,195	\$ 5,831,863,534
Retirees		
Number	79,168	76,143
Annual allowances	\$ 1,498,662,976	\$ 1,395,939,879
Assets		
Market related actuarial value	\$ 20,143,426,000	\$ 20,597,581,000
Market value	\$ 16,788,214,000	\$ 15,134,487,000
Unfunded accrued liability	\$ 11,256,562,237	\$ 9,996,964,694
Recommended employer contribution rate		
Normal	2.18%	4.13%
Accrued liability	<u>10.75</u>	<u>9.43</u>
Total	12.93%	13.56%
Anticipated accrued liability payment period	30.0 years	30.0 years
Unfunded accrued liability based on market value of assets	\$ 14,611,774,237	\$ 15,460,058,694
Payment Period	45.7 years	Infinite



2. The valuation balance sheet showing the results of the valuation is given in Section III.
3. Comments on the valuation results are given in Section IV, comments on the experience and actuarial gains during the valuation year are given in Section V and the rates of contribution payable by employers are given in Section VI.
4. There were no changes in actuarial assumptions or methods since the last valuation.
5. There was only one change in benefit structure since the last valuation. The employee contribution rate was increased from 7.25% to 9.00% effective July 1, 2010. For valuation purposes it was assumed this change is permanent. As a result, the employer contribution rate for the 2010/2011 fiscal year was set at 12.00%, the same level as the previous year.
6. Schedule A of this report presents the development of the actuarial value of assets. Schedule B details the actuarial assumptions and methods employed. Schedule C gives a summary of the benefit and contribution provisions of the plan.
7. The table on the following page provides a ten-year history of some pertinent figures.
8. Governmental Accounting Standards Board Statement No. 27 requires employers to expense pension costs at the actuarially required contribution level, which is based on a maximum 30 year accrued liability payment period.
9. All amounts shown prior to the 2004/2005 fiscal year were developed and/or reported by the prior actuarial firm.



**Public Employees' Retirement System of Mississippi
Comparative Schedule***

Valuation Date June 30	Active Members				Retired Lives				Valuation Results (\$ millions)		
	Number	Payroll (\$ millions)	Average Salary	% increase from previous year	Number	Active/Retired Ratio	Annual Benefits** (\$ millions)	Benefits as % of Payroll	Accrued Liability	Valuation Assets	UAAL
2001	151,080	\$4,112	\$27,219	1.0%	53,665	2.8	\$581.2	14.1%	\$18,495	\$16,192	\$2,303
2002	152,148	4,221	27,740	1.9	56,705	2.7	656.5	15.6	20,180	16,823	3,357
2003	154,872	4,432	28,615	3.2	59,447	2.6	715.1	16.1	21,486	16,980	4,506
2004	156,353	4,617	29,531	3.2	62,407	2.5	778.6	16.9	22,847	17,103	5,744
2005	157,101	4,786	30,466	3.2	63,939	2.5	1,022.0	21.4	23,727	17,181	6,546
2006	158,091	4,972	31,450	3.2	66,757	2.4	1,117.2	22.5	24,928	18,321	6,607
2007	162,804	5,196	31,917	1.5	70,756	2.3	1,214.4	23.4	26,863	19,792	7,071
2008	165,733	5,545	33,456	4.8	73,540	2.3	1,305.9	23.6	28,535	20,815	7,720
2009	167,122	5,832	34,896	4.3	76,143	2.2	1,395.9	23.9	30,595	20,598	9,997
2010	164,896	5,764	34,953	0.2	79,168	2.1	1,498.7	26.0	31,400	20,143	11,257

*All amounts prior to 2005 reported by prior actuarial firm.

**Excluding COLA for years prior to 2005



SECTION II – MEMBERSHIP DATA

Data regarding the membership of the System for use as a basis for the valuation were furnished by the System’s office. The following tables summarize the membership of the system as of June 30, 2010 upon which the valuation was based. Detailed tabulations of the data are given in Schedule D.

Active Members

Employers	Number of Employers	Number	Payroll	Group Averages		
				Salary	Age*	Service*
State Agencies	113	33,704	\$ 1,137,893,603	\$ 33,761	44.4	10.6
State Universities	9	17,575	808,775,033	46,018	43.3	9.4
Public Schools	150	66,042	2,205,450,555	33,395	44.2	10.5
Community/Junior Colleges	15	6,343	289,222,132	45,597	46.7	11.6
Counties	82	14,740	451,804,915	30,652	46.7	9.1
Municipalities	281	18,650	594,642,690	31,884	43.5	9.5
Other Political Subdivisions	218	7,842	275,767,267	35,165	43.5	7.5
Total in PERS	868	164,896	\$ 5,763,556,195	\$34,953	44.4	10.1

*Years

The total number of active members includes 109,577 vested members (38,362 State employees and 71,215 employees of other entities), and 55,319 non-vested members (19,259 State and 36,060 others).

Retired Lives

Type of Benefit Payment	No.	Annual Benefits	Group Averages	
			Benefit	Age*
Retirement	64,049	\$ 1,288,593,752	\$20,119	69.9
Disability	5,399	84,590,554	15,668	60.3
Survivor	9,720	125,478,670	12,909	65.0
Total in PERS	79,168	\$1,498,662,976	18,930	68.6

*Years

The total retired lives include 28,044 from State employment and 51,124 from other employment.

This valuation also includes 129,243 inactive members (41,586 State and 87,657 others; 18,503 vested and 110,740 non-vested.)



SECTION III – VALUATION BALANCE SHEET

The following valuation balance sheet shows the assets and liabilities of the retirement system as of the current valuation date of June 30, 2010 and, for comparison purposes, as of the immediately preceding valuation date of June 30, 2009. The items shown in the balance sheet are present values actuarially determined as of the relevant valuation date. The development of the actuarial value of assets is presented in Schedule A.



**VALUATION BALANCE SHEET
SHOWING THE ASSETS AND LIABILITIES OF THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI**

	JUNE 30, 2010	JUNE 30, 2009
ASSETS		
Current actuarial value of assets:		
Annuity Savings Account	\$ 4,266,621,074	\$ 4,235,466,036
Annuity Reserve	3,161,092,621	2,904,307,316
Employers' Accumulation Account	<u>12,715,712,305</u>	<u>13,457,807,648</u>
Total current assets	\$ 20,143,426,000	\$ 20,597,581,000
Future member contributions to Annuity Savings Account	\$ 3,992,853,784	\$ 3,257,549,985
Prospective contributions to Employer's Accumulation Account		
Normal contributions	\$ 967,157,916	\$ 1,855,680,198
Unfunded accrued liability contributions	<u>11,256,562,237</u>	<u>9,996,964,694</u>
Total prospective contributions	\$ 12,223,720,153	\$ 11,852,644,892
Total assets	<u>\$ 36,359,999,937</u>	<u>\$ 35,707,775,877</u>
LIABILITIES		
Present value of benefits payable on account of present retired members and beneficiaries	\$ 16,763,455,284	\$ 15,665,712,114
Present value of benefits payable on account of active members	18,593,667,581	19,134,696,371
Present value of benefits payable on account of inactive members for service rendered before the valuation date	<u>1,002,877,072</u>	<u>907,367,392</u>
Total liabilities	<u>\$ 36,359,999,937</u>	<u>\$ 35,707,775,877</u>



SECTION IV – COMMENTS ON VALUATION

The valuation balance sheet gives the following information with respect to the funds of the System as of June 30, 2010.

