

PENSIONS

*A Report from the Commission on Government Forecasting & Accountability on the
Financial Condition of the State of Illinois Retirement Systems as of June 30, 2008*



February 2009

*Commission on Government Forecasting and
Accountability*

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Executive Summary

This report examines the financial status of the five State-funded retirement systems. The following is a summary of the findings:

- Public Act 88-0593 requires the State to make contributions to the State retirement systems such that the total assets of the systems will equal 90% of their total actuarial liabilities by Fiscal Year 2045. The contributions are required to be made at a level percent of payroll in Fiscal Years 2011 through 2045, following a phase-in period that began in Fiscal Year 1996.
- From FY 1999 through FY 2008, the combined unfunded liabilities of the systems increased by \$40.1 billion. The main factors for this increase in unfunded liabilities were actuarially insufficient employer contributions, lower-than-assumed investment returns in 4 years, and benefit increases, along with other miscellaneous actuarial factors.
- The discussion of the financial condition of the State retirement systems centers on the funded ratio, or net assets divided by accrued liabilities. A system with a 100% funded ratio is fully funded because its assets are sufficient to pay all benefits earned by employees. The funded ratio of the State retirement systems combined was 54.3% as of June 30, 2008.
- Projections of the future financial condition of the State retirement systems provide valuable information on the effect that past funding has had on the retirement systems' financial position. The funding projections shown in the appendices of this report were prepared by the systems' actuaries and by CGFA's actuary based on the laws currently in effect.
- If the State continues funding according to current law, the accrued liabilities of the State retirement systems will increase from approximately \$124.8 billion at the end of FY 2009 to an estimated \$538.6 billion at the end of FY 2045. At the same time, assets are projected to increase from \$67.9 billion to \$484.7 billion. Consequently, the unfunded liabilities are projected to decrease from \$56.9 billion at the end of FY 2009 to \$53.9 billion at the end of FY 2045, and the funded ratio is expected to increase slightly to 54.4% in FY 2009, and then increase to 90.0% by the end of FY 2045. All of the projected figures come from the various systems' actuaries.

I. Pension Legislation History



88th General Assembly (1993 – 1995)

Funding Plan for State-Funded Retirement Systems (P. A. 88-0593)

Public Act 88-0593 implemented a funding plan for the five State retirement systems that requires the State to make contributions as a level percent of payroll in fiscal years 2011 through 2045, following a 15-year phase-in which began in fiscal year 1996. The contributions are required to be sufficient, when added to employee contributions, investment income, and other income, to bring the total assets of the systems to 90% of the actuarial liabilities by Fiscal Year 2045. Each system is required to certify the amount necessary for the next fiscal year by November 15 of the current fiscal year, for inclusion in the Governor's budget.

90th General Assembly (1997 – 1999)

SERS Formula Increase (P.A. 90-0065)

P.A. 90-0065 implemented a flat rate formula for SERS Regular Formula members covered by Social Security of 1.67% of final average salary for all years of service. Regular Formula members not covered by Social Security moved to a flat rate formula of 2.2% of final average salary for all years of service. The Act applied to all members retiring on or after January 1, 1998.

TRS Formula Increase (P.A. 90-0582)

P.A. 90-0582 implemented a retirement formula increase for members of the Teachers' Retirement System. The Act provided that active teachers would earn creditable service on or after July 1, 1998 at a rate of 2.2% of final average salary for each year of service. The Act also allowed teachers to make contributions to TRS in order to upgrade past service earned prior to the implementation of the flat-rate formula.

Creation of Self-Managed Plan in SURS (P.A. 90-0448)

P.A. 90-0448 gave members of the State Universities Retirement System the option to enroll in a Self-Managed Plan in which participants are able to choose from a variety of investment options ranging from mutual funds to annuity contracts. Members who choose the SMP become vested after earning 5 years of service credit.

91st General Assembly (1999 – 2001)

"Rule of 85" for SERS (P.A. 91-0927)

P.A. 91-0927 created a "Rule of 85" for the State Employees' Retirement System, wherein an employee is eligible to receive an unreduced retirement annuity when the employee's age plus years of service credit equals 85.

92nd General Assembly (2001 – 2003)

SERS Alternative Formula Increase (P.A. 92-0014)

P.A. 92-0014 (HB 0250) changed the retirement formula for alternative formula employees to 2.5% for each year of service for members coordinated with Social Security and 3.0% for each

year of service for non-coordinated members. The Act increased the maximum retirement annuity for alternative formula employees to 80% of final average salary.

Addition of Highway Maintenance Workers to the SERS Alternative Formula (P.A. 92-0257)

P.A. 92-0257 added state highway maintenance workers to the alternative formula under SERS. Specifically, the Act included persons employed on a full-time basis by the Illinois Department of Transportation in the position of highway maintainer, highway maintenance lead worker, heavy construction equipment operator, and other job titles. The bill also added several positions within the Illinois State Toll Highway Authority such as equipment operator/laborer, welders, sign makers and sign hangers, and other job titles.

SERS Early Retirement Incentive (Public Act 92-0566)

Public Act 92-0566 created the 2002 Early Retirement Incentive for certain SERS and TRS members. The ERI allowed members to purchase up to five years of service credit and age enhancement. Eligible members were then required to leave employment between July 1, 2002 and December 31, 2002. Over 11,000 members took advantage of the ERI, and a majority of the participants were eligible to receive benefits immediately following termination.

93rd General Assembly (2003 – 2005)

Pension Obligation Bond (P.A. 93-0002)

Public Act 93-0002 amended the General Obligation Bond Act to increase bond authorization by \$10 billion. These general obligation bonds were designated as a pension funding series. The State used a portion of the bond proceeds to pay part of the FY 2003 State contribution and all of the FY 2004 State contributions to the retirement systems. Of the \$10 billion, \$7.3 billion was used to reduce the unfunded liabilities of the State-funded retirement systems.

Along with the \$10 billion increase in bond authorization, Public Act 93-0002 included a provision requiring State contributions to the retirement systems to be reduced by the amount of the debt service (the amount of principal and interest payments) on the bonds. The legislation set the maximum annual employer contribution to each system at the amount that would have been contributed without the bond issuance, minus the total debt service payments for the fiscal year. Effectively, the reduction in retirement contributions is used to pay the debt service on the bonds.

94th General Assembly (2005 – 2007)

Change in Funding Provisions for State Systems (P.A. 94-0004)

Public Act 94-0004 changed the funding plan created in 1994 by Public Act 88-0593. The Act set the State contribution levels for FY 2006 and FY 2007, rather than requiring the State to make contributions based on actuarial calculations. In addition, the separate funding of the liability created by the 2002 SERS Early Retirement Incentive was eliminated. The following table provides a comparison of the FY 2006 certified contributions and FY 2007 contributions with the State contributions that were required by Public Act 94-0004. The actual appropriations to the Systems were contained in SB 1548 (P.A. 94-0015).

Public Act 88-0593 Contributions vs. Public Act 94-0004 Contributions (in Millions \$)						
System	FY 2006			FY 2007		
	PA 88-0593	PA 94-0004	Difference	PA 88-0593	PA 94-0004	Difference
TRS	\$1,058.5	\$534.6	\$523.9	\$1,233.1	\$735.5	\$497.6
SERS	690.3	203.8	486.5	832.0	344.2	487.8
SURS	324.9	166.6	158.3	391.9	252.1	139.8
JRS	38.0	29.2	8.8	44.5	35.2	9.3
GARS	5.5	4.2	1.3	6.3	5.2	1.1
Total	\$2,117.2	\$938.4	\$1,178.8	\$2,507.8	\$1,372.3	\$1,135.6

SERS Alternative Formula Changes (P.A. 94-0004)

Prior to the enactment of P.A. 94-0004, all employees of the Department of Corrections were covered by the SERS alternative formula. Public Act 94-0004 provides that for employees entering service after July 1, 2005, only Department of Corrections employees who are headquartered at a correctional facility, parole officers, members of an apprehension unit, members of an intelligence unit, and DOC investigators will be covered by the alternative formula. New employees included in other groups currently covered by the alternative formula will continue to be eligible for the SERS alternative formula.

SURS Money Purchase Retirement Option Changes (P.A. 94-0004)

Public Act 94-0004 eliminated the money purchase formula for employees who became members of SURS after July 1, 2005. Beginning in FY 2006, the Act requires the Comptroller (rather than the SURS Board of Trustees) to determine the interest rate to be used when crediting interest to the accounts of current employees.

Salary Increase Payments For Teachers and State University Personnel (P.A. 94-0004)

Public Act 94-0004 provided a mechanism by which the liability associated with salary increases above a certain level may be shifted to the employer (school districts and universities) providing those salary increases. The Act provides that during the years used to determine final average salary, the employer must pay to TRS or SURS an amount equal to the present value of the increase in benefits resulting from salary increases above 6%. The employer contribution required by Public Act 94-0004 must be paid in a lump sum within 30 days of the receipt of the bill from the retirement system. The Act specifies that the retirement system must calculate the contribution amount using the same actuarial assumptions and tables used for the most recent actuarial valuation.

The salary increase payment provision for TRS and SURS contained in Public Act 94-0004 does not apply to salaries paid under contracts or collective bargaining agreements entered into, amended, or renewed before the effective date of the Act (June 1, 2005).

Teacher Sick Leave Service Credit (P.A. 94-0004)

Prior to the enactment of P.A. 94-0004, members of TRS could establish up to 2 years of service credit for unused and uncompensated sick leave without making contributions. Public Act 94-0004 provides that if days granted by an employer are in excess of the normal annual sick leave allotment, the employer is required to contribute to TRS the normal cost of the benefits associated with this excess sick leave.

Retention of “Pipeline” Early Retirement Option in TRS (P.A. 94-0004)

An Early Retirement Option for members of TRS was created in 1980 and, prior to 2005, had been extended every 5 years since its inception. (Public Act 91-0017 extended the TRS ERO option until June 30, 2005). If an employee exercised the ERO option (i.e. retired before age 60 with less than 34 years of service) employee and employer contributions were required to avoid a discounted annuity. The employee contribution was 7% of salary for each year less than age 60 or 35 years of service (whichever is less) and the employer contribution was 20% of salary for each year less than age 60. Public Act 92-0582 removed the employee contribution for members with 34 years of service and Public Act 91-0017 removed the employer contribution requirement for employees who retire with 34 years of service.

Public Act 94-0004 allowed TRS members to participate in the “pipeline” ERO if the member retired between June 30, 2005 and July 1, 2007.

New Early Retirement Option in TRS (P.A. 94-0004)

Public Act 94-0004 created a new ERO effective July 1, 2005. If an employee exercises the new ERO option (retires before age 60) employee and employer contributions are required to avoid discount. The employee contribution is 11.5% of salary for each year less than age 60 or 35 years of service (whichever is less) and the employer contribution is 23.5% of salary for each year less than age 60. In addition, all active TRS members are required to contribute 0.4% of salary towards the cost of ERO. This contribution would be refunded, without interest, if the member does not utilize the ERO, if the member takes a refund from TRS, if the member dies, or if the ERO is terminated.

By June 30, 2012 (and every 5 years thereafter), TRS is required to review the System’s ERO experience to determine if the required contributions adequately fund the ERO. The TRS Board of Trustees must submit the results to the Commission on Government Forecasting and Accountability, who must then recommend to the General Assembly (by February 1, 2013) if the required ERO contributions should be adjusted. If the General Assembly does not adjust the required contributions as recommended, the ERO would be terminated at the end of that fiscal year.

Application of New Benefits (P.A. 94-0004)

Public Act 94-0004 requires every new benefit increase to identify and provide for additional funding at least sufficient to fund the resulting annual increase in cost as it accrues to the System. Unless the funding inadequacy is corrected by the General Assembly, the benefit increase would expire at the end of the fiscal year in which certification of inadequate funding is made. In addition, Public Act 94-0004 provides that all benefit increases will expire 5 years after the effective date of the increase, unless an earlier date is specified in the legislation that provides the benefit increase.

Exemptions to 6% End-of-Career Salary Increase Cap (P.A. 94-1057)

P.A. 94-1057 amended both the Downstate Teachers' and State Universities' Articles of the Pension Code to exempt the employer (the university or the school district) from paying the increased contribution associated with certain salary increases above 6% granted during the employee's final average salary period. The Act applies to specifically enumerated salary increases granted between June 1, 2005 and July 1, 2011 as follows:

- Salary increases paid to teachers or university employees who are ten or more years away from retirement.
- Salary increases that result when a teacher is transferred from one employer to another as a result of school consolidation.
- Salary increases paid to teachers or university employees that are earned as a result of summer school or overload work. (Overload work must be for the sole purpose of academic instruction in excess of the standard number of instruction hours, and the overload pay must be necessary for the educational mission).
- Salary increases due to promotion for which a teacher is required to hold a certificate or supervisory endorsement issued by the State Teacher Certification Board. The certification must be different than what was required for the teacher's previous position, and the position must have existed and been filled by a member for no less than one complete academic year.
- Salary increase due to promotion for which a university employee moves to a higher classification under the State Universities Civil Service System, promotion to a tenure-track faculty position, or promotion to a position recommended on a promotional list created by the Illinois Community College Board.
- Payments to a teacher from the State Board of Education or the State of Illinois over which the school district does not have discretion.
- Salary increases granted to teachers or university employees under the aforementioned conditions after July 1, 2011, but before July 1, 2014, pursuant to a contract or collective bargaining agreement entered into on or after June 1, 2005, but before July 1, 2011.

P.A. 94-1057 also requires both SURS and TRS to file a report with the Governor and General Assembly by January 1, 2007 outlining the number of recalculations performed by school districts or universities, the dollar amount by which each school district or university's contribution was changed due to the recalculation, and the total amount received from each school district or university as a result of P.A. 94-0004. The Act also requires both SURS and TRS to provide an estimate of the increase in state contributions resulting from the aforementioned end-of-career salary increase exemptions.

II. Current Combined Financial Condition Of The State Retirement Systems



STATE RETIREMENT SYSTEMS, COMBINED

The following section of the report looks at historical information regarding the financial condition of the State funded retirement systems. These systems include the Teachers' Retirement System, State Employees' Retirement System, State Universities' Retirement System, Judges' Retirement System, and General Assembly Retirement System. We will begin by examining the five systems together and then take a snapshot of each system's position and outlook as of June 30, 2008. This section of the report covers the period from FY 1999 to FY 2008.

Over the last ten years, the State of Illinois has contributed \$22.0 billion to the five retirement systems. Of that amount, \$7.3 billion was from the sale of \$10 billion in pension obligation bonds. The Teachers' Retirement System has received by far the largest amount of contributions, totaling almost \$12.3 billion. The Judges' and General Assembly Retirement Systems have received the smallest amount of contributions, as they have far fewer participants. The effect the contributions have had on the unfunded liabilities of the five systems is discussed in greater detail in the following section.

TABLE 1

Summary of Appropriations Authorized State Retirement Systems FY 1999 - FY 2008 (\$ in Millions)						
Fiscal Years	<u>TRS</u>	<u>SURS</u>	<u>SERS</u>	<u>JRS</u>	<u>GARS</u>	<u>Total</u>
1999	573.0	217.6	315.5	18.7	3.6	1,128.4
2000	639.3	224.6	340.9	21.4	3.9	1,230.1
2001	724.0	232.6	366.0	24.2	4.3	1,351.1
2002	814.7	240.4	386.1	27.5	4.7	1,473.4
2003	929.7	269.6	396.1	31.4	5.1	1,631.9
*2004	5,361.9	1,743.7	1,864.7	178.5	32.9	9,181.7
2005	906.7	269.9	427.5	32.0	4.7	1,640.8
2006	534.3	166.7	210.5	29.2	4.2	944.9
2007	737.7	252.1	358.8	35.2	5.4	1,389.2
2008	1,041.1	340.3	567.2	47.0	6.8	2,002.4
Totals	\$ 12,262.4	\$ 3,957.5	\$ 5,233.3	\$ 445.1	\$ 75.6	\$ 21,973.9

*FY 2004 State appropriations authorized include \$7.3 Billion in proceeds from the sale of pension obligation bonds,

*FY 2004 State appropriations authorized include \$7.3 billion in proceeds from the sale of pension obligation bonds.

The unfunded liabilities of the State systems totaled \$54.3 billion on June 30, 2008, led by the Teachers' Retirement System (TRS) whose unfunded liabilities amounted to \$30.2 billion. As the largest of the State systems, TRS accounts for over half of the total assets and liabilities of the five State systems combined. Table 2 below provides a summary of the financial condition of each of the five State retirement systems, showing their respective liabilities and assets as well as their accumulated unfunded liabilities and funded ratios.

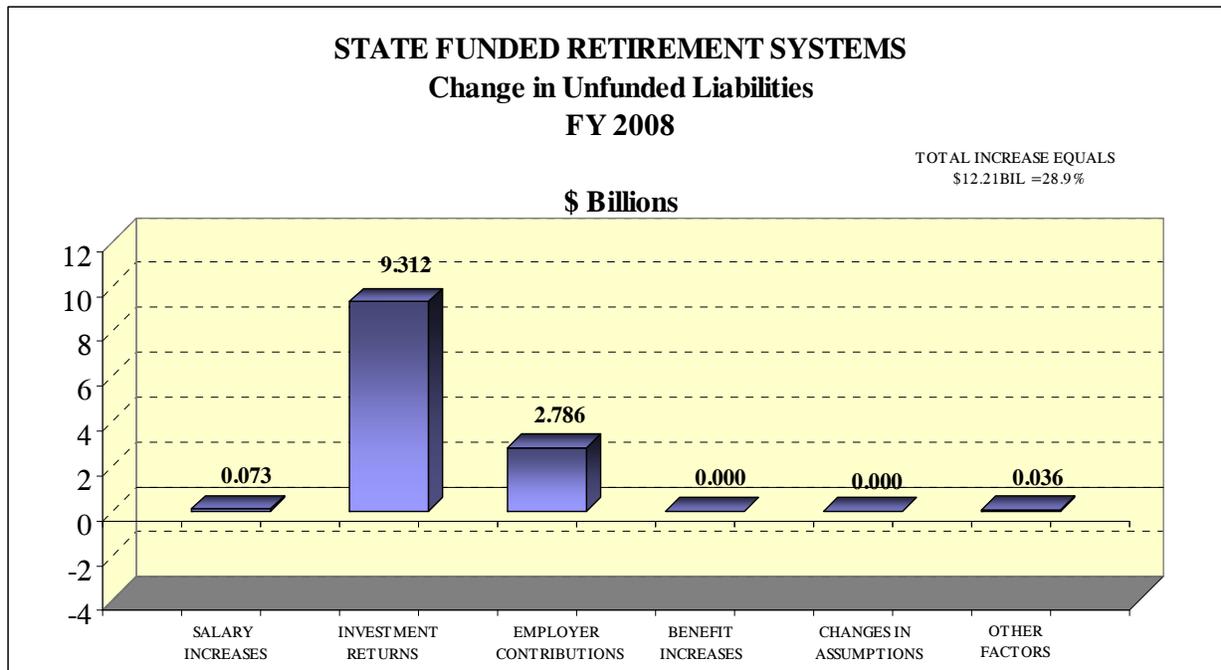
TABLE 2

Summary of Financial Condition State Retirement Systems FY 2008 (\$ in Millions)				
System	Accrued <u>Liability</u>	Net <u>Assets</u>	Unfunded <u>Liability</u>	Funded <u>Ratio</u>
TRS	\$68,632.4	\$38,430.7	\$30,201.7	56.0%
SURS	\$24,917.7	\$14,586.3	10,331.4	58.5%
SERS	\$23,841.3	\$10,995.4	12,845.9	46.1%
JRS	\$1,457.3	\$612.7	844.6	42.0%
GARS	\$235.8	\$75.4	160.4	32.0%
TOTAL	\$119,084.5	\$64,700.5	\$54,384.0	54.3%

The funded ratios for each of the five State retirement systems may be compared to the aggregate funded ratio of 54.3% for the five systems. Although the Judges' Retirement System and the General Assembly Retirement System have the poorest funded ratios, these two systems are much smaller and their unfunded liabilities are more manageable than the three larger systems.

As mentioned previously, one way of appraising the financial health of a retirement system is by determining its unfunded liabilities. The following chart shows how six factors affected the combined unfunded liabilities of the five State systems during FY 2008. **All of the factors shown as positive amounts cause increases in the unfunded liability total.**

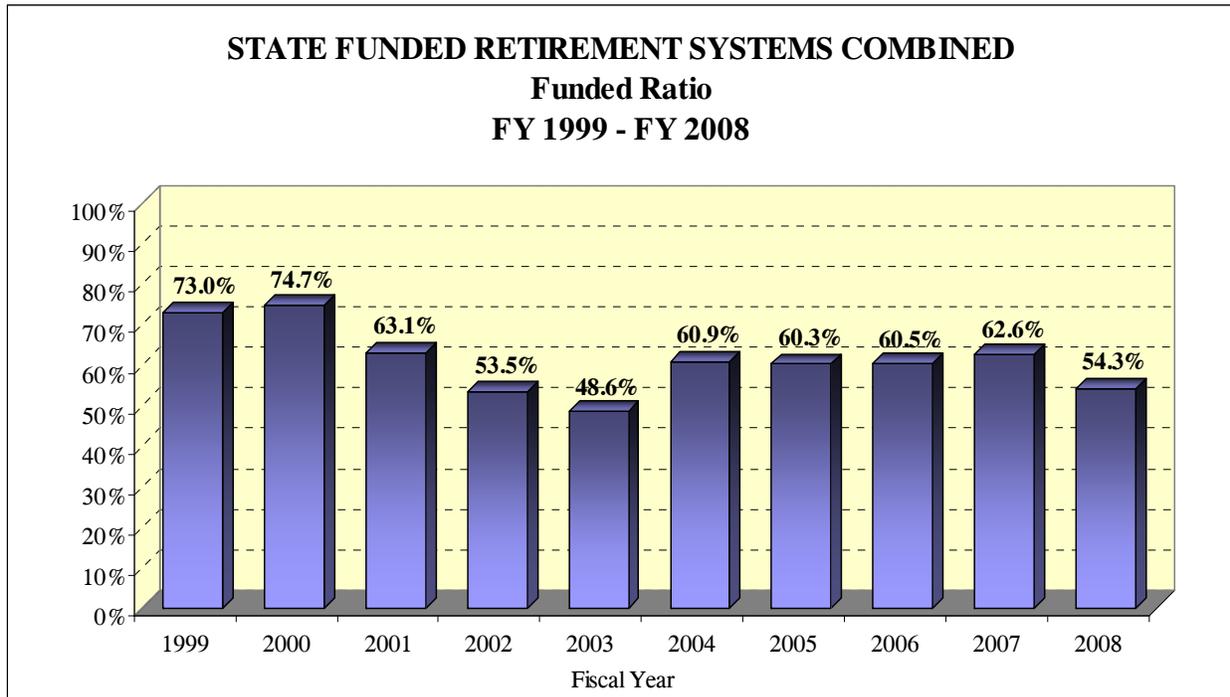
CHART 1



At the end of FY 2006, the systems' total unfunded liabilities were approximately \$40.7 billion. At June 30, 2007, these liabilities stood at about \$42.2 billion, or 3.5% above the FY 2006 level. The primary causes of this increase were insufficient employer contributions (when compared to contributions based on normal cost plus interest), changes in actuarial assumptions, other factors, and to a lesser extent, underestimation of salary increases. These causes were greatly offset by investment returns which were much higher than forecasts. At June 30, 2008, total unfunded liabilities had increased to \$54.4 billion, or 28.9% above the FY 2007 level. As the above chart shows, the primary causes of this increase were the very poor investment results and insufficient employer contributions. More details on the annual changes in unfunded liabilities of the State systems are shown in Appendix M.

All of the aforementioned factors influence the funded ratio, the most commonly recognized measure of a system's financial health, as illustrated and described below.

CHART 2



The funded ratio at any single point in time is less important than the trend over time. The cumulative funded ratio for the State-funded systems grew steadily from FY 1999 to FY 2000, mainly due to higher than assumed investment returns and adherence to the funding plan established in PA 88-593, which more than offset the increase in accrued liability caused by benefit increases. In FY 2002, the funded ratio fell to the lowest level since FY 1999, primarily due to investment returns totaling \$5.6 billion less than previously assumed. In FY 2003, the funded ratio fell even lower as investment returns continued to be lower-than-assumed (by \$2.1 billion), but not nearly as low as the previous two years. Investments began to bounce back in FY 2004, helping to increase the funded ratio. In addition, in 2003 the State sold \$10 billion in pension obligation bonds and used part of the proceeds to pay all of the contributions for FY 2004. The bond sale generated \$7.3 billion to reduce unfunded liabilities of the state-funded retirement systems. The funded ratio remained relatively stable through FY 2006 before increasing in FY 2007. Despite insufficient employer contributions, higher-than-expected investment returns led to the improvement. In FY 2008 the funded ratio fell significantly due to much lower than expected investment revenues and, to a lesser extent, insufficient employer contributions. For further information on changes in unfunded liabilities refer to Appendix M.

III. The Teachers' Retirement System

- Plan Summary
- FY 2007 Change in Unfunded Liabilities
- Funded Ratio History
- Active Member Headcount
- Average Active Member Salaries
- Retiree Headcount
- Average Retirement Annuities
- Projected Total Pension Cost
- Changes in Net Assets
- Investment Return History
- Historical Underfunding
- Projected Underfunding



Teachers Retirement System

Defined Benefit Plan Summary

Retirement Age

- ❑ Age 62 with 5 years of service credit.
- ❑ Age 60 with 10 years of service credit.
- ❑ Age 55 with 20 years of service credit (discounted annuity or Early Retirement Option)
- ❑ Age 55 with 35 years of service credit.
- ❑ “Rule of 85” for TRS members who are employees of the State of Illinois.

Retirement Formula

- ❑ 2.2% of final average salary for each year of service credit earned after June 30, 1998 (prior years under graduated formula can be upgraded).

Maximum Annuity

- ❑ 75% of final average salary.

Salary Used to Calculate Pension

- ❑ Average of the four highest consecutive annual salary rates within the last 10 years of service.

Annual COLA

- ❑ 3% compounded.

Employee Contributions

- ❑ 9.4% of salary.

