

*Report on the  
Financial Condition  
of the*



*financial condition as of June 30, 2009*

*prepared by:*

*Commission on Government Forecasting & 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 2000 through FY 2009, the combined unfunded liabilities of the systems increased by \$62.2 billion based upon the market value of assets. The main factors for this increase in unfunded liabilities were actuarially insufficient employer contributions, lower-than-assumed investment returns in 5 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. Based upon the market value of assets, the funded ratio of the State retirement systems combined was 38.5% as of June 30, 2009, based upon the market value of assets.
- 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 \$126.4 billion at the end of FY 2009 to an estimated \$535.9 billion at the end of FY 2045. At the same time, assets are projected to increase from \$48.7 billion to \$482.3 billion. Consequently, the unfunded liabilities are projected to decrease from \$77.8 billion at the end of FY 2009 to \$53.6 billion at the end of FY 2045, and the funded ratio is expected to increase from 38.5% in FY 2009 to 90.0% by the end of FY 2045. All of the projected figures in this paragraph come from the various systems' actuaries and are based upon asset market values.



# 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.

#### SERS Early Retirement Incentive (P. A. 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.

#### 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/hangers, and other job titles.

### **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).

TABLE 1

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.

#### 96<sup>th</sup> General Assembly (2009-2011)

##### Economic Opportunity Investments Requirements – State-Funded Systems (P.A. 96-0753)

P.A. 96-0753 requires the State-funded retirement systems (SERS, SURS, TRS, GARS, and

JRS) and any State agency investing funds on behalf of those pension funds to make “reasonable efforts” to invest in economic opportunity investments. “Economic opportunity investments” are defined as qualified investments that promote economic development within the State of Illinois through investments in companies, partnerships, and projects that promote the economy of the state or a region of the state. Such investments include venture capital programs, coal and other natural resource development, tourism, infrastructure, and real estate, among others.

#### Economic Opportunity Investments – Reporting Requirements (P.A. 96-0753)

Public Act 96-0753 requires each pension fund established under the Pension Code (with the exception of Downstate Police and Fire pension funds) to submit a report to the Governor and General Assembly by September 1st of each year that identifies the economic investment opportunities made by the fund and other information such as the primary location of the business or project, and the percentage of the fund’s assets in economic opportunity investments. Public Act 96-0753 also requires that all affected pension funds must comply with current statutory requirements for trustees and fiduciaries when making economic opportunity investments.

#### Investment Strategies; Explicit and Implicit Costs (P.A. 96-0753)

Public Act 96-0753 adds language to the Pension Code that instructs pension fund investment advisors to utilize investment strategies designed to ensure that all securities transactions are executed in such a manner that the explicit and implicit costs and total proceeds are the most favorable under the circumstances.

#### Illinois Governmental Ethics Act (P.A. 96-0006)

Currently, elected officials and members of certain boards and commissions are required to file verified written statements of economic interests. Public Act 096-0006 amends the Illinois Governmental Ethics Act to add that members of the board of any retirement system, pension fund or investment board established under the Illinois Pension Code will be required to file verified written statements of economic interests only if they are not already required to file such a statement.

#### State Officials and Employees Ethics Act (P.A. 96-0006)

Public Act 96-0006 amends the State Officials and Employees Ethics Act to change the definition of “employee.” Currently, the term “employee” means any person employed full-time, part-time, or pursuant to a contract and whose employment duties are subject to the direction and control of an employer with regard to the material details of how the work is to be performed. Public Act 096-0006 adds that an “employee” is any appointed or elected commissioner, trustee, director, or board member of a board of a State agency, including any retirement system or investment board subject to the Illinois Pension Code or any other appointee.

#### Creation of Investment Working Group (P.A. 96-0006)

Public Act 96-0006 amends the State Treasurer Act to add a new Section titled, “working group; peer cost comparison.” The Treasurer shall convene a working group consisting of representatives from the retirement systems, pension funds, and investment board created under the Illinois Pension Code, persons that provide investment services, and members of the financial industry. The working group shall review the performance of investment managers and consultants providing investment services for the retirement systems, pension funds, and investment board created under the Illinois Pension Code. The group shall develop uniform standards for comparing the costs of investment services and make recommendations to the

retirement systems, pension funds, and investment board. In performing its functions, the working group shall work in coordination with the Commission on Government Forecasting and Accountability. The working group shall draft a report, and the Treasurer must submit such report, to the Governor and the General Assembly by January 1, 2011.

#### Expansion of Fiduciary Duties (P.A. 96-0006)

Currently, the Illinois Pension Code defines a fiduciary as someone who exercises discretionary authority or discretionary control respecting management of the pension fund or retirement system. Those who render investment advice for a fee or other compensation are acting in a fiduciary capacity pursuant to current law. Public Act 96-0006 amends the Illinois Pension Code to stipulate that rendering advice with respect to the selection of fiduciaries in and of itself constitutes a fiduciary duty.

#### Requirements for Consultants (P.A. 96-0006)

Public Act 96-0006 amends the Illinois Pension Code to add a new Section concerning consultants. The new Section states that “consultant” means any person or entity retained or employed by the board of a retirement system, pension fund, or investment board to make recommendations in developing an investment strategy, assist with finding appropriate investment advisers, or monitor the board’s investments.

#### Reporting Requirements for Emerging Investment Managers (P.A. 96-0006)

Public Act 96-0006 requires that each retirement system, pension fund, and investment board, except for Downstate Police and Downstate Fire pension funds, shall submit a report to the Governor and the General Assembly by January 1 of each year. The report shall include all of the adopted policies, including the names and addresses of the emerging investment managers used, percentage of the assets under the investment control of emerging investment managers, the actions it has undertaken to increase the use of emerging investment managers, including encouraging other investment managers to use emerging investment managers as subcontractors when the opportunity arises, and also including specific actions undertaken to increase the use of minority broker-dealers.

#### Prohibited Transactions (P.A. 96-0006)

Public Act 96-0006 amends the Pension Code to require that a board member, employee, or consultant with respect to a retirement system, pension fund, or investment board shall not knowingly cause or advise the system, fund, or board to engage in an investment transaction with an investment adviser when the board member, employee, consultant, or their spouse (i) has any direct interest in the income, gains, or profits of the investment adviser through which the investment transaction is made or (ii) has a relationship with that investment adviser that would result in a pecuniary benefit to the board member, employee, consultant, or spouse of such board member, employee, or consultant as a result of the investment transaction. Public Act 96-0006 clarifies that a consultant includes an employee or agent of a consulting firm who has greater than 7.5% ownership of the consulting firm. Any violation of this provision constitutes a Class 4 felony.

#### Investment Advisers and Investment Services for Downstate Police and Downstate Fire Pension Funds (P.A. 96-0006)

P.A. 96-0006 modifies the requirements for the procurement of investment advisors and investment services for Downstate Police and Fire pension funds. The Act requires that investment advisers shall be a fiduciary with respect to the pension fund and shall be one of the following:

- (1) an investment adviser registered under the federal Investment Advisers Act of 1940 and the Illinois Securities Law of 1953;
- (2) a bank or trust company authorized to conduct a trust business in Illinois;
- (3) a life insurance company authorized to transact business in Illinois; or
- (4) an investment company as defined and registered under the federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.

#### Selection and Appointment of Investment Advisors and Consultants (P.A. 96-0006)

Public Act 96-0006 creates a new section in the Pension Code concerning investment services for all retirement systems, pension funds, and investment boards, except Downstate Police and Fire pension funds. Pursuant to this new Section, all contracts for investment services shall be awarded by the board using a competitive process that is substantially similar to the process required for the procurement of professional and artistic services under Article 35 of the Illinois Procurement Code. The Act states that each board of trustees shall implement this policy by June 2, 2009.

#### Limitations on Investment Consulting Contracts (P.A. 96-0006)

Public Act 96-0006 states that notwithstanding any other provision of law, a retirement system, pension fund, or investment board shall not enter into a contract with a consultant that exceeds 5 years in duration. The act provides that no contract to provide consulting services may be renewed or extended. At the end of the term of a contract, however, the consultant is eligible to compete for a new contract. No retirement system, pension fund, or investment board shall attempt to avoid or contravene these restrictions by any means.

#### Disclosure of Fees and Commissions by Consultants (P.A. 96-0006)

P.A. 96-0006 provides that by June 2, 2009, each investment adviser or consultant currently providing services or subject to an existing contract for the provision of services must disclose to the board of trustees all direct and indirect fees, commissions, penalties, and other compensation paid by or on behalf of the investment adviser or consultant in connection with the provision of those services and shall update that disclosure promptly after a modification of those payments or an additional payment.

#### Investment Transparency (P.A. 96-0006)

Public Act 96-0006 amends the Illinois Pension Code to create an additional section concerning investment transparency. The purpose of this new section is to provide for transparency in the investment of retirement or pension funds and require the reporting of full and complete information regarding the investments by pension funds, retirement systems, and investment boards. A retirement system, pension fund, or investment board subject to the Pension Code and any committees established by such system, fund, or board must comply with the Open Meetings Act.

#### Ethics Training (P.A. 96-0006)

Public Act 96-0006 amends the Illinois Pension Code to create a new Section concerning ethics training. All board members of a retirement system, pension fund, or investment board created under this Code must attend ethics training of at least 8 hours per year. The training shall incorporate the following areas: ethics, fiduciary duty, and investment issues and any other curriculum that the board of the retirement system, pension fund, or investment board establishes as being important.

#### Prohibition on Gifts (P.A. 96-0006)

Public Act 96-0006 amends the Illinois Pension Code to clarify that no trustee or employee of a retirement system, pension fund, or investment board created under the Illinois Pension Code shall intentionally solicit or accept any gift from any prohibited source.

#### No Monetary Gain on Investments (P.A. 96-0006)

Public Act 96-0006 amends the Illinois Pension Code to create a new section stating that no member or employee of the board of trustees of any retirement system, pension fund, or investment board or any spouse of such member or employee shall knowingly have any direct interest in the income, gains, or profits of any investments made on behalf of a retirement system, pension fund, or investment board for which such person is a member or employee, nor receive any pay or emolument for services in connection with any investment.

#### Fraud (P.A. 96-0006)

Public Act 96-0006 amends the Illinois Pension Code to create a new Section concerning fraud. Any person who knowingly makes any false statement or falsifies or permits to be falsified any record of a retirement system or pension fund created under this Code or the Illinois State Board of Investment in an attempt to defraud the retirement system, pension fund, or the Illinois State Board of Investment is guilty of a Class 3 felony.

#### Contingent and Placement Fees Prohibited (P.A. 96-0006)

Public Act 96-0006 amends the Illinois Pension Code to create a new section concerning the prohibiting of contingent and placement fees. No person or entity shall retain a person or entity to attempt to influence the outcome of an investment decision of or the procurement of investment advice or services of a retirement system, pension fund, or investment board for compensation, contingent in whole or in part upon the decision or procurement. Any person who violates this provision is guilty of a business offense and shall be fined not more than \$10,000. In addition, any person convicted of a violation of this provision is prohibited for a period of 3 years from conducting such activities.

#### Approval of Travel or Educational Mission (P.A. 96-0006)

Public Act 96-0006 creates a new Section concerning travel and educational missions. The expenses for travel or educational missions of a board member of a retirement system, pension fund, or investment board must be approved by a majority of the board prior to the travel or educational mission.

#### Changes to SERS Board of Directors (P.A. 96-0006)

Public Act 96-0006 states that notwithstanding any provision of current law, the term of office of each trustee of the board appointed by the Governor who is sitting on the board is terminated on that effective date of the Act (April 3<sup>rd</sup>, 2009). Beginning on the 90<sup>th</sup> day after the effective date of this Act (July 2, 2009), the board shall consist of 13 trustees as follows:

- (i) the Comptroller, who shall be the Chairperson;
- (ii) six persons appointed by the Governor with the advice and consent of the Senate who may not be members of the system or hold an elective State office and who shall serve for a term of 5 years, except that the terms of the initial appointees under this Act shall be 3 for a term of 3 years and 3 for a term of 5 years;
- (iii) four active participants of the system having at least 8 years of creditable service, to be elected from the contributing members of the system;
- (iv) two annuitants of the system who have been annuitants for at least one full year, to be elected from and by the annuitants of the system.

#### Changes to SURS Board of Trustees (P.A. 96-0006)

Public Act 96-0006 amends the Illinois Pension Code to add that the terms of all trustees holding office on the effective date of this Act (April 3, 2009) shall terminate on that effective date. The Governor shall make nominations for appointment within 60 days after the effective date of this Act (June 2, 2009). A trustee sitting on the board on April 3, 2009 may not hold over in office for more than 90 days after that effective date. In addition to this, Public Act 96-0006 states that beginning on the 90<sup>th</sup> day after the effective date of this Act (July 2, 2009), the Board of Trustees shall be constituted as follows:

- (i) The Chairperson of the board of Higher Education, who shall act as chairperson of this Board.
- (ii) Four trustees appointed by the Governor with the advice and consent of the Senate who may not be members of the system or hold an elective State office and who shall serve for a term of 6 years, except that the terms of the initial appointees shall be 2 for a term of 3 years and 2 for a term of 6 years.
- (iii) Four active participants of the system to be elected from the contributing membership of the system by the contributing members, no more than 2 of which may be from any of the University of Illinois campuses, who shall serve for a term of 6 years, except that the terms of the initial electees shall be 2 for a term of 3 years and 2 for a term of 6 years.
- (iv) Two annuitants of the system who have been annuitants for at least one full year, to be elected from and by the annuitants of the system, no more than one of which may be from any of the University of Illinois campuses, who shall serve for a term of 6 years, except that the terms of the initial electees shall be 1 for a term of 3 years and 1 for a term of 6 years.

#### Termination of TRS Executive Director (P.A. 96-0006)

Public Act 96-0006 amends the Illinois Pension Code to add that the secretary and chief executive officer of the Teachers' Retirement System, known as the Executive Director, holding that position on April 1, 2009 is terminated on July 1, 2009, by operation of law, and shall thereafter no longer hold that position or any other employment with the system. The board is directed to take whatever action is necessary to effectuate this termination.

#### Changes to the TRS Board of Trustees (P.A. 96-0006)

Public Act 96-0006 amends the Pension Code to change the composition of the TRS board of trustees. The board shall consist of 13 members, 6 of whom shall be appointed by the governor; 4 active teachers elected by the contributing members, and 2 annuitant members elected by the annuitants of the system. The Superintendent of Education is an ex-officio member who serves as president of the board.

#### General Assembly Retirement System (P.A. 96-0207)

The Illinois Pension Code currently specifies that for a participant who is a member of the General Assembly Retirement System, his or her retirement pension shall be based on the salary on the participant's last day of service. This method of calculating retirement annuities also applies to the Governor, Secretary of State, Treasurer, Comptroller, and Attorney General for the period of service in such office. Public Act 96-0207 provides that for participants who become a member of GARS on or after the effective date of this Amendatory Act, retirement annuities will be based on the 48 consecutive months of service within the last 120 months of service in which the total compensation was the highest, or by dividing the total period of service, if less than 48 months, by the number of months of service in that period.

#### Judges Retirement System (P.A. 96-0207)

Currently, members of the Judges Retirement System have their retirement annuities calculated based upon the salary on the last day of employment as a judge, or the highest salary received by the judge for at least 4 consecutive years, whichever is greater. Public Act 96-0207 provides that for participants who become members of JRS on or after the effective date of this Amendatory Act, the retirement annuity will be calculated by dividing the total salary of the participant during the period of the 48 consecutive months of service within the last 120 months of service in which the total compensation was the highest, or the total period of service, if less than 48 months, by the number of months of service in that period.

#### Issuance of Pension Bonds (P.A. 96-0043)

Public Act 96-0043 mandates the issuance of new pension bonds totaling \$3.466 billion. The bond sale proceeds, net of sales expenses, will be used as a portion of the FY 2010 State contributions to the various State pension systems. Specifically, SB 1292 establishes the FY2010 State pension contributions as follows: (1) TRS - \$2,089,268,000, (2) SERS - \$723,703,100, (3) SURS - \$702,514,000, (4) JRS - \$78,832,000, (5) GARS - \$10,454,000. The FY 2010 total inflows into each of the 5 systems from all sources will be equal to the GRF portion of the certified amounts for each system. In the event a portion of the bonds cannot be sold, the State contributions will be increased by an amount necessary to offset the unsold bond amount.

#### Actuarial Value of Assets (P.A. 96-0043)

Public Act 96-0043 also establishes that as of June 30, 2008, the actuarial value of each system's assets will be equal to their market value. In determining the actuarial value of the systems' assets for fiscal years after June 30, 2008, any unexpected gains or losses from investment returns incurred in a fiscal year will be recognized in equal annual amounts over the 5 year period following that fiscal year. An unexpected gain or loss will be defined as any deviation from the forecasted 8.5% return on invested assets.

#### Legislative Intent (P.A. 96-0043)

Public Act 96-0043 specifies the legislative intent that all of the operating funds freed up by the bond sale should be used to fund programs and services provided by community-based human services providers to ensure the State continues assisting the most vulnerable citizens.



## 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 1996 to FY 2008.

Over the last 14 years, the State of Illinois has contributed \$27.0 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 over \$14.9 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 2

Summary of Appropriations Authorized State Retirement Systems FY 1996 - FY 2009 (\$ in Millions)						
Fiscal Years	TRS	SURS	SERS	JRS	GARS	Total
1996	\$ 330.2	\$ 123.9	\$ 146.4	\$ 12.1	\$ 2.4	\$ 615.0
1997	386.1	159.5	158.2	13.7	2.8	720.3
1998	467.9	201.6	200.7	15.7	3.1	889.0
1999	573.5	217.6	315.5	18.7	3.6	1,128.9
2000	640.1	224.6	340.9	21.4	3.9	1,230.9
2001	724.9	232.6	366.0	24.2	4.3	1,352.0
2002	815.5	240.4	386.1	27.5	4.7	1,474.2
2003	930.1	269.6	396.1	31.4	5.1	1,632.3
*2004	5,362.0	1,743.7	1,864.7	178.5	32.9	9,181.8
2005	907.0	269.9	427.5	32.0	4.7	1,641.1
2006	534.6	166.7	210.5	29.2	4.2	945.2
2007	738.0	252.1	358.8	35.2	5.4	1,389.5
2008	1,041.3	340.3	567.2	47.0	6.8	2,002.6
2009	1,451.8	450.2	863.0	60.0	8.8	2,833.8
Totals	\$ 14,903.0	\$ 4,892.7	\$ 6,601.6	\$ 546.6	\$ 92.7	\$ 27,036.5

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

Based upon the actuarial value of assets, the total unfunded liabilities of the State systems totaled \$62.4 billion on June 30, 2009, led by the Teachers' Retirement System (TRS) whose unfunded liabilities amounted to \$35.0 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 3 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 3

Summary of Financial Condition State Retirement Systems Combined Assets at Actuarial Value / With Asset Smoothing Public Act 96-0043 FY 2009 (\$ in Millions)				
System	<u>Accrued Liability</u>	<u>Actuarial Assets</u>	<u>Unfunded Liability</u>	<u>Funded Ratio</u>
TRS	\$73,027.2	\$38,026.0	\$35,001.2	52.1%
SERS	\$25,298.3	\$11,000.0	\$14,298.3	43.5%
SURS	\$26,316.2	\$14,282.0	\$12,034.2	54.3%
JRS	\$1,548.5	\$616.8	\$931.7	39.8%
GARS	\$245.2	\$71.6	\$173.6	29.2%
TOTAL	\$126,435.4	\$63,996.4	\$62,439.0	50.6%

However, a much more realistic valuation of the true financial position of the various retirement systems would be based upon the MARKET value of the assets, as shown in Table 4 on the following page. Based upon this more realistic value of assets, the total unfunded liabilities of the State systems totaled \$77.8 billion on June 30, 2009. Teachers' Retirement System (TRS), whose unfunded liabilities amounted to \$44.5 billion, would again represent over 50% of the combined total unfunded balance. Table 4 on the following page 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 4

Summary of Financial Condition State Retirement Systems Combined Assets at Market Value / Without Asset Smoothing FY 2009 (\$ in Millions)				
System	Accrued <u>Liability</u>	Net <u>Assets</u>	Unfunded <u>Liability</u>	Funded <u>Ratio</u>
TRS	\$73,027.2	\$28,531.3	\$44,495.9	39.1%
SERS	\$25,298.3	\$8,565.8	\$16,732.5	33.9%
SURS	\$26,316.2	\$11,033.0	\$15,283.2	41.9%
JRS	\$1,548.5	\$483.5	\$1,065.0	31.2%
GARS	\$245.2	\$55.6	\$189.6	22.7%
TOTAL	\$126,435.4	\$48,669.2	\$77,766.2	38.5%

The funded ratios for each of the five State retirement systems may be compared to the aggregate funded ratio of 38.5% 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 thus more manageable than the three larger systems.

CHART 1

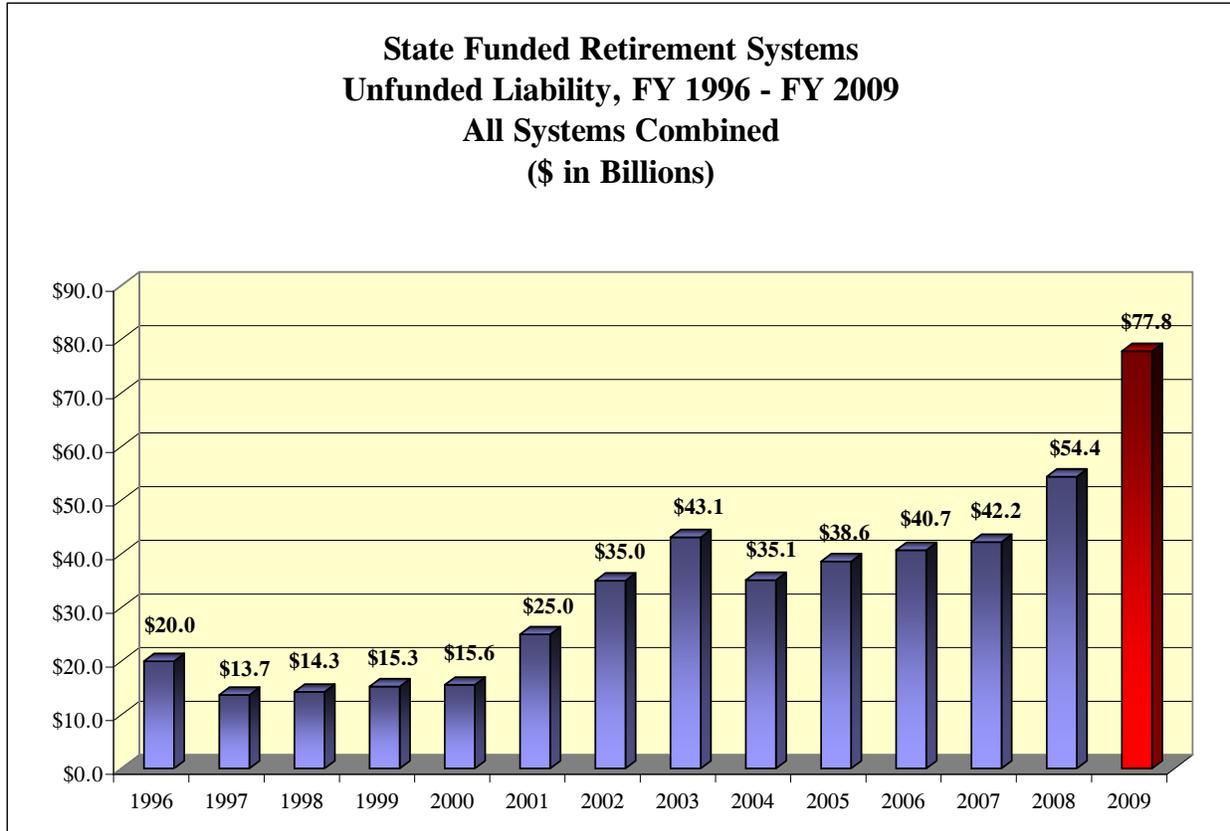
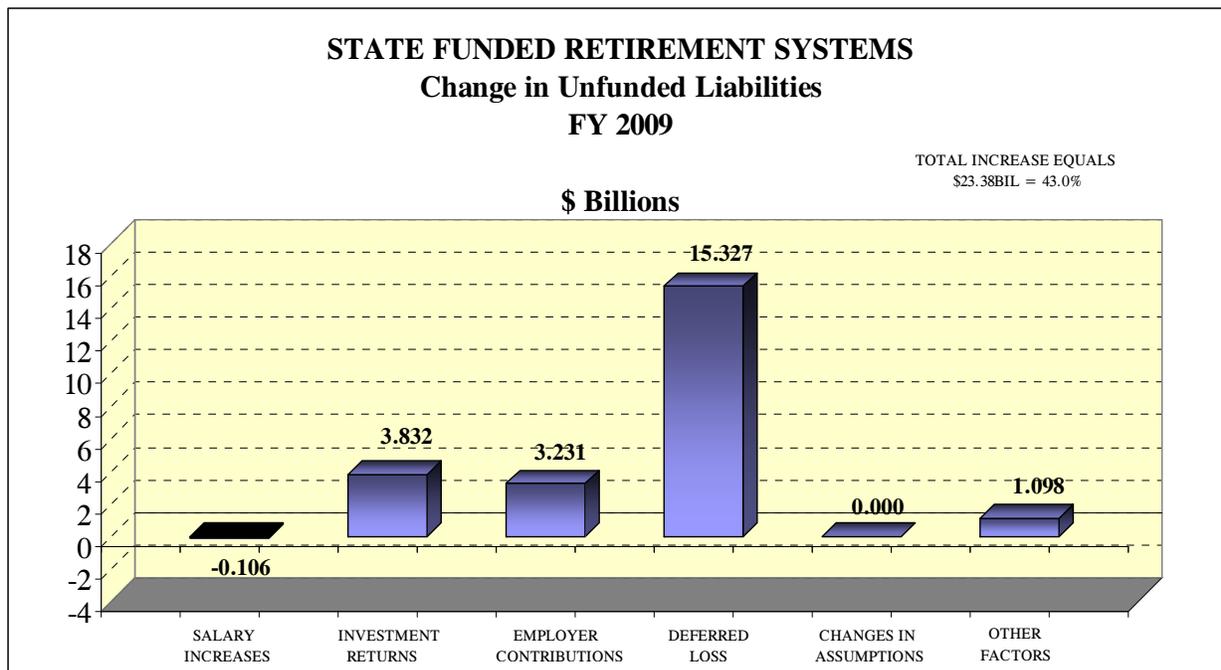


Chart 1 is based upon calculations using the market value of assets for all years, including FY 2009. The full effects of the large investment losses during FY 2009 are therefore reflected in the red bar for that year. These extremely large investment losses are the main reason for the significant jump in unfunded liabilities during FY 2009. This bar is displayed in red to emphasize its difference from the unfunded liability figures published by the various retirement systems which were based upon the actuarial value of their assets. Their asset smoothing approach, required by Public Act 96-0043, only recognizes 20% of the FY 2009 investment losses during the current year. Chart 1 above recognizes 100% of the FY 2009 investment losses in the current year and is therefore a much more realistic representation of the retirement systems' true financial condition.

All of the numbers appearing in the rest of the report are based upon asset market values as this approach gives in the most accurate representation of the true financial position of the retirement funds. 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 2009. All of the factors shown as positive amounts represent increases in the unfunded liability total.

CHART 2

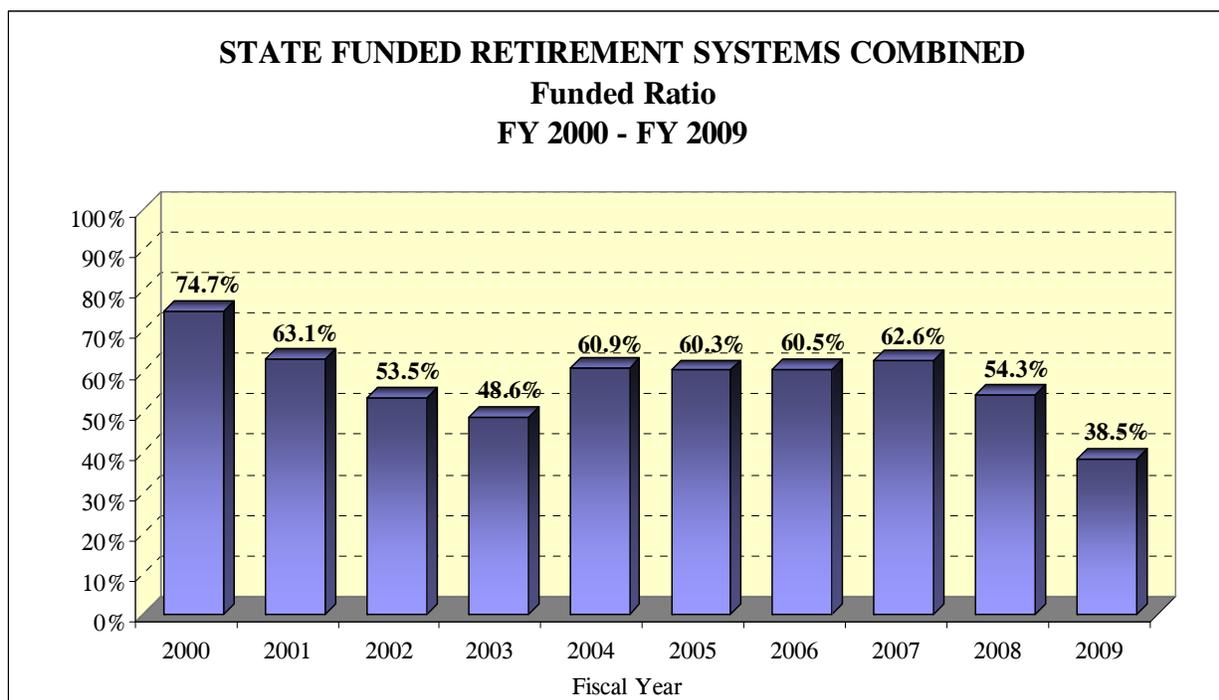


NOTE: This chart is based upon asset market values.

At the end of FY 2006, the systems' total unfunded liabilities were approximately \$40.7 billion. These liabilities stood at \$42.2 billion on June 30, 2007, or 3.5% above the FY 2006 level. At June 30, 2008, total unfunded liabilities had increased to \$54.4 billion, or 28.9% above the FY 2007 level. The primary causes of these increases were insufficient employer contributions (when compared to contributions based on normal cost plus interest), insufficient investment earnings, changes in actuarial assumptions, and other factors. Earlier in the period under review these causes were greatly offset by investment returns which were much higher than forecasts. At June 30, 2009, total unfunded liabilities based upon asset market values had increased to \$77.8 billion, or 42.7% above the FY 2008 level. As the above chart shows, the primary causes of this increase were the very poor investment results and related deferred investment losses together with 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.

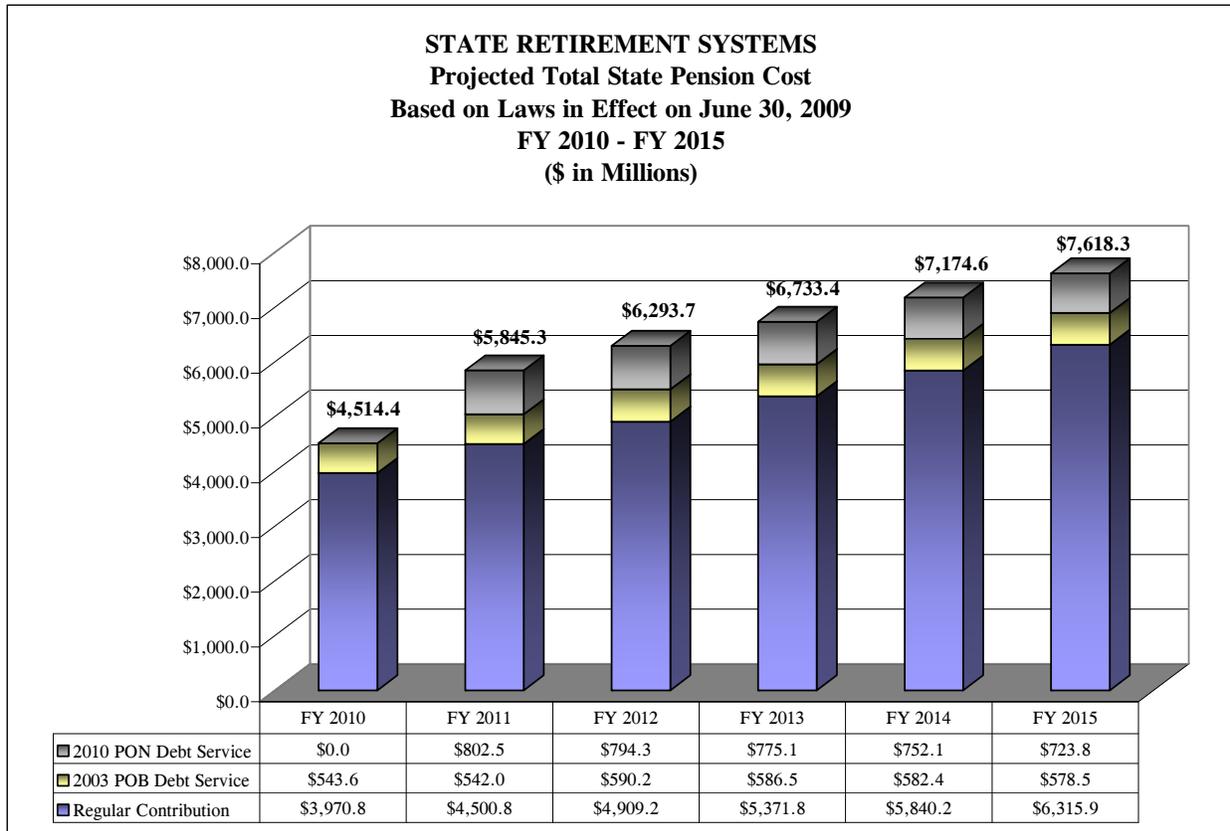
CHART 3



NOTE: The above FY2009 figure is based upon asset market value without asset smoothing.

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 through FY 2000, mainly due to higher than assumed investment returns and adherence to the funding plan established in PA 88-0593, 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 1998, 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 this improvement. In FY 2008 and FY 2009 the funded ratio fell significantly due to much lower than expected investment revenues and insufficient employer contributions.

CHART 4



As demonstrated in Chart 4, the pension funding demands on the State of Illinois will not ease during the upcoming 5 year period. This chart reflects the total pension related expenditures by showing regular pension contributions and all related debt service requirements for the period under review. Therefore, this total annual burden on the State Treasury will steadily increase to \$7.62 Billion by FY 2015.

Public Act 93-0002 authorized the 2003 issuance of the pension obligation bonds and established the resulting debt service requirements shown in Appendix N. Public Act 96-0043 authorized the 2010 issuance of the pension obligation notes and established the resulting debt service requirements shown in Appendix P.



