PERS
of MISSISSIPPI

Report on the Annual Valuation of the Supplemental Legislative Retirement Plan of Mississippi

Prepared as of June 30, 2010

Cavanaugh Macdonald
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October 20, 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 Supplemental Legislative Retirement Plan of Mississippi. The purpose of the valuation was to measure the Plan'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 6.

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.

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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 plan, and on actuarial assumptions that are, in the aggregate, internally consistent and reasonably based on the actual experience of the plan.

Respectfully submitted,

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

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

TJC/EJK:kc

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REPORT ON THE ANNUAL VALUATION OF THE
SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN 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 Plan. 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 benefits amount reflect any benefit increases granted to retirees as of July 1, 2010. We recommend an increase in the contribution rate from 6.65% to 7.40% 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	175	174
Annual compensation	$ 6,605,037	$ 6,803,339
Retirees		
Number	142	141
Annual allowances	$ 792,670	$ 781,231
Assets		
Market related actuarial value	$ 13,241,000	$ 13,386,000
Market value	$ 11,079,000	$ 9,832,000
Unfunded accrued liability	$ 3,840,278	$ 3,148,870
Recommended employer contribution rate		
Normal	4.18%	3.89%
Accrued liability	3.22	2.76
Total	7.40%	6.65%
Anticipated accrued liability payment period	29.7 years	26.2 years
Unfunded accrued liability based on market value of assets	$ 6,002,278	$ 6,702,870
Payment period	Infinite	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 and losses 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 to the actuarial assumptions since the last valuation.

5. There were no changes to the benefit provisions or actuarial methods since the last valuation.

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. The valuation results are developed based upon the current employer contribution rate of 7.40% of payroll. 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.

Supplemental Legislative Retirement Plan of Mississippi

Comparative Schedule*

	Active Members				Retired Lives				Valuation Results ($ thousands)		
Valuation Date June 30	Number	Payroll ($ thousands)	Average Salary	% increase from previous year	Number	Active/ Retired Ratio	Annual Benefits** ($ thousands)	Benefits as % of Payroll	Accrued Liability	Valuation Assets	UAAL
2001	175	$5,941	$33,950	1.5%	84	2.1	$313.1	5.3%	$10,302	$9,124	$1,178
2002	175	5,988	34,218	0.8	86	2.0	332.6	5.6	11,328	9,730	1,598
2003	175	6,289	35,934	5.0	85	2.1	330.5	5.3	12,220	10,196	2,024
2004	175	5,794	33,109	(7.9)	106	1.7	480.3	8.3	12,934	10,323	2,611
2005	175	6,530	37,315	12.7	114	1.5	582.6	8.9	13,402	10,634	2,768
2006	173	6,354	36,726	(1.6)	122	1.4	629.2	9.9	14,064	11,620	2,444
2007	175	6,554	37,453	2.0	126	1.4	657.8	10.0	15,054	12,722	2,332
2008	175	6,753	38,588	3.0	138	1.3	754.8	11.2	15,615	13,412	2,203
2009	174	6,803	39,100	1.3	141	1.2	781.2	11.5	16,535	13,386	3,149
2010	175	6,605	37,743	(3.6)	142	1.2	792.7	12.0	17,081	13,241	3,840

*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 Plan for use as a basis for the valuation were furnished by the Plan's office. The following tables summarize the membership of the Plan 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	5	175	$ 6,605,037	$37,743	55.8	11.6

*Years

Of the 175 active members, 134 are vested and 41 are non-vested.

Retired Lives

Type of Benefit Payment	No.	Annual Benefits	Group Averages Benefit	Age*
Retirement	117	$662,740	$5,664	70.1
Disability	2	12,831	6,416	57.8
Survivor	23	117,099	5,091	64.8
Total in PERS	142	$792,670	$5,582	69.1

*Years

This valuation also includes 10 non-vested inactive members and 51 deferred vested members with estimated annual benefits of $139,882.