CHART 3

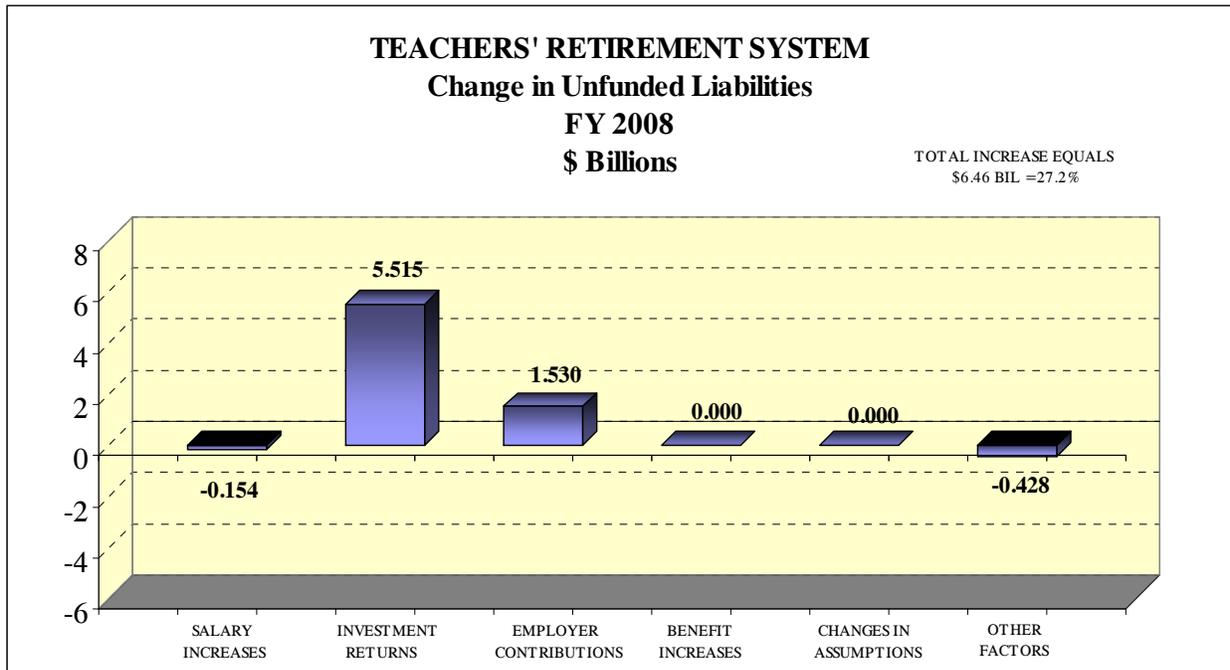


CHART 4

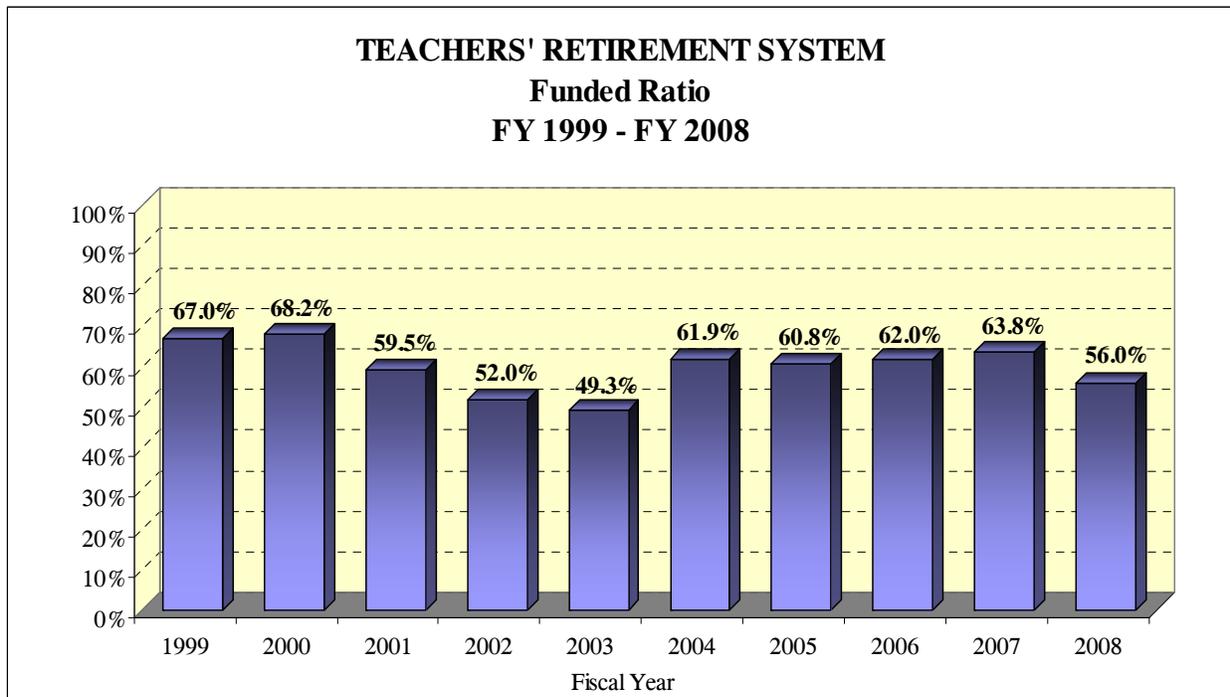


CHART 5

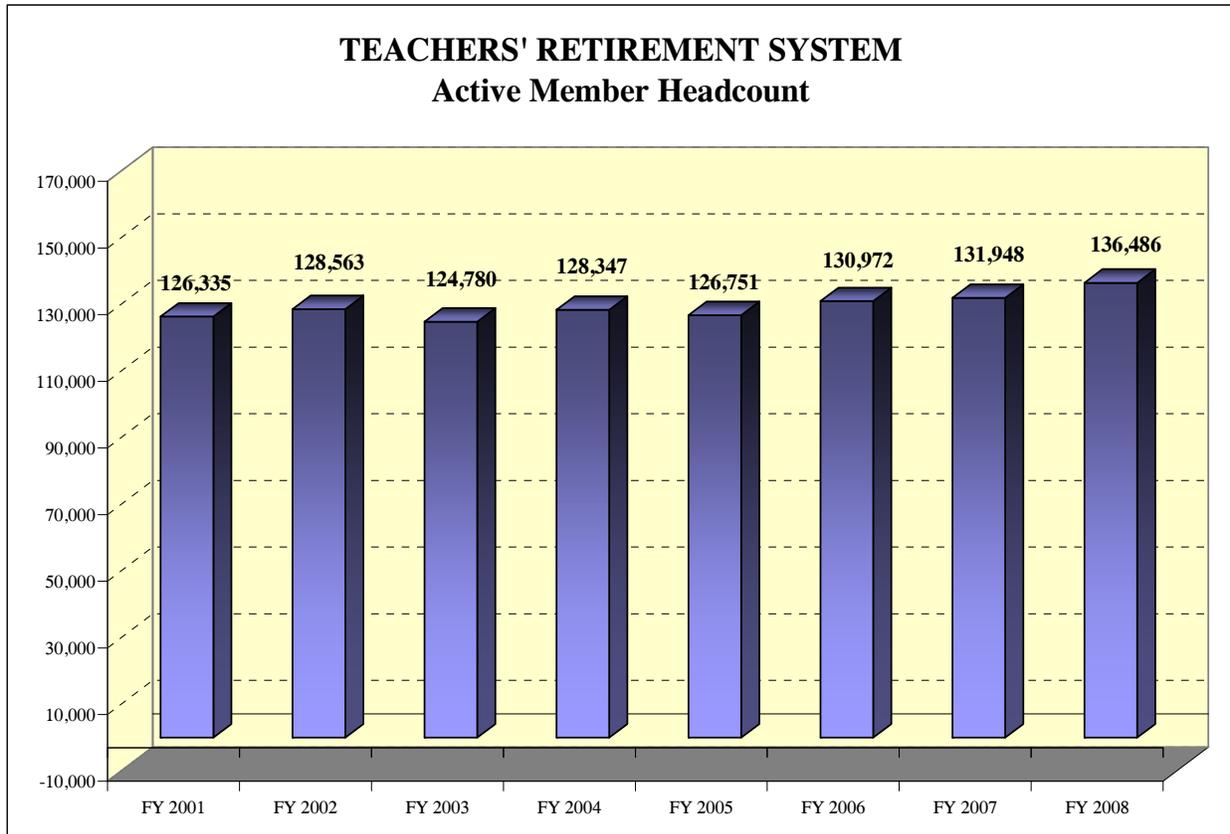


CHART 6

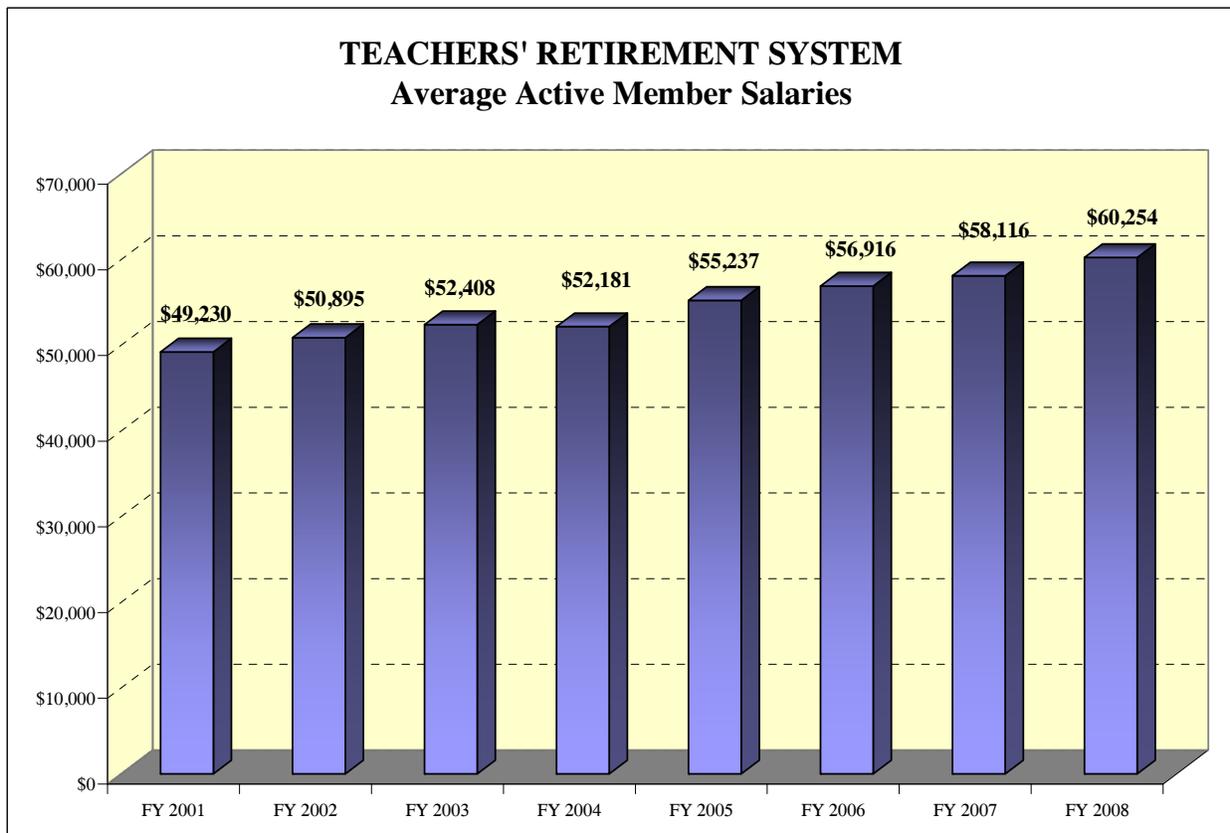


CHART 7

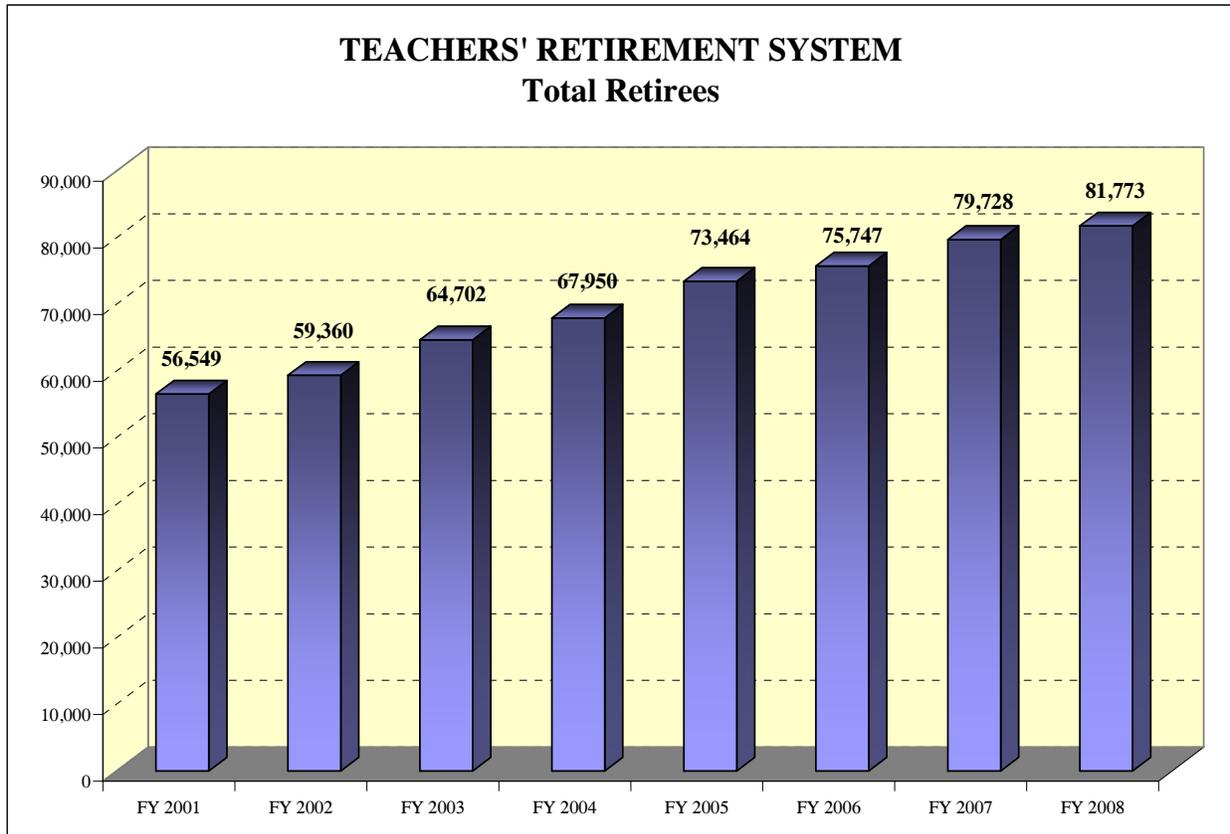


CHART 8

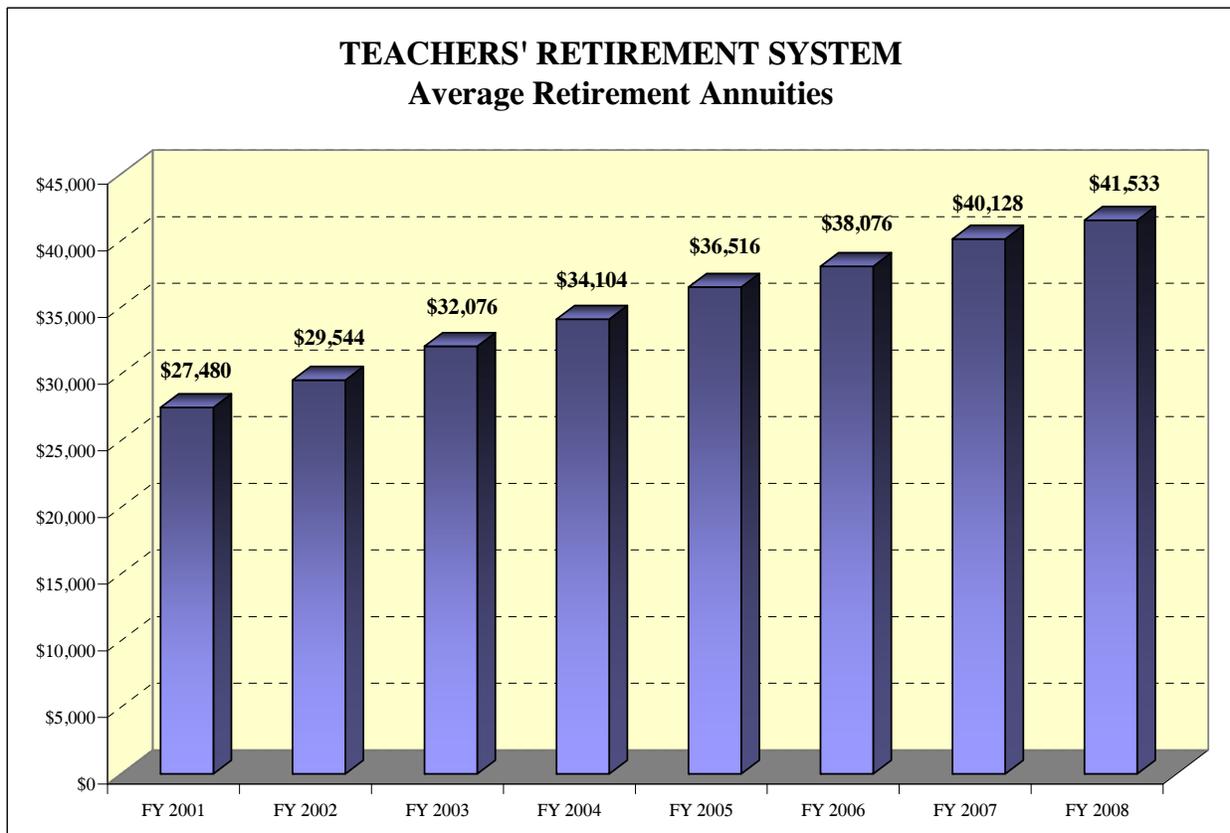
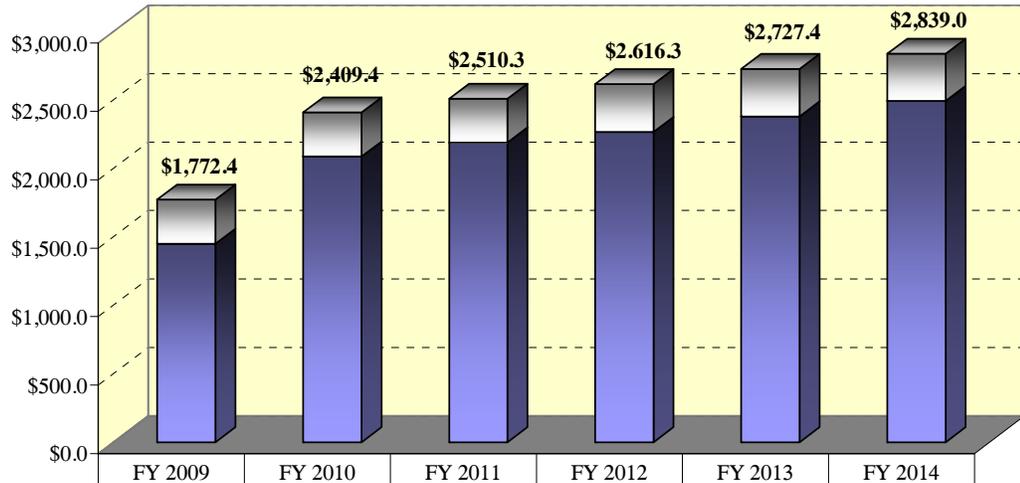


CHART 9

TEACHERS' RETIREMENT SYSTEM
Projected Total State Pension Cost
Based on Laws in Effect on June 30, 2008
FY 2009 - FY 2014
(\$ in Millions)



POB Debt Service	\$322.5	\$321.7	\$320.7	\$349.2	\$347.0	\$344.7
Regular Contribution	\$1,449.9	\$2,087.7	\$2,189.6	\$2,267.1	\$2,380.4	\$2,494.3

TABLE 3

TEACHERS' RETIREMENT SYSTEM								
Changes in Net Assets								
(\$ in millions)								
Fiscal Years	2008	2007	2006	2005	2004	2003	2002	2001
Additions to Assets								
State of Illinois	1,041.1	737.7	534.3	906.8	1,031.5	929.7	814.7	724.0
Pension Obligation Bonds	0.0	0.0	0.0	0.0	4,330.4	0.0	0.0	0.0
Employees	865.4	826.2	799.0	761.8	768.6	732.0	681.2	643.6
School Districts	88.3	83.4	99.3	109.0	93.9	58.2	66.3	74.4
Federal	42.4	32.5	24.3	39.8	33.7	33.3	26.3	23.2
Net Investment Income	-2,015.0	6,831.3	3,993.3	3,330.0	4,485.7	1,060.9	-724.0	-1,015.3
Total Asset Additions (A)	22.2	8,511.1	5,450.2	5,147.4	10,743.8	2,814.1	864.5	449.9
Deductions from Assets								
Benefits	3,424.0	3,111.8	2,877.2	2,533.1	2,262.3	1,998.6	1,759.7	1,566.8
Refunds	60.3	59.7	58.0	59.4	48.0	43.1	38.8	35.8
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Expenses	16.6	15.2	15.3	14.4	13.6	13.9	15.4	13.1
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Deductions (B)	3,500.8	3,186.7	2,950.5	2,606.9	2,323.9	2,055.6	1,813.9	1,615.7
Change in Net Assets (A-B=C)	-3,478.6	5,324.4	2,499.7	2,540.5	8,419.9	758.5	-949.4	-1,165.8

TABLE 4

TEACHERS RETIREMENT SYSTEM				
Historical Investment Revenues				
(\$ in millions)				
Fiscal Year	Market Value of Assets at Year End	Net Investment Revenue	Rate of Return Earned	
1999	22,237.7	2,089.7	10.8%	
2000	24,481.4	2,336.2	10.6%	
2001	23,315.6	-1,015.3	-4.2%	
2002	22,366.3	-724.0	-3.2%	
2003	23,124.8	1,060.9	4.9%	
2004	31,544.7	4,485.7	16.5%	
2005	34,085.2	3,330.0	10.8%	
2006	36,584.9	3,993.3	11.8%	
2007	41,909.3	6,831.3	19.2%	
2008	38,430.7	-2,015.0	-5.0%	

1999 - 2008 Asset Values are Market Values.

TABLE 5

TEACHERS' RETIREMENT SYSTEM					
Historical Underfunding, FY 1999 - FY 2008					
(\$ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions*	Historical Underfunding
1999	435.9	845.1	1,281.0	603.6	677.4
2000	479.9	932.3	1,412.2	688.6	723.6
2001	542.8	969.4	1,512.2	778.3	733.9
2002	589.0	1,347.3	1,936.3	861.9	1,074.4
2003	628.5	1,757.9	2,386.4	970.8	1,415.6
2004	598.5	2,023.7	2,622.2	5,433.7	-2,811.5
2005	638.0	1,649.2	2,287.2	987.3	1,299.8
2006	645.7	1,869.1	2,514.8	601.4	1,913.4
2007	650.9	1,905.0	2,555.9	816.7	1,739.2
2008	681.7	2,017.8	2,699.5	1,169.8	1,529.7

* Excludes School District Cash Payments for TRS ERI/ERO

TABLE 6

PROJECTIONS FOR THE TEACHERS' RETIREMENT SYSTEM					
Projected Underfunding Based on Laws in Effect on June 30, 2008					
(\$ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions*	Projected Underfunding
2009	817.3	2,567.1	3,384.4	1,556.7	1,827.7
2010	846.9	2,709.4	3,556.3	2,217.1	1,339.2
2011	866.2	2,808.7	3,674.9	2,324.9	1,350.0
2012	885.5	2,909.3	3,794.8	2,407.6	1,387.2
2013	908.7	3,013.1	3,921.8	2,527.5	1,394.3
2014	934.2	3,117.9	4,052.1	2,648.2	1,403.9
2015	965.9	3,223.8	4,189.7	2,767.2	1,422.5
2016	1,003.4	3,331.5	4,334.9	2,895.1	1,439.8
2017	1,045.6	3,440.6	4,486.2	3,031.3	1,454.9
2018	1,091.0	3,550.4	4,641.4	3,174.6	1,466.8
2019	1,140.0	3,660.1	4,800.1	3,325.1	1,475.0
2020	1,194.5	3,769.6	4,964.1	3,483.9	1,480.2
2021	1,251.7	3,878.9	5,130.6	3,650.9	1,479.7
2022	1,315.2	3,987.3	5,302.5	3,826.7	1,475.8
2023	1,380.1	4,094.5	5,474.6	4,010.8	1,463.8
2024	1,449.5	4,199.2	5,648.7	4,202.3	1,446.4
2025	1,521.9	4,300.2	5,822.1	4,401.8	1,420.3
2026	1,595.5	4,397.4	5,992.9	4,609.1	1,383.8
2027	1,669.6	4,489.4	6,159.0	4,823.2	1,335.8
2028	1,744.0	4,574.8	6,318.8	5,044.1	1,274.7
2029	1,824.0	4,652.5	6,476.5	5,275.6	1,200.9
2030	1,905.4	4,724.2	6,629.6	5,517.5	1,112.1
2031	1,989.6	4,786.9	6,776.5	5,768.4	1,008.1
2032	2,074.1	4,839.0	6,913.1	6,027.8	885.3
2033	2,155.9	4,877.9	7,033.8	6,295.5	738.3
2034	2,237.7	4,901.6	7,139.3	6,574.1	565.2
2035	2,325.6	4,909.1	7,234.7	6,865.6	369.1
2036	2,417.2	4,899.2	7,316.4	7,171.1	145.3
2037	2,516.4	4,869.5	7,385.9	7,492.9	-107.0
2038	2,610.1	4,817.0	7,427.1	7,829.7	-402.6
2039	2,714.5	4,734.9	7,449.4	8,183.5	-734.1
2040	2,839.7	4,623.0	7,462.7	8,560.9	-1,098.2
2041	2,974.1	4,482.0	7,456.1	8,966.0	-1,509.9
2042	3,115.9	4,310.6	7,426.5	9,393.4	-1,966.9
2043	3,263.9	4,090.7	7,354.6	9,839.6	-2,485.0
2044	3,417.9	3,823.9	7,241.8	10,304.0	-3,062.2
2045	3,578.8	3,505.3	7,084.1	10,789.0	-3,704.9

* Excludes School District Cash Payments for Modified TRS ERO.

IV. The State Employees' Retirement System

- Plan Summaries
- FY 2007 Change in Unfunded Liabilities
- Funded Ratio History
- Active Member Headcount
- Average Active Member Salaries
- Retiree Headcount
- Average Retirement Annuities
- Projected Total Pension Cost
- Changes in Net Assets
- Investment Return History
- Historical Underfunding
- Projected Underfunding



State Employees' Retirement System

Regular Formula - Plan Summary

Retirement Age

- ❑ “Rule of 85” – retirement when member’s age plus years of service equals 85.
- ❑ Age 60 with 8 years of service credit.
- ❑ Age 55 with at least 25 years of service (reduced one-half of one percent for each month the member is under age 60).

Retirement Formula

- ❑ 1.67% of final average salary for each year of service for members covered by Social Security.
- ❑ 2.2% of final average salary for each year of service credit for members not covered by Social Security.

Maximum Annuity

- ❑ 75% of final average salary.

Salary Used to Calculate Pension

- ❑ Highest 48 consecutive months of service within the last 120 months of service.

Annual COLA

- ❑ 3% compounded.

Employee Contributions

- ❑ 4.0% of salary for members covered by Social Security.
- ❑ 8.0% of salary for members not covered by Social Security.

State Employees' Retirement System

Alternative Formula - Plan Summary

Retirement Age

- ❑ Age 55 with at least 20 years of service.
- ❑ Age 50 with at least 25 years of service.

Retirement Formula

- ❑ 2.5% of final average salary for each year of service for members covered by Social Security.
- ❑ 3.0% of final average salary for each year of service credit for members not covered by Social Security.

Maximum Annuity

- ❑ 80% of final average salary.

Salary Used to Calculate Pension

- ❑ Rate of pay on the last day of employment, or the average of the last 48 months of compensation, whichever is greater.

Annual COLA

- ❑ 3% compounded.

Employee Contributions

- ❑ 8.5% of salary for members covered by Social Security.
- ❑ 12.5% of salary for members not covered by Social Security.

CHART 10

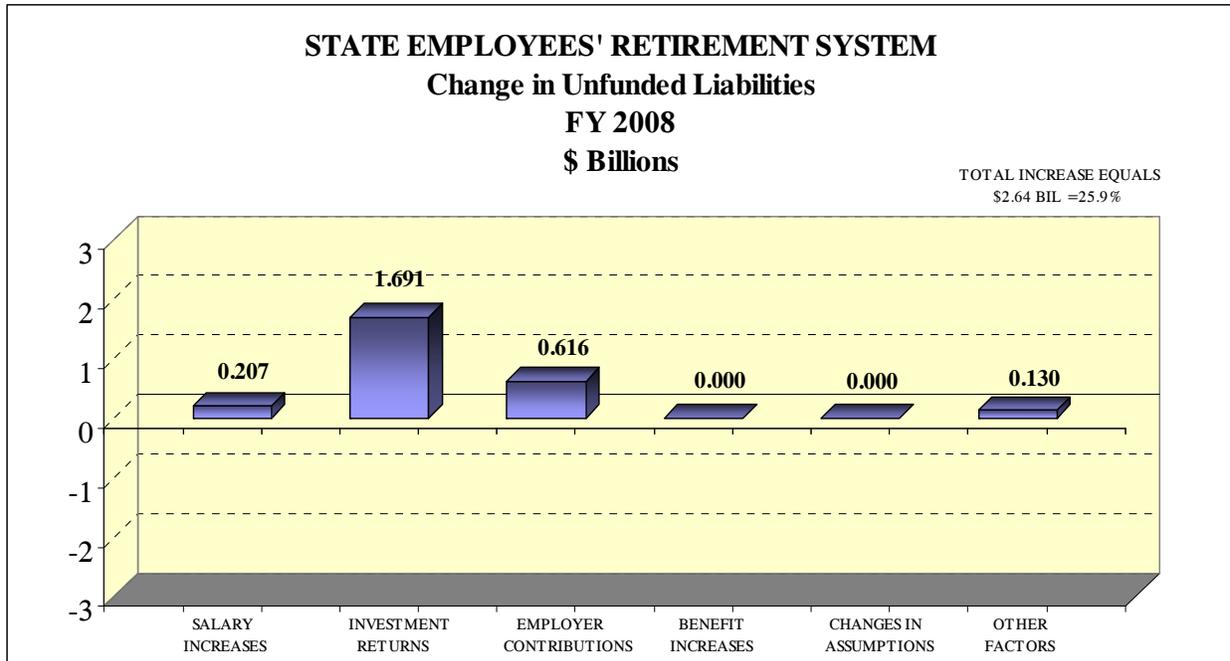


CHART 11

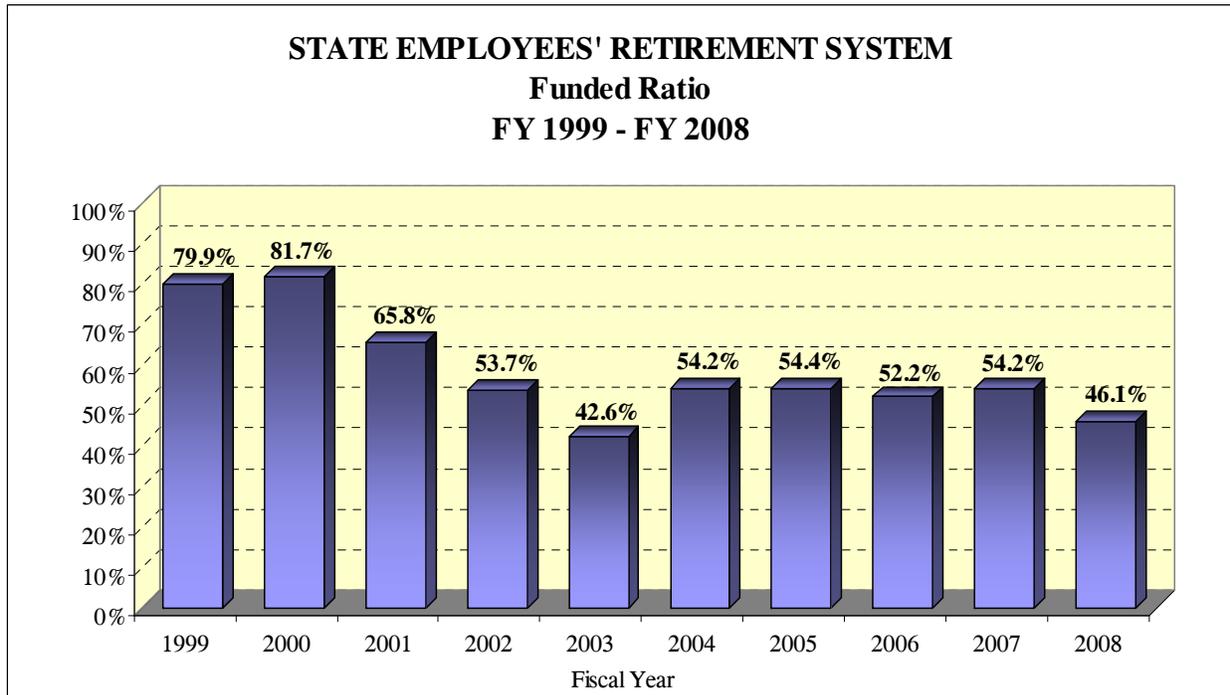


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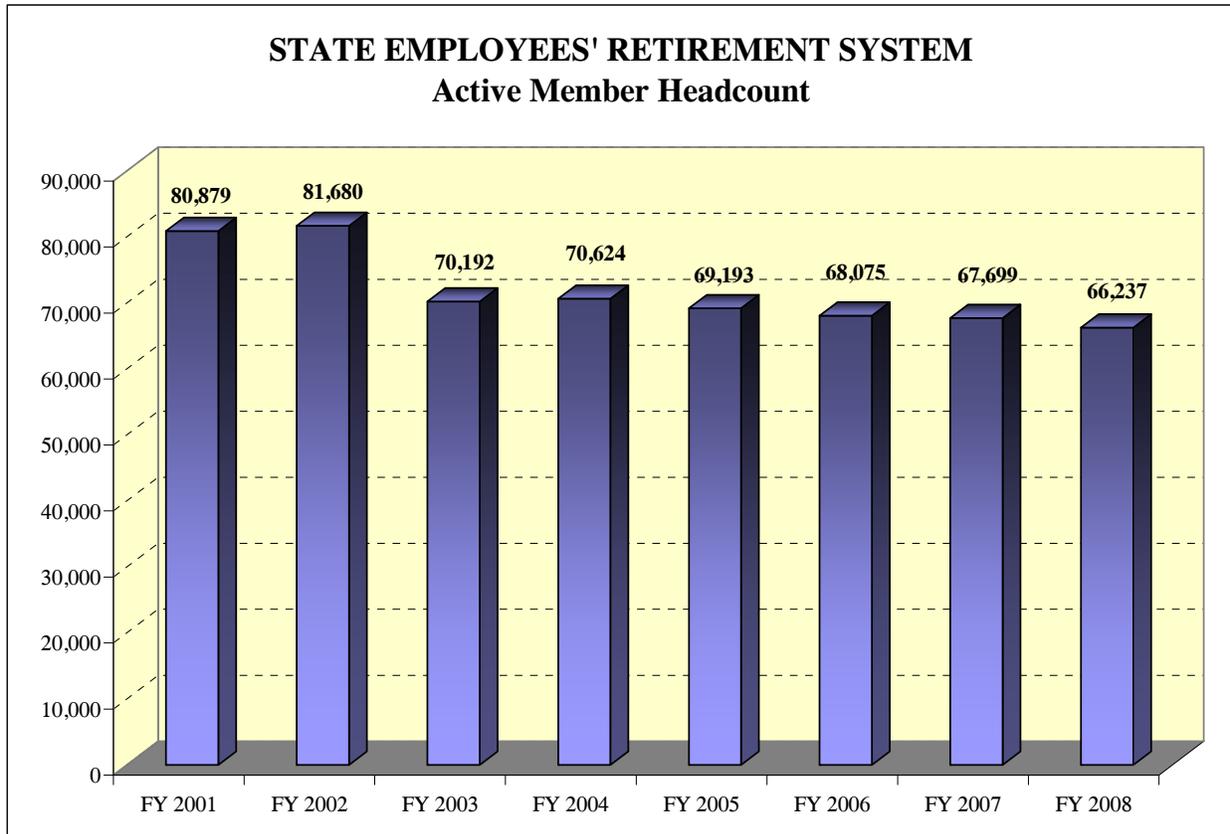