# 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**
- **Unfunded History**
- **Rate of Return on Investments**
- **Annual Investment Revenue**
- **Annual Changes in Unfunded**
- **Changes in Net Assets**
- **Investment Return History**
- **Historical Underfunding**
- **Projected Underfunding**





# Teachers Retirement System

## Defined Benefit Plan Summary

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### Retirement Age

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- ❑ 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

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- ❑ 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

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- ❑ 75% of final average salary.

### Salary Used to Calculate Pension

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

### Annual COLA

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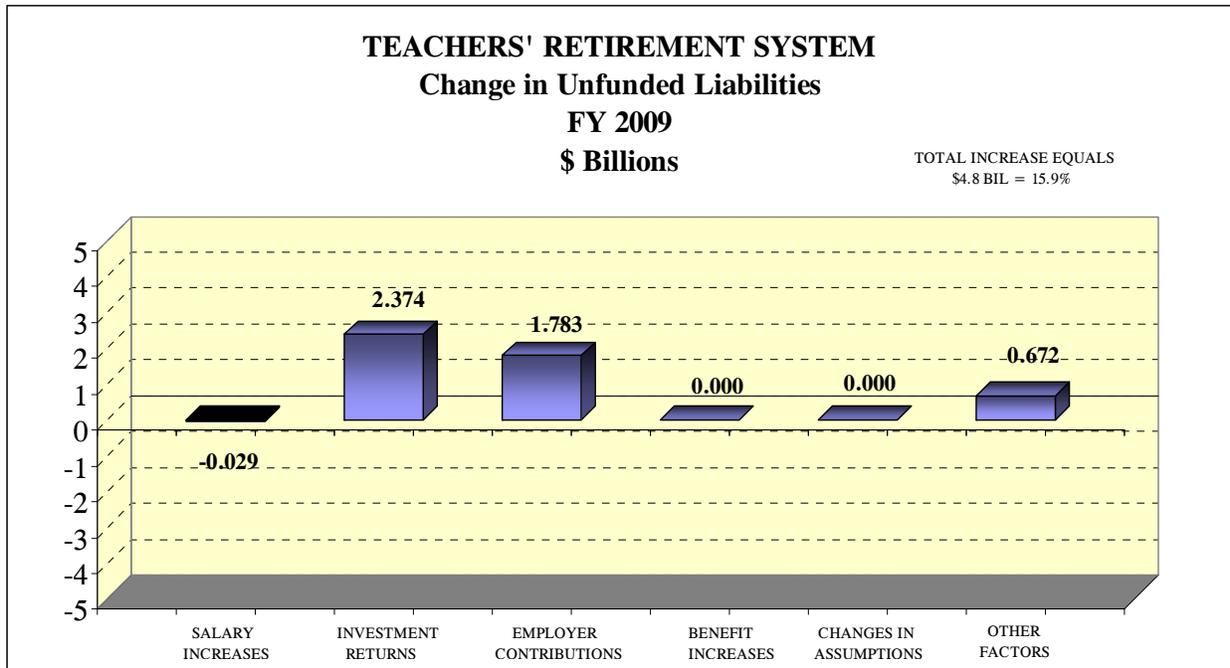
- ❑ 3% compounded.

### Employee Contributions

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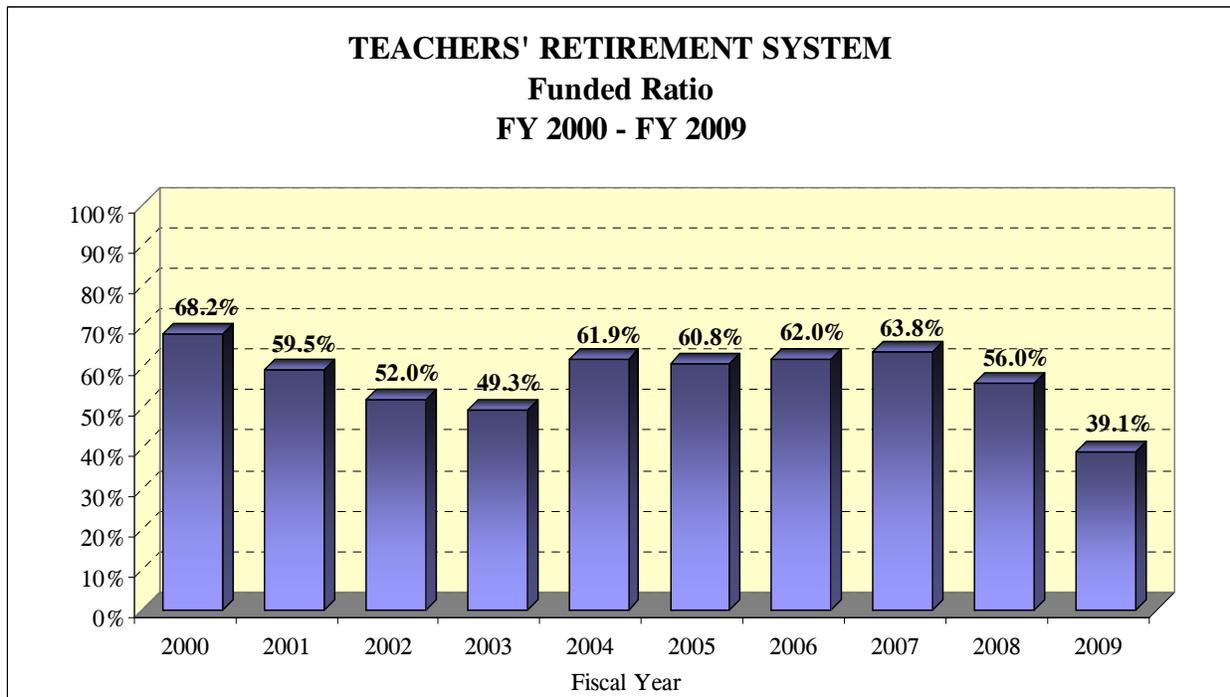
- ❑ 9.4% of salary.

CHART 5



NOTE: This chart is based upon asset actuarial values.

CHART 6



NOTE: The above FY2009 figure is based upon asset market values without asset smoothing.

CHART 7

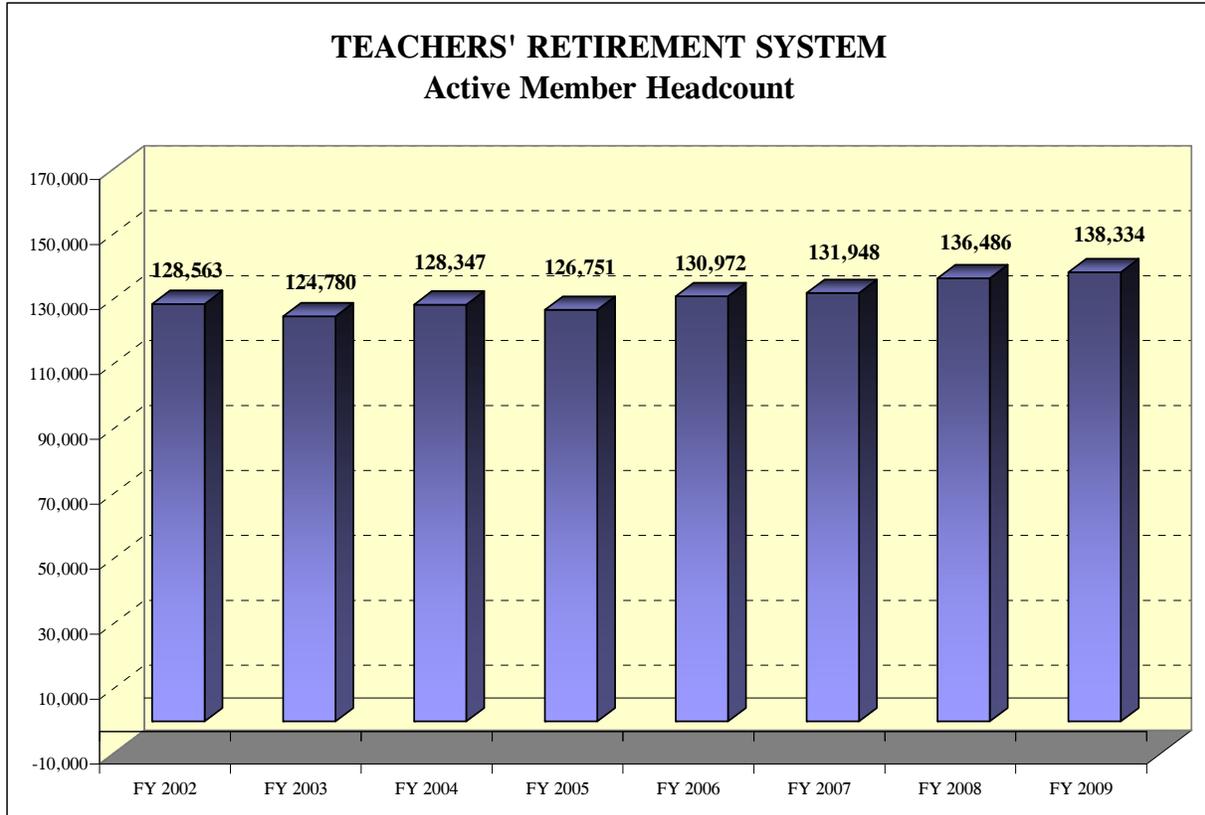


CHART 8

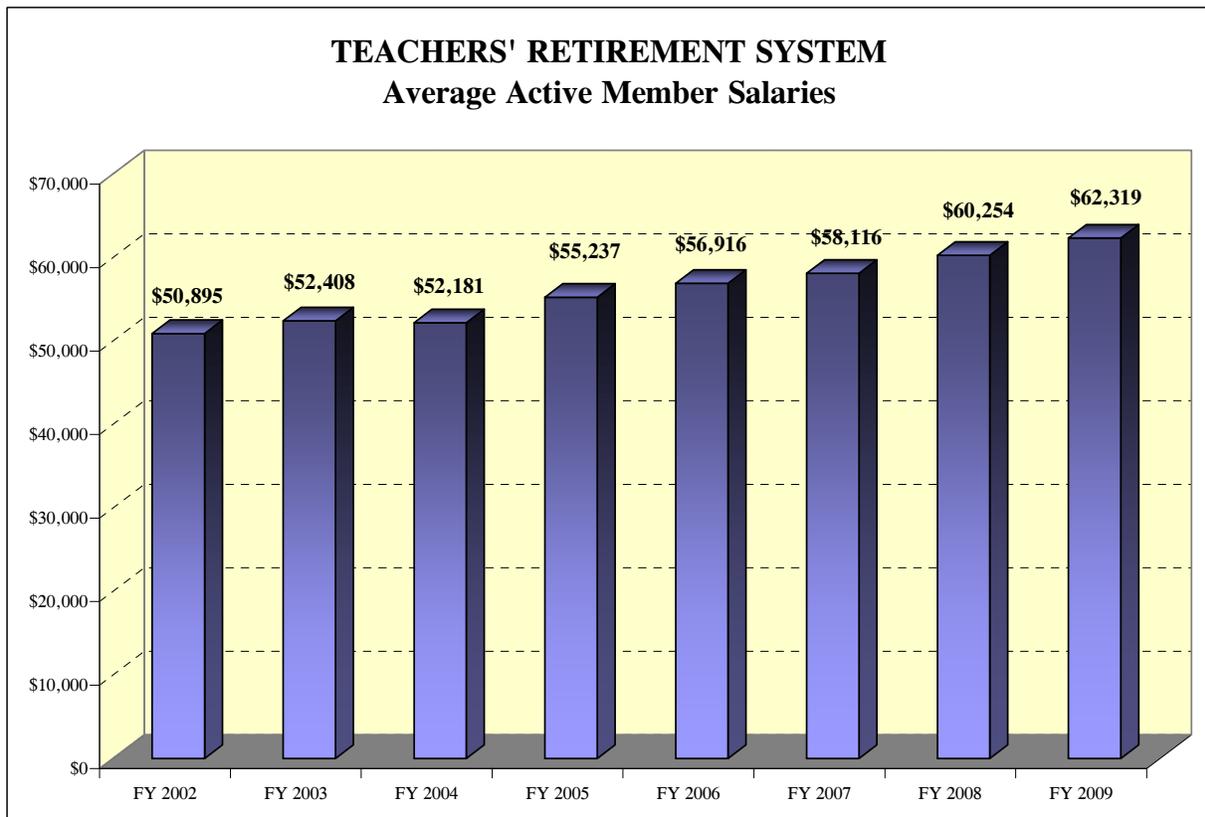


CHART 9

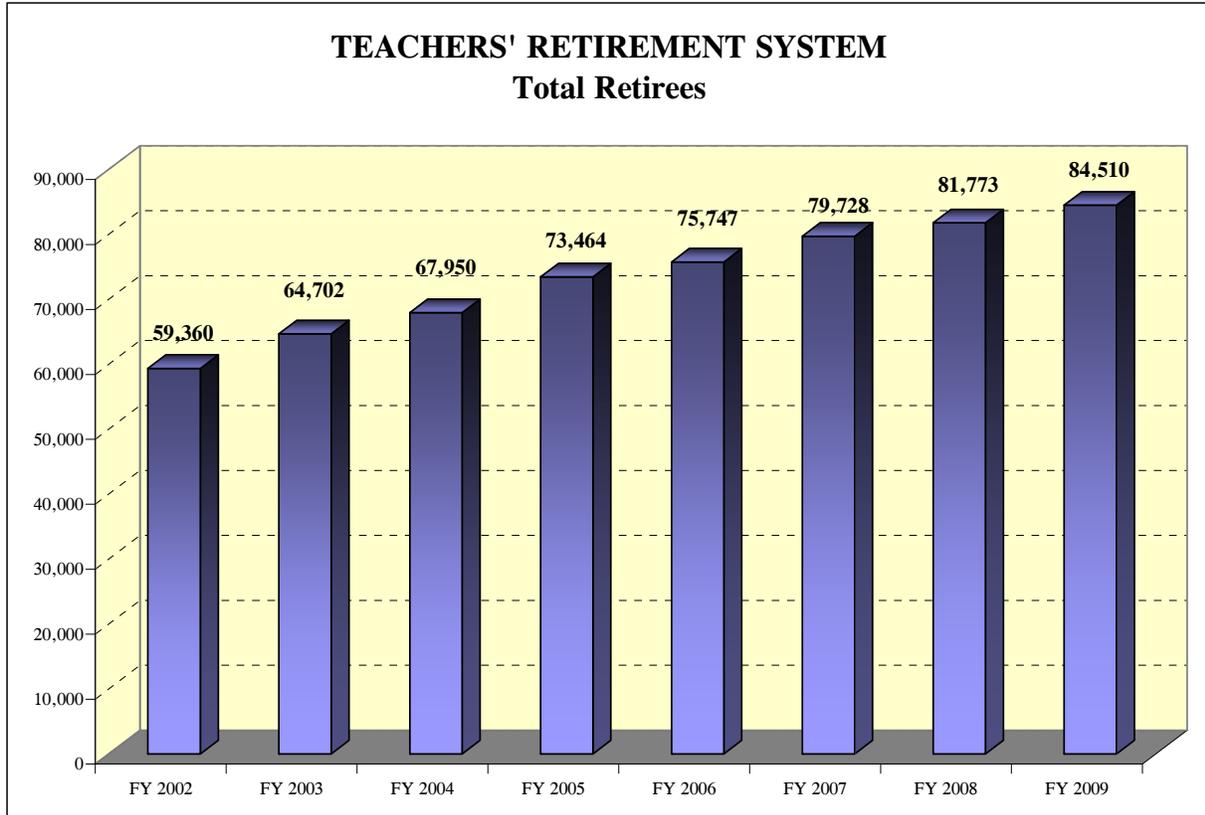


CHART 10

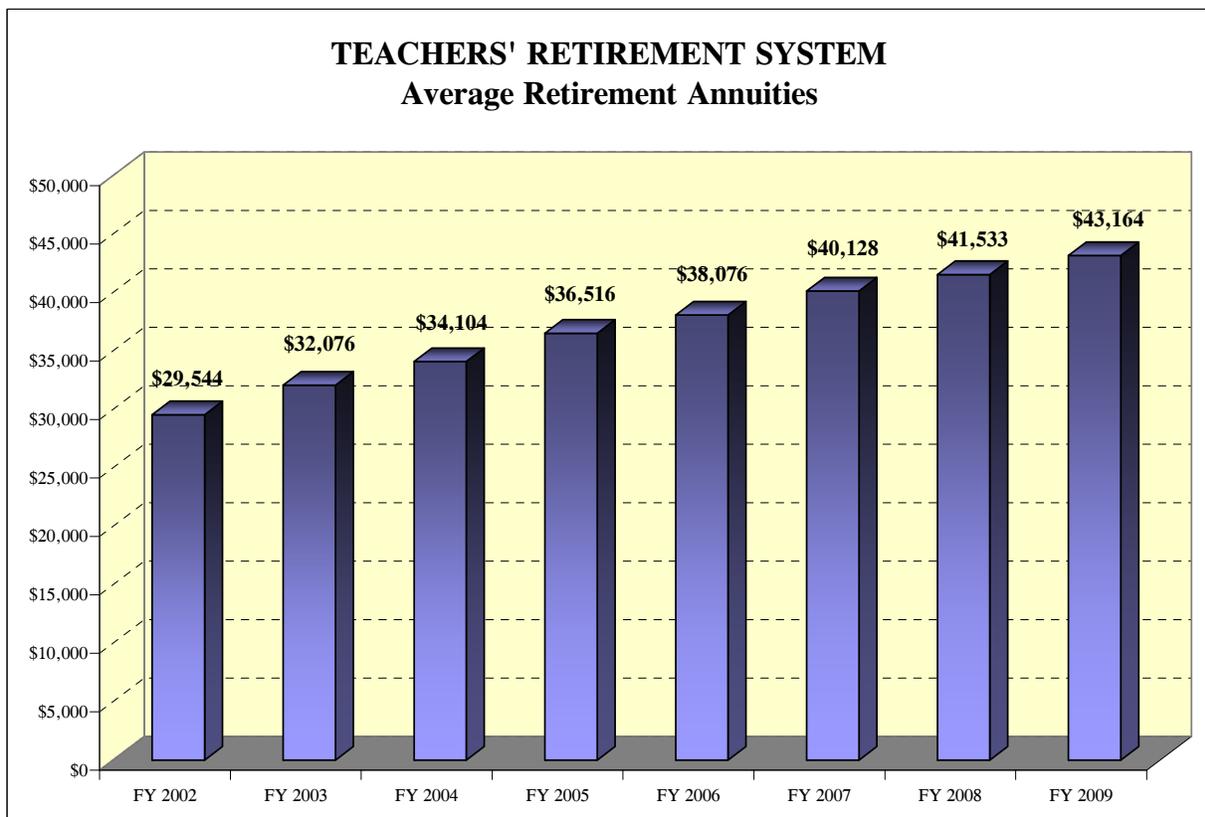


CHART 11

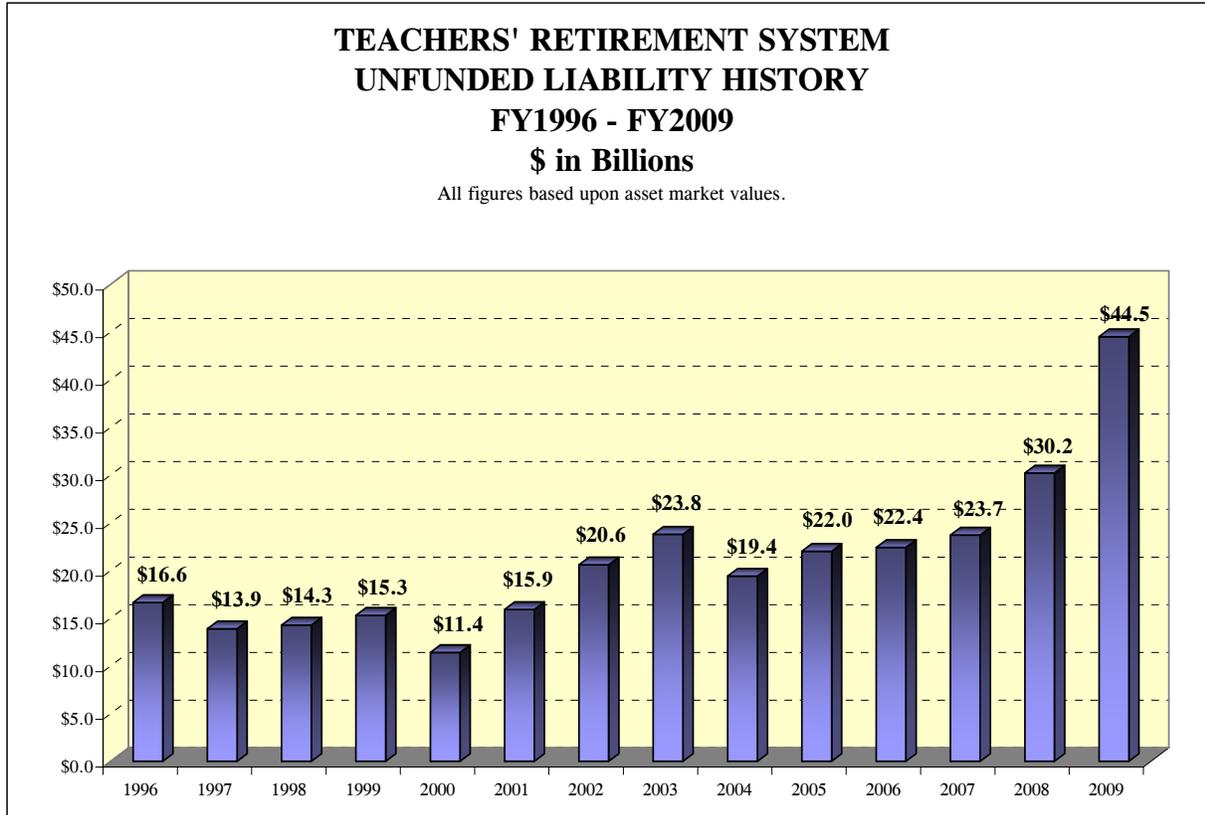


CHART 12

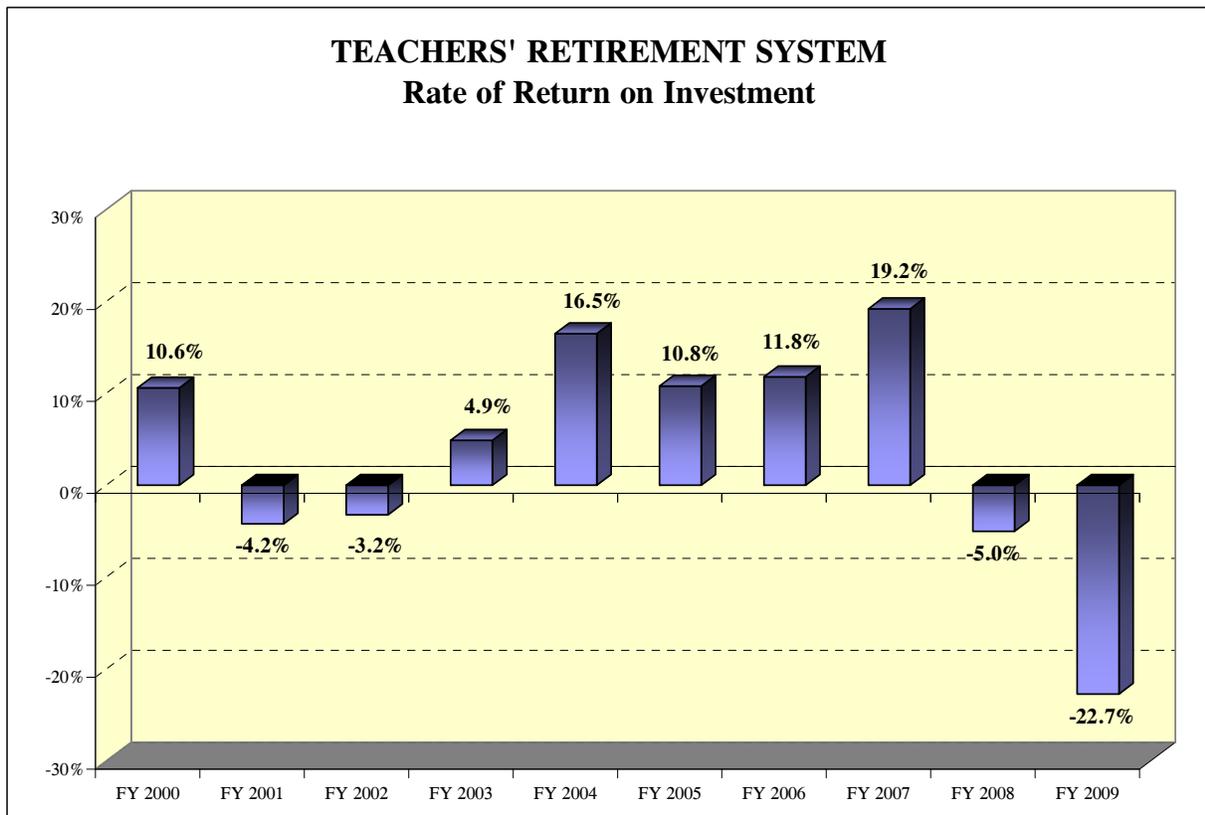


CHART 13

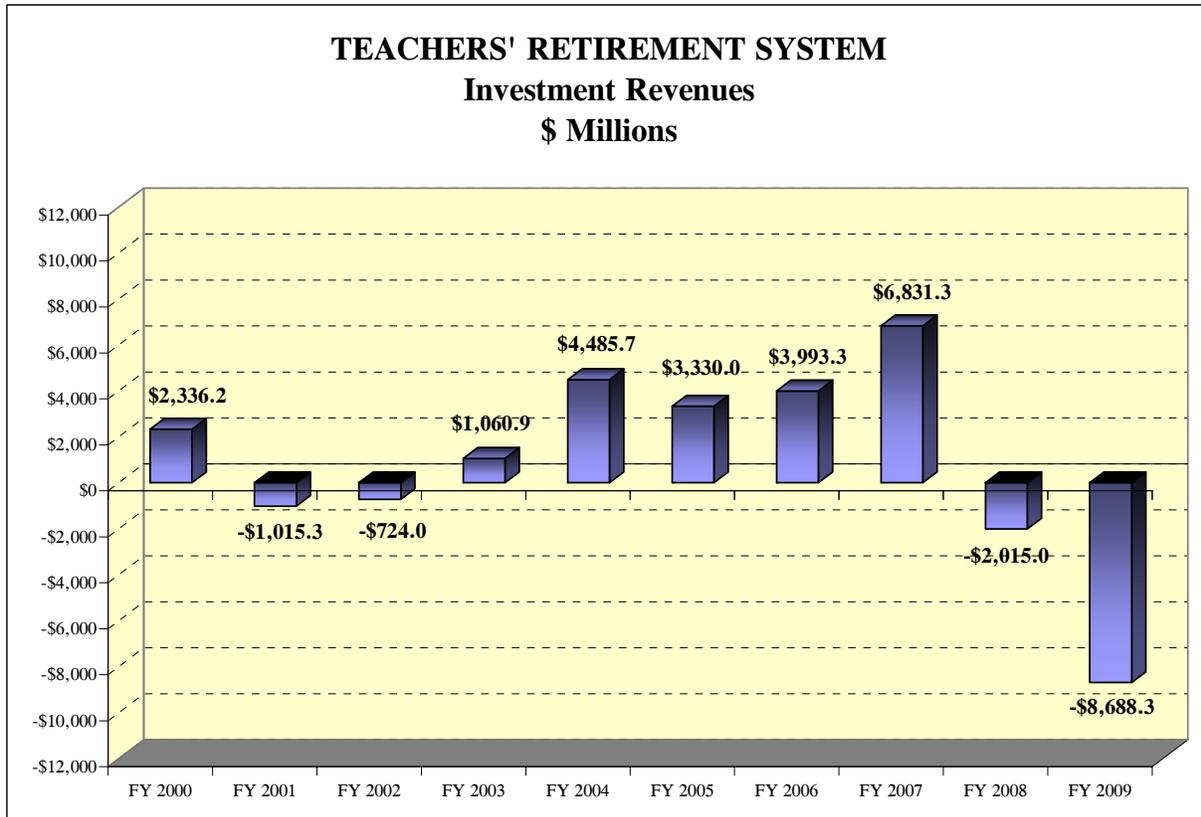


TABLE 5

TEACHERS' RETIREMENT SYSTEM CHANGES IN UNFUNDED LIABILITY FY 1996 - FY 2009							
YEAR ENDED	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 YEAR
TEACHERS'							
6/30/1996	\$400,399,000	(\$577,281,000)	\$965,961,000	\$17,772,000	\$0	\$166,531,000	\$973,382,000
6/30/1997	(59,062,000)	(830,936,000)	992,390,000	0	(2,944,771,000)	88,773,000	(2,753,606,000)
6/30/1998	(46,017,000)	(1,417,747,000)	776,189,000	1,000,300,000	0	71,152,000	383,877,000
6/30/1999	44,030,000	(389,014,000)	677,408,000	33,870,000	125,223,000	533,933,000	1,025,450,000
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
6/30/2009	(29,162,000)	2,373,683,000	1,782,855,000	0	0	672,134,000	4,799,510,000
TOTALS	\$961,246,000	\$3,040,382,000	\$12,812,898,000	\$1,105,792,000	\$312,369,000	\$5,429,767,000	\$23,662,454,000

NOTE: All of the calculations in this table are based upon asset actuarial values.

TABLE 6

<b>TEACHERS' RETIREMENT SYSTEM</b>								
Changes in Net Assets								
(\$ in millions)								
Fiscal Years	2009	2008	2007	2006	2005	2004	2003	2002
Additions to Assets								
State of Illinois	1,451.6	1,041.1	737.7	534.3	906.8	1,031.5	929.7	814.7
Pension Obligation Bonds	0.0	0.0	0.0	0.0	0.0	4,330.4	0.0	0.0
Employees	876.2	865.4	826.2	799.0	761.8	768.6	732.0	681.2
School Districts	99.4	88.3	83.4	99.3	109.0	93.9	58.2	66.3
Federal	52.9	42.4	32.5	24.3	39.8	33.7	33.3	26.3
Net Investment Income	-8,688.3	-2,015.0	6,831.3	3,993.3	3,330.0	4,485.7	1,060.9	-724.0
Total Asset Additions (A)	-6,208.2	22.2	8,511.1	5,450.2	5,147.4	10,743.8	2,814.1	864.5
Deductions from Assets								
Benefits	3,653.7	3,424.0	3,111.8	2,877.2	2,533.1	2,262.3	1,998.6	1,759.7
Refunds	53.7	60.3	59.7	58.0	59.4	48.0	43.1	38.8
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Expenses	17.4	16.6	15.2	15.3	14.4	13.6	13.9	15.4
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Deductions (B)	3,724.8	3,500.8	3,186.7	2,950.5	2,606.9	2,323.9	2,055.6	1,813.9
Change in Net Assets (A-B=C)	-9,933.0	-3,478.6	5,324.4	2,499.7	2,540.5	8,419.9	758.5	-949.4

TABLE 7

<b>TEACHERS RETIREMENT SYSTEM</b>				
<b>Historical Investment Revenues</b>				
<b>(\$ in millions)</b>				
<b>Fiscal Year</b>	<b>Market Value of Assets at Year End</b>	<b>Net Investment Revenue</b>	<b>Rate of Return Earned</b>	
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%	
2009	28,531.3	-8,688.3	-22.7%	

*1999 - 2009 Asset Values are Market Values.*

TABLE 8

<b>TEACHERS' RETIREMENT SYSTEM</b>					
<b>Historical Underfunding</b>					
<b>(\$ in millions)</b>					
<b>Fiscal Year</b>	<b>Employer's Normal Cost</b>	<b>Interest on Unfunded Liabilities</b>	<b>Employer's Normal Cost + Interest</b>	<b>Total Employer Contributions*</b>	<b>Historical Underfunding</b>
2000	479.9	932.3	1,412.2	688.6	677.4
2001	542.8	969.4	1,512.2	778.3	723.6
2002	589.0	1,347.3	1,936.3	861.9	733.9
2003	628.5	1,757.9	2,386.4	970.8	1,074.4
2004	598.5	2,023.6	2,622.1	5,433.7	1,415.6
2005	638.0	1,649.2	2,287.2	987.3	-2,811.5
2006	645.7	1,869.1	2,514.8	601.4	1,299.8
2007	650.9	1,905.0	2,555.9	816.7	1,913.4
2008	681.7	2,017.8	2,699.5	1,169.8	1,739.2
2009	817.3	2,567.1	3,384.4	1,601.6	1,782.8

\* Excludes School District Cash Payments for TRS ERI/ERO

TABLE 9

PROJECTIONS FOR THE TEACHERS' RETIREMENT SYSTEM					
Projected Underfunding Based on Laws in Effect on June 30, 2009					
(\$ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total State Contributions	Projected Underfunding
2010	846.9	2,709.4	3,556.3	2,087.7	1,468.6
2011	849.7	3,096.7	3,946.4	2,357.0	1,589.4
2012	869.8	3,205.5	4,075.3	2,579.1	1,496.2
2013	892.9	3,318.1	4,211.0	2,846.3	1,364.7
2014	923.0	3,432.1	4,355.1	3,120.5	1,234.6
2015	958.6	3,547.0	4,505.6	3,403.7	1,101.9
2016	999.3	3,662.6	4,661.9	3,578.3	1,083.6
2017	1,043.8	3,779.5	4,823.3	3,750.2	1,073.1
2018	1,091.8	3,897.0	4,988.8	3,932.5	1,056.3
2019	1,143.6	4,014.3	5,157.9	4,125.3	1,032.6
2020	1,199.7	4,131.2	5,330.9	4,316.1	1,014.8
2021	1,260.3	4,247.6	5,507.9	4,519.5	988.4
2022	1,325.7	4,362.9	5,688.6	4,735.7	952.9
2023	1,392.7	4,476.3	5,869.0	4,964.3	904.7
2024	1,462.5	4,586.7	6,049.2	5,189.7	859.5
2025	1,533.5	4,692.6	6,226.1	5,428.1	798.0
2026	1,607.3	4,793.7	6,401.0	5,693.2	707.8
2027	1,679.5	4,888.5	6,568.0	5,968.6	599.4
2028	1,753.9	4,975.2	6,729.1	6,240.2	488.9
2029	1,834.0	5,053.4	6,887.4	6,528.1	359.3
2030	1,913.0	5,123.8	7,036.8	6,817.5	219.3
2031	1,994.6	5,183.0	7,177.6	7,121.6	56.0
2032	2,076.2	5,229.4	7,305.6	7,454.0	-148.4
2033	2,154.7	5,260.8	7,415.5	7,813.7	-398.2
2034	2,235.7	5,274.9	7,510.6	8,952.1	-1,441.5
2035	2,322.7	5,269.3	7,592.0	9,346.2	-1,754.2
2036	2,416.5	5,243.0	7,659.5	9,759.1	-2,099.6
2037	2,511.8	5,193.5	7,705.3	10,193.9	-2,488.6
2038	2,604.4	5,118.6	7,723.0	10,648.6	-2,925.6
2039	2,707.3	5,011.3	7,718.6	11,124.6	-3,406.0
2040	2,829.8	4,867.6	7,697.4	11,627.6	-3,930.2
2041	2,960.3	4,687.6	7,647.9	12,163.8	-4,515.9
2042	3,100.1	4,468.3	7,568.4	12,738.5	-5,170.1
2043	3,247.7	4,208.8	7,456.5	13,344.7	-5,888.2
2044	3,401.8	3,888.3	7,290.1	13,978.2	-6,688.1
2045	3,562.4	3,508.2	7,070.6	14,637.8	-7,567.2



# 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
- Unfunded History
- Rate of Return on Investments
- Annual Investment Revenue
- Annual Changes in Unfunded
- 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

---

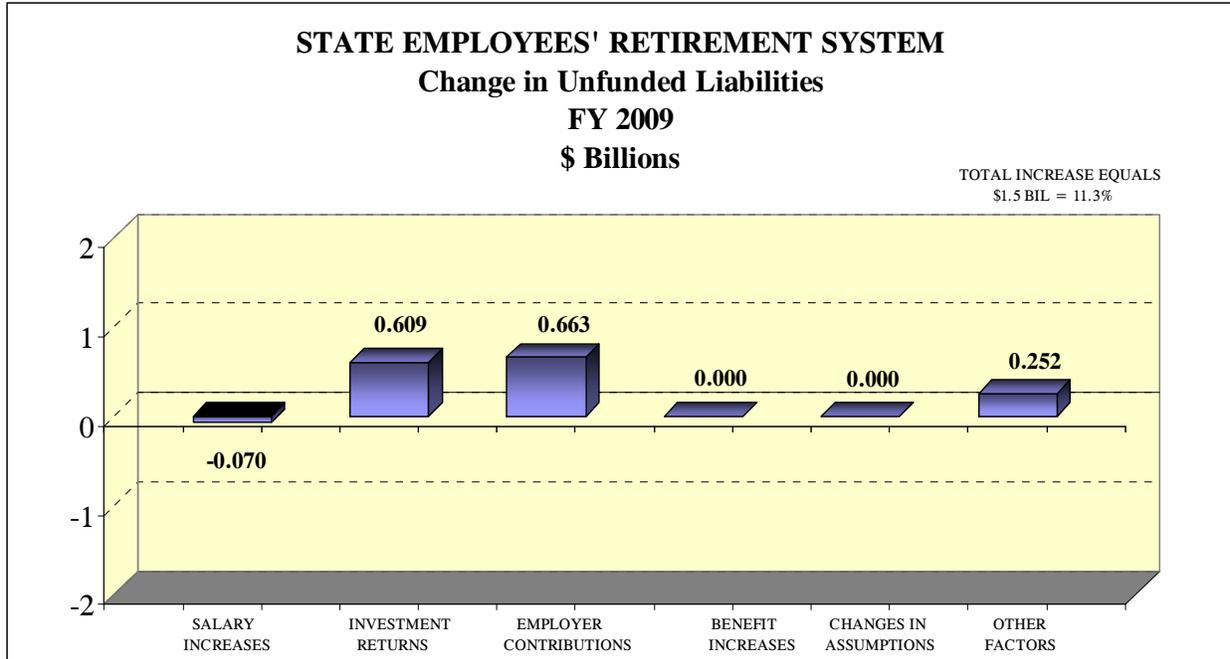
- ❑ 3% compounded.