Total Assets

The Annuity Savings Account is the fund to which are credited contributions made by members together with interest thereon. When a member retires, the amount of his or her accumulated contributions is transferred from the Annuity Savings Account to the Annuity Reserve. The Employer's Accumulation Account is the fund to which are credited employer contributions and investment income, and from which are paid all employer-provided benefits under the plan. The assets credited to the Annuity Savings Account as of the valuation date, which represent the accumulated contributions of members to that date, amounted to \$4,266,621,074. The assets credited to the Annuity Reserve were \$3,161,092,621 and the assets credited to the Employer's Accumulation Account totaled \$12,715,712,305. Current actuarial assets as of the valuation date equaled the sum of these three funds, \$20,143,426,000. Future member contributions to the Annuity Savings Account were valued to be \$3,992,853,784. Prospective contributions to the Employer's Accumulation Account were calculated to be \$12,223,720,153 of which \$967,157,916 is attributable to service rendered after the valuation date (normal contributions) and \$11,256,562,237 is attributable to service rendered before the valuation date (unfunded accrued liability contributions).

Therefore, the balance sheet shows the present value of current and future assets of the System to be \$36,359,999,937 as of June 30, 2010.

Total Liabilities

The present value of benefits payable on account of presently retired members and beneficiaries totaled \$16,763,455,284 as of the valuation date. The present value of future benefit payments on behalf of active members amounted to \$18,593,667,581. In addition, the present value of benefits for inactive members, due to service rendered before the valuation date, was calculated to be \$1,002,877,072.

Therefore, the balance sheet shows the present value for all prospective benefit payments under the System to be \$36,359,999,937 as of June 30, 2010.

Section 25-11-123(a)(1) of State law requires that active members contribute 9.00% of annual compensation to the System.

Section 25-11-123(c) requires that the State contribute a certain percentage of the annual compensation of members to cover the normal contributions and a certain percentage to cover the accrued liability contributions of the System. These individual contribution percentages are established in accordance with an actuarial valuation. We recommend the sum of these normal and accrued liability contributions be decreased from 13.56% to 12.93% of the annual compensation of all members. The amortization period of the unfunded accrued liability of the System is therefore calculated on an open-ended basis.



SECTION V – DERIVATION OF EXPERIENCE GAINS AND LOSSES

Actual experience will never (except by coincidence) coincide exactly with assumed experience. It is assumed that gains and losses will be in balance over a period of years, but sizable year to year fluctuations are common. Detail on the derivation of the experience gain/(loss) for the year ended June 30, 2010 is shown below.

		<u>\$ millions</u>
(1)	UAAL* as of June 30, 2009	\$ 9,997.0
(2)	Normal cost from last valuation	240.9
(3)	Actual employer contributions	731.5
(4)	Interest accrual: $(1) \times .080 + [(2) - (3)] \times .0392$	780.5
(5)	Expected UAAL before changes: $(1) + (2) - (3) + (4)$	10,286.9
(6)	Change due to plan amendments	0.0
(7)	Change due to new actuarial assumptions or methods	6.0
(8)	Expected UAAL after changes: $(5) + (6) + (7)$	10,292.9
(9)	Actual UAAL as of June 30, 2010	11,256.6
(10)	Gain/(loss): $(8) - (9)$	\$ (963.7)
(11)	Gain/(loss) as percent of actuarial accrued liabilities at start of year (\$30,594.5)	(3.1)%

*Unfunded actuarial accrued liability.

Valuation Date June 30	Actuarial Gain/(Loss) as a % of Beginning Accrued Liabilities
2005	(3.0) %
2006	(1.7)
2007	0.8
2008	(2.1)
2009	(6.4)
2010	(3.1)



SECTION VI – REQUIRED CONTRIBUTION RATES

The valuation balance sheet gives the basis for determining the percentage rates for contributions to be made by employers to the Retirement System. The following table shows the rates of contribution payable by employers as determined from the present valuation for the 2011/2012 fiscal year.

Contribution for	Contributions Expressed as Percents of Payroll
Normal Cost:	
Service retirement benefits	9.84%
Disability benefits	0.42
Survivor benefits	<u>0.11</u>
Total	10.37%
Member Contributions:	9.00%
Less future refunds	<u>(.81)</u>
Available for benefits	8.19%
Employer Normal Cost	2.18%
Unfunded Actuarial Accrued Liabilities (30.0 year level % of payroll amortization*)	10.75%
Total Computed Employer Contribution Rate	12.93%

*Amortization period a year ago was 30.0 years.

The components of the change in the computed unfunded accrued liability amortization period from 30.0 years to 30.0 years are as follows:

Previous Reported Period	30.0 years
Change due to:	
Normal amortization	(1.0)
Actuarial experience	0.7
Assumption changes	0.0
Plan amendments	0.0
Method Change	0.0
UAL contribution experience	<u>0.3</u>
Computed Period	30.0 years



SECTION VII – CASH FLOW PROJECTION

Regular actuarial valuations measure the Retirement System's present financial position and contributions adequacy by calculating and financing the liabilities created by the present benefit program. This process involves discounting to present values the future benefit payments on behalf of present active and retired members and their survivors. However, valuations do not produce information regarding future changes in the makeup of the covered group or the amounts of benefits to be paid or investment income to be received – actuarial projections do.

Whereas valuations provide a snapshot of the retirement system as of a given date, projections provide a moving picture. Projected active and retired groups are developed from year to year by the application of assumptions regarding pre-retirement withdrawal from service, retirements, deaths, disabilities, and the addition of new members. Projected information regarding the retired life group leads to assumed future benefit payout. Combining future benefit payments with assumed contributions and expected investment earnings produces the net cash flow of the System each year, and thus end of year asset levels.

Projections are used for many purposes. Among them are (i) developing cash flow patterns for investment policy and asset mix consideration, (ii) exploring the effect of alternative assumptions about future experience, (iii) analyzing the impact on system funding progress of changes in the workforce, and (iv) examining the potential effect of changes in benefits on system financial activity.

Projection results are useful in demonstrating changing relationships among key elements affecting system financial activity. For example: how benefits payable and system assets will grow in future decades. Projections are not predictions of specific future events and do not provide numeric precision in absolute terms. For instance, cash flow projected to occur 10 years in the future will not be exact (except by coincidence), but understanding the changed relationship between future benefit payout and future investment income can be very useful.

Public Employees' Retirement System of Mississippi
Twenty-five Year Cash Flow Projection