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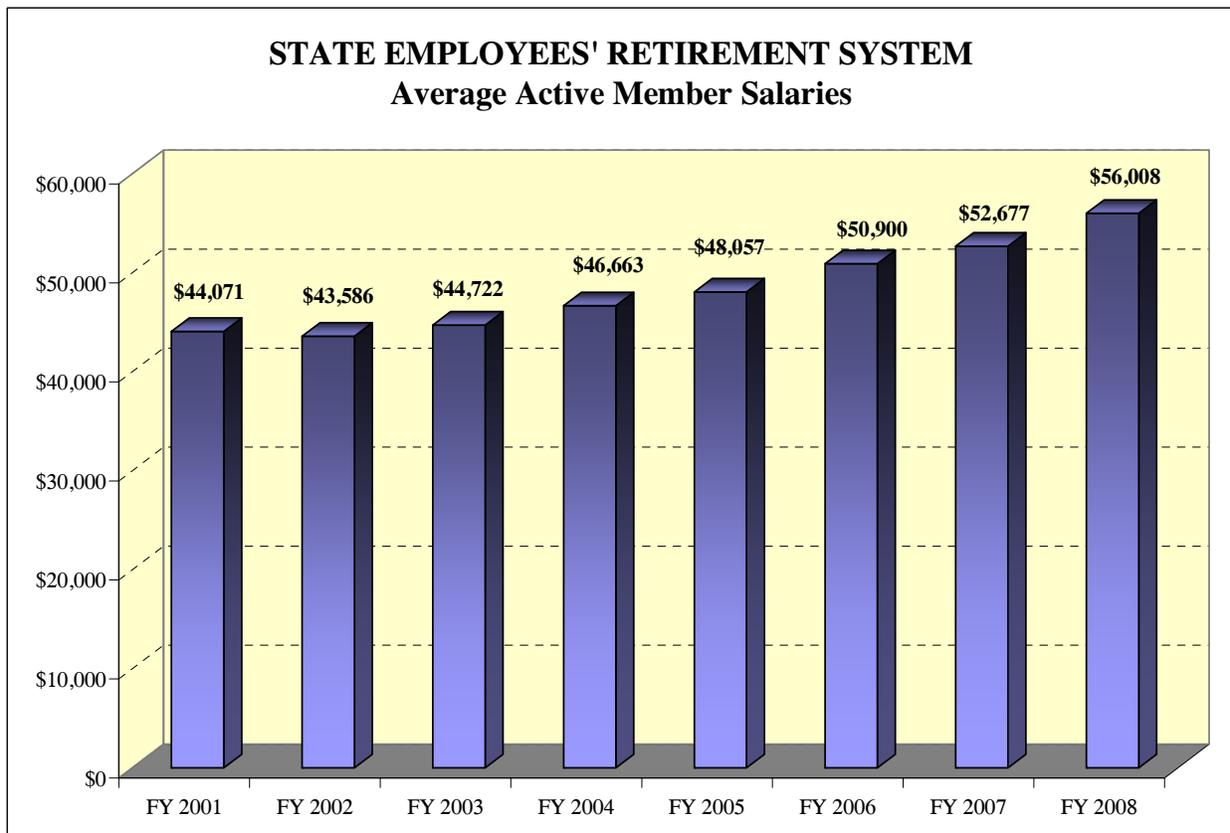


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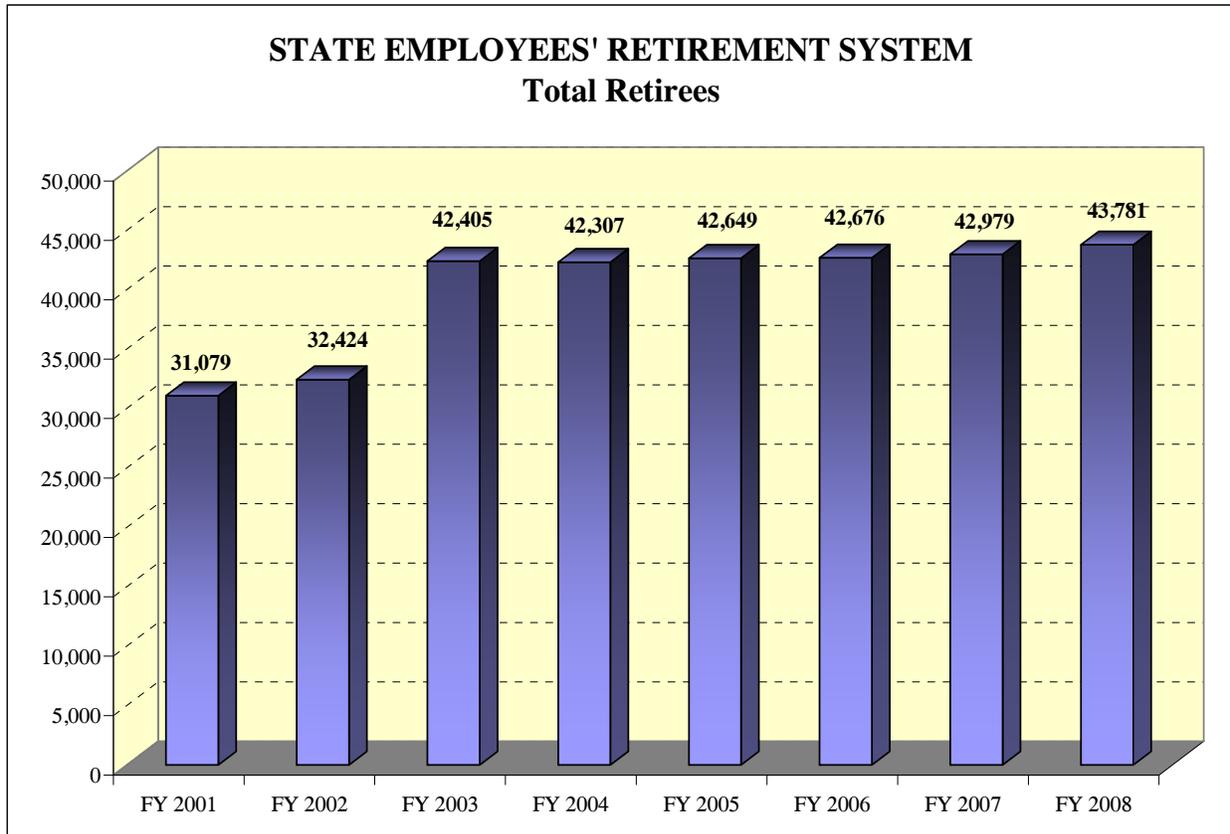


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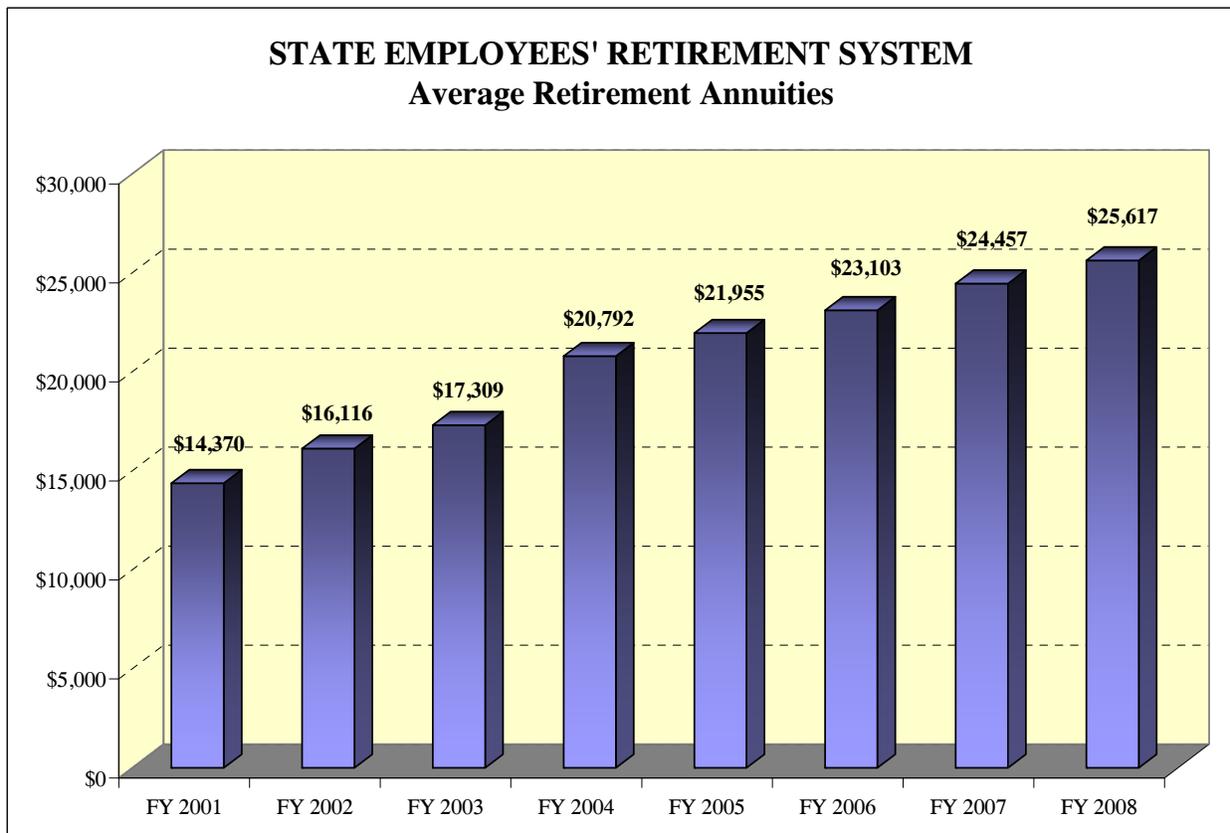
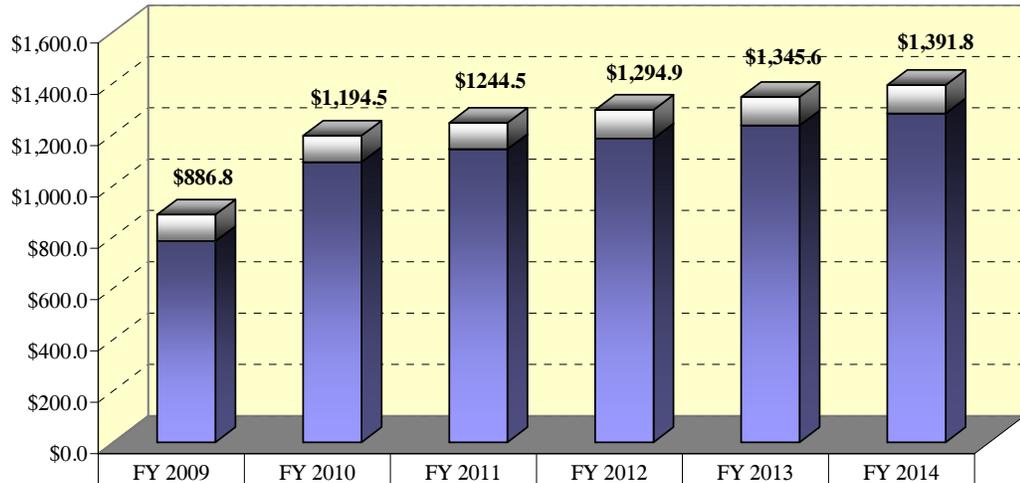


CHART 16

STATE EMPLOYEES' RETIREMENT SYSTEM
Projected Total Pension Cost
Based on Laws in Effect on June 30, 2008
FY 2009 - FY 2014
(\$ in Millions)



POB Debt Service	\$103.2	\$103.0	\$102.6	\$111.8	\$111.1	\$110.3
Regular Contribution	\$783.6	\$1,091.5	\$1,141.9	\$1,183.1	\$1,234.5	\$1,281.5

TABLE 7

STATE EMPLOYEES' RETIREMENT SYSTEM								
Changes in Net Assets								
(\$ in millions)								
Fiscal Years	2008	2007	2006	2005	2004	2003	2002	2001
Additions to Assets								
State of Illinois	587.7	358.8	210.5	427.5	478.7	396.1	386.1	366.0
Pension Obligation Bonds	0.0	0.0	0.0	0.0	1,386.0	0.0	0.0	0.0
Employees	250.0	224.7	214.1	209.3	199.8	285.2	196.9	173.8
Net Investment Income	-680.8	1,779.9	1,104.4	949.1	1,419.8	12.1	-549.9	-619.4
Total Asset Additions (A)	156.9	2,363.4	1,529.0	1,585.9	3,484.3	693.4	33.1	-79.6
Deductions from Assets								
Benefits	1,214.1	1,161.5	1,110.6	1,064.0	978.2	831.5	617.9	537.6
Refunds	16.8	14.1	13.4	14.1	12.4	28.4	14.2	17.0
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Expenses	9.5	8.8	8.1	8.3	7.7	8.2	7.6	7.1
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Deductions (B)	1,240.4	1,184.4	1,132.1	1,086.4	998.3	868.1	639.7	561.7
Change in Net Assets (A-B=C)	-1,083.5	1,179.0	396.9	499.5	2,486.0	-174.7	-606.6	-641.3

TABLE 8

STATE EMPLOYEES' RETIREMENT SYSTEM				
Historical Investment Revenues				
(\$ in millions)				
Fiscal Year	Market Value of Assets at Year End	Net Investment Revenue	Rate of Return Earned	
1999	7,861.5	903.8	12.9%	
2000	8,786.6	926.0	11.8%	
2001	8,145.0	-619.4	-7.1%	
2002	7,543.7	-549.9	-6.9%	
2003	7,436.1	12.1	0.3%	
2004	9,840.0	1,419.8	16.4%	
2005	10,271.3	949.1	10.1%	
2006	10,654.9	1,104.4	11.0%	
2007	11,810.1	1,767.3	17.1%	
2008	10,654.0	-694.2	-6.2%	

1999 - 2008 Asset Values are Market Values.

TABLE 9

STATE EMPLOYEES' RETIREMENT SYSTEM					
Historical Underfunding, FY 1999 - FY 2008					
(\$ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Historical Underfunding
1999	149.9	186.6	336.5	315.5	21.0
2000	155.8	163.3	319.1	340.9	-21.8
2001	174.4	162.2	336.6	366.0	-29.4
2002	215.0	358.0	573.0	386.1	186.9
2003	244.4	556.2	800.6	396.1	404.5
2004	192.5	728.1	920.6	1,864.7	-944.1
2005	221.1	709.9	931.0	427.5	503.5
2006	233.0	749.9	982.9	210.5	772.4
2007	328.8	846.6	1,175.4	358.8	816.6
2008	347.4	867.2	1,214.6	587.7	626.9

TABLE 10

PROJECTIONS FOR THE STATE EMPLOYEES' RETIREMENT SYSTEM					
Projected Underfunding Based on Laws in Effect on June 30, 2008					
(\$ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Projected Underfunding
2009	362.9	1,094.2	1,485.1	863.0	622.1
2010	391.0	1,144.3	1,551.2	1,167.3	383.9
2011	406.9	1,178.8	1,602.3	1,217.5	384.8
2012	423.4	1,213.4	1,652.4	1,265.3	387.1
2013	439.0	1,248.7	1,703.4	1,316.2	387.2
2014	454.7	1,283.9	1,754.1	1,362.7	391.3
2015	470.2	1,319.2	1,804.6	1,410.5	394.0
2016	485.4	1,354.5	1,855.2	1,459.8	395.4
2017	500.7	1,389.8	1,906.4	1,514.2	392.1
2018	516.6	1,424.7	1,957.5	1,570.4	387.1
2019	532.8	1,459.2	2,008.5	1,628.4	380.1
2020	549.3	1,493.1	2,059.6	1,691.9	367.7
2021	566.5	1,526.1	2,092.6	1,757.4	335.3
2022	583.3	1,558.1	2,141.4	1,825.3	316.1
2023	601.8	1,588.5	2,190.3	1,895.3	295.0
2024	621.3	1,617.3	2,238.6	1,971.2	267.4
2025	639.1	1,643.9	2,283.1	2,044.6	238.4
2026	660.1	1,668.5	2,328.5	2,116.3	212.2
2027	680.9	1,690.7	2,371.6	2,191.1	180.5
2028	704.8	1,710.1	2,414.9	2,272.1	142.8
2029	708.3	1,726.4	2,434.7	2,356.7	78.0
2030	743.7	1,737.4	2,481.1	2,437.3	43.8
2031	773.9	1,745.5	2,519.5	2,529.4	-9.9
2032	806.9	1,749.3	2,556.2	2,625.6	-69.5
2033	843.3	1,747.8	2,591.1	2,721.7	-130.6
2034	882.0	1,740.5	2,622.5	2,662.4	-40.0
2035	923.6	1,726.6	2,650.2	2,769.4	-119.2
2036	967.9	1,705.3	2,673.2	2,881.5	-208.3
2037	1,014.1	1,675.9	2,690.0	2,999.0	-309.0
2038	1,061.8	1,637.2	2,699.0	3,121.4	-422.4
2039	1,110.6	1,588.1	2,698.8	3,248.7	-550.0
2040	1,160.6	1,527.5	2,688.0	3,381.1	-693.1
2041	1,211.3	1,453.9	2,665.2	3,518.5	-853.3
2042	1,262.6	1,365.9	2,628.5	3,660.9	-1,032.5
2043	1,315.0	1,261.9	2,576.9	3,808.3	-1,231.4
2044	1,368.5	1,140.2	2,508.7	3,961.3	-1,452.6
2045	1,422.8	998.8	2,421.6	4,119.8	-1,698.2

V. The State Universities Retirement System

- Plan Summary
- FY 2007 Change in Unfunded Liabilities
- Funded Ratio History
- Active Member Headcount
- Average Active Member Salaries
- Retiree Headcount
- Average Retirement Annuities
- Projected Total Pension Cost
- Changes in Net Assets
- Investment Return History
- Historical Underfunding
- Projected Underfunding



State Universities Retirement System

Traditional Defined Benefit Formula Plan Summary

Retirement Age

- ❑ Age 62 with at least 5 years of service.
- ❑ Age 60 with at least 8 years of service.
- ❑ Any age with 30 years of service.

Retirement Formula

- ❑ 2.2% of final average salary for each year of service.

Maximum Annuity

- ❑ 80% of final average salary.

Salary Used to Calculate Pension

- ❑ For hourly employees and those who receive an annual salary in installments during 12 months of each academic year, the 48 consecutive calendar-month period ending with the last day of final termination of employment or the 4 consecutive academic years of service in which the employee's earnings were the highest, whichever is greater.
- ❑ For all other employees, the average annual earnings during the 4 consecutive academic years of service which his or her earnings were the highest.

Annual COLA

- ❑ 3% compounded.

Employee Contributions

- ❑ 8.0% of salary.