SECTION III – VALUATION BALANCE SHEET

The following valuation balance sheet shows the assets and liabilities of the retirement plan 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
SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN OF MISSISSIPPI

	JUNE 30, 2010	JUNE 30, 2009
ASSETS		
Current actuarial value of assets:		
Annuity Savings Account	$ 2,509,183	$ 2,326,997
Annuity Reserve	1,233,305	1,235,070
Employers' Accumulation Account	9,498,512	9,823,933
Total current assets	$ 13,241,000	$ 13,386,000
Future member contributions to Annuity Savings Account	$ 1,528,527	$ 1,713,746
Prospective contributions to Employer's Accumulation Account		
Normal contributions	$ 2,129,747	$ 2,222,157
Unfunded accrued liability contributions	3,840,278	3,148,870
Total prospective contributions	$ 5,970,025	$ 5,371,027
Total assets	$ 20,739,552	$ 20,470,773
LIABILITIES		
Present value of benefits payable on account of present retired members and beneficiaries	$ 8,777,175	$ 8,756,004
Present value of benefits payable on account of inactive members for service rendered before the valuation date	986,461	1,122,398
Present value of benefits payable on account of active members	$ 10,975,916	$ 10,592,371
Total liabilities	$ 20,739,552	$ 20,470,773

SECTION IV – COMMENTS ON VALUATION

The valuation balance sheet gives the following information with respect to the funds of the Plan 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 $2,509,183. The assets credited to the Annuity Reserve were $1,233,305 and the assets credited to the Employer's Accumulation Account totaled $9,498,512. Current actuarial assets as of the valuation date equaled the sum of these three funds, $13,241,000. Future member contributions to the Annuity Savings Account were valued to be $1,528,527. Prospective contributions to the Employer's Accumulation Account were calculated to be $5,970,025 of which $2,129,747 is attributable to service rendered after the valuation date (normal contributions) and $3,840,278 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 Plan to be $20,739,552 as of June 30, 2010.

Total Liabilities

The present value of benefits payable on account of presently retired members and beneficiaries totaled $8,777,175 as of the valuation date. The present value of future benefit payments on behalf of active members amounted to $10,975,916. In addition, the present value of benefits for inactive members, due to service rendered before the valuation date, was calculated to be $986,461.

Therefore, the balance sheet shows the present value for all prospective benefit payments under the Plan to be $20,739,552 as of June 30, 2010.

Section 25-11-307(1) of State law requires that active members contribute 3.00% of annual compensation to the Plan.

Section 25-11-307(2) 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 Plan. These individual contribution percentages are established in accordance with an actuarial valuation. We recommend the sum of these normal and accrued liability contributions increase from 6.65% to 7.40% of the annual compensation of all members. The amortization period of the unfunded accrued liability of the Plan 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.

			$ Thousands
(1)	UAAL* as of June 30, 2009	$	3,148.9
(2)	Normal cost from last valuation		264.6
(3)	Actual employer contributions		446.0
(4)	Interest accrual: (1) x .080 + [[(2) – (3)] x .0392]		244.8
(5)	Expected UAAL before changes: (1) + (2) – (3) + (4)		3,212.3
(6)	Change due to plan amendments		0.0
(7)	Change due to actuarial assumptions or methods		0.0
(8)	Expected UAAL after changes: (5) + (6) + (7)		3,212.3
(9)	Actual UAAL as of June 30, 2010		3,840.3
(10)	Gain/(loss): (8) – (9)	$	(628.0)
(11)	Gain/(loss) as percent of actuarial accrued liabilities at start of year ($16,534.9)		(3.8)%

*Unfunded actuarial accrued liability.

Valuation Date June 30	Actuarial Gain/(Loss) as a % of Beginning Accrued Liabilities
2005	(7.1)%
2006	0.3
2007	1.0
2008	0.9
2009	(3.0)
2010	(3.8)

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 Plan. 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	6.27%
Disability benefits	0.31
Survivor benefits	0.53
Total	7.11%
Member Contributions:	3.00%
Less future refunds	(0.07)
Available for benefits	2.93%
Employer Normal Cost	4.18%
Unfunded Actuarial Accrued Liabilities (29.7 year level % of payroll amortization*)	3.22
Total Computed Employer Contribution Rate	7.40%

*Amortization period a year ago was 26.2 years.

The components of the change in the computed unfunded accrued liability amortization period from 26.2 years to 29.7 years are as follows:

Previous Reported Period	26.2 years
Change due to:	
Normal amortization	(1.0)
Actuarial experience	3.9
Assumption changes	0.0
Plan amendments	0.0
Method change	0.0
UAL contribution experience	0.6
Computed Period	29.7 years

SECTION VII – CASH FLOW PROJECTION

Regular actuarial valuations measure the Retirement Plan'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 plan 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 Plan 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 plan funding progress of changes in the workforce, and (iv) examining the potential effect of changes in benefits on plan financial activity.