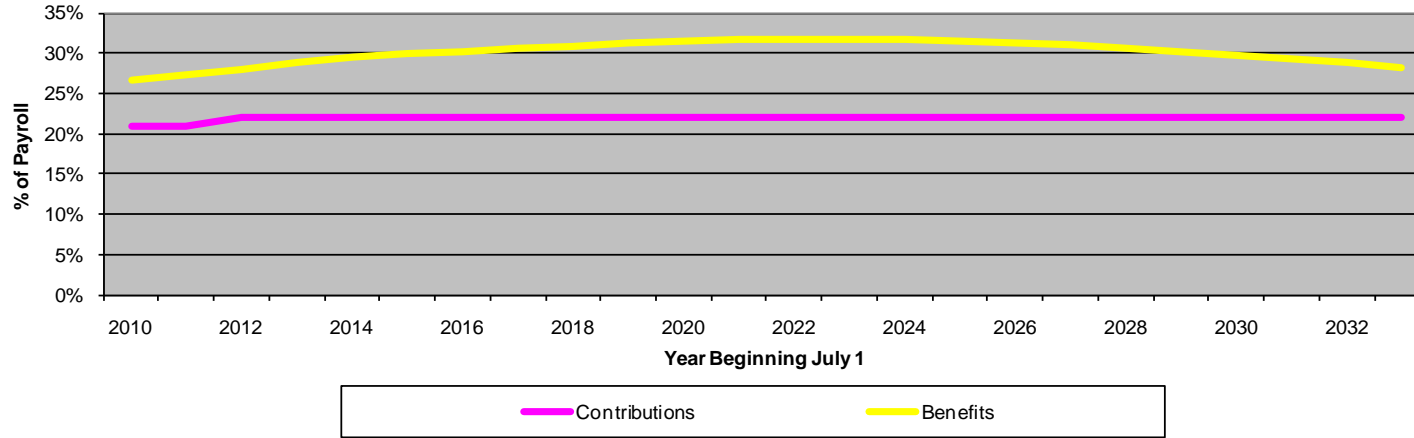


Year Beginning July 1	Valuation Payroll	Market Value of Assets Balance July 1	Contributions	Projected Benefit Payments	Expected Investment Return	Cash Flow	Market Value of Assets Balance June 30	Year Ending June 30
2010	5,878,827,319	16,788,214,000	1,234,553,737	1,564,561,644	1,329,856,804	999,848,897	17,788,062,897	2011
2011	6,128,677,480	17,788,062,897	1,287,022,271	1,672,426,872	1,407,628,848	1,022,224,247	18,810,287,143	2012
2012	6,389,146,273	18,810,287,143	1,401,139,778	1,791,703,430	1,489,200,425	1,098,636,773	19,908,923,917	2013
2013	6,660,684,990	19,908,923,917	1,460,688,218	1,917,486,062	1,574,442,000	1,117,644,156	21,026,568,072	2014
2014	6,943,764,102	21,026,568,072	1,522,767,468	2,047,688,732	1,661,128,595	1,136,207,331	22,162,775,404	2015
2015	7,238,874,076	22,162,775,404	1,587,485,085	2,164,352,312	1,749,947,343	1,173,080,116	23,335,855,520	2016
2016	7,546,526,224	23,335,855,520	1,654,953,201	2,280,437,061	1,841,849,087	1,216,365,227	24,552,220,747	2017
2017	7,867,253,589	24,552,220,747	1,725,288,712	2,401,238,296	1,937,139,676	1,261,190,092	25,813,410,839	2018
2018	8,201,611,867	25,813,410,839	1,798,613,482	2,534,449,640	2,035,639,421	1,299,803,263	27,113,214,102	2019
2019	8,550,180,371	27,113,214,102	1,875,054,555	2,668,735,382	2,137,309,895	1,343,629,068	28,456,843,170	2020
2020	8,913,563,037	28,456,843,170	1,954,744,374	2,803,412,089	2,242,600,745	1,393,933,030	29,850,776,200	2021
2021	9,292,389,466	29,850,776,200	2,037,821,010	2,938,647,434	2,352,029,039	1,451,202,615	31,301,978,815	2022
2022	9,687,316,018	31,301,978,815	2,124,428,403	3,072,148,520	2,466,249,501	1,518,529,384	32,820,508,199	2023
2023	10,099,026,949	32,820,508,199	2,214,716,610	3,203,034,608	2,586,107,936	1,597,789,938	34,418,298,137	2024
2024	10,528,235,594	34,418,298,137	2,308,842,066	3,332,725,436	2,712,508,516	1,688,625,146	36,106,923,283	2025
2025	10,975,685,607	36,106,923,283	2,406,967,854	3,458,325,510	2,846,499,556	1,795,141,900	37,902,065,184	2026
2026	11,442,152,245	37,902,065,184	2,509,263,987	3,580,204,846	2,989,327,580	1,918,386,721	39,820,451,905	2027
2027	11,928,443,715	39,820,451,905	2,615,907,707	3,698,133,463	3,142,347,122	2,060,121,366	41,880,573,271	2028
2028	12,435,402,573	41,880,573,271	2,727,083,784	3,812,039,382	3,307,047,638	2,222,092,040	44,102,665,311	2029
2029	12,963,907,182	44,102,665,311	2,842,984,845	3,923,308,699	3,485,000,271	2,404,676,417	46,507,341,728	2030
2030	13,514,873,237	46,507,341,728	2,963,811,701	4,029,629,927	3,677,954,609	2,612,136,383	49,119,478,111	2031
2031	14,089,255,350	49,119,478,111	3,089,773,698	4,130,279,728	3,887,938,008	2,847,431,978	51,966,910,088	2032
2032	14,688,048,702	51,966,910,088	3,221,089,080	4,223,351,712	4,117,262,302	3,114,999,670	55,081,909,758	2033
2033	15,312,290,772	55,081,909,758	3,357,985,366	4,308,775,815	4,368,521,163	3,417,730,714	58,499,640,472	2034
2034	15,963,063,130	58,499,640,472	3,500,699,744	4,385,456,326	4,644,580,974	3,759,824,392	62,259,464,864	2035

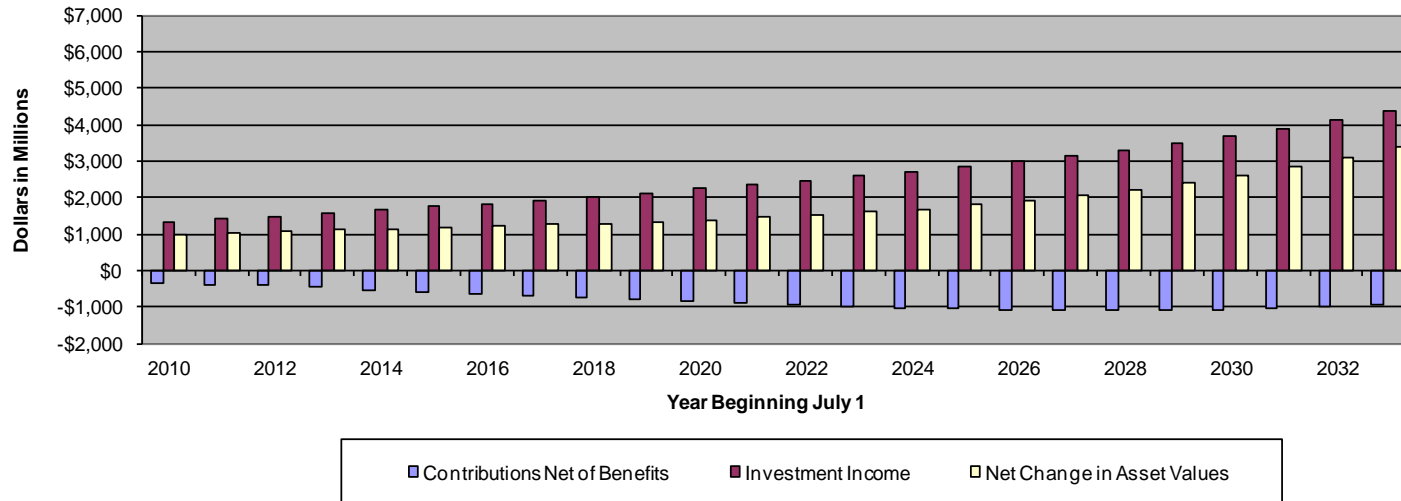


Public Employees' Retirement System of Mississippi 25 Year Cash Flow Projection Based on Valuation Assumptions

**Projected Contributions and Benefits Expressed
as Percents of Active Member Payroll**



Net Change in Asset Values





SECTION VIII – SUPPLEMENTAL DISCLOSURE INFORMATION

1. Statement Nos. 25 and 27 of the Governmental Accounting Standards Board (GASB) set forth certain items of information to be disclosed in the financial statements of the System and the employer. One such item is a distribution of the number of employees by type of membership, as follows:

**NUMBER OF ACTIVE AND RETIRED PARTICIPANTS
AS OF JUNE 30, 2010**

GROUP	NUMBER
Retired participants and beneficiaries currently receiving benefits	79,168
Terminated participants and beneficiaries entitled to benefits but not yet receiving benefits	129,243
Active Participants	<u>164,896</u>
Total	373,307



2. Another such item is the schedule of funding progress as shown below.

SCHEDULE OF FUNDING PROGRESS
(\$ Thousands)