CHART 17

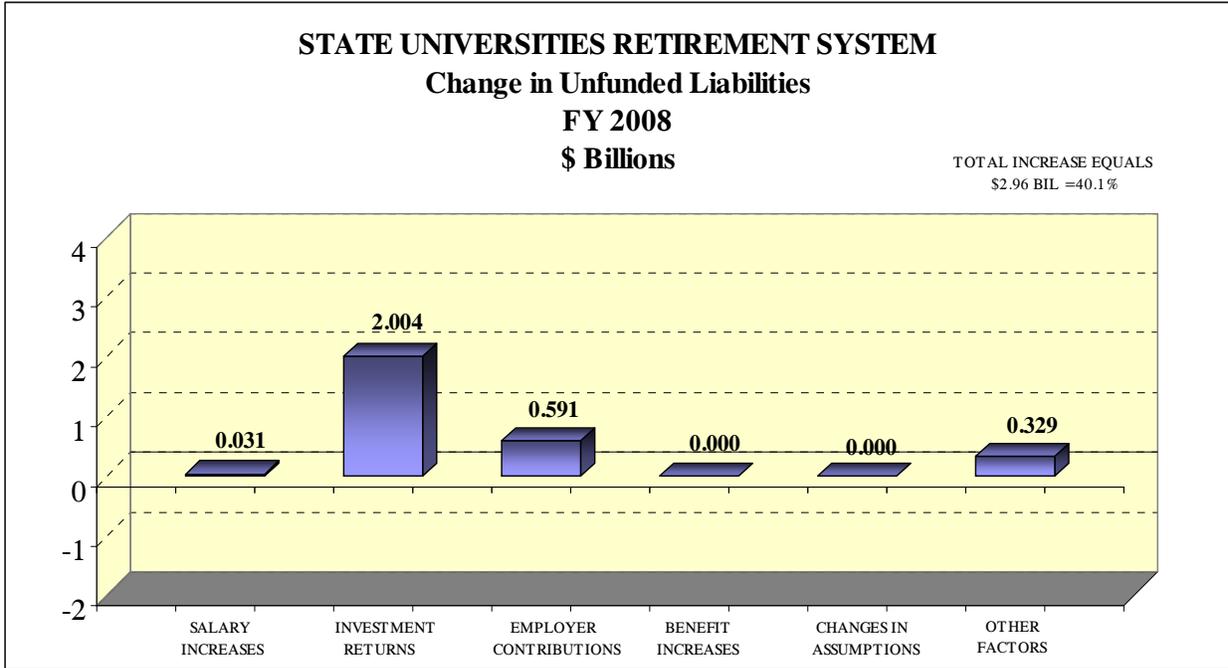


CHART 18

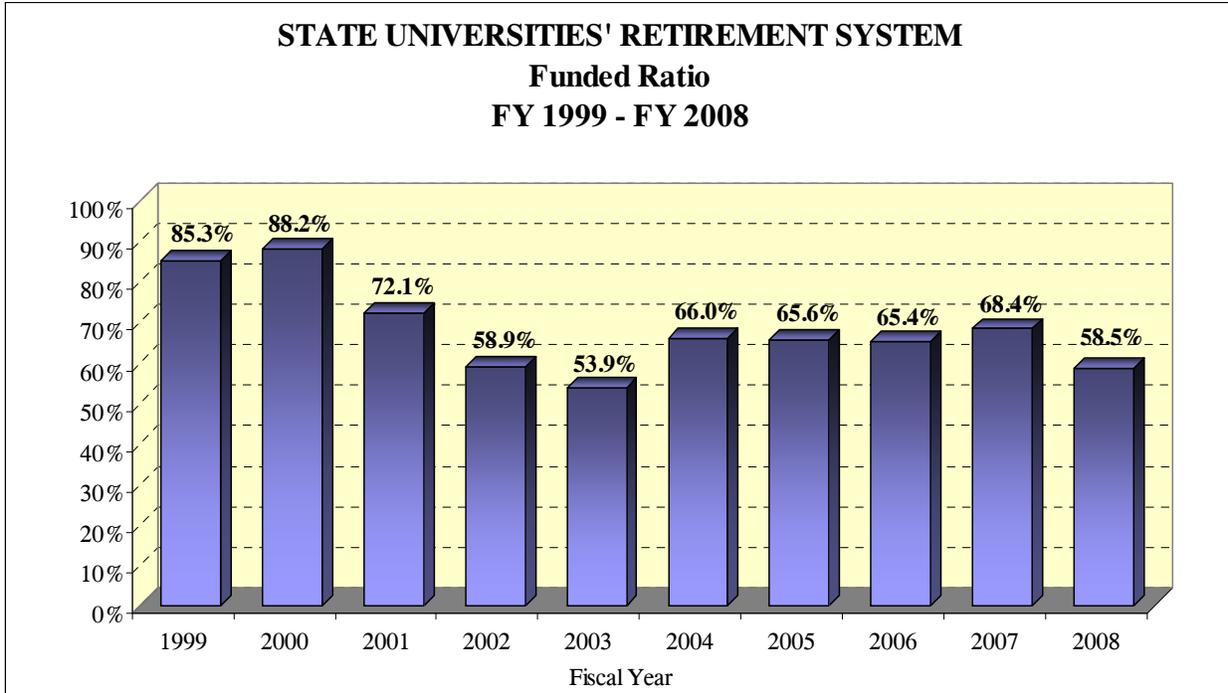


CHART 19

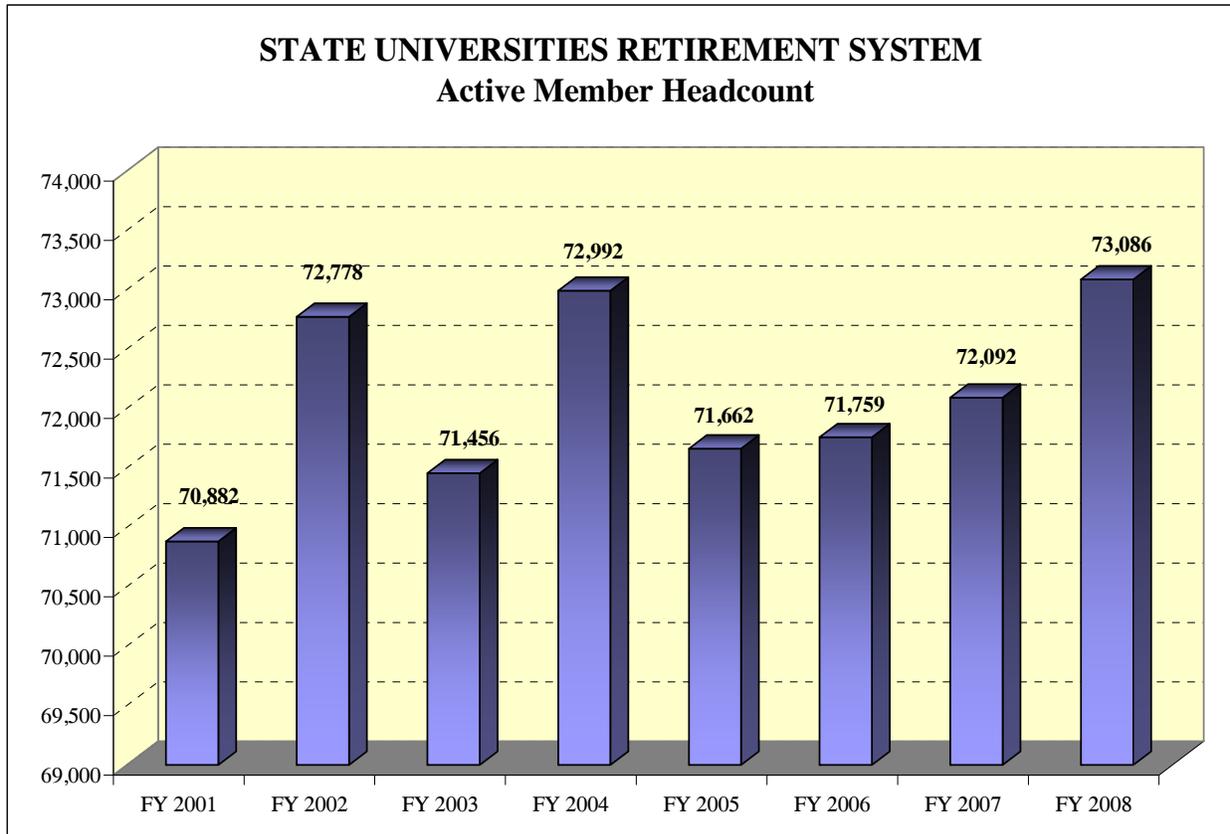


CHART 20

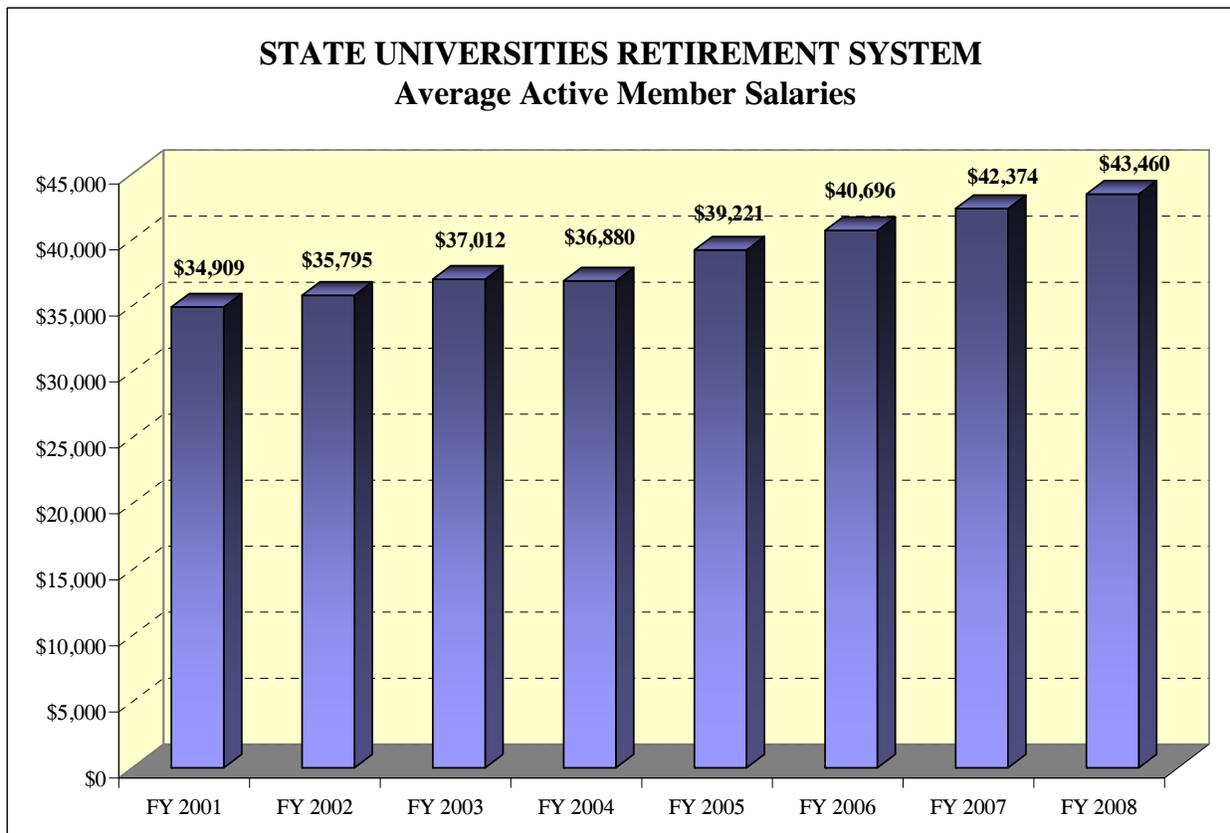


CHART 21

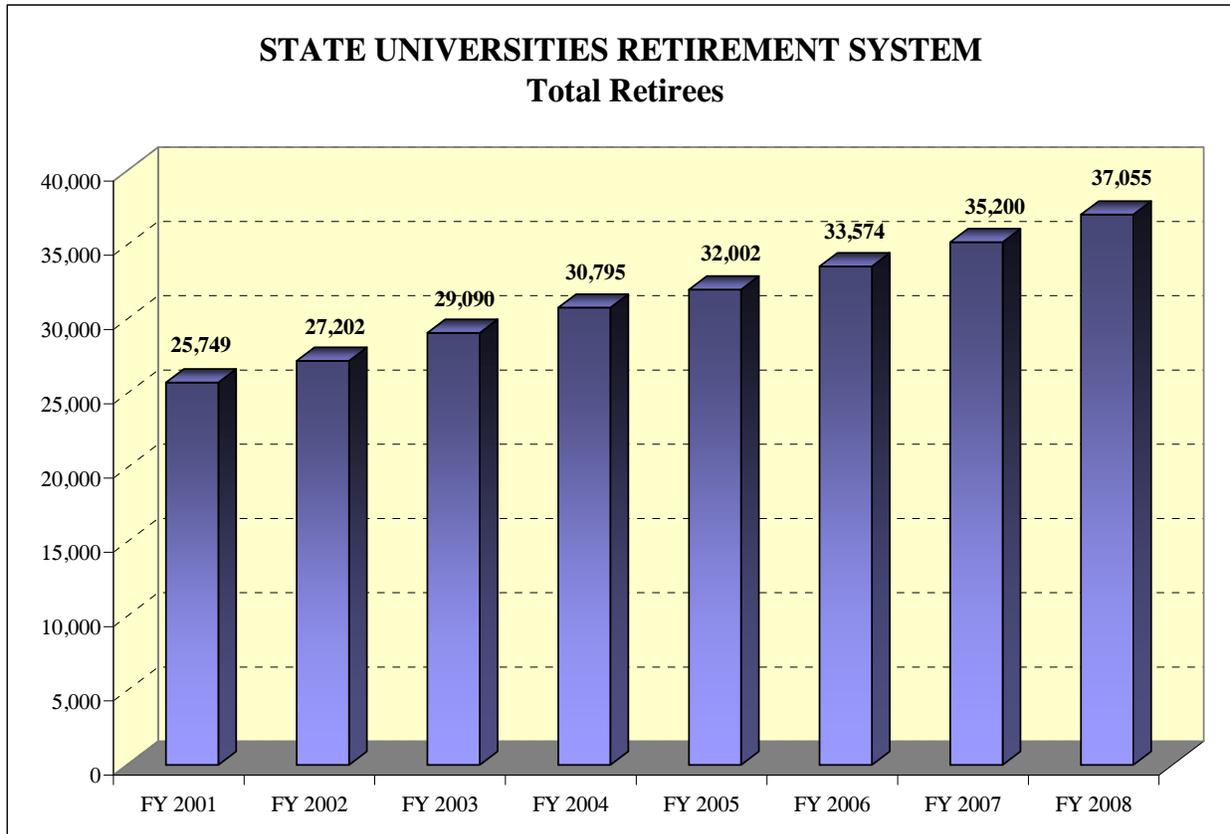


CHART 22

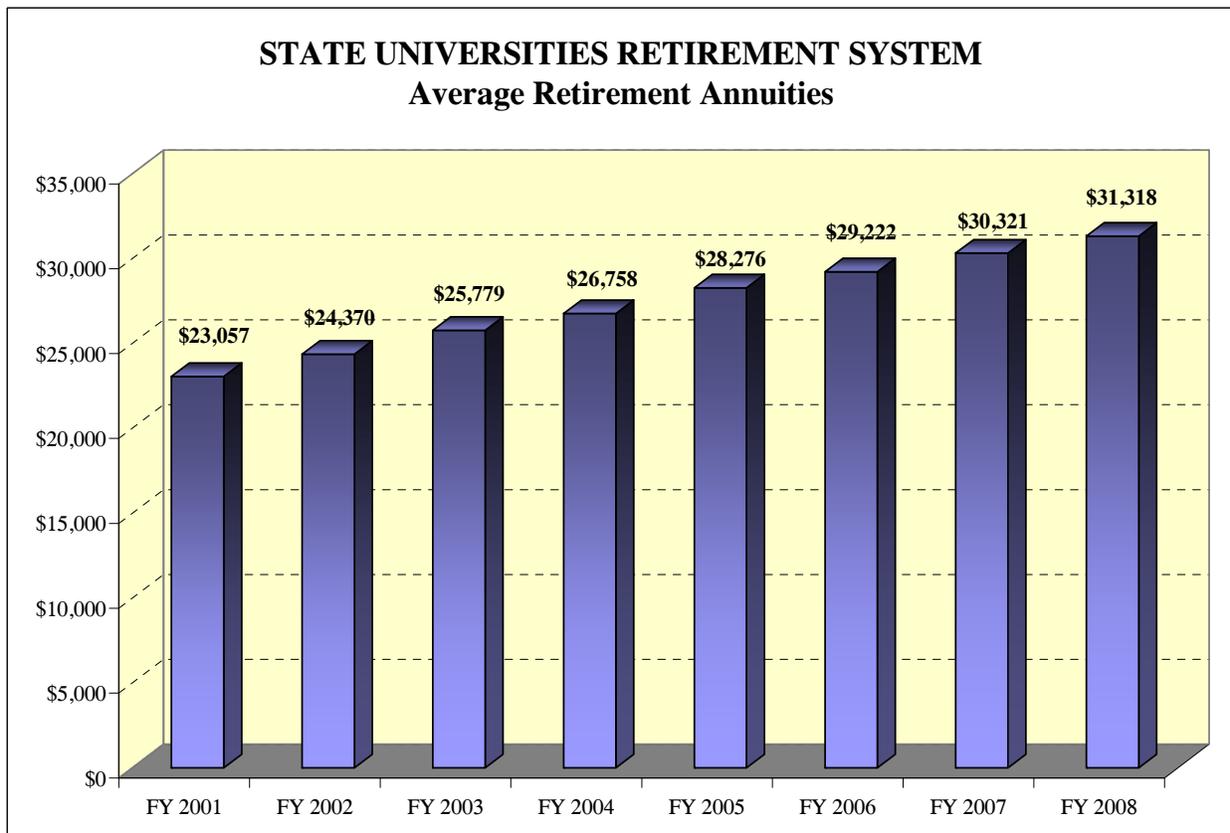
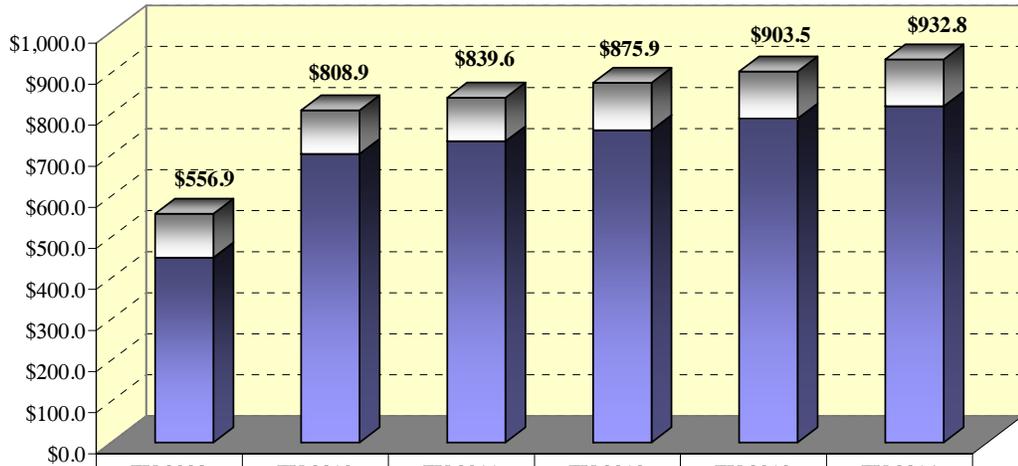


CHART 23

STATE UNIVERSITIES RETIREMENT SYSTEM
Projected Total Pension Cost
Based on Laws in Effect on June 30, 2008
FY 2009 - FY 2014
(\$ in Millions)



	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
POB Debt Service	\$106.7	\$106.4	\$106.1	\$115.5	\$114.8	\$114.0
Regular Contribution	\$450.2	\$702.5	\$733.5	\$760.4	\$788.7	\$818.8

TABLE 11

STATE UNIVERSITIES' RETIREMENT SYSTEM								
Changes in Net Assets								
(\$ in millions)								
Fiscal Years	2008	2007	2006	2005	2004	2003	2002	2001
Additions to Assets								
State of Illinois	340.3	252.1	166.7	269.9	311.7	269.6	240.4	232.6
Pension Obligation Bonds	0.0	0.0	0.0	0.0	1,432.0	0.0	0.0	0.0
Employees	310.1	304.0	292.4	285.6	275.1	275.9	277.5	241.8
Federal	43.6	42.4	43.0	42.9	39.6	40.4	38.7	34.0
Net Investment Income	-714.8	2,597.8	1,566.8	1,302.0	1,865.3	255.4	-666.5	-1,064.7
Total Asset Additions (A)	-20.8	3,196.3	2,068.9	1,900.4	3,923.7	841.3	-109.9	-556.3
Deductions from Assets								
Benefits	1,279.2	1,180.6	1,086.6	1,005.4	915.9	837.3	743.3	664.8
Refunds	54.9	53.4	51.4	43.1	39.1	35.2	39.5	48.3
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Expenses	12.1	11.7	12.0	12.1	11.5	11.9	11.8	11.2
Other	0.0	0.0	0.2	0.7	0.8	1.3	1.3	1.5
Total Asset Deductions (B)	1,346.2	1,245.7	1,150.2	1,061.3	967.3	885.7	795.9	725.8
Change in Net Assets (A-B=C)	-1,367.0	1,950.6	918.7	839.1	2,956.3	-44.4	-905.8	-1,282.1
<i>* Includes both the Defined Benefit and Self Managed Plans.</i>								

TABLE 12

STATE UNIVERSITIES' RETIREMENT SYSTEM				
Historical Investment Revenues				
(\$ in millions)				
Fiscal Year	Market Value of Assets at Year End	Net Investment Revenue	Rate of Return Earned	
1999	10,734.8	1,104.5	11.5%	
2000	12,206.5	1,501.3	14.0%	
2001	10,989.1	-1,064.7	-8.8%	
2002	9,726.3	-666.5	-6.1%	
2003	9,879.5	255.4	2.9%	
2004	12,839.2	1,865.3	17.0%	
2005	13,280.1	1,302.0	10.4%	
2006	14,045.4	1,566.8	11.7%	
2007	16,283.8	2,597.8	18.3%	
2008	14,814.4	-714.8	-4.5%	

** These figures include both the Defined Benefit and Self Managed Plans*

TABLE 13

STATE UNIVERSITIES RETIREMENT SYSTEM					
Historical Underfunding, FY 1999 - FY 2008					
(\$ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions*	Historical Underfunding
1999	221.3	287.9	509.2	237.9	271.3
2000	236.3	311.5	547.8	241.1	306.7
2001	247.9	300.2	548.1	247.1	301.0
2002	231.4	455.5	686.9	256.1	430.8
2003	254.5	589.3	843.8	285.3	558.5
2004	267.3	667.5	934.8	1,757.5	-822.7
2005	271.0	588.7	859.7	285.4	574.3
2006	292.3	622.6	914.9	180.0	734.9
2007	301.4	666.9	968.3	261.1	707.2
2008	310.4	627.0	937.4	340.3	597.1

** Includes only Defined Benefit Plan contributions.*

TABLE 14

PROJECTIONS FOR THE STATE UNIVERSITIES' RETIREMENT SYSTEM					
Projected Underfunding Based on Laws in Effect on June 30, 2008					
(\$ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Projected Underfunding
2009	334.2	878.2	1,215.8	450.2	765.6
2010	337.6	894.4	1,234.2	702.5	531.7
2011	339.8	930.4	1,271.6	733.5	538.1
2012	341.2	967.2	1,309.7	760.4	549.3
2013	342.5	1,004.6	1,348.5	788.7	559.8
2014	343.9	1,042.5	1,388.0	818.8	569.2
2015	345.5	1,081.0	1,427.5	850.9	576.6
2016	346.5	1,119.6	1,468.0	885.2	582.8
2017	348.4	1,158.2	1,509.3	921.2	588.1
2018	351.1	1,196.2	1,550.7	960.1	590.6
2019	354.5	1,233.8	1,592.6	1,001.4	591.2
2020	358.8	1,270.6	1,635.2	1,044.9	590.3
2021	364.6	1,306.5	1,671.1	1,091.0	580.1
2022	372.1	1,341.3	1,713.4	1,139.9	573.5
2023	380.9	1,374.7	1,755.6	1,192.0	563.6
2024	391.1	1,406.4	1,797.5	1,246.8	550.7
2025	402.7	1,436.3	1,839.0	1,304.8	534.2
2026	415.9	1,464.0	1,879.9	1,366.0	513.9
2027	430.5	1,489.3	1,919.9	1,430.6	489.3
2028	446.5	1,511.8	1,958.3	1,498.7	459.6
2029	463.8	1,531.0	1,994.8	1,570.4	424.4
2030	482.2	1,546.3	2,028.5	1,646.0	382.5
2031	501.9	1,557.4	2,059.3	1,725.8	333.5
2032	523.4	1,563.4	2,086.8	1,810.3	276.5
2033	546.8	1,563.7	2,110.5	1,899.4	211.1
2034	572.0	1,557.3	2,129.3	1,993.7	135.6
2035	599.3	1,543.6	2,142.8	2,093.1	49.7
2036	629.0	1,521.4	2,150.5	2,197.8	-47.3
2037	662.3	1,489.9	2,152.3	2,308.5	-156.2
2038	697.6	1,447.8	2,145.4	2,425.3	-279.9
2039	734.2	1,393.8	2,128.0	2,547.9	-419.9
2040	772.2	1,326.7	2,098.9	2,676.8	-577.9
2041	811.9	1,245.0	2,056.9	2,812.0	-755.1
2042	853.3	1,146.9	2,000.2	2,954.2	-954.0
2043	896.5	1,030.8	1,927.4	3,103.6	-1,176.2
2044	941.7	894.5	1,836.2	3,260.7	-1,424.5
2045	925.1	735.7	1,660.7	3,425.5	-1,764.8

VI. The Judges' Retirement System

- Plan Summary
- FY 2007 Change in Unfunded Liabilities
- Funded Ratio History
- Active Member Headcount
- Average Active Member Salaries
- Retiree Headcount
- Average Retirement Annuities
- Projected Total Pension Cost
- Changes in Net Assets
- Investment Return History
- Historical Underfunding
- Projected Underfunding



Judges' Retirement System

Plan Summary

Retirement Age

- ❑ Age 60 with 10 years of service.
- ❑ Age 62 with 6 years of service.
- ❑ Age 55 with 10 years of service (reduced $\frac{1}{2}$ of 1% for each month under 60).

Retirement Formula

- ❑ 3.5% of final salary for each of the first 10 years of service, plus
- ❑ 5% of final salary for each year of service in excess of 10 years.

Maximum Annuity

- ❑ 85% of final salary.

Salary Used to Calculate Pension

- ❑ Salary on last day of service.

Annual COLA

- ❑ 3% compounded.

Employee Contributions

- ❑ 11.0% of salary.