Projection results are useful in demonstrating changing relationships among key elements affecting plan financial activity. For example: how benefits payable and plan 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.

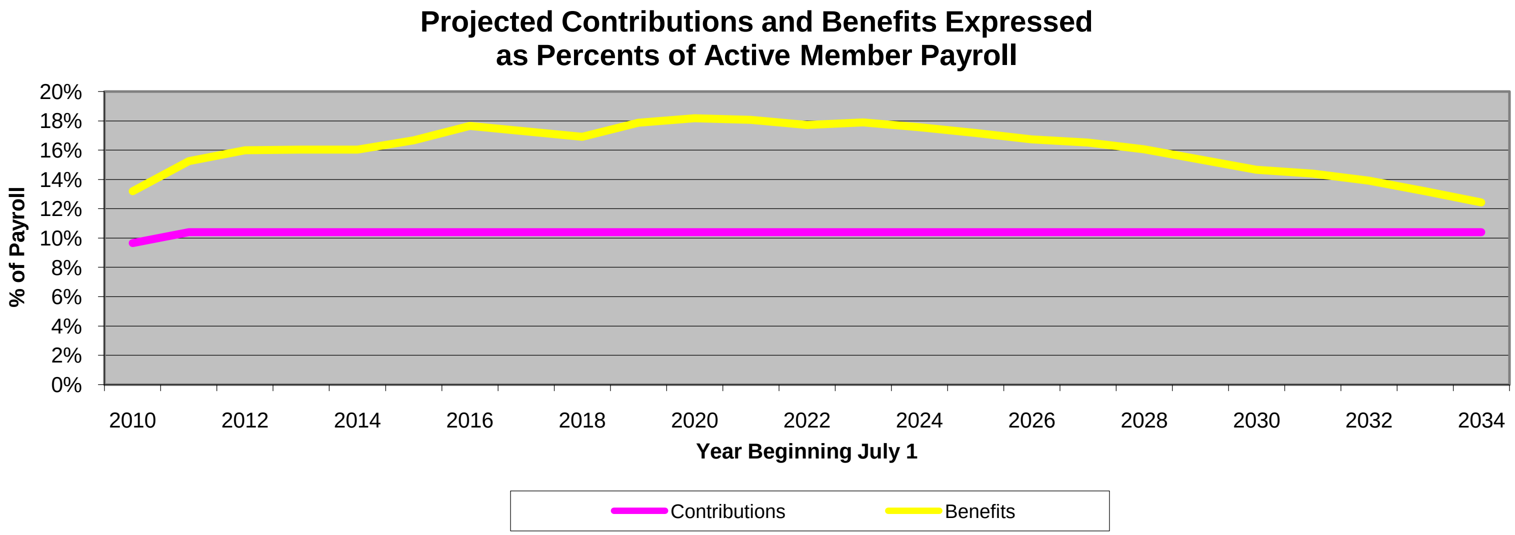
Mississippi Supplemental Legislative Retirement Plan