### Employee Contributions

---

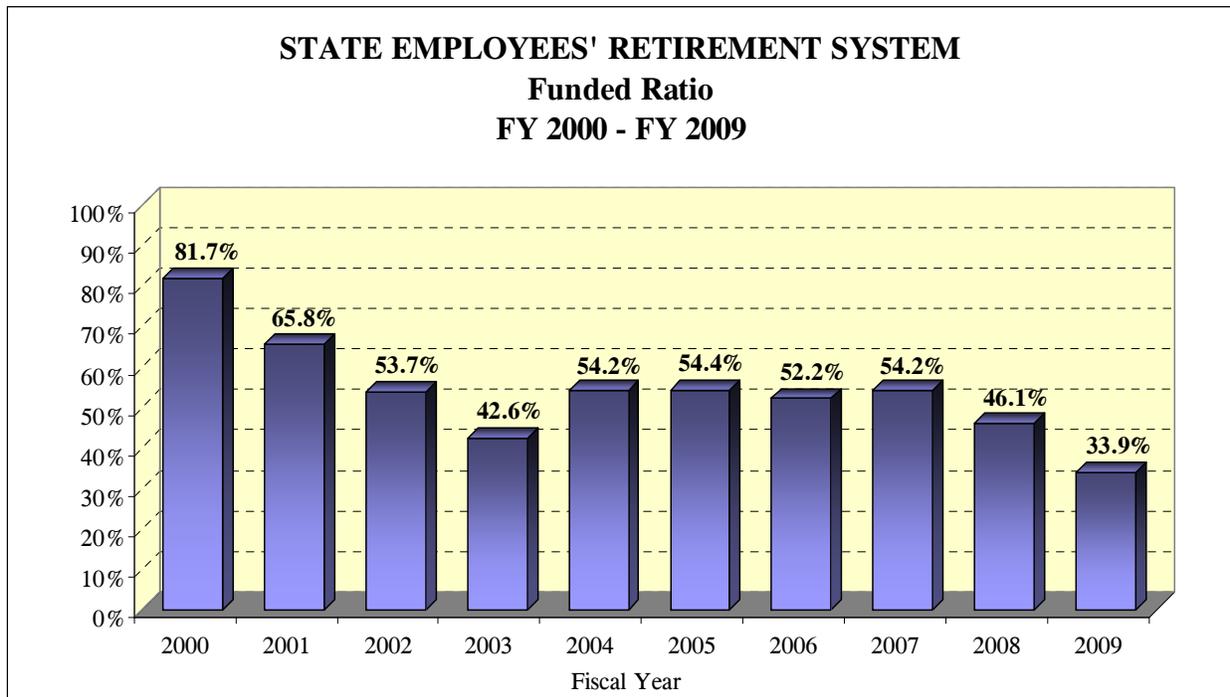
- ❑ 8.5% of salary for members covered by Social Security.
- ❑ 12.5% of salary for members not covered by Social Security.

CHART 14



NOTE: This chart is based upon asset actuarial values.

CHART 15



NOTE: The above FY2009 figure is based upon asset market values without asset smoothing.

CHART 16

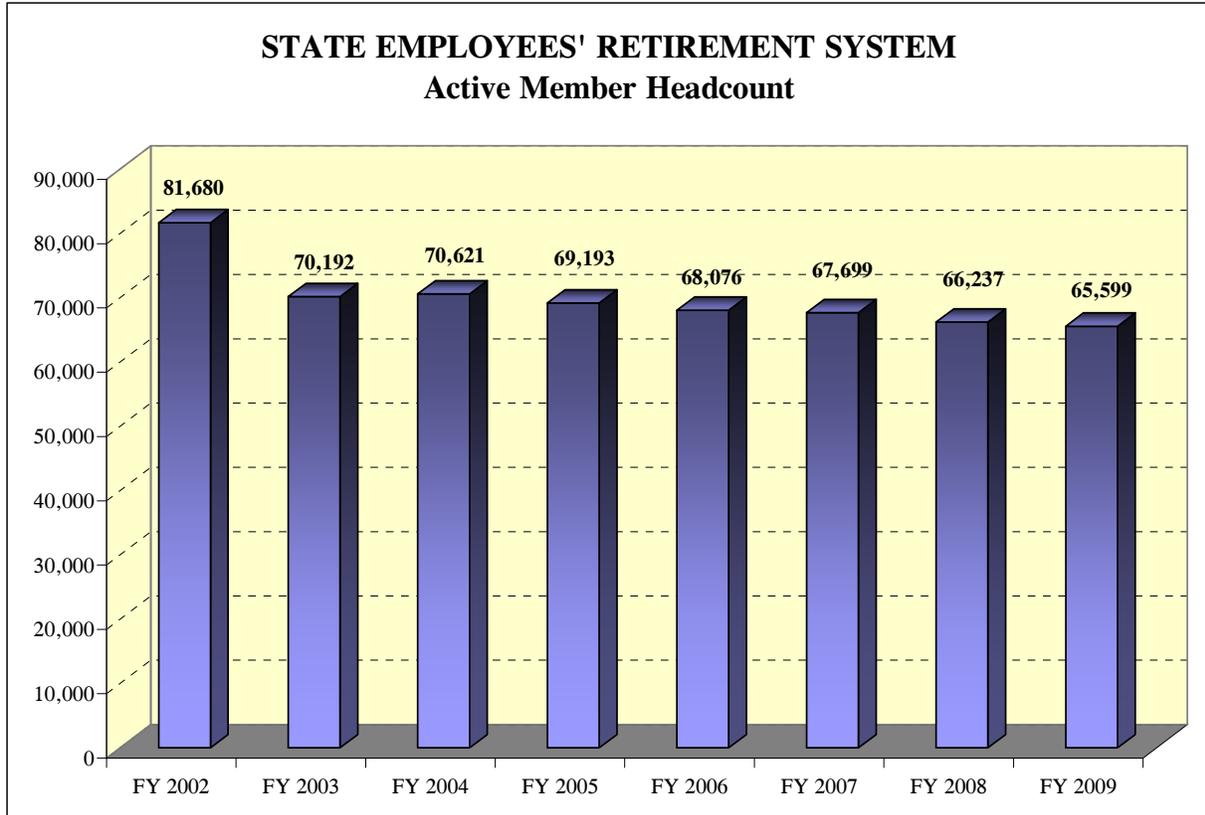


CHART 17

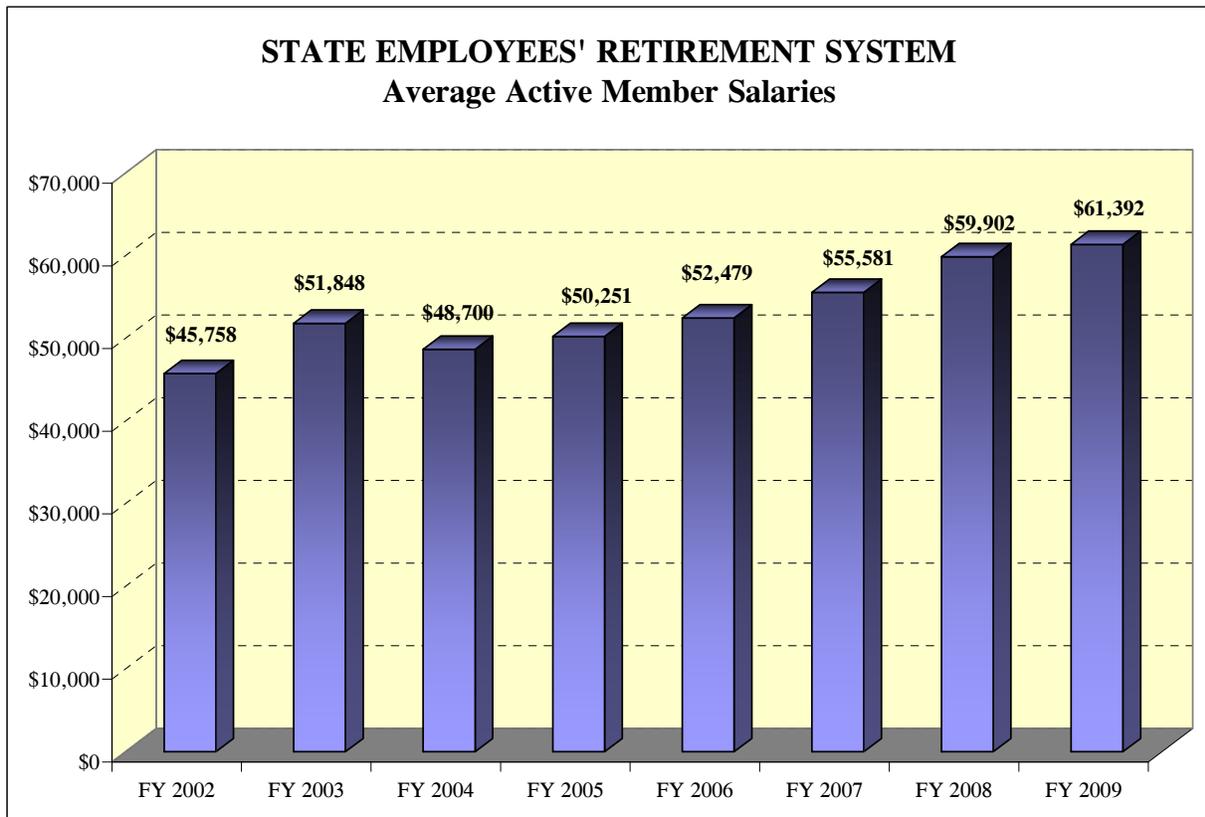


CHART 18

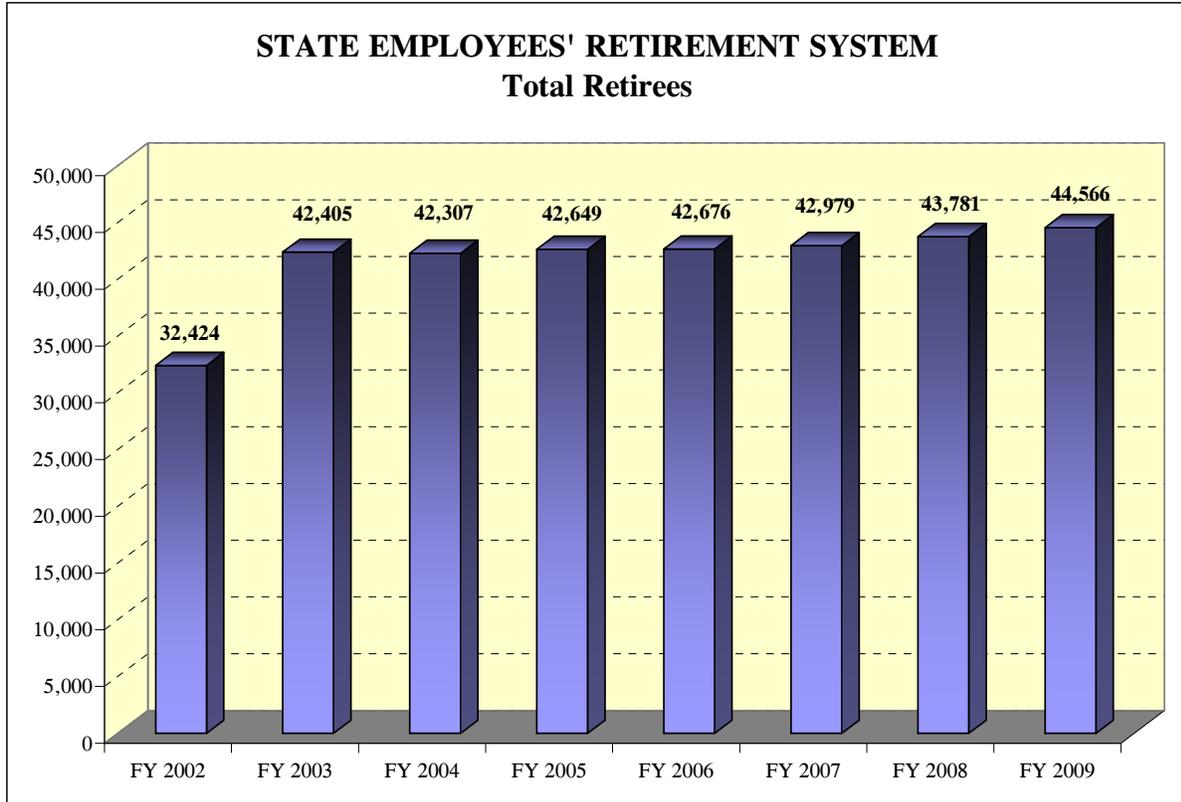


CHART 19

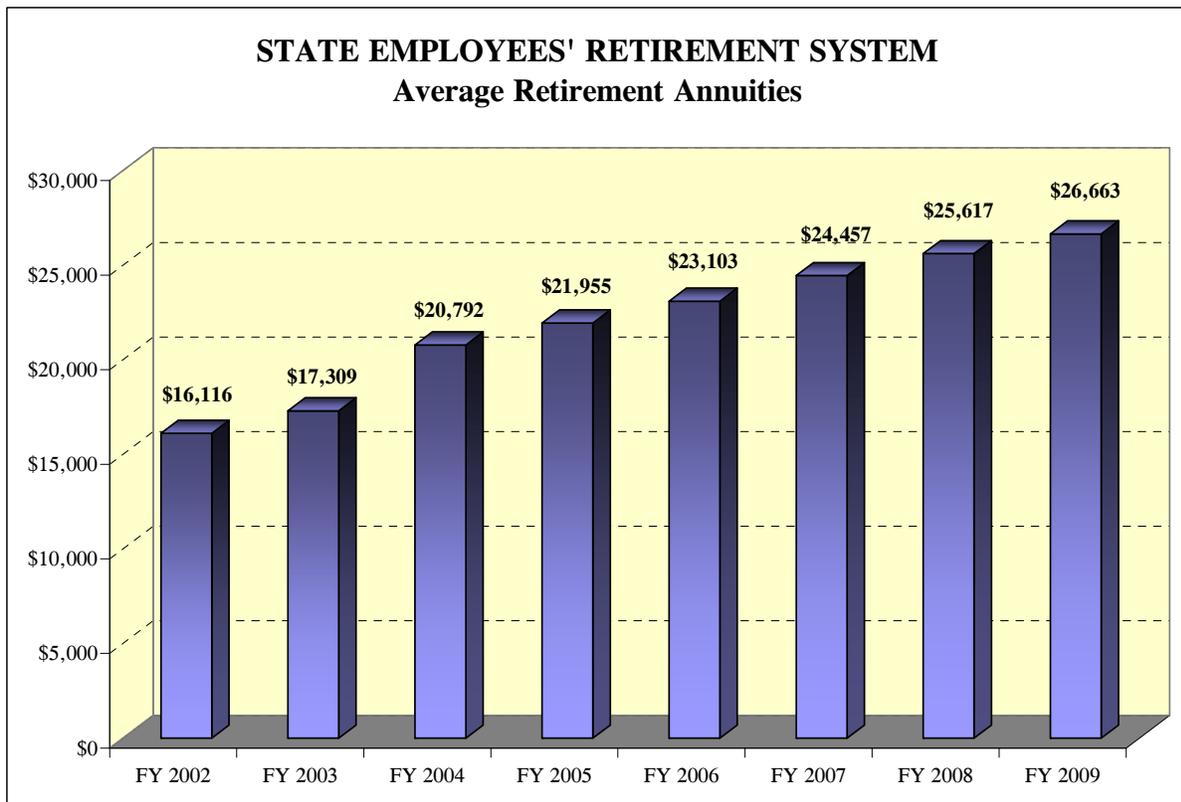


CHART 20

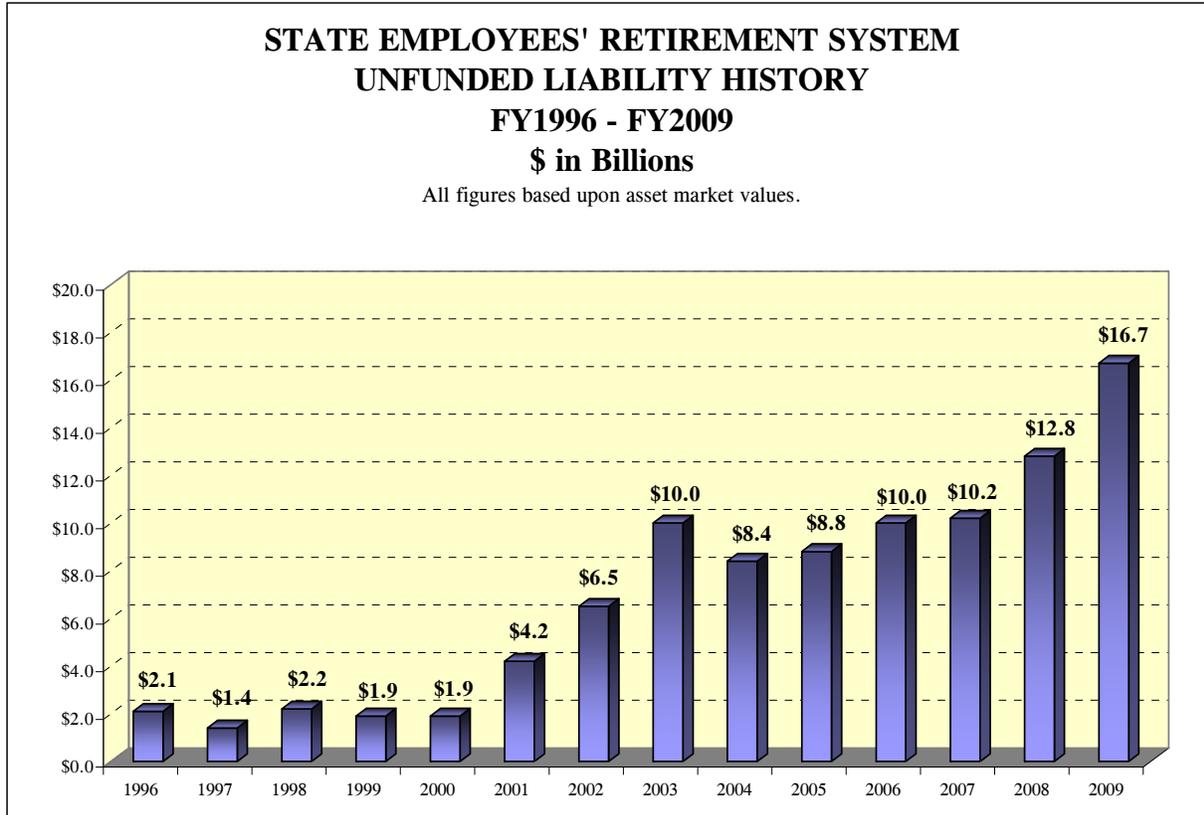


CHART 21

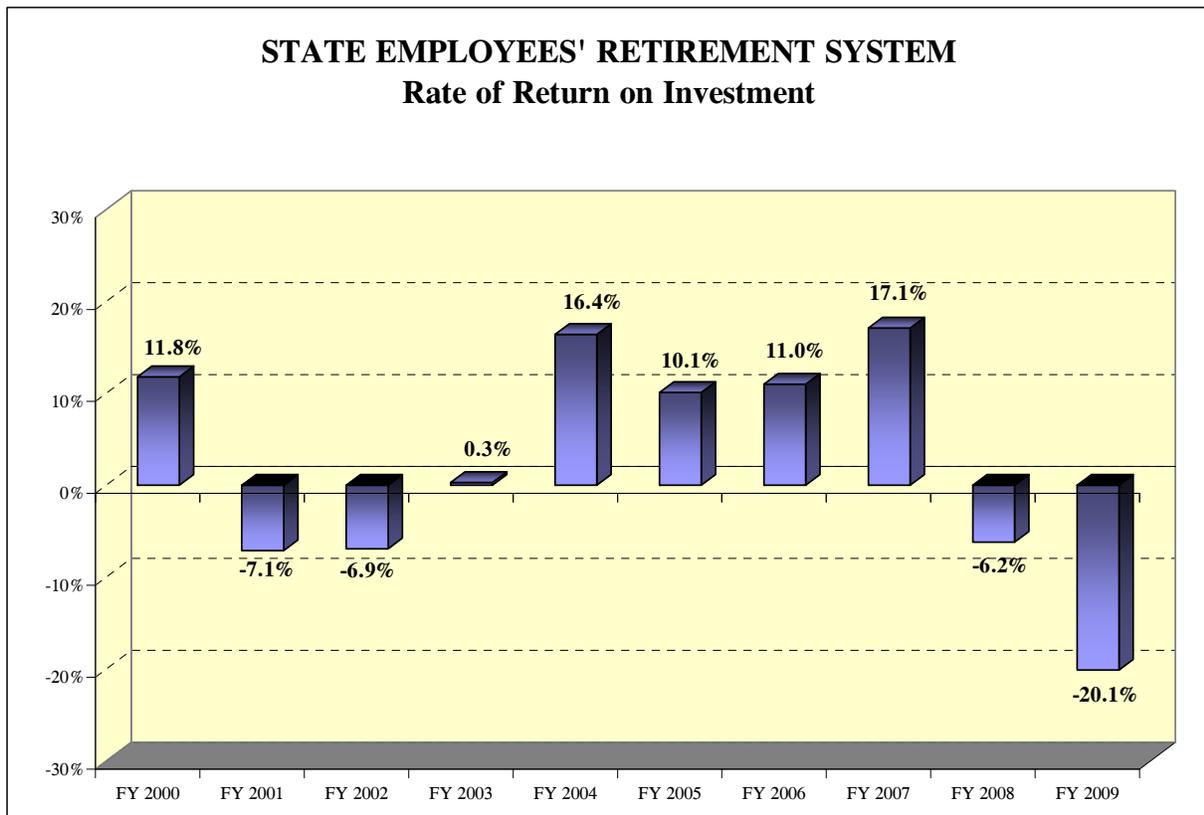


CHART 22

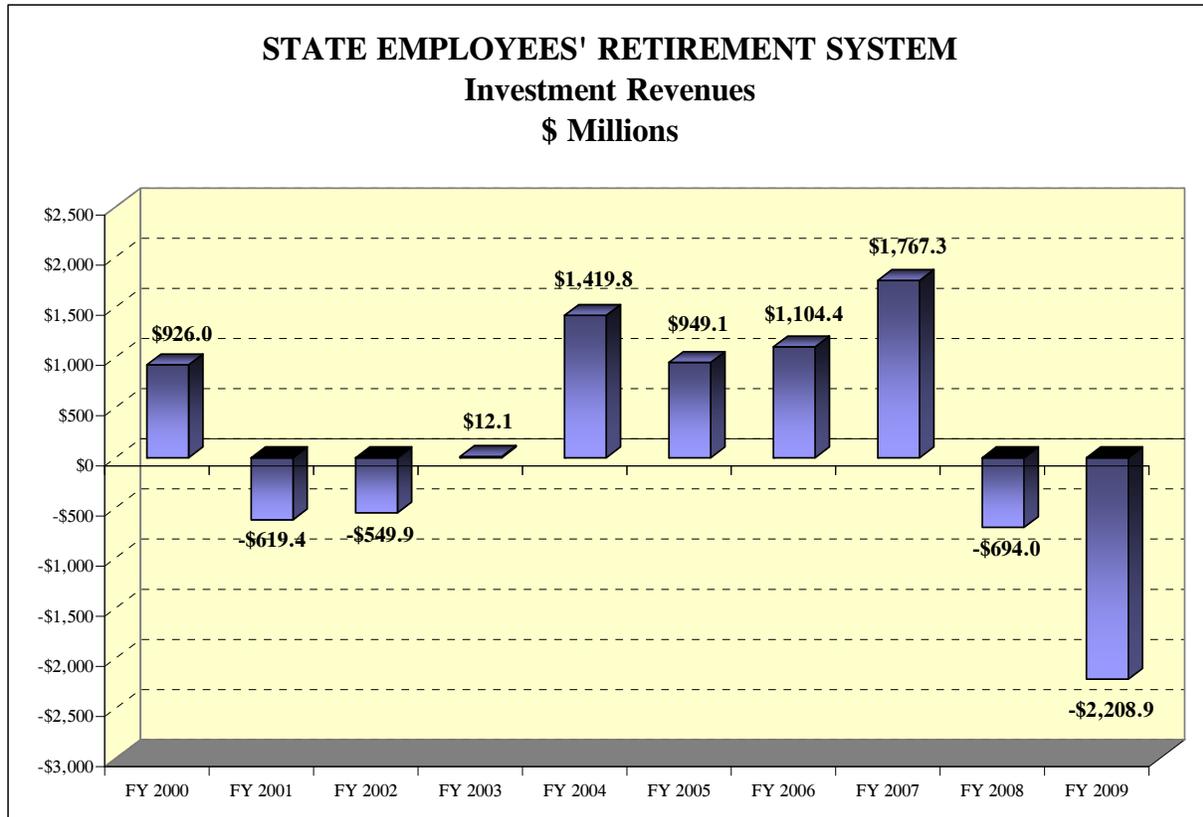


TABLE 10

#### STATE EMPLOYEES' RETIREMENT SYSTEM CHANGES IN UNFUNDED LIABILITY FY 1996 - FY 2009

YEAR ENDED	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 YEAR
<b>STATE EMPLOYEES</b>							
6/30/1996	(\$63,804,332)	(\$251,369,719)	\$196,620,212	\$0	\$0	\$47,104,123	(\$71,449,716)
6/30/1997	(65,121,542)	(541,583,072)	121,668,957	0	(379,894,379)	152,898,511	(712,031,525)
6/30/1998	(62,013,427)	(568,807,725)	9,431,057	1,249,883,128	0	148,729,225	777,222,258
6/30/1999	(12,536,220)	(307,064,512)	21,020,544	0	0	32,949,396	(265,630,792)
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
6/30/2009	(70,364,604)	608,553,603	662,751,770	0	0	251,538,179	1,452,478,948
<b>TOTALS</b>	<b>(\$93,719,152)</b>	<b>\$1,691,298,540</b>	<b>\$3,315,785,024</b>	<b>\$4,444,266,446</b>	<b>\$499,225,621</b>	<b>\$2,157,915,348</b>	<b>\$12,014,771,827</b>

NOTE: All of the calculations in this table are based upon asset actuarial values.

TABLE 11

STATE EMPLOYEES' RETIREMENT SYSTEM								
Changes in Net Assets								
(\$ in millions)								
Fiscal Years	2009	2008	2007	2006	2005	2004	2003	2002
Additions to Assets								
State of Illinois	774.9	587.7	358.8	210.5	427.5	478.7	396.1	386.1
Pension Obligation Bonds	0.0	0.0	0.0	0.0	0.0	1,386.0	0.0	0.0
Employees	242.2	250.0	224.7	214.1	209.3	199.8	285.2	196.9
Net Investment Income	-2,208.9	-680.8	1,779.9	1,104.4	949.1	1,419.8	12.1	-549.9
Total Asset Additions (A)	-1,191.8	156.9	2,363.4	1,529.0	1,585.9	3,484.3	693.4	33.1
Deductions from Assets								
Benefits	1,300.2	1,214.1	1,161.5	1,110.6	1,064.0	978.2	831.5	617.9
Refunds	14.8	16.8	14.1	13.4	14.1	12.4	28.4	14.2
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Expenses	10.7	9.5	8.8	8.1	8.3	7.7	8.2	7.6
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Deductions (B)	1,325.7	1,240.4	1,184.4	1,132.1	1,086.4	998.3	868.1	639.7
Change in Net Assets (A-B=C)	-2,517.5	-1,083.5	1,179.0	396.9	499.5	2,486.0	-174.7	-606.6

TABLE 12

<b>STATE EMPLOYEES' RETIREMENT SYSTEM</b>				
<b>Historical Investment Revenues</b>				
<b>(\$ in millions)</b>				
<b>Fiscal Year</b>	<b>Market Value of Assets at Year End</b>	<b>Net Investment Revenue</b>	<b>Rate of Return Earned</b>	
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%	
2009	8,565.7	-2,208.9	-20.1%	

*2000 - 2009 Asset Values are Market Values.*

NOTE: SERS investment management is provided by the Illinois State Board of Investment.