CHART 24

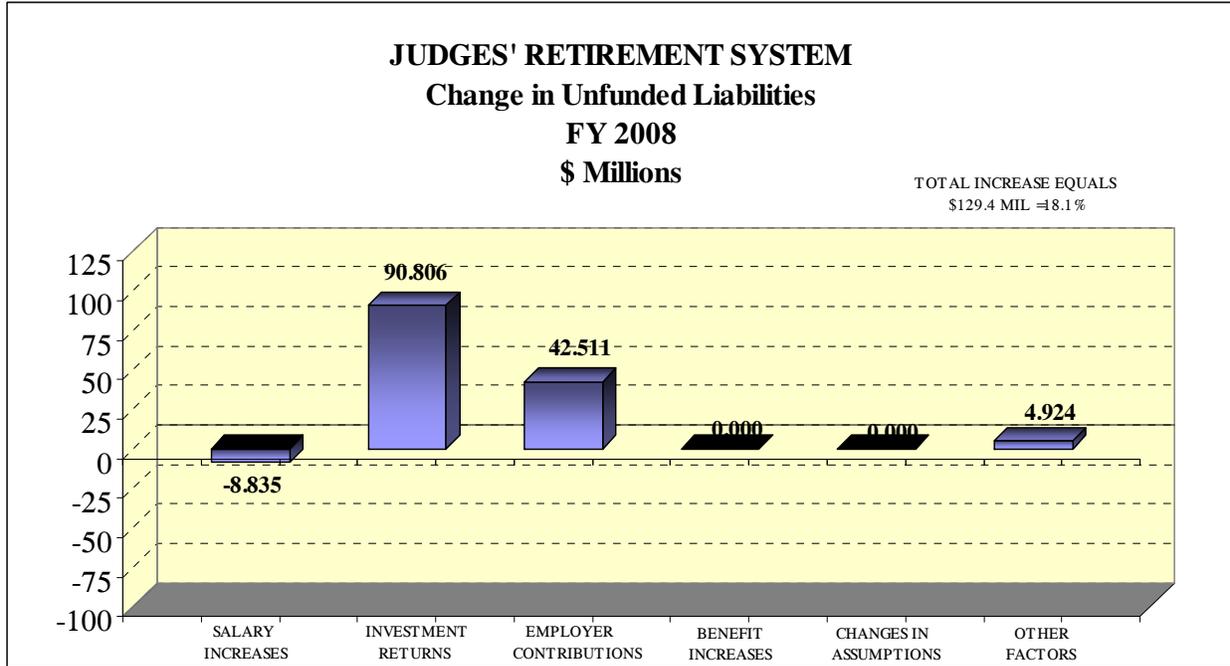


CHART 25

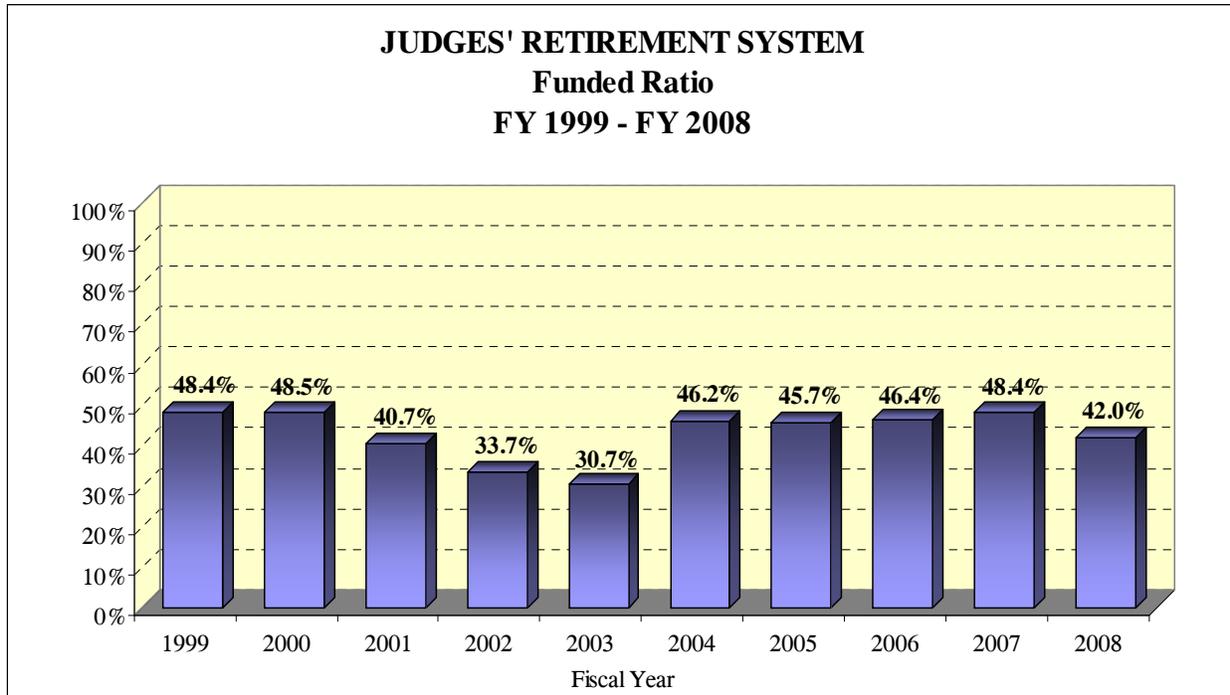


CHART 26

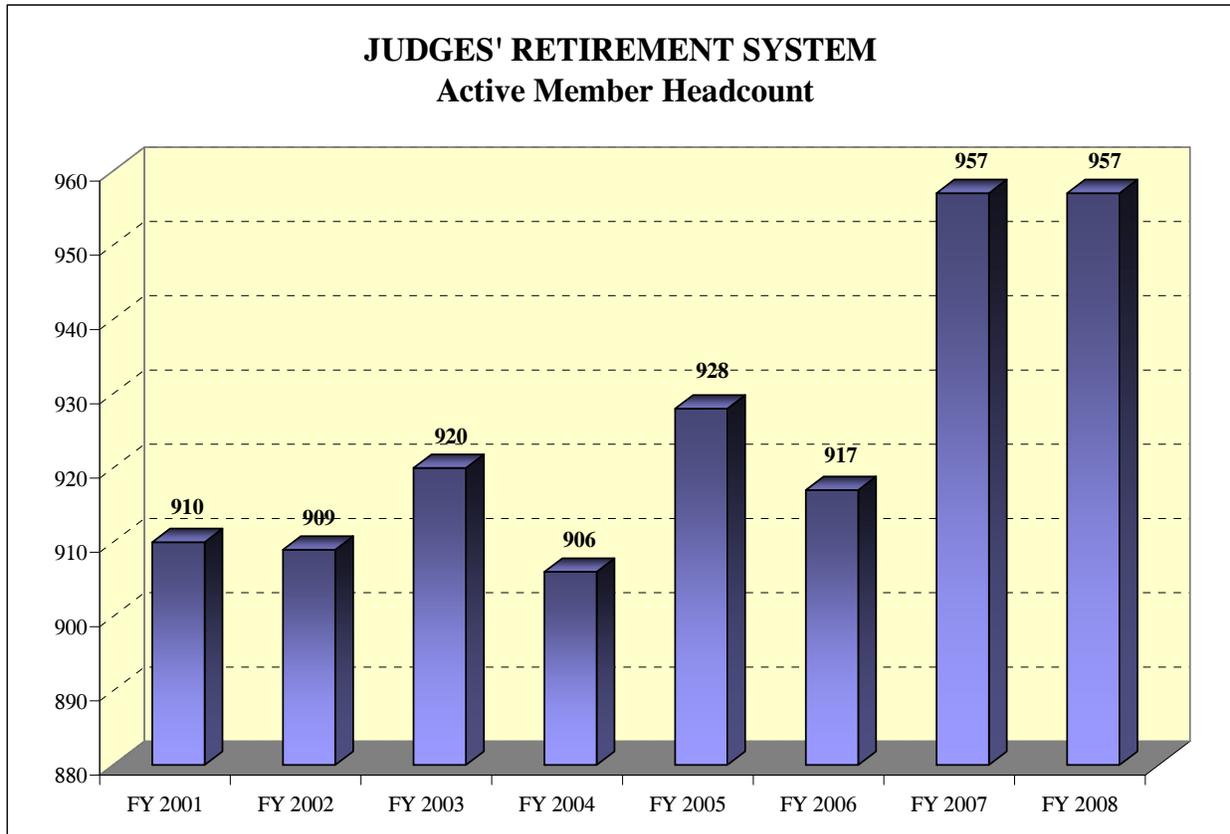


CHART 27

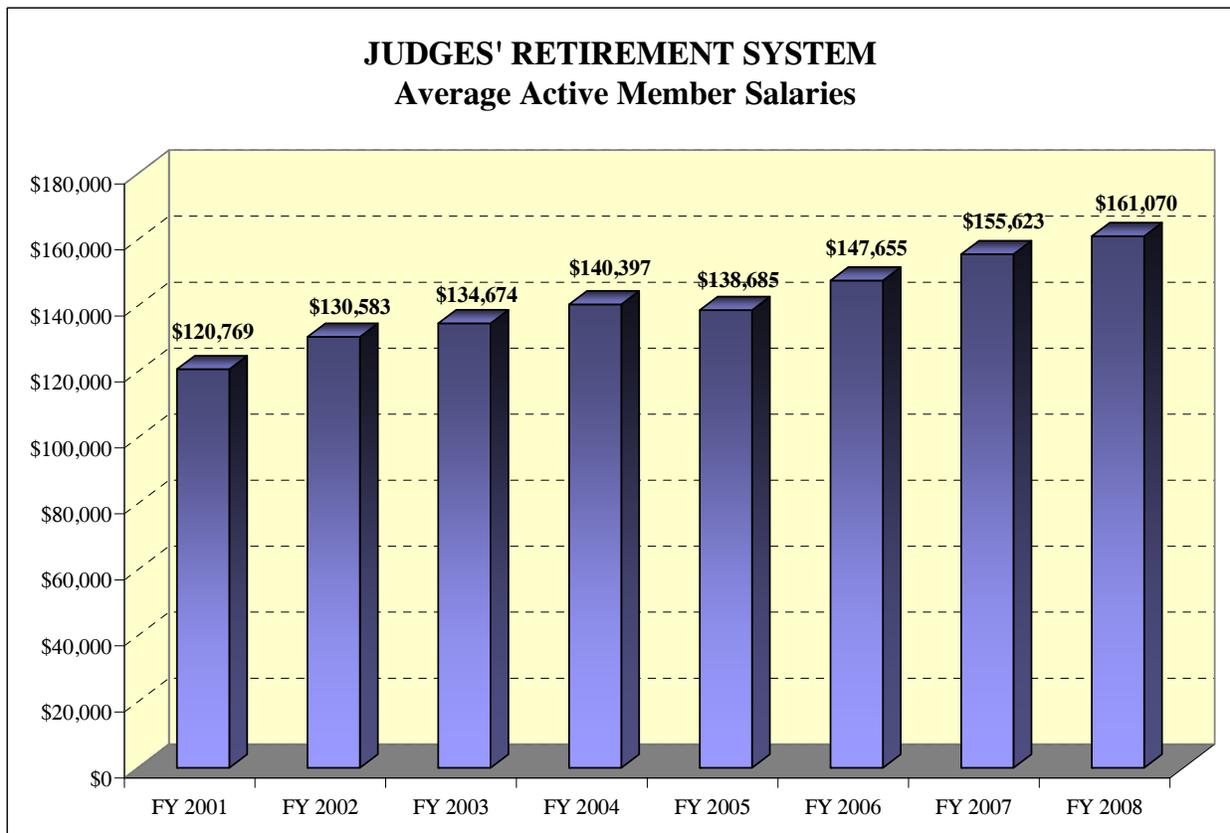


CHART 28

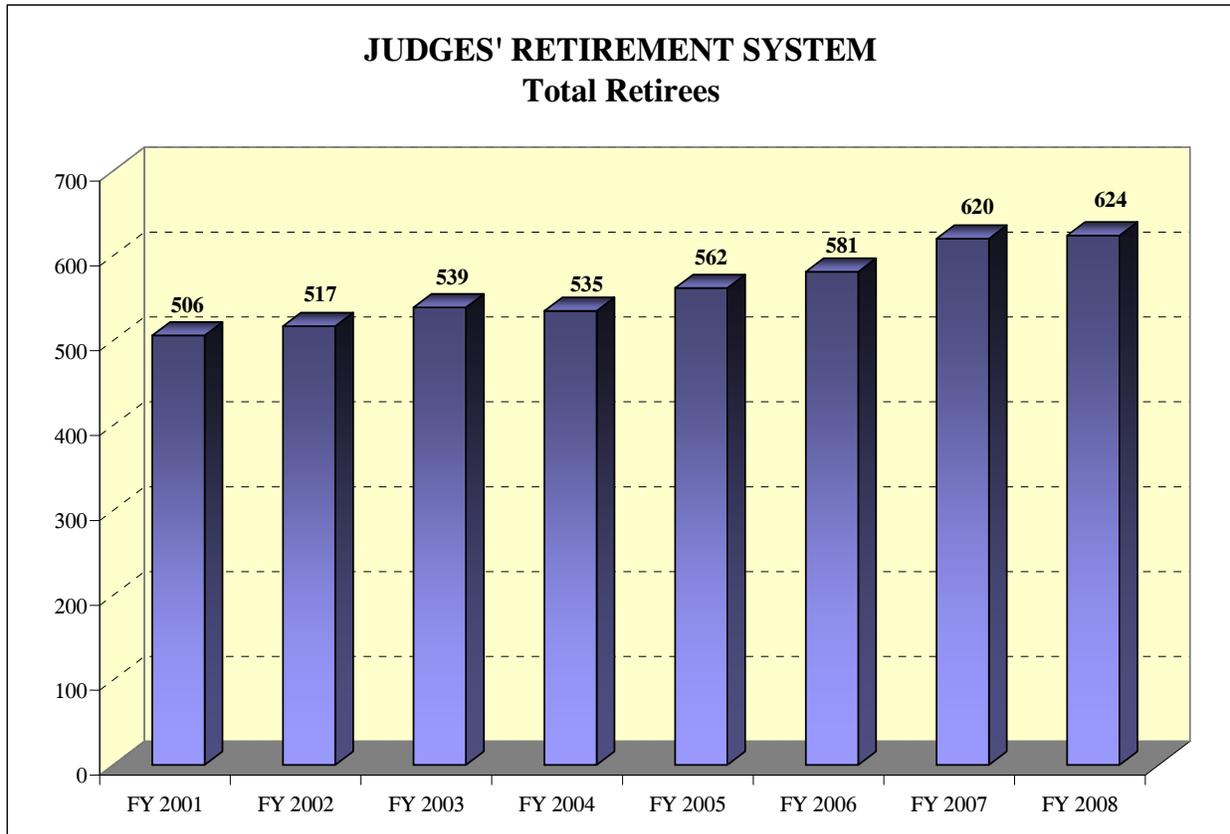


CHART 29

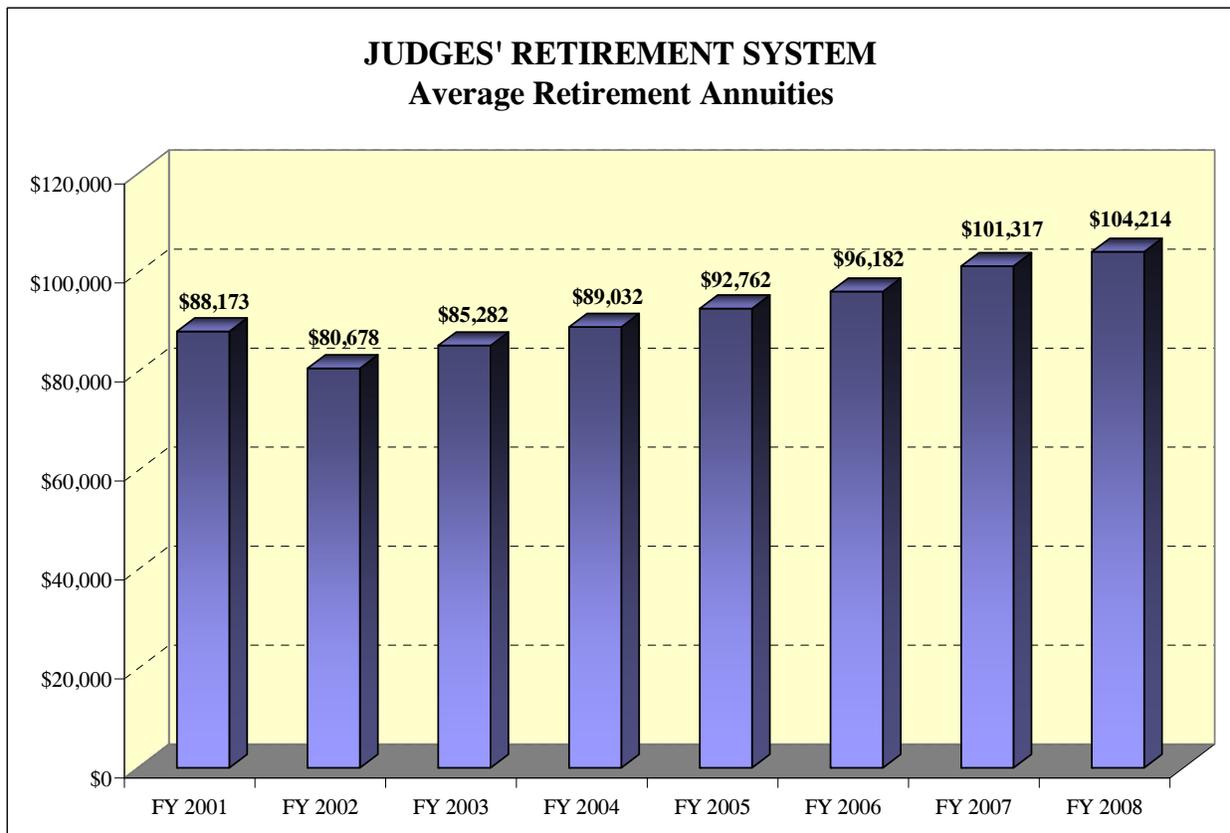
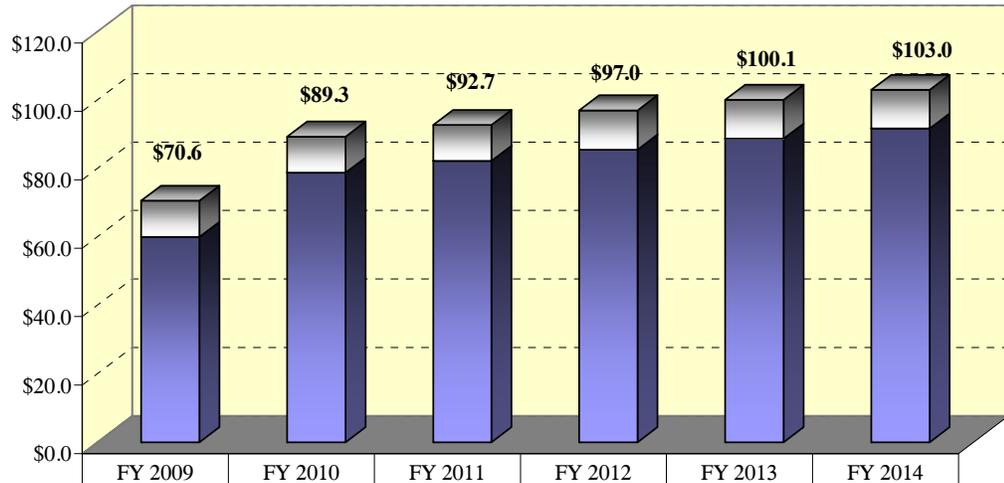


CHART 30

JUDGES' RETIREMENT SYSTEM
Projected Total Pension Cost
Based on Laws in Effect on June 30, 2008
FY 2009 - FY 2014
(\$ in Millions)



POB Debt Service	\$10.6	\$10.5	\$10.5	\$11.5	\$11.4	\$11.3
Regular Contribution	\$60.0	\$78.8	\$82.2	\$85.5	\$88.7	\$91.7

TABLE 15

JUDGES' RETIREMENT SYSTEM								
Changes in Net Assets								
(\$ in millions)								
Fiscal Years	2008	2007	2006	2005	2004	2003	2002	2001
Additions to Assets								
State of Illinois	47.0	35.2	29.2	32.0	36.5	31.4	27.5	24.2
Pension Obligation Bonds	0.0	0.0	0.0	0.0	142.0	0.0	0.0	0.0
Employees	15.4	14.2	13.6	13.3	13.7	12.9	12.5	12.3
Net Investment Income	-38.0	98.2	60.4	50.9	45.2	0.5	-24.2	-28.3
Total Asset Additions (A)	24.4	147.6	103.2	96.2	237.4	44.8	15.8	8.2
Deductions from Assets								
Benefits	80.5	75.6	69.0	64.5	60.9	56.7	52.8	48.3
Refunds	0.8	0.6	0.8	0.7	0.4	0.6	0.4	0.6
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4
Administrative Expenses	0.5	0.5	0.4	0.5	0.5	0.4	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Deductions (B)	81.8	76.7	70.2	65.7	61.8	57.7	53.6	49.3
Change in Net Assets (A-B=C)	-57.4	70.9	33.0	30.5	175.6	-12.9	-37.8	-41.1

TABLE 16

JUDGES' RETIREMENT SYSTEM				
Historical Investment Revenues				
(\$ in millions)				
Fiscal Year	Market Value of Assets at Year End	Net Investment Revenue	Rate of Return Earned	
1999	382.2	43.9	12.9%	
2000	414.8	43.7	11.8%	
2001	372.6	-28.3	-7.1%	
2002	332.4	-24.2	-6.9%	
2003	317.5	0.5	0.3%	
2004	521.4	75.2	16.4%	
2005	550.4	50.9	10.1%	
2006	582.6	60.4	11.0%	
2007	658.2	97.6	17.1%	
2008	589.2	-38.0	-6.2%	

1999 - 2008 Asset Values are Market Values.

TABLE 17

JUDGES' RETIREMENT SYSTEM						
Historical Underfunding, FY 1999 - FY 2008						
(\$ in millions)						
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Historical Underfunding	
1999	18.0	33.2	51.2	18.7	32.5	
2000	19.3	35.3	54.6	21.4	33.2	
2001	22.0	38.1	60.1	24.3	35.8	
2002	22.5	47.2	69.7	27.5	42.2	
2003	23.1	57.6	80.7	31.4	49.3	
2004	22.9	63.4	86.3	178.6	-92.3	
2005	25.7	52.7	78.4	32.0	46.4	
2006	32.2	52.4	84.6	29.3	55.3	
2007	34.4	51.1	85.5	35.2	50.3	
2008	37.3	57.2	94.5	47.0	47.5	

TABLE 18

PROJECTIONS FOR THE JUDGES' RETIREMENT SYSTEM					
Projected Underfunding Based on Laws in Effect on June 30, 2008					
(\$ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Projected Underfunding
2009	35.8	71.8	109.1	60.0	49.1
2010	37.3	74.5	113.6	78.8	34.8
2011	39.1	76.0	116.6	82.2	34.4
2012	40.6	77.5	120.1	85.5	34.7
2013	42.6	79.2	123.4	88.7	34.7
2014	44.2	80.9	127.3	91.7	35.6
2015	46.4	82.8	130.9	95.4	35.5
2016	48.1	84.9	135.3	99.2	36.0
2017	50.4	86.9	139.4	103.2	36.2
2018	52.5	88.9	144.0	107.3	36.7
2019	55.1	90.8	148.3	111.6	36.7
2020	57.5	92.8	153.2	116.1	37.1
2021	60.4	94.7	155.1	120.7	34.4
2022	63.1	96.6	159.7	125.5	34.1
2023	65.8	98.4	164.2	130.6	33.6
2024	68.7	100.1	168.8	135.8	33.0
2025	71.7	101.7	173.4	141.2	32.2
2026	74.8	103.2	178.0	146.9	31.2
2027	78.1	104.6	182.7	152.7	29.9
2028	81.2	105.8	187.0	158.9	28.2
2029	84.7	106.8	191.5	165.2	26.3
2030	88.3	107.6	195.9	171.8	24.1
2031	92.1	108.2	200.3	178.7	21.6
2032	95.8	108.5	204.3	185.8	18.5
2033	99.9	108.5	208.4	193.3	15.1
2034	104.0	108.1	212.1	201.0	11.1
2035	108.4	107.4	215.8	209.0	6.8
2036	112.7	106.2	218.9	217.4	1.5
2037	117.4	104.6	222.0	226.1	-4.1
2038	122.1	102.4	224.5	235.1	-10.6
2039	127.1	99.6	226.7	244.5	-17.8
2040	132.1	96.2	228.3	254.3	-26.0
2041	137.5	92.0	229.5	264.5	-35.0
2042	142.9	87.0	229.9	275.1	-45.2
2043	148.6	81.1	229.7	286.1	-56.4
2044	154.5	74.2	228.7	297.5	-68.8
2045	160.8	66.3	227.1	309.4	-82.3

VII. The General Assembly Retirement System

- Plan Summary
- FY 2007 Change in Unfunded Liabilities
- Funded Ratio History
- Active Member Headcount
- Average Active Member Salaries
- Retiree Headcount
- Average Retirement Annuities
- Projected Total Pension Cost
- Changes in Net Assets
- Investment Return History
- Historical Underfunding
- Projected Underfunding



General Assembly Retirement System

Plan Summary

Retirement Age

- ❑ Age 55 with 8 years of service.
- ❑ Age 62 with at least 4 years of service.

Retirement Formula

- ❑ 3.0% of final salary for each of the first 4 years of service, plus
- ❑ 3.5% of final salary for each of the next 2 years of service, plus
- ❑ 4.0% of final salary for each of the next 2 years of service, plus
- ❑ 4.5% of final salary for each of the next 4 years of service, plus
- ❑ 5.0% of final salary for each year of service in excess of 12 years

Maximum Annuity

- ❑ 85% of final salary.

Salary Used to Calculate Pension

- ❑ Salary on last day of service.

Annual COLA

- ❑ 3% compounded.

Employee Contributions

- ❑ 11.5% of salary.

CHART 31

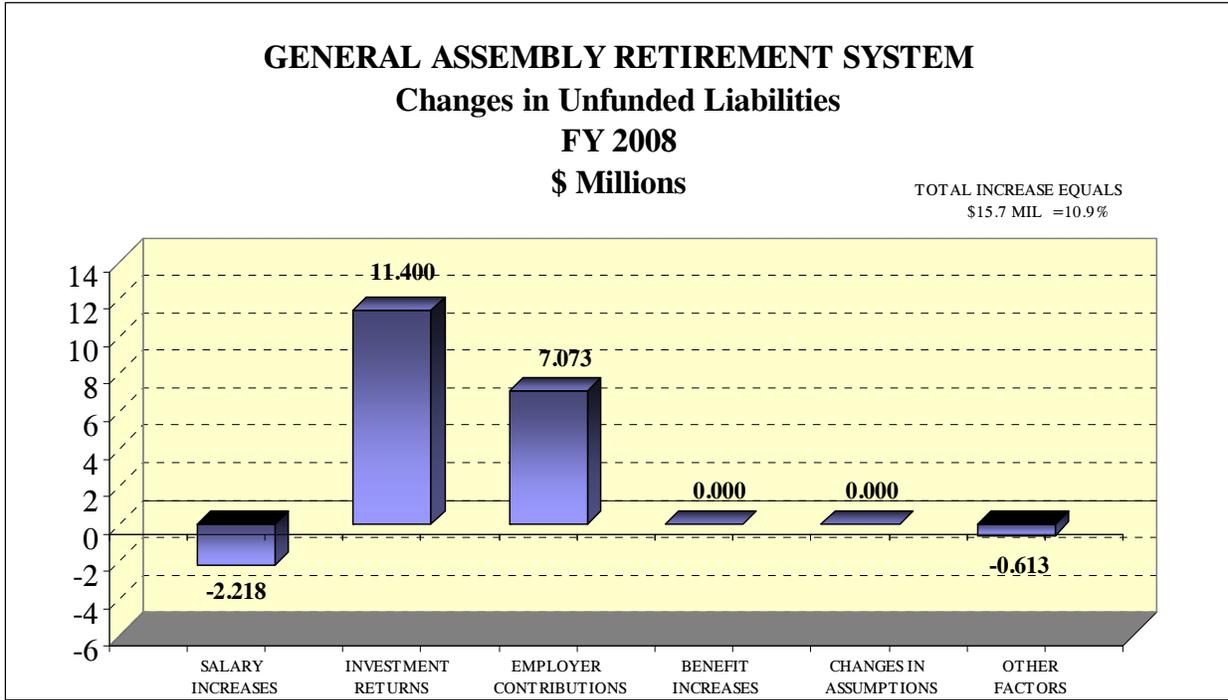


CHART 32

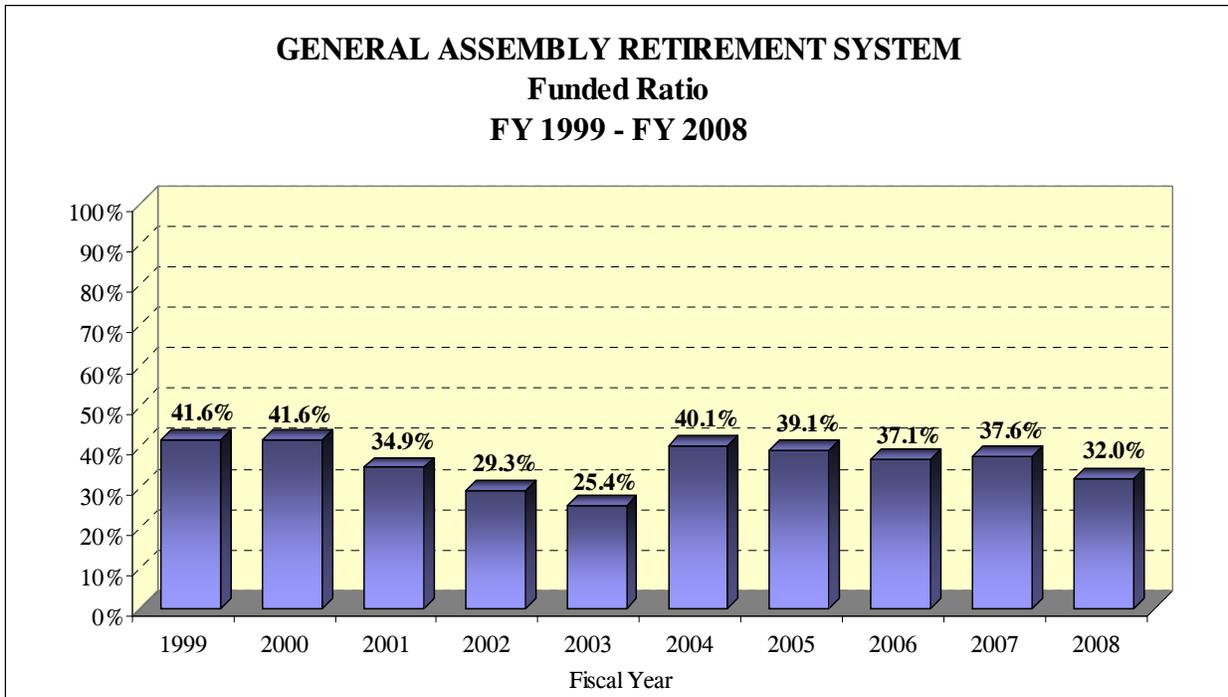


CHART 33

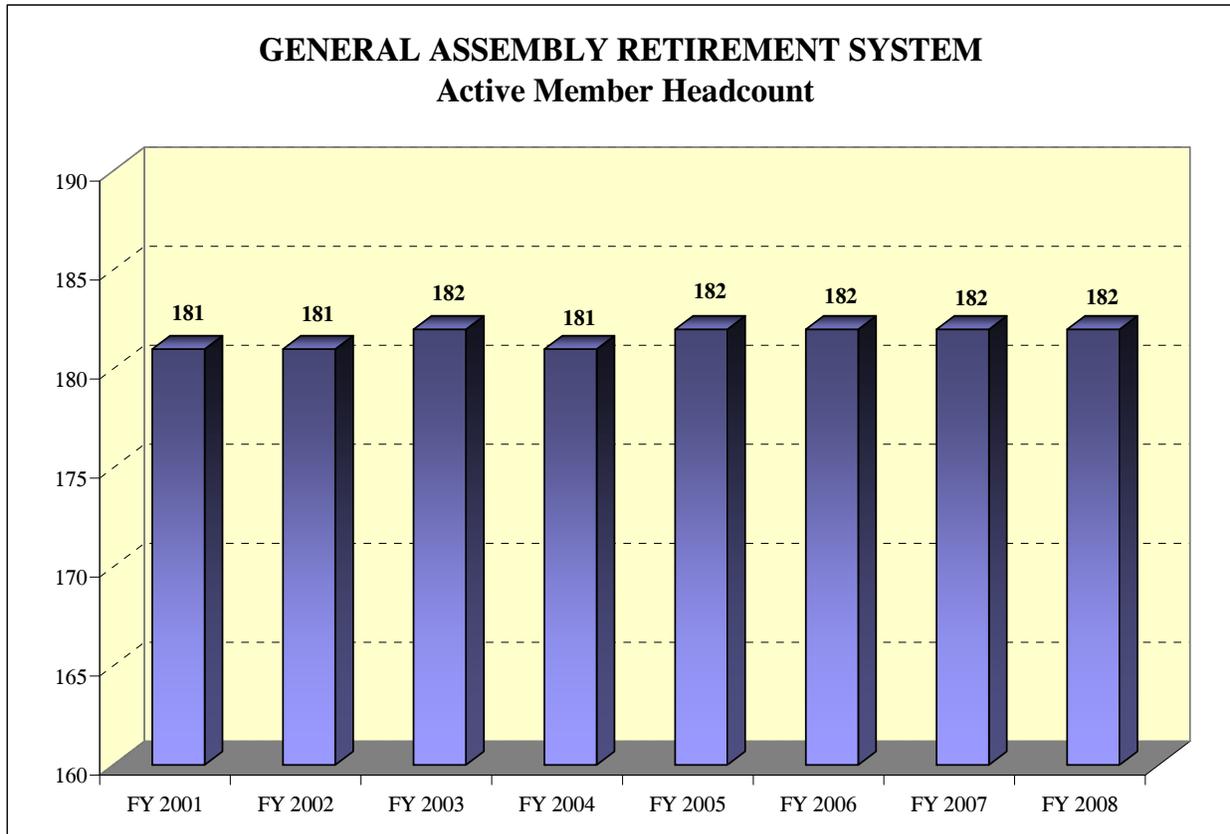


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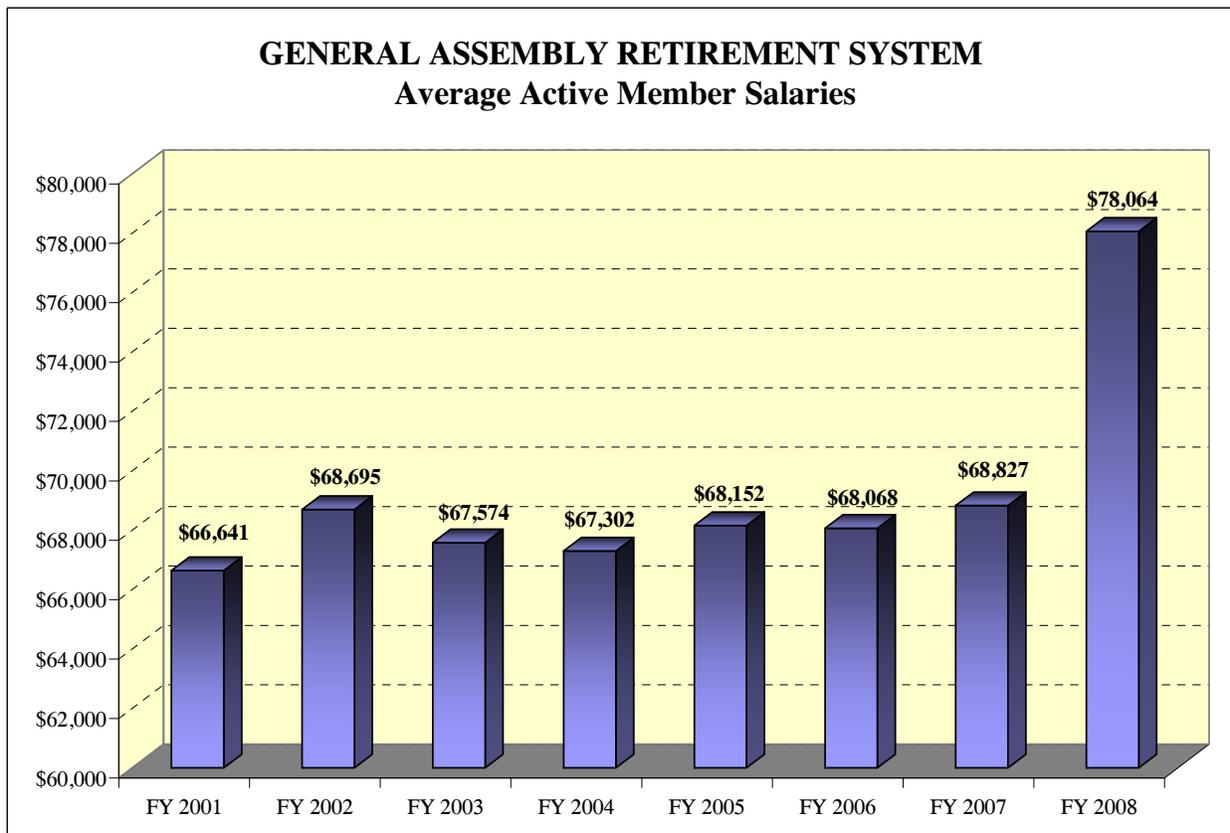