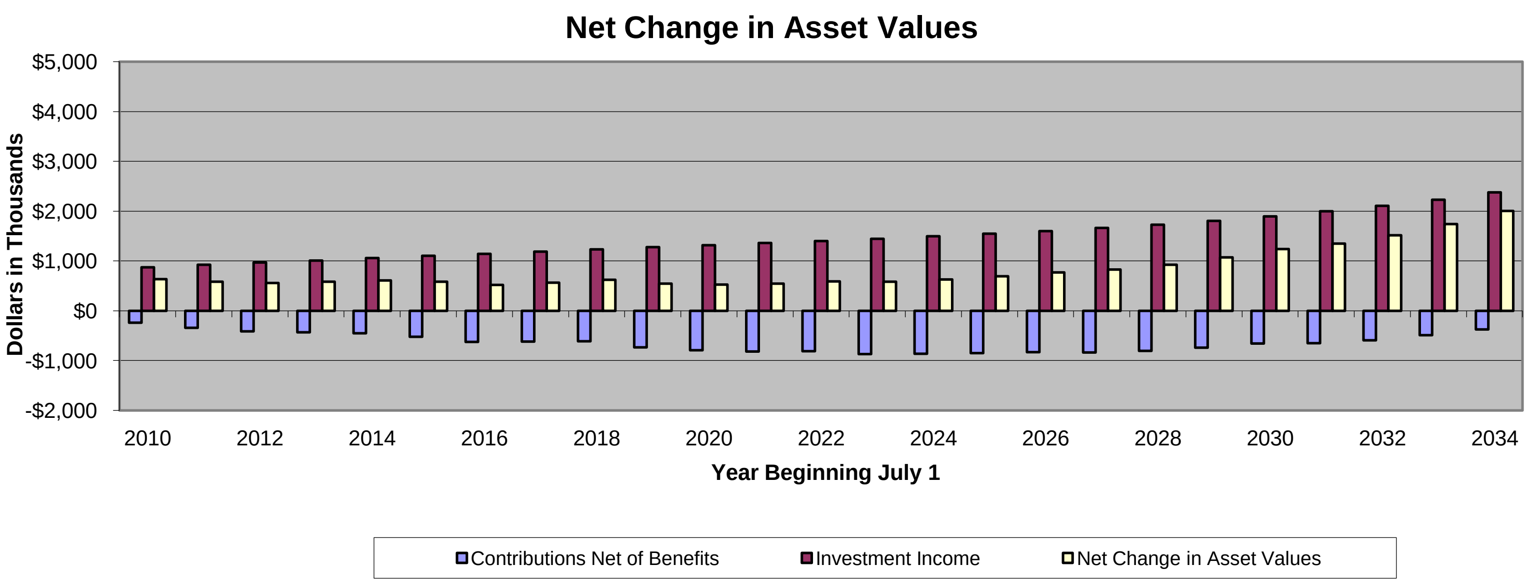
Twenty-five Year Cash Flow Projection

Year	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
2010	$6,737,138	$11,079,000	$650,134	$889,171	$876,759	$637,722	$11,716,722
2011	7,023,466	11,716,722	730,440	1,070,677	923,728	583,491	12,300,213
2012	7,321,963	12,300,213	761,484	1,171,800	967,604	557,288	12,857,501
2013	7,633,146	12,857,501	793,847	1,223,347	1,011,420	581,920	13,439,421
2014	7,957,5 55	13,439,421	827,586	1,276,182	1,057,210	608,614	14,048,035
2015	8,295,751	14,048,035	862,758	1,383,703	1,103,005	582,060	14,630,095
2016	8,648,320	14,630,095	899,425	1,526,131	1,145,339	518,633	15,148,728
2017	9,015,874	15,148,728	937,651	1,557,404	1,187,108	567,355	15,716,084
2018	9,399,049	15,716,084	977,501	1,588,766	1,232,836	621,571	16,337,655
2019	9,798,509	16,337,655	1,019,045	1,751,453	1,277,716	545,308	16,882,963
2020	10,214,946	16,882,963	1,062,354	1,856,968	1,318,852	524,238	17,407,201
2021	10,649,081	17,407,201	1,107,504	1,923,900	1,359,920	543,524	17,950,725
2022	11,101,667	17,950,725	1,154,573	1,966,110	1,403,597	592,060	18,542,785
2023	11,573,488	18,542,785	1,203,643	2,070,402	1,448,752	581,993	19,124,778
2024	12,065,361	19,124,778	1,254,798	2,118,889	1,495,419	631,328	19,756,106
2025	12,578,139	19,756,106	1,308,126	2,160,526	1,546,392	693,992	20,450,099
2026	13,112,710	20,450,099	1,363,722	2,193,731	1,602,808	772,799	21,222,897
2027	13,670,000	21,222,897	1,421,680	2,257,940	1,664,381	828,121	22,051,019
2028	14,250,975	22,051,019	1,482,101	2,288,405	1,731,829	925,525	22,976,544
2029	14,856,641	22,976,544	1,545,091	2,282,065	1,808,645	1,071,671	24,048,214
2030	15,488,048	24,048,214	1,610,757	2,269,772	1,897,497	1,238,482	25,286,696
2031	16,146,290	25,286,696	1,679,214	2,326,031	1,997,063	1,350,246	26,636,942
2032	16,832,507	26,636,942	1,750,581	2,342,117	2,107,294	1,515,758	28,152,700
2033	17,547,889	28,152,700	1,824,980	2,314,969	2,232,616	1,742,627	29,895,327
2034	18,293,674	29,895,327	1,902,542	2,273,760	2,376,777	2,005,559	31,900,887

Mississippi Supplemental Legislative Retirement Plan

Twenty-five Year Cash Flow Projection Based on Valuation Assumptions





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 Plan 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	142
Terminated participants and beneficiaries entitled to benefits but not yet receiving benefits	61
Active Participants	175
Total	378