Plan Year Ended	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Percent Funded (1)/(2)	(4) Unfunded AAL (2) – (1)	(5) Annual Covered Payroll	(6) Unfunded AAL as a Percentage of Covered Payroll (4)/(5)
06/30/01*#	\$16,191,631	\$18,494,207	87.5%	\$2,302,576	\$4,112,238	56.0%
06/30/02*	16,823,185	20,180,347	83.4	3,357,162	4,220,539	79.5
06/30/03#	16,979,457	21,485,838	79.0	4,506,381	4,431,600	101.7
06/30/04*	17,103,285	22,847,260	74.9	5,743,975	4,617,273	124.4
06/30/05#	17,180,705	23,727,098	72.4	6,546,393	4,786,280	136.8
06/30/06	18,321,063	24,928,464	73.5	6,607,401	4,971,974	132.9
06/30/07#	19,791,564	26,862,636	73.7	7,071,072	5,196,295	136.1
06/30/08*	20,814,720	28,534,694	72.9	7,719,974	5,544,705	139.2
06/30/09*#	20,597,581	30,594,546	67.3	9,996,965	5,831,864	171.4
06/30/10*	20,143,426	31,399,988	64.2	11,256,562	5,763,556	195.3

* After change in benefit provisions.

After change in actuarial assumptions.

Note: All amounts prior to June 30, 2005 reported by prior actuarial firm.



3. The annual required contribution (ARC) of the employer as a percentage of payroll, determined in accordance with the parameters of GASB 25/27, is shown below. The accrued liability rate is based on amortization of the unfunded actuarial accrued liability of \$11,256,562,237 over a 30.0 year period from the valuation date.

Annual Required Contribution (ARC)		
Valuation Date June 30	2010	2009
For Fiscal Year	2011/2012	2010/2011
UAL Payment Period (years)	30.0	30.0
Annual Required Contribution % of Payroll	12.93%	13.56%

4. Additional information as of June 30, 2010 follows.

Valuation date	6/30/10
Actuarial cost method	Entry age
Amortization method	Level percent open
Remaining amortization period	30.0 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return*	8.00%
Projected salary increases [#]	4.5% – 15.0%
*Includes price inflation at	3.50%
[#] Includes wage inflation at	4.25%
Cost of living adjustments	3.00%



Schedule of Employer Contributions

Fiscal Year Ending June 30	Valuation date June 30	Annual Required Contribution	Percentage Contributed
2002	2000	\$400,943,179	100%
2003	2001	411,502,537	100
2004	2002	432,080,954	100
2005	2003	482,966,753	100
2006	2004	514,525,143	100
2007	2005	621,496,708	90
2008	2006	636,546,125	97
2009	2007	657,047,535	100
2010	2008	699,823,624	100
2011	2009	781,538,220	



Solvency Tests
(\$ in Thousands)

Actuarial Accrued Liabilities for							
Valuation Date	(1) Accumulated Employee Contributions Including Allocated Investment Earnings	(2) Retirees and Beneficiaries Currently Receiving Benefits	(3) Active and Inactive Members Employer Financed Portion	Net Assets Available for Benefits	Portions of Accrued Liabilities Covered by Assets		
					(1)	(2)	(3)
6/30/01	\$3,061,697	\$7,856,268	\$7,576,242	\$16,191,631	100.0%	100.0%	69.6%
6/30/02	3,221,756	8,913,895	8,044,696	16,823,185	100.0	100.0	58.3
6/30/03	3,400,765	9,758,473	8,326,600	16,979,457	100.0	100.0	45.9
6/30/04	3,571,428	10,657,920	8,617,912	17,103,285	100.0	100.0	33.3
6/30/05	3,819,498	11,260,642	8,646,958	17,180,705	100.0	100.0	24.3
6/30/06	3,955,066	12,228,330	8,745,068	18,321,063	100.0	100.0	24.4
6/30/07	3,788,781	13,342,531	9,731,324	19,791,564	100.0	100.0	27.3
6/30/08	3,991,804	14,306,528	10,236,362	20,814,720	100.0	100.0	24.6
6/30/09	4,235,466	15,665,712	10,693,368	20,597,581	100.0	100.0	6.5
6/30/10	4,266,621	16,763,455	10,369,912	20,143,426	100.0	94.7	0.0



Schedule of Active Member Valuation Data

Valuation Date	Number of Employers	Active Members			
		Number	Annual Payroll	Annual Average Pay	% Increase in Average Pay
2001	863	151,080	\$4,112,237,738	\$27,219	1.0%
2002	866	152,148	4,220,538,845	27,740	1.9
2003	871	154,872	4,431,599,526	28,615	3.2
2004	880	156,353	4,617,272,973	29,531	3.2
2005	861	157,101	4,786,280,398	30,466	3.2
2006	861	158,091	4,971,973,661	31,450	3.2
2007	861	162,804	5,196,294,899	31,917	1.5
2008	863	165,733	5,544,704,937	33,456	4.8
2009	866	167,122	5,831,863,534	34,896	4.3
2010	868	164,896	5,763,556,195	34,953	0.2

**Schedule of Retirants Added to and Removed From Rolls
Last Ten Fiscal Years**

Item	Fiscal Year Ended June 30									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Beginning of Year	51,080	53,665	56,705	59,447	62,407	63,939	66,757	70,756	73,540	76,143
Added	4,584	5,138	4,857	5,174	4,610	5,360	6,218	5,335	4,965	5,747
Removed	(1,999)	(2,098)	(2,115)	(2,214)	(3,078)	(2,542)	(2,219)	(2,551)	(2,362)	(2,722)
End of Year	53,665	56,705	59,447	62,407	63,939	66,757	70,756	73,540	76,143	79,168



**Schedule of Annual Benefit Payments Added to and Removed From Rolls
Last Seven Fiscal Years**

Year Ending	2004	2005	2006	2007	2008	2009	2010
Beginning of Year	\$715,099,701	\$778,636,196	\$1,022,022,560	\$1,117,210,600	\$1,214,384,863	\$1,305,908,320	\$1,395,939,879
Added	82,912,445	74,999,488	93,495,367	97,985,045	93,694,780	87,403,913	103,950,841
Removed	(19,375,950)	(25,851,732)	(26,749,850)	(31,700,099)	(35,621,113)	(33,633,667)	(40,358,965)
Benefit increase due to annual COLA	N/A	194,238,608	28,442,523	30,889,317	33,449,790	36,261,313	39,131,221
Benefit increase due to plan amendments	0	0	0	0	0	0	0
End of Year	\$778,636,196	\$1,022,022,560	\$1,117,210,600	\$1,214,384,863	\$1,305,908,320	\$1,395,939,879	\$1,498,662,976