TABLE 13

<b>STATE EMPLOYEES' RETIREMENT SYSTEM</b>					
<b>Historical Underfunding</b>					
<b>(\$ in millions)</b>					
<b>Fiscal Year</b>	<b>Employer's Normal Cost</b>	<b>Interest on Unfunded Liabilities</b>	<b>Employer's Normal Cost + Interest</b>	<b>Total Employer Contributions</b>	<b>Historical Underfunding</b>
2000	155.8	163.3	319.1	340.9	21.0
2001	174.4	162.2	336.6	366.0	-21.8
2002	215.0	358.0	573.0	386.1	-29.4
2003	244.4	556.2	800.6	396.1	186.9
2004	192.5	728.1	920.6	1,864.7	404.5
2005	221.1	709.9	931.0	427.5	-944.1
2006	233.0	749.9	982.9	210.5	503.5
2007	328.8	846.6	1,175.4	358.8	772.4
2008	346.3	867.2	1,213.5	587.7	816.6
2009	362.9	1,091.9	1,454.8	774.9	679.9

TABLE 14

<b>PROJECTIONS FOR THE STATE EMPLOYEES' RETIREMENT SYSTEM</b> <b>Projected Underfunding Based on Laws in Effect on June 30, 2009</b> <b>(\$ in millions)</b>						
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Projected Underfunding	
2010	380.0	1,215.3	1,595.4	1,091.4	504.0	
2011	401.8	1,252.5	1,654.4	1,193.3	461.1	
2012	417.2	1,288.3	1,705.5	1,279.4	426.1	
2013	432.5	1,324.8	1,757.4	1,374.8	382.6	
2014	447.8	1,361.2	1,809.0	1,469.9	339.1	
2015	462.7	1,397.3	1,860.0	1,565.5	294.5	
2016	477.0	1,433.2	1,910.2	1,626.7	283.5	
2017	491.5	1,468.9	1,960.5	1,684.9	275.6	
2018	506.3	1,504.3	2,010.7	1,745.5	265.2	
2019	521.5	1,539.2	2,060.7	1,808.8	251.9	
2020	536.8	1,573.5	2,110.3	1,870.4	239.9	
2021	552.5	1,606.7	2,159.2	1,935.2	224.0	
2022	567.5	1,638.8	2,206.4	2,003.6	202.8	
2023	584.2	1,669.3	2,253.6	2,075.3	178.3	
2024	601.6	1,698.1	2,299.8	2,146.1	153.7	
2025	617.6	1,725.2	2,342.7	2,216.8	125.9	
2026	636.4	1,750.3	2,386.7	2,295.9	90.8	
2027	655.4	1,772.7	2,428.1	2,379.9	48.2	
2028	677.0	1,792.0	2,469.0	2,463.5	5.5	
2029	701.7	1,808.0	2,509.8	2,552.6	-42.8	
2030	706.5	1,820.4	2,527.0	2,642.9	-115.9	
2031	742.1	1,827.2	2,569.4	2,728.2	-158.8	
2032	772.4	1,830.5	2,603.0	2,834.6	-231.6	
2033	806.4	1,828.1	2,634.5	2,953.5	-319.0	
2034	843.6	1,818.7	2,662.3	3,353.6	-691.3	
2035	882.6	1,801.5	2,684.2	3,487.9	-803.7	
2036	925.0	1,776.3	2,701.3	3,629.1	-927.8	
2037	969.5	1,742.0	2,711.6	3,777.3	-1,065.7	
2038	1,015.6	1,697.7	2,713.3	3,932.3	-1,219.0	
2039	1,063.0	1,642.0	2,705.0	4,093.4	-1,388.4	
2040	1,111.7	1,573.8	2,685.4	4,260.9	-1,575.5	
2041	1,161.2	1,491.4	2,652.6	4,434.9	-1,782.3	
2042	1,211.3	1,393.3	2,604.6	4,615.4	-2,010.8	
2043	1,262.4	1,277.8	2,540.3	4,802.2	-2,261.9	
2044	1,314.5	1,143.1	2,457.6	4,995.8	-2,538.2	
2045	1,367.4	987.0	2,354.4	5,196.4	-2,842.0	

# 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**
- **Unfunded History**
- **Rate of Return on Investments**
- **Annual Investment Revenue**
- **Annual Changes in Unfunded**
- **Changes in Net Assets**
- **Investment Return History**
- **Historical Underfunding**
- **Projected Underfunding**





# **State Universities Retirement System**

## **Traditional Defined Benefit Formula Plan Summary**

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### **Retirement Age**

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- ❑ 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**

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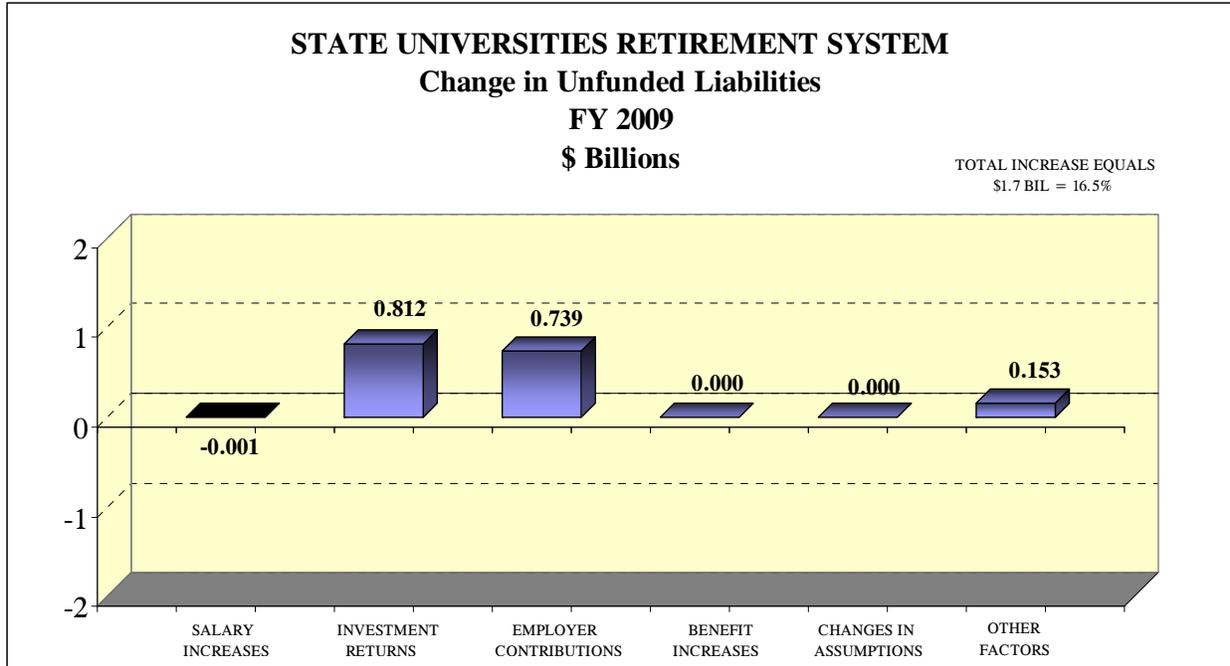
- ❑ 3% compounded.

### **Employee Contributions**

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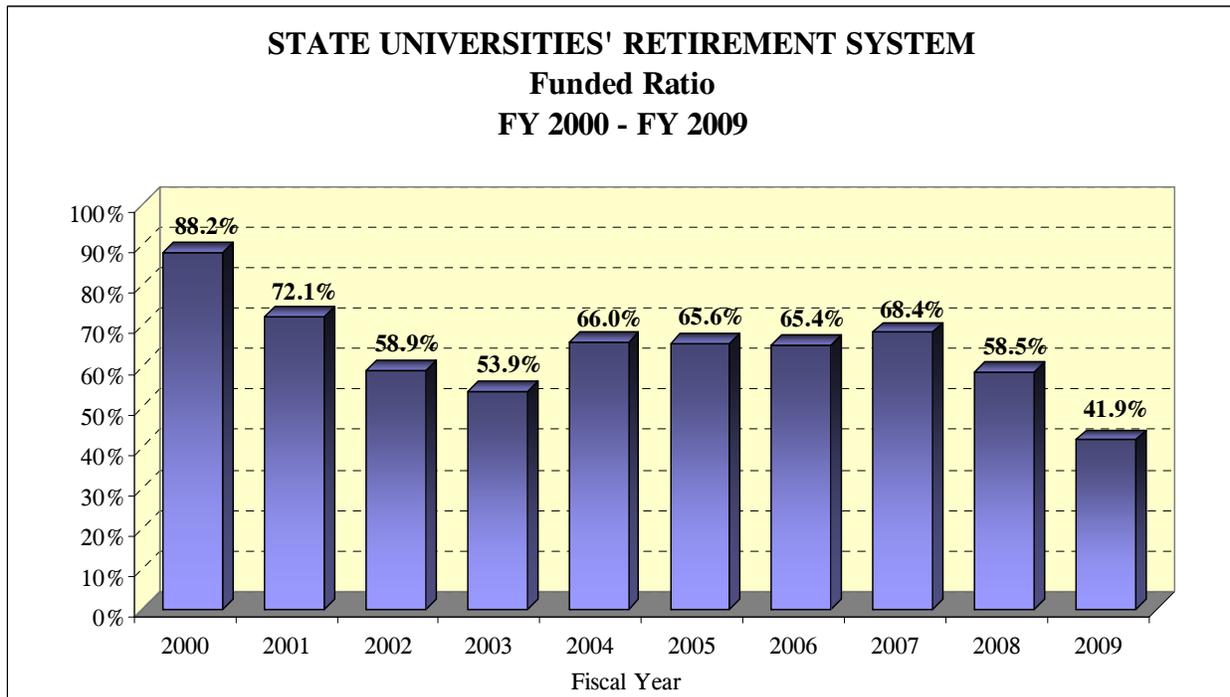
- ❑ 8.0% of salary.

CHART 23



NOTE: This chart is based upon asset actuarial values.

CHART 24



NOTE: The above FY2009 figure is based upon asset market values without asset smoothing,

CHART 25

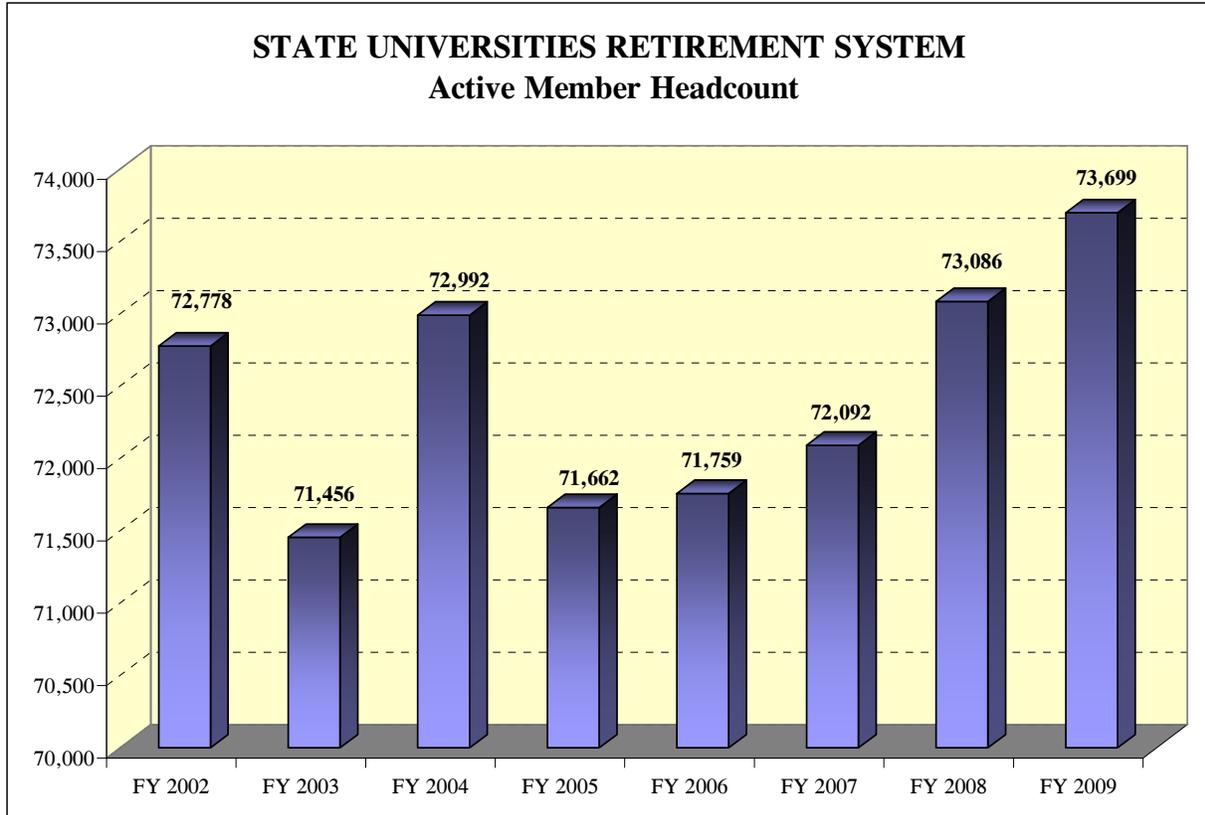


CHART 26

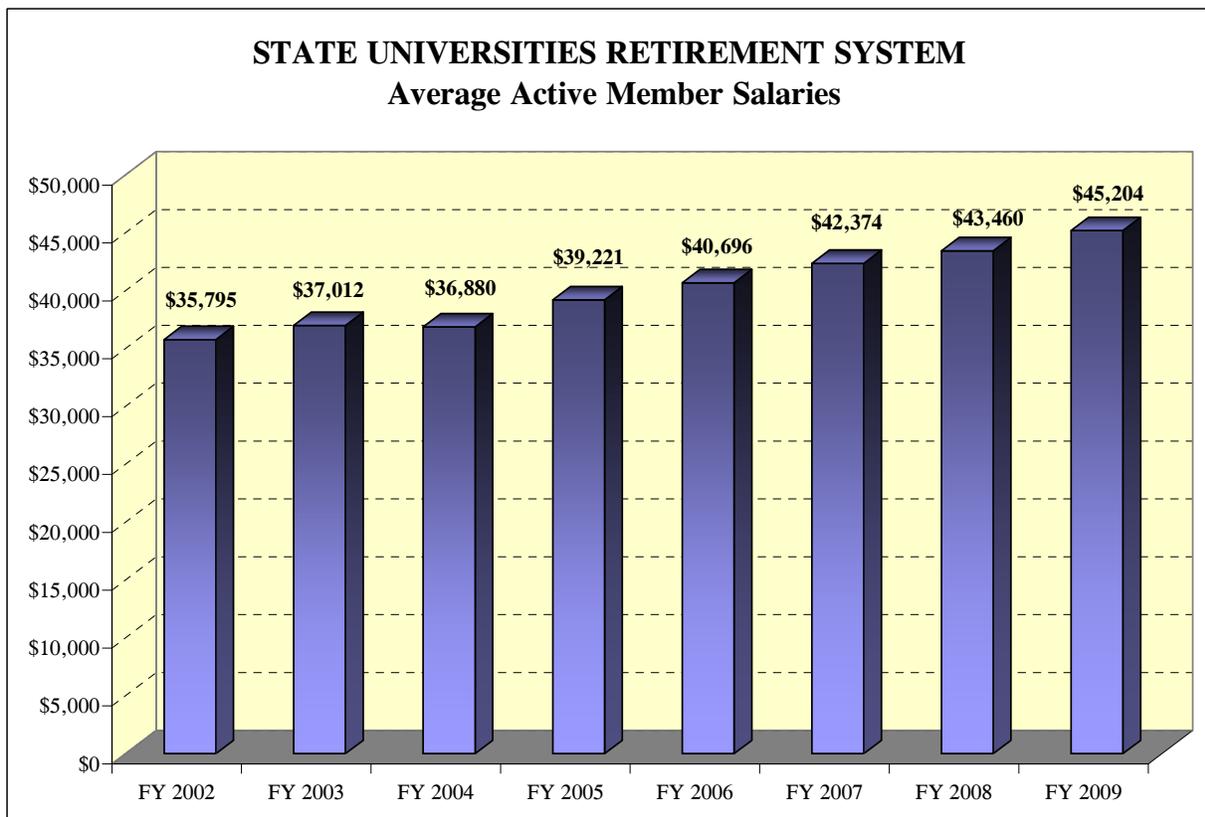


CHART 27

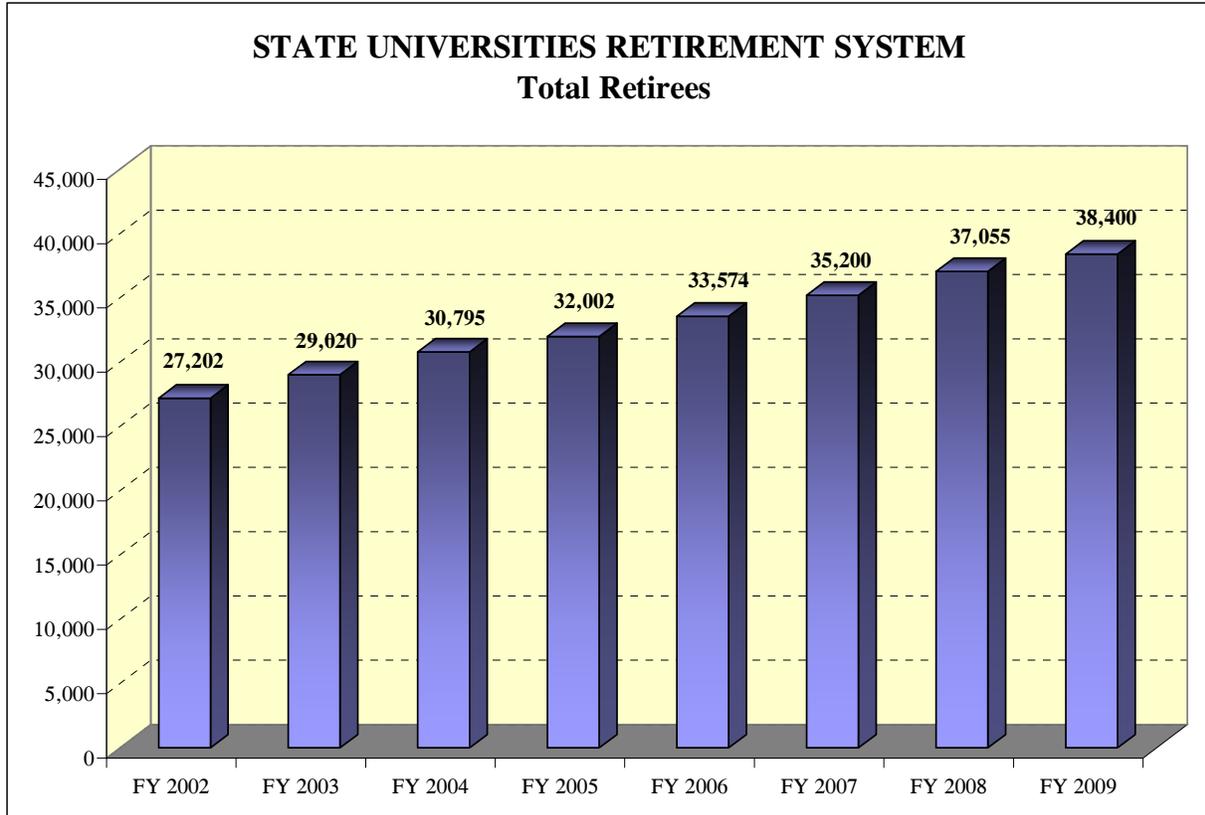


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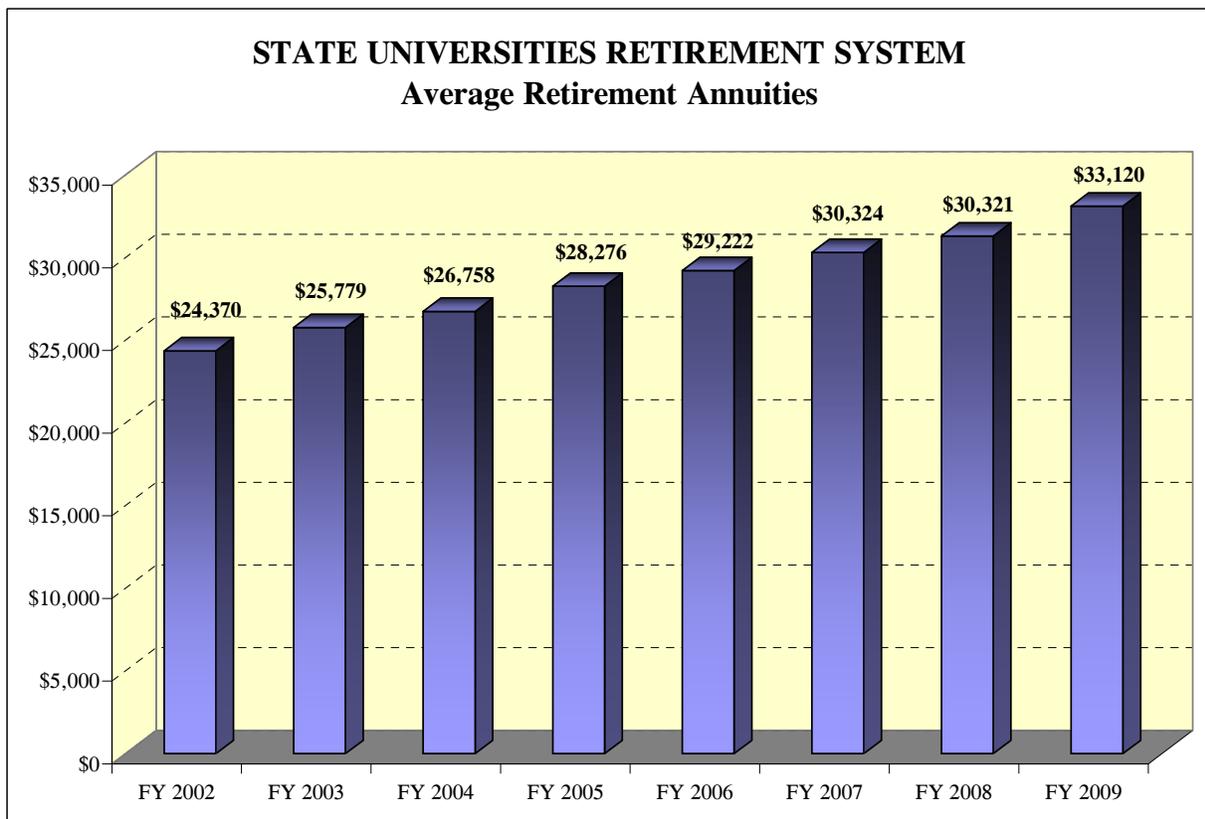


CHART 29

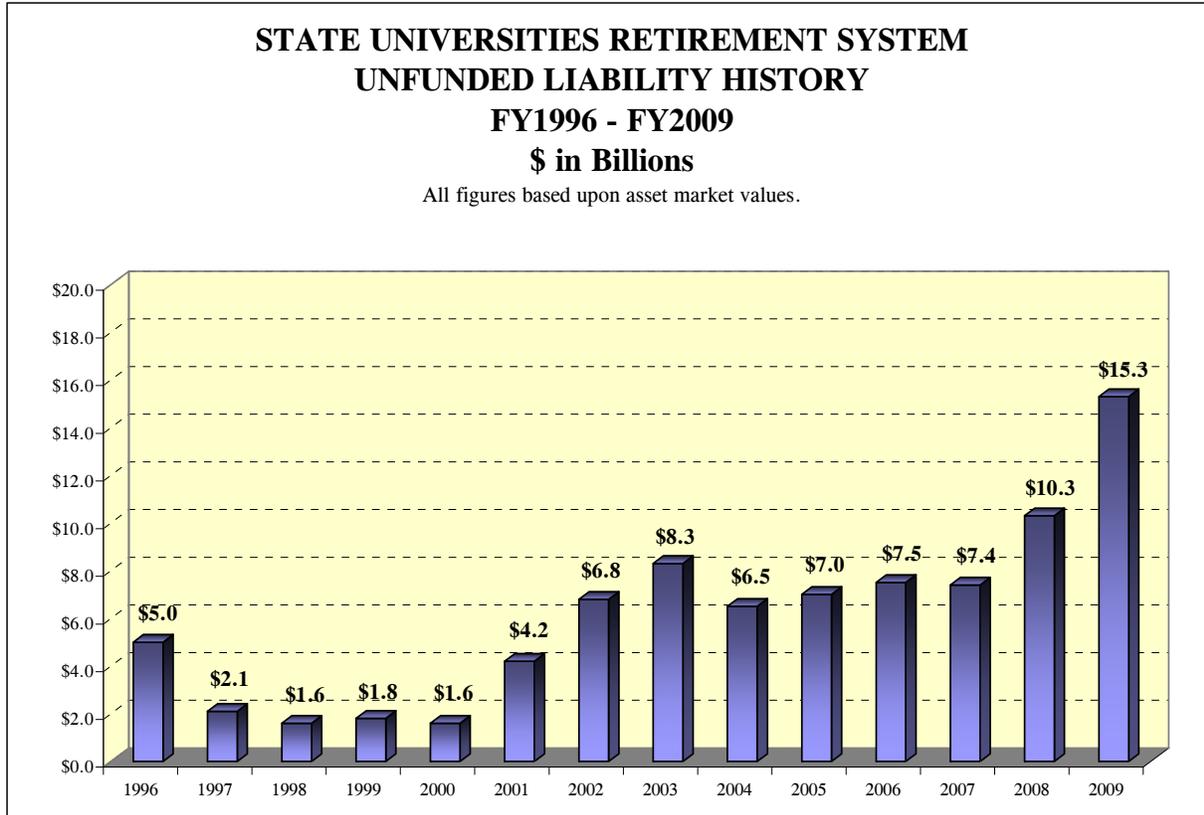


CHART 30

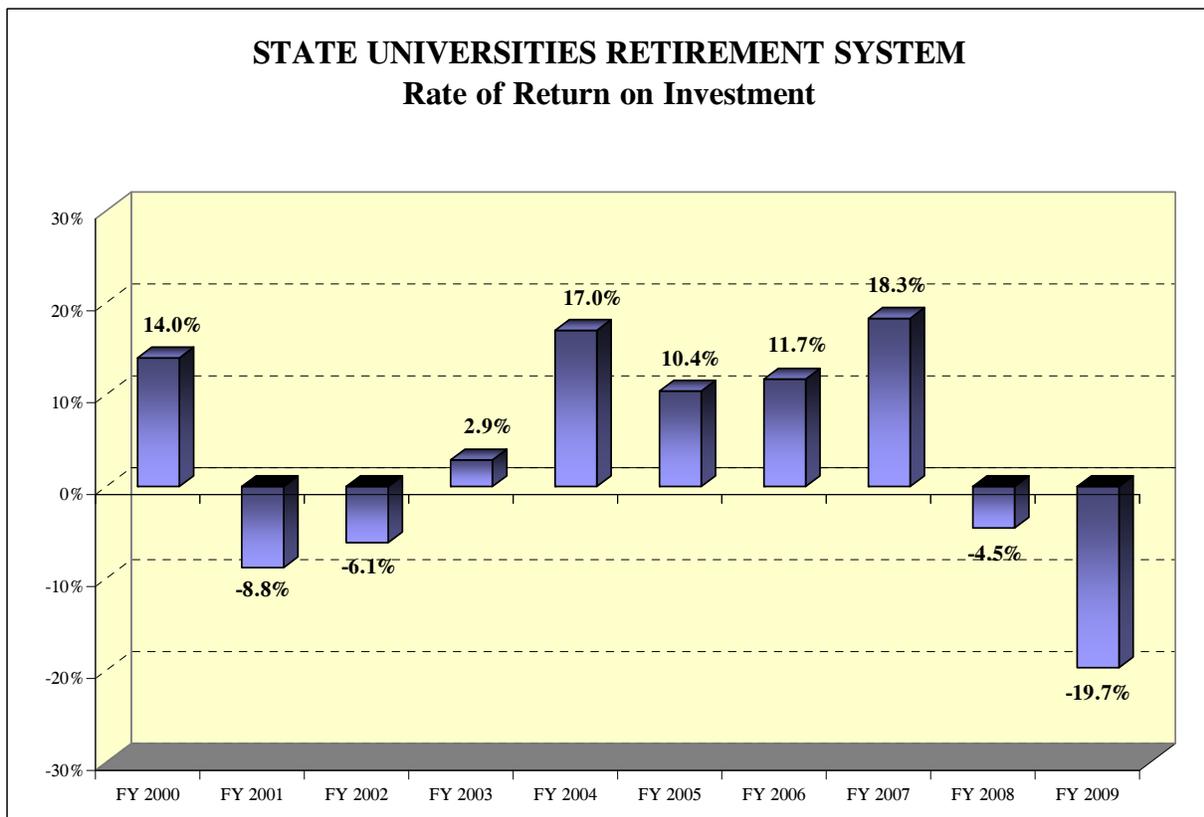


CHART 31

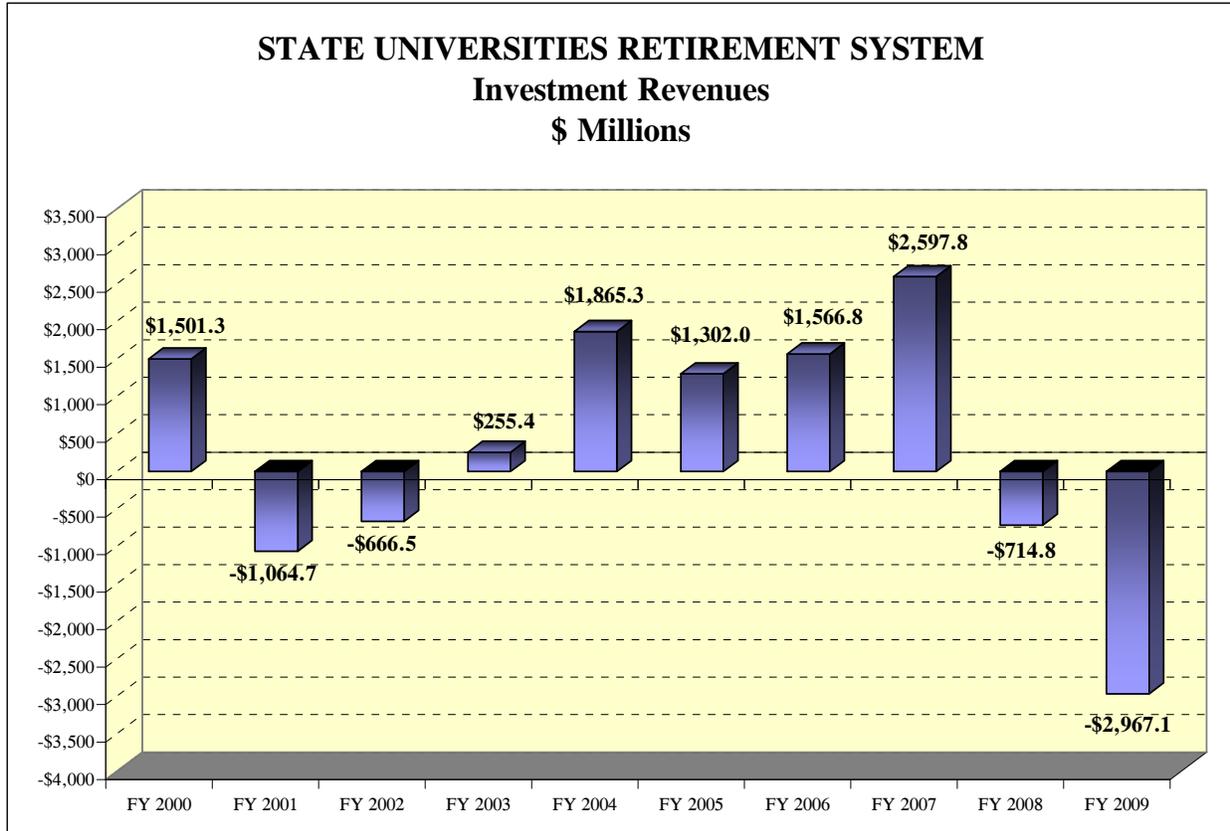


TABLE 15

STATE UNIVERSITIES RETIREMENT SYSTEM CHANGES IN UNFUNDED LIABILITY FY 1996 - FY 2009							
YEAR ENDED	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 YEAR
<b>STATE UNIVERSITIES</b>							
6/30/1996	(\$70,535,000)	(\$105,383,000)	\$456,044,000	\$0	\$0	\$86,823,000	\$366,949,000
6/30/1997	(44,026,000)	(312,322,000)	424,816,000	179,117,000	(3,342,395,000)	198,529,000	(2,896,281,000)
6/30/1998	5,238,000	(765,736,000)	158,840,000	0	0	48,075,000	(553,583,000)
6/30/1999	44,300,000	(273,300,000)	271,300,000	0	0	190,800,000	233,100,000
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
6/30/2009	(1,300,000)	812,300,000	738,700,000	0	0	153,200,000	1,702,900,000
<b>TOTALS</b>	<b>\$320,477,000</b>	<b>\$2,068,059,000</b>	<b>\$5,431,300,000</b>	<b>\$242,117,000</b>	<b>(\$2,532,695,000)</b>	<b>\$1,799,966,000</b>	<b>\$7,329,224,000</b>

NOTE: All of the calculations in this table are based upon asset actuarial values.

TABLE 16

STATE UNIVERSITIES' RETIREMENT SYSTEM								
Changes in Net Assets								
(\$ in millions)								
Fiscal Years	2009	2008	2007	2006	2005	2004	2003	2002
Additions to Assets								
State of Illinois	445.6	340.3	252.1	166.7	269.9	311.7	269.6	240.4
Pension Obligation Bonds	0.0	0.0	0.0	0.0	0.0	1,432.0	0.0	0.0
Employees	322.1	310.1	304.0	292.4	285.6	275.1	275.9	277.5
Federal	44.2	43.6	42.4	43.0	42.9	39.6	40.4	38.7
Net Investment Income	-2,967.1	-714.8	2,597.8	1,566.8	1,302.0	1,865.3	255.4	-666.5
Total Asset Additions (A)	-2,155.2	-20.8	3,196.3	2,068.9	1,900.4	3,923.7	841.3	-109.9
Deductions from Assets								
Benefits	1,376.7	1,279.2	1,180.6	1,086.6	1,005.4	915.9	837.3	743.3
Refunds	51.4	54.9	53.4	51.4	43.1	39.1	35.2	39.5
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Expenses	12.9	12.1	11.7	12.0	12.1	11.5	11.9	11.8
Other	0.0	0.0	0.0	0.2	0.7	0.8	1.3	1.3
Total Asset Deductions (B)	1,441.0	1,346.2	1,245.7	1,150.2	1,061.3	967.3	885.7	795.9
Change in Net Assets (A-B=C)	-3,596.2	-1,367.0	1,950.6	918.7	839.1	2,956.3	-44.4	-905.8
<i>* Includes both the Defined Benefit and Self Managed Plans.</i>								

TABLE 17

<b>STATE UNIVERSITIES' RETIREMENT SYSTEM</b>				
<b>Historical Investment Revenues</b>				
<b>(\$ in millions)</b>				
<b>Fiscal Year</b>	<b>Market Value of Assets at Year End</b>	<b>Net Investment Revenue</b>	<b>Rate of Return Earned</b>	
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	15,202.7	-714.8	-4.5%	
2009	11,033.0	-2,967.1	-19.7%	

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

TABLE 18

<b>STATE UNIVERSITIES RETIREMENT SYSTEM</b>					
<b>Historical Underfunding</b>					
<b>(\$ in millions)</b>					
<b>Fiscal Year</b>	<b>Employer's Normal Cost</b>	<b>Interest on Unfunded Liabilities</b>	<b>Employer's Normal Cost + Interest</b>	<b>Total Employer Contributions*</b>	<b>Historical Underfunding</b>
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	671.9	982.3	347.8	634.5
2009	317.9	829.4	1,147.3	451.6	695.7

*\* Includes only Defined Benefit Plan contributions.*

TABLE 19

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
2010	360.4	894.4	1,254.8	741.5	513.3
2011	362.0	1,135.5	1,497.5	888.1	609.4
2012	361.8	1,271.9	1,633.7	984.6	649.1
2013	361.0	1,405.2	1,766.2	1,079.8	686.4
2014	360.4	1,535.3	1,895.6	1,174.2	721.4
2015	360.3	1,592.8	1,953.1	1,266.7	686.4
2016	360.2	1,646.6	2,006.8	1,318.4	688.4
2017	361.3	1,700.1	2,061.4	1,368.1	693.3
2018	363.7	1,753.0	2,116.7	1,422.3	694.3
2019	367.0	1,805.1	2,172.1	1,480.8	691.3
2020	371.4	1,856.0	2,227.3	1,538.0	689.3
2021	377.2	1,905.8	2,283.0	1,599.9	683.1
2022	384.8	1,954.5	2,339.2	1,666.5	672.7
2023	393.5	2,001.5	2,395.0	1,738.5	656.5
2024	403.8	2,046.5	2,450.3	1,810.3	640.0
2025	415.6	2,089.4	2,504.9	1,887.9	617.1
2026	428.7	2,127.7	2,556.5	1,976.0	580.5
2027	443.5	2,162.2	2,605.8	2,069.7	536.0
2028	459.5	2,192.3	2,651.8	2,164.5	487.3
2029	476.8	2,217.5	2,694.3	2,265.5	428.7
2030	495.1	2,236.8	2,732.0	2,368.4	363.6
2031	514.9	2,249.9	2,764.8	2,478.7	286.1
2032	536.5	2,255.5	2,792.0	2,601.9	190.1
2033	560.0	2,252.1	2,812.0	2,737.9	74.1
2034	585.3	2,237.6	2,822.9	2,888.1	-65.2
2035	612.6	2,210.2	2,822.8	3,028.3	-205.5
2036	642.0	2,169.8	2,811.8	3,176.2	-364.4
2037	673.9	2,114.7	2,788.6	3,332.1	-543.5
2038	709.5	2,043.1	2,752.6	3,496.9	-744.3
2039	747.3	1,953.1	2,700.4	3,670.6	-970.2
2040	786.4	1,842.4	2,628.7	3,853.1	-1,224.4
2041	827.1	1,708.8	2,535.9	4,044.6	-1,508.7
2042	869.6	1,549.6	2,419.2	4,246.0	-1,826.8
2043	913.9	1,362.1	2,276.0	4,457.5	-2,181.5
2044	960.1	1,143.0	2,103.1	4,679.8	-2,576.7
2045	1,008.4	888.9	1,897.2	4,913.3	-3,016.0



# 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**
- **Unfunded History**
- **Rate of Return on Investments**
- **Annual Investment Revenue**
- **Annual Changes in Unfunded**
- **Changes in Net Assets**
- **Investment Return History**
- **Historical Underfunding**
- **Projected Underfunding**





# Judges' Retirement System

## Plan Summary

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### Retirement Age

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- ❑ 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

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- ❑ 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

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- ❑ 85% of final salary.