CHART 35

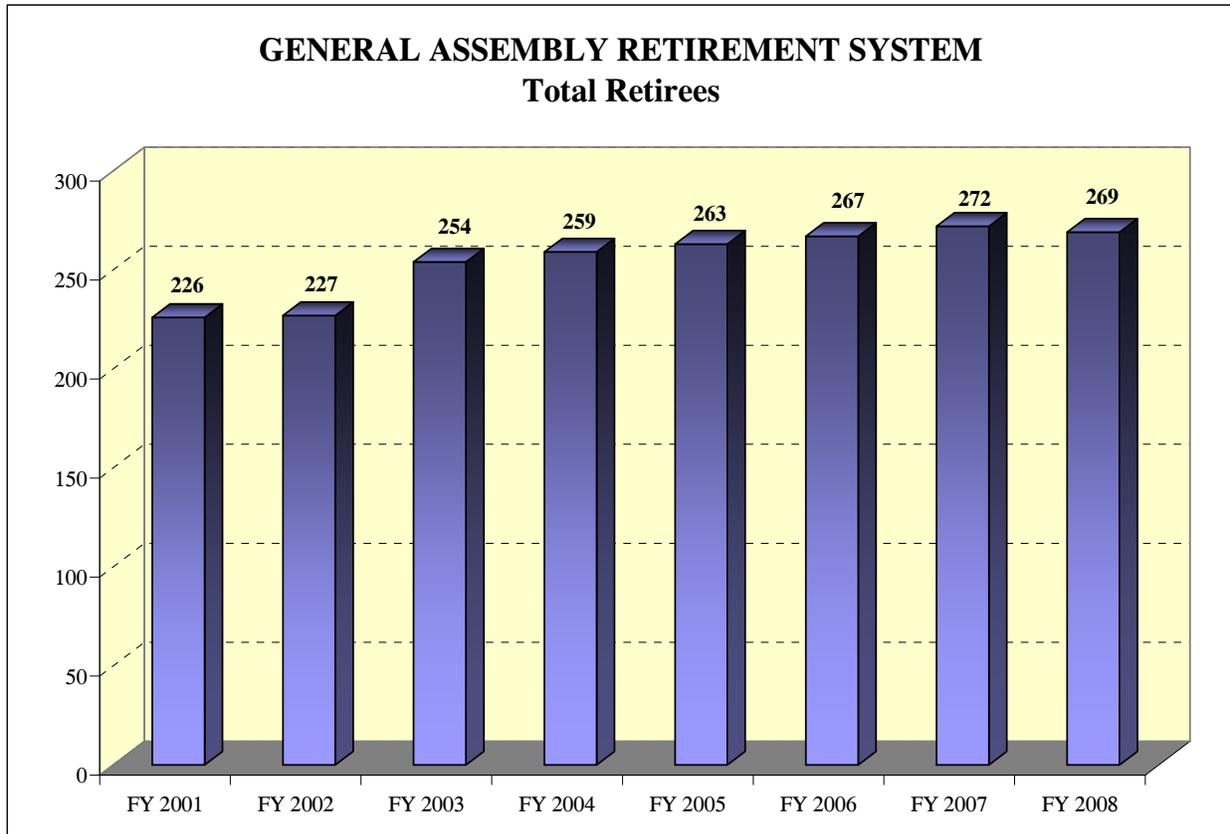


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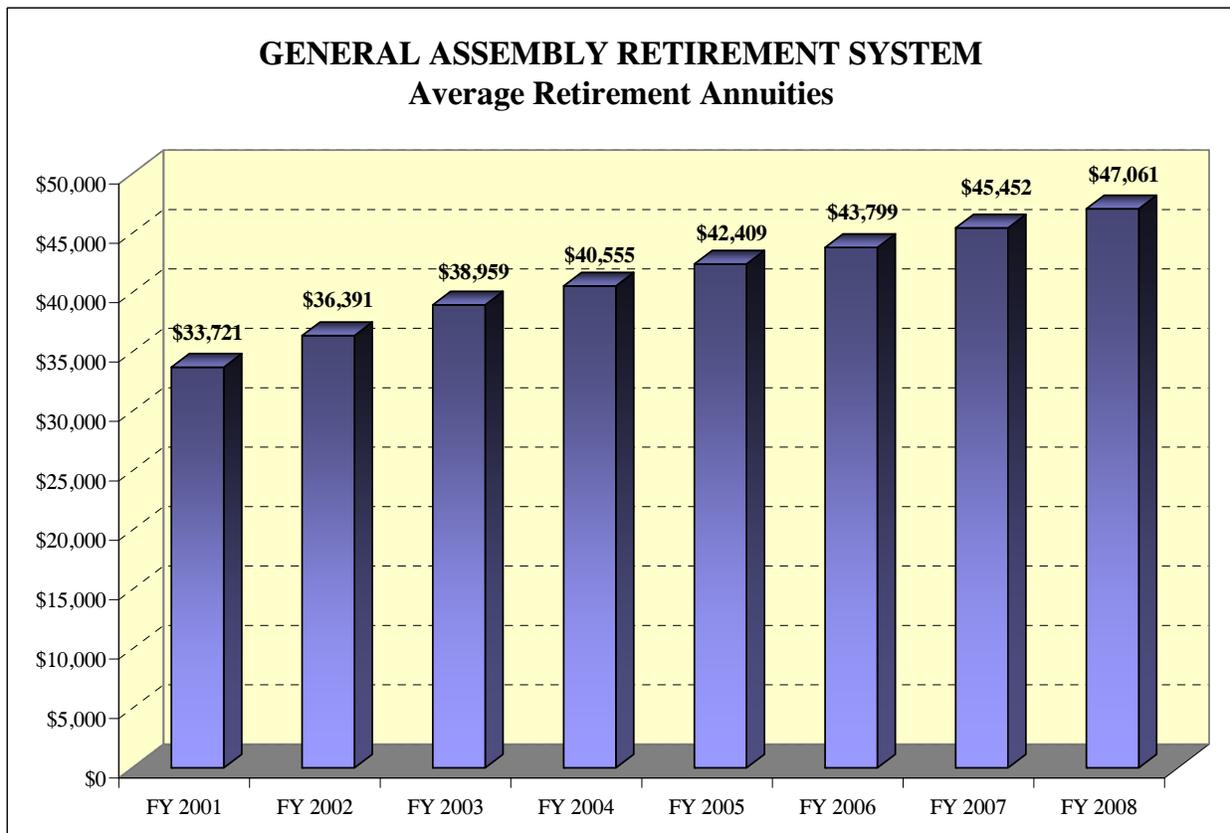
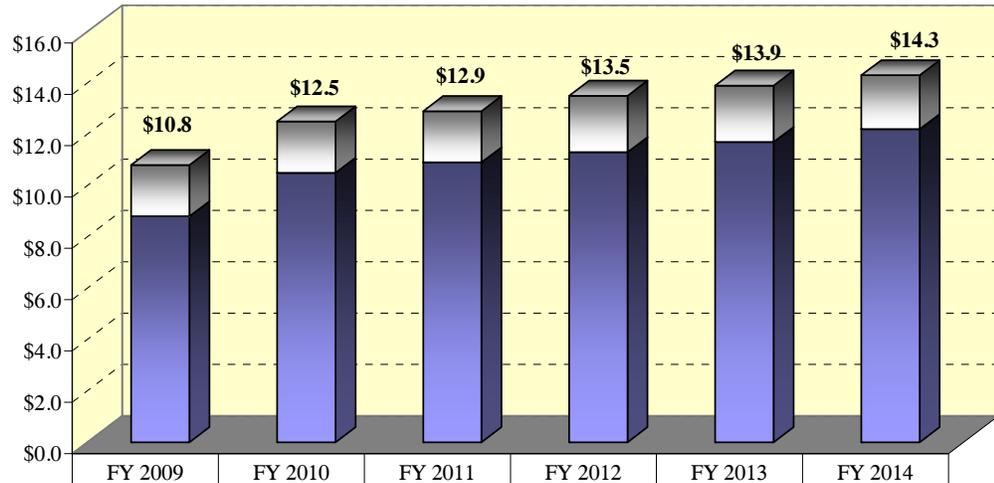


CHART 37

GENERAL ASSEMBLY RETIREMENT SYSTEM
Projected Total Pension Cost
Based on Laws in Effect on June 30, 2008
FY 2009 - FY 2014
(\$ in Millions)



POB Debt Service	\$2.0	\$2.0	\$2.0	\$2.2	\$2.2	\$2.1
Regular Contribution	\$8.8	\$10.5	\$10.9	\$11.3	\$11.7	\$12.2

TABLE 19

GENERAL ASSEMBLY RETIREMENT SYSTEM								
Changes in Net Assets								
(\$ in millions)								
Fiscal Years	2008	2007	2006	2005	2004	2003	2002	2001
Additions to Assets								
State of Illinois	6.8	5.4	4.2	4.7	5.9	5.1	4.7	4.3
Pension Obligation Bonds	0.0	0.0	0.0	0.0	27.0	0.0	0.0	0.0
Employees	1.8	1.7	1.4	1.5	1.6	1.9	1.6	1.4
Net Investment Income	-4.7	13.0	8.2	7.5	11.7	0.1	-3.8	-4.6
Total Asset Additions (A)	3.9	20.1	13.8	13.7	46.2	7.1	2.5	1.1
Deductions from Assets								
Benefits	15.3	14.7	14.1	13.4	12.5	11.1	9.9	9.2
Refunds	0.1	0.3	0.2	0.0	0.1	0.1	0.1	0.0
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Expenses	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Deductions (B)	15.7	15.2	14.6	13.7	12.9	11.5	10.3	9.5
Change in Net Assets (A-B=C)	-11.8	4.9	-0.8	0.0	33.3	-4.4	-7.8	-8.4

TABLE 20

GENERAL ASSEMBLY RETIREMENT SYSTEM				
Historical Investment Revenues				
(\$ in millions)				
Fiscal Year	Market Value of Assets at Year End	Net Investment Revenue	Rate of Return Earned	
1999	65.3	7.5	12.9%	
2000	68.9	7.3	11.8%	
2001	60.5	-4.6	-7.1%	
2002	52.2	-3.8	-6.9%	
2003	47.4	0.1	0.3%	
2004	81.3	11.7	16.4%	
2005	80.8	7.5	10.1%	
2006	79.0	8.2	11.0%	
2007	83.9	12.5	17.1%	
2008	71.9	-4.8	-6.2%	

1999 - 2008 Asset Values are Market Values.

TABLE 21

GENERAL ASSEMBLY RETIREMENT SYSTEM						
Historical Underfunding, FY 1999 - FY 2008						
(\$ in millions)						
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Historical Underfunding	
1999	1.5	7.4	8.9	3.6	5.3	
2000	1.5	8.1	9.6	4.0	5.6	
2001	1.7	8.4	10.1	4.3	5.8	
2002	1.7	9.7	11.4	4.7	6.7	
2003	1.6	10.8	12.4	5.2	7.2	
2004	1.3	12.4	13.7	32.9	-19.2	
2005	1.5	10.6	12.1	4.7	7.4	
2006	2.4	10.3	12.7	4.2	8.5	
2007	2.7	10.2	12.9	5.2	7.7	
2008	2.8	11.6	14.4	6.8	7.6	

TABLE 22

PROJECTIONS FOR THE GENERAL ASSEMBLY RETIREMENT SYSTEM Projected Underfunding Based on Laws in Effect on June 30, 2008 (\$ in millions)						
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Projected Underfunding	
2009	2.7	12.3	15.1	8.8	6.3	
2010	2.8	14.0	16.8	10.5	6.3	
2011	2.8	14.2	17.1	10.9	6.3	
2012	2.9	14.6	17.6	11.3	6.3	
2013	3.0	14.9	18.0	11.7	6.3	
2014	3.1	15.3	18.5	12.2	6.3	
2015	3.2	15.6	18.9	12.6	6.3	
2016	3.3	16.0	19.4	13.1	6.3	
2017	3.4	16.4	19.9	13.6	6.3	
2018	3.5	16.7	20.3	14.2	6.1	
2019	3.6	17.1	20.8	14.8	6.0	
2020	3.7	17.4	21.3	15.4	5.9	
2021	3.9	17.7	21.6	15.9	5.7	
2022	4.0	18.0	22.0	16.5	5.5	
2023	4.1	18.3	22.4	17.1	5.3	
2024	4.3	18.5	22.8	17.8	5.0	
2025	4.4	18.7	23.1	18.4	4.7	
2026	4.6	18.9	23.5	19.2	4.3	
2027	4.8	19.1	23.9	19.9	4.0	
2028	4.9	19.2	24.1	20.8	3.3	
2029	5.1	19.3	24.4	21.6	2.8	
2030	5.3	19.3	24.6	22.5	2.1	
2031	5.6	19.2	24.8	23.3	1.5	
2032	5.8	19.2	25.0	24.3	0.6	
2033	6.0	19.0	25.0	25.2	-0.2	
2034	6.2	18.7	24.9	26.2	-1.3	
2035	6.5	18.3	24.8	27.3	-2.5	
2036	6.8	17.9	24.7	28.4	-3.7	
2037	7.0	17.3	24.3	29.5	-5.2	
2038	7.3	16.6	23.9	30.7	-6.8	
2039	7.5	15.8	23.3	31.9	-8.6	
2040	7.9	14.8	22.7	33.2	-10.5	
2041	8.2	13.6	21.8	34.5	-12.7	
2042	8.5	12.3	20.8	35.9	-15.2	
2043	8.8	10.7	19.5	37.3	-17.8	
2044	9.2	8.9	18.1	38.8	-20.7	
2045	9.5	6.9	16.4	40.4	-23.9	

Appendices



APPENDIX A

FUNDING PROJECTIONS FOR THE STATE RETIREMENT SYSTEMS
System Projections Based on Laws in Effect on June 30, 2008
(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Assets	Unfunded Liabilities	Funded Ratio
2009	16,965.3	2,831.9	16.7%	1,431.2	124,810.9	67,911.3	56,899.6	54.4%
2010	17,541.7	4,046.7	23.1%	1,482.5	131,213.2	72,293.6	58,919.6	55.1%
2011	18,241.5	4,233.6	23.2%	1,538.9	137,777.0	76,812.4	60,964.7	55.8%
2012	18,967.1	4,389.6	23.1%	1,597.8	144,484.8	81,420.7	63,064.1	56.4%
2013	19,725.4	4,585.7	23.2%	1,659.4	151,329.6	86,148.0	65,181.5	56.9%
2014	20,523.9	4,779.7	23.3%	1,725.4	158,311.4	90,989.6	67,321.8	57.5%
2015	21,372.0	4,975.8	23.3%	1,796.5	165,437.5	95,949.9	69,487.6	58.0%
2016	22,274.1	5,184.3	23.3%	1,872.9	172,719.6	101,051.9	71,667.7	58.5%
2017	23,225.9	5,407.3	23.3%	1,954.2	180,167.8	106,322.1	73,845.7	59.0%
2018	24,230.4	5,642.1	23.3%	2,040.3	187,795.9	111,784.0	76,011.9	59.5%
2019	25,285.1	5,888.1	23.3%	2,130.6	195,614.2	117,455.6	78,158.5	60.0%
2020	26,395.1	6,149.6	23.3%	2,225.4	203,637.5	123,356.5	80,281.0	60.6%
2021	26,562.5	6,423.8	24.2%	2,325.8	211,886.8	129,519.0	82,367.9	61.1%
2022	28,791.8	6,711.6	23.3%	2,431.8	220,381.3	135,977.1	84,404.2	61.7%
2023	30,082.4	7,012.6	23.3%	2,543.5	229,140.6	142,770.3	86,370.4	62.3%
2024	31,430.0	7,329.7	23.3%	2,660.3	238,186.6	149,940.8	88,245.9	63.0%
2025	32,820.8	7,655.1	23.3%	2,780.2	247,533.9	157,510.0	90,023.9	63.6%
2026	34,270.9	7,989.6	23.3%	2,908.0	257,212.2	165,528.8	91,683.4	64.4%
2027	35,781.3	8,337.2	23.3%	3,039.3	267,234.8	174,039.4	93,195.4	65.1%
2028	37,351.6	8,701.4	23.3%	2,874.3	277,615.1	183,074.7	94,540.4	65.9%
2029	39,001.0	9,082.9	23.3%	3,313.8	288,301.1	192,596.2	95,704.9	66.8%
2030	40,689.5	9,474.5	23.3%	3,458.2	299,393.0	202,719.7	96,673.3	67.7%
2031	42,488.4	9,890.3	23.3%	3,610.8	310,922.0	213,518.6	97,403.5	68.7%
2032	44,369.3	10,323.6	23.3%	3,772.0	322,912.3	225,067.7	97,844.6	69.7%
2033	46,329.1	10,769.2	23.2%	3,940.4	335,378.0	237,422.0	97,956.0	70.8%
2034	48,381.3	11,075.5	22.9%	4,114.2	348,345.0	250,639.3	97,705.7	72.0%
2035	50,534.6	11,565.5	22.9%	4,295.1	361,858.5	264,798.6	97,059.9	73.2%
2036	52,793.6	12,079.5	22.9%	4,483.9	375,967.1	280,000.0	95,967.2	74.5%
2037	55,172.1	12,620.6	22.9%	4,687.5	390,723.3	296,359.2	94,364.1	75.8%
2038	57,664.3	13,187.2	22.9%	4,904.6	406,149.2	314,005.4	92,143.9	77.3%
2039	60,276.6	13,781.0	22.9%	5,126.9	422,295.5	333,023.1	89,272.5	78.9%
2040	63,039.3	14,408.9	22.9%	5,362.2	439,231.8	353,507.6	85,724.2	80.5%
2041	65,969.5	15,074.5	22.9%	5,615.9	457,065.1	375,620.9	81,444.2	82.2%
2042	69,048.0	15,773.6	22.8%	5,885.8	475,873.1	399,693.7	76,179.5	84.0%
2043	72,262.2	16,503.1	22.8%	6,161.9	495,695.9	425,793.3	69,902.6	85.9%
2044	75,613.4	17,263.5	22.8%	6,449.4	516,584.2	454,078.5	62,505.7	87.9%
2045	79,113.1	18,057.1	22.8%	6,750.8	538,598.8	484,732.4	53,866.4	90.0%

APPENDIX B

FUNDING PROJECTIONS FOR THE TEACHERS RETIREMENT SYSTEM
System Projections Based on Laws in Effect on June 30, 2008
(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2009	8,817.5	1,449.9	16.4%	869.3	72,307.5	40,432.7	31,874.8	55.9%
2010	9,252.8	2,087.7	22.6%	909.0	76,100.2	43,056.1	33,044.1	56.6%
2011	9,642.3	2,189.6	22.7%	944.1	79,987.7	45,760.8	34,226.9	57.2%
2012	10,047.7	2,267.1	22.6%	981.1	83,966.5	48,518.8	35,447.7	57.8%
2013	10,476.7	2,380.4	22.7%	1,020.0	88,038.8	51,358.1	36,680.7	58.3%
2014	10,934.7	2,494.3	22.8%	1,062.5	92,213.6	54,287.0	37,926.6	58.9%
2015	11,426.3	2,606.4	22.8%	1,109.1	96,512.6	57,319.1	39,193.5	59.4%
2016	11,954.5	2,726.9	22.8%	1,159.5	100,958.0	60,480.3	40,477.7	59.9%
2017	12,516.6	2,855.1	22.8%	1,213.8	105,571.2	63,802.1	41,769.1	60.4%
2018	13,108.3	2,990.1	22.8%	1,271.2	110,369.3	67,309.4	43,059.9	61.0%
2019	13,730.0	3,131.9	22.8%	1,331.2	115,365.9	71,017.8	44,348.1	61.6%
2020	14,385.5	3,281.4	22.8%	1,394.4	120,580.8	74,946.8	45,634.0	62.2%
2021	15,075.3	3,438.8	22.8%	1,461.6	126,035.0	79,125.2	46,909.8	62.8%
2022	15,800.9	3,604.3	22.8%	1,532.5	131,753.7	83,583.2	48,170.5	63.4%
2023	16,561.1	3,777.7	22.8%	1,607.1	137,754.6	88,352.7	49,401.9	64.1%
2024	17,351.9	3,958.1	22.8%	1,685.2	144,055.2	93,464.7	50,590.5	64.9%
2025	18,175.5	4,146.0	22.8%	1,766.2	150,672.2	98,938.2	51,734.0	65.7%
2026	19,031.5	4,341.2	22.8%	1,851.4	157,620.7	104,803.9	52,816.8	66.5%
2027	19,915.7	4,542.9	22.8%	1,938.8	164,909.3	111,088.6	53,820.7	67.4%
2028	20,827.7	4,750.9	22.8%	2,027.5	172,539.2	117,803.9	54,735.3	68.3%
2029	21,783.9	4,969.1	22.8%	2,118.3	180,528.8	124,949.4	55,579.4	69.2%
2030	22,782.6	5,196.9	22.8%	2,214.8	188,895.9	132,579.7	56,316.2	70.2%
2031	23,818.5	5,433.2	22.8%	2,313.7	197,653.2	140,723.8	56,929.4	71.2%
2032	24,889.6	5,677.5	22.8%	2,417.6	206,802.0	149,415.1	57,386.9	72.3%
2033	25,995.3	5,929.7	22.8%	2,525.9	216,332.8	158,666.6	57,666.2	73.3%
2034	27,145.5	6,192.1	22.8%	2,635.7	226,245.8	168,491.6	57,754.2	74.5%
2035	28,349.1	6,466.6	22.8%	2,749.3	236,560.8	178,923.2	57,637.6	75.6%
2036	29,610.5	6,754.4	22.8%	2,867.3	247,302.0	190,013.2	57,288.8	76.8%
2037	30,939.3	7,057.5	22.8%	2,996.3	258,495.2	201,824.5	56,670.7	78.1%
2038	32,330.0	7,374.7	22.8%	3,135.1	270,135.1	214,430.5	55,704.6	79.4%
2039	33,790.8	7,707.9	22.8%	3,275.5	282,250.7	227,862.4	54,388.3	80.7%
2040	35,349.4	8,063.5	22.8%	3,425.2	294,890.6	242,160.8	52,729.8	82.1%
2041	37,022.2	8,445.0	22.8%	3,589.6	308,144.3	257,431.0	50,713.3	83.5%
2042	38,786.7	8,847.5	22.8%	3,765.8	322,069.3	273,943.6	48,125.7	85.1%
2043	40,629.3	9,267.8	22.8%	3,944.2	336,689.7	291,702.5	44,987.2	86.6%
2044	42,546.7	9,705.2	22.8%	4,129.6	352,038.1	310,799.1	41,239.0	88.3%
2045	44,549.3	10,162.0	22.8%	4,324.4	368,163.4	331,347.0	36,816.4	90.0%

APPENDIX C

FUNDING PROJECTIONS FOR THE STATE EMPLOYEES RETIREMENT SYSTEM
System Projections Based on Laws in Effect on June 30, 2008
(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2009	4,100.0	863.0	21.0%	234.5	25,138.6	11,676.7	13,461.9	46.4%
2010	4,113.4	1,167.3	28.4%	235.6	26,532.8	12,664.3	13,868.5	47.7%
2011	4,286.5	1,217.5	28.4%	245.7	27,988.2	13,712.9	14,275.4	49.0%
2012	4,459.2	1,265.3	28.4%	255.8	29,498.0	14,807.1	14,690.9	50.2%
2013	4,633.9	1,316.2	28.4%	265.9	31,055.7	15,951.4	15,104.2	51.4%
2014	4,810.5	1,362.7	28.3%	276.1	32,656.7	17,137.1	15,519.6	52.5%
2015	4,992.2	1,410.5	28.3%	286.6	34,296.6	18,361.0	15,935.6	53.5%
2016	5,179.3	1,459.8	28.2%	297.4	35,969.4	19,619.3	16,350.1	54.5%
2017	5,372.7	1,514.2	28.2%	308.5	37,674.0	20,912.7	16,761.3	55.5%
2018	5,573.3	1,570.4	28.2%	320.0	39,404.3	22,236.9	17,167.4	56.4%
2019	5,781.2	1,628.4	28.2%	332.0	41,157.1	23,590.9	17,566.1	57.3%
2020	5,998.1	1,691.9	28.2%	344.4	42,927.8	24,973.2	17,954.6	58.2%
2021	5,223.4	1,757.4	33.6%	357.3	44,714.1	26,383.9	18,330.3	59.0%
2022	6,459.5	1,825.3	28.3%	370.7	46,510.7	27,822.2	18,688.5	59.8%
2023	6,704.4	1,895.3	28.3%	384.7	48,316.6	29,289.9	19,026.8	60.6%
2024	6,960.0	1,971.2	28.3%	399.1	50,130.8	30,790.3	19,340.6	61.4%
2025	7,208.3	2,044.6	28.4%	412.2	51,946.4	32,317.4	19,629.0	62.2%
2026	7,465.1	2,116.3	28.3%	427.6	53,769.3	33,879.1	19,890.2	63.0%
2027	7,735.1	2,191.1	28.3%	442.7	55,598.7	35,480.2	20,118.5	63.8%
2028	8,016.8	2,272.1	28.3%	458.5	57,440.5	37,130.4	20,310.1	64.6%
2029	8,313.4	2,356.7	28.3%	475.2	59,220.4	38,780.4	20,440.0	65.5%
2030	8,584.4	2,437.3	28.4%	489.3	61,013.6	40,478.1	20,535.5	66.3%
2031	8,905.9	2,529.4	28.4%	507.3	62,834.1	42,254.5	20,579.7	67.2%
2032	9,249.1	2,625.6	28.4%	526.8	64,695.1	44,133.1	20,562.0	68.2%
2033	9,611.4	2,721.7	28.3%	547.4	66,612.5	46,136.4	20,476.1	69.3%
2034	9,994.1	2,662.4	26.6%	569.4	68,598.8	48,286.1	20,312.7	70.4%
2035	10,395.7	2,769.4	26.6%	592.5	70,667.9	50,605.1	20,062.8	71.6%
2036	10,816.6	2,881.5	26.6%	616.7	72,833.7	53,117.7	19,716.1	72.9%
2037	11,257.4	2,999.0	26.6%	642.1	75,108.9	55,848.2	19,260.7	74.4%
2038	11,716.8	3,121.4	26.6%	668.6	77,503.4	58,819.9	18,683.6	75.9%
2039	12,195.0	3,248.7	26.6%	696.1	80,025.5	62,055.4	17,970.2	77.5%
2040	12,691.9	3,381.1	26.6%	724.7	82,684.1	65,579.5	17,104.6	79.3%
2041	13,207.6	3,518.5	26.6%	754.2	85,486.3	69,416.8	16,069.5	81.2%
2042	13,742.2	3,660.9	26.6%	784.9	88,437.6	73,591.8	14,845.9	83.2%
2043	14,295.5	3,808.3	26.6%	816.5	91,546.2	78,132.4	13,413.8	85.3%
2044	14,869.6	3,961.3	26.6%	849.3	94,818.0	83,067.2	11,750.8	87.6%
2045	15,464.7	4,119.8	26.6%	883.2	98,257.9	88,425.7	9,832.2	90.0%

APPENDIX D

FUNDING PROJECTIONS FOR THE STATE UNIVERSITIES RETIREMENT SYSTEM
System Projections Based on Laws in Effect on June 30, 2008
(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2009	3,879.4	450.2	11.6%	310.7	25,600.1	15,077.9	10,522.2	58.9%
2010	3,999.6	702.5	17.6%	320.4	26,741.0	15,795.3	10,945.7	59.1%
2011	4,129.3	733.5	17.8%	330.8	27,884.0	16,505.1	11,378.9	59.2%
2012	4,269.5	760.4	17.8%	342.0	29,022.9	17,204.1	11,818.8	59.3%
2013	4,416.9	788.7	17.9%	353.8	30,153.8	17,889.0	12,264.8	59.3%
2014	4,574.0	818.8	17.9%	366.4	31,273.1	18,555.6	12,717.5	59.3%
2015	4,740.6	850.9	17.9%	379.7	32,369.8	19,198.0	13,171.8	59.3%
2016	4,918.9	885.2	18.0%	394.0	33,440.5	19,815.2	13,625.3	59.3%
2017	5,106.4	921.2	18.0%	409.0	34,474.0	20,401.2	14,072.8	59.2%
2018	5,309.3	960.1	18.1%	425.3	35,473.4	20,958.4	14,515.0	59.1%
2019	5,524.9	1,001.4	18.1%	442.5	36,437.9	21,490.0	14,947.9	59.0%
2020	5,752.5	1,044.9	18.2%	460.8	37,367.4	21,997.4	15,370.0	58.9%
2021	5,994.6	1,091.0	18.2%	480.2	38,263.6	22,483.7	15,779.9	58.8%
2022	6,251.4	1,139.9	18.2%	500.7	39,126.1	22,953.1	16,173.0	58.7%
2023	6,525.8	1,192.0	18.3%	522.7	39,957.9	23,411.8	16,546.1	58.6%
2024	6,815.3	1,246.8	18.3%	545.9	40,764.6	23,866.9	16,897.7	58.5%
2025	7,122.3	1,304.8	18.3%	570.5	41,550.7	24,326.9	17,223.8	58.5%
2026	7,446.9	1,366.0	18.3%	596.5	42,324.6	24,803.3	17,521.3	58.6%
2027	7,790.1	1,430.6	18.4%	624.0	43,091.5	25,306.1	17,785.4	58.7%
2028	8,153.0	1,498.7	18.4%	653.1	43,858.4	25,846.8	18,011.6	58.9%
2029	8,535.5	1,570.4	18.4%	683.7	44,628.2	26,435.9	18,192.3	59.2%
2030	8,939.5	1,646.0	18.4%	716.1	45,408.1	27,085.7	18,322.4	59.6%
2031	9,365.8	1,725.8	18.4%	750.2	46,201.7	27,809.0	18,392.7	60.2%
2032	9,816.3	1,810.3	18.4%	786.3	47,018.8	28,622.6	18,396.2	60.9%
2033	10,291.7	1,899.4	18.5%	824.4	47,866.9	29,545.4	18,321.5	61.7%
2034	10,793.7	1,993.7	18.5%	864.6	48,758.3	30,598.8	18,159.5	62.8%
2035	11,323.8	2,093.1	18.5%	907.0	49,704.2	31,804.8	17,899.4	64.0%
2036	11,881.9	2,197.8	18.5%	951.7	50,714.6	33,186.3	17,528.3	65.4%
2037	12,471.5	2,308.5	18.5%	999.0	51,803.2	34,770.5	17,032.7	67.1%
2038	13,093.4	2,425.3	18.5%	1,048.8	52,986.8	36,588.6	16,398.2	69.1%
2039	13,745.8	2,547.9	18.5%	1,101.0	54,278.4	38,669.7	15,608.7	71.2%
2040	14,431.1	2,676.8	18.5%	1,155.9	55,689.7	41,042.4	14,647.3	73.7%
2041	15,150.1	2,812.0	18.6%	1,213.5	57,230.3	43,736.8	13,493.5	76.4%
2042	15,905.9	2,954.2	18.6%	1,274.1	58,914.3	46,786.9	12,127.4	79.4%
2043	16,699.8	3,103.6	18.6%	1,337.7	60,749.4	50,226.4	10,523.0	82.7%
2044	17,534.0	3,260.7	18.6%	1,404.5	62,746.9	54,092.1	8,654.8	86.2%
2045	18,409.5	3,425.5	18.6%	1,474.6	64,913.2	58,421.8	6,491.4	90.0%

APPENDIX E

FUNDING PROJECTIONS FOR THE JUDGES RETIREMENT SYSTEM
System Projections Based on Laws in Effect on June 30, 2008
(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2009	154.1	60.0	38.9%	15.1	1,525.2	648.8	876.4	42.5%
2010	161.2	78.8	48.9%	15.8	1,595.9	702.1	893.8	44.0%
2011	168.1	82.2	48.9%	16.5	1,670.0	757.7	912.3	45.4%
2012	174.7	85.5	48.9%	17.1	1,746.6	815.2	931.4	46.7%
2013	181.3	88.7	48.9%	17.8	1,826.6	874.5	952.1	47.9%
2014	187.5	91.7	48.9%	18.4	1,909.2	935.1	974.1	49.0%
2015	195.0	95.4	48.9%	19.1	1,995.5	997.2	998.3	50.0%
2016	202.8	99.2	48.9%	19.9	2,084.5	1,062.5	1022.0	51.0%
2017	211.0	103.2	48.9%	20.7	2,177.0	1,131.3	1045.7	52.0%
2018	219.4	107.3	48.9%	21.5	2,272.7	1,203.9	1068.8	53.0%
2019	228.2	111.6	48.9%	22.4	2,372.4	1,280.6	1091.8	54.0%
2020	237.3	116.1	48.9%	23.3	2,475.7	1,361.5	1114.2	55.0%
2021	246.8	120.7	48.9%	24.2	2,583.2	1,447.0	1136.2	56.0%
2022	256.7	125.5	48.9%	25.2	2,694.8	1,537.4	1157.4	57.1%
2023	266.9	130.6	48.9%	26.2	2,810.2	1,632.5	1177.7	58.1%
2024	277.6	135.8	48.9%	27.2	2,929.4	1,732.7	1196.7	59.1%
2025	288.7	141.2	48.9%	28.3	3,052.5	1,838.1	1214.4	60.2%
2026	300.3	146.9	48.9%	29.4	3,179.7	1,949.2	1230.5	61.3%
2027	312.3	152.7	48.9%	30.6	3,311.3	2,066.5	1244.8	62.4%
2028	324.8	158.9	48.9%	31.8	3,446.6	2,189.9	1256.7	63.5%
2029	337.7	165.2	48.9%	33.1	3,586.4	2,320.2	1266.2	64.7%
2030	351.3	171.8	48.9%	34.4	3,730.7	2,457.9	1272.8	65.9%
2031	365.3	178.7	48.9%	35.8	3,880.3	2,603.9	1276.4	67.1%
2032	379.9	185.8	48.9%	37.3	4,035.1	2,758.8	1276.3	68.4%
2033	395.1	193.3	48.9%	38.7	4,195.5	2,923.3	1272.2	69.7%
2034	410.9	201.0	48.9%	40.3	4,362.0	3,098.5	1263.5	71.0%
2035	427.4	209.0	48.9%	41.9	4,535.0	3,285.2	1249.8	72.4%
2036	444.5	217.4	48.9%	43.6	4,714.9	3,484.4	1230.5	73.9%
2037	462.2	226.1	48.9%	45.3	4,902.1	3,697.3	1204.8	75.4%
2038	480.7	235.1	48.9%	47.1	5,097.0	3,924.9	1172.1	77.0%
2039	499.9	244.5	48.9%	49.0	5,300.2	4,168.6	1131.6	78.6%
2040	519.9	254.3	48.9%	51.0	5,512.0	4,429.5	1082.5	80.4%
2041	540.7	264.5	48.9%	53.0	5,733.1	4,709.4	1023.7	82.1%
2042	562.4	275.1	48.9%	55.2	5,964.0	5,009.5	954.5	84.0%
2043	584.9	286.1	48.9%	57.4	6,205.0	5,331.5	873.5	85.9%
2044	608.3	297.5	48.9%	59.7	6,456.9	5,677.1	779.8	87.9%
2045	632.6	309.4	48.9%	62.0	6,720.2	6,048.2	672.0	90.0%