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

SCHEDULE OF FUNDING PROGRESS

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)
06/30/2001*#	$9,124,000	$10,302,034	88.6%	$1,178,034	$5,941,332	19.8%
06/30/2002*	9,730,000	11,328,039	85.9	1,598,039	5,988,135	26.7
06/30/2003	10,196,000	12,219,519	83.4	2,023,519	6,288,514	32.2
06/30/2004*	10,323,000	12,934,100	79.8	2,611,100	5,794,099	45.1
06/30/2005#	10,634,000	13,401,595	79.3	2,767,595	6,530,045	42.4
06/30/2006	11,620,000	14,063,614	82.6	2,443,614	6,353,542	38.5
06/30/2007	12,722,000	15,053,526	84.5	2,331,526	6,554,229	35.6
06/30/2008*	13,412,000	15,614,687	85.9	2,202,687	6,752,960	32.6
06/30/2009#	13,386,000	16,534,870	81.0	3,148,870	6,803,339	46.3
06/30/2010	13,241,000	17,081,278	77.5	3,840,278	6,605,037	58.1

* After change in benefit provisions.
\# After change in actuarial assumptions.

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 $3,840,278 over a period of 29.7 years 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)	29.7	26.2
Annual Required Contribution % of Payroll	7.40%	6.65%

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

Valuation date	6/30/2010
Actuarial cost method	Entry age
Amortization method	Level percent open
Remaining amortization period	29.7 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return*	8.00%
Projected salary increases#	4.50%
Cost-of-living adjustments	3.00%
*Includes price inflation at	3.50%
# Includes wage inflation at	4.25%

Schedule of Employer Contributions

Fiscal Year Ending June 30	Valuation date June 30	Annual Required Contribution	Percentage Contributed
2002	2000	$376,086	100.0%
2003	2001	379,049	100.0
2004	2002	398,063	100.0
2005	2003	366,766	100.0
2006	2004	413,352	100.0
2007	2005	422,511	100.0
2008	2006	435,856	100.0
2009	2007	449,072	100.0
2010	2008	452,422	100.0
2011	2009	464,334	

Solvency Tests
($ in Thousands)

	Actuarial Accrued Liabilities for				Portions of Accrued Liabilities Covered by Assets		
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	(1)	(2)	(3)
6/30/2001	$1,666	$4,328	$4,308	$9,124	100%	100%	72.6%
6/30/2002	1,876	4,576	4,876	9,730	100	100	67.2
6/30/2003	2,121	4,567	5,532	10,196	100	100	63.4
6/30/2004	2,030	6,395	4,509	10,323	100	100	42.1
6/30/2005	2,076	6,813	4,513	10,634	100	100	38.7
6/30/2006	2,061	7,230	4,773	11,620	100	100	48.8
6/30/2007	2,301	7,378	5,375	12,722	100	100	56.6
6/30/2008	2,102	8,295	5,218	13,412	100	100	57.8
6/30/2009	2,327	8,756	5,452	13,386	100	100	42.2
6/30/2010	2,509	8,777	5,795	13,241	100	100	33.7

Schedule of Active Member Valuation Data

		Active Members			
Valuation Date	Number of Employers	Number	Annual Payroll	Annual Average Pay	% Increase in Average Pay
2001	5	175	$5,941,332	$33,950	1.5%
2002	5	175	5,988,135	34,218	0.8
2003	5	175	6,288,514	35,934	5.0
2004	5	175	5,794,099	33,109	(7.9)
2005	5	175	6,530,045	37,315	12.7
2006	5	173	6,353,542	36,726	(1.6)
2007	5	175	6,554,229	37,453	2.0
2008	5	175	6,752,960	38,588	3.0
2009	5	174	6,803,339	39,100	1.3
2010	5	175	6,605,037	37,743	(3.6)

Schedule of Number of Retirants Added To and Removed From Rolls
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
Item	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Beginning of Year	76	84	86	85	106	114	122	126	138	141
Added	10	6	1	26	8	12	6	20	7	6
Removed	(2)	(4)	(2)	(5)	0	(4)	(2)	(8)	(4)	(5)
End of Year	84	86	85	106	114	122	126	138	141	142

Schedule of Benefit Payments Added To and Removed From Rolls
Last Seven Fiscal Years