### Salary Used to Calculate Pension

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- ❑ Salary on last day of service.

### Annual COLA

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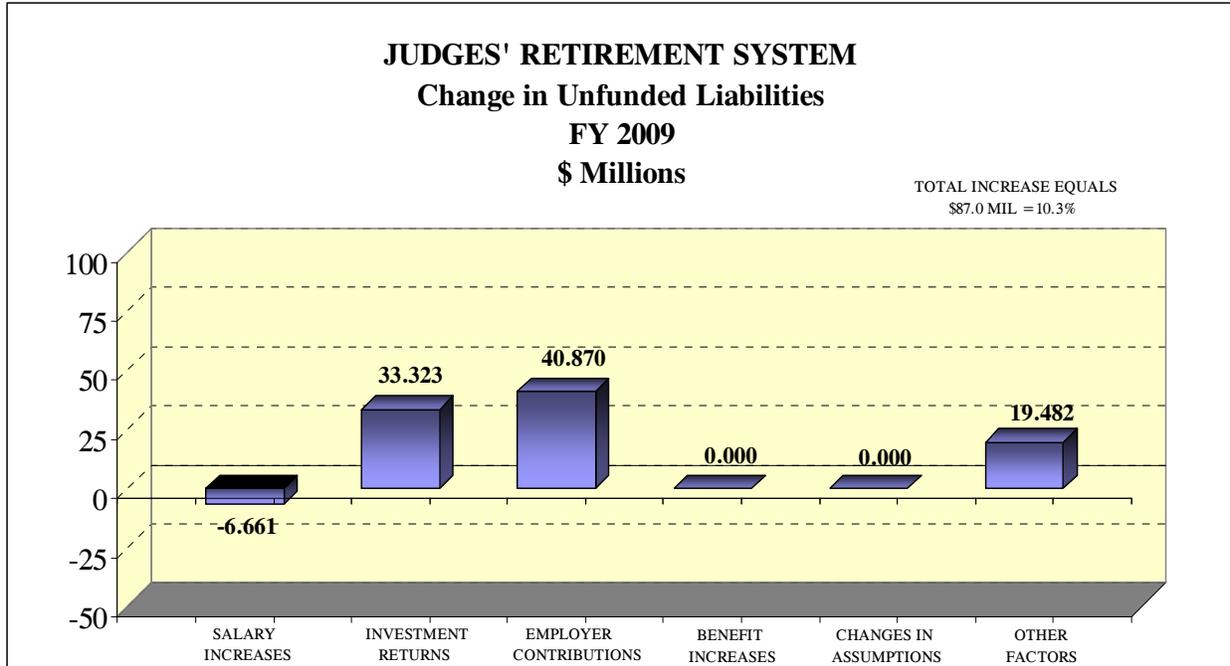
- ❑ 3% compounded.

### Employee Contributions

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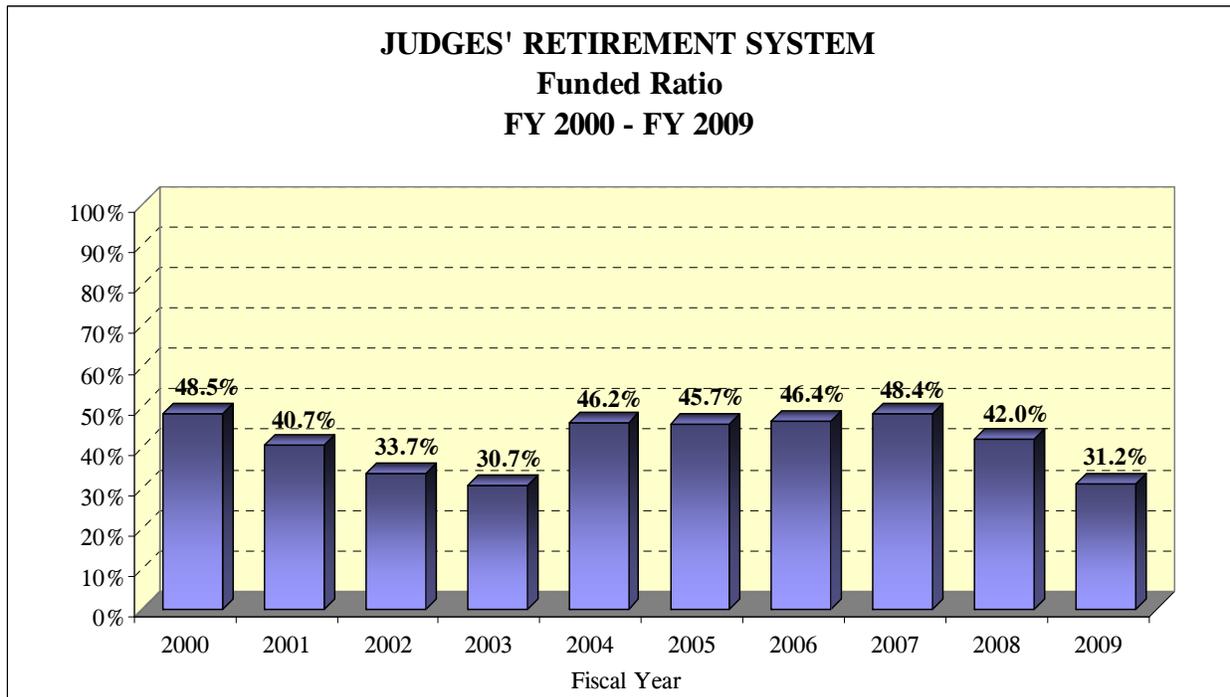
- ❑ 11.0% of salary.

CHART 32



NOTE: This chart is based upon asset actuarial values.

CHART 33



NOTE: The above FY2009 figure is based upon asset market values without asset smoothing.

CHART 34

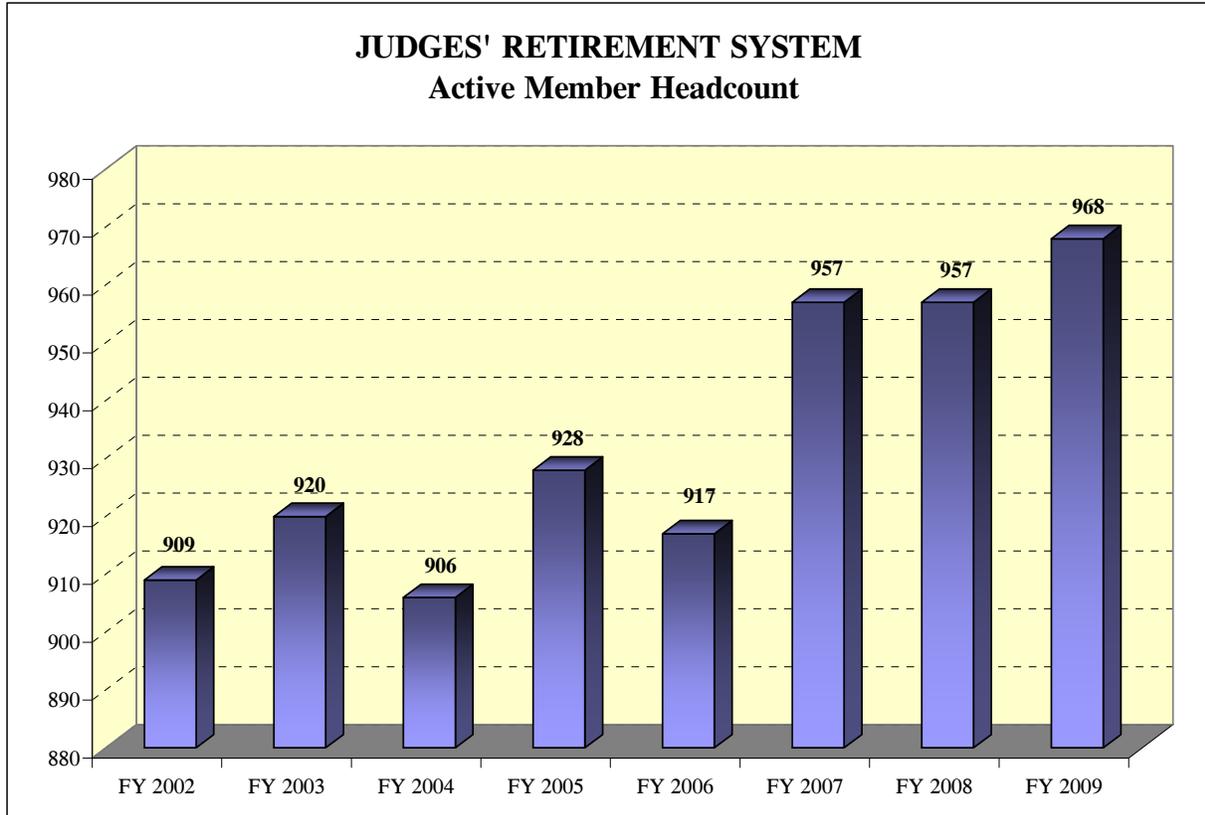


CHART 35

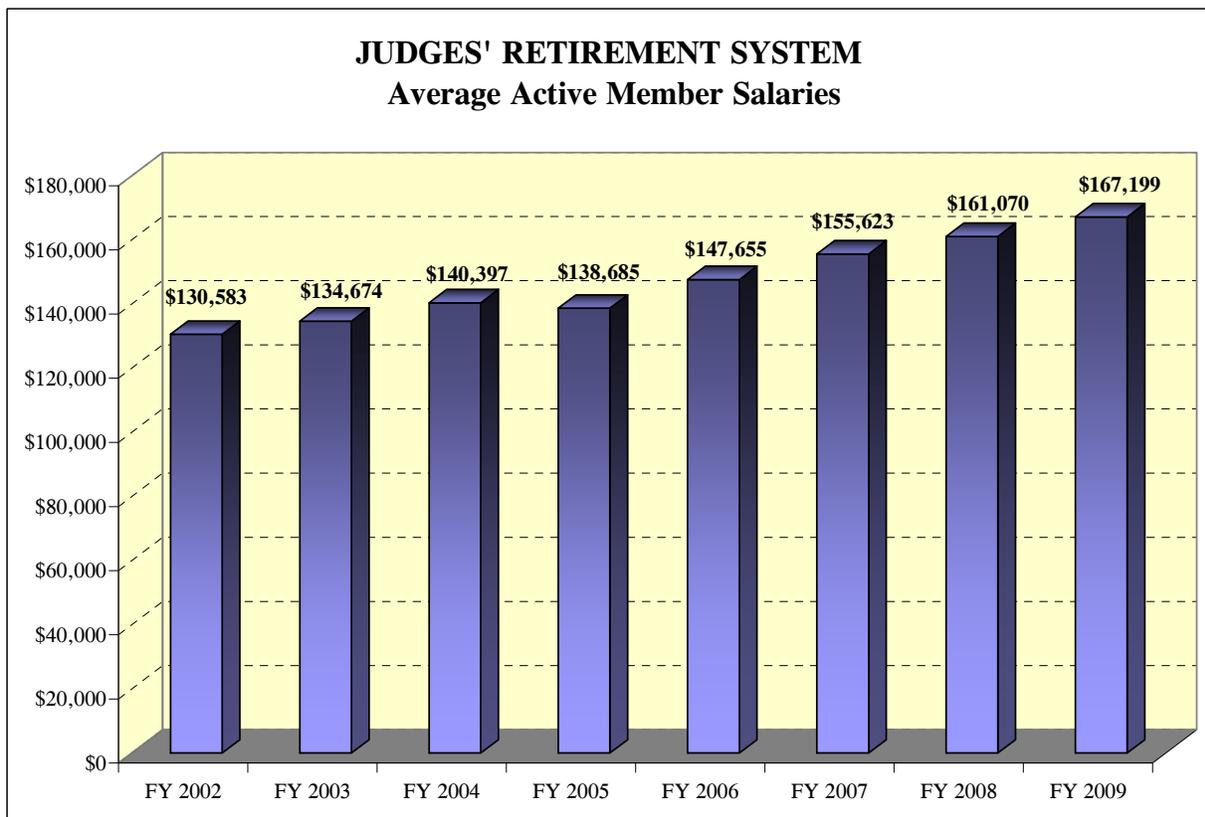


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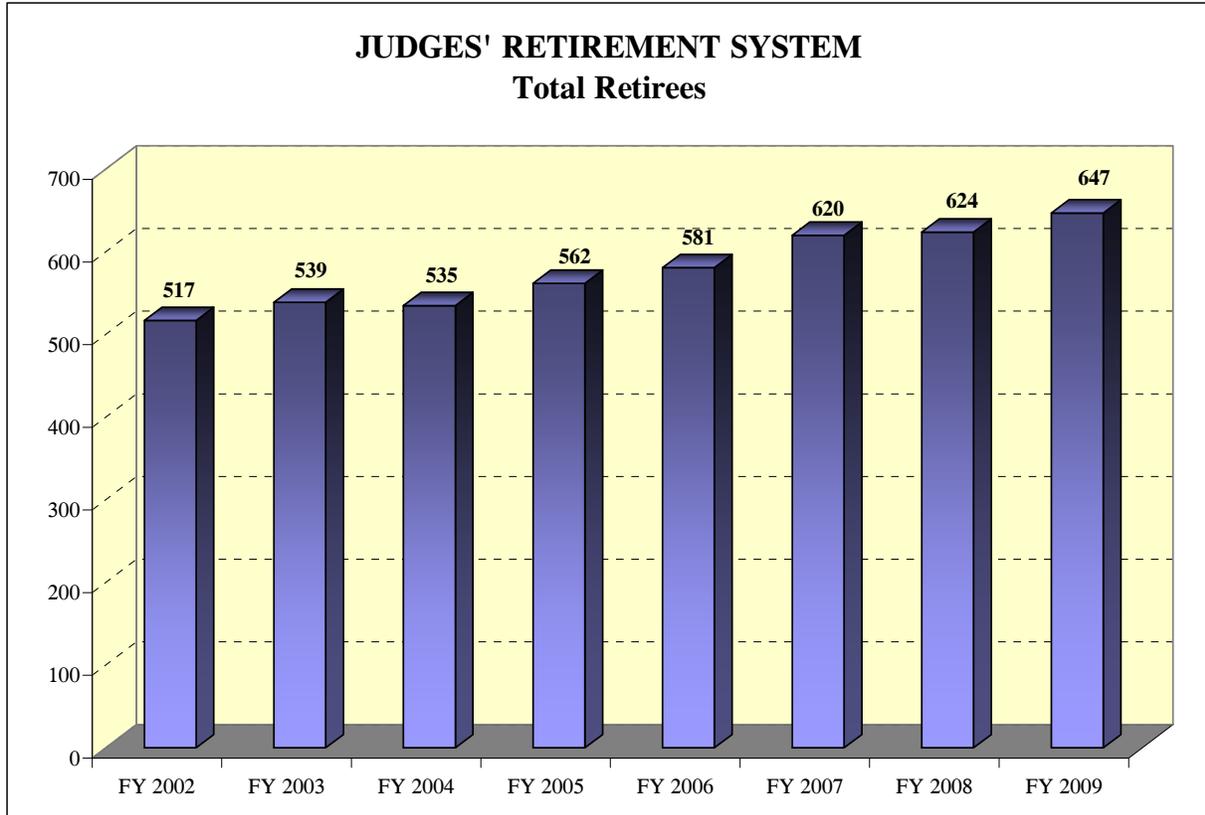


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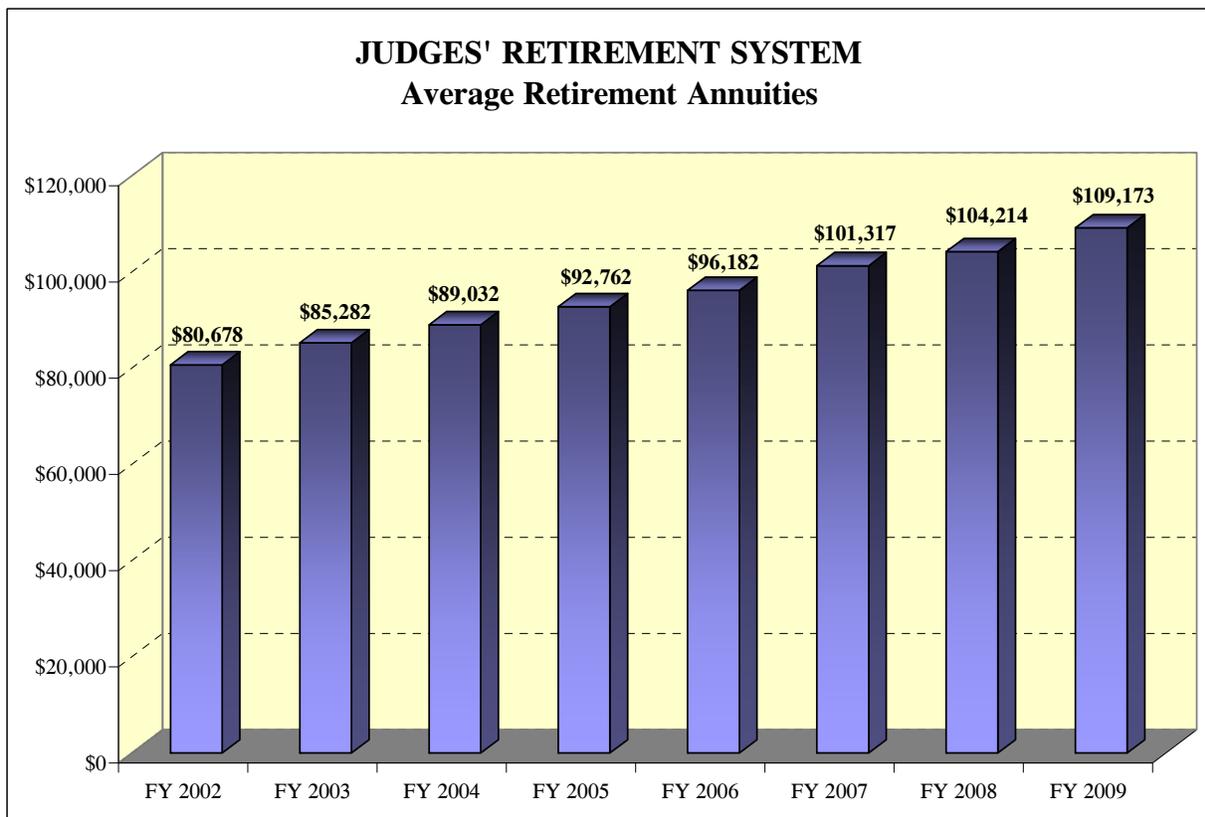


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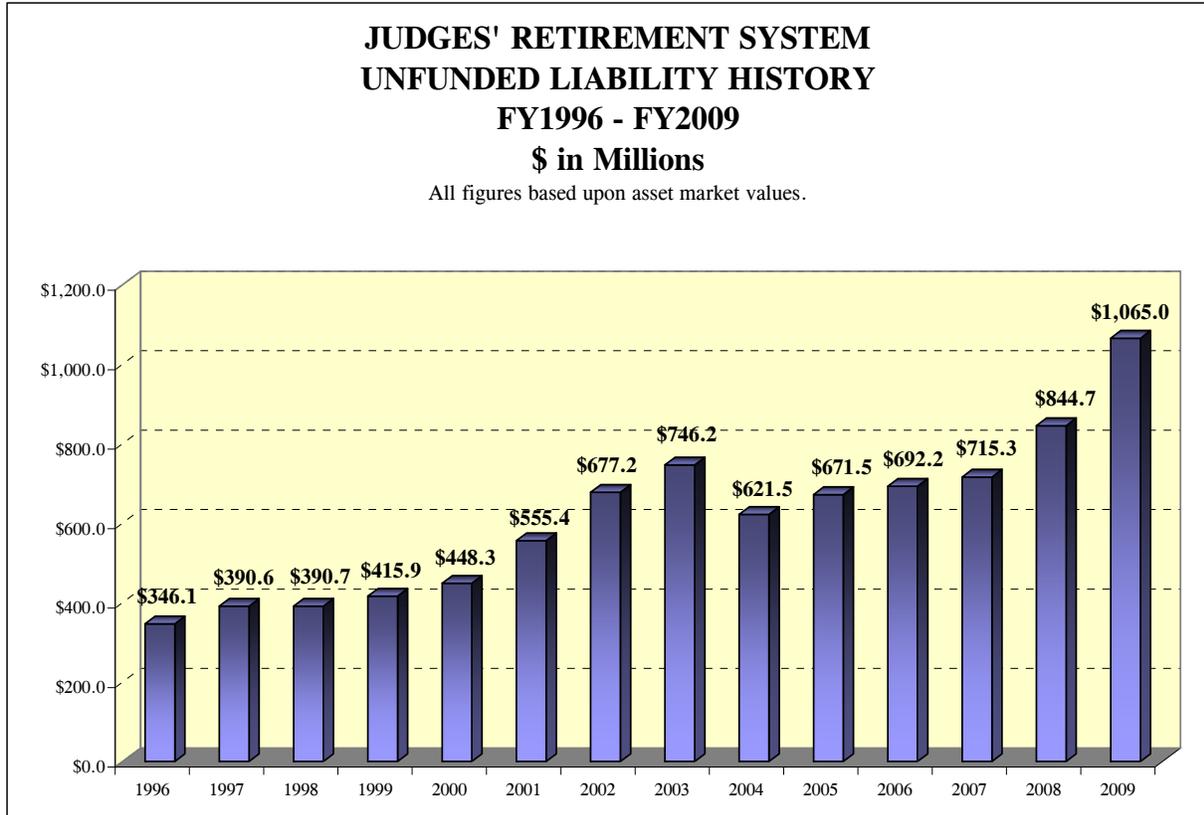


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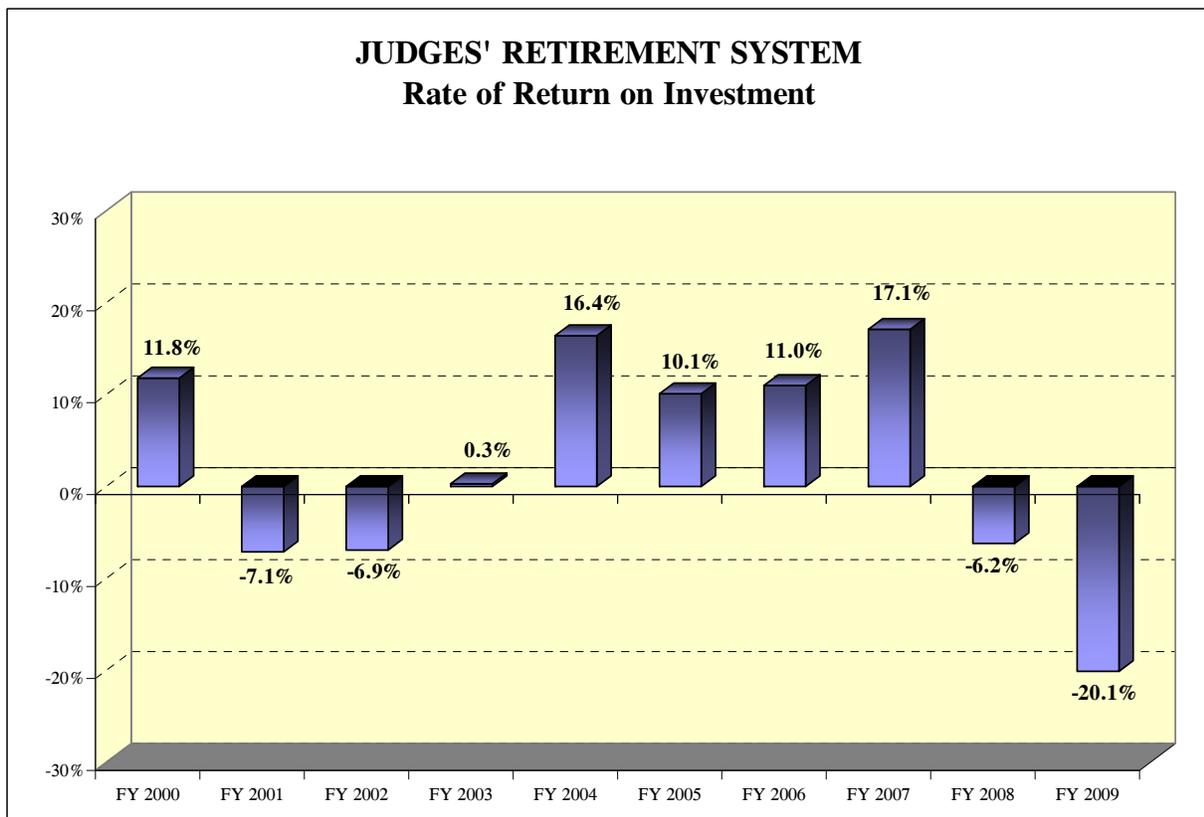


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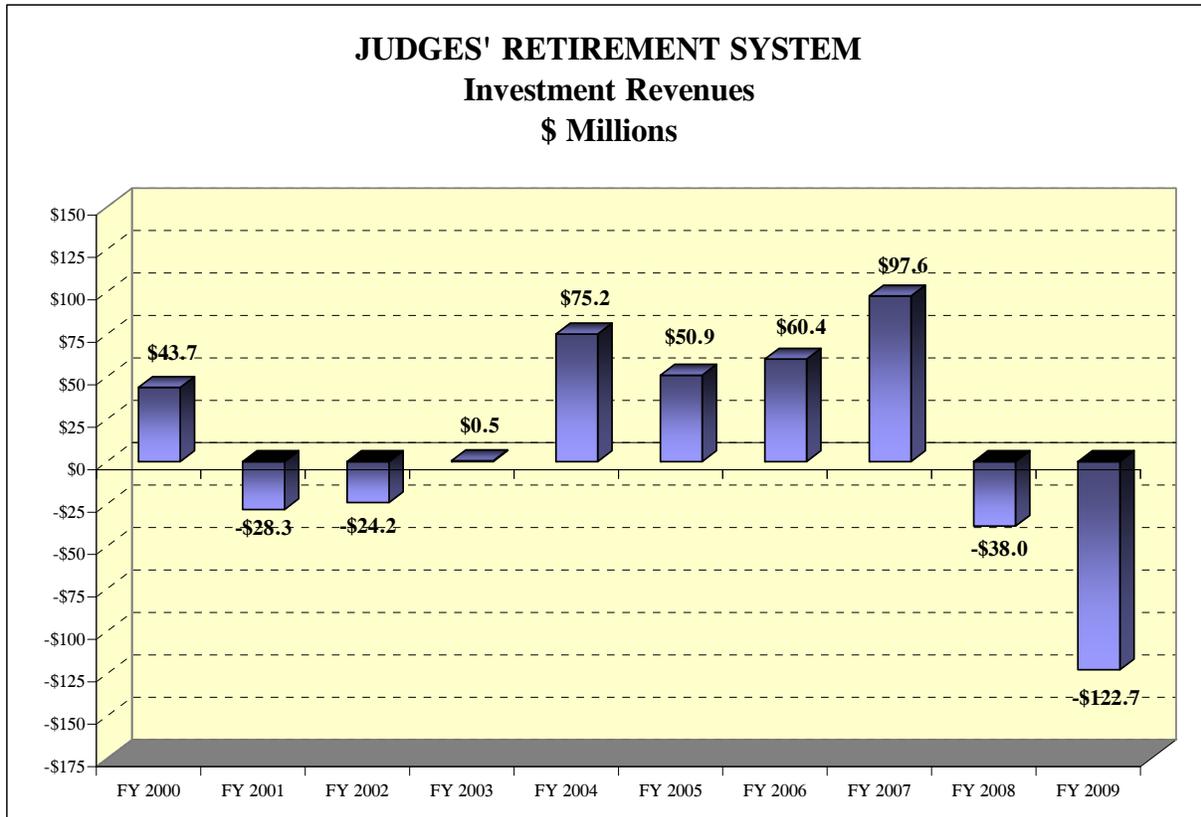


TABLE 20

#### JUDGES' RETIREMENT SYSTEM CHANGES IN UNFUNDED LIABILITY FY 1996 - FY 2009

YEAR ENDED	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 YEAR
<b>JUDGES</b>							
6/30/1996	\$9,999,484	(\$13,671,404)	\$24,518,236	\$0	\$0	\$14,931,343	\$35,777,659
6/30/1997	(7,658,092)	(28,145,182)	27,156,529	0	37,922,093	15,264,216	44,539,564
6/30/1998	(10,160,914)	(30,497,137)	34,123,085	0	0	7,218,733	683,767
6/30/1999	456,439	(16,539,663)	32,504,330	0	0	8,821,168	25,242,274
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
6/30/2009	(6,661,210)	33,322,668	40,870,123	0	0	19,481,669	87,013,250
<b>TOTALS</b>	<b>(\$97,683,741)</b>	<b>\$50,470,260</b>	<b>\$421,893,630</b>	<b>\$2,848,501</b>	<b>\$55,114,192</b>	<b>\$189,393,842</b>	<b>\$622,036,684</b>

NOTE: All of the calculations in this table are based upon asset actuarial values.

TABLE 21

<b>JUDGES' RETIREMENT SYSTEM</b>								
Changes in Net Assets								
(\$ in millions)								
Fiscal Years	2009	2008	2007	2006	2005	2004	2003	2002
Additions to Assets								
State of Illinois	60.0	47.0	35.2	29.2	32.0	36.5	31.4	27.5
Pension Obligation Bonds	0.0	0.0	0.0	0.0	0.0	142.0	0.0	0.0
Employees	15.8	15.4	14.2	13.6	13.3	13.7	12.9	12.5
Net Investment Income	-122.7	-38.0	98.2	60.4	50.9	45.2	0.5	-24.2
Total Asset Additions (A)	-46.9	24.4	147.6	103.2	96.2	237.4	44.8	15.8
Deductions from Assets								
Benefits	85.8	80.5	75.6	69.0	64.5	60.9	56.7	52.8
Refunds	0.4	0.8	0.6	0.8	0.7	0.4	0.6	0.4
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Administrative Expenses	0.6	0.5	0.5	0.4	0.5	0.5	0.4	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Deductions (B)	86.8	81.8	76.7	70.2	65.7	61.8	57.7	53.6
Change in Net Assets (A-B=C)	-133.7	-57.4	70.9	33.0	30.5	175.6	-12.9	-37.8

TABLE 22

<b>JUDGES' RETIREMENT SYSTEM</b>				
<b>Historical Investment Revenues</b>				
<b>(\$ in millions)</b>				
<b>Fiscal Year</b>	<b>Market Value of Assets at Year End</b>	<b>Net Investment Revenue</b>	<b>Rate of Return Earned</b>	
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%	
2009	483.5	-122.7	-20.1%	

*1999 - 2009 Asset Values are Market Values.*

Note: JRS investment management is provided by the Illinois State Board of Investment.

TABLE 23

<b>JUDGES' RETIREMENT SYSTEM</b>						
<b>Historical Underfunding</b>						
<b>(\$ in millions)</b>						
<b>Fiscal Year</b>	<b>Employer's Normal Cost</b>	<b>Interest on Unfunded Liabilities</b>	<b>Employer's Normal Cost + Interest</b>	<b>Total Employer Contributions</b>	<b>Historical Underfunding</b>	
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	35.8	53.7	89.5	47.0	42.5	
2009	37.4	63.4	100.8	60.0	40.8	

TABLE 24

<b>PROJECTIONS FOR THE JUDGES' RETIREMENT SYSTEM</b> <b>Projected Underfunding Based on Laws in Effect on June 30, 2009</b> <b>(\$ in millions)</b>					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Projected Underfunding
2010	37.3	74.5	111.8	78.8	33.0
2011	39.1	76.0	115.1	82.2	32.9
2012	40.6	77.5	118.1	85.5	32.6
2013	42.6	79.2	121.8	88.7	33.1
2014	44.2	80.9	125.1	91.7	33.4
2015	46.4	82.8	129.2	95.4	33.8
2016	48.1	84.9	133.0	99.2	33.8
2017	50.4	86.9	137.3	103.2	34.1
2018	52.5	88.9	141.4	107.3	34.1
2019	55.1	90.8	145.9	111.6	34.3
2020	57.5	92.8	150.3	116.1	34.2
2021	60.4	94.7	155.1	120.7	34.4
2022	63.1	96.6	159.7	125.5	34.2
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	31.1
2027	78.1	104.6	182.7	152.7	30.0
2028	81.2	105.8	187.0	158.9	28.1
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**
- **Unfunded History**
- **Rate of Return on Investments**
- **Annual Investment Revenue**
- **Annual Changes in Unfunded**
- **Changes in Net Assets**
- **Investment Return History**
- **Historical Underfunding**
- **Projected Underfunding**





# General Assembly Retirement System Plan Summary

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## Retirement Age

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

## Retirement Formula

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- ❑ 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

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- ❑ 85% of final salary.

## Salary Used to Calculate Pension

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- ❑ Salary on last day of service.