Schedule of Average Benefit Payments

	Years of Credited Service								
	0-4	5-9	10-14	15-19	20-24	25	26-29	30	31+
July 1, 2009 to June 30, 2010									
Average Monthly Benefit	\$320.17	\$386.23	\$620.46	\$905.46	\$1,239.55	\$1,717.84	\$1,897.84	\$2,174.78	\$2,833.34
Average Final Salary	\$23,675	\$27,192	\$30,890	\$33,781	\$37,426	\$43,924	\$46,537	\$49,426	\$54,049
Number of Active Retirants	220	765	773	641	627	428	867	237	1,189
July 1, 2008 to June 30, 2009									
Average Monthly Benefit	\$395.82	\$373.84	\$581.94	\$874.55	\$1,314.05	\$1,672.61	\$1,865.25	\$2,115.68	\$2,821.82
Average Final Salary	\$26,414	\$26,280	\$29,481	\$32,707	\$37,865	\$42,352	\$45,058	\$47,003	\$53,867
Number of Active Retirants	192	703	669	572	535	378	732	223	961
July 1, 2007 to June 30, 2008									
Average Monthly Benefit	\$400.20	\$382.62	\$586.58	\$900.09	\$1,221.01	\$1,738.22	\$1,844.70	\$2,070.82	\$2,726.23
Average Final Salary	\$25,527	\$25,618	\$28,649	\$33,139	\$36,537	\$44,534	\$45,142	\$48,053	\$53,245
Number of Active Retirants	201	690	703	614	586	386	855	226	1,074
July 1, 2006 to June 30, 2007									
Average Monthly Benefit	\$411.52	\$369.97	\$536.43	\$817.54	\$1,113.79	\$1,671.02	\$1,761.30	\$2,127.34	\$2,615.87
Average Final Salary	\$22,554	\$24,146	\$27,269	\$30,518	\$34,644	\$42,366	\$43,541	\$47,398	\$51,466
Number of Active Retirants	340	986	827	747	684	381	917	251	1,085
July 1, 2005 to June 30, 2006									
Average Monthly Benefit	\$489.98	\$331.00	\$492.09	\$765.75	\$1,137.28	\$1,574.92	\$1,729.20	\$1,942.37	\$2,380.21
Average Final Salary	\$21,672	\$22,459	\$25,293	\$29,138	\$33,142	\$38,998	\$41,558	\$43,360	\$46,793
Number of Active Retirants	121	671	692	632	627	358	973	217	1,069



Schedule of Average Benefit Payments

	Years of Credited Service								
	0-4	5-9	10-15	16-20	21-24	25	26-29	30	31+
July 1, 2004 to June 30, 2005									
Average Monthly Benefit	\$478.93	\$354.32	\$556.04	\$872.26	\$1,239.41	\$1,569.12	\$1,683.54	\$1,878.27	\$2,382.38
Average Final Salary	\$22,862	\$22,656	\$24,775	\$29,619	\$34,563	\$38,437	\$40,090	\$41,687	\$46,505
Number of Active Retirants	108	543	666	516	421	296	853	223	984
July 1, 2003 to June 30, 2004									
Average Monthly Benefit	\$380.68	\$354.90	\$584.96	\$821.55	\$1,068.15	\$1,605.52	\$1,709.53	\$1,871.84	\$2,437.30
Average Final Salary	\$21,732	\$23,875	\$26,052	\$29,035	\$30,841	\$38,021	\$40,186	\$41,374	\$47,014
Number of Active Retirants	202	651	738	535	368	496	862	274	1,048
July 1, 2002 to June 30, 2003									
Average Monthly Benefit	\$429.80	\$355.18	\$526.23	\$787.32	\$1,052.00	\$1,502.35	\$1,657.46	\$1,739.17	\$2,328.86
Average Final Salary	\$21,698	\$21,817	\$25,046	\$26,377	\$28,859	\$36,308	\$38,977	\$38,459	\$44,883
Number of Active Retirants	157	535	732	507	327	459	868	236	1,036
July 1, 2001 to June 30, 2002									
Average Monthly Benefit	\$330.83	\$302.81	\$494.46	\$732.10	\$1,038.00	\$1,500.85	\$1,551.53	\$1,727.10	\$2,147.68
Average Final Salary	\$15,636	\$18,981	\$22,674	\$26,147	\$28,479	\$35,591	\$36,779	\$38,801	\$42,421
Number of Active Retirants	234	653	743	507	402	402	854	244	1,099
July 1, 2000 to June 30, 2001									
Average Monthly Benefit	\$284.55	\$313.67	\$471.15	\$731.04	\$1,021.25	\$1,324.77	\$1,529.02	\$1,678.21	\$2,131.09
Average Final Salary	\$18,107	\$19,827	\$21,900	\$24,910	\$27,921	\$32,937	\$36,110	\$37,850	\$42,329
Number of Active Retirants	117	418	623	456	354	391	833	287	1,105



SCHEDULE A

**Development of Actuarial Value of Assets
(\$ thousands)**

Valuation Date June 30:	2009	2010	2011	2012	2013	2014
A. Actuarial Value Beginning of Year	\$20,814,720	\$20,597,581				
B. Market Value End of Year	15,134,487	16,788,214				
C. Market Value Beginning of Year	19,251,069	15,134,487				
D. Cash Flow						
D1. Contributions	1,147,650	1,170,941				
D2. Other Revenue	0	0				
D3. Benefit Payments	(1,535,550)	(1,654,388)				
D4. Administrative Expenses	(11,823)	(11,739)				
D5. Investment Expenses	<u>(25,937)</u>	<u>(33,121)</u>				
D6. Net	(425,660)	(528,307)				
E. Investment Income						
E1. Market Total: B.-C.-D6.	(3,690,922)	(2,182,034)				
E2. Assumed Rate	8.00%	8.00%				
E3. Amount for Immediate Recognition	1,550,034	1,224,073				
E4. Amount for Phased-In Recognition	(5,240,956)	957,961				
F. Phased-In Recognition of Investment Income						
F1. Current Year: 0.20*E4.	(1,048,191)	191,592				
F2. First Prior Year	(683,685)	(1,048,191)	191,592			
F3. Second Prior Year	390,363	(683,685)	(1,048,191)	191,592		
F4. Third Prior Year	0	390,363	(683,685)	(1,048,191)	191,592	
F5. Fourth Prior Year	<u>0</u>	<u>0</u>	<u>390,363</u>	<u>(683,685)</u>	<u>(1,048,191)</u>	<u>191,592</u>
F6. Total Recognized Investment Gain	(1,341,513)	(1,149,921)	(1,149,921)	(1,540,284)	(856,599)	191,592
G. Actuarial Value End of Year:						
A.+D6.+E3.+F6.	\$20,597,581	\$20,143,426				
H. Difference Between Market & Actuarial Values	\$(5,463,094)	\$(3,355,212)	\$(2,205,291)	\$(665,007)	\$191,592	\$0

The Actuarial Valuation of Assets recognizes assumed investment income (line E3) fully each year. Differences between actual and assumed investment income (line E4) are phased in over a closed 5 year period. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, Actuarial Value of Assets will tend to be greater than market value. If assumed rates are exactly realized for 4 consecutive years, actuarial value will become equal to market value.



Asset Summary June 30, 2010 (\$ in Thousands)			
	Market Value	Book Value	Actuarial Value
1. Assets at June 30, 2009	\$15,134,487	\$15,727,693	\$20,597,581
2. Contributions and Misc. Revenue	1,170,941	1,170,941	1,170,941
3. Investment Increment	2,148,943	967,308	41,031
4. Benefit Payments	(1,654,388)	(1,654,388)	(1,654,388)
5. Administrative Expenses	(11,739)	(11,739)	(11,739)
6. Assets at June 30, 2010 (1) + (2) + (3) + (4) + (5)	\$16,788,214	\$16,199,815	\$20,143,426
7. Investment Increment/Mean Assets*	14.43%	6.25%	0.20%

*Based on the approximation formula: $I/[.5 \times (A + B - I)]$, where

- I = Investment increment
- A = Beginning of year asset value
- B = End of year asset value



SCHEDULE B

STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

INTEREST RATE: 8.00% per annum, compounded annually (net after investment expenses).

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed rates of separation from active service are as follows:

Annual Rates of						
Age	Withdrawal and Vesting*		Death**		Disability**	
	Male	Female	Male	Female	Male	Female
20	20.0%	20.0%	.01%	.00%	.01%	.01%
25	15.5	15.0	.02	.01	.02	.01
30	11.0	11.0	.02	.01	.02	.02
35	9.5	9.0	.03	.01	.05	.03
40	7.0	6.5	.04	.02	.12	.08
45	6.0	5.5	.06	.02	.23	.13
50	6.0	5.5	.08	.04	.29	.21
55	6.0	5.5	.11	.06	.52	.32
60	6.0	5.5	.22	.09	.40	.30
65	6.0	5.5	.36	.16		
70	6.0	5.5	.61	.27		
74	6.0	5.5	.90	.47		

Annual Rates of Service Retirements				
Age	Male		Female	
	Under 25 Years of Service	25 Years of Service and Over	Under 25 Years of Service	25 Years of Service and Over
45		13.0%		11.0%
50		13.0		11.0
55		15.0		18.0
60	11.0%	15.0	13.0%	20.0
62	19.0	30.0	18.0	30.0
65	20.0	28.0	25.0	38.0
70	17.0	20.0	19.0	25.0
75	100.0	100.0	100.0	100.0

* For all ages, rates of 35% for 1st year of employment and 21% for 2nd year.