APPENDIX F

FUNDING PROJECTIONS FOR THE GENERAL ASSEMBLY RETIREMENT SYSTEM
System Projections Based on Laws in Effect on June 30, 2008
(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2009	14.2	8.8	62.3%	1.6	239.5	75.2	164.3	31.4%
2010	14.8	10.5	70.8%	1.7	243.3	75.8	167.5	31.2%
2011	15.3	10.9	70.8%	1.8	247.1	75.9	171.2	30.7%
2012	15.9	11.3	70.8%	1.8	250.8	75.5	175.3	30.1%
2013	16.6	11.7	70.8%	1.9	254.7	75.0	179.7	29.4%
2014	17.2	12.2	70.8%	2.0	258.8	74.8	184.0	28.9%
2015	17.8	12.6	70.8%	2.0	263.0	74.6	188.4	28.4%
2016	18.5	13.1	70.8%	2.1	267.2	74.6	192.6	27.9%
2017	19.2	13.6	70.8%	2.2	271.6	74.8	196.8	27.5%
2018	20.1	14.2	70.8%	2.3	276.2	75.4	200.8	27.3%
2019	20.9	14.8	70.8%	2.4	280.9	76.3	204.6	27.2%
2020	21.7	15.4	70.8%	2.5	285.8	77.6	208.2	27.2%
2021	22.5	15.9	70.8%	2.6	290.9	79.2	211.7	27.2%
2022	23.4	16.5	70.8%	2.7	296.0	81.2	214.8	27.4%
2023	24.2	17.1	70.8%	2.8	301.3	83.4	217.9	27.7%
2024	25.2	17.8	70.8%	2.9	306.6	86.2	220.4	28.1%
2025	26.0	18.4	70.8%	3.0	312.1	89.4	222.7	28.6%
2026	27.1	19.2	70.8%	3.1	317.9	93.3	224.6	29.3%
2027	28.1	19.9	70.8%	3.2	324.0	98.0	226.0	30.2%
2028	29.4	20.8	70.8%	3.4	330.4	103.7	226.7	31.4%
2029	30.5	21.6	70.8%	3.5	337.3	110.3	227.0	32.7%
2030	31.8	22.5	70.8%	3.7	344.7	118.3	226.4	34.3%
2031	32.9	23.3	70.8%	3.8	352.7	127.4	225.3	36.1%
2032	34.4	24.3	70.8%	4.0	361.3	138.1	223.2	38.2%
2033	35.6	25.2	70.8%	4.1	370.3	150.3	220.0	40.6%
2034	37.1	26.2	70.8%	4.3	380.1	164.3	215.8	43.2%
2035	38.6	27.3	70.8%	4.4	390.6	180.3	210.3	46.2%
2036	40.1	28.4	70.8%	4.6	401.9	198.4	203.5	49.4%
2037	41.7	29.5	70.8%	4.8	413.9	218.7	195.2	52.8%
2038	43.4	30.7	70.8%	5.0	426.9	241.5	185.4	56.6%
2039	45.1	31.9	70.8%	5.2	440.7	267.0	173.7	60.6%
2040	46.9	33.2	70.8%	5.4	455.4	295.4	160.0	64.9%
2041	48.8	34.5	70.8%	5.6	471.1	326.9	144.2	69.4%
2042	50.8	35.9	70.8%	5.8	487.9	361.9	126.0	74.2%
2043	52.7	37.3	70.8%	6.1	505.6	400.5	105.1	79.2%
2044	54.9	38.8	70.8%	6.3	524.3	443.0	81.3	84.5%
2045	57.0	40.4	70.8%	6.6	544.1	489.7	54.4	90.0%

APPENDIX G

FUNDING PROJECTIONS FOR THE STATE RETIREMENT SYSTEMS
CGFA Projections Based on Laws in Effect on June 30, 2008
(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Assets	Unfunded Liabilities	Funded Ratio
2009	16,420.4	2,759.6	16.8%	1,373.6	125,208.0	67,542.5	57,665.5	53.9%
2010	17,109.2	3,976.7	23.2%	1,423.8	131,554.9	71,580.9	59,974.0	54.4%
2011	17,849.2	4,301.2	24.1%	1,486.3	138,105.3	75,927.1	62,178.1	55.0%
2012	18,613.6	4,453.0	23.9%	1,550.8	144,842.6	80,409.7	64,433.0	55.5%
2013	19,398.5	4,660.9	24.0%	1,617.6	151,758.6	85,063.4	66,695.2	56.1%
2014	20,221.7	4,874.6	24.1%	1,687.3	158,846.0	89,848.2	68,997.8	56.6%
2015	21,078.5	5,081.2	24.1%	1,759.8	166,105.3	94,774.1	71,331.2	57.1%
2016	21,976.9	5,298.0	24.1%	1,836.2	173,546.6	99,864.4	73,682.2	57.5%
2017	22,912.3	5,523.8	24.1%	1,916.1	181,185.5	105,136.6	76,048.9	58.0%
2018	23,900.8	5,762.4	24.1%	2,000.6	189,032.8	110,609.7	78,423.2	58.5%
2019	24,956.0	6,016.9	24.1%	2,090.8	197,084.4	116,307.5	80,776.9	59.0%
2020	26,067.4	6,285.0	24.1%	2,186.1	205,391.6	122,267.8	83,123.7	59.5%
2021	27,239.4	6,567.6	24.1%	2,286.1	213,975.9	128,521.5	85,454.4	60.1%
2022	28,467.9	6,863.7	24.1%	2,391.3	222,858.4	135,101.9	87,756.5	60.6%
2023	29,748.2	7,172.3	24.1%	2,501.3	231,839.5	142,032.1	89,807.4	61.3%
2024	31,102.8	7,498.6	24.1%	2,616.9	241,134.7	149,352.2	91,782.5	61.9%
2025	32,493.4	7,833.2	24.1%	2,735.7	250,756.2	157,085.5	93,670.7	62.6%
2026	33,946.5	8,182.8	24.1%	2,861.6	260,724.5	165,271.7	95,452.8	63.4%
2027	35,460.6	8,547.0	24.1%	2,991.6	271,055.5	173,969.2	97,086.4	64.2%
2028	37,030.9	8,924.6	24.1%	2,826.9	281,751.8	183,203.1	98,548.7	65.0%
2029	38,683.7	9,321.9	24.1%	3,269.2	292,848.5	193,016.5	99,832.0	65.9%
2030	40,421.0	9,739.4	24.1%	3,415.6	304,360.0	203,470.4	100,889.6	66.9%
2031	42,226.2	10,173.1	24.1%	3,570.7	316,309.8	214,618.9	101,690.9	67.9%
2032	44,109.1	10,625.4	24.1%	3,733.1	328,723.3	226,523.2	102,200.1	68.9%
2033	46,058.4	11,093.6	24.1%	3,901.4	341,602.3	239,247.8	102,354.6	70.0%
2034	48,093.0	11,582.1	24.1%	4,077.4	354,985.1	252,853.2	102,131.9	71.2%
2035	50,217.9	12,092.1	24.1%	4,261.2	368,901.6	267,417.2	101,484.5	72.5%
2036	52,443.4	12,626.2	24.1%	4,453.7	383,387.2	283,025.9	100,361.3	73.8%
2037	54,769.6	13,184.3	24.1%	4,654.9	398,471.6	299,757.5	98,714.1	75.2%
2038	57,184.0	13,763.6	24.1%	4,864.2	414,059.7	317,790.6	96,269.1	76.7%
2039	59,659.8	14,357.1	24.1%	5,077.9	430,176.5	337,103.6	93,072.9	78.4%
2040	62,245.5	14,977.0	24.1%	5,301.2	446,885.4	357,783.3	89,102.1	80.1%
2041	64,978.9	15,632.3	24.1%	5,537.2	464,294.6	379,998.9	84,295.6	81.8%
2042	67,885.2	16,329.1	24.1%	5,788.7	482,530.3	403,978.4	78,551.9	83.7%
2043	70,953.3	17,064.8	24.1%	6,054.9	501,654.7	429,950.5	71,704.3	85.7%
2044	74,194.7	17,842.0	24.0%	6,335.8	521,756.8	458,095.2	63,661.6	87.8%
2045	77,604.3	18,659.6	24.0%	6,631.4	542,940.8	488,646.6	54,294.2	90.0%

APPENDIX H

FUNDING PROJECTIONS FOR THE TEACHERS RETIREMENT SYSTEM
CGFA Projections Based on Laws in Effect on June 30, 2008
(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2009	8,817.5	1,449.9	16.4%	855.3	72,360.4	40,235.8	32,124.7	55.6%
2010	9,199.7	2,087.7	22.7%	892.4	76,203.2	42,628.5	33,574.7	55.9%
2011	9,612.0	2,334.9	24.3%	932.4	80,158.9	45,239.8	34,919.1	56.4%
2012	10,047.8	2,411.6	24.0%	974.6	84,227.1	47,912.8	36,314.3	56.9%
2013	10,504.1	2,537.5	24.2%	1,018.9	88,407.9	50,681.4	37,726.5	57.3%
2014	10,984.6	2,669.6	24.3%	1,065.5	92,705.8	53,541.9	39,163.9	57.8%
2015	11,485.7	2,791.4	24.3%	1,114.1	97,134.6	56,503.2	40,631.4	58.2%
2016	12,017.5	2,920.6	24.3%	1,165.7	101,712.3	59,593.0	42,119.3	58.6%
2017	12,581.2	3,057.6	24.3%	1,220.4	106,459.4	62,834.3	43,625.1	59.0%
2018	13,181.0	3,203.4	24.3%	1,278.6	111,394.3	66,251.2	45,143.1	59.5%
2019	13,820.9	3,358.9	24.3%	1,340.6	116,531.3	69,862.9	46,668.4	60.0%
2020	14,501.5	3,524.3	24.3%	1,406.6	121,904.4	73,709.1	48,195.3	60.5%
2021	15,217.2	3,698.2	24.3%	1,476.1	127,535.6	77,817.8	49,717.8	61.0%
2022	15,970.1	3,881.2	24.3%	1,549.1	133,444.1	82,219.6	51,224.6	61.6%
2023	16,758.2	4,072.7	24.3%	1,625.5	139,643.1	86,939.0	52,704.1	62.3%
2024	17,585.3	4,273.7	24.3%	1,705.8	146,147.4	92,007.5	54,139.9	63.0%
2025	18,446.7	4,483.1	24.3%	1,789.3	152,971.2	97,451.2	55,520.0	63.7%
2026	19,343.4	4,701.0	24.3%	1,876.3	160,121.2	103,294.8	56,826.4	64.5%
2027	20,272.3	4,926.8	24.3%	1,966.4	167,605.7	109,554.5	58,051.2	65.4%
2028	21,236.3	5,161.1	24.3%	2,059.9	175,426.5	116,245.7	59,180.8	66.3%
2029	22,247.4	5,406.8	24.3%	2,158.0	183,605.2	123,387.7	60,217.5	67.2%
2030	23,311.5	5,665.4	24.3%	2,261.2	192,149.5	131,022.5	61,127.0	68.2%
2031	24,410.4	5,932.4	24.3%	2,367.8	201,069.7	139,179.3	61,890.4	69.2%
2032	25,551.3	6,209.7	24.3%	2,478.5	210,374.0	147,887.6	62,486.4	70.3%
2033	26,731.9	6,496.7	24.3%	2,593.0	220,061.1	157,193.1	62,868.1	71.4%
2034	27,953.6	6,793.6	24.3%	2,711.5	230,149.4	167,117.9	63,031.5	72.6%
2035	29,228.1	7,103.3	24.3%	2,835.1	240,651.3	177,704.0	62,947.4	73.8%
2036	30,559.0	7,426.8	24.3%	2,964.2	251,580.3	188,994.7	62,585.5	75.1%
2037	31,947.9	7,764.3	24.3%	3,098.9	262,943.8	201,023.6	61,920.2	76.5%
2038	33,393.2	8,115.6	24.3%	3,239.1	274,642.5	213,940.8	60,701.7	77.9%
2039	34,844.5	8,468.2	24.3%	3,379.9	286,686.0	227,677.7	59,008.3	79.4%
2040	36,361.9	8,837.0	24.3%	3,527.1	299,124.2	242,276.2	56,848.1	81.0%
2041	37,979.3	9,230.1	24.3%	3,684.0	312,048.5	257,854.1	54,194.4	82.6%
2042	39,718.7	9,652.8	24.3%	3,852.7	325,568.2	274,583.8	50,984.3	84.3%
2043	41,580.5	10,105.3	24.3%	4,033.3	339,745.8	292,655.5	47,090.3	86.1%
2044	43,551.6	10,584.3	24.3%	4,224.5	354,651.5	312,183.3	42,468.2	88.0%
2045	45,635.8	11,090.9	24.3%	4,426.7	370,375.2	333,337.6	37,037.6	90.0%

APPENDIX I

FUNDING PROJECTIONS FOR THE STATE EMPLOYEES RETIREMENT SYSTEM
CGFA Projections Based on Laws in Effect on June 30, 2008
(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2009	4,100.1	863.1	21.1%	234.5	25,111.3	11,644.8	13,466.5	46.4%
2010	4,258.6	1,167.3	27.4%	235.6	26,451.1	12,648.8	13,802.3	47.8%
2011	4,434.2	1,178.9	26.6%	245.7	27,852.4	13,689.7	14,162.6	49.2%
2012	4,610.9	1,226.2	26.6%	255.8	29,308.1	14,791.3	14,516.8	50.5%
2013	4,787.7	1,273.2	26.6%	265.9	30,812.9	15,957.6	14,855.2	51.8%
2014	4,971.8	1,318.5	26.5%	276.1	32,363.1	17,158.4	15,204.7	53.0%
2015	5,160.5	1,364.9	26.4%	286.6	33,950.8	18,399.3	15,551.5	54.2%
2016	5,355.0	1,412.8	26.4%	297.4	35,571.8	19,676.8	15,894.9	55.3%
2017	5,552.9	1,465.0	26.4%	308.5	37,223.0	20,987.5	16,235.5	56.4%
2018	5,758.1	1,518.7	26.4%	320.0	38,900.3	22,328.0	16,572.4	57.4%
2019	5,975.0	1,575.3	26.4%	332.0	40,602.9	23,698.2	16,904.7	58.4%
2020	6,198.3	1,636.6	26.4%	344.4	42,326.3	25,093.9	17,232.4	59.3%
2021	6,435.4	1,701.1	26.4%	357.3	44,069.5	26,515.6	17,553.9	60.2%
2022	6,679.8	1,766.9	26.5%	370.7	45,830.1	27,960.3	17,869.7	61.0%
2023	6,930.6	1,834.0	26.5%	384.7	47,602.9	29,424.0	18,178.9	61.8%
2024	7,197.9	1,908.5	26.5%	399.1	49,385.9	30,906.9	18,478.9	62.6%
2025	7,453.9	1,979.4	26.6%	412.2	51,172.6	32,399.0	18,773.6	63.3%
2026	7,718.5	2,048.5	26.5%	427.6	52,966.4	33,901.5	19,064.9	64.0%
2027	7,997.5	2,120.9	26.5%	442.7	54,767.6	35,446.4	19,321.1	64.7%
2028	8,283.2	2,197.9	26.5%	458.5	56,576.9	37,038.4	19,538.6	65.5%
2029	8,585.3	2,278.6	26.5%	475.2	58,400.8	38,689.0	19,711.8	66.2%
2030	8,899.3	2,365.2	26.6%	489.3	60,241.8	40,407.0	19,834.8	67.1%
2031	9,228.5	2,454.8	26.6%	507.3	62,108.3	42,206.4	19,902.0	68.0%
2032	9,573.0	2,544.2	26.6%	526.8	64,007.9	44,101.3	19,906.6	68.9%
2033	9,929.1	2,632.3	26.5%	547.4	65,941.6	46,101.2	19,840.4	69.9%
2034	10,304.8	2,564.6	24.9%	569.4	67,918.0	48,223.7	19,694.2	71.0%
2035	10,695.0	2,661.7	24.9%	592.5	69,945.2	50,485.5	19,459.8	72.2%
2036	11,105.8	2,763.9	24.9%	616.7	72,036.2	52,909.1	19,127.1	73.4%
2037	11,534.9	2,870.7	24.9%	642.1	74,202.1	55,516.6	18,685.5	74.8%
2038	11,975.9	2,980.5	24.9%	668.6	76,443.8	58,320.7	18,123.1	76.3%
2039	12,438.4	3,095.6	24.9%	696.1	78,770.1	61,344.1	17,426.0	77.9%
2040	12,919.2	3,215.2	24.9%	724.7	81,188.9	64,609.1	16,579.9	79.6%
2041	13,421.4	3,340.2	24.9%	754.2	83,709.1	68,140.7	15,568.4	81.4%
2042	13,943.8	3,470.2	24.9%	784.9	86,338.5	71,964.5	14,374.0	83.4%
2043	14,482.8	3,604.4	24.9%	816.5	89,077.9	76,100.0	12,977.9	85.4%
2044	15,049.1	3,745.3	24.9%	849.3	91,937.4	80,579.2	11,358.2	87.6%
2045	15,636.6	3,891.5	24.9%	883.2	94,923.3	85,430.9	9,492.3	90.0%

APPENDIX J

FUNDING PROJECTIONS FOR THE STATE UNIVERSITIES RETIREMENT SYSTEM
CGFA Projections Based on Laws in Effect on June 30, 2008
(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2009	3,334.5	457.2	13.7%	267.1	25,971.7	14,938.0	11,033.7	57.5%
2010	3,475.0	707.7	20.4%	278.3	27,061.4	15,525.7	11,535.8	57.4%
2011	3,619.6	770.0	21.3%	289.9	28,177.0	16,163.9	12,013.0	57.4%
2012	3,764.2	800.7	21.3%	301.5	29,310.1	16,815.0	12,495.1	57.4%
2013	3,908.9	831.5	21.3%	313.1	30,456.5	17,474.8	12,981.7	57.4%
2014	4,060.6	863.8	21.3%	325.3	31,609.2	18,138.0	13,471.2	57.4%
2015	4,219.4	897.5	21.3%	338.0	32,761.6	18,799.8	13,961.7	57.4%
2016	4,383.1	932.4	21.3%	351.1	33,910.8	19,457.5	14,453.3	57.4%
2017	4,548.1	967.5	21.3%	364.3	35,054.4	20,108.6	14,945.9	57.4%
2018	4,722.2	1,004.5	21.3%	378.2	36,189.4	20,751.2	15,438.2	57.3%
2019	4,911.1	1,044.7	21.3%	393.4	37,296.9	21,389.4	15,907.5	57.3%
2020	5,108.7	1,086.7	21.3%	409.2	38,399.4	22,025.7	16,373.7	57.4%
2021	5,317.5	1,131.1	21.3%	425.9	39,496.7	22,661.9	16,834.9	57.4%
2022	5,538.0	1,178.0	21.3%	443.6	40,593.4	23,303.5	17,289.9	57.4%
2023	5,768.4	1,227.0	21.3%	462.0	41,482.0	23,953.1	17,528.9	57.7%
2024	6,016.9	1,279.9	21.3%	482.0	42,365.4	24,618.9	17,746.4	58.1%
2025	6,278.2	1,335.5	21.3%	502.9	43,247.9	25,307.9	17,940.0	58.5%
2026	6,557.2	1,394.8	21.3%	525.2	44,139.4	26,032.8	18,106.6	59.0%
2027	6,850.3	1,457.2	21.3%	548.7	45,047.0	26,803.7	18,243.3	59.5%
2028	7,157.2	1,522.5	21.3%	573.3	45,971.4	27,625.5	18,345.9	60.1%
2029	7,482.8	1,591.7	21.3%	599.4	46,918.8	28,509.4	18,409.5	60.8%
2030	7,827.1	1,665.0	21.3%	627.0	47,893.3	29,464.8	18,428.5	61.5%
2031	8,189.1	1,742.0	21.3%	655.9	48,898.8	30,502.0	18,396.8	62.4%
2032	8,570.5	1,823.1	21.3%	686.5	49,945.1	31,637.3	18,307.7	63.3%
2033	8,966.8	1,907.4	21.3%	718.2	51,033.8	32,879.9	18,153.9	64.4%
2034	9,386.6	1,996.7	21.3%	751.9	52,175.7	34,248.8	17,926.9	65.6%
2035	9,828.8	2,090.8	21.3%	787.3	53,379.4	35,762.2	17,617.2	67.0%
2036	10,293.9	2,189.7	21.3%	824.5	54,653.9	37,439.2	17,214.7	68.5%
2037	10,782.9	2,293.7	21.3%	863.7	56,009.6	39,301.3	16,708.3	70.2%
2038	11,290.8	2,401.8	21.3%	904.4	57,449.6	41,362.6	16,086.9	72.0%
2039	11,831.9	2,516.8	21.3%	947.7	58,979.6	43,646.3	15,333.3	74.0%
2040	12,397.5	2,637.2	21.3%	993.0	60,604.9	46,173.2	14,431.7	76.2%
2041	12,988.6	2,762.9	21.3%	1,040.4	62,332.8	48,967.8	13,364.9	78.6%
2042	13,609.6	2,895.0	21.3%	1,090.1	64,171.8	52,058.7	12,113.1	81.1%
2043	14,252.4	3,031.7	21.3%	1,141.6	66,120.4	55,463.0	10,657.4	83.9%
2044	14,930.9	3,176.1	21.3%	1,196.0	68,186.7	59,212.7	8,974.0	86.8%
2045	15,642.3	3,327.4	21.3%	1,253.0	70,378.0	63,340.3	7,037.8	90.0%

APPENDIX K

FUNDING PROJECTIONS FOR THE JUDGES RETIREMENT SYSTEM
CGFA Projections Based on Laws in Effect on June 30, 2008
(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2009	154.1	60.0	38.9%	15.1	1,525.2	648.8	876.4	42.5%
2010	161.2	78.8	48.9%	15.8	1,595.9	702.1	893.8	44.0%
2011	168.1	82.2	48.9%	16.5	1,670.0	757.7	912.2	45.4%
2012	174.7	85.5	48.9%	17.1	1,746.6	815.2	931.4	46.7%
2013	181.3	88.7	48.9%	17.8	1,826.6	874.5	952.1	47.9%
2014	187.5	91.7	48.9%	18.4	1,909.2	935.1	974.0	49.0%
2015	195.0	95.4	48.9%	19.1	1,995.5	997.2	998.3	50.0%
2016	202.8	99.2	48.9%	19.9	2,084.5	1,062.5	1022.0	51.0%
2017	211.0	103.2	48.9%	20.7	2,177.0	1,131.3	1045.7	52.0%
2018	219.4	107.3	48.9%	21.5	2,272.7	1,203.9	1068.8	53.0%
2019	228.2	111.6	48.9%	22.4	2,372.4	1,280.6	1091.8	54.0%
2020	237.3	116.1	48.9%	23.3	2,475.7	1,361.5	1114.2	55.0%
2021	246.8	120.7	48.9%	24.2	2,583.2	1,447.0	1136.2	56.0%
2022	256.7	125.5	48.9%	25.2	2,694.8	1,537.4	1157.5	57.0%
2023	266.9	130.6	48.9%	26.2	2,810.2	1,632.5	1177.7	58.1%
2024	277.6	135.8	48.9%	27.2	2,929.4	1,732.7	1196.8	59.1%
2025	288.7	141.2	48.9%	28.3	3,052.5	1,838.1	1214.4	60.2%
2026	300.3	146.9	48.9%	29.4	3,179.7	1,949.2	1230.5	61.3%
2027	312.3	152.7	48.9%	30.6	3,311.3	2,066.5	1244.8	62.4%
2028	324.8	158.9	48.9%	31.8	3,446.6	2,189.9	1256.7	63.5%
2029	337.7	165.2	48.9%	33.1	3,586.4	2,320.2	1266.2	64.7%
2030	351.3	171.8	48.9%	34.4	3,730.7	2,457.9	1272.8	65.9%
2031	365.3	178.7	48.9%	35.8	3,880.3	2,603.9	1276.3	67.1%
2032	379.9	185.8	48.9%	37.3	4,035.1	2,758.8	1276.3	68.4%
2033	395.1	193.3	48.9%	38.7	4,195.5	2,923.3	1272.1	69.7%
2034	410.9	201.0	48.9%	40.3	4,362.0	3,098.5	1263.5	71.0%
2035	427.4	209.0	48.9%	41.9	4,535.0	3,285.2	1249.8	72.4%
2036	444.5	217.4	48.9%	43.6	4,714.9	3,484.4	1230.5	73.9%
2037	462.2	226.1	48.9%	45.3	4,902.1	3,697.3	1204.8	75.4%
2038	480.7	235.1	48.9%	47.1	5,097.0	3,924.9	1172.1	77.0%
2039	499.9	244.5	48.9%	49.0	5,300.2	4,168.6	1131.6	78.6%
2040	519.9	254.3	48.9%	51.0	5,512.0	4,429.5	1082.4	80.4%
2041	540.7	264.5	48.9%	53.0	5,733.1	4,709.4	1023.8	82.1%
2042	562.4	275.1	48.9%	55.2	5,964.0	5,009.5	954.5	84.0%
2043	584.9	286.1	48.9%	57.4	6,205.0	5,331.5	873.6	85.9%
2044	608.3	297.5	48.9%	59.7	6,456.9	5,677.1	779.8	87.9%
2045	632.6	309.4	48.9%	62.0	6,720.2	6,048.2	672.0	90.0%

APPENDIX L

FUNDING PROJECTIONS FOR THE GENERAL ASSEMBLY RETIREMENT SYSTEM CGFA Projections Based on Laws in Effect on June 30, 2008 (\$ in millions)								
Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2009	14.2	8.8	62.3%	1.6	239.5	75.2	164.2	31.4%
2010	14.8	10.5	70.8%	1.7	243.3	75.8	167.4	31.2%
2011	15.3	10.9	70.8%	1.8	247.1	75.9	171.1	30.7%
2012	15.9	11.3	70.8%	1.8	250.8	75.5	175.4	30.1%
2013	16.6	11.7	70.8%	1.9	254.7	75.0	179.7	29.5%
2014	17.2	12.2	70.8%	2.0	258.8	74.8	184.1	28.9%
2015	17.8	12.6	70.8%	2.0	263.0	74.6	188.4	28.4%
2016	18.5	13.1	70.8%	2.1	267.2	74.6	192.6	27.9%
2017	19.2	13.6	70.8%	2.2	271.6	74.8	196.8	27.6%
2018	20.1	14.2	70.8%	2.3	276.2	75.4	200.7	27.3%
2019	20.9	14.8	70.8%	2.4	280.9	76.3	204.6	27.2%
2020	21.7	15.4	70.8%	2.5	285.8	77.6	208.2	27.2%
2021	22.5	15.9	70.8%	2.6	290.9	79.2	211.7	27.2%
2022	23.4	16.5	70.8%	2.7	296.0	81.2	214.9	27.4%
2023	24.2	17.1	70.8%	2.8	301.3	83.4	217.8	27.7%
2024	25.2	17.8	70.8%	2.9	306.6	86.2	220.4	28.1%
2025	26.0	18.4	70.8%	3.0	312.1	89.4	222.7	28.6%
2026	27.1	19.2	70.8%	3.1	317.9	93.3	224.6	29.4%
2027	28.1	19.9	70.8%	3.2	324.0	98.0	226.0	30.3%
2028	29.4	20.8	70.8%	3.4	330.4	103.7	226.7	31.4%
2029	30.5	21.6	70.8%	3.5	337.3	110.3	227.0	32.7%
2030	31.8	22.5	70.8%	3.7	344.7	118.3	226.5	34.3%
2031	32.9	23.3	70.8%	3.8	352.7	127.4	225.3	36.1%
2032	34.4	24.3	70.8%	4.0	361.3	138.1	223.2	38.2%
2033	35.6	25.2	70.8%	4.1	370.3	150.3	220.0	40.6%
2034	37.1	26.2	70.8%	4.3	380.1	164.3	215.8	43.2%
2035	38.6	27.3	70.8%	4.4	390.6	180.3	210.3	46.2%
2036	40.1	28.4	70.8%	4.6	401.9	198.4	203.5	49.4%
2037	41.7	29.5	70.8%	4.8	413.9	218.7	195.2	52.8%
2038	43.4	30.7	70.8%	5.0	426.9	241.5	185.3	56.6%
2039	45.1	31.9	70.8%	5.2	440.7	267.0	173.7	60.6%
2040	46.9	33.2	70.8%	5.4	455.4	295.4	160.0	64.9%
2041	48.8	34.5	70.8%	5.6	471.1	326.9	144.2	69.4%
2042	50.8	35.9	70.8%	5.8	487.9	361.9	125.9	74.2%
2043	52.7	37.3	70.8%	6.1	505.6	400.5	105.1	79.2%
2044	54.9	38.8	70.8%	6.3	524.3	443.0	81.3	84.5%
2045	57.0	40.4	70.8%	6.6	544.1	489.7	54.4	90.0%