Year Ending	2004	2005	2006	2007	2008	2009	2010
Beginning of Year	$330,496	$480,314	$582,565	$629,217	$657,819	$754,815	$781,231
Added	172,668	30,412	57,341	17,973	107,569	33,316	36,400
Removed	(22,850)	0	(26,559)	(6,908)	(29,585)	(26,188)	(46,742)
Benefit increase due to annual COLA	N/A	71,839	15,870	17,537	19,012	19,288	21,781
Benefit increase due to plan amendments	0	0	0	0	0	0	0
End of Year	$480,314	$582,565	$629,217	$657,819	$754,815	$781,231	$792,670

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, 2009 to June 30, 2010									
Average Monthly Benefit		$129.62	$516.63		$759.42				$1,295.33
Average Final Salary		$29,883.00	$48,826.77		$45,504.00				$36,180.57
Number of Active Retirants		3	1		1				1
July 1, 2008 to June 30, 2009									
Average Monthly Benefit		$194.61			$547.11		$833.23	$411.03	$338.62
Average Final Salary		$29,237.33			$37,853.25		$39,683.00	$41,404.00	$34,997.00
Number of Active Retirants		3			1		1	1	1
July 1, 2007 to June 30, 2008									
Average Monthly Benefit	$117.04	$226.10	$354.03	$446.95	$513.00		$654.58		$922.68
Average Final Salary	$32,858.75	$34,938.88	$36,171.88	$40,512.11	$32,188.50		$32,547.92		$44,455.75
Number of Active Retirants	2	2	4	7	1		3		1
July 1, 2006 to June 30, 2007									
Average Monthly Benefit		$189.08	$256.47	$264.75					
Average Final Salary		$27,519.25	$34,758.63	$22,041.60					
Number of Active Retirants		3	2	1					
July 1, 2005 to June 30, 2006									
Average Monthly Benefit		$146.55	$310.02	$435.40					$963.29
Average Final Salary		$25,554.66	$30,926.67	$35,059.89					$36,594.49
Number of Active Retirants		4	3	3					2

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		$181.11	$270.19	$382.51	$141.81	$774.95			
Average Final Salary		$29,524.88	$27,246.83	$32,157.50	$34,034.50	$39,084.55			
Number of Active Retirants		2	3	1	1	1			
July 1, 2003 to June 30, 2004									
Average Monthly Benefit	$89.25	$744.00	$351.21	$407.83	$549.98		$675.25	$822.08	$964.09
Average Final Salary	$29,452.38	$30,298.88	$29,231.13	$30,666.48	$36,900.94		$49,614.16	$41,404,.00	$43,852.85
Number of Active Retirants	2	2	2	7	5		4	1	3
July 1, 2002 to June 30, 2003									
Average Monthly Benefit					$513.00				
Average Final Salary					$32,188.50				
Number of Active Retirants					1				
July 1, 2001 to June 30, 2002									
Average Monthly Benefit			$282.43	$324.43	$537.68				
Average Final Salary			$25,732.75	$24,477.44	$41,331.98				
Number of Active Retirants			1	4	1				
July 1, 2000 to June 30, 2001									
Average Monthly Benefit	$85.01	$209.41	$172.08	$320.97					$530.58
Average Final Salary	$30,768.00	$32,040.00	$23,014.00	$25,760.50					$24,477.25
Number of Active Retirants	1	4	2	2					1

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	$13,412	$13,386				
B.	Market Value End of Year	9,832	11,079				
C.	Market Value Beginning of Year	12,412	9,832				
D.	Cash Flow						
	D1. Contributions	665	648				
	D2. Other Revenue	0	0				
	D3. Benefit Payments	(799)	(824)				
	D4. Administrative Expenses	(9)	(9)				
	D5. Investment Expenses	(17)	(22)				
	D6. Net	(160)	(207)				
E.	Investment Income						
	E1. Market Total: B.-C.-D6.	(2,420)	1,454				
	E2. Assumed Rate	8.00%	8.00%				
	E3. Amount for Immediate Recognition	1,004	801				
	E4. Amount for Phased-In Recognition	(3,424)	653				
F.	Phased-In Recognition of Investment Income						
	F1. Current Year: 0.20*E4.	(685)	131				
	F2. First Prior Year	(442)	(685)	131			
	F3. Second Prior Year	257	(442)	(685)	131		
	F4. Third Prior Year	0	257	(442)	(685)	131	
	F5. Fourth Prior Year	0	0	257	(442)	(685)	131
	F6. Total Recognized Investment Gain	(870)	(739)	(739)	(996)	(554)	131
G.	Actuarial Value End of Year:						
	A.+D6.+E3.+F6.	$13,386	$13,241				
H.	Difference Between Market & Actuarial Values	$(3,554)	$(2,162)	$(1,423)	$(427)	$127	$(4)