** 94% are presumed to be non-duty related, and 6% are assumed to be duty related.



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

Service	Annual Rates of		
	Merit & Seniority	Base (Economy)	Increase Next Year
0	10.75%	4.25%	15.00%
1	10.75	4.25	15.00
2	10.75	4.25	15.00
3	1.25	4.25	5.50
4	1.25	4.25	5.50
5	1.25	4.25	5.50
10	0.75	4.25	5.00
15	0.75	4.25	5.00
20	0.75	4.25	5.00
25	0.75	4.25	5.00
30	0.25	4.25	4.50
35	0.25	4.25	4.50

PAYROLL GROWTH: 4.25% per annum, compounded annually.

PRICE INFLATION: 3.50% per annum, compounded annually.

DEATH AFTER RETIREMENT: The mortality table, for post-retirement mortality, used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table. Special tables are used for the period after disability retirement. This assumption is used to measure the probabilities of each benefit payment being made after retirement.

MARRIAGE ASSUMPTION: 85% married with the husband three years older than his wife.

UNUSED SICK LEAVE: 0.50 years at retirement.

MILITARY SERVICE: 0.25 years at retirement.

VALUATION METHOD: Entry age normal cost method. Entry age is established on an individual basis.



ASSET VALUATION METHOD: Actuarial value, as developed in Schedule A. The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected market value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between market value and expected market value.



SCHEDULE C

SUMMARY OF MAIN BENEFIT AND CONTRIBUTION PROVISIONS

The following summary presents the main benefit and contribution provisions of the System in effect June 30, 2010, as interpreted in preparing the actuarial valuation. As used in the summary, "average compensation" means the average annual covered earnings of an employee during the four highest years of service. "Covered earnings" means gross salary not in excess of the maximum amount on which contributions were required. "Fiscal year" means a year commencing on July 1 and ending June 30. The maximum covered earnings for employers and employees over the years are as follows:

**EMPLOYER AND EMPLOYEE RATES OF CONTRIBUTION
AND MAXIMUM COVERED EARNINGS**

Fiscal Date From	Fiscal Date To	Employer Rate	Maximum Covered Earnings	Employee Rate	Maximum Covered Earnings
2/1/53	6/30/58	2.50%	\$6,000	4.00%	\$4,800*
7/1/58	6/30/60	2.50	9,000	4.00	7,800*
7/1/60	6/30/66	2.50	15,000	4.00	13,800*
7/1/66	6/30/68	3.00	15,000	4.50	13,800*
7/1/68	3/31/71	4.50	15,000	4.50	15,000
4/1/71	6/30/73	4.50	35,000	4.50	35,000
7/1/73	6/30/76	5.85	35,000	5.00	35,000
7/1/76	6/30/77	7.00	35,000	5.00	35,000
7/1/77	6/30/78	7.50	35,000	5.50	35,000
7/1/78	6/30/80	8.00	35,000	5.50	35,000
7/1/80	6/30/81	8.00	53,000	5.50	53,000
7/1/81	12/31/83	8.75	53,000	6.00	53,000
1/1/84	6/30/88	8.75	63,000	6.00	63,000
7/1/88	6/30/89	8.75	75,600	6.00	75,600
7/1/89	12/31/89	8.75	75,600	6.50	75,600
1/1/90	6/30/91	9.75	75,600	6.50	75,600
7/1/91	6/30/92	9.75	75,600	7.25	75,600
7/1/92	6/30/02	9.75	125,000	7.25	125,000
7/1/02	6/30/05	9.75	150,000	7.25	150,000
7/1/05	6/30/06	10.75	150,000	7.25	150,000
7/1/06	6/30/07	11.30	150,000	7.25	150,000
7/1/07	6/30/08	11.85	150,000	7.25	150,000
7/1/08	6/30/09	11.85	230,000	7.25	230,000
7/1/09	6/30/10	12.00	245,000	7.25	245,000
7/1/10	6/30/11	12.00	245,000	9.00	245,000

*From February 1, 1953 through June 30, 1968 the first \$100 in monthly earnings or \$1,200 in annual earnings were not covered earnings for the employee.



BENEFITS

Superannuation Retirement

Condition for Retirement

- (a) A retirement allowance is paid upon the request of any member who retires and has attained age 60 and completed at least eight years* of membership service, or has completed at least 25 years of creditable service.
- (b) Any member who withdraws from service prior to his or her attainment of age 60 and who has completed at least eight years* of membership service is entitled to receive, in lieu of a refund of his or her accumulated contributions, a retirement allowance commencing at age 60.
- (c) Upon the death of a member who has completed at least eight years* of membership service, a benefit is payable, in lieu of a refund of the member's accumulated contributions, to his or her spouse, if said spouse has been married to the member for not less than one year.

* four years for those who entered the system before July 1, 2007.

Amount of Allowance

The annual retirement allowance payable to a member who retires under condition (a) above is equal to:

1. A member's annuity which is the actuarial equivalent of the member's accumulated contributions at the time of his or her retirement, plus
2. An employer's annuity which, together with the member's annuity, is equal to 2% of his or her average compensation for each of the first 25 years of creditable service plus 2-1/2% for each year of creditable service over 25 years.

The minimum allowance is \$120 for each year of creditable service.

The annual retirement allowance payable to the spouse of a member who dies under condition (c) above is equal to the greater of (i) the allowance that would have been payable had the member retired and elected Option 2, reduced by 3% per year for each year the member lacked in qualifying for unreduced retirement benefits, or (ii) a benefit equal to the greater of 20% of average compensation or \$50 per month.

In addition, a benefit is payable to dependent children until age 19 (23 if a full time student). The benefit is equal to the greater of 10% of average compensation or \$50 per month for each dependent child up to 3.



Disability Retirement

Condition for Retirement

A retirement allowance is paid to a member who is totally and permanently disabled, as determined by the Board of Trustees, and has accumulated eight or more years* of membership service.

* four years for those who entered the system before July 1, 2007

Amount of Allowance

For those who were active members prior to July 1, 1992, and did not elect the benefit structure outlined below, the annual disability retirement allowance payable is equal to a superannuation retirement allowance if the member has attained age 60, otherwise it is equal to a superannuation retirement allowance calculated as follows:

1. A member's annuity equal to the actuarial equivalent of his or her accumulated contributions at the time of retirement, plus
2. An employer's annuity equal to the amount that would have been payable had the member continued in service to age 60.

For those who become active members after June 30, 1992, and for those who were active members prior to July 1, 1992, who so elected, the following benefits are payable:

1. A temporary allowance equal to the greater of (a) 40% of average compensation plus 10% for each dependent child up to a maximum of 2, or (b) the member's accrued allowance. This temporary allowance is paid for a period of time based on the member's age at disability, as follows:

<u>Age at Disability</u>	<u>Duration</u>
60 and earlier	to age 65
61	to age 66
62	to age 66
63	to age 67
64	to age 67
65	to age 68
66	to age 68
67	to age 69
68	to age 70
69 and later	one year

The minimum allowance is \$120 per year of creditable service.



2. A deferred allowance commencing when the temporary allowance ceases equal to the greater of (a) the allowance the member would have received based on service to the termination age of the temporary allowance, but not more than 40% of average compensation, or (b) the member's accrued allowance.