## Annual COLA

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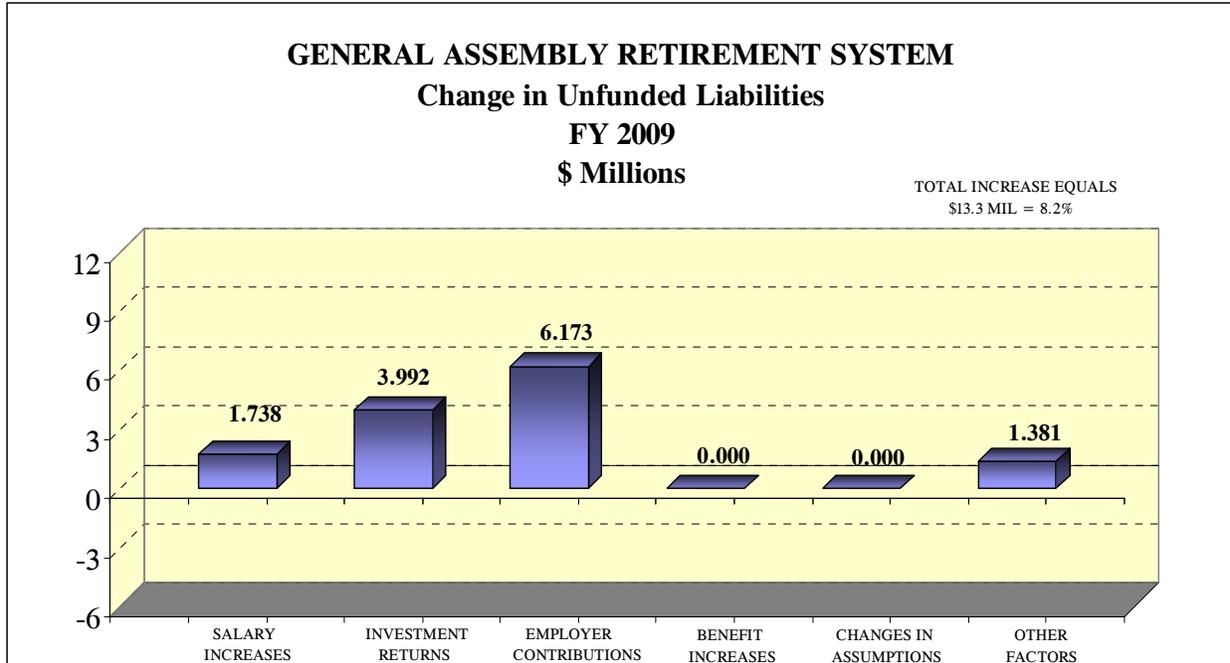
- ❑ 3% compounded.

## Employee Contributions

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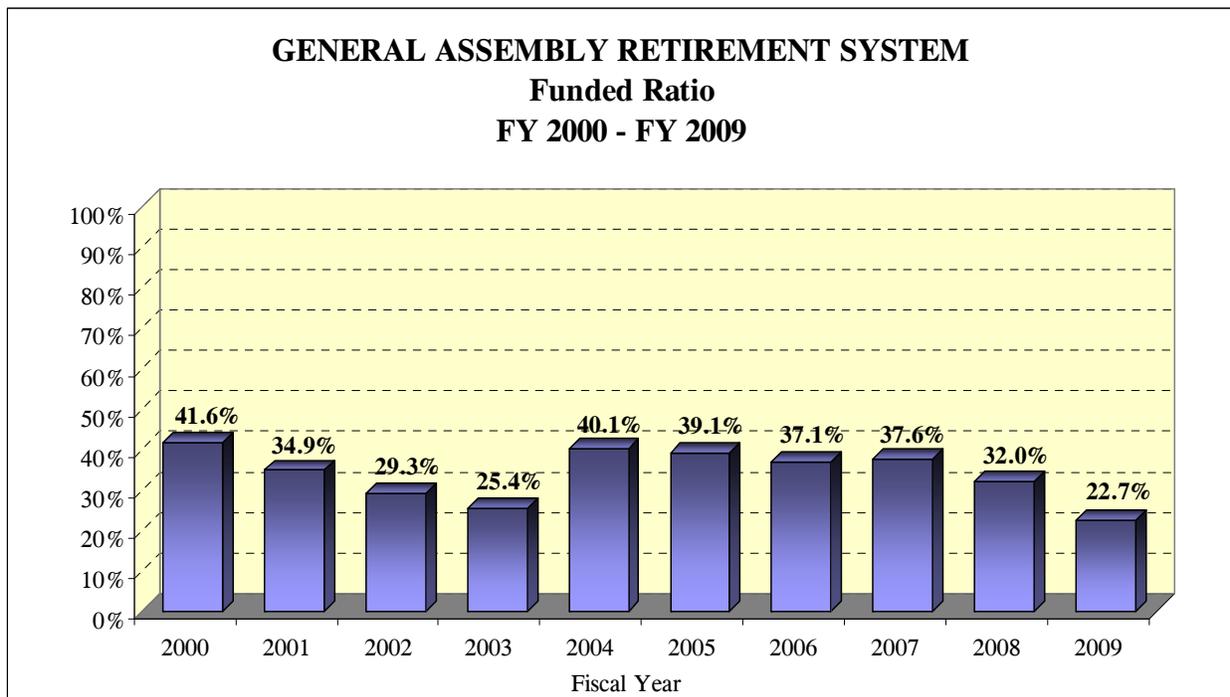
- ❑ 11.5% of salary.

CHART 41



NOTE: This chart is based upon asset actuarial values.

CHART 42



NOTE: The above FY 2009 figure is based upon asset market values without asset smoothing.

CHART 43

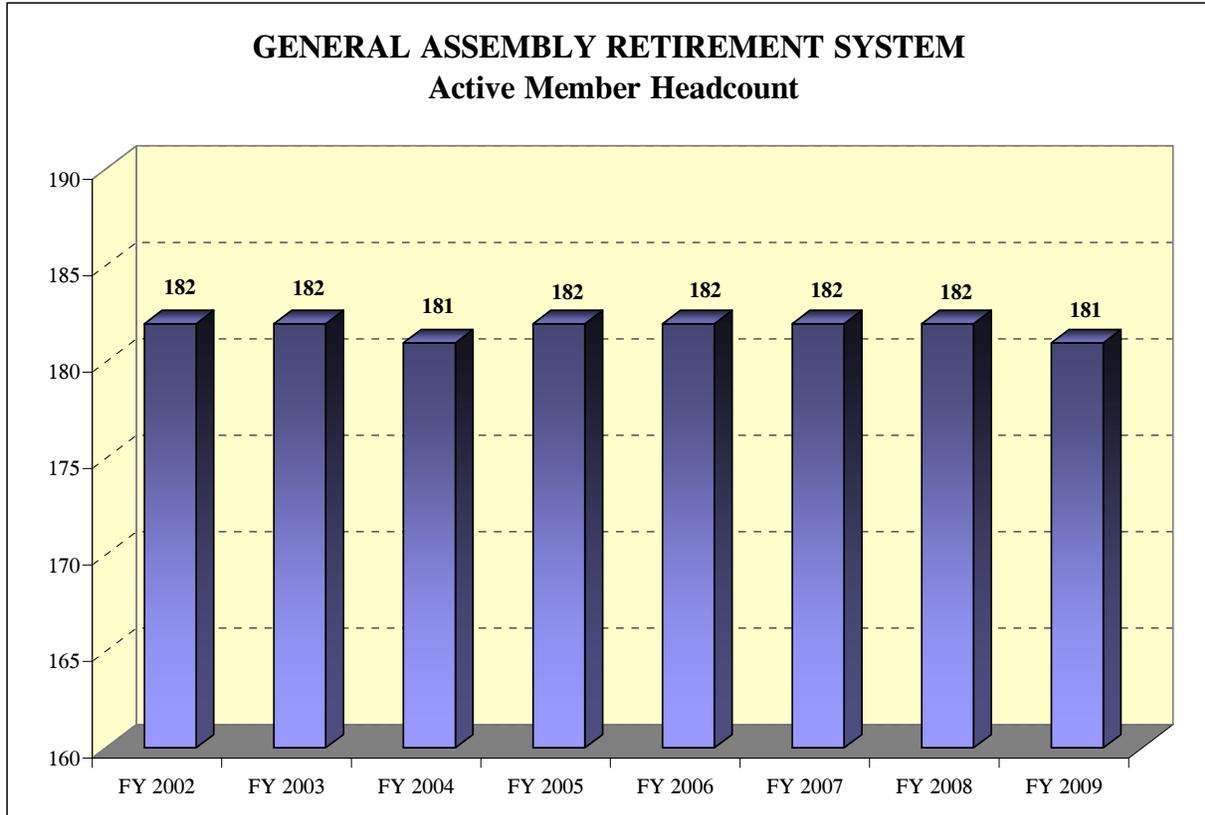


CHART 44

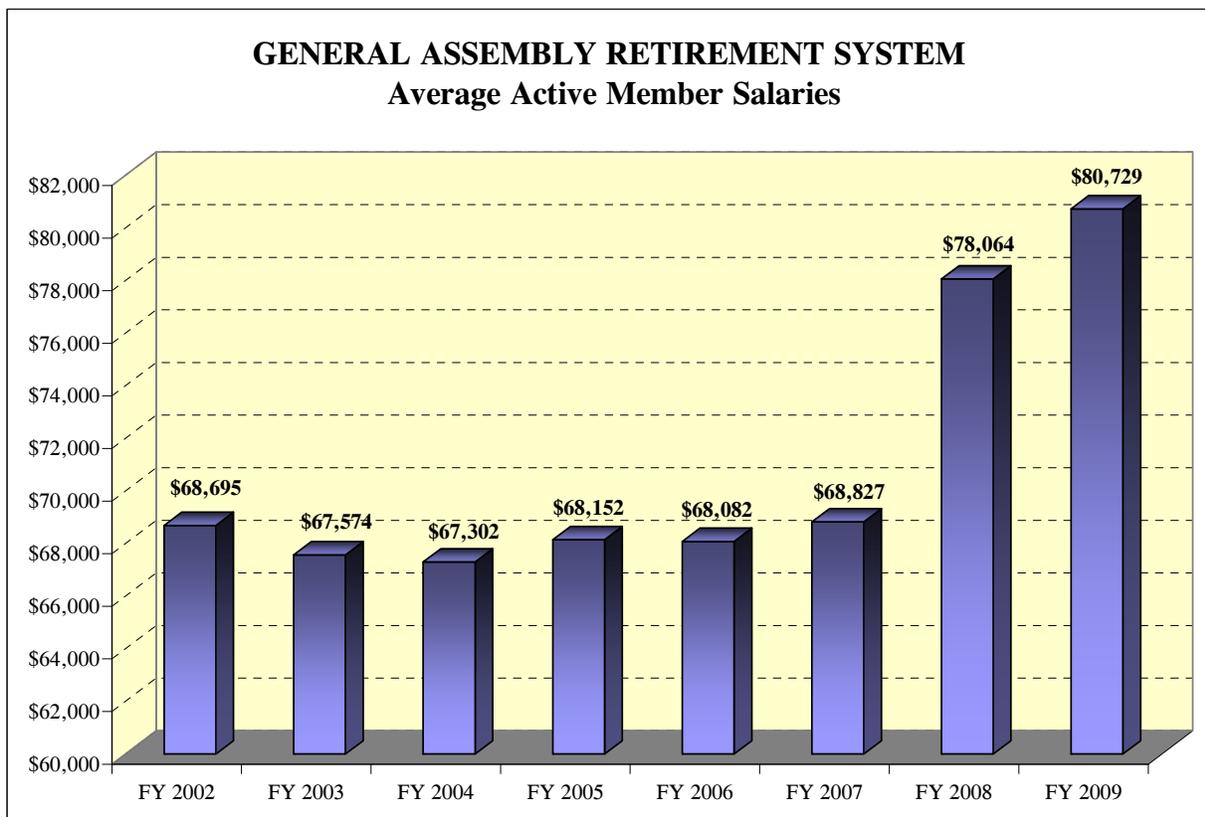


CHART 45

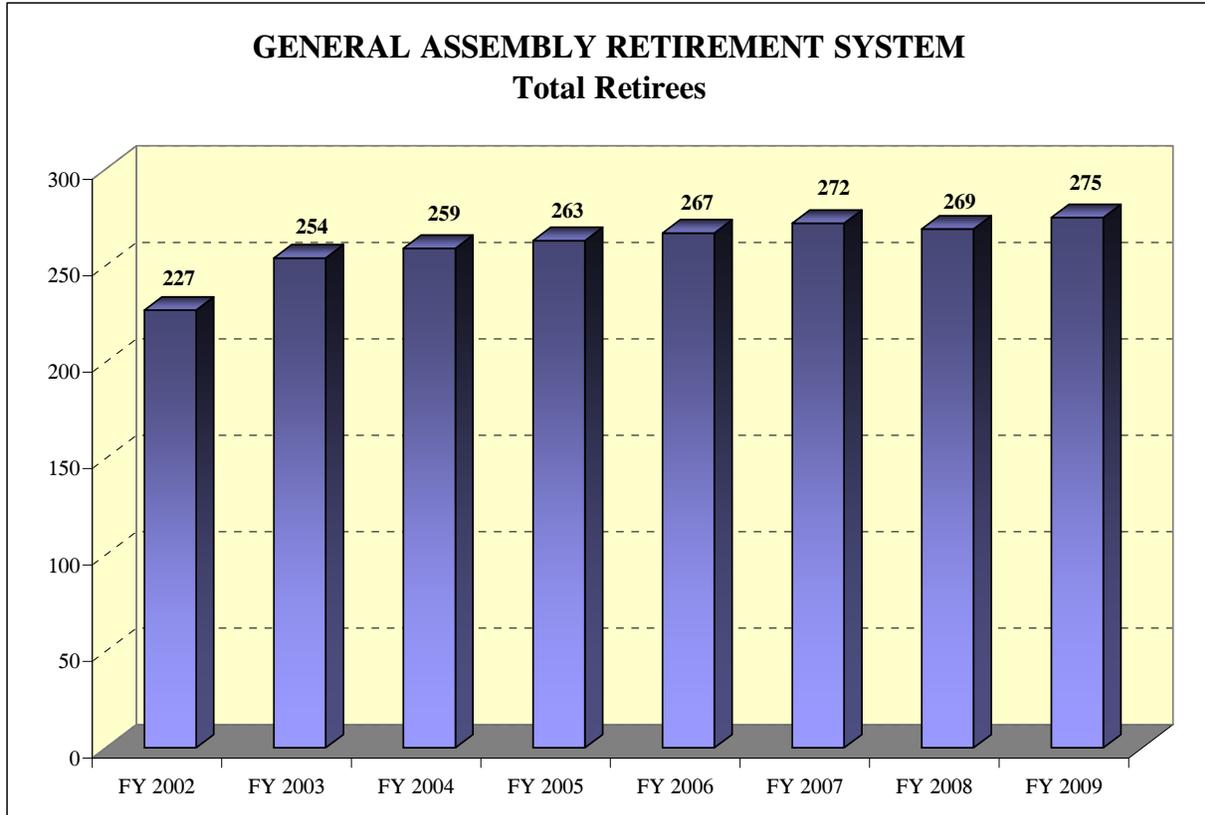


CHART 46

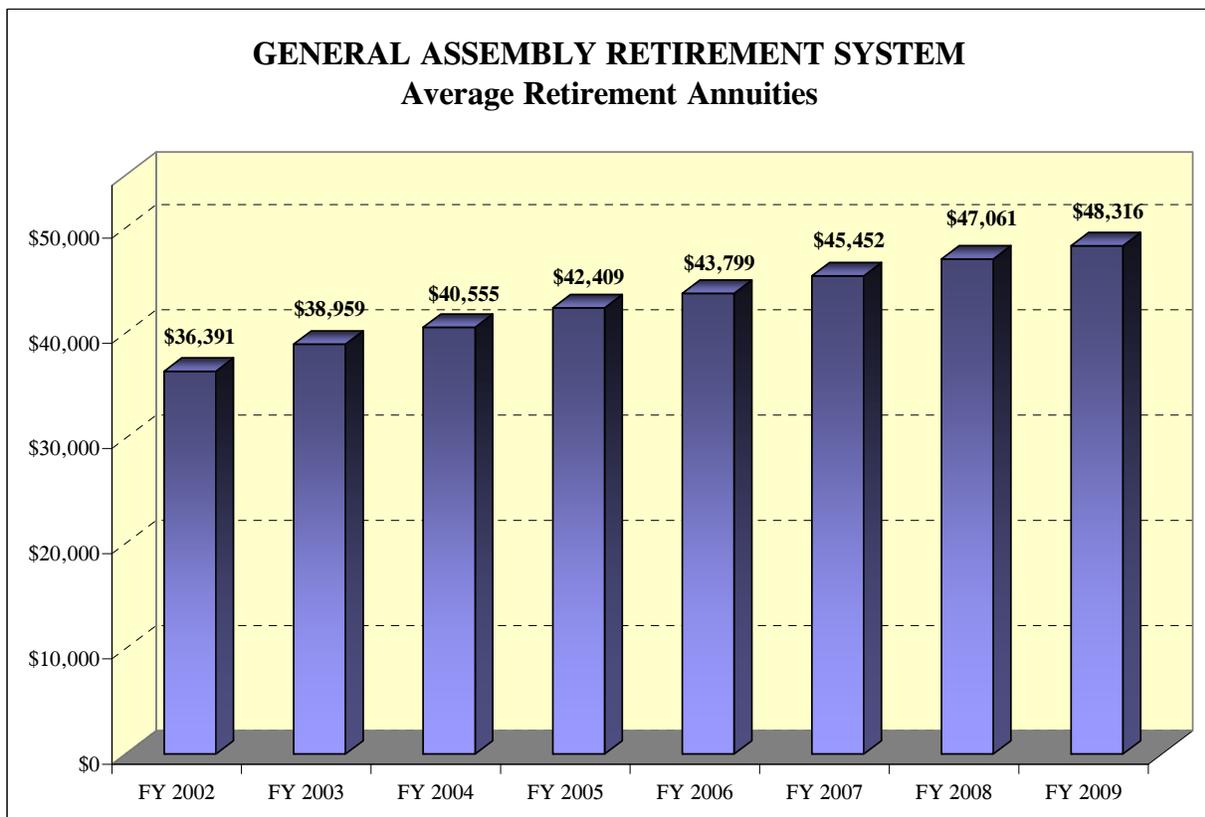


CHART 47

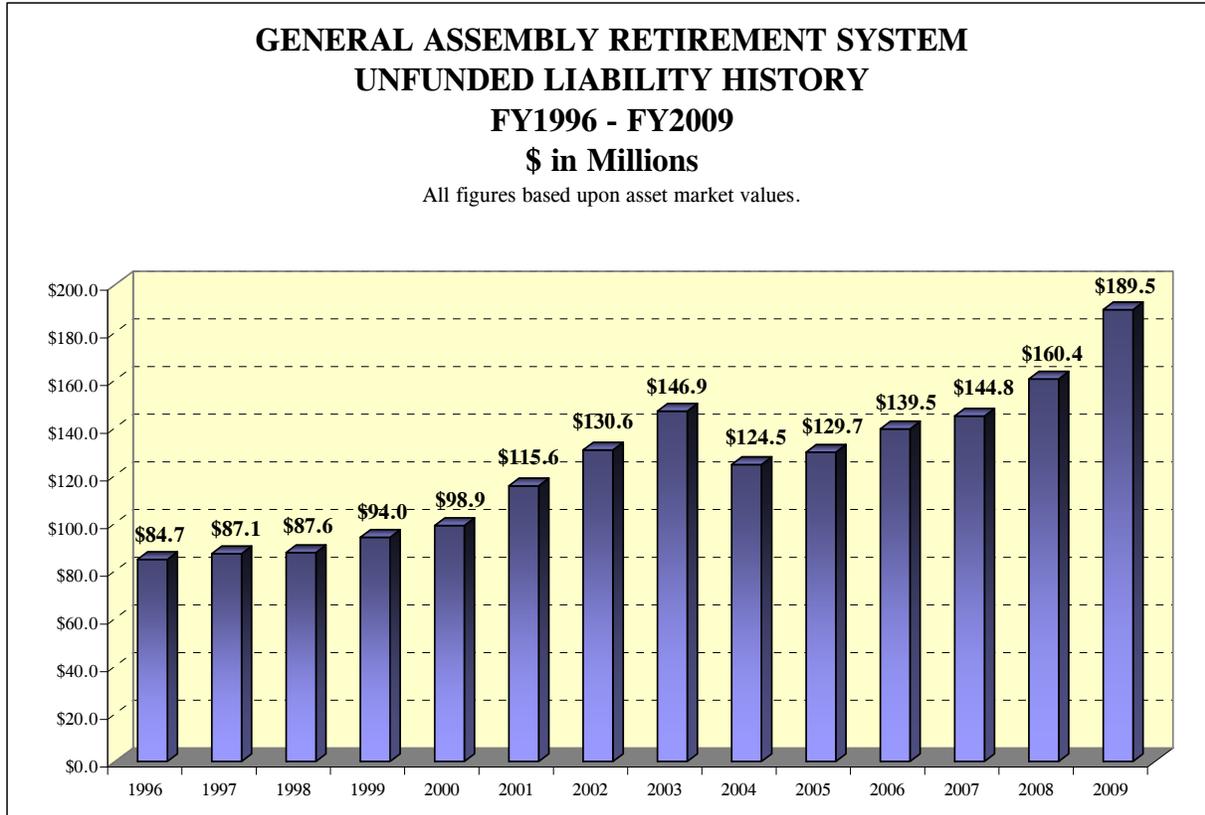


CHART 48

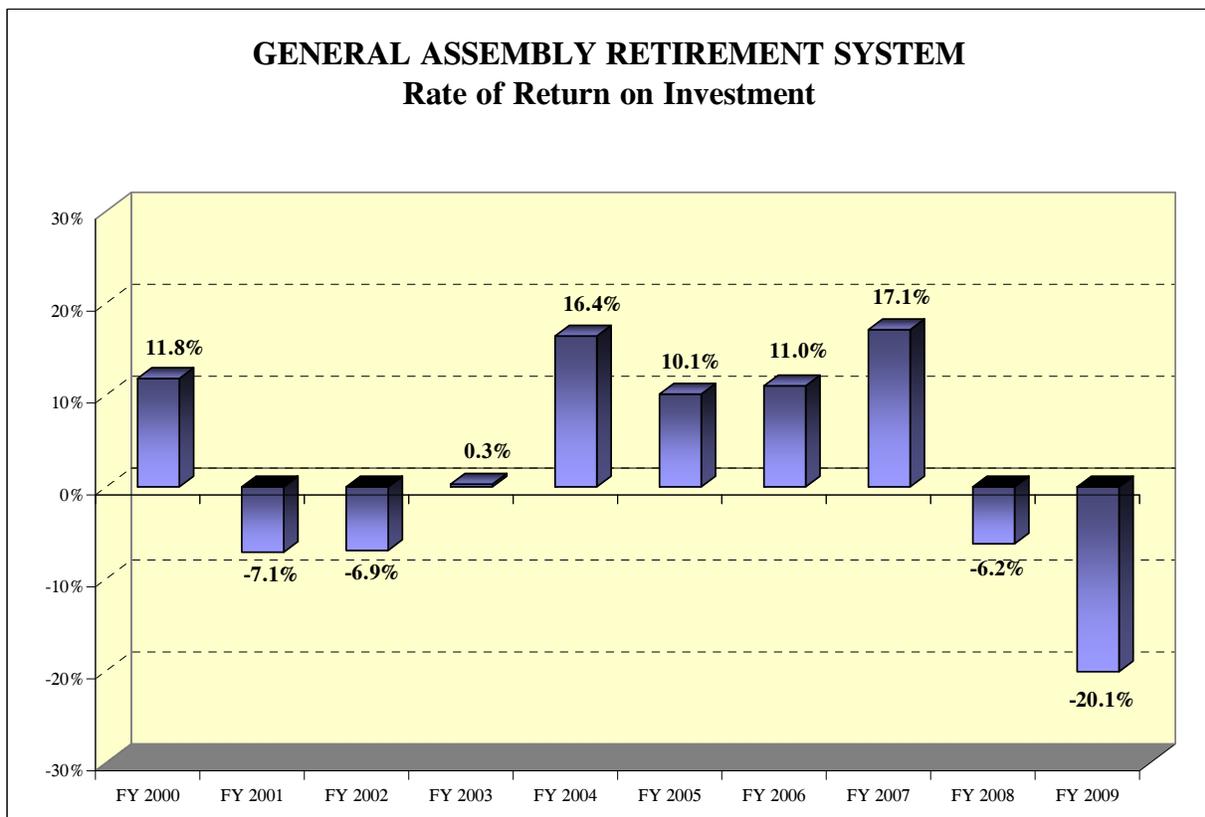


CHART 49

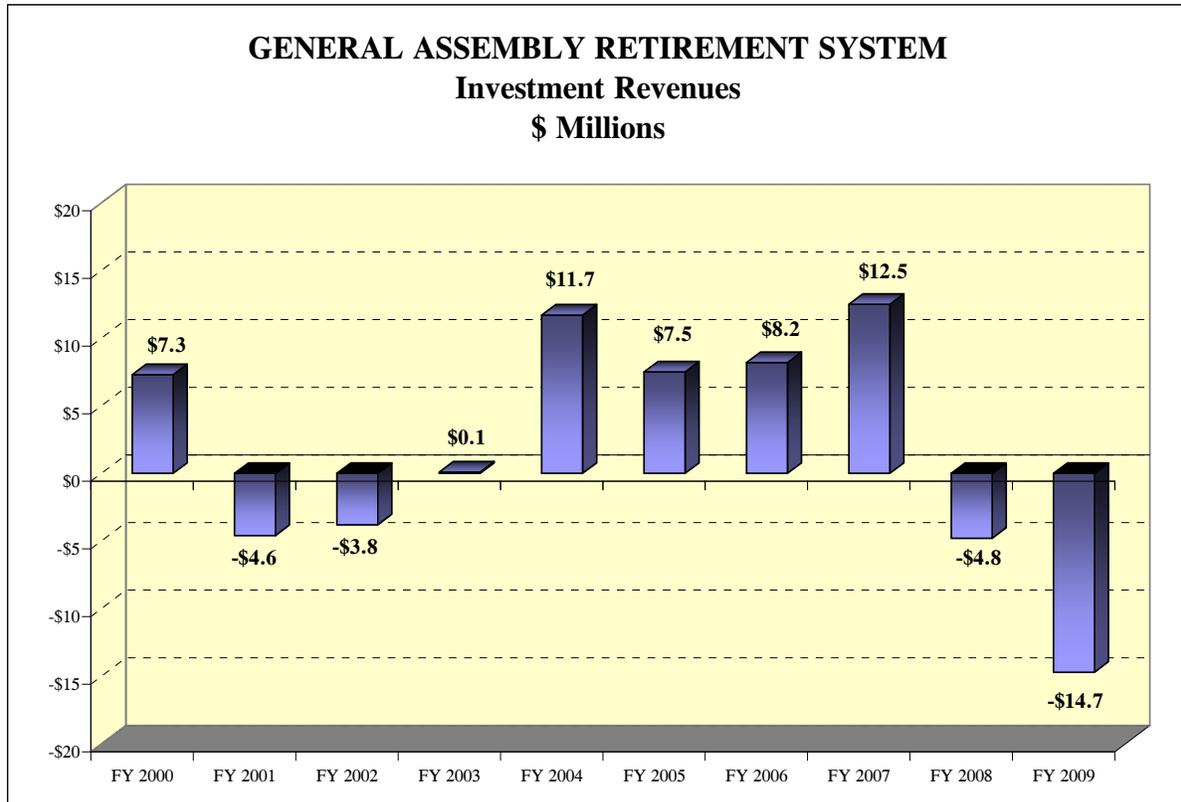


TABLE 25

GENERAL ASSEMBLY RETIREMENT SYSTEM CHANGES IN UNFUNDED LIABILITY FY 1996 - FY 2009							
YEAR ENDED	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 YEAR
<b>GENERAL ASSEMBLY</b>							
6/30/1996	\$1,926,843	(\$2,564,790)	\$5,271,809	\$0	\$0	\$1,441,644	\$6,075,506
6/30/1997	1,298,457	(5,057,646)	5,529,869	0	(136,881)	753,138	2,386,937
6/30/1998	(233,098)	(5,394,158)	5,710,203	0	0	460,957	543,904
6/30/1999	846,137	(2,808,175)	5,298,511	0	0	3,030,916	6,367,389
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
6/30/2009	1,737,809	3,991,729	6,172,942	0	0	1,380,596	13,283,076
<b>TOTALS</b>	<b>(\$3,372,291)</b>	<b>\$4,919,407</b>	<b>\$64,865,511</b>	<b>\$0</b>	<b>\$5,862,061</b>	<b>\$22,718,005</b>	<b>\$94,992,693</b>

NOTE: All of the calculations in this table are based upon asset actuarial values.

TABLE 26

<b>GENERAL ASSEMBLY RETIREMENT SYSTEM</b>								
Changes in Net Assets								
(\$ in millions)								
Fiscal Years	2009	2008	2007	2006	2005	2004	2003	2002
Additions to Assets								
State of Illinois	8.9	6.8	5.4	4.2	4.7	5.9	5.1	4.7
Pension Obligation Bonds	0.0	0.0	0.0	0.0	0.0	27.0	0.0	0.0
Employees	1.7	1.8	1.7	1.4	1.5	1.6	1.9	1.6
Net Investment Income	-14.7	-4.7	13.0	8.2	7.5	11.7	0.1	-3.8
Total Asset Additions (A)	-4.1	3.9	20.1	13.8	13.7	46.2	7.1	2.5
Deductions from Assets								
Benefits	15.8	15.3	14.7	14.1	13.4	12.5	11.1	9.9
Refunds	0.1	0.1	0.3	0.2	0.0	0.1	0.1	0.1
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Expenses	0.3	0.3	0.2	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)	16.2	15.7	15.2	14.6	13.7	12.9	11.5	10.3
Change in Net Assets (A-B=C)	-20.3	-11.8	4.9	-0.8	0.0	33.3	-4.4	-7.8

TABLE 27

<b>GENERAL ASSEMBLY RETIREMENT SYSTEM</b>				
<b>Historical Investment Revenues</b>				
<b>(\$ in millions)</b>				
<b>Fiscal Year</b>	<b>Market Value of Assets at Year End</b>	<b>Net Investment Revenue</b>	<b>Rate of Return Earned</b>	
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%	
2009	55.6	-14.7	-20.1%	

*2000 - 2009 Asset Values are Market Values.*

NOTE: GARS investment management is provided by the Illinois State Board of Investment.

TABLE 28

<b>GENERAL ASSEMBLY RETIREMENT SYSTEM</b>					
<b>Historical Underfunding</b>					
<b>(\$ in millions)</b>					
<b>Fiscal Year</b>	<b>Employer's Normal Cost</b>	<b>Interest on Unfunded Liabilities</b>	<b>Employer's Normal Cost + Interest</b>	<b>Total Employer Contributions</b>	<b>Historical Underfunding</b>
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	2.6	10.2	12.8	5.2	7.6
2008	2.7	11.6	13.9	6.8	7.1
2009	2.8	12.3	15.1	8.9	6.2

TABLE 29

<b>PROJECTIONS FOR THE GENERAL ASSEMBLY RETIREMENT SYSTEM</b> <b>Projected Underfunding Based on Laws in Effect on June 30, 2009</b> <b>(\$ in millions)</b>						
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Projected Underfunding	
2010	2.7	13.5	16.2	10.5	5.7	
2011	2.8	14.1	16.9	11.6	5.2	
2012	2.8	14.7	17.5	12.0	5.5	
2013	2.9	15.3	18.2	12.6	5.7	
2014	3.1	16.1	19.2	13.1	6.0	
2015	3.1	16.5	19.6	13.7	5.9	
2016	3.2	16.8	20.0	14.3	5.7	
2017	3.3	17.2	20.5	14.9	5.7	
2018	3.5	17.6	21.1	15.6	5.5	
2019	3.6	18.0	21.6	16.2	5.4	
2020	3.6	18.3	21.9	16.8	5.1	
2021	3.7	18.6	22.3	17.3	5.0	
2022	3.8	18.9	22.7	18.0	4.8	
2023	3.9	19.2	23.1	18.6	4.6	
2024	4.0	19.5	23.5	19.2	4.3	
2025	4.1	19.8	23.9	19.8	4.1	
2026	4.3	20.0	24.3	20.7	3.6	
2027	4.4	20.2	24.6	21.5	3.1	
2028	4.6	20.4	25.0	22.5	2.5	
2029	4.7	20.5	25.2	23.3	1.8	
2030	4.9	20.5	25.4	24.2	1.2	
2031	5.1	20.5	25.6	25.1	0.6	
2032	5.3	20.5	25.8	26.2	-0.5	
2033	5.5	20.3	25.8	27.3	-1.5	
2034	5.8	20.1	25.9	29.5	-3.6	
2035	5.9	19.7	25.6	30.7	-5.2	
2036	6.2	19.2	25.4	32.0	-6.6	
2037	6.5	18.5	25.0	33.2	-8.2	
2038	6.7	17.7	24.4	34.6	-10.2	
2039	6.9	16.8	23.7	35.9	-12.2	
2040	7.2	15.7	22.9	37.4	-14.5	
2041	7.5	14.4	21.9	38.9	-17.0	
2042	7.8	12.9	20.7	40.5	-19.8	
2043	8.1	11.1	19.2	42.0	-22.8	
2044	8.4	9.1	17.5	43.7	-26.2	
2045	8.7	6.9	15.6	45.4	-29.8	



# Appendices





APPENDIX A

<b>FUNDING PROJECTIONS FOR THE STATE RETIREMENT SYSTEMS</b> <b>System Projections Based on Laws in Effect on June 30, 2009</b> <b>(\$ in Millions)</b>								
Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Assets	Unfunded Liabilities	Funded Ratio
2010	17,269.9	4,046.6	23.4%	1,486.3	132,529.0	62,830.4	69,698.6	47.4%
<b>2011</b>	<b>17,938.3</b>	<b>4,576.3</b>	<b>25.5%</b>	<b>1,540.7</b>	<b>139,157.1</b>	<b>62,008.5</b>	<b>77,148.6</b>	<b>44.6%</b>
2012	18,593.8	4,991.5	26.8%	1,598.2	145,919.2	61,411.8	84,507.4	42.1%
2013	19,321.3	5,453.5	28.2%	1,658.6	152,807.5	61,089.7	91,717.8	40.0%
2014	20,089.1	5,921.3	29.5%	1,723.7	159,829.2	64,893.2	94,936.0	40.6%
2015	20,904.0	6,396.6	30.6%	1,794.0	166,997.8	69,020.9	97,976.9	41.3%
2016	21,772.2	6,688.8	30.7%	1,869.5	174,320.8	73,301.4	101,019.3	42.0%
2017	22,688.3	6,976.4	30.7%	1,949.8	181,805.4	77,737.2	104,068.1	42.8%
2018	23,655.3	7,281.4	30.8%	2,035.1	189,469.8	82,366.6	107,103.2	43.5%
2019	24,673.1	7,603.9	30.8%	2,124.5	197,320.2	87,210.6	110,109.6	44.2%
2020	25,743.4	7,925.0	30.8%	2,218.4	205,372.8	92,271.2	113,101.6	44.9%
2021	26,869.6	8,266.1	30.8%	2,317.9	213,650.6	97,588.3	116,062.3	45.7%
2022	28,053.7	8,628.2	30.8%	2,422.9	222,172.9	103,203.6	118,969.3	46.5%
2023	29,296.2	9,011.4	30.8%	2,533.5	230,962.7	109,167.1	121,795.6	47.3%
2024	30,592.6	9,393.1	30.7%	2,648.8	240,034.0	115,498.9	124,535.1	48.1%
2025	31,935.4	9,793.3	30.7%	2,768.4	249,397.1	122,252.0	127,145.1	49.0%
2026	33,334.6	10,236.1	30.7%	2,894.0	259,078.5	129,488.1	129,590.4	50.0%
2027	34,791.6	10,699.8	30.8%	3,024.1	269,088.9	137,260.9	131,828.1	51.0%
2028	36,306.4	11,163.2	30.7%	3,156.5	279,444.7	145,583.2	133,861.5	52.1%
2029	37,896.5	11,654.4	30.8%	3,294.9	290,166.7	154,501.7	135,665.0	53.2%
2030	39,564.3	12,153.3	30.7%	3,441.5	301,206.4	164,018.0	137,188.4	54.5%
2031	41,272.2	12,668.9	30.7%	3,590.5	312,645.0	174,233.8	138,411.1	55.7%
2032	43,082.0	13,243.9	30.7%	3,747.2	324,506.0	185,268.4	139,237.6	57.1%
2033	44,970.2	13,868.4	30.8%	3,911.9	336,805.0	197,226.8	139,578.2	58.6%
2034	46,947.4	15,408.4	32.8%	4,085.9	349,563.5	211,317.3	138,246.3	60.5%
2035	49,024.5	16,087.1	32.8%	4,266.0	362,817.6	226,597.8	136,219.8	62.5%
2036	51,205.9	16,799.7	32.8%	4,453.7	376,610.5	243,197.6	133,413.0	64.6%
2037	53,502.1	17,549.7	32.8%	4,649.8	390,990.4	261,248.7	129,741.7	66.8%
2038	55,909.0	18,335.5	32.8%	4,862.1	405,985.4	280,929.9	125,055.5	69.2%
2039	58,429.6	19,158.2	32.8%	5,085.4	421,619.5	302,385.3	119,234.2	71.7%
2040	61,080.9	20,023.6	32.8%	5,315.7	437,958.8	325,757.2	112,201.5	74.4%
2041	63,881.9	20,938.2	32.8%	5,560.9	455,054.2	351,224.4	103,829.8	77.2%
2042	66,851.8	21,908.1	32.8%	5,823.8	473,018.8	379,006.4	94,012.4	80.1%
2043	69,970.5	22,926.6	32.8%	6,103.5	491,924.6	409,528.7	82,395.9	83.3%
2044	73,229.4	23,990.4	32.8%	6,389.6	511,809.1	442,926.8	68,882.3	86.5%
2045	76,627.2	25,099.2	32.8%	6,687.9	532,707.4	479,437.7	53,269.6	90.0%