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	$9,832	$10,197	$13,386
2.	Contributions and Misc. Revenue	648	648	648
3.	Investment Increment	1,432	706	40
4.	Benefit Payments	(824)	(824)	(824)
5.	Administrative Expenses	(9)	(9)	(9)
6.	Assets at June 30, 2010 (1) + (2) + (3) + (4) + (5)	$11,079	$10,718	$13,241
7.	Investment Increment/Mean Assets*	14.7%	7.0%	0.3%

*Based on the approximation formula: I/[.5 x (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 Rate of		
	Death		
Age	Male	Female	Disability*
20	.02%	.01%	.04%
25	.03	.02	.05
30	.04	.02	.07
35	.05	.03	.11
40	.08	.04	.17
45	.13	.06	.23
50	.24	.10	.30
55	.39	.15	.35
60	.60	.25	.40
65	.96	.43	
70	1.61	.72	

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

WITHDRAWAL AND VESTING: 15% in an election year, none in a non-election year.

SERVICE RETIREMENT: 25% in an election year, none in a non-election year. All members are assumed to retire no later than age 75.

It is assumed that a member will be granted 2.5 years of service credit for unused leave at termination of employment.

PRICE INFLATION: 3.50% per annum, compounded annually.

PAYROLL GROWTH: 4.25% per annum, compounded annually.

SALARY INCREASES: 4.50% per annum, for all ages. The merit and seniority component is 0.25% and the wage inflation component is 4.25%.

DEATH AFTER RETIREMENT: The mortality table, for post-retirement mortality, used in evaluating allowances to be paid was the 1994 Group Annuity Mortality Table. Special tables were 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.

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 Plan 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. "Eligibility service" is all service in PERS, including that credited for SLRP service. "Creditable service" includes only SLRP service.

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
7/1/1989	6/30/1992	6.33%	$75,600	3.00%	$75,600
7/1/1992	6/30/2002	6.33	$125,000	3.00	$125,000
7/1/2002	6/30/2006	6.33	$150,000	3.00	$150,000
7/1/2006	6/30/2008	6.65	$150,000	3.00	$150,000
7/1/2008	6/30/2009	6.65	$230,000	3.00	$230,000
7/1/2009		6.65	$245,000	3.00	$245,000

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 under PERS, or has completed at least 25 years of creditable service under PERS.

(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 under PERS 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 under PERS, 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 PERS 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 1% of his or her average compensation for each of the first 25 years of creditable service plus 1.25% for each year of creditable service over 25 years.

The minimum allowance is $60 per 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 10% of average compensation or $25 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 5% of average compensation or $25 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 under PERS.

* four years for those who entered PERS 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) 20% of average compensation plus 5% 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:

Age at Disability	Duration
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 $60 per year of service credit.

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 20% of average compensation, or (b) the member's accrued allowance.

The minimum allowance is $60 per year of service credit.

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 25% 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 25% of average compensation payable to the spouse and 12-1/2% of average compensation payable to one dependent child or 25% 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 of 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 SLRP 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* under PERS 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 either 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 PERS 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.

CONTRIBUTIONS

Members currently contribute 3.00% of covered earnings. The employer contributes that additional amount necessary to fund the benefits outlined above on a full actuarial reserve funding basis.

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	3	$9,417	$0	$9,417	$262
2009	5	22,763	0	22,763	379
2008	21	106,877	3,746	110,623	439
2007	1	4,417	269	4,686	391
2006	2	8,868	713	9,581	399
2005	10	50,265	4,390	54,655	455
2004	20	126,306	20,024	146,330	610
2003	6	27,192	4,565	31,757	441
2002	4	15,148	3,238	18,386	383
2001	3	8,420	2,247	10,667	296
2000	18	86,158	25,902	112,060	519
1999	8	29,735	9,735	39,470	411
1998	2	11,179	3,758	14,937	622
1997	5	13,173	5,362	18,535	309
1996	7	22,670	10,486	33,156	395
1995	1	1,058	543	1,601	133
1994	2	4,686	2,615	7,301	304
1993	8	33,553	19,989	53,542	558
1992	15	54,879	34,461	89,340	496
1991	0	0	0	0	0
1990	1	2,203	1,660	3,863	322
TOTAL	142	$638,967	$153,703	$792,670	$465