The minimum allowance is \$120 per year of creditable service.

Effective July 1, 2004, a temporary benefit can be paid out of a member's accumulated contribution balance while the member is awaiting a determination for eligibility for disability benefits. Future disability payments, if any, would be offset by advanced payments made from the member's accumulated contributions.

Accidental Disability Retirement

Condition for Retirement

A retirement allowance is paid to a member who is totally and permanently disabled in the line of performance of duty.

Amount of Allowance

The annual accidental disability retirement allowance is equal to the allowance payable on disability retirement but not less than 50% of average compensation. There is no minimum benefit.

Accidental Death Benefit

Condition for Benefit

A retirement allowance is paid to a spouse and/or dependent children upon the death of an active member in the line of performance of duty.

Amount of Allowance

The annual retirement allowance is equal to 50% of average compensation payable to the spouse and 25% of average compensation payable to one dependent child or 50% to two or more children until age 19 (23 if a full time student). There is no minimum benefit.

Return of Contributions

Upon the withdrawal of a member without a retirement benefit, his or her contributions are returned to him or her, together with accumulated regular interest thereon.

Upon the death of a member before retirement, his or her contributions, together with the full accumulated regular interest thereon, are paid to his or her designated beneficiary, if any, otherwise, to his or her estate provided no other survivor benefits are payable.



Normal Form of Benefit

The normal form of benefit is an allowance payable during the life of the member with the provision that upon his or her death the excess of his or her total contributions at the time of retirement over the total retirement annuity paid to him or her will be paid to his or her designated beneficiary.

Optional Benefits

A member upon retirement may elect to receive his or her allowance in one of the following forms which are computed to be actuarially equivalent to the applicable retirement allowance.

Option 1. Reduced allowance with the provision that if the pensioner dies before he receives the value of the member's annuity as it was at the time of retirement, the balance shall be paid to his or her beneficiary.

Option 2. Upon his or her death, his or her reduced retirement allowance shall be continued throughout the life of, and paid to, his or her beneficiary.

Option 3. Upon his or her death, 50% of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary and the other 50% of his or her reduced retirement allowance to some other designated beneficiary.

Option 4A. Upon his or her death, 50% of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary.

Option 4B. A reduced retirement allowance shall be continued throughout the life of the pensioner, but with the further guarantee of payment to the pensioner or his or her beneficiary for a specified number of years certain.

Option 4C. A member may elect any option with the added provision that the member shall receive, so far as possible, the same total amount annually (considering both PERS and Social Security benefits) before and after the earliest age at which the member becomes eligible for a Social Security benefit. This option was only available to those who retired prior to July 1, 2004.

If a member elects either Option 2 or Option 4A there is an added provision that in the event the designated beneficiary predeceases the member, the retirement allowance payable to the member after the designated beneficiary's death shall be equal to the retirement allowance which would have been payable had the member not elected the option.



A member who has at least 28 years of creditable service* can select a partial lump-sum option at retirement. Under this option, the retiree has the option of taking a partial lump-sum distribution equal to 12, 24, or 36 times the base maximum monthly benefit. With each lump-sum amount, the base maximum monthly benefit will be actuarially reduced. A member selecting the partial lump-sum option may also select any of the regular options except Option 1, the prorated single-life annuity, and Option 4-C, the Social Security leveling provision. The benefit is then calculated using the new reduced maximum benefit as a starting point in applying the appropriate option factors for the reduction.

* or at least age 63 with four years of membership service for those who entered the system before July 1, 2007.

**Post-Retirement Adjustments
In Allowances**

The allowances of retired members are adjusted annually by an amount equal to (a) 3% of the annual retirement allowance for each full fiscal year of retirement prior to the year in which the member reaches age 55, plus (b) 3% compounded for each year thereafter beginning with the fiscal year in which the member turns age 55; provided, however, that the annual adjustment will not be less than 4% of the annual retirement allowance for each full fiscal year in retirement through June 30, 1998.

A prorated portion of the annual adjustment will be paid to the member, beneficiary, or estate of any member or beneficiary who is receiving the annual adjustment in a lump sum, but whose benefits are terminated between July 1 and December 1.



SCHEDULE D

DETAILED TABULATIONS OF THE DATA

Retirants & Beneficiaries as of June 30, 2010
Tabulated by Year of Retirement

Year of Retirement	No.	Total Annual Benefits, excluding COLA	COLA	Total Annual Benefits	Average Monthly Total Benefit
2010	2,680	\$52,310,384	\$36,999	\$52,347,383	\$1,628
2009	4,681	82,794,757	291,622	83,086,379	1,479
2008	4,829	89,351,167	2,611,689	91,962,856	1,587
2007	4,413	78,294,763	4,551,040	82,845,803	1,564
2006	4,547	77,899,013	6,967,041	84,866,054	1,555
2005	4,302	70,695,843	8,580,931	79,276,774	1,536
2004	4,441	76,318,981	11,735,273	88,054,254	1,652
2003	4,016	65,413,656	12,208,546	77,622,202	1,611
2002	4,125	66,823,681	14,829,496	81,653,177	1,650
2001	4,084	63,263,542	16,376,651	79,640,193	1,625
2000	3,503	56,362,929	16,749,861	73,112,790	1,739
1999	2,783	41,511,388	13,883,870	55,395,258	1,659
1998	2,789	40,627,048	15,225,475	55,852,523	1,669
1997	2,735	36,204,642	15,144,470	51,349,112	1,565
1996	2,943	40,973,152	18,848,287	59,821,439	1,694
1995	2,298	29,137,024	14,699,087	43,836,111	1,590
1994	2,172	25,938,926	14,093,221	40,032,147	1,536
1993	2,120	24,184,054	14,313,477	38,497,531	1,513
1992	2,535	32,107,860	20,583,811	52,691,671	1,732
1991	2,024	23,301,380	16,082,471	39,383,851	1,622
1990	1,599	17,615,722	13,067,656	30,683,378	1,599
1989	1,295	12,137,508	9,596,302	21,733,810	1,399
1988	1,058	9,457,651	8,011,618	17,469,269	1,376
1987	874	7,452,014	6,734,011	14,186,025	1,353
1986	1,674	17,195,114	16,934,717	34,129,831	1,699
1985	767	6,787,933	6,862,478	13,650,411	1,483
1984	721	5,663,096	6,045,991	11,709,087	1,353
1983	514	3,596,783	4,054,058	7,650,841	1,240
1982	479	3,284,408	3,926,509	7,210,917	1,255
1981	484	3,086,477	3,861,217	6,947,694	1,196
1980	372	2,392,860	3,143,014	5,535,874	1,240
1979	236	1,419,415	1,970,707	3,390,122	1,197
1978	216	1,110,389	1,599,095	2,709,484	1,045
1977	177	901,306	1,369,804	2,271,110	1,069
1976	189	894,106	1,423,051	2,317,157	1,022
1975 & Prior	493	1,982,040	3,758,418	5,740,458	970
Totals	79,168	\$1,168,491,012	\$330,171,964	\$1,498,662,976	\$1,578