APPENDIX M

STATE RETIREMENT SYSTEMS CHANGES IN UNFUNDED LIABILITY FY 2000 - FY 2008							
	SALARY INCREASES	INVESTMENT RETURNS (HIGHER/LOWER THAN ASSUMED)	EMPLOYER CONTRIBUTIONS N. C. + INTEREST (HIGHER)/LOWER	BENEFIT INCREASES	CHANGES IN ASSUMPTIONS ACTUARIAL	OTHER FACTORS MISC.	TOTAL CHANGE IN UNFUNDED LIABILITY FROM PREVIOUS YR
TEACHERS'							
6/30/2000	(33,403,000)	(450,361,000)	723,606,000	0	0	197,345,000	437,187,000
6/30/2001	(10,310,000)	3,089,765,000	733,877,000	0	0	632,729,000	4,446,061,000
6/30/2002	4,934,000	2,696,199,000	1,074,422,000	0	694,736,000	360,047,000	4,830,338,000
6/30/2003	171,802,000	827,434,000	1,415,610,000	53,850,000	0	658,524,000	3,127,220,000
6/30/2004	217,255,000	(2,168,876,000)	(2,811,516,000)	0	0	357,250,000	(4,405,887,000)
6/30/2005	236,687,000	(682,294,000)	1,299,840,000	0	26,425,000	1,706,431,000	2,587,089,000
6/30/2006	68,398,000	(1,159,525,000)	1,913,368,000	0	0	(400,028,000)	422,213,000
6/30/2007	149,682,000	(3,785,653,000)	1,739,187,000	0	2,410,756,000	813,081,000	1,327,053,000
6/30/2008	(153,987,000)	5,514,988,000	1,529,701,000	0	0	(428,135,000)	6,462,567,000
Total	\$651,058,000	\$3,881,677,000	\$7,618,095,000	\$53,850,000	\$3,131,917,000	\$3,897,244,000	\$19,233,841,000
1 yr change	(0.154)	5.515	1.530	0.000	0.000	(0.428)	6.463
STATE UNIVERSITIES							
6/30/2000	171,500,000	(587,500,000)	306,700,000	0	0	(130,949,000)	(240,249,000)
6/30/2001	70,300,000	2,068,500,000	301,000,000	0	0	107,131,000	2,546,931,000
6/30/2002	90,800,000	1,568,700,000	430,800,000	63,000,000	485,300,000	38,744,000	2,677,344,000
6/30/2003	10,300,000	583,000,000	558,500,000	0	0	319,300,000	1,471,100,000
6/30/2004	(62,900,000)	(950,500,000)	(822,700,000)	0	0	17,893,000	(1,818,207,000)
6/30/2005	(19,400,000)	(218,000,000)	574,300,000	0	0	170,520,000	507,420,000
6/30/2006	28,600,000	(414,100,000)	734,900,000	0	0	164,900,000	514,300,000
6/30/2007	67,000,000	(1,342,000,000)	707,200,000	0	324,400,000	105,900,000	(137,500,000)
6/30/2008	30,600,000	2,004,400,000	590,900,000	0	0	329,100,000	2,955,000,000
Total	\$386,800,000	\$2,712,500,000	\$3,381,600,000	\$63,000,000	\$809,700,000	\$1,122,539,000	\$8,476,139,000
1 yr change	0.031	2.004	0.591	0.000	0.000	0.329	2.955
STATE EMPLOYEES'							
6/30/2000	14,642,937	(252,699,421)	(21,811,201)	0	0	250,182,926	(9,684,759)
6/30/2001	(8,000,000)	1,368,815,911	(29,398,605)	652,110,224	0	309,964,003	2,293,491,533
6/30/2002	52,000,000	1,247,268,792	186,860,538	171,100,000	168,144,000	496,199,643	2,321,572,973
6/30/2003	(28,282,435)	629,483,966	404,526,925	2,371,173,094	0	97,815,307	3,474,716,857
6/30/2004	(22,316,647)	(679,743,495)	(944,135,304)	0	0	6,804,783	(1,639,390,663)
6/30/2005	(166,479,933)	(123,132,472)	503,532,346	0	0	144,142,000	358,061,941
6/30/2006	33,070,000	(250,686,000)	772,374,000	0	710,976,000	(101,544,000)	1,164,190,000
6/30/2007	98,239,312	(878,435,107)	816,648,269	0	0	190,866,392	227,318,866
6/30/2008	207,247,739	1,690,697,791	615,695,516	0	0	130,264,860	2,643,905,906
Total	\$180,120,973	\$2,751,569,965	\$2,304,292,484	\$3,194,383,318	\$879,120,000	\$1,524,695,914	\$10,834,182,654
1 yr change	0.207	1.691	0.616	0.000	0.000	0.130	2.644
JUDGES'							
6/30/2000	2,215,672	(14,134,561)	33,196,266	2,848,501	0	8,268,502	32,394,380
6/30/2001	(7,464,258)	61,790,163	35,767,996	0	0	17,044,333	107,138,234
6/30/2002	(11,821,953)	54,489,350	42,170,792	0	28,381,924	8,609,434	121,829,547
6/30/2003	(26,392,926)	27,183,676	49,293,246	0	0	18,906,930	68,990,926
6/30/2004	6,291,883	(36,709,772)	(92,295,242)	0	0	(1,952,146)	(124,665,277)
6/30/2005	(15,087,614)	(8,899,756)	46,427,305	0	0	27,509,646	49,949,581
6/30/2006	(18,612,759)	(17,213,516)	55,344,402	0	(11,189,825)	12,319,701	20,648,003
6/30/2007	(3,952,822)	(51,310,984)	50,305,409	0	0	28,046,308	23,087,911
6/30/2008	(8,834,671)	90,806,378	42,511,153	0	0	4,924,005	129,406,865
Total	(\$83,659,448)	\$106,000,978	\$262,721,327	\$2,848,501	\$17,192,099	\$123,676,713	\$428,780,170
1 yr change	(8.835)	90.806	42.511	0.000	0.000	4.924	129.407
GENERAL ASSEMBLY							
6/30/2000	(431,214)	(2,371,993)	5,576,440	0	0	2,079,991	4,853,224
6/30/2001	(555,323)	10,135,725	5,803,227	0	0	1,273,197	16,656,826
6/30/2002	(1,520,756)	8,713,370	6,741,725	0	1,211,951	(162,610)	14,983,680
6/30/2003	(1,793,094)	4,391,493	7,217,512	0	0	6,485,877	16,301,788
6/30/2004	(2,633,642)	(5,927,446)	(19,174,182)	0	0	5,286,195	(22,449,075)
6/30/2005	(645,631)	(1,288,918)	7,445,358	0	0	(262,887)	5,247,922
6/30/2006	(3,113,674)	(1,566,794)	8,528,558	0	4,786,991	1,190,775	9,825,856
6/30/2007	3,962,835	(6,733,144)	7,670,304	0	0	373,350	5,273,345
6/30/2008	(2,217,940)	11,400,154	7,073,235	0	0	(613,134)	15,642,315
Total	(\$8,948,439)	\$16,752,447	\$36,882,177	\$0	\$5,998,942	\$15,650,754	\$66,335,881
1 yr change	(2.218)	11.400	7.073	0.000	0.000	(0.613)	15.642
TOTAL STATE-FUNDED SYSTEMS							
6/30/2000	154,524,395	(1,307,066,975)	1,047,267,505	2,848,501	0	326,927,419	224,500,845
6/30/2001	43,970,419	6,599,006,799	1,047,049,618	652,110,224	0	1,068,141,533	9,410,278,593
6/30/2002	134,391,291	5,575,370,512	1,740,995,055	234,100,000	1,377,773,875	903,437,467	9,966,068,200
6/30/2003	125,633,545	2,071,493,135	2,435,147,683	2,425,023,094	0	1,101,032,114	8,158,329,571
6/30/2004	135,696,594	(3,841,756,713)	(4,689,820,728)	0	0	385,281,832	(8,010,599,015)
6/30/2005	35,073,822	(1,033,615,146)	2,431,545,009	0	26,425,000	2,048,339,759	3,507,768,444
6/30/2006	108,341,567	(1,843,091,310)	3,484,514,960	0	704,573,166	(323,161,524)	2,131,176,859
6/30/2007	314,931,325	(6,064,132,235)	3,321,010,982	0	2,735,156,000	1,138,267,050	1,445,233,122
6/30/2008	72,808,128	9,312,292,323	2,785,880,904	0	0	35,540,731	12,206,522,086
Total	\$1,125,371,086	\$9,468,500,390	\$13,603,590,988	\$3,314,081,819	\$4,843,928,041	\$6,683,806,381	\$39,039,278,705
1 yr change	0.073	9.312	2.786	0.000	0.000	0.036	12.207

APPENDIX N

PENSION OBLIGATION BONDS								
Debt Service Schedule & Allocation By Retirement System								
(\$ in Millions)								
FY	Principle	Interest	Total Debt Service	Allocation By System				
				TRS	SERS	JRS	GARS	SURS
2004	\$0.0	\$481.1	\$481.1	\$284.7	\$91.1	\$9.3	\$1.8	\$94.2
2005	\$0.0	\$496.2	\$496.2	\$293.6	\$94.0	\$9.6	\$1.8	\$97.1
2006	\$0.0	\$496.2	\$496.2	\$293.6	\$94.0	\$9.6	\$1.8	\$97.1
2007	\$0.0	\$496.2	\$496.2	\$293.6	\$94.0	\$9.6	\$1.8	\$97.1
2008	\$50.0	\$496.2	\$546.2	\$323.2	\$103.5	\$10.6	\$2.0	\$106.9
2009	\$50.0	\$495.0	\$545.0	\$322.5	\$103.2	\$10.6	\$2.0	\$106.7
2010	\$50.0	\$493.6	\$543.6	\$321.7	\$103.0	\$10.5	\$2.0	\$106.4
2011	\$50.0	\$491.9	\$541.9	\$320.7	\$102.6	\$10.5	\$2.0	\$106.1
2012	\$100.0	\$490.1	\$590.1	\$349.2	\$111.8	\$11.5	\$2.2	\$115.5
2013	\$100.0	\$486.4	\$586.4	\$347.0	\$111.1	\$11.4	\$2.2	\$114.8
2014	\$100.0	\$482.5	\$582.5	\$344.7	\$110.3	\$11.3	\$2.1	\$114.0
2015	\$100.0	\$478.6	\$578.6	\$342.4	\$109.6	\$11.2	\$2.1	\$113.2
2016	\$100.0	\$474.5	\$574.5	\$340.0	\$108.8	\$11.1	\$2.1	\$112.4
2017	\$125.0	\$470.2	\$595.2	\$352.2	\$112.7	\$11.6	\$2.2	\$116.5
2018	\$150.0	\$464.7	\$614.7	\$363.8	\$116.4	\$11.9	\$2.3	\$120.3
2019	\$175.0	\$458.2	\$633.2	\$374.7	\$119.9	\$12.3	\$2.3	\$123.9
2020	\$225.0	\$449.6	\$674.6	\$399.2	\$127.8	\$13.1	\$2.5	\$132.0
2021	\$275.0	\$438.4	\$713.4	\$422.2	\$135.1	\$13.8	\$2.6	\$139.6
2022	\$325.0	\$424.8	\$749.8	\$443.7	\$142.0	\$14.6	\$2.8	\$146.7
2023	\$375.0	\$408.7	\$783.7	\$463.8	\$148.4	\$15.2	\$2.9	\$153.4
2024	\$450.0	\$390.2	\$840.2	\$497.2	\$159.2	\$16.3	\$3.1	\$164.4
2025	\$525.0	\$367.2	\$892.2	\$528.0	\$169.0	\$17.3	\$3.3	\$174.6
2026	\$575.0	\$340.4	\$915.4	\$541.7	\$173.4	\$17.8	\$3.4	\$179.2
2027	\$625.0	\$311.1	\$936.1	\$554.0	\$177.3	\$18.2	\$3.5	\$183.2
2028	\$700.0	\$279.2	\$979.2	\$579.5	\$185.5	\$19.0	\$3.6	\$191.6
2029	\$775.0	\$243.5	\$1,018.5	\$602.7	\$192.9	\$19.8	\$3.8	\$199.3
2030	\$875.0	\$204.0	\$1,079.0	\$638.5	\$204.4	\$20.9	\$4.0	\$211.2
2031	\$975.0	\$159.4	\$1,134.4	\$671.3	\$214.9	\$22.0	\$4.2	\$222.0
2032	\$1,050.0	\$109.7	\$1,159.7	\$686.3	\$219.7	\$22.5	\$4.3	\$227.0
2033	\$1,100.0	\$56.1	\$1,156.1	\$684.1	\$219.0	\$22.4	\$4.3	\$226.3
TOTALS	\$10,000.0	\$11,933.9	\$21,933.9	\$12,979.9	\$4,154.8	\$425.7	\$80.9	\$4,292.7

APPENDIX O

FINANCIAL CONDITION OF THE STATE RETIREMENT SYSTEMS (\$ in millions)						
Fiscal Year	TRS	SERS	SURS	JRS	GARS	Total
Assets						
1996	13,829.7	5,178.7	5,082.9	232.4	42.6	24,366.3
1997	17,393.1	6,048.0	8,376.3	314.6	56.7	32,188.7
1998	19,965.9	7,064.5	9,793.8	356.7	62.7	37,243.6
1999	22,237.7	7,986.4	10,762.2	389.8	66.9	41,443.0
2000	24,481.4	8,910.9	12,063.9	422.9	70.5	45,949.6
2001	23,315.6	8,276.7	10,753.3	381.7	62.0	42,789.3
2002	22,366.3	7,673.9	9,814.7	343.7	54.0	40,252.6
2003	23,124.8	7,502.1	9,714.5	330.1	50.0	40,721.5
2004	31,544.7	9,990.2	12,586.3	534.6	83.2	54,739.0
2005	34,085.2	10,494.1	13,350.3	564.9	83.3	58,577.8
2006	36,584.9	10,899.8	14,175.1	599.2	82.2	62,341.2
2007	41,909.3	12,078.9	15,985.7	670.1	87.2	70,731.2
2008	38,430.7	10,995.4	14,586.3	612.7	75.4	64,700.5
Liabilities						
1996	26,141.8	7,390.9	10,155.0	577.8	127.4	44,392.9
1997	26,951.6	7,548.2	10,552.2	704.5	143.9	45,900.4
1998	29,908.2	9,341.9	11,416.1	747.3	150.4	51,563.9
1999	33,205.5	9,998.2	12,617.5	805.6	160.9	56,787.7
2000	35,886.4	10,912.9	13,679.0	871.2	169.4	61,518.9
2001	39,166.7	12,572.2	14,915.3	937.1	177.5	67,768.8
2002	43,047.7	14,291.0	16,654.0	1,020.8	184.6	75,198.1
2003	46,933.4	17,593.9	18,025.0	1,076.2	196.5	83,825.0
2004	50,947.5	18,442.6	19,078.6	1,156.1	207.6	89,832.4
2005	56,075.0	19,304.6	20,349.9	1,236.5	212.9	97,178.9
2006	58,996.9	20,874.5	21,688.9	1,291.4	221.7	103,073.4
2007	65,648.4	22,280.9	23,362.1	1,385.3	231.9	112,908.6
2008	68,632.4	23,841.3	24,917.7	1,457.3	235.8	119,084.5
Unfunded						
1996	12,312.1	2,212.2	5,072.1	345.4	84.8	20,026.6
1997	9,558.5	1,500.2	2,175.9	389.9	87.2	13,711.7
1998	9,942.3	2,277.4	1,622.3	390.6	87.7	14,320.3
1999	10,967.8	2,011.8	1,855.3	415.8	94.0	15,344.7
2000	11,405.0	2,002.0	1,615.1	448.3	98.9	15,569.3
2001	15,851.1	4,295.5	4,162.0	555.4	115.5	24,979.5
2002	20,681.4	6,617.1	6,839.3	677.1	130.6	34,945.5
2003	23,808.6	10,091.8	8,310.5	746.1	146.5	43,103.5
2004	19,402.8	8,452.4	6,492.3	621.5	124.4	35,093.4
2005	21,989.8	8,810.5	6,999.6	671.6	129.6	38,601.1
2006	22,412.0	9,974.7	7,513.8	692.2	139.5	40,732.2
2007	23,739.1	10,202.0	7,376.4	715.2	144.7	42,177.4
2008	30,201.7	12,845.9	10,331.4	844.6	160.4	54,384.0
Funded Ratios						
1996	52.9%	70.1%	50.1%	40.2%	33.4%	54.9%
1997	64.5%	80.1%	79.4%	44.7%	39.4%	70.1%
1998	66.8%	75.6%	85.8%	47.7%	41.7%	72.2%
1999	67.0%	79.9%	85.3%	48.4%	41.6%	73.0%
2000	68.2%	81.7%	88.2%	48.5%	41.6%	74.7%
2001	59.5%	65.8%	72.1%	40.7%	34.9%	63.1%
2002	52.0%	53.7%	58.9%	33.7%	29.3%	53.5%
2003	49.3%	42.6%	53.9%	30.7%	25.4%	48.6%
2004	61.9%	54.2%	66.0%	46.2%	40.1%	60.9%
2005	60.8%	54.4%	65.6%	45.7%	39.1%	60.3%
2006	62.0%	52.2%	65.4%	46.4%	37.1%	60.5%
2007	63.8%	54.2%	68.4%	48.4%	37.6%	62.6%
2008	56.0%	46.1%	58.5%	42.0%	32.0%	54.3%

APPENDIX P



Retirement Security for Illinois Educators

Teachers' Retirement System of the State of Illinois

Jon Bauman, Executive Director
2815 West Washington, P.O. Box 19253
Springfield, Illinois 62794-9253

October 30, 2008

HAND DELIVERED

The Honorable Rod Blagojevich, Governor
State of Illinois
207 State House
Springfield, IL 62706

RE: Certification of FY 2010 TRS Funding Amount

Dear Governor Blagojevich:

In accordance with 40 ILCS 5/16-158 (a-1), please find with this letter a resolution adopted by the System's Board of Trustees during its October 30, 2008 board meeting.

The resolution certifies the TRS FY 2010 pension funding requirements that were recommended by the System's actuary. As outlined in the attached materials, the FY 2009 certified state contribution is **\$2,089,268,000**. This amount **includes \$1,600,000** for state reimbursements for payments made from the TRS Guaranteed Minimum Annuity Reserve.

If your staff has any questions pertaining to our funding requirements, please ask them to contact Kathleen Farney, Director of Research, at (217) 753-0970.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon Bauman'.

Jon Bauman
Executive Director

cc: ✓ Dan Hankiewicz, Commission on Government Forecasting and Accountability
John Frigo, Office of Management and Budget
Ginger Ostro, Office of Management and Budget
Alexis Sturm, Illinois Office of the Comptroller
Andrew Bodewes, Teachers' Retirement System

Enc. (2)

- ◆ Certification of board resolution
- ◆ Certification letter from Buck Consultants including Exhibit A

APPENDIX Q



STATE
RETIREMENT
SYSTEMS

- State Employees' Retirement System of Illinois
- General Assembly Retirement System
- Judges' Retirement System of Illinois

Internet: <http://www.state.il.us/srs> E-Mail: ser@mail.state.il.us

2101 South Veterans Parkway, P.O. Box 19255, Springfield, IL 62794-9255

November 5, 2008

The Honorable Rod Blagojevich
Governor
207 Statehouse
Springfield, IL 62706

Dear Governor Blagojevich:

The Board of Trustees of the State Employees' Retirement System certified a state contribution rate for fiscal year 2010 of \$1,167,263,000 or 28.377% of payroll.

The contribution level is based on provisions contained in Public Act 88-0593, as amended by Public Acts 93-0002 and 94-0004.

Very truly yours,

A handwritten signature in cursive script that reads "Timothy Blair".

Timothy Blair
Acting Executive Secretary

TB:cb

cc: Governor Rod Blagojevich, Chicago Office
Ginger Ostro, Director, Governor's Office of Management & Budget
John Frigo, Governor's Office of Management & Budget
Dan Long, Director, Commission on Government Forecasting &
Accountability
Dan Hankiewicz, Commission on Government Forecasting &
Accountability
Senate President Emil Jones

APPENDIX R



State Universities Retirement System of Illinois

Serving Illinois Community Colleges and Universities

1901 Fox Drive • Champaign, IL 61820

1-800-ASK SURS

(217) 378-9800 (FAX)

(217) 378-8800 (C-U)

October 28, 2008

The Honorable Rod Blagojevich
Governor
207 Statehouse
Springfield, IL 62706

Re: Certification of required contribution to the State Universities Retirement System for State fiscal year 2010

Dear Governor Blagojevich:

As required by section 15-165 of the Illinois Pension Code, the Board of Trustees of the State Universities Retirement System has certified the required appropriation from State funds for State fiscal year 2010 for the purposes of the system.

The Board has certified that \$702,514,000 is the total net required contribution for State fiscal year 2010. An official certification is enclosed. A copy of the actuarial recommendation upon which the certification is based is also enclosed, as required by section 15-165.

Sincerely,

A handwritten signature in dark ink, appearing to read "D. M. Slack".

Dan M. Slack
Executive Director

Encl: Certification
Actuarial recommendation

cc: The Honorable Dan Hynes, Comptroller
Ms. Ginger Ostro, Director, Office of Management & Budget
Ms. Judy Erwin, Executive Director, Illinois Board of Higher Education
Mr. Dan R. Long, Executive Director, Commission on Government Forecasting and Accountability
Mr. Dan Hankiewicz, Pension Manager, Commission on Government Forecasting and Accountability
Ms. Bukola Bello, Commission on Government Forecasting and Accountability
Mr. Steve Zahn, Analyst, Office of the Speaker
Mr. John Wolff, Senate Democratic Staff
Ms. Kim Fowler, Senate Republican Staff
Mr. Matthew Paprocki, House Republican Staff

www.surs.org

APPENDIX S



STATE
RETIREMENT
SYSTEMS

- State Employees' Retirement System of Illinois
- General Assembly Retirement System
- Judges' Retirement System of Illinois

Internet: <http://www.state.il.us/srs> E-Mail: ser@mail.state.il.us

2101 South Veterans Parkway, P.O. Box 19255, Springfield, IL 62794-9255

November 5, 2008

The Honorable Rod Blagojevich
Governor
207 Statehouse
Springfield, IL 62706

Dear Governor Blagojevich:

At the meeting of the Board of Trustees of the Judges Retirement System held on October 24, 2008, the Board certified a state contribution rate for the fiscal year 2010 of \$78,832,000 or 48.91%.

The contributions level is based on provisions contained in Public Act 88-0593 as amended by Public Acts 93-0002 and 94-0004.

Very truly yours,

A handwritten signature in cursive script that reads "Timothy Blair".

Timothy Blair
Executive Secretary (Acting)

TB:cb

cc: Governor Rod Blagojevich, Chicago Office
Ginger Ostro, Director, Governor's Office of Management & Budget
John Frigo, Governor's Office of Management & Budget
Dan Long, Director, Commission on Government Forecasting &
Accountability
Dan Hankiewicz, Commission on Government Forecasting &
Accountability
Senate President Emil Jones
Senator Frank Watson



Printed on recycled paper

APPENDIX T



STATE
RETIREMENT
SYSTEMS

- State Employees' Retirement System of Illinois
- General Assembly Retirement System
- Judges' Retirement System of Illinois

Internet: <http://www.state.il.us/srs> E-Mail: ser@mail.state.il.us

2101 South Veterans Parkway, P.O. Box 19255, Springfield, IL 62794-9255

December 2, 2008

The Honorable Rod Blagojevich
Governor
207 Statehouse
Springfield, IL 62706

Dear Governor Blagojevich:

The Board of Trustees of the General Assembly Retirement System has certified a state contribution rate for fiscal year 2010 of \$10,454,000, or 70.75% of payroll.

This contribution level is based on provisions contained in Public Act 88-0593, as modified by Public Acts 93-0002 and 94-0004.

Very truly yours,

A handwritten signature in cursive script that reads "Timothy Blair".

Timothy Blair
Acting Executive Secretary

TB:cb

cc: Governor Rod Blagojevich, Chicago Office
Ginger Ostro, Director, Governor's Office of Management & Budget
John Frigo, Governor's Office of Management & Budget
Dan Long, Director, Commission on Government Forecasting &
Accountability
Dan Hankiewicz, Commission on Government Forecasting &
Accountability
Senate President Emil Jones
Senator Frank Watson

STATE RETIREMENT BOARDS

- State Employees' Retirement System (SERS)
- Judges' Retirement System (JRS)
- General Assembly Retirement System (GARS)
- Illinois State Board of Investment (ISBI)
- Teacher's Retirement System of Illinois (TRS)
- State Universities Retirement System of Illinois (SURS)



STATE EMPLOYEES' RETIREMENT SYSTEM (SERS)

Board of Trustees:

Term Expires:

Appointed by the Governor

Gordon J. Mazzotti, Chairman
Michelle Cusumano

July 14, 2008
July 14, 2009

Ex-Officio

Loren Iglarsh, representing Daniel Hynes, State Comptroller
John Frigo, representing GOMB

Ex-officio
Ex-officio

Elected Members

Lori Laidlaw, Employee
Joyce King, Annuitant

July 15, 2011
July 15, 2011

JUDGES' RETIREMENT SYSTEM (JRS)

Board of Trustees:

Term Expires:

Appointed by the Supreme Court

Justice Thomas E. Hoffman, Chairman
Justice John J. Bowman, Vice-Chairman
Chief Justice Timothy C. Evans

September 17, 2010
September 27, 2008
September 16, 2009

Ex-Officio

Chief Justice Robert R. Thomas
State Treasurer Alexi Giannoulas

Ex-officio
Ex-officio

GENERAL ASSEMBLY RETIRMENT SYSTEM (GARS)

Board of Trustees:

Term Expires:

Ex-Officio

Chairman, Vacant

January 1, 2009

Appointed by the Senate President

Senator James Clayborne, Vice-Chairman
Senator Don Harmon
Senator William Brady

January 1, 2009
January 1, 2009
January 1, 2009

Appointed by the Speaker of the House

Representative Mark Beaubien, Jr.
Vacant

January 1, 2009
January 1, 2009

Elected Annuitant

Representative Phillip Collins, Retired

January 1, 2009

ILLINOIS STATE BOARD OF INVESTMENT (ISBI)

Board of Directors:

Term Expires:

Members Appointed by the Governor

Michael Goetz, Chairman	January 19, 2009
Guy W. Alongi	January 2, 2008
Ronald E. Powell	January 19, 2009
Allison S. Davis	January 15, 2007
Vacant	January 15, 2007

Ex-Officio

Gordon J. Mazzotti, Vice-Chairman	Ex-officio
Justice Thomas Hoffman, Recording Secretary	Ex-officio
Senator James Clayborne	Ex-officio
Alexi Giannoulis, Treasurer	Ex-officio

TEACHERS' RETIREMENT SYSTEM OF ILLINOIS (TRS)

Board of Trustees:

Term Expires:

Christopher Koch Ed.D., President	Ex-officio
-----------------------------------	------------

Elected Trustees:

Molly Phalen, Vice-President	July 14, 2009
Jan Cleveland	July 14, 2009
Cinda Klickna	July 14, 2011
Sharon Leggett	July 14, 2011

Appointed by the Governor

Marcia Boone	July 14, 2012
James Bruner	July 14, 2010
William Orrill	July 14, 2010

Elected Retirees

Bob Lyons	July 14, 2009
Cynthia O'Neill	July 14, 2011

STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS (SURS)

Board of Trustees:

Term Expires:

Appointed by the Governor

Mitchell Vogel, President	June 30, 2011
Dr. Alice Palmer, Vice President	June 30, 2011
Robert Hilgenbrink, Treasurer	June 30, 2011
Christine Boardman	June 30, 2011
Michael J. Mackey	June 30, 2011
Michael Pizzuto	June 30, 2011
Mark Donovan	June 30, 2011
Antonio Vasquez	June 30, 2013
Marva Williams	June 30, 2013

BACKGROUND

The Commission on Government Forecasting and Accountability (CGFA), a bipartisan, joint legislative commission, provides the General Assembly with information relevant to the Illinois economy, taxes and other sources of revenue and debt obligations of the State. The Commission's specific responsibilities include:

- 1) Preparation of annual revenue estimates with periodic updates;
- 2) Analysis of the fiscal impact of revenue bills;
- 3) Preparation of "State Debt Impact Notes" on legislation which would appropriate bond funds or increase bond authorization;
- 4) Periodic assessment of capital facility plans;
- 5) Annual estimates of public pension funding requirements and preparation of pension impact notes;
- 6) Annual estimates of the liabilities of the State's group health insurance program and approval of contract renewals promulgated by the Department of Central Management Services;
- 7) Administration of the State Facility Closure Act.

The Commission also has a mandate to report to the General Assembly ". . . on economic trends in relation to long-range planning and budgeting; and to study and make such recommendations as it deems appropriate on local and regional economic and fiscal policies and on federal fiscal policy as it may affect Illinois. . . ." This results in several reports on various economic issues throughout the year.

The Commission publishes several reports each year. In addition to a Monthly Briefing, the Commission publishes the "Revenue Estimate and Economic Outlook" which describes and projects economic conditions and their impact on State revenues. The "Illinois Bond Watcher" report examines the State's debt position as well as other issues directly related to conditions in the financial markets. The "Financial Conditions of the Illinois Public Retirement Systems" provides an overview of the funding condition of the State's retirement systems. Also published are an Annual Fiscal Year Budget Summary; Report on the Liabilities of the State Employees' Group Insurance Program; and Report of the Cost and Savings of the State Employees' Early Retirement Incentive Program. The Commission also publishes each year special topic reports that have or could have an impact on the economic well being of Illinois. All reports are available on the Commission's website.

These reports are available from:

Commission on Government Forecasting and Accountability
703 Stratton Office Building
Springfield, Illinois 62706
(217) 782-5320
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http://www.ilga.gov/commission/cgfa/cgfa_home.html