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	10	9		1	5		2			3	1				1
101 – 200	20	16		4	10	1	8					1			1
201 – 300	34	26		8	17	1	9	2	1	3		1			1
301 – 400	35	30	1	4	16	1	10		2	5		1	1		6
401 – 500	12	8	1	3	7		3		1	1				2	2
501 – 600	6	4		2	1		2			2		1	1		
601 – 700	10	10			3		4			3					1
701 – 800	5	5			2		1			1		1			1
801 – 900	6	6			2		1		1	2					1
901 – 1,000	1	1			1										1
Over 1,000	3	2		1	1		1			1					1
Totals	142	117	2	23	65	3	41	2	5	21	1	5	2	2	16

*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** (Reflects reduced monthly benefit)

**Included in other options

Supplemental Legislative Retirement Plan of Mississippi

Retirant and Beneficiary Information June 30, 2010

Attained Age	Service Retirement		Disability Retirement		Survivors and Beneficiaries		Total	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 20								
20 – 24					1	$1,957	1	$1,957
25 – 29								
30 – 34								
35 – 39								
40 – 44					2	9,782	2	9,782
45 – 49								
50 – 54	3	$12,702			1	4,235	4	16,937
55 – 59	9	81,924	1	$6,481	2	9,216	12	97,621
60 – 64	21	85,763	1	6,350	5	23,117	27	115,230
65 – 69	24	128,355			2	8,429	26	136,784
70 – 74	20	95,903			2	10,902	22	106,805
75 – 79	22	128,815			5	22,974	27	151,789
80 – 84	13	109,955			2	11,639	15	121,594
85 – 89	5	19,323			1	14,848	6	34,171
90 – 94								
95								
96								
97								
98								
99								
100 & Over								
Totals	117	$662,740	2	$12,831	23	$117,099	142	$792,670

Average Age: 69.1 years
Average Age at Retirement: 61.4 years

Supplemental Legislative Retirement Plan Of Mississippi

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

Attained Age	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									
20 – 24									
25 – 29	1							1	$34,463
30 – 34	3	4						7	248,985
35 – 39	6	3	2	1				12	446,137
40 – 44	8	2	2	1				13	477,603
45 – 49	5	5		4				14	523,071
50 – 54	3	5	3	8		1		20	755,566
55 – 59	3	5	2	8	1	3	3	25	996,640
60	4	2	3	1			2	12	452,208
61		1		1				2	67,508
62	2	1	1	1	1			6	223,301
63	1	1		2		2		6	212,531
64	1	1	3	3			1	9	342,406
65			1	3			1	5	203,532
66	1	1	1	2			2	7	265,922
67	1				1			2	68,170
68							1	1	100,570
69		3	1	3				7	248,091
70 & Over	2	3	3	7	6	2	3	26	938,333
Totals	41	37	22	45	9	8	13	175	$6,605,037

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

Age: 56.9 years
Service: 12.9 years
Annual Pay: $37,743

SCHEDULE E

MISSISSIPPI SLRP
ANALYSIS OF FINANCIAL EXPERIENCE

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

Type of Activity	$ Gain (or Loss) For Year Ending 6/30/2010	$ Gain (or Loss) For Year Ending 6/30/2009
Age & Service Retirements. If members retire at older ages, there is a gain. If younger ages, a loss.	$ 11.0	$ 77.9
Disability Retirements. If disability claims are less than assumed, there is a gain. If more claims, a loss.	10.9	12.4
Death-in Service Benefits. If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	7.7	10.6
Withdrawal From Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	41.3	40.1
Pay Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	344.1	131.0
New Members. Additional unfunded accrued liability will produce a loss.	(2.3)	0.0
Investment Income. If there is a greater investment income than assumed, there is a gain. If less income, a loss.	(1,023.0)	(950.0)
Death After Retirement. If retirants live longer than assumed, there is a loss. If not as long, a gain.	117.4	11.4
Other. Miscellaneous gains and losses resulting from changes in valuation software, data adjustments, timing of financial transactions, etc.	(135.1)	194.1
Gain (or Loss) During Year From Financial Experience	$ (628.0)	$ (472.5)
Non-Recurring Items. Adjustments for plan amendments, assumption changes, or method changes.	0.0	(494.1)
Composite Gain (or Loss) During Year	$ (628.0)	$ (966.6)

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 on 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.