APPENDIX B

**FUNDING PROJECTIONS FOR THE TEACHERS RETIREMENT SYSTEM**

**System Projections Based on Laws in Effect on June 30, 2009**

**(\$ 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
2010	8,929.0	2,087.7	23.4%	909.6	76,853.8	37,241.5	39,612.3	48.5%
<b>2011</b>	<b>9,384.5</b>	<b>2,357.0</b>	<b>25.1%</b>	<b>948.3</b>	<b>80,752.3</b>	<b>36,612.2</b>	<b>44,140.1</b>	<b>45.3%</b>
2012	9,732.6	2,579.1	26.5%	984.6	84,730.2	36,100.8	48,629.4	42.6%
2013	10,144.7	2,846.3	28.1%	1,023.2	88,791.5	35,752.2	53,039.3	40.3%
2014	10,585.7	3,120.5	29.5%	1,065.6	92,951.4	37,963.0	54,988.4	40.8%
2015	11,060.7	3,403.7	30.8%	1,112.3	97,234.8	40,396.6	56,838.2	41.5%
2016	11,571.2	3,578.3	30.9%	1,162.9	101,663.7	42,964.6	58,699.1	42.3%
2017	12,115.2	3,750.2	31.0%	1,217.4	106,259.4	45,687.4	60,572.0	43.0%
2018	12,688.1	3,932.5	31.0%	1,275.1	111,039.7	48,594.9	62,444.8	43.8%
2019	13,290.4	4,125.3	31.0%	1,335.4	116,018.5	51,706.1	64,312.4	44.6%
2020	13,925.6	4,316.1	31.0%	1,398.8	121,214.8	55,030.3	66,184.5	45.4%
2021	14,593.9	4,519.5	31.0%	1,466.2	126,650.6	58,601.0	68,049.6	46.3%
2022	15,295.7	4,735.7	31.0%	1,537.4	132,349.1	62,452.6	69,896.5	47.2%
2023	16,030.4	4,964.3	31.0%	1,612.4	138,328.5	66,622.9	71,705.6	48.2%
2024	16,793.5	5,189.7	30.9%	1,690.4	144,602.6	71,130.2	73,472.4	49.2%
2025	17,587.7	5,428.1	30.9%	1,771.4	151,184.2	75,997.4	75,186.7	50.3%
2026	18,412.2	5,693.2	30.9%	1,856.5	158,086.5	81,273.8	76,812.6	51.4%
2027	19,262.9	5,968.6	31.0%	1,944.0	165,314.5	86,991.1	78,323.4	52.6%
2028	20,140.2	6,240.2	31.0%	2,031.4	172,872.5	93,146.3	79,726.2	53.9%
2029	21,059.4	6,528.1	31.0%	2,122.6	180,773.3	99,759.2	81,014.2	55.2%
2030	22,019.0	6,817.5	31.0%	2,219.2	189,028.0	106,863.6	82,164.5	56.5%
2031	23,013.6	7,121.6	30.9%	2,318.3	197,644.3	114,496.9	83,147.3	57.9%
2032	24,040.8	7,454.0	31.0%	2,419.6	206,621.8	122,708.0	83,913.8	59.4%
2033	25,100.4	7,813.7	31.1%	2,525.6	215,950.6	131,536.8	84,413.9	60.9%
2034	26,202.0	8,952.1	34.2%	2,637.4	225,625.6	141,841.7	83,783.9	62.9%
2035	27,355.3	9,346.2	34.2%	2,751.7	235,657.9	152,903.9	82,754.0	64.9%
2036	28,563.9	9,759.1	34.2%	2,870.2	246,065.4	164,790.4	81,275.0	67.0%
2037	29,836.6	10,193.9	34.2%	2,993.3	256,870.8	177,567.9	79,303.0	69.1%
2038	31,167.4	10,648.6	34.2%	3,128.8	268,075.0	191,344.2	76,730.8	71.4%
2039	32,560.5	11,124.6	34.2%	3,271.6	279,677.9	206,189.8	73,488.1	73.7%
2040	34,032.7	11,627.6	34.2%	3,417.7	291,717.8	222,169.5	69,548.2	76.2%
2041	35,602.1	12,163.8	34.2%	3,575.0	304,227.8	239,385.3	64,842.5	78.7%
2042	37,284.2	12,738.5	34.2%	3,745.9	317,298.9	257,973.3	59,325.6	81.3%
2043	39,058.7	13,344.7	34.2%	3,929.5	330,985.9	278,271.1	52,714.8	84.1%
2044	40,912.7	13,978.2	34.2%	4,115.1	345,307.7	300,320.1	44,987.7	87.0%
2045	42,843.5	14,637.8	34.2%	4,308.5	360,286.1	324,257.5	36,028.6	90.0%

APPENDIX C

**FUNDING PROJECTIONS FOR THE STATE EMPLOYEES RETIREMENT SYSTEM**  
**System Projections Based on Laws in Effect on June 30, 2009**  
**(\$ 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
2010	4,113.0	1,167.1	28.4%	234.6	26,642.2	11,090.9	15,551.3	41.6%
<b>2011</b>	<b>4,194.2</b>	<b>1,268.9</b>	<b>30.3%</b>	<b>239.7</b>	<b>28,074.0</b>	<b>11,268.8</b>	<b>16,805.2</b>	<b>40.1%</b>
2012	4,359.8	1,361.7	31.2%	249.4	29,559.4	11,518.4	18,041.0	39.0%
2013	4,525.4	1,456.5	32.2%	259.1	31,091.8	11,845.2	19,246.6	38.1%
2014	4,692.5	1,551.1	33.1%	268.8	32,666.5	12,855.8	19,810.8	39.4%
2015	4,863.7	1,646.1	33.8%	278.8	34,278.7	13,940.1	20,338.5	40.7%
2016	5,039.3	1,706.8	33.9%	288.9	35,921.8	15,060.0	20,861.8	41.9%
2017	5,219.7	1,767.9	33.9%	299.3	37,591.7	16,208.4	21,383.3	43.1%
2018	5,406.3	1,831.2	33.9%	310.0	39,287.1	17,386.6	21,900.6	44.3%
2019	5,600.2	1,897.0	33.9%	321.2	41,002.5	18,591.8	22,410.6	45.3%
2020	5,801.9	1,964.4	33.9%	332.8	42,733.0	19,818.2	22,914.8	46.4%
2021	6,011.5	2,034.6	33.8%	344.8	44,475.1	21,065.7	23,409.4	47.4%
2022	6,230.2	2,108.1	33.8%	357.3	46,222.5	22,333.4	23,889.2	48.3%
2023	6,456.9	2,184.6	33.8%	370.2	47,974.2	23,623.3	24,350.9	49.2%
2024	6,693.5	2,263.1	33.8%	383.5	49,728.0	24,934.0	24,794.0	50.1%
2025	6,927.6	2,341.2	33.8%	396.7	51,477.5	26,261.5	25,216.0	51.0%
2026	7,170.1	2,423.5	33.8%	410.3	53,227.4	27,618.5	25,608.9	51.9%
2027	7,425.2	2,510.4	33.8%	424.6	54,976.9	29,011.2	25,965.7	52.8%
2028	7,691.6	2,599.9	33.8%	439.5	56,731.4	30,445.3	26,286.1	53.7%
2029	7,971.8	2,694.5	33.8%	455.2	58,497.2	31,933.4	26,563.8	54.6%
2030	8,267.4	2,793.3	33.8%	471.9	60,207.5	33,430.8	26,776.7	55.5%
2031	8,545.7	2,886.3	33.8%	486.7	61,932.6	34,983.8	26,948.8	56.5%
2032	8,868.4	2,996.3	33.8%	505.0	63,685.3	36,631.9	27,053.4	57.5%
2033	9,211.7	3,114.6	33.8%	524.5	65,482.6	38,407.6	27,075.0	58.7%
2034	9,575.1	3,353.6	35.0%	545.4	67,339.3	40,623.0	26,716.3	60.3%
2035	9,958.5	3,487.9	35.0%	567.4	69,267.8	43,043.9	26,223.9	62.1%
2036	10,361.8	3,629.1	35.0%	590.8	71,283.1	45,701.1	25,582.0	64.1%
2037	10,785.0	3,777.3	35.0%	615.3	73,398.3	48,625.5	24,772.8	66.2%
2038	11,227.3	3,932.3	35.0%	640.9	75,625.0	51,848.5	23,776.5	68.6%
2039	11,687.5	4,093.4	35.0%	667.6	77,971.6	55,399.9	22,571.7	71.1%
2040	12,165.7	4,260.9	35.0%	695.2	80,448.2	59,312.9	21,135.3	73.7%
2041	12,662.5	4,434.9	35.0%	723.9	83,062.3	63,620.8	19,441.5	76.6%
2042	13,177.8	4,615.4	35.0%	753.6	85,820.0	68,357.7	17,462.3	79.7%
2043	13,711.0	4,802.2	35.0%	784.3	88,729.4	73,561.2	15,168.2	82.9%
2044	14,264.0	4,995.8	35.0%	816.0	91,796.8	79,270.8	12,526.0	86.4%
2045	14,836.7	5,196.4	35.0%	848.8	95,027.5	85,527.6	9,499.9	90.0%

APPENDIX D

<b>FUNDING PROJECTIONS FOR THE STATE UNIVERSITIES RETIREMENT SYSTEM</b> <b>System Projections Based on Laws in Effect on June 30, 2009</b> <b>(\$ in millions)</b>								
Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2010	4,051.5	702.5	17.3%	324.5	27,165.8	13,807.3	13,358.5	50.8%
<b>2011</b>	<b>4,175.3</b>	<b>848.1</b>	<b>20.3%</b>	<b>334.4</b>	<b>28,386.9</b>	<b>13,423.8</b>	<b>14,963.1</b>	<b>47.3%</b>
2012	4,309.2	944.6	21.9%	345.2	29,606.5	13,074.2	16,532.3	44.2%
2013	4,451.3	1,039.8	23.4%	356.5	30,818.6	12,756.5	18,062.1	41.4%
2014	4,603.7	1,134.2	24.6%	368.8	32,020.4	13,281.7	18,738.7	41.5%
2015	4,765.3	1,226.7	25.7%	381.7	33,204.3	13,832.0	19,372.3	41.7%
2016	4,938.8	1,278.4	25.9%	395.6	34,363.1	14,362.3	20,000.8	41.8%
2017	5,121.7	1,328.1	25.9%	410.2	35,486.4	14,863.3	20,623.1	41.9%
2018	5,319.9	1,382.3	26.0%	426.1	36,576.1	15,339.2	21,236.9	41.9%
2019	5,531.8	1,440.8	26.0%	443.1	37,628.8	15,793.9	21,834.9	42.0%
2020	5,755.2	1,498.0	26.0%	461.0	38,647.1	16,226.0	22,421.1	42.0%
2021	5,993.4	1,559.9	26.0%	480.1	39,635.6	16,642.1	22,993.5	42.0%
2022	6,246.1	1,626.5	26.0%	500.3	40,596.3	17,049.8	23,546.5	42.0%
2023	6,516.1	1,698.5	26.1%	521.9	41,534.9	17,458.9	24,076.0	42.0%
2024	6,801.1	1,770.3	26.0%	544.8	42,453.9	17,872.9	24,581.0	42.1%
2025	7,103.7	1,847.9	26.0%	569.0	43,357.7	18,325.9	25,031.8	42.3%
2026	7,423.3	1,936.0	26.1%	594.6	44,254.1	18,815.9	25,438.2	42.5%
2027	7,761.4	2,029.7	26.2%	621.7	45,149.4	19,358.1	25,791.3	42.9%
2028	8,118.8	2,124.5	26.2%	650.3	46,050.2	19,962.3	26,087.9	43.3%
2029	8,495.4	2,225.5	26.2%	680.5	46,958.4	20,642.8	26,315.6	44.0%
2030	8,893.2	2,328.4	26.2%	712.3	47,880.5	21,410.9	26,469.6	44.7%
2031	9,313.0	2,438.7	26.2%	746.0	48,819.2	22,283.9	26,535.3	45.6%
2032	9,756.8	2,561.9	26.3%	781.5	49,785.5	23,290.8	26,494.7	46.8%
2033	10,225.5	2,697.9	26.4%	819.1	50,786.9	24,462.3	26,324.6	48.2%
2034	10,720.4	2,848.1	26.6%	858.7	51,835.4	25,833.2	26,002.2	49.8%
2035	11,242.9	2,988.3	26.6%	900.6	52,942.6	27,415.7	25,526.9	51.8%
2036	11,793.7	3,136.2	26.6%	944.7	54,118.8	29,240.0	24,878.8	54.0%
2037	12,374.6	3,292.1	26.6%	991.2	55,375.4	31,338.9	24,036.5	56.6%
2038	12,988.1	3,456.9	26.6%	1,040.3	56,727.7	33,750.0	22,977.7	59.5%
2039	13,634.4	3,630.6	26.6%	1,092.1	58,190.9	36,516.0	21,674.9	62.8%
2040	14,313.3	3,813.1	26.6%	1,146.5	59,782.2	39,679.1	20,103.1	66.4%
2041	15,025.4	4,004.6	26.7%	1,203.5	61,511.2	43,280.8	18,230.4	70.4%
2042	15,774.3	4,205.9	26.7%	1,263.5	63,393.3	47,368.3	16,025.0	74.7%
2043	16,560.6	4,417.5	26.7%	1,326.5	65,437.1	51,989.6	13,447.5	79.4%
2044	17,387.1	4,639.8	26.7%	1,392.7	67,654.3	57,197.1	10,457.2	84.5%
2045	18,254.7	4,873.3	26.7%	1,462.2	70,052.2	63,045.2	7,007.0	90.0%

APPENDIX E

**FUNDING PROJECTIONS FOR THE JUDGES RETIREMENT SYSTEM**  
**System Projections Based on Laws in Effect on June 30, 2009**  
**(\$ 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
2010	161.8	78.8	48.7%	15.8	1,618.7	623.9	994.8	38.5%
<b>2011</b>	<b>169.2</b>	<b>90.3</b>	<b>53.4%</b>	<b>16.5</b>	<b>1,691.9</b>	<b>640.7</b>	<b>1,051.3</b>	<b>37.9%</b>
2012	176.5	93.7	53.1%	17.2	1,767.8	659.3	1,108.5	37.3%
2013	183.6	98.0	53.4%	17.9	1,846.8	680.7	1,166.1	36.9%
2014	190.4	102.1	53.6%	18.6	1,928.4	737.6	1,190.7	38.3%
2015	196.9	106.1	53.9%	19.2	2,013.7	797.1	1,216.6	39.6%
2016	204.8	110.7	54.0%	20.0	2,101.8	859.2	1,242.5	40.9%
2017	213.0	115.1	54.0%	20.8	2,193.1	922.9	1,270.3	42.1%
2018	221.5	119.7	54.0%	21.6	2,287.6	990.3	1,297.3	43.3%
2019	230.4	124.5	54.0%	22.5	2,386.1	1,062.1	1,323.9	44.5%
2020	239.6	129.4	54.0%	23.4	2,488.0	1,138.3	1,349.7	45.8%
2021	249.2	134.6	54.0%	24.3	2,593.9	1,219.3	1,374.6	47.0%
2022	259.1	139.8	54.0%	25.3	2,703.6	1,305.1	1,398.5	48.3%
2023	269.5	145.3	53.9%	26.3	2,817.7	1,396.4	1,421.3	49.6%
2024	280.3	150.7	53.8%	27.3	2,935.6	1,492.6	1,443.0	50.8%
2025	291.5	156.3	53.6%	28.4	3,057.5	1,594.3	1,463.2	52.1%
2026	303.1	162.8	53.7%	29.6	3,183.4	1,702.3	1,481.1	53.5%
2027	315.3	169.6	53.8%	30.7	3,313.9	1,817.5	1,496.4	54.8%
2028	327.9	176.3	53.8%	32.0	3,448.8	1,939.7	1,509.0	56.2%
2029	341.0	183.4	53.8%	33.2	3,588.2	2,069.7	1,518.5	57.7%
2030	354.6	190.3	53.7%	34.6	3,732.6	2,207.6	1,524.9	59.1%
2031	368.8	197.7	53.6%	36.0	3,882.4	2,354.7	1,527.7	60.7%
2032	383.6	206.0	53.7%	37.4	4,037.5	2,512.0	1,525.5	62.2%
2033	398.9	215.2	53.9%	38.9	4,198.8	2,681.3	1,517.4	63.9%
2034	414.9	225.8	54.4%	40.4	4,366.1	2,864.7	1,501.4	65.6%
2035	431.5	234.9	54.4%	42.1	4,540.2	3,061.5	1,478.8	67.4%
2036	448.7	244.3	54.4%	43.8	4,721.3	3,272.7	1,448.6	69.3%
2037	466.7	254.0	54.4%	45.5	4,909.9	3,499.7	1,410.2	71.3%
2038	485.3	264.2	54.4%	47.3	5,106.5	3,743.9	1,362.6	73.3%
2039	504.8	274.8	54.4%	49.2	5,311.4	4,006.6	1,304.8	75.4%
2040	524.9	285.8	54.4%	51.2	5,525.0	4,289.3	1,235.6	77.6%
2041	545.9	297.2	54.4%	53.2	5,747.9	4,593.9	1,154.0	79.9%
2042	567.8	309.1	54.4%	55.4	5,980.7	4,922.1	1,058.7	82.3%
2043	590.5	321.4	54.4%	57.6	6,224.0	5,275.8	948.2	84.8%
2044	614.1	334.3	54.4%	59.9	6,478.2	5,657.2	821.0	87.3%
2045	638.7	347.7	54.4%	62.3	6,743.9	6,069.5	674.4	90.0%

APPENDIX F

**FUNDING PROJECTIONS FOR THE GENERAL ASSEMBLY RETIREMENT SYSTEM**  
**System Projections Based on Laws in Effect on June 30, 2009**  
**(\$ 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
2010	14.6	10.5	71.5%	1.7	248.5	66.8	181.7	26.9%
<b>2011</b>	<b>15.2</b>	<b>12.1</b>	<b>79.4%</b>	<b>1.7</b>	<b>252.0</b>	<b>63.1</b>	<b>188.9</b>	<b>25.0%</b>
2012	15.7	12.4	78.7%	1.8	255.3	59.0	196.3	23.1%
2013	16.4	13.0	79.3%	1.9	258.8	55.0	203.7	21.3%
2014	16.9	13.5	79.8%	1.9	262.5	55.1	207.4	21.0%
2015	17.4	14.0	80.3%	2.0	266.3	55.1	211.2	20.7%
2016	18.1	14.6	80.6%	2.1	270.4	55.3	215.1	20.4%
2017	18.8	15.1	80.6%	2.2	274.7	55.2	219.5	20.1%
2018	19.5	15.8	80.6%	2.2	279.3	55.6	223.7	19.9%
2019	20.3	16.4	80.6%	2.3	284.4	56.7	227.7	19.9%
2020	21.1	17.0	80.6%	2.4	289.8	58.3	231.5	20.1%
2021	21.7	17.4	80.4%	2.5	295.4	60.2	235.2	20.4%
2022	22.5	18.1	80.3%	2.6	301.3	62.7	238.6	20.8%
2023	23.3	18.7	80.1%	2.7	307.4	65.6	241.8	21.3%
2024	24.2	19.3	79.7%	2.8	313.8	69.1	244.7	22.0%
2025	24.9	19.7	79.3%	2.9	320.3	72.9	247.4	22.8%
2026	25.9	20.6	79.5%	3.0	327.1	77.5	249.6	23.7%
2027	26.9	21.4	79.7%	3.1	334.2	83.0	251.2	24.8%
2028	28.0	22.3	79.6%	3.2	341.9	89.6	252.3	26.2%
2029	28.8	22.9	79.5%	3.3	349.6	96.7	252.9	27.7%
2030	30.0	23.8	79.3%	3.5	357.9	105.1	252.8	29.4%
2031	31.1	24.6	79.1%	3.6	366.5	114.5	252.0	31.2%
2032	32.4	25.7	79.4%	3.7	375.9	125.7	250.2	33.4%
2033	33.7	26.9	79.9%	3.9	386.1	138.8	247.3	36.0%
2034	35.0	28.7	82.1%	4.0	397.1	154.7	242.4	39.0%
2035	36.4	29.9	82.1%	4.2	409.0	172.9	236.2	42.3%
2036	37.8	31.0	82.1%	4.3	421.9	193.4	228.5	45.8%
2037	39.3	32.3	82.1%	4.5	435.9	216.7	219.2	49.7%
2038	40.9	33.6	82.1%	4.7	451.2	243.3	207.9	53.9%
2039	42.5	34.9	82.1%	4.9	467.8	273.0	194.7	58.4%
2040	44.2	36.3	82.1%	5.1	485.7	306.4	179.3	63.1%
2041	45.9	37.7	82.1%	5.3	505.0	343.6	161.4	68.0%
2042	47.8	39.2	82.1%	5.5	525.8	385.0	140.8	73.2%
2043	49.6	40.8	82.1%	5.7	548.2	431.0	117.2	78.6%
2044	51.5	42.3	82.1%	5.9	572.1	481.7	90.4	84.2%
2045	53.6	44.0	82.1%	6.2	597.8	538.0	59.8	90.0%

APPENDIX G

**FUNDING PROJECTIONS FOR THE STATE RETIREMENT SYSTEMS**  
**CoGFA Projections Based on Laws in Effect on June 30, 2009**  
**(\$ 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
2010	17,019.5	4,051.8	23.8%	1,465.0	133,266.8	62,480.9	70,785.9	46.9%
<b>2011</b>	<b>17,766.8</b>	<b>4,572.4</b>	<b>25.7%</b>	<b>1,531.2</b>	<b>139,510.1</b>	<b>61,311.5</b>	<b>78,198.5</b>	<b>43.9%</b>
2012	18,582.9	4,932.8	26.5%	1,603.3	145,927.9	60,272.3	85,655.7	41.3%
2013	19,426.2	5,414.0	27.9%	1,678.2	152,514.1	59,554.7	92,959.5	39.0%
2014	20,313.2	5,906.4	29.1%	1,757.2	159,276.9	63,020.9	96,256.0	39.6%
2015	21,244.5	6,397.9	30.1%	1,840.1	166,206.8	66,814.4	99,392.4	40.2%
2016	22,210.4	6,708.7	30.2%	1,926.4	173,317.3	70,787.9	102,529.4	40.8%
2017	23,213.1	7,015.7	30.2%	2,016.1	180,618.6	74,935.7	105,682.9	41.5%
2018	24,276.2	7,337.9	30.2%	2,111.5	188,129.5	79,289.7	108,839.8	42.1%
2019	25,400.2	7,677.5	30.2%	2,212.3	195,873.4	83,884.7	111,988.8	42.8%
2020	26,586.1	8,024.0	30.2%	2,318.9	203,938.7	88,726.5	115,212.2	43.5%
2021	27,843.4	8,391.7	30.1%	2,431.9	212,284.7	93,870.2	118,414.5	44.2%
2022	29,157.6	8,782.6	30.1%	2,550.1	220,935.4	99,360.4	121,574.9	45.0%
2023	30,538.3	9,198.9	30.1%	2,674.4	229,914.1	105,245.2	124,668.9	45.8%
2024	31,982.7	9,621.4	30.1%	2,804.5	238,876.4	111,544.1	127,332.3	46.7%
2025	33,484.5	10,066.0	30.1%	2,940.0	248,316.9	118,301.6	130,015.3	47.6%
2026	35,054.5	10,551.7	30.1%	3,081.7	258,122.5	125,591.8	132,530.8	48.7%
2027	36,692.2	11,062.4	30.1%	3,229.3	268,313.8	133,460.1	134,853.7	49.7%
2028	38,403.1	11,582.8	30.2%	3,383.5	278,920.2	141,974.6	136,945.6	50.9%
2029	40,187.1	12,127.4	30.2%	3,544.3	289,953.6	151,182.8	138,770.9	52.1%
2030	42,070.1	12,685.8	30.2%	3,713.7	301,451.1	161,138.1	140,312.9	53.5%
2031	44,049.1	13,264.0	30.1%	3,891.8	313,439.7	171,933.2	141,506.5	54.9%
2032	46,109.6	13,903.1	30.2%	4,076.9	325,964.7	183,681.8	142,282.9	56.4%
2033	48,261.4	14,594.9	30.2%	4,270.0	339,070.2	196,516.3	142,553.9	58.0%
2034	50,496.3	16,026.7	31.7%	4,470.4	352,772.4	211,462.5	141,309.9	59.9%
2035	52,833.2	16,764.1	31.7%	4,679.6	367,102.7	227,750.9	139,351.8	62.0%
2036	55,275.2	17,535.1	31.7%	4,898.2	382,107.6	245,501.4	136,606.2	64.2%
2037	57,829.5	18,342.1	31.7%	5,126.7	397,833.0	264,849.6	132,983.4	66.6%
2038	60,498.6	19,186.0	31.7%	5,365.6	414,314.1	285,920.8	128,393.3	69.0%
2039	63,277.3	20,065.2	31.7%	5,614.3	431,454.3	308,980.3	122,474.0	71.6%
2040	66,119.6	20,963.8	31.7%	5,867.9	449,270.8	334,023.9	115,246.9	74.3%
2041	69,085.8	21,901.5	31.7%	6,132.7	467,833.2	361,195.2	106,638.0	77.2%
2042	72,213.3	22,890.1	31.7%	6,412.3	487,256.8	390,734.8	96,522.0	80.2%
2043	75,522.6	23,935.1	31.7%	6,708.7	507,669.6	422,940.1	84,729.4	83.3%
2044	79,005.5	25,037.0	31.7%	7,021.6	529,118.0	458,116.7	71,001.3	86.6%
2045	82,671.9	26,195.0	31.7%	7,351.2	551,676.9	496,509.3	55,167.6	90.0%

APPENDIX H

**FUNDING PROJECTIONS FOR THE TEACHERS RETIREMENT SYSTEM**  
**CoGFA Projections Based on Laws in Effect on June 30, 2009**  
**(\$ 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
2010	9,252.8	2,087.7	22.6%	934.5	76,722.8	37,023.9	39,698.8	48.3%
<b>2011</b>	<b>9,710.6</b>	<b>2,357.0</b>	<b>24.3%</b>	<b>980.8</b>	<b>80,508.7</b>	<b>36,149.9</b>	<b>44,358.9</b>	<b>44.9%</b>
2012	10,206.2	2,538.5	24.9%	1,030.8	84,390.9	35,336.1	49,054.8	41.9%
2013	10,731.7	2,821.7	26.3%	1,083.9	88,374.0	34,692.9	53,681.1	39.3%
2014	11,290.6	3,116.7	27.6%	1,140.4	92,474.5	36,621.8	55,852.7	39.6%
2015	11,880.1	3,409.7	28.7%	1,199.9	96,698.0	38,771.5	57,926.5	40.1%
2016	12,495.0	3,607.5	28.9%	1,262.0	101,066.5	41,059.5	60,007.1	40.6%
2017	13,142.1	3,801.2	28.9%	1,327.3	105,602.8	43,498.7	62,104.2	41.2%
2018	13,831.6	4,004.4	29.0%	1,397.0	110,326.9	46,115.6	64,211.3	41.8%
2019	14,561.8	4,219.4	29.0%	1,470.7	115,261.9	48,940.2	66,321.7	42.5%
2020	15,334.6	4,436.1	28.9%	1,548.8	120,423.5	51,981.7	68,441.8	43.2%
2021	16,156.4	4,668.5	28.9%	1,631.8	125,849.2	55,291.4	70,557.8	43.9%
2022	17,017.0	4,917.1	28.9%	1,718.7	131,561.4	58,909.1	72,652.3	44.8%
2023	17,921.9	5,184.2	28.9%	1,810.1	137,581.5	62,875.8	74,705.7	45.7%
2024	18,867.7	5,451.9	28.9%	1,905.6	143,922.2	67,211.1	76,711.1	46.7%
2025	19,855.7	5,737.6	28.9%	2,005.4	150,600.6	71,953.9	78,646.7	47.8%
2026	20,886.4	6,054.0	29.0%	2,109.5	157,626.4	77,155.9	80,470.5	48.9%
2027	21,955.7	6,386.6	29.1%	2,217.5	165,011.4	82,845.1	82,166.2	50.2%
2028	23,068.8	6,721.3	29.1%	2,330.0	172,771.7	89,042.9	83,728.8	51.5%
2029	24,231.7	7,071.6	29.2%	2,447.4	180,912.9	95,776.7	85,136.2	52.9%
2030	25,451.4	7,425.1	29.2%	2,570.6	189,458.6	103,072.4	86,386.2	54.4%
2031	26,732.8	7,798.8	29.2%	2,700.0	198,421.2	110,989.8	87,431.3	55.9%
2032	28,057.5	8,209.6	29.3%	2,833.8	207,824.5	119,595.0	88,229.5	57.5%
2033	29,436.0	8,658.3	29.4%	2,973.0	217,684.0	128,965.8	88,718.2	59.2%
2034	30,864.0	9,719.8	31.5%	3,117.3	228,006.2	139,805.6	88,200.6	61.3%
2035	32,345.8	10,186.5	31.5%	3,266.9	238,805.8	151,558.7	87,247.1	63.5%
2036	33,890.2	10,672.9	31.5%	3,422.9	250,107.5	164,290.6	85,816.9	65.7%
2037	35,503.8	11,181.0	31.5%	3,585.9	261,933.2	178,077.8	83,855.4	68.0%
2038	37,189.3	11,711.8	31.5%	3,756.1	274,293.2	192,982.5	81,310.7	70.4%
2039	38,946.1	12,265.1	31.5%	3,933.6	287,091.4	209,224.8	77,866.6	72.9%
2040	40,712.7	12,821.4	31.5%	4,112.0	300,332.6	226,736.1	73,596.5	75.5%
2041	42,557.6	13,402.4	31.5%	4,298.3	314,073.4	245,593.1	68,480.3	78.2%
2042	44,514.7	14,018.8	31.5%	4,496.0	328,413.2	265,961.6	62,451.6	81.0%
2043	46,603.6	14,676.6	31.5%	4,707.0	343,462.6	288,057.7	55,404.9	83.9%
2044	48,828.8	15,377.4	31.5%	4,931.7	359,276.5	312,128.4	47,148.1	86.9%
2045	51,172.7	16,115.5	31.5%	5,168.4	375,911.2	338,320.2	37,591.0	90.0%

APPENDIX I

**FUNDING PROJECTIONS FOR THE STATE EMPLOYEES RETIREMENT SYSTEM**  
**CoGFA Projections Based on Laws in Effect on June 30, 2009**  
**(\$ 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
2010	4,113.0	1,167.1	28.4%	234.4	26,613.3	11,085.6	15,527.6	41.7%
<b>2011</b>	<b>4,256.9</b>	<b>1,268.9</b>	<b>29.8%</b>	<b>242.6</b>	<b>27,989.9</b>	<b>11,278.9</b>	<b>16,711.1</b>	<b>40.3%</b>
2012	4,420.0	1,361.7	30.8%	251.9	29,420.8	11,496.5	17,924.3	39.1%
2013	4,583.6	1,456.5	31.8%	261.3	30,900.3	11,805.3	19,095.0	38.2%
2014	4,753.6	1,551.1	32.6%	271.0	32,425.3	12,817.0	19,608.3	39.5%
2015	4,929.5	1,646.1	33.4%	281.0	33,988.4	13,879.5	20,108.8	40.8%
2016	5,109.8	1,706.8	33.4%	291.3	35,584.3	14,980.8	20,603.5	42.1%
2017	5,293.1	1,767.9	33.4%	301.7	37,209.5	16,112.9	21,096.6	43.3%
2018	5,483.1	1,831.2	33.4%	312.5	38,859.7	17,273.0	21,586.7	44.4%
2019	5,683.0	1,897.0	33.4%	323.9	40,534.4	18,462.6	22,071.7	45.5%
2020	5,890.2	1,964.4	33.4%	335.7	42,229.1	19,674.2	22,554.9	46.6%
2021	6,109.6	2,034.6	33.3%	348.2	43,941.3	20,908.5	23,032.8	47.6%
2022	6,335.0	2,108.1	33.3%	361.1	45,667.9	22,163.2	23,504.8	48.5%
2023	6,569.7	2,184.6	33.3%	374.5	47,407.4	23,438.4	23,969.0	49.4%
2024	6,813.8	2,263.1	33.2%	388.4	49,154.8	24,728.2	24,426.6	50.3%
2025	7,058.0	2,341.2	33.2%	402.3	50,905.4	26,027.6	24,877.8	51.1%
2026	7,309.7	2,423.5	33.2%	416.7	52,661.7	27,343.8	25,318.0	51.9%
2027	7,576.2	2,510.4	33.1%	431.8	54,425.3	28,681.2	25,744.1	52.7%
2028	7,854.0	2,599.9	33.1%	447.7	56,204.4	30,074.8	26,129.7	53.5%
2029	8,143.5	2,694.5	33.1%	464.2	58,004.9	31,536.5	26,468.4	54.4%
2030	8,452.3	2,793.3	33.0%	481.8	59,833.9	33,078.1	26,755.8	55.3%
2031	8,777.9	2,886.3	32.9%	500.3	61,703.9	34,719.5	26,984.4	56.3%
2032	9,121.6	2,996.3	32.8%	519.9	63,626.9	36,486.7	27,140.2	57.3%
2033	9,483.4	3,114.6	32.8%	540.6	65,621.5	38,411.6	27,209.9	58.5%
2034	9,862.6	3,353.6	34.0%	562.2	67,694.3	40,798.7	26,895.7	60.3%
2035	10,263.7	3,487.9	34.0%	585.0	69,852.0	43,410.3	26,441.7	62.1%
2036	10,683.6	3,629.1	34.0%	609.0	72,108.3	46,275.6	25,832.7	64.2%
2037	11,122.7	3,777.3	34.0%	634.0	74,477.4	49,425.5	25,052.0	66.4%
2038	11,579.8	3,932.3	34.0%	660.0	76,973.9	52,892.5	24,081.4	68.7%
2039	12,052.5	4,093.4	34.0%	687.0	79,592.6	56,695.3	22,897.3	71.2%
2040	12,545.6	4,260.9	34.0%	715.1	82,341.3	60,865.5	21,475.7	73.9%
2041	13,057.6	4,434.9	34.0%	744.3	85,225.6	65,434.9	19,790.7	76.8%
2042	13,588.5	4,615.4	34.0%	774.5	88,252.4	70,437.7	17,814.7	79.8%
2043	14,140.3	4,802.2	34.0%	806.0	91,431.0	75,913.6	15,517.4	83.0%
2044	14,705.6	4,995.8	34.0%	838.2	94,755.4	81,889.5	12,865.8	86.4%
2045	15,296.3	5,196.4	34.0%	871.9	98,234.3	88,410.9	9,823.4	90.0%