Schedule of Retired Members by Type of Benefit

Benefits Payable June 30, 2010

Amount of Monthly Benefit**	Number of Rets.	Ret. Type 1*	Ret. Type 2*	Ret. Type 3*	Life	Option 1	Option 2	Option 3	Option 4A	Option 4B	Option 4C	Option 5	PLSO 1 Year	PLSO 2 Years	PLSO 3 Years
\$1-\$100	2,429	1,932	11	486	1,730	83	334	8	30	233	6	11	54	39	380
101-200	5,641	4,200	121	1,320	4,089	248	658	20	89	478	24	59	94	65	396
201-300	5,545	3,960	281	1,304	4,118	222	580	14	107	445	39	59	85	54	302
301-400	4,884	3,414	368	1,102	3,513	222	558	20	113	415	59	43	71	72	262
401-500	4,419	3,119	402	898	3,163	192	534	8	149	328	72	45	74	67	225
501-600	3,752	2,648	426	678	2,612	150	489	14	114	328	91	45	87	57	209
601-700	3,369	2,436	384	549	2,337	151	433	12	133	261	138	42	68	57	162
701-800	3,233	2,369	403	461	2,207	171	400	10	161	215	174	69	59	54	170
801-900	3,074	2,324	359	391	2,024	158	436	10	173	234	188	39	75	48	208
901-1,000	2,975	2,297	316	362	1,945	129	429	16	158	233	205	65	75	35	216
Over 1,000	39,847	35,350	2,328	2,169	24,019	1,560	6,824	172	3,685	3,192	2,054	395	1,524	1,354	6,455
Totals	79,168	64,049	5,399	9,720	51,757	3,286	11,675	304	4,912	6,362	3,050	872	2,266	1,902	8,985

*Type of Retirement

- 1 – Retirement for Age & Service
- 2 – Disability Retirement
- 3 – Survivor Payment

Option Selected

- Life - Return of Contributions
- Opt. 1 - Return of Member's Annuity
- Opt. 2 - 100% Survivorship
- Opt. 3 - 50%/50% Dual Survivorship
- Opt. 4A - 50% Survivorship
- Opt. 4B - Years Certain & Life
- Opt. 4C - Social Security Leveling**
- Opt. 5 - Pop-Up
- PLSO - Partial Lump Sum Option** (Reflects reduced benefit)

**Included in other options



Public Employees' Retirement System of Mississippi

Retirant and Beneficiary Information June 30, 2010
Tabulated by Attained Ages

Attained Age	Service Retirement		Disability Retirement		Survivors and Beneficiaries		Total	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 20					645	\$2,413,645	645	\$2,413,645
20 – 24					188	1,003,435	188	1,003,435
25 – 29			3	\$39,140	89	788,852	92	827,992
30 – 34			27	283,114	94	789,719	121	1,072,833
35 – 39	2	\$13,032	94	1,272,811	168	1,503,694	264	2,789,537
40 – 44	22	412,641	181	3,185,879	231	2,198,473	434	5,796,993
45 – 49	473	10,537,598	427	7,815,434	348	3,069,979	1,248	21,423,011
50 – 54	2,453	60,305,822	785	14,229,993	555	6,165,490	3,793	80,701,305
55 – 59	5,700	155,909,698	1,097	18,524,258	711	9,100,627	7,508	183,534,583
60 – 64	12,768	284,546,086	1,233	19,015,511	925	13,240,971	14,926	316,802,568
65 – 69	13,727	270,117,919	730	10,694,930	1,025	14,973,067	15,482	295,785,916
70 – 74	10,674	197,329,259	457	5,518,085	1,159	17,321,489	12,290	220,168,833
75 – 79	7,919	140,876,404	215	2,456,412	1,249	18,704,682	9,383	162,037,498
80 – 84	5,738	98,257,753	93	1,002,855	1,170	17,437,412	7,001	116,698,020
85 – 89	3,000	47,766,618	42	409,161	766	11,522,506	3,808	59,698,285
90 – 94	1,205	17,585,713	12	117,886	314	4,144,027	1,531	21,847,626
95	109	1,632,111	2	12,599	23	242,534	134	1,887,244
96	80	1,210,646	1	12,486	23	364,966	104	1,588,098
97	58	638,750			15	229,437	73	868,187
98	39	462,608			9	96,909	48	559,517
99	23	265,633			8	88,071	31	353,704
100 & Over	59	725,461			5	78,685	64	804,146
Totals	64,049	\$1,288,593,752	5,399	\$84,590,554	9,720	\$125,478,670	79,168	\$1,498,662,976

Average Age: 68.6 years



Public Employees' Retirement System of Mississippi

Total Active Members as of June 30, 2010
 Tabulated by Attained Ages and Years of Service

Attained	Years of Service to Valuation Date							Totals	
	0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30+	No.	Valuation Payroll
Under 20	287	6						293	\$3,741,369
20 – 24	6,177	97	2					6,276	144,464,157
25 – 29	13,383	3,527	76	4				16,990	498,164,652
30 – 34	8,968	7,330	2,251	54	1			18,604	612,033,821
35 – 39	7,823	5,523	5,309	1,911	66			20,632	720,050,951
40 – 44	6,506	4,765	4,018	3,985	1,782	60		21,116	744,801,788
45 – 49	5,922	4,692	4,023	3,321	3,646	1,588	60	23,252	833,408,608
50 – 54	5,036	4,023	3,696	3,219	3,253	2,450	1,188	22,865	854,669,085
55 – 59	3,608	3,414	3,028	2,777	2,863	1,780	1,920	19,390	758,913,330
60	561	557	438	444	399	290	313	3,002	116,742,404
61	447	447	426	377	366	235	275	2,573	102,780,076
62	428	394	360	322	310	184	215	2,213	88,770,649
63	345	367	327	253	244	180	205	1,921	76,614,940
64	211	239	210	157	135	98	129	1,179	44,960,091
65	198	182	164	102	99	66	94	905	34,284,878
66	136	145	112	88	67	54	66	668	27,887,382
67	106	137	111	70	68	35	57	584	22,214,956
68	94	108	97	51	50	32	40	472	16,221,879
69	80	79	68	40	43	22	34	366	11,356,071
70 & Over	285	328	304	217	171	103	187	1,595	51,475,108
Totals	60,601	36,360	25,020	17,392	13,563	7,177	4,783	164,896	\$5,763,556,195

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 44.4 years
 Service: 10.1 years
 Annual Pay: \$34,953



SCHEDULE E

**MISSISSIPPI PERS
ANALYSIS OF FINANCIAL EXPERIENCE**

**Gains & Losses in Accrued Liabilities
Resulting from Difference Between
Assumed Experience & Actual Experience
(\$ Millions)**

Type of Activity	\$ Gain (or Loss) For Year Ending 6/30/10	\$ Gain (or Loss) For Year Ending 6/30/09
Age & Service Retirements. If members retire at older ages, there is a gain. If younger ages, a loss.	\$ 125.7	\$ (99.1)
Disability Retirements. If disability claims are less than assumed, there is a gain. If more claims, a loss.	(21.4)	(48.5)
Death-in Service Benefits. If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	0.1	(0.1)
Withdrawal From Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	(65.0)	19.1
Pay Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	541.6	80.3
New Members. Additional unfunded accrued liability will produce a loss.	(67.1)	(97.1)
Investment Income. If there is a greater investment income than assumed, there is a gain. If less income, a loss.	(1,552.5)	(1,439.6)
Death After Retirement. If retirants live longer than assumed, there is a loss. If not as long, a gain.	(36.4)	(49.7)
Other. Miscellaneous gains and losses resulting from changes in valuation software, data adjustments, timing of financial transactions, etc.	<u>111.3</u>	<u>(202.0)</u>
Gain (or Loss) During Year From Financial Experience	\$ (963.7)	\$ (1,836.7)
Non-Recurring Items. Adjustments for plan amendments, assumption changes, or method changes.	<u>(6.0)</u>	<u>(332.6)</u>
Composite Gain (or Loss) During Year	<u>\$ (969.7)</u>	<u>\$ (2,169.3)</u>



SCHEDULE F **GLOSSARY**

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

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

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

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

Actuarial Equivalent. A series of payments is called an actuarial equivalent of another series of payments if the two series have the same actuarial present value.

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

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

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

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

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

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

Valuation Assets. The value of current plan assets recognized for valuation purposes. Generally based on book value plus a portion of unrealized appreciation or depreciation.