APPENDIX J

<b>FUNDING PROJECTIONS FOR THE STATE UNIVERSITIES RETIREMENT SYSTEM</b> <b>CoGFA Projections Based on Laws in Effect on June 30, 2009</b> <b>(\$ in millions)</b>								
Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2010	3,477.2	707.7	20.4%	278.5	28,063.6	13,680.7	14,382.9	48.7%
<b>2011</b>	<b>3,614.9</b>	<b>844.2</b>	<b>23.4%</b>	<b>289.6</b>	<b>29,067.5</b>	<b>13,179.0</b>	<b>15,888.5</b>	<b>45.3%</b>
2012	3,764.6	926.5	24.6%	301.5	30,093.2	12,721.3	17,371.9	42.3%
2013	3,911.0	1,024.8	26.2%	313.3	31,134.2	12,320.7	18,813.5	39.6%
2014	4,061.6	1,123.0	27.6%	325.3	32,186.3	12,789.3	19,396.9	39.7%
2015	4,220.5	1,222.1	29.0%	338.1	33,240.4	13,311.2	19,929.2	40.0%
2016	4,382.7	1,269.1	29.0%	351.1	34,294.4	13,833.1	20,461.3	40.3%
2017	4,546.2	1,316.4	29.0%	364.1	35,338.4	14,346.0	20,992.4	40.6%
2018	4,720.4	1,366.9	29.0%	378.1	36,375.9	14,855.2	21,520.7	40.8%
2019	4,904.8	1,420.3	29.0%	392.9	37,406.7	15,363.0	22,043.7	41.1%
2020	5,100.7	1,477.0	29.0%	408.6	38,508.3	15,874.0	22,634.3	41.2%
2021	5,306.6	1,536.6	29.0%	425.1	39,604.9	16,390.8	23,214.1	41.4%
2022	5,524.0	1,599.6	29.0%	442.5	40,701.1	16,920.3	23,780.7	41.6%
2023	5,753.9	1,666.2	29.0%	460.9	41,800.1	17,469.0	24,331.1	41.8%
2024	5,996.7	1,736.5	29.0%	480.3	42,549.9	18,043.0	24,506.9	42.4%
2025	6,254.6	1,811.1	29.0%	501.0	43,433.1	18,652.9	24,780.2	42.9%
2026	6,529.3	1,890.7	29.0%	523.0	44,323.9	19,312.3	25,011.6	43.6%
2027	6,818.2	1,974.3	29.0%	546.1	45,229.0	20,033.3	25,195.7	44.3%
2028	7,124.4	2,063.0	29.0%	570.7	46,153.4	20,827.6	25,325.8	45.1%
2029	7,442.1	2,155.0	29.0%	596.1	47,098.2	21,703.3	25,394.9	46.1%
2030	7,781.7	2,253.3	29.0%	623.3	48,068.1	22,674.9	25,393.2	47.2%
2031	8,138.6	2,356.7	29.0%	651.9	49,065.8	23,754.7	25,311.1	48.4%
2032	8,514.4	2,465.5	29.0%	682.0	50,099.9	24,962.4	25,137.5	49.8%
2033	8,909.4	2,579.9	29.0%	713.6	51,179.8	26,318.7	24,861.1	51.4%
2034	9,319.7	2,698.7	29.0%	746.5	52,308.6	27,838.8	24,469.8	53.2%
2035	9,755.8	2,825.0	29.0%	781.4	53,495.6	29,547.6	23,948.0	55.2%
2036	10,214.9	2,957.9	29.0%	818.2	54,748.6	31,469.1	23,279.4	57.5%
2037	10,697.0	3,097.5	29.0%	856.8	56,076.6	33,629.8	22,446.7	60.0%
2038	11,203.3	3,244.1	29.0%	897.4	57,489.3	36,058.7	21,430.6	62.7%
2039	11,731.5	3,397.1	29.0%	939.7	58,991.2	38,780.6	20,210.6	65.7%
2040	12,292.1	3,559.4	29.0%	984.6	60,586.2	41,826.4	18,759.8	69.0%
2041	12,878.6	3,729.2	29.0%	1,031.6	62,281.3	45,229.7	17,051.6	72.6%
2042	13,494.5	3,907.6	29.0%	1,080.9	64,084.6	49,028.4	15,056.2	76.5%
2043	14,138.6	4,094.1	29.0%	1,132.5	66,003.7	53,262.0	12,741.7	80.7%
2044	14,805.4	4,287.2	29.0%	1,185.9	68,035.9	57,959.9	10,076.0	85.2%
2045	15,510.7	4,491.4	29.0%	1,242.4	70,189.7	63,170.7	7,019.0	90.0%

APPENDIX K

**FUNDING PROJECTIONS FOR THE JUDGES RETIREMENT SYSTEM**  
**CoGFA Projections Based on Laws in Effect on June 30, 2009**  
**(\$ 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
2010	161.8	78.8	48.7%	15.8	1,618.7	623.9	994.8	38.5%
<b>2011</b>	<b>169.2</b>	<b>90.3</b>	<b>53.4%</b>	<b>16.5</b>	<b>1,691.9</b>	<b>640.7</b>	<b>1051.3</b>	<b>37.9%</b>
2012	176.5	93.7	53.1%	17.2	1,767.8	659.3	1108.5	37.3%
2013	183.6	98.0	53.4%	17.9	1,846.8	680.7	1166.1	36.9%
2014	190.4	102.1	53.6%	18.6	1,928.4	737.6	1190.7	38.3%
2015	196.9	106.1	53.9%	19.2	2,013.7	797.1	1216.6	39.6%
2016	204.8	110.7	54.0%	20.0	2,101.8	859.2	1242.5	40.9%
2017	213.0	115.1	54.0%	20.8	2,193.1	922.9	1270.3	42.1%
2018	221.5	119.7	54.0%	21.6	2,287.6	990.3	1297.3	43.3%
2019	230.4	124.5	54.0%	22.5	2,386.1	1,062.1	1323.9	44.5%
2020	239.6	129.4	54.0%	23.4	2,488.0	1,138.3	1349.7	45.8%
2021	249.2	134.6	54.0%	24.3	2,593.9	1,219.3	1374.6	47.0%
2022	259.1	139.8	54.0%	25.3	2,703.6	1,305.1	1398.5	48.3%
2023	269.5	145.3	53.9%	26.3	2,817.7	1,396.4	1421.3	49.6%
2024	280.3	150.7	53.8%	27.3	2,935.6	1,492.6	1443.0	50.8%
2025	291.5	156.3	53.6%	28.4	3,057.5	1,594.3	1463.2	52.1%
2026	303.1	162.8	53.7%	29.6	3,183.4	1,702.3	1481.1	53.5%
2027	315.3	169.6	53.8%	30.7	3,313.9	1,817.5	1496.4	54.8%
2028	327.9	176.3	53.8%	32.0	3,448.8	1,939.7	1509.0	56.2%
2029	341.0	183.4	53.8%	33.2	3,588.2	2,069.7	1518.5	57.7%
2030	354.6	190.3	53.7%	34.6	3,732.6	2,207.6	1524.9	59.1%
2031	368.8	197.7	53.6%	36.0	3,882.4	2,354.7	1527.7	60.7%
2032	383.6	206.0	53.7%	37.4	4,037.5	2,512.0	1525.5	62.2%
2033	398.9	215.2	53.9%	38.9	4,198.8	2,681.3	1517.4	63.9%
2034	414.9	225.8	54.4%	40.4	4,366.1	2,864.7	1501.4	65.6%
2035	431.5	234.9	54.4%	42.1	4,540.2	3,061.5	1478.8	67.4%
2036	448.7	244.3	54.4%	43.8	4,721.3	3,272.7	1448.6	69.3%
2037	466.7	254.0	54.4%	45.5	4,909.9	3,499.7	1410.2	71.3%
2038	485.3	264.2	54.4%	47.3	5,106.5	3,743.9	1362.6	73.3%
2039	504.8	274.8	54.4%	49.2	5,311.4	4,006.6	1304.8	75.4%
2040	524.9	285.8	54.4%	51.2	5,525.0	4,289.3	1235.6	77.6%
2041	545.9	297.2	54.4%	53.2	5,747.9	4,593.9	1154.0	79.9%
2042	567.8	309.1	54.4%	55.4	5,980.7	4,922.1	1058.7	82.3%
2043	590.5	321.4	54.4%	57.6	6,224.0	5,275.8	948.2	84.8%
2044	614.1	334.3	54.4%	59.9	6,478.2	5,657.2	821.0	87.3%
2045	638.7	347.7	54.4%	62.3	6,743.9	6,069.5	674.4	90.0%

APPENDIX L

**FUNDING PROJECTIONS FOR THE GENERAL ASSEMBLY RETIREMENT SYSTEM**  
**CoGFA Projections Based on Laws in Effect on June 30, 2009**  
**(\$ 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
2010	14.6	10.5	71.5%	1.7	248.5	66.8	181.7	26.9%
<b>2011</b>	<b>15.2</b>	<b>12.1</b>	<b>79.4%</b>	<b>1.7</b>	<b>252.0</b>	<b>63.1</b>	<b>188.9</b>	<b>25.0%</b>
2012	15.7	12.4	78.7%	1.8	255.3	59.0	196.3	23.1%
2013	16.4	13.0	79.3%	1.9	258.8	55.0	203.7	21.3%
2014	16.9	13.5	79.8%	1.9	262.5	55.1	207.4	21.0%
2015	17.4	14.0	80.3%	2.0	266.3	55.1	211.2	20.7%
2016	18.1	14.6	80.6%	2.1	270.4	55.3	215.1	20.4%
2017	18.8	15.1	80.6%	2.2	274.7	55.2	219.5	20.1%
2018	19.5	15.8	80.6%	2.2	279.3	55.6	223.7	19.9%
2019	20.3	16.4	80.6%	2.3	284.4	56.7	227.7	19.9%
2020	21.1	17.0	80.6%	2.4	289.8	58.3	231.5	20.1%
2021	21.7	17.4	80.4%	2.5	295.4	60.2	235.2	20.4%
2022	22.5	18.1	80.3%	2.6	301.3	62.7	238.6	20.8%
2023	23.3	18.7	80.1%	2.7	307.4	65.6	241.8	21.3%
2024	24.2	19.3	79.7%	2.8	313.8	69.1	244.7	22.0%
2025	24.9	19.7	79.3%	2.9	320.3	72.9	247.4	22.8%
2026	25.9	20.6	79.5%	3.0	327.1	77.5	249.6	23.7%
2027	26.9	21.4	79.7%	3.1	334.2	83.0	251.2	24.8%
2028	28.0	22.3	79.6%	3.2	341.9	89.6	252.3	26.2%
2029	28.8	22.9	79.5%	3.3	349.6	96.7	252.9	27.7%
2030	30.0	23.8	79.3%	3.5	357.9	105.1	252.8	29.4%
2031	31.1	24.6	79.1%	3.6	366.5	114.5	252.0	31.2%
2032	32.4	25.7	79.4%	3.7	375.9	125.7	250.2	33.4%
2033	33.7	26.9	79.9%	3.9	386.1	138.8	247.3	36.0%
2034	35.0	28.7	82.1%	4.0	397.1	154.7	242.4	39.0%
2035	36.4	29.9	82.1%	4.2	409.0	172.9	236.2	42.3%
2036	37.8	31.0	82.1%	4.3	421.9	193.4	228.5	45.8%
2037	39.3	32.3	82.1%	4.5	435.9	216.7	219.2	49.7%
2038	40.9	33.6	82.1%	4.7	451.2	243.3	207.9	53.9%
2039	42.5	34.9	82.1%	4.9	467.8	273.0	194.7	58.4%
2040	44.2	36.3	82.1%	5.1	485.7	306.4	179.3	63.1%
2041	45.9	37.7	82.1%	5.3	505.0	343.6	161.4	68.0%
2042	47.8	39.2	82.1%	5.5	525.8	385.0	140.8	73.2%
2043	49.6	40.8	82.1%	5.7	548.2	431.0	117.2	78.6%
2044	51.5	42.3	82.1%	5.9	572.1	481.7	90.4	84.2%
2045	53.6	44.0	82.1%	6.2	597.8	538.0	59.8	90.0%

APPENDIX M

STATE RETIREMENT SYSTEMS CHANGES IN UNFUNDED LIABILITY FY 2001 - FY 2009							
	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
<b>TEACHERS'</b>							
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
6/30/2009	(29,162,000)	2,373,683,000	1,782,855,000	0	672,134,000	0	4,799,510,000
Total	\$655,299,000	\$6,705,721,000	\$8,677,344,000	\$53,850,000	\$3,804,051,000	\$3,699,899,000	\$23,596,164,000
<b>STATE UNIVERSITIES</b>							
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	558,000,000	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
6/30/2009	(1,300,000)	812,300,000	738,700,000	0	0	153,200,000	1,702,900,000
Total	\$214,000,000	\$4,112,300,000	\$3,813,600,000	\$63,000,000	\$809,700,000	\$1,406,688,000	\$10,419,288,000
<b>STATE EMPLOYEES'</b>							
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
6/30/2009	(70,364,604)	608,553,603	662,751,770	0	0	251,538,179	1,452,478,948
Total	\$95,113,432	\$3,612,822,989	\$2,988,855,455	\$3,194,383,318	\$879,120,000	\$1,526,051,167	\$12,296,346,361
<b>JUDGES'</b>							
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
6/30/2009	-6661210	33322668	40870123	0	0	19481669	87,013,250
Total	(\$92,536,330)	\$153,458,207	\$270,395,184	\$0	\$17,192,099	\$134,889,880	\$483,399,040
<b>GENERAL ASSEMBLY</b>							
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
6/30/2009	1,737,809	3,991,729	6,172,942	0	0	1,380,596	13,283,076
Total	(\$6,779,416)	\$23,116,169	\$37,478,679	\$0	\$5,998,942	\$14,951,359	\$74,765,733
<b>TOTAL STATE-FUNDED SYSTEMS</b>							
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
6/30/2009	(105,750,005)	3,831,851,000	3,231,349,835	0	672,134,000	425,600,444	8,055,185,274
Total	\$865,096,686	\$14,607,418,365	\$15,787,673,318	\$3,311,233,318	\$5,516,062,041	\$6,782,479,406	\$46,869,963,134

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
<b>TOTALS</b>	<b>\$10,000.0</b>	<b>\$11,933.9</b>	<b>\$21,933.9</b>	<b>\$12,979.9</b>	<b>\$4,154.8</b>	<b>\$425.7</b>	<b>\$80.9</b>	<b>\$4,292.7</b>

APPENDIX O

FINANCIAL CONDITION OF THE STATE RETIREMENT SYSTEMS (\$ in millions)						
Fiscal Year	TRS	SERS	SURS	JRS	GARS	Total
<b>Assets</b>						
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
2009	28,531.3	8,565.8	11,033.0	483.5	55.6	48,669.2
<b>Liabilities</b>						
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
2009	73,027.2	25,298.3	26,316.2	1,548.5	245.2	126,435.4
<b>Unfunded</b>						
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
2009	44,495.9	16,732.5	15,283.2	1,065.0	189.6	77,766.2
<b>Funded Ratios</b>						
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%
2009	39.1%	33.9%	41.9%	31.2%	22.7%	38.5%

APPENDIX P

<b>FY 2010 Pension Obligation Notes</b>			
<b>Debt Service Schedule</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
FY 2011	\$693,200,000	\$109,277,049	<b>\$802,477,049</b>
FY 2012	\$693,200,000	\$101,061,628	<b>\$794,261,628</b>
FY 2013	\$693,200,000	\$81,887,716	<b>\$775,087,716</b>
FY 2014	\$693,200,000	\$58,866,544	<b>\$752,066,544</b>
FY 2015	\$693,200,000	\$30,646,372	<b>\$723,846,372</b>
<b>GRAND TOTAL</b>	<b>\$3,466,000,000</b>	<b>\$381,739,309</b>	<b>\$3,847,739,309</b>

APPENDIX Q

<b>SUMMARY OF TRS APPROPRIATIONS BY FUND: FY 1996 - 2009</b>							
<b>Fiscal Year</b>		<b>State Pension Fund</b>	<b>Common School Fund</b>	<b>Education Assistance Fund</b>	<b>General Revenue Fund</b>	<b>General Revenue Fund</b>	<b>Total</b>
						<b>Min &amp; Supp Reserves through FY</b>	
1996	*	\$30,958,800	\$293,317,200	-	-	\$6,542,000	\$330,818,000
1997		\$31,403,500	\$346,565,500	-	-	\$8,179,000	\$386,148,000
1998		\$37,868,300	\$422,570,700	-	-	\$7,443,000	\$467,882,000
1999	**	\$54,310,700	\$480,740,900	-	\$32,016,000	\$6,440,000	\$573,507,600
2000		\$55,600,000	\$520,595,100	-	\$57,843,900	\$6,035,000	\$640,074,000
2001		\$57,180,000	\$617,977,000	-	\$44,200,000	\$5,500,000	\$724,857,000
2002		\$58,600,000	\$477,019,000	\$275,000,000	-	\$4,800,000	\$815,419,000
2003		\$63,455,000	\$550,000,000	\$300,000,000	\$12,595,000	\$4,000,000	\$930,050,000
2004		\$47,360,000	\$575,000,000	\$345,000,000	\$60,889,000	\$3,400,000	\$1,031,649,000
2005		-	\$422,763,000	\$300,000,000	\$181,165,000	\$3,100,000	\$907,028,000
2006		-	\$531,827,700	-	-	\$2,800,000	\$534,627,700
2007		-	\$735,514,500	-	-	\$2,500,000	\$738,014,500
2008		-	\$1,039,195,000	-	-	\$2,100,000	\$1,041,295,000
2009		-	\$1,449,889,000	-	-	\$1,900,000	\$1,451,789,000

\* 1996 minimum benefit amount includes additional \$2,200,000 due to minimum benefit increase enacted after certification submitted (increase effective January 1, 1996).

\*\* 1999 includes \$32,016,000 for state share of 2.2 formula enacted after original certification submitted and additional \$9,695,600 in State Pensions Fund appropriations.

APPENDIX R

SUMMARY OF SURS APPROPRIATIONS BY FUND: FY 1996 - 2009						
Fiscal Year	State Pension Fund	Common School Fund	Education Assistance Fund	General Revenue Fund	General Revenue Fund	Total
					Min & Supp Reserves through FY 2000, then Min Only; Min is Approp Available	
1996	\$13,134,800	-	-	\$110,776,200	-	\$123,911,000
1997	\$13,031,400	-	-	\$146,515,600	-	\$159,547,000
1998	\$15,600,400	-	-	\$186,023,600	-	\$201,624,000
1999	\$10,156,100	-	-	\$205,268,900	-	\$215,425,000
2000	\$9,040,000	-	-	\$215,547,000	-	\$224,587,000
2001	\$9,670,000	-	-	\$222,934,000	-	\$232,604,000
2002	\$8,300,000	-	-	\$232,124,000	-	\$240,424,000
2003	\$16,600,000	-	-	\$252,986,000	-	\$269,586,000
2004	\$15,660,000	-	-	\$296,080,000	-	\$311,740,000
2005	\$222,630,000	-	-	\$47,352,000	-	\$269,982,000
2006	\$80,000,000	-	-	\$86,641,900	-	\$166,641,900
2007	\$134,235,922	-	\$65,065,395	\$52,762,783	-	\$252,064,100
2008	\$186,998,705	-	\$153,321,295	-	-	\$340,320,000
2009	\$223,890,000	-	\$150,072,000	\$76,254,000	-	\$450,216,000

APPENDIX S

SUMMARY OF SERS APPROPRIATIONS BY FUND: FY 1996 - 2009							
Fiscal Year		State Pension Fund	Common School Fund	Education Assistance Fund	General Revenue Fund	Other State Funds	Total
1996	*	\$8,823,800	-	-	\$87,871,550	\$47,315,450	\$144,010,800
1997	*	\$8,489,800	-	-	\$97,874,400	\$52,701,600	\$159,065,800
1998	*	\$9,208,400	-	-	\$103,279,322	\$55,611,943	\$168,099,665
1999	*	\$8,523,961	-	-	\$193,289,330	\$104,078,870	\$305,892,161
2000	*	\$12,720,000	-	-	\$203,444,540	\$109,547,060	\$325,711,600
2001	*	\$10,490,000	-	-	\$215,437,325	\$116,004,714	\$341,932,039
2002	*	\$10,290,000	-	-	\$230,360,000	\$124,040,000	\$364,690,000
2003	*	\$17,195,000	-	-	\$252,383,300	\$135,898,700	\$405,477,000
2004	*	\$15,150,000	-	-	\$325,436,800	\$175,235,200	\$515,822,000
2005	*	-	-	-	\$324,057,500	\$174,492,500	\$498,550,000
2006	*	-	-	-	\$132,459,535	\$71,324,365	\$203,783,900
2007	*	-	-	-	\$223,706,860	\$120,457,540	\$344,164,400
2008	*	-	-	-	\$358,558,200	\$193,069,800	\$551,628,000
2009	*	-	-	-	\$492,196,250	\$265,028,750	\$757,225,000

\*Estimated GRF and Other State Funds based on annual certified State contributions are 65% GRF and 35% Other State Funds.

APPENDIX T

SUMMARY OF JRS APPROPRIATIONS BY FUND: FY 1996 - 2009						
Fiscal Year	State Pension Fund	Common School Fund	Education Assistance Fund	General Revenue Fund	Other State Funds	Total
1996	\$861,000	-	-	\$12,129,000	-	\$12,990,000
1997	\$857,400	-	-	\$13,747,000	-	\$14,604,400
1998	\$1,062,200	-	-	\$15,664,000	-	\$16,726,200
1999	\$2,215,716	-	-	\$18,293,000	-	\$20,508,716
2000	\$2,160,000	-	-	\$21,388,000	-	\$23,548,000
2001	\$2,170,000	-	-	\$24,218,000	-	\$26,388,000
2002	\$2,300,000	-	-	\$27,532,000	-	\$29,832,000
2003	\$2,225,000	-	-	\$31,373,000	-	\$33,598,000
2004	\$609,769	-	-	\$36,526,000	-	\$37,135,769
2005	-	-	-	\$31,991,000	-	\$31,991,000
2006	-	-	-	\$29,189,400	-	\$29,189,400
2007	-	-	-	\$35,236,800	-	\$35,236,800
2008	-	-	-	\$46,872,500	-	\$46,872,500
2009	-	-	-	\$59,983,000	-	\$59,983,000

APPENDIX U

SUMMARY OF GARS APPROPRIATIONS BY FUND: FY 1996 - 2009						
Fiscal Year	State Pension Fund	Common School Fund	Education Assistance Fund	General Revenue Fund	Other State Funds	Total
1996	\$221,600	-	-	\$2,400,000	-	\$2,621,600
1997	\$217,900	-	-	\$2,738,000	-	\$2,955,900
1998	\$260,700	-	-	\$3,113,000	-	\$3,373,700
1999	\$494,718	-	-	\$3,504,000	-	\$3,998,718
2000	\$480,000	-	-	\$3,951,000	-	\$4,431,000
2001	\$490,000	-	-	\$4,305,000	-	\$4,795,000
2002	\$510,000	-	-	\$4,678,000	-	\$5,188,000
2003	\$465,000	-	-	\$5,163,000	-	\$5,628,000
2004	\$300,000	-	-	\$5,790,000	-	\$6,090,000
2005	-	-	-	\$4,674,000	-	\$4,674,000
2006	-	-	-	\$4,157,000	-	\$4,157,000
2007	-	-	-	\$5,220,300	-	\$5,220,300
2008	-	-	-	\$6,809,800	-	\$6,809,800
2009	-	-	-	\$8,847,000	-	\$8,847,000

APPENDIX V



**Retirement Security for Illinois Educators**  
**Teachers' Retirement System of the State of Illinois**  
R. Stanley Rupnik, Acting Executive Director  
2815 West Washington Street, P.O. Box 19253  
Springfield, Illinois 62794-9253

October 30, 2009

HAND DELIVERED

The Honorable Pat Quinn, Governor  
State of Illinois  
207 State House  
Springfield, IL 62706

RE: Certification of FY 2011 TRS Funding Amount

Dear Governor Quinn:

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 29, 2009 board meeting.

The resolution certifies the TRS FY 2011 pension funding requirements that were recommended by the System's actuary. As outlined in the attached materials, the FY 2011 certified state contribution is **\$2,358,441,000**. This amount **includes \$1,400,000** 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,

Stan Rupnik  
Acting Executive Director

cc: ✓ Dan Hankiewicz, Commission on Government Forecasting and Accountability  
John Frigo, Office of Management and Budget  
David Vaught, Office of Management and Budget  
Alexis Sturm, Illinois Office of the Comptroller  
Scott Reeser, 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 W



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](mailto:ser@mail.state.il.us)

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

November 4, 2009

The Honorable Pat Quinn  
Governor  
207 Statehouse  
Springfield, IL 62706

Dear Governor Quinn:

At the meeting of the Board of Trustees of the State Employees' Retirement System held on October 20, 2009, the Board certified a state contribution for fiscal year 2011 of \$1,268,881,000, or 30.253% of payroll.

This contribution level is based on provisions contained in Public Act 88-0593, as modified by Public Acts 93-0002, 93-0839, 94-0004 and 96-0043.

Very truly yours,

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

Timothy Blair  
Acting Executive Secretary

TB

cc: Governor Pat Quinn, Chicago Office  
David Vaught, 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 John Cullerton  
Senator Christine Radogno  
Speaker of the House Michael Madigan  
Representative Thomas Cross  
Noe Chaimongkol, Office of Senate President  
John Lowder, Speaker's Office  
Mike Mahoney, House Republican Staff  
Kim Fowler, Senate Republican Staff  
Jessica Handy, Senate Democratic Staff  
Steve Zahn, House Democratic Staff  
Daniel W. Hynes, Comptroller  
Sean Vinck, Director of Legislative Affairs, Governor's Office

APPENDIX X



State Universities Retirement System of Illinois

Serving Illinois Community Colleges and Universities

P.O. Box 2710 • Champaign, IL 61825-2710  
(217) 378-8855 • (217) 378-9801 (fax)

Judith A. Parker  
*Interim Executive Director*

November 6, 2009

The Honorable Pat Quinn  
Governor, State of Illinois  
207 Statehouse  
Springfield, IL 62706

Re: Certification of required contribution to the State Universities  
Retirement System for State fiscal year 2011

Dear Governor Quinn:

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 2011 for the purposes of the system.

The Board has certified that \$848,142,000 is the total net required contribution for State fiscal year 2011. 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,

Judith A. Parker  
Interim Executive Director

Encl: Certification  
Actuarial recommendation

cc: The Honorable Dan Hynes, Comptroller  
Mr. David Vaught, 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  
Mr. Steve Zahn, House Democratic Staff  
Ms. Jessica Handy, Senate Democratic Staff  
Mr. Erik Dillman, Senate Republican Staff  
Mr. Michael Mahoney, House Republican Staff

APPENDIX Y



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](mailto:ser@mail.state.il.us)

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

November 4, 2009

The Honorable Pat Quinn  
Governor  
207 Statehouse  
Springfield, IL 62706

Dear Governor Quinn:

At the meeting of the Board of Trustees of the Judges Retirement System held on October 30, 2009, the Board certified a state contribution for fiscal year 2011 of \$90,251,000, or 53.35% of payroll.

This contribution level is based on provisions contained in Public Act 88-0593, as modified by Public Acts 93-0002, 93-0839, 94-0004 and 96-0043.

Very truly yours,

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

Timothy Blair  
Acting Executive Secretary

TB

cc: Governor Pat Quinn, Chicago Office  
David Vaught, 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 John Cullerton  
Senator Christine Radogno  
Speaker of the House Michael Madigan  
Representative Thomas Cross  
Noe Chaimongkol, Office of Senate President  
John Lowder, Speaker's Office  
Mike Mahoney, House Republican Staff  
Kim Fowler, Senate Republican Staff  
Jessica Handy, Senate Democratic Staff  
Steve Zahn, House Democratic Staff  
Daniel W. Hynes, Comptroller  
Sean Vinck, Director of Legislative Affairs, Governor's Office

APPENDIX Z



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](mailto:ser@mail.state.il.us)

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

November 4, 2009

The Honorable Pat Quinn  
Governor  
207 Statehouse  
Springfield, IL 62706

Dear Governor Quinn:

The Board of Trustees of the General Assembly Retirement System has certified a state contribution for fiscal year 2011 of \$12,058,000, or 79.39% of payroll.

This contribution level is based on provisions contained in Public Act 88-0593, as modified by Public Acts 93-0002, 93-0839, 94-0004 and 96-0043.

Very truly yours,

A handwritten signature in black ink that reads "Timothy Blair". The signature is written in a cursive style with a large, prominent 'T' and 'B'.

Timothy Blair  
Acting Executive Secretary

TB

cc: Governor Pat Quinn, Chicago Office  
David Vaught, 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 John Cullerton  
Senator Christine Radogno  
Speaker of the House Michael Madigan  
Representative Thomas Cross  
Noe Chaimongkol, Office of Senate President  
John Lowder, Speaker's Office  
Mike Mahoney, House Republican Staff  
Kim Fowler, Senate Republican Staff  
Jessica Handy, Senate Democratic Staff  
Steve Zahn, House Democratic Staff  
Daniel W. Hynes, Comptroller  
Sean Vinck, Director of Legislative Affairs, Governor's Office



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# STATE RETIREMENT BOARDS

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





**GENERAL ASSEMBLY RETIREMENT SYSTEM (GARS)**

Board of Trustees:

Term Expires:

Appointed by the Senate President

Senator William Brady	1/5/2011
Senator James Clayborne, Chairman	1/5/2011
Senator Don Harmon	1/2/2011

Appointed by the Speaker of the House

Representative Mark H. Beaubien Jr., Vice-Chairman	1/5/2011
Representative Kevin A. McCarthy	1/5/2011
Representative Dan Reitz	1/5/2011

Elected Member

Representative Phillip W. Collins	1/5/2011
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**ILLINOIS STATE BOARD OF INVESTMENT (ISBI)**

Board of Directors:

Term Expires:

Appointed by the Governor

Michele Bush	6/2/2013
John Casey	6/2/2012
Fred Montgomery	6/2/2013
Heather Parish	6/2/2010
Ronald E. Powell	6/2/2011

Ex-Officio

Senator James F. Clayborne, Chairman	Ex-Officio
Alexi Giannoulis, Treasurer	Ex-Officio
Daniel W. Hynes, Comptroller	Ex-Officio
Justice Thomas Hoffman, Recording Secretary	Ex-Officio

**JUDGES' RETIREMENT SYSTEM (JRS)**

Board of Trustees:

Term Expires:

Appointed by the Supreme Court

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

9/27/2011  
9/17/2010  
9/16/2012

Ex-Officio

Honorable Thomas R. Fitzgerald  
Honorable Alexi Giannoulis, Treasurer

Ex-Officio  
Ex-Officio

**STATE EMPLOYEES' RETIREMENT SYSTEM (SERS)**

Board of Trustees:

Term Expires:

Appointed by the Governor

Thomas Allison  
Renee Friedman  
Michael Noser  
Maria Pelaez-Peterson  
Danny J. Silverthon  
Harold Sullivan Jr.

7/2/2014  
7/2/2014  
7/2/2014  
7/2/2014  
7/2/2014  
7/2/2014

Elected Members

Joyce King  
Lori Laidlaw, Vice-Chairman  
David Morris  
Patricia Ousley  
Patricia Rensing  
Virginia Yates

7/15/2011  
7/15/2011  
7/2/2014  
7/2/2014  
7/2/2014  
7/22014

Ex-Officio

Daniel Hynes, Comptroller & Chairman

Ex-Officio

**STATE UNIVERSITIES RETIREMENT SYSTEM (SURS)**

Board of Trustees:

Term Expires:

Appointed by the Governor

Christine Boardman	6/30/2011
Mark Donovan, Treasurer	6/30/2011
Michael J. Mackey	6/30/2011
Dr. Alice Palmer, Vice President	6/30/2011
Michael Pizzuto	6/30/2011
Antonio Vasquez	6/30/2013
Mitchell Vogel, President	6/30/2011
Marva Williams	6/30/2013

**TEACHERS' RETIREMENT SYSTEM (TRS)**

Board of Trustees:

Term Expires:

Appointed by the Governor

Marcia Boone	7/15/2014
Michael Busby	7/15/2012
Livia Kiser	7/15/2014
Sidney Marder	7/15/2014
Janice Reedus	7/15/2012
Sonia Walwyn	7/15/2012

Elected Members

Jan Cleveland	7/15/2013
Cinda Klickna	7/15/2011
Sharon Leggett	7/15/2011
Molly Phalen, Vice President	7/15/2013

Elected Retirees

Bob Lyons	7/15/2013
Cynthia O'Neill	7/15/2011

Ex-Officio

Christopher Koch Ed.D., President	Ex-Officio
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## **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  
(217) 782-3513 (FAX)

[http://www.ilga.gov/commission/cgfa/cgfa\\_home.html](http://www.ilga.gov/commission/cgfa/cgfa_home